

**2019 BUDGETSPEECH DELIVERED BY THE EXECUTIVE MAYOR,
HIS WORSHIP, COUNCILLOR Z.I. DUMZELA AT A COUNCIL MEETING HELD
ON 30 MAY 2019**

Honourable Speaker

Mayors and speakers from the local Municipalities

Chief Whips

Political leadership from all organisations

Members of the Mayoral Committee

Traditional Leaders

Councillors

Municipal Managers, Directors and municipal officials

Members of the civil society

Distinguished Guests

Members of the community

Ladies and Gentlemen

“We must listen to the concerns of our people without dismissing them. When people see something wrong, there is something wrong. When our people see corruption, it means there is corruption. When our people see that their resources are being stolen, it means this is happening, and we should listen”(President Cyril Ramaphosa).

Our president expressed his concerns around corruption when he took to office to run this country under the ANC led government. Our country has seen been in news for the wrong reasons and caused economic shrinkage due to wait and see attitude by potential investors.

My gratitude goes to those who voted responsibly on the 8th of May. It is an indication that the people of this country have trust, faith and confidence in the ANC and that the struggle of O.R. Tambo, Nelson Mandela, Joe Slovo, Bram Fischer, Winnie Mandela, Albertina Sisulu and Solomon Mahlangu was not in vain.

On the 25th of May President Ramaphosa was inaugurated and late last night he announced the people who will help him lead the country forward. The time has come for implementing policies that speak to economic development to create jobs in the country. It is important to align our thoughts, plans, and programmes as leaders of all political spheres to make a meaningful commitment to make a difference in governing the ANC led government.

Mr Speaker, on the 1st of May the county together with many other countries celebrated Workers Month. Much as labour related working conditions have improved, there is a still gender –related difference in salaries and appointments in senior positions. Our president is leading the way appointing 50% women in his cabinet.

The unemployment rate in South Africa stands at 27,2 % Mr Speaker.

The real annual growth rate during 2018 was coming in at 0.8%. This however, is far from the targeted 6% is 42 percent. However how Joe Gqabi is impacting to the provincial GDP. It is a responsibility to rope in all the role players which are operating in the Joe Gqabi District Municipality to make sure to attract potential investors. Last week Joe Gqabi Development Agency held a strategic planning to map out strategies on service delivery with the district. It was to look as how does it attract investors into the region that will reduce unemployment.

Mr Speaker, to eradicate huge infrastructure backlogs and expanding access to basic services are inevitable.

Increasingly, the resources are becoming scarcer and scarcer. This environment requires that careful and best utilisation of the available limited resources.

WATER IS LIFE AND SANITATION IS DIGNITY

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In addition, the District has over the past years committed itself to the implementation of the working for water catchment management activity upstream of Mount Fletcher dam to improve the sustainability of the Tina River catchment.

Working for Wetlands activities in the Ugie area to increase sustainable water supply from wetlands.

As a way of curbing water losses through illegal connections and aging infrastructure, the war on water leaks programme will be intensified and peace officers to enforce by-laws relating to water will be recruited.

JOB CREATION AND POVERTY ALLEVIATION

The past five years we have seen a creation of more than 15 000 job opportunities through programmes such as EPWP, mass job creation, working for water and working for wetlands programme. The implementation of the Service Level Agreement (SLA) between the District and the Department of Roads and Public Works has also seen

creation and maintenance of a number of medium term employment opportunities.

Through the Local Economic Development, capital, working for water and wetlands projects and the implementation of the roads SLA, the JGDM has contributed immensely in reducing the debilitating impact of poverty and unemployment in the past years throughout the District. The youth internships, learnerships and workplace learning programmes have also contributed positively in reducing high rates of youth unemployment.

The District has given concrete expression to its commitment to SMME and emerging businesses empowerment. As this council we have committed ourselves to continue with programmes such as emerging business and SMME support, local procurement as well as value addition on agriculture and wood lots. Agriculture, Forestry and tourism are some of the economic sectors with a potential in our area.

FINANCIAL VIABILITY

The District has a good record of expenditure which is above 95% on the critical expenditure items such as grants.

The expenditure MIG has always been about 100% over the past years period. This has been recognised by funders and the District received additional funding as a result of the exemplary expenditure patterns.

The District has proved to be handling and administering its financial affairs in a transparent, sound and accountable manner as evidenced by the attainment of **clean audit** results for three consecutive years

(2014/15, 2015/16 and 2017/18 financial years). This however, does not mean that the district is financially stable.

It should be noted that our collection rate is sitting at 20% for water and sanitation services, and we need to actively engage with communities to ensure payment for services. Should the collection rate not increase, we are putting this municipality at risk of delivering effective and efficient services to the communities.

Key action that have been implemented since last year include the take-over the work done by an implementing agent to JoeGeda Development Agent to be responsible for Water and Sanitation. This will help to identify challenges early than waiting a report from the implementing agent.

This intervention also has improved various elements of the water and sanitation business such as operations and maintenance and improved access.

Pre-paid water meter installation project is doing well in some parts of the Joe Gqabi District Municipality and there is a high demand from the consumers. They have seen the benefits of the Pre-paid compared to conventional meters.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

We will continue to seek meaningful ways of ensuring community participation in the affairs of the municipality. The capacity of the ward committees must always be a priority to ensure that our communities are served better and efficiently. This action will also address an interactive

communication and in turn will reduce potential protests as well as violence related to service delivery.

The fight against fraud and corruption remains on the radar screen of the leadership and management of the municipality. We cannot afford the cost of abandoning the fight against this societal scourge. The whistle blowing should start with us if we are serious to fight the scourge of fraud and corruption.

