***WEDNESDAY, 22 JULY 2020***

***MINUTES OF PROCEEDINGS OF PLENARY SESSION OF NATIONAL ASSEMBLY***

Members of the mini-plenary session met on the virtual platform at 10:00.

The House Chairperson Mr C T Frolick took the Chair and requested members to observe a moment of silence for prayer or meditation.

The Chairperson announced that the virtual mini-plenary sitting constituted a meeting of the National Assembly.

**APPROPRIATION BILL**

(Policy Debate)

Debate on Vote No 3 – Cooperative Governance and Traditional Affairs:

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

[NO SOUND UP UNTIL THIS POINT] ... intergenerational cycle of poverty, whilst still building resilience, sustainable, vibrant and dimensional communities. To complement this, we are also remodelling the community works programme. We intend to use its programme to promote active citizenry through employment of co- operatives, small business and community-based organisations. By the next year’s budget 2021-22, ... [Inaudible.] ... Hon members, as I address you, South Africa ranks fifth in the global Covid infection community in terms of numbers, to ... [Inaudible.] ... of frontline workers our situation would have been far worse.

We take this opportunity to salute the frontline workers, especially the health workers, the securities and others. In our lifetime, we acknowledge the efforts and contribution of ... [Inaudible.] ... combined heroes. Let’s take this opportunity to extend our condolences to all those who have lost their lives through Covid. The fight against Covid requires all of us play our part. To recall the words of President Mandela, I quote:

One of the challenges of our time, without being pietistic or moralistic, is to re-instil in the consciousness of our people that sense of human solidarity of being in the world for one another and because of and through others.

By wearing a mask, washing your hands, sanitizing surfaces and maintaining a safe distance at home, in public transport, at work, we protect ourselves, but we also protect our families, friends, communities and leadership. Companies and the employers must ensure that these health and hygiene protocols are observed. Those who are over 60 ... [Inaudible.] ... Hon members, before I conclude, ... [Inaudible.] ... for co-operating with us,

especially, during this time. A combination of Religious and Linguistic Communities, CRL, Deputy Ministers, Deputy Minister, and Mr Obed Bapela.

I wish also to thank the Director-General, CEO of Municipal

Infrastructure Support Agent, MISA, heads of entities that we work with and the entire Cooperative Governance and Traditional Affairs family. We also would request, support and approval, hon members, of the readjusted budget, with total of R107,188 billion. Over and above this, an additional R554 million is allocated for job creation. I would like to thank you very much for listening.

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you, hon Minister. Hon members, before we proceed, I wish to announce that we as the Presiding Officers and all members of the National Assembly, we associate ourselves with the words of condolence that the hon

Minister expressed towards the Mlangeni family, in the passing away of Isithwalandwe, Andrew Mlangeni, who has been a member of the National Assembly for a very long time. May His Soul Rest in Peace, and I will request us just to observe a moment of silence.

Thank you.

Ms A F MUTHAMBI: House Chairperson, thank you so much, Minister and other Ministers that are part of this session, hon colleagues who are Members of Parliament, the Chairperson of the Commission

for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities, CRL, Rights Commission, Chairperson of the National House of Traditional Leadership, President of SA Local Government Association, Salga, and distinguished guests.

As we transverse this beautiful country to municipalities in our oversight responsibility as the Portfolio Committee on Cooperative Governance and Traditional Affairs, we see first-hand the conquered frontiers in progress on the other hand, as well as the many challenges and adjust stagnation. We need practitioners and stakeholders on both sides of the divide, those that are propelling municipality on a trajectory of excellence and sound

performance, as well as those that are inhibiting and haemorrhaging this institution to failure.

A practitioner in one of our engagements as he was presenting to the committee, you said this, I quote, “let us leave local government in a better place today, than we found it in yesterday.” Upon reflection, House Chairperson, if those of us who are vested with this responsibility, with the performance of local government had to adopt this mantra diligently, since the transition of local government some 20 years ago, local government will be on a higher place today.

While there is excellent somewhere, for example, the case of a municipality that has throughout achieved clean audits for several years, there is mediocrity somewhere else where an entity of the state has failed to address the water problems in a while, over a year. So, it is this context, House Chairperson and hon members, of the good, the bad and the ugly, that we approach this debate. on this adjusted Budget Vote. Yes, House Chairperson, while we were dealing with the good and the bad of local government, the ugly, as the Minister has just said, of the COVID-19 pandemic emerged.

However, unlike the guns and dynamite of the once popular Western movie, I believe, most of you know it, called the good, the bad and ugly. We need to apply results, hard work, innovation and common sense to overcome the dismal realities we are confronted with. As the portfolio committee, House Chairperson, we must say upfront that we welcome this special adjustment budget for the Department of Cooperative Governance and Traditional Affairs, in particular, the proposed upward adjustments from R96,2 billion to R107,1 billion, in the overall budget of the Department of Cooperative Governance. The department, you will recall colleagues, it is at the heart of the national COVID-19 response in two ways.

Firstly, it is responsible for the implementation of the disaster management regulations which are guiding the country through the various stages of the national lockdown. The regulations give effect to President Cyril Ramaphosa’s declaration of the state of national disaster in South Africa on 15 March 2020, following the declaration of the global COVID-19 pandemic by the World Health Organisation, WHO. Hon members, you will recall that these regulations have been subjected to a number of court challenges.

However, the court judgment has come out predominantly in favour of the Minister of Cooperative Governance and Traditional Affairs, thus claiming the legitimacy of the regulations. These are the milestones which are worth upholding and celebrating. Secondly, hon members, the department has a constitutional mandate to oversee and support the local and provincial spheres of government, which are responsible for implementing many aspects of this pandemic.

Although the provincial share of national raised revenue contracts compared to the 2020 budget, provinces have committed to reprioritise R20 billions of their provincial equitable share budget to the COVID-19 response. The local government sphere on other hand received a net increase of 5,3%. Local government accordingly received an additional R11 billion through the equitable share. The reprioritisation of the R9 billion within the allocated conditional grants, has up to R20 billion available for municipalities to provide improved access to water and sanitation, temporary shelters for homeless people, sanitation, public transport and public facilities.

