

PART 1 - ADJUSTMENT BUDGET

1. EXECUTIVE MAYOR'S REPORT

ADDRESS BY HER WORSHIP THE EXECUTIVE MAYOR OF THE CITY OF MATLOSANA
CLLR MAETU KGAILE AT THE TABLING OF THE 2019/20 ADJUSTMENT BUDGET
DELIVERED IN THE COUNCIL CHAMBER ON 28 FEBRUARY 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

Ladies and Gentlemen

Good Morning

Honourable Speaker allow, we gather here as councillors of Matlosana to execute one of the critical tasks entrusted upon us by our community.

Honourable Speaker, After the approval of the 2019/20 Budget on 30 May 2019, our municipality received a two letter from the National Treasury on the FAILURE TO ADOPT A FUNDED BUDGET FOR THE 2019/20 FINANCIAL YEAR AND CORRECTIVE MEASURES TO FOLLOW. Subsequently, the City of Matlosana have tabled two adjustment budgets during November and December 2019.

As per the advice from Provincial Treasury, the municipality must cut expenditure with R120 million rand and align some revenue items to the outcome of the 2018/19 Annual Financial Statements and the 2019/20 Mid-Year Budget & Performance Assessment.

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 2. 65 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 7. 96 million.

Council therefore needs to pass 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.

Will keep on implementing the innovative and initiatives programme to address the identified challenges:

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 "Operational Khoka" which is so far working so well such that we are beginning to see the desired results.

We must congratulate our MMC 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 compromise 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.

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

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