



The Gateway to Endless Opportunities

MEDIA BRIEFING BUDGET 2021/22

23 AUGUST 2021

PRESENTED BY: JENNIFER COMALIE

**STRATEGIC EXECUTIVE: FINANCE AND CUSTOMER
SERVICES**

"SMART & Caring City by 2022"

CONTENT



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- Factors impacting on our budget
- Municipal tariff increases for 2021/2022
- Tariff impact on households
- Approved Operational Budget 2021/22
- Approved Capital Budget 2021/22
- Budget Strategy
- Funding Strategy
- Conclusion



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FACTORS IMPACTING BUDGET



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- Increase in bulk services tariffs
- Negative growth in GDP
- High unemployment in Windhoek
- Pressure of urbanization on provision of basic services
- COVID-19 pandemic



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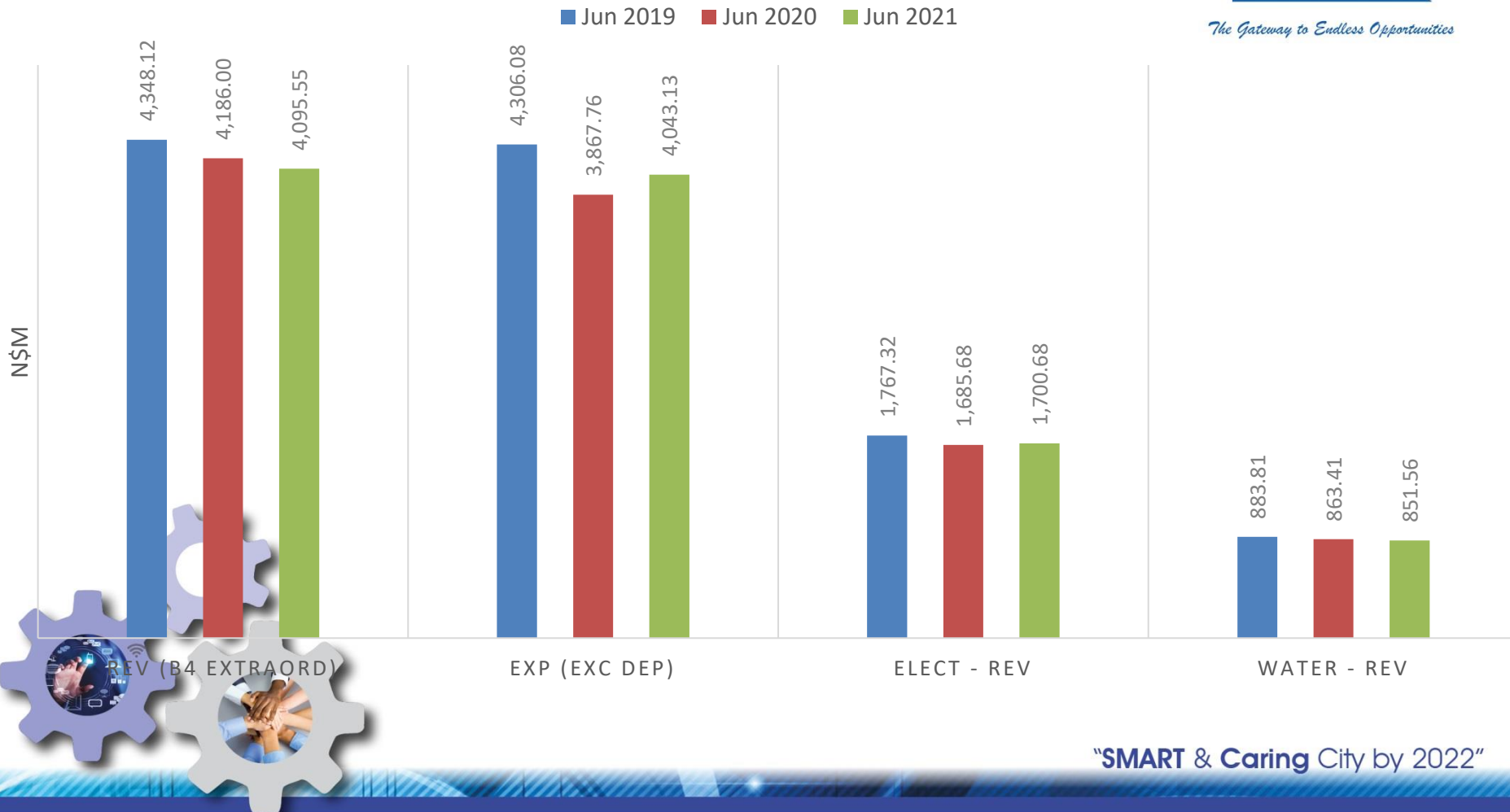
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COVID-19 IMPACT

