

**2023/24 – 2025/26 MTREF BUDGET SPEECH BY
EXECUTIVE MAYOR OF MATLOSANA CLLR JAMES
TSOLELA DURING COUNCIL MEETING HELD ON
WEDNESDAY 31 MAY 2023 IN THE COUNCIL
CHAMBER**

Madam Speaker

Single Whip of Council

Members of the Mayoral Committee

Chairperson of MPAC

Honourable Councillors

Municipal Manager and all Directors

Chairperson of Audit Committee

Ministerial fraternal and Business Chambers

Organizations of Civil Society

Members of the Public

The Media

Ladies and Gentlemen

Good Morning! Dumelang! Goeie more !

We meet here today on the last day of Africa Month which is celebrated across the continent and the Diaspora. This year we observed Africa Day on the 25th May under the theme: ***“Accelerating the implementation of the African Continental Free***

Trade Area to bring greater prosperity to the continent.”

Africa Day is intended to celebrate and acknowledge the successes of the Organization of African Unity (OAU, now the AU) from its creation on May 25, 1963, in the fight against colonialism and apartheid.

It is a day we were intended to celebrate in style by creating a networking platform for our local businesses however an unprecedented situation occurred and spoiled the entire celebration.

Our city continues to position itself as a City of choice in the North West Province. For example, last month we successfully hosted business engagement at Ngwenya hotel and imbizo at ext 24 open space by the Department of employment and Labour led by Minister. We also hosted the President of the Republic and some of his cabinet Ministers, the Premier and his MECs in the celebration of National Freedom Day which was held at Manzilpark stadium.

We meet during the annual Child Protection Week which is observed from 28th May to 4th June 2023 under the theme: “LET US ALL PROTECT CHILDREN DURING COVID 19 AND BEYOND”. During this period, we are must to show love to all our children and protect them from any form of harm.

Madam Speaker we have inherited an insolvent municipality which has high culture of non-payment of services. We are also challenged by the high societal

expectations of service delivery, which make it a common course that even though we have consulted and made known of our IDP, the people expectations are far beyond the approved IDP. This something we need to educate our people about. We have inherited a municipality with old and dilapidated infrastructure which affected the image of the City very negatively.

The work of restoring the integrity of our municipality begun at the beginning of our term and included building a relationship with the stakeholders and members of our society. We committed to involve them in the affairs of the municipality and building a strong social compact with them. We further committed to working together to rebuild and unite this municipality of our people.

In terms of the stats SA 62% of our citizens are unemployed and 45 000 are indigent. This calls for an economic recovery plan which must be imbedded by

- Agricultural development
- Manufacturing
- Tourism
- ICT

The City remains committed in being the engine of economic growth within the province through:

- a) Proper planning and infrastructural development;
- b) Spreading of funds across social and economic infrastructure to ensure that the poor and the vulnerable remain a priority whilst also focussing on stimulating economic growth;
- c) Review of structures, processes, technology and skills development to improve revenue management;

- d) Evaluation of all our functions' effectiveness, efficiency and implementation of cost containment measures;
- e) Review of compliance and efficiencies across supply chain management in support of service delivery;
- f) Real and sustainable service delivery through improved implementation and productivity of performance management; and
- g) Improved execution of anti-fraud and corruption strategies, frameworks, policies, procedures and whistle blowing
- h) Exploring innovative and sustainable alternative revenue sources by unlocking the potential in existing assets

Though this budget has been compiled with great difficulty of economic contraction, our commitment to respond to our people's legitimate demand for a better life is still reflected in this budget wherein the key priorities are Water and Sanitation, Roads and Storm water, Human Settlements development, Electricity and related critical infrastructure maintenance.

Our City will continue to increase capacity to water supply infrastructure. We will continue with the roll-out of our sanitation programme in rural areas and informal settlements, as well as expanding the capacity of infrastructure in our urban area to accommodate and open opportunities for further developments.

Our Planning and Human Settlements directorate will continue with the development of new human

settlements and upgrading of informal settlements to restore dignity to those that do not have shelter.

The City is also committed to the country's Transformation Agenda and as such ensures that all its policies encapsulate this spirit, spanning from our Supply Chain Management, Human Resource Management and Skills Development to mention but a few. We remain committed in building internal capacity and empowering of local SMMEs

The presented budget attests that the City of Matlosana is a City hard at work and will continue to unite in action by continuously responding to the needs of its community through service delivery and improvement of the lives of its community in the 2023/2042 MTREF period.

