

**BUDGET SPEECH EXECUTIVE MAYOR CITY MATLOSANA HONOURABLE CLLR
FIKILE MAHLOPE TO COUNCIL ON FRIDAY 28 February 2025**

Madam Speaker

Single Whip of Council

Fellow Councilors

Municipal Manager

Chief Financial Officer

Directors and Managers

Members of our communities

Ladies and Gentlemen

We meet here today on this glorious occasion a day after the Hon Premier of the North West province has presented the state of the province address, which I take as the line of March given to us as local government to fast track service delivery.

Madam Speaker this budget adjustment is prepared in terms of the municipal budget and reporting regulation, section 28 of the Municipal Finance Management Act according to which a municipality may revise and approve a budget.

Madam Speaker, the application of sound financial management principles is very essential in insuring that the municipality remains viable and sustainable as we provide services to the communities of the City of Matlosana.

We have through the budget steering committee made an attempt to accommodate all reasonable requests into the financial adjustment budget working together with our Provincial Executive Representatives and the national treasury representatives.

I wish to inform council that we are in a financial situation that doesn't permit us to meet all the requests of all sections. This committee met on a number of occasions to insure that a well-balanced and credible budget is prepared.

Madam Speaker allow me to indicate that this budget is informed by the following key principles:

1. The budget is still unfunded but however the reviewed revenue sources are mostly credible and requires aggressive implementation of credible control policy.
2. The budget is more responsive to the challenges of service delivery in particular the focus is more on revenue collection and expanding the revenue base of the city. This will focus on the reduction of high cost drivers, management of overtime, conclusion and completion of capital projects.

Madam Speaker the first half of the year has been marked by a confluence of challenges that have a profound impact on the city's economy and service delivery.

Also in the past few days our municipality has had to contend with the impact of heavy rainfall that has damaged people's houses and left our roads in a dire state.

And social ills such as poverty, unemployment, crime and substance abuse continue to wreak havoc in our communities.

Ladies and gentlemen these issues have a profound impact on the well-being of our community and requires a concerted effort to address them effectively.

In light of these challenges this adjustment budget has been carefully crafted to address the pressing needs of our community and maintain the sustainable financial status of our municipality.

Madam Speaker I have indicated that this budget and the survival of the city are reliant on an aggressive revenue collection strategy.

I therefore take this opportunity to plead and speak to the conscience of honourable councilors that in as much as we can differ politically let us not cut the nose to spite the face by perpetually projecting the city as a failed state in social media unnecessarily as this has dire consequences in reducing the confidence of rate payers. The reason I'm lamenting on this is on nothing else but on making sure that revenue collection is not regressing on the basis of political differences.

Honorable Speaker today I present to this house the budget as follows:

During the 2023/2024 financial year, the City of Matlosana has implemented various infrastructure development projects to better the lives of our people black and white, rich and poor.

Allow me to take you through some of these landmark projects.

Under the Municipal Infrastructure Grant (MIG) we have the following projects:

1. Refurbishment of Electrical and Mechanical Equipment of 8 Water Pump Stations in the KOSH area. 88% of this R39.5 million project has been completed.
2. Refurbishment of Electrical and Mechanical Equipment in 5 Sewer Pump Stations in KOSH. 99% OF THIS R33 Million project has been completed.
3. Extension of the National Fresh Produce Market in Klerksdorp. 90% of this R34 Million project is completed.
4. Jouberton/Kanana Bulk Water Supply (Phase 1) – Bulk Water Line. 11% of this R33.5 Million project completed.

5. Upgrading of the Outfall Sewer in Jouberton and Alabama Extensions (Phase 1). This R29 Million project is still at a tender stage
6. Paving of Taxi Routes and Storm water Drainage in Khuma (Phase 9). 21% of this R30.1 Million project is completed.
7. Development of Cell 3 of the Klerksdorp Landfill Site. This R82.8 Million project is under construction and due for completion by end of June 2024
8. Supply, Installation and commissioning of 6 High Mast Lights in Alabama Ext. 4 & 5 (Phase 2). This R2.1 Million project is due for completion by December 2024
9. Brakspruit/Nkagisang CPA's 6 High Mast Lights R1.2 Million project at tender stage.
10. New Sports Complex in Khuma (Phase 2). This R10.4 Million project is 46% complete
11. Upgrading of Tigane Sports Complex. The R25.6 Million project is at a Design and Tender stage