This is in line with what the President announced in his 21 April 2020 address to the nation. Through this additional allocation, it

will be possible for municipalities to provide an additional 1,4 million households for free basics if they become indigent because of loss of income during this pandemic. Hon members, through the Community Works Programme and the Minister, the department has a vital contribution to make towards the best job creation and protection initiatives, as well as the use of infrastructure spending as the labour for economic recovery.

As government rolls out the repurposed public employment programme over the medium, we call on the department to expedite the remodelling and redesign of the Community Works Programme to address the key issues that it is receiving to conservative disclaimer audit opinions in the last two financial years. As this will excite the House Chairperson of the House of Traditional Leadership, you will recall that the adjusted budget has also expressed a reduction of R3 million of the budget to the Department of Traditional Affairs.

This mainly affects project that will not be feasible, given the COVID-19 social distancing protocols, as well as the budget that still awaits the proclamation of the traditional of Khoi-San leadership of 2019. The department will do well, to also add timeframe to some of its revised targets. It must improve its

contribution to the maintenance of traditional counselling infrastructure. It plays the role of ... [Inaudible.] ... and gender-based violence. The department could also improve on integration ... [Inaudible.] ... especially at the level of senior traditional leadership, as well as on the resourcing of traditional leaders to enable them to participate meaningfully in government structures.

Hon members, as a committee, we are determined to ensure that there is accountability in relation to the spending of the COVID-

19 funds by municipalities. Some municipalities have been in the spotlight for abusing these funds. We have already called some of these municipalities to come to Parliament to account. We also came out and demanded accountability when we heard the high ... [Inaudible.] ... stories of councillors who were found wanting, for instance, looting food parcels and violating the COVID-19 regulations.

We are therefore also ... [Inaudible.] ... a disciplinary measure by intensifying the monitoring of COVID-19 related expenditure by municipalities, to ensure that there is no spending on salaries and the other non COVID-19 related expenditure. Hon members, the committee is also mindful that COVID-19 intervention in the

municipalities comes on top of the underlying and deep seated challenges in SA Local Government sector, including the underspending of ... [Inaudible.] ... budgets. [Interjections.] We hereby support the Budget Vote. Thank you, House Chair.

Mr M H HOOSEN: On behalf of the DA, I wish to start by extending our condolences and best wishes to the families that have, one way or another, been badly affected by the spread of COVID-19 in our country. We meet at an unprecedented time in our country, never before has the entire world being shut down and affected us all in such a devastating manner. Whilst this is the time to reflect on how the pandemic has affected each and every single one of us, it is also time to reflect on how we as the leaders of our nation responded to this pandemic.

Given that Minister Dlamini-Zuma is the political head ultimately responsible for the management of the COVID-19 pandemic through the Disaster Management Act, it is the appropriate time and opportunity to reflect on and analyse the work of her department on this occasion. Firstly, allow me, Chairperson, to extend our appreciation to the Chairperson of the Cooperative Governance and Traditional Affairs Portfolio, as well as other members of this portfolio from across political parties. Since the lockdown began,

this portfolio has actively played its part in conducting effective oversight of municipalities from across the country, who appeared before us to account for their interventions to curb the spread of the virus.

It was during these occasions, that this portfolio committee became exposed to the real state of our municipalities and just how effective our governments have been in their work to protect the most vulnerable in our society. I think it would be fair to say, Chairperson, that our collective experiences thus far have been very concerning. Whilst there are some pockets of excellence in some areas, the large majority of interventions have been a dismal failure. Let me share with you why make such a strong statement.

Chairperson, while governments across the world have been doing everything humanly possible to protect its citizens from COVID-19, our government has been designing regulations that border on madness. Instead of fighting the spread of the virus and protecting our citizens, instead of fighting the high rate of corruption and looting, our Minister, Dlamini-Zuma, has been fighting against zol and alcohol. While she was focusing on zol

and alcohol, here’s a brief snapshot of what was really going on

in our country.

After more than 100 days of lockdown, thousands of poor residents still don’t have access to water to wash their hands, dozens of schools still do not have decent toilets for children and crooked politicians and officials are colluding with businesses for their personal benefit. Quarantine facilities in the Eastern Cape, owned by the family of the MEC for Transport in that province, were contracted to the department so that they can benefit from the crisis when Minister Dlamini-Zuma is focusing on zol and alcohol.

The Speaker in the OR Tambo Municipality, received invoices amounting to about R4,8 million from a questionable training company, to teach a few thousand people about the virus, when this information is actually available for free of charge on TV, radio and social media, and when the municipal manager refused to pay, he was suspended. Where was Minister Dlamini-Zuma? Zol and alcohol. The KwaZulu-Natal Department of Social Development spent more than R22 million on blankets. Each of these blankets costed about R460.

The Naledi Municipality in the North West, paid R1,265 for a dust mask which usually cost less than R20. Thermometers that are usually about R200, were sold to the Department of Education in KwaZulu-Natal for R2,500 each and they couldn’t be used because they had no batteries. Where was Minister Dlamini-Zuma? Zol and alcohol. Chairperson, these are only just a few examples that I can speak of in this little time allocated to me.

There are dozens more examples of looting that will re-emerge in

... [Inaudible.] ... Corrupt politicians and officials in government departments, are making every effort to ensure that this disaster does not ... [Inaudible.] ... and not a single person has been playing the game. That is why the Minister has been fighting zol and alcohol. Chairperson, we are ... [Inaudible.] ... Minister Dlamini-Zuma to refocus her habits and take immediate ... [Inaudible.] ... in municipalities and provinces, before there is nothing left to steal. The Minister and her department must refocus their energies in fighting COVID-19, and not the citizens of our country. Thank you very much.

Ms H O MKHALIPHI: House Chair, please allow the EFF to convey its condolences to the family of Babu Mlangeni. House Chair, EFF rejects this Budget Vote of the Department of Cooperative

Governance and Traditional Affairs. Local government in South Africa is supposed to be a sphere of government that is at the forefront of service delivery. Municipalities and municipal services were supposed to be the last defence for our people against COVID-19. Unfortunately, that is not the case. Our people are on their own.

