



MAYOR, CLLR. MM MBEDLA TABLING THE STATE OF THE MUNICIPALITY ADDRESS OF MATATIELE LOCAL MUNICIPALITY DURING THE SPECIAL COUNCIL MEETING HELD ON THE 29TH OF MAY 2018 AT RAMAFOLE (WARD 24)

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CHIEF WHIP, CLLR SONWABILE MNGENELA

MEMBERS OF THE EXECUTIVE COMMITTEE

HONOURABLE COUNCILLORS FROM ALFRED NZO DISTRICT MUNICIPALITY

AMALUNGU EBHUNGA EWONKE

REGIONAL LEADERSHIP OF THE ANC, ALLIANCE PARTNERS & OPPOSITION PARTIES

IINKOKHELI ZOMTHONYAMA

MUNICIPAL MANAGER DR. TSEPANG NAKIN AND MANAGEMENT

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LEADERS OF THE RELIGIOUS FRATERNITY, BUSINESS & CIVIL SOCIETY

AB AHLALI BASE MATATIELE

OONONDABA BETHU (PRINT & ELECTRONIC)

ABAPHULAPHULE KWI ALFRED NZO COMMUNITY RADIO

LADIES AND GENTLEMEN

Kwakhona malungu ahloniphekileyo mandithabathe elithuba nandinike lona ndibulise bonke abahlali baseMatatiele abayinxalenye yeliBhunga eliziswe

ebantwini nguSomlomo wethu. Ndiphinde ndibulise kumlisela nomthinjana wakowethu, kwiimbombo neziphalka zonke kuloMasipala wethu omhle kangaka. Ndamkele bonke abasiphulaphule kwijelo losasazo iAlfred Nzo Community Radio.

Bahlali,

Nathi singuMasipala masizeke mzekweni samkele ukonyulwa kukaMongameli uCyril Matamela Ramaphosa njengoMongameli wesihlanu wesizwe soMzantsi Afrika. Simnqwenelele impumelelo kumsebenzi wakhe. Sinethemba lokokuba inkqubo zikaRhulumente zizakuphucuka nangakumbi phantsi kwe-administration yakhe. Kwintetho yakhe yesizwe yokuvula ipalamente, sele ewunyakazisile uMzantsi Afrika ngokuphlelela iphulo elithi "Thuma Mina", nathi ke singulo Masipala sizimisele ukuzijula nejacu kumsebenzi enisithume wona.

Somlomo ohloniphekileyo,

Singamalungu esigqeba solawulo kulomasipala masibulele kubahlali baseMatatiele ngoxanduva abasithwalise lona – lokuguqula iimpilo zabo singulorhulumente wasekuhlaleni. Asixanduva lulula ke noko. Lonyaka-mali simgqibezelayo was definitely not a favourite year as the municipality. Singumaspala waseMatatiele simele khe sizikise ukucinga - ukuze siqinisekise ukuba ubizo lwethu siyalusabela kwaye senza ngandlela zonke ukuphucula iMatatiele ibe yindawo engcono.

Eminyane yemingeni esijongene nayo kukonyuka kwenani kuqhankqalazo ngabahlali bekhazela iindlela ezingekho

mgangathweni, ingxaki yombane, intswela-ngqesho kulutsha, inani elinyukayo lokusetyenziswa kweziyobisi, ulwaphulo-mthetho kwakunye nemeko engancumisiyo yamanzi. Senza lentetho somlomo phantsi kwezimeko ezingentlanga kwaphela.

Owayesakuba nguMongameli weli loMzantsi Afrika uBaw'Thabo Mbeki usinika amazwi okunganikezeli xa esithi and I quote "Gloom and despondency have never defeated adversity. Trying times need courage and resilience. Our strength as a people is not tested during the best of times. We should never become despondent because the weather is bad, nor should we turn triumphalist because the sun shines." Sithi ubizo lwethu siyalwazi kwaye njengoba kuthunywe thina siyathembisa okokuba siza kuzifezekisa izidingo zabantu njengoko siyalelwe ngumgaqo-siseko.

Madame Speaker,

In just 50 days from now, the people of the world will unite in celebrating the 100th anniversary of the birth of Nelson Rolihlahla Mandela. This year, we also celebrate the centenary of another giant of our struggle, Mme Albertina Nontsikelelo Sisulu. Asinakumlibala Hon. Members nowethu umama - uMamMaggie Resha. Ebezagqiba iminyaka engamashumi alithoba anesihlanu kulenyanga kaMay ukuba ebesaphila. Igalelo lakhe kwimbali yomzabalazo ngekhe lalibaleka. As the municipality we are planning to make her legacy come alive – watch the space!

As South Africans and citizens of Matatiele, we will remember the lives of these remarkable leaders this

country, this continent and indeed, the world has ever known.

We will recount Madiba's long walk to freedom, his wisdom, his unfailing humility, his abiding compassion and his essential integrity.

The ruling party which is the ANC and Government decided to dedicate this year to their memory and we will devote our actions, efforts, and utterances to the realisation of their vision of a democratic, just and equitable society.

Silandela kwimizekelo, we will use this year to reinforce our commitment to ethical behaviour and ethical leadership.

Xa sibhiyozela leminyaka yalamagqala we are not merely honouring the past, we are building the future.

We are continuing the long walk started by Tata Mandela, to build a society in which all may be free, in which all may be equal before the law and in which all may share in the wealth of our land and have a better life.

