

WEDNESDAY, 4 MAY 2016

PROCEEDINGS OF NATIONAL COUNCIL OF PROVINCES

The Council met at 14:06.

The Deputy Chairperson took the Chair and requested members to observe a moment of silence for prayers or meditation.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS - see col 000.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES (Mr R J TAU): Hon members, I have been informed that the Whippery has agreed that there will be no motions for this session. Therefore, we shall then proceed on the motion as printed in the name of the Acting Chief Whip of the Council. However, before I do that, I need to bring the following to the attention of members. I call on the Acting Chief Whip of the Council and I would like to bring to your attention of hon members that in terms of section 9(3) of the Money Bills Amendment Procedure and Related Matters Act 2009, Act 9 of 2009, the Division of Revenue must be passed no later than 35 days after the adoption of the fiscal framework by Parliament. I take it that having noted that today we are still within the timeframe to

pass the Bill; I therefore allow the Acting Chief Whip of the Council to read the motion.

The ACTING CHIEF WHIP OF THE NATIONAL COUNCIL OF PROVINCES (Mr M Rayi): Hon Deputy Chair, I move:

That Rule 239(1), which provides *inter alia* that the consideration of a Bill may not commence before at least three working days have lapsed since the committee's report was tabled, be suspended for the purposes of consideration of the Division of Revenue Bill.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES (Mr R J Tau): Thank you very much. As there is no speaker's list - is that a point of order, hon member? I take a point of order.

Ms E C VAN LINGEN: The statement that you made before the motion was read, however, I submitted the letter to the Chairperson of the NCOP that we must not sustain the three-day Rule, because nothing can go wrong in terms of this letter until Tuesday morning, and we will still be within the time limits of that exact Rule and section of the Act that you have quoted in terms of the 35 days.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES (Mr R J Tau): Thank you very much for the comment. Therefore, we will take it up with the office of the Chairperson. But then as there is no

speaker's list I shall now put the question; and the question is that the motion be agreed to. As the decision is dealt with in terms of section 65 of the Constitution, I shall first ascertain whether all delegation heads are present in the Chamber to cast their provinces' votes. Before I do that I will apply Rule 71 which will then afford me an opportunity to give provinces an opportunity to make a declaration of vote if they so wish. Is there any province that wishes to make a declaration of vote?

In the absence of any we shall then proceed with the voting and I shall do that by calling provinces in an alphabetical order.

Question put: That the motion be agreed to.

In Favour: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West.

Against: Western Cape.

Motion accordingly agreed to in accordance with section 65 of the Constitution.

Ms C LABUSCHAGNE: Can I rise on a point of order, please?

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES (Mr R J Tau): Yes, you may rise.

Ms C LABUSCHAGNE: The point of order that hon Van Lingen made is that we are still within the 35 days framework because 26 May will be the end of time, the day that this Bill has to be passed. What we put before the House was that it is not necessary to change this three-day Rule because it is not urgent that it be done. You said that you will refer to the Chair, but you continued; which means that we continue with a debate, so the whole point of what was taken went through and we voted - it does not make sense to me.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES (Mr R J Tau): Hon members, I have afforded provinces an opportunity to make their declaration of vote.

Ms C LABUSCHAGNE: Look into it in this way.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES (Mr R J Tau): Do you want to make a declaration?

Ms C LABUSCHAGNE: We have already voted.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES (Mr R J Tau): Okay. Thank you very much.

Ms C LABUSCHAGNE: But, you also did not give me an opportunity to make a declaration because you did not look this way, I have put up my hand.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES (Mr R J Tau): Hon members, I think that will be a very unfair accusation because I did ask provinces if there is any province that wishes to make a declaration of vote. I looked at the House broadly and I could not see any province raising its hand. Therefore, I take note of the comments that were made by the hon Van Lingen which is the matter that she has brought to the attention of the Chairperson. Therefore, we shall then proceed with the business of the House. Secretary, can you read the First Order of the day?

Declaration of votes made on behalf of Western Cape and Eastern Cape.

**CONSIDERATION OF DIVISION OF REVENUE BILL [B2 - 2016] AND REPORT OF
SELECT COMMITTEE ON APPROPRIATIONS THEREON**

Mr S J MOHAI: Hon Deputy Chair, and I also recognise the Minister of Co-operative Governance and Traditional Affairs, hon Des van Rooyen, and all hon members, Parliament has particularly important role in fiscal policy promoting economic growth, employment and reducing inequality. The Finance and Appropriations Committee work to ensure that the fiscal policy of the country is one that is sustainable contains an appropriate mix of revenue sources and that expenditure it allocated to meet the country's short and long term social and economic needs.

Parliamentary committees provide oversight over departments ensuring that the departments realise their targets and that resources allocated through the Division of Revenue and Appropriations Bills are spend efficiently. Since the passing of the Money Bills Act in 2009, Parliament has even greater ability to shape fiscal policy and ensure that fiscal policy improves economic growth, employment and reduces inequality. In terms of section 7(3) of the Money Bills Amendment Procedure and Related Matters Act of 2009, Money Bill and section 76(4) of the Constitution. The Division of Revenue Bill must be tabled by the National Assembly and thereafter it must be dealt with in accordance with procedures established by section 76(1) of the Constitution.

In accordance with this section, the Minister of Finance, Pravin Gordhan, tabled the 2016 Division of Revenue Bill in National Assembly on 24 February 2016. On 16 March the Bill was transmitted to the National Council of Provinces for concurrence and the Bill was referred to committee for consideration and report. Following a briefing by National Treasury on the Bill, the committee consulted Financial and Fiscal Commission and South African Local Government Association, the Parliamentary Budget Office and all nine provinces.

The committee further conducted public hearings on 12 April in line with section 9(5)(b) of the Money Bills Act. The committee also received positive responses from province during the negotiating and final mandates, and all provinces supported the Division of Revenue

without exception. The committee noted that in the light of the serious economic constraints and social pressures under which the 2016 budget was tabled, government is required to do more with less and to find more innovative ways to execute its mandate in order to reprioritised funds for emerging priorities and to promote fiscal consolidation, reductions to baselines have been made since the 2015 Medium-Term Budget Policy Statement.

The effect of the proposed amendment to the total national, provincial and local government equitable and conditional grant allocation in terms of the Bill are consistent with the adopted fiscal framework. We also found that 2016 Medium-Term Expenditure Framework, MTEF, spending priorities are aligned with the National Development Plan priorities, in particular health, education, agriculture rural and economic development.

We also noted with appreciation submission from also individual members of the communities such as Mme Lorica Nxumalo. She raised a concern with regard to funding of diabetic programmes and also congestion that occurred to Metrorail and stations around Dewalt and the Mabopane area. Her submission is a good sign of an active citizenry and also participation on the budget as South Africa is hailed as amongst the most open country with regard to its budget processes.

The committee made some findings that might require further attention with the National Treasury and other stakeholders on an ongoing basis and the other will not restate as highlighted on the report. The committee will pay dedicated attention in ensuring that the government nine-point plan is vigorously implemented and yield desired economic results stimulate much needed economic growth and development and address unemployment. The committee recommends that the 2016 Division of Revenue Bill be adopted without any amendments. The implementation of the Bill will be monitored throughout the financial year. Thank you, Deputy Chair. [Applause.]

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: (Mr R J TAU): That concludes the debate. I shall now put the question, and the question is that the Bill be agreed to. In accordance with Rule 71 I shall first allow provinces an opportunity to make their declaration of vote if they so wish. Is there any province that wishes to make a declaration of vote? Western Cape, yes you may proceed.

Debate concluded.

Question put: That the Bill be agreed to

Declarations of vote:

Mr O S TERBLANCHE: Hon Deputy Chairperson, hon members, on behalf of the Western Cape, I would to record the following declaration

regarding the 2016 Division of Revenue Bill. This bill has highlighted that the allocation to provinces is some R14,9 billion lower than the 2015 Medium Term Budget Policy Statement. Growth in South Africa remain slow, and the ANC-led government forecasted that the economy will grow 0,9% this financial year when a more realistic focus should be 0,5%.

This country is facing a decline in tax revenues while the cost of debt is rising. Further, increasing the risk of a downgrade of our credit rating to junk status. The allocation to provinces further proves that the ANC-led government has no concrete plan to stimulate the economy to bring realistic growth, investment and creation of our people. The cost for provinces and municipalities to provide basic services is growing at a faster rate and transfers from national government.

We note with concern how often the Division of Revenue Bill is rushed through the various committees. What happened here this morning is a very clear example of exactly that. The procedures have set aside in the Money Bills Amendment Procedure and Related Matters Act, 2009. It was simple not always followed. This has huge impact on our various provincial departments and ultimately affects the benefits to our people.

The Western Cape as per its negotiating mandate would like to put out and urge National Treasury to utilise updated and realistic

statistics in the review of the equitable share to provinces, considering the migration of people to the Western Cape Province being the DA-led province with the best performing municipalities nationally.

Hon Deputy Chairperson, the Western Cape supports the 2016 Division of Revenue Bill. I thank you.

Mr X NQATHA: Hon Deputy Chairperson and hon members, the Eastern Cape would like to following declaration that since Census 2011 showed the province getting experiencing outward migration of population. This resulted in a decrease of 14,9% to 14,2% of the weighted average share of the provincial equitable allocation for the province in 2013 Medium Term Expenditure Framework, MTEF.

In 2016 MTEF, this provincial stipend allocation is 14% of the weighted average. The province saw a reduction of R819 million in 2014 and R65, 4 million in 2015 and the net effect of the adjustment, due to this impact of the new data updates formula is that the provincial baseline has been reduced by R72,2 million, in 2016-17.

