



BUDGET CONSULTATION IN WALTER SISULU MUNICIPALITY - BURGERSDORP ON 29 APRIL 2019

Honourable Mayor and Speaker of Walter Sisulu Local Municipality

Chief Whips

Political Leadership

Traditional Leaders

Councillors

Municipal Managers, Directors and Municipal Officials

Members of the Civil Society

Distinguished Guests

Ladies and Gentlemen

I am privileged to be here today in Walter Sisulu to consult with on the Draft Budget proposed by Council for the 2019/20 financial year.

The annual review of the Integrated Development Plan of the District Municipality coupled with the Budget review is one of the mechanisms for effective implementation, monitoring and evaluation of the pace and the extent to which municipalities are to meet their developmental mandate. Issues considered include assessing progress in terms of achieving determined service delivery targets, socio-economic

development, environmental sustainability and alignment with land development principles.

Before I commence with the business of the day, I would like to commemorate the 1000 lives lost through cyclone Idai in Mozambique. As I stand here today, the second, more devastating cyclone Kenneth has started over the Comoros Island causing the death of three people and made landfall on the North Coast of Mozambique. Let us keep the citizens of Mozambique in our prayers.

Closer to home, heavy rains caused floods in KwaZulu Natal, the Eastern Cape and Free State. Many lives were lost and houses destroyed, not to mention the huge economic losses incurred in these areas.

On the 28th of March 2019 a draft budget and IDP for the next financial year were tabled before council. Today, I wish to inform you about the projects in the IDP and the budgets allocated towards improving services in your area during the 2019/20 financial year.

The total revenue budget for the next financial year is R787.4 m.

The revenue include funding received through the Municipal Infrastructure Grant and Water Services Infrastructure Grant .

Under the Municipal Infrastructure Grant the following projects will be implemented in the Walter Sisulu Municipal area :

- **Jamestown Sanitation Phase 2**

The objective was to eradicate the bucket system and the old septic tanks in Jamestown and replace it with a more dignified waterborne system. This project has been implemented in phases.

An amount of **R10m** has been budgeted for the 2019/20 financial year to complete the pipeline. The project will create 30 job opportunities.

- **Aliwal North Water Treatment Plan off-cannel dam** next to the water treatment works will provide raw water storage from the Orange river. Currently water is abstracted from the river which results in water shortage for Aliwal North and surrounding areas during drought periods. The Project has been allocated R10 m for the new financial year and will create job opportunities to 25 people.
- The **Venterstad Water Services** project will provide a water reticulation network to Venterstad to the amount of R3 m and an estimated 20 temporary jobs will be created.

DROUGHT RELIEF

The Eastern Cape Provincial Treasury approved a funding of R230m over a three year period , starting in the 2016/17 financial year, to assist the municipality with drought mitigation.

The comprehensive business plan identified interventions to secure water stability in the Walter Sisulu Municipality's water systems and to ensure sustainable water resources and supply for current and future use.

Of the R230m a portion was dedicated to the improvement of the bulk water supply in the Walter Sisulu Municipality. The main objective is to obtain stability in the water systems for Burgersdorp and Steynsburg.

Work that has been done under the drought relief project in includeamongst others the replacement of water mains and repair of leaks in town, drilling of boreholes in Burgersdorp and Steynsburg and the construction of a reservoir storage in Burgersdorp.

Currently water restrictions are in place in Burgersdorp. Earlier this year this town experienced water shortages due to the mechanical breakdown of electrical equipment at the JL de Bruin dam.

The Joe Gqabi Water Service Authority has identified critical risk points that will be included in planning and it is of critical importance to fast track projects for increasing the Burgersdorp raw water storage, and ensure that the boreholes are in a state of readiness for periods when surface water sources have run out .

In Aliwal North, the Island Spa pipeline has also been refurbished to provide water from the Island Spa Lake to the Water Treatment Works should the need arise.

AGEING INFRASTRUCTURE AND VANDALISM

The Development Bank of Southern Africa funded a **Water Service Master plan** which will assess the current state of the District's water and sanitation infrastructure and come up with recommended specifications and projects to deal effectively with the challenges deriving from ageing infrastructure which includes frequent pipe

bursts and sanitation blockages amongst others. The consultant has already been appointed and is on site.

The cost for the replacement of stolen or **vandalised infrastructure** has escalated over time . This is a negative habit which has spread across the District. The District is attending to this serious matter by procuring the services of armed security at its most strategic infrastructure sites in Aliwal North and is replacing its assets with vandal-proof technology.

There have been several reports of illegal water connections throughout the District. The District is committed to process applications from illegal connected properties in order to legalise them and replace it with our own connections

SANITATION

I am happy to report that the serious sewage challenges experienced last year in Burgersdorp and Aliwal North have been resolved through the completion of the Burgersdorp and Aliwal North Waste Water Treatment Works.