In his State of the Nation Address, President Cyril Ramaphosa said "we honour this son and daughter of the African soil in a year of change, in a year of renewal, in a year of hope. We honour them not only in word, but, more importantly, in direct action towards the achievement of their shared vision of a better society."

He further said that we should honour Madiba by putting behind us the era of disagreement, disunity and discouragement.

Somlomo ohloniphekileyo,

We encourage everyone here present today to ensure that we live the legacy of Nelson Mandela who inspires us towards a just and equitable society based on dignity and human rights for all; let us live Mandela's legacy in everything we do; let's celebrate Madiba's life by doing what he cherished and be the instrument of the change in your community. Mandela's legacy of socio economic advancement lives on also inspires us to be the change we want to see.

Honourable members,

In the spirit of Nelson Mandela and Mama Albertina Sisulu, let us join together to create a united and prosperous Municipality. As government, we remain committed to elimination of poverty, unemployment and inequality by 2030 through the National Development Plan.

Government, business, labour and civil society need to work together to create the Municipality that these legends envisaged.

All citizens of Matatiele have to play an active role in their communities to improve people's lives and ensure their elected leaders deliver.

In recognition of the enormous responsibility we have to unite, rebuild and revitalise the municipality and lead an urgent programme of economic growth, job creation and transformation, the ANC declared 2018 as **'100 YEARS OF NELSON MANDELA: THE YEAR OF RENEWAL, UNITY AND JOBS.'**

Madame Speaker,

Together with communities, we have established a strong, accountable, transparent and resilient system of local governance. Our communities are involved in all developmental initiatives in their respective localities. In spite of such remarkable progress we need to ensure that our councillors hold report back and feedback meetings with their communities. In this Councillors will have to strengthen working relations with traditional leaders. We are also aware that there are communities that still experience some difficulties with regard to public participation. A public participation forum recently launched by the Office of the Speaker will see to it that this challenge becomes history.

Honourable members,

The 2017 Budget Speech and State of the Municipality Address focused more on how in the next five years, we are going to transform the Municipality to be a better place to work and live in. It represented the wishes and aspirations of the poor, and as such centred on the critical task of eradicating poverty, reducing unemployment and inequality. Even this year, we need to drive our task from the National Development Plan in order to achieve our aims and objectives which proposes the following story:

- An economy that will create more jobs.
- Improving infrastructure.
- Transition to a low-carbon economy.
- An inclusive and integrated rural economy.
- Reversing the spatial effects of apartheid.
- Improving the quality of education, training and innovation.
- Quality health care for all.

- Social protection.
- Building safer communities.
- Reforming the public service.
- Fighting corruption.
- Transforming society and uniting the country.

Bahlali,

During the update we gave to the communities of Matatiele in March this year, we shared with you our achievements as this Council and commitments we made in August 2016. We made commitments to the people of Matatiele that, we will take this municipality forward in transforming their lives, we further indicated that this Council shall invest its efforts in making Matatiele a better place to live in.

We have from 2016, managed to reduce our electricity backlog. In 2015 our electricity backlog was sitting at 45%, I can now proudly say that we are sitting at 34%. Asiphumlanga ke, siphantsi naphezulu kwiinzame zokulehlisa nangakumbi.

Through electrification projects, about two thousand, nine hundred and fifty households are being connected to the national electrification grid and close to three hundred and fifty jobs for local people are being created. These life changing projects are almost in final stages, at the following areas, Chibini, Pamlaville, Nkali, New-Resh, Thotaneng, Nyaniso – Nkalweni, Bubesi, Mahareng, Madlangala, Mahangwe, Edrayini, Kwa – Mbobo.

Siqhubela phambili nephulo lethu lokukhanyisa indawo zaseMatatiele. Kwinyanga kaMarch, sikhuphe kumaphephandaba iziniki maxabiso zokufakelwa kombane

kwezi ndawo zilandelayo: Black Diamond, KwaMatias kunye ne Goxa, Nice Field kunye nase Mateleng, eNkungwini, Pamlaville kunye nase Khohlong nase Tsitsong. Zizindlu ezingaphaya kwe 1625 ezizakulayita kulo nyaka-mali kwezindawo sizikhankanyileyo ngasentla zidibene.

Ewe lomsebenzi awukafikeleli apho sifuna ufikelele khona, kwaye nezikhalazo ezisuka kwenzinye iWards zethu sizifumene. Sisebenza nzima silelibhunga- simanyene ukuqinisekisa Ukuba zonke iWards zase Matatiele zifumana umbane.

To address the backlog of electricity, the following areas will be connected to the national grid in the next financial year: Tsitsong, Khohlong, Black Diamond, Mohapi, Nice Field, Mateleng, Goxe, Nkungwini, KwaMatias A and Pamlaville Phase 2.

Ukuncedisana nabo bangathathi ntweni, singumasipala sinawo umbane wasimahla okuxhamla kuwo abo bakuluhlu lwabangathathi ntweni (Indigent register). Sikhuthaza uluntu okokuba lubhalise kwiindawo abahlala kuzo ukuze bafumane ezi zibonelelo.

Madame Speaker,

I am indeed convinced that thousands of people in Matatiele no longer rely on candles for lighting their houses. The government has reduced the chance of fires which often destroy people's belongings. Many rural women are relieved of the burden of fetching firewood from faraway forests.