The province is also aware that Financial and Fiscal Commission, FFC, is required in terms of section 9 (1) of the Intergovernmental Fiscal Relations Act 97, to submit recommendations on the Divisions

of Revenue to the budget of the National Treasury at least 10 months before the beginning of each financial year.

Much as the Eastern Cape province supports the Bill, it is the FFC route as well as the engagement with National Treasury that the province will seek to explore as the Provincial Roads Maintenance Grant does not favour the Eastern Cape province, as the allocation of maintenance is based on surface roads which is not as high as the urban provinces. Taking into account that some of the urbanised provinces like the Western Cape, have been built by cheap labour from the Eastern Cape. People who are boasting about the Western Cape today should take that into consideration.

And also taking into account that the focus and economic advantage of agriculture in the Eastern Cape, especially under the current conditions is noted, that the Agricultural Colleges, for instance, Fort Cox and Tsolo, are not substantially funded. The national conditional grants for funding or a specialised FET college within agricultural sector should be a focus because the province has the land and therefore, has the potential to contribute in terms of food security in the country. The Eastern Cape supports the Bill.

[Applause.]

Question put: That the Bill be agreed to.

IN FAVOUR: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West, Western Cape.

Bill agreed to in accordance with section 65 of the Constitution.

APPROPRIATION BILL

(Policy debate)

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

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Deputy Chairperson of the NCOP, hon Ministers and Deputy Ministers, hon chairperson of the select committee Jihad Mohapi, hon members of the National Council of Provinces, other Members of Parliament, and distinguished guests, I am honoured to table my maiden Budget Vote speech to the National Council of Provinces today on the budget and priorities of the Department of Co-operative Governance and Traditional Affairs, Vote No 4, for the financial year 2016-2017. This follows our presentation to the National Assembly yesterday. Our role in facilitating intergovernmental relations spans many years and, of course, many areas - from roles in the President's Co-ordinating Council and MinmeCs to our in-depth involvement in municipalities through our Back to Basics task teams.

This year marks the 110th anniversary of the Bambatha Rebellion. The Bambatha Uprising, as you are all aware, was a Zulu revolt against a poll tax imposed by the British in 1906 in a bid to force the black population to work on agricultural farms and on the mines. It marked yet another chapter in our fight for a free and democratic South Africa.

Our achievements over the past 22 years pay tribute to the sacrifices of those who participated in this uprising and, of course, we pay tribute to the sacrifices of many others. Fifteen years of democratic local government was marked on 5 December 2015. In the time between 2002 and 2014, the number of households increased from 10,8 million to 15,6 million. The local government sphere has matched this with a concomitant escalation in the delivery of basic services.

The share of households accessing electricity increased from 79,7% in 2001 to 86% in 2014. A total of 5,8 million households have received electricity. Over two million indigent households benefit from the provision of electricity through indigent support systems. The provision of water infrastructure increased from 61,3% to 90%. Free basic water services expanded from over seven million citizens in 2007 to over 11 million in 2013. Access to basic sanitation services increased from over 62% in 2002 to over 79% in 2014. Water and sanitation percentages have exceeded the targets set by the Millennium Development Goals. This is testament to the fact that

local government has been successful in changing the lives of our citizens for the better. This good story of excellent government performance runs contrary to a simplistic proposition and the blatant lies peddled by modern-day pessimists and opportunists.

In his state of the nation address, His Excellency President Zuma announced the implementation of the second phase of the Back to Basics programme. Assessment of the first phase of this programme confirms that tackling development challenges created by many years of colonisation and apartheid systems is a mammoth assignment requiring long-term and sustainable solutions. It's a challenge transcending populist politics driven by a principle of "everything for free". We are well aware that there are no overnight successes or easy victories to be claimed. The Back to Basics programme is here to create sustainable, meaningful change in our communities.

Over the last year, we've learnt many lessons from this programme. Among these is that direct, hands-on support is yielding positive results. The second phase aims at tackling these problems and involves the execution of the 10-point plan. We believe this will vastly improve the state of local government. In line with our belief that local government should be in the hands of our citizens, one of the key elements of the 10-point plan is fostering more positive community experiences. To this end, we are developing ward-based service delivery dashboards and implementing ward improvement plans. This will ensure basic services, such as the cutting of

grass, working streetlights and the timeous fixing of water leaks, are delivered easily.

To give more teeth to Back to Basics' goal of public participation, we have developed a compliance framework to inform the establishment and operation of ward committees. The framework will come into effect after this year's local government election. Let me take this opportunity to congratulate the Blouberg Local Municipality in Limpopo province and the Overstrand Local Municipality in the Western Cape province. They have established good practices in the implementation of the ward participatory model to strengthen community participation at the local level.

Over the next year, we want to increase public participation platforms so that councillors engage more regularly with their constituencies and provide constant feedback on progress. We aim to ensure the election of more credible ward committees and will introduce a national induction programme for newly elected ward committee members. We also intend institutionalising community complaints management systems and processes in our municipalities.

Let me take this opportunity to congratulate the City of Johannesburg, which hosted its state of the city address today. This city has been rated as the best city in Africa, economically, according to ratings agency Fitch. [Applause.] We are also

implementing the findings of forensic reports after collating the reports from provinces and municipalities.

Our efforts to improve public participation through the Back to Basics programme have not gone unnoticed. The Back to Basics programme has been selected as an example of the Open Government Partnership commitment of "mainstreaming citizen participation in the public sector".

Tomorrow, 5 May, South Africa will host the African chapter of this particular partnership. I urge you to join us as we showcase our country's efforts towards an open government that is more responsive, accountable and transparent. As a founding member of this partnership, South Africa remains committed to ensuring the dissemination and entrenchment of the partnership's commitments.

Last year, we indicated that our Back to Basics programme had intervened in distressed municipalities. I'm glad to report that the situation in these municipalities is steadily improving. I've visited both Mogalakwena and Nelson Mandela Bay in the last month. It is heartening to note that Nelson Mandela Bay is on the road to good health. Let me take this opportunity to congratulate the newly installed collective of the mayoral committee under the capable leadership of the executive mayor of the municipality, Mr Danny Jordaan. They took over the municipality a little less than a year ago. [Applause.] In this time, there is no doubt that they have

turned the city's fortunes around. From being faced with a R400 million budget deficit, the city now sits with almost R2 billion in holdings. [Interjections.] Decisive action was taken to clean up the municipality and rebuild community confidence. In this regard, 29 senior managers were fired for corruption. So, whilst some may erect billboards in a futile attempt to denigrate the executive mayor, we'd like to put up one that says "another successful ANC project". [Interjections.]

The Makana Local Municipality is another example of a Back to Basics success story. [Interjections.] Rhodes University was shut down several times due to water stoppages experienced by the municipality. Through the intervention of the Municipal Infrastructure Support Agent, Misa, the water supply has been reinstated in a sustainable manner. The university is able to operate normally, and water stoppages and disruptions are now historic. The previously affected communities are provided with normal water supply.

In the past year, Misa supported 75 municipalities in the development of new infrastructure as well as the refurbishment of existing assets to improve the provision of services. The Misa was also involved in the training of learners and technical officials in municipalities. As a result of technical support from Misa, the Elundini Local Municipality completed a feasibility study that enabled it to secure funding. An amount of R296 million for new

infrastructure development was secured through the Municipal Infrastructure Grant and donor funding from Netherlands. Once completed, this project will ultimately benefit 12 176 households in the area. The project also has the potential to create at least 2 000 temporary jobs and 107 permanent jobs.

In the coming year, Misa will implement the regional management support contracts to improve infrastructure delivery, management and operations. This project will assist municipalities to put in place improved management systems and processes for infrastructure delivery and management of service provision. Back to Basics is not an event but a process, one that entails a mindset change in the manner in which municipalities operate. This change involves Co-operative Governance and Traditional Affairs, civil society and all the sectors in all spheres of government driving that change. We look forward to welcoming the co-operation of all sectors, including this House. Later this month, we will host the business sector to discuss what role it can play in this important programme.

On 3 August 2016, as we are all aware, we will hold South Africa's fourth democratic local government election. To ensure that preparations are on track, the interministerial committee has been collaborating with various stakeholders. The work of the Municipal Demarcation Board has been instrumental in ensuring the finalisation of the redemarcation process. We condemn the acts of violence and intimidation that have occurred in Vuwani in Vhembe. This has

resulted in the burning down of 13 schools, mostly in the Ha-Mashau area. This follows the High Court judgment to uphold the decision of the Municipal Demarcation Board to merge parts of Vuwani and Malamulele to form a new municipality.

We urge law enforcement agencies to act with speed in bringing offenders to book. Our country prides itself on abiding by the decisions of our courts, even when they are not in our favour. We urge residents, through the leadership of the community, to sit down with us to work towards resolving this matter amicably. Let me reiterate that citizens can still register to vote and update their registration and address details at the offices of the Independent Electoral Commission countrywide.

We have been reluctant to proclaim the election date as we are awaiting a critical Constitutional Court decision. As you are aware, this relates to the clarification of the issue of the challenge relating to citizens and households without formal addresses. Being committed to ensuring a free and fair election, we have filed an affidavit and await the decision of the Constitutional Court to be delivered on 9 May 2016. I urge all political parties to abide by the collectively signed charter of election ethics. The charter aims to promote social cohesion and nation-building, raise awareness on the importance of voting, and promote free and fair elections based on tolerance. Let's not be a signatory to the charter and then call

for the removal of the government through the barrel of a gun if the election results are not to our liking. [Interjections.]

