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MINI PLENARY SESSION – OLD ASSEMBLY CHAMBER

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PROCEEDINGS OF MINI-PLENARY SESSION – OLD ASSEMBLY CHAMBER

Members of the mini-plenary session met in the Old Assembly Chamber at 10:02.

House Chairperson Ms M G Boroto took the Chair and requested members to observe a moment of silence for prayer or meditation.

APPROPRIATION BILL

Debate on Vote No 4 – Co-operative Governance and Traditional Affairs:

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Hon Chairperson, Deputy Ministers, hon members, MECs, Your Majesties and Royal Highnesses, the leadership of the South African Local Government Association, Salga, and all executive mayors present, Chairperson of the National House of Traditional Leaders, Ikosi Siphohlele Mahlangu, and all traditional leaders, religious leaders, Chairperson of the Commission for the Promotion and Protection of

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the Rights of Cultural, Religious and Linguistic Communities, Ms Mkhwanazi-Xaluva, the leadership of Business Unity SA and Business Leadership SA, BLSA, the Black Business Council and all business leaders present, the leadership of the South African Municipal Workers' Union, SAMWU, and leaders of our labour movement present, the leadership of organisations representing black professionals, fellow South Africans, ladies and gentlemen, and guests, I greet you all. It is an honour to stand before you today and deliver my first Budget Vote Speech as the Minister of Co-operative Governance and Traditional Affairs.

In the state of the nation address in February this year, President Cyril Ramaphosa invited each one of us to participate in the building of our country, with the clarion call, *Thuma Mina*, a song from our iconic musician, Hugh Masekela.

The call is a reminder that whatever we do as public representatives and civil servants, in different spheres of government, we remain servants of the people.

This Budget Vote debate is also inspired by the spirit of the new dawn that drives the current administration and the legacy of our founding father, Nelson Mandela, and our mother, Albertina Sisulu, whose centenary anniversaries we are celebrating this year.

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In 2011, tata [father] Madiba warned us and I quote: "As long as many of our people still live in utter poverty, as long as children still live under plastic covers, as long as many of our people are still without jobs, no South African should rest and wallow in the joy of freedom."

Local government is an important sphere of government because it is closest to the people. Everything happens in a municipality and in a ward. It is where our people live, work and play. The municipalities also have a key role to play in nation-building and ensuring social cohesion. They must lead in the reversal of apartheid spatial planning and co-ordinate an integrated response of all stakeholders, give local communities a voice and respond to their service delivery needs.

We would like to mobilise community leaders, traditional leaders, religious leaders, business, labour, youth, women and civil society and create a harmonious existence of all South Africans, everyone contributing to the success of the municipality and its people.

Cogta advocates for inclusivity, integration and partnership, involving all departments, municipalities and sectors of society, as we build our municipalities. Local government is everybody's business!

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Substantial progress has been made in building our country's local government system in the past 18 years. The results have been visible in terms of the expanded access to basic services such as water, electricity, health care, housing and others.

The municipalities in the country have hardworking councillors and municipal officials. A lot of good work is being done. Paying attention to the weaknesses in the system is not an indication that there are no achievements. It is an effort aimed at improving the system.

We launched the Back to Basics programme in 2014, with the aim of getting municipalities to do what they are supposed to do.

Municipalities should be able to provide water, electricity, street lighting, cut the grass on the verges of the road, ensure refuse removals, repair potholes and ensure correct billing systems for both households and businesses.

We want to build stable, well-functioning municipalities, which have a strong political and administrative leadership. There should be functional council and oversight structures, a consistent spending of capital budgets, consistent unqualified audit outcomes and good financial management. Such services are a perimeter used by investors to choose potential municipalities in which to locate

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their business. This is what Cogta is striving to achieve nationwide.

Our municipalities must be able to provide these services in a professional and efficient manner, putting people first. While great strides have been made, many challenges still remain in local government. Based on our assessments and reports, the performance of the majority of the municipalities is below expectations.

What we have found is as follows: 7% of the country's municipalities are classified as well-functioning; 30% of the municipalities are reasonably functional; 31% are almost dysfunctional and; the remaining 31% is dysfunctional or distressed.

Our major concern right now are the municipalities which are becoming distressed or dysfunctional, including those that are regressing in audit outcomes.

We are also mindful of the fact that the problems in many municipalities may be structural. The advent of wall to wall municipalities extended service delivery to previously neglected communities, at the cost of the fiscus.

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The standards of service delivery that are expected in our Constitution have to be funded to the same extent to all, by those that can raise alternative revenue by levying rates and other charges and by those that are entirely dependent on transfers from national government.

To find a permanent solution to nonviable municipalities, we need to recommend that the next administration should conduct a comprehensive review of the wall to wall municipalities, focusing on the size and structure, balanced with the levels of public representation, backlogs as well as the economic considerations to arrive at an effective and affordable model that will be sustainable into the future.

To address weaknesses as a result of human weaknesses, we decided to embark on an aggressive turnaround strategy to reverse the culture of impunity and inaction in our municipalities. National and provincial governments routinely support and strengthen the capacity of municipalities to manage their own affairs, to execute their powers and to perform their functions, in terms of section 154(1) of the Constitution.

In dire situations where municipalities fail, provincial governments intervene through invoking section 139 of the Constitution. A number

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of municipalities are currently being administered by provincial governments under section 139.

These municipalities will be monitored with a view of ensuring that they improve and get out of section 139 within 12 months. I will table the list of the 11 municipalities where section 139 has been invoked.

To build functional municipalities nationwide, we have decided to initiate an intensive recovery programme, which encompasses a package of clustered support in three focus areas, namely governance, service delivery and financial management. This is in line with the ongoing Back to Basics approach that was launched in 2014.

A major part of this approach revolves around ensuring good governance. Our people expect us to appoint competent managers to run their municipalities. Some municipalities have collapsed due to the appointment of managers who do not qualify for the jobs they are entrusted with.

During the 2017-18 financial year, 423 appointments were concluded with competent and suitably qualified senior managers. A total of 95 corrective actions were taken to enforce compliance where

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appointments were made in contravention of the Municipal Systems Act and its regulations.

A total of 1 120 candidates were screened by the department to advise as to whether the shortlisted candidates appear on the record of staff dismissed and staff members who resigned prior to the finalisation of disciplinary proceedings. We have developed a database that will ensure the blacklisting of any manager who is dishonourably discharged from service in any municipality in the country.

Since the amendment of the Municipal Systems Act in 2011, a total of 1 651 municipal employees were dismissed for misconduct, and 130 resigned prior to the finalisation of the disciplinary hearings.

The directorate for Priority Crimes Investigation or the Hawks is investigating a number of municipalities, and out of the 311 cases, 98 are in court, 178 are under investigation, while 35 are considered finalised or withdrawn.

We are concerned by the discovery that R1,6 billion of municipal funds were deposited at the VBS Mutual Bank against the advice of the National Treasury. We support the forensic investigation being conducted by the South African Reserve Bank into the deposits

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involving municipalities. We are working closely with SA Reserve Bank and have formed a joint technical committee working on the matter, following my meeting with the Governor of the SA Reserve Bank. I will soon convene a meeting of mayors, municipal managers and CFOs to discuss this crisis and determine a way forward for those municipalities affected.

Good financial management remains critical for our municipalities. Even though there is an improvement in the overall municipal audit outcomes, we are concerned that 27 municipalities have received disclaimers. As part of our turnaround strategy, a strong focus will be paid to reversing these negative outcomes.

No disclaimers will be tolerated. We give all municipalities with disclaimers one year to get their house in order. We are also piloting the insertion of a clause in the contracts of municipal managers for them to be removed in case of disclaimers.

Achieving clean audits should not be seen as the duty of the chief financial officer and the Treasury staff, nor even of the municipal manager alone. It is the responsibility of the mayor, the Speaker, councillors and administrative staff combined.

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We are setting very high standards for our municipalities because our people deserve the best. I will table the list of municipalities that are affected.

Cogta has signed a memorandum of understanding, MOU, with the National Treasury. The two departments will work together and ensure a co-ordinated approach to support prioritised financially distressed or dysfunctional municipalities. We have created a joint technical intervention team in terms of the Municipal Systems Act and the Municipal Finance Management Act, MFMA.

We have jointly identified 87 priority municipalities that are distressed or dysfunctional, which require urgent intervention. These municipalities face amongst others, challenges of high level community dissatisfaction, resulting in protest, political infighting, instability, inappropriate spending of Budgets, high debts and in compliance with the rules, incompetence, corruption and a high vacancy rate. We will also table this list of the 87 municipalities.

The failure to spend funds is a serious problem, as it impacts on service delivery to our people. There are 226 municipalities that are receiving the Municipal Infrastructure Grant, MIG. Most do not have capacity to execute big infrastructure projects. Over the MTEF

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period, about R47 billion was allocated and R16 billion was allocated for the financial year. In the past five years, since 2012-13, a total of R3,4 billion in MIG transfers was stopped and was reallocated from underspending municipalities to better spending municipalities.

This is not ideal, as it has an inadvertent consequence of penalising municipalities with a lower capacity and hence punishing the poorer communities. We have decided to intervene immediately to resolve this matter. We will deploy technical experts from the Municipal Infrastructure Support Agent, Misa, in the form of district technical support teams, in 55 of the 87 distressed municipalities, to provide support.

Each district support team will be constituted by engineers, construction and project managers, financial accountants, town and regional planners as well governance and administration experts, depending on the case. Fourteen teams will be dispatched immediately and the rest of the teams must be in place by the end of December, utilising the adjustment of Budget. The teams will be expected to build permanent capacity in these municipalities beyond project implementation. This will bring to an end the problem of municipalities that fail to spend their Municipal Infrastructure Grants. This will solve it for good.

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During his official visit to Cogta on 10 May, President Ramaphosa impressed upon us to advance our skills development programme for the sector. As part of promoting youth skills development, municipalities will be supported by 150 young graduates produced by the Municipal Infrastructure Support Agent.

