

# 1. EXECUTIVE MAYOR'S BUDGET SPEECH

---

Thank you Mr. Speaker

The 2013 / 2014 IDP review and budget process brings with it a new era in strategic planning in Midvaal. Councilors will note that the IDP document has undergone major changes and is far more compact, easier to read and understand, more aligned to national, provincial and district priorities and shows clear alignment with our own medium term expenditure framework.

Chapter 2 of the IDP provides an honest assessment of service delivery in Midvaal and determines a clear guideline on where, as well as on what, we as a Council should focus if we are to maintain our status as "the fastest-growing municipality" in Gauteng.

This analysis is based on valuable community participation as well as sound technical advice and I would urge all Councilors to thoroughly interrogate it to ensure that it is 100% correct and complete. A truthful situational analysis is critical as all further aspects of planning, implementation and monitoring are based on this information.

In Chapter 3 of the IDP Midvaal spells out its five year development plan with annual targets and funding sources whilst Chapter 4 outlines the financial plan over the medium term.

Our tariff increases have been finalized subsequent to the NERSA determination of electricity tariff increases. Our average increases for customers will be as follows:

- Assessment Rates – 10%
- Electricity –7% (households will receive a 6.5% increase)
- Solid Waste (Refuse Removal) – 14%
- Water – 12%
- Sanitation – 10%

Chapter 6 contains a new document, namely a municipal scorecard based on all the previous chapters. For the first time our community and Councilors will have access to a shortened, simplified, high-level dashboard indicating performance of the entire municipality as opposed to the lengthy, complicated departmental scorecards that we currently use.

The new format of the IDP is prepared on the basis that this Council and its administration has committed itself to clean, accountable and transparent governance and we have changed complicated, bureaucratic documents into simple plans that are easy to read, interpret and monitor.

The 2013/14 draft operating budget totals R744 million. R175 million, or 23%, will be spent on employee costs which is well below the accepted norm of 30%. Bulk purchases of water and electricity will increase to R250 million and as a municipality we are in support of NERSA's decision to bring electricity tariff increases in line with inflation.

The total for repairs and maintenance of R33 million will focus on maintaining our roads, buildings, bulk services, pump stations and vehicles. Mr. Speaker, we boast that Midvaal's infrastructure is comparatively well maintained – however we may have to review our provision for repairs and maintenance in the future to bring it in line with international norms. With an insufficient budget provision we face the risk of undoing all the progress of the past few years and placing unnecessary strain on ageing networks.

The remainder of the operational budget focuses on maintaining Midvaal's high standards of service delivery but we must continue to reduce wastage and unnecessary expenditure.

Rest assured that this management's focus is on improving organisational efficiencies and cost savings and we will continue to embark upon programmes such as the elimination of non-essential water and electrical consumption at our municipal buildings.

The Draft Capital Budget presented this evening will exceed R152 million.

About R12.7 million will come from internal funding, R94 million from external grants and donations and R45 million will be sourced from loans.

This coming financial year will see the implementation of the following projects:

1. The construction of the Lakeside Library to the value of R5 million is set to commence in July 2013. The steering committee was successfully established and the procurement process is now underway.
2. The first phase of the Lakeside sports centre will also commence in the coming financial year and we commit ourselves to constructing a well-designed and resourced centre that will become the community's pride such as those constructed in Bantu Bonke and Sicelo.
3. A further R1,25 million is proposed for the extension of the Kookrus cemetery. Councilors would know that the Meyerton South cemetery is now full and that in future more burials will take place in Kookrus.
4. It is believed that we will finally be able to continue with the Vaal Marina Fire Station as the approval of Midvaal's water use license is expected in the next few weeks, and in this regard we are proposing to allocate R7 million over the next two years to complete the structure.