Last week, Cabinet approved the Integrated Urban Development Framework, IUDF. [Interjections.] The IUDF marks a new deal for South African cities and towns. It will steer urban growth towards a sustainable model of compact, connected and co-ordinated towns and cities. The IUDF provides a roadmap to implement the National Development Plan's vision for spatial transformation - creating liveable, inclusive and resilient towns and cities while reversing the apartheid spatial legacy.

The Community Work Programme, CWP, is an important intervention to deal with poverty, unemployment and inequality. The International Labour Organisation, ILO, recognises it as one of the best in the world. The CWP will receive close to R3,2 billion for this financial year. A total of 95% of this goes towards implementation. Only 5% is spent on administration by the department. We are working with other departments, civil society and business to increase the reach and impact of this important programme.

The CWP aims to provide participants with skills, both to do useful work in communities but also to enhance their employability and ability to start their own ventures. I will quickly cite just one example from the Eastern Cape. Vumile Msoki joined the CWP in 2012. Whilst participating in the programme, he learnt how to weld. Now he

is responsible for all welding work done at the Amahlathi CWP site. On weekends, he takes up private welding jobs in Keiskammahoek where he leads a team of welders.

In KwaZulu-Natal in Ukhahlamba, a participant used his stipend to take a course in security services and is now registering his own security company. The CWP is but one of the many public employment programmes formulated by the ruling party. We are a party that cares. [Interjections.] These pro-poor policies have become the hallmark of an ANC-led government. This is how we place local government back into the hands of our citizens. [Interjections.]

The past year has seen the continuation of an endemic drought that has hurt our economy. It has also impacted the lives of farmers and citizens who have had to bear the cost of rising food prices and water shortages. The interministerial committee on drought has ensured that government delivers a co-ordinated response to the drought.

The National Disaster Management Centre, NDMC, has been at the centre of efforts to mitigate the effects of the drought. I must indicate that we are thankful and grateful to civil society for the vital role it has played in assisting water-stressed communities through the provision of water and drilling of boreholes. This complements government efforts to address the situation.

Operation Hydrate has mobilised various sectors of society, from learners at school to big business. Since January, they have distributed over 12 million litres of drinking water to five provinces. When we say local government is in your hands, this is what we mean, this is what we expect, and this is what we are striving for - placing local government in the hands of our citizens.

Whilst we live in a constitutional democracy, we also reside in a country that recognises the value that traditional leaders bring to the smooth functioning of this democracy. Over the past year, we've worked with traditional authorities on a number of development-related issues. With the onset of the winter initiation season upon us, let me assure you that our preparations have begun in earnest to ensure the safety of our young men. We want to reiterate our commitment to zero tolerance on initiate deaths during this winter season.

We are pleased to report that the Traditional and Khoisan Leadership Bill was introduced in Parliament in September last year. The Bill is intended to affirm and recognise our brothers and sisters, the descendants of the Khoisan leaders, structures and communities. In keeping with the times, traditional leaders have embraced the mantle of development. There are a multitude of success stories in different provinces telling of development championed by traditional leaders to improve the lives of their communities. We therefore call

upon all our traditional leaders to get involved in development programmes, with a view of alleviating poverty and hunger in their communities. Local government is ensuring the meaningful participation of traditional leadership within council and municipal affairs in general. We intend ensuring that such participation happens uniformly across all provinces. As shown by iLembe District Municipality, this could be done through, amongst others, the allocation of seats to identified recognised traditional leaders in committees of council. We want to also thank those traditional leaders who continue to release land for development.

Let me bring to the attention of this House that this year we mark the 50th anniversary of the declaration of District Six as a "whites only" area. It marked the beginning of the forced removal of over 60 000 residents from an area noted for its racial diversity at the height of apartheid.

The 2016 Medium-Term Expenditure Framework, MTEF, allocation to the department amounts to R73 billion in 2016-17. That is for this year. For the next financial year, it is R78,5 billion. For the outer year, which is 2018-19, it amounts to R84,2 billion.

I must indicate that there are other transfers and special allocations for this financial year amounting to no less than R68,8 billion. I have the pleasure of submitting Budget Vote No 4:

Co-operative Governance and Traditional Affairs for approval. I thank you. [Applause.]

The DEPUTY CHAIRPERSON OF THE NCOP: Thank you very much, hon Minister.

You know, hon members, I deliberately did not want to call for order during the Minister's speech because there is a convention that we have always applied in this House. I mean, the Minister even said at the podium that he would be delivering his maiden budget speech to the NCOP. Ordinarily, heckling would not be allowed. So, I am just bringing this to the attention of members now because I didn't want to disturb the flow of the Minister's speech, but I thought it is necessary just to bring it to our attention that, as members of this august House, we need to respect the fact that a maiden speech is being delivered.

Mr M J MOHAPI: Hon Deputy Chairperson, hon Minister Van Rooyen, hon Deputy Minister, hon Chief Whip in absentia and hon chairperson in absentia, hon members of the NCOP, ladies and gentleman, this year we are celebrating 22 years of our hard-won freedom and democracy.

The ANC-led government, as mandated by the majority of people since 1994, reaffirms its commitment to the attainment of the national democratic society, as envisioned in the Constitution of our land,

the Freedom Charter and other founding documents. South Africa today is a better place to live than it was before 1994.

When we pause and look back, we realise that we have made great strides. Just to mention a few. Many state institutions have been transformed. Instruments of accountability are in place, creating thriving conditions for civil society and recorded massive gains in respect of improvement in the quality of life of our people. Indeed, significant achievements have been made in the delivery of basic services such water, refuse removal, electricity, sanitation, and housing.

This progress represents only a fraction of our collective efforts towards social development. When examining the census results for 2001 to 2011, it is evident that significant progress has been made in addressing the backlogs in basic services. However as the ANC, we are the first to admit that more still needs to be done. Hence, Minister, we are in full support of the Budget Vote.

The 2016-17 financial year Co-operative Governance policy debate heralds the beginning of a process for the furtherance of the local government transformation trajectory. It marks the beginning of our next five year local government strategic agenda for the delivery of services and attainment of sustainability in our collective efforts to develop and transform the South African service delivery landscape for the general good of beneficiary communities whom

public services institutions, bodies and elected leaders represent and serve.

It signifies the commencement of a new and revised service delivery ethos. It recognises that local government is everybody's business, thus calling upon all citizens, all hands on deck, to forge ahead with the local government business unusual, for the complete transformation of our South African society.

Hon Minister, Back to Basics is now well known and implemented in all municipalities. It has obtained traction within and outside of government and has tasked all 278 municipalities. Its financial monitoring tool has been implemented, resulting in significant improvements in municipal audit outcomes for 2014-15.

But, hon Minister, notwithstanding these audit outcomes improvement, we have observed during Taking Parliament to the People in Eden District in the Western Cape that municipalities might receive positive audit outcomes, but the living conditions of our people leave much to be desired in respect of access to basic services, which still reflect geographic apartheid spatial patterns. You still find our people staying in shacks and slum conditions with no access to water, sanitation and housing. Indeed, we need to strike a balance between the audit outcomes and service delivery.

The R72,9 billion allocated to your department is welcomed as it will assist in the effective implementation of the department's intervention in the areas of basic service delivery, municipal infrastructure development, strengthening of institutional capacity, local economic development and job creation.

Additionally, hon Minister, we accordingly welcome progress made through the municipal Back to Basics reporting in that, between October 2014 and February 2015, plus-minus 122 municipal employees were dismissed for fraud and corruption. Indeed, siyaqoba!

Municipalities are at the forefront of service delivery in our country and much support must be focussed on ensuring that the department continues to capacitate municipalities to perform their basic functions as outlined in section 154 of the Constitution and in the ten-point plan outlined by the President in his 2016 state of the nation address.

Our observation as a select committee, particularly around section 129 interventions ... We wish to welcome the progress made in terms of assisting dysfunctional municipalities. However, these initiatives should focus on dealing with improving operations in areas such as managing the administrative and political interface within municipalities, assisting them to have proper systems on revenue and credit-control management, performance information

management, and improving the process for fast-tracking the filling of vacant and critical positions.

One of the priorities of your department, hon Minister, during the current medium-term, is harmonising relations between the municipalities and the institutions of traditional leadership as part of implementing the Back to Basics programmes. In keeping with this approach, the municipal and traditional leadership structures should establish strong, collaborative working relationship to create decent living conditions and improve delivery of services in traditional communities. However, there are some pertinent issues in relation to the existence, sustainability and role of institutions of traditional leaders within modern society. Key amongst them is urbanisation and migration from rural areas to cities.

We welcome, hon Minister, the efforts by your department to address the challenges faced by the institution of traditional leaders. These include the introduction of the Traditional and Khoi-San Leadership Bill, which is currently undergoing the public participation process.

Several initiatives to strengthen municipal capacity and efficiency have been introduced for the current financial year, going forward. For example, the municipal systems improvement grant has been reconfigured as an indirect grant from 2016-17 to help poorly performing municipalities in the area of revenue collection,

performance management and record keeping. Given the kind of support municipalities are receiving from the government, it is reasonably expected that all of them should now become more efficient in discharging their duties.

We wish to see assertiveness from municipalities with regard to their billing and revenue collection systems, reducing water and electricity losses, while enhancing their maintenance. As the ANC we will ensure that this is one of our oversights priorities.

On drought, hon Minister ... South Africa is suffering its worst drought since 1982. There is no doubt that we have to do extraordinary things to meet the challenges that we face. The changes to disaster relief grants for provinces and municipalities in the budget review are welcomed, hon Minister. These grants, which previously provided only for the rehabilitation of infrastructure damaged by disasters, will also now provide for operational costs incurred by provinces and municipalities in the distribution of water.

