



REPORT

Pre-Budget Consultative Meeting for the Financial Year
ending 31 December 2011 held at Town House on 19
October 2010 at 1000hrs

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1. Introduction:

The City of Harare held a pre-budget consultative meeting at Town House to receive the input of stakeholders about the 2011 City Budget. Stakeholders had to highlight their major expectations in the forthcoming budget, reviewing the successes and failures of the 2010 City Budget, and making recommendations on how best to improve on weaknesses and harmonise the interests of the City and the residents. Among the stakeholders present for the consultation were the Harare Residents' Trust (HRT), the Combined Harare Residents' Association (CHRA), Senior Citizens, the Public Transport Organisation (PTO) and the Commuter Omnibus Operators Association of Zimbabwe (COOAZ)

1.1. Welcome Remarks:

Josephine Ncube, the City's Chamber secretary, welcomed all stakeholders with their respective organizations and introduced the Council officials Mr. Mutimkulu, Ward 9 Councilor Stewart Mutizwa, the City Treasurer Mr Misheck Mubvumbi, Director of Engineering Services Engineer Philip Pfukwa and Director of Waste Management Dombo Chibanda.

2. Agenda:

- 2.1. City Treasurer's Summary Report and Expectations in the 2011 Budget
- 2.2. Reports from the stakeholders

3. City Treasurer's Report:

- Income of US\$226 million, expenditure of US\$138 million should be spent by 31 December 2010.
- It is estimated that US\$202 million would be collected by end of year
- The City of Harare had a Capital budget of US\$275million in 2010 and US\$10 million has been spent.
- Government previously gave loans sourced from international financial institutions like the International Monetary Fund and the World Bank, to local authorities, including Harare but this has ceased.
- Underperformed Departments: Water and Sanitation by US\$12million, Refuse US\$6million, and Rates US\$2million.
- Performing Departments: Hospital US\$1,1million and Shop Licenses
- **Creditors:** The City owes its trade suppliers an amount of US\$300 000 and US\$24 million in payroll deductions to the National Social Security Authority (NSSA) and the Pay As You Earn to the Zimbabwe Revenue Authority (ZIMRA), has an overdraft of US\$2,8 million and US\$51million in rates, refuse and supplementary charges. Residents owe the City, US\$77 million in water consumption. The city is owed a total of US\$128 million.
- Previously Central Government issued the City of Harare grants, covering health, public safety and per capita grant for education especially in the high density areas, but in the last decade has not done so, burdening the council with resource mobilization.
- On the building of schools the government is failing to give capital grants for education and the Council deals with the issuing of stationery in Council schools
- In 2006, government, through the Zimbabwe National Water Authority (ZINWA), under the Minister of Water Resources, took control of water and sewerage and inherited the workforce. This was reversed in 2009 when sewer reticulation and water management was returned to the City of Harare, together with the workforce that had transferred to ZINWA.

- The City of Harare is urging residents to pay up their bills so that they can clear their debts. Unfortunately, residents feel the bills are beyond their reach and doubt if they will be able to repay the full amounts.

3.1. Plenary: Issues from Stakeholders

Stakeholders were asked to give their feedback to the report that was presented by the City Treasurer. Below are some of the issues or questions they raised as discussion points;

