

# **POLICY AND BUDGET SPEECH 2020/21**

## **VOTE 4: DEPARTMENT OF CO-OPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS TABLED BY HON. M.J MSIBI (MPL)**

**DATE: 25 JUNE 2020**

**Madam Speaker, Honourable B Shiba**

**Deputy Speaker, Honourable V Mkhathshwa**

**Honourable Premier, Refilwe Mtshweni-Tsipane and my Colleagues in the Executive Council**

**Honourable Members of the Mpumalanga Provincial Legislature**

**Chairperson of the South African Local Government Association (SALGA) in Mpumalanga, Cllr M.G Chirwa**

**Honourable Executive Mayors, Speakers, Chief Whips and Councilors**

**Chairperson of the National House of Traditional Leaders, Ikosi S.E Mahlangu**

**Chairperson and Deputy Chairperson of the Provincial House of Traditional Leaders, Inkhosi S.G Ngomane and Ikosi C.M Mahlangu**

**Our revered Traditional Leaders, Amakhosi / Magoshi**

**Director-General, Ms SP Xulu**

**Acting Head of Department, Mr S Ngubane, Municipal Managers and Senior Managers**

**Distinguished Guests, Friends, fellow citizens**

**Ladies and Gentlemen**

**Sanibonani**

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#### **PREAMBLE**

1. Madam Speaker, the first President of the ANC Youth League, Cde Anton Lambede once remarked, and I quote: *“We have now reached a critical stage in our national and political development, a stage which can be epitomised by the cry “unite or perish”. We can only be saved by the following and acting according to the ancient adage ex unitate vires. (Out of unity comes strength)”*. Unquote.
2. More than 75 years later, these words have not lost a thread of importance. Instead, under the conditions currently engulfing the global society in the form of the Covid19 pandemic, it is only unity of purpose and unity of action that will save us.
3. The global COVID-19 pandemic has exposed the inequalities of our societies and has laid bare the need for municipalities

and the broader local government to quicken the pace of infrastructure rollout and the balance delivery of services.

4. The current pandemic requires the washing of hands with water and soap for a minimum of 20 seconds. If municipalities have failed to provide proper, clean and running water, the washing of hands becomes a difficult exercise and the lives of the people are at risk.
5. Empirical evidence has proved that proper service delivery can save lives and contrarily, the absence or the inadequate delivery of services may cost lives. Hence, at the crux of the Bill of Rights, lies service delivery. The very DNA of the Freedom Charter and other cornerstone principles of the African National Congress, are found in the delivery of services.

## **SPHERE OF LOCAL GOVERNMENT**

6. Chapter 7 of the Constitution of the Republic of South Africa articulates the objectives of local government as follows:
  - *To provide democratic and accountable government for local communities,*
  - *To ensure the provision of services to communities in a sustainable manner,*
  - *To promote social development,*
  - *To promote a safe and healthy environment, and*
  - *To encourage the involvement of communities and community organisations in the matters of local government.*
7. Furthermore, Outcome 9 of the outcomes of government reiterates the importance of the local government sphere, as charged with the administration and execution of basic service delivery.

8. Therefore, there exists, as Lambede proposed, a unity of purpose and a unity of action between the Bill of Rights, the Constitution, the Freedom Charter and the outcomes of government as far as the quintessential nature of service delivery through local government is concerned.

## **DISASTER MANAGEMENT**

9. Madam Speaker, on the 15<sup>th</sup> of March 2020, the Honourable Minister of Cooperative Governance and Traditional Affairs (CoGTA), Dr Nkosazana Dlamini-Zuma declared the COVID-19 pandemic as a National Disaster. This was after the declaration of the drought as a disaster following the Executive Council's decision in the province.

10. In responding to these declarations, the department ensured that the Provincial, District and Local Joint Coronavirus Command Centres are operational to facilitate and coordinate the development, implementation and monitoring of COVID-19 response plans including interventions on basic services across the province., following the new District development approach. In this critical phase of COVID-19, the command centres will continue implementing and monitoring efforts of preventing the transmission and spreading of the coronavirus.