Hon Minister, the Community Work Programme, CWP, provides a basic level of income security through work, and it gives special attention to women and young people. It was established by the ANC-led government to help deal with the challenges of poverty, unemployment and inequality by providing an employment safety net for the poorest of the poor.

One of the participants, Lisbon Motlatla, aged 24, of Erasmus Extension 11 in Shoshanguve, says her life has changed for the better since she joined CWP a year-and-a-half ago. A youth mentoring programme co-ordinator, Motlatla is one of 17 mentors who trained about 200 learners on social and development issues. After completing her matric year, her parents could not afford to pay her college fees. About the programme she said,

The CWP has changed my life a lot; I am now able to pursue my educational dreams. I am enrolled at College Shoshanguve where I study management. I use my stipend to pay my studies.

Hon Minister, we are particularly impressed with the youth mentorship programme that has been established in this area. We are very happy that CWP has contributed towards the development of young people in Erasmus extension. We also commend the work done by Football For Youth in which 25 CWP participants were trained as football coaches. So far, 700 boys and girls have been trained to be coaches in this programme. We are please to see the results of this important initiative of the ANC government. This is a job well done.

Hon Minister, we welcome the allocation totalling R409 million for the municipal demarcation transition grant in 2016-17, 2017-2018 financial years. These will assist in funding costs associated with the changes in all affected municipalities. Whereas the number of violent service delivery protests have declined in our country, we

however, condemn the use of violence by those who are not in agreement with the demarcation process outcomes. We should encourage engagement in a very peaceful manner.

In our select committee meeting of 12 April 2016 between the department the SA Local Government Association, Salga, and the municipal demarcation board, it was assured by the stakeholders that, in terms of the interministerial task team approved by Cabinet, progress has been made on various matters that needed to be addressed with respect to those municipalities where the boundaries have been re-determined. These include legal, human resource, finance, communication, integrated development planning, institutional and revision of section 12 notices.

As the select committee ... or the ANC, we urge all South Africans to go and register to vote in the forthcoming elections. In particular, we request the youth to make use of propitious opportunity, as some will be voting for the first time, and let them not make mistakes ... [Interjections.]

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mohapi, please hold on. Can I anticipate? Can I anticipate ... the select committee of the ANC, that it is a select committee of Parliament? [Interjections.] Okay?

Mr J W W JULIUS: Yes, you are right, but I didn't rise on that point. [Laughter.] I was just saying that the interpreters are out

of breath trying to follow hon Mohapi. He's too fast! The ladies are out of breath. They can't keep up! [Laughter.]

The DEPUTY CHAIRPERSON OF THE NCOP: No, that's how he speaks. Let's respect him. They must just follow him.

Mr J W W JULIUS: Okay, but while I'm on my feet, can the hon member please withdraw his comment about the ANC select committee.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon member, can you please withdraw the words, "the select committee of the ANC".

Mr M J MOHAPI: Okay, hon Chair. The select committee of Parliament.

The DEPUTY CHAIRPERSON OF THE NCOP: Thanks.

Mr M J MOHAPI: As the ANC we urge all South Africans to go and register to vote in the forthcoming local government elections. In particular, we request the youth to go and register in their numbers and let them not spoil their votes by voting for others. But vote for the ANC. [Applause.]

It is guaranteed that the forthcoming elections have been faced with challenges but nonetheless, on the walls are written, ANC will emerge victoriously come 3 August.

Given the above imperative, the context in which this year's policy debate ensues is essentially challenging in that it is a mirror through which we see ourselves in terms of government's strategic direction and vision for local government going forward. The greatest challenge is the art of enhancement of local government oversight to improve service delivery implementation, good governance and accountability, and ensure efficient resource utilisation, efficient reporting, building transparency in local government and municipal management and decision-making, willingness to work and reach out to the beneficiary communities while leaning more on innovation.

As the ANC, we fully support this Budget Vote. I thank you.

[Applause.]

Mr M CHETTY: Hon Chairperson, Minister, Deputy Ministers, fellow members and guests, greetings and salutations.

Hon former Minister of Financial Crises and current Minister of Corrupt Governance, you must still be reeling from the promotion and demotion that you received all in one week. Your appointment by the Guptas and redeployment by Luthuli House has conspicuously exposed you for lacking the courage of your convictions - if you have any!

Mr S J MOHAI: (Point of Order) Hon Chair, on a point of order: The hon member must withdraw his statement that the hon Minister is the

Minister of Corrupt Governance. He is making a very serious statement of fact that doesn't exist. It's incorrect.

The DEPUTY CHAIRPERSON OF THE NCOP: Corrupt government?

Mr S J MOHAI: Yes.

The DEPUTY CHAIRPERSON OF THE NCOP: Thank you. Chetty, did you say that?

Mr M CHETTY: Chairperson, I will call corrupt governance "corporate governance".

The DEPUTY CHAIRPERSON OF THE NCOP: Corporate governance?

Mr S J MOHAI: (Point of Order) Correct, Chair. I am raising a point of order: The hon member is making a sweeping statement that is not provided for in the Rules, even if it is a general, political debate. The point he is raising is incorrect.

Mr M CHETTY: I'm not raising a point.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Can I then, therefore, decide to check the Hansard and then come back with a ruling on this - whether it is "corporate governance" or "corrupt governance"?

Mr M CHETTY: Your weekend stint as the Minister of Financial Crises cost this country almost R500 billion. You hurt the economy, which will take time to recuperate, and the fact that this does not bother you is confirmed by your arrogance. This is unlike other comrades, who, although belatedly and in a self-motivated fashion, have elected to have a conscious conflict. Having awoken from their self-imposed slumber, they have exposed the shenanigans of the Zupta scandals. Glaringly, you chose to answer the second call from the Guptas, and accepted your current position at the expense of patriotism.

Your demotion from Finance to Co-operative Governance was a much welcomed relief to the financial markets, but a disaster to good governance and service delivery to South Africa. Residents are taking to the streets daily, displaying their dissatisfaction with the state of corruption that exists in their councils and the lack of service delivery.

Hon Mohapi, you spoke about service delivery successes. In the Western Cape, we have Kannaland. In Mpumalanga, we have Thaba Chweu. In Gauteng, we have Westonaria. In Limpopo, we have Thabazimbi. In KwaZulu-Natal, we have Msunduzi. In the Eastern Cape, we have Gariep. These are ANC-led municipalities that are in dire need of intervention in terms of section 139(1)(c) – not political intervention, but administrative intervention, as highlighted in the report from the Fourth Parliament.

What do you do, as Minister? You sit by idly, twiddling your thumbs, and taking flights of fancy to Dubai, whilst our people are forced to take to the streets and relive apartheid struggles in this, their hard-won democracy. This very morning, when you woke up safely in this DA-run City of Cape Town, our residents in the Edendale township, in Pietermaritzburg, woke up to service delivery protest action and the barricading of roads with burning tyres.

In Limpopo, our children are being denied an education, as four schools have just been burnt down due to poor service delivery. Minister, you said you visited Nelson Mandela Bay and Mogalakwena, but you did not say that, in Mogalakwena, services have come to a standstill due to recurring strike action.

The Public Protector's Office has ruled against the distribution of food parcels during the election campaigns. Your department has willingly supported this distribution to compensate for your failure to provide basic, essential services to our poor people. This is not only bribery, but an insult to our democracy that the people have fought for.

The Municipal Demarcation Board has also failed to ensure that there is transparency. It bowed to the pressure from your predecessor and allowed for the gerrymandering of wards and outer boundaries. This it did in terms of section 22 of the Local Government: Municipal

Demarcation Act in hotly contested councils, to benefit the African National Corrupt party - sorry, the ANC.

Demarcation is used to imprison voters in an ANC-held ward, denying them their freedom of choice. Will you deny that the demarcation was not undertaken to benefit the people, but to benefit the ANC? The Independent Electoral Commission, IEC, with its recent loss in court - which you have just spoken about - proves that your department is, yet again, guilty of using state mechanisms to benefit the ANC.

Your department in KwaZulu-Natal has made a mockery of the Auditor-General's Office in that province and cast aspersions on its integrity and authenticity. The current MEC of the Department of Co-operative Governance and Traditional Affairs, the hon Nomusa Dube-Ncube, has wasted millions of taxpayers' money on heaping accolades on the Msunduzi Municipality for having achieved a "clean audit". Its municipal manager was voted the best municipal manager in KwaZulu-Natal at a glamorous function held at Comrade Vivian Reddy's Sibaya Casino.

Three months later, due to the factionalism and fighting within the ANC in KwaZulu-Natal, she initiated an investigation in terms of section 106(1)(b) of the Local Government: Municipal Systems Act, Act 32 of 2000. This Act deals with non-performance, maladministration, acts of fraud, corruption, or any other serious malpractice that has taken place in a municipality. This is an

example of the fruitless and wasteful expenditure that your former and now current replacement Minister, Comrade Gordhan, had championed in his Back to Basics initiative.

You mentioned civil society assisting with the drought. This very same MEC from KwaZulu-Natal further squandered public funds by advertising voter registration posters in the colours of her party. This, while failing to ensure that adequate funding is available for the drought crisis that her province is currently experiencing. It is evident that in KwaZulu-Natal, as in many other provinces, the former Minister's pleas for austerity measures were not adhered to.

Local government is seen as a cash cow to reward comrades that are loyal to the President. The President has authorised the Special Investigating Unit, SIU, to investigate the corruption scandals involving Msunduzi, and the residents are well aware that there must be an interest that has not yet been exposed.