Majority of municipalities are dysfunctional, and they have been dysfunctional for a very long time. In his latest results of municipal audits, the Auditor-General correctly characterised the looting that is taking place at municipal level, and said, “all bad or wrong, and filthy hands of politicians and officials are at the tail of municipal coffers, busy looting resources that is supposed to be taken to our people.” Your department, Minister, like municipalities, is also mired with corruption, irregular and wasteful expenditure.

In previous year, the department reported a total of R11,9 billion unauthorised expenditures, and R2 billion fruitless and wasteful expenditure, a fatal environment for corruption. Mr CEO is charged with corruption and it is business as usual, no suspension, no action, no answer from a written question from you, Minister. Out of 257 municipalities, only 20 municipalities have a clean audit.

But we still have the mayors as political leaders in all those municipalities enjoying benefits, and others have been elevated to lead Salga at national and provincial level, while their municipalities are rotten to the core.

This R11 billion special adjustment budget will continue giving looters of all municipalities such as O R Tambo District a green light to lose more than R4 million that they have already looted. Last week at EThekwini Municipalities, Hawks raided municipal official’s residence in probing corruption, worth R200 million in Water and Sanitation department, a department that is expected to fight Covid. This is not new though. We all know that the former mayor and a sizeable number of ANC councillors that are charged with corruption, but there are still councillors.

Long before that, Minister, there was a Manase report that detailed corruption and was swept under the carpet, and those implicated were rewarded with senior positions as MECs, as Mayors, etc. If we agree with the special adjustment budget, Minister, it will mean that Cebo Ngcobo from Ward 43, KwaMashu, who have reported on 10 June the burst pipe of waste, no one from municipality came to fix it, until the community had to get a

local plumber, as they could not live with human waste all over the place.

It will mean that irregular expenditure of R2,4 billion of Business Continuity management, BCM, for COVID-19, which they intended to write it off without the accountability, and the worst part, Minister the MEC of Cooperative Governance and Traditional Affairs in the province, a man who is supposed to be fighting corruption, is promoting corruption, and there is no consequence from anyone, from ANC leadership, from the Cooperative Governance and Traditional Affairs Department and from your office, Minister.

It will mean that, R100 million irregular tender awarded for water at Ndlambe Municipality will continue. Thanks to the court to stop this. It will mean that, in Beyers Naude Municipality, the officials who allocated R30 million for water project, but can only account for R5 million, will continue to loot as usual. It will mean that the looting will continue at Metsimaholo Municipality, whereby R21,7 million, approved for a sport complex, but only the fence was erected. No consequences.

*IsiZulu*:

Kukabo mazitapela ...

*English:*

... in this department. Minister, why Intsika Yethu mayor, Jongumuzi Cengana, who was charged with sexual harassment is still a mayor? Why mayor of Alfred Nzo, mayor Sixolile Mehlomakhulu, is still a mayor, after beating her own family member? This, and many other cases are example of how this department has failed its mandate. But the challenge of local government in South Africa, Minister, is both ideological and structural. As the EFF has said, SA Industrial Policy should be based on land redistribution, beneficiation and decentralised municipal-led industrialisation.

At the moment, the majority of municipalities are the only economic activity in town, and this is not sustainable.

We must give our people land; we must build industries in all municipalities and create jobs for our people. We must allocate the majority of the revenue raised nationally to local government and amend Municipal Finance Management Act, to compel municipalities to spend 80% in local produce goods. Our municipalities must build food markets, must build malls and industrial sites, that emerging manufacturers can rent for a fee much less than what is charged by the greedy private sector.

We must repurpose our municipalities for life under COVID-19, but the failure to allocate enough resources and deal decisively with corruption, which is the major, major problem, means that we are rubberstamping a meaningless budget special adjustment that will not have an impact in the lives of our people. At the end of the day, the municipalities that cannot deliver water, simple water, will continue to fail. Municipalities that cannot collect waste, will not start collecting the refuse, and useless provinces that have failed to step up in the fight against COVID-19 will continue to be a waste of resources. We reject this budget. Thank you. [Interjections.] [Time expired.]

*IsiZulu:*

Nk N P SONTI: Halala EFF, halala.

Mnu R N CEBEKHULU: Yekela umsindo wena Sonti.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, I have cautioned you. You cannot switch on your microphone and do as you please. I will remove you from this virtual platform without any further precaution or warning. I now recognise the hon Luthuli.

Mr B N LUTHULI: Chairperson and hon members, a few weeks ago, the Auditor-General released his latest municipality audit report, and it showed the extent of the disintegration of the municipality in no uncertain terms. We are facing the ... [Inaudible.] ... of the local government. In KwaZulu-Natal alone, only one out of 54 municipalities receiving a clean audit from the Auditor-General from 2018-19 financial period, and R6,5 billion in irregular expenditure was incurred in the province.

The EThekwini Metro alone, had incurred R22,4 billion rand, which shocking results for quite a bad thing, a question of oversight of the municipality, but also their ability to make the financial impact of COVID-19. On consideration of the budget adjustment for the Department of Cooperative Governance and Traditional Affairs and affected entities. The IFP in general, supports the budgetary adjustment, however, remains highly concerned about the ... [Inaudible.] ... will introduce an increase of R11 billion for the local government equitable share, to enable the municipality to respond to the local needs, which includes the temporary homes and shelters.

The IFP is also highly concerned about the Community Work Programme, CWP. There is an absolutely lack of details of what the

substantial amount allocated to this programme has been during this lockdown period. The IFP I suspects that the funds are being used as a means to canvas community support for the upcoming local election by the ANC. We demand a detailed breakdown of the programmes, budgets and expenditures. Undeniably, the local government plays an important role into managing the impact of COVID-19 in the affected communities, especially, in ensuring the provision of water, sanitation and access to housing.

However, considering the complete disciplinary of the management enquiry, the public is left with very little ... [Inaudible.] ... that local government will ... [Inaudible.] ... the public ... [Inaudible.] ... The IFP calls upon the Department of Cooperative Governance and Traditional Affairs to prove more safeguard and oversight in this regard.