- The number of households the Council is billing in Harare, industrial, commercial and domestic, given reports that some council properties were earning politically connected individuals money instead of the city council?
- Why were residents' objections disregarded in the 2010 budget?
- Poor workmanship in the laying of sewer and water reticulation pipes. Most of the pipes that have been replaced have burst once again, creating pools of water along roads.
- The stakeholders wanted to know how the council could ensure that elected representatives became known in their communities. The majority of the councilors remain elusive to the electorate yet they withdraw monthly allowances from the city council.
- Why should the payroll deduction be the burden of the people?
- Regarding the issue of the government owing money to the Council what is its position?
- How many workers moved to Zimbabwe National Water Authority (ZINWA) and how many returned? How many qualified workers does council have in Harare Water?
- How much in loans did they get from banks and how much was each loan?
- The City of Harare informed residents late about the budget consultative meetings. The City treasurer admitted as much that they had learnt their lessons and promised to address this in future budget formulation.
- Stakeholders castigated the council's very poor information dissemination, creating an impression that the Council might be wasting residents' resources on a useless or under-performing Public Relations department.
- The Chairman of the Commuter Omnibus Operators Association Mr. Teerera Katema made a detailed submission on the challenges affecting commuter omnibus operators. They also made recommendations to address their concerns.
- The Council is charging too much on rank fees. A fee of US\$120 for a rank disc is being charged.
- Despite making huge payments to the council, ranks are in a state of disrepair, with rubbish strewn all over the place and toilets very filthy.
- The Council is neglecting the issue of building toilets and shelters in public ranks
- Rank marshals should be eliminated as they are charging too much to the drivers every trip they make, yet they pay huge amounts of money to the council towards ranks.
- On the provision of permits the Council has over-issued permits creating more confusion in the city centre. According to available information, the city can only hold 10 000 commuter buses but currently holds 20 000 commuter buses, with 30 percent of these without operating permits. The question that begs an answer is; who has been issuing these licences, and how? Allegations of serious corruption were raised.
- The Council is charging twice for the permit and rank disc as the drivers are paying \$75 to the Ministry of Transport for road permits as well.
- Fines charged for various offences are very high, discouraging motorists, particularly commuter omnibus operators from paying the heavy fines to the council. Instead, the city's traffic officers and members of the Zimbabwe Republic Police are pocketing thousands of untraceable dollars in bribes and corruption. These deliberate leakages have continued to deprive the council of the much-needed revenue.

- The Council is charging US\$132 for the dangerous parking offences, US\$23 for pick and drop, US\$155 for obstruction and US\$10 every hour a long distance bus is parked in ranks, particularly at Mbare.
- The City Treasurer said the Council will look at the issuing of permits and the building of shelters and improvement of city ranks.

4. More Questions from Stakeholders

- The team for the consultative budget meeting held at City Sports Centre was greater than the number of people who were present for the meeting, as only one resident, a Mr Dullab from Belvedere attended.
- The Treasurer said the provision of water is being looked at and currently the city's water sources are insufficient to adequately supply Harare and the surrounding towns of Norton, Chitungwiza, Epworth and Ruwa.
- There is need to find alternative sources of financing to help the Council because they no longer receive government grants.
- The stakeholders wanted to know why the council has continued to recruit senior personnel to fill in non-existent posts, gobbling the bulk of the city revenue.
- What is the ratio and revenue on salaries? Is the council abiding by the 70-30 percent ratio of service delivery and salaries/ administration?
- Mbare Musika sanitary facilities are pathetic, and mostly closely to the public
- Should people pay the water fixed charge even if they are not accessing the water?
- Is the Council encouraging investors to ease its financial position?
- Why the trenches dug along city pavements during the pipe replacement exercise have been left uncovered, creating risky to pedestrians and motorists.
- The Samora Machel Parkade lifts are lying idle for many years without being repaired. Senior citizens proposed that the council should issue out free parking disks to senior citizens and consider also allowing them free access to paying toilets.
- The Council should look at the issue of green markets in every residential area, which have become a lucrative source of income to councilors and city employees working with politically connected individuals.
- Building of clinics essential, especially in Kuwadzana Extension, where the local councilor reportedly let an incomplete clinic, allegedly built by the Ministry of Local Government, Rural and Urban Development, to a private college, sometime last year to the first quarter of 2010, allegedly pocketing the rentals as if the building was his.
- The council should look into the performance of elected councilors as most residents do not know them.
- The building of beer halls and why the Council is not maintaining its beer halls which could earn the Council money
- The Council should look at the maternity fee which is too high as well as health issues and the Council sources provisions from revenue
- Unused water pipes are reportedly lying idle in Budiriro which the council should investigate before these pipes just disappear.

5. Responses from the City of Harare

- The City Treasurer apologized to the stakeholders about the issue of their input in the 2010 budget and admitted that the views of the residents were not considered by the Council.
- He said the government should revive the issuing of grants to the City Council in order to address some of the major service delivery issues affecting residents.

- The Treasurer could not provide statistics of number of workers that moved from the council to ZINWA, and back to the City of Harare in 2009, as well as their grading system. It is believed that the council is losing too much money through a bloated Harare Water workforce that was recruited under unclear circumstances while water was being managed by ZINWA between 2006 and 2009. Now the huge bill is being catered for by residents, without justification. .
- The City of Harare is allegedly doing all it can to recover the US\$17 million owed to it by government departments. But that was all they could do, considering that the Executive was a superior authority. However, the treasurer said council has been engaging the Ministry of Finance and Ministry of Local Government, Rural and Urban Development to find a solution.
- Pertaining the issuing of loans he stated that it remains as confidential information for the City of Harare
- The issuing of the green markets will be looked at
- The government should assist the local authorities by providing grants.
- The issue of building clinics will be looked at. The Council is aware of these challenges but has only five ambulances servicing Harare, with the newest of this fleet being eight years on the road.
- There was a report from Budiro that the Budiro Satellite Clinic that was the command centre during the deadly cholera outbreak in 2008 had a massive sewerage burst and water leakage that have not been attended to in a long time despite several reports. The council claimed that this issue had been handed over to the responsible department for immediate attention.
- Stakeholders were urged to transmit information to the local authority and help ensure that the City is kept clean and not to vandalize community infrastructure, within their communities as residents stood to benefit more.

6. Comments by Council's Fire Officer on City Fire Brigade and Ambulances

- He said that the Council has 25 ambulances and life span for an ambulance used to be 2-4 years and now its 8 years to the new model of ambulances
- The fire engines are supposed to serve only Harare but have been forced to go beyond for rescue operations, which the trucks cannot fulfill.
- Fire tankers cost an average of US\$500 000, money which the City does not have.

7. Recommendations

- The Council needs to revisit its public relations department to address the poor communication and the arrogance of city employees when dealing with residents' concerns.
- In future the city of Harare should give adequate information on time about the pre-budget consultative meetings, and should seriously consider dispatching individual letters to residents as they do with monthly rates' bills to ensure the full participation of all citizens, who continue to be burdened with exorbitant bills.
- The City of Harare should review downwards the salaries being paid to senior management and focus more on service delivery.
- The Council should reduce its workforce, and retain only those properly recruited and adequately qualified.
- City Councilors should desist from enriching themselves at the expense of rate payers who voted them into office. They need to remain in the communities in order to attend to residents' grievances.
- The Council should listen more to the residents as this helps them in decision making and it also encourages the residents to pay their bills.

- The Council should find alternative funding sources than continue to burden residents with exorbitant bills.
- Water remains a right that cannot be disconnected at any time as a coercive tool to force payment by burdened residents.

8. Closing Remarks- Ward 9 Councilor Stewart Mutizwa

The Councilor thanked all the stakeholders who took the time to participate in the pre-budget consultative meeting. He said that the council was doing its best to service the nation, especially in the health sector where the city's health centres have become referral centres for the rural clinics due to huge stocks of drugs they have. He said the government should re-consider the provision of grants to the City of Harare to cushion it against the huge demand for services. The Councilor thanked BancABC Bank for the US\$10 million loan advanced to the council for the purchase of refuse trucks and the US\$17 million advanced to the local authority for the upgrading of water pipes and sewerage reticulation infrastructure. He hinted that the City of Harare would seriously consider a leaner budget starting on zero bases, that is, not changing the current rates, but reviewing them in line with stakeholder expectations.

9. Conclusion

It remains unclear whether or not the City's 2011 Budget will reflect the input of residents from the various suburbs, considering that less than 5 percent of the total residents who pay rates to the City of Harare every month participated in the budget-making process. However, the HRT commends the little effort that the City of Harare undertook this year, compared to the process that they followed in the formulation of the 2010 City budget. It is hoped that the 2011 city budget will address major concerns raised during the consultative process. From the level of participation during the consultative meeting, the HRT concludes that the City of Harare was inadequately prepared to respond to the concerns of stakeholders. For example, time was spent discussing how the three city bureaucrats could chair a stakeholder consultation meeting, instead of the Finance Committee of Council led by Councillor Ruth Kavunika. The final budget has to provide the citizenry adequate information on the size of the city's revenue base. The meeting started late and only a few stakeholders attended. Despite active participation from stakeholders, the Council representatives could not adequately address the issues raised by the stakeholders. Low attendance from the stakeholders was attributed to a negative perception that the pre-budget consultative meeting was a mere formality as the council had already decided on its own priorities. The Council was not in a position to give the estimated figures of the 2011 budget. The consultative budget meeting dealt with the issues affecting the residents and the input of the stakeholders of the budget.

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