11. As of 24 June 2020, a total of 655 infections were recorded where 456 are active cases, 199 recoveries and 2 unfortunate fatalities.
12. The Department, was allocated R26 million through the budget adjustment of 2019/20 which assisted in the acquisition of the following disaster relief material which amongst others include 2 400 Foam Mattresses, 3 800 Tarpaulines, 1 200 Gel Stoves, 15 000 Masks, 30 000 Gloves, 30 collapsible temporary housing structures and 7 500 Sanitizers as a response to the COVID-19 pandemic which were distributed to all Districts and local municipalities for support.
13. Further to this an amount of R43 point 3 million was allocated through the National relief Funds for COVID-19 interventions of which R33 million was directed towards health interventions such as acquisition of ventilators and an amount of R9.4 million which assisted municipalities with resources such as personal protective equipment (PPE), waste management, decontamination of selected municipal spaces and sanitation.
14. We must appreciate the good work that has been displayed by the Community Development Workers (CDWs) during the COVID 19 lockdown. They were seized with the task of coordinating and distributing food parcels in the province, working together with the Department of Social Development.

15. Madam Speaker there are no fatalities that have been recorded on wild fires during the previous winter fire season.

16. The Disaster Management Centre in preparation of the fire season which started with effect from 01 June 2020 has prepared a mobilization plan which is COVID-19 compliance. The province is ready with its 22 teams working on fire to respond to any fire incident. We urge communities to use fire responsibly to prevent potential hazards to human beings and nature.

## **PUTTING PEOPLE FIRST**

17. Madam Speaker, public participation is one of the tenets of Local Government, as stipulated in Section 16 of the Local Government Municipal Systems Act. Without the inputs of the public in the planning and implementation phases of projects, no Integrated Development Plan (IDP) with a proposed budget can be approved. A Municipal Council approval without public participation, is deemed not credible, as a matter of legislation.

18. The Department shall be ensuring the credibility of these IDPs in terms of the law, and where deficiencies are identified, we will then immediately direct municipalities to address deficiencies either through the amendments or adjustments of the IDPs in terms of Section 32 of the Municipal Systems Act.

19. Such credibility shall be evaluated on the basis of the responsiveness of the IDP in addressing amongst others the basic services, measures against land invasion, acceleration of infrastructure development and provision of additional land for the expansion of the existing and new gravesites requirements. This is in line with EXCO resolution of 24 June 2020 that directed the department to ensure that IDPs largely address actions in support of integrated human settlements.

20. As MEC responsible for local government with my department we shall be seized with this responsibility going forward in ensuring that all individual IDPs in the province can account sufficiently with the said EXCO directive without fail.

## **LAND INVASION**

21. Madam Speaker, land invasion is a problem in the province, and must be confronted at all costs where it rears its ugly head. It gives rise to service delivery protests and contribute badly to the infrastructure damage.

22. In the City of Mbombela for example, there are such cases at Emkhatsini, near Karino Estate, the so-called Gwede Mantashe Settlement, near Emoyeni Mall and Nomzamo Settlement near Tekwane South.

23. I have discussed this matter extensively with the leadership of both our Municipalities and Emakhosi and as a consensus, we have resolved the following:

- ❑ *To condemn strongly the practice of bogus headmen who illegally allocate landsites without following proper processes.*
- ❑ *COGTA will be providing support to all Municipalities through radio slots to enable Executive Mayors and key political office beares to speak out against the crippling acts of land invasion in the municipalities and communities.*
- ❑ *COGTA, working closely with SALGA will promote that Service Level Agreements (SLAs) are entered into between traditional leaders and Municipal Councils, in terms of Regulations 19 of SPLUMA, read with Section 24 of the Municipal Systems Act which states that municipalities must consult traditional leaders when developing IDPs.*

24. On matters of spatial planning the Department shall continue to support municipalities that are showing inadequate capacity to finalize development frameworks on their own. Dipaleseng, Dr Pixley Ka Isaka Seme and Msukaligwa municipalities, are a case in point, wherein support was given for the review of their spatial development frameworks and also the development of a SPLUMA compliant land use scheme in Lekwa.

25. In this financial year, we will finalize its land tenure upgrading programme to improve security of tenure in Kwaggafontein that aims to benefit at least 3 000 households.

26. As part of our plans, we will be developing the Nkomazi Regional Spatial Development Framework as announced by the Honourable Premier. We are also facilitating and monitoring the implementation of proposals incorporated in the approved Provincial Spatial Development Framework by sector departments.

## **BASIC SERVICES**

27. For the 2019/20 Municipal financial year, a MIG budget of R600 million is set aside for the implementation of 55 targeted water projects and R201 million for 38 sanitation projects to address water and sanitation backlog. Effectively, an amount of R800 million was allocated from the total of R1,8 billion just to address water and sanitation projects in the province.

