**UNREVISED HANSARD**

**MINI PLENARY - NATIONAL ASSEMBLY (VIRTUAL)**

**THURSDAY, 04 MARCH 2021**

***PROCEEDINGS OF MINI-PLENARY SESSION - NATIONAL ASSEMBLY***

Members of the mini-plenary session met on the virtual platform at 16:00.

Mr M G Mahlaule, as Chairperson, 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.

**A DEVELOPMENTAL LOCAL GOVERNMENT STIMULATING LOCAL ECONOMIC DEVELOPMENT AND JOBS, PROVIDING DECENT SERVICES AND HUMAN DIGNITY, AND ENSURING SOUND GOVERNANCE AND FINANCIAL ADMINISTRATION**

(Subject for Discussion)

Mr G G MPUMZA: Hon Chair and hon members, undeniably for the past two decades the journey of local government has not been an easy one but there have been significant moments and achievements worth celebrating. The Constitution of the Republic of SA enjoins the national and provincial governments to support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions. This requires a developmental local government which is geared towards providing a democratic and accountable government to local communities which, according to the White Paper on Local Government, must maximise social and economic growth whilst integrating and coordinating development in various localities.

Over the past 20 years the democratic local government has not adequately fulfilled this developmental role especially in relation to economic development. This has largely been because of many challenges in transforming the local government that has the responsibility to address the needs of the entire nation equitably. The Presidency’s 20-years review of democracy shows advancement in key areas especially as it relates to social and human development. In relation to the economic outcomes, particularly as it relates to decent work and the transformation of ownership of patterns of the

economy, there have been far less progress. This, despite the Reconstruction and Development Programme which had envisaged that the delivery of basic services would be an engine through which local economies would be transformed.

The overemphasis on government service delivery has also eroded community participation and thus, instead of people becoming their own liberators together with the government, that has been replaced by communities waiting for local government to deliver services. This has disempowers communities and build anger when these services do not arrive.

The ANC’s fundamental task is the strengthening and revival, and in many instances transformation of municipalities. We inherited a huge developmental backlog and deep structural challenges in many parts of the country. Over the course of the last quarter of a century, we have made much progress in addressing these challenges.

Local government essential to our people’s well-being, is tasked with ensuring the growth and development of communities in a manner that enhances community participation and accountability. It is also tasked with ensuring the building of a developmental local government that exercises its powers

and functions in a way which maximises social development and economic growth of communities in a direction that the ANC-led government is driving.

Therefore, the mandate and vision of creating a local government that is responsive, accountable and deliver services which meet community needs in an efficient and equitable manner remains, even though a challenge. Our values of local government are cemented in the Constitution. A democratic and accountable government to local communities ensures the provision of services to communities in a sustainable way while promoting social and economic development.

The challenge of reversing the legacy of the past and constructing sustainable living environments for the future requires the municipalities that are financially and institutionally empowered. Local government is at the centre of building local environments in which our communities can develop and grow. As such, it has a developmental role to play in society. That includes maximising social and economic growth, social development, integrating, coordinating and democratising development.

The ANC believes that strengthening methods and approaches towards economic development will encourage and allow local people to work and achieve local economic development. In the same vein, this will bring economic benefits and improve the quality of life for all. In particular, local economic development linked to the development of Special Economic Zones, SEZs either at a local, district or metropolitan municipality level. For this to succeed, municipalities must be part of planning, designing and implementation of these special economic instruments.

The Special Economic Zones are designed for specific developmental purposes to develop export-oriented industries, attract foreign direct investments and try to achieve the generation of employment alternatives. The SEZs stand to be effective instruments to resolve the disturbing levels of inequalities, poverty and unemployment which are strongly marked by spatial, racial, class and gender factors.

In addition to job creation, the SEZs will also help to broaden the municipal revenue collection base to improve the quality of life in municipal areas as well as the quality of municipal areas. This makes SEZs one of the key instruments for municipal economic growth and development. The SEZs

programme must be fully integrated into and supported by local municipal economic strategies, integrated development plans, spatial development framework, land use schemes and other social sector plans.

With regard to Local Government Master Plans developed by departments in critical areas such as electricity, transport, health, education and human settlement, these must begin to demonstrate how they’ll support the economic development when implemented in municipalities.

Local government has achieved business milestones in creating a wall-to-wall system of democtratic, nonracial and responsive local government. It also implemented institutional systems to deliver services where previuosly there were few services or none at all.

The ANC has made a number of commitments in the 2016 Local Government Elections Manifesto in relation to water, sanitation, human settlement, electricity, and promoting primary health care. We confirm that significant milestones have been achieved in the past five years. According to Statistics SA ... [Time expired.] Thank you, Chair.

Mr C BRINK: Chairperson, in reply to the President’s state of the nation address, the DA pointed to the skills crisis in local government. Like a patient who is suffering heart failure, the heart being unable to delver blood and oxygen to the extremities, so the body of local government has been deprived of skills. At a critical time when councils needed infusion skills professionals from outside of politics this supply was conflicted for ideological reasons. First, is the ANC’s formal policy of cadre deployment; second, race quotas in municipal administrations; and third, preferential procurement of black economic empowerment, BEE. Under the banner of transformation policies were sold and still are, and at the same short to redressing the injustices of the past.

What they have is the opposite of this. They have, instead, inhibited the ability of especially local government to play a meaningful developmental role. Outside the Western Cape in few metros, more and more municipalities are now rolling back to the frontiers of development. The people living in these communities, the phrase developmental local government is a contradiction term. I am talking about Kgetleng River, Lekoa, Mangaung, Govan Mbeki, Ugu, Msundzuzi and other communities whose lives are constantly disrupted by dirty water, dry taps and power cuts.

