

Mayor's Report

In his State of the Province Address on the 15th February 2019, Premier Phumulo Masualle echoed that we should honour 30 day payment period to our SMMEs and other businesses as this will help grow these business and other economic activities within the province.

In this IDP and Budget I want to emphasize that, we cannot expect to do the same old things and expect different results. We need to improve the way we do things for the betterment of our communities. We need to utilize our limited resources efficiently and prioritize properly. We are now entering our 4th year of the five year IDP that was approved in 2016/17 to end in 2022. The preparation of this budget has taken into account the guidance of Circular 93 and 94. We have observed that the municipality is struggling in terms of generating revenue from its own revenue sources. The key focus areas for the 2019/20 budget process have been the grants allocations, continued compliance with the Municipal Standard Charts of Accounts (mSCOA) and training of municipal officials on the mSCOA. The municipality has now fully implemented mSCOA starting from budgeting up to reporting.

In the past couple of years the world economy has gone through its deepest recession with the country being downgraded in junk status by the rating agencies. Economists have already cautioned of a recession, but of course that is still under speculation. Mbashe Local Municipality is no way immune to the harsh economic realities associated with the recession and the downgrading. Therefore we must be very conservative in utilizing our resources. The municipality is undergoing some very tough economic conditions. Among the impacts are the serious cash flow challenges currently being experienced by the municipality due to among other things declining collection rates; historic expenditure patterns and a general lack of doing business smarter and accelerating service delivery.

Central to the NDP, is the commitment to reduce poverty and unemployment. Mbashe Local Municipality is one of the areas with high unemployment and illiteracy rate. There is also a high infrastructure back log. This means out of our total budget of more than R366m for 2019/20 and R370m, R375m for 2020/21 and 2021/22 respectively we must create an environment for job opportunities and partner with businesses.

Premier of the Eastern Cape said in his State of the Province address, "Our success moving into the new term of government will be determined by the active participation and involvement of citizens of this Province in the programs of government. We cannot be spectators in the struggle for our own emancipation".

Portfolio heads in this cluster which is service delivery are full time and should make sure that there will be no roll overs. It is no secret that in the last two years we have not done well in service delivery which is our core function, but to say the least there was great improvement during the 2018/19 financial year, but there is still room for more improvement.

As way of creating sustainable jobs the municipality is in the process of filling all vacancies that exist in our organogram in the next three years. For personnel cost we have budgeted an amount of R146m for the 2019/20 financial year. Portfolio head for HR and Administration should lead in making sure that working conditions are improved.

We have budgeted more than R13m under good governance in order to improve oversight and accountability. We have oversight committees that are doing well like Audit Committee, Performance Audit Committee and Municipal Public Accounts Committee. These committees should always be objections and provide advices to Council and not does a witch hunt.

One of our strength in Mbhashe is on agriculture and farming. Hence we intend to review our LED strategy in order to be able to coordinate all the resources in reducing poverty and unemployment.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within Mbhashe Municipality.

Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

I thank you