Hon Minister, all is not lost. [Interjections.] Listen! Listen! All is not lost, hon Minister. You can take a leaf out of the DA's manifesto and your department will be able to provide jobs for our unemployed people; provide better service delivery for our residents; and stop corruption at local government level by employing people that are fit for purpose. A better, brighter South Africa for all of our people is possible if you take another leaf

out of our Values Charter that is underpinned by freedom, fairness and opportunity.

The time has come for the people of this beautiful country to stand as a nation united to stop corruption that is tearing away at our freedom - freedom that our people sacrificed their lives for. The time for change is now!

Hon Minister, just as Luthuli House substituted you, the people of this country will vote out the government of the day. You, your department and your party have failed local government. I thank you.

Ms G M MANOPOLE: Hon Chair, let me greet you, Minister and Deputy Minister, MECs, Acting Chief Whip and members of the NCOP and special delegates, ladies and gentlemen. Hon Chetty, I noticed that you still want to be a member of the ANC. [Interjections.] You are trying very hard but let me not waste my energy and on that. [Interjections.] Let me just remind this august House that in this epoch of our history, it's prudent that we employ the words of our late visionary leader. As I paraphrase these words of a revolutionary legend of this glorious movement, OR Tambo, when he raised a critical alert to us and said:

We have to wage a relentless war against disrupters and defend the ANC lead government against provocateurs and enemy agents. Defend revolution against enemy propaganda, whatever form it

takes. We need to be vigilant at all times in order to safe guard the diversity and prosperity of our country.

These are the core values of the ANC, which are eminent to the character of the ANC as the bedrock of the movement principles in building national democratic society. ANC always appreciate the following factors for it to be deep rooted and connected with the people. It should all the time engage in continuous internal analysis by recognising the following because, we do self introspection. We don't need others to come and do that for us. [Interjections.]. We are prepared to acknowledge our weakness and decisively address them in order to escalate and accelerate the peoples' struggles. Ability to adapt to changing conditions and rise to the occasion at critical moments for the movement to remain rooted amongst people and its ability to pursue *National Democratic Revolution*, NDR.

Hon Chair, the ANC is not a denials organisation and that's why its character resonates in the government department. ANC is the trusted leader of the society and that is why the department have developed a strategy to mitigate that. In the evolution of municipalities, the attributes of the Constitutional and legislative mandates of this department is derive from the ready to govern document of the ANC. That is why we believe that the critical role of local government has to have framework in order to enable it to redress the disparities. It is notable to observe unmatched basic services

delivery that has been experienced under ANC lead government. Let me state those. Under electricity, over 2 million households benefitted from the indigenous support system of the electricity. Water increased by free basic service from 7, 2 million to 11, 7 million in 2016. Access to basic sanitation, [Interjections.] in 2002 to 2014, 6, 3% moved to 79, 5% and those are unmatched...

[Interjections.]

The DEPUTY CHAIRPERSON OF THE NCOP: Just hold on hon member. Hon Mokwele did I hear you say, Hhayi soka?

Ms T J MOKWELE: [Inaudible.]

The DEPUTY CHAIRPERSON OF THE NCOP: Okay, continue hon member.

Ms G M MANOPOLE: ... Service delivery taken that we are from this apartheid era. Notwithstanding pockets of inefficiency which this department has acknowledged and has developed integrated strategy plan among others is Back to Basics. Its aim is to mitigate those elements, it is pivotal for us. To acknowledge the challenges which the departments and municipalities are confronted with as the nerve centre as one of spheres of government. They are at the cold face of services delivery and whilst they are striving to deliver it, they have to deal with realities of structural legacy of ageing infrastructure with all the constraints. But they are informed by the need to steer and speed up the process. [Interjections.]

The *Municipal Infrastructure Support Agent*, MISA, was employed in order to ensure that provinces and municipalities carry out service delivery and development functions effectively. The reconfiguration of the department programmes has resulted in programme three of the institutional development, which is a largest expenditure item in the department. As it transfers MIG, *Municipal Infrastructure Support Agent*, MISA, and Department of Traditional Affairs funding, it is quite decisive step by the department which we welcome as the ANC. Hon Chairperson, the ANC as the leader of the society is amplified by the value and norms of people centred at the core of the local government. We integrated intergovernmental relation which is non racial, non sexist and democratic local government.

The democratic and accountable local government has to redress the legacies of apartheid and redistribute resources for effective and efficient local government to be realised and developmental in character. As the ANC, we welcome the department's further commitments to provide 21 423 additional work opportunities by end of the financial year - Whilst maintaining current work opportunities during the same period and establishing 38 additional municipalities with Community Worker Programme (CWP) sites. This is evident that this is pro poor budget outcomes.

With the same note as we also welcome the progressive initiatives. We urge the department to do closure monitoring of Back to Basic intervention which should be augmented by MIG and MISA to be better

coordinated in order to unlock the bottlenecks and unleash the drive to deal with backlog of sanitation and water in the Department of Traditional Affairs. Hon Chairperson, as the ANC we welcome the reprioritization of the immediate deliverables under medium term estimates by the Department of Cogta by fast tracking of Traditional Affairs and Initiation Bill which has been...

... tlhoka boroko mo setšhabeng sa rona ka gone re a itse gore ba bangwe ba rata go ungwela ke selo se se botlhoka se e leng gore setso sa rona se a dirisiwa. [... a disturbing issue for our nation because we know that some people would like to benefit from the important usage of our tradition.]

We observed the behaviours of certain individual that matches the characters of those hyenas' that preys on the poor. Taking advantage of their situation and exploiting them. Those rights of cultural practices by acts of greed which is seeking, milking and seeing those practices business opportunities, shame on them. Before I conclude Chair, I would like to warn the ultra lefties and the right wingers who converge somewhere then develop counter revolutionary tendencies which amongst those are pseudoscience patterns.

[Interjections.] The ultra leftism has effect of dangerous leaps towards a society and ignores objective tasks in NDR.

[Interjections.] [Laughter.]

The Johnny-come-lately will never deceive our people. They will see right through them. We are not saying that because we are arrogant. We are saying that because we are confident about our people because of the services that we have been provided to them. [Interjections.] But we are also stating that based on the tenacity and zeal of the department has displayed and continues to display. As we acknowledge the role of department, which is facilitation, co-ordination and supportive role the department has to play with regard to all municipalities. The budget articulates the NDR elements and the NDP objectives which attributes to the ANC manifesto and the character of the ANC. Therefore, we note that this budget will enable department to deliver on the commitment of addressing the municipality agenda and the targets set out in their APP that was also presented to us in the select committee.

Ka jalo, re le puso ya ANC re ema nokeng tekanyetso kabo e. ANC e semeletse mo tironng ya yona ya go tokafatsa setšhaba sa rona. Bommasepala ba rona ba dira tiro e e kgotsafatsang, e e manontlhotlho, ebile e le botoka. [Tsenoganong.] Baagi ba rona ba Aforika Borwa ba na le tshepo ya gore ANC ke yona fela mokgatlo o re ba o itseng, o e leng gore o re gogile go tswa kwa, go fitlhela mo re leng teng. [Tsenoganong.] Ka jalo, ga re ye gope, re a itse gore go botlhokwa jang gore re nne re gona fa. magorogamašswa, mabinagotsholwa, ba ba ithayang ebile ba ikaketsa ba re ditlhopho tse di latelang ba tla bo ba re ntsha mo, ba a lora, ke

magorogamašwa. Ke a leboga Modulasetulo. [Tsenoganong.] [Legofi.]
(*Translation of Setswana paragraph follows.*)

[Therefore, we as the ANC-led government support this budget vote.
The ANC continues to make the lives of our nation better. Our
municipalities are doing an excellent, satisfying job.

[Interjection.] South African citizens still believe that the ANC is
the only party they know that has pulled us from afar and brought us
here.. [Interjection.] Therefore, we are going nowhere. We know the
importance of staying where we are. The newcomers, hypocrites who
assume and lie to themselves that on the next election they are
going to remove us, are dreaming. Thank you Chairperson.]

[Interjections.] [Applause.]]

Mr J M MTHETWA: Hon Chairperson, hon members, it is appropriate that
in the year that we commemorate the 40th anniversary of June 16, we
adequately reflect on the fighting spirit of those who died so that
today might be better than yesterday. In this regard, we think of
the African metaphor of the Sankofa bird, which is to say, in order
to appreciate today, we must engage with yesterday.

Perhaps it is necessary to remind the house of where we come from,
in order to demonstrate the gains we have made, and of course the
gains that are yet to come. For some of us and indeed many of our
people who reside at the coal face of society, we understand the
importance of having a functional municipality. A functional

municipality is the backbone of an effective provincial and national government, or thought differently, the very presence of a government that works for the people who, by the way, gave it the mandate to govern.

Accordingly, we understand the privilege of knowing the value of a municipality that works. Some of us - you can even listen to our manifesto and realise that we have a nice manifesto but we don't understand how the municipality works. As such, we are disturbed by the consequences of a municipality that is dysfunctional and incapacitated - for we know that it will be our people who will bear the brunt of this. This is precisely why we will ensure that we have only the best ward councillors, visionary mayors and astute municipal managers as to ensure that our people only get the best of the best, as it were.

We note the frustrations of our people, who continue to suffer the indignity of rubbish bins that are not collected regularly, of sewage pipes that are not fixed timeously or of streetlights that are not attended to when reported. We note the frustrations of our people who are served by ward councillors that are never present; who never report back to their respective communities or think that being a councillor is a status symbol. We as the ANC will ensure that this does not happen, for councillors that treat their constituencies with disdain do not deserve to be leaders.

