



co-operative governance
& traditional affairs

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

POLICY & BUDGET SPEECH 2017/18



POLICY AND BUDGET SPEECH 2017/18

VOTE 4: DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS BY HON. R. M MTSHWENI (MPL) MPUMALANGA PROVINCIAL LEGISLATURE 25 MAY 2017

**Madam Speaker, Hon. B.T Shongwe
Deputy Speaker, Hon. V Siwela
Honourable Members of the Executive Council
Honourable Members of the Mpumalanga Legislature,
Honourable Executive Mayors, Speakers, Chief Whips and Councilors
Chairperson and Deputy Chairperson of the Provincial House of Traditional Leaders,
Kgoshi LM Mokoena and Inkhosi SG Ngomane
Our revered Traditional Leaders, Amakhosi / Magoshi
Heads of Departments and Municipal Managers
The Leadership of the ANC and Alliance partners
Distinguished Guests, Friends, fellow citizens
Ladies and Gentlemen**

Context

1. Madam Speaker, in the words of the great revolutionary Amilcar Cabral, we learn that: *“Always bear in mind that people are not fighting for ideas, for things in anyone’s head. They are fighting to win material benefits, to live better and in peace, to see their lives go forward, to guarantee the future of their children”*.
2. Madam speaker, being inspired by this great revolutionary, I rise to table before this House, the Budget of the Department of Co-operative Governance and Traditional Affairs, not as a messiah, but as a true servant of the people, grounded in the principles of the struggle icon, Oliver Reginald Tambo, whose leadership is celebrated deservedly in his centenary year of birth.
3. The budget we are tabling today seeks to address the service delivery challenges faced by our communities in this historical epoch, whose hopes and aspirations are pinned in the ANC-led administration. OR Tambo, an embodiment of integrity, honesty, trustworthiness, empathy, service and diligence, continues to inspire us as we tackle these challenges head on.
4. OR Tambo is still revered today for steering the ANC to weather the storms in exile and further built the organization into a colossus, respected on the global stage and mortally feared by the apartheid regime.
5. Madam Speaker, ten months ago, we ushered in the fourth Democratic Local Government Administration, after a successful, peaceful and harmonious municipal elections. We want to thank our people for believing in the ANC and further congratulate the elected councillors, and those that have been given extra leadership responsibilities as Mayors, Speakers and Chief Whips respectively. I want to remind them that *to whom much is given, much is expected*.
6. Appreciation and gratitude must go to the South African Local Government Association by taking the initiative of inducting our newly elected councillors to understand their roles and responsibilities.
7. Recently, the Honourable State President, emphasized the need for a radical economic transformation in Local Government during the 3rd Local Government summit. In his advocacy, he said: *“The management*

of municipal spaces for radical socio and economic transformation requires municipalities to do few things. They must radically transform the residential areas by connecting and integrating places of work and human settlements to build an inclusive economy and sustainable human settlements. They must work hard to raise the living standards and quality of life of all people in the municipal space”.

8. Madam speaker that call is at the centre of the Socio Economic character of the National Democratic Society which is based on the historical injustice and the building of a democracy with social content. All of us must champion that conceptual noble future that incorporates the aspirations and desires of the people that promises the fulfilment of the Socio-Economic dream of the people.
9. Madam speaker, Hellen Keller, was blind, deaf and dumb. She was interviewed using sign language. “*What is worse than being blind?*”. She responded by saying: “Having eyes without vision”.
10. Our vision as a Department is to create an ideal, well functional municipality with strong organisational capacity and sound political leadership. This vision will be achieved through the effective implementation of the Integrated Municipal Support Plan (IMSP).

INTEGRATED MUNICIPAL SUPPORT PLAN (IMSP)

11. The 2017/18 financial year marks the beginning of the third year in the implementation of our Back To Basics (B2B) and the Integrated Municipal Support Plan (IMSP). I must emphasize that the implementation of the two programmes is not the responsibility of CoGTA alone, but for all of us as a collective.

