

# **BUDGET SPEECH 2007/2008**

**EXECUTIVE MAYOR**

**CLR. H. G. JENKINS**

**28 MAY 2007**

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Honourable Speaker

Honourable Chief Whip

Honourable Members of the Mayoral Committee

Honourable Councillors of the District Council

Municipal Manager of the Pixley Ka Seme District Municipality

Officials of the Pixley Ka Seme District Municipality

Esteemed Members of the Public in attendance

Ladies and Gentlemen

## **Introduction**

Allow me to start this august ceremony by thanking our God and Creator for allowing us to gather in this fashion here today. If it was not for His guidance and wisdom throughout 2006-2007, it would have been impossible for us to be here. It is on days like these that we humble ourselves before our God, to praise and thank His name, as nothing is possible without Him, as everything we have is because of His greatness and love for us.

Allow me further to quote what the President of the country, Mr Thabo Mbeki said on 11 February 2005 . ðWe assert that our country, as a

united nation, has never in its entire history enjoyed such a confluence of encouraging possibilities. On behalf of our government, we commend our programme to the country, confident that its implementation will help to place us on the high road towards ensuring that we become a winning nation and that we play our role towards the renewal of Africa and the creation of a better world.

Acting together, we do have the capacity to realize these objectives. And sparing neither effort nor strength, we can and shall build a South Africa that truly belongs to all who live in it, united in our diversity!"

As a nation, we have much to be proud of. We are building a society founded on principles of equality, non-racialism and non-sexism. We have build institutions of democracy, creating an open society founded on the rule of law.

In order to compete this liberation, the most vulnerable among us must see their rights to development being realized with each passing year, through progressive advances in access to land, training and economic opportunity. This can be a Government that cares for its people, that makes socially just choices and that is committed to service delivery in the spirit of Batho Pele.

Sound management of public finances provides us with the resources to renew our infrastructure, reshape our residential areas, and provide water, electricity, housing, sanitation and access roads to those who were previously denied these elementary services to improve their quality of life.

The 2006-2007-budget speech raised a number of challenges, which we needed to address as a collective, and today is the appropriate occasion to report on the progress we have made. It will be improper for us to commit ourselves on development for 2007-2008, without reflecting on the achievements and challenges of the past year.

In 2006-2007 we raised the following challenges which were still faced by the people of Pixley k Seme District, and which we needed to address:

1. The lack of economic development in the Region.

2. The high unemployment rate, especially amongst the Youth.
3. The scourge of HIV/AIDS amongst the youth.
4. The usage of the bucket system.
5. The high number of people who are still dependent on social grants.
6. The lack of broad based black economic empowerment.
7. The high level of violence against the most vulnerable in our communities, e.g. women and children.
8. The housing backlogs experienced by a number of our municipalities.

An honest reflection on the abovementioned challenges will definitely indicate the progress we have made in ensuring a better life for the people.

The Pixley ka Seme District Municipality , under your governance as Councillors, could address some of the abovementioned challenges, amongst others:

1. The District Municipality , under the stewardship of Cllr Eloff, could successfully plan and launch the DGDS; to address the lack of economic development, the high levels of unemployment , and other related matters.
2. The office of the Executive Mayor could enrol a number of unemployed Youth on a programme to acquire learners, as well as drivers licence, to make them more employable.
3. All municipalities in the District are in the final few months to ensure that we do eradicate the last number of buckets, still in use.
4. A high number of blocked housing projects have been unblocked, and constructions on some of these is to start very soon.

5. The other sector departments could also assist us in dealing with the social ills, still experienced in our communities, e.g. the prevalence of HIV/AIDS, violence against women and children, abuse of alcohol and drugs.

We have made great strides in the past year, but we need to acknowledge that a lot still needs to be done to ensure that the people of Pixley ka Seme Region can confidently say that the developmental programme of this government is starting to impact positively on their lives. We need to ensure that we achieve our own objectives, as part of the national programme of action, in order for the people of Pixley ka Seme Region to realize that their confidence us, on March 1 2006 , was not misplaced and wishful. The masses entrusted their future prospects, and that of their children unto us – We dare not fail them.

