

MAYOR'S PRESENTATION OF A DRAFT BUDGET FOR THE FINANCIAL YEAR 2014/2015 TO COUNCIL, ON 26 MARCH 2014, AT UMZUMBE COUNCIL CHAMBER

Honorable Speaker of Umzumbe Council
Members of the Executive Committee
Amakhosi
All councilors
Municipal Manager
And all officials present here today

I greet you egameni **lokwakha ikusasa elingcono.**

Opening the National Parliament on the 13th February 2014, His Excellency, President Jacob Zuma said, "South Africa has a good story to tell." The Presidents accession was duly informed by the infrastructure progress that has been made in the country thus far. The President also went on to say, "South Africa Is a Better Place to Live than It Was Before 1994." Indeed our motto as Umzumbe Local Municipality goes well with the saying of the President when it says "Building a better future" because we are at the coal face of infrastructure development.

Somlomo Ohloniphekile, the President highlighted a number of issues saying that there are still five priorities that as government we still need to deal with. These are education, health, the fight against crime and corruption, rural development and land reform as well as creating decent work. These are the priorities that informed our draft budget that I present to you this morning.

Maybe I must mention the fact that this is our first draft budget sitting after the swearing in of 6 Amakhosi asendlunkulu to our Council. President Zuma takes very serious the issue of Amakhosi. He said that traditional leaders are at the centre in the lives of millions of South Africans who live

in rural communities. He welcomed the existing partnership between the South African Police Services and the traditional leaders, which was aimed at reducing crime levels.

Our line of march for the 2014/2015 draft budget is aligned to the budget allocations by The Minister of Finance, Mr. Pravin Gordhan. It is a known fact that the needs of our communities far supersede our budget allocation. However we are very mindful of ensuring that we budget well and spend well. In our spending well we ensure that we address the priority needs of our communities. Somlomo I must add that it is not always a possibility to please everybody.

The challenge is fueled by the fact that the triple challenges of poverty, inequality and unemployment continue to haunt us even today. In trying to address this triple challenge we need to work in unison from all fronts. Let my presentation of this draft budget this morning mark the beginning of going out there to work with our communities in ensuring that we improve their lives. Let us take the opportunity of this draft budget presentation to go out there and create even more good stories to be told as alluded to by President Zuma. In order to ensure that we come from all fronts in attacking the triple challenges I spoke about, this budget has incorporated all areas that have a potential to create job opportunities and have economic growth. Economic growth will indeed create jobs for our people.

This draft budget was not a one man show. It was a number of minds thinking and strategizing together in ensuring that we leave no stone unturned in meeting the demands of our people on the ground. Somlomo one can truly say that we subscribe to the notion of "Working together we can do more"

In that spirit of working together and doing more, Somlomo, we will depart from this august house to our communities in four clusters and present it to them. That will afford us an opportunity to be able to fine tune it, polish

it and make it to be the plan that address their very own challenges. That means it will be a plan for the community by the community.

Today's presentation is informed by the fact that the MFMA, which amongst other things stipulates that:

- 1) The Council of the municipality must for each financial year approve an annual budget for the municipality before the start of the new financial year
- 2) In order for the municipality to comply with subsection (1), the Mayor of the Municipality must table the draft annual budget at a council meeting at least 90 days before the start of the financial year.

Our income budget projection through government Grants is at **R 153,674,000,00**. This figure includes grants such as:

Municipal Infrastructure Grant (MIG)	-	R	33,370,000
Equitable share	-	R	105,320,000
Municipal Systems Improvement Grant (MSIG)	-	R	934,000
Local Government Financial Management Grant (FMG)		R	1,800,000
Integrated National Electrification Programme		R	6,000,000
Infrastructure Sports Facilities		R	2,250,000
Scheme Support programs		R	500,000
Tourism grant		R	4,000,000

In addition we project an income through investments to an amount of **R 3,200,000** and a further **R 4,157,557.00** income will be obtained through our rates income, with **R 140,000**, to be collected through tender sales, hall hire and other revenues. From our own savings the budget will be topped up with **R 4,405,385,00**. Our Total income for the financial year 2014/15 is **R 165,576,496.00**.

Our capital budget allocation from the total income is **R 55,527,383.61** a budget which will be utilized for infrastructure services such as construction of new roads, upgrading of sports fields, purchasing of new plant for

maintenance of existing roads infrastructure, just to name a few. Also included in this budget is an allocation for Ntelezi Msani Project where we aim to build an Information Centre, which is one of our key tourism projects

The remaining **R 110, 049,558.39** has been set aside as an operational budget. Through this allocation we have a clear programme of action which includes poverty alleviation projects, special programmes such as HIV and AIDS, youth programmes, ward committee programmes, waste management programme, as well as other operational activities such as payment of salaries and maintenance of existing assets. We have set aside a portion in this budget to cater for maintenance of roads as we know how the recent rains badly damaged our roads. This we are doing to ensure that we do not just build new roads when the existing roads are being washed away by heavy rains. I must mention the fact that we have a good track record in spending our budget. This is evident in the continuous unqualified audits that we continue to receive from the Auditor General.

Somlomo ohloniphekile, alongside our draft budget we present to the council a Draft Integrated Development Plan, which is our five year plan that directs our planning and budgeting. The draft IDP was prepared in accordance with the Municipal Systems Act no 25 of 2000, taking into account a number of factors which include inputs from our community through various public participation processes and alignment with the National Key Performance Indicators.

In conclusion Somlomo Ohloniphekile, I therefore, present to this council our draft 2014/15 budget as well as our Draft Integrated Development Plan, for adoption.

I thank you.