COVID-19 IMPACT ON OPERATIONS



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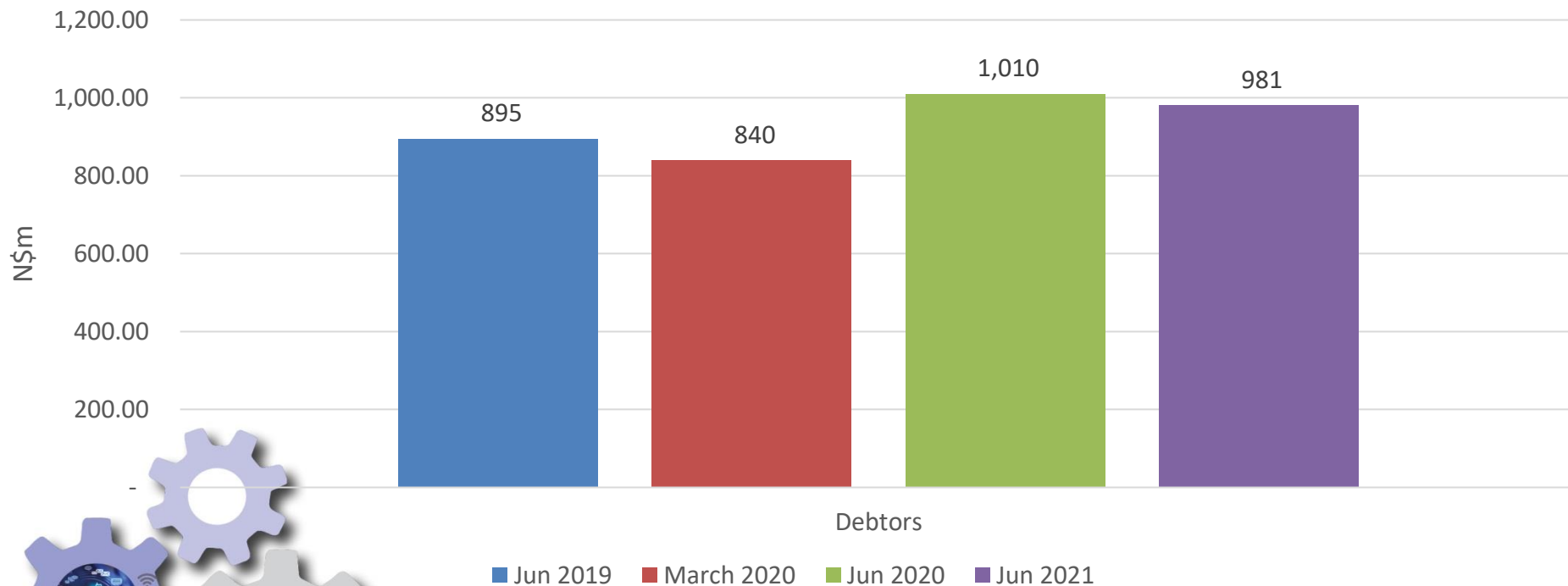
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COVID-19 IMPACT



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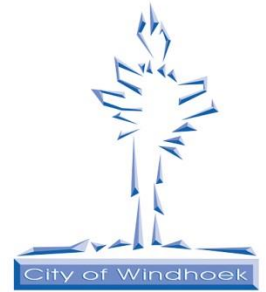
Debtors