Given the challenges experienced by our communities which range from frequent electricity interruption, sewer spillages, high distribution losses, high crime levels, housing backlog, low revenue collection rate and high unemployment, we will ensure that all development programs focus towards addressing these challenges. We will also continue lobbying for investments and capital raising to support our budget and address the needs of our communities. the municipality would be embarking on the following programs to address these issues. We will launch a safer City campaign during this new financial year working with all the law enforcement agencies in order the provide a safe environment for our communities.

Madam Speaker despite the challenges I have mentioned it is ideal for me to mentioned some of our

achievements during this current financial year:

Under infrastructure

We have managed to rehabilitate 43 roads by patching and resealing them

We upgraded some of the intersection by putting paving

We have reduced sewer spillages tremendously

We have attended to water leaks

We have replaced 141 stuck water meters

We have attended to all water quality related complains working together with the District Municipality and Midvaal

We have upgraded some of our storm water drainages

We have secured funding from DBSA for water and sewer master plans

In December 2022, a business plan was submitted for funding from WSIG for township establishment and VIP toilets construction for the following areas:

- i. Stilfontein Ext 19, & 9
- ii. Kanana Ext 15, Ext 16, Ext 8 and Ext 5
- iii. Jouberton Ext 19, 20, 25, Sunnyside
- iv. Hartbeesfontein 422 IP
- v. Khuma Ext 1 Salvation Army, Bochabela erf. 3267, Bochabela wildebeespan
- vi. Tigane Sloja Ptn 300
- vii. Ntshune Tigane DExt 6
- viii. Turfloop

1. **Sewage Spillage:** The Klerksdorp and Orkney Waste Water Treatment Plants and Pump stations have experienced armed theft and vandalism with the overpowering of security guards by the robbers. Each incident was reported to SAPS.

On Electrical and Mechanical load shedding remains a serious problem as it affect the distribution and create an opportune for cable theft. This has put a lot of strain on our operations and stores. Our electricians are now forced to work long hours of overtime and under risky conditions

We have an ongoing program to maintain our streetlights and high mast lights, however we interrupted from time to time by power outages emanating from load shedding and cable theft

Madam Speaker we have managed to procure more than 50 fleet for various department to improve our service delivery. It must be noted that we are putting measures in place to reduced our spending on maintenance of fleet by resuscitating the municipal garage, getting rid of the old fleet and navigating to full maintenance lease for service delivery fleet.

Madam Speaker the following projects were undertaken:

- Refurbishment of Electrical and Mechanical equipment in water pump stations in Kosh
- Refurbishment of Electrical and mechanical

- equipment in sewer pump stations in kosh
- Paving of taxi routes and storm water drainage in Jouberton phase 9)
- Paving of taxi routes and storm water drainage in Kanana (phase 9)
- Procurement of specialized vehicles for solid waste removal
- Alabama high mast lights ext 4 & 5
- New sports complex in khuma (phase 1)
- Upgrading of fresh produce market (phase2)
- Jouberton/Alabama precinct bulk services

From February 2022 to date, my office undertook the following programmes under the Transversal Desk:

- Donation of school shoes, sanitary towels and Uniforms to more than 20 schools in Matlosana
- Donated Whiteboard and projector to learners of President Laer Skool in partnership with Harmony
- Food parcels to the needy communities and some clothing materials
- Celebration of the first citizens in the country 128 years in Jouberton Klerksdorp and other 103,102 and 100
- Donation of gifts for Christmas and New Year's born Babies 2022/2023
- launching disability forum in Matlosana
- I have Interdenominational services in Matlosana

- Career Expo for the Youth of Matlosana
- Launching of 4IR Centre Vuselela
- Disability Rights Awareness Campaign
- BOSSASA visits- Motivation talk
- Anti-Drug awareness campaign
- Youth desk – Edu-tour internship
 - Food for Africa campaign high school food security program
 - Secured internship for 72 unemployed graduates
 - Partnered with Department of Agriculture / Land reform on NARYSEC program
 - Hosted matric career exhibition
 - Hosted and engagement with unemployed graduates
 - Hosted a dialogue with local SMME
 - Youth in Agriculture dialogue
 - Matric Excellence Awards

Mayoral Pothole Patching and cleansing project which employed 170 Youths of Matlosana for service Delivery.

Renovation of burnt house in Jouberton belonging to a blind pensioner in ward 10.

Handing over of a house in Jouberton at ward 5

- Supported elderly people in Khuma (Thaka Bogodi : Ward 32)
- This group of elderly people they are very active in their ward through cleaning process, needling, games, Physical Exercises.
- Intervened in Dlamini's family of 8 blind people by taking them to optometrist, and 3 of them were given spectacles to enhance their eye sight and donated food parcels, toiletries and six blankets.
- Donated 50 chairs to DOMINIONVILLE ITSOSENG SERVICE CLUB

FOLLOWING ORPHANAGE AND CHILD HEADED FAMILIES WERE VISITED

Rethabile old age home in Itumeleng Elderly Alabama

Mjekula family partnered with District Municipality Immanuel Home

Ndlangamandla Child headed family in Kanana

Family in Jouberton that their house burnt and left 3 people dead

Visited 2 EDC in Buffelsfontein Ward 18

- Donated books to SANPARK CLINIC
- Sponsored Centenary Birthday celebration of Mme Mokoto born 1914, Matlatsa born 1922, Mokgatlha born in 1910 in Kanana

- Food parcels to the needy communities and some clothing materials
- Sponsored birthday Celebrations of the senior citizens of 128, 103,102 and 100 in Jouberton
- Donated gifts for Christmas and New Year's born Babies 2022/2023
- Launching of 4IR Centre Vuselela
- Disability Rights Awareness Campaign

On Local Economic Development we have successfully hosted the elite bikers annual events in 2022 and 2023. These events boosted our tourism and benefited the local business especially the hospitality operators. We also supported a Zonke event which was held in Rio hotel and Casino which also boosted our tourism. We sponsored 10 local SMMEs with equipment to a tune of R1m. We also supported Women Enhancing Tourism who toured our tourism destinations. We successfully hosted flea market at our Fresh Produce Market.

On Community Development

Madam Speaker we are collecting domestic refuse optimally despite the challenges of truck breakdowns frequently

Dust bins were distributed in some of the wards

Illegal dumping is being removed regularly however it still remains a challenge

We are providing graves optimally

We maintaining our landfill sites

We have launched a cleaning campaign called Bontle ke Bontle which provided employment to 117 people. This project is helping with the cleaning of illegal dumping.

We are continuously cutting grass at our various cemeteries and open spaces

Madam Speaker we have finished phase 1 of Khuma sports complex even though this project has created a lot of uncertainty.

We have scrapped at least one ground per ward for purposes of sporting activities

We are providing library services to our communities of which some are installed with free wifi

Madam Speaker having briefly touched on the positive synopses of the current budget, please allow me to present the new Medium Term Revenue & Expenditure Framework and Integrated Development Plan for 2023/24 to 2025/26

The state of the economy in South Africa as a whole has recorded a decline in economic growth since the COVID 19 pandemic that has negatively affected the economy over the last three years. There is a sign of slow recovery in the economy, however South Africa is faced with a big challenge namely the supply of electricity that results in load shedding which has enormous impact on the country's economy as well as weakening the rand, high inflation and high interest rates. This is evident by the increase in the repo rate by the national reserve bank.

The state of the economy will continue to have an adverse effect on the consumers of the City of Matlosana in the 2023/24 financial year and possibly in

the next two outer years of this MTREF. As a result, the municipal revenue and cash flow will remain under pressure. Therefore, the application of sound financial management principles for the City of Matlosana's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The City will continue with efforts to enhance revenue and to improve the economic growth through an economic recovery plan which is based on viable economic pillars. The current efforts by the City will surely enable the City to move out of this economic Quach mire. The increase in the Eskom and Midvaal debts poses a serious threat to this Municipality as a going concern and it requires the unity of all Councillors in this chamber to work together in ensuring an optimal implementation of the financial plan.

Madam Speaker the main challenges experienced in preparing for this budget amongst others can be summarised as follows:

- The decline in economic growth, which is impacted by the disruption in power supply, high inflation rate and high interest rates
- High unemployment rate which impact on household ability to pay for municipal services
- The real economic growth is projected at 0,9% in 2023. The recovery in South Africa will be slower than many developing countries
- Power supply which affect our billing system adversely

The following budget principles and guidelines directly informed the compilation of this budget

- Price increase in the inputs of services that are beyond the control of the municipality are for instance the cost of bulk water and electricity. Furthermore tariffs need to remain or move towards being cost effective; and should take into account the need to address infrastructure backlogs
- The cost containment measures that are being implemented to eliminate wasteful expenditure, reprioritize spending and ensure savings on six focus areas such as: consultancy fees, no credit cards, travel and related costs, advertising, catering events as well as the costs for accommodation

Total operating expenditure for the 2023/24 financial year has been appropriated at R4.38 billion

The bulk of the capital programs will be funded from Government grants and transfers. Provision is made for Council funded capital in this financial year, however it must be cash backed.

The capital grants will cater for the following projects which are in our Integrated Development Plan

1. MIG:

Paving of taxi routes and storm water in Khuma (Phase 9) Wards 33, 35 & 36. R21 457 135 57

Jouberton & Kanana bulk water supply (Phase 1) Wards 6, 14, 23, 24, 36. Budgeted amount is R19 000 000,00

Upgrading of the Outfall Sewer in Jouberton and Alabama. Wards 4-6. Allocated amount is R19 000 000, 00

Development of Cell 3 of the Klerksdorp Landfill Site. Ward 1. Allocated amount is R35 471 187, 77

Procurement of specialized vehicle for solid waste removal for wards 1 – 37. Allocated amount is R4 542 899,63

Alabama High Mast Lights Ext. 4 & 5 (Phase 2) Ward 4 Allocated amount is R2 188 652,40

Brakspruit/ Nkagisang CPA's High Mast Lights (Phase 1) Ward 18. Allocated amount is R1 285 524, 63

New Sports Complex in Khuma (Phase 2) Ward 31, 32 33, 34, 35 & 38 Allocated amount is R7 000 000, 00

PMU SALARIES: R5 786 600,00

2. INEP

Jouberton Sub-Stations Pre-Engineering. Allocated amount is R1 732 000,00

3. NDPG

Jouberton Taxi Rank. Ward 37. Allocated amount is R22 227 379,55

Jouberton Youth Development Ward 37. Allocated amount is R8 934 620,45

4. WSIG

Construction of Jouberton Reservoir Sward 13.

Allocated amount is R11 474 797,97

Stations in the City of Matlosana (Phase 1) Wards 1-37.

Allocated amount is R11 417 869,96

Upgrading of Pavement Sewer Outfall in Khuma Ward 38. Allocated amount is R14 319 716,74

Reconstruction of Outside Water Borne Toilets in Kanana Ward 24. Allocated amount is R11 417 615,33

TOTAL CAPITAL EXPENDITURE is R191 469 400,00
minus 5% for operational

OWN FUNDING: R40 000 000,00

TOTAL CAPITAL INCLUDING OWN: R231 469 400,00

For 2023/24 we have budgeted for an income & expenditure surplus of R 213.7 million.

Capital budget:

Council funded capital will prioritize revenue enhancement including the kick off Smart Metering System, Cost Containment equipment for the municipal garage to reduce outsourcing and service delivery – generators for pump stations during load shedding.

The 2023/24 MTREF budget is based on a 80% collection rate.

It is a high assumption that we need to work hard on to achieve, as it is required by NT to qualify for Eskom Debt relief.

If we do not manage this collection rate the budget will not be funded and credible.

For Council to achieve a cash funded budget and maintain it, the recently approved financial plan need to be strictly implemented.

To have a funded budget in the future we need to collect outstanding debt and increase our collection rate.

Provision has been made to address the high electricity and water losses through smart metering and maintenance.

For the City of Matlosana to continue improving the quality of services to its citizens it needs to generate the required revenue. In these tough economic conditions strong revenue management is fundamental to the financial sustainability of any municipality. The reality is that we are faced with developmental backlogs, unemployment, poverty and ageing infrastructure. The expenditure required to address these challenges will inevitably always exceed the available funding hence difficult choices have to be made in relation to the tariff increases and balancing expenditures against realistically anticipated revenues. It is against this background that I present the following tariff increases

- Electricity - 15.1% (subject to Nersa approval)
 - Water 5.9%(subject to Midvaal approval)
 - Other tariffs - Between 5% to 6%
- (within the inflation bracket) as per MFMA Circular 123.

In conclusion

Madam Speaker let take this opportunity to thank City Council of Matlosana for the appointment of capable men and women under the stewardship of Ms Lesego Seametso as the Municipal Manager

Special thanks to the CFO and her team under the supervision of MMC Ramphele

Thank you to all stakeholders who always avail themselves for consultation and engagement

Thank you to the anointed men and women who always pray for the prosperity of this and its leaders

Thank you to my team of MMCs for their unwavering support and making my work easy

Thank you to my church for understanding the love I have in serving the people and gave me time off to perform my work

Let me thank the only political home I know which is the African National Congress for believing in me and decided assignment

Last but not least let thank all councillors in this chamber for bringing the best out of me by challenging my leadership capabilities both in a negative and a positive way

Thank you to the staff in political offices for the commitment they always demonstrate by giving us the necessary support and respect

Thank you to my wife and kids for always giving me support and appreciation

Most importantly let thank God the almighty for the life, strength, resilience and divine protection

Madam Speaker and Honourable Councillors, I present to you this Medium Term Revenue and Expenditure Budget for 2023/24-2025/26 financial years with a clear understanding and confidence that it is the appropriate tool that can be used to improve the standard of service delivery. It will paint a positive image and give hope to the citizens of Matlosana

I thank you.