PUTTING PEOPLE FIRST

12. Madam Speaker, service delivery protests are as old as mankind. When Moses liberated the children of Israel, along the way, he faced service delivery protests. The people needed water, food and other basic amenities.
13. What brought stability during the journey was that Moses stayed close to the people and managed their problems. The same is expected from our councillors, they must close the distance between themselves and the people. In the words of Amilcar Cabral: “*Hide nothing from the masses of our people’. Tell no lies. Expose lies whenever they are told. Mask no difficulties, mistakes, failures. Claim no easy victories*”.
14. Madam Speaker, we are poised to strengthen good governance practices that facilitate transparent, accountable and participative decision making and oversight. A process that is responsive to community participation and feedback.
15. Since the establishment of the Operation Vuka Sisebente (OVS), we have launched 383 war rooms out of 400 and of these, 111 are functional. The establishment of the 17 war rooms which are in the wards mainly controlled by the opposition parties, remain a challenge, due to poor co-operation.
16. We however remain resolute to ensure that all wards have war rooms. All 17 Local Council of Stakeholders (LCOS) have already been launched and 100 war rooms were further equipped with tools of trade. This is to ensure that this council of stakeholders which comprises the CDWs, Ward Council members, representatives of traditional leaders and all other local co-ordinators, to mention but few, are enabled with the relevant tools to reach all government institutions whose responsibility is to unblock service delivery bottlenecks.
17. We will roll this out to additional war rooms in the 2017/18 financial year. We urge departments and all stakeholders to ensure that they respond with speed whenever issues of the communities are brought to their attention.
18. Local Government is everybody’s business and therefore ward committees are the cornerstones of the pillar of **putting people first**. Special attention was paid to the establishment of ward committees as a legislative imperative to give effect to the Local Government Municipal Structures and Systems Acts. A total of 143 were established in Nkangala, 127 were established in Gert Sibande and 129 established in Ehlanzeni District.
19. To date 399 wards have already been reached with training programmes that range from the Code of Conduct, development of ward operational plans and the roles and responsibilities of the ward committee members.

20. Madam Speaker, Integrated Development Plans (IDPs), have already been developed in consultation with communities. The department has ensured that Public Participation Forums are active in formulating and identifying people driven priorities that resonate as core components of these IDPs. As all municipalities shall be adopting their five year IDPs by June 2017, the key aspects that the department shall be supporting are that these IDPs directly address the community raised needs and are also appropriately resourced in addressing such priorities for implementation to take place.

BASIC SERVICES

21. Madam Speaker, Mpumalanga is not immune from a shortage of resources and with the growing population, this will inevitably put a strain on the available resources. The **Socio Economic Review Outlook (SERO)** report, indicates that by 2015 we had a population of 4, 028 million. Needless to say, the figure has increased astronomically between 2016 and 2017, and this calls for more resources if we are to meet the growing demand for water and other basic services such as sanitation and electricity.
22. The Hon. Premier, DD Mabuza gave us a line of march during the State of the Province Address (SoPA) in February, to spend a large portion of our infrastructure budget for the provision of water and sanitation until all our communities have been reached. This directive is a solid building block for the realization of the Mpumalanga Vision 2030 for all communities to have access to water by 2030.
23. By 2011, Mpumalanga Province had 1 075 488 households of which 939 959 (87%) had access to piped water. The latest 2016 Community Survey report depicts an increase in the number of households with access to water. To date, there is a backlog of 147 969 (12%) households, below a level of basic service out of 1 238 861.
24. This is a clear demonstration by this administration led by the Hon. Premier, that the current 88% of people with access to water in the Province will definitely be increased. **R 826 million (Eight Hundred and Twenty Six million)** is earmarked in this new financial year to implement 104 targetted water projects and **R 43 million (Forty Three million)** for sanitation projects. In total, **R1,1 billion** will be spent in support of these projects through the MIG fund.
25. Saving water is no longer an option, but a must! We appeal to everybody to save water. These are difficult times. We are gravely concerned that illegal water connections exacerbated by the drought, poses a serious threat towards the achievements of the Mpumalanga Vision 2030 and the realization of Section 27 of the Constitution. These illegal connections cause massive damage to the water infrastructure and contribute to the increasing water losses in our municipalities.
26. Madam Speaker, as part of support given to municipalities, reasonable steps were taken by the department to upgrade the electricity bulk supply in order to increase the number of households with access to electricity in the following municipalities: Victor Khanye, Emakhazeni, Nkomazi, Lekwa and Thaba Chweu. A total number of 1 827 households benefitted from the electricity projects implemented by COGTA in the 2016/17 financial year. In addition, Eskom and municipalities have connected 32 559 households in the Province during the 2016/17 financial year and 58 693 indigents are receiving free 50 Kilowatt hours (KWh) per household on a monthly basis.
27. Non payment for electricity consumption by communities, some big businesses, provincial and national departments, continue to plague the revenue collection efforts by the municipalities. This leads to the non-payment of the ESKOM debt by some of our municipalities, that continue to spiral uncontrollably. Illegal connections (**izinyoka-nyoka**) compounds the problem. eMalahleni, Mkhondo, Msukaligwa, Thaba Chweu, City of Mbombela and Lekwa local municipalities were left haemorrhaging financially.
28. The Provincial Government working closely with the National Treasury and the private sector, have sought the smart metering solution provided by VODACOM, to address the deficiencies related to electricity distribution operations. This will further improve the accuracy of tariffs charged and reduce the huge amount of unaccounted for electricity consumption, that usually result in an enormous electricity losses and unaffordable ESKOM bills.
29. We are proud to announce that all municipalities in large ESKOM debts have embraced the Vodacom solution and results are already showing positive improvement in this area of work. We are confident that during 2017/18 all municipalities that were previously in the bad books of ESKOM shall reclaim a position of good standing and eliminate uncertainties associated with power cuts for the communities. We therefore urge everyone both in the public and private sectors as well as communities to do the honourable thing by paying for services that have been consumed in order to restore the healthy financial positions of our municipalities.