As the government of the people, it is important that we ask ourselves difficult questions to show our people that we listen to their grievances and that the frustrations they feel on the ground are tremors we too feel. Local government is precisely about this and nothing else. If I could put it in other words, I will declare that it is at local government that some of our best talent should be. If we were uncertain up until this; let us remind ourselves today that our people must not suffer simply because we have people who should not have been there in the first place.

Equally, we must also remind our communities that it is counterproductive to destroy the very infrastructure that they were fighting for in the first place, when they protest. It is not in the interests of our children to burn down libraries and clinics in the name of protest. It will not advance our cause to destroy government offices simply because we have an issue.

In the year that we will be reflecting on the four decades of the Hector Petersons of our communities, it is proper to cherish the gains we have made and not to spit in their faces by using violence as a weapon. Violence will never be an effective weapon. It might look like one, and it might even pretend to be one; but it will never solve the issues we face. We need to remind ourselves and by extension, our communities.

When I began my remarks, I insisted on using the Asante metaphor of Sankofa. I find this metaphor very useful because it is a frank reminder that tomorrow can never be better if we did not learn from yesterday. In this way, I want to ask our current ward councillors: "What have you learnt from your term of office?" And to those that will be returning to office: "What are you going to be doing differently?" It cannot be correct that it will be business as usual. It certainly will not be correct to think that investing as little time as possible in your job will result in maximum results for your communities; precisely because what you put in is what you will get out.

Moreover, we have full confidence in the Co-operative Governance and Traditional Affairs Ministry that they will be ready for the upcoming elections. We wish to pledge our support, backing and appreciation for the task that awaits the Ministry. It will not be easy but we are certain that it will be done and the doomsayers amongst us, proven wrong.

We look forward to our reinvented municipalities which will be served by people who are passionate and committed to the progressive development of our communities. We are excited by the prospect of working with councillors, mayors and city managers who will put Batho Pele Principles first. Those who will serve with distinction and not motivated by corruption; who will ensure that budgets reach the people they are meant to and who will serve our people with

dignity. And like the generation of 1976, who are willing to sacrifice their time, so that indeed tomorrow will be better than yesterday.

We wish to remind our communities that government is there for them. If there are issues, speak to us. Together let us build a formidable functional government, whose cause is to give the best to our people; for they deserve only the best. These words are not simply a hollow endorsement, but a frank reminder that we are here because of our people. And without them, we are nonexistent. By way of supporting this budget then, let it be known that we are ourselves to the cause of our people and nothing less. I thank you. [Applause.]

Ms N SWARTBOOI-NTOMBELA: Hon Minister, hon Chairperson and hon House. It is with great honour to be given an opportunity to participate in this debate today. Chairperson, hon M J Mohapi has reminded us that in 1955, at Kliptown where the Freedom Charter was adopted, we were given a mandate by people of South Africa.

Also at the centre of the ANC's mandate, which has been reaffirmed at every election since 1994, is the transformation of the South African economy for all-inclusive growth. As the ANC, we aim high for radical economic transformation, which entails coordinated interventions in all sectors of the economy to fundamentally alter its structure. This requires an effective and efficient state that

is flexible, decisive and responsive to the needs of our communities.

One of the critical tools in the delivery of the ANC's economic mandate is the Budget. In appropriating funds for the key economic priorities of the ANC government, the Budget seeks to address the complex challenges our transitional society is facing as it redresses the structural imbalances of the past and, most recently, as it confronts the current difficult economic climate

As a seasoned member of the legislature, I applaud the centrality of this sphere of government in the current appropriation bill. The monies allocated for local government in the current fiscal cycle are intended to build on the solid achievements in governance, accountability, capacity building, financial and administrative management and services we have achieved since 2 000 when the current model of local government was introduced.

During the past sixteen years, we have been witnesses to the gradual emergence a fairly stable, coherent and functional structure of local governance. Over the past year, this progress has been aided by the Back to Basics Programme as alluded by the hon Minister, which we have embraced unreservedly as the KwaZulu-Natal legislature where it has transformed municipalities beyond what we originally envisaged.

Key to this success has been the buy-in from all the relevant stakeholders, including the municipalities themselves. For the most part, their political and administrative leaders have adopted the Back to Basics Programme with the sense of urgency it deserves. They have listened to the communities and made a good effort to meet their most urgent requirements.

As a structure responsible for oversight we will continue to monitor the implementation of this programme in supporting our municipalities to transform the lives of our people through effective service delivery.

The 2016 Budget places the due emphasis on the progress, challenges and actions required to speed up four essential services within our local government. These include: water and sanitation; electricity; access to roads; and human settlements.

As the Budget addresses these key priority areas, it ensures that the allocations of each of them are focused on service delivery. May I be protected hon Chairperson, from this side? Oh, EFF is in the House? Oh, that's why there is a problem. I was happy because I did not see them. I said oh why, that's it is so quite.

The DEPUTY CHAIRPERSON OF THE NCOP: Don't interact with them. Just continue with the debate.

Ms N SWARTBOOI-NTOMBELA: With regards to water and sanitation, for one, the Budget assists in the provision of resources that are addressing the strategic management of water. This includes improving collection of municipal revenue of water services, improving bulk services: dams and reservoirs, distribution through the bulk and reticulation systems, and maintenance. This hon member of the EFF must be taken out of this House, because she is disturbing me. Prominent in this regard is the issue of drought

The DEPUTY CHAIRPERSON OF THE NCOP: Can I just take point of order hon Swartbooi?

Ms N SWARTBOOI-NTOMBELA: Usejwayele ngoba uyihewula, ayikho into abakwazi ukuyenza. [She is used to that because she is a hackler, there is nothing else that they know.]

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Swartbooi? Just hold on.

Ms N SWARTBOOI-NTOMBELA: Phela i-EFF izele ukuzohewula la ePhalamende. [By the way the EFF only came here to Parliament to hackle.]

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Swartbooi? No, is not for you

Ms N SWARTBOOI-NTOMBELA: You are not going to talk to me like that.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokwele?

Ms N SWARTBOOI-NTOMBELA: Ujwayele le, elentuzeni. [She is used to that place, whatshisname.]

The DEPUTY CHAIRPERSON OF THE NCOP: Hon members, order!

Ms T J MOKWELE: You are not going to address me like that.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon members, order!

Nks N SWARTBOOI-NTOMBELA: Keep quite.

The DEPUTY CHAIRPERSON OF THE NCOP: Order! Order hon members? Can you take your seat hon member? Hon Mokwele? On what point are you rising?

Ms T J MOKWELE: She shouldn't do what she is doing. I am not scared of her.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokwele?

Ms T J MOKWELE: I am not scared of you.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokwele, on what point?

Ms T J MOKWELE: I am a member of this House. I have the right to be here.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokwele?

Ms T J MOKWELE: I am not scared of you.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokwele?

Ms T J MOKWELE: And you must never ever come here and make allegations about me.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokwele?

Ms T J MOKWELE: You don't me.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokwele? Can you take your seat?

Ms T J MOKWELE: I don't even know you. [Inaudible.]

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokwele? Can you take your seat?

Ms T J MOKWELE: I don't want to know you.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon members, please, stop what you are doing?

Ms N SWARTBOOI-NTOMBELA: ... and in this regard is the issue of drought that has been with us since at least 2014. In KwaZulu-Natal where the drought has had a devastating impact on communities, we have seen an unprecedented mobilisation of resources across all spheres of government national, provincial and local. The fact that we still have water running out of our taps is primarily the result of well-functioning inter-governmental relations.

It is important to note that our government has proactively moved to mitigate the drought's deadly impact. To date, the Department of Cooperative Governance and Traditional Affairs, COGTA, reported to have mobilised resources worth more than R1 billion, including direct assistance from the national government, to respond to the drought in our province through our municipalities

The province took control of the crisis and brought it to the attention of the people and asked them to play their part through aggressive communication interventions. In addition, KZN provincial government declared disaster, which resulted to the establishment of joint operation committees. Moreover, it enforced water restrictions and rationing. Yes, we are still experiencing challenges in this regard, but we are successfully reducing demand and saving water.

Allow me to respond to hon Chatty. Hon Chatty, drought is not an ANC making. It is a natural disaster. To come here and grandstand, is uncalled for. You and your EFF here, the only thing that you know is to haul and grandstand.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Swartbooi? May I just appeal to you? Can you address me? Because I would avoid a situation, where now we are going to be addressing each other, because that may provoke for responses. Just address me. hon member.

Ms N SWARTBOOI-NTOMBELA: Hon Chatty thinks that he knows KZN. He does not know KZN. He does not even have votes in KZN. Since the inception of the Back to Basics programme, a great deal has been achieved to restore confidence in our local government. The ANC led government has continued to build a local government system which gives power to communities to make their voice heard and to work with municipalities to make change happen. As the Freedom Charter stipulated that, the people shall govern.

Corruption is a cancer that has to be removed from our midst as it compromises the limited financial resources we have at our disposal. The National Party led government was so corrupt and they ended up merging with the Democratic Party forming the so-called doomed. Oh, sorry. I wanted to say Doomed Alliance.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokwele? Just take a seat, hon member.

Ms N SWARTBOOI-NTOMBELA: As the KZN legislature...

The DEPUTY CHAIRPERSON OF THE NCOP: Hon member? Just hold it. Can you just take your seat? Hon members? Can I just address you on this issue? Can you take your seat hon Mokwele? I had said earlier on, there is nothing wrong with heckling, but do not disturb the speaker. Don't draw the speaker to a point where I can't even hear the speaker. Because the next thing you will be rising on a point of order and would not have heard what the speaker said. So allow me an opportunity to follow the speaker as the speaker is at the podium. What is the point of order?