❖ **Under the Neighbourhood Development Plan Grant (NDPG)** we have only one project running which is the Jouberton Taxi Rank to the tune of R86.6 Million and 79% complete

Under the Integrated National Electrification Programme (INEP), we have the following projects:

1. Construction of a 20 MVA Sub-Station in Alabama to the tune of R38.3 Million at 95% completion rate
 2. Construction of 88 kV Medium Loop in Loop Out in Alabama sub-station. Construction in this R29.6 Million project is at 85% completion.
 3. Electrification of Alabama Extension 5 (Phase 2). This R29 Million project is fully completed.
 4. The Jouberton Sub-Station Pre-Engineering project to the tune of R1.7 Million has been completed.
- ❖ Under the Energy Efficiency and Demand Side Management Grant (EEDSM) only one project has been undertaken and completed, ie the Retrofit of Street Lighting with LED Lights (Phase 4) which entails-the

replacement of 206 street lights and 264 high mast lights with LED lights.
This R4 Million project has been completed.

Under the Water Services Infrastructure Grant, the City of Matlosana has benefitted from the following projects:

1. Construction of the Jouberton Reservoir. This R18.8 Million project is at 82% construction rate
2. Upgrading of Pavement Sewer Outfall in Khuma. This is a R30.7 Million project at a tender phase
3. Reconstruction of Outside Water Borne Toilets in Kanana. This is a R48.2 Million project still at tender phase.
4. Refurbishment of Chlorine Dosing Plants, Reservoirs and Pump Stations in the City of Matlosana. Construction is at 50% in this project valued at R48.7 Million

Madam Speaker and Honorable Councilors

I would like us to now focus on the 2024/25 final budget of the City of Matlosana

Our total Revenue is R4 26 Billion

Our total Expenditure is R4 264 Billion

Our Grant Funded Capital is R186 26 Million

The Surplus/Deficit is R188 47 Million

The Expenditure Reduction are as follows:

Employee Related Cost:	R8, 1 m
Inventory:	R46, 5m
Contracted Services	R86 m
Operational Cost	R58, 3 Million

Our Capital Budget is as follows:

Grant Funded Capital is R186 2 Million

Council Funded Capital is R50 Million

Our Cash Flow is as follows:

Receipts:	R2, 95 Billion
Payments:	-R3, 06 Billion
Capital assets:	R 236, 25 Million
The Cash Flow Deficit is	-R267, 42 Million

Our Projected Collection rate is 65% for 2024/25 financial year and is expected to be 75% for 2025/26 and 85% for 2026/27 financial year.

Our proposed tariff increases are as follows:

Property Rates	6%
Electricity Consumption	11.25%
Electricity Basic	4.90%
Water Consumption	8%
Water Basic	4.90%
Sewer	4.90%
Refuse	4.90%

Madam speaker in conclusion I would like to emphasis that no effort was spared in ensuring that the budget adjustment I'm presenting today it's a true reflection of our financial position and adequately addresses the needs of our community.

In compiling this adjustment budget we have drawn inspiration from the experiences and resilience of our community. Our residents have demonstrated time and time again their ability to overcome challenges and adapt to changing circumstances. It is this resilience that serves as a guiding light as we navigate the complexities of budgetary planning and resource allocation.

Before I conclude I want to take this opportunity to thank the Speaker, Single whip, all the members of council, administration, PER for being part of making this institution to strive in addressing the needs of our people.

In the words of our struggle icon the former statesman Nelson Mandela ***"it always seems impossible until is done"***. Let us approach our challenges with determination and perseverance knowing that together we can achieve greater things for the City of Matlosana.

We should as a municipality draw strength from the words of former President Thabo Mbeki when he said and I quote: ***“Trying times need courage and resilience. Our strength as a people is not tested during the best of times”***.

We therefore make a clarion call that we should work together with our communities and the business community, despite these economic down turns we should instill the culture of payment of services so that the municipality continue to render sustainable services to the communities.

I therefore present the budget adjustment as reflecting on the documents submitted to council.

As I conclude, I would like to thank the Members of the Mayoral Committee and the Budget Steering Committee for their support in putting together this final budget.

Madam Speaker, I hereby table the adjustment budget to this august Council for approval.

I thank you.