Following the proceedings of the Co-operative Governance and Traditional Affairs, Cogta, portfolio committee in the early hours of the morning, and this is what you will see, a line up of the ANC mayors and deployed cadres who can talk a good game and win elections but can’t govern. They preside over the pollution of rivers and actuaries resourcs. They accelerate deindustrilisation of their towns and the flight of busines and jobs. They run institutions that cannot plan or budget, send out bills, collect refuse and pay creditors on time.

Competent officials who havent been squeezed out are counting down months until they retirement or are planning to escape to the private sector. The crisis that could resolve from this is not only one of capability but also one ethics – expertise and ethics can;nt really be separated. When officials and service providers lack competence to do their work they will rely on political interference and eventually to corruption to survive.

In a month or two the Auditor-General will release a report on the state of Local Government and we already know what it will say. Most municipalities lack internal skills and processes and so grow reliant on consultancy but they are unable to procure value for money from these transactions. The Auditor- General will also point to a lack of leadership to resolve

these problems. But what would good leadership do? That’s what this debate should be about. The ANC speakers including the Minister must please desist from repeating platitudes today.

They are not spectators to the collapse of local government. Their comrades are in charge of most of the country’s dysfunctional councils. The response to the collapse of local government should also not just speak good management and best practices because municipalities operate under a national legislative framework.

Here are the DA’s specific and constructive proposals. Building a capable state starts with abolishing cadre deployment and my colleague, hon Schreiber has made concrete legislative proposals in this respect. But what about the other two policies that constrict the supply of skills to municipalities? Consider the position of an engineering graduate from Wits University or the University of Cape Town who, in terms of the employment Equity Act, has to be classified as an Indian. The same Act requires , inter alia, municipalities to appoint people at every level of the organisation in line with regional and racial demographics. What are the career prospects of that engineering graduate in the municipality where the Indian community make up less tha 5% of the province’s working population? Ironically, these are

the provinces in need of engineers of all backgrounds, North Wst, Free State, Mpumalanga, Eastern Cape and Limpopo. In towns they don’t have water. Communities don’t care about the racial classifications of officials. Where municipalities ccannot complete capital projects like building roads and installing water pipes, communities don’t care about the equity score of service providers who win tenders. The interests of these communities and all their residents black and white do not nline up with that or any political elites or faction.

This is the point the DA made in this House in the 1990s and 2000s and as with cadre deployment our warnings have stood the test of time. It’s not too late to turn back. Lets open markets of skills and services in local government as wide as possible and remove the artificial barriers of race and politics in recruitment and procurement. To deliver on the ambitious socioeconomic promises of our Constitution, local government needs all hands on deck. I thank you.

Ms H O MKHALIPHI: Chairperson, we know for a fact that de distressed and dysfunctional municipalities which make up majority of municipalities are currently under the governance of the ruling party. The ruling party has demonstrated in all

spheres of governance that it has no capacity to lead a developmental state.

This debate is highly misplaced by the fact that it is sponsored by the member of the ruling party who serves in the Portfolio Committee on Co-operative Governance and Traditional Affairs, Cogta, who happens to know very well how deep is the crisis in the municipalities. Last night alone we had Amathole District in the portfolio ,committee until midnight, who are failing to pay their workers and decided to retrench workers but still continue to pay the municipal manager a salary of R2,1 million in an ailing municipality, in the rural area called the Eastern Cape. The reality is that almost all municipalities lack proper and functional financial controls. There is no consequence management for poor performance and corruption, no proper records are kept and there is no management system. The state of local government is in absolute disaster.

During the state of the nation address debate the EFF we made it very clear, coming with practical and implementable proposals on how to begin to turnaround local government into an economic sphere of society that can create jobs, deliver services and prioritie things such as roads, sanitation,

sports and ensure that people have access to clean water as basic need and other social infrastructure.

At the centre of building a developmental local government is expropriation of land without compensation. Until we address the land question there is no way we will be able to build a developmental local government.

A developmental local government should necessary be able to integrate spatial planning in a manner that allows out people to live close to place of work, children to live near institutions of learning, including institutions of higher learning. Our people must have libraries, sport facilities and land to build places of worship. All these depend on how we resolve the land question and it needs a decisive leadership and not cowards who are afraid of land thieves who came hear and stole our land, killed our forefathers and rape our mothers. Once we address the land question it is only then that we can have a viable developmental local government based on a sphere of economy that is sustainable on its own rights,

We must amend the Municipal Finance Management Act to compel all municipalities and state-owned municipal entities to procure 80% of all goods from local producers. And we must

further emphasise that 50% of those goods must be owned and controlled by women and youth. Each municipality must prioritise building state-owned trading and retail platforms. These platforms must sell 60% of local produced goods.

Lastly, South Africa’s industrial policy must be based on large scale industrialisation and must be a clear link of massive industrial strategy and local development plans with development of small businesses including small businesses in all strategic sectors of the economy such as agriculture. This means we must also change the Division of Revenue to align it with a massive industrialisation. In its current form the allocation of the majority of the resources to national and provincial spheres of government only encourage consumption of mostly imported goods and pay salaries. At the moment local government receives 9,7% of all revenue raised nationally. If you are going to make local government the engine of South Africa’s industrialisation and support small businesses that will create jobs, we must change this picture completely. The majority of revenue raised nationally must go to local government. But it must go to local government that will appoint qualified people, and not those people who are deployed by the ruling party who are killing our municipalities. We need to appoint qualified people such as

engineers, artisans, city and town planners, scientists, administrators, accountants and auditors and not depend on tender and consultants.

