

**BUDGET SPEECH OF THE EXECUTIVE MAYOR, ALDERMAN ZEPH
MHLONGO AT THE SPECIAL COUNCIL MEETING ON 28 MAY 2010 IN
THE COUNCIL CHAMBERS AT RANDFONTEIN LOCAL MUNICIPALITY**

MADAM SPEAKER,

MEMBERS OF THE MAYORAL COMMITTEE

COMRADES, LEADERSHIP OF THE ANC AND OTHER POLITICAL
ORGANIZATIONS

COUNCILLORS

MUNICIPAL MANAGER AND OFFICIALS

LADIES AND GENTLEMAN

AMILCAR CABRAL, ONE OF THE GREATEST REVOLUTIONARY AND
FREEDOM FIGHTERS SAYS IN HIS BOOK, MATERIALIST THEORY AND
PRACTICE OF CULTURE AND ETHNICITY, THAT "ALWAYS BEAR IN MIND
THAT PEOPLE ARE NOT FIGHTING FOR IDEAS, FOR THINGS IN
ANYONE'S HEAD, THEY ARE FIGHTING TO WIN MATERIAL BENEFITS, TO
LIVE BETTER AND IN PEACE, TO SEE THEIR LIVES GO FORWARD, TO
GUARANTEE THE FUTURE OF THEIR CHILDREN"

FOUR YEARS AGO, ON THIS VERY PODIUM, WE SET FORTH ON A
JOURNEY TO CHANGE THE COURSE OF RANDFONTEIN FOR THE
BETTER, TO KEEP THE DREAM FOR A BETTER LIFE ALIVE FOR EVERYONE
WILLING TO WORK FOR IT, TO DEVELOP OUR TOWN AND HER PEOPLE
TO BE THE LEADING FORCE IN SOCIAL, ECONOMIC AND POLITICAL

ARENAS. MOREOVER, TO UNITE THE SMALL COMMUNITY OF OUR TOWN TO BE A FORCE TO BE RECKONED WITH.

TOGETHER, WE VOWED TO TURN OUR TOWN AROUND, WE PROCLAIMED A STRATEGY TO MEET OUR CHALLENGES AND PROTECT OUR VALUES, OPPORTUNITIES FOR ALL, RESPONSIBILITY FROM ALL, A RANDFONTEIN FOR ALL.

WE HAVE WORKED HARD TO END THE POLITICS OF WHO'S TO BLAME AND INSTEAD TO ASK, WHAT ARE WE GOING TO DO TO MAKE OUR TOWN AND HER PEOPLE BETTER.

THROUGH THIS BALLOT, OUR COMMUNITIES HAVE SENT US A MESSAGE: LET US WORK TOGETHER. LET US MEET OUR CHALLENGES. LET US PUT ASIDE THE POLITICS OF DIVISION AND BUILD RANDFONTEIN COMMUNITY.

OUR COMMUNITIES UNDERSTOOD THEN AS THEY UNDERSTAND NOW THAT THE CHALLENGES WE FACE, ARE NOT ANC OR DA. THEY ARE RANDFONTEIN CHALLENGES AND THEY NEED THE PEOPLE OF RANDFONTEIN TO FACE AND RESOLVE.

NOW, AS WE ENTER THE LAST YEAR OF OUR TERM OF OFFICE, WHERE OUR PEOPLE, THROUGH OUR POPULAR MOVEMENT PROCLAIMED IN THE MANIFESTO THAT WE HAVE A PLAN TO MAKE LOCAL GOVERNMENT WORK BETTER FOR YOU.

THEN WE HAVE DECLARED ON THE TOP OF OUR VOICES, WITH NO FEAR OF CONTRADICTION THAT THE 2006 LOCAL GOVERNMENT TERM WAS AN OPPORTUNITY FOR US TO ENHANCE AND DEEPEN LOCAL DEMOCRACY.

WE HAVE ASSERTED THAT OUR TERM COMES WITH AN OPPORTUNITY TO QUALITATIVELY IMPROVE THE PARTICIPATION OF CITIZENS IN THE PROCESS OF DECISION-MAKING, IN THE ALLOCATION OF RESOURCES, AND THE IDENTIFICATION OF LOCAL NEEDS AND PRIORITIES.

WE HAVE AFFIRMED THAT IN OUR FIVE YEARS IN GOVERNANCE WE WILL SEE A FURTHER OPPORTUNITY TO PUT THE PEOPLE AT THE CENTRE OF DEVELOPMENT, NOT MERELY AS BENEFICIARIES, BUT AS DRIVERS OF TRANSFORMATION'.

BASICALLY MADAM SPEAKER, THAT WAS THE MANDATE WE TOOK, AN OATH TO ACCOMPLISH, THIS BUDGET SPEECH TODAY SHOULD SEEK TO GIVE US AN INDICATION OF WHETHER WE ARE ON THE RIGHT TRACK.

IT SHOULD ASSIST US TO ASSESS IN A VERY OBJECTIVE MANNER ON HOW FAR WE CAN STILL MAKE IT HAPPEN IN THE LAST UPCOMING MONTHS OF OUR GOVERNANCE.

