

**BUDGET SPEECH OF 2014/15 BY**

**CLLR Z.I DUMZELA**

**EXECUTIVE MAYOR: JOE GQABI DISTRICT MUNICIPALITY**

**DELIVERED DURING THE SPECIAL COUNCIL MEETING  
HELD ON 30 MAY 2014**

Honourable Speaker

Honourable Mayors and Speakers from local municipalities

Chief Whips from the District and local municipalities

Members of the Mayoral Committee

Traditional Leaders

Honourable Councillors

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:

***Theme : Working together to deliver, transform and grow  
JGDM beyond 20 years of freedom – A good story to tell –  
The year of unprecedented service delivery.***

Madam Speaker, I am delighted and overjoyed as our 2014 National Elections vibe still runs in my veins. These past elections have brought our diverse society together in choosing their political leaders across the political divide. The past 20 years of our democracy has matured with its people who are able to voice their views by using their votes. Yes, there are those who still believe that protests and vandalism are methods to voice their concerns, but we must remember that the South African Democracy was attained through negotiations and the sharing of different ideas and

views to becoming what we are today. It is comforting to know that the Joe Gqabi District communities went to the polls in large numbers. This indicates that they have faith in the fair and democratic means to determine our future. Sterkspruit in particular was identified as one of the hotspots for potential violence during elections. However, peace and harmony prevailed. This I attribute to all political leaders, civil society, faith based organizations, trade unions and traditional leaders.

Madam Speaker, two days ago we have lost one of our International authors, Mayo Angelo, who played a huge role through her pen to demonstrate that South African laws of the past were inhumane. She was one of the Americans who stood up during the Mandela Release Campaigns in the Seventies and Eighties. Her message was clear that South Africa must be a free country. She passed on a month after South Africa celebrated its 20 years into Democracy. May her soul rest in peace.

## **AFRICA**

It is painful that the defenseless young girls in Nigeria are undergoing great trauma being kidnapped by the militant group Boko Haram in exchange for the release of their comrades whom I believe were arrested in an attempt to

overthrow the Nigerian government. African Continent leaders must develop a culture of resolving their differences amicably. I am appealing to all of us to pray for the 200 young girls to be released unharmed. May the Almighty God intervene and deliver mercy to Boko Haram.

In Joe Gqabi we also lost a brave young leader, Busisiwe Kibi, who was instrumental in building up ANC youth branches in the district. She will be missed for her broad ideas in shaping stability in the region.

Madam Speaker and Council, South African sports played a major role in fighting for just laws, promoting unity. The rejection of South Africa by the World Sports bodies contributed to expediting transformation. Talking of sport, we salute the late Shakes Kunguane, one of South Africa's finest soccer players, who passed on this week. It is heroes like him who lead South Africa to victory at the African Cup of Nations in 1996. May his soul rest in peace.

Madam Speaker, as ANC region we are congratulating the ANC Provincial Executive Committee for nominating Pumulo Masaule as Eastern Cape Premier. We wish him all the best with his new responsibilities. I believe Premier Masaule will take the Province to great heights in terms of economic

development.

Madam Speaker, allow me to share with you the business of the day.

In June 2013 this council approved a budget of R400 million which is close to half a billion rand going towards our infrastructure roll-out programme. According to infrastructure needs we need to consider the following :

- Population growth and demographic changes
- Economic growth, productivity and innovations
- Settlement patterns and the strong trend towards urbanization
- The movement of goods and services
- Housing living affordability, integrated infrastructure and related services
- Climate change, the environment and the sustainable use of existing resources
- Asset management, and sustainable infrastructure
- Government capability to deliver infrastructure in an integrated and holistic manner

Madam Speaker, for the financial year ended 30 June 2013, the District surpassed its previous expenditure records and attained a 100% capital expenditure, a sign that our political

will and oversight was beginning to turn a positive corner. For this financial year, we are on course to spend above 95% of our capital budget, delivering basic infrastructure and services to our people.

I therefore stand here before you to give an account of our good story amid all trials and tribulations.

Our District is committed to the social contract between ourselves as political leaders and the people of Joe Gqabi, and we dare not falter.

We, as Council have the mandate to deliver services to communities and to better the lives of the people. Mine is to share our vision and mission for the 2014/15 financial year.

The budget I present to you for the next financial year will guide and focus on achievable priorities with limited resources at our disposal. In as much as we have financial challenges, we are forging ahead with our targeted projects in particular Water and Sanitation which is our core business as the District Municipality.

Next month, the District Executives will crisscross the District on its roadshows, taking stock and sharing our achievements

of the past three years in office.

Madam Speaker, our budget must talk to a National Development Plan which highlights the important role that municipalities are playing in creating job opportunities. The creation of job opportunities will be achieved if municipalities, sector departments, the private sector and businesses within the District work together in implementing programmes and projects in a coherent and integrated manner.

Madam Speaker, municipalities are seen as a vehicle for the creation of jobs. The District in partnership with other stakeholders will have to ensure that jobs are created through Local Economic Development, Community Works Programmes, Expanded Public Works Programmes, Water and Sanitation Programmes and many other programmes.

The District will take over the water billing function from Maletswai and Senqu local municipalities as from the 1<sup>st</sup> of July 2014. Provision has been made for the public to pay their water bills at the Dorans Building in Aliwal North, Senqu offices in Lady Grey, and JGDM offices in Barkly East. The District will take over this function from Elundini and Gariep in the 2015/16 financial year.