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SERVICES TARIFF INCREASES FOR 2021/22



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- | | |
|----------------------------|--------------------------------|
| • Water | 0% (No increase from Namwater) |
| • Household refuse removal | 5% |
| • Property tax | 0% |
| • Solid waste management | 5% |
| • Sewerage | 0% |
| • Electricity | 3.7% (subject to ECB approval) |



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FIRE BRIGADE LEVY

DESCRIPTION	AMOUNT(N\$)
Residential	10.00
Business (SMEs)	50.00
Business (large industrial and commercial)	350.00
Government	50.00
Farming	50.00
Municipal	50.00
Church	20.00
Educational	50.00
Sport	20.00
Clubs	20.00
Tourism	20.00



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TARIFF IMPACT ON RESIDENTS – NON CONSUMPTION LINKED

Household	BEFORE N\$	AFTER N\$	Average increase N\$
Low income (Katutura)	585	595	10
Middle income (Dorado park)	1 477	1 497	20
High income (Olympia)	2 343	2 372	29

1. The average is calculate based on total of **Rates & taxes, refuse, sewerage** and **Solid Waste Management** fees of three sample household.
2. However it should be noted the above may vary from one household to another depending on the property valuation.
3. Water and Electricity not included as are subject to consumption

APPROVED BUDGET 2021/22



Item	BUDGET 2021/22
OPERATIONAL BUDGET	
INCOME	4 603 742 654
EXPENSES	4 390 334 321
SURPLUS	213 408 333
Surplus to finance CAPEX	213 408 333



EXPENDITURE EXCLUDES DEPRECIATION OF N\$565M

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REVENUE



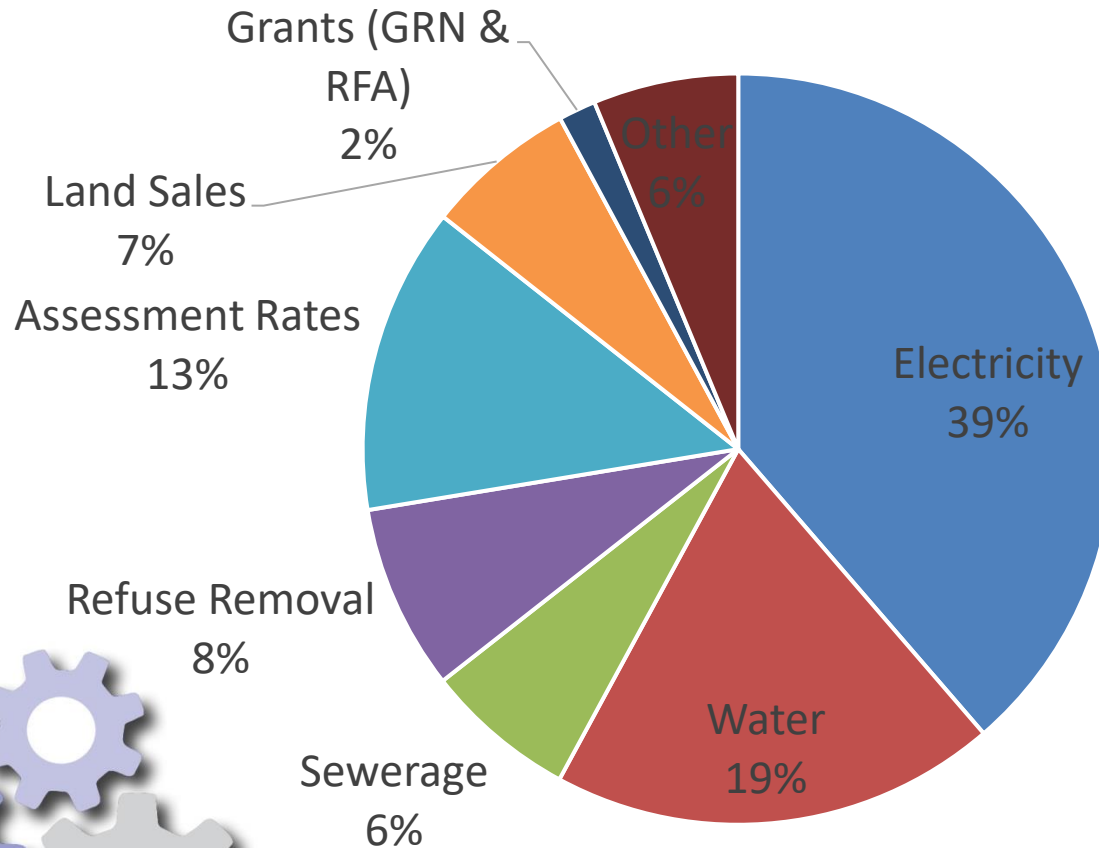
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REVENUE COMPOSITION

