



WITZENBERG

IDP 2007/2011



*- BUDGET SPEECH -
By: EXECUTIVE MAYOR
COUNCILLOR KEVIN KLAASEN*



29 MAY 2008

**A UNITED, INTEGRATED,
PROSPEROUS MUNICIPALITY
PROGRESSIVELY FREE OF
POVERTY AND DEPENDENCY.**

STATE OF THE WITZENBERG ADDRESS BY THE MAYOR OF WITZENBERG, COUNCILLOR KEVIN KLAASEN, ON THE OCCASION OF THE ADOPTION OF THE 2008 REVIEWED 2007-2011 INTEGRATED DEVELOPMENT PLAN AND BUDGET ON THURSDAY 29 MAY 2008 IN THE TOWN HALL, CERES.

Honourable Speaker, Deputy Mayor, Members of the Mayoral Committee, Portfolio chairpersons of the Executive Mayoral Committee, Councillors from the different political parties, visiting guests, acting Municipal Manager, his management team, members of the public, Ladies and Gentleman, it is indeed a privilege to stand before you on the day where I present to Council to adopt our Municipality's 2008 Reviewed 5-year Integrated Development Plan and Budget.

Mr. Speaker, last year at this time, Councillor Andre Muller was the executive mayor of the Municipality. We are all aware that where no single party has the majority, the adoption of the 5-year IDP and medium term Budget is actually the glue that binds all parties together. I trust that all parties will unanimously vote for the adoption of the IDP and Budget.

Something that struck me last year at the adoption of the 5-Year IDP was what my predecessor, councillor Muller, said. He put it so well that I think it is worth repeating. He said; "I want to stress this point (meaning the need to work together) because, as our IDP emphasises, the outcome of the previous year's elections has meant that we will ignore at our own peril, and of the general populace of Witzenberg, the need for coalition government in Witzenberg. As long as this situation prevails it will be necessary for the different political forces to develop a way of working together that does not destabilize the plans and projects outlined in this IDP.

It is in the context of what he said that I can say with pride that the fundamentals are in place and that the focus this year will firmly shift to implementation.

I want to read to you what I and the acting Municipal Manager said in our respective forewords to conclude my input on the IDP, before I turn to the budget:

The responsibility to review Council's second-generation 5-year Integrated Development Plan (IDP) has been entrusted to the new political leadership of Witzenberg Municipality. Council carefully and thoroughly scrutinised the existing environment covering the following aspects:

The 2007-2012 IDP, Council's Strategic Calendar, the IDP Framework guide from DPLG, Comments received from the MEC for Local Government and Housing, internal strategic sessions, the socio-economic analysis report received from Provincial Treasury and Stats SA, public and sector participation inputs, delivery gaps in terms of our Service Delivery Budget Implementation Plans (SDBIP's), as well as comments received from Provincial Treasury with regard to said SDBIP's.

Guided by the considerations above we have come to the conclusion that the 5-Year IDP, confirmed by particularly the comments received from the MEC for Local Government and Housing that Witzenberg Municipality's priorities remain the following:

- To build our financial sustainability;
- To create integrated, sustainable, linked and productive human settlements;
- To deepen and entrench good governance practices, including better communication and public involvement.
- To grow the local economy in order to increase opportunities for participation and equity; and
- To foster and strengthen strategic partnerships to make meaningful advances in the areas of health, safety and security, education and training, and poverty alleviation.

The general strategic trajectory indicated by the existing 5-year IDP, confirmed by our analysis and endorsed through the public participation engagements is therefore the correct one to follow.

Indeed, the focus now has to shift to effective delivery and having the right organisational structure to execute our Plan. I am of the firm view that the rest of Council, albeit from their opposition benches, will lend their support to our endeavours as we all work together to realise our vision of a united, integrated and prosperous Witzenberg – progressively free of poverty and dependency.

Mr. Nasson says:

The Executive Mayor of Witzenberg Municipality proposes to Council the adoption of its Reviewed Integrated Development Plan (IDP) together with the Budget and Sectoral Plans on 29 May 2008. Council duly confirmed its belief that the existing 5-Year IDP manifest the correct strategic direction given our current reality. Council also expressed its firm belief that the focus should now shift to efficient and effective implementation.

This implementation responsibility resides with me as acting Head of Administration, and I also have to legally account for progress, or otherwise, on such implementation.

