



**BUDGET SPEECH DELIVERED**

**BY THE**

**CHAIRPERSON OF MANAGEMENT**

**COMMITTEE**

**COUNCILLOR LILO NIILENGE**

**Thursday, 28<sup>th</sup> May 2020, @ 16:30**

**Council Chambers, Civic Centre**

Budget Speech for the 2020/2021 Financial Year by the  
Chairperson of the Management Committee, Councillor Lilo  
Niilenge

Honourable Neville Andre, Governor of the Erongo Region;  
Honourable John Nangolo, Walvis Bay Rural Constituency  
Councillor and Member of Parliament;  
Honourable Knowledge Ipinge, Walvis Bay Urban Constituency  
Councillor;  
Your Worship the Mayor of Walvis Bay, Alderman Immanuel  
Wilfried;  
Fellow Councillors;  
The Chief Executive Officer, Mr. Muronga Haingura;  
Management and all staff members present;  
Distinguished invited guests;  
Members of the Media.

Good afternoon to you all.

I have the honour and privilege to table the 2020/2021 financial year budget, the second year in a row for me to exercise such a function.

Just for the record, the council budget is tabled in terms of the provision of section 83, sub-section 1 of the Local Authorities Act, Act No. 23 of 1992, which states as follows, amongst others:

Every management committee -

“shall in each financial year cause to be prepared, after consultation with the regional council in whose area the local authority is situated, a statement of its estimated income and expenditure during the following financial year; which statement shall be submitted by the chairperson of the local authority council concerned to the local authority council for its adoption and subsequent approval by the Minister”.

Our Minister of Finance tabled the national budget in Parliament yesterday under the theme *“Together defeating COVID-19, Together thriving again”*. The Minister further stated that this theme summons the collective contribution of all Namibians, young and old, to defeat COVID-19 as a necessary condition for future economic recovery and prosperity.

Traditionally and as a part of our endeavours towards implementing a collective and inclusive decision-making process, we would always reach out to the community through public gatherings to source and solicit inputs before tabling our budget for approval. This time around, we were unable to follow this process as we are required to observe and adhere to the measures introduced that are aimed at combating, preventing and suppressing the spread of the COVID-19 pandemic.

It is therefore against this background that I wish to inform you that you will notice that the bulk of the provision made on our capital budget consists of:

- continuation of projects already approved in the current financial year;
- service delivery-related projects; and
- maintenance and/or upgrade of infrastructure projects.

Our President His Excellency Dr. Hage G. Geingob announced a State of Emergency on the 17<sup>th</sup> March 2020 following the first confirmed cases of COVID-19 in our country. From the 28<sup>th</sup> March 2020, our country has been on Lockdown starting with the Erongo and Khomas Regions, including the local authority areas of Okahandja and Rehoboth. The Lockdown was extended countrywide from the 18<sup>th</sup> April 2020 and ended on the 4<sup>th</sup> May 2020.

The COVID-19 pandemic has caused unprecedented negative human or health-related and economic impacts, amongst others. The measures necessary to contain the spread of the virus have triggered economic downturns globally. Confirmed cases are on the rise and no vaccine has been discovered as yet; businesses are closing down and in the process, hundreds and thousands of jobs are lost; financial markets continue to endure declines; in a nutshell, thousands of lives are being lost and world economies are experiencing negative growths.

From the Council's perspective, I can share with you that in our efforts aimed at stimulating the local economy, we will always continue to engage in land delivery projects which serves as one of the main catalysts for investment, wealth and job creation. To this end, I can share with you that the Council of Walvis Bay has the

following list of fully developed or serviced erven ready to be acquired:

- 44 Industrial erven;
- 64 Single Residential erven in Meersig;
- 29 Single Residential erven in Kuisebmond;
- 4 General Residential erven in Narraville;
- 4 Business erven; and
- 1 Undetermined erf.

We were in the process of disposing of these erven during March 2020 but we were forced to put the process on hold due to the announcements of the State of Emergency and Lockdown. We are currently looking at modalities to proceed with the process and the public will be notified through the relevant channels on the matter.

We have noted the initiatives, efforts and measures implemented by our government, the private sector, various entities and individuals alike to assist all affected and vulnerable members of our communities to lessen or reduce the impact of COVID-19. The Council of Walvis Bay has also participated and continues to play a direct role in assisting affected and vulnerable groups.