30. We will continue the fight against criminal activities such as illegal and unauthorized connections to protect municipal revenue.
31. Madam Speaker, access to refuse removal is still a challenge in the province. The majority of households had access to a communal or own refuse dump which shares 46,7 percent with access and 53,3 percent without access respectively.
32. Linked to the IMSP, the Department will continue to provide support through the action plan developed to focus on the following improvements: The collection of refuse removal from communities, replenishment of waste management fleet, licencing of landfill sites and conversion of waste into meaningful economic projects to create job opportunities, such as waste to energy, waste to recycled products, promotion of buy back centres, waste management used as a catalysts in addressing poverty and unemployment.
33. Experts and specialists, led by the Department of Environmental Affairs at national dealing with waste management, have been called in to join COGTA and other stakeholders to be part of the Provincial Task Team to make meaningful interventions in the above areas of priority.
34. As part of improving access to the service, this Provincial Task Team shall advise on all actions pointing to the basic, intermediary and high level of service for the collection of waste and the improvement of the service in general. I must also mention Madam Speaker that the Department has improved its coordination and monitoring resulting in the upward trend on municipal MIG performance. On record, municipalities had spent 91% by end of 2014/15 financial year, 97% by end of 2015/16 financial year and we are confident that they will do even better at the end of 2016/17 financial year as they are currently at 74% expenditure. More and more households are connected to services and additional funds are allocated to the Province due to excellent performance.

GOOD GOVERNANCE AND FINANCIAL MANAGEMENT

35. It is not part of our culture in this House for us to blow our own trumpet. The least we can do is to cordially inform the House that the department has done it again, by obtaining a Clean Audit for the third time.
36. This achievement demonstrates our commitment to comply with financial prescripts in the management of the public purse. Credit must be given to the collective team of management and officials at all levels for this achievement.
37. It will serve as an impetus to support municipalities to achieve same. We congratulate the two districts, Ehlanzeni for a similar achievement over the past full five year term consistently, and the Nkangala for the past two years.
38. We have learnt through experience that failure to address issues raised by the Auditor-General is one of the contributing factors of poor audit outcomes. We will continue to persue this matter until clean audits are achieved by all municipalities. We take cognisance of the fact that properly constituted Municipal Public Accounts Committees (MPACs) are crucial catalysts for the achievement of this target.
39. All municipalities must ensure that they include positions for the MPAC support staff during the reviewal of their organograms. As we mark the new term of Local Government, the implementation of the municipal audit reports in pursuit of improved audit outcomes will be the pre-occupation of these municipal finance oversight bodies.
40. Madam Speaker, we are encouraged by the fact that the support for municipalities to use the limited financial resources prudently, is receiving attention. The Provincial Treasury has taken lead in this regard, by initiating training of municipalities as they prepare for the implementation of the *new Municipal Standard Charter of Accounts (MSCOA)*, effective from 1 July 2017.
41. Our municipalities, Madam Speaker are not immune from grant dependency. Their rural location, surrounded by communities with a high level of unemployment is the source of this dependency. We urge the business community to pay for their property rates and electricity bills to enable municipalities to cross subsidize the indigent households that are not able to afford payment of services.
42. In a case where a dispute arises between a municipality and a property owner, we do everything within our legislative powers to find an amicable solution, as is the case with the pending dispute between the Nkomazi Local Municipality and Leopard Creek Share Block Limited (the Ratepayer).