IT MUST BASICALLY ASSIST US TO ASSESS IF WE CAN BUILD ON OUR ACHIEVEMENTS OF THE PREVIOUS FOUR YEARS, AND IF WE HAVE DRAWN FROM LESSONS LEARNT, DATING BACK FROM THE ESTABLISHMENT OF OUR POPULAR MOVEMENT IN 1912 THROUGH THE

HISTORY OF OUR STRUGGLES FOR FREEDOM AND THE RECENT AND CURRENT STRUGGLE OF ECONOMIC FREEDOM AND EQUALITY.

THIS SPEECH MUST DEMONSTRATE WHETHER WE CAN MOVE EVEN FASTER IN THE REMAINING MONTHS OF OUR TIME IN OFFICE TO FURTHER REALISE THE GOAL OF A BETTER LIFE FOR ALL OUR PEOPLE.

MADAM SPEAKER, IN SIMPLE TERMS, THIS BUDGET SPEECH MUST SERVE AS A BAROMETER, INDICATING THE POSITION TO WHICH OUR HEADS ARE HELD AT THE END OF OUR TERM IN OFFICE. WHETHER THEY ARE HELD BETWEEN OUR LEGS OR HIGH, WHERE OUR COMMUNITIES CAN HEAVE A SIGH OF RELIEF AND SAY 'DILO GA DI TSHWANE LE MALOBA, GO BOTOKA GO NA LEPELE'.

MADAM SPEAKER, LAST MONTH ON THE 24TH MARCH, IN JUDES KLASS HALL DURING THE OPENING OF COUNCIL, I TOOK ON A RESPONSIBILITY AS MANDATED BY LAW THAT IN EVERY YEAR, I AS THE MAN TRUSTED BY OUR MOVEMENT TO BE DEPLOYED AT THE APEX OF THIS LEVEL OF GOVERNANCE, TO PROVIDE LEADERSHIP COLLECTIVELY WITH MY COLLEAGUES IN THE MAYORAL COMMITTEE, WHERE I MUST FACE THE COMMUNITY AND GIVE A BREAKDOWN ACCOUNT OF SERVICE DELIVERY IMPLEMENTATION AS SPELT OUT IN OUR 2006 MANIFESTO AND LATER ITEMIZED IN OUR IDP.

IN THAT ADDRESS WE SAID; 'HAVING UNDERSTOOD THE FACT THAT 2011 IS OUR LAST YEAR IN OFFICE, IT WAS NATURAL THAT WE SHOULD PUT THE QUESTION TO OURSELVES, WHAT PROGRESS HAVE WE MADE

IN THE QUEST TO ACHIEVE THE OBJECTIVES TO WHICH WE HONESTLY TOLD OUR COMMUNITY WE WERE COMMITTED TO.

MADAM SPEAKER IT IS UNDOUBTEDLY UNDISPUTABLE THAT WE HAVE FACED CHALLENGES THAT SEEMED INSURMOUNTABLE WHEN WE WERE IMPLEMENTING THIS MANDATE, BUT ALSO IT WILL BE PESSIMISTIC OF US TO TURN A BLIND EYE ON OUR SUCCESSES.

OUR PEOPLE AGREE WITH US THAT TSATSI LA GOMPIENO LEBOTOKA GO NA LE MAABANE.

WE CAN ASSERT THIS CONFIDENTLY BECAUSE OUR PROGRESS IS RECORDED AND MEASURED, AND THE FACTS SPEAK LOUDER THAN ANY RHETORICAL FLOURISHES. YET THE MESSAGE OF TODAY'S BUDGET SPEECH IS NOT THAT WE HAVE REACHED OUR DESTINATION OR THAT VICTORY CAN BE CLAIMED, IT IS THAT WE HAVE ADVANCED TO NEW CHALLENGES AND ANOTHER PHASE IN THE TRANSFORMATION JOURNEY THAT LIES AHEAD.

CHALLENGES

AMONG THE GLARING CHALLENGES THAT WE FACED WHEN WE TOOK OVER WAS THE INSTABILITY IN TERMS OF OUR ADMINISTRATION. SINCE WE ENTERED OFFICE WE HAVE HAD FOUR INCUMBENTS OCCUPYING THE MOST CRUCIAL OFFICE IN THE ACHIEVEMENT OF OUR MANDATE, THAT OF THE MUNICIPAL MANAGER, THESE INDIVIDUALS HAD THEIR OWN STYLES OF MANAGEMENT AND DIFFERENT APPROACHES TOWARDS SERVICE DELIVERY.

COMPOUNDED TO THAT CHALLENGE WAS THE FACT THAT THERE WERE SERIOUS GAPS OF CAPACITY, CAPABILITY AND WILLINGNESS IN THE SENIOR MANAGEMENT DURING THE EARLY YEARS OF THIS ADMINISTRATION.

