

MAYOR'S REPORT DRAFT BUDGET FOR 2023/2024 FINANCIAL YEAR

TABLING OF FINAL MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR 2023/2024 2024/2025 AND 2025/2026

BY HIS WORSHIP THE MAYOR OF ULUNDI, CLLR M.W. NTSHANGASE MEETING ON 30 MARCH 2023



Honourable Speaker, Amakhosi present, Her Worship the Deputy Mayor Chief Whip MPAC Chairperson, Honourable Councillors, Acting Municipal Manager, Heads of Departments and Municipal Administrative staff I greet you all and I would like to thank you for this opportunity I have been offered. Honourable Speaker I am standing here in front of this house to table the Medium-Term Revenue and Expenditure budget for the 2023/2024 as well as two outer years 2024/2025 and 2025/2026 in accordance with Municipal Budgeting Regulations and the latest budget circular number 123.

As we all know that since this Municipality is geographically located in a remote area this hinders our Constitutional mandate to provide essential services to our communities due to minimum percentage of grants allocations.

Honourable Speaker and the house, it is worth mentioning again that the electricity is still a burning issue. No matter what fiscal disciplinary measures we implement to maximise electricity revenue, the NERSA sanctioned disparity in terms of an annual percentage increase granted to Eskom as opposed to a percentage granted to municipalities and that has perpetually reduced the income realised through the sale of electricity, coupled with the Seasonal Charge that Eskom is, for ages charging Ulundi Municipality when the municipality was only granted a permission by NERSA to levy this charge on certain businesses. It is also noted with concern that Eskom has been continuously charging this Municipality the so-called rural electricity subsidy at an average amount of R600 000.00 per month. As early as February 2020 this Municipality took a resolution to surrender the license for electricity distribution to Eskom but sadly, Eskom is reported to be delaying the process unnecessarily.

- . Our budget has the following highlights:

REVENUE

NO.	ITEM	AMOUNT ('R)
1	Property Rates	114 469 000 .00
2	Service Charges-Electricity revenue	82 660 000.00
3	Refuse	10 017 000.00
4	Interest on External Investments	1 258 000.00
5	Traffic Fines	105 000.00
6	Learner's Licence & Permits	1 886 000.00
7	Grants & Subsidies	221 071 000.00
	TOTAL	431 466 000.00

EXPENDITURE

NO	ITEM	AMOUNT('R)
1	Employees Related Costs	173 648 000.000
2	Remuneration of Councillors	18 460 000.000
3	Bulk Purchases	103 000 000.000
4	Contracted Service	42 124 000.000
5	General Expenses	61 116 000.000
	TOTAL	398 348 000.000

Honourable Speaker and Colleagues, it must be noted that National Treasury has issued Circular Number 71 which deals with financial ratios and norms. Municipalities need to budget for repairs and maintenance at a rate of not less than 8% of the Property, Plant and Equipment. National Treasury guidelines for salary increases of 3% for section 56 and 57 Managers and 3.10% for other employees has been considered when preparing this Draft Budget as per latest Budget Circular Number 123 issued.

Honourable Speaker as well as my colleagues, I would like to emphasise that this Draft Budget has been prepared in compliance with Municipal Budget Reporting Regulations and will be submitted to both National and Provincial Treasuries in an electronic copy as well as hard copies in the required format (A Schedule MSCOA Version 6.7). and other relevant stakeholders for comments including our community through municipal notices.

With those words I wish to thank all of you for this opportunity. May Almighty GOD bless you.