The programme of national government, of which we are part of, is to build a society based on non-racialism, non-sexism, the advancement of human dignity and equality, as well as the fostering of a common South African identity. We as the Pixley ka Seme District Council must always be mindful of this responsibility to ensure that the national programme is not lost in our region. As we improve the living and social conditions of the masses, we must ensure that this social development does not happen without taking into account the type of society we need to create. We need to socialize and ensure that the people of this Region fully understand that they are part of the country, and that our values need to be in line with the present political position.

Speaker

The Premier of the Northern Cape , Ms Dipuo Peters, acknowledged in the State of the Province Address, that Pixley ka Seme District is the most impoverished district in the Northern Cape , which implies that our district is currently the one district that has the least number of employment opportunities, and contributes the least to the economic activity of the Province. This challenge faces all of us in the District, more so the Councillors of the District Municipality . We need to ensure that the possibilities and potential of all people in this District is increased.

The launch of the District Growth and Development Strategy, late today, provides us all with a clear plan for a better tomorrow. This Strategy will ensure, as it's core mandate, that the lives of the people are changed for the better, that the economic potential of the District is increased, that the required skills are attracted, that the required number of jobs are created, and that we ensure long term sustainability at all levels in the District.

The core developmental targets contained in the Strategy, includes the following:

1. To achieve an average annual economic growth rate of between 2 – 4%.
2. To reduce poverty by 50% by 2014.
3. To eradicate the bucket system by December 2007.
4. To reduce crime by 10% before 2010.
5. To decrease the illiteracy rate by 50% by 2014.
6. To reduce unemployment by 50% by 2014.
7. To reduce the prevalence rate of HIV/AIDS by 2014.
8. To provide housing for all by 2014.

It is clear that this is a very ambitious, but practical plan, and all role players will be constantly reminded of their role in fulfilling and implementing the Strategy. Government at all levels will be part of the final realization of this plan.

When we took office in 2006, all of us undertook to be actively involved in ensuring that the people of Pixley ka Seme District can confidently declare that the new dawn is upon us. The implementation of this Strategy will therefore need the commitment of all of us, Mayoral Committee Members and all Councillors. The Councillors of the District Municipality must take the lead in the roll-out, so to ensure that all Local Mayors and Councillors are also part.

Honourable Speaker, our participation in the operations of the Tri-District Alliance, affords us the opportunity to share our experience and knowledge with our colleagues and comrades of other provinces. We can report that we are in the final stage to establish an agency, which will conduct the feasibility study, to determine the viability and sustainability of the project. Pixley ka Seme District Municipality will also contribute R300 000, 00 per annum towards the running costs of this initiative.

This initiative also seeks to enhance tourism, LED and bio-conservation potential of the three districts, and it will definitely have as one of its major spin-offs, the increase in the number of tourists to the area, which will result in more job opportunities.

The management of the District Municipality must also commended for the sterling work done, on the creation of the website for the District Municipality and the District. This website must be used by all local municipalities and businesses in attracting more opportunities to interact with us by the press of a button. This website is a major step forward in realizing the objectives of our District Growth and Development Strategy.

Honourable Speaker and Councillors, it is worth mentioning that the Pixley ka Seme District Municipality is an institution at work. It is an institution that cares about the development of its employees.

During 2006-2007, the LGSETA rated Pixley ka Seme District Municipality the best amongst all municipalities in the Northern Cape, in terms of skills development. This clearly demonstrated that the management of this District Municipality take the development of its workforce very seriously. It further demonstrates that we are contributing massively to the national programme of skills acquisition. Speaker, the first prize of the Vuna Awards is still eluding us. We were again in the 2<sup>nd</sup> position during 2006-2007. All Councillors need to give more support to the Municipal Manager and officials to ensure that we clinch the number one spot this time.

Honourable Speaker and Councillors, we also committed ourselves to the eradication of all buckets on formal sites, by December

2007. Some of our municipalities in the District are still having a number of buckets to be eradicated, by the cut-off date.

