



EXECUTIVE MAYOR'S MESSAGE

Councillor N. C. Peter

I am both pleased and very proud that the Buffalo City where the great majority of our people seek to build together is a place that has moved forward, perhaps more slowly than we would have wished but nevertheless steadily, since I presented my inaugural budget twelve months ago. However, the past year has also given me a deeper understanding of the enormity of the challenges that face us as leadership in the municipality as we strive to create effective developmental partnerships with business, civil society and other spheres of government to enable us together to roll back the frontiers of poverty and underdevelopment in Buffalo City. I know that collectively, we still have an enormous task ahead of us as we struggle to cement the building blocks of broader transformation that will ultimately create the new and inclusive city wherein all of us can enjoy the reality of a better life.

Last year I said that it was unacceptable to me that so many of our people continue to live in undignified circumstances of extreme poverty. I said that it is not good enough that our township areas are still characterized by third-rate and decaying infrastructure. I said sorry to our people because this is not the better life that we aspired to, and because I have been brought up in a political school that puts the inherent dignity and equality of people first and foremost in its value-system.

Considering the above challenges, our budget for the 2007/2008 financial year sees total operating expenditure rising to R2,366 billion and a capital budget of just over R372 million. It is a budget that I believe is strongly redistributive while taking into account the urgent need to improve the maintenance of our existing infrastructure and the growth of new suburbs. It is a budget that recognizes the struggles of those on the margins of our economy by increasing by 15% the welfare package of free basic services to an average amount of R237.56 per household. The total allocation for the provision of these services to indigent households has therefore risen to more than R117 million for the new financial year. It is also a budget that recognizes the urgency of addressing areas of critical infrastructural disintegration by increasing the allocation for repairs and maintenance by an amount in excess of 25% in 2007/2008, with a further 30% in 2008/2009. The present amount of R57 million almost doubles to R104 million by 2009/2010.

National Treasury has increased by more than 35% our allocation of funding from the so-called Equitable Share of national revenue, to an amount in this coming financial year of R252 million. In addition, our MIG funding is set to increase by 15% in this coming financial year and a further 20% in the year thereafter. Transfers of capital from the National Electrification Programme are also set to grow from R13 million in 2006/2007 to R40 million in 2009/2010. In total, the capital transfers to Buffalo City are set to increase by some 46% over the next three financial years to a gross amount in 2009/2010 of R546 million. I take this as a vote of confidence in the management of Buffalo City and a sign that the many programmes aimed at improving institutional efficiency and funded over the past three years by our Restructuring Grant, are having a positive effect on our reputation as a serious developmental actor.

It would be remiss of me not to thank most sincerely the many councillors and officials who have worked tirelessly to bring this budget to fruition; most particularly my Mayoral Committee members for their unwavering support and encouragement, and for sharing the burden of leadership; our ward committee members who have played a critical role in making more real our vision of a participatory democracy; the Municipal Manager, the Chief Financial Officer and his staff, as well as the whole team of Directors, senior managers and support staff without whose efforts there would be nothing to say today; and most importantly, the community of Buffalo City for their ongoing trust and confidence in me. I look forward most sincerely to working with all of you to make the next year a great one for Buffalo City.

N.C. PETER
EXECUTIVE MAYOR