Bahlali,

Ndizakube andithethanga ncam ukuba ndingangathethi ngomba weendlela zethu singu Masipala ngoba ngumba lo otshisa ibunzi kwindawo yethu sithetha-nje. I-Matatiele iye yathwaxwa zimvula ezingamandla kusukela ngoJanuary, and those heavy rains caused a lot of damages on our roads and bridges. Ukugalela ngamandla kwezimvula ke Madam Speaker, kuvele kwangathi kugalelwa ityuwa enxebeni. Our communities continue to raise their frustrations when it comes to potholes in and around town, nakwindlela iziya kwilali zethu.

We share the same sentiments with them, indeed most of our roads are not in good conditions.

Siyayazi ukuba ezindlela mva-nje zingunobangela weengozi. Sisaqhubeka ke nephulo lethu lokuthethana nabesebe lezothutho ukufumana isisombululo kulentsinda badala yeendlela.

Re di fumane di tletlebo tsa baahi mabapi le ditsela tse mpe. Re ile ra kopana re le masepala le lefapha la Transport.

Kuyo yonke imigaqo ethe yamoshakala ingakumbi le ejongene noMasipala siyaqhubeleka nokungenelela nge-machine zethu. In Cedarville we have done a 25m of kerbing; in Matatiele town we have done pothole patching in Balloon Street, West Street, Long Street, Green Street and Fleet Street.

We have also done storm water drains in Mzingisi where 7 pipe crossings were cleaned, Khorong Location – 2 pipe

crossings were cleaned and in Cedarville CBD - Stone pitching have been done in 4 pipe crossings. Furthermore, the Black Diamond Bridge in Ward 26 a 9x900mm diameter concrete pipes have been delivered on the 15th of February 2018.

An excavator and TLB are now working on this project to lay pipes and diverting water from an overflowing dam and at Cedarville town a TLB has been hired on the 20th of February 2018 for 5 days. It started operations on the 21st of February 2018.

In Maluti: Blading has been done by our grader as from the 14th of February to the 20th of February 2018.

A TLB has been hired to unblock storm water drains for 3 days. It started on the 20th of February 2018 next to the graveyard in Maluti.

Four (4) Loads of gravel material have been tipped using our own dumper trucks on the 19th and 20th of February 2018 and were spread by our grader on the 21st February 2018.

Siyayazi okokuba asikagqibi kwaye olu ngenelelo alwanelanga futhi asilibanga. Kodwa khumbulani kaloku bahlali ukuba lomonakalo sizama ukuwulungisa pha ubalelwa ngaphaya kwe Three Million yeeRandi. Nto leyo ethatha ukuba ke zikho noko izinto esingazukwazi ukuzenza ngokukhawuleza. The assessment conducted showed that the most critical roads that require urgent intervention are: Linotsing AR, Magongqolweni AR, Thotaneng AR kunye neMaputseng AR.

It is worth mentioning that Matatiele Local municipality has a total of 678km of access roads, some of these were constructed before the establishment of this municipality in 1996. These access roads have deteriorated over time, but the municipality has started to fix some.

In intervening on the condition of roads, the municipality purchased a set of plant for maintenance of roads, however our roads do not just need maintenance, they need re-construction therefore this exercise require sufficient funding. The municipality has acquired services of external service provider to construct new roads, using conditional grant and acquired savings that we use to do reconstruction of dilapidated access roads.

In such the following roads will be constructed: Sijoka A/R, Epiphany A/R, T13 to Zwelitsha A/R, Nomgavu A/R, Vikiinduku A/R, Butsula via Taung A/R, Gudlintaba A/R, Ngcwengane-Bomvini A/R, Matatiele CBD internal streets phase 2, Mountain View internal streets, Cedarville internal streets phase 3, Maluti internal streets phase 4. Our major infrastructure projects are; Lagrange pedestrian bridge, Matatiele Sports Centre, Silo Facility phase 2, Freystata bridge, Mabheleni bridge, Ngcwengane bridge and Nomgavu bridge.

Kummba wamanzi Madame Speaker,

Significant progress has been made in increasing the number of households with access to water infrastructure.

Ngenene sisebenzisana nomasipala ombaxa wesithili iAlfred Nzo sizivile izikhalo zabantu nangelixa besiqulunqa oluhlahlo lwabiwo-mali. Siyayazi ukuba kukhona iWards

angekhoyo kwaphela amanzi acocekileyo, abantu bethu basakha amanzi emilanjeni.

Ukuzama ukuphucula iimpilo zabantu kwicala lamanzi, uMasipala weAlfred uphantsi kweliphulo: Matatiele Water Ward 15 Water Supply Project Reticulation (Paballong & Pontseng) which is Phase 1 Bulk construction and the reticulation is still in the development of Terms of References. Matatiele Ward 5 Water Supply Project the District is also developing the terms of references. Matatiele Ward 7 Water Supply Project is in construction and should be completed in the next financial year. Fobane Phase 2 Sub-Regional Water Supply Project, terms of references are being developed for reticulation in Ward 24 villages.

Matatiele Ward 18 & 22 Water Supply Project - Rholweni Village, terms of references are being developed. Maluti Matatiele Ramohlakoana Water Supply Project is at a retention stage and more than Three Thousand households are benefitting. The Matatiele RBIG Water Supply Project - Matatiele Town is in construction. Matatiele WSIG Water Supply Project (Bulfontein, Nedfarm, Mgubho, Hillside, Maphokong & Kheswa) is at a design stage in preparation for implementation. These projects amount to more than One Hundred and Eleven Million including the Construction of VIP Toilets in Lufefeni Village which is at tender evaluation stage.

