



MATATIELE

LOCAL MUNICIPALITY

COMMUNITY BUDGET OUTREACH PROGRAMME

DRAFT BUDGET 2020/21-2022/23

14-17 APRIL 2020

BUDGET OUTREACH PROGRAMME 2020/21

BACKGROUND AND PURPOSE OF THE BUDGET OUTREACH

BACKGROUND

- In terms of section 16 (2) of the Municipal Finance Management Act, the municipality is required to table a draft budget for each financial year,
- In terms of section 23 (1) of the Municipal Finance Management Act, once the draft budget has been tabled to council, the municipal council must consider the views of –
 - (a) Local community,
 - (b) National and relevant Provincial Treasury and other stakeholders.
- The municipality's draft budget for 2020/21 – 2022/23 was tabled by council on the 26th March 2020.

PURPOSE OF THE OUTREACH

- To present the tabled draft budget for the 2020/21 budget year.
- To invite the community to comment on the tabled budget 2020/21 budget year.
- To present the planned special programmes for 2020/21 budget year.
- To present the planned Local Economic Development & Tourism programmes for 2020/21 budget year.

TABLED BUDGET 2020/2021-2022-23

TABLED OPERATING REVENUE BUDGET 2020/21-2022-23

Description	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework			
	Original Budget	Adjusted Budget	Budget Year 2020/21	% ALLOCATION	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand						
Revenue By Source						
Property rates	44 100 000	44 100 001	48 190 008	9%	50 599 500	53 129 472
Service charges - electricity revenue	53 290 802	53 286 802	53 290 800	10%	59 871 192	63 055 248
Service charges - refuse revenue	14 786 444	14 790 444	15 525 768	3%	16 302 060	17 117 160
Rental of facilities and equipment	1 700 000	815 000	500 004	0%	525 000	551 256
Interest earned - external investments	13 000 000	13 000 000	14 649 996	3%	15 382 500	16 151 628
Interest earned - outstanding debtors	10 224 923	11 236 924	11 798 772	2%	12 388 704	13 008 144
Fines, penalties and forfeits	2 093 696	2 243 696	2 093 700	0%	2 198 376	2 308 308
Licences and permits	4 524 684	4 534 684	4 524 696	1%	4 750 932	4 988 484
Transfers and subsidies-Operational	242 898 750	240 436 000	256 212 000	50%	264 014 160	277 129 860
Transfers and subsidies-Capital	117 059 250	119 522 002	101 526 996	20%	127 554 000	135 921 996
Other revenue	1 673 000	2 159 000	1 608 024	0%	1 688 412	1 772 844
Total Revenue (Including capital transfers and contributions)	505 351 549	506 124 553	509 920 764	100%	555 274 836	585 134 400

Remarks

- The municipality's revenue budget is anticipated to be R 509,9 million for the year 2020/21.
- 70% of this revenue is from national and provincial grants that the municipality is allocated to receive.
- 30% of this revenue is from the municipality's own revenue including property rates, electricity sales, refuse removal and interest on investments made.

TABLED OPERATING EXPENDITURE BUDGET 2020/21-2022-23

Description	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework			
R thousand	Original Budget	Adjusted Budget	Budget Year 2020/21	% ALLOCATION	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type						
Employee related costs	120 607 804	122 505 193	125 230 692	31%	131 492 340	138 066 936
Remuneration of councillors	22 763 488	22 795 323	20 717 052	5%	21 752 916	22 840 548
Debt impairment	5 500 000	4 000 000	5 000 004	1%	5 250 000	5 512 500
Depreciation & asset impairment	30 447 764	30 447 764	33 110 004	8%	34 765 500	36 503 796
Bulk purchases	47 900 000	47 900 000	48 000 000	12%	50 400 000	52 920 000
Other materials	4 631 500	6 014 500	5 191 512	1%	5 451 072	5 723 640
Contracted services	88 322 925	94 209 893	101 848 992	25%	106 941 444	112 288 476
Other expenditure	68 118 647	61 192 455	69 294 624	17%	72 759 408	76 397 352
Total Expenditure	388 292 128	389 065 128	408 392 880	100%	428 812 680	450 253 248

Remarks

- The municipality's operating budget is anticipated to be R 408,3 million for the year 2020/21, this budget includes the day to day expenditure.
- 31% of the operating budget relates to employee related costs,
- 25% of the operating budget relates to contracted services as follows:

Repairs and Maintenance

REGION	PROJECT	DRAFT BUDGET 2020/21
WARD 19	Operation and Maintenance of Landfill site	3 450 000
WARD 19	Maintenance of Public toilets	750 000
ALL WARDS	Maintenance of Buildings & Community Halls	1 430 000
WARD 19	Maintenance of Swimming Pool	450 000
ALL WARDS	Expanded Public Works Programme (Road Maintenance)	6 997 992
ALL WARDS	Maintenance of Machinery & Equipment	3 835 000
WARD 1, 19, 20 and 26	Clearing & Grass Cutting	3 600 000
WARD 1, 19, 20 and 26	Solid waste and Refuse removal	5 100 000
		25 612 992

- An amount of R25,6 million is planned to be spent on repairs and maintenance of buildings and facilities including public toilets, community halls, swimming pool, grass cutting and refuse removal.
- As part of repairs and maintenance the municipality has the expanded public works programme that is running in all wards, in the current year 418 job opportunities were

created through this programme and this number is planned to increase to 430 in the next financial year.

- The municipality targets to employ the groups as follows;
 - ✓ Females 60%
 - ✓ Youth 55%
 - ✓ Disabled 2%

LOCAL ECONOMIC DEVELOPMENT PROJECTS

SMME Development

- Through its Local Economic Development Unit, the municipality has been conducting trainings to SMMEs and emerging contractors in various disciplines with the objective of upskilling and reskilling the SMMEs to make them attractive in the market. Trainings that are conducted to these SMMEs are those that are on demand in the market and to the projects that the Municipality is targeting especially in Agriculture, Tourism, Infrastructure and Community Services, and those that enhance production and job creation.
- During 2019/20 Financial Year the following trainings were conducted to these SMMEs: Animal Production, Waste Management and Supply Chain Management processes, Basic Project Management and Plant Production.
- A total number of 120 SMMEs were trained.

Cropping Programme/Household Food Security Programme:

- A pilot programme on cropping was initiated in four wards (9,18,21 and 22) and 53 hectares were covered by this programme wherein grain crops were planted.
- Also in the same wards two thousand (2000) seedlings were delivered to be planted in the households for food security.

Livestock Improvement Programme:

- Four hundred (400) Sheep and four hundred (400) Cattle were dosed and vaccinated in ward 12 and ward 17, this programme was also initiated as a pilot programme.

For the next financial year, the municipality has put aside a budget of an amount of R7, million for the following;

REGION	Project Description	Draft Budget 2020/21
All ward	Cash Scopping Programme	500 000
All Wards	Tourism Events	4 295 000
All Wards	LED support Programme	1 650 000
All Wards	Youth Empowerment	600 000
		7 045 000

SPECIAL PROGRAMMES

Skills empowerment for youth

- Matatiele Local Municipality, through its skills empowerment programme has since 2013/2014 financial year enrolled close to **Five Hundred students** at universities and other institutions of higher learning across the country.
- This, in an effort to reduce unemployment, whilst ensuring young people contribute towards growing the economy of Matatiele and that of the country at large.
- 38 students from Matatiele have been assisted with registrations to university in for the 2019.

For the 2020/21 budget, the municipality has put aside R2,9 million for special programmes and skills development for youth as follows;

REGION	PROGRAMME	DRAFT BUDGET 2020/21
All Wards	Bursary Programme	500 000
All Wards	Youth entrepreneurship Programme	600 000
All Wards	Sports, Arts and Culture Programmes	1 100 000
All Wards	HIV/AIDS , Elderly ,gender affairs and disability support	730 000
		2 930 000

INDIGENT SUPPORT

The municipality currently supports 16 109 indigent beneficiaries through the following services;

- Rates
- Refuse removal
- Electricity
 - ESKOM; and
 - Municipal Electricity
- Alternative energy
- Solar maintenance
- Gas (two burner stoves and 3 kg cylinders)

The indigent support programme is ongoing, a budget of R31,3 million has been set aside for the 2020/21 budget year.

