



2019 BUDGET SPEECH

AND PROPOSALS

**CITY OF HARARE
BUDGET
STATEMENT**

***CITY OF HARARE 2019: TRANSFORMATIVE BUDGET:
TOWARDS A SMART CITY!***

**PRESENTED TO HARARE CITY COUNCIL ON MONDAY 3
DECEMBER 2018 BY THE CHAIRPERSON OF FINANCE
AND DEVELOPMENT COMMITTEE COUNCILLOR
LUCKSON MUKUNGUMA**

***BUDGET SPEECH 2019: Presented by the Finance and Development Committee
Chairperson***

YOUR WORSHIP, HONOURABLE COUNCILLORS, INVITED GUESTS, GOOD AFTERNOON TO YOU ALL.

1.0. Your Worship, as the Chairperson of the Finance and Development Committee, I am privileged to present, for your approval, the Capital and Revenue Estimates for 2019 and the Capital Development Plan for period 2020 to 2022.

1.1. Introduction and Background

Your Worship, as required by Section 288 of the Urban Councils Act (Chapter 29:15) as read with the Public Finance Management Act (Chapter 22:19), the Finance Committee has drawn up, for the approval of Council, Estimates on Revenue and Capital Accounts of the Council for 2019. In crafting the 2019 Budget, the City also benefitted from submissions of residents and various stakeholders calling for interventions that improve service delivery and transformation of Harare into a modern and smart city, largely driven by ICT.

Furthermore Your Worship, the 2019 Revenue and Capital Estimates before you are cast in a manner that seeks to address Council's 2019 to 2025 Strategic Plan goals; are program based,

corporate based and gender responsive in nature, in line with Ministerial Circular referenced CX/53 dated 3 September 2018. This is different from the traditional departmental based budgeting. The budget also takes care of the objectives of the Zimbabwe government, as espoused in the Transitional Stabilisation Program i.e. to achieve an upper middle class economy by 2030.

Your Worship, the preparation and presentation of the 2019 Estimates are taking place at a time when the country is in a turbulent economic environment.

These Estimates are a result of wide consultations with residents and other stakeholders in line with the Urban Councils Act Chapter 29:15. We are therefore convinced this budget contains the aspirations of the residents of Harare. Your Worship we have made deliberate efforts to ensure that this budget addresses key service delivery issues. We are all aware that the City has been affected by a cholera outbreak which took forty three lives.

In view of the aforementioned we have taken heed of the calls by government and residents to prioritise the **WASH** sector hence

the bulk of the 2019 budget allocation is meant to address water and sanitation issues. The tariff regime has largely remained unchanged except for a few areas which will be highlighted later on. The slight increases are justifiable and were done taking into account the need to cushion our residents from the economic challenges facing the country. Your Worship, as a listening Council we have ensured that the wishes and aspirations of the residents are adequately covered.

1.2 Operational Environment, Economic Review and Outlook

Your Worship, 2018 has been an eventful year both on the political and economic front. The November 2017 political developments resulted in a new trajectory for Zimbabwe, which saw the birth of the economic mantra, “Zimbabwe is Open for Business!”

Your Worship, the nation is facing serious economic challenges which include a biting liquidity crunch; shortage of foreign currency; high operating costs; a four tier pricing system; shortage of essential goods and emerging inflationary pressures. Council is not spared from these challenges. The tight liquidity

conditions, industrial closures, high unemployment levels and low revenue collection by councils, have adversely affected the ability of local authorities to provide efficient service delivery.

Your Worship, according to the National Budget presented by the Finance and Economic Development Minister Mr.Mtuli Ncube on 22 November 2018, Inflation figures for October 2018, released by Zimstat show that annual inflation has gained 15.46 percentage points to reach 20.85%.The inflation rates are expected to go down going forward. These are key fundamental issues that affect the operations of Council.

The suspension of SI 122 (formerly SI 64), which had removed 42 locally manufactured goods from the Open General Import License, is set to worsen Capacity utilization of local industries as companies are now exposed to competition from imports. SMEs, are however likely going to benefit from the arrangement and council should therefore come up with strategies to tap into that revenue base.

Your Worship, during the year there was a cholera outbreak, which claimed the lives of forty three lives. The City is extremely

grateful to the central government, the corporate world and individuals who assisted in the fight against this cholera epidemic (*MAY THEIR SOULS REST IN PEACE*). This budget has therefore prioritised the water sanitation and hygiene sectors to address the key drivers of the pandemic.