In line with our six key strategic priorities for Matatiele which are:

- Reduction of Service Delivery Backlogs

- Local Economic Development, and Rural Development, Employment Creation through the Expanded Public Works Programmes (EPWP) and Community Work Programme (CWP)
- Proper Spatial Development Planning through the SDF and localized SDF's for the Nodal Areas of Maluti, Cedarville and Matatiele
- Sound Financial Management
- Good Governance, Enhancement of Public Participation, IGR and Protocol
- Institutional Arrangements and Developments

We are striving towards addressing service delivery backlogs, and there are also various challenges faced by this municipality in the provision of these services.

The progress we have made thus far has been a collective effort from all the councillors, administration, our stakeholders and the community of Matatiele Local Municipality.

Madame Speaker,

In a mission to transform Maluti Sub-District the Department of Basic Education's drive in the Eastern Cape to ensure that learners have access to decent education is bearing fruit.

The government continues to invest in education through construction and upgrading of more than 12 schools around Maluti Sub-District.

The Eastern Cape government will continue to invest in education and skills development as key conditions for economic growth. The government would also push ahead with the Accelerated School Infrastructure Delivery Initiative, a national programme to tackle school infrastructure backlogs in the country.

The schools that will receive new classrooms and be upgraded are: Mosa-Sibi SSS, Manguzela JSS, Phuthadijaba SPS, Mothibisi SSS, Damane SPS, Bavumile SPS, Mavundleni SPS, Pontseng JSS, Makhoba JSS, Upper Mkhemane JSS, Zibi Mayer JSS, Kennersly SPS.

Zibi Meyer JSS will receive construction of a mega school. In the pipeline, there is also 38 classrooms which will accommodate 1732 learners, two Grade R centers with facilities, Admin blocks, nutrition facilities, computer and science lab. Kennersly SPS, Upper Mkhemane JSS and Makhoba JSS will also receive mega schools.

Pontseng JSS in Ward 11, which is currently constructed by Coega Development Corporation is being injected with a mega school, with a hostel to follow after completion of phase 1.

A number of schools in the region have been affected by leaking buildings and other poor workmanship issues. Government is acting to upgrade the condition of these schools, and provide extra capacity.

This latest investment is the next step in ensuring that schools in the Maluti Sub-region have sufficient capacity, and provide students with the best education opportunities possible in innovative and safe learning environments.

Honourable Speaker, promoting better healthcare for all our people is a significant indicator of the quality of life, which we have a sworn duty to improve. In the Freedom Charter, we undertook to create a society in which *"A preventative health scheme shall be run by the state" and in which "Free medical care and hospitalization shall be provided for all, with special care for mothers and young children."*

Kwicandelo lezempilo Madame speaker, the department has a challenge of recruiting and retaining qualified staff because of our highly rural geographical location. Lo ke ngunobangela welizinga liphezulu silibonayo lokunqongophala kwamagosa kwezempilo. However, a memorandum for appointment of Operational Managers for the some clinics is awaiting approval. The clinics are as follows:

- Likhethlane
- Mpharane
- Queens Mercy
- Mzongwana
- Ntlola

Two Medical Officers and a Dentist have been interviewed, for appointment at Maluti Community Health Centre. These doctors will also provide outreach services to other clinics in the Sub District

A contract for Sessional Private Medical Officers has been renewed and the two Doctors each visit the clinics bi-weekly.

The residences for staff at Nyaniso clinic have been completed which was (Phase 1). The Department has since requested SG's approval to utilise these residences for provision of services and this has been granted. The department is currently awaiting Coega Development Corporation to hand over the keys for occupation in this regard

The Tender for construction of the clinic itself is in process and that will be (Phase 2).

In spite of these, there is still a shortage of drugs at all clinics due to the poor infrastructure at the Central Medical Stores. This is a provincial challenge which we hope it will be addressed in the long term.

Honourable members,

Through the quarterly sittings of the Local AIDS Council, we continue to intensify our HIV, TB and STIs response. The good news is that our LAC structure continues to shape-up. In this Financial Year, we have managed to establish the Civil Society Forum. This is the crucial structure that co-chairs the LAC with me – as the Mayor. The first Civil Society Forum Chairperson for Matatiele municipality – Thato Monanabela is amongst our special guests here today.

At the centre of our LAC work is the reduction of new HIV infections – we hope that with the new blood on-board we will record more positive strides in this regard.

As you probably know, TB continues to be the number one killer of our people, thus the construction of a multi-million-rand state of the art Khotsong TB hospital remains key. This R436 million construction is going to change the health image of this municipality for better.

Singekagqitywa sinjalo ukwakhiwa esi sibhedlele, sele echo amaqithi-qithi esele efunyenwe ngabantu bakowethu. Over fourteen (14) local Small Micro Medium Enterprises (SMMEs) contractors have been awarded contracts worth a combined value of R8,1 million at the Khotsong TB Hospital project in Matatiele.

A further R94 million is set aside for local business opportunities, mainly construction work for upcoming contractors in and around Matatiele. The Khotsong TB hospital project is valued at over R436 million and has seen the flagship project transforming the Matatiele town into a pillar of hope for communities.

