

**DRAFT BUDGET SPEECH FOR 2013/2014 FINANCIAL YEAR BY HER WORSHIP
MAYOR OF THULAMELA MUNICIPALITY CLLR MAHOSI N.G**

VENUE : MUNICIPAL COUNCIL CHAMBER

DATE : 28 MARCH 2013

TIME : 10H00

THE CHAIRPERSON OF COUNCIL HONOURABLE SPEAKER Cllr BALOYI M.E

THE CHIEFWHIP OF THE COUNCIL Cllr MUTOTI N.W

SENIOR TRADITIONAL LEADERS

CONCILLORS

THE SENIOR MANAGEMENT TEAM

DISTINGUISHED GUESTS

AND ALL PROTOCOL OBSERVED

We are assembled here today to table the Draft Budget for 2013/2014 financial year, the IDP Review 2013/2014, and also the submission of Annual Report for 2011/2012 financial year. It is for this reason that I want to thank you for affording me this opportunity to share with you the milestones of this municipality. I would also like to remind every member of this sitting that our municipality still perceives the IDP and the Budget as important tools through which we are able to manage the public funds.

HONOURABLE SPEAKER

I am quite certain that the Draft budget I am presenting to you today represents the will of the people, serve as a developmental tool and will also obligate for proper planning for Thulamela community. Thulamela municipality has also taken many steps to create the condition of higher level of confidence in our economy as a right measure to align our development plan with the National Development Plan.

HONOURABLE SPEAKER

Allow me to reiterate what the Minister of Finance Pravin Gordhan said when tabling the 2013/2014 national budget on the 27th February. I quote “The 2013/14 Budget is presented in challenging times, but against the background of a new strategic framework for growth and development. This is the Budget in which there is a limited room for expansion, yet there are significant opportunities for change” out quote.

This was also repeated by Limpopo Finance MEC David Masondo during the presentation of Provincial Budget on the 12th of March 2013.

This simply means that the reflection of our adjustment budget in January symbolized that our financial growth had begun to stall. Details from our previous financial year reveal that there was a decline in the municipal revenue, and we are obliged to live within our current financial means.

HONOURABLE SPEAKER

Thulamela Municipality`s signs of economic growth had continued to be impressive but somehow through the outlook remained troubled by the higher level of debtors that are inhibiting progress. Thulamela municipality`s revenue collection has therefore been projected to be lowering down in 2012/2013 financial year.

Despite the current financial constraints we are having, our municipality still commits itself to accelerate its economic growth, fair distribution of resources, development through building a highly productive economy and raising productivity and living standards in order to build a more equal society.

The national development plan as the new trajectory, supported by New Growth Path and other programmes, invites us to look beyond the constraints of the present, and ponder our sentiments in transformation imperatives of the next twenty and thirty years to come.

HONOURABLE SPEAKER

Thulamela Municipality's vision 2030 and its alignment to National and Provincial planning strategies characterize a full image of anticipated development by the year 2030. But this will only be realized by constant adherence to Municipal Finance Management Act (Act 56, of 2003) as the National Treasury circular no: 58 and 59 always mandate municipalities to constantly comply with sections in the MFMA.

HONOURABLE SPEAKER

Although our Draft Budget is labouring under stress, it still contains strides that form the basis for our 2030 vision. To this end we continue to be guided by effective principles of

land development, desired pattern of land use and strategic guidance in respect of the location and nature of development within the municipality.

We are aware of our successes and contemplate failures, and have already taken corrective actions where needed. We are also mindful of the fact that when carrying out our responsibilities extra care should be given to maintain our long-term vision. Most of you can agree with me that we have been doing more with fewer resources, so we can use this 2013/2014 Draft Budget as the anticipated tool to our financial recovery, given the available resources at our disposal.

Those of us, who are charged with the responsibility of delivery of key services and a better life clearly need to do better and do so with the greater sense of urgency and seriousness. We have witnessed some voices from our communities, commenting about the progress we are making, but our people still need our municipality to accelerate service delivery.