An amount of R30 m has been budgeted for the District wide refurbishment of Waste Water Treatment Works.

TARIFFS

Apart from covering the Municipality's expenses to treat water, tariffs also acts as a means of mitigation and conservation.

For the 2019/20 financial year, households exceeding 40kl per month will pay an average of R1011.00 for water and sanitation compared to the current average amount of R873.00.

Households consuming 30 kl will incur an average water and sanitation bill of R747.00 per month compared to this year's average of R702.00.

Should consumption be constrained to 20kl or less, an average water and sanitation bill will total R656 compared to this year's average of R616.00.

Pre-paid users consuming less than 20kl of water per household per month will spend an average total of R491.00 per month on water and sanitation.

Pre-paid water remains cheaper than conventional meters and the objective is to assist consumers financially as well as to allow them to budget effectively for their water consumption.

The JGDM social package assist residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the District Municipality. Only registered indigents qualify for the free basic services which includes the following packages :

- All registered indigents , including consumers in the rural areas will receive 6kl of water per month fully subsidised ;
- All registered indigents in the rural areas will only be charged a **flat rate** for water and sanitation consumption and not a step tariff. This apply for both conventional and pre-paid.

MAINSTREAMING PROGRAMMES

Youth

The District Municipality in partnership with the Department of Rural Development have recruited 20 unemployed and unskilled young people in the District as part of the National Rural Youth Service Corps programme.

The programme aims to develop skills of participants in different fields including construction, agriculture first aid , health and safety and welding amongst others.

This programme is vital for the upkeep of water and sanitation, tourism and hospitality, farming and agriculture programs, as they are core functions of the District Municipality and the nature of our district.

The District has budgeted an amount of R500 000 towards Youth Programmes for the 2019/20 financial year.

- **Women's Programmes** were allocated an amount of R100 000 ;
- **Disability and Elderly Programmes** were allocated R50 000 respectively ;

JOB CREATION ,SMME DEVELOPMENT AND SUPPORT

To facilitate and implement job creation and poverty alleviation initiatives, and amount of **R1.5 m** has been allocated for the implementation of Expanded Public Works Programmes and the rural development and poverty alleviation programmes.

In recognition of the crucial role of SMMEs in growing the economy, the District through its Economic Agency, JoGEDA, have provided non-financial support to cooperatives and SMME's.

The Joe Gqabi Development Agency has entered into a 3 year agreement with the University of Stellenbosch to build and enhance the business skills of the emerging SMMEs in the District. Through this project, 59 small enterprise owners graduated with NQF level 5 certificates.

The 2018/19 financial year intake of 27 entrepreneurs will graduate in June 2019.

An amount of **R500 000** is allocated to the SMME support programme.

FACILITATING ECONOMIC DEVELOPMENT

JoGEDA remains a very strategic and important special purpose vehicle to facilitate and drive economic development in the District. To ensure that it delivers on this mandate, an amount of R7.5 million has been allocated to the Agency in the 2019/20 financial year.

- **Aliwal Spa** – JoGEDA will be focusing on soliciting potential investors that would ensure the commercialisation of the Aliwal Spa. This focus contributes to the development of an emerging town and will create new economic centres to inspire value chain growth.
- **Aliwal North Private Hospital** - An opportunity has since emerged for JoGEDA to facilitate the development of the Aliwal Private Hospital through a private investor and organized grouping of local doctors. The Walter Sisulu Local Municipality has identified a parcel of land to be used for this development.

PROMOTING ARTS AND CULTURE

The Sondela Youth Arts Festival showcases a variety of talents, ranging from fashion designers, filmmakers, artists and performers and provides a platform where these young talents may develop, grow and market themselves.

In partnership with the Department of Sport, Arts and Culture the total budget for the Sondela Youth Arts Festival amounts to R2.5 m.

This year, the Office of the Premier facilitated its support to the Festival for its successful continuation.

ROAD INFRASTRUCTURE

The Department of Roads aims to create a road network that supports all economic activities. In partnership with SANRAL, the rehabilitation of the R58 between Aliwal North, Lady Grey, Barkly East and Elliot was completed in this financial year. The maintenance of the surfaced road between Steynsburg and Venterstad is planned to start in October 2019.

The Service Level Agreement between the District and the Department of Roads ensures the maintenance of District roads in Mt Fletcher, Senqu Southern side and Walter Sisulu for increased access to schools, health institutions, tourism entities and agricultural facilities.

For the 2018/19 financial year an amount of R31 m was allocated to Joe Gqabi by the Department of Roads and Public Works.

Finalisation for the next 3 year Service Level Agreement with the Department of Roads is in process.

In conclusion I would like to quote President Ramaphosa during his State of the Nation Address :

“We want our public servants to adhere to the principle of Batho Pele, of putting our people first.

We are determined that everyone in public service should undertake their responsibilities with efficiency, diligence and integrity”.

I thank you.