

BUDGET SPEECH: EXECUTIVE MAYOR: SPECIAL COUNCIL MEETING:

FINAL BUDGET 2022/2023 – 2024/2025: CALEDON 25 MAY 2022

Speaker, Acting Municipal Manager, MAYCO members, other councillors and officials; I present to you the final budget for the 2022/2023 financial year.

This is the final budget that must be approved today and will be implemented from 1 July 2022.

From 6 April until 26 April 2022 the public participation was conducted at each town per ward. Communities engaged on the content of the draft budget and truly interrogated the significance of certain budget priorities. This type of engagement was however appreciated as it gives the governing leadership a better idea of how to direct its budget according to community needs.

More than 30 letters were received from the public and various other stakeholders. Council convened a formal workshop on 9 and 10 May 2022 where all letters were considered. Council then agreed on the recommended responses of which the letters with its subsequent feedback are also tabled today.

After considering all inputs the budget steering committee convened on 13 May 2022 to address the changes in the budget:

1. Provision had to be made for the 7.47% electricity consumer tariff proposed by NERSA.
2. The understandable and constant need for chemical toilets at Informal Settlements were addressed with a further R800 000 as per contract.
3. In order to perform the streetlights service in Grabouw and Tesselaarsdal, provisions has been made for both capital and operating expenditure.
4. Aligned with the new IDP cycle the municipality's Spatial Development Framework (SDF) must be reviewed by specialised spatial planners.
5. The local labour forum requested that the essential travel allowance that was approved in 2017 be renegotiated; whereby an alternative option be taken that would result in a R2.5 million increase in these allowances - that has not been increased for the last 5 years.

These additions resulted in a R10 million shortfall.

To address this shortfall:

- Inventory was reduced from R10.6 million to R5.8 million
- Bulk Electricity purchases reduced by R1 million
- External Computer services reduced with R2 million (Even with this decrease the ICT department still has more budget than previous fin years).
- The other R2 million came out of small cuts where expenditure was aligned with previous year's actual expenditure.

The final budget are therefore summarised:

Total operating revenue – R702 million

Total operating expenditure – R671 million

Total capital expenditure – R158 million

The final tariffs are as follows:

- Property Rates 9.79%
- Electricity 7.47% (Subject to NERSA's final approval)
- Water 8%
- Sanitation (Sewer) 4.6%
- Solid Waste (Refuse) 4.6%

Speaker, I understand that this budget does not nearly address the real need amongst our people. I also understand the impact Covid-19 had on this budget. However, as things are currently, the municipality developed the best budget it could with its projected income.

I do believe that this budget for 2022/2023 and the two outer years, will succeed to:

- Support the poor, because I need to highlight that our approach is still Pro Poor.
- Address the hardship caused by the Covid-19 pandemic.
- Support economic growth and social development.
- Enhance social cohesion in communities.
- Secure functional service delivery.

As matters stand now, I believe this budget will allow us to maintain good governance and sustainable service delivery.

Speaker allow me a few acknowledgements:

I thank Council and the officials for their hard and for their determination to complete the final budget for 2022/2023.

I want to thank the public who participated in finalising this IDP and Budget. Thank you for the constructive way that you engaged in our processes and for making our work easier.

I thank our Heavenly Farther for his support, guidance, and wisdom. Without His presence this budget would not have been possible. I pray that He will support and guide us in the implementation of the budget. Without Him in our lives, nothing is possible.

Now awaits the most vital part which is the implementation of this budget.

Baie dankie/Thank you/ Enkosi

Alderman Kallie Papier

Executive Mayor

2020/05/25