



## provincial treasury

Department:  
Provincial Treasury  
North West Provincial Government  
Republic of South Africa

Second Floor, Garona Building, Mmabatho  
Private Bag X2060  
MMABATHO 2735  
[www.treasury.nwpg.gov.za](http://www.treasury.nwpg.gov.za)

Enquiries: Ms. K. Gill  
Tel: (018) 388 - 3584  
Email: [kgill@nwpg.gov.za](mailto:kgill@nwpg.gov.za)

### OFFICE OF THE MEC

**04 November 2019**

#### **For immediate release**

#### **Deliver services within allocated budget**

In her Provincial Medium-Term Expenditure Committee (PMTEC) engagement with provincial departments and public entities, the MEC for Finance, Mme Motlalepula Rosho indicated the imminent budget reduction of their baseline budget should not in any way compromise the quality of service delivery to communities or lead to job losses. She said with the envisaged budget cuts, departments and entities should learn to deliver services within projected reduced baseline.

“It’s a watertight shoestring budget and we need to live with what we have. As a country we are not doing very well in terms of economic growth and the budget cuts will affect all departments and public entities. Sometimes we need to take hard and unpopular decisions and it is about time we make our people understand where this country is going. For us to survive we need to ask ourselves how do we create an enabling environment for economic growth and development,” said MEC Rosho.

The weeklong engagements were part of a budgetary process conducted annually in October by Provincial Treasury and were attended by MEC’s, Heads of departments, Chief Financial Officers and senior managers where they demonstrated how they are able to respond to budgetary constraints and economic challenges facing the country.

Departments and public entities made presentations on a number of expenditure aspects relating to financial and non-financial performance and what remedial plans have been put in place to jack up spending where perennial underspending challenges had been encountered.



They also demonstrated where savings can be realized in line with cost containment measures without impacting negatively on effective and efficient service delivery machinery. She cautioned that it cannot be business as usual and consequence management must be implemented where spending is not realized.

She said all future budget proposals must be accompanied by a credible business plan and the principle of “no business case, no plan, no budget” will be implemented. She emphasized that the Provincial Treasury is no longer going to fund projects without comprehensive business plans. She said in most instances departments under-spend because there is no clear plan of how funds will be used with specific timeframes. She said budget proposal should also be aligned in order to support the delivery of services in an integrated manner through the implementation of District Development Model.

The engagement also sought to ensure the alignment of provincial and national priorities. The outcome of the PMTEC will be presented to the Executive Council.

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**Issued by North West Provincial Treasury**

**For more information contact: Ms. Kesalopa Gill@079 5486352/ 018-388 3584/  
kgill@nwpg.gov.za**