28. This amount was largely used to address sewage spillages, where the overflowing Waste Water Treatment Plants were operating beyond designed capability. At present, work continues at various sites for a total of 8 Water Treatment Works and 12 Waste Water Treatment Works where refurbishment or upgrading is being carried out.

29. Madam Speaker, in the 2018/19 financial year, the final total MIG spent in the province was at 99%. However, with all COVID-19 challenges encountered by municipalities during the 2019/20 financial year, all efforts and measures shall be taken in ensuring that MIG allocations are spent in full towards the basic needs of our people.

30. Recently, the Department has intervened in Lekwa Municipality to improve water quality through the supply of chemicals needed for

water treatment works. We will continue to monitor the implementation of water projects and interventions throughout the province.

31. We have in the 2019/20 financial year committed to the implementation of water projects that include the Mbombela Dam, bulk pipeline from Loskop Dam to Thembisile Hani, resuscitating of the Mkhombo dam in Dr JS Moroka and the completion of the Lusushwane regional bulk water scheme in Gert Sibande District.

32. Madam Speaker, work on the Mbombela Dam has started. We envisage to complete the technical resource reconciliation and comprehensive feasibility study in this financial year. In line with the announcement by the Honourable Premier, the Department of Water and Sanitation was requested to accelerate the implementation of this policy directive.

33. For this reason work has commenced with the technical intergrated resource strategy and the comprehensive visibility study by National government which is envisaged to be completed in accordance with the approved national government plan.

34. The construction of a bulk pipeline from Loskop dam to Thembisile Hani Municipality is currently at a design stage and construction is planned during the course of the current financial

year. A total of R40 million has been set aside through the Municipal Infrastructure Grant for the construction of a bulk line from Mthombo emergency bulk line to Weltevreden Water Treatment Plant as a mitigating alternative response to the dried out Mkhombo Dam.

35. I am proud Madam Speaker to announce that the Lusushwane regional bulk water scheme in the Gert Sibande istrict was completed in April 2020 and has addressed the water challenges in the area of Oshoek and its surrounding communities.

36. Madam Speaker, electricity illegal connections, the so-called 'izinyoka-nyoka' continue to undermine government's efforts to provide electricity to law abiding citizens. The situation has deteriorated to unprecedented levels, wherein the affected municipalities have exceeded the Notified Maximum Demand (NMD) limit set by Eskom.

37. We have had intervention strategic meetings with municipalities such as Govan Mbeki, Msukaligwa and Lekwa in the main who are adversely affected by the scourge of illegal connections, failure to ring-fence funds from electricity distributions, unable to account for distribution losses and lack of maintainance of their infrastructure maintainance.

38. Key decisions were taken to consistently pay Eskom current account without fail including arrear debts and close monitoring of weekly performance by municipalities in improving in this area of work. This provincial monitoring has already started in the Gert sibande district and shall be strictly rolled out to other parts in the province in ensuring that all municipalities struggling with the Eskom accounts are adequately supported.

No mediocre shall be tolerated as it negatively affects the livelihoods of our communities.

## **DISTRICT DEVELOPMENT MODEL APPROACH**

39. Madam Speaker, our approach to the delivery of basic services will be undertaken differently, through the District Development Model (DDM), as announced by the President, His Excellency, Mr Cyril Ramaphosa.

40. In responding to the President's clarion call to strengthen intergovernmental planning across the three spheres of government realizing desired impact on service delivery to our communities, we have already started with the mobilisation of government departments, state entities, private sector, traditional leaders and civil society associations under the banner of the DDM approach.

41. We have supported our three district municipalities in developing DDM profiles which provide a description of the current state of development in the province.

42. All service delivery plans and interventions by government institutions and business organisations shall be required to respond to issues identified in these profiles in order to promote coherence during planning, budgeting, implementation and reporting.

43. It is worth noting that the Municipal Infrastructure Support Agent (MISA) has been assigned by Minister Dlamini-Zuma to support the province and our district municipalities in the implementation of the DDM.

44. The Provincial Project Management Unit, Madam Speaker established in partnership with the Development Bank of Southern Africa (DBSA) in the 2019/20 financial year will be at centre of supporting the implementation of the DDM. In the 2020/21 financial year, our municipalities will be supported to develop their district development model plans.