Local government must in-source services that are at the centre of service delivery. We must abolish tenders of security guards, cleaners of municipal infrastructure maintenance for infrastructure and all other services. In this way we will resolve the crisis of corruption pandemic that has killed our municipalities. We ought to build developmental local government that will create jobs and deliver services without stealing taxpayers’ money.

We know that the ruling party has sponsored this motion almost every time when we approach local government elections and they don’t mean it, and they do not have intention to build a developmental local government. These are people who do not pay their workers at Luthuli House as we speak right now. Here in Parliament they are busy retrenching workers who have worked for the institution for more than 10 years. These workers have been subjected to three months contracts for more than 10 years. Can you tell me what type of and exploitation is this?

Hon Mpumza, as the sponsor of this debate...[Time expired.]

*IsiZulu:*

Phakama bab’uMpumza uhambe uyotshela abaholi bakho ukuthi nazi

iziphakamiso ze-EFF.

Ms R M M LESOMA: Hon House Chair and fellow South Africans, thank you so much for giving us this opportunity, it is not taken for granted to lead this country. Hon Ministers, Deputy Ministers, hon members, siyabingelela (greetings). Hon Chair and hon members, allow me to borrow from uMama Charlote Maxeke and I quote:

This work is not for yourselves – kill that spirit of self, and do not live above your people but live with them. If you can rise, bring someone with you.

Objective 2,6 within the ANC Rule 2 states that, the ANC aims to promote economic development for the benefit of all. It also refers to the South Africans who have put the ANC in charge, ...

*IsiZulu*:

... sithi ningadinwa nangomuso ...

*English*:

... of the process of reconstruction and development aimed at eradicating poverty and inequality. Our approach to Local Economic Development, LED was its beavered, in response to the apartheid government’s restrictive and racist central control, which resulted in marginalisation and lack of autonomy of all communities based on race. As a result, the ANC-led government in South Africa has placed a high priority on community and grassroots participation and initiatives, including especially economic development initiatives.

It is through this leading ruling party, that the developmental local government has been introduced as the fundamental basis vehicle to transform the local economic development. Hon House Chair, we therefore view local economic development as an integral part of socioeconomic development and local government, led by municipalities as leaders and hubs of local business development. This has resulted in the ANC leading the drafting of policies, strategies and position papers which place the local government sphere at the centre of the economic development in South Africa.

Hon House Chair, the introduction of the risk-adjusted strategy of government in level five, resulted in the complete

shutdown of construction and development in general. This caused widespread job losses in the construction industry and is halting many investments. It is estimated that, approximately R10 billion worth of foreign investment that was to be invested in Durban using the Durban’s eThekwini Municipality as a case study in this debate hon Chair, has been put on hold due to the drop in demand as result of COVID-

19 and in sovereign rating downgrade.

Invest Durban has reported that another R8,5 billion is at risk at being lost with the resumption of some construction activity from level four of the lockdown. The municipality is moving quickly to protect the jobs and the livelihoods of the households of thousands of people that work within the sector. We are happy that now we are at level one, things will move faster and investment is going to come and be confirmed.

This plan seeks to create an extraordinary environment that boosts construction activity at all levels, form house extension to large Foreign Direct Investment, FDI projects. While construction jobs are short term in nature, it will create stimulus that pushes the economy back unto a growth curve and results in new developments that will create permanent jobs, while resulting in infrastructure gains.

Together in investment promotion and retention activities that create continuous pipeline projects are being implemented as we speak hon House Chair.

These are conducted in alignment with the President’s Economic and Recovery Plan which aims to inject one trillion of new investments into South Africa’s economy through economic strategic infrastructure projects, financed by the Infrastructure Fund. This is also in alignment with the ANC’s Reconstruction Growth and Transformation Document which also proposes infrastructure-led recovery of the country’s economy.

This has for South Africa, estimates between R4 trillion to R6,4 trillion worth of investments and funding is requested to reboost the South African economy, meaning that, the national levels are important but not sufficient. Private sector investment is there for critically unaugmenting South Africa’s recovery which requires municipal facilitation. Hon House Chair and hon members, this again emphasises municipal roles as hubs of local economic development.

The informal sector as well as small businesses in the townships and rural areas, are the most vulnerable and least likely to receive support from the COVID-19 relief programmes.

This business consists mostly of traders in the retail sector such as street traders, spaza shops, personal services and restaurants. It also includes home business, micro manufacturing production of construction material although these are the fewer in number.

Hon House Chair, considering the dire need to reduce inequality and create employment in areas and sectors where unemployment is most pronounced, reprioritisation of support to enterprises in the townships and the informal economy, is fundamental to addressing poverty and reducing inequality, while creating sustainable jobs and function cash economy. For an example, where we are going to borrow, the eThekwini one, we are saying that:

Set aside COVID-19 which is not limited because other municipalities are doing this.

Set aside of COVID-19 procurement for cooperatives and micro enterprises related to the government warehouse, personal protective equipment, PPEs and other opportunities. [Inaudible] ... assisted business in rural township and informal sectors to apply for national support.

Thirdly, indirect subsidies to the informal sector by providing a six-month rental holiday for informal business might go a long way. The agri business programme setup, to facilitate the linkages of small business to national public and private sector programmes, will assist to boost the economy.

The rural economic recovery is led by the Department of Rural Development and Land Reform, which has had three programmes for economic development of rural areas namely: Rural Infrastructure Development, Rural Enterprise and Industry Development and National Rural Youth Service Corps.