2019/20 BUDGET HIGHLIGHTS

Mr Speaker, the budget for 2019/20 financial is R815million, the equitable share allocation is R273,79 million.

MIG funding amount to R156.8 million for this financial year, R237,5 million has been allocated for capital projects. The MIG contracted services for the Senqu Rural Sanitation Programme Phase 2 amounts to R34 million and the Elundini Rural Sanitation Programmes Phase 2 amounts to R34 million and R60.7 million has been allocated for the Municipal District Recovery Grant programme.

Portable water and good infrastructure is one of the key elements for water services. A sum of R10 million has been allocated to the Jamestown Sanitation Phase 2 project. The Sterkspruit upgrading of Water Treatment Works and Bulk lines has been allocated o R12 million, R 4 million to the Ugie Bulk Water Infrastructure phase, R25 million to the Senqu Rural Water programme, R20 million to the Barkly East Bulk Water Upscalling project and R10 million to the Elundini Rural Water through Orio project. The Maclear Bulk Water Services and Bulk Sanitation have been identified and is planned to be completed by

2020/21 financial year. An amount of R145 million will be used to fund the projects over the two financial years. The funding will be obtained through front loading from DBSA.

Mr Speaker, if we are serious about fighting any waterborne related diseases our treatment works water plants must be improved and maintained according to water services rules and regulations. It is therefore important that the District has a good Argumentation of Clear Water Storage project. The budget for the argumentation together with the refurbishment of Treatment works amount to R50 million. The Rural Rudimentary Water Supply in Mount Fletcher, Maclear and Ugie has a budget allocation of R5 million. Modern technology is vital to determine good service in our water services, therefore a sum of R14 million has been allocated to District Wide Telemetry Services and R4 million allocated to the Electro-Mechanical Asset Replacement. Our water and sanitation infrastructure is over plus minus 60 years and it has continues pipe bursts and leakages. This means as a District we must pay a serious attention to address these challenges. In order to address these challenges a budget of R5 million has been allocated to Aliwal North Pipeline Replacement project.

Mr Speaker, seven years ago the district took over water services from local municipalities as it is our powers and functions to provide water. Over and above that it was also to manage our collective revenue. The conventional metres have various challenges ranging from aging and poor readings by our employees. As a District we have employed new strategies to improve the infrastructure and an amount of R5, million allocated to acquire Bulk meters and for revenue collection through pre-paid meters a sum of a R1 million allocated.

Mr Speaker, EPWP projects have a huge impact in fighting poverty in our District which has high rate of unemployment. An amount R1,5 million is allocated for this programme over and above the allocation by Department of Public Works.

Communication is vital to be improved within the District to be in par with 4th Industrial revolution, hence an amount of R800,000 has been set aside for access to free WIFI in remote areas. An amount of R600,000 allocated to SEDA for the next financial year.

Mr Speaker.2019/20 will also see the District Municipality to intensify the government to government partnerships nationally, continentally and internationally to mobiliseresources to resolve the developmental challenges facing the District.

We will continue to profile the popular Sondela festival by partnering with DSRAC and other important stakeholders. The budget of R1,5 million in 2019/18 will assist in the preparations for this event. The local municipalities and business should support the festival whichencourage economic development and help local artists to show case arts and crafts.

The Joe Gqabi District Economic Development agency will continue to be supported and resources will be provided to enable it to deliver on its mandate. From time to time as circumstances demand, its mandate will be reviewed to ensure alignment and responsiveness to the developmental imperatives of the District. A sum of R7,5 million is set aside to continue is work. In addition the Development Agency will continue work on Rural Agricultural Finance Initiative project which has been allocated R1,5 million and the Small Medium Micro Enterprises, which is one of the economic game changer in job creation, a sum of

R500,000. Public Participation is one of the vehicles to make sure people are informed by the developments within the District. The budget for the community outreach is R800.000.

Mr Speaker, following projects are included in other operating expenditure.

R45 000 allocated for Aids Programmes

R50 000 allocated for Disability Programmes

R50 000 allocated for Elderly Programmes

R50 000 allocated for Tourism initiatives

R50 000 allocated for 2019/20 SODA

R90 000 allocated for Mayoral Cup

R250 000 allocated for Traditional Leaders

R300 000 allocated for livestock improvement

R500 000 allocated to the Youth Programme

Training and development is vital to assist in skilling the institution workforce therefore an amount of R690,000 is allocated to the institutional internship programmes.

An amount of R1.955 million is allocated toward the training of communities, councillors and officials.

TARIFFS

Mr Speaker, the running cost of water purification is expensive, after due consideration of public concerns it was proposed that

both the basic and consumption charges be increased for the 2019/20 financial year.

THE PROPOSED TARIFF INCREASE IS AS FOLLOWS:

- **Conventional meters increase on average by 6.4% for consumers that remain within consumption of 30kl or below.**
- **In order to discourage high water usage Consumption exceeding 30kl will increase by 12.5% and 15.7% for pre-paid- and conventional consumers respectively.**
- **Sanitation charges increase by 8% in order to cater for the increased cost associated with the service charges;**
- **All other charges will increase by 6%**

Indigents

- **Indigents will not be billed on step tariffs. They will pay a fixed rate for water per kl.**
- **Prepaid water will increase at 0% for indigent consumers and Conventional water will increase at 6.8% for indigent consumers**

Pre-paid water remains cheaper unless your consumption exceed 40kl of water per month per household.

CONCLUSION

In closing I want to thank the community of Joe Gqabi and its stakeholders for their support to the leadership of the municipality and it is our wish that we will continue on this path until we realise our vision of improving the lives of all residents of Joe Gqabi.

We have a will to deliver and we dare not fail you, the community of Joe Gqabi. Asijki Siyaphambili.

I THANK YOU