In addition to these concerns, the IFP also support the Portfolio Committee on Cooperative Governance and Traditional Affairs views that, it is unacceptable for the department to aim for the target 88% in respect of the functional municipality, public accounts committee and audit committee on the municipality. We agree that it unnegotiable for that to municipalities to function. Thank you. [Time expired.]

Mr I M GROENEWALD: Hon Chairperson, it is not the money that matters, it is how do you use it. It is how you use it that determines the true value. During the recent debate, hon Wessel said that, the world has an expectancy on the taxpayers. On the state projects there is more and more on minds of the taxpayers as to why they should pay taxes if they do not receive services, and corruption is endemic. Chair. This question becomes more and more relevant during COVID-19 pandemic, when taxpayers hear of funds were looted and misspent.

To name a few, government officials claiming from the Community Works Programme and claim for deceased people. The Unemployed Insurance Fund, UIF, scandal, the North West Health department crisis, the Eastern Cape health crisis, and the ambulance scandal, inflated prices of personal protection equipments, PPEs, procurement of government, a loss of R32 billion due to fraud and corruption. Only 20 out of 257 municipalities received clean audits.

About R1,2 billions of expenses were spent in consultants, whilst officials are employed at exorbitant salaries to do the very job outsourced, as such, appointments made fraudulently into officials involved in the Venda Building Society, VBS, or the dismissed

officials return to work, councillors selling food parcels meant for the poor, electricity blackouts due to municipal non-payments, collapsed municipal infrastructure, then Special Investigation Unit, SIU, revealed that since 2000, only 32 corruption investigations were concluded out of the 239 cases, and only 13 convictions.

... [Inaudible.] ... entrepreneurs and company’s officials that gets irregular contracts with massive overpayment with over less can still go on. Yet government sees it fit to increase the budget of municipalities through the equitable share to the amount of

R11 billion and reprioritise the drought relief funds and if less money, for municipal infrastructure. The report states that the reprioritisation of the funds, will assist in additional

R1,4 million households. The system with regards to basic services such as water and electricity, is much needed during the trying times, but it is only short-term and unsustainable.

Funds should be prioritised to create a conducive environment for economic growth and job creation, infrastructure, maintenance and development and service delivery, and on local level, on needed to create such an environment where private sector can grow and invest.

*Afrikaans:*

Agb Voorsitter, die COVID-19 pandemie beklemtoon die onbevoegdheid van die ANC, waar daar nou eers plekke is waar daar water geïnstalleer word weens die krisis; waar daar in sommige plekke soos Maquassi *Hills* Munisipaliteit slegs die watertenks wat daar geplaas word sonder enige krane of koppelings. Waar is die waarde vir geld en hoekom nou eers? Sou die miljarde wat verloor is aan wanbestuur en onreëlmatige uitgawes nie reeds lankal die instandhouding van infrastruktuur kon befonds het nie?

*English:*

... is the increase in municipal rates and taxes and value for money in terms of how it is being spent? There are municipalities who literally no service delivery takes place. The full local municipality, which has been under section 139 essential for the past more than three years, is a prime example. No refuse removal for the past four years, no maintenance or repairs to water pipelines The community fixes burst pipes themselves. The community is doing service delivery themselves, but they still have to pay rates and taxes. So, they are paying double. Is this fair, Minister? What are they paying for?

*Afrikaans:*

Die gans wat die goue eier lê is moeg gelê. Die belastingbetaler gaan nie vir altyd aanhou betaal om sodoende ’n gestelery en korrupsie te befonds nie, terwyl hy nie dienste ontvang nie.

Belasting en tariewe moet verdien word. Daar moet waarde vir geld wees. Dankie, Voorsitter.

The DEPUTY MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL

AFFAIRS (Mr M F P Tau): House Chairperson, Ministers and Deputy Ministers, hon members, Chairperson and Members of the National House of Traditional Leaders, President of SA Local Government Association, Salga, Leadership of Chapter Nine Institutions, Director-generals and CEO of the Municipal Infrastructure Support Agent, MISA, ladies and gentlemen, thank you sincerely for the platform to address the National Assembly during this budget debate.

Fellow South Africans, overnight we’ve heard the news of the passing of Andrew Mlangeni, a former member of this Assembly, the last remaining Rivonia trialist, recipient of the Presidential Order for Meritorious Service Gold from President Nelson Mandela in 1999, and a free man of the city of Johannesburg. His passing signifies an end to a generation of freedom fighters. Hon members, with last year’s Budget Vote, we noted that local government is

confronted mainly with challenges of governance, financial management and systemic issues around powers and functions.

In her presentation to the 2020-21 adjustment budget address, the hon Minister Dlamini-Zuma highlighted these challenges amongst others: The adverse findings of the Auditor-General and the interventions ... [Inaudible.] ... The Minister’s leadership in this regard, has been instrumental in the work that we do. The Department of Cooperative Governance and Traditional Affairs continues to exercise its mandatory functions in relation to the implementation of section 139 of the Constitution.

As we have been at first to emphasise that the use of section 139 is an instrument of last resort. Rather, we should place greater emphasis on section 154 through the District Development Model as the key mechanism for support to local government. We note that the North West Province has some of the highest numbers of section

139 interventions. In this regard, we work very closely with the late MEC for Cooperative Governance and Traditional Affairs, hon Kegakilwe, in identifying the source of the challenges and badly developing a response.

Thus, his untimely death leaves a huge void in that effort. As the Cooperative Governance department, it is my contention that there is hope and action, to ensure that the objectives and targets are delivered, specifically, getting municipalities to be accountable, improve governance, boldly confronting poor administrative and financial mismanagement, and to respond to the systemic and functional design issues that affect local government. We set bold

targets in Medium-Term Strategic Framework, MTSF, in our own strategic plan and in our Annual Performance Plan, APP.

We focus on policy legislative institutional finance and regulatory interventions. Under the leadership of Chairperson, hon Muthambi, the portfolio committee has been a key platform for engagement, oversight and accountability. We have refined our strategic agenda, rigorously assessed our performance, and we are now focusing on fast tracking our high impact programmes. Hon members, hope in action is evident in our unwavering resolution of the administrative issues in the Community Works Programme, CWP, a programme with a two-fold goal, and that is first, in creating employment and engagement training, and secondly, support the establishment of co-operatives and social businesses in local governance.