The identified amount forms part of the stipulation of 35% for the value of the project work going to SMMEs primarily residing within the area in which the project takes place.

This initiative has come at the right time for community members who have been longing for a revamped TB centre for years. We believe that the hospital will offer better health care for patients and I would like to thank the Department of Health for providing quality health services

to the people of Matatiele, despite the difficult conditions faced.

For the municipality this project means a serious milestone in terms of Local Economic Development, as a number of our local contractors benefited immensely. The investment by Coega – the implementation agent has ensured that we 'move our SMMEs forward – thus moving Matatiele and South Africa forward.

Honourable members,

Delivering his 2018 State of the Province Address, the Premier of the Eastern Cape, Mr Phumulo Masualle said the province envision a society where each person has shelter, and is living in vibrant communities that are alive with possibilities of growth and fulfilment. To this end, we are focused on developing integrated human settlements and building of cohesive communities and nation-building.

To realise this assertion, the Department of Human Settlements is doing away with rectification of defective houses. Iyasivuyisa ke lento kuba itheth'ukuba ngoku sizakuyeka ukubhula sisela ngommba wokulungiswa kwezindlu ezimoshakeleyo. Ngoku isebe lokuzinziswa kwabantu liazakuqinisekiswa ukuba kokhiwa izindlu ezisemgangathweni. Kona ke ukwakhiwa kwendlu lisebe emzini womntu osebenzayo, siqinisekisiwe ukuba kuzawusiphulwa nengcambu. Isebe lizakwenza luqilima inkqubo yokuhlola phambi kokuba kokhiwe.

Iingxoxo ziyaqhuba phakathi komasipala nesebe ukuze kujongwe ulwakhiwo lwe rental houses for middle income

earners as that will also help the municipality to generate revenue.

Kwindawo yaseMatatiele kusashota izindlu ezingaphaya ko Twenty Two Thousand nto leyo exabisa into engaphaya kwe Four Billion.

In Matatiele the Department will build 1278, spending an amount close to Three Million Rand. Iprojects eziqhubayo ziquka ezi: Mvenyane 500, Maritseng 1500, Masakala 550, Mehloloaneng 898, Mdeni 30 and Thaba-Chicha 500. Projects that are on planning include the following: Sandfontein 100, Pote 40, Zwelitsha 500 kunye ne Chibini 500.

We want to encourage our local contractors to work with the department because one of the challenges raised include lack of bulk material supply (SABS) within the local suppliers resulting on contractors sourcing material from distant suppliers.

Madame Speaker,

As you would recall, Matatiele LM has been doing so well in terms of handling its finances and ensuring compliance is not compromised. This municipality obtained unqualified audit opinions for six consecutive years and further obtained clean audit opinion for two financial years. We applaud our management team and our Council for making us proud, and ensuring that we counted amongst the best municipalities in the Province.

It is unfortunate to announce that in 2016 / 2017 Financial Year; our books did not receive favourable outcomes from the Auditor General. The Audit report issued by Auditor General in November 2017, is a qualification audit opinion.

As the Council we have since instructed the management to come up with a turnaround strategy to ensure that we move out of this gloomy picture. We will recall that the AG last week also tabled very bad audit outcomes about the municipalities including ours. Therefore, tough actions will be implemented to everyone who is found to be violating the laws of this country especially regulations guiding our municipality. We cannot tolerate underperformance of any form and this needs to come to an end.

Honourable Speaker,

It is only in an effective and efficient machinery of the state where the capacity to deliver on the vision and mission of a better life for all, will be realized.

Accordingly, one of our priority areas is strengthening the developmental state and good governance. We embrace the call of the President that our public servants must embark on a process of renewal by adhering to the principles of Batho Pele.

Through our Back to Basics Programme, we want to ensure that our municipalities are capable of delivering core services to our people, namely clean drinking water, sanitation, electricity, shelter, waste removal and roads.

As part of putting people and their concerns first, we launched Operation Masiphathisane.

Bahlali,

With respect to the work of the Department of Transport in improving provincial roads. The department has prioritised some of our roads for Regravelling. Yes we all are in the same page that this is not enough and engagements are continuing between us and the department to ensure that major roads are prioritised.

In the next financial year, the Department of Roads and Transport has promised to Regravel DR08646. Onguleksnek nature reserve to border gate 8km which is at planning stages, maintenance by in-house teams (Heavy Blading) of DR08013 Maluti to Ramatsilitso Border, maintenance of DR08071 and DR08069 to Mandlangala. Maintenance by in-house of DR08646 to Masupa and Heavy maintenance of DR08070.

The surfacing of the road between Mvenyane and Cedarville is underway. Then using the in-house plant badly affected roads will be prioritised.

Bahlali,

Last year in March local businesses were invited to attend an IGR meeting to engage with government departments and raise their frustrations. Indeed that was a fruitful engagement wherein they submitted their concerns to the structure – which some of them were:

- Local SMMEs are not benefitting on big projects that are being undertaken by government departments and the Municipality,
- Provision of training for SMMEs
- Another request was to be invited when government departments hold their Strategic Planning Sessions.

The municipality has made intervention to ensure that these concerns are attended to.

