

**SPEECH DELIVERED BY THE HONOURABLE MAYOR, CLLR LS ZUNGU,  
ON THE OCCASION OF TABLING OF THE FINAL BUDGET FOR THE YEAR  
2022/2023 HELD AT THE COUNCIL CHAMBER ON WEDNESDAY, 15 JUNE  
2022.**

Honourable Speaker

Deputy Mayor

Council Whip

Amakhosi

Members of the Executive Committee

Councillors

Municipal Manager

Senior Managers and officials

The media

Distinguished guests

Ladies and Gentlemen

**INTRODUCTION**

It gives me a great pleasure to stand in front of you to present to this august house the Final Budget for the year 2022/2023 as directed by Section 24(1) of the Municipal Finance Management Act.

The budget I present today is appropriately aligned with the Integrated Development Plan and is in tune with the realities presented by the volatile socio-

economic circumstances prevalent in our society. It is a budget that sets out realistically anticipated revenue for the budget year and appropriate expenditure. For this reason, I am pleased to announce to this august house that the budget for the 2022/2023 is indeed a funded budget, and this gives us the much-needed certainty that the expenditure outlined in this budget will be implemented without any foreseeable hindrances.

### **June 16 - Youth Day Commemoration**

Honourable Speaker, we are gathered here on the eve of June 16, a public holiday to commemorate the 1976 Soweto uprising that changed the socio-political landscape in our country in a profound way. The 1976 generation stood firm and challenged the unjust policies of the apartheid government in pursuit of the freedom that we all enjoy today.

However, while much has been achieved since the 1994 historic elections to transform society, the youth struggle continues as many challenges still exist that affect our youth, women, and society in general. Young people pin their hopes on our government to reduce unemployment, poverty, and inequality as the vestiges of apartheid which continue to impact on their growth prospects and development of society at large.

Therefore, I am pleased that the budget that I table today is in tune with these realities and geared to make a profound impact towards transforming the community of Umuziwabantu, especially the youth.

### **State of the economy**

Fellow compatriots, this 2022/2023 budget is presented during tough economic times which has been occasioned by several reasons. The impact of Covid-19,

July unrests, the recent floods, sustained load shedding and the ever-increasing fuel prices are among the factors that cause a profound impact on prospects for economic growth.

In these tough economic times, strong revenue management and strategies is fundamental to the financial sustainability of the municipality. The reality is that we are faced with development backlogs and poverty. The needs of the community however always exceed the available funding. For this reason, we must always strive to do more with the little resources we have at our disposal and ensure that services are provided to our communities in an efficient manner.

## **OBJECTS OF LOCAL GOVERNMENT**

Honourable Speaker, irrespective of the unfavourable economic situation facing our nation, as Umuziwabantu Municipality we are still expected to relentlessly pursue the Objects of Local Government outlined in Section 152 of the Constitution of the Republic of South Africa:

- To provide a democratic and accountable government for local communities,
- Ensure the provision of services to communities in a sustainable manner,
- Promote socio and economic development,
- Promote a safe and healthy environment,
- Encourage the involvement of communities in the matters of local government.

As I address this house, there is no hesitation in my mind that the budget I table today will indeed enable us to fulfil the mandate bestowed upon us by the Constitution and empower our us to take forward the struggle for the creation of a transformed and prosperous Umuziwabantu.

## **2022/2023 BUDGET OUTLINE**

The Medium-Term Expenditure Framework proposes a total budget of **R 309 million** for 2022/2023 financial year. It appropriates a total operating expenditure of **R 253 million** and capital expenditure of **R 56 million**.

Total operating revenue is R252 289 million, representing a 11% decrease in the 2022/2023 financial year when compared to the 2021/2022 adjusted budget. This is due to an accounting treatment General Accounting Practice (GRAP) 109 that is affecting our housing grant since the municipality act as an Agent. For the two outer years, operational revenue has however increased by 4% and 4.5% when compared to 2021/2022 financial year including grant allocations that has been gazetted.

The R253 million total operating expenditure for the 2022/2023 financial year, indicates an 8% increase of an overall operational expenditure when compared to the 2021/2022 Adjusted Budget. The major contributing factor is due to COIDA, Rehabilitation of Landfill, the increase is also due to the Electricity Grant which is gazetted NERSA. There is an increase of 4% and 4.5% for the outer years when compared to the adjusted budget for 2021/2022 financial year.