In the current cycle, as per the Cabinet decision, we are finalising the revised CWP model, to enhance its effectiveness. As we implement this programme, allow me to pay my last respect to the Cooperative Governance and Traditional Affairs’ Chief Director, Mr Seitisho, who recently passed away. Ladies and gentleman, hope in action is apparent in the development of the smart cities framework for South Africa. Under this framework, work is underway to roll out the flagship project of smart meters and grids, which are key enablement for smart electricity.

As we re-imagining a new energy future to municipalities, in line with their constitutional mandate as the reticulation agents of electricity. The objective is to create a marketplace for a diverse energy mix, whilst also providing opportunities for energy entrepreneurs. Together with sister departments, Salga and other departments, we have worked closely under the guidance of the Deputy President, Mr Mabuza, and the Eskom Political Task Team to address some of the inherent challenges that confront electricity distribution.

As a sector, our task includes, amongst others, to comprehensively review the revenue system of local government, proactively resolve debt owed to Eskom, bring together all role players and social

partners to resolve the more than R185 billion owed to municipalities, the appointment of any electricity ombudsman to address matters of disputes between energy supplier and the distributor, and also undertake a community comprehensive communication strategy to improve relations between local governments and communities. Lastly, we need to reconfigure our energy distribution sector, so that we address the triple challenges of climate change, energy efficiency and unreliable supply.

Hon members, an all-of-government approach is central to remodelling a viable and sustainable financial architecture for local government. In this period of the new normal, social compact with the private sector, nongovernmental organisations, financing institutions and the international community is indispensable. It is important to increase financing for municipal infrastructure through a range of instruments, including blended financing instruments, pooled financing and the private sector participation model.

Hon members, hope in action is evidence with our continued work with the Municipal Infrastructure Support Agent. This ongoing work requires transforming and capacitating MISA to provide tailor-made

support to municipalities and also to propose financial solutions to fund municipal infrastructure, explore the possibility of a municipal bank, set up and implement framework contracts in line with the standards for infrastructure procurement for use by the municipalities and identifying project pipelines, for accessing climate finance mechanisms.

Hon members, it is indeed a truism that COVID-19 is both a crisis and a portal to opportunities. The Department of Cooperative Governance and Traditional Affairs is making steady progress to meet the outcomes of our Annual Performance Plan. Our work together with partners, Salga, traditional leaders and traditional councils, has already begun to yield results, and there’s a list of projects we continue in ... [Inaudible.] ... in this regard, including 115 boreholes which have been implemented together with Tirisano and MISA, finalising the rehabilitation of the Lejwaneng water pump station in in Maluti-a-Phofung.

Also, finalising the construction of water supply infrastructure in Enyathi and Bhokwe villages in Abaqulusi. We have begun the important construction and refurbishment of eMondlo Wastewater and Water Works. Hon members, Deputy Minister Bapela continues to exercise decisive leadership in bringing together the Cooperative

Governance and Traditional Affairs family and traditional leaders to implement Agrarian Revolution Programme. The Department of Cooperative Governance through the Community Works Programme, made available an amount of R100 million to 14 traditional communities who have benefited from the implementation of this programme.

Traditional leaders have set aside 1 million hectares of land, and will identify additional 6 million hectares for communal land for the implementation of the agrarian reform. In conclusion, as long as we continue our multifaceted work in service of the people of South Africa, we will indeed pay homage to those hon members who have lost their lives due to COVID-19. Allow me to dedicate this speech to them and all South Africans who have lost their lives.

This week, we will be laying to rest my comrade and colleague in the Gauteng Provincial Executive of the ANC, the hon Mapiti Matsena, who died at the hands of criminals. May he too, Rest in Peace. Nothing is sadder than death. Hope in action for local government is an ongoing process to ensure ultimately, that indeed, today is better than yesterday, and that tomorrow will be better than today. Thank you very much.

Mr W M THRING: Hon House Chair, the ACDP notes that this adjustment budget of R107,1 billion has increased from

R96,2 billion, and the additional R544 million appropriated for labour intensive infrastructure programmes. The ACDP is also on record for expressing its concern of the R20 billion allocated to dysfunctional municipalities, to provide emergency water supplies, increase sanitation at public transport and facilities to provide food and shelter to the homeless. If these billions of Rands, hon Chair, were to be properly utilised, in ensuring that service delivery actually takes place, it will be money well-spent.

Unfortunately, this does not appear to be the case, according to a community activist, Mary da Haas, government officials and councillors stand accused of stealing food parcels meant for the poor, with others distributing food parcels along party lines or giving these food parcels to their families, friends and allies.

There has been little to no consequent management, and reports suggest that endemic corruption continues to dominate in local government, regardless of the consequences. In addition, just yesterday, the KwaZulu-Natal Premier addressed the media over irregular procurement of personal protective equipments, PPEs, and blankets worth millions of Rands.

Hon House Chairperson, this greedy corrupt and fraudulent virus at local government, provincial and national level that continues to move with impunity, preying on the poor and vulnerable, must be dealt with, and dealt with speedily. If this is not done, it will leave more casualties than the COVID-19 virus itself. Billions of Rands are set to go to local governments. But what are the condition of these? The recent municipal audit report of Kimi Makwetu, the Auditor-General, revealed that, of the 257 municipalities, only 20 have clean audits.

Thirty-one percent of municipalities are in a vulnerable financial position. The total deficit in local government is R6,29 billion. Twenty-three municipalities did not submit their financial statements on time, 229 completed audits of those there was

R2,07 billion of fruitless wasteful expenditure, while close to R12 billion was unauthorised. Annual irregular expenditure increased from R25,2 billion to R32,06 billion. KwaZulu-Natal was the top contributor with R6,47 billion. In eThekwini Municipality alone, the main culprit accounting for R2,34 billion of the province’s irregular expenditure.

Can we trust these municipalities with reallocated billions? I think not. To those who have stolen from the poor, shame on you.

But let this be known. You will be judged. The ACDP stands ready to replace those corrupted individuals with credible, competent, trustworthy and God-fearing servant leaders. The ACDP does not support this adjustment budget. Thank you, House Chair.