- The Department of Roads and Public Works assured us that, contractors were given jobs on construction of Maluti high school and Tholang. More than 50 job opportunities were created and SMMEs are immensely benefitting. Yes we are aware that a lot still needs to be done in this regard to improve this number.
- On provision of training, the municipality through the LED unit, in collaboration with ECDC conducted three - day training for Matatiele SMMEs on Financial Management. Amongst others, the training provided a platform for SMMEs to make effective and efficient use of resources to achieve objectives and fulfil commitments to stakeholders, further help them to be more accountable to donors and other stakeholders and give them advantage in competition for increasingly scarce resources.
- I am also pleased that the Municipality has significantly spent more than R25 478 805 (Twenty-Five Million Four Hundred & Seventy-Eight Thousand Eight Hundred & Five) portion of its 2016/17 financial year's

budget for youth empowerment programmes. This amount includes tenders awarded to the youth and the support towards young SMMEs & entrepreneurs.

- We have also done workshops to our local contractors after the new regulations from the National Treasury regarding procurement of goods and services.

Bahlali baseMatatiele,

Isebe elijongene nokhuseleko nezentlalakahle (SASSA) linikezele ngeenkonzozokutya kumakhaya angathathi ntweni kuba singurhulumente okhathalayo. Okukuncedisa ukulwa nendlala nokuqiniseka okokubasisondele kufuphi kwiphulo le "Zero hunger", namaxesha entlekele urhulumente angenelele. Ngamakhaya angaphaya kwe One Thousand Six Hundred aza kumxhamla kulonyaka-mali.

Izikolo ezikwezi Ward zindalelayo ziza kuxhamla kwiphulo lokunikezela ngesinxibo sesikolo: 1,3,4,6,7,8,11,12,13,15,21,23 nalapha eWard 24.

Kunyaka-mali odlulileyo u2017/18 kwintlobo ezohlukeneyo zezibonelelo zikarhulumente eziquka old age, permanent disability, temporal disability, grant in aid, foster child grant, child support, care dependency kunye ne social relief of distress kuxhamle abantu abangaphaya kwe Eighty Seven Thousand.

Baphulaphuli beAlfred Nzo

iSebe lakwa Social Development eMatatiele liqhubela phambili ukuncedisa iprojects ze Substance Abuse and

Rehabilitation Programme, Care and Support Services to Older Persons, Early Childhood Development, HIV & AIDS Programme, Child Care and Protection Services, Child Care and Protection Services, Victim Empowerment Programme, Care and Support to Families, People with Disabilities and Women Development.

Madame Speaker,

Our most pressing challenge is youth unemployment. It is therefore a matter of great urgency that we draw young minds in far greater numbers into productive economic activity.

Young people in Matatiele will be moved to the centre of our economic agenda. Working in partnership with business, organised labour and community representatives, we hope to create opportunities for young people to be exposed to the world of work through internships, apprenticeships, mentorship and entrepreneurship.

Honourable members,

Agriculture presents one of the greatest opportunities to significantly grow our economy and create jobs. Agriculture made the largest contribution, by a significant margin, to the improved growth of our economy in the second and third quarters of 2017.

This year, we will take decisive action to realise the enormous economic potential of agriculture.

LADIES AND GENTLEMEN

It gives me a great pleasure to table the Matatiele Local Municipality budget for 2018/2019 and two outer years of up to 2020/2021

It been prepared through ensuring that it complies with the requirements of the legislations like MFMA, MSA and relevant regulations, guides and additional circulars as issued by relevant departments like National Treasury.

At the core of the budget is the need for us, as this Council to meet our political mandate of providing quality services to the people of Matatiele. It is our mandate as this Council to ensure that, we provide access roads, provide electricity, clean and healthy environment, create conducive environment for investments, and we promote economic development.

If it was as per our wishes, all the needs of the people were going to be fulfilled with urgent speed but facing reality is that, for us to achieve all that, we require resources like money. It is a known fact that our country currently is facing difficulties on economy and as a result that reduced financial resources of the country.

As the municipality we have also been affected by these economic challenges and allocations to us have been reduced to fund other priorities of the country like free education.

During the budget preparation process, we have visited our communities in all our wards and many discussions were held. These discussions have showed us that, as much as we have been trying to provide services, but there

is still a lot expected and required from us. This makes life so difficult for us with the limitations we have in terms of our resources. Our budget to be tabled here today in total is R500 million but if you compare with the needs of our people that is insignificant because at least to make many happy we require a budget of about R1 billion. Where do we get that when our budget is funded 70% by national grants and only 30% from our own revenue generation?

Further to our own revenue generation, we have challenges as there is money that has not been fully recovered. This due to the culture of refusal to pay by our customers, so 30% is not guaranteed as towards adjustment budget might be adjusted down and resulting to our budget getting strained and becoming more dependent on grants.

Madam Speaker,

We have now prepared a budget which its Rates revenue has been based on the new General Valuation Roll to be implemented from the new financial year. This has created some difficulties to some members of the community who are rate payers.

As the Mayor I have tried to ensure that, the process is smooth and held engagements with relevant stakeholders on the matter so that we get common understanding but unfortunately we cannot do things with the ignorance of what the law requires. The Valuation Roll prepared and to be implemented is prepared by Professionals and is according to law, where people are dissatisfied law requirements to resolve such will have to be followed.

On our side as the municipality we have tried our best to ensure that, Value increase which will affect rate charges must be shocked absorbed through rebates and exemptions increases which will provide huge rates discounts. I have further instructed the Municipal Manager that there should be no increase on rate randage as was proposed 5% on the draft budget.

