

**SPEECH BY CLLR Z.I DUMZELA**

**EXECUTIVE MAYOR:**

**JOE GQABI DISTRICT MUNICIPALITY**

**DELIVERED DURING THE SPECIAL COUNCIL MEETING**

**HELD ON THE 28/05/2015**

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,

Africa unite, Africa struggle for nation building, Africa focus on economic development and Africa fight poverty and diseases for a healthy society. We are one Africa and one nation. Peace be with Africa.

Madam Speaker, I felt it is necessary to make this call to all of us after we have experienced xenophobic attacks in South Africa, in which seven people died. This shocked Africa and the World. Today South Africa is 21 years into Democracy. We need to look at strategies on building sustainable economic development and reduce the unemployment. This week we have celebrated Africa Day in which we

commemorated Ghana as the first African Country which became liberated from colonial annexation. The liberation culminated to the Organization Of African Unity which is now known as African Union an umbrella body of SADC. This country needs expertise from the first liberated countries in Africa, hence we as South Africa draw a pool of scarce skills from our neighboring countries like Zimbabwe, Botswana and Lesotho to mention but a few.

Madam Speaker, Statistics South Africa has revealed that the unemployment rate has increased in the first quarter compared to last year this time. It is reported that over 4 million people are unemployed. As a country and Africa we need to devise implementable programmes to deal with this challenge.

As we execute programmes we have to remember political stalwarts like Ruth Mompati who fought for a better life for all. May her soul rest in peace.

Madam Speaker, two months ago I tabled a 2015/16 draft budget for the District. It was then circulated to members of the community for comment. I am pleased with their comments - both in the mayoral outreach and individual input. The communities have had an input to the budget as established in the Freedom Charter that people shall govern.

The District has made a significant impact during the past three years in terms of water and sanitation service delivery. These services were far-fetched before 1994. The ANC led government has changed the lives of the people and is committed to serve its people for a better life for all.

Madam Speaker , as we approach the 2015/16 financial year, we will be faced with more challenges. However we will overcome these and continue to deliver community basic needs.

Madam Speaker, as we are going to the local government elections next year, we will have more protests for various demands by the people. We, as politicians must engage people and reflect on our successes and achievements. It is our responsibility to educate people on how government operates. People need information. If we do that, they will work with us going forward.

The budget should be reflective of necessary public participation that has to take place progressively.

Madam Speaker, Back to Basics must be internalized by ourselves to respond to a call by President Jacob Zuma. We need to make sure that the district and the local municipalities

are performing amongst the best in the country.

## **STRATEGIC SESSION**

Madam Speaker, both political leadership and administration must make sure that the resolution of the strategic plan for the next financial year are executed. The District has to implement all the programmes related to revenue collection on water and sanitation services. Since we have taken over the water services provision services of Senqu and Maletswai Local Municipalities, Billing is still a challenge. The queries should be resolved efficiently to encourage people to pay their bills.

Madam Speaker, strategic vacancies must be filled to ensure that service delivery is not delayed.

Madam Speaker, let us come to the business of the day. It is my pleasure to table the final budget for the 2015/16 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 2015/2016**

The revenue summary budget is R654 million for the 2015/16

financial year. This includes amongst others, the equitable share which has been increased by R14.7 million.

The Province allocated R230 million for drought relief infrastructure in the District of which R100 million is budgeted for the 2015/16 financial year, R80 million is budgeted for the 2016/17 financial year and R50 million for 2017/18.

The revenue foregone is based on an estimate of 45% for water and 59% for sanitation. The current collection rate is 20% of the average monthly billing. The institution is expecting to increase collection to at least 35% per year.

Debt impairment has been budgeted for R19.5 million in order to provide for bad debts. Debt impairment is decreased due to the higher anticipated collection with the assistance of a debt collector and the taking over of Elundini and Gariep billing and collections.

## **EXPENDITURE SUMMARY**

The total expenditure for the 2015/16 financial year is R462 million. This includes amongst others, employee related costs, that is salaries and wages, to the amount of R176 million. Contracted services have been reduced to R11 million.

## **CAPITAL PROJECTS**

The budget focuses on various projects which are the core business of the institution. The total budgeted amount for capital projects amounts to R235 million.

- Senqu Rural Water Programme amounts to R16.6 million;
- Elundini Rural Water Programme amounts to R17.5 million;
- Maclear upgrade of bulk water amounts to R4.3 million;
- MIG Project : Sterkspruit upgrading of water treatment works – R10.5 million;
- MIG Project : Mt Fletcher Villages bulk water – R6.5 million
- Maclear upgrade of bulk sanitation amounts to R13 million;
- Steynsburg waterborne sanitation is budgeted for R12 million;
- Barkly East upgrade R16 million;
- Bulk water infrastructure R1.7 million

## **TARIFFS**

It is proven that the cost of providing clean water exceeds R11 per kiloliter. The tariff increase for 2014/15 was far in excess of inflation but still short of R11.61.

In an attempt to keep tariffs as low as possible, the District has undertaken the following:

- To quantify the number of broken meters and replace them;
- To quantify unbilled customers and install water meters. A sum of R5 million has been secured for meters, whilst a further R5 million is budgeted for meters in the 2015/16 budget.
- R20m has been put aside for Water Conservation Demand Management , especially in Aliwal North.

Madam speaker, the proposed tariff increase for basic charges for water in the 2015/16 financial year is **6%** and the Rural Area Basic Charge is set at **R113.64 per household** which will be implemented over a 3 year period.

It is also proposed that a Waste Water Charge be introduced. The tariff is introduced to cover the costs of treating and handling waste water.

For Sanitation and Waste Water it is proposed that the basic charges are increased by **6%**.

## **CONCLUSION**

It is pleasing to note that the District Municipality has not



experienced xenophobic attacks like other municipalities in the province. It is my humble appeal that all of us should continue to preach that all Africans belong to Africa.

I thank you.