

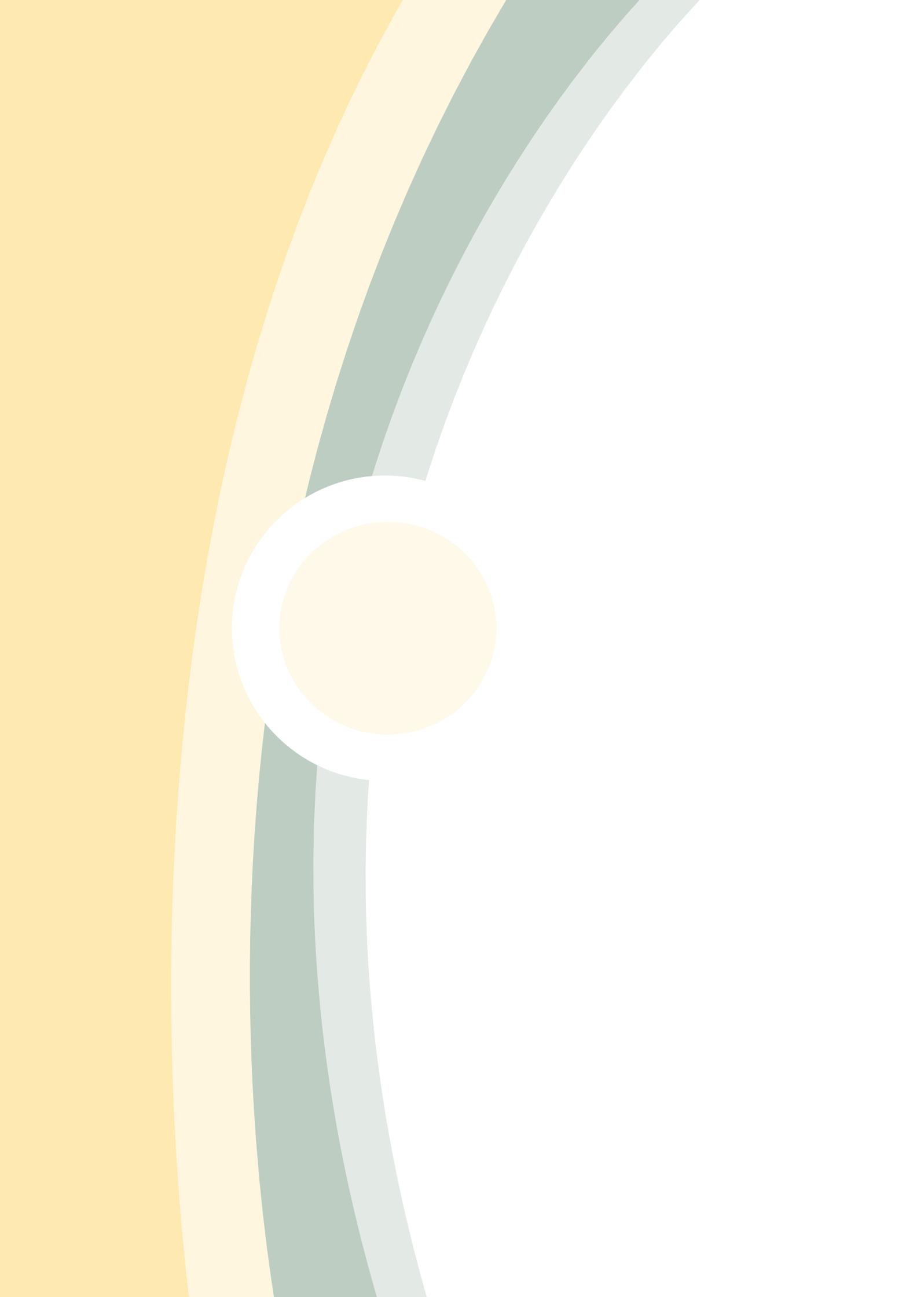


Policy & Budget Speech *2016/2017*



co-operative governance
& traditional affairs
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA





SPEECH BY THE MEC FOR COGTA, HON. R.M MTSHWENI ON THE OCCASION OF THE TABLING OF THE POLICY AND BUDGET SPEECH IN THE LEGISLATURE

DATE: 28 APRIL 2016

Madam Speaker, Hon. B.T Shongwe
Deputy Speaker, Hon. D B Dube
Honourable Premier: D.D. Mabuza
Honourable Members of the Executive Council
Honourable Members of the Mpumalanga Legislature,
His Majesties King Makhosokhe II and King Mabhoko III
Chairperson and Deputy Chairperson of the Provincial House of Traditional Leaders, Kgoshi LM Mokoena and Inkhosi SG Ngomane
Our revered Traditional Leaders, Amakhosi / Magoshi
Chairperson of SALGA, Cllr Mafika Nkosi
Honourable Executive Mayors, Speakers, Chief Whips and Councilors
The Director-General, Mr T Mdakane
Heads of Departments and Municipal Managers
The Leadership of the ANC and Alliance partners
The Provincial Secretary of the ANC and the Provincial Chairperson of the ANCWL in our midst
Distinguished Guests, Friends, Compatriots
Lotshani,

Context

1. Madam Speaker, South Africa revisited the horrendous act of 23 years ago committed against one of our struggle icons, Cde Chris Hani, when lawyers representing his killer, Janus Walusz argued for his parole. Their desire to free Walusz, whose blood-thirsty appetite nearly derailed the democratic dispensation of our country peddled old wounds to many South Africans.
2. Walusz's bullet, triggered on 10 April 1993, left Hani's wife, Limpho, a widower, his children, fatherless and further robbed this country a selfless leader, who spent years in exile fighting for the liberation of the oppressed.
3. Ironically, should Walusz's parole bid be successful he will unduly enjoy the fruits of the democracy and the freedom at the expense of Cde Chris Hani and many martyrs of the liberation struggle they fought so hard for. *That will be a sad day indeed!*

Integrated Municipal Support Plan (IMSP)

4. Madam Speaker, Last year the Department committed to the development and implementation of the Integrated Municipal Support Plan (IMSP) as an over-arching tool that seeks to improve Municipal performance and delivery of basic services. This plan is implemented jointly with the Back to Basics (B2B) programme, which is focused at improving the five pillars for Municipal performance. These are: Putting people first, Delivery of Basic Services, Good Governance, Financial Management and lastly Building Institutional and Administrative capability.
5. There is already a Provincial task team established that consist of COGTA, Premier's Office, Provincial Treasury, SALGA, A-G's office and the three District Municipalities. This task team is jointly supporting and monitoring the implementation of the IMSP in all our Municipalities within the Province.

PUTTING PEOPLE FIRST

6. Madam Speaker, it is a well-known fact, that Local Government by its nature is a coal face of service delivery. It continues to bear the brunt of community protests where some of our communities have realized that they can use their votes to bargain for their needs and thereby at times seeking to expedite service delivery through attracting attention even if this would lead to violent protests.

7. We have seen that the violent public protests are becoming an increasing security concern and are directly linked to issues around governance and service delivery. Some have demonstrated weaknesses in our capacity to engage with communities, to detect and respond to problems as they arise.
8. Our Provincial Government is poised to improve ward level coordination and planning, as key levers for service delivery. The establishment of Operation Vuka Sisebente (OVS) last year sought to make this a reality. To date a total number of 279 war rooms have been established out of 402 wards. We have allocated **R7 million** in this financial year to support all Municipalities for the establishment and functionality of war rooms in all the 402 wards.
9. To this effect, wards established with war rooms of the OVS model have a mandate to gather all community needs at ward levels and refer them to relevant Departments. All key community structures and organizations will be represented in these war rooms.
10. We therefore appeal to all our communities to make use of these war rooms as points of contact to raise their service delivery issues, and through the directive of the Hon. Premier, all Government Departments and Municipalities must respond to the issues within the mandatory 30 days. Our vision is to have one single window of co-ordination in the local sphere of government through the OVS model. This work shall be supported through the active and functional ward committees.

