

THE EXECUTIVE MAYOR'S BUDGET SPEECH 31 MAY 2010.

Madam Speaker

Members of council

Ladies and gentlemen

The greatest gift to give to a community is infrastructure as long term investment but any person/ institution or organization that risks nothing, does nothing, is nothing and becomes nothing.

The 26th of May State of The District Address committed this council to strengthen all service delivery systems and appropriate tools necessary to render services in a more responsive and carrying way to the communities we serve. We further committed this council to remain focused on the agreed upon **Municipal Turnaround Strategy** to effect good governance and sound financial management.

Madam Speaker, the audit outcomes have over the last three years indicted us with disclaimer to adverse therefore the budget we present must on the whole seek to achieve the following:

Adequate systems and skills capacity in financial management

Enhance revenue/ debt collection enforcement to recover R13 million owed.

Build and enhance the construction plant revenue

Resource the objective of clean audit outcomes in 2011.

In Pursuit of these goals a budget of R28.86 million of which R18m services MIG misallocation has been set aside while R9.28 million goes to service By-law enforcement, organizational review and development. Skills audit and development, performance management and integrated records management systems.

We have to deliberately build and strengthen an active citizenship participation to heighten leadership accountability. R4.2 million has been allocated to resource public participation structures and programs so that service delivery becomes a dialogue with the community.

Madam Speaker, the WSDP that covers 2008/2009 to 2012/2013 financial years has been developed and has to be continuously improved as a reliable water services resource strategy. Therefore building strong institutional systems for water conservation and demand management has become the destination of choice. Water conservation management has to be enhanced by escalating the installation of automated meter systems adequate customer care, integrated asset infrastructure management to measure the cubic meters of water we render and account for the non water revenue. We have set aside R 63.97million to deal with waste water and water treatment works, emergency water and host of issues above.

Madam Speaker, the green and blue drop has become a serious strategic matter to attend to. Water quality monitoring and waste water monitoring, surveillance of communicable diseases, health and hygiene dominate the policy landscape as priorities. We have allocated R5.9 million in that regard while R87m has been a necessary intervention allocated to bulk sewer connection in Peri-urban areas over the three year horizon.

We have to strengthen the disaster and Fire Rescue Services Capacity to have adequate capability to pre-empt damage and loss of life and property in Disaster or Fire outbreak situations and reduce the vulnerability. Thus R11m shall go a long way to address the installation of Fire Hydrants, drought relief, response, recovery and rehabilitation.

The major difference of our capital budget goes to financing the capital works in water provisioning and bulk urban and rural sanitation to achieve the universal access as per the MDG goals.

Madam Speaker, indicators to the performance of the local economy depict an economy reliant on community services on the main. The R5.64m must resource a robust SMME and Tourism development guided by the aggressive spatial planning services the dislodges the current claims and makes land available. In the same vein the review and implementation of the District Growth and Development summit outcomes remains relevant

Finally, Madam Speaker mindful of the unresolved wage curve negotiation at the Bargaining council we have made the following provisions:

10% increase for permanent employees

8% increase for contract employees

8% increase for councilors

What remains critical beyond the adoption of this budget is monitoring and reporting on its implementation.

“The cleanest town without waste is the Ant-hill “green architectural engineering”

I thank you

Executive Summary

Alfred Nzo District Municipality's projected overall spending envelope for 2010/11 MTREF budget amount to R365 million. Approximately R163 million will be spent in the operating budget and R201million will be invested in capital expenditure.

The 2010/11 MTREF budget has been prepared within the context of the global economic meltdown, taking into account the implication of this crisis on the local economy to ensure that the financial sustainability of the District is maintained.

Within the global recessionary environment and the local low-growth scenario, it is expected that the municipality revenue base will be adversely affected. It therefore means that more should be done with less, without compromising on essential programmes or services.

In the MFMA Circular No. 28, National Treasury provides guidelines on how the municipalities can respond to the economic crisis in their budget preparation. Tough decisions are called for in the following areas:

- Managing all revenue streams ,especially debtors;
- Protecting the poor from the worst impact of the economic downturn;
- Supporting meaningful LED initiatives that foster micro and small business opportunities and job creation;
- Securing the health of their asset base, by increasing spending on repairs and maintenance; and
- Expediting spending on capital projects that are funded by conditional grants.