We welcome one of our special guests, our town and regional planning graduate, Vele Mukhondiwa from Luheni village in Thulamela, Limpopo province, who is here today.

We met black professional associations recently and engaged them on their participation in drawing in skills to assist municipalities. We will hold further engagements. I want to thank them for the support that they have given to us.

To assist distressed municipalities with financial and revenue management, the Department of Co-operative Governance is rolling out the implementation of the Municipal Specific Revenue Plan in selected municipalities.

In addition, the culture of nonpayment by consumers to municipalities affects us and results in the inability of municipalities to service their creditors, mainly Eskom and Water Boards. We appeal to the public to pay for their electricity and

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water accounts, as failure to do so, makes it difficult for the municipality to continue providing services.

Government offers free basic services of water and electricity and others to indigent households. Our assessment has indicated that the databases are unreliable, therefore the Department of Co-operative Governance signed a MOU with the South African Revenue Service, to verify the indigent registers. We anticipate that this partnership with Sars will yield the desired results.

It is unacceptable that municipalities owe so much money to Eskom and water boards. As at 31 December 2017, the total bulk Services owed by municipalities was R23,6 billion - R16,2 billion for electricity and R7,4 billion for water, according to the Treasury Report.

Among the top five provinces owing Eskom are Free State, Mpumalanga, North West, Gauteng and Limpopo. We have also appealed to Eskom to suspend the interruption of services to municipalities due to huge sums of money that they owe.

An Inter-Ministerial team, led by COGTA, is working on this issue and we hope that this issue will be resolved. There are many issues involving constitutional, systemic and structural challenges.

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I met with Business Unity SA and Business Leadership SA. They raised the issue of Eskom quite sharply because of the impact it has on local business. So, this matter needs to be worked on so that we avoid the impact it will have on business confidence, economic growth and job creation.

It is not advisable that this matter should be settled in court. We are confident that we will be able to find a solution. Local government is everybody's business.

Beyond governance challenges, some of our municipalities are beset by a high level of political infighting and instability. Unstable political coalitions in some areas affect governance.

We are also concerned with and pained by the loss of life of councillors and municipal staff. KwaZulu-Natal has borne the brunt of the killing of councillors and other community leaders and two were gunned down this past weekend.

We strongly condemn these murders. We must all take a collective stand to say here and no further! This must stop. Councillors are elected to services and should be given the space to do so peacefully and without fear.

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We have begun Ministerial visits to various provinces and municipalities to conduct onsite inspections and consultations towards turning the situation around in our municipalities, as part of the Back to Basics programme. We intend to visit a number of provinces from which reports of distressed municipalities have emanated. We will soon visit the Free State, following reports of challenges in Mangaung and Maluti-a-Phofung, which are experiencing financial management, particularly challenges with Eskom.

We will visit KwaZulu-Natal, following an increased number of section 139 interventions by the province and several matters which require investigation, which have been told to by the provincial government and members of the public.

Similarly, another visit is being planned to Limpopo where several municipalities were affected by the VBS Mutual Bank debacle and other outstanding issues such as the tensions in Vuwani. We will also schedule another visit to Mpumalanga where municipalities are affected by a large debt to Eskom and where communities have reported sewerage spillages, namely Govan Mbeki, Lekwa and Msukaligwa.

We have undertaken a fruitful visit to the Eastern Cape, following a number of requests for intervention in the following municipalities

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- King Sabata Dalindyebo Municipality, Makana Municipality, Sarah Baartman Municipality, Walter Sisulu Municipality, Mnquma Local Municipality, Enoch Mgijima Local Municipality, Alfred Nzo District Municipality, Port St Johns Local Municipality, Amahlathi Local Municipality, Joe Gqabi District Municipality, Mbizana Local Municipality and Matatiele Local Municipality. We have just returned yesterday from Keiskammahoek, in line with all of these issues.

In North West, 20 out of 22 municipalities had deteriorating audit performance in the 2016-17 financial year. Twelve out of those municipalities are in serious financial distress, of which eight received disclaimers. Previous section 139 interventions in five municipalities have not yielded results. We have been working since October 2017 in North West. We will conduct district forums now and issue directives in terms of section 100(1)(a) of the Constitution. These interventions start with immediate effect.

Attention will also be given to municipalities where section 139 has been invoked in other provinces such as municipalities in the Western Cape and Gauteng. We need early detection of community discontent and timeous responses to reduce instances where community frustration bursts out into public protests and burning barricades. Cogta will be exploring the acquisition of ICT capability and an

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early warning system dashboard. This capability will improve Cogta's effectiveness in supporting early interventions.

Our national urban policy, the Integrated Urban Development Framework, IUDF, was adopted on 26 April 2016. During the last visit, our President focussed on this matter and directed us that we need a charge around integrated urban development, to decisively dismantle the legacy of apartheid spatial planning. The Deputy Minister will deal with this issue, as it will also involve the work we started to do on the revival of small towns.

We are working with the Department of Trade and Industry on the issues of Local Economic Development, involving small business development, as part of the programmes in Cogta. Our people must benefit from resources beneath the land and in this regard, we are dealing with the Minister of Mineral Resources. We have to reverse the resource curse, which manifest in such areas with violence and instability.

The Community Work Programme continues to make a difference in the lives of the poor and the unemployed. In 2017-18, we allocated a total Budget of R3,6 billion and it gave us 260 000 participants. Deputy Minister Nel will elaborate on this.

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Let me extend a warm welcome to some of our special guests from this programme - two early childhood development centre teachers who have graduated, thanks to the Community Worker Programme. They are Ms Catherine Ntembane and Ms Gladys Malebye from North West. Thank you very much. It just indicates that there is quite a lot of progress that one can make using this programme.

Our country is increasingly experiencing the effects of climate change. Through the National Disaster Management Centre, funds have been transferred to repair the damaged infrastructure in various areas like the sinkholes in Merafong in Gauteng, and also a lot to support the Western Cape, which was hit by drought. Here, a total of R433 million has been allocated and dispersed, most of which went to the Western Cape province.

The mandate of the Department of Traditional Affairs is to provide support to the institute of traditional leadership. There have been several engagements between the President and traditional leaders represented by the Kings, National House of Traditional Leaders, provincial Houses and the Congress of Traditional Leaders of South Africa, Contralesa. The President has given a directive that the Ministry should attend to these matters. Most of the report will be covered by my colleague, Deputy Minister Bapela.

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I must just indicate that we are visiting Kingships and Queenships throughout the country, which has been helpful with regard to issues being raised with the President.

The issues of tools of trade, such as salaries, transport ... We have raised those issues and we are dealing with them. We are also embarking on a programme to mobilise traditional leaders around the agrarian revolution. We will simply table the information on this one, as well as the Bills that we are involved in.

Let me take this opportunity, at this point, to table that the department received a total allocation of R83 billion, which we table for the Department of Co-operative Governance and Traditional Affairs.

I want to take this opportunity to thank all those that I have worked with, particularly the Ministers, the Deputy Ministers, the MECs, mayors, councillors, the CRL Commission, the portfolio committee, the chairperson, in particular, and the rest of the members of the committee, as well as the directors-general and the DG's team in Cogta for all the assistance that they have given us, as we have drawn up this Budget. I also want to express my gratitude to my family, my wife, May, and the whole family for the support and all the members that have assisted and worked with us to bring us to

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where are, as Cogta. As we now say in Cogta: Cogta is moving forward, forward, Cogta, forward!

Mr M R MDAKANE: Hon Chairperson, hon Minister, Deputy Ministers present, hon Members of Parliament, our guests, ladies and gentlemen.

I am honoured for the opportunity given to take part in the Cooperative Governance and Traditional Affairs Budget Vote. I am privileged to say that as a people we have every reason to be proud of our historic achievements of our first two decades of democracy. ANC supports Budget Vote 4.

We are celebrating the lives of our most advance and disciplined detachment, Mr Rholihlahla Nelson Mandela and Mrs Albertina Sisulu. Mrs Sisulu and Mr Madiba inspired a generation of leaders who have since swelled the ranks of the democratic movement and our government. To us Mrs Sisulu and Mr Madiba have left huge foot prints that track our history.

Much has been done to enhance co-operation between the three spheres of government, but there is still much more to be done in this regard. Interaction and co-operation on policy issues and co-ordination of activities must become second nature. This does not

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however mean that government must be paralysed by the need to consult in every twist and curve. As elected representatives we have a duty to take decisions. Some decisions may be popular but others might not be so popular. The fact remains that progress and development are dependent on well-thought out decisions that are based on evidence based approach.

As a consequence of the victories we have registered during our first two decades of our local government system, we have laid a firm foundation for the new advances we must and will make during the next coming decades.

The Local Government System of the ANC government is helping us to move even further forward towards the consolidation of national reconciliation, national cohesion and unity, and a shared new patriotism born of the strengthening of the manifest reality of a South Africa that belongs to all who live in it, united in their diversity.

While we live in a constitutional democracy, we also reside in a country that recognises the value those traditional leaders. We know that the kings are playing a very important role in rural communities. We have engaged them as a committee. We have engaged even the Khoisan community. We have discovered that majority of our

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people throughout the country want to participate fully in decision making processes of the government. We hope that this department is going to playing a very important role in encouraging masses of our people and their leadership to feel at home and participate and add their views and very good proposal. This is what the committee has realised that engaging with the people is the pillar of deepening democracy in our country and we hope all Members of Parliament will continuously engage members of the public. We must not be scared to be criticised by the public when we are wrong because when they criticise us they always criticise us out of love. They have never really chased us away from communities precisely because they appreciation that we should play this role of encouraging and facilitating their engagement with us.

Today, we should all ask ourselves; what have I done to improve the surroundings in which I live? Do I litter or do I protect my surroundings? Do I spread racial hatred or do I promote peace and reconciliation? Do I buy stolen goods? Do I help reduce crime? Do I pay my dues? Do I pay taxes, service fees and licences? Do I expect everything to be delivered to me or do I work with local councillors to create a better life for myself and my community? Together we can turn our villages and towns, our cities and rural areas into parts of a new South Africa that we can all be truly proud of.