45. Furthermore, the DBSA through the PPMU will support municipalities in the following programmes:

- Revenue management and enhancement
- Township establishment
- Asset care and management
- Mini-grids (electrification)

- Water delivery model: section 78 assessments
- Project preparation
- Institutional development and advisory support
- Infrastructure master planning
- Lending facilities and products

46. We will continue to support municipalities to lodge applications on these programmes.

## **UNEMPLOYMENT**

47. The issues related to unemployment, poverty, job creation and youth development, occupy the key areas of our attention on Local Economic Development. As such municipalities are being supported to develop useful LED strategies in partnership with the private sector, community based organizations and key government programmes.

48. Remarkable successes have already been achieved through the Community Works programme (27 775 jobs created), youth waste development (140 participants) and creation of opportunities through implementation of labour intensive projects. More can still be achieved in partnership with the mining houses for the implementation of the Social Labour Plans, Corporate Social Initiatives (CSI) and the implementation of the Anti-Poverty Strategy.

49. As had accounted for earlier, Madam Speaker, it is our true belief and position that the impact of these interventions can squarely be realized through robust implementation of the District Development Model. We will be keeping a close eye on these progressive interventions.

50. The Department through its engine for job creation known as the Community Works Program, created 27 775 work opportunities across the province. As part of our responsibility, we have ensured that LED Forums are functional in all local municipalities with challenges recorded in the Msukaligwa Forum.

## **NKOSI CITY DEVELOPMENT**

51. Madam Speaker, we are proud to announce that there is good progress on the Nkosi City Development. The Department of Human Settlement, City of Mbombela and the Nkosi City Communal Property Association (CPA) have recently concluded a tripartite agreement to govern the delivery of 3 471 houses for various income groups.

52. Processes for deregistration of this land as a state property and the re-registration thereof as property belonging to Nkosi City has reached a final leg of being transferred through the Deeds Registry Office. The Development Bank of Southern Africa (DBSA) is on board and currently assessing the funding application for the bulk infrastructure. Eskom is busy with the electricity bulk line project for the area.

53. Madam Speaker, we have also approached the Presidential Infrastructure Coordination Commission to support this flagship project of the province.

54. All the phases of this project are geared towards creating several job opportunities, targeting the locals, with an envisaged improvement of the socio-economic conditions of the local community. The progress in this regards is in realization of the policy directive of the Hon. Premier on February 2020 in ensuring that the project takes a positive direction in addressing the plight of many of our marginalized traditional communities that stand to benefit from this project.

55. Just as the Department of Human Settlement has entered the tripartite agreement, more sector departments are envisaged to follow suit in implementing the EXCO resolution of September 2019 to support this project.

### ***GOOD GOVERNANCE AND FINANCIAL MANAGEMENT***

56. Madam Speaker, the Department's appetite for clean audits remains high. Our posture of maintaining a clean audit is not just a concept, but has gradually developed into a culture. It is not just in words that we treat everyday as a clean audit day, but is also in our actions.

57. It gives me pleasure to report to the House that our aspiration for a 6<sup>th</sup> clean audit has been realized. This is an outcome of a high level of commitment demonstrated by all officials in the department.

58. The non-achievement of this target by the Municipalities, remains a grave concern for us. It has a potential to erode public confidence in the proper spending of the public purse.

59. As we prepare for the start of the new financial year for Local Government next month, this will be one of the focus areas of support. Working with the Provincial Treasury, the South African Local Government Association (SALGA) and the Districts we must pull our resources together to assist municipalities to improve their audit outcomes.

60. Municipalities must play their part to change the status quo. Section 79 Committees, particularly as it relates to the Municipal Public Accounts Committees (MPAC) must be strengthened to play an effective oversight role in the audit outcomes. Audit outcomes must be amongst the key indicators locked in the Performance Agreements of Accounting Officers, in accordance with Section 41 of the Municipal Systems Act.

### ***INSTITUTIONAL AND ADMINISTRATIVE CAPABILITY***

61. Madam Speaker, we are entering the final lap of the current local government administration. As we start the last lap, let us all gather all our strength and push as hard as we can to make sure we have a good finish.

62. This term has seen us record remarkable success in the improvement of the lives of our communities, however more still needs to be done.