Accordingly, the Alfred Nzo District Municipality 2010/11 MTREF budget was guided by the following principles:

- Producing a balanced budget;
- Maintaining fiscal stability;
- Maintaining the commitment to deliver quality services
- Collectively managing the costs down;
- Identifying alternative funding (leveraging with the private sector);
- Exploring new options for alternative revenue sources;
- Reviewing all municipality services and programmes for operational efficiencies to improve service levels and delivery
- Ongoing costs should be funded with ongoing revenues by aligning continuing expenditures with continuing revenues, on a level that can be reasonably sustained and reduce reliance on one-time funding;
- Further managing down general expenditure and contracted services. The choice of a service provider should be based on which service provider can provide the service most effectively at the lowest cost; and

- Maintaining all assets at levels adequate to protect the capital investment and minimize future maintenance and replacement costs.

In addressing the budget pressures, Alfred Nzo District Municipality will continue to implement cost reduction, mainly by scrutinizing discretionary items, not limited to the following:

- Scaling down the cost of consulting services;
- Revising telephone policy by providing one telephone , landline or cellular, depending on the type of work ;
- Paying bills on time so that no late charges are incurred ;
- Limiting printing ,e.g. budget book ,IDP, financial statements and other publications;
- Managing overtime;
- Managing breakaways;
- Managing down IT costs (no laptops, computers, printers etc.);
- Delaying conferences and seminars;
- Renegotiating some of the contracts;
- Limiting overseas trips;
- Limiting purchase of furniture; and
- Limiting office renovations.

The 2010/11 MTEF continues to address the following IDP interventions:

- Demand side management initiatives and regulatory framework (water).
- Fighting water supply and sanitation backlogs.
- Implementing indigent policy.
- Promoting economic development
- Upscaling of HIV and AIDS projects
- Basic service provision
- Developmental approach to tariff charges
- Implementing EPWP labour intensive projects to combat the frontiers of unemployment and poverty
- Increased spending on maintenance of infrastructure.

The IDP takes cognizance of the national, provincial and district priorities. Alfred Nzo District Municipality has been involved in engagements such as those on the formal comments of the MEC for Local Government on the 2009/2010 IDP, revision and responses thereof.

HIGH LEVEL OVERVIEW OF THE 2010/2011 BUDGET

Madam Speaker, the 2010/2011 budget has been prepared on the basis of constraint challenges of low collection the repayment of Municipal Infrastructure Grant and other grants. These have complicated the balancing of the budget further.

It is however acknowledged that Alfred Nzo District Municipality still needs to fund programmes and continue to invest in its infrastructure in order that service delivery is maintained and remain responsive to community needs.

The budget presented today proposes an overall spending plan for the Medium Term Expenditure Framework of 2010/2011, 2011/2012 and 2012/2013 totalling R365m representing an increase of 20% from 2009/2010 budget.

Approximately R163, 8m will be spent in the operating budget representing 34% increase from the current year. An amount of R201m will be invested in capital infrastructure being higher than the current year by 7%.

The total budget is appropriated to votes in the following fashion:

Executive and Council

The appropriation of R5.1m focuses on the governance undertakings of the municipality.

Municipal Manager

The appropriation of R13m focuses on the governance undertakings of the municipality.

Planning and Development

The municipality has allocated 5m to Planning & Development.

Technical Services

Our commitment to improving the lives of the people of Alfred Nzo District Municipality is manifested in the appropriation of R245m to this vote:

Water chemicals R1m

Material and stores strengthening the maintenance of the water infrastructure R36m

Maintenance and repairs R15m

New water and sanitation infrastructure R193m

Corporate Services

The municipality has allocated R23m to Corporate Services in an effort to strengthen institutional transformation.

Community Services

We have allocated R21m to Community Services towards improving the lives of Alfred Nzo District Municipality people.

Alfred Nzo Development Agency

An amount of 7m has been allocated to the Agency.