AS A RESULT, IN 2006 AND UNTIL LAST YEAR, OUR MUNICIPALITY CONSISTENTLY RECEIVED NEGATIVE VIEWS FROM THE AUDITOR GENERAL.

IN TERMS OF OUR BUDGET, WE HAD FACED A NUMBER OF ROLLOVERS, FRUITLESS EXPENDITURE AND RETRACTION OF THE UNSPENT GRANTS FROM BOTH NATIONAL AND PROVINCIAL GOVERNMENTS.

WE HAD TO CONTEND WITH THE REMOVAL OF CERTAIN FUNCTIONS LIKE PRIMARY HEALTH TO THE PROVINCE.

REFUSAL BY CERTAIN COMMUNITIES AND US AS THE AUTHORITY, BOWING TO SUCH PRESSURES TO DELIVER SERVICES LIKE BUILDING OF THE COMMUNITY CENTRE IN TOEKOMSRUS.

NON CO-OPERATION FROM THE LAND OWNERS TO ALLOW US TO PROVIDE SERVITUDE LINES THAT PROVIDE ESSENTIAL SERVICES TO OUR COMMUNITIES IN RURAL AREAS.

RECENTLY WE HAVE WITNESSED VANDALISM TO PUBLIC PROPERTY THAT ACCOMPANIES THE PROTESTS THAT OUR COMMUNITIES ENGAGE IN WHEN THEY ARE NOT SATISFIED WITH THE SERVICES PROVIDED.

HOWEVER, MADAM SPEAKER, THE MOST DISTURBING CHALLENGE OF OUR TIME IS THE SENSE OF ENTITLEMENT AND REPUGNANCE THAT SOME WITHIN OUR COMMUNITY DISPLAY TOWARDS THE REPRESENTATIVES OF GOVERNMENT.

THE ANTICS THAT SOME WITHIN OUR COMMUNITIES USE AGAINST US AS REPRESENTATIVES OF GOVERNMENT DUE TO PERSONAL VENDETTAS, PHUMA SINGENE APPROACH, AND PULL HER/HIM DOWN SYNDROME ARE CHALLENGES THAT WILL DEFINE OUR FREEDOM AND POISON THE DEVELOPMENT OF US AS PEOPLE.

THE RECENT ATTACKS ON OUR STRIDES TO DEVELOPMENT WERE RECENTLY DISPLAYED BY THE COMMUNITY OF BRANDVLEI REGARDLESS OF THE FACT THAT, THAT WARD IS THE WELL SERVED AND WELL SPOKEN FOR IN ALL OUR PLATFORMS OF GOVERNANCE.

WE REJECT THE INCIDENCE THAT TOOK PLACE IN THAT AREA, AND WE CONDEMN ALL SUCH ACTS OF BARBARISM WITH THE CONTEMPT THEY DESERVE.

IN THE SAME BREATH, WE WANT TO DISCOURAGE THOSE COMMUNITY MEMBERS THAT SEE THE OPPORTUNITY THAT WILL BE BROUGHT BY NEXT YEAR'S ELECTION TO DESTABILIZE OUR GOVERNMENT BY REVERSING THE GAINS THAT WE HAVE ALL WORKED SO HARD TO ACHIEVE BY ENGAGING IN VIOLENT PROTESTS.

HAVING POINTED OUT SOME OF THE MAJOR CHALLENGES THAT WE FACED, WE HAVE NOT BEEN SPECTATORS IN THIS PROCESS.

WE, TOGETHER WITH THOSE PROGRESSIVE FORCES IN OUR COMMUNITIES, HAVE ENDEAVORED TO KEEP THE EYE ON THE GOAL, NAMELY THAT OF A BETTER LIFE FOR ALL.

AS A RESULT, AS YOU ALREADY KNOW, WE HAVE IN THE LAST FINANCIAL YEAR RECEIVED AN UNQUALIFIED AUDIT REPORT FROM THE AUDITOR GENERAL – THIS GIVES US COURAGE THAT WE HAVE THE ABILITY IN US TO MAKE A DIFFERENCE TO THE LIVES OF OUR PEOPLE AND IT FURTHER REAFFIRMS THAT WE SPEND OUR MONEY – THE TAXPAYERS MONEY - ON ITS INTENDED PURPOSE AND FOR THAT PARTICULAR REASON WE LIVE BY OUR PAY-OFF LINE WHICH SAYS 'RANDFONTEIN IS A VALUE FOR MONEY TOWN'

FLOWING FROM THIS DEVELOPMENT, THE MMC FOR FINANCE, WHO IS THE CHIEF WHIP OF COUNCIL ,CLR. HANDULA HAS POINTED OUT: 'IN A DEMOCRACY, IT IS THE RESPONSIBILITY OF OPPOSITION POLITICAL PARTIES AND OTHERS, TO WATCH OVER AND ENSURE OVERSIGHT OVER FINANCIAL AFFAIRS, AND TO EXPRESS WHATEVER CRITICISM WHERE AND WHEN THIS IS WARRANTED. BUT IT WOULD NOT BE UNREASONABLE TO EXPECT THAT WHATEVER IS ARTICULATED SHOULD BE FAIRLY OBJECTIVE AND ADD SOME VALUE TO THE RELEVANT DISCOURSE. THEREFORE, TO THE OPPOSITION PARTIES IN COUNCIL, CREDIT SHOULD BE GIVEN WHERE CREDIT IS DUE'