63. In the 2019/20 financial year, the department conducted investigations in terms of Section 106 (1)(b) of the Local Government: Municipal Systems Act, 2000 in Dr JS Moroka, Dr Pixley Ka Isaka Seme and Govan Mbeki local Municipalities. These investigations have been completed and will be handed over to the respective municipalities for them to implement the recommendations. The department will monitor the implementation thereof.

64. Next will be the City of Mbombela and Thaba Chweu followed by municipalities in the Nkangala District.

65. In preparation of the next local government elections 2021 the Municipal Demarcation Board has already set in motion the consultative process which should be finalized by end of June 2020. The next phase will be to publish the draft determination by July 2020 in provincial government gazette for comments to all municipalities within the 14 days of such publication.

66. We therefore encourage all stakeholders to observe and participate in these processes.

***SUPPORT FOR THE INSTITUTION OF TRADITIONAL LEADERSHIP***

67. Madam Speaker, the advancement of the support for the institution of traditional leadership will always find expression in the Department's plans. We will continue to do so within our limited financial resources.

68. We committed ourselves to acquire a new fleet for Amakhosi as tools of trade, in this August sitting last year. The commitment was reiterated by the Hon. Premier, during the opening of the House.

69. It gives me pleasure Madam Speaker to indicate today that this commitment was duly completed. We hope that these vehicles will serve as a much needed transport for our distinguished Emakhosi in their interaction with their traditional communities and in the fight against the spread of COVID-19 pandemic.

70. As we channel our energies towards the fight to eradicate gender-based violence from our society, under the leadership of Emakhosikati Structure, we hope this support mechanism will be a wheel to your shoulder to help us realize this target.

71. We have also made concerted efforts within the limited financial resources to increase the administrative grants from R150 000 to R300 000 for the Traditional Councils to carry the operational costs.

72. We are convinced that these support mechanisms will be an impetus to the Department's desire to professionalize the institution of traditional leadership and to restore the dignity eroded in the colonialism and apartheid era.

73. We note the intervention of the National Department of Agriculture promoting social security through the agrarian programme with a financial injection of R45 million to benefit at least not more than 50 hectares of land in each area under the leadership of Emakhosi.

74. We appreciate the astute stewardship of the Chairperson of the National House of Traditional Leaders, Ikosi S.E Mahlangu.

75. We are inspired by the wisdom of the Provincial House of Traditional Leaders of taking charge of our destiny in this COVID-19 dark clouds. Under the leadership of Inkhosi S.G Ngomane, the House took drastic steps to cancel all cultural ceremonies and the practice of Ingoma, in line with the lockdown protocols.

76. We commend all Emakhosi for taking heed of the clarion call. You have saved the lives of many young boys against the infections of the deadly virus. History will be kind to you for taking the right decision when you were expected to do so.

## **CONCLUSION**

As I conclude Madam Speaker, let me extend my profound

appreciation to the Management and the staff, led by the Acting Head of Department, Mr Sam Ngubane (Mbovu) for his sterling leadership and the strong work ethics of the Management and staff.

Through their sweat the Department achieved the 6th clean audit.

My profound appreciation to the Executive of the House, under the leadership of **Inkhosi S.G Ngomane**, members of the Portfolio Committee on Human Settlements, Co-operative Governance and Traditional Affairs that plays an oversight role, led by **Hon. M.C Masilela**, as Chairperson. The ANC. The Hon. Premier for entrusting us with such huge responsibility and her support for my work.

It is therefore my privilege, Madam Speaker, to table the budget of the Department, and I accordingly request the House to approve the amount of **568 337 (Five Hundred and Sixty Eight Million Three Hundred and Thirty Seven Thousand Rand)** for the 2020/21 financial year, allocated as follows:

- **Programme 1: Administration – R 156 383 million (Hundred and Fifty Six Million, Three Hundred and Eighty Three Thousand Rand)**
- **Programme 2: Local Governance- R 205 819 million (Two hundred and Five Million, Eight Hundred and Nineteen Thousand Rand).**
- **Programme 3: Development and Planning - R 53 585 million (Fifty Three Million, Five Hundred and Eighty Five Thousand Rand).**
- **Programme 4: Traditional Institutional Management- R 127 665 million (Hundred and Twenty Seven Million, Six Hundred and Sixty Five Thousand Rand).**
- **Programme 5: House of Traditional Leaders- R 24 885 million (Twenty Four Million, Eight Hundred and Eighty Five Thousand Rand).**

Ngiyabonga.