Ms T J MOKWELE: Speaker must not mislead the House. The National Party actually joined the ANC.

The DEPUTY CHAIRPERSON OF THE NCOP: No, hon member.

Ms T J MOKWELE: So she must not come here and mislead this House.

The DEPUTY CHAIRPERSON OF THE NCOP: No, hon member, that is...

Ms T J MOKWELE: The National Party joined the ANC and they appointed ministers from the National Party.

The DEPUTY CHAIRPERSON OF THE NCOP: No, Hon member, you are raising a point for debate. Hon members? Order! Order! Order hon members! Order please. That is a point for debate. It is not a point of order and therefore I would not even carry that as a point order. Can you continue with the debate?

Ms N SWARTBOOI-NTOMBELA: It is important for this House to actually educate members of this House. The KZN Legislature, wish to express our concerns on the current budget cuts that have been introduced. KZN COGTA Budget for 2016-17 has increased by 1% in monetary terms but in reality this is not an increase.

In the previous year the department was allocated R1,4 billion, and R1,5 billion has been allocated for 2016-2017 financial year. The department received R150 million for drought relief from the Provincial Treasury which is a drop in the ocean. However, despite these financial difficulties, we commend the Department of COGTA for their hard work and dedication to better the lives of our people.

As members of the KZN legislature we took a transversal resolution to say all departments must put aside funding for drought relief since it is not solely the responsibility of the Department of COGTA.

As I conclude, I wish to express satisfaction that despite the current fiscal constraints and economic downturn, the 2016 Budget

still manages to allocate adequate resources to better the lives of South Africans and particularly those whom the successive pre-1994 governments deliberately excluded from their developmental efforts on the basis of skin colour.

What is required of us who are tasked with monitoring the implementation of this budget, is to ensure effectiveness, efficiency, value for money and improvement in the quality of public services as we implement the broad developmental mandate of our democratically elected government. I thank you.

Mr T C MOTLASHUPING: (Point of Order) Deputy Chairperson, I rise on a point of order, but I followed your trend of not disturbing a speaker while on the platform, particularly as she is our guest: I think the decorum of the House must be maintained at all times. During the exchange of words between the hon Mokwele and the hon member that has just spoken, the hon Mokwele used an exclamation and I'm not sure if that exclamation is parliamentary. She said, "Nxa!" I am not sure if we should address this House in that manner and each other in that fashion. Look at it, look at the Hansard and I ask you to make a ruling. The decorum of the House must be maintained. Thank you.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Thank you very much. Hon Mokwele, just remain in your seat.

Ms T J MOKWELE: Alright. You are dealing with me.

The DEPUTY CHAIRPERSON OF THE NCOP: There is a high level of excitement that I have observed, and I can call members by their names. I don't want to do that. I don't want to do that. One of those members has just made a comment now, as I have been speaking. There is also an element of Red Bulls there, and I don't know why it is supposed to be like that. The Rules are very clear on what is permissible in the House or is not in terms of drinks. I don't know why we are doing that.

Let me caution members, again. Let us respect the decorum, please.

Hon Mokwele, can you continue with the debate?

Ms T J MOKWELE: Deputy Chairperson, there are no red bulls in the House; they are hon members. [Interjections.] I would first like to greet South Africans and applaud the EFF party agents and ground forces for a successful rally that was held in Orlando Stadium on 30 April.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokwele, can you just take your seat? On what point are you rising, hon member?

Ms T WANA: (Point of Order) Deputy Chair, I am rising in terms of the order on the hon Mokwele. We are under pressure, because when we are talking, she is making the biggest noise. How is she going to

make us listen to her when she is replying to you, as the leader of this House? We are not asking questions.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: I didn't want to get involved in an argument. I saw people drinking Red Bull. [Laughter.] That's an issue I don't want to get involved in.

Ms T J MOKWELE: Deputy Chairperson, the structural flaws and lack of capacity in government, especially in local government, means that people do not have water, sanitation, housing, electricity, primary health care, and other services. More than 22 years into democracy, it is obvious that municipalities, especially those in the townships and rural areas, have no capacity to deliver basic services - let alone the capacity to address structural and spatial inequalities. Instead, the majority of municipalities can only carry on reproducing the legacies of the past.

Municipalities, like the City of Cape Town and the City of Johannesburg, and those of Stellenbosch, George and Tshwane continue to prioritise predominantly white suburbs. People in Cape Town, Sandton, Parktown, Centurion and Bedfordview have water, electricity, nice indoor toilets, proper schools, clinics and other services. Now, they are fighting for bicycle lanes.

While 98,8% of residents in the predominantly white, top-ranked municipalities have access to water, only 15% of predominantly black, lowest-ranked municipalities have access to water. The other 85% must drink unclean river water, with the animals, like in KwaZulu-Natal and the Eastern Cape. All of this, while our people in Diepsloot, Alexandra and Soweto, under the City of Johannesburg; Soshanguve, Atteridgeville, Tsunami and Mamelodi, under Tshwane; and Seshego, under Polokwane, are still waiting for basic services, like water. Umzimvubu Local Municipality - yes, it's not my language - in the Eastern Cape allows people to use bushes when relieving themselves. [Interjections.]

With the current funding model of municipalities, it will remain impossible to bridge the gap between rich and poor municipalities. What makes the situation even more depressing is that municipalities are now too dependent on grants and those in control of grant allocations use them to pursue a narrow political agenda.

Rural and poor municipalities are not able to generate and raise their own revenue due to high levels of unemployment, poverty and the lack of economic activities in their localities, like in the Thabazimbi Local Municipality. Councillors get appointed and immediately neglect the communities that elected them. Currently, not all political parties that have councillors have oversight mechanisms.

The EFF is the only political party that has a plan that represents a decisive breakaway from unaccountable and unresponsive municipalities and councillors. [Interjections.] We are not making promises; we are not in the business of making promises. What we are doing is committing ourselves.

The EFF is our last hope for jobs for residents of the municipalities. [Interjections.] The EFF is our last hope for clean water for residents of the municipalities. The EFF is our last hope for the 100% electrification of every household in the municipalities.

The EFF is our last hope for proper sewage systems and sanitation for residents in the municipalities. The EFF is our last hope for programmes for local economic development. The EFF is our last hope for fresh food markets and fruit stalls for locally produced food and other necessities. The EFF is our last hope for proper houses to restore the dignity of our communities.

Mr M J MOHAPI: (Point of Order) Chairperson, I may be quoted out of order but I think that, mathematically, it cannot be correct for the hon Mokwele to say "100%". She must rather talk about the less than 3% that is left.

The DEPUTY CHAIRPERSON OF THE NCOP: It's a political statement.

Mr M J MOHAPI: She's misleading the House.

The DEPUTY CHAIRPERSON OF THE NCOP: Let's leave it at that. You have a point that you wanted to raise, hon member. What point is that?

Mr T C MOTLASHUPING: (Point of Order) Hon Deputy Chair, I wonder if the hon Mokwele is prepared to take a question. [Interjections.]

The DEPUTY CHAIRPERSON OF THE NCOP: Hon member, can you take your seat? Hon Mokwele, are you prepared to take a question?

Ms T J MOKWELE: He knows where I will take that question.

[Laughter.]

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokwele, are you prepared to take a question?

Ms T J MOKWELE: He knows where I will take that question. I am not prepared to.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: No, she is not prepared to.

Ms T J MOKWELE: The EFF is our last hope for municipalities that work and prioritise service delivery to our people. For your information, Mohapi, I did say "100%", and I mean it.

We don't support the Budget Vote of the Department of Co-operative Governance and Traditional Affairs, and we don't trust a Gupta puppet that ended up as the Minister of Co-operative Governance and Traditional Affairs after they failed to capture the state.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: No, no, no. Hon member Mokwele, I heard this one, now - making reference to a Minister as a puppet. We don't have puppets in the House. You even said it earlier on: We have got hon members in the House. Can you please withdraw usage of the word "puppet" with reference to that?

Ms T J MOKWELE: I withdraw.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Thank you, very much.

Ms T J MOKWELE: The Minister fails to address the issues of demarcation in Vhembe. Instead, what he does is to call security to attack our people - because that is what you are good at. We therefore reject the Budget Vote of Co-operative Governance and Traditional Affairs.

For your information, hon Minister, you failed the people of Merafong when you were a Minister there. I was there. I was there.
[Interjections.]

For the ANC's information, people are sick and tired; South Africans are sick and tired of your empty promises and I would urge South Africans to reject the ANC and vote for the EFF, as it is their last hope. Amandla! [Time expired.]

Mr M KHAWULA: Hon Chairperson, hon Minister, colleagues and special greetings to my colleagues from the kingdom of KwaZulu-Natal, traditional affairs continues to be the cinderella of the department. It has receiving a mere 0,18% of the department's budget for 2016-17. Of that meagre allocation, part of it goes to compensation of employees, another one to transfers, and only R15 million is allocated to the National House of Traditional leaders for operations.

When traditional leaders are seen to be nonperforming, communities will start asking questions of credibility, where it is government that is promoting that school of thought through budget sanctions.

The IFP's clarion call of back to basics was pronounced long before it became a government programme. Hence when Minister Gordhan introduced the Back to Basics programme, the IFP happily voiced support for it as it is in line with the ideals of ubuntu, integrity, honesty and dedication in service delivery. The problem is when those implementing the programmes fail to walk the talk. Mayors, municipal managers and their teams must be given space to run the municipalities in accordance with the Back to Basics without

outside interference. When mayors and managers begin to be told who to give tenders to and who to appoint in what position, then Back to Basics is doomed to fail. The marching orders given to municipal officials from political offices disrupt the smooth running of municipalities. Satisfactory service delivery in many of our municipalities in the country still remains a burning issue in our communities, hence the many service delivery protests.