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The January 8 Statement and State of the Nation Address indicated that South Africa is a much better place today than it was before 1994. However, there is still a lot of work to be done to achieve a truly nonracial, nonsexist, democratic and prosperous South Africa. It is our view that this department must play a critical role in ensuring that we integrate our society because all integration happened at a local level therefore we must encourage this and ensure that our people appreciate that all of them are South Africans regardless of their colour, creed and gender.

The overriding spatial challenge is overcoming the legacy of apartheid, densifying and integrating urban and rural development nodes and activity corridors. This requires government departments and spheres to work together in new ways that achieve coordinated impact.

The South African supreme law envisaged that municipalities may struggle to independently execute their mandates. It then made a provision, in terms of Section 154(1) that national and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to execute their powers and to perform their functions. We are convinced that it is exactly what the President has declared with regard to the North West Province. We know that five

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municipalities if I am not mistaken are already under the management of the national Department of Cooperative Governance and Traditional Affairs. We are committing ourselves AS a portfolio committee that we will visit these five municipalities in the North West in the near future and engage with the leadership in order for us to assess the stage of these local municipalities.

Looking at the support to local government cooperative, governance has been allocated critical roles and responsibilities in terms of outcome 9 of the Medium-Term Strategic Framework, MTSF, which seeks to bring about a responsive, accountable, effective and efficient developmental local government system.

We are building a society in which every household will have access to decent housing, water, sanitation, electricity, quality health care and quality education. It must be a society where all feel safe and where no child goes to bed hungry.

The ANC government shall not rest until that type of society is achieved, no matter how long it takes. Local government is everybody's business. Local government is the exit to service delivery. All members of the portfolio committee appreciate the inputs of the department. We appreciate the accounting of the department and the existing entities, such as the South African

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Cities Network, SACN, the Municipal Demarcation Board, South African Local Government Association, Salga, Leadership and all our traditional leaders. As committee we support this Budget of course with exception of a DA that reserves their right whether they support the Budget or not but I think they were very happy with the Budget and there is no doubt in my mind that as hon Patel is going to stand, they will support this Budget because is a very serious Budget that is going to transform our society. Thank you very much, hon Chairperson.

Mr K J MILEHAM: Chairperson, let me start by welcoming Minister Mkhize to the portfolio. His predecessor who for three days was ... to quote Jacob Zuma. "South Africa's most qualified Financial Minister ever". He left clown sized shoes for you to fill. He also left a mess in the Department of Co-operative Governance and Traditional Affairs, Cogta, for you to clean up. And it is going to be a massive task.

Minister, your first job would be to address the finances of municipalities. The Minister of Finance in reply to a parliamentary question of mine admitted that 112 out of 257 municipalities had adopted budgets for the 2017-18 financial years, where the expenditure exceeds their revenue. There are many reasons for this. It might be that they are not collecting all their revenue that they

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bill. It might be that they are not prioritising properly and therefore spending money on unnecessary activities. It might reflect poor financial management or corruption or improper budgeting. What has this department and National Treasury done to resolve this? The answer is simple not much. Just 14 of those 112 municipalities have financial recovery plans. As the DA, we would deploy competent financial practitioners to all municipalities now to ensure that the budget for the 2018-19 financial years are realistic, financially balanced and sustainable.

Minister, while we are talking about municipal finances, one of the major problems faced by municipalities is the debt crisis to Eskom and the water boards. This crisis has been around since before 2014 and there is no movement on the matter. The Inter-Ministerial Task Team has not managed to resolve it and there is no way that the affected municipalities will ever be in a position to repay what they owe.

Accordingly, I have this week written to the Minister of Public Enterprises, Pravin Gordhan to request that he pressure Eskom to write off municipal debts and interests older than three years. It is unlikely that anything that old would ever be recovered. Steps such as this will immediately ease the financial burden on municipalities and ensure that the lights stay on for the residents

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and business who are being penalised for municipal financial maladministration. I urge you, as the Chairperson of the Inter-Ministerial Task Team on this issue to support this step.

Chairperson, it cannot be denied that the spatial planning of South Africa's municipalities exacerbates to the inequalities of our apartheid history. And, yet this budget has cut the funding for urban development planning by 45%. This is bizarre given the focus on the integrated urban development frame work and the dire need to redress and transform our spatial planning.

The DA believes that this area where technical support is critical. Many municipalities lack the capacity to do this for themselves and so we need to relook the budget and the mandate of an entity such as Municipal Infrastructure Support Agent, MISA, which seeks to provide technical support to municipalities to include the spatial planning support so vitally needed to reintegrate our society.

In 2015 and 2016 when the amalgamation of certain municipalities was first mooted the DA warned of the implications. We were not alone. The Financial and Fiscal Commission advised the Municipal Demarcation Board, the former Minister that this was ill advised because it could result in functional municipalities being dragged down by their merger with dysfunctional municipalities.

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We also warned that the cost of the amalgamation, staff, systems and the likes will be significant. Last year, I advised that the termination of the Municipal Demarcation Transition Grant would adversely affect the performance of the performance of these municipalities and this has been borne out, and as a result, they are not going to be able to complete their mergers in a short term.

Perhaps, the saddest line item in this budget is Sub programme 5 of Programme 3, Anti Corruption and Good Governance, with municipalities in the state they are in, the fact that this programme is allocated a miserly R5,5 million, a mere 0,1% of the total departmental budget is indicative of how seriously... or perhaps I should say, how carelessly the ANC takes this issue.

Corruption and maladministration is destroying our local government. It should come as no surprise that this fight or warning from National Treasury, 15 municipalities placed deposits illegally with VBS Mutual Bank, worth in excess of R1,5 billion, deposits they now stand to lose in their entirety. It should not be a surprise that these are some of the worst performing and most financially distressed municipalities in the country including Vhembe District Municipality and Greater Giyani Municipality. It should be no surprise that they are all ANC-run municipalities and it should be

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no surprise that no action has been taken by your department to intervene and rectify this situation.

Which brings me to my next point. Again, noting the state of municipalities in South Africa, your department has seen fit to reduce the budget for municipal performance monitoring by 82%. You have budgeted a total of R3,5 million for local government support and interventions. Your department Cogta, has been sitting on the Intergovernmental Monitoring Support and Interventions Bill for over five years without bringing it to Parliament. Now, there is great reluctance on the part of provincial executives and the National Cabinet to actively intervene and place dysfunctional municipalities under administration. Right now with the municipalities ...

[Interjections.]

The House CHAIRPERSON (Ms M G BOROTO): Hold on hon Mileham. On what point are you rising hon member?

Ms Z S DLAMINI-DUBAZANA: Chairperson, I rise on a point of order. I am rising on a point of privilege that the hon member on the podium must please address the Chair and not the Minister.

The House CHAIRPERSON (MS M G BOROTO): Ok. hon member, continue.

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Mr K J MILEHAM: ... right now with 87 municipalities in distress by your own admission, only 11 are under administration. While we welcome the departmental action in the North West province, we question whether due process has been followed in terms of section 139 and whether this matter has been brought to the NCOP. I heard what the hon Mdakane has said and I have some questions in that regard.

Minister, does your department actively do anything to fix the problems or do you put a band aid on them and hope they will get better by themselves? The DA will support much more assertive intervention actions to sustain and assist these distressed local governments. We would ensure proper support structures, to help with planning, budgeting and implementation. Simple put, we would make sure that municipalities are able to do their jobs.

The Auditor-General has repeatedly bemoaned the lack of consequences for misconduct and maladministration. Your department is aware of hundreds of forensic investigations. Over and above those that Cogta has already has in hands which lie unattended in municipalities across the length and breadth of our country. I will touch on just two. Thaba Chweu Local Municipality has blocked all access to a forensic report in which councillors and officials are implicated. Buffalo City Metropolitan Municipality has gone so far as to declare

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an investigation into Sport Sponsorships "top secret". I am unaware of any legislation which permits this classification of a public document by a municipality where the information has no impact on the national interest.

And then, the recent VBS bank scandal highlights to the fact councillors, municipal managers and other municipal officials blatantly and illegally flouted the law. And yet there have been no consequences for these actions whatsoever.

In the DA we believe in accountability, we believe that our public representatives and officials must be held to the highest standards. And that taint of illegal or unethical behaviour must have consequences. That is why we are willing to act decisively against those officials and public representatives. Unlike the ANC who have convicted felon sitting right here in Parliament who misuse municipal funds. Corruption and maladministration have no place in South Africa's municipalities.

The R603 million reductions in Municipal Infrastructure Grant will see an even slower rollout of municipal infrastructure upgrades. It would see fewer basic services delivered to the marginalised and the poor. It would see the already failing sewerage plants, water works,

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roads and electricity reticulation falling into further disrepair. This is nothing less than short changing the people of South Africa.

When one considers that R2,7 million for VIP protection and blue lights brigade in the fourth coming financial year, it is clear that the ANC faces its own sense of self importance ahead of the needs of the poor.

Chairperson, it is time face a few facts. Local government in South Africa is in dire straits, municipal finances are a disaster, municipal management is in a shambles and this department is failing in its mandate to fix it. Frankly, the only party that can do that is the DA. Thank you.

Mr Z R XALISA: The EFF rejects Budget Vote 4 of the Department Co-operatives and Traditional Affairs, local government is at the frontline of service delivery in this country and the sphere government is that they closeth to the people but local government in the county is on the brink of collapse and is synonymous with corruption, incompetence and mismanagement.

Municipalities are owed more than R168 billion by government departments businesses and households while at the same time owe Eskom R13,5 billion. In KwaZulu-Natal and other parts of the country

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we continue to see the violent assassination and killing of councillors. As a ruling fight for who has access to state resources and kill all those who exposed corruption. At the same time, we continue to see municipalities evict and brutalised those reclaiming their land as municipalities maintain apartheid spatial planning.

Local government perfectly illustrates the failure of neoliberal economic policy and the corruption and mismanagement of ANC and DA government. That is why we continue to see an increase in protest in communities. Added to this is that despite being central to service delivery municipalities remain underfunded with the R83 billion allocated to department this year, not being nearly enough for the responsibility of local government. The reality is that this Budget will do nothing to address the challenges facing local government. What is needed is a total rethink of local government and its role.

