



## **2014/2015 BUDGET PRESENTATION BY ZDM MAYOR, HER WORSHIP, CLLR ZANELE KAMAGWAZA MSIBI**

### **ZDM MAYOR'S FINANCIAL REPORT FOREWORD**

The Zululand District Municipality proposed Budget for the 2014/2015 financial year is R864, 939, 000. This is a R9.970 000 increase compared to the previous financial year's budget which was R854 969 000.

This budget will assist us in providing service delivery to about one million citizens of this District because we are still committed to improving the quality of life of our communities.

### **CAPITAL BUDGET**

In the 2014/2015 Budget our Capital Budget has decreased by 9% to R354 507 000 from R390 328 000 in the previous financial year. This is due to the following reasons:

In the 2013/2014 financial year, the ACIP (Waste Water Refurbishment Programme) amount was R600, 000. In the 2014/15 financial year the ACIP programme is not gazetted because it was a three-year programme agreement which is ending in the 2013/2014 financial year. MIG has decreased by R39, 923,000 as per DORA (Division of Revenue Act). Infrastructure sport facilities grant of R2, 469,000 was gazetted in 2013/2014 but was never received. It is not gazetted in the 2014/2015 budget. Regional bulk infrastructure will increase by R16, 671, 000 in

2014/2015. Rural road asset management grant will increase by R301, 000 in 2014/2015 from last financial year's R1 866 000. Municipal water infrastructure grant will increase by R 2, 035,000 in 2014/2015 financial year. The overall decrease in capital expenditure is R 22,037,000 which is 9%.

This decrease also does not mean that our focus as a District Municipality has been changed or is to change. Providing water and sanitation is still our core function and we also pay attention to the following responsibilities:

- Municipal airports;
- Municipal roads;
- Fire fighting;
- Disaster management;
- Solid waste;
- Municipal health services;
- District tourism.

Despite this cut in our Capital Budget, we are still going to provide necessary services that are expected from us as a District Municipality.

### **OPERATING BUDGET**

An adjustment has been made in the Total Operating Budget which has seen an increase of ten percent from R464, 641, 000 in the 2013/2014 financial year to R510, 432, 000 in the 2014/2015 financial.

The reason behind an increase in our Operating Expenditure is escalating costs in things like Employee Related Costs, Working Capital Reserves, Remuneration of Councillors, Working Capital Reserves, and increase in the depreciation and collection costs. The repairs and Maintenance costs are also part of the cause. These include the

maintenance of municipal buildings, vehicles, the refurbishment of water and sanitation treatment plants and the like.

## **CONCLUSION**

We are aware of the critical backlogs in water and sanitation provision, and we are also speeding up the construction of the 10 Regional Water Schemes, the Nkonjeni, Mandlakazi, Usuthu, Simdlangentsha West, Simdlangentsha Central, Simdlangentsha East, Hlahindlela, Khambi, Coronation and Mkuze regional water schemes.

Although these schemes are still under construction, it is worth noting that a number of communities are already enjoying their benefits as they are already drawing water from them.

I want to assure all our communities that we are still committed in solving water related problems and as in the previous years, a large chunk/percentage of our budget in this financial year will go towards water provision programs.

In order to achieve success, we are aware that it is critical to maintain good working relationship with traditional leadership (Amakhosi and Izinduna) as most of the land in our District is under their control. We have taken a decision to employ Izinduna in all projects taking place in their areas in order to ensure that we are guaranteed co-operation from communities we are working with.

As Mayor of Zululand District I will strive to run a corrupt free municipality, and we will also continue to maintain of record of clean governance as proven by our 14 years of unqualified audit reports from the Auditor-General.

I also want to assure our community that our District Municipality will continue to be sensitive to all community issues with the aim of assisting or solving them.

With the budget available to us we will still continue with all our old programmes, Poverty Alleviation, Local Economic Development (LED); Community Participation, Youth and Women's day celebrations, host the

Elderly and the Children's Christmas parties the ZDM 56km  
Ulundi/Nongoma Ultra Marathon and many more others, because our  
aim is to make a difference in the lives of our people.

I thank you.