Ms T L MARAWU: Chairperson and hon members of the House, one of the responsibilities of this House is to ensure that, we put South

Africa first as aligned with the Cooperative Governance and Traditional Affairs values, which strive to advance the Batho Pele Principles. Yet, we still have municipalities with dysfunctional control environments, led and guided by greedy elements that keep taking from the impoverished communities.

The wake of the Coronavirus pandemic, exposed many irregularities in municipal tenders, that were reported not to be in line with the Municipal Finance Management Act, individual supply chain management policy of municipalities and in broad contravention of Treasury regulation. It’s fake news, members, that, the same Cooperative Governance and Traditional Affairs, which is supposed to give support to municipalities, as per section 154 of the Constitution, as per the Auditor-General report which detailed shocking lack of internal controls, noncompliance with

legislations, hundreds of millions lost to payments made to wrong suppliers, ghost and nonqualifying government employees.

What we are saying, Chairperson, is that, this department is supposed to do to give that support to municipalities, but sometimes the report from the Auditor-General is do scary, whereby Auditor-General’s report reflects the extreme abuse of the public purse, high levels of corruption, maladministration.

Unfortunately, there is a lack of oversight from both the finance

department and Cooperative Governance and Traditional Affairs itself.

There is no accountability at all at that level and no consequence management is done by both municipal managers and the mayor, which means that the Minister must come closer to that. It is unacceptable that R1,2 billion is paid to course such as preparations of financial statements, to begin to ask yourself ... [Inaudible.] ... and municipal managers who have been determined to resist service delivery, who have redirected to do some other functions ... [Inaudible.] ... the state capacity is operated at their maximum, giving much needed services to the people.

Hon Minister, now more than ever, South Africa needs leaders of integrity, to be servants and leaders who are accountable to people, and not taking from the people. Any person who takes from their communities in South Africa, and who are affluent must face the full might of the law. Thank you. [Time expired.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, before I call the next speaker, I want to hand over to the hon Mahlaule, who will preside over the remainder of this mini-plenary. The next speaker is the hon Shaik Emam. Hon Mahlaule, can you take over, please.

Mr A M SHAIK EMAM: Hon Chairperson, let me welcome the presentation that was made by the Minister and the Deputy Minister earlier on. Now, let me just start off by stating that my presentation is going to be two-fold, Chairperson. The first one is, I want to highlight the challenges that we seem to be having, particularly with communication in terms of the regulations that have been made or put in place, in terms of its implementation. I will give a good example, you know, the SA Police Services, SAPS, and law enforcement is not able to ensure that there is a high level of compliance, because they are not even certain, what time businesses should be closing in order to comply with the curfew.

So, I think we have a bit of a challenge in terms of communication and how we get the message out to the masses, and, very importantly, I think people on the ground and businesses do not know and understand. In fact, I think there is no mechanism to deal with the different levels of whether it’s the people on the ground and businesses and things in terms of what they should be doing and what they should not be doing. But, having said that, Minister, I want to agree with the Minister that what we do have a country at the moment, is economic independence.

But I want to also administer that, you are not able to do this alone, and remember that, we have said this before that, you might change the Ministers and you have inherited a department that was already in trouble pre COVID-19. Now, remember that, in order to achieve economic independence, we need to deal with the three cs, and that is, the corruption, the capacity of the people that you employ in your department, and also to ensure that there is consequence management. That is where I think we seem to have a problem.

But let me just add and come up with the solutions that we believe as the NFP that help, and we know and understand, Minister, that you are one of those Ministers that is always willing to listen

and implement some of these things. There is very little lack of commitment, sorry, that’s a term I should use, by public representatives. The added other problem is the budgeting process. The budgeting does not speak to the people on the ground and their needs, and I am glad that we coming up with zero budgeting and planning, which I think will go a long way in talking to the needs of the people and letting them all be part and parcel of it.

The other thing Minister is that, we should be remain in each office, Minister, we cannot be relying on handouts from provincial handouts. I know it’s difficult, and some of them are very rude, but there should be a need to attract investors, there should be a need to attract business. They should be able to deal with the public and private sector, to be able to create business, create employment and become something efficient. One of the major problems, Minister, is procurement, which will report 40% on good service, and we know that most move ... [Inaudible.] ...on to the local government, if I give a good example, Minister, if you do some ... [Inaudible.] ... you will find that we have been ripped off during COVID-19.

An ideal example is R9150 that was unaccounted for. So, we would like to put the whole ... [Inaudible.] ... [Interjections.] [Time expired.]

Ms M M TLOU: Hon Chairperson, hon Ministers, hon Deputy Ministers, hon members of the portfolio committee, distinguished guests, I greet you. Chairperson, allow me to pass my deepest sympathy to the families of the family of Isithwalandwe, Baba Mlangeni, the families of comrade Mapiti Matsena, and the family of Comrade Masemola, May Their Souls Rest in Peace. The ANC supports this Budget Vote? In 1998, South Africa was given a historic opportunity to transform local government, to meet the challenges faced by people of South Africa. It was also given a distinctive status and will in the democracy and promoting socioeconomic development.

The primary purpose was to make sure local government is capable of meeting the new developmental objectives, which aimed at creating a better life for all in pursuit of providing quality service delivery, it is highly expected that local government must also strive to promote the Bill of Rights, which reflects South Africa’s values about human dignity, equality and freedom, and uphold the principle enshrined in the Constitution, and also

enhancing the District Developmental Model, DDM. The District Developmental Model was developed to strengthen the adoption of successful initiative like the KwaZulu-Natal Model of Operation, Sukuma Sakhe, [Stand Up and Build.]

This operation is a call for the people of KwaZulu-Natal to overcome the issue destroying communities such as, poverty, unemployment, crime, substance abuse, HIV and tuberculosis. Subsequently, initiatives of this nature can be utilised to ... [Inaudible.] ... against the COVID-19 pandemic, which has since become a global health crisis. The ANC appreciates the strides made by government and private sector since the declaration of the state of disasters through section 27 of the Disaster Management Act of 2002. The COVID-19 pandemic has brought South Africans together, where a unity of purpose has been displayed, improving the responsiveness of all spheres of government.