It must be emphasised that although the Administration has been struck by vacancies in critical positions left either by choice or force, the lasting depth of the legacy of a predecessor is to be measured not only by presence, but indeed by the capacity of the organisation to sustain and propel itself solely on the strength left by the assimilation and consequent realisation of the strategic footprints left by such predecessor - hence the re-affirmation of Council and Management to continue with and not divert from our chosen path.

I have raised it in my foreword last year and feel compelled to reiterate that our point of departure is that the development challenges facing us are wide and our resources limited. We fully recognize that as custodians of the hard earned money of our poor community, we have no space for wasteful and poorly targeted expenditure. The devising and implementation of strategies to

improve our financial management and institutional capacity for sustainable and affordable service delivery remain a key focus for this Administration.

Where we came up short in implementation over the last financial year we could have tried to find justification in raising issues of political and management instability. Though the vacancies and absence of strategic leadership do have an impact on organisational gearing for delivery, it is not the mark of a person in a position of leadership to state such conditions as if to prepare for failure. Such a position would be tantamount to pronounce defeat prior to even the start of confronting the imminent challenges.

In conclusion, with the support, assistance and sheer ethical commitment of all in the Administration, I have no doubt that we all can perform to the level that will make its citizens proud.

I now turn to the budget and highlight a few of the key aspects:

Om te verseker dat die impak van verskerpte krediebeheer meganismes nie negatief impakteer op die armstes van die armes nie het ons die huishoudelike kwalifiserende vlakke verhoog vanaf R 2,400 tot R 2,700 vir Deernishuishoudings en vir Arm huishoudings vanaf R 3,560 tot R 3,700.

Dit beteken dat ons ongeveer 20% huishoudings in die net is uit 'n moontlike 9500 huishoudings wat rekeninge ontvang.

The linkage to the IDP goals can be best illustrated in the allocation of funding towards these goals. The following amounts were allocated:

Sustainable Settlements	Human	180,614 million	72.0%
Financial Viability		34,897 million	13.8%
Good Governance		23,780 million	9.5%
Local Development	Economical	9,725 million	3.8%
Strategic Partnerships		1,750 million	1.0%

In order to finance these allocations the following operating revenue will be collected:

Property rates	22,214 m	10.8%
Electricity	67,970 m	33.1%
Water	24,215 m	11.8%
Sanitation	11,729 m	5.7%
Refuse Removal	14,071 m	6.9%
Grants	24,086 m	11.7%
Other	40,762 m	20.0%

The growth in operating revenue is 14.06%. The major contributors to this are water, property rates and grants. Grants being allocations from National Government to the Municipality, the bulk of the grant allocation directed to Equitable Share which are mainly utilized for assistance to the poor.

The tariff increase to realise these income is set as follow:

- Property rates – Between 13.33% and 15.52%
- Electricity between 0% and 12%
- Water between 8.5% and 12%
- Sanitation distinction must be made between Urban and rural areas whereas Urban areas are between 8.5% and 19.82% and rural areas between 22.32% and 74.22%
- Refuse removal between 8.5% and 15%

To finance the capital budget the Municipality has secured the following sources:

National Government	17,972 m	39.3%
Provincial Government	15,483 m	33.9%
District Municipality	0,150 m	0.3%
External Loans	12,113 m	26.5%
	<u>R 45,718 m</u>	

Chairperson, at this stage I think it appropriate to express my thanks to:

- The Deputy Mayor and Speaker, as well as members of the Executive Mayoral Committee for providing the necessary political contribution during the IDP and Budget compilation process;
- Councilors of all political formations for vigorous and valuable contributions and commitment during the compilation of the IDP and Budget;
- Members of the public and other sectors for their inputs;
- Mr. Nasson and his management team;
- The Department of Finance, especially Mr. Hennie le Roux who did a great job in the absence of Mr. Shongwe; and
- The good work done by Mr. Wildschutt.

With that, Honourable Speaker, I now formally table the 2007-2011 IDP presented as Volume One together with its Annexures contained in Volume Three as well as the Budget as Volume Two for Council's consideration and approval, in terms of section 24(1) of the Municipal Finance Management Act.

Honourable Speaker, Deputy Mayor, Members of the Mayoral Committee, Portfolio chairpersons of the Executive Mayoral Committee, Councillors from the different political parties, visiting guests, acting Municipal Manager, his management team, members of the public, Ladies and Gentleman,

I thank you all.