43. Issues of governance are very critical for the stability of our municipalities, Madam Speaker. Working together with Provincial Treasury, Office of the Premier, Districts and SALGA we are determined to provide the necessary support at all times to ensure that all governance structures are functional. We are happy to report that the TROIKAs are functional and that all municipalities have established their Section 79 committees.

INSTITUTIONAL AND ADMINISTRATIVE CAPABILITY

44. It will be an opportunity missed Madam Speaker, if we do not appreciate the role played by the leadership of the previous Local Government administration. This leadership contributed to the solid foundation inherited by the fourth term of Local Government and the milestones achieved in the delivery of services.
45. Madam Speaker, the amalgamation of the Mbombela and Umjindi local municipalities to form the City of Mbombela is one the milestone achievements recorded in the history of Mpumalanga. We are happy to inform the House that this target was achieved after the announcement was made last year in this House.
46. Credit must be given to the leadership of both disestablished municipalities and Ehlanzeni District, under the leadership of the late former **Executive Mayor, Cllr Letta Shongwe** and our communities for participation in the consultation engagements. I am sure that Cllr Shongwe is resting in peace, knowing that her contribution was not in vain.
47. Madam Speaker, improvement of the financial viability of the City of Mbombela in order to enhance the delivery of basic services is at the centre of the amalgamation in pursuit of the vision to build an efficient, accountable and responsive developmental Local Government envisaged in the National Development Plan (NDP) 2030.
48. Madam Speaker, filling of vacancies is critical for the effective functionality of Local Government. All employment contracts of Municipal Managers that were signed by the previous administration will be coming to an end in August 2017.
49. In terms of section 57 of the Municipal Systems Act, Employment contracts of Municipal Managers must not exceed one year after the new councillors are elected. The department will be supporting municipalities to appoint suitably qualified managers with appropriate qualifications, experience and skills.
50. By so doing we will ensure that we improve the capacity and capability of our municipalities to meet their constitutional obligation. The four municipalities with vacant positions for Municipal Managers namely: Mkhondo, Dipaleseng, Govan Mbeki and Steve Tshwete will be given urgent attention in this regard. The process of filling these positions is underway and will be finalised soon.
51. The Department will not entertain extension requests from municipalities for fixed term contracts which have expired. It is incumbent upon Municipalities to conclude all recruitment process before the expiry of such contracts to ensure a smooth transition.
52. Madam Speaker, lack of people with the technical expertise depletes the capacity of this layer of government to deliver on its mandate. Most municipalities are rurally based and grant dependent. Their competition to recruit people with the required skills is often undermined by the low incentives and inadequate budgets.
53. We count on the support of the Municipal Infrastructure Support Agency (MISA), which recruited and deployed 14 technical experts, amongst them young graduates, to 6 (six) municipalities for two years, as cushion against the adverse impact of the shortage of skills.
54. Through this support, the identified municipalities are expected to improve performance in key focus areas such as civil and electrical engineering, construction management, town and regional planning.
55. The promulgation of By-Laws still remains a challenge in our municipalities owing to their failure to adequately budget for this function. Therefore we have developed a set of 16 generic municipal By-Laws, as a Province, to customize for their specific needs. At least eight (8) municipalities will be supported for the promulgation of these By-Laws during 2017/18 financial year. We urge municipalities to budget adequately for this function.
56. Madam Speaker, we risk producing the same results if we confront stubborn challenges with the same approach. Poor land use management in the municipal space will replicate itself if our approach to resolve land invasion, non compliance to By-laws and informal settlements is still the same.