This is a programme that needs the involvement of all of us; it is a commitment, which we made to the electorate in 2006.

Although we have eradicated a high number of buckets in the District, there are still communities who are exposed to this hazardous and dehumanising form of sanitation.

The following is a summary of the number of buckets still to be eradicated, per municipality:

<b>Municipality</b>	<b>Nr. of Buckets</b>
Emthanjeni	472
Kareeberg	743
Renosterberg	518
Siyancuma	1116
Siyathemba	168
Thembelihle	199
Ubuntu	264
Umsobomvu	355
<b>Total</b>	<b>3835</b>

Speaker, we need to continuously support and advice our local municipalities, to ensure that we erase in our District that which is ugly and repulsive, and to further ensure that our entire community is freed from the dehumanising smell of bucket - toilets

Speaker, the 2006 elections brought with it a high number of first time councillors. People who have been elected by the people and their parties, to be part of the development of this District. The office of the Executive Mayor therefore had to ensure that all Councillors are taken through a training process to understand the basics of local government legislation, e.g. the MFMA an other related legislative pieces.

This is the first step to ensure that all Councillors are fully empowered on the legislative provisions governing local government, as we need to apply the same legislation when decisions are taken on how to provide a better tomorrow for our people. Let me further use this opportunity to encourage Councillors to read beyond the training material provided to them, as this will further ensure that they are more informed in their daily task.

Honourable Speaker and Councillors, this District Municipality did no fail in its legislative and constitutional mandate, of giving support and advice to local municipalities during 2006-2007.

We need to comment the Municipal Manager for the assistance provided to a number of local municipalities, when called upon to do so.

Renosterberg, Siyathemba, Kareeberg and Thembelihle are the municipalities who got assistance, both financially and in the form of officials seconded to them. All of the mentioned municipalities could submit positive feedback to the Office of the Executive Mayor, on the assistance provided to them.

Speaker, we need to intensify the Izimbizo programme of the Mayoral Committee, as it is proven to be the only viable programme to ensure that we keep close contact with the people. This programme will be vigorously rolled-out to all municipalities in 2007-2008, but local councilors must also be advised on the importance of this programme.

The violent protests which we recently experienced in the Siyancuma area can partly be attributed to the discontinuation of this programme by the local council. As elected representatives it is our duty and responsibility to ensure that our communities are updated on development and are afforded an opportunity to raise matters concerning them. If we dont speak and update our people, then someone else will do it on our behalf, and we might just not be able to deal with the consequences there-off.

This item of council meets the people will be a permanent feature of the District Mayoral Forum, so as to ensure that all Mayors report timeously on progress made in their municipal areas, but



also to report on challenges experienced, to enable government to make effective intervention. Speaker, the findings of a research conducted by the Office of the Premier, and released during the recent IDP engagement process, on key service delivery matters by our municipalities must be a matter of concern to all of us, as all our local municipalities reported negatively on most of the matters raised during the research process. This matter will therefore have to be high on the agenda of the first Mayoral Forum meeting. The District Council also has to realize its role in the restoration of the moral fibre of our society. Support will be provided to all local Mayors so as to ensure that local MRM structures are established and functional.

Speaker, we were very successful in convening quarterly District Intergovernmental Forum meetings, which platform provided all sector departments to be part of the development in the District. The District IGR also ensured that the Executive Mayor, on behalf of this collective, could communicate the importance of co-operative governance, in realizing the developmental objectives of this government. The creation of a better Pixley ka Seme District is not the sole responsibility of the District Municipality, but all government departments are having a role to fulfil. We need to commend the sector departments for their role in ensuring that their engagement was always positive and constructive.

Speaker and honourable Councillors it is also a pleasure to announce that all blocked housing projects have been started again, which will result in our people becoming home owners for the first time. This council committed itself in 2006-2007 to ensure that these projects are restarted in order for the people to fully enjoy the commitment that was at the adoption of the Freedom Charter, in Kliptown, Soweto .