In 2010, the ANC sowed division in the IFP and assisted a certain individual to break away and establish a political party. In 2011 local government elections, 19 municipalities were hung in KwaZulu-Natal with no majority party. In about 90% of these municipalities the IFP was the leading party. But the new party decided to gang up with the ANC and they stole the running of those municipalities from the IFP. All the municipalities that are crumbling today in KwaZulu-Natal and failing to comply with the Back to Basics are those where the ANC is in bed with that party.

But the good news is that the ANC brainchild of 2010 in KwaZulu-Natal is now falling apart and people have seen what the plan was for. KwaZulu-Natal will once more be run by a party that can give them proper services - the IFP. People have realised that voting otherwise other than the IFP is indirectly voting the ANC because the two are inseparable bed-fellows.

Hon Minister, the issue of powers and functions in municipalities does need a review. Some municipalities waste a lot of resources on programmes which are never the core mandates of those spheres. Streamlining blotted administrations in municipalities is another necessary exercise to be engaged in order to ensure that more resources get spent in providing services rather than paying salaries.

It is sometimes intriguing that when it comes to important programmes of important services in communities, municipalities do not have money, but when it comes to purchasing expensive vehicles for political heads money is readily available. When political comrades are to be employed as Expanded Public Works programme, EPWP, workers on months closer to elections, money is readily available. When it comes to buying food parcels to hand over to wards that will have by-elections, money is readily available.

Municipalities need to be assisted in respect of government departments at national and provincial levels which fail to pay the rates due to municipalities. The level of legislative programmes is very weak in our municipalities in South Africa. This lead to lack of effective monitoring of environmental issue, cleanliness of towns and cities, built environment, health environment and local issues.

In conclusion, municipalities must be properly empowered to begin to be relevant with appropriate ... [Time expired.] I thank you.

Mr M MNQASELA (Western Cape: Chairperson - Standing Committee on Local Government): Hon Deputy Chairperson, hon members, guests and people of South Africa, in acknowledging the opportunity I think I also appreciate the presence of the Minister...

... ndikubonile mkhaya... [...I saw you homeboy...]

...the Minister of Local Government and the Deputy Ministers. When I saw this invitation of the policy debate on Budget Vote 4, I asked myself what do we talk about. We have budget which is put in place to support municipalities, we have a budget that is put in place to ensure that basic services like water, sewerage, electricity, of course refuse removal, streets are clean and all that. But the question is: Is it currently taking place in South Africa today? We know that in Johannesburg for almost a moth...

... inkunkuma ibingathuthwa phaya. Siyayazi ukuba eMthatha, njengokuba sihleli nje apha ... [...there was no refuse removal. We know that in Mthatha, as we are sitting here ...]

... in O R Tambo District Municipality, the streets are filthy. We know that in East London as we are seated here today, the streets are filthy. Refuse is not being collected. The question is, to what extent are we able to ensure that the policy resolutions that Parliament and the NCOP take does in fact support capacity, both administration and, of course, politicians at the municipal level.

But the challenge is that deployment of politicians in public office is costing service delivery.

Currently, in the municipalities of South Africa, the question of municipal managers being able to flout rules and all the processes but move around and fly as if they are helicopters uncounted for the kind of crime and corruption that they are costing. That becomes a problem.

Hayi, ndiza kwenzela umzekelo nge... [No, I will give you an example about...]

... Matzikama Local Municipality. In fact the municipal manager at Cedarberg Local Municipality, just next door in the Western Cape, was a municipal manager in Stellenbosch. He stole money, move around misappropriated money and caused havoc in Stellenbosch. He later moved to Cedarburg. What happened there, worse was discovered. Funds are being misappropriated and tenders are given to friends because he was deployed by the ANC. These municipalities that are controlled by the ANC are all similar because of corruption. We intervened in Oudtshoorn and we dealt with the question of corruption there. We are now sitting with 132 charges of corruption. It was during when the ANC was in charge. We are now cleaning Oudtshoorn because the DA is ready to govern it after the elections.

I want to also touch the point of the Central Karoo District Municipality which is the only district in the Western province Cape where all municipalities have issues. There are issues and serious findings by the Auditor-General. Not a single municipality from the Central Karoo District Municipality has been able to get a clean audit. For instance, a mayor from Beaufort West wrote a letter to the Sector Education and Training Authority, Seta, and says that if companies that we appoint do not give funds to the ANC we will not give them tenders. Those are the kind of serious issues that we need to deal with. In all the municipalities that we are dealing with we find serious issues of gross violation of the Municipal Finance Management Act. MFA, and gross violation of the Municipal Systems Act. Some mayors appoint staff members and signing appointment letters. Where do you see that, in the ANC-run municipalities like the Matzikama Local Municipality.

Regarding the Kannaland Local Municipality, what I have asked as the chairperson of the Standing Committee on Local Government in the Western Cape, was that if you have to implement section 139 there are certain things that you need to say that this did not happen, this did not happen and this did not happen. It is there, and it's clear. It has been written in section 139 of the Constitution and section 139 of the MFA. But the question is at what stage does one comes in and intervene. Regarding the Kannaland Local Municipality we have asked in the standing committee we took a resolution that the national Minister

... In fact, I met him at the Jazz Festival and he said:

You know I was busy with so many things; Dubai and all of these things.

But the question is, hon Minister, when a municipality fails to comply with sections 152 and 153 of the Constitution you need to ensure that you come in decisively and implement section 139(c) of the Constitution. But what does the ANC does is the turnaround strategy. What do they do, Back to Basics. We are saying that if a municipality is corrupt you don't need a second chance, but you need government to intervene immediately. [Applause.]

In the Western Cape municipalities where we are in charge we also had some challenges. One of them was Swellendam Local Municipality. There were issues of governance there. In the last two years we intervened and now Swellendam Local Municipality has turned around and not these turnaround strategies that do not even turn anything around. Where the ANC is in charge the only thing that turns around is worse corruption.

I heard the Minister mentioning the Traditional and Khoisan Leadership Bill. If I were you, Minister, I would have kept quiet about this one. What you have done with this piece of legislation is that you have introduced a legislation that undermines the Khoisan people - a legislation that undermines the traditional leadership

that exist amongst the Khoisan people. It was before your time. This legislation says, for instance, you refuse as a department to recognise traditional leaders in the Western Cape. You think that you are going to create conflict between the DA-led government in the Western Cape and the Khoisan people and traditional leaders in this province. That is not going to happen because traditional leaders in this province know that the DA is a very clear, decisive and a very good party to lead this province, and they will refresh the mandate on 03 August because there is no other hope for the people of this province, but the DA. Only the DA has a solution for the people of this province. Now we are bringing the DA in all other provinces. We are bringing the DA in Tshwane, we are bringing the DA in Johannesburg and we are bringing the DA in Nelson Mandela Bay... [Interjections.]

Nksz N SWARTBOOI-NTOMBELA: Sihlalo, ngicela ukubuza ukuthi umhlonishwa angawuthatha yini umbuzo? Ngifuna ukwazi ukuthi uyaqala noma ujwayele yini ukudukisa iNdlu? (*Translation of isiZulu paragraph follows.*)

[Ms N SWARTBOOI-NTOMBELA: Chairperson, may I ask whether the hon member can take a question? I want to know whether it is the first time or is he used to misleading the House?]

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): No, no, no, that is enough. Hon member, are you prepared to take a question?

Mr M MNQASELA (Western Cape: Chairperson - Standing Committee on Local Government): Xa ndigqiba apha, ndingavuya ukuthatha umbuzo. [When I finish here I would like to take a question.]

The DEPUTY CHAIRPERSON OF THE NCOP (Mr R J Tau): No, he is not prepared to take a question.

Mr M MNQASELA (Western Cape: Chairperson - Standing Committee on Local Government): The last point that I want to highlight is to appreciate what the Minister has mentioned here that The Overstrand Local Municipality is one of the best in the country - in fact it is the best in terms of the model of ward committees.

We have been in the forefront in driving the programme of ward committees in the Western Cape. Recently, we had a conference to ensure that ward committees are participatory in nature and not to have councillors holding public meetings as the ANC councillors are doing in this province.

A clean audit is not a joke. In the Western Cape Parliament members of the ANC rise and say, no, you know clean audit is just, but a clean audit. The reality is we must spend money wisely and clean audit do matters. But they matter as far as ensuring that service delivery is not compromised.

Lastly, recently when we went to the Eden District Municipality and people told us that the Western Cape is good. You as the NCOP you said that we are doing very well in this province, but you come and mislead the House and say we are not doing well. Only Kannaland Local Municipality failed you in that visit. [Time expired.] But we are doing very well. [Applause.]

Ms B ENGELBRECHT: Chairperson ... [Interjections.]

Mr M KHAWULA: Chairperson, I am rising on a point of order, Chair.

The DEPUTY CHAIRPERSON OF THE NCOP: Order! Can I just listen to the point of order that is being raised?

Mr M KHAWULA: On a point of order, hon Deputy Chairperson, I just want to bring to the attention of the Chair that the microphone in the podium keeps on being switched on and off. It is something new and has never happened in this House before. I would like to ask the Deputy Chairperson to direct our staff to please ...

[Interjections.]

The DEPUTY CHAIRPERSON OF THE NCOP: No! Can I make a ruling on that ... [Interjections.] ... no, the minute I say to the member that your time has expired and a member continue, I control it here. It's me. I can control it, can you see it now?

Mr M KHAWULA: ... listen to the Chair because it is the Chair that controls us in that