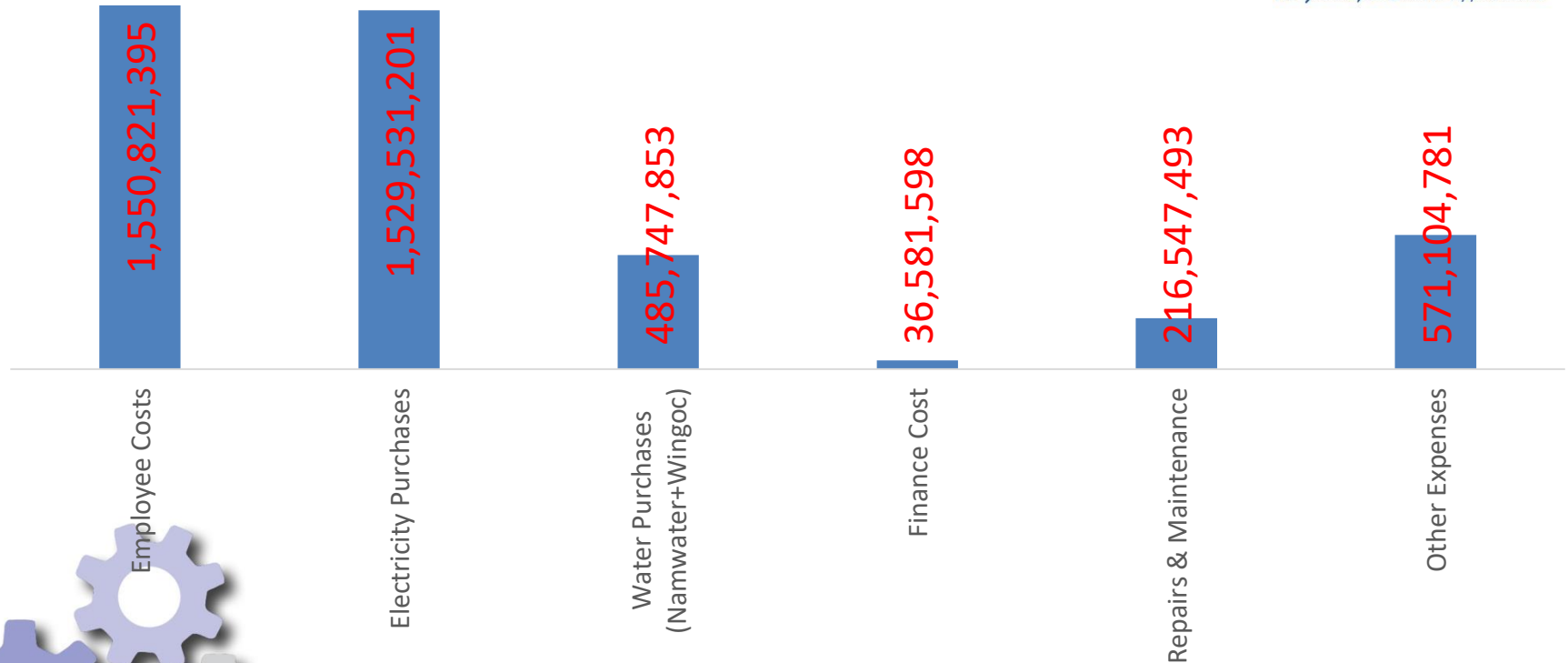


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EXPENDITURE



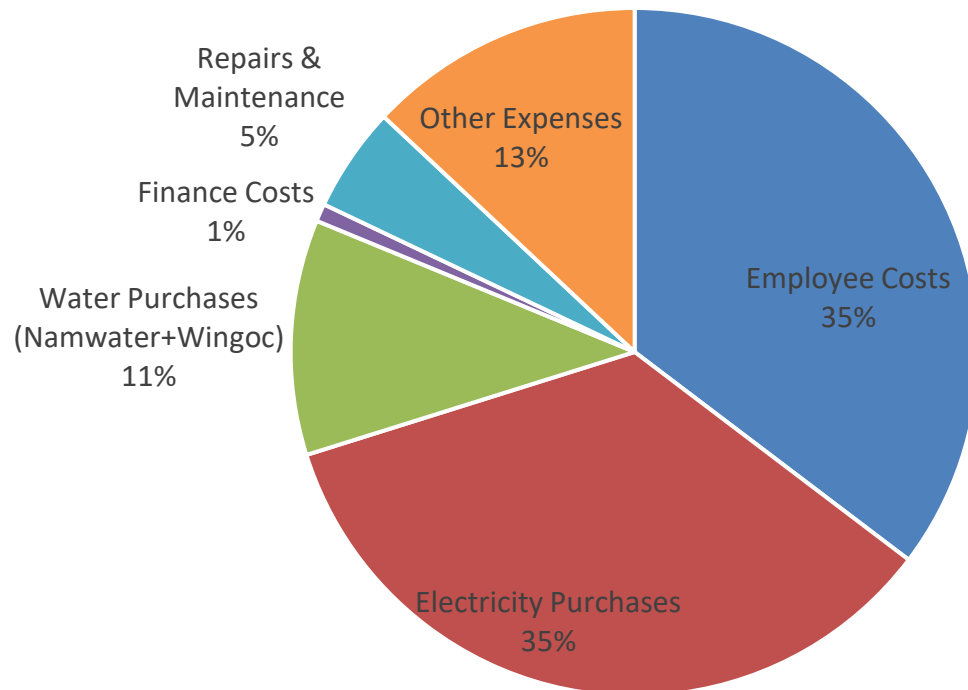
