

Mr Speaker, councillors, municipal manager, HOD's and guests present this evening.

Firstly, allow me to congratulate all councillors who were elected to office, and in particular yourself Speaker. Council's highest office will require a lot of hard work and dedication and I have no doubt that you will fulfil your role of protector and promoter of democracy with the necessary skill and passion that is required.

I would also like to formally appoint and congratulate my Mayoral Committee:

Councillor Hartman: Social Services

Councillor Baloyi: Development Planning & Housing

Councillor Pretorius: Finance & Corporate

Councillor Hack: Engineering Services

Councillor Botsoere: Protection Services & HR

Those who have worked with me in the past will understand that I, and indeed the voters of Midvaal, demand high standards from a Mayoral Committee and I trust that the Council as a whole will lend them the support necessary to achieve our aim of delivering quality services to all.

Speaker we should not underestimate the gravity of what took place in Midvaal on the 18th of May. Almost 68% of registered voters went to the polls to cast their ballots – the highest turnout in the province. It is a clear indication of how important local government is to our community and a reminder of the expectations placed before us.

The overwhelming victory by the Democratic Alliance is not only an approval of what has been achieved in Midvaal over the past 10 years, but also a belief in the DA's vision of an open-opportunity society and indeed a vote of trust in our new caucus.

An analysis of the election results will show that the DA is the only party in Midvaal whose support has increased at every election since 2000. What is most significant is that this increase in support stretches across racial, language, cultural and social lines. The DA is the only party in Midvaal that can prove a truly diverse support base and indeed the only party that can say that it represents all the people of Midvaal. A glance across this Council Chamber will again show that the DA's support is reflected here, in a truly diverse caucus united by the mission to ensure quality delivery to all.

More than 18100 voters placed their faith in the DA and we are indeed humbled by the overwhelming support. I am thankful for the trust that the voters, the council and my party has placed in me to lead this municipality and will, as in the past, do everything possible to serve the interests of our community at all times. Midvaal is not perfect, and indeed this election highlighted many shortcomings and mistakes, but the fact that we are slowly moving in the right direction, and with the right intentions, has been fully endorsed.

Due to legal requirements it is necessary for Council to consider the approval of the budget for the 2011/2012 financial year. The final budget that I present here is largely based on the draft budget approved by the previous council earlier in the year. Public participation processes have taken place and suggestions received have, where possible, been accommodated.

Expenditure for the 2011/2012 operating budget now totals just less than R550 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 R149 million which is 27% 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 34% to R43,5 million with roads and bulk services making up the majority of this vote. The Midvaal area was severely affected by the heavy rains and floods of the past two years and it is important for Council to sufficiently provide for the repairs to damaged infrastructure. 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 R5,8 million towards these roads should alleviate some 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 paying off. There is a sound footing from which this 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 R41,5 million. This is a reduction of R5,5million from the draft budget. New information indicates that some existing vehicles will be able to operate for a few more years before they need to be replaced and therefore much of that expenditure has been deferred.

Large infrastructure and community projects contained in both the capital and operational budgets for the coming year include:

- 1) Completion of phase 2 of the Sicelo Multi Purpose Hall at R1,5 million
- 2) Upgrading of the Galloway Street Transfer Station at R1,84 million for both phases
- 3) Payment of the second amount for the purchase of the Walkerville Landfill Site R1,7 million
- 4) The construction of the Vaal Marina Fire Station R6,5 million
- 5) The second phase of the Meyerton Taxi Rank upgrade R500 000
- 6) Expansion and upgrading of the Meyerton Waste Water Treatment Works R10 million
- 7) Gravel to tar projects totalling R5,8 million
- 8) The upgrading of the electricity supply to Sicelo R2,6 million
- 9) We are proposing to place phase 3 of the CBD upgrade on hold and to use R3million to focus on a similar upgrading of the Walkerville business node.
- 10) We have set aside R200 000,00 for the connection of the remaining high-mast lights in Lakeside
- 11) Councillor Malia will remember that I once spoke to him about a formal trading area along Bell Road and the first phase of this project is allowed for in the operational budget.
- 12) More than R2 million will be spent on rebuilding sections of Jan Neethling Straat in Riversdal and attention will also be given to Pump Road in Boltonwold as both of these are important access routes that were severely damaged by the heavy rains.

- 13) Libraries will continue to enjoy a high focus in Midvaal as we propose an allocation of R1million towards the upgrade of the main library here in Meyerton. Councillors will see that we are also planning to lodge business plans to MIG for the construction of a library in Lakeside for the 2012/2013 financial year. I am also pleased to announce that Midvaal has concluded an agreement with the community organisation Henley-at-Heart, which will see the establishment of a heritage centre at the library.
- 14) Infrastructure allocations towards the housing projects for Sicelo Ext5 and Mamello are not reflected in these budgets as costs will be carried by the Provincial Government, however I have instructed the administration to prepare an urgent item on these two housing projects so that Council can receive full information at its next meeting.

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. 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:	10% (Due to increasing fuel costs)

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, I would like to thank the Municipal Manager and his team, especially those from the Finance Department, who assisted in finalising this budget within the short period available. I would encourage councillors to view budgets and IDP's as living documents that can be amended as legislation allows and each councillor should use this budget as a basis for the public participation process that will unfold over the coming months.

Mr Speaker I hereby present the budget and all other agenda items to the Council for consideration so that we can continue on our path of fulfilling the DA's mandate of delivering quality services to all.