MADAM SPEAKER, THE MUNICIPAL MANAGER AND THE CFO HAVE ASSURED US THAT THEY WILL CONTINUE TO LIFT THE BAR AND STRIVE FOR BETTER CLEAN AUDIT REPORTS BECAUSE THEY, LIKE US,

UNDERSTAND THAT WE HAVE A RESPONSIBILITY TO MAXIMISE REVENUE AND ENSURE THE JUDICIOUS USE OF THESE RESOURCES.

BUT WE ALSO KNOW THAT CLEAN AUDITS SHOULD NOT BE OBTAINED FOR THEIR OWN SAKE. THAT SERVICE DELIVERY AND THE IMPROVEMENT OF THE QUALITY OF LIFE OF OUR PEOPLE IS CENTRAL IN MEASURING THE PROGRESS THAT WE ARE MAKING.

AS THE MMC FOR ECONOMIC DEVELOPMENT USUALLY POINTS OUT, 'BUDGET IS A POLITICAL TOOL, AND ADMINISTRATION MUST BE OUR POLITICAL WILL'

I WANT TO RE-ENFORCE THAT AND ADD, THIS BUDGET IS THE PRACTICAL EXPRESSION OF OUR POLICIES AND PROGRAMMES. IT GIVES SUBSTANCE TO WHAT WE CAN DO TODAY WHILE STRENGTHENING THE POSSIBILITIES FOR A BETTER FUTURE FOR OUR CHILDREN AND THEIR CHILDREN.

MADAM SPEAKER, OUR FINANCIAL LEGISLATIONS REQUIRES A BALANCED BUDGET. OUR COMMITMENT REQUIRES US TO BEGIN THE NEXT FINANCIAL YEAR WITH A PRUDENT OPENING BALANCE.

OUR CONSCIENCE AND COMMON SENSE REQUIRES US TO PROVIDE BASIC SERVICES IN A FINANCIALLY VIABLE MANNER. OUR LOVE FOR OUR CHILDREN REQUIRES THAT WE DO NOT SHOVE TODAY'S PROBLEMS UNDER THE RUG ONLY TO BE DISCOVERED AGAIN TOMORROW.

OUR SENSE OF DECENCY MUST REQUIRE THAT WE STOP USING TRICKS THAT WILL MAKE NEXT YEAR'S BUDGETING AND SERVICE DELIVERY IMPLEMENTATION PLAN PROBLEMS EVEN WORSE.

DUE TO THIS REALITY, SERIOUS AND DECISIVE CHOICES WERE MADE TO BRING RADICAL CHANGES IN THE MANNER IN WHICH WE PROVIDE SERVICES.

OTHERS AMONGST US MAY TRY TO WISH AWAY THE HARD CHOICES, SUGGESTING OLD HABITS SHOULD PREVAIL.

OTHERS MAY DENY THAT TOUGH CHOICES ARE BEING MADE, SEEKING TO EXPLOIT THE WELL-EARNED CYNICISM THE PUBLIC HOLDS TOWARDS THE MUNICIPALITY.

STILL OTHERS WILL SEEK SCAPEGOATS FROM THE PAST, AS IF THAT WILL SOLVE ANYTHING IN THE PRESENT, LET ALONE IN THE FUTURE.

I AM CERTAIN THAT ALL OF US HERE KNOW THE DIFFERENCE BETWEEN RHETORIC AND WISHFUL THINKING, BECAUSE THIS SPEECH CARRIES NEITHER. IT HAS BOTH REAL CHOICES AND REAL ANSWERS.

CONSEQUENTLY, I CALL ON THE ADMINISTRATION TO PICK UP THE PACE ON SPENDING THE FUNDS THAT ARE ALLOCATED. AND ALL MY COLLEAGUES IN COUNCIL TO ENGAGE OUR COMMUNITIES AND RELEVANT ROLE PLAYERS SO THAT THEY CAN ALSO SEE THE POSITIVE WORK THAT HAS TAKEN PLACE.

MADAM SPEAKER I WILL TAKE A SECOND TO REFLECT ON 2009/2010 ALLOCATED CAPITAL BUDGET. AS YOU MIGHT KNOW, WE SET ASIDE R78,616,100-00 AND IT WAS DIVIDED AS FOLLOWS:

- MUNICIPAL MANAGER R15,707,854
- CORPORATE SUPPORT SERVICES R26,001,737
- INFRASTRUCTURE R323,916,308
- SOCIAL SERVICES R23,768,439
- FINANCIAL SERVICES R45,511,360
- DEVELOPMENT PLANNING R14,661,233
- COUNCIL AND EXECUTIVE R29,971,699
- PUBLIC SAFETY R23,500,292

IN THE LAST TWO WEEKS WE WERE TAKEN ABACK ABOUT THE REVELATION THAT OUR SPENDING ON CAPITAL FUNDING IS CURRENTLY AT APPROXIMATELY 50%.

