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**BUDGET SPEECH BY COUNCILLOR R SCHENK: PORTFOLIO HEAD: FINANCE**

During Budget preparations many factors had to be considered. Ndlambe is not a cash flush Municipality; it has a relatively low rates base and cannot rely on Industries or Mining activity to generate revenue. Ndlambe has a fairly large retiree population who rely on a fixed income and considering these factors we had to make do with what we have.

It is unfortunately a fact that we are not known for our high productivity levels and this is a challenge that our senior staff have to address urgently. Employees have to self-motivate and accept that they have a personal responsibility to improve on productivity, lack of which is a bone of contention. At a meeting with the Ndlambe Ratepayers Forum, Officials undertook to address this issue and control overtime and the use of casuals. Other issues raised as concerns by the Rate Payers are catering/entertainment, uniforms, travel and subsistence, telephone costs, consultants, and LED. Officials need to note these concerns and monitor expenditure on these items closely.

Another issue of concern is the cost of compliance over which we have no control. In order to balance the Budget and settle at 9% rates increase provision was made for R8 215, 807 for Depreciation instead of the required amount of R36 144 123. This will have an effect on the Audit outcome as it will be regarded as unauthorised expenditure and unfunded Budget and Council needs to grapple with this. Do we want a service delivery budget or a clean Audit? To achieve a clean audit another R28 000 000 will have to be cut from an already lean Budget.

As with any Budget, no one ever comes out popular as it is patently impossible to satisfy everyone,

I believe this Budget is pro-poor and Service Delivery geared.

We thank all individuals who submitted recommendations and especially the Ndlambe Ratepayers Forum for their valuable input and hours of consultation. We were not able to reduce the percentage increase to the level that the NRF were comfortable with, without

compromising service delivery. Our Budget and Treasury Office staff are thanked for their hard work and patience and the many times that they had to redo portions of the Draft Budget, their patience with me is appreciated as I often barged into their offices unannounced to check on Progress.

“I Thank You”