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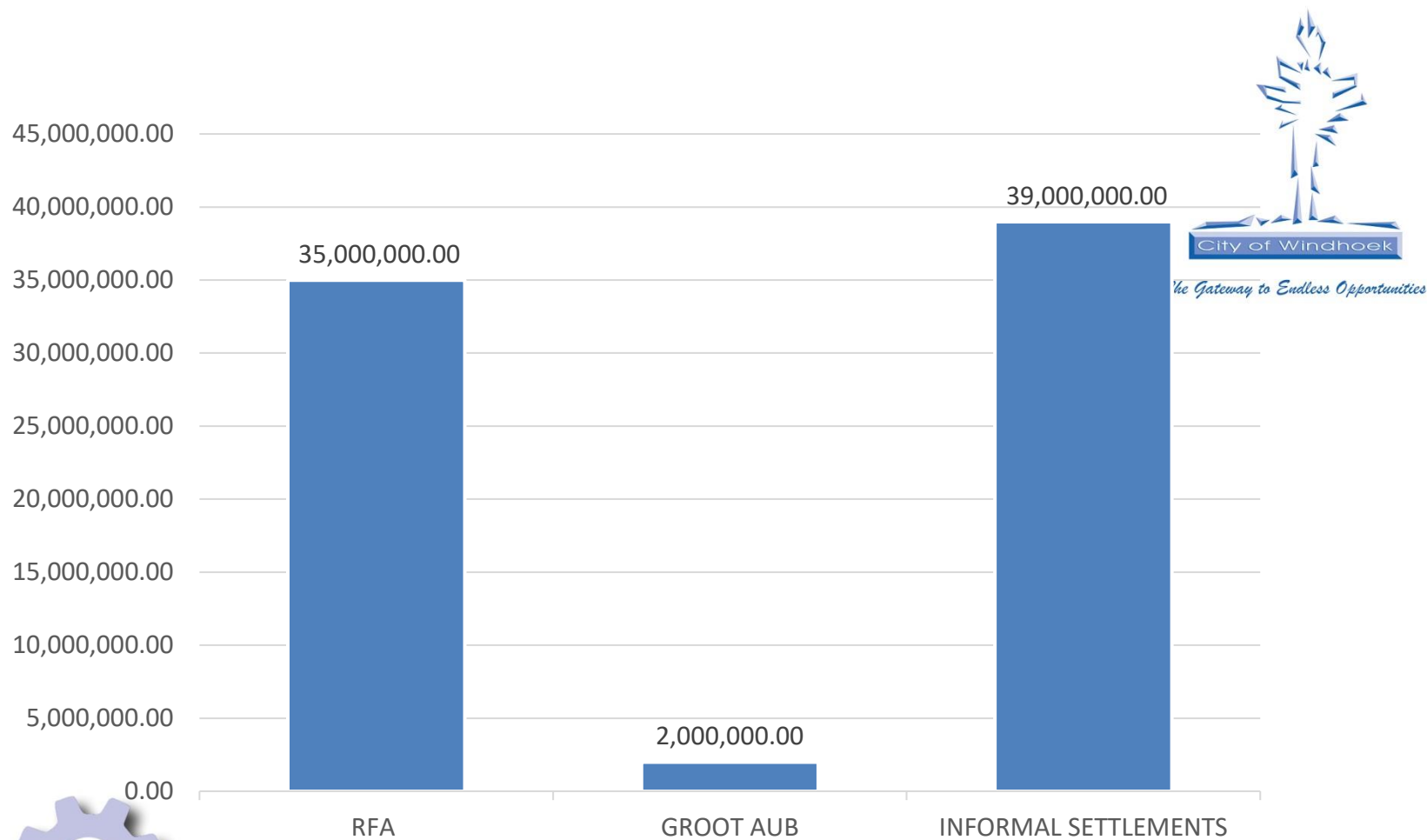
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EXPENDITURE COMPOSITION