Firstly, it must be given a larger portion of the national budget. People employed in municipality must be employed in merit and not because of who they know or what organisation they belong to. The service provided by municipality must be in-sourced with municipality having their own internal capacity. There must be greater consultation with communities on how decisions are made at the municipal level instead of wasting money on external consultancy. The people will always be the best advisors.

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Municipalities must also, play a greater role in reversing apartheid spatial and people are closer to work and have access to resources and service delivery.

Not only will these steps improve service delivery but they will lead to decrease in corruption and mismanagement which have become normal under ANC rule. By taking away the ability to dispense with patronage at the local level will also bring an end to the continued political killings of councillors and councillor candidates which have taken the lives of many innocent, hardworking and committed activities.

IsiXhosa:

ETshwane, eRhawutini naseThekwini kunengxaki yabantu abatsalelwa amanzi kunye nombane ngaphezu kwexabiso. Into eyenzekayo xa kuthathwa iinkonzo kwenziwa uqikelelo. Loo ibangela intlupheko kubantu abasokolayo. Kudala sizama ukudlulisa le nto kuMphathiswa naphaya kwisebe kodwa akukho nto yenzekayo.

English

Therefore, the EFF rejects this Budget Vote.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon members as per your speaker's list you will realise that hon Ngwezi from the IFP was

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supposed to speak we have agreed to move her name downwards because she is participating in another debate.

Prof N M KHUBISA: Hon Chairperson, hon members thank you very much, the NFP wants to welcome the new Minister in this portfolio and we look forward to working with you, hon Minister. However, Minister, you come at a time when there is this scourge of the killing of the politicians. It is a worrying issue and we hope therefore that this is the issue that you will be looked into closely because it is really affecting all of us.

Just recently the IFP councillor, Mr Sibuyiselo Dlamini, was gunned down in Zululand and also the ANC leader in the Ray Nkonyeni lower South Coast and also another leader, at kwaPhatha, Mr Mchunu, these are all issues that are worrying. However, off course, there is a research that was done recently and we don't want to associate that research with these killings. However, the research points to the fact that there is a little bit of a lack of focus on service delivery and working for the people whereby the issue of tenders has come to play and the fight for positions. These are the issues that must be looked into because they are very serious.

Local government is at the coal face of service delivery and the main task of local government is to ensure that we serve our people.

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The Back to Basic approach focuses particularly that our people needs services, water, road, sanitation, houses, etc, because for so long our people have been suffering. Therefore, we hope that even our councillor should focus on this main issue.

The Auditor-General in the previous years reported that there is a lot of money government fiscus that is squandered and wasted through fraudulent means and it was found that even the councillors are so deep in tenders. It was said that most of them bring in their relatives and the colleagues to grind into the purse. These are the matters that are very serious when we are talking about this budget hon Minister.

We note that in the 2018-19 financial year Department of Co-operative Governance and Traditional Affairs is located R83 billion and we know that programme 3, which is institutional development, gets a bigger share of the budget. Among the priorities of this department is to invest in skills development in municipalities. We have already notice that some funding are returned because most of our officials lack skills and of course the issue of cadre deployment is affecting municipalities. Also, those official who do not perform and migrated to other municipalities or departments that issue must be dealt with. Therefore, the whole issue of corruption is very serious and is grinding into the marrow of our

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municipalities and as the NFP we say these are the matters that must be looked in; the issue of drought and our dams must be audited to find out who are exactly own the dams because people are suffering. You will find out that there is no one person who occupies the dam. For instance, there is dam at Jozini and it is not helping many people around the rural committees, one person is owning and other dams. About 3000 dams in our country are in the hands of individuals. That must be audited because our people need water. Thank you Chairperson we support the Budget Vote.

Afrikaans:

Die ADJUNKMINISTER VAN SAMEWERKENDE REGERING EN TRADISIONELE SAKE
BELAS MET PROVINSIALE EN PLAASLIKE REGERING (Mnr A C Nel):

Voorsitter, Ministers en Adjunkministers, agb lede, molweni, goeie
more, dumelang, sanibonani, avuxeni ... 10:53:38

English:

... good morning.

Afrikaans:

Ek vereenselwig my van harte met Minister Mkhize se woorde van
verwelkoming aan al ons eregaste.

IsiZulu:

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U-James Sofasonke Mpanza wazalwa ngo-15 Meyi 1889, sizokhuluma ngomhlaba nezindlu kamuva.

English:

South Africans are concerned about unemployment, especially youth unemployment, crime, and corruption. President Cyril Ramaphosa has declared 2018 the year of unity, renewal and jobs.

Afrikaans:

Daar is hoop in die land. Die aktivistiese energie ontketen deur President Ramaphosa se roepkreed, Thuma Mina, is vatbaar. Die visie en nalatenskap van ons eeufeesvierlinge, Nelson Mandela en Albertina Sisulu, inspireer ons. Daar lê egter 'n lang en uitdagende pad voor.

English:

Citizen surveys, of March 2018, state that 64% of citizens approve of President Ramaphosa's approach and 67% expect their living conditions to improve in the future. This national optimism and energy must be channelled into social compacts between government, labour, business, and civil society.

Last week, during a visit to the Department of Co-operative Governance and Traditional Affairs, President Ramaphosa emphasised that local government is everyone's business; that this department

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is an engine of government and the glue between the people and government. The Community Work Programme, CWP, is a partnership to address unemployment, especially among young people and women, in the spirit of Thuma Mina.

Afrikaans:

Minister Mkhize het gepraat oor die Gemeenskapswerksprogram se potensiaal om 'n langbouevolusie te ontketen.

English:

We are proud to report that in 2017-18, 95% of the R3,6 billion budgeted for the CWP went to create 260 000 work opportunities, exceeding our target of 237 000. The CWP is now active in 238 sites, covering all local and district municipalities. Const William Ferris, who joined the CWP in Magareng, Northern Cape, in 2012, says:

The Community Work Programme played a big role in the search to form myself into this confident, respectful and obedient person that I am today. As time passed, I applied to the SA Police Service and got accepted in 2013. Now, I get a warm feeling in my heart when I come home to see these youngsters still busy working in the programme.

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The CWP has reduced violence against women and children in Orange Farm, Cape Town, Thembisa, and Ivory Park. Danke schön [thank you very much], to the Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ, in Germany, and the Centre for the Study of Violence and Reconciliation.

Sixteen, young CWP participants with matriculation certificates, who were cleaning classrooms at schools now have Grade R teaching diplomas. Re a leboga [Thank you], North West University.

Community Work Programme participants are being trained to establish co-operatives. Mille grazie [Thank you very much], City of Reggio Emilia, in Italy, and the Department of Small Business Development. Skills development is important. In February alone, 343 participants from Chris Hani and Amathole, Eastern Cape, received accredited training as artisans.

The CWP has experienced major administrative challenges. Since former Minister Pravin Gordhan delegated it to me in 2014, we have made it clear that corruption will not be tolerated. The turn-around has been slow, but sure.

The Municipal Demarcation Board, MDB, makes a vital contribution to building developmental local government and to dealing with the

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spatial legacy of apartheid. The chairperson, Ms Jane Thupana, and all members of the board whose terms end in 2019, deserve a round of applause.

Municipal capacity assessments for all district and local municipalities will be done by October 2018. This will boost our Back to Basics and Integrated Urban Development Framework, IUDF, programmes and guide future demarcations. Amendments to the Local Government: Municipal Demarcation Act, providing for greater community participation in demarcation processes and for appeals against board decisions, are awaiting certification by the state law advisers. Let us also applaud the CEO, Mr Muthotho Sigidi, and the MDB staff for achieving their fifth unqualified audit in a row.

The SA Cities Network, under the leadership of Cllr Parks Tau, continues to be an intellectual dynamo supporting Back to Basics and the Integrated Urban Development Framework. The SA Cities Network has been at the forefront of the urban land question. Its Urban Land Paper Series, as well as the recent Urban Land Dialogues have positioned it to play a leading role in the debate on urban land. A round of applause also goes to the staff and the CEO, Mr Sithole Mbanga, for more than 15 consecutive unqualified audits.

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On Africa Day, 25 May, let us celebrate Africa's great cities, past and present: Timbuktu, Cairo, Alexandria, Great Zimbabwe, and Mapungubwe. The capital of Wakanda in the film, *Black Panther*, inspires us to imagine African cities of the future.

We need cities and towns that are liveable, safe and resource-efficient; urban spaces that are socially integrated, economically inclusive and globally competitive, where residents – especially young residents – actively participate in urban life. We need cities and towns that undo the legacy of colonial and apartheid planning, which strengthen the connection between rural and urban areas; cities which create jobs – especially for young people – and which take the role of culture seriously. To AfriForum, we say apartheid was a crime against humanity and our cities were one of its victims.

The President has urged us to be bold and to lead the charge around integrated urban development, to decisively dismantle the legacy of apartheid spatial planning. We need to deal boldly with the burning issue of access to well-located urban land, including the option of expropriation without compensation within the law and the Constitution. We need fiscal measures that attach a price to urban sprawl and the replication of apartheid spatial patterns which disfigure the soul of our nation. This is the vision of the

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Integrated Urban Development Framework, inspired by our National Development Plan.

The IUDF is our urban policy vibranium. So, let us say, Wakanda, forever! African cities, forever! The IUDF, forever!

Implementation of the IUDF continues to gain momentum. Thank you to my colleagues in the IUDF political steering committee, dedicated officials and our local and international development partners, especially Germany, Switzerland and the World Bank. Through the Intermediate Municipal City Support programme, the IUDF is being piloted in uMhlathuze and Polokwane. Another seven of the targeted 39 intermediate cities will join them over the next two years and Salga is implementing the UIDF by spearheading the small-town regeneration project, with pilot projects in the Greater Karoo region. National Treasury's City Support Programme implements the UIDF in our eight metros. We are working with the Department of Human Settlements to localise the new local urban agenda through the IUDF.