5. The fourth phase of the CBD upgrade should commence in the next 6 months and this will cover the section between Junius and Galloway Streets. The private sector has responded positively to our efforts in the centre of Meyerton as occupancy levels remain high and there are now plans afoot to develop new commercial properties on the bottom-end of Loch Street. R10 million has been set aside for the CBD Upgrade.
6. We plan to fund an upgrade of Risiville's electrical supply by way of R9 million bulk contributions which will allow us to respond to the great demand for further residential developments in the ward.
7. We will again allocate R1 million towards our water revenue protection programme which is aimed at replacing old and faulty water meters in an attempt to reduce water losses. Over the past 3 years we have replaced almost 66% of all water meters in Midvaal and this has resulted in a drop in water losses from 27% to 22%.
8. The Valley Settlements Reservoir is well into its planning phase and R5.5 million is allocated towards the commencement of its construction in the coming financial year. The reservoir will not only cater for the increased demand for industrial land along the R59 but also for the planned housing developments in Sicelo and Meyerton Farms. We will spend some R35m on this project over the next three years.
9. For many years now the residents of Daleside have requested an expansion of the sewer network to include all houses within the town. We are proposing an initial R3 million to commence with the planning, design and preliminary upgrade of the network and this will inform us on what provision will be necessary in the following financial year to fully complete the project.
10. The upgrading of the Corgi Motors intersection is now an urgent priority as more and more residents from Risiville, Three Rivers and Riversdal make use of the route to access the R59 causing high traffic congestion during peak hours.
11. The second phase of the rebuilding of Jan Neethling Street in Riversdal will soon commence. I look forward to the day when an unstable road base and countless potholes along this main route will be a thing of the past.
12. The preliminary designs for the Kidson Weir in Henley-on-Klip have been completed and we now await the outcome of the Environmental Impact Assessment. More than two years have passed since the last floods but we should never forget the looming threat and the devastating impact that they have on the lives of our residents.
13. After much uncertainty regarding the funding and implementation of the Meyerton Waste Water Treatment Works upgrade, it now appears as if we can proceed and the Regional Bulk Infrastructure Grant of R50 million in this regard for the next year and a further R198 million over the next two years.

14. By far our two most important projects for the coming years will be the development of housing for the residents of Mamello & Sicelo. Council has now approved the rezoning for Erf 78 and this budget will allow us to plan and install bulk services for these 2 areas. I would invite Councilors to view the show or sample houses currently being constructed along Bell Road. One could be excused for not believing that they are RDP units as their face bricks, layout and size will set a new standard for social housing in South Africa.

Mr. Speaker, this would be an appropriate time to reflect on the census results and on our progress over the past ten years as indicated by Global Insight. Midvaal's population has increased by 44%. This is the 7<sup>th</sup> highest growth rate in South Africa and indeed confirms that we are the fastest-growing municipality in Gauteng.

The percentage of families living in formal brick / concrete structures has increased from 85% in 2001 to 90,4%. Households with flush toilets have increased from 75% to 90%. In 2001 only 48% of our residents enjoyed a weekly refuse removal service and this has increased substantially to 84%. Ten years ago 17% of our population had no access to clean water and this has been reduced to 1,8%.

These statistics point to the gradual but steady success of this municipality in fulfilling its promise of equal and quality services to all our residents despite the large influx of people into the area.

But there are two other statistics that are of particular importance. Those that signal our commitment to an open opportunity society where every South African has the means to improve their lives.

Midvaal's economy has been growing at an average of 8% per annum since 2003 and this has resulted in a steady drop in the unemployment rate to its current levels of 10,7% according to the narrow definition or 18,8% according to the broad definition. This, Mr. Speaker is almost unique in a South African context. A job is one of the most important needs for any adult as it is a passport to income, skills, life experience and improvement.

By taking the right decisions, and by driving the efficient delivery of services we have created an environment that not only welcomes investment but that gives people real hope for the future with sustainable jobs, quality living and growing opportunities for everyone.

With this Speaker, I would like to table the 2013/2014 Budget for consideration.

Thank you.