Construction of more than 1 000 houses will be started in areas such as Schmidsdrift, Noupoot and Richmond .

Pixley ka Seme District Municipality have also received provisional accreditation to start its own housing unit. We fully believe that this accreditation will ensure that the pace at which people will acquire their own houses will be expedited. Emthanjeni

municipality is the only local municipality in the District that is accredited to perform this function.

The President of the country raised a very serious matter during the recently held SALGA National Conference. After thirteen years of democratic majority rule, we are still perpetuating the same racist form of housing development in the country, a process that results in the economically marginalized having a stay far from the economic centres of our communities. Our people are still trapped in poverty and economic stagnation, as our housing planning is preventing the majority of people to easily access mainstream economic activities in our towns.

Pixley ka Seme District Municipality , the management included, must ensure that we use our new status of housing developers, to ensure that the black and African majority are housed near to the economic centres of our District. We need to report positively on this matter in 2008-2009.

Speaker and honourable Councillors, we also need to commend the Department of Housing and Local Government and the Pixley ka Seme District Municipality for the current housing project in Ou Boks, Colesberg. The project will ensure that 2 200 housing units in the informal settlement are constructed , thereby increasing the value of the units, and also improving the social conditions under which our people are living.

The project will cater for the different income groups in society, as the units will ensure that low-income earners, middle income as well as high-income earners are part of this development. This is one of the first integrated human settlements in the Northern Cape , as it will include all social services needed by the community.

Honourable Councillors, it is also a pleasure to announce that we could, in 2006-2007, enrol 20 unemployed youth on a programme to acquire learners as well as drivers licences. The programme has its fundamental objective, to enhance the employment possibilities of these unemployed youth. The programme will be implemented with more vigour in 2007-2008, so as to increase the number of beneficiaries.

Speaker and Councillors, it is clear that the functioning of the Pixley ka Seme District Municipality have increased to such an extent that we need more office space. 2007-2008 will see massive construction taking place to have more offices, which will include council chambers and mayoral offices to accommodate the Mayoral Committee and the staff in the Office of the Executive Mayor. We will then have our own chambers, and will not have to move around town, as we did for the past couple of years. The District Municipality will use R6 million, out of its own resources, and a loan of R5 million, to complete this project. We will deliver our 2008-009-budget speech in our own chambers, definitely an achievement.

Speaker, the District Municipality has been consistent in the taking up of unemployed Youth in our learnership programmes. This programme will ensure that our youth are equipped with the necessary work related skills, and to acquire the much needed experience. Twenty-nine learners are currently on the programme, and they are deployed throughout the District at Local Municipalities. A challenge however, for all of us is to ensure that a proper exit strategy is planned for these learners, as some of them can be taken up in the administration of the municipalities. A further challenge is also to ensure that the intake for 2008-209 should be more female bias, as the current intake is more than 70% male dominated, whilst he know that females are the backbone of our communities. Let us therefore be bias towards the girl child.

The formal launch of the Umsobomvu Youth Advisory Centre today will also further assist us to ensure that our Youth are properly skilled, and better prepared to take up formal employment, or to start their own business initiatives.

Honourable Speaker and Councillors, we could play a very meaningful role in the fight against HIV/AIDS in 2006-2007. We ensured a close working relationship with the Department of Health and other relevant community structures, in spreading the message of safe sex and abstinence. However a lot more needs to be done in 2007-2008, as the functionality of the District Aids Council need to be improved, and all local municipalities need to be actively assisted to establish functional Local Aids Councils.

Our role should not just be to provide clean water and housing, but should also be the fore front of tackling the social ills of the community.

Speaker, all of us were very high in spirit when we re-named our District Municipality , from Karoo DM, to Pixley ka Seme DM. It is however very unfortunate that we did not also start a process to change the emblem of the District Municipality , as the current name and the emblem do not complement each other, as they represent different times in our history. The Offices of the Executive Mayor and Municipal Manager will in 2007-2008 start a process of public engagement, to ensure that the emblem is changed. The Mayoral Committee will also, in its Izimbizo encourage the public to make submissions on this matter. The District Municipality , led by the Office of the Executive Mayor, commits itself to a closer working relationship with all development agencies in the District, especially SEDA, so as to ensure that we further unlock the economic and social potential of our area.