Having said all the above, the District Developmental Model has reminded us that South Africa has an intergovernmental system that is based on the principle of co-operation between the three spheres of government, namely local provincial and national. While responsibility due for certain functions is allocated to the specific spheres, many other functions are shared among the three

spheres. It is important to note and understand the allocation of functions to local government as a direct bearing on the local government fiscal framework.

Therefore, municipalities provided it with access to revenue sources that are commensurate with the powers and functions that they are responsible for. The ANC welcomes the remodelled community work programmes. This programme plays a pivotal role in skills development and job creation, and therefore, needs sufficient funding so that it lives up to the expectations of beneficiaries and South Africans at large. I can conclude by saying, ANC ...

*Sepedi*:

... ga e na botṧheba; ANC ga e na lehloyo; ANC e kopanya baagi kamoka ba Afrika-Borwa gore re age Afrika-Borwa ya rena mmogo re tle re be le tṧwelopele ya baswa ba rena le baagi kamoka ga bona ba Afrika-Borwa. Ke a leboga.

Mr C BRINK: Chairperson, government has spoken a lot about the District Development Model, but said little about what it would actually entail. The model is meant to improve co-operation and co-ordination between different spheres of government, apparently

similar to the approach followed in the DA-led Western Cape. It was going to be piloted in the O R Tambo and Waterberg Districts, as well as the Ethekwini Metro, presumably to check whether the model could improve governance and services. But a leaked document on the letter head of the Department of Cooperative Governance, has set a far more ambitious, an ominous goal for the district model.

Under the heading, SA Economic Recovery Plan for municipalities in response to COVID-19 and marked top secrets, the document speaks of the macro reorganisation of the state. It proposes that the district model be repurposed to establish permanent command councils with executive powers, which would of course, be patently unconstitutional. But at the top-secret document, it is to be believed that centralised decision making and policy making, is the panacea to post Covid economic recovery. While it would be public to top secret document, I await the President’s reply as to whether in fact reflects governments policy.

In the meantime, and without a single report having been released on its successes and failure, it now seems to be the ANC’s flagship local government policy. Last week, the Eastern Cape Government proudly told the portfolio committee that, in the O R

Tambo Municipality, the district model has been validated and institutionalised. Yet, some of the worst abuses of covid relief funds, and outright misgovernment, as happened in O R Tambo let’s assume the district model is not a cover for a centralised system of command and control by national government, even then, improved intergovernmental relation, the sharing of skills and resources sources is in ... [Inaudible.] ... to collapse in local government, in the large parts of the country.

The municipalities that are failing and have been signed over by the Auditor-General, are the key fundamental components to ... [Inaudible.] ... The first problem is that in decades, ... [Inaudible.] ... in the basis of politics, instead of competence, based on ... [Inaudible.] ... especially in rural areas. ...

[Inaudible.] ... Minister Nkosazana Dlamini-Zuma, [Inaudible.]

... The second problem ... [Inaudible.] ... municipal skills to rely ever more on tenders that cannot deliver value for money.

Lastly, as more municipalities start to collapse, Cooperative

Governance and Traditional Affairs and the provinces are slow and reluctant to use their constitutional powers to intervene, as is the case of Makhana, all they abuse the powers, as is the case of Tshwane. To rebuild local government, we do not need these

district councils or reconstitution model, we need to abandon policies and laws that prevent councils from delivering the best possible services to communities. Until the government agrees to these changes, the DA can hardly support this budget. I thank you.

Mr B M HADEBE: Thank you, hon House Chairperson. As the African National Congress we are not aloof or in denial about the current challenges facing many of our local municipalities. Equally, we are not only going to focus on problems, like what the opposition parties are good at, you see, when you only focus on problems, you’ll have more problems. However, when you focus on possibilities, you’ll have more opportunities. Therefore, as a governing party, we choose the latter, seeing that the former is opposition’s daily bread.

Hon House Chairperson, local government is the sphere of government closest to the people, where basic services are delivered by local municipalities. As such, the expectations from communities of getting quality services is very high. However, these expectations are often met with challenges. It is therefore, important to note that in terms of the Supreme law of this country, which is Act 108, of 1996 section 151(2) states the following, and I quote:

The executive and legislative authority of municipality is vested in its municipal council.

Therefore, while Cogta nationally endeavours to do everything possible within the confines of the law, to assist struggling local municipalities, it is important to bear in mind that, the executive and legislative authority of municipality is vested within its municipal council. So, hon Hoosen, if you understand and appreciate the above, you will probably appreciate why Minister Nkosazana Dlamini-Zuma, will do whatever it takes to save lives in our country, your entire speech was focused on zol and alcohol, which clearly exposes your narrow white capital interest. As the ANC we refuse to allow our country to be seen as a country of drunkards and edicts, while you are still bitter with the court outcomes on cigarettes and alcohol, and ANC has a huge responsibility to govern the country and save lives.

The latest audit outcomes, hon House Chair, indeed, the 2018-19 local government audit outcomes, leaves much to be desired, hence the report of the Auditor-General was titled: “Not much to go around the till.” Yes, only 20 out of 275 municipalities achieve clean audits, and 33 were disclaimed with findings. To date we have 28 audits that are still outstanding. The role of Cogta and

provincial counterparts is to provide support to municipalities to implement and maintain effective systems in governance, financial management, performance management, infrastructure, service delivery and compliance with local government legislations and related prescripts.

Municipal Finance Management Act section 131(1) requires that municipalities develop post audit action plans to address issues raised by the Auditor-General and the other legislative background of addressing issues raised by the Auditor-General are contained in sections 134 of the Municipal Finance Management Act as well Sections 47 and 48 of the Municipal Systems Act.

Hon House Chairperson, to strengthen and support of local government, the department has signed the memorandum of understanding with the National Treasury to ensure collaboration and co-ordinated approach in assisting municipalities with governance, service delivery and financial management.

Municipalities are supported and monitored in recruitment processes, selection of qualified and competent senior managers to ensure institutional stability at administration level. The current Municipal Systems Amendment Bill that is before Parliament for finalisation, is a key factor which will see the

professionalisation of local government. Furthermore, it will assist municipalities with the implementation of the skills audit system.