THIS IS BOTH UNACCEPTABLE AND EMBARRASSING TO SAY THE LEAST. IT CASTS A QUESTION OF WHETHER OUR INSTITUTION AS IT STANDS, IS CAPABLE OF SPENDING ON WHAT WE BOLDLY SET ASIDE TO ACHIEVE FOR OUR PEOPLE.

IT PUTS A DOUBT IN THE CONFIDENT STATEMENT MADE BY COUNCILOR MATAKANE THAT BUDGET IS A POLITICAL TOOL. IT RAISES A SERIOUS QUESTION - THAT IS OUR WILL, WHICH IS ADMINISTRATION, WILLING?

IT MAKES US WONDER, IF WE REALLY DO UNDERSTAND THE MANDATE OF OUR MOVEMENT.

REGARDLESS OF THESE SHORTCOMINGS, WE ARE YET AGAIN PUTTING ASIDE THIS BUDGET IN LINE WITH THE LOCAL GOVERNMENT MUNICIPAL FINANCE MANAGEMENT ACT, WHERE IT IS STATED THAT THE COUNCIL OF A MUNICIPALITY MUST FOR EACH FINANCIAL YEAR APPROVE A BUDGET FOR THE MUNICIPALITY BEFORE THE START OF THAT FINANCIAL YEAR.

MADAM SPEAKER, AS THE HOUSE MIGHT KNOW, ON 24 FEBRUARY 2010, THE NATIONAL ENERGY REGULATOR OF SOUTH AFRICA MADE ITS DETERMINATION ON THE GUIDELINE ELECTRICITY TARIFF INCREASE AND THE REVISION OF THE MUNICIPAL TARIFF BENCHMARKS FOR THE 2010/2011, 2011//2012 FINANCIAL YEARS IN LINE WITH THE APPROVED ESKOM AVERAGE PRICE INCREASE FOR THE MULTI- YEAR PRICE DETERMINATION 2 PERIOD.

ON THIS, THE MINISTER OF ENERGY MS DIPUO PETERS ADVISED MUNICIPALITIES TO ENSURE THAT THE DOMESTIC SECTORS DO NOT EXPERIENCE AN INCREASE ABOVE 19%. THIS IN OUR VIEW AND THE MINISTER'S VIEW WILL REVERSE THE GAINS THAT WE HAVE ACHIEVED IN THE DEVELOPMENT OF OUR COMMUNITIES.

IN OUR CASE, THE EFFECT OF THIS INCREASE WOULD MEAN AT LEAST A R17 MILLION REDUCTION IN OUR REVENUES. HOWEVER, NERSA SAID THAT THOSE MUNICIPAL DISTRIBUTORS THAT IMPLEMENTED THE 34% INCREASE IN THE 2009/10 FINANCIAL YEAR, A MUNICIPAL GUIDELINE INCREASE OF 19% HAD BEEN APPROVED FOR IMPLEMENTATION WITH EFFECT FROM JULY 1, FOLLOWED BY 16,03% FROM JULY 1, 2011, AND

ANOTHER 16,16 % FROM JULY 1, 2012. FOR THOSE MUNICIPAL DISTRIBUTORS THAT IMPLEMENTED A DIFFERENT INCREASE. NERSA WOULD CONSIDER APPLICATIONS ON A CASE-BY-CASE BASIS.

AS A RESULT OF THE ABOVE, WE HAVE SUBMITTED AN APPLICATION TO NERSA TO ALLOW US TO ONLY INCREASE OUR TARIFFS AT 24.8%, SUBJECT TO THEIR APPROVAL. THIS APPLICATION WAS DONE SO THAT WE RESPOND POSITIVELY TO THE CALL MADE BY THE MINISTER ON THIS MATTER.

WE MUST ALL REMEMBER THAT WHILE STEEP INCREASES IN ELECTRICITY TARIFFS ARE NOT DESIRABLE, THE POSITIVES OF THE INCREASES OUTWEIGH THE NEGATIVE ASPECTS. WITHOUT ENERGY SECURITY, WE WILL NEVER ACHIEVE THE LEVELS OF ECONOMIC ACTIVITY NECESSARY TO CREATE NEW AND HIGHLY NEEDED JOBS.

IN ADDITION TO THIS, I WOULD LIKE TO INFORM THAT OUR COST OF RENDERING THE SANITATION SERVICE AND REFUSE REMOVAL FOR OUR COMMUNITY, EXCEEDS OUR CAPACITY TO GENERATE THE REVENUE, WE JUST DO NOT BREAK EVEN IN THIS AREA.

IT IS ON THIS BACKGROUND THAT WE HAVE HAD TO REGRETTABLY INCREASE THE TARIFFS SO THAT WE CAN BE ABLE TO CONTINUE TO PROVIDE THIS ESSENTIAL SERVICE REQUIRED FOR OUR COMMUNITY.