Your Worship, the aforementioned operating environment has a bearing on the operations of Council as demonstrated by the poor performance of the 2018 budget to which I will now briefly dwell on.

1.3 Budget Performance Projected to December 2018

Your Worship the performance of the 2018 budget was weighed down by the national electoral process that created speculation of the possibility of debt write-off by authorities. Ratepayers stopped paying bills resulting in low revenue inflows.

The City collected US\$145m from 1 January 2018 to 30 September 2018 against the expected budgeted amount of US\$202m, thus realising a negative variance of US\$57m.

The US\$145 collected was used to make the following payments:-

- Salaries and Allowances: US\$83 million
- Service Delivery: US\$62 million

However the 50% discount offer to ratepayers soon after the national elections resulted in improved revenue inflows. The discount offer was for 90 days from 23 July 2018 to 23 October 2018. Collections increased from a monthly average of US\$13 million to US\$14.5 million in August 2018, US\$17million in September 2018 and to US20 million in October 2018. The increased revenue was used to scale up service delivery in roads, water (chemicals) and payment of salaries. The 50% discount was extended to 30 November 2018 and includes corporates and other organisations.

Your Worship, the 2018 capital budget of US\$50.9m was structured as follows:-

- Environmental Management Committee: US\$31,2m
- Education Health Housing &Community Service: US\$8.8m

- Informal Sector: US\$3.0m
- Finance: US\$7.9m

Your Worship, salaries and allowances are within projections. However general expenses which posted a huge positive variance of US\$60m from the budgeted US\$99m are a cause of concern as this impacts negatively on service delivery. Constrained revenue inflows are a major impediment.

It is projected that for the remainder of the year collections will amount to US\$187 million which will be used as follows:

- Salaries and Allowances: US\$116 m
- Utility bills US\$19.5 m
- General Expenses US\$49.5 m
- Capital Charges: US\$13.0 m

Your Worship, the anticipated proceeds of loan funding from the issuance of the Municipal Bonds has not yet materialised. This is largely due to the unfavourable macro-economic environment. According to professional advice from the brokers, if the

municipal bonds are issued now this might lead to losses due to the unfavourable economic environment which is compounded by the limited affordable capital and lines of credit on the money market.

The City however managed to borrow from the local financial institutions and acquired the following assets;-

- 6 twenty cubic meter refuse compactors
- 24 twelve cubic meter refuse compactors (delivery of 16 refuse compactors still outstanding due to shortage of foreign currency although the contractor has been paid) (service delivery is therefore compromised). Reserve Bank of Zimbabwe Governor has been engaged to assist.
- 10 skip truckers

Your Worship, there has been a marked improvement of grants from ZINARA from the projected US\$5.6 million to US\$19.5 million. The roads maintenance program is therefore going on very well and it is our hope that the momentum will be maintained.

Council has reconstructed the following roads:

- Waterfalls avenue
- Ardbennie Road
- Golden Quarry Road in Westlea
- Aspindale Greentrees Road
- 17th Avenue in Budiro
- 1st and 2nd Road in Sunningdale
- Harare Drive (Gaydon in Borrowdale)
- Acturus Road
- Borgward Road in Msasa
- 112th Street in Highfield and
- Harare Road in Mbare South among other road works.

Overlay works were carried out in Livingstone Avenue, Drew Road and Robert Mugabe. More road maintenance works are envisaged before year end on the back of the anticipated disbursement of \$13 million by ZINARA.

Your Worship, The rehabilitation of Morton Jaffray Water Treatment Works is substantially complete, electrical and

mechanical works are at 90%. Water production averaged 440 M/l per day. Constituent units, notably clarifiers, within Morton Jaffray are being rehabilitated and the capacity is expected to reach 520ML/day by December 2018. The City also targeted water quality compliance by refurbishing filters, improving on chemical dosing facilities and cleaning of reservoirs using internal resources. Quality compliance has improved from 89% to 96%. This work is set to continue in the next budget year.

Works on pipe replacement, pump stations rehabilitations and construction of Mabvuku pumping mains under Zimfund phase 2 US\$19 million are substantially complete.