Registration of beneficiaries

- Application period is open until the end of December 2020.
- Only applicants who are not in the current register are required to apply.
- Application forms will be available at municipal offices, through ward councillors, and or WSAs.
- Assistance with completion to be provided by the municipal officials at the indigent office, WSA and CDWs

DRAFT CAPITAL BUDGET 2020/20-2022/23

Included in the capital budget is the construction of roads, bridges, sport fields, electrification in rural areas and construction of municipal buildings and facilities

Vote Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Executive and council	3 000 000	3 150 000	-
Finance and Admin	1 528 500	1 575 000	1 653 756
Corporate	3 130 008	1 522 500	1 598 640
Development and Planning	66 424 200	73 481 760	77 517 132
Community	6 189 996	6 732 300	5 287 296
Infrastructure	74 040 996	82 480 020	88 233 012
Internal Audit	-	-	-
Total Capital Expenditure	154 313 700	168 941 580	174 289 836

Remarks

- The total capital budget for 2020/21 is anticipated to amount to R154,3 million as indicated above.

Electrification Projects

- In the 2019/2020 financial year, the municipality will complete the following electricity connections in various wards;

Region / Ward	Project Name		FUNDING SOURCE	Budget and Projected Connections
Ward 7	Mngeni	Budget	INEP	11 970 000
		Connections		570
Ward 5	Lufefeni	Budget	INEP	9 095 080
		Connections		380
Ward 9	Makhoba	Budget	INEP	10 373 000
		Connections		451
Ward 13	Mohapi #2	Budget	INEP	5 713 920
		Connections		290
Ward 18	Qili	Budget	INEP	8 404 000
		Connections		382
Ward 26	Shenxa	Budget	INEP	9 416 000
		Connections		428
Ward 22	Zitapile	Budget	INEP	6 090 000
		Connections		295
Ward 4	Sehlabeng	Budget	INEP	8 170 000
		Connections		300
	Municipal Total	Total Budget		70 177 000
		Total Connections		3 141

- The planned electrification projects for the next financial year (2020/2021 MTERF) are budgeted at R 58,2 million follows;

PROJECT DESCRIPTION	REGION /WARD	FUNDING SOURCE	BUDGET 2020/2021
Hillside –Manzi (320)	7	INEP	5 975 000
Sifolweni (155)	7	INEP	3 565 000
Ngcwengana (147)	7	INEP	3 381 000
Mbombo (390)	9	INEP	8 970 000
Mnyamaneni (Kesa, Sdakeni) –(400)	18	INEP	9 200 000
Shenxa	26	INEP	6 400 000
Mohapi #2	13	INEP	3 600 000
Small Location-Mpofini (500)	22	INEP	11 500 000
Transformers	19& 20	CRR	800 000
50 x Electrical Poles	19	CRR	150 000
Substation Switch Gears	19	CRR	1 500 000
Installation of High Mast Lights & Street lights	19	CRR	2 500 000
Christmas Lights	19	CRR	250 000
Furniture	19	CRR	150 000
1500m MV Paper Cable	19	CRR	300 000
			58 241 000

Road Infrastructure and Sports Facilities

In the 2019/2020 financial year, the municipality had a budget of R54,8 million for planning and constructing the following projects;

Project Name	Ward	FUNDING SOURCE	BUDGET 2019/2020	Project status
Mabheleni Bridge	21	MIG	960 000	Project is on retention stage
Matatiele Sports Centre	20	MIG	7 204 244	Project is on construction stage at 53%
Matatiele Internal Streets(CBD) Phase 2	19	MIG	11 575 766	Project is on construction stage at 75%
Ngcwengane Bridge	7	MIG	3 030 921	Project is on construction stage at 50%
Freystata Bridges	15	MIG	4 059 720	Project is on construction stage at 85%
Nomgavu Bridge	18	MIG	3 288 031	Project is on retention stage
Cedarville Sport Centre	26	MIG/CRR	6 045 678	Project is on construction stage at 90%
Lagrange Pedestrian Bridge	7	MIG	125 000	Project is on construction stage at 65%
Maralakeng AR	2	CRR	2 466 449	Project is on construction stage at 40%
Magongqolweni AR	10	MIG	750 000	Project is on planning stage
Nkasela AR	9	CRR	1 000 000	Project is on tender stage
Mohapi AR and Bridges	13	CRR	1 000 000	Project is on planning stage
Mdeni - Manzi AR	7	CRR	2 900 000	Project is on construction stage at 60%
Purutle - Moyeni AR and Bridges	24	CRR	1 500 000	Project is on planning stage
Moiketsi AR	14	CRR	1 000 000	Project is on construction stage at 10%
Mkhemane AR	22	CRR	1 500 000	Project is on construction stage at 10%
Mahangu AR and Bridge	9	MIG	1 000 000	Project is on design stage
Maluti Internal Streets-Phase 4	1	MIG	3 237 891	Project is on construction stage at 40%
Cedarville Internal Streets-Phase 3	26	MIG	1 715 000	Project is on tender stage
Harry Gwala Internal Streets	20	CRR	500 000	Project is on planning stage
			54 858 700	

The following projects will be planned and constructed for the 2020/2021 MTERF financial year;

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	FUNDING SOURCE	BUDGET 2020/2021
Maluti Internal Streets -Phase 4	Upgrade	1	MIG	21 981 393
Matatiele CBD Internal Streets -Phase 2	Upgrade	19	MIG	5 492 032
Cedarville Internal Roads –Phase 3	Upgrade	26	MIG	11 245 000
Matatiele CBD Internal Streets -Phase 3	Upgrade	19	MIG	1 690 774
Cedarville Sport Center	New	26	CRR	975 000
Extension of Matatiele Sport Center	New	20	MIG	4 700 000
Freystata Bridge	New	15	MIG	920 000
Ngcwengane Bridge	New	7	MIG	460 000
Lagrange Pedestrian Bridge	New	7	CRR	480 000
Nkasela Access Road	New	4	CRR	8 000 000
Moiketsi Access Road	New	14	CRR	2 500 000
Mkhemane Access Road	New	22	CRR	6 000 000
Masakala AR	New	3	CRR	1 500 000
				65 944 200

Community and Environment projects

The following projects are planned to be completed in the current 2019/2020 financial year;

PROJECT DESCRIPTION	REGION /WARD	FUNDING SOURCE	BUDGET 2019/2020
Refurbishment of Netball Court	19	CRR	100 000
MUSEUM ARTIFACTS (GRANT)	admin	CRR	80 000
Commonage Fencing	19	CRR	200 000
PREFABRICATED OFFICES	admin	CRR	130 000
			510 000

The following projects have been included on the budget for community and environmental services for 2020/21 budget year;

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	BUDGET 2020/2021
Halls Cleaning Machinery Gear & Machinery	UPGRADE	200 000
Netball Court	UPGRADE	50 000
Open ground fencing	UPGRADE	200 000
Construction of new blocks of public toilets	NEW	700 000
Procure Jojo tanks	NEW	150 000
Roadmarking Machine	New	200 000
Traffic Signals (Robots)	Upgrade	1 200 000
weigh bridge	New	1 000 000
Landfill site remediation	Upgrade	400 000
cemetery development	New	1 000 000
Upgrade of landfill site & nature reserve	Upgrade	200 000
Security guard houses at cemetery & nature reserve	New	100 000
Hawker Stalls		450 000
		5 850 000

Human settlements and building control

The following projects have been included on the budget for 2020/21

PROJECT DESCRIPTION	REGION /WARD	FUNDING SOURCE	BUDGET 2020/2021
Completion of Council Chamber & Offices	ADMIN	CRR	13 000 000
Renovation of Municipal Sores	ADMIN	CRR	800 000
Pound Structure	ADMIN	CRR	2 000 000
			31 600 000

TOTAL DRAFT BUDGET 2020/21-2022/23

The draft total budget for the municipality amounts to R562,7 million as follows;

Vote Description	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total operating Expenditure	408 392 880	428 812 680	450 253 248
Total Capital Expenditure	154 313 700	168 941 580	174 289 836
	562 706 580	597 754 260	624 543 084

PROPERTY RATES AND TARIFFS

- Property rates tariff increase of 5% and first R65 000 property values as exemption,
 - ✓ 40% rebates on all residential properties,
 - ✓ 15% rebates on all commercial and government properties,
 - ✓ 70% on farm properties, 15% rebates on industrial properties and
 - ✓ 100% rebates to all municipal properties.
- Proposed refuse tariff increase of 7%.
- Electricity tariff increase between 9 – 14% subject to approval by NERSA.
- A fee of R70 will be charged for electricity reconnection.

Closing Remarks

All stakeholders: Members of the community of Matatiele, government institutions and Civil society organisations are invited to get copies of the Draft IDP and Draft budget from the municipal website, all municipal offices.

Written comments on the draft budget should be submitted on or before the 5th May 2020.

The municipal website is www.matatiele.gov.za
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Thank you.