SUPPORT FOR INSTITUTION OF TRADITIONAL LEADERSHIP

57. Madam Speaker, today marks the fifth week since the start of the Ingoma Season in 2017. Quite a substantive number of young boys are participating in this year's traditional rite of passage to manhood. We wish them well in this journey of manhood.
58. MEC Mashego, words cannot express my heartfelt gratitude and appreciation for the sterling work you are doing on my behalf. Your level of dedication and commitment is so amazing. I am truly blessed to have you as my brother, my colleague. You are a true testimony of working together, we can do more.
59. Madam Speaker, rural communities are the worst hit by the triple effects of poverty, inequality and unemployment. With unemployment at 39,1 percent, in our largely rural Province, lack of economic activities cause many households to go on an empty stomach.
60. We are pleased to inform the House that our solemn commitment made last year to implement Community Works Programme (CWP) in 17 Traditional Councils, has made a meaningful contribution in the fight against the triple effects. 1867 job opportunities were created against the set target of 1851.
61. In this financial year, we will be expanding our support to promote food security. We have purchased 44 tractors for Traditional Councils to promote farming in line with the Premier's commitment, made during the opening of the House last year. The tractors and implements will be handed over during the official opening of the House soon.
62. A total of 16 remaining tractors and sixty implements will be delivered during the course of this financial year. Amakhosi can be rest assured that the ANC-led government will continue in its attempt to restore the dignity of this institution. (NoMlomo Ohloniphekileko, siyathemba bona Amakhosi azitholile iindlela zokutjheja leza nkomo esabanikela zona njengesipho eminyakeni emibili eyadlulako ehlelweni lethu le-Asibuyele Emasimini. Ngakho ke siyathemba bona sezizele bekwaba kabili ikomo ngayinye. Phela sifuna ukudla inyama besisenge nebisii!)
63. Last year, we made a commitment to build offices for our revered traditional leaders as part of our efforts to restore their dignity. It gives me pleasure, Madam Speaker, to inform the House that the construction of the Malele Traditional Council office and the Mantjolo Traditional Council Office were completed and the remaining will be completed during the current financial year.
64. Madam Speaker, as part of accelerating interventions in addressing the municipal deficiencies identified, we are rolling out the Municipal Support Strategy during the 2017/18. The strategy aims at taking extra ordinary steps in implementing key critical turn around activities in the B2B and the IMSP which may have not been implemented in the past, owing to a number of short comings encountered.
65. We must also be grateful to the Belgium Government that has provided us with R 2 million as a grant, through the Department of Public Service and Administration to install an advanced ICT system to support municipalities on land use management.
66. We commend the role of Community Development Workers (CDWs) who serve our communities with distinction. One of them is **Ms. Rozah Shabangu** of Ward 2 in Thaba Chweu.
67. She performed a sterling work by intervening in a case involving young Ennica Mankge, an orphan residing in Lydenburg. Ennica was born in 1994 at a local hospital without a nose. With the assistance of Rozah, she was provided with an artificial nose.
68. Rozah is with us today and with your permission Madam Speaker, I would like her to stand up so that the house can congratulate her. This is commendable and we encourage all CDWs to emulate her example in serving our communities with distinction.
69. As I conclude Madam Speaker, I always find solace in the profound words of the Communist Revolutionary leader, Vladimir Lenin as we deal with the grinding challenges faced by our communities. He once said: *"We never made a secret of the fact that our revolution is only the beginning, that its victorious end will only come when we have lit the whole world with the same flames of revolution"*.
70. In the same vein, this ANC-led administration is transparent in its commitment to achieve the goal of a better life for all, and that the end of this commitment will only come when all our people have benefitted.

71. Let me take this opportunity Madam Speaker, to express my appreciation to the Premier, the Honourable DD Mabuza for his visionary leadership and guidance. Some of us we are a living testimony that through his leadership we are better than we were yesterday. To the entire leadership of the ANC and its Alliance partners for the valuable support.
72. My sincere gratitude to the members of the Portfolio Committee on Human Settlements, Co-operative Governance and Traditional Affairs which plays an oversight role in this Department, chaired by the Hon. Thulare Madileng. I am grateful to the Accounting Officer, Mr Peter Nyoni, the Management and the staff for their continued support. I really cherish the support and guidance I am enjoying from the Executive of the House, under the leadership of Kgoshi Mokoena. I am humbled, bo-Ndabezitha. Many thanks to my family, my friends and Comrades for their unwavering support.
73. It is therefore my singular honour, Madam Speaker, 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 **R 510. 044 million (Five Hundred and Ten Million, and Fourty Four Thousand Rand)** for the 2017/18 financial year, allocated as follows:
- Programme 1: Administration – R 118. 642 million (**Hundred and Eighteen Million, Six Hundred and Forty Two Thousand Rand**)
 - Programme 2: Local Governance- R 171. 613 million (**Hundred and Seventy One Million, Six Hundred and Thirteen Thousand Rand**)
 - Programme 3: Development and Planning - R 53. 674 million (**Fifty Three Million, Six Hundred and Seventy Four Thousand Rand**)
 - Programme 4: Traditional Institutional Management- R 148. 470 million (**Hundred and Forty Eight Million, Four Hundred and Seventy Thousand Rand**)
 - Programme 5: House of Traditional Leaders- R 17. 644 million (**Seventeen Million, Six Hundred and Forty Four Thousand Rand**)

“Together, we move South Africa forward”.

Ngiyathokoza!

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