As you would recall honourable members, on the 28th March 2018, I tabled a draft budget of **R 505,797,719** total revenue, **R357, 312,021** on operating expenditure and **R143, 170,380** on capital expenditure. This is the budget we also consulted our communities about and the following comments were received from the community meetings held;

- The need for maintenance of access roads,
- The need for Electricity in other wards especially ward 22,
- The need for indigent support i.e. alternative energy,
- The need for water in other words,
- The need for storm water drains to be maintained,

No written comments were received from other stakeholders and public in relation to draft budget and reviewed budget related policies.

Written comments were received from Provincial Treasury and attended to on consideration of the final budget.

After consideration of comments received and final grants allocations, the draft budget which was tabled to this Council of R500 million was reduced by R26 million to R480 million.

These reductions were of the results of some of the factors I mentions above like Rates Rebates, Exemption increases and non-increase of rates randage which is R19 million to be for revenue forgone. Further reductions were as a result of both Capital and Operating grants reduced by R6, 8 million in total.

Madam Speaker, the total operating budget has decreased by **R19, 6 million** from the draft budget of **R357, million**, and this is due to reprioritisation that was done on operational projects as a cost containment measure.

The increase of the budget allocation for Finance and administration function is as a result of additional budget allocation for the construction of pound structure and palisade fencing for the pound. The capital budget has decreased by 1% overall from draft, this is due to the incorrect interpretation of the municipal infrastructure grants as allocated in the DORA.

Final Budget Madam Speaker is tabled as follows,

- The revenue is anticipated to be **R479, 696, 467** in the 2018/19 financial year. The adjusted budget for 2017/18 was R498, 929, 122. The decrease of R19, million from the adjustment budget is as a result of decreased allocation on the electrification grant and classification of income foregone.
- The property rates amount is calculated from the new valuation roll and amounts to **R35, 612,498** after taking into account income foregone of R19, 274,043 income foregone was classified as other expenditure on the previous budget but with Mscoa property rates are net of income foregone.

- Revenue from service charges represents 13% of the total revenue and remains the same in respect of the respective financial years of the MTREF.
- Other revenue for 2018/2019 financial year totalling to R1, 896,802 which represents less than 1% of the total revenue budget, this increase slightly throughout the MTREF.
- Operating grants and transfers totals to R215, 541,500 and represents a majority of 45% in the 2018/19 financial year and increases to R252, 960,300 in 2020/21.
- Capital grants and transfers totals to R142, 582,100 for the 2018/2019 financial year, this increases to R151, 929,700 in 2020/21.
- The equitable share allocation is appropriated to fund municipal delivery of services through day to day operations and strategic social development programs. This is also used to top up some funding of capital projects.
- Conditional capital grants (MIG & INEP) are appropriated to fund capital expenditure of roads construction, local economic development capital projects and electrification capital projects like rural electrification and sub-stations.
- Conditional operational grants (EPWP & FMG) are appropriated to fund expenditures relate to EPWP programs and financial reforms respectively as per grants stipulated conditions.
- Further to the above conditional grants, the municipality has also been allocated the library

management systems conditional grant by the Provincial Government as per provincial gazette.

- The budgeted allocation for employee related costs for the 2018/19 financial year totals R114, m which equals 34% per cent of the total operating expenditure.
- Based on the MFMA circular 91 three-year collective agreement has come to an end, the municipality has factored an increase of 8% until the municipality receive a new wage increase or agreement of finalization of the salary and wage collective agreement
- The cost associated with the remuneration of councillors totals to R20 Million and is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998
- Depreciation has been informed by the Municipality's Asset Management Policy. Budget appropriations in this regard total R15, million for the 2018/19 financial and equates to 6% per cent of the total operating expenditure.
- Bulk purchases relating to electricity amounts to R42, million and equates to 12% of the total operating budget.
- The budget allocation for contracted services amounts to R73, million and equates to 21% of the total operating budget.

- Repairs and maintenance budget amount to R12, 7 million and this represents 4% of the total operating budget.
- Other expenditure budget of R51 million comprises of various line items relating to the daily operations of the municipality, the budget allocation for this group of expenditure equates to 15% of the total operating budget.
- Contracted Services budget of R70,121,015 and equates to 21% of the total operating budget, included in this category of expenditure is
- The total capital expenditure for 2018/19 amounts to R142, million, 69% of this budget will be funded from national grants (MIG and INEP) and the municipality will fund 31% from its capital reserves.
- It should be noted that the capital budget has decreased from the adjustments budget of R 176, 2 million to R142, 082,100 due to decreased funding from the MIG and INEP grants as allocated in the DORA.

Honourable members,

The total budget amounts to **R479, 694,293** and increases to R 524,147,142 in 2020/21

Total revenue for the municipality has been decreased by 4% or R19, million for the 2018/19 financial year when compared to the 2017/18 Adjustments Budget. This is as a result of decreased allocation on the electrification grant and inclusion of revenue foregone as part of revenue, the latter was previously classified as other

expenditure. For the two outer years, total revenue will increase by 5% and 4% respectively.

Tariff increases

On Property Rates: Municipal tariff of charges will be increased to raise revenue for funding of the budget as an addition to grants received from both National and Provincial governments as follows,

Property rates will not increase in terms of rate randage charge. The same rate randage charged in 2017/2018 will be used to raise rates revenue. As stated above honourable Council members, Rate discounts in a form of exemptions and rebates will be increased as follows,

Exemptions will be increased from R55 0000 To R65 000

Rebates will be increased from 35% to 40% for residential properties, from 10% to 15% for business, government and industrial properties (no exemption), and from 65% to 70% for agricultural/farm properties. Madam Speaker, this will provide shock absorbers on the issue of Property Values increases due to the new General Valuations Roll.