The IUDF is being hardwired into a number of policy instruments, such as the metropolitan built environment performance plans, the integrated urban development grant and the municipal infrastructure 2 grant. Regrettably, however, there has also been resistance to

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spatial justice and transformation. Natasha Marrian writes, in the *Business Day* of 9 May 2018, that:

De Lille claims that her woes began in 2014 when she presented a document on transforming the spatial landscape of the City of Cape Town. She says her agenda would have done away with the apartheid spatial planning in the city and would have begun to develop it as a truly inclusive place to live.

Marrian argues that “the facts show that there is a real pushback against a truly transformative agenda in the DA and the woke South African electorate can see right through it.” While the citizens of Cape Town hunger for leadership, the DA-De Lille saga has gone from ...

IsiZulu:

... amathe nolimi ...

English:

... to ...

IsiZulu:

... inkukhu nempaka.

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English:

In Tshivendǎa, it is said ...

Tshivendǎa:

... ndi khali yo bikaho phele, mmbwa dza huvha matswia.

English:

It's a pot in which a hyena was cooked and the dogs bark at the hearth stones. This is happening when Marrian says: "The ANC has President Cyril Ramaphosa, who simply has to swagger along the beachfront promenade in Cape Town to send traditional DA voters into a swoon." Now, without inviting anyone to swoon, we reiterate our commitment to work in partnership with all South Africans to realise the radical and transformative vision of our Constitution to improve the quality of life of all citizens, and free the potential of each person.

In conclusion, we express our solidarity with the people of Palestine and support the withdrawal of the South African Ambassador to Israel. My thanks go to Minister Mkhize, Deputy Minister Bapela, directors-general, the whole Co-operative Governance and Traditional Affairs family, the portfolio and select committees, and my personal local government, my wife, Kim Robinson. I thank you very much.

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Mr M L W FILTANE: Hon Chair, poorly skilled municipal personnel continue to be a hindrance to the provision of service delivery. What makes things worse is the non-filing of critical vacancies by some municipalities. Quite regularly, we are witnessing an increase in the number of dysfunctional municipalities.

The irony here is that most municipalities with a bulging personnel purse demonstrate diminishing performance in service delivery. This, hon Minister, presents your department with a serious challenge that calls for your immediate attention.

One hopes that your department is ready to face their consequences of poor service delivery that will inevitably follow the budget cuts on sorely needed infrastructure provision. This reduction should be accompanied by a corresponding reduction of the resultant redundant personnel.

Think about it hon Minister, why keep people in employment when you have not given them a budget to do their job?

Let me opine and state that there appears to be a need for some fresh strategic thinking on how to administer townships; whose residents react differently—from both the sub-urbaners and rurals when dissatisfied with service delivery. Equality of citizens before

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the law should not be equated with similarity of living conditions. More urbanisation is rising on the horizon.

The trend by failed communities is to destroy what infrastructure that remains to be seen in their surroundings. This is precipitated by your government's failure to comply with Section 153 of our Constitution.

The Human Rights conferred by Chapter two of the constitution can only be realised through the Cultural, Religious and Linguistic, CRL, Rights Commission. Your department's persistent failure to sufficiently budget for the constitutional function send a clear message to the nation. It says "We, the ANC government, hereby declare our continued failure to uphold your rights, so go find solace elsewhere". And so they may, come 2019.

Most municipalities render only minimal support to small businesses and sport. Listen to the loud silence on these two aspects by both the Minister and his Deputy; none of them spoke to this and we always facing this problem of non-support of sport and small businesses.

The 275 000 citizens of Mnquma Local Municipality continue to suffer under the yoke of, not poor, but absent service delivery. Their

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plight has been exacerbated by the failure of both you and your provincial counterpart to give meaningful attention to their problems. That municipality has blown its budget on legal costs, fighting ANC internal faction battles in court at our cost.

Section 139 (a) and (b) of the Constitution have been invoked with no positive lasting results. Section 154 of the Constitution is being frustrated by the confusion that rages in the Bhishe provincial offices. They failed to give this matter urgent practical attention. You might have to fend off a section 139 (c) action if you don't look up and solve this problem.

Your desperate decision to go for one big pothole in the heart of Makana Municipality has left a big hole in the hearts of despairing Mnquma Municipality. I am from there and we want you to come and solve the problems. There is no solution coming from that local municipality; they keep fighting each other. At this point in time they hardly have funds to do anything in the form of service delivery; what funds there are, are being used to save their cars from being taken away by the courts.

So, you need to take some urgent action right now. Failure to that may mean that your government might have to step aside. Thank you

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Mr E M MTHETHWA: Hon Chairperson of the House, the Portfolio Committee on Cooperative Governance and Traditional Affairs has thoroughly examined the budget as presented by the Minister today.

Our primary focus as the committee is to play an active oversight role and hold the executive authority accountable to implement its strategic plans and meet their targets as per their Annual Performance Plan, APP.

It is upon us to ensure that resources employed to implement programs are within the budget estimates and are utilised efficiently and effectively and demonstrating the value for money.

Of particular concern at this point are the strategic areas pertaining to Traditional Affairs, and the Chairperson of the committee has already outlined key focus areas as he was presenting it earlier on.

We are satisfied with the efforts to take a comprehensive and all-embracing posture in bringing the Khoi and San people within the South African folder. The Traditional and Khoi-San Leadership Bill, TKLB, is now at an advanced stage and soon, the Khoi and San people will occupy their rightful place as equal partners and fellow-country people in shaping the future of our country.

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The GaModjadji queenship of the Bolobedu people was recently restored and given official recognition, thus putting to final rest, one of the longest disputes that had divided the people. The Ministry of COGTA through its Department of Traditional Affairs is urged to fast track all other outstanding disputes to universalise leadership stability in this sector.

Another area of interest that continues to be a thorn in our flesh is that of the cultural initiation of our young men and women. Over the past years, deaths of initiates have significantly gone down, but the department has made a commitment of 'zero deaths' and we expect that target to be reached. We hope that the Cultural Initiation Bill and the attendant policy will provide much needed instruments to curb and stop these unnecessary losses of life.

The Eastern Cape continues to be one province that still registers fatalities and special attention must be directed there. We need to find out what could be those unique factors contributing to these stubborn incidents that continue to bring misery to some families.

Therefore, hon Minister, we need you to do everything in your power to reaffirm the competency and integrity of the institution of traditional leadership to provide much needed leadership in this sector.

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The institution of traditional leadership and the faith communities across our country, are our hope to help mobilise our people behind an agenda that confronts this perennial moral decay, criminality, corruption, abuse of religion and acts of xenophobia that almost always accompany service delivery or other community protests.

The government needs to be seen to be embracing the participation of all the people in all stages of development to minimise the sense of alienation and exclusion that drive people into desperate and destructive acts. We need to be seen to be planning with and for the people and allocating certain responsibility and accountability on communities to appreciate their community assets and jealousy.

We also support the program areas and the budget estimates that will help to bring about the much needed transformation of the traditional leadership sector.

As a portfolio committee, we'll forever remain resolute and vigilant in monitoring progress and efficient and effective use of resources to ensure that work done gives rise to a positive impact in the lives of rural communities. It will also be imperative that a strategic relationship between social partners and all spheres of government come to bear on a concerted effort to optimize the use of resources.

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We expect much more from the department to continue to set a sterling example with its positive audit outcomes. This must become commonplace even with our National Development Plan, NDP.

As the Traditional Council, we support this programme and we hope everybody will support it because it's going to assist us in a number of ways and improve the lives of our people. I thank you.

Mr W W WESSELS: Chair, we hear a lot of nice words and a lot of programmes with very nice names that call for action – names like back to basics and words like there is substantial progress being made – those words used by the Minister. The Minister says that there are still challenges but not a lot of challenges, only challenges. Minister, that is not true. Our local government in South Africa is in a crisis and we cannot deny that. The state of local government has deteriorated to a level unknown to South Africa.

Over the past number of years we heard about Back to basics. But what fruits did that programme really bear? A lot of money was spent on that support programme. A lot of money is spent on many support programmes by many departments – provincial departments, Treasury, the Department of Co-operative Governance and Traditional Affairs, the provincial departments of Co-operative Governance and

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Traditional Affairs, the SA Local Government Association, Salga, and so forth, but there's little to no co-ordination between these support programmes and they don't bear any fruit.

We see infrastructure deteriorating to such a level that it is horrible to actually think that the government can say here and the chairperson of the committee can say that we are proud of the progress being made. Have you been to municipalities? Have you been to rural municipalities or are you confined to urban areas?

The solution by the Department of Co-operative Governance and Traditional Affairs over the past few years has been to amalgamate. When there is an unviable municipality we amalgamate it with one that's doing a little better and create bigger and bigger municipalities.

The Financial and Fiscal Commission found in recent research that that is not a solution and the Minister should take note that creating bigger municipalities is actually placing both of those municipal units under distress, and it's not creating better service delivery.

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The other solution by municipalities to their financial woes is to increase their tariffs. But that is actually creating fewer and fewer paying residents.

Afrikaans:

Laat ek dit in Afrikaans sê. Die goue gans gaan ophou eiers lê. Die goue gans is moeg om eiers te lê. Die betalende inwoner kan nie net die heeltyd betaal en geen dienste kry nie.

English:

Support programmes are not working and thus there should be a complete rethink to ... [Inaudible.] ... local government. Control mechanisms are failing. We have the best legislation with regard to local governments in the world. The Municipal Finance Management Act, MFMA, is world standard. Many say our Constitution is also the best in the world, but yet we fail the people out there. Why?

It's because there are incompetent officials, there's no political will, and there's corruption and looting taking place every day. And the ANC government sits here and says we are proud of the progress being made. Wake up! Smell the coffee and see that there is more than one service-delivery protest daily in South Africa. Take note thereof and start addressing the problems. People are stealing the money. People say Nkandla is bad. The money that's being lost to

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corruption and theft on local government level is much worse than Nkandla or state capture or Gupta. We will not be left with any resources if we continue on this road. I thank you.