Your Worship, the City is concerned with high non-revenue water. We are seized with projects to reduce non-revenue water which improved marginally from 55% to 52%. The Harare Water Department is working with Consultants under the Zimbabwe Multi-Donor Trust Fund (Zimfund II) grant facility to develop and implement a “Capacity Building and Non-Revenue Water reduction Strategy”. This focusses on the reconfiguration of water supply zones, installation of zone meters, pipe replacement

and customer meter replacement. Marimba and Sunningdale are the two zones where work has already started. Critical sections of pipework have been replaced though funding has slowed progress with about 20 kilometres replaced out of a targeted 50km. Of major note among the projects is the new 600mm diameter water main from Letombo reservoirs to Donnybrook reservoirs which will ease water shortages to Mabvuku/Tafara. The department is also seized with customer meter replacement with 7 000 water meters having been replaced this year.

Sewerage reticulation operations saw the replacement of collapsed sewers in Glen View and upgrading of overloaded system in Mufakose, Warren Park, Glen Norah, and Dzivaresekwa. Construction of the 1200m Ruzivo stream crossing in Mufakose is in progress. The pipe replacement is an ongoing exercise in order to enhance public health and reduce environmental pollution. Sewage treatment works rehabilitation continued during the year mainly under the Zimfund at Marlborough ponds which is nearing completion. Also rehabilitation of Firle and Crowborough treatment are underway

using internal resources. As a result sewage spillage into water bodies has been significantly reduced there by resulting in less penalties from the Environmental Management Agency.

Your Worship, on 8 August 2018, your Council conducted the end of the term review of the 5th wave of the City of Harare Rapid Results Initiatives. In other words, Council celebrated 100 days of Rapid Results Initiative Implementation.

Fittingly, following the holding of harmonised elections on 30 July 2018, a new Council and a new Government was ushered in bringing with it new policy directions hence the coming on board of your 100 days plan that you launched on 19 September 2018 whose goals are:-

- To do overlays to 8 km roads in CBD by 28 December 2018;
- To do road markings and signage for all roads within the CBD by 28 December 2018;
- To do 40 km road reseals spread in Harare by 28 December 2018;
- To renovate First Street by 28 December 2018;

- To repair and maintain street lights for 5 streets including painting of lighting poles;
- To repair and maintain traffic signals lights in the CBD by 28 December 2018;
- To complete construction and commissioning of Kuwadzana Library by 30 November 2018;
- To complete construction and commissioning of Tariro Primary School by 28 December 2018;
- To complete construction and commissioning of Hopley Clinic by 30 November 2018;
- To green CBD road islands, Harare Garden and Africa Unity Square and to also attend to Julius Nyerere road island including dealing with illegal parking on islands;
- To capture all properties in Hopley in BIQ system 31 October 2018 to construct major link road(s) by 28 December 2018;

- To ensure adequate water supply and ablution facilities for all markets across the City by 28 December 2018 and;
- To resolve 100% of all water problems and restore water supply to the CBD by 28 December 2018.

Your Worship, your administration is with you in your quest to achieve your 100 days plan. I can assure you that work has already commenced in earnest on most of the goals and the attainment of your 100 days plan is all but assured. It is in the public domain that the implementation of key projects were being hamstrung by Council's transitioning from the State Procurement Board (SPB) guidelines to the Procurement Regulatory Authority of Zimbabwe procedures. I can now report your Worship that on 11 October 2018, the City got authority from PRAZ to procure goods and services, for certain thresholds, without having to, from time to time, seek such authority from PRAZ. Furthermore, your administration has properly structured and capacitated the procuring division in order to ensure smooth procurement of goods and services required for the success of the 100 days plan.

With this background, allow me to present the 2019 budget proposals.

2 AS THE CHAIRPERSON OF THE FINANCE AND DEVELOPMENT COMMITTEE, YOUR WORSHIP, IT IS MY HONOUR TO PRESENT FOR YOUR APPROVAL, THE 2019 REVENUE AND CAPITAL ESTIMATES

2.1 Budget Framework

Your Worship, Zimbabwe has adopted a new economic policy: the Transitional Stabilisation Program, i.e. the national trajectory which seeks to promote investment and ease of doing business and achievement of upper middle income by 2030. Availability of foreign currency remains a major challenge.

Your Worship, the economic environment is volatile and makes it difficult to make certain fundamental assumptions. We are hopeful that the New Year will see positive changes on the economic landscape and as such only modest tariff increases are proposed in the budget. As a city we are hopeful

that the economic situation will improve and as such we believe that we should not contribute to inflationary pressures through hiking our user fees and tariffs. We remain modest in our approach and have made slight increases to the water tariff taking into account the cost build up and the need to be able to sustainably provide potable water to the residents and stakeholders in Harare.

