

Mayor's Speech or Report at Special Council Meeting on 28 February 2022

Good morning, Speaker, Aldermen, Councillors, Acting Municipal Manager, Directors, Officials, members of the Media and the Public

In the annual cycle of business for Local Government, the month of February heralds much activity as the Adjustment Budget is finalised for approval by Council and the adjusted Budget for the next Medium-Term Revenue and Expenditure Framework period of three years is dealt with earnestly.

These processes follow on directly from January's business where the results for the first six months of the financial year are received along with the audited report and annual financial results for the year ended 30 June 2021 and the draft annual report for 2021 was tabled.

At the beginning of February, we once again encountered another round of loadshedding as Eskom continues to struggle to consistently supply electricity to an already weakened South African economy.

Mr Speaker

Over the past year we have intensified our attention on ageing infrastructure and the need to undertake the required refurbishment. We are regularly made aware of the predicaments of many municipalities across the country that are experiencing roads maintenance and electricity outages or where refuse is not collected. To illustrate the need for effective operations and service delivery: Without electricity, Without water we are unable to operate networks to transport sewage to the treatment plants.

Infrastructure requires maintenance. It is also evident that good infrastructure attracts investment. A good example of this is the work that the KZN Local Government has done to improve the road infrastructure .

The floods of 22 November and subsequent heavy rains damaged infrastructure and resulted in a substantial claim of over R 1.3 m from roads maintenance funds. Although these requests have been supported by Province, they still need to be approved by National Govt and if so, the indication is that such relief will only be paid over a three-year period.

In the meantime, the Municipality has already addressed the most critical issues such as roads maintenance and sewerage network failures. A conscious decision has been taken in the Adjustment Budget for the 2021/22 year that is being presented to Council today to undertake over R 8.5m worth of expenditure, for example regarding streets, sidewalks, stormwater to undertake repairs and maintenance.

I wish to urge eDumbe Local Municipality councillors to assist in ensuring that this project is progressed and not delayed any further.

The focus in both the Adjustment Budget and the forthcoming Annual Budget is on transforming the budget to one that tackles the capital expenditure requirements of the municipality that on the one hand requires refurbishment of infrastructure that is ageing and/or requires upgrading, increasing capacity .

There is also an urgent need to review the entire Revenue base of the municipality. It has been a concern of mine for a number of years that decrease in our various revenue streams are lower than the growth rates that are attributed to eDumbe once one has extracted inflation from the calculation.

One of the burdens for local government has been that the electricity tariffs imposed on municipalities by Nersa approvals of Eskom tariffs are well above inflation rates have crowded out the ability to impose tariffs for other services that would be more cost reflective.

In the coming days and weeks much attention will therefore be paid to these various aspects as Directorates finalise their project plans. Budgets always require the rationing of scarce capital resources which are always limited.

Mr Speaker, in closing I would like to thank our staff, ably led by our acting Municipal Manager, Mr John

Khumalo, for their dedication and perseverance in dealing with some difficult tasks this past month.

Honourable Mayor Cllr Sibusiso Mkhabela

28 Feb 2022