The DEPUTY MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS RESPONSIBLE FOR TRADITIONAL AFFAIRS (Mr K O Bapela): Hon Chairperson, hon Minister, Dr Zweli Mkhize, hon Deputy Minister, Andries Nel, hon chairperson of the portfolio committee, Richard Mdakane, and all other hon Members of Parliament, members of executive councils, MECs, present, executive mayors and councillors, Salga representatives, chairperson of the National House of Traditional Leaders, NHTL, Ikhosi Mahlangu, leadership of houses of traditional leaders inclusive of the Khoi-San leaders ...

IsiZulu:

Abendlunkulu ...

English:

Kingdom of the Zulu led by prince Buza, an advisor to the King, Dr ... [Inaudible.] ... leadership of the Congress of Traditional Leaders of SA, Contralesa, the Commission for the Promotion and Protection of Cultural, Religious and Linguistic Communities, CRL commission leadership, religious leaders and traditional healers, the business sector, ladies and gentlemen, fellow South Africans,

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South Africa represents the most acute manifestation of most of the social fault lines that define humanity's current challenges: race, class, gender and geographic location. Income inequality and the inequitable distribution of assets are at their most intense. Poverty and unparalleled opulence live cheek by jowl. Apartheid colonialism ensured that these disparities express themselves along racial lines, with gender and geographic location overlaying the canvas upon which these fault lines play out. That is a quotation from the ANC's Strategy and Tactics, 2017.

These social injustices are prominent and severe among the black people, and even more acute when you are female. Its ugly tapestry is evident in the apartheid social geography that can be seen in the townships and informal settlements, rural communities and decaying inner cities.

As we mark the centenary of Comrades Nelson Mandela and Albertina Sisulu, two of the most remarkable contemporaries, but giants of our heroic liberation struggle, we are reminded by our former statesman for the value he placed on the sector of traditional leadership. In *Dare not Linger, Nelson Mandela and Mandla Langa*, Madiba urges:

... but we must never forget that the institution of traditional leaders is sanctified by African law and custom, by

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our culture and tradition. No attempt must be made to abolish it. We must find an amicable solution based on democratic principles, and which allows traditional leaders to play a meaningful role in all levels of government.

We present this Budget Vote for debate cognisant of the previous commitments we made since the beginning of this term that is ending next year, and therefore will be taking this opportunity to give account of our ascent and of more hills we still have to ascend.

Our policy priorities remain: strengthening of traditional leadership institutions; transforming the sector through development of policies and legislation; fostering partnerships towards sustainable livelihoods in traditional communities; promoting the cultural and customary way of life in accordance with the Bill of Rights; and promoting social cohesion and nation-building. Significant progress around the above priorities has been registered:

Firstly, the traditional leadership sector has 8 241 officially recognised traditional leaders. There are nine kings, two queens, two principal traditional leaders, 829 senior traditional leaders and 7 399 headmen and headwomen;

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Secondly, it is organised into nine kingship and two queenship councils, a national house and the other seven provincial houses that were successfully reconstituted within record time, 33 houses of traditional leaders spread across provinces and 829 traditional councils;

Thirdly, the Khoi-San traditional leaders who enjoy observer status, are also organised, although the finalisation of the traditional and khoi-san leadership legislation, TKLB, will usher in a legal process to identify and duly recognise the legitimate traditional leaders of the Khoi and San communities;

Fourthly, the institution has also registered gender transformation, with the women occupying key positions in the NHTL – there's a deputy chair there – but also seeing 53 headwomen, 122 female senior traditional counsels, two queens, two provincial female chairpersons and deputy chairpersons in provinces and a national house executive committee member, and eight provincial executive committee members being women;

Fifthly, of the 56% traditional councils assessed, 6% thereof require urgent rescue and half are fairly stable; and Sixthly, a capacitation programme like the Traditional Leadership Training Programme for traditional councils and senior leaders is already in

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place, while partnerships with institutions like the Anglo Platinum mine and the National School of Government are in process.

We would appreciate an expeditious conclusion of all Bills before Parliament. The Customary Initiation Bill and the policy guidelines will also help make critical interventions to stem the tide of fatalities during initiations. We have brought these deaths substantially under control although the Eastern Cape is still eluding us, and closer and special attention will be directed to that province as we move into the winter season of 2018.

The Royal Awards have been introduced and are an incentive designed to motivate a spirited commitment by kings and queens who stand to be recognised and awarded for exceptional excellence in improving lives within their communities. We anticipate the inaugural award ceremony towards the end of the year and by then we would be able to set the scene on a nonreversible trajectory.

The Department of Traditional Affairs, DTA, is among the best performing departments and received unqualified reports during the 2014-15 and 2015-16 financial years and a clean audit in 2016-17. We commit to maintaining a clean record when it comes to governance and performance areas. I hope there will be a round of applause for that. [Applause.] Of utmost importance is an exceptional performance

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in serving the sector and in turn helping it to impact the lives of rural communities.

In 2017, we hosted the Indigenous and Traditional Leaders Indaba and a follow-up session. All the matters raised and within the purview of the DTA were incorporated into a programme of action, while other complex policy, legislative and constitutional issues were referred to the governing party's national conference for deliberation.

The ANC's 54th national conference reached landmark resolutions that provide leadership and guidance on critical matters that will help shape the future of the traditional leadership sector. Some of the key decisions include:

Firstly, with regard to the land question, the land that is in state hands – 13% – and available for distribution will be transferred to the institution of traditional leadership. Modalities of ensuring the security of that transferred land and the productive utilisation for the benefit of traditional communities will be worked out by the end of the year. Parliament has already addressed the broader land question. Processes are taking place and public participation has started. We hope that traditional leaders will also take this opportunity and present their arguments there;

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Secondly, following the panel land summit, we must arrive at a point where the significant change in the land ownership profile must make a meaningful contribution towards greater food security and access to the productive use of land to advance fundamental socioeconomic transformation.

IsiZulu:

Ukuphelisa indlala emakhaya masilimeni, singeneni.

English:

The Minister mentioned the issue of the Agrarian Revolution. I hope ...

IsiZulu:

... izinkosi zethu nabantu bethu abahlala nezinkosi laphayana bazolithatha leli thuba lokuthi sizame siyotshala, sihambeni siyofuya izimvu zethu sikwazi ukuthi siqede indlala nokulamba emakhaya. I-Agrarian Revolution uNgqongqoshe useyichazile, usoyisungula ekupheleni kwenyanga noma ngesinye isikhathi kodwa kuwo lonyaka futhi siyathemba ukuthi sonke sizosukuma siyolima. Imali ekuzofanela siyithole izokubakhona.

English:

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The joint initiative of the DTA and NHTL led by lkhosi Mahlangu through the United Royal and Kingships Holdings will further consolidate our resolve around the Agrarian Revolution, introducing diversification, with technology use and internet of things, mining beneficiation, tourism, the ocean economy, media, property, the creative and heritage industry and other viable opportunities that arises. We will be working with all other departments to achieve those goals.

The issue of the planning tools – Spatial Planning and Land Use Management, Spluma – was also addressed. The Department of Co-operative Governance and Traditional Affairs will consider an engagement and participation dispensation that accords the institution of traditional leadership strategic status, and not just treat it as a stakeholder but an important enabler.

The Consumer Protection Act, CPA, will also be reviewed to address weaknesses that undermine the land restitution objectives.

Finally, please allow me to express my humble thanks to the President and Cabinet, the entire House, leaders in the provincial executive structures, the chairperson and his deputy in the NHTL and the leadership of the provincial houses, members of the national executive committee of the ANC – my party – and its component

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structures, the leadership and members of the alliance and fraternal organisations and those in the ANC Gauteng province and Johannesburg region, including political parties, in particular the DA and IFP, who, when the news arrived visited my home to come and pay their condolences when I lost my mother and my wife in the space of 28 days. In the brief space of a month it was beyond devastating. Ordinarily, my wife would have been part of this occasion and in her absence, because she has departed from this world, I dedicate this presentation to her ... her undying and gentle spirit will continue to be a fountain of strength for and wisdom to me. But ... shared problems and pain you demonstrated, brought some relief to me, the children and our families. Your support will forever be appreciated and I will always be indebted to you. Lastly, my staff and the department in general has continued to be a source of strength and made it possible for me to execute my mandate. I thank you.

IsiZulu:

Thuma Mina. Siyavuma.

English:

Thank you.

Mr X NGWEZI: The IFP welcomes you, hon Minister and we wish you well in the task you have been given. As the IFP, we would like to start

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off by stating that we are in agreement with and are in support of this Budget Vote. The greatest challenge is that the people who are the drivers of transformation and development in our communities, especially councillors and officials, are falling victim to being murdered in the line of their duties at an alarming rate. Therefore, it is incumbent to the Department of Co-operative Governance and Traditional Affairs, Cogta, and government as a whole to devise a succinct plan to ensure that such individuals carry out their mandated roles under safe and workable conditions.

There certainly needs to be in place a better action plan to prevent these killings, especially in the high risk areas of KwaZulu Natal, where the killings have been more prevalent as well as some areas of the Eastern Cape and Limpopo. At the outset I would like to pay a special tribute to those particular councillors, but also to comrade S'buyiselo Dlamini, an IFP exco councillor in the Zululand District, who was gunned down last Friday.

These unsafe working conditions do not only rob innocent people of their lives, and their families of their loved ones, who often times are breadwinners but also compromises service delivery in municipalities playing a counteractive role in the visions and objectives of the department. These acts have put the department of Co-operative Governance and Traditional Affairs under disrepute,

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undermining its integrity and that of the people that are aligned with it.

Local government is riddled with overwhelming corruption that renders any initiative almost futile before it even gets off the ground. A lot more effective mechanisms need to be put into action in order to combat and weed out corruption at grass root levels. This needs to begin with strict sanctions for those groups and individuals that are charged and found guilty of corruption.

They need to be blacklisted and made unable to ever hold positions in local government, in order to put a stop to the trend of individuals who leave one office under shady circumstances in one municipality and are found holding similar or same positions at another municipality. This trend renders the fight against corruption impractical.