At this juncture, I wish to inform this august house that we as Council are in the process of identifying and introducing some relief measures that are aimed at assisting our communities in coping with the impacts of COVID-19. The relief measures will be tabled at a

Council meeting for consideration and once approved, it will be communicated to the respective community members.

Esteemed audience, I will now provide you with a synopsis of the proposed Budget for the 2020/2021 Financial Year.

### **THE CAPITAL BUDGET:**

Total Capital projects with a value of **Six Hundred and Eighty-Two Million Dollars (N\$ 682 Million)** will be executed over periods of more than one year.

The total amount on the capital budget which is anticipated to be spent during the ensuing financial year (2020/2021) has been recorded at **Three Hundred and Fifty-Eight Million Dollars (N\$ 358 Million)**. The remaining **Three Hundred and Twenty-Four Million Dollars (N\$ 324 Million)** is anticipated to be spent during 2021/2022 and beyond.

A breakdown of the combined projects provided for in the anticipated spending for 2020/2021 is summarised as follows:

- a. **Land Development Projects: Four-Hundred-and-Seventy-Five Million Dollars (N\$ 475 Million)**

The Land Delivery Projects run over more than one financial year. From the above total Land Development budget, **One Hundred-and-Forty-Seven Million Dollars (N\$ 147 Million)** has

been budgeted for the development of Farm 37. One-Hundred-and-Twenty-Five Million Dollars (N\$ 125 Million) is divided into finalisation and starting up of new extensions.

b. Social Projects: **Thirty-Seven Million Dollars (N\$ 37 Million)**

The primary or main individual projects under this category include Tataleni Fire Station, Single Quarters Upgrade and Upgrading of Ekutu (Stalls on Erf 3994).

c. Service Delivery-related Projects: **Forty-Four Million Dollars (N\$ 44 Million)**

This category mainly involves the implementation, upgrading and replacement of water and sewer infrastructure, planning and construction of a New Wastewater Treatment Plant and upgrading of the existing pump stations.

d. Infrastructure: **Fifty-Five Million Dollars (N\$ 55 Million)**

e. Vehicle Replacements and Additions: **Sixteen Million Dollars (N\$ 16 Million)**

The main components under this category are the acquisition of and replacement of existing vehicles.

f. Projects other than Land Development not mentioned above

Full details of the individual projects can be found in the capital budget. I therefore call upon all stakeholders to obtain your copies from our offices for your perusal and records.

## THE OPERATING BUDGET:

Expected Revenue for the new financial year is estimated at about Six-Hundred-and-Twenty Million Dollars (N\$ 620 Million) while expected Expenditure has also been recorded at Six-Hundred-and-Twenty Million Dollars ( N\$ 620 Million). There is therefore no deficit or surplus for the budget under review. It is a requirement from the line Ministry that the budget should be balanced, i.e. income and expenditure should correspond hence no deficit or surplus.

About 66% of total estimated Revenue is obtained from Water and related services, Property rates and taxes, Refuse removal services and Sanitation services.

With the fast growth of the city, large extensions in infrastructure are necessary which must be recovered from tariffs.

Average tariff adjustments on these items have been proposed as follows:

- |  |                           |
|--|---------------------------|
| ⇒ <u>Water &amp; related services:</u> | <u>8%</u>                 |
| ⇒ <u>Property rates and taxes:</u>     | <u>5% on site values</u>  |
|  | <u>5% on improvements</u> |
| ⇒ <u>Refuse removal services:</u>      | <u>5%</u>                 |



⇒ Sanitation services: 5%

The water tariff increase is lower than the anticipated adjustment from the service provider (NAMWATER), which is 11,57%. These adjustments are necessary in order to maintain acceptable service delivery standards.

With regard to property rates and taxes, adjustment includes 5% contributions to Erongo Regional Council as provided for under section 77 of the Local Authorities Act, 1992 (Act No. 23 of 1992).

I now wish to call upon and humbly extend a reminder to all entities and organisations who qualify to be exempted from rates levied on rateable properties, to apply for such exemption on or before 31<sup>st</sup> May, as required by law. Practically, you only have until tomorrow to submit your exemption applications.

In conclusion, I would like to thank my fellow councillors for their continued support, the administration leadership and all staff for their commitment and hard work in making it possible for me to present this budget today.

It is now my distinct honour and privilege to officially present the 2020/2021 Capital Budget, Operating Budget and Tariffs structure to His Worship the Mayor of Walvis Bay, Alderman Immanuel Wilfried for him to table it to this august house for approval.

I thank you.