Your Worship, the budget before you is a plan whose main thrust should be to transform and improve lives of the residents of Harare as opposed to being mere tools for recording and controlling expenditure patterns. We have therefore themed this budget: ***CITY OF HARARE 2019: TRANSFORMATIVE BUDGET: TOWARDS A SMART CITY. The theme has three critical pillars: Social transformation: that is changing the lives of residents positively. Second, economic transformation: contributing to the transformation of the economy of Zimbabwe through the ease of doing business initiatives. Third, smart city: transforming Harare into a smart city.***

It has been observed that previous budgets sought only to comply with rules, regulations and statutes without paying particular attention to outputs, outcomes and impacts of the budget. The 2019 budget is a Programme Based Budget and has a bias towards enhancing service delivery. It is a budget that places emphasis on measurable results that are based on predetermined projects/programmes and are measured by outputs, and outcomes on the welfare of residents.

In order to give impetus to the new budgetary framework, The Ministry of Local Government, Public Works and National Housing prescribed a format to guide the preparation and presentation of the 2019 Budgets by all local authorities. The format stipulates that budgets be presented as programmes, namely:-

- Governance and Administration
- Water, Sanitation and Hygiene
- Social Services
- Roads

- Public Safety and Security, and
- Natural Resources and Conservation and Management

Your Worship, I am aware that on 1 November 2018, you and the Town Clerk visited the Governor of the reserve Bank with a view to unlocking the foreign currency required to support an array of service delivery assets, including road maintenance equipment. As a result of these consultations with the RBZ, a Foreign Currency Account has since been opened with Ecobank and other processes are being finalised with the Central Bank.

Your Worship, the 2019 budget was submitted to your committees as programme based and will henceforth be reported in that format.

Your Worship, the total budget is as follows:-

Capital budget	<u>US\$125 981 600</u>
Revenue Budget	<u>US\$346 266 700</u>
Total	<u>US\$472 248 300</u>

Your Worship, allow me to give more detail on the above budget, starting with the capital budget.

2.2 WATER AND SANITATION AND HYGIENE PROGRAMME: US\$51 856 200

The Water and Sanitation and Hygiene is at the core of service delivery programmes. Pipe replacement and rehabilitation will be given priority in line with the aspirations of the residents and stakeholders of Harare. We have made the following allocations:

- Morton Jaffrey & Prince Edward Rehabilitation: US\$3.0m
- Water Pipe Replacement: US\$10,0m
- Morton Jaffray Filter Replacement US\$1.0m
- Gletwyn Water Supply Project US\$3.0m
- Prepaid Water Meters US\$4.5m
- Wastewater Pipe Replacement US\$10.0m
- Upgrade of Sewer Trunk Mains in Mbare, Highfields, Kambuzuma & Mufakose US\$2.5m
- BNR rehabilitation US\$1.0m

• Ruzivo Stream Crossing in Mufakose	US\$4.0m
• Farms Infrastructure	US\$0.3m
• Street, Skip and Underground Bins	US\$0.4m
• 10 Tipper Trucks(Refuse Collection)	US\$2.0m
• 15 Refuse Compactors	US\$3.0m
• 15 Skip Trucks	US\$2.0m
• Disposal Sites	US\$1.0m
• 1 Front End Loader	US\$0.3m
• 2 Bulldozers	US\$0.5m
• 1 Landfill compactor	US\$0.3m
• Other	<u>US\$2.6m</u>
• TOTAL WASH	US\$51.9m

Furthermore, Your Worship, US\$72.2 million, being part of the US\$144 Chinese loan, is expected in 2019 and will go a long way in boosting allocations to the Water, Sanitation and Hygiene Programmes.

The US\$51.9 million funding allocated to Water, Sanitation and Hygiene Programmes will be as follows:-

• Loans	US\$44.0 million
• Revenue Contribution to Capital outlay	US\$7.9 million

2.3 ROADS PROGRAMME: US\$8.5 million

Your Worship, as previously mentioned, significant progress has been made in the repair and maintenance of roads. It is your Council's desire to maintain the momentum with a view to ensuring that roads throughout the City are trafficable. ZINARA has been forthcoming in the disbursement of funds for road maintenance programmes but we continue to lobby for an increase in the allocation. Taking into consideration the input from our stakeholders, we have made the following allocations for resealing, spraying and chipping and overlaying which will be done to about 535 kilometres of the roads.

