

## BUDGET SPEECH BY MAYOR B.K. MARKMAN

5 MAY 2011

Honourable Madam Speaker

Member of Executive Committee

Honourable Chief Whip Clr Sthonga

Honourable &, Respectable Councillors

The Municipal Manager, the CFO, Acting Director, Mr Jack

Director Infrastructure, Mr Taljaard

All Senior Managers present today

Ladies & Gentlemen

Comrades & Friends

Members of Community

Media & Guests

Good morning

It is indeed a great pleasurable honour to present to you the budget of 2011/2012. We are pressed by time to consider and adopt this budget as an outgoing Council.

Madam Speaker, we note that the budget process started during September 2010 when I tabled the timetable for consideration and ultimately was adopted. Numerous IDP meetings were also scheduled in the wards by officials. We further held various meetings for budget inputs. The unfortunate part with municipal budgeting processes is that not all needs identified can be covered in one financial year hence prioritization. There are issues raised that are do-able but we need to mention also that other inputs raised are mandates of other spheres of government which can be addressed through credible IDP's and proper consultation. A budget honourable members is a financial plan. It summarises in financial figures, the activities planned for this

forthcoming year by setting out costs / expenses of our activities, and where the income / revenue will be generated / derived from in order for us to pay for these planned council activities.

The Capital Budget deals with big costs for infrastructure development that is premised from our IDP. The operation budget lists planned operating expenditure for the delivery of services. Its main sources are property Rates, Service charges / tariffs, fines, Equitable share to mention the few.

A tariff means a service charge that the municipality, through its Council charges for the use of services. A municipal budget process is a consultation process not a negotiation process.

Madam Speaker, our budget and the IDP (Integrated Development Plan) are important aspects of goal setting toward realization of better communities. This budget is measurable, specific and time-bound. It is reasonable and affordable.

The budget I am tabling is based on a principle of focus on all the inputs raised by the people and I am determined it will allow Council to “Concentrate rays of diffused sunlight into a force powerful enough to start a fire” of building better communities as people of Emthanjeni- the spirit of togetherness.

Madam Speaker, this budget is a manifestation of creative imagination and independent will by all those who participated. It is a practicality of “eating our elephants one bite at a time” until we have better communities as alluded to in the Freedom Charter. But we must be careful of the “clock-compass syndrome” where we focus on the ticking of time and lose the direction that the compass indicates. We need collectively to know our true “North” and revitalize our communities equally so.

This budget has set up heroic goals and I hope that we will have strength of character to keep our budget commitments. Together, through this budget, we can work on chronic problems of service delivery instead of “quick-fixes”. Let us stay with our commitments even when the tide of popular opinion turns against us- Hold on to our goals, they will become masters instead of servants.

We are boasting about what we have done so far, that may not be enough but there are things that the 2010/2011 budget has successfully addressed. That is a token legacy even if the few don't want to recognize that. We still need to use our creative imagination to visualize, to conceive of possibilities beyond our direct experiences as outgoing and incoming councillors.

As Councillors we need to be like professional photographers, they work with a variety of lenses. They use ultra wide angle and wide angle lenses to capture a bigger picture. They use a telephoto lens to bring an object closer. They use a normal lens to capture the view that mostly resembles what is seen by the human eye. They use a micro lens for close-up work. Part of their expertise is in knowing when to use each lens to create the desired result. So must councillors be in order to understand and build better communities. You must know when to focus in a most effective way so as to deal with all the challenges facing our communities. If we don't translate vision into action, we will lose touch with reality, become idealistic dreamers and then lose credibility with ourselves and the communities we serve.

Madam Speaker, I won't quote the laws, circulars and regulation that are guiding in the municipal budget process. I am confident that Councillors are familiar with those by now.

## CAPITAL BUDGET

We adopted a revised IDP in November 2010 and we will again further adopt the document to align with budget.

The current linkages of IDP to the budget amounts to a sum total of R32 666 000.

