

MAYOR'S REPORT

Speaker, Deputy Mayor, Councillors, Officials and members of the public.

Basic service delivery has been highly dependent on Grant funding for the past years.

Financial sustainability is highly dependent on property rates collections and service charges on internal generated revenue.

The cash flow status of the municipality is positive, according to the draft budget the municipality is expected to have cash reserves of almost R30 Million by the end of the financial year (June 2018).

The municipality has for the past three years received an unqualified audit report, which should give confidence to the communities and council as this is an indication that the financial status of the municipality has been reported fairly.

The municipality has benefitted from the National treasury programme (MFMA). Through this programme and grant funding, 5 job opportunities were created. The aim of the programme is also to build capacity within the finance department.

Speaker, Deputy Mayor, Councillors, Officials and members of the public I wish to present an overview of the 2017/2018 – 2019/2020 Medium Term Revenue and Expenditure Framework for Mtubatuba Municipality. The budget and MTREF has been prepared as per the provisions of Finance Management Act, circular 86 as well as MFMA budget and reporting regulations.

As I present this MTREF it is important to take note of the challenges that are currently facing our country as well as our Municipality. As a local Municipality within this country we are not immune to the challenges facing South Africa as well as our district. Among these challenges are:

1. Shortage of electricity in other wards
2. Shortage of water due to drought and insufficient rain resulting in low water levels in rivers and Dams
3. High level of poverty and unemployment
4. An ongoing quest for clean administration and governance

Speaker in this 2017/2018 Medium Term Revenue and Expenditure Framework, we respond to these challenges as follows:

1.1 A budget for electrification program which is mainly rural areas amounting to R 14 million in 2017/2018. It must be noted that as we are making into these programs, we are also responding to the one of the resolution of the Freedom Charter.

1.2 There is little we can do around the issue of water problem as we are not a water service authority. The function of water has been allocated to district Municipality which is UMkhanyakude.

1.3 Speaker in response to poverty and unemployment the municipality have done the following provisions in 2016/2017 budget

- An amount of R 1 558 000 to create jobs opportunities through EPWP programme
- R 150 000 for experiential learning stipend
- R 4 000 000 LED
- R 200 000 Student assistance

The above projects will result in more than 100 job opportunities being created by Mtubatuba Municipality in 2017/2018 financial year.

1.4 Our government took as serious stand towards clean audit and this seen to a number of Municipalities in the province getting clean audit. In the presentation of audit report by auditor general in this council chamber January this year, the office of auditor general did mention that we are close to obtaining clean audit

- Over R 1.5 Million allocated to internal audit in 2017/2018 financial year.

1.5 We have seen a number of various protest taking place in various communities within the country. Even in our municipality we had some protest. It must be noted speaker, that in our municipality most of the issues that were raised on these protest had more to do with water, which are issues outside our mandate.

Speaker and Council it must also be noted that the Draft budget we are tabling today is in line with National Priorities:

- ✓ Creation of decent jobs opportunities
- ✓ Infrastructure development i.e. Roads, Electricity and Local Economic Development

Operating Budget

The municipality's budget for 2017/2018 to 2019/2020 is summarised as follows:

KZN275 Mtubatuba - Table A4 Budgeted Financial Performance (revenue and expenditure)			
Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand			
Revenue By Source			
Total Revenue (excluding capital transfers and contributions)	199,883	212,209	223,250
Total Operating Expenditure	188,095	194,485	205,263
Surplus/(Deficit)	11,788	17,723	17,987
Total Capital Expenditure	47,832	45,246	43,939

More details of the both operating and capital budget are reflected on in the executive summary of the budget document.

The proposed tariff increase for 2017/2018 is less than CPI which is 6.6 percent as per circular 86. Our tariffs increased by 4 percent for all trading services.

Speaker and Council, I would like to take this opportunity and express my gratitude and appreciate the following people:

- The Municipal Manager, Directors and staff for their input in the budget;
- Office-Bearers i.e. Deputy Mayor and The Speaker; Chief Whip and MPAC chair
- The Executive Committee members;
- All Councillors who are the face of service delivery in their respective wards; and
- The community in all 20 wards for their support and co-operation.

I thank you

.....
COUNCILLOR. M.Q. Mkhwanazi
MAYOR OF MTUBATUBA MUNICIPALITY