HONOURABLE SPEAKER

Looking back on the path we have travelled since 1994, we see the importance of long term perspective on development and change. It is people acting together for common vision that connects dreams with realities to make the better future possible.

Let us intensify our ability and sustain our vision 2030 through our will and wisdom to take another leap forward in reconstructing and developing our local government.

HONOURABLE SPEAKER

Allow me to present this tabled Draft Budget for 2013/2014 financial year.

EXECUTIVE SUMMARY OF THE DRAFT BUDGET FOR 2013/2014 FINANCIAL YEAR.

1. REVENUE

The Projected Income for 2013/2014 Financial Year is R596 726 256 while the 2012/2013 Provision was R704 021 000.

The decrease is substantially as a result of the following:

- Neighborhood development grant which was R92 000 000 for 2012/2013 Financial Year and reduced to R16 000 000 in 2013/2014 financial year.

- Long-term loan of R50 000 000 in 2012/2013 Financial Year while in 2013/2014 Zero was budgeted for.
- Refund for VAT also went down in 2013/2014 financial year by R29 000 000.
- Energy efficient and demand side management grant was R6000 000 in 2012/2013 financial while in 2013/2014 it is zero.

The following are the Total Grants for 2013/2014 financial year

- Equitabale Shares	R 290 472 000
- Finance Management fund	R 1 550 000
- Municipal improvement grant	R 890 000
- MIG	R 103 356 000
- Extended Public works program grant	R 1 735 000
- Electricity Grant (INEP)	R 50 000 000
- NDPG	R 16 000 000
TOTAL	R 464 003 000

Revenue from our source is R132 723 256

2. SALARIES WAGES AND ALLOWANCES

The approved salaries and wages for 2012/2013 financial year is R153 478 646 and it increased by 6.9% (as per circular no: 66) to R 164 145 412

3. GENERAL EXPENSES

General expenses budgeted for 2013/2014 Financial Year is R127 617 754, while in 2012/2013 it was R230 806 263. General expenditure has decreased by R103 188 544, and this has resulted from electricity project which had a budget for R95 000 000 in 2012/2013 and a zero budget for 2013/2014.

4. REPAIRS AND MAINTENANCE

The repair and maintenance has been provided R30 883 000 and this has gone down by R12 849 000. This resulted from R32 000 000 street rehabilitation which was budgeted for 2012/2013 financial year and zero budget in 2013/2014.

5. DEPRECIATION

This is the requirement of GRAP presentation in respect of assets. For 2013/2014 financial year depreciation is provided for at R38 494 091.

6. CONTRIBUTION

The contribution has been provided for at R44 460 000. This mainly consisting of provision of Bad Debts.

7. CAPITAL ASSETS

The capital budget provided was R191 126 000 and It has increased by R1 296 000.

8. RECOMMENDATIONS

It is recommended that the capital and operational estimated budgets for 2013/2014 financial year report be attached for presentation as it contains full records, for the council and public participation.

That it be noted that the total estimated revenue including grants to fund the capital and operational budget will amount to R596 726 256 against the estimated expenditure R596 726 256 resulting in nil deficit/surplus.

That the council approves for implementation of the tariffs for municipal services.

That it be noted that the Capital Budget will be funded as follows:

MIG	R103 356 000
NDPG	R16 000 000
OWN/ equitable share	R71 770 000
TOTAL	R191 126 000

HONOURABLE SPEAKER

This Draft Budget for 2013/2014 Financial Year is tabled in the hope that as a municipality we will be able to rise above our interests. We cannot fully and

effectively redistribute what we do not own. We should also persuade the privileged sections of our society to make certain sacrifices.

It is for the reasons stipulated above that this draft will afford us opportunities to retrospect ourselves on a broader financial scope.

What counts in life is not the mere fact that we are living, but it is the difference we are making to the lives of others that will determine the significance of the lives we lead.

HONOURABLE SPEAKER

In conclusion, I recommend that the council approves the draft budget for 2013/2014 financial year.

I THANK YOU