GRANTS (N\$76M)



SOCIAL BUDGET (INCLUDED IN OPERATIONAL BUDGET)



Item	INCOME	EXP
OPERATIONAL BUDGET	42 392 289	496 968 429
City Police	31 772 366	299 789 302
Economic Development (Markets)	8 501 760	25 545 524
Public Transport	6 359 054	68 053 769
Fire & Emergency (Ambulance)	3 348 093	105 588 523
Social and Youth Development	912 776	14 069 900
Disaster management	-	9 466 935
Deficit	(454 576 140)	

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APPROVED BUDGET 2021/22



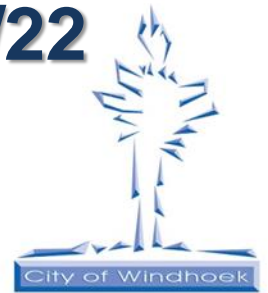
Item	BUDGET 2021/22
CAPITAL EXPENDITURE	508 677 250
REVENUE FUNDED	204 000 000
GRN GRANTS	96 041 000
TIPEEG	19 000 000
EXTERNAL LOANS (LOCAL)	154 850 000
OTHERS	34 786 250



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MAJOR CAPITAL PROJECTS 2021/22



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PROJECT NAME	AMOUNT	Funding Source
ELECTRIFICATION OF INFORMAL SETTLEMENTS	32 million	GRN GRANT
NEW CEMETERY SITE ROCKY CREST	3 million	OWN FUNDS
MARKETS UPGRADING	2 million	OWN FUNDS
SANITATION INFORMAL SETTLEMENTS	1,8 million	OWN FUNDS
INFORMAL SETTLEMENT UPGRADING - BROWNFIELD	15 million	OWN FUNDS
INFORMAL SETTLEMENT UPGRADING – GREENFIELD	15 million	OWN FUNDS
INFORMAL SETTLEMENT UPGRADING PILOT PROJECT	55 million	GRN GRANT
COUNCIL HOUSING CONSTRUCTION PROGRAMME	22 million	OWN FUNDS
SURFACING OF RESIDENTIAL STREETS: NORTHERN AREAS	8 million	OWN FUNDS