Whereas the Capital budget of R 56 million in the 2022/2023 budget represents a 20% increase when compared to the 2021/2022 adjusted budget. This increase is due to the additions that is allocated for this new financial year i.e., corridor development grant, Low bed, Tipper Truck, vehicle, and grader. Capital budget is for assisting in rendering service delivery to the needy communities to help fight poverty which is affecting communities at large.

## **OPERATING REVENUE FRAMEWORK**

For the municipality to continue improving the quality of services provided to its citizens, it needs to generate the required revenue. In this regard, the 2022/2023 budget highlights that the operational revenue includes the following:

- R110, 541 million from Equitable Share,
- R42 million from Electricity Service Charges,
- R26,163 million from Municipal Infrastructure Grant,
- R24,589 million from property rates
- R11,2 million from Interest on Investment, to mention a few sources of our operational revenue.

Therefore, the top three sources of operating revenue are: transfer-recognised operational, electricity service charges, and property rates

## **OPERATING EXPENDITURE FRAMEWORK**

Regarding the expenditure framework for the 2022/2023 budget, allocations in the budget include the following:

- Salaries and Wages : R98,747million
- General Expenses : R57million
- Bulk Purchases : R47,8million
- Depreciation : R20million
- Repairs and maintenance: R12,68million
- Electrification : R15,9million
- Caucus Fund : R414,032.00

## **SPECIAL PROGRAMMES, YOUTH DEVELOPMENT AND LOCAL ECONOMIC DEVELOPMENT**

Ladies and gentlemen, it is undeniable that much still needs to be done to undo the legacy of apartheid in our society. As we celebrate twenty-eight years of our democracy, the youth, women, people with disabilities and many other

vulnerable groups continue to bear the brunt of inequalities and social ills in their communities.

Mindful of this reality, in the 2022/2023 financial year we emphasize our resolve to transform our communities through the following budget allocations for special programmes, youth and local economic development initiatives:

<b>PROGRAMMES</b>	<b>ADJ BUDGET 2021/2022</b>	<b>BUDGET 2022/2023</b>
PEOPLE WITH DISABILITIES	70 572,00	70 572,00
GENDER	163 452,00	163 452,00
ARTS AND CULTURE	171 702,00	171 702,00
HIV/AIDS	119 040,00	119 040,00
SENIOR CITIZENS	114 060,00	114 060,00
YOUTH PROGRAMS	658 398,00	658 398,00
SPORTS DEVELOPMENT	212 400,00	212 400,00
HERITAGE SUPPORT	21 000,00	60 000,00
RELIGIOUS SUPPORT	35 841,00	35 841,00
LED SUPPORT	1 470 000,00	2 750 000,00

## **Local Economic Development**

In the 2022/2023 budget the allocation for LED has increased to R2 750 000.00 from R1 470 000,00 the previous financial year. This increase demonstrates the vigor with which we intend to tackle poverty and unemployment in Umuziwabantu. We aim to advance this course through unlocking local tourism potential, attracting investors and supporting local businesses in both formal and informal sectors.

We ought to rollout impactful community projects in our communities and implement programmes that promote the participation of our people in the economy of Umuziwabantu and beyond. For this reason, the youth, women, people with disabilities and all vulnerable groups must be encouraged and supported to take advantage of the lucrative opportunities that exist in the manufacturing, farming, forestry, and textile industries, etc.

Manje sekuyisikhathi sokulekelela abantu bakithi ukuze bakwazi ukuhweba ezimbonini ezahlukahlukene. Nabo bahlumule emnothweni wethu ungahlomuli ongiwa kuphela.

Ezokungcebeleka nazo azithuthukiswe ngezindlela azahlukahlukene. Kuhlelwe namafestival omculo njalonjalo, ukuzama ukuheha izivakashi njengoba kwenziwa ngempumelelo kwezinye izindawo esezidlondlobele kulomkhakha.

## **Youth Development**

Under youth development, a considerable budget allocation has been made to bolster programmes designed to empower the youth of Umuziwabantu, including those from destitute background.

In the 2022/2023 financial year, projects such as the Matric Excellence Awards, Study Assistance for undergraduates, Back to School programme which provides school uniform to over 100 learners, Mayor's Cup, and the Umuziwabantu Fun Run to mention a few, will continue to be part of our Youth Development programme that benefit young people across the eleven wards of Umuziwabantu Municipality.

Social Change programmes will also continue to be a key part of our efforts to address social ills in our communities and prepare youth for a better future. In the next financial henceforth, are also turning our attention towards upscaling skills development programmes in Umuziwabantu to equip young people with essential skills to ensure thier success in the job market and entrepreneurial space.