However, municipalities also have a responsibility to develop their own rural communities and often have the most intimate in understanding their own rural communities’ needs, through the Expanded Public Works Programme, EPWP, which seeks to create jobs as well. Job creation is central to the development of rural areas despite the onset of the COVID-19 pandemic in South Africa. However, 500 000 EPWP work opportunities were created from April to December, in Durban in particular.

One narrowly considering rural areas specifically, quite a number of EPWPs projects were carried out through provincial and rural development and agri departments. Over 6 000 gross work opportunities were created and over R66,9 million which is in calculated were paid throughout to employees over the same period.

The Community Work Programme, CWP programme which is designed to provide a job safety net for unemployed people of the working age, while the unemployed in the poorest of the municipalities, communities are job seekers. They are allowed to do much needed community work and paid a stipend which provides them with extra cash for job hunting activities.

These poor citizens are often based in the rural homes and women headed families.

Again, these programmes are run through local government structures, as this is the level at which development implementation is required. The local municipalities are again the hub of rural development in this case. Examples of Zibambele Labour-based and Maintenance Programme in KwaZulu- Natal, KZN is the poverty alleviation programme for previously disadvantaged individuals. It consists of creation of sustainable individual job opportunities for poor rural

families, where beneficiaries conduct a special road maintenance task in exchange for a monthly stipend. Those ones who get a guaranteed source of income will say ...

*IsiZulu*:

... ayisho lutho le nto kodwa iyalixosha ikati eziko uma uyibheka nje ebantwini abangathathi entweni.

*English*:

The programme assists economically vulnerable people on an ongoing basis, thus allowing them to plan their future regarding food, clothing and education. This is another illustration of how municipalities are critically ... [Time expired.] I thank you, hon Chair.

Mr M N NXUMALO: Thank you so much, hon Chair and hon members. As we continue to traverse the global uncertainty associated with the coronavirus pandemic, the harsh lived reality faced daily by millions of South Africans is becoming more apparent.

According to the recent figures by Statistics SA, 7,2 million South Africans were unemployed, with the official unemployment rate at 32,5%. The expanded definition includes discouraged workseekers which stood at 42,6%. It is glaringly obvious that

unemployed youth are among the vulnerable sectors of our ... [Inaudible.] We are facing a crisis of runaway proportions if government and private interventions are not implemented immediately.

As the IFP, we continue to lobby and call for the establishment of a youth Ministry to focus solely on youth matters, and in particular youth unemployment, which we have long stated is a ticking time bomb. Sufficient opportunities for our youth and recently graduated citizens to enter the employment market must be created.

Therefore, local economic development must be both the incubator and the catalyst for sustainable jobs and economic growth at local levels in municipalities. The small, medium and micro enterprises, SMME, model can be followed here but on an even smaller scale, just to suit the local economy. It is no secret that local communities are best suited to address their own needs and challenges, and should partner with government to stimulate economic development.

Traditional leaders must also be recognised, consulted and provided with more formal roles in local government. The accumulated wisdom of these leaders is underutilised, if

utilised at all. It will greatly assist communities to chart their own paths towards sustainable economic growth and development.

When we speak about youth unemployment we must address the issue of illegal and undocumented migrant workers. Statistics SA puts the number of foreign-born people living in South Africa in 2020 at around 3,9 million, both documented and undocumented. While the IFP is in no way advocating for any kind of xenophobic or Afrophobic ... [Inaudible.] ... we need to put measures in place to ring-fence particular jobs for South African youth, especially in the low-skilled and semi- skilled sectors, with work permits only granted for scarce skills jobs. As proud patriots, we ... [Inaudible.] ... South Africans able to access opportunities in the country of their own birth as ... [Inaudible.] [Time expired.]

*Afrikaans:*

Mnr I M GROENEWALD: Dankie agb Huisvoorsitter. Suid-Afrika is in die moeilikheid. Hierdie skip is besig om vinnig te sink. Selfs voor die COVID-19 pandemie en gepaardgaande inperkings, was Suid-Afrika se ekonomie in ’n resessie en was werkloosheid ’n krisis. Veral ons landelike gebiede is besig om te ... [Onhoorbaar.] ... sakeondernemings wat hul deure sluit, en dit

grootliks as gevolg van swak dienslewering. Geen besigheid kan suksesvol wees terwyl daar nie betroubare water en elektrisiteit voorsiening is nie; ook nie wanneer riool vrylik die strate afloop nie.

*English:*

Local economic development can only take place if government creates a conducive environment that stimulates investment and ensures an ease of doing business. O’Sullivan and Sheffrin define local economic development as, “efforts that seek to improve the economic wellbeing and quality of life for a community by creating and/or retaining jobs and supporting or growing incomes and the tax base”.

It is clear that local economic development is the job of communities, whilst government should create a favourable environment for communities to open and operate businesses, invest, create jobs and spend money. Thus, the first responsibility of municipalities should be to deliver services through sound governance and financial administration.

Infrastructure should be developed and maintained. Municipalities should earn municipal levies and taxes and not only collect it. Residents and businesses should get value for the levies they pay. It should be spent by local authorities

to provide services but the ANC government fails dismally at this.

*Afrikaans:*

Die ANC regering kan nie eers die basiese dienste waarvoor belastingbetalers moet opdok, lewer nie. Daar is munisipaliteite waar daar vir die afgelope drie jaar geen vullisverwydering plaasgevind het nie, dorpe waar daar geen watertoevoer is nie en dorpe wat die meerderheid van die week geen elektrisiteit het nie.

Die ANC regering kan nie infrastruktuur onderhou nie en laat toe dat die staatskas leeg gesteel word op al drie vlakke van regering.