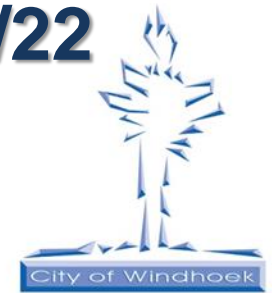


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MAJOR CAPITAL PROJECTS 2021/22

LAND AND HOUSING



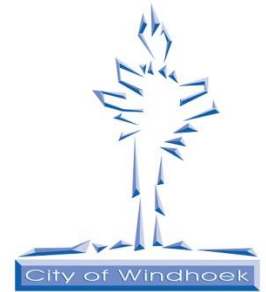
PROJECT	AMOUNT
Civil Services Construction (Rocky Crest Ext. 7 Phase 1)	22,000,000
Electrical Services Construction (Rocky Crest Ext. 7 Phase 1)	7,400,000
Civil Services Construction and professional work (Goreangab Ext.4)	13,000,000
Upgrading of Informal Settlements: Okahandja Park A, B, C, D	6,000,000
Upgrading of Informal Settlements	15,000,000
Servicing of new areas as part of Upgrading of Informal Settlement	15,000,000
Windhoek Municipal Housing Construction Programme (Goreangab Ext. 4)	22,000,000
Affordable Housing Pilot Project (MURD, KRC, COW, NHE)	55,041,000
Strategic Land Acquisition	10,000,000
	165,441,000



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BUDGET STRATEGY



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- SUSTAINABLE FUNDING OF OPERATIONAL BUDGET I.E. OPERATIONS TO BE FULLY FUNDED BY TARIFFS AND OTHER SUSTAINABLE ADDITIONAL REVENUE
- CAPITAL PROJECTS ONLY BUDGETED WHEN FUNDS ARE CONFIRMED.
- MAINTAIN SALARY BUDGET BELOW 35% (GOVT RECOMMENDS 40%)



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FUNDING STRATEGY



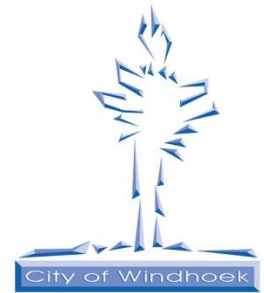
- CREATE REVOLVING FUND FROM LAND SALES REVENUE
- GRANT FUNDING (GOVT AND OTHER DONORS)
- TARIFF INCREASE (SUSTAINABLY)
- DIVERSIFICATION – TO REDUCE THE RELIANCE ON BULK SUPPLIERS (25 MW SOLAR PLANT)
- IDENTIFY ADDITIONAL REVENUE



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TO FOCUS OUR EFFORTS TOWARDS SUSTAINABLE FINANCIAL MANAGEMENT



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- WORK STUDY – TO IDENTIFY EXCESS OR SHORTAGE STAFF
- STAND AUDIT – IDENTIFY REVENUE LEAKAGES
- EARLY BUDGETING PERIOD – TO IMPROVE CONSULTATION
- NEW STRATEGIC PLAN (2022-27) TO BE LINKED TO FUNDING TO IMPROVE IMPLEMENTATION (CURRENT 43% SUCCESS DUE TO MISMATCH WITH BUDGET)
- RECOVERY PLAN TO IMPROVE GOING CONCERN – CURRENTLY WORKING ON THE FINANCIAL MODELING
- AGGRESSIVELY GOING AFTER THOSE WITH ILLEGAL ELECTRICITY CONNECTIONS

KEEP THE BULK SERVICES ACCOUNTS AT CURRENT



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THANK YOU



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