Local municipalities have always suffered a shortage of or a total lack of sound infrastructure. If it exists it is poorly maintained and it remains in extremely poor conditions. Yet, more and more funds are being allocated to the entities tasked with infrastructure delivery. The funds allocated Municipal Infrastructure Support Agent, Misa, should be utilized wisely in order to meet the

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aspirations of the National Development Plan. The IFP support this budget Vote. I thank you. [Applause.]

Ms D CARTER: Chair, from the heights of our first democratic election and the adoption of our Constitution, the reconfiguration and re-establishment of our structures and systems of governance across all three spheres of government, and to the hopes and aspirations of a better life for all, we face an unprecedented crisis – constitutionally, socioeconomically and governmentally – all of which is rooted in a political crisis of corrupted leadership, bad governance and poor policy choices.

In his book, *How to Steal a City*, Crispian Olver – a local government specialist and ANC activist – documents: How the entire administration of the Nelson Mandela Bay Metro was captured – lock, stock and barrel – and controlled by a criminal network and the dominant faction of the ANC; how its financial resources were bled dry by an ANC political elite and connected businessmen, who effectively formed a criminal syndicate; how the resources – financial and otherwise – of the municipality were abused for factional battles within the ruling party and to bolster the ruling party in democratic elections; of dodgy tenders, kickbacks, shell companies, assassinations and compromised local and provincial

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politicians of the ruling party; and of dysfunction and failing service delivery and crumbling infrastructure.

What this member of the erstwhile UDF found was the complete 'state capture' of the Nelson Mandela Bay Metro – a microcosm of what has happened to our national government. Chair, the sad reality is that what Olver describes in his book is symptomatic of the rot in the governance of most municipalities under a majoritarian tyranny of the ANC.

I wonder how Minister Mkhize feels – I hope that he will respond in reply – when he visits his home town, the capital city of KwaZulu-Natal, Pietermaritzburg, and: Sees the rot and filth, and decaying infrastructure; experiences the intermittent supply of water and disruptions to electricity as yet another aging and unmaintained transformer explodes; reads reports of the collapse of the city's billing system and the near bankruptcy of its finances; experiences the incompetence of deployed cadres – let alone their complicity in complying with the instructions of the local criminal syndicate – comprising of members of the regional political elite and corrupted businessmen who loot and launder the financial resources of this municipality; attends yet another funeral of an assassinated councillor; and hears the cries of the destitute and impoverished who seek access to basic housing and services, and employment – as

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businesses either close or lose confidence in what was once, The City of Choice, and relocate.

If we are to halt the implosion of local government and return to the vision of good and progressive governance, we need to return to the values of good governance as enshrined in our Constitution. Good governance starts with the election of ethical political leadership. In this regard, Cope calls for the direct election of mayors.

Furthermore, Cope agrees with the call by the Financial and Fiscal Commission that urban district councils be abolished and those in rural areas strengthened. We agree with the growing concern about the financial sustainability of local government as a whole.

If one thinks that the ANC and their governance of municipalities is poor and rotten, their behaviour in the benches of the opposition, as witnessed in Nelson Mandela Bay, in Tshwane and in Johannesburg, belongs - like Andile Lungisa - condemned, convicted and behind bars. [Time expired.] Thank you. [Applause.]

Ms B J MALULEKE: Hon Chairperson, hon Minister, hon Deputy Ministers, hon members, our traditional leaders, our guests in the gallery, fellow South Africans, good morning. It is indeed an honour for me to debate this Budget Vote of the Department of Co-operative

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Governance and Traditional Affairs this morning. This debate takes place at a time in which our country is filled with a positive mood because of commitment of the ANC government under the capable leadership of President Cyril Ramaphosa to address political and socioeconomic issues that have been troubling the country and its people.

Most importantly, the debate takes place in a year in which we remember Mme Albertina Sisulu and Isithwalandwe[Chief] uTata uNelson Mandela on their centenary celebration. We are grateful for their sterling contribution to the liberation struggle and their collective efforts to improve the lives of all the South Africans. A most befitting dedication to Mme Sisulu and uTata uMadiba would be our renewed vigour and commitment to address the remaining patterns of the apartheid system.

The apartheid system forced our parents to the outskirts of cities where there were no economic activities. They had to live far from job opportunities, and had to leave their families and live in hostels as cities were only meant for the privileged. As the committee we are pleased to report that with the budget we are debating today, this Department of Co-operative Governance and Traditional Affairs has plans in place to implement Integrated Urban Development Framework, IUDF. The aim of this policy framework is to

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create a shared understanding across government and society about how best to manage urbanisation in order to create resilient and inclusive cities and towns. The IUDF marks a new deal for South African cities and towns as its key objective is spatial transformation.

The second phase of Back to Basics programme draws our attention to this area. It requires government to accelerate economic and spatial transformation, central to which must be integration of plans, improvement of mobility, connectivity, creation of good living and working environment for all, especially the poor. In other words, our collective efforts that are aimed at advancing spatial transformation in our country must be guided norms and standards such as densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps.

The 54th ANC National Conference held in December 2017 resolved that both the ANC and government treat as priority efforts to address spatial transformation, integration, inclusion and economic growth in the country. Central to this is Integrated Urban Development Framework, which is a tool the country can use to reverse apartheid patterns. It provides a government-wide policy framework to create a

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common understanding on how the country can manage urbanisation, which affects urban and rural municipalities.

As we engage on matters of spatial transformation, we must remember that inhabitants or residents in the municipality have a right to actively participate in decision-making processes on issues of the space where they live and work. This must happen because space is appropriated to enable people to be able to use the space for living, working and sporting.

At the centre of promoting integration, connectivity, mobility and economic growth in urban and rural spaces is infrastructure. Development of infrastructure must be guided by our determination to densify cities, improve transport, locate jobs and make sure that our people living conditions are improved for the better. In developing our cities, small towns and rural areas, there is a need for infrastructure development and we call upon the department to ensure that there is adequate investment, effective operation and maintenance of existing infrastructure. The department needs to accelerate infrastructure implementation and maintenance plans so that they can afford to keep those buildings safe and maintain them. We cannot afford to build beautiful infrastructures and fail to maintain them, Minister.

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Poor and rural municipalities should be our priority in as far as the development of infrastructure is concerned. These municipalities need assistance the most. For this reason, we must invest more resources on these municipalities. These municipalities require technical capacity and skills. We note that the Minister and the department will prioritise provision of infrastructure planning, delivery, operation and maintenance in the 27 priority district municipalities and other 55 distressed or dysfunctional municipalities. To the portfolio committee, this is a step to the right direction.

Our people need service delivery as of yesterday. Yes, we note that there are some municipalities that are trying their best to improve the lives of our communities for better by providing them with basic services. But there are some municipalities that fail poor people. For instance, the DA-run metros of Johannesburg and Cape Town have recently lost nearly R540 million meant to cover costs of provision of infrastructure to poor households due to nonperformance. This situation is a cause for concern. We urge the Minister to obtain explanation and report to the committee.

The triple challenges of unemployment, poverty and inequality continue to confront many of our people. This means that, our democratic government - the department in particular, must continue

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to strengthen and expand public employment programmes such as the Community Work Programme. This programme is important because it provides employment safety net for poor people who cannot access formal employment. We note with excitement research findings which indicate that Community Work Programme has had a significant positive effect on levels of employment in our metros and we urge the department to ensure that this is escalated even into our rural municipalities.

Corruption, maladministration and fraud are a cancer that destroys our so hard-fought democracy, and it delays government efforts to accelerate the provision of adequate and quality service delivery to our people. President Matamela Ramaphosa made a promise to our people that corruption and fraud will be dealt with harshly by this ANC caring government. We are encouraged by the work the Minister and the department that they are processing forensic reports on the investigations on allegations of corruption, and we need the report very soon, Mr President.

Before I sit down, I just want to remind ourselves of the clarion call made by President Ramaphosa of "thuma mina" [send me].

[Interjections.] Yes, as we heed the call, let us say this little prayer. We pray that we be faithful and hardworking servants of our

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country. "Thuma mina, ee ke a dumela, thuma mina" [Send me, yes I agree, send me.]. The ANC supports the budget. Thank you.

Mr C D MATSEPE: In the current budget allocation, the Municipal Infrastructure Support Agency noted that its task of assisting municipalities was gradually becoming more and more remote. The constraint in this regard is the inadequate internal capacity-building to the provisioning of qualified technical professionals as well as their redeployment. The Agency identified 25 district municipalities who were experiencing pressure due to lack of professionals. The Agency also faced certain institutional challenges.

However, despite these challenges, the system of training and developing technical skills continued to address backlogs in the 27 prioritised district municipalities. Currently, Misa is deploying 100 artisans and waste-water process controllers to needy municipalities. This is a drop in the ocean given the large number of ailing municipalities countrywide. However, Misa's ambitious programme is likely not to be achieved as the agency's current budget decreases by 15%. The bulk of the budget reduction relates to Sub-Programme 2: Technical Services, which is pivotal to Misa's mandate. The funds allocated to this programme cover the costs of remunerating technical professionals rendering support to the needy

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municipalities. Less budget for this entity means less support for communities.

The Commission for the Protection and Promotion of Cultural, Religious and Linguistic Communities of SA receives a budget allocation of R43 million from the Department of Co-operative Governance and Traditional Affairs, with an increase of 0,5% compared to the previous financial year. Based on this budget, the Commission set out to achieve the following activities: conducting 18 capacity-building workshops; 12 Nation-Building dialogues; and 18 awareness campaigns as a way of engaging with communities on cultural matters.

However, the Commission is unlikely to attain these objectives as the current budget is less by 46,5% than the previous year. This is likely to compromise the Commission's legislative mandate to promote public understanding of its objectives, roles and activities as envisaged in section 5 of the Cultural, Religious and Linguistic Rights Act of 2002.