- |  |                |
|--|----------------|
| 1. Municipal Infrastructure Grant (MIG)    |                |
| • Establishment of Cemeteries in Britstown | R1 million     |
| • Storm water drainage for De Aar          | R6 306 million |
| • Upgrade of Sewerage works                | R6 million     |
| 2. INEP Municipal Grant                    | R260 000.00    |
| 3. Regional Bulk Water                     | R17 million    |

4. INEP Eskom Grant	R935 000.00
5. Ward Projects for LED	R2.1 Million
6. Resealing and new streets	R3.3 Million
7. Financial Reforms	R801 000.00
8. Office Equipment	R647 000.00
9. Acquisition of prepaid electricity vendors	R848 000.00

## OPERATING BUDGET

### Income

1. Rates & Taxes total expected income is R15 416 328
2. Other services budgeted income is R71 389 943
  - Electricity
  - Water
  - Sewerage
  - Refuse removal etc.
3. Fines will be budgeted for an expected amount of R9 524 237
4. Licences & Permits will be R1 094 460
5. Rental of facilities R472 123
6. Interest Income R1 384 360
  - (External Investments & arrear account)
7. Equitable Share and other Grants R34 885 000

The total operating budgeted income for this 2011/2012 financial will be R148 817 429

Note: allocations in kind of R17 935 000 for Regional Bulk Water is not included in the total budgeted income. Our budget will increase by 12,5% as compared to this financial year 2010/2011. This is because of grants and subsidies that increased, eradication of the bucket system billing on sewerage, etc.

### Expenditure

1. The total salary, wages and social contributions will amount to R47 529 090
2. Councillor Remuneration will amount to R3 482 604

3. Provision of Bad debt, working capital reserve and depreciation will be R7 314 179
4. Repair and Maintenance has increased from R8 170 306 to R8 444 790
5. Contracted Services will cost R6 272 346
6. Capital charges for interest on loans amounts to R1 750 480
7. Bulk Purchases for water & electricity amounts to R34 028 267. The increase represents the Eskom Tariff hikes of 25,8% per annum
8. Operating Grants and subsidy expenditure amounts to R12 671 027 for Indigent Households
9. Capital Grants payments amount to R13 566 000.00
- 10 Capital Projects from our own funds amounts to R7 091 094
- 11 Other Expenditures amount to R20 719 177 for:
  - Employee wellness
  - Audit Fees
  - Telephone
  - Departmental Accounts
  - Fuel & Oil
  - Insurance
  - Subsistence & Travel

Our budgeted Expenditure for 2011/2012 will be R179 341 528. Tariffs will increase by 6,2% for rates & taxes, water Sewerage and Sanitation, refuse removal and other secondary tariffs. Electricity will averagely increase by 16,2%.Indigents households will be subsidized with R238.44.

Madam Speaker, this is briefly how the budget will look. Please note I only reflected on the important items and not went into details per line item.

Madam Speaker as the outgoing Mayor, let me gratefully acknowledge and express my deep appreciation to you wonderful people for working together during the past years. I have learnt a lot from with the hope that you have also learnt a lot from me. I will be very delighted if you cherished to be led by me. Thank you for the respect and everything. You were marvellous.

To all those through their lives we would get wisdom of ages, we have tried to learn from your legacies. All the ANC leadership thank you for the trust you had on me, that is appreciated very much. You have made me something out of nothing.

To the Officials, thank you for your contribution. Local Government displays challenging situations, you have demonstrated the character and competency to deliver services to our people.

To my family, friends whose loving support has made the difference in my life.

To the lovely community, thank you very much for the appreciation for what I could do. You were always supporting to keep me awake through your concerns that you raised with me. I am glad and conscience clear that I could help some of you when you needed me.

Let then all of us go and vote on 18<sup>th</sup> May 2011 to ensure our voices are heard.

All the best to the new Councillors, farewell to the outgoing councillors.

uThixo asisikelele sonke.

Le yase Majoleni inkwenkwe iyabulela

Kube Chosi Kube Hele.

Madam Speaker and Honourable Councillors I therefore present to you the budget for 2011/2012 financial year. It is accompanied by policies – consider and adopt please.