The capital works to be undertaken include the following:-

- Construction of Seke road, Rhodesville and Golden Quarry Omnibus Facilities and Termini.....US\$3.5 million.
- Roads: spraying and chipping..... US\$1.7 million
- Footbridges and Pathways Kuwadzana, Budiro, Glen Norah, Mufakose and Glen View..... US\$200 000

The following road maintenance equipment will be procured:-

Bitumen Distributor:	US\$175 000
Uniloader:	US\$80 000
2 (12 500 litre) water bowser:	US\$63 000
Slurry machine	US\$80 000 and
15 tonne Vibrator Roller:	US\$200 000

Source of Funds

Loans: US\$6.4 million

Revenue Contribution to Capital outlay: US\$2.3 million

2.4 PUBLIC SAFETY AND SECURITY SERVICES: US\$13 711 900

Your Worship, operations in the Central Business District (CBD) have been characterised by chaos and mayhem and it is time we turn Harare into a modern and smart City. To this end, a Traffic Management System and Solar Street Lighting system will be installed and commissioned in year 2019.

In line with repeated calls by residents to enhance public safety and security of investments, the following allocations have been made:-

- Traffic Management System : **US\$10 million**
- Purchase of Tow Trucks & other enforcement vehicles for zones: **US\$800 000**
- Purchase of 24 enforcement vehicles for the CBD and districts :
• **US\$800 000**
- Purchase of 4 Tow Trucks, 6 Sedan B trucks; 30 Motor bikes and one Tow Vehicles: **US\$810 000**

Your Worship the sources of funding for the Public Safety and Security programme are:

- | | |
|--|-----------------|
| • Loans | US\$6.4 million |
| • Revenue Contribution to Capital outlay | US\$2.3 million |
| • Joint Venture | US\$5.0 million |

2.5 SOCIAL SERVICES: US9 941 900

Your Worship, most of our facilities in the districts are in a deplorable state and in need of renovation. Responding to calls

by our stakeholders to improve the state of our facilities the following allocations have been made:-

- Renovation of Highfield District office, the construction of Dzivaresekwa and Hatfield District Offices and Rugare Sub-Office: US\$860 000
- Drilling of 7 boreholes: US\$105 000
- Purchase of 6 Trucks for District Offices: US\$210 000
- Construction of Warren Park D Pre –School: US\$50 000
- Construction of New School in Budiro: US\$400 000
- Construction of Administration Block and Caretaker House at Tariro Primary School : US\$140 000
- Installation of bucket seats at Rufaro Stadium: US\$120 000
- Construction of a new state of the art Stadium : US\$1,4 million

CITY HEALTH DEPARTMENT

- Buildings (various sites) US\$1.2 million
- Medical equipment US\$2.05 million
- Vehicles US\$0.4 million

Your Worship the sources of funding for the social services programme are:

- **Loans** US\$4.3 million
- **Revenue Contribution to Capital outlay** US\$5.7 million

2.6 GOVERNANCE AND ADMIN PROGRAMME: US\$31 032 300

The Governance and Administration Programme is a cluster of departments that provide governance and administrative support in Council. In essence, these are the Finance Department, the Human Capital Department, the Chamber Secretary's Department and Town Clerks' Office. Ideally budget allocations to the Governance and Administration programme should not exceed 20% of the total capital budget. Your Worship, there is need to invest in our GIS and ICT infrastructure if the city is to achieve its vision 2025 and set the agenda of a world class Smart City hence an allocation of US\$23 million made to the ICT Division.

In our desire to be a systems driven organisation and in line with the transformational agenda, the ICT has been given a huge

allocation to enable it to embark on projects to modernise the operations of the City.