Beyond that, the Commission may be compelled to update Parliament regarding measures it intends undertaking to comply with Section 24 (9) of the Act, which states that the Commission must convene consultative conferences during every term. This may prove

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difficult in light of the budget cuts. We urge the Commission to seek sponsors for these events as provided for in the legislation.

The present budget allocation to the National Disaster Management Centre is aimed at promoting, integrating and co-ordinating a system of disaster prevention, mitigating and managing risk. The National Disaster Management Centre budget increased by 2,4% which translates into R13,3 million in real terms. However, I must state that the bulk of this budget is concentrated on Sub-Programme 7: Disaster Relief Grant.

The Disaster Relief Grant receives an additional R24,5 million in real terms for the 2018-19 financial year. Thank you. [Time expired.] [Applause.]

Mr N A MASONDO: Chairperson, Minister Zweli Mkhize, Deputy Ministers Nel and Bapela, fellow South Africans, local government is at the coalface of public service delivery and therefore, central to advancing the national democratic revolution. Our local government system is guided by our struggle for united, democratic, nonracial, nonsexist and prosperous South Africa.

In 1994 when the ANC assumed power, the Reconstruction and Development Programme, RDP was pursued to put people first and focus

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on people's most immediate needs. In this regard, local government has an important role to play. It is against this backdrop that government has devoted much attention and resources to the local sphere of government in order to ensure its efficacy in line with constitutional imperatives.

Chairperson, the ANC-led government has promised and has committed to all that South Africans that it will improve the delivery of our local government services that would invest in and maintain infrastructure; boost economic growth; and help create much-needed jobs for unemployed youth and women. The Constitution is grounded in the Freedom Charter – as we all know – which continues to be the foundation of a democratic South Africa.

Furthermore, the Constitution enjoins all of us to build local government which has the capacity to provide democratic and accountable government for local communities; ensure the provision of services to communities in a sustainable manner; promote social and economic development; promote a safe and healthy environment; and encourage the involvement of communities and community organisations on matters of local government. We have committed to building sustainable municipalities that are well-managed, committed to performance management and high-level of service delivery with

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sound financial management and clean, healthy and safe working environment.

With regard to the poor and indigent, we have created a safety net of social services to restore their dignity. We have strengthened participatory democracy and to a great extent, adhered to the Principles of Batho Pele. Our long-term goals are outlined in the National Development Plan, NDP, our own Vision 2030. With measurable and attainable objectives, we seek to reduce inequality, boost and achieve economic freedom for all our people.

Through its progress and the building a capable development state, the ANC will provide universal quality services to all. The seventh phase of Back to Basics will see the national government engage in a more active monitoring and ensure greater accountability measures. We will identify the root causes of problems in each municipality and intervene decisively.

The basic services have been extended to more citizens than ever before. We are not, of course, oblivious to all the challenges which are a reflection of community frustration in both municipal leadership and governance in some of our municipalities. We have observed that the Department of Co-operative Governance and Traditional Leadership, leading the intergovernmental relations, IGR

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processes through the Inter-Ministerial Task Team, is assisting municipalities which are unable to pay. This has been identified and repayment packages have been developed.

The top 60 municipalities are prioritised to be assisted. To date, municipalities in the following provinces have been engaged to consider both bulk electricity and bulk water debt: Eastern Cape, Free State, Northern Cape, KwaZulu-Natal, Limpopo, Gauteng and North West. The remaining municipalities in Mpumalanga were assisted in April 2018. Of course, this is work in progress.

Secondly, we know that the department has assisted municipalities to collect government debt during the implementation of simplified revenue plans in the Northern Cape and that has yielded successes, as the total debt collected amounts to R98 million as at February 2018. The departments have made commitments to pay R140 million as soon as the budget becomes available at the beginning of 2018-19 financial year.

The Integrated Urban Development Framework, IUDF offers a new deal for towns and cities. It defines our urban landscape in our effort to eradicate the apartheid-designed spatial legacy which was the master architect of a racially-fragmented local government system.

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The ANC and our Constitution are clear on building a united, nonracial, nonsexist, democratic and prosperous society.

Cities and towns offer significant opportunities to address South Africa's challenges of poverty, inequality and unemployment. The aim of the IUDF is to create a shared understanding across government and society on how urbanisation should be better managed to ensure liveable, resilient and inclusive settlement areas.

According to the White Paper on Local Government, local government must play a developmental role. Its activities must improve socioeconomic status of communities; target especially those members and groups within communities which are marginalised such as women, disabled people and the poorest of the poor.

The Constitution states that a municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community. It must promote the social and economic development of the community, and participate in national and provincial development programme. It is against this backdrop that local economic development is an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth, thereby

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seeking to bring economic benefits and improve quality of life of all residents in a local municipal area.

The Revised National Framework for Economic Development is premised on the following principles amongst others: Collaborative partnerships; integrated place development which recognises marginal territories such as township informal settlements, peri-urban areas and rural settlements. This can be appreciated in the way that the ANC Executive Mayor of City of Tshwane, Ramokgopa said in the early part of 2016: Between 2011 and 2016, the city identified six core projects to develop township economies namely, Kgora Community Bakery in Soshanguve; Integrated Vehicle Washing facility in Mamelodi; a plastic manufacturing factory in Cullinan; a paper towel manufacturing factory in Mabopane; a brick and paving manufacturing factory in Mabopane; and of course, the upgrading of the fresh produce market.

With regard to fighting corruption, the first step is to recognise and admit that it does exist. We are committed to popularising a new morality of services and integrity to fighting corruption and mismanagement at the local government by ensuring that there are consequences for maladministration, mismanagement, fraud as well as corruption. We wish to state that parliamentary oversight mechanism will pay special attention to corruption. Others make noise about

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corruption, philosophers and so on, but we in the ANC are doing something. This something is there for everybody to see.

In closing, in 2018 the ANC will work continuously in the direction of ensuring that the quality of life of our people improves for the better. Then ANC supports this Budget Vote and will continue to do all the good work that needs to be done. Thank you very much.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

Thank you very much. I wish we had more time then we can talk about all of these. I want to support the words of solidarity with the people of Palestine. I think it is very sad what happened in Gaza. It's very inhuman.

But coming back to the issues raised here, one of the issues raised was around the financial recovery plans or the recovery plans in so far as a financial management is concerned. Then we assure the members that we are sending teams that will be able to deal with the issues of budget, to deal with issues of revenue generation expenditure management. We do want to see a turnaround on all of those. We expect that there will be an impact of those teams.

When dealing with the issues of VBS, it is also important to know that the issue is in the hands of the Reserve Bank. There would be

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no arrest until the preliminary audit which is currently underway. Then we will be able who needs to be brought into this. The Hawks are waiting on the side for that. But they wouldn't jump into arresting until some preliminary information is available.

I am very pleased ladies and gentlemen, members in this House to see that the IUDF as a programme gets support from all the parties. I think it is an important issue because right now we are played by land invasions which we need to be able to identify land ahead of time in municipalities so that we can actually disrupt the apartheid special planning and actually even change the approach to our housing models. So, I think more work is going to be done here and certainly we will need to put additional resources.

With the issue of corruption, we are similarly wanted to endorse what has been raised by the members, particularly those who are indicating the commitment of the ANC in fighting corruption. Inside the Department of Co-operative Governance and Traditional Affairs, we have actually got an arrangement with the Hawks to be able to ensure that the departmental staff can interpret a lot of the reports that are coming from municipalities so that we can act.

We are encouraging all the municipalities to continue acting. We want them to act in the way the Chinese say, a deal with flies and

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tigers alike so that people must be acted upon irrespective whether the employees were elected representatives. Action has to be done at that level. We will be monitoring all of that.

With regards to the issue of Eskom, we have submitted a package of issues that have to be dealt with. We have already raised the issue of writing off some of the debt. But there is a lot more to be dealt with. I don't want to spend much time here. I just want to say that at a certain point; we will be tabling a report to the portfolio committee. So, we want you to reserve your questions for that time.

The issue around the death of councillors is a very sad situation. We have to actually act on this. This together with any form of corruption, crime, we must all stand on the one side and stop politicising it. We must actually go and deal with crime irrespective, whether the members involved in any criminal activity belong to a political party, is immaterial, what's important is that we must act decisively on crime and we undertake to do so.

The issues that have been raised by the way, I think it was hon Cater, who raise the issue of crust Christian over who wrote how to steal a city. Actually, I think we need to acknowledge the fact that that was based on the experience when they were deployed there by the Department of Co-operative Governance and Traditional Affairs to

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deal with the issues of back to basics to bring back the respond. Well, we will find it even if it is inside the DA. Even inside the DA, we will deal with it. Even when the DA begins to use their factional fight to disrupt governance, we will investigate you if we think you are the cause. So, we will deal with everything. We will deal with everybody. We do not fear. No fear, no favour, we will deal with everybody.

The HOUSE CHAIRPERSON (Mr B L Mashile): Order, hon members. Allow the Minister to respond.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: In the issue of Pietermaritzberg, we will actually send a team to deal with it. We will arrive there. So, I want to say to the hon members, some of the reductions that you see in the budget is occasion by the fact that we have to adjust the budget because of the belt tightening. We actually do understand that there will never be enough resources to finance those municipalities. Some of the challenges that you raised are actually structural. You talk about the old infrastructure. It's something that is there everywhere. But you must remember, wall to wall municipalities has actually redistributed to areas which were completely neglected. So, there will obviously be some areas where we will have problem but our

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focus is to be about building the revenue base in all the municipalities so that they must be able to deal with it.

Ladies and gentlem, members, we want to say, thank you very much. Thanks for all your contributions. We will investigate the infrastructure money of R540 million that the member has raised. We are going to be dealing with the areas of North West. Don't celebrate, we will fix it. When it is done ...

The HOUSE CHAIRPERSON (Mr B L Mashile): Order!

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Well, I can see that the members are excited about the members of the ANC. We will deal with every problem whether irregularities. We will act on that without fear or favour. You can trust on us to turn all the municipalities around. Thank you very much, ladies and gentlemen. [Applause.]

Debate concluded.

The mini-plenary session rose at 12:14.