

**ADDRESS BY HER WORSHIP THE EXECUTIVE MAYOR OF THE CITY OF MATLOSANA
CLLR MAETU KGAILE AT THE TABLING OF THE 2019/20 SPECIAL ADJUSTMENT
BUDGET DELIVERED IN THE COUNCIL CHAMBER ON 05 DECEMBER 2019**

Honourable Speaker, Cllr Washington Ntozini

Single Whip Cllr Vusi Chinga

MPAC Chairperson Cllr SPJ Bogatsu

Members of the Mayoral Committee

Fellow Councillors

Municipal Manager

Acting Chief Financial Officer & All other Directors

Our Municipal Officials

Sector Departments

Leaders of political parties

Leaders of our Business Sector

Organised Labour

Religious leaders

NGO's & CBO's

Community members

Media houses present

Distinguished guests

We meet just a week since the launch of our National Disability Awareness month and during 16 Days of Activism for No Violence Against Women and Children which runs every year from 26 November to 10 December each year.

Importantly, our city Matlosana has been selected to host this year's World Aids Day celebrations to be attended by among others the Deputy President, the National Minister and MEC of Health and our Premier at the James Motlatsi Stadium in Orkney.

Turning to the main business of the day, we gather here as councillors of Matlosana to execute one of the critical tasks

entrusted upon us namely to ensure prudent financial management and sound governance of our municipality in a manner that enables the effective and sustainable delivery of basic services to our people and their all-round socio-economic development.

Honourable Speaker

After the approval of the 2019/20 Medium Term Revenue and Expenditure Frame budget on 30 May 2019, our municipality received a letter from the National Treasury on the FAILURE TO ADOPT A FUNDED BUDGET FOR THE 2019/20 FINANCIAL YEAR AND CORRECTIVE MEASURES TO FOLLOW. As a result, the City of Matlosana is required to table a funded budget by not later than today 06 December 2019.

To give effect to this, the Municipal Manager of the City of Matlosana Mr TRS Nkhumise engaged with the Provincial Treasury on the possible way forward. As per the advice from Provincial Treasury, the municipality have cut expenditure with R120 million rand and align some revenue items to the outcome of the 2018/19 Annual Financial Statements that is currently under review.

This resulted in the municipality reducing the non-cash deficit on the current approved budget from R 347,95 million to the proposed adjustment of R 80,52 million.

In terms of the budget funding it will reduce the current cash funded deficit from R 756. 61 million to a funded adjustment budget of R 5.36 million.

On the 11 November 2019 the special adjustment was tabled and approved by council.

However, the Provincial Treasury (PT) did not agree with the budget assumptions that was used by the municipality. A collection rate of 75% was used and the 2017/18 audited annual financial statements(AFS) PT want the municipality to work on 70% collection and the unaudited 2018/19 AFS.

Council therefore needs to pass again a special adjustment budget as per the Municipal Budget and Reporting Regulations, as set out in the attached documents.

This means our approved 2019/20 Service Delivery Budget Implementation Plan or SDBIP also need to be aligned.

Challenges on how to maintain a funded budget

Honourable Speaker allow me to state just few challenges faced by our City in this regard

- 1). Some of our community members are not paying for the services rendered by this municipality in particular some in the business sector**
- 2). The direct servicing of our townships by ESKOM with electricity results in us not being able to collect enough revenue as expected**
- 3). The high Unemployment rate within our city remains a matter of concern to us as a municipality, thus impacting on the ability by some of our people to pay their dues**
- 4). Related to the above factor is the unfortunate closure of the mines which used to provide the necessary revenue base for our city.**

What is to Be Done

As part of providing a solution to the deepening crisis of a declining revenue in this city, we have come up with an innovative programme called "TIMA LIGHTA" which is so far working so well such that we are beginning to see the desired results.

We must congratulate our MMC for Finance Cllr Farouk Tagaree and his dedicated team at our Treasury Department for their sterling job in this regard. But in order for this particular campaign to be even more effective, we need to invest the requisite human capital to maintain and sustain it.

Secondly, we must consider ways and means of better positioning our Traffic Department and its enforcement function for better and increased revenue collection. More effort needs to be undertaken in this instance.

Lastly but not the least, we need to find ways and means of utilising the city's rental housing stock for effective revenue purposes, acting in collaboration with the North West Department of Local Government and Housing.

Honourable councillors and Fellow Residents

Even though our Budget is being cut with R120 million we are forced to share it amongst all the Departments within our City in a manner that will not comprise Service delivery within our communities.

In Sesotho we say - "Bana ba motho ba kgaohanya hlooho ya tsie"

We must learn and adapt swiftly into a new corporate culture that will enable us to do more with less. Wastage of limited public resources is what our municipality and the rest of our democratic government cannot afford as emphasised by Finance Minister Mr Tito Mboweni in his recent Mid-term budget speech to parliament.

Mr Speaker

Allow me to send words of gratitude to all councillors sitting here today and officials for ensuring that this Budget Tabling becomes a success.

A BIG UP to all the hardworking officials of our municipality, in particular the Budget and Treasury Department as well as the dedicated staff from my office for crunching the figures together in producing the product of the adjusted budget we are presenting to this Council today.

In conclusion, let me also thank my family for giving me their love and support without which I would not be able to operate in this demanding responsibility as a politician and the Executive Mayor of our great city, the CITY OF PEOPLE ON THE MOVE

Thank you very much

Key a leboha

Baie Dankie

Enkosi!!!