Capital budget allocations to the various departments were made as follows:-

- Finance.....US\$1.38 million
- Valuation and Estates..... US\$0.16 million
- Mayor’s Office.....US\$0.34 million
- Council General.....US\$0.65 million
- Chamber Secretary.....US\$0.69 million
- Human Capital..... US\$0.59 million
- ICT.....US\$23.46 million
- Audit.....US\$0.20 million
- Corporate Communications.....US\$0.20 million
- Supply Chain ManagerUS\$0.20 million
- Housing.....US\$0.13 million
- City Architect.....US\$1 million and
- Works.....US\$2 million

Your Worship the sources of funding for the Governance and Administration programme are:

Loans **US\$25.1 million**

Revenue Contribution to Capital outlay **US\$5.9 million**

2019 REVENUE BUDGET

Your Worship, the proposed 2019 Revenue Budget before you is a responsive budget in terms of the tariff regime. The tariffs are stagnant except for a few adjustments made on the water account. Your Worship, the justification for water tariff increase has been a drastic increase in cost of inputs namely chemicals, cost of repairs and maintenance, capital charges on borrowed funds for capital works and other operational expenses. Projected cost of producing one cubic metre of water in 2019 is US\$0.83, up from US\$0.70 in 2018.

The projected Income and Expenditure for the year 2019 Revenue Budget is as follows:

<i>INCOME</i>	<i>US\$ 346 266 700</i>
<i>EXPENDITURE</i>	<i>US\$ 346 231 200</i>
<i>SURPLUS</i>	<i>US\$ 35 500</i>

Your Worship, the above projected total income amounting of **US\$346.3** million, (up from **US\$262** million in 2018) will come from the following income streams:

<u>Source</u>	<u>Amount</u>
Refuse collection	27.08 million
Parks and Cemetery	0.40 million
Operations	55.22 million
Finance Sundry	3.30 million
Ambulance and Fire fees etc	6.32 million
Rates	104.9 million
Health Fees	5.1 million
DOW sundry fees	4.5 million
Harare Water	100.8 million
City Architect	10.9 million

Valuation and Estates	0.18 million
Housing Welfare and Education	7.07 million
Estates	3.90 million
Informal Sector	1.90 million
Other	5.00 million
TOTAL	346.2 MILLION

I NOW TURN TO THE PROJECTED 2019 PERFORMANCE OF THE VARIOUS SECTORS OF THE REVENUE BUDGET.

3.1. Water, Sanitation and Hygiene Programme

Your Worship the Water, Sanitation and Hygiene Programme is expected to realise US\$127.8 million (or 37% of total revenue) in 2019. The income will be realised mainly from the water account which is expected to bring in US\$100m. The water

account is also expected to incur most of the expenses estimated at US\$100 million. In terms of actual revenue inflows the Water Account is being subsidised by other accounts.

Therefore the proposed increase in the water tariff is expected to improve cost recovery, and reduce dependence on other accounts and ensure sustainability.

The following is the proposed water tariff structure:

	Existing	Proposed 1/01/19
	US\$	US\$
Fixed Water Charge:		
Fixed Water Charge: Industrial/Commercial	25.00	25.00
Water- domestic LDA	nil	nil
Water- domestic HAD	nil	Nil
HDA:1-10 cubic meters	0.70	0.83

:11-20 cubic meters	0.80	0.93
:>20 cubic meters	1.00	1.20
PREPAID WATER		
: High Density	1.20	1.20
: Low Density	1.50	1.50
LDA: 1-10 cubic meters	0.80	0.95
:11-20 cubic meters	1.20	1.30
:20 cubic meters	1.50	1.50
Bulk water supply	0.70	0.83
Industrial/ Commercial:	1.20	1.43
1- 100 cm		
: above 100 cm	1.50	1.70

Sewer charges per fitment: HDA	4.00	5.00
: LDA	9.00	10.00
: Commercial	13.00	14.00

Meanwhile, refuse collection fees will be maintained at previous year levels as indicated below despite the city having borrowed funds to finance the acquisition of refuse collection assets.

Once a week Collection (Area)	Existing	Proposed 1/01/19
	USD	USD
Residential: H.D.A.	6.5	6.5
Residential: L.D.A	9.5	9.5
Comm/Industrial/medical	16.0	16.0

Commercial and Industrial

Frequency per week of Collection	Existing	Proposed 1/01/19
1	16.00	16.00
2	11.00	11.00
3	10.50	10.50
4	10.00	10.00
5	9.50	9.50
6	9.00	9.00
7	8.50	8.50

3.2 ROADS PROGRAMME

Your Worship, the Roads programme has been allocated US\$53.0 million in order to support the roads maintenance programme. It is anticipated that the bulk of the money will come from Zinara and also from our own resources.

3.3 SOCIAL SERVICES PROGRAMME

Your Worship, the social service programme is expected to realise US\$8.28 million driven by City Health fees of US\$5.1 million. However the programme remains heavily subsidised from the rates account to the tune of US\$40 million.