Honourable Speaker and Councillors, allow me now to present to you and the people of Pixley ka Seme District, the budget for 2007-2008. A budget which is developmental and which will accelerate economic growth and job creation, a budget which will also fight poverty and inequality and bring hope to the down - trodden in our community , as we have a shared pledge to work together in action.

Mr. Speaker, I am tabling a total budget of R62, 992, 000 for the 2007/2008 financial year compared to the R57, 000, 000 budget of 2006/2007. Dis `n 7% verhoging. This figure might sound huge, but if one look at the challenges facing our institution – is dit maar die spreekwoordelike “druppel in die emmer”. Ons gaan egter steeds ons rol speel ten einde toe te sien dat ontwikkeling en opheffing binne die streek sal plaasvind.

Mr. Speaker, it will be our second year without levy income – even though, we will receive an amount of R12, 317 million as a levy replacement grant – I am still of the opinion that National Treasury could have done better when allocations were determined – veral as gekyk word na die armoede en werkloosheid in die Pixley ka Seme Streek. Meneer Speaker, soos reeds

genoem gaan hierdie Raad met die karige inkomste allokasie nie ons ontwikkelingsrol versaak nie.

Sound management of public finances provides us with the resources to renew our infrastructure , reshape our residential areas , and provide water , electricity , housing , sanitation and access roads to those who were previously denied these elementary services to improve their quality of life.

Mr Speaker allow me to give a short breakdown of our income for 2007/2008 and what it will be used for:

<b>RSC Levy Replacement Purposes</b>	<b>:</b>	<b>R12, 317, 000</b>	Mostly admin.
<b>Equitable Share</b>	<b>:</b>	<b>R3, 918, 000</b>	Admin. & Infrastructure
<b>Councillor Contribution carrying</b>	<b>:</b>	<b>R 737, 000</b>	To assist Council in
councillors			Councillors cost and assist
mandates.			to carry out their political
<b>Finance Management Grant capacity and to</b>		<b>R 500, 000</b>	Building of financial
			improve financial systems.
<b>MIG (Municipal infrastructure Grant and Eradicate</b>		<b>R8, 064, 000</b>	To create infrastructure
the Pixley			Infrastructure backlogs in
			Ka Seme Region.
<b>Housing except</b>	<b>:</b>	<b>R 800, 000</b>	To assist Municipalities,
delivery			Emthanjeni, with housing
			Within our Region.

## **MSIG (Municipal Systems improvement grant R1 000 000, 000**

Meneer die Speaker ons sal ook die volgende Provinsiale allokasie ontvang:

<b>NEAR Grant</b> doeltreffende funk-	:	<b>R 519, 000</b>	Uitsluitlik vir die
			Sionering van beheerkamer
<b>Fire Fighting Grant</b> brandbestrydingsmeganismes	:	<b>R 300, 000</b>	Om
stel en in			Binne ons streek daar te
			Stand te hou.
<b>Paaie</b> bou asook	:	<b>R16, 872, 000</b>	Om paaie in ons streek te
daardie Depart.			Die personeel binne
			Te onderhou.
<b>EPWP</b> Kategorie	:	<b>R1, 700, 000</b>	Die Raad sal mettertyd met
Spandering			B's ontmoet rakende die
			Van die toekenning.
<b>Environmental Health</b> die funksie	:	<b>R 38 000</b>	Om die Raad te help om
te lewer.			Binne die streek suksesvol
<b>Sanitation Grant</b>	:	<b>R1 000 000, 00</b>	Repayment of DBSA Loan

Mr Speaker, looking at the grants, and especially the vastness of the District as well as our own internal obligations there is a high mountain to climb.

Mr Speaker except for the abovementioned external income, we will also generate R15, 227, 000 million internally. Amongst this is an amount of R11, 000, 00 which will be used to erect a new building. This R11 million is made up of a R5 million loan and a R6 million contribution from our funds.

