

## Section 1 - Mayoral Budget Speech

### BUDGET SPEECH- EXECUTIVE MAYOR CLR MHATLI (30<sup>TH</sup> March 2010)

Honorable Speaker, Councilor's, officials, members of the public, ladies and gentleman. Over the past financial years via sound and strong financial management Witzenberg Municipality has moved from an intensive care position to a position in the general ward. This has unequivocally come about via strong and sound financial discipline which led to relative financial stability.

There is also a high level of compliance with MFMA as well as relevant legislation directly affecting Financial Management.

For the second time in three years the municipality received an unqualified audit report from the Auditor – General. The switch over to GRAP has had an enormous effect on Witzenberg.

The Municipalities budget should thus be seen within the context of the policies and financial priorities of National, Provincial and district government. In essence the spheres of Government and partners in meeting the service delivery challenges faced in Witzenberg. Our Municipality alone cannot meet these challenges. It requires the support from the other spheres of Government, through the direct allocation of resources as well as the achievement of their own policies.

Allocations Gazette and published in the DORA indicates that National and Provincial Treasury supports Witzenberg Municipality and we would like to formally thank them for their commitment towards Witzenberg.

National Government has increased their allocations from R 67,2 million, R 72,2 million over R 100 million in 2012/2013. The Provincial Government allocation for the MTREF period amounts to R 55,196.

The challenges with regard to the 2010/2011 Budget are;

- First year to be fully GRAP compliant from the on set for example Post Retirement Benefits, unbundling of assets;
- NERSA APPROVAL OF Eskom tariffs and the capping of Municipalities by means of Municipal guidelines;
- New budget formats with very detailed information;
- Capital program in excess of R 200 million over the MTREF; and
- Cash flow planning taking into account no new borrowings.

The main capital projects over the MTREF period funded from these allocations include;

- Tulbagh Housing project – R 52,6 million
- Bulk water – Kleinberg river & reservoir – R 41,8 million
- Bulk water – Hamlet – R 11,4 million
- Bulk water – Wolseley – R 8,2 million
- Upgrading of roads – R 13,8 million
- Refuse sites – R 9,69 million

The N'duli Swimming pool is also included for the MTREF period.

The operational budget figures changed a lot due to the new GRAP standards, "en ja dit is geen grap" this has a big influence on the cash flow and the cash backed reserves, but as always Witzenberg will overcome even this hurdle.

I am of the opinion that what our finance department have presented us with is a **credible budget**. It compliments the "heart beat" of the political leadership and synchronizes the activities consistent with the revised IDP and vice versa. Furthermore it ensures that the IDP is realistically achievable given the financial constraints of the municipality. The budget is achievable in terms of agreed service delivery and performance targets.

It contains revenue and expenditure projections that are consistent with current and past performance and is supported by documented evidence of future assumptions. Although the cash flow deteriorates it does not jeopardize the financial viability of the municipality. In the long run, with now new borrowings it actually ensures that the financial position is maintained within prudential limits. The financial obligations will be met in the short, medium and long term.

Furthermore what endorses the credibility of this budget is that it provides managers with appropriate levels of delegation to meet their financial management responsibilities.

I salute the Municipal Manager, the CFO and his very competent senior Finance team for their excellent work and commitment. I salute you as the Executive Mayor of Witzenberg . Thank you to the Speaker, Mayoral Committee and all Councilors for giving valuable input to the budget for 2010/11.

Thank you Dankie, Enkosie

**EXECUTIVE MAYOR: CLR MHATLI**  
(30<sup>TH</sup> March 2010)