Cremation and burial fees, hospital and clinic fees will remain static in 2019 as follows:

	Existing	Proposed 01/01/19
Cremation Charges	200 US\$	200 US\$
Burial Area 'B'	75 US\$	75 US\$
Burial Area 'A'	100 US\$	100 US\$

Burial Area 'A+'	175 US\$	175 US\$
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City Health fees

Your worship in line with Government policy of Health for all Hospital fees will remain unchanged. However Council can reduce or remove some of the charges as long as Government is prepared to subsidise the sector.

Tariffs is as follows:

	Existing	Proposed 1/01/19
Clinic Fees		
Adult	US\$ 5	US\$ 5
Child	US\$ 3	US\$ 3
Hospital Fees		
Adult	US\$10	US\$10
Child	US\$ 5	US\$ 5
Caesarean	nil	US\$ 150
Maternity Fee	US\$25	US\$25

3.4. PUBLIC SAFETY AND SECURITY

Your Worship, this is another heavily subsidised programme from the Rates Account. Expenditure thereof is estimated at US\$32.6 against projected income of US\$8.9 million.

As stated elsewhere, lawlessness in the CBD has risen to an unacceptable levels. Charges to curb the same should be sufficiently punitive hence proposals to increase Clamping, Tow Away and Storage Charges by 100%. The expected income from this programme amounts to US\$199 million against expenditure of US\$121.8 million. Income from the rates account is used to subsidise other accounts in deficit.

4. RECOMMENDATIONS

Your worship, having gone through the Revenue and Capital Budget, I now have the following recommendations:-

- That water tariffs be adjusted upwards by an average of 19%
- That Clamping, Tow Away and Storage charges be increased by 100%. Your Worship, the City has not hesitated to increase Clamping, Tow Away and Storage charges because breaking the law is an avoidable choice.
- That's Property Tax tariffs remain at current levels
- That all business licensing fees remain at current levels
- That all market fees remain at current levels
- That Rank Disc/Route Authority Fees remain at current levels
- That Council approves the 2019 Capital and Revenue Estimates as recommended by the Committees of Council.
- That projects be prioritised in line with programme based budget and Rapid Results Initiatives.

5. CONCLUSION

Before I close Your Worship, allow me to acknowledge the following:-

The various stakeholders including the residents of Harare who through consultations have given Council invaluable feedback, which has been extensively incorporated in the preparation of these Estimates.

My fellow Councillors for deliberating on these Estimates and giving guidance during their preparation.

The Town Clerk, Heads of Departments and their staff who were involved in the preparation of these Estimates.

Allow me to extend our gratitude as council to all the corporates who worked with us in 2018 especially during the cholera outbreak. To them I say we still look forward to your kind hand in 2019 in our efforts to make Harare a Smart City.

Already we are grateful to ECONET WIRELESS ZIMBABWE for adopting First Street, we hope to see more corporates coming on board on different projects.

Your Worship, the successful implementation of the programmes spelt out above requires that the various stakeholders including the residents/ ratepayers of the City of Harare pay their bills when they fall due. This is the only way your Council will be able to provide services to their expectation. Furthermore, we urge government to revive the Public Sector Investment Programme to enable us to carry out projects which require huge capital outlay.

Your Worship, we have kept most of our rates constant with the confidence that our stakeholders will play their part in meeting the affordable rates on time. We urge them to encompass a new culture of timely responsibility in 2019 in order to receive timely service delivery which is the cornerstone of these budget estimates.

FINALLY

Your Worship, the budget that is before you is people sensitive. Residents spoke. Council listened. Council took heed and responded with a budget that aims to deliver that which residents and stakeholders of Harare have demanded. Water, wastewater and refuse collection challenges have been afforded priority in the budget before you Your Worship. The Smart City concept which is characterised by the use of modern systems and processes as demanded by residents at various fora will be sufficiently addressed by the budget before you.

Your Worship, Council is mindful of the general hardship among residents and has deliberately chosen not to hike rates and charges notwithstanding the economic volatility currently obtaining. However Your Worship the transformation agenda will be complete if residents play their part by paying rates, while Government will be expected to play its part by constructing dams and other related infrastructure.

I now have the pleasure, Your Worship, in asking Council to approve the 2019 CAPITAL AND REVENUE ESTIMATES, AND THE 2020 TO 2022 THREE YEAR DEVELOPMENT PLAN before you.

I THANK YOU!