



- BUDGET SPEECH DELIVERED
  - BY THE
  - CHAIRPERSON OF MANAGEMENT COMMITTEE
  - COUNCILLOR RICHARD HOAEB
  - Thursday 15 June 2023 @ 18:00
- Council Chambers, Civic Centre, Nangolo Mbumba drive, Walvis Bay

Budget speech for the financial year ending June 2024 delivered  
by the chairperson of the Management Committee, Councillor  
Richard Hoaeb

Honourable regional councillors of Walvis Bay Rural and Urban  
Constituencies.

Your worship the Mayor of Walvis Bay;

Fellow councillors of Walvis Bay Municipality;

The acting Chief Executive Officer;

Management and staff members present;

Distinguished invited guests and rate payers;

Members of the media.

Good afternoon to you all.

I have the honour and privilege to table the budget for the  
financial year ending June 2024.

These budgets are 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”.*

It is crucial to highlight that in terms of ministerial budget directive, this budget was supposed to have been handed in with the line ministry on 19 May 2023, however Council requested for a postponement to hand in this budget with the line ministry on by 16 June 2023. The request to postpone the deadline to 16 June 2023 was necessitated by pending consultations with the Erongo Regional Council in terms of Section 83(1)(a) of the local Authorities Act, 1992 (Act No. 23 of 1992) which was held on 08 June 2020.

The Budget presentation with ERC was productive and fruitful, with merely no objections from them.

Capital budget mainly consist of total of both continuation and new capital projects and is made up as follows: **39%** of Land Development Projects, **15%** of Infrastructure Repair & Replacement, **16%** of Service Delivery Projects, **11%** of Social Projects, **18%** of vehicle replacement and new acquisition of new vehicles and the remaining **1%** is Operating Capital related expenditure.

I can assure you that Council will always continue to engage in land delivery projects which serves as one of the main spurs for investment, prosperity, and job creation. Therefore, allow me to share with you that Council of Walvis Bay has the following list of

ongoing land development projects not limited to, in line with our Strategic Objectives & PPP initiatives:

Project	No of Erven	Anticipated Spending	Current Status
Narraville Ext 8	225	26,735,822	Servicing of extension underway
Meersig Ext 3	96	11,475,991	Pending Land Survey for Township establishment
Kuisebmond erf 4171	Buss & Industrial land for SME's	4,370,000	In House Planning matters underway to be completed end of June23
Meersig Ext 2	53	3,100,000	Pending Land Survey to creating erven

Council at its meeting dated 08 March 2023 under item 11.5 resolved to declare the interest amnesty which will come to an end on 30 June 2024. All residents including businesses are hereby encouraged to make use of interest amnesty. With Amnesty interest, you need to settle your capital balance outstanding to have your full interest levied thus far be written off in total. I am proud to announce the results of interest amnesty since its inception in 2014 to date as follows: that is total interest written off N\$6.4 million against the settlement of capital balance of N\$31 million.

I will now provide you with a synopsis of the proposed Budgets and Tariffs for the financial year ending June 2024.

## THE CAPITAL BUDGET:

Total Capital projects with a value of **N\$ 609 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 amounts to **N\$ 312 million** and the remaining **N\$ 296 million** during the year ending June 2025 and beyond.

A breakdown of the combined projects provided for in the anticipated spending for the year ending June 2023 is set out as follows:

### **Land Development Projects: N\$ 121 million**

The land delivery projects run over more than one financial year. From the above total land development budget, **N\$ 18.5 million** has been budgeted for the development of Farm 37, Portion 11. 10,5 million has been budgeted for the electrification of Portion 10 of Farm 37. Both portions 10 and 11 of Farm 37 will yield 727 erven of which 677 are residential.

**N\$ 26.7 million** has been budgeted for, for the development of Narraville extension 8 and is expected to yield 81 erven of which 71 erven are residential erven.

**N\$ 11.5 million** has been budgeted for, for the development of extension 3 Meersig and is expected to yield about 94 erven of which 86 are residential erven.

**Service Delivery-related Projects: N\$ 11 million**

It involves amongst others the implementation, upgrading and replacement of water and sewer infrastructure, planning and construction of a New Wastewater Treatment Plant.

**Infrastructure Repair and Replacement: N\$ 16 million**

This involves tarring of street, resealing and rebuilding of streets and intersections.

**Social Projects: N\$ 18 million**

The primary or main individual projects under this category includes amongst other upgrading of Ekutu, Narraville Cemetery, Build Together Programme, Farm 37 Fire Station etc.

**Vehicle Replacements and Additions: N\$ 57 million.**

The main components under this category are the acquisition of and replacement of existing vehicles. **N\$ 36 million** for replacement and the remaining **N\$ 22 million** for acquisition.

Full details of the individual projects can be found in the detailed 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 **N\$ 577 million** while expected Expenditure has also been recorded at **N\$ 577 million**.

The above total income and expenditure totals excludes estimated non-cash income and expenditure of N\$ 64 million and 214 million respectively. For example, estimated depreciation alone as a non-cash expenditure for the year ending June 2023 is estimated at N\$ 106 million. There is no deficit or surplus for the budget under review, this excludes net non-cash items of N\$ 150 million. 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. The source of non-cash items is due to the IPSAS discloser method adapted.

About 69% of total estimated Revenue is obtained from utility services and related service charges of which the primary are Water sales services, Property rates and taxes, Refuse removal services and Sanitation services.

**NO** tariff adjustments on these items were proposed for the past consecutive two financial years, being years being June 2021 and 2022. Considering the average inflation rate of 4.56% over that period, average increase in utility services tariff excluding rates and

taxes of 4% was made during 2023 financial year. Due to 5 year annual valuation roll, no tariff adjustment were made on rates and taxes for that year.

With the above said and considering the average annual inflation which is 6,76% and also considering the anticipated increase in services provider tariff, the utility services tariff has been proposed as 5% for water, sewerage and refuse and 3% for rates and taxes.

I would also like to take this opportunity to express my profound gratitude to the staff members of the municipality for their continuous efforts to ensure that the annual fees, listed below, are always paid on time, ensuring that our Council is one of the few that does not owe external parties annual fees;

- N\$113 Million for water purchases and pipeline charges to Namwater
- N\$15 Million to Erongo RED for electricity usage;
- N\$5 Million to Erongo Regional Council.

With that being said thank to my fellow councillors for their continued support, the administrative leadership and all staff for their commitment and hard work in making it possible for me to present this budget.

It is now my honour and privilege to officially present the Capital Budget, Operating Budget and Tariffs structure changes for the year ending June 2024 to His Worship the Mayor of Walvis Bay,



Councillor Trevino Forbes for him to table it to this august house for approval.

I thank you.