

**ADDRESS BY MEC FOR CO-OPERATIVE GOVERNANCE AND TRADITIONAL
AFFAIRS IN MPUMALANGA, HON. R.M MTSHWENI DURING A DEBATE OF
THE NCOP ON THE STATE OF MUNICIPALITIES IN SOUTH AFRICA
DATE: 25 NOVEMBER 2014**

CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES, HONOURABLE
TR. MODISE

HONOURABLE MEMBERS OF THE NCOP

OFFICIAL REPRESENTATIVES FROM PROVINCES PRESENT

LADIES AND GENTLEMEN

1. Chairperson, it is no secret that the ANC-led government is successful in its effort to transform our municipalities into institutions established to serve the interest of our people.
2. Section 152 of the Constitution describes the functions of municipalities 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 and economic development, to promote a safe and healthy environment and to encourage the involvement of communities and community organizations in the matters of local government.*
3. We are inspired by the fact that municipalities have shed their past as the bastion of oppression used by the minority against the majority during the apartheid era.
4. Unlike in the past, where municipalities were used as an instrument to enforce anti-black legislation such as the 1913 Land Act, today municipalities have been transformed into vehicles of service delivery for our people, including those who were previously marginalized and forgotten.
5. For four (4) decades, our people ran away from municipalities designed to serve them due to their association with the apartheid system. However, today, we look back with pride that our people run to them for assistance because they are now an embodiment of a government with a character of caring.
6. Municipalities have become a cornerstone of service delivery, which filters through even to the furthest corners of our country where the previously marginalized communities are located.

7. Chairperson, two years ago, the President, Hon. Jacob Zuma, made a call during the State of the Nation address, for further transformation of municipalities, in which he said: ***“We would like our people’s experience of local government to be a pleasant one”***. The President’s call was based on the complaints and proposals of South Africans relating to the performance of municipalities.
8. We are on track to improve our municipalities in this regard and I want to assure this august house that the President’s call is not misplaced and that victory is certain in view of the interventions we continue to make.
9. Chairperson, STATS SA has recorded a marked increase of people provided with free basic services such as water, and electricity between 2008 and 2012. In Mpumalanga for example, the number of people provided with free basic water increased from 342 915 in 2008 to 424 285 in 2012. For free electricity, the number picked up from 220 106 in 2008 to 279 044 in 2012.
10. One of our municipalities, Thembisile Hani Local Municipality was singled out as a municipality which recorded the highest number of people provided with free basic services from zero in 2011 to 69 822 in 2012. This increase is the outcome of intervention programmes such as project consolidate, Local Government Turn Around Strategy and the 10 points plan aimed at making local government a service delivery vehicle for our communities.
11. These interventions have contributed to the transformation of our municipalities into institutions responsive to the socio-economic challenges facing our people on a daily basis.
12. The 2012/13 municipal outcomes by the Auditor-General are a cause for concern, Chairperson. Only two (2) of our 21 municipalities have obtained clean audits. The municipalities are Ehlanzeni District and Steve Tshwete, and have achieved this for the third and fourth time respectively.
13. This, despite the implementation of remedial action plan based on the A-G’s recommendations who identified deficiencies in a number of areas, such as:
 - Poor financial statements.
 - Poor internal controls.
 - Asset Management.
14. Chairperson, we are unshaken in our determination to see municipalities producing the desired audit outcomes. We will not rest until all of them produce clean audits.

15. Chairperson, our assessment of the status of municipalities reveal a number of weaknesses that have a detrimental effect in their performance. We have identified the following:
 - Most municipalities are struggling to attract people with scarce skills for key positions. (e.g Engineers/ CFOs).
 - There is a high vacancy rate.
 - Their revenue base is low.
 - There is no feedback to the communities.

16. Chairperson, some of these weaknesses inhibit our municipalities to perform effectively and efficiently, creating a fertile ground for service delivery protests. A weak municipality cannot provide basic services such as water and sanitation and electricity, as required by Section 23 of the Constitution.

17. This situation is further exacerbated by the rural nature of our province, where unemployment features prominently amongst the challenges to be confronted. The high number of registered people as indigents in the municipal data base is a sign that only few people can afford to pay for municipal services. This, coupled with a low revenue base, is the source of the conditions forcing our municipalities to be grant- dependent.

18. To assist the municipalities, we have developed an Integrated Municipal Support Plan (IMSP). The Provincial Executive Council has already approved the plan, and we are working with the Provincial Treasury in the implementation of the plan as a ploy to turn the situation around.

19. The IMSP is linked to the objects of local government in terms of Section 152 of the Constitution of the Republic of South Africa, 1996 and the key focus areas for support derived from these objects are aligned to the Back to the Basics Strategy.
 - Object 1 deals with a democratic and accountable government for local communities which are linked to the Key Focus Area (KFA) on Good Governance.
 - Object 2: to ensure the provision of services to communities in a sustainable manner which is linked to KFA on basic services for creating decent living conditions. Examples include the provision of basic services such as water, sanitation, electricity and support for integrated human settlement.

- Object 3: to promote social and economic development which is linked to KFA on Local Economic Development (LED) and Spatial Planning.
- Object 4: to promote a safe and healthy environment. Example such as disaster management, improve fire brigade services, improve status of blue and green drop and total eradication of izinyokanyoka (illegal connections)
- Object 5: to encourage the involvement of communities and community organizations on matters of local government. Key Focus Area for this is public participation where functionality of ward committees and public participation programmes by councilors are of attention.
- Object 6 is our addition from the Municipal Finance Management Act, 2003 as an attempt to secure sound and sustainable management of the fiscal and financial affairs of municipalities.

20. With this plan, Chairperson, we are setting the tone for the building of a responsive, caring and accountable Local Government as set out in the NDP.

21. Over the past three (3) days, we met the leadership of the 21 municipalities to unpack the plan and other innovations such as the Institutional Model Framework and the Municipal Score card that we are implementing. We were inspired by the positive response.

22. We are in the process of supporting municipalities in the promulgation of by-laws to deal with traffic control, air pollution, payment of services, property rates, etc. We have introduced the Spatial Land Use Management Framework to our municipalities to deal with issues such as Local Economic Development (LED) and we are preparing to support them for the implementation of the act.

23. Chairperson, our municipalities are struggling to deal with the electricity illegal connections - 'Izinyoka-nyoka'. Incapacity is the source of the problem and contributes to the high electricity bill which has spiraled out of control.

24. We are pleased that we have made inroads on this matter, before it exacerbates even further. We have negotiated payment reviews with Eskom so that municipalities can be allowed to pay the bill on the basis of the amount of money they are able to collect. We will continue to monitor this matter in pursuit of a permanent solution.
25. We will soon be embarking on a campaign against Izinyoka-nyoka. We will reinforce the campaign by working together with the Provincial Department of Community Safety and Liaison and Eskom to tackle the problem, while at the same time mobilizing consumers to pay for the usage of electricity.
26. Chairperson, our determination to support the municipalities to work effectively and efficiently knows no boundary. We are inspired by John Mason's writing, in his book, *The Enemy Called Average*. He wrote: "***Never worry about how much money, ability or equipment you start with. Just begin with a million-dollars' worth of determination.***"

I thank you.