THE PROPOSED OPERATIONS EXPENDITURE AND REVENUE BUDGET FOR 2010/2011 FINANCIAL YEAR IS **R601,712,219**

THE ORIGINAL BUDGET FOR THE 2009/2010 FINANCIAL YEAR WAS **R502,997,922.**

THE BUDGET WAS THEN ADJUSTED TO **R526,136,477.** AND THE PERCENTAGE GROWTH OF THE ADJUSTMENT BUDGET ON THE ORIGINAL BUDGET WAS 4,6% AND THE PROJECTED EXPENDITURE GROWTH OF THE 2010/2011 BUDGET ON THE 2009/2010 BUDGET IS 19,63%.

THE EXPENDITURE BUDGET PER DIRECTORATE IS AS FOLLOWS:

1. MUNICIPAL MANAGER	15,222,600
2. CORPORATE SUPPORT SERVICES	32,178,266
3. INFRASTRUCTURE	398,601,716
4. SOCIAL SERVICES	28,074,864
5. FINANCIAL SERVICES	49,638,357
6. DEVELOPMENT PLANNING	19,584,700
7. COUNCIL AND EXECUTIVE	32,222,475
8. PUBLIC SAFETY	26,189,241

IN TERMS OF THE DIVISIONS REVENUE ACT OF 2007, COUNCIL WILL RECEIVE THE FOLLOWING GRANTS DURING 2010/11:

FUNDING SOURCE BUDGET 2010/2011

OWN FUNDING	R35, 637,700
MUNICIPAL INFRASTRUCTURE GRANT	R23, 921,000

PROVINCE AND NATIONAL	R43, 597,483
EQUITABLE SHARE	R73, 559,000
OTHER GRANTS	R17, 618,504
OTHER REVENUE/INCOME	R44, 506,881

MADAM SPEAKER, YEYELE. IT REQUIRES ALL OF US TO PULL FROM WITHIN TO MAKE SURE THAT THIS YEAR BECOMES A YEAR OF ACTION FOR US. WE HAVE NO OPTION BUT TO MAKE IT WORK BECAUSE UNMET EXPECTATIONS OF OUR COMMUNITIES WILL DEFINE OUR LEGACY FOR A VERY LONG TIME.

BUDGET RECOMMENDATIONS 2010

- (a) THAT COGNIZANCE BE TAKEN OF THE REPORT OF THE EXECUTIVE MAYOR REGARDING THE 2010/2011 BUDGET AND THE 2011/2012 AND 2012/2013 MEDIUM FORECAST;
- (b) THAT THE CAPITAL BUDGET OF R103,156,183 AS CAPTURED HEREUNDER BE APPROVED.

R23,921,000	-	MIG FUNDING
R43,597,483	-	PROVINCIAL AND NATIONAL
R35,637,700	-	OWN FUNDING

(c) THAT THE OPERATING BUDGET FOR 2010/2011 BE APPROVED AS FOLLOWS:-

REVENUE	-	R601,712,219
EXPENDITURE	-	R601,712,219

(d) THAT COGNIZANCE BE TAKEN THEREOF THAT A MEDIUM TERM BUDGET 2011/2012 AND 2012/2013 HAVE BEEN COMPILED AS PART OF THE BUDGET;

(e) THAT COGNIZANCE BE TAKEN THAT THE OVERALL BUDGET (OPERATIONS & CAPITAL) FOR THE 2010/2011 FINANCIAL YEAR AMOUNTS TO R704,868,402.

(f) THAT COGNIZANCE BE TAKEN OF THE OPERATIONS BUDGET SCHEDULES AND THE CAPITAL BUDGET SCHEDULES ATTACHED AS ANNEXURE "1"

(g) THAT IN ORDER TO ENABLE COUNCIL TO MEET THE BUDGETED OPERATIONS EXPENDITURE OF R601,712,219 AND NOT TO HAVE A DEFICIT, THE FOLLOWING ADJUSTMENTS TO THE TARIFFS BE APPROVED;

- (i) THAT THE TARIFFS FOR REFUSE REMOVAL FOR THE FINANCIAL YEAR 2010/2011 BE ADJUSTED BY 25% EXCLUDING VALUE ADDED TAX;
- THAT REFUSE REMOVAL SERVICES BE RENDERED FREE OF CHARGE TO REGISTERED INDIGENTS;
 - THAT COGNIZANCE BE TAKEN THEREOF THAT THE PROPOSED TARIFF ADJUSTMENT ARE PART OF THIS REPORT AND ARE ATTACHED AS ANNEXURE "2"
- (ii) THAT THE TARIFFS FOR BASIC SEWERAGE AND ADDITIONAL SEWERAGE FOR THE FINANCIAL YEAR 2010/2011 BE ADJUSTED BY 25% EXCLUDING VALUE ADDED TAX;
- THAT THE SEWERAGE SERVICES BE RENDERED FREE OF CHARGE TO REGISTERED INDIGENTS;
 - THAT COGNIZANCE BE TAKEN THEREOF THAT THE PROPOSED SEWERAGE TARIFFS ARE PART OF THIS REPORT AND ARE ATTACHED AS ANNEXURE "3";
- (iii) THAT THE TARIFFS FOR THE PROVISION OF WATER FOR THE FINANCIAL YEAR 2010/2011 BE ADJUSTED BY 14,1 % EXCLUDING VALUE ADDED TAX;