We, as Joe Gqabi District Municipality Council, are committed to turn-around the financial challenges that are stagnating development within the District. Both political leadership and administration are working together to manage this challenge.

Madam Speaker, on performance:

- The construction of Bulk Water Supply in Rural areas is progressing well. This is a project with a value of R63 million from ORIO that will be completed in 2016. The project will benefit 107 villages in Elundini.
- The District also continues to augment the capacity of Sterkspruit Water Treatment Works to support our expanding human settlements and to provide potable water to ward 9 , 10 and 17.
- We are performing very well on MIG expenditure even though we are of the view that the allocation is far too short of our requirements and the needs of the communities.
- Despite the financial challenges that were experienced as a result of the drought late last year we were still committed to paying our creditors within 30 days of receipt of invoices.
- The District has drilled numerous boreholes in most drought affected areas in particular Lady Grey and Mount Fletcher.
- Our five year IDP document was drafted and sent out for



comments and inputs. A final document is here before us for approval today. The programmes in the IDP reflects the budgeted projects as per available funding.

- We continue to make huge strides to improve water quality. We have procured services of private companies in supplementing our efforts of improving water services within the District.
- Water carting was costing this municipality millions of rands. The discontinued contracts with Amatola Water and Sintec has made significant changes in our reserves with a saving of over R20 million. However, the funds had to be spent on drought relief experienced in our region.

Madam Speaker, today's budget is focusing on operational and capital expenditure over a period of three years, which I detail below.

- The total revenue for the 2014/15 financial year has been appropriated at R529 million which is expected to increase in terms of the Medium Term Expenditure Framework (MTERF). Total operating expenditure for 2014/15 is budgeted over R169 million and over the MTERF period will be R164 million. The Total Capital Expenditure budget for 2014/15 is R110 million which will increase to over R130 million for the MTERF.

- The tariffs increase is proposed to be 9%.
- Steynsburg Waterbone Sanitation phase 3 is budgeted for R7.8 million.
- The Maclear Upgrade Bulk Water services is allocated a budget of R4,3 million and it will increase to over R14.9 million in the MTERF.
- Jamestown Sanitation Phase 2 is budgeted for R8,7million
- The Elundini and Senqu Rural Water Programme is budgeted for R11,4 million
- Senqu Water programme is allocated R24,5 million
- Lady Grey Bulk Water Project is budgeted for R6,2 million
- The Elundini Rural Water Project is budgeted R8 million and will increase to R17.6 million in the MTERF.
- Lady Grey bulk water project is budgeted R4,4 million
- Lady Grey Sanitation budget is R4.4 million
- Mt Fletcher villages Bulk water budget is R6.5 million
- Ugie Bulk Water infrastructure phase 2 budget is R1.754 million and it will increase to R8,771 million in the MTERF.
- Ugie Sanitation infrastructure budget is R6,1 million
- Maclear Upgrade bulk water services budget is R4,385 and will cost R13,157 million 2015/16.

- Maclear Upgrade Bulk Sanitation budget is R11,4 million.
- Sterkspruit water treatment works budget is R7,8 million

## **MIG FUNDED PROJECTS**

Senqu Rural Sanitation Programme budget is R24,4 million for this financial year.

Elundini Rural Sanitation Programme budget is R23,6 million for the next financial year.

## **Municipal Water Infrastructure Grant (MWIG) FUNDED PROJECTS**

Water Conservation Demand project is R20,9 million including VAT.

## **Regional Bulk Infrastructure Grant (RBIG) FUNDED PROJECTS**

Sterkspruit regional bulk sanitation budget is R8,771 million.

## **Rural Household Infrastructure Grant (RHIP) FUNDED PROGRAMME**

Elundini Water Treatment Works Refurbishment and Rural Sanitation budget is R24,5 million.

## **OWN FUNDED PROJECTS**

An amount of R5 million is budgeted for satellite offices and R3 million will be used for Boreholes and Refurbishment.

The District Municipality has a budget deficit of R20 million in the 2014/115 financial year.

## **IDP ADDITIONAL PROJECTS**

The District in its IDP has added other important programmes that talk to the masses of the region:

- Public Participation budget is R75000
- Disabled Programmes and Awareness/Support Organization budget is R80 000.
- Traditional Leaders budget is R211,200.
- Mayoral Cup budget is R175 000
- Women's Programmes budget is R84 000.
- Youth Programmes R105 000.
- Elderly Programmes budget is R30 000
- Community Radio Station Development Budget is R80 00

## **AUDIT RESULTS**

The year 2014 is targeted for Clean Audit by the COGTA. This was the call by the late COGTA Minister, Sicelo Shiceka. The

administration is working tirelessly to achieve that goal. However it is pleasing to know that the District and three of its Municipalities are not far from the target.

## **CONCLUSION**

In conclusion , Madam Speaker, I thank all the councillors and officials for their hard work to ensure that the budget and priorities of the current financial year are implemented.

As we continue working together, let us make sure that we pull together to have a meaningful impact . Let us ensure that the 2016 local government elections will not have protests and violence. This is not possible without all of us speaking with one voice to denounce any form of violence and farm attacks in our region. This country belongs to all South Africans.

**I Thank you, God Bless!**