The rest of the R 15 227, 000 will be made up of:

○ <b>Rental of Buildings</b> <b>00</b>	:	<b>R 90 000 –</b>
○ <b>Arrears on Levies</b> <b>00</b>	:	<b>R 200 000 -</b>
○ <b>PIMMS</b> <b>00</b>	;	<b>R 1 000 000 –</b>
○ <b>Interest</b> <b>00</b>	:	<b>R 460 000 –</b>
○ <b>Internal Audit</b> <b>00</b>	:	<b>R 640 000 –</b>
○ <b>Roads Administration</b>	:	<b>R 1,687 000 – 00</b>
○ <b>Umsobomvu Youth Fund</b> <b>00</b>	:	<b>R 150 000 -</b>

Mnr. Speaker, ongelukkig mag al die vermelde inkomste nie ons bankrekening bly lê nie, dit moet gespandeer word. Ons gaan dit egter spandeer aan die hand van weldeurdagte besluite en die mandaat van die Raad. This year We will employ the services of a legal person who will assist all the municipalities in the district with legal issues. The Employee will ensure that municipalities will save a lot of money from hiring external legal assistance. We will also

as from 1 July 2007 put a fully-fledged housing unit in place to assist municipalities, except Emthanjeni, with the acceleration of the housing delivery process.

Mr. Speaker, we will also address the following social issues / aspects during 2007/2008:

- **HIV/AIDS** : **R100,000**
- **Crime prevention/Youth/Gender/Disability** : **R 85,000**
- **Tourism** : **R250,000**
- **LED** : **R712,000**
- **DMA** : **R130,000**
- **Radio Ulwazi** : **R150,000**

Mnr die Speaker, soos reeds genoem, is daar vir die jaar 2007/2008 boekjaar deurgaans teen 'n 7% verhoging begroot vir all uitgawe katagorieë. Ons het personeel verloor onder andere Oom Seffie, maar ook sal ons verseker dat sleutel poste, veral in lyn met ons nuwe organogram, gevul sal word.

Mr. Speaker, we will spend on the following categories:

- **Operational Expenditure** : **R 8, 268, 340**
- **Personnel Cost** : **R15, 979, 660**
- **Repairs & Maintenance** : **R 637, 000**
- **Roads Department** : **R16, 872, 000**
- **Capex & Contributions** : **R11, 558, 000**



## **CAPITAL BUDGET**

• <b>EPWP</b>	:	<b>R 1, 700, 000</b>
• <b>MIG</b>	:	<b>R 6, 977,</b>
<b>000</b>		
• <b>Sanitation</b>	:	<b>R1 000 000,</b>
<b>00</b>		

## **Conclusion**

Allow me to express my profound appreciation to Cllr Katy Mooi, Chairperson of the Finance Committee, as well as the other members of the committee.

Mr. Zamani Saul, Municipal Manager for his guidance and resolute commitment to our programme of action in the District Municipality .

Mr. Bradley James for leading an inspired staff in the Finance Department, for their commitment and hard work.

The Chairperson and Members of the Internal Audit Committee.

Mr. C Muller and the Internal Audit unit.

Mr T.Loko , and the committed staff , for their excellent work in the Corporate Services.

Mr H.Greeff and the technical staff for always showing dedication towards their work.

Also thanks to Mr Diokpala and his staff for ensuring that Pixley ka Seme District Municipality could deliver the best IDP in the Province.

I would also like to appreciate the dedication shown by all the employees of the District Municipality .

I would also like to commend the hard work done by the staff in my office , Mr.Pieterse and Mrs Jagers , thank you for the continued support.

Let me also thank my family at home , for their unwavering support and inspiration.

Our utmost thanks to Our Heavenly Father and Creator, for protecting and defending all who suffer poverty and deprivation, strengthening those who seek equality for all, and for going before us in all our doings, encouraging us with His continual help in building a South Africa that truly belongs to all who live in it, united in our diversity!

I thank you.

Baie dankie.

Enkosi.

Kealeboga.