Hon Chairperson, the professionalisation of local government remains our priority as the ANC, hence in our 55th National Conference, in Nasrec, where I was a delegate by the way, we adopted a strategy and tactics document, which states, and I quote:

Special focus should be paid to the quality of cadres at political and administrative levels, from the perspective of their orientation, academic qualifications and ethical attributes. The state should be able to attract the best and the brightest in society, as part of their career paths.

Professionalism in the bureaucracy and stability especially in the management echelons are critical. Systems of recruitment and delegation of responsibilities should limit undue interference in the professional functioning of public servants.

When we practice, hon House Chair, I would like to quote Amílcar Cabral ... [Inaudible.] ... when he states the following:

When we practice revolutionary democracy in every aspect of our party life. Every responsible member must have the courage of his responsibilities, exacting from others a proper respect for his work and properly respecting the work of others. Hide nothing from the masses of our people. Tell no lies. Expose lies whenever they are told. Mask no difficulties, mistakes, failures. Claim no easy victories.

That was Amílcar Cabral. Now, hon Mkhaliphi, while you come here and blame the ANC for the failures of local government in Ward 10 in Polokwane in Letsokoane village, that is ward led by EFF member. An old lady in that ward fell in a toilet on the 30 April 2020, because of the poor condition of the toilets in the area, what did the EFF councillor do, instead of giving the old lady a toilet. The EFF councillor decided to give toilet to EFF members and ignoring the neediest and vulnerable in that area. However, thanks to our hardworking portfolio committee Chair, hon Muthambi and the SA Local Government Association, Salga, president, Ms Nkadimeng, the mayor of Polokwane, they visited the old lady and attended to her challenges. As we speak koko Semenya will now receiving a better sanitation. The EFF tell no lies, claim no easy victory. As the ANC, we will expose you for who you are.

Now, the DA, hon Brink, should wait for ... [Interjections.] ... Can I be protected, House Chair, from these popcorns.

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Hon members!

*IsiZulu:*

Nk M S KHAWULA: Hhayi, uyaphapha wena. Uqala ukuphapha.

Nk P P XABA-NTSHABA Ufana nawe, uphapha njengawe.

Mr B M HADEBE: They must stop behaving like popcorns when the pot gets hot they jump up and down.

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Hon members, can we be in order. Hon Hadebe, your time is up.

Mr B M HADEBE: Thank you, hon House Chair. [Time expired.]

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Order, hon members!

*IsiZulu:*

Nk N H MASEKO-JELE: Malibongwe!

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Mam Khawula, Order! Hon members, we will now proceed to the next... [Interjections.] ... the hon Minister of Co-Operative Governance and Traditional Affairs. Hon members, you don’t have to switch on your microphones to congratulate someone. Can we be in order. The hon Minister of Co-Operative Governance and Traditional Affairs.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

Thank you very much, and thank you to all the members who are present in this debate, but also those who have participated. I will not have time to respond to all. However, I just want to make it clear first that the Constitution gives the Treasury the right to deal with financial issues. Therefore, the Municipal Finance Management Act also gives the Treasury the responsibility to work with municipalities on the budget issues, on the financial issues and on compliance. Therefore, if you read chapter 2 of the Municipal Finance Management Act it will show you that supervision over local government finance management general functions of the National Treasury and provincial treasuries.

We can work with them, but the responsibility and that’s why even transactions that happened at local government they go to Treasury, they don’t come to us because that is the main function

of Treasury. I just want to clarify that for a start, and to clarify for ... [Inaudible.] ... that the Unemployment Insurance Fund, UIF, is not managed by Cogta, it is managed by the Department of Labour. As we try and attack or the opposition attacks Cogta, but at least attack us on what we are responsible for.

Then I want to say yes that and I would agree with the hon Luthuli that we must ... [Inaudible.] ... or to make sure that all the municipalities, their m-parks work properly, so we will try and work with the responsible people to ensure that. I think hon Hlengiwe, I think you must also read your parliamentary questions, the answer to the question you mentioned was actually submitted on

28 May 2020, and today is 22 July. Therefore, I don’t think you

should come and say something that is not true here.

I also would like to agree with hon Shaik that we must deal with a customer care centres, CCCs, and good working with Treasury and the rest of government and policy and all we should work in terms of corruption consequences are important capacity is important.

Just to say it may not be a big issue, but in the issue I think raised by the ACDP where there were monies paid to the wrong people in the municipality I think that was the Greater Sekhukhune

District Municipality. The disciplinary cases have taken place, two of the people were dismissed and that case is still on.

Therefore, it is not true to say that there are completely no consequences when there are things that are done wrongly. To hon Brink ... [Interjections.]

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Hon Minister, I’m informed that Dr Mulder has his hand up, sorry to disturb you. Hon Mulder!

Dr F J MULDER: Thank you, hon House Chairperson. I would like to inquire from the hon Minister if she is prepared to take a question.

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Hon Minister, are you prepared to take a question?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

If you give me extra minutes ... [Interjections.] ... not in the time that I have. Thank you. Hon Brink, first of all let’s not talk about leads documents. I’m not going to respond to what you call leads documents. I’m going to respond to official documents. So, I won’t respond to that. Let me tell you, hon Brink, that

cadre does not mean unprofessional. There is no mutual exclusivity from cadre and professional. So, I don’t think you should say that we mustn’t employ the right cadre because it means that it will not be a professional person. That cannot be true and that cannot be right.

I agree with hon Bheki and I won’t be going to that and hon Mme Tlou and also the Chair of the portfolio committee, we will try and do our best. However, let me maybe add to what hon Hadebe has said to hon Hoosen. You know hon Hoosen I used to have great respect for you as an hon member, but today I’ve lost that respect. That’s why initially I thought I will not rectify what you have said as a response. However, I just want to say that we are in government trying to balance saving lives and livelihoods. We care about our people’s lives. Equally we care about their livelihoods. We care about insuring that hospitals remain open and beds remain available ... [Time expired.]

The mini-plenary session rose at 11:35.