*English:*

The ANC government’s empowerment policy failed. Racially-based empowerment is not empowering anybody except the select few cadres. The Auditor-General’s, AG’s, report shows year after year that there is a lack of sound governance and financial management.

*Afrikaans:*

Die Grondwet van Suid-Afrika ken kern funksies aan munisipaliteite toe, en is die Ouditeur-Generaal se bevinding juis dat plaaslike regering nie daardie kern funksies gedoen kan kry nie en skryf dit toe aan swak bestuur, onstabiliteit, politieke binnegevegte, ’n tekort aan leierskap en geen gevolge vir blatante verontagsaming van wetgewing en misdrywe nie.

*English:*

As long as the ANC is in government and there are policies in place that ere detrimental to stimulating private-sector investment and job creation, local economic development will fail. Whilst government interferes in the private sector and puts legislation in place which makes it impossible for the private sector to create jobs, economic growth will not take place and South Africa will remain a welfare state with a large number of citizens dependent on social grants. Whilst authorities make it difficult for entrepreneurs to obtain trading licences, vehicle licences and so forth, the government talks about ... [Inaudible.] [Time expired.]

Mr W M THRING: Thank you, hon Chairperson. The ACDP notes that the White Paper on Local Government defines developmental local government as local government committed to working with

citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and eventually improve their quality of life. Furthermore, developmental local government has four inter-related characteristics, the first of which is maximising social development and economic growth, thereby providing some relief for the poor and by working in partnership with local businesses to improve job creation and investment. It also involves integrating and co-ordinating through the drafting of an integrated development plan; democratising development by ensuring that citizens and local community groups are involved in the design and delivery of municipal programmes; as well as leading and learning which ensures that the leadership of a developmental municipality stays on top of developments and change by strategising, developing visions and policies, and mobilising a range of resources to meet basic needs and to achieve developmental goals in their area.

We must be brutally honest. This is certainly not what is taking place in the majority of our municipalities across the country. The former AG of South Africa Kimi Makwetu published his local government audit outcomes for 2018-19, revealing that, of the 257 municipalities and 21 municipal entities countrywide, only 21 municipalities achieved clean audits.

More than one billion was spent on consultants and irregular expenditure amounted to over 32 billion. Kimi Makwetu’s message was clear. The wrong hands are at the till.

Furthermore, he went on to state that no municipality in the Free State or in the North West achieved a clean audit. As one of the worst performing provinces, the Free State’s municipalities are characterised by a lack of financial controls and an ongoing culture of a lack of accountability as well as a tolerance for transgressions.

In KwaZulu-Natal’s eThekwini Municipality, the city’s cash on hand to render basic services has dramatically declined over the past months and could only last for 27 days. One of the

communities in the metro, Mariannridge, is constantly seized with electricity outages and burst water pipes. In Msunduzi, still under administration, the city’s runaway consumer debt is at more than 4,6 billion which is due to an inability and reluctance to deal with the widespread theft of water and electricity.

The ruling party’s developmental local government system is failing due to widespread looting, corruption, fraud, and irregular, fruitless and wasteful expenditure. The wrong hands are at the till ... [Inaudible.] [Time expired.]

Mr S N AUGUST: Hon Chairperson, across the world, people are increasingly moving to towns and cities. South Africa is no exception. What makes South Africa exceptional, is its history. Under apartheid, urban dwellers were forcefully removed to rural areas. When those laws were discarded and urbanisation began, our towns and cities were fundamentally ill-prepared. They were tightly controlled for the previleged few and their labour.

This places those responsible for the provision of services at a severe disadvantage. Instead of being able to keep pace for the organinic urburnisation and slowly develop infrastructure, capacity and systems over decades they were confronted with pressing and immediate needs. Many municipalities have failed the test. Service provision is in disaray. Infrastructure is backling. The environments in which citizens live is substandard, undegnified and disgraceful.

We need to fundamentally rethink the role local government should play in creating environments that will contribute to job creation and growing the economy. Good knows that despite politicians might promise, governments cannot sustainably create jobs. They must create conditions attractive to

investors, so that new businesses can create the jobs our people need.

As public representatives we are obliged to address the obstacles suffocating business developed. The bewildering and time consuming red tape, policy uncertainity which kills investor confidence, the slow pace of infrastructure development, and keeping the lights on the water running and the road and the Railway Coperate Strategy Close.

There are also political bockages. For example, in George Municipality small traders with viable business ideas continue to fight for the allocation of stall space, the municipality effectively shut the door to new entepreneurs. A Good municipality would not just allocate the space, but also engage other spheres of government and the private sector to unlock financial support for small traders and generally work to create the environment which businesses can thrive.

With regard to human settlements, in the same municipality houses have been built, but no proper planning is done for bulk services. Thus people are unables to move to their homes because of the lack of basic service delivery.

[Inaudible.] ... of Oudtshoorn, the youth faces with 25 kilomitres in the city centre outside of this town. How can a young child afford R50,00 taxi fair to attend the youth clinic without any support from the municipality.

Job creation and economic growth are possible, but it requires more from the municipalities than serving the previleged while barely managing informal settlements in our poor communities. We can sit with a plan on paper and talk ... [Inaudible.] ... mean nothing to our communities. Thank you. [Time expired.]

Mr C H M SIBISI: Chair, the NFP believes that developmental local government should bring both market and government driven economic development reports and strategies. The involment of local government and nonstate actors in the combination of local economic development strategies is a key prerequisite to the realisation of developmental local government imperatives.

The introduction of the White Paper on local government in 1998, clearly provided a framework in which developmental mandate accorded to local government could be realised. One of the key charecteristics of developmental local government

relates to the need for local government to maximise social and economic development.

