

THEEWATERSKLOOF MUNICIPALITY

BUDGET: 2017/2018 – 2019/2020

BUDGET SPEECH EXECUTIVE MAYOR

Speaker, it is a privilege to submit the final budget for the 2017/2018 to 2019/2020 financial years to Council for consideration and approval.

Today's comment is supplementary to and should be read together with the budget speech I delivered during Council's consideration of the draft budget.

Today I focus on the final steps taken to finalise the budget for 2017/2018 and the two outer years.

I previously emphasised matters that had an influence on the compilation of this budget and the IDP.

On that occasion I expanded on the threats, challenges and opportunities currently impacting the municipality, the Council and the budget.

I will not repeat myself, but I reiterate that the environment in which the municipality and Council currently operate is significantly different from the environment in 2006 and 2011.

The objective of consolidation and turnaround has been achieved and our primary task now is to ensure that the authority can continue with its holistic mandate, good governance and service delivery over the medium and long term.

The funds required to realise these goals have been addressed by this budget to the best of the municipality's financial capabilities.

This budget is not bad or damning news, but the beginning of a new era.

Since the draft budget was published for public comment and inputs and displayed at municipal venues for inspection, extensive public participation and consultation processes took place at various levels.

This budget was finalised by taking the outcomes and inputs of those processes into account.

In April 2017, a team under the leadership of the chairperson of the Finance Portfolio Committee presented and explained the outcome of the budget and IDP in detail to residents of the respective wards.

Similar discussions were held with various interest groups, including agriculture and the broader economic sectors. The consultations were highly constructive and the interest groups showed appreciation for the circumstances that dictated the budget and its outcome.

The engagements included a discussion of:

- The procedures followed to compile the IDP and budget.
- The set of variables that influenced and in essence dictated the budget and the IDP.

- An overview of the final IDP and budget.
- The impact of the IDP and budget on every town and ward.

Eleven proposals and objections were received and considered; most of these had to do with the increase in rates, particularly in rural areas.

The 13.49% increase in rates was thoroughly consulted and confirmed with taxpayers.

The increase may seem harsh, but the effect of the budget on residents represents an average increase of between 6% and 7%.

Since the announcement of the draft budget, the authority has budgeted a further R2.776 million for the acquisition of vehicles.

An additional R4.5 million has been provided for the electrification of houses in Destiny in Villiersdorp, with the result that R7.5 million is now available for this project. The national Department of Energy has undertaken to reimburse this amount to the municipality in the next financial year.

The municipality is impressed with the way in which the national Department of Energy has come to the aid of the authority and the local community to improve services to the people.

This type of intergovernmental cooperation does not only predict a bright future for Theewaterskloof, but indeed for South Africa.

The drought is also claiming its pound of flesh and R9.298 million and R1.754 million are budgeted for the development of additional water resources in Caledon and Villiersdorp respectively.

This budget finances systems, structures, processes and plans that will:

- Mitigate the fate of the poor and stabilise and build communities.
- Accelerate economic growth and development.
- Enhance social order in communities.

Without the necessary insight into the actual intentions of the budget, residents may draw the conclusion that in terms of financial sustainability the authority is heading towards a dead end.

However, the opposite is true. The budget actually facilitates developments which, if thoroughly implemented, will be instrumental in strengthening the municipality's holistic sustainability and its ability to continue its mandate of good local governance.

The budget undoubtedly takes heed of the challenges currently faced by the municipality, and supports organisational development and structures that will address the following challenges, amongst others:

- Inadequate and overutilised revenue sources that leave the authority with little room for the allocation of available funds.

- A poor debtor recovery rate of 89% through the establishment of partnerships with the broader community to increase the payment rate to 92% in 2017/2018.
- Dissatisfied municipal clients and communities who fail in their obligation to pay their bills, with the resultant manifestation of vandalism and other social ills that cost the authority millions of rands every year.
- Insufficient funds to properly maintain and upgrade infrastructure and service delivery.
- The government's obsolete financing model for municipalities and the stagnation of the national economy.
- The improvement in the ratio of 47% of residents paying rates and service fees and the 53% residents who are unable to pay.
- The subsidisation of rates-related expenditure with services and tariff revenue.
- The absence of a reserve fund to finance infrastructure-related and unforeseen expenditure.

The budget commences a process of local growth and development that will reduce the authority's dependence on external funds. Through growth and development and job creation, the municipality will increase rates and services revenue.

The new corporate organisational structure, supported by the budget, provides the required capacity to create an environment for growth and development.

The budget for 2017/2018 and the two outer years is now ready to be adopted and implemented.

Speaker, I hereby submit the budget for 2017/2018 and the two outer years to Council for consideration and approval. I do this in terms of the prescriptions in item SC06/2017, pages 173 – 533; Item R05/207, pages 58 – 172; comments and proposals received on the draft budget, and the following annexures:

- Annexure “A” – pages 444 – 507: Final list of tariffs for 2017/2018.
- Annexure “B” – pages 508 – 530: Additions to Policies.
- Annexure “C” – pages 532 – 533: Final Schedule for Service Delivery Standards.
- The fourth generation IDP 2017 – 2022.
- Council’s resolution on pages 174 – 175 of the agenda.

I thank our Heavenly Father for the strength, capability and wisdom that He equipped us with to complete the task.

Thank you very much to the councillors and officials for their hard and dedicated work in compiling the budget and IDP.

The most challenging task now awaits us: the implementation of the budget and the IDP. Best wishes to all those involved.

Baie dankie/Thank you/Enkosi

COUNCILLOR CHRISTELLE VOSLOO
EXECUTIVE MAYOR