On Electricity: as per advice from National Treasury based on depending on NERSA approval, municipal electricity will increase by 6.84%.

On Refuse Removal: Currently this municipality is required to provide health and clean environment as the service for every household more particularly in urban

settlements. Such services should not only focus in urban settlements but also in rural settlements. Something needs to be done to provide clean and healthy environment through waste management - whether community awareness programs or pilot projects. Honorable members that cannot be achieved without financial and other required resources.

Providing this service in the urban settlements currently is done at a loss as there is no surplus being realized and not even a break even can be achieved. As per local government principles, this service should be provided at least at a break even, this means what we spend on providing service must be recovered. This calls for review of our tariff structure in future and ensure phasing in approach. For this proposed budget, the refuse removal charges will be increased below inflation at 5%.

On other charges: Other municipal charges relating to utilization of municipal services, hall hire fees, municipal other charges will also be increased by 5%.

On Budget related policies: The following policies have been reviewed during budget preparation process and subjected to public and stakeholder's comments through public notice and no comments were received,

- Appointment of consultants' policy,
- Banking and investments policy,
- Budget policy,
- Cash management policy,
- Credit control and debt collection policy,
- Customer care policy,
- Customer incentive scheme policy,
- Debt capacity policy,

- Donor finance policy,
- Electricity token policy,
- Grants & donation policy,
- GRAP framework policy,
- Indigent Policy,
- Cash-up Policy,
- Fixed Assets Policy,
- Fleet Management Policy,
- Payment Policy,
- Petty Cash Policy,
- Property Rates Policy,
- Special Services Policy,
- Strategy to improve Debtor policy,
- Supply Chain Management Policy,
- Tariff Policy,
- Use of Credit Card Policy and
- Virement Policy.
- Impairment and write-off policy
- Infrastructure procurement and delivery management policy.

Madam Speaker, we are of the view that the above policies will provide this Municipality with the guide on how to run day to day operations and its implementation and monitoring. Thorough oversight will be the important thing to do by relevant structures so to prevent non-compliances.

In tabling the 2018/2019 and outer years 2019/2020 to 2021, allow me Madam Speaker to explain it as follows,

Revenue budget of R479, 696, 467 composed of R122, 072, 867 council revenue, R215, 541, 500

operating grants, R142, 082, 100 capital grants and R43, 646, 600 council reserves for Capital Replacement Reserves easily termed hear as CRR. For two outer years of R511, 790, 511 - 2019/2020 and R372, 217, 442 - 2020/2021.

Expenditure operating budget of R337, 612, 192

composed of Salaries of R114, 330, 466, Councillors Remuneration of R20, 227, 230, Repairs and Maintenance of R12, 710, 015, Electricity purchases of R42, 000, 000 and other general expenditure items including contracts, special programs, day to day operations of R148, 344, 481. For two outer years of R354, 492, 802 - 2019/2020 and R372, 217, 442 - 2020/2021.

Capital expenditure budget of R142, 082, 100

funded by grants of R98, 435, 500 and CRR of R43, 646, 600. For two outer years of R149, 363, 750 - 2019/2020 and R151, 929, 700 - 2020/2021.

As I conclude, Mandiphinde nakulo unyaka ndithabathe elithuba Somlomo, ndicele kumalungu abekekileyo noluntu ngokubanzi, ukwenza isicelo sokuba sixhasane ekuziseni inguqu kubantu bakowethu.

To my executive members remember, you are the pillar when it comes to ensuring that things happen in our municipality. Honourable councillors, your dedication when it comes to the attendance of community meeting to explain budgets proposed by the municipality, has been noticed with gratitude.

Kubahlali kuloMaspala waseMatatiele, siyabulela ngokusiboleka iindlebe, xa simana ukuza kuni sizobeka imingeni esijongene nayo singumaspala. Sibamba ngazo zozibini nakubantu abathe bazixhamla ngokusinika izimvo zabo besebenzisa amakhasi ethu onxibelelwano. To our Municipal Manager and his Management Team and staff, thank you for ensuring compliance and compiling of this budget.

Baphulaphuli beAlfred Nzo Community Radio, uMongameli weli loMzantsi Afrika uCyril Ramaphosa kwintetho yakhe yokuvula iPalamente he said and I quote "We are determined that everyone in public service should undertake their responsibilities with efficiency, diligence and integrity. We want to instil a new discipline, to do things correctly, to do them completely and to do them timeously," close quote.

He went on to say a new dawn is upon us and it is time for all of us to say "Send Me" / Thuma Mina. "Now is the time to lend a hand, our country has entered a period of change, together we are going to make history, he said.

In spite of the challenges that we are facing as Matatiele Local Municipality, including the state of roads, electricity, potholes and refuse removal we are today saying a new dawn has come and we will indeed take necessary measures to ensure that today is better than yesterday and tomorrow will be better than today. Now is the time for all of us to work together, in honour of Nelson Mandela, to build a new and better Matatiele for all.

I therefore Madam Speaker and honourable members table for approval the budget for 2018/2019 and two outer years as presented to you above and I hope this will help

this municipality to provide services to be provided to our citizens.

I thank you