- THAT THE 6 KL FREE BASIC WATER BE ACCORDED FOR ALL DOMESTIC CONSUMER OF RANDFONTEIN EXCEPT FOR INDIGENT HOUSEHOLDS
 - THAT INDIGENT HOUSEHOLDS BE ACCORDED 10 KL FREE BASIC WATER PER MONTH;
 - THAT COGNIZANCE BE TAKEN THAT THE PROPOSED WATER TARIFFS ARE PART OF THIS REPORT AND ARE ATTACHED AS ANNEXURE "4";
- (iv) THAT THE ELECTRICITY TARIFFS FOR THE 2010/2011 FINANCIAL YEAR BE INCREASED BY 24,8 % SUBJECT TO THE APPROVAL OF THE NATIONAL ELECTRICITY REGULATOR, BE PROMULGATED AND IMPLEMENTED EXCLUDING VALUE ADDED TAX. INDUSTRIAL USERS USING MORE THAN 1000 KVA'S BE GIVEN A CHALLENGE DISCOUNT OF 4 %.
- THAT THE 50 KWH FREE BASIC ELECTRICITY BE ACCORDED TO ALL DOMESTIC CONSUMERS OF RANDFONTEIN EXCEPT FOR INDIGENT HOUSEHOLDS.
 - THAT INDIGENT HOUSEHOLDS BE ACCORDED 100 KWH FREE BASIC ELECTRICITY PER MONTH;

- THAT COGNIZANCE BE TAKEN THEREOF THAT THE PROPOSED ELECTRICITY TARIFFS ARE PART OF THIS REPORT AND ARE ATTACHED AS ANNEXURE "5".

(v) THAT IN TERMS OF CHAPTER 2 OF THE LOCAL GOVERNMENT MUNICIPAL PROPERTY RATES ACT, 6 OF 2004 AND REGULATIONS ON THE RATE RATIO BETWEEN THE RESIDENTIAL AND NON RESIDENTIAL CATEGORIES OF PROPERTIES. THE PROPERTY RATES BE DETERMINED AND APPROVED AS FOLLOWS:-

DETAILED CATEGORY	TARIFF	EXEMPTION	REBATE
Agricultural	1: 0,25	0	Can apply
Commercial/Industrial	0.018	0	30%
Government	0.018	40% of value of the property	0%
Institute	0	0	0%
Mining	0.018	0	0%
Multi Purpose	0.009	50,000	10%
Public Service Infrastructure	1:0,25	0	0%
Public Open Space	0	0	0%
Parking	0,009	0	0%
Recreational	0,009	0	0%
Residential	0,009	50,000	10%
Sectional Title	0.01	50,000	10%
Vacant stands	0.04	0	0

- THAT RATEPAYERS CHOOSE BETWEEN PAYING RATES ANNUALLY IN ONE INSTALLMENT ON OR BEFORE 30 SEPTEMBER OR IN TWELVE EQUAL INSTALLMENTS ON OR BEFORE THE SEVENTH DAY OF THE MONTH FOLLOWING ON THE MONTH OF WHICH IT BECOMES PAYABLE;
 - THAT THE RATES BE BASED ON THE MARKET VALUES OF ALL RATEABLE PROPERTIES CONTAINED IN THE RANDFONTEIN LOCAL MUNICIPALITY GENERAL VALUATION ROLL AND SUPPLEMENTARY VALUATION ROLL.
 - THAT THE AMENDED PROPERTY RATES POLICY ATTACHED AS **ANNEXURE “6”** BE APPROVED;
 - THAT THE AMENDED PROPERTY RATES POLICY BE PROMULGATED INTO A BY-LAW ;.
- (h) THAT SUNDRY TARIFFS BE ADJUSTED AS PER ATTACHED ANNEXURE “7”;
- (i) THAT THE AMENDED TARIFF POLICY AS PER ATTACHED ANNEXURE “8” BE APPROVED