Local economic development should therefore be viewed as an integral element of developmental local government. Local economic development is aimed at assisting municipalities through partnership with nongovemental organisations, private sector and local citizens to mobilise resources and combine ideas and schemes in order to stimulate local economic growth that translates into tengible employment opportunities and poverty alleviation.

Municipalities are expected to assume leading, intergrating, co-ordinating and democraticing roles. The assumption of these roles should enable municipalities to realise the fundamental objectives of local ... [Inaudible.] ...

The TEMPORARY CHAIRPERSON (Mr M G Mahlaule): Hon Sibisi, we seem to be losing you.

Mr C H M SIBISI: ... development, namely, job creation through alleviation, local governmental relations framework and government. Chair.

The TEMPORARY CHAIRPERSON (Mr M G Mahlaule): Hon Sibisi, we lost you for a moment there. Can you proceed. Hon Sibisi. Yes can you proceed.

Mr C H M SIBISI: Yes. The NFP belives that it is appropriate to asset that local sphere of government remains an important player in ensuring sound and economic growth, effective poverty alleviation and job creation within the context of developmental local government agendas.

It is therefore essential for the developmental role accorded to local government should be accompanied by provision of adequate institution and administrative support systems, financial resourcing and workable legislative frameworks. This empetus should remain vaible, efficient and effective. Local government should also be ... [Inaudible.] ... [Time expired.]

Mr M G E HENDRICKS: Hon Chair, for the past six months, we have heard about many initiatives to create jobs, especially in the small business development sector. As you know hon Chair, this has given hope to the nation during this pandemic. However, I think Parliament has been misled by the President during the state of the nation address and the Budget Speech

and even during this debate. How can you create jobs if an important entity of the state which is the Department of Small Business Development namely, Small Enterprise Development Agency, Seda, is on strike since the day of my birth day the 14th of September? Six months ago. So, it makes a joke of all the sentiments expressed about job creation - this opportunity and that opportunity... [Inaudible.]

I do not know how local government can survive with this lack of support from the national government. Then we speak about Expanded Public Works Programme, EPWP, jobs and there is no jobs for matriculants. Those are not jobs! It is efforts to alleviate poverty. South Africa is the subscriber of the National Labour Organisation to have decent jobs. So, if the governing party speaks about jobs it must comply with those standards.

President Mandela got the first award for supporting decent work. Comrade Winnie Mandela got the second award internationally for that. All their efforts have now gone no where because South Africa does not create decent jobs in terms of the charter of the International Labour Organisation, ILO, and the necessary commitments that South Africa signed.

The national government should hold the local spheres accountable through the Constitution which compels them to deliver pro-poor led projects with long-term service sustainability. But how can we do anything hon Chair, if the Departments of Small Business Department’s key entity Seda, is busy with industrial action for six months now? So, it looks as if the country must now be satisfied with the go-slow as far as jobs are concerned. Thank you very much, hon Chair.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL

AFFAIRS: House Chair, hon members and fellow South Africans, this debate comes at the twilight of the local government and it gives us the opportunity to reflect on the road we have traversed over the past four years. We shall have to recall that the Constitution calls upon the democratic government and the democratic developmental state to heal the division of the past establish society based on democratic values, social justice and fundamental human rights.

Our democratic values, and pursuant to social justice and human rights obliges us to ensure that we secure the dignity of the millions who remain in hunger, poverty, unemployment and without quality services or opportunities. But of course in some regard, our democratic state has made steady and

commendable progress. The latest statistics of general household survey shows that 89% of households have access to drinking water through various means such as pipes to household’s communal stand pipes, water tanks, boreholes, springs and protected springs. Eighty-four per cent of the households have access to electricity and eighty-three of households have access to sanitation. This is indeed a remarkable progress considering that during the apartheid government the majority of people did not have access to all these services.

However, this remarkable progress has not been without challenges. Whereas all virtual communities in Gauteng, Western Cape have access to water through various means such as pipes, households communal stand pipes and tanks, the reality is that we must still look at the quality of water but also the consistency of that water. We recognise that more should be done. We should deliver services more effectively and efficiently and with the required impact, especially if the three spheres work together as required by the Constitution, because the three spheres are disticnt, interdependent and interrelated. The Constitution enjoins them to co-operate with one another in mutual trust and good faith.

Hon members, COVID-19 pandemic has also emphasised the urgency by which we must apply our services to improve access to water and sanitation. Therefore, we are also paying attention to quality and access to water to more rural provinces, consequently, together with the Minister and the MECs responsible for Water and Sanitation plus Co-operative Governance. We are collaborating to address these matters.

As part of our COVID-19 response, we have prioritised

R1,6 billion of the Municipal Infrastructure Grant, MIG, to ensure municipalites can provide safe and drinkable water. Already, 15 487 of the targeted 18 678 storage tank have been installed. Working in collaboration with the Department of Water and Sanitation, we have also complemented these programmes with the delivery of 234 boreholes throughout the country.

It is through the District Development Board which has afforded us the opportunity to even work closer with National Treasury on programmes to improve municipal functions. For example, we know that over R20 billion is lost due to poor maintenance of water and electricity infrastructure. This can be seen in the 2019-20 financial year. The national average spent on maintenance costs was only 2,3%. Although this is the

marginal 0,26% improvement from the 2018-19 financial year, it is far below the benchmark minimum of 8%.

In this regard, we shall be topslicing the MIG and other infrastructure grants to ensure that the R580 billion worth of municipal infrastructure is maintained and protected. We are also working closely with the national and provincial Treasuries to review and restructure the infrastructure grants in order to reduce fragmentation. The National Treasury has recommended that we institute reforms that will incentivise municipalities to put proper asset management practices in place.

