



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

**REMARKS BY MEC OF FINANCE HON NOMUSA DUBE-NCUBE AT
A MEETING WITH EMADLANGENI LOCAL MUNICIPALITY COUNCIL
TO COMMUNICATE THE EXECUTIVE COUNCIL DECISION, KZN
TREASURY MINISTRY BOARDROOM, PMB**

TUESDAY 03 AUGUST 2021



MS. NOMUSA DUBE-NCUBE

MEC: FINANCE

MEC for KZN Co-operative Governance and Traditional Affairs; Hon S Hlomuka

Acting Head of Provincial Treasury, Ms Neli Shezi

KZN Co-Operative Governance and Traditional Affairs; Mr Thando Tubane

Your Worship, the Mayor, Cllr YL Mhlungu

Her Worship Deputy Mayor; Cllr Nontsikelelo Ndlovu

Speaker; Cllr ZH Madi

Exco members

The Municipal Manager; Mr LCT Nkosi

Officials of Provincial Treasury and KZN CoGTA

I greet you all,

It is with a mixed bag of feeling that we had to convene meeting today following a tumultuous time we all ha had to endure in the past few months.

It has always been my contention that the sphere of local government is the state's backbone of service delivery. As such it is incumbent upon all of us to put all hands on deck in ensuring that this sphere operates at its optimum level with effectiveness and efficiencies.

President Cyril Ramaphosa has placed inclusive growth, transformation and job creation at the centre of government's agenda. Ours is a challenging task as people who have been thrust right at the centre of delivering this pledge.

One can never stress enough the urgent need we are facing as a government of today in ensuring that our people receive the best out of the public purse. More task is placed on local government to play this pivotal role hence the government – from provincial to national sphere – is playing its role to support local government. These come in the form of grant funding, skills and resources, including human resources in the past 20 years since the advent of this sphere

Among the three local municipalities under Amajuba District, Emadlangeni is the most rural one compared to Newcastle and Dannhauser. This presents us with two possible scenarios, first there is an urgent need to double our efforts in uplifting the lives of the rural communities and mitigation the ever increasing poverty lines. Secondly, the municipality's area of jurisdiction comprised of plenty economic opportunities in tourism, mining and agriculture which remain untapped. These are the very catalysts and enablers of our LEDs.

However, all of these require just the simple task of the council passing its budget within the timelines and framework of the MFMA. We shall never realise these economic opportunities if we do not have a budget that talks directly to the peoples socio-economic needs.

Gleaning through your own Integrated Development Planning I noticed that you are stating that the eMadlangeni Municipality IDP informs the budget and responds to community aspirations and needs. You further state that the IDP sets the level of economic growth for the municipality's area of jurisdiction thereby identifying

economic opportunities and areas of investments. All this is fruitless if you do not have a functioning council ready to tap into its enormous potential.

After months of trying to assist your council to convene to pass the budget, we have explored a number of avenues to make this possible. You will recall our last physical meeting in this very room on 25 June 2021. We parted in high hopes that the council will treat this matter as urgent as it possibly could. We even wrote to the Premier apprise him of our engagement with you and the way forward. Before and after this, there have been protracted efforts by KZN Treasury and the Department of COGTA which had been working with both municipalities to resolve their financial and administrative challenges in line with the prescripts of the Municipal Finance Management Act (MFMA).

However, when July 1 came and went without any progress we were compelled by law to act and that is when we instructed the banks to withhold your accounts so that you do not use the funds that have not been voted as that would be deemed illegal and it has huge implications not only to yourselves, but also to our department and that of KZN CoGTA.

We proceeded to brief the KZN executive council which unanimously agreed that we should intervene to avoid any further damage. It is however, regrettable that your council proceeded to process salaries of employees without my approval, a matter we take very seriously as it undermines the laws within which we all should be adhering. I really must say that, to prevent this becoming a precedent, one is left with no option but to explore consequence management. This is all done in the spirit and letter of strengthening financial controls and sound governance.

On the other hand, Umkhanyakude District Municipality which also faced similar challenges did write to us requesting approval and authorisation to pay staff salaries and allied municipal obligations, this was duly accepted seeing the urgent and the need to bring about stability in its personnel.

The Executive Council therefore charged us with this exercise to inform you of its decision, hence our gathering today.

I thank you