- (j) THAT COGNIZANCE BE TAKEN THAT ALL TARIFFS ARE EXCLUSIVE OF VALUE ADDED TAX;
- (k) THAT INTEREST AS IT IS CHARGED BY THE SOUTH AFRICAN REVENUE SERVICES FROM TIME TO TIME BE CHARGEABLE ON ALL ACCOUNTS IN ARREARS IN RESPECT OF CURRENT ACCOUNTS AFTER THE DUE DATE OF THE ACCOUNT AND DEFAULTERS BE LIABLE FOR LEGAL PROCEEDINGS FOR RECOVERY OF SUCH AMOUNTS PLUS INTEREST AND LEGAL FEES.
- (l) THAT ALL RATEPAYERS WHO DO NOT RECEIVE ACCOUNTS BE ADVISED TO INFORM THE FINANCE DIRECTORATE, AS THE NON-RECEIPT OF ACCOUNTS DOES NOT RELIEVE THEM FROM A LIABILITY FOR PAYMENT.
- (m) THAT TARIFF INCREASE BE ADVERTISED AND PUBLISHED IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT (ACT NO 56 OF 2003).
- (n) THAT ALL INDIGENTS HOUSEHOLDS WHO HAVE BEEN REGISTERED, VERIFIED AND APPROVED BE ACCORDED ASSISTANCE AS FOLLOWS:-
- ✓ 10 KL FREE WATER
 - ✓ 100 KWH FREE ELECTRICITY

- ✓ FULL SUBSIDY FOR PROPERTY RATES
 - ✓ FULL SUBSIDY FOR SANITATION
 - ✓ FULL SUBSIDY FOR REFUSE REMOVAL
- (o) THAT THE AMENDED INDIGENT POLICY ATTACHED AS ANNEXURE "9" BE APPROVED;
- (p) THAT ALL OTHER NON-INDIGENT DOMESTIC CONSUMERS RECEIVE THE FOLLOWING BASIC SERVICES:-
- ✓ 6 KL BASIC WATER
 - ✓ 50 KWH BASIC ELECTRICITY
- (q) THAT THE RAND FOR RAND PRINCIPLE WILL CONTINUE IN THE 2010/2011 BUDGET YEAR;
- (r) THAT PROVISION OF 8,5 % HAS BEEN MADE IN THE BUDGET FOR SALARY INCREASES AND INCREASES AS APPROVED BY THE BARGAINING COUNCIL BE IMPLEMENTED WITH EFFECT FROM 1 JULY 2010.
- (s) THAT THE JOB EVALUATION ADJUSTMENTS AS AGREED UPON BETWEEN SALGA AND THE UNIONS BE IMPLEMENTED IN JULY 2010, SUBJECT TO THE AVAILABLE FUNDS AND BE FUNDED FROM THE PROVISION OF VACANT POSITIONS;

- (t) THAT THE BALANCE OF THE LINE ITEM AFTER THE PROVISION OF (S) BE UTILIZED FOR THE FILLING OF CRITICAL POSITIONS
- (u) THAT THE GRANT AMOUNT RECEIVED FOR FOSTER CARE SHOULD NOT FORM PART OF THE TOTAL HOUSEHOLD INCOME IN ORDER TO QUALIFY FOR INDIGENTS STATUS;
- (v) THAT THE ASSET MANAGEMENT POLICY WHICH HAS ALREADY BEEN APPROVED BY COUNCIL BE USED IN THE 2010/2011 FINANCIAL YEAR, THE POLICY IS ATTACHED AS ANNEXURE "10"
- (w) THAT THE CASH MANAGEMENT POLICY WHICH IS ALREADY APPROVED BY COUNCIL BE USED IN THE 2010/2011 FINANCIAL YEAR, THE POLICY IS ATTACHED AS ANNEXURE "11"
- (x) THAT THE CREDIT CONTROL POLICY WHICH IS ALREADY APPROVED BY COUNCIL BE USED IN THE 2010/2011 FINANCIAL YEAR, THE POLICY IS ATTACHED AS ANNEXURE "12"
- (y) THAT THE SUPPLY CHAIN MANAGEMENT POLICY WHICH IS ALREADY APPROVED BY COUNCIL BE USED IN THE 2010/2011 FINANCIAL YEAR, THE POLICY IS ATTACHED AS ANNEXURE"13";

(z) THAT COGNIZANCE BE TAKEN THAT THE SUPPLY CHAIN MANAGEMENT POLICY IS IN THE PROCESS OF BEING AMENDED AND THE AMENDED POLICY WILL BE SUBMITTED TO COUNCIL FOR APPROVAL;

(aa) THAT COGNIZANCE BE TAKEN OF BUDGET RETURNS ATTACHED AS ANNEXURE "14".

CONCLUSION

I WOULD LIKE TO THANK ALMIGHTY GOD FOR GUIDING US THROUGH THE CHALLENGING AND DIFFICULT SITUATIONS DURING OUR TERM.

TO MY FELLOW COUNCILLORS, THE BUDGET WOULD NOT HAVE BEEN POSSIBLE IF IT WAS NOT FOR YOUR CONTRIBUTIONS - I THANK YOU.

LASTLY, A WORD OF APPRECIATION TO THE ADMINISTRATION LED BY THE MUNICIPAL MANAGER, ADV. NTHABISENG SEPANYA-MOGALE AND THE CHIEF FINANCIAL OFFICER.

HONOURABLE COUNCILLORS, I THEREFORE SUBMIT THAT COUNCIL CONSIDERS AND ADOPT THE 2010/2011 IDP AND BUDGET ESTIMATES FOR THE COMING FINANCIAL YEAR.

I THANK YOU AND GOD BLESS YOU ALL