Part of the measures recommended by Treasury is to assist the

163 municiplaites that are under financial distress. This includes that we should review service level agreement to address the issue of municipalities that are operating on unfunded budgets. We must also at the same time encourage those who have funded budgets and who have unqualified audits opinions. But unqualified audit opinion should go together with good service provision to communities.

In his state of the nation address the President said and I quote: “We are focusing on the appointment of properly

qualified officials at a local level to ensure effective management and provision of services.” Indeed, we agree that we should not have unqualified people or officials at local government and then rely on consultants. So, we are working with them to address this. We are indeed committed to building a capable and capacitated developmental state. Such a state must work with all of society to unlock opportunities and meet the development aspirations of our people.

We announced in 2019 that we have requested the National School of Government to introduce local government specific training modules which they did not have. I am pleased to announce that this has been done. Therefore, we take this opportunity to encourage current and incoming municipal leaders, managers and workers to take up the course which is also available online. This will go a long way towards developing the capacity of municipalities.

The development of a capable state requires the entire government system to be geared towards supporting municipalities to ensure that they are fit for purpose. That is why we will be reviewing the organisational structure of local government, and this will need to be complemented by the building of requisite of skills, including those of financial,

technical, engineering and other skills that are needed for long-term planning.

With regard to the later, we are collaborating with the Department of International Relations and Co-operation as well as the private and the academic sectors. We intend to build a dedicated cadre of visionaries and public servants who can lead and drive our developmental state aspirations.

Our munipalities have the responsibilites to work with other spheres of government and the social partners to unlock the potential of our peoplec and develop local economies. We must therefore carry out our constitutional mandate of ensuring that the national provincial spheres of government do support local government to meet its development outcomes. That is why we are making progress in implementing the District Development Model so that we may better co-ordinate and intergrate our efforts in the public service, while crowding in the investment of the private sector, NGOs, civil society, labour, religious, traditional, communities and donor sectors.

Already in the pilot state of the District Development Model, both notable in Waterberg, we have began to work together with the private sector which has availed their sector’s specific

expertise so that we may get real and tangible opportunities to ordinary citizens especially women and youth. This addresses what one hon member mentioned when he said that we must create an environment where business will be able to contribute to job creation. This also implies stronger and better capacitated local economic development, LED, units that can lead local economic development and facilitate for investment.

To this end, we have been working closely with the Presidential Investment Infrastructure office led by Dr Sputla Ramokgopa. In our visit to the district, we have been working with them and they are already assisting some of the districts in their infrastructure projects. We are also working with the districts to ensure that small business and co-operatives benefit from those projects of government procurement in general. In our state of the nation address response, we also detailed the progress in the implementation of the District Development Model. Suffice to say that we hold much hope in the District Development Model as we believe that it will appropriately locate the local sphere of government at the centre of all developments.

Through the District Development Model, we will make our communicites more productive. We must also pay special attention to reversing the apartheid spatial planning legacy. To that end we intend to create spaces which are productive, livable and comfortable and safe for women and children.

The promotion of local economic development, community empowerment and redistribution is absolutely critical. Of course we agree that the land issue is important, that is why there is an ad hoc committee in Parliament which is dealing with this matter. To this end we are also working closely with the Department of Rural Developmemt and Land Reform. Our partnership is about securing tenure of rural communities, particularly women, whilst also promoting agrarian reform.

Such reform would also consider the co-operatrive spirit of our rural communities.

Over the years, the provinces have implemented interventions in various municipalities. We have heard members saying that there is no consequence management when there is misuse of funds or corruption. Let me say that we are doing exactly that

- consequence management. If you look at North West, for instance, which is under section 100 - we have had 10 cases that have been finalised and 51 cases are under investigation

and 16 are before the courts. These are accompanied by preservation orders to the value of R80 million. We are a nation hard at work, because we believe in consequence management and the development of a local state.

As part of the review process, the Department of Co-operative Governance and Traditional Affairs, together with the broader government sector, will undertake a 21 review of local government. We will, in due course, be approaching this and other houses for their input to this important process.

Critical to this review is the sustenance of growing the economy, which is capable of extending sustainable and equitable benefits and opportunities to all our people, especially those in the rural areas and townships.

The upcoming local government election offers all of us an opportunity to further shape a more just economic system that leaves no one behind. This will require that we focus on ensuring that the national and provincial spheres effectively collaborate with the local sphere so that we may all be more agile, more responsive as we drive the longer term development agenda.

The upcoming local government elections ...

The TEMPORARY CHAIRPERSON (Mr M G Mahlaule): Hon Minister, I have given you extra 10 seconds, and I am afraid the time is up.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL

AFFAIRS: Is 16 minutes over? Thank you, House Chair.

Ms E R J SPIES: Thank you, hon House Chairperson. As much as this committee is happy that the Auditor-General, AG, was given teeth last year to new legislation, I fear that in many cases it was false teeth because they must have been asked to breed on a shelf somewhere for some ANC running municipalities. As we speak, many municipalities around this country are still bogged down by qualified adverse and disclaim audit findings, corruption, an ethical governance practices and poor service delivery. Yet, in the economies go on. A rebuild of the economy is expected during this year with growth or an estimated 3%.

Should vaccine programme be rolled out effectively and economic activity can continue, but, sadly, House Chairperson, this seems like a very bleak prosper. In the light of this it becomes increasingly important that local authorities gear themselves ... [Inaudible.] ... event this doesn’t happen. The

foundation of local economic development will change, but the focus area needs to shred as the needs of local economies have changed. Suddenly, a priority signal like tourism is no longer growing. You are sitting with chips in the central business district, CBD, due to people working from home. The event industries on the virtual collapsing so your ... [Inaudible.]