## **Special Programmes**

Through our special programmes initiatives, we are committed to confronting a

myriad of social ills that devastate our communities. Tackling the scourge of Gender Based Violence and Femicide, teenage pregnancy, HIV/AIDS, drugs and substance abuse, among others, remain top of the agenda that we canvas in partnership with our social partners.

Equally important is the promotion and empowerment of women and people with disabilities of Umuziwabantu to ensure that they too benefit from the fruits of our democracy and play a part in the development and transformation of their communities.

In this regard, I am pleased to announce that in the 2022/2023 budget a record allocation of over R4million has been made for Special Programmes, LED, and Youth Development initiatives collectively. The figure includes allocations for Heritage and Religious support to harness our relationship with traditional authorities and the faith-based sector in Umuziwabantu. Siyaqhuba asimanga!

## **CAPITAL BUDGET SUMMARY**

Honourable Speaker, the R52million capital expenditure proposed in the 2022/2023 budget is derived from a combination of funding sources.

- R24.8million from MIG grant,
- R4.6 million Corridor grant, and
- R22million from internal generated funds; our cash backed reserves.

Therefore, MIG accounts for 49%, Own Revenue 42% and Corridor Grant 9%.

Allocations from the capital expenditure budget include the:

- R19,6million for Roads Infrastructure
- R16,3million for Community Facilities (Sports field, Cemetery, Community Halls)
- R4,6million for Corridor Development Grant



- R4.5million for machinery and equipment
- R3,4million Computer and office furniture
- R3million for Municipal buildings, to mention a few.

This breakdown indicates that a lion's share of the capital expenditure goes to road infrastructure, which represents our determination to addressing the state of access roads in our communities.

### **Capital Projects – 2022/2023**

Fellow councillors, capital project for 2022/2023 provided for in this budget include the following:

<b>PROJECT</b>	<b>BUDGET</b>
Mhlwazini Access Bridge	R10 236 416.85
Engele Community Hall	R5 045 972.51
Kwa C Access Road	R400 000
Harding Sportsfield	R6 598 588.00 (R1 800 000.00- Internal funds, R4 798 588.00 – MIG)
Gayiga to Nyawo Access Road	R3 482 873.27
Musgrave Road	R2million
Corner Street	R2million
Stafford Street	R1million
Fantini Road	R400 000

Ladies and gentlemen, I am also pleased to announce that in this budget we have also made provisions for the sourcing of additional equipment to respond

to the general outcry pertaining to limited resources for our road maintenance programme. In this regard:

- R3,6million is allocated for sourcing a new grader,
- R3,6million to purchase a lowbed truck,
- R1million for tipper trucker.

As part of our road safety infrastructure programme in the Harding CBD, an allocation of R600 000 has been to purchase new traffic lights. A substantial amount is also allocated for the maintenance of existing traffic lights. However, the vandalism of traffic lights and other electrical infrastructure in the CDB remains a serious concern. We urge our communities to work with us in ensuring that the perpetrators of this crime are reported and brought to book.

## **CLOSING REMARKS**

Honourable Speaker, the Auditor General recently tabled the audit outcome for the 2020/2021 financial year audit. The municipality has once again maintained the unqualified audit this time with fewer matters of emphasis. The report highlights some improvement for the organization when compared to the previous year. The municipality is now putting in place stringent measures to ensure that we improve back to the clean audit opinion. We remain resolute that we will achieve this target with the assistance of functioning structures of council and competent personnel that we have at our disposal.

Honourable Speaker, it is undeniable that our institution has gone through a rough patch in the recent weeks and months. I have no doubt in mind what the instability is not among the things that our communities, the municipal workers, and all stakeholders expected from us. Certainly, the people are disinterested in our political disputes and divisions. Instead, they expect us to cooperate with one

another and rise above our differences to ensure unhindered delivery of services to their communities is always maintained.

## **Conclusion**

In conclusion, it would be a gross injustice if I do not express my gratitude to you fellow councillors and Amakhosi for your support and commitment in ensuring that we eventually table this draft budget to this esteemed Council.

My commendations go out to the Municipal Manager, the entire management team and staff for all the hard work put in preparation for this budget. Your effort is well acknowledged and appreciated.

More importantly, a word of gratitude to the community of Umuziwabantu for all the support, understanding and prayers since the beginning of our journey. We serve at their behest, and we shall not disappoint them.

Fellow compatriots, let us all work together in unison and we remain resolute on our quest to deliver on the expectations of the people, i.e., to successfully implement the service delivery programme that addresses their needs and transform their communities towards development and prosperity.

**I THANK YOU**