

Mr Speaker,

The 2011/2012 draft budget comes at the end of this Council's term of office. I would like to recommend to Council that we should not, if at all possible, pass a final budget before the elections, but that we should leave it up to the new Council to make the necessary changes.

However, the draft budget will form an important foundation and will also guide the new Council on what we believe the priorities are for our area.

We are proposing a total operating budget of R544 million. It is interesting to note that Midvaal's first operating budget some ten years ago was only R125 million and this huge increase reflects the unbelievable growth in our rates base that has made Midvaal the fastest-growing municipality in Gauteng. The past principles of sound budgeting and good financial management that improved our area and attracted so many new residents and investors are also found in this budget.

It is proposed that employee costs will be R152 million which is 28% of the total budget. This is far below the accepted norm of 30% but is sufficient to allow for an expected 8% increase in salaries as well as the filling of all critical vacancies.

The repairs and maintenance budget increases by 9% to R35,5 million with roads and bulk services making up the majority of this vote. The Midvaal area was severely affected by the recent heavy rains and floods and it is important for Council to sufficiently provide for the repairs to damaged infrastructure as such repairs are expected to continue into the new financial year. We are of course fortunate that this Council actively maintained and upgraded infrastructure, such as roads, for many years and so our residents have far less potholes to dodge than in most parts of Gauteng. I am however concerned by the current state of gravel roads following the storms and the proposed R6,3 million towards these roads should alleviate many of the problems.

The remainder of the operational budget provides for the continuation of the high levels of service delivery that Midvaalers are accustomed to.

I am pleased to announce that Midvaal's cash-flow position is improving with every month that passes. The strategy of stringent debt collection together with the careful management of expenditure is starting to pay off. There will be a sound footing from which the new Council can begin to operate, but I must warn that difficult economic times are set to continue in the coming months. It is therefore imperative that Midvaal should continue with a no-nonsense approach when it comes to efficiency and waste reduction.

Council will note that we are proposing a Capital Budget of more than R47 million. For the past two years Midvaal focused intensively on visible service delivery and infrastructure upgrades and it is therefore important for us to now re-invest in the organisation and its equipment.

R13,5 million is allocated to new vehicles. Of that amount R12,1 million will be financed by hire-purchase agreements for vehicles such as:

- 2 new tractors for the Parks Department
- 2 Front-end loaders for Cleansing
- 1 highway patrol vehicle for the traffic department
- A tipper truck and a crane truck for the water and sewer cluster
- 2 graders and water trucks to assist with the maintenance of Midvaal's 560kms of gravel roads
- There is also a 3-ton truck and a TLB for the roads department

In addition to the above, we will spend R1,2 million of Midvaal's own funds on the outright purchase of:

- 4 new traffic vehicles to begin to replace the ageing Citi Golf fleet
- 2 LDV's for Cleansing
- 1 LDV for the Parks Department and 1 for Corporate Services

With regards to the heavy machinery mentioned above I would like to encourage the administration to once again seriously consider the purchasing of good quality refurbished or overhauled equipment.

Over the past few years Midvaal's vehicle fleet has been ageing and costs R4,5 million to maintain. Furthermore a number of vehicles are no longer economically viable to operate meaning that Council has had to rent vehicles at very high costs. The purchasing of these proposed vehicles will not only drastically reduce rental costs but will also ensure more reliable service delivery to our residents.

Further capital budget proposals include:

- Lawnmowers, bush cutters and slashers for the Parks Department
- Additional skip bins to address the increasing demand from businesses
- Fire carts to support the Fire Prevention Associations
- In keeping with our policy to increase road safety we would like to purchase alcohol testers for the traffic department
- One additional underground drill for the water and sewer cluster to address new household connections
- R200 000,00 is allocated towards the EIA required to establish a municipal quarry for gravel roads. This will ultimately lead to major cost savings on the maintenance of these roads
- MPAC will be pleased to know that we will be allocating another R1 000 000 towards the revenue protection programme to address water losses
- With Cabinet's abandonment of the Regional Electricity Distribution idea it is imperative for Midvaal to up its investment in electricity infrastructure and so we are proposing an allocation of R3,9 million for the upgrading of the network as well as the installation of ripple controllers.

- R800 000,00 has been allocated for additional equipment at the Meyerton Library. Over the past few months Midvaal has led the way with library services in terms of the Sicelo and Randvaal Libraries and it is now time to re-invest in the municipality's main centre.
- The Vaal Marina Landfill site will receive R2 million for its upgrading so that we can address compliance and environmental matters
- We would like to install an additional connection to Rand Water at Meyerton Farms to address the poor water pressure in that area. The Ward Councillor will know that with the area's growth it is sometimes a problem with the pressure during peak periods.
- The Gravel To Tar Programme will receive R3,9 million from MIG and R2 million from own funds to continue with the tarring of roads and installation of storm water drains and
- R10 million is allocated towards the expansion of the Meyerton Water Care Works. I have previously warned this Council that our waste water treatment capacity is now exceeded and will hamper development in future if not addressed. The R10 million is only a fraction of the R175 million eventually required but at least it is a move in the right direction.

The funding of the budget was particularly difficult to calculate as a result of the new valuation roll which will come into effect on 1 July 2011. Over the coming months property owners will be requested to inspect the valuation roll and object where necessary. I am pleased to say that overall the valuation roll reflects the many new homes and businesses established over the past few months and also indicates a general increase in valuations despite the recent recession.

Different properties will experience different rates increases as a result of the new valuation roll, however the average increases for households are:

Assessment rates:	7%
Basic Water:	6,7%
Basic Sewerage:	5%
Additional Sewerage:	6,3%
Refuse Removal:	6%

It is clear from the above tariffs that Midvaal is working hard to keep increases as low as possible while still ensuring a high level of service.

Water consumption will increase by about 13% in line with the Rand Water increases and electricity consumption will once again increase by between 20% and 30% depending on how much is consumed. These increases reflect the actual change in tariffs that the municipality has to pay to Eskom.

Mr Speaker, this draft budget not only reflects our proposed vision for the future but also a number of the successes that this DA-controlled municipality has achieved over the years.

I would like to thank the municipal manager, his management team and all the employees of Midvaal for their outstanding support and commitment. The fact that we have the highest

customer satisfaction rating of all the municipalities in the province bears witness to your fantastic efforts.

My thanks also goes to the Councillors who have the extremely difficult task of balancing the community's expectations with the reality of limited resources. Local Government is not a job – it is a calling and requires incredible skills in problem-solving and negotiation. I wish all the Councillors well in the coming months as we prepare for what will be a difficult and heated election campaign. In the next few weeks we will learn who of us are retiring and who may stand a chance of returning. Whatever your future will be I trust that you will always look back on the last five years with fond memories of the contribution you have made to our community.

Finally I would like to thank Midvaal's ratepayers. Over the past few months I have met so many residents and the vast majority of them have welcomed my wife and I with open arms. We've met with them in their homes, businesses, churches, in their parks and their streets. The support and words of encouragement have been heart-warming and have reminded me of how privileged I am to be the Mayor of such a wonderful community.

Mr Speaker, I hereby present the draft 2011/2012 budget to Council for consideration.