... priorities from a year ago has changed.

A handful of municipalities have developed economic recovery plans, mostly situated in the Western Cape. The issue is that, however, is there funding to implement these plans? Pressures on local, provincial and national economies or businesses in the private sector are increasing during ... [Inaudible.] ... plans are. Can we support the new needs? No, I’m afraid not.

Not if municipal revenue since are addressed. But, what are we doing about this, House Chairperson? We were rather hearing about organograms that are bloated and failed in branch meetings, Tender Act that is finalising, restaurants and bus related lines and the Public Finance Management Amendment Act that is supported to Polokwane resolutions and instructions from Luthuli House.

Political infighting has now taken a new form of petitions in the Co-operative Governance and Traditional Affairs, Cogta,

portfolio or committee meetings, where ANC comrades are taking each other in full view of the citizens of this country. Last night we had that in the Amathole District Municipality most municipalities have a salary bill higher than the equitable share. How can this be true? What needs to be done, hon House Chair? It is very simple. We need to create an enabling environment through the ease of doing businesses and reduce retail for businesses. We need to prioritise departmental focus and we need to extend existing programmes. We also need to develop new projects that are suited to the new economic realities where the council additional skills development projects in ... [Inaudible.] ... of incentivising employment through experiential learning that leads to jobs on the job training and income and your households.

We need to deliver business support through virtual digital webinars. We need to extend the small, medium and micro enterprises, SMMEs, booster funds. We need to support farms by assisting them to understand regulations. If we really want to stimulate economic development that is ... [Inaudible.] ... a few things need to be fixed. In the Western Cape that has shown that we can do that. If the governing party wants to redeem itself it should rid itself from corrupt political leaders at local government level, where it is clearly shown

that they don’t care about struggling businesses. The committee has to listen to communities coming in front and appearing to this committee and tell us of infighting and political and rivalry.

I want to suggest, House Chairperson, that next time you deploy cadre from the ANC ... [Interjections.] ... Thank you very much, House Chairperson. If we really want to stimulate local economic development in municipalities a few things need to be fixed. If the governing party wants to redeem itself, it should rid itself from corrupt political leaders at local government level where it is clearly shown that they don’t care about struggling local businesses. We can’t carry on with introducing new systems and new models. What we need to do is to make sure that we replace those without capacity and incompetently with the right people with the right skills.

That is the way we are going to fix this economy on a local level.

Hon House Chairperson, I would like to emphasise that the next time you deploy cadre think of taking ... think of the struggling local businesses ... Thank you, hon House Chairperson. [Time expired.]

Mr G G MPUMZA: Thank you once more, hon House Chairperson. May I remind the House and the citizen of South Africa that according to Statistics South Africa, Stats SA, over 80% of South African households live in formal dwellings and the only 13% still stay in informal dwellings. That is a remarkable progress that local government had brought about. The highest percentage of household that lives in informal dwellings was observed in Limpopo at 91%, while the lowest was the Eastern Cape which was at 70%. The households that are connected to electricity supply from the mains has increased from 76% in 2002, to 84% in the current year. The percentage of households that use electricity for cooking increased from 57% in 2002, to 75% in 2017. This indicates that, indeed, the developmental local government model is working. The ANC is committed in building a local government that is committed to working with citizen and groups, and this reinforcement of working relationships between local government communities will render South Africans a sustainable decent service delivery that will meet the social economic and material needs of communities in a holistic way.

House Chairperson, the ANC believes that the developmental local government must see itself as an agent of providing a vision and leading for all those who have a role to play in

achieving local prosperity. That is why then the district development model has become a model for integrated service delivery. Therefore, that integrated service delivery will be ensure that services are provided and because it has become an integrated planning model for co-operative governance to be realised which seeks to be a new integrated district-based service delivery approach aimed at accelerating service delivery and ensure that municipalities are adequately supported and resources to carry out their mandate, and indeed, House Chair.

However, there might be persistent challenges arising from structural backlogs of upper ... [Inaudible.] ... and the institutional arrangements that are stubborn to change.

However, we are committed to transformation. As we speak, the ANC is committed to root out corruption in the local government sector together with the collaborators in the private sector. Therefore, this is seen by our law enforcement agencies and criminal justice systems that are working around the cloak to expose those who are committing crime in the local government space. We are pleased, House Chair, to indicate that some of these challenges are already now before the special tribunal for the recovery of losses and prevention of further losses in the local government sphere.

It is, indeed, on this space that local government the ANC is committed to is the professionalisation of local government to deal with the stubborn structural changes that have been there as well as the emerging challenges that will show that sound governance that will bring about clean administration and audits would have to had been ... [Inaudible.] ... Therefore, we believe that this district development model will strengthen and pre-empt all the witnesses that exist in the district model because the spills that might not be there.

Through this model spills would be marshalled through this integrated planning and fostering co-operative governance.

House Chair, governance would have to exist and professionalisation that there might be challenges indicated to the spillage in some areas in the municipalities is not something that is only affecting municipalities under the leadership of the leading party in government. The case of the spillage in the street of Site C in Khayelitsha indicates a well-run city for some and the well-rundown city for others.

For my hon member, hon Brink, a similar situation obtained in Nellmapius in Tshwane, where a house in Nellmapius a number of challenges under the administration of a DA government.

Therefore, these are persistent challenges that exist and the ANC is committed in its development model to deal with these

challenges and restore decent services to communities as well as dignity to South Africans. Thank you, House Chair. [Time expired.]

Debate concluded.

The mini-plenary session rose at 17:21.