

**STATE OF THE CITY ADDRESS DELIEVERED BY EXECUTIVE MAYOR,
COUNCILLOR MAETU KGAILE, 31st MAY 2019, KLERKSDORP.**

Honourable Speaker - Cllr Washington Ntozini;

Chief Whip of Council - Cllr Vusi Chinga;

Chairman of MPAC - Cllr. Juta Bogatsu

Members of the Mayoral Committee;

Members and Leaders of all Political Parties;

Honourable Councillors;

Municipal Manager - Mr Roger Nkhumise and all Matlosana Municipality employees;

Leaders of Business and Captains of Industry;

Leaders of the Labour Movement

NGOs and Organs of Civil Society;

Members of the Media;

Most Importantly, People of the City on the Move;

Honourable Speaker in the year 2019 of this stinging winter please accept my warm greeting to this honourable house.

It is pleasing to stand before all of you after the peaceful 8th May National and Provincial Elections. Many countries do not have the luxury of emerging from any election without war and political destabilisation.

I take this opportunity to congratulate Mr. China Dodovu the former Executive Mayor of Matlosana who is now a member of the National Council of Provinces, Mrs. Pink Moloi former Mayor of the Dr. Kenneth Kaunda District Municipality who was appointed as Deputy Minister of Employment & Labour, I also congratulate Mr. Groenewald former Councillor in Matlosana who is now a Member of Parliament and Ms. Nombuyiselo Adoons former Councillor in Matlosana who is now a Member of Parliament as well as Mr. Erens Kleinhans also a former Councillor in Matlosana who is now a Member of the Provincial

Legislature in Mahikeng, not forgetting our young lion, regional secretary of the youth league cde Sibusiso Kula who is also now a Member of Parliament.

As Matlosana Municipality we can count on them to be advocates of our city and lobby on its behalf at those two spheres of governance. Best wishes to all new MPs in the National Assembly and MPLs in all the 9 Provincial Legislatures

Honourable Speaker, Honourable Councillors, Employees of Matlosana and guests, having noted the democratic advances our country has achieved 25 years since April 1994, it is with a heavy heart that I stand before you to deliver this State of City Address amid another senseless anarchy that continues to reign in our townships, where the Tower Mall, shops and tuckshops are always under threat of looting, destruction and torching.

The engineers of this mayhem in our townships are hurting the poor and working class and are also killing township economies which are currently labouring under difficult circumstances of having to compete with foreign traders and big chain stores in town.

Failure to ensure that we have safe communities and safe lives threatens the security of all of us, hence it is imperative that we nip this threat in the bud through the security cluster and the justice system that is effective and efficient.

We meet today to face reality that one of the biggest employer in the city and country AngloGold Ashanti has shut down, putting more households into the indigence status negatively affecting our services and rates collection rate.

Matlosana urgently needs a growth and development strategy that has milestones and smart goals. We need machinery that is capable to exploit business opportunities and attract foreign direct investments into the city.

The continuing trend of shrinking government income against a fast-growing indigent population is still a great concern. The fact that

national fiscus is reducing its financial obligations to municipalities while poverty escalates, is an impediment.

However, South Africa as whole is experiencing tough economic problems which increasingly force us to be dependent on our own financial sources. Also we need to be economic with our own resources.

Honourable, Speaker allow me to present the following

TARIFF INCREASES:

- Electricity consumption – 13.5% (subject to NEARSA approval)
- Electricity Basic charges - 5.2 to 5.8%
- Water consumption - 8%
- Water basic charges - 5.2%
- Refuse - 5.2%
- Sewer - 5.2%
- Property Rates - 5.8%
- Other Tariffs - 5.2% (average increase, CPI forecast for 2019/20 is 5.2%, MFMA circular 94)

From the budget consultation the community requested that council look at the tariffs that are not consistent. MM agreed to establish a committee to look into the tariffs before the approval of the next budget.

Our debt collection rate is at 74.5%. We must curb and reduce our expenditure, increase our revenue collection and collect outstanding debt.

Councilors were workshopped in Cost Containment and Expenditure management policies, these two policies are among others to be approved as part of the 2019/20 MTREF budget.

The budget figures are as follows:

| | Budget Year | Budget Year | Budget Year +1 | Budget Year+2 |
|--|------------------------|------------------------|---------------------------|--------------------------|
| | | 2019/2020 | 2020/2021 | 2021/2022 |
| | | | | |

| | 2018/2019 (Adjustment) | | | |
|---|---------------------------|------------|------------|------------|
| | R '000 | R '000 | R '000 | R '000 |
| Total Operating Revenue | -2 291 810 | -2 722 181 | -2 943 704 | -3 278 549 |
| Total Operating Expenditure | 3 146 770 | 3 217 212 | 3 313 253 | 3 433 971 |
| Total Capital | 160 293 | 147 075 | 166 508 | 174 888 |
| Surplus/(Deficit) for the year after Capital contribution | (294 668) | (347 956) | (203 042) | 19 465 |
| | deficit | deficit | deficit | surplus |

Grant funded capital: R 147 million

Council funded capital; R 21 million

In 2019/20 council budget for a non-cash deficit of R 347.95 million.

The budget for 2019/20 & 2020/21 is not cash funded. For 2021/22 we budget for a cash funded budget.

This can only be achieved if the amount for outstanding creditors is reduce. We can only achieve this by collecting outstanding debt and increase our collection rate.

Our administration is healthy. Matlosana is the only Municipality in the North West Province to achieve the unqualified opinion in 2017/18 financial year.

Matlosana is leading in the province as far as budget reporting and mSCOA reporting. This was made clear during the budget engagement on 3 May 2019 with provincial treasury.

Municipalities that strive to purposefully and decisively manage their financial resources and sustainability will survive.

Our municipality has undergone an assessment process of the 2019/20 tabled budget by the Provincial Department of Finance, Economy & Enterprise Development (FEED).

The main recommendation from this assessment process is that the Municipality must devise a Cost Containment Plan as well as a Revenue Enhancement Plan that the Council must adopt.

Estimates from implementation of the two plans will see Matlosana municipality saving around R45, 7million on Cost Containment Plan and additional revenue of around R140 million from Revenue Enhancement Plan to boost the coffers of the city.

The MAYCO will be working on additional interventions and measures to strengthen our economy so as to offset the jobs bloodbath that we have seen since advent of the mining sector sunset in Matlosana.

The quick win interventions that will be championed by MMCs and Directors to arrest the economic decline in the city, are titled as follows:

- 1. “Operation Do It” for Economic Revival of Matlosana & Wealth Creation**
- 2. Matlosana Short to Medium Term Job Creation Strategies**

Monitoring and evaluation mechanisms for these interventions will take place at the MAYCO Dashboard meetings that I will be convening on a monthly basis.

Honourable Speaker and the house it is also imperative that we as legislators, executives, managers and employees reflect a bit on our commissions and omissions on governance of our municipality and the impact that has on the general population which is facing enormous economic difficulties. We need to lead this municipality with empathy, selflessness and Ubuntu.

This borne out by feedback elicited at a number of public participation events that have been undertaken periodically during the 2018/19 financial year and during consultations for this budget process for 2019/20.

Our communities request an end to crumbling infrastructure, they need permanent solutions to potholes, gravel roads, street lights, sewer spillages, water leaks, unfinished projects, end to corruption, and access to land.

All of us, politicians and municipal officials are charged with the supreme responsibility to ensure that what our communities requests are met and that we communicate crystally clear and consistently along the way.

Honourable Speaker; please allow me to thank the Municipal Manager; Mr. Roger Nkhumise, his Directors and personnel for their inputs. Ladies and gentlemen, allow me to extend my word of gratitude and appreciation to Mr. Driekas Rossouw and his team for the commitment and dedication displayed during the process of drawing this budget. As public representatives we always put our officials under tremendous pressure, but as you all know this come with the territory. Please understand that it's nothing personal, and it's all about the struggle to improve the lives of our people.

Another word of appreciation to all Councillors and the members of my Executive Mayoral Committee and Council for their hard work.

We are also grateful for public and organised formations for all sorts of inputs and submissions that will positively influence the second draft and the final budget before it's approved by the Council.

I also wish to thank Ntate Kgaile and our 2 sons for allowing me space and support to discharge my responsibilities and duties of serving the nation of Matlosana.

I thank you
Ke ya leboha.

Cllr. Maetu Kgaile - Executive Mayor of Matlosana