

**MTREF BUDGET SPEECH 2021/2022 – 2022/23 DELIVERED BY EXECUTIVE MAYOR HON. CLLR MAETU KGAILE ON MONDAY 31 MAY 2021 ON VIRTUAL PLATFORM**

Council Speaker Hon. Cllr Washington Ntozini

Acting Single Whip (Cllr Khaya Ndincede )

Honourable Councillors

Municipal Manager Mr Roger Nkhumise

Directors and Senior Officials

Ladies and Gentlemen

We meet today in this Council meeting on the last day of Africa Month, the month dedicated towards celebrating the unity, liberation and heritage of the our Continent – Mother Africa.

This year African Month is celebrated in our country under the theme: ***"The year of Arts, Culture and Heritage in the year of Charlotte Maxeke.***

This year is the second time that we present our budget under Covid-19 conditions and that's why this meeting is held on virtual platform.

I must upfront make it clear that COVID-19 will certainly have an effect on the funding, sustainability and credibility of the budget in the long run and currently we don't know what the full impact will be.

The state of the economy continues to have an adverse effect on the consumers of the City of Matlosana in the 2021/22 financial year. As a result, the municipal revenue and cash flow remain under pressure.

Therefore, the application of sound financial management principles for the compilation of the City of Matlosana's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

Consistent with our legal framework, we tabled our budget in line with Section 16 (1)(2) of the Municipal Finance Management Act No. 56 of 2003 which requires the municipal council to consider the annual budget at least 90 days before the start of the budget year. So today we present the final budget for your approval honourable councillors.

The Medium Term Revenue and Expenditure Framework Budget is submitted in terms of the Municipal Budget Reporting Regulation (MBRR).

The City will continue with efforts to enhance revenue so that we are able to continue rendering the necessary basic services to all our people in Matlosana.

However, more needs to be done to ensure the sustainability of the municipality as the Auditor General has expressed itself over the going concern matter of the municipality.

Needless to say, the budget we are presenting today is based on our recently approved adjustment budget.

Public consultations were held taking into considerations the COVID-19 regulations. In this instance, I as Executive Mayor and the relevant MMCs had the opportunity to address our residents through local radio platforms. The public was also given an opportunity to use our pay-points to make inputs or via our website and social media platforms of the City of Matlosana.

The budget we present here today is underpinned by the following:

1. Tariffs will increase as follows: Basic charges and other tariffs on average 6 %base on the inflation projections of National Treasury as per MFMA Circular 108.  
However tariffs for electricity consumption will increase with 14.59% subject to NERSA approval and 8% for water consumption and refuse removal 20% to make it more cost reflective.
2. Unfortunately we need to raise tariffs even in this difficult times, as we need to factor in the increases of our bulk service providers and the current salary arrangement that is in place till June 2021.
3. We budgeted for a collection rate of 70 percent. We need to do everything possible to maintain or increase this rate, or we will not be sustainable. We also need to explore new revenue sources and maintain the once we already have.
4. Since we are a caring government, the provision for our indigent people will also increase.

Operational budget for 2021/22

- Our Projected Revenue is R 3.53 Billion

- Expenditure is R 3. 69 Billion
- Capital is R 167.63 million
- And our Surplus is R 6.4 million (None Cash surplus)

The total amount received from government grants is as follows:

Operational grants: R 494.84 million

Capital grants: R 167.63 million

The budget that we table is **NOT** cash funded as indicated by table A7 & A8 in the budget document.

(Mainly because of the high amount of outstanding creditors)

The council need to adopt a financial recovery plan to address the unfunded position with clear targets set out in the SDBIP to monitor the progress.

In preparing this budget, the comments or inputs of the National & Provincial Treasury and COGTA during the 2021/22 BUDGET ASSESSMENT on the 29 April 2021 and those of the public were taken into consideration in preparing this budget.

Mr Speaker and Honourable Councillors, I have the honour to present to you the 2021/22 MTREF Budget of the City of Matlosana which is geared towards meeting the developmental and service delivery needs of the people of Matlosana.

I thank you.