DELIVERY OF BASIC SERVICES

11. Madam Speaker an enormous effort has been put for the realization of the aspirations of Cde Chris Hani and our people in general of a democratic and prosperous South Africa. Over the past few years, since the last Local Government elections in May 2011, we have recorded a milestone achievement in our commitment to improve access to basic services. Key to this was a demonstration that it is possible to eradicate the backlogs that were inherited in the past if all spheres of government can join hands to work together.
12. During the 2015/16 financial year, an amount of R2,7 billion was contributed by National, Provincial and Local Government to help accelerate the provision of water and sanitation services in the Province. A total of 256 projects were supported of which 78 have already been completed, whilst 172 are under construction and 6 undergoing planning phases to be implemented during 2016/17.
13. Today, we are proud with the following progress achieved so far regarding access to basic services in the Province.
 - **Water:** 87% (1 032 235 out of 1 182 314) households with access to water in the Province.
 - **Sanitation:** 64% (760 985 out of 1 182 314) households with access to sanitation
 - **Electricity:** 85% (1 005 338 out of 1 182 314) households with access to electricity
 - **Refuse Removal:** 57% (673 931 out of 1 182 314) households with access to refuse removal.
14. We must commend the following Municipalities for a remarkable progress in providing access to water for their communities: Dr Pixley Ka Isaka Seme (96%), Steve Tshwete (93,8%), Victor Khanye (93,5%), Chief Albert Luthuli (93%), Govan Mbeki (93%), Lekwa (91%), Umjindi (91,1%) and Dipaleseng (90,2%). All these Municipalities have tried their best to ensure that the number of households reach a figure above 90% on access to water.
15. Officials in the Municipalities, Department of Water and Sanitation, Rand Water and my Department are our unsung heroes and heroines. They have spared no moment to ensure that we accelerate the infrastructure roll-out through all odds and to ensure that for every Rand and Cent spent, a new household is added on the total number of households benefitting.

16. We have also realized that bulk infrastructure such as Water Treatment Plants that were either operating beyond designed capacity levels resulting in compromised purification quality as was reported in Emakhazeni had to be attended to with speed.
17. The challenges with sewer spillages that were encountered due to overflowing Waste Water Treatment Plants operating beyond designed capacity are some of the key delivery areas we had to confront. At this point in time, work continues in various sites for the 149 bulk water and reticulation projects and 55 bulk sanitation and reticulation projects totalling 204 projects. A total of 54 water and sanitation projects have been completed and benefited 271 451 households. We expect for most of these projects to be completed by end of June 2016.
18. We have resolved to hasten the process of assessing the functionality of Water Treatment Works and Waste Water Treatment Works operating in all our Municipalities.
19. We have a total of 89 Water Treatment Works and 77 Waste Water Treatment Works. Of these 14 Water Treatment Works and 20 Waste Water Treatment Works are being attended to where refurbishment or upgrading is being carried out.
20. The optimal functionality of the various water schemes are being assessed during this current financial year. To cite an example, the Northern Nsikazi water scheme that supplies the following townships:
 - Matsulu, Kanyamazane, Kabokweni, Hlau-hlau and the surrounding areas in Mbombela Municipality.
21. We will be ensuring the acceleration of the bulk water supply to areas like KwaMhlanga in the Thembisile Hani Municipality and the connection of bulk water supply from Rust De Winter in Dr JS Moroka to all other areas that are currently under-supplied with bulk water in the remote villages of these Municipalities.
22. Furthermore, we will be working at improving water quality and the Blue Drop status for Municipalities such as Thaba Chweu, Lekwa and Msukaligwa to help them improve the quality of potable water to the communities. A total of 8 Municipalities will be enrolled for assistance on this programme as they had previously achieved less than 50% scores for water quality assessments. Some of these Municipalities shall also feature for the improvement of the Green Drop status where 15 Municipalities are currently not doing well.
23. The Department will forge ahead with the coordination and support in the implementation of projects such as upgrading of Grootvlei Waste Water Treatment Works in Dipaleseng, upgrading of the Standerton Waste Water Treatment Works in Lekwa, refurbishment of Neeuwpoort Waste Water Treatment Works in Emalahleni, upgrading of Kinross Waste Water Treatment Works in Govan Mbeki and upgrading of Tweefontein K, Waste Water Treatment Works in Thembisile Hani.
24. We have also formed partnership with the Department of Water and Sanitation for the roll-out of War-on-Leaks programme in the Province. This Programme is aimed at improving water conservation and water demand management through the fixing of leaking pipes and taps, replacement of old infrastructure such as asbestos pipes. The programme shall also feature the employment of water agents and young qualified artisans who will be paid a stipend of R2000 and R2500 per month respectively during the course of this financial year.
25. Added to the three Municipalities that have already been assisted, the following Municipalities have been prioritized for the current financial year: Dr J.S Moroka, Thembisile Hani, Bushbuckridge, Emakhazeni, Nkomazi and Chief Albert Luthuli.
26. Madam Speaker, for the first time since the past five (5) years, the Province has been able to spend 91% of the total R1,7 billion MIG funds allocated for the 2014/15 financial year. We are destined to even improve more on the implementation and spending patterns for the 2015/16 financial year.

27. R1,2 billion was allocated to water and sanitation projects, whereas about R500 million was allocated to roads, community halls, street lighting and other community amenities.
28. Madam Speaker, visible progress was made regarding access to electricity where 85% (1 005 338 out of 1 193 573) of households have access to electricity. This is despite the huge challenge of the Eskom debt in the region of R1,6 billion that is collectively owed by Municipalities in the Province which has since been reduced to R1,4 billion. This reduction of debt is partly attributed to the consistent honouring of debts repayment plans signed between our Municipalities and ESKOM.
29. We have called for the proper intervention by National Government in order to assess the viability of Municipalities supplying the electricity. It has been determined that most Municipalities would not be able to service the accumulated debt or manage the operations to ensure proper cost-recovery.
30. Treasury, COGTA, ESKOM, SALGA and all relevant Municipalities are working towards reaching a negotiated settlement to repay the total debt owed and to further assess the capability and financial affordability of Municipalities to further distribute electricity as part of their function.
31. Madam Speaker, although the Province has had seasonal hazards like wild fires during winter and flooding during the past financial years, Mpumalanga was also not spared from the torrid drought that has caused huge numbers in livestock fatalities, collapse in agricultural production and serious shortage of water for human consumption due to global climate change.
32. We commend our Municipalities for implementing water restrictions and taking punitive actions as measures against those who waste water. Any wastage of water will no longer be tolerated. (**#Water wastage must fall**).
33. We are working closely with the Department of Water and Sanitation and the National Disaster Management Centre to explore all possible solutions to mitigate any possible serious catastrophics that this pending disaster climate may cause. A Drought Task Team has been established to coordinate short and medium term interventions and will also come up with the long term plans that will ensure the mitigation of the drought.
34. We are aware of the torrential rains that we have received during the month of March that caused localised flooding in some areas in the Province. This resulted in some infrastructure damages and a fatality in Emalahleni Municipality as was reported on 12 March 2016.
35. The Department wishes to convey its deepest condolences to the family of the deceased, Mr Simon Sifiso Ntuli of Doornkop in Middleburg, who lost his life during this fatal accident caused by the floods. We also want to send our deepest gratitude to Mr Rachid Bamjee, a local businessman who provided assistance to at least eight families whose houses were destroyed by the floods.
36. Madam Speaker in strengthening and improving the technical capabilities of our Municipalities in fighting fires and protecting the livelihood of our society, we appointed a Team of Fire Brigade experts, the Category of Authorized Persons (CAPs) to assess capabilities of Municipalities and to advise the Province on Fire Services interventions during the 2016/17 financial year.
37. This committee is already hard at work implementing the directives as assigned by myself as MEC to ensure a turn-around in the provision of fire-fighting services in the Province.
38. Madam Speaker, creation of job opportunities is at the centre of the ANC-led Government. A total of 19 000 work opportunities were created and assured across all our Local Municipalities within the Province as part of our efforts to push back the frontiers of poverty, unemployment and inequality. These jobs are in line with the EPWP and CWP programmes.

39. Furthermore, we are going to have more than 20 000 work opportunities during 2016/17 financial year created through the CWP in all Municipalities. We shall further ensure that the EPWP incentive Grant of R2,7 million that is received for 2016/17 benefits Nkomazi, Bushbuckridge and Dipaleseng, as the top three poverty-stricken and high unemployment rated Municipalities of our Province.
40. The Department shall be supporting the Dipaleseng Municipality with the project for the renovation of its Municipal office building to improve on its efficiency to manage its affairs as a Local Government.
41. This multi-million rand project is aimed at face lifting and expanding its office facility by improving its institutional capability to deliver proper and satisfactory services to the local community of Dipaleseng.
42. Madam Speaker, matters such as cleanliness of the town, conducive working environment, proper community amenities, effective roll out of services are some of the areas of support that shall be provided to Municipalities to manage their own affairs.

GOOD GOVERNANCE AND FINANCIAL MANAGEMENT

43. Madam Speaker, as indicated by Hon.MEC Kholwane in his budget speech, the 2014/15 report of the Auditor-General has shown some improvements in the overall audit outcomes of some Municipalities in the Province. Noticeable trends have been observed over the past five years especially concerning substantial decrease in the number of disclaimed auditees from 36 percent in 2010/11 to 17 percent in 2014/15.
44. Whilst we pride ourselves with the improvement where the Nkangala District Municipality has joined Ehlanzeni District Municipality in achieving clean audit outcome by end of 2014/15, there is somehow a beacon of hope with the following five Municipalities that have moved from qualified to unqualified audit outcomes with some findings. These are *Gert Sibande District, Chief Albert Luthuli, Dr Pixley Ka Isaka Seme, Nkomazi and Umjindi Local Municipalities*.
45. The Department, working with the Provincial Treasury, shall ensure that Municipalities provide timely responses to recommendations made by assurance providers and oversight committees.
46. Madam Speaker, one of the lessons learnt with the relationship of the troika plus one was lack of clarity in the roles and responsibilities amongst them. In order to address this challenge, a clear charter of the roles and responsibilities of these office bearers shall be developed and implemented.

INSTITUTIONAL AND ADMINISTRATIVE CAPABILITY

47. Madam Speaker, whilst we acknowledge that tremendous efforts have been made with the appointments of Municipal Managers and other Senior Management positions, it is worth mentioning that we have as yet not stabilized some of our Municipalities, owing to delay in the finalization of the recruitment processes. For example the appointment of Municipal Managers in Thaba Chweu, Emakhazeni and Steve Tshwete has been a challenge. Out of the 126 Senior Managers posts, 113 have been filled.
48. In terms of Section 57(6) of the Local Government Municipal Systems Act, the employment contract of a Municipal Manager must be for a fixed term of employment of up to a maximum of five years, not exceeding a period one year after the elections.
49. We will be working closely with Municipalities to ensure that they fill all vacancies with competent individuals within the prescribed period.
50. We will continue to ensure that all Municipal Managers and Section 56 Senior Managers enter into Performance Contracts as prescribed by legislation.

51. Madam Speaker having constituted the fourth Municipal Councils formally, we will engage in an in-depth training programme aimed at capacity building for the newly elected Councillors. This training programme will amongst others, focus on the following key areas:
- Roles and responsibilities of Councillors,
 - Financial Management,
 - Oversight role,
 - Code of Conduct,
 - Public Participation and roles of councillors in OVS war rooms.
 - Batho-Pele Principles.
52. Madam Speaker, as part of strengthening Municipalities to manage their own affairs, we shall pay close attention to Municipalities such as Dipaleseng, Thaba Chweu, Thembisile Hani, Dr JS Moroka, Mkhondo, Emakhazeni, Emalahleni, Victor Khanye, Msukaligwa and Bushbuckridge which have shown some weaknesses in the above-mentioned pillars.

STATE OF READINESS FOR 2016 LOCAL GOVERNMENT ELECTIONS

53. Madam Speaker, it would be a missed opportunity if the 973 councillors who have diligently served our communities over the past five years throughout the Province are not commended. I strongly believe that you have provided the leadership which our people desperately needed in your daily endeavours, striving towards the attainment of a better life for all. We also want to thank you for having served the organization diligently and that your talent and skills that have been invested in you over these years shall be utilized fruitfully in your future endeavour.
54. As we move towards the Local Government elections, we are working hard with the Independent Electoral Commission (IEC) and sector Departments such as Public Works, Roads and Transport, Home Affairs, Education, Water and Sanitation and the South African Police Services to make sure that all our voting stations are provided with all the required amenities.
55. We are encouraged by the commitment shown by these Departments and we are confident that all voting stations will have the required services by the 3rd of August.
56. Part of our plan, Madam Speaker, is to ensure that communities reap the fruits of the elections. In areas where essential services such as water are not available, we will provide temporary measures such as jojo tanks and other required amenities for the benefit of communities in that vicinity.

AMALGAMATION OF UMJINDI AND MBOMBELA MUNICIPALITIES

57. Madam Speaker, one of the major tasks that we are seized with in 2016, is the amalgamation of the Mbombela and Umjindi Local Municipalities to form a new Municipality. This, Madam Speaker, is the outcome of the submission made by the then Minister Pravin Gordhan to the Municipal Demarcation Board in January 2015.
58. Although 5 proposals were made by the Minister for amalgamation, but after extensive consultations and research only 1 case was confirmed by the Municipal Demarcation Board being that of merging Umjindi and Mbombela Local Municipalities.
59. The proposed name for the new Municipality will be called the City of Mbombela and its seat will be in Mbombela with a maximum of 90 councillors. With respect to the other 4 cases on amalgamation, an in-depth research and local consultation will still be done after the 2016 Local Government Elections, to come up with more sustainable solutions.

SUPPORT FOR TRADITIONAL LEADERS

60. Madam Speaker, in my humble submission to this August House, let me reiterate the commitment made by the ANC-led Government to restore the dignity of traditional leaders.

61. The purchase of 58 new vehicles and two for our two Kings during the last financial year sought to achieve this objective. These vehicles serve as tools of trade, to enable Amakhosi to travel without hindrances to service their communities.
62. In the last financial year, **R10 million** was set aside for the construction of four new offices. I am happy to announce that 3 of them have been completed and one is nearing completion. In the new financial year, **R14,5 million** is earmarked for the construction of three (3) new offices in the 3 districts. Part of this amount will be utilized to complete the refurbishment of the Royal Palaces of our two Kings and the renovation of 5 Traditional Councils.
63. Madam Speaker, Amakhosi are the custodian of culture and customs, as enshrined in Chapter 12 of the Constitution. As such we have undertaken to increase grants for cultural ceremonies from R60 000 to R200 000 for each Traditional Council. In addition, the Kings will receive grants of **R 300 000** each in support of cultural ceremonies. Despite our limited financial resources, we have set aside **R12,2 million** for the realization of this objective. The ceremonies also contribute to social cohesion.
64. During the opening of the House, the Hon. Premier announced that as part of ensuring food security and encouraging Amakhosi to till their land, all Amakhosi including the two Kings will each receive a tractor in this current financial year.
65. Madam Speaker, we have committed to accelerate rural development in areas of traditional leaders, however the time has come for us to demonstrate that special attention needs to be seriously invested to eradicate poverty, unemployment and inequalities in the areas zaseMakhosini. We have for the first time dedicated CWP funding as from 2016/17 financial year where 1815 job opportunities shall benefit communities in areas of traditional leaders.
66. This will signal the start of a partnership no-Ndabezitha in reaching out to their communities bathole amathuba emisebenzi and contribute to meaningful community jobs that will sustain them with monthly earnings. We will be phasing in the first 17 traditional councils that includes Izingwenyama throughout the Province during the 2016/17 whilst incrementally adding to this figure in the outer years with resources being made available for all traditional councils to eventually benefit.
67. This is our solemn commitment to ezindaweni zamakhosi that they too can get equal opportunities ukuthi silwe nendlala nobumpofu. The following traditional councils will each benefit 100 CWP work opportunities whilst Izingwenyama will each get 150.
68. Ingwenyama Makhosoke II, Ingwenyama Mabhoko III, *Kgoshi Mokoena (Mathibela TC), Inkhosi Ngomane (Hhoyi), Ikosi Mahlangu (Ndzuza-Fene TC), Inkhosi Mnisi (Duma TC), Inkhosi Malaza (Mandlamakhulu TC), Inkhosi Mkhathswa (Mawewe TC), Inkhosi Mahlalela (Mlambo TC), Kgo-shikgadi Mohlala TC, Kgosi Maluka (Bakgatla ba Mocha TC), Inkhosi RB Mahlangu, Inkhosi BR Mahlangu (Somphalali TC), Hhosi Mnisi (Mnisi TC), Inkhosi Mnisi (Mantjolo TC), Kgosi Malele TC, Inkhosi Shongwe (Matsamo TC), Kgoshi Chiloane (Setlare TC).*
69. Madam Speaker, I am happy to announce that the Committee on Traditional Leadership Disputes and Claims has finalised all 163 disputes and claims during the five year term of office, that came to an end on the 31st of December last year. We acknowledge with gratitude the commendable work accomplished by this committee.
70. Madam Speaker, the last Ingoma season was death-free. Our call for zero-tolerance of death cases has yielded the desired outcome. In this new season, we call upon all Amakhosi and other role players to replicate the same achievement by adhering to *the Ingoma Act*.
71. This achievement has changed the narrative that our beloved Province, Mpumalanga, is not a death-knell for initiates.

72. Land invasion remains a major threat for the realization of a developmental challenge. Amakhosi have registered their concern on this matter sharply. Our responsibility now is to re-inforce the Memorandum of Understanding (MOU) signed by all affected parties so that those found guilty can be locked up in jail.
73. We commend the Thembisile Hani Municipality for its proper handling of land invasion cases. The Municipality has obtained a court interdict against perpetrators of this criminal act in Kwamhlanga where such cases were rife and this has since stopped.

CONCLUSION

74. Over the past two financial years the Department achieved clean audit outcomes from the Auditor-General in recognition of our commitment to good governance and effective financial management as expressed in the Public Finance Management Act. Added to this achievement, is the Annual Public Sector Reporting Award bestowed to the Department by the Southern African Institute of Government Auditors (SAIGA). Our commitment to effectiveness, efficiency and economical use of public funds has paid off in view of the SAIGA Award. The courage and the trust our people have bestowed on this ANC-led administration, is impetus enough to replicate a similar feat in the 2015/16 financial year.
75. Madam Speaker, I wish to thank the Honourable Premier, DD Mabuza, the ANC and its Alliance partners and members of the Executive Council for guidance and support, Chairperson of the Portfolio Committee on Co-operative Governance and Traditional Affairs and Human Settlement, Hon. Madileng and the Members of the Committee for their oversight role, Kgoshi Mokoena, Chairperson of the House and his Executive, the Acting Head of Department, Mr Godfrey Ntombe-la and his administrative staff, my family, my friends and Comrades for their valuable support.
76. I now have the pleasure to table the budget of the Department of Co-operative Governance and Traditional Affairs, and I accordingly request the House to approve the amount of **498 million 106 thousand rands** for the 2016/17 financial year allocated as follows:

-P1: Administration	R115, 765 million
-P2: Local Governance	R167 185 million
-P3: Development and Planning	R65 645 million
-P4: Traditional Institutional Management.....	R129 529 million
-P5: House of Traditional Leaders.....	R19 982 million

“Together, we move Mpumalanga forward”.

Kea leboga.



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**Mpumalanga Provincial
House of Traditional Leaders**