

**BUDGET SPEECH BY CLLR Z.I DUMZELA**

**EXECUTIVE MAYOR:**

**JOE GQABI DISTRICT MUNICIPALITY**

**DELIVERED DURING THE SPECIAL COUNCIL MEETING**

**HELD ON THE 26/05/2016**

Honourable Speaker

Honourable Mayors and Speakers from local municipalities

Chief Whips from the District and local municipalities

Members of the Mayoral Committee

Honourable Councillors

Traditional Leaders

Municipal Manager, Directors and officials

Leaders and Members of Civil Society,

Distinguished Guests, Comrades and Friends,

Esteemed members of the Community present here today,

Ladies and Gentlemen:

Madam Speaker.

Our government has changed the lives of the people for the better. Millions of South Africans have access to water, sanitation, housing, health services, electricity and education. We are still grappling with economic development and fighting poverty but we are progressing step by step to a better, brighter future for all.

Madam Speaker.

I am very concerned about the trend amongst some people to use destruction as a means of voicing their frustrations. A case in point is Vuwani in Limpopo where over twenty schools have been burnt to ashes. A provisional assessment indicates that it will cost our government over 20 billion rand

to rebuild those schools .

These billions could have been shared amongst various departments to expedite service delivery for the people.

We as South Africans we must work together and discuss issues of our development amicably. This is the only way to move South Africa forward.

Madam Speaker

In the past five years as this council we have turned around the situation in Joe Gqabi District Municipality in terms of service delivery.

Every village has access to water and sanitation although we are still faced with a huge backlog.

Madam Speaker

Two months ago in our District Strategic planning we looked at quick wins to fast-track service delivery. We are going to involve all stakeholders to implement these quick wins.

Madam Speaker.

The previous budgets were focusing on the implementable and achievable projects. Those action plans averted possible and potential protests based on service delivery directed to our

District. These are the results of good working relations of both the political and administrative leadership of this council.

Madam Speaker , as we approach the 2016/17 financial year, we will be faced with more challenges. However, we will overcome them and continue to provide our communities basic needs.

We, as politicians must engage people and reflect on our successes , achievements and challenges. It is our responsibility to continuously educate people on how government operates. People need information and it is up to us to keep them well informed. Two days ago, I have been to various wards in Senqu Local Municipality on an outreach to interact with members of the community. I must say so far the community is happy with our service delivery programmes. They also have some inputs on how should we work together to expedite service delivery.

Madam Speaker, let us come to the business of the day. It is my pleasure to table the final budget for the 2016/17 financial year.

I present to the council today a budget tailor made to meet the needs of the District Municipality Service Delivery in the

coming financial year.

## **REVENUE SUMMARY BUDGET 2016/2017**

The total budget amounts to R685 million for the 2016/17 financial year .

**Total Operating Revenue** , amounts to R423 million and includes the Equitable share which has been increased by R14m.

## **CAPITAL GRANTS**

The budget focuses on various projects which are the core business of the institution. The total budget for capital projects is R279 million .

Rural Bulk Infrastructure Grant is allocated R12.9million for the 2016/17 financial year.

Water Services Infrastructure Grant is allocated R72 million.

Municipal Infrastructure Grant is allocated R152million.

The Province has allocated a total amount of R80 million for drought relief for the 2016/17 financial year.

### Some Capital Projects :

- Ugie Bulk Water Infrastructure Phase 2 – R8.7 million
- Sterkspruit Upgrading of water treatment works and bulk line – R8.7million
- Senqu Rural water programme – R17.55 million
- Elundini Rural Water Programme – R17.5 million
- Maclear upgrading of bulk water services – R9.1 million
- Lady Grey bulk water supply – R9.1 million
- Lady Grey construction of a new dam – R35 million – Funding from Provincial treasury
- Construction of potable water supply pipeline from Steynsburg WTW to Burgersdorp - R35 million funding from Provincial Treasury
- Sterkspruit bulk sanitation – R2.1 million
- Lady Grey Water conservation and demand management project – R18 million whilst Water conservation and demand management for Maclear is allocated R9m

### **EXPENDITURE SUMMARY**

The total expenditure for the 2016/17 financial year is R494 million. This includes amongst others, debt impairment to an

amount of R21m, Employee related costs – R190 million - which to date have increased by 8% due to the additional posts being provided for as per the approved organogram. Operational repairs and maintenance budget increased from R19million to R39 million.

The bulk of the cost is therefore allocated towards Employee related costs.

### **Community Development**

It is expected as Local Government to train and develop our communities on various skills and expertise. The District has set aside over R2million for training and development.

- Mayoral Cup – R135 000-00
- Youth Programmes – R330 000-00
- Traditional Leaders – R189 000-00
- Women's Programmes – R157 000-00
- Public Participation – R225000-00
- Moral Regeneration – R45 000-00

### **JoGEDA**

South Africa is facing economic shrinkage and that poses challenges to the economic development to create jobs. The statistics indicate that small businesses have a huge impact

on the economic development and creating job opportunities.

Madam Speaker, the establishment of Joe Gqabi Economic Development Agency was to attract potential investors in partnership with private sector. The pulling out of IDC which was one of the strategic partners is a huge blow to the agency. This has caused a burden to the District and Municipalities. It is against this background that the District has allocated a sum of R8m to JoGEDA for the 2016/17 financial year.

## **TARIFFS**

The proposed tariff increases for water for the 2016/17 financial year is :

- 6% on Basic charges based on CPI, Eskom and Fuel
- Rural area basic charges is set to be R120.46 per household implemented over a period over 3 years;
- A consumer will continue to pay R8.53 per kilolitre up to 6 kl consumption ;
- Usage between 6 – 30 kl remains R11.61 per kilolitre
- 30 – 50 kl will remain at R12-77
- 50kl and above – R14-05



## SANITATION AND WASTE WATER

- Basic charges are proposed to increase by 6% (CIP + Eskom + Fuel)
- 0 – 6kl is R1 per /kl
- 6 – 12 is R1.83 per / kl
- 12kl and above is R2.02

## FIRE SERVICES

### **Madam Speaker**

Fire services is an expensive exercise and it needs special attention to be managed. The District is rendering this service on behalf of local municipalities at a cost. We have to recoup the cost in one way or another. The District is proposing a levy to recover the cost.

The proposed tariffs charges are as follows :

Urban – R32 per month or R320 per year

Farms - R53 per month or R530 per year

**If council agrees, this will be effective from 1 July 2017 (2017/18 financial year).**

## CONCLUSION

We are left with two months to the next local government elections. I appeal to all people in the Joe Gqabi District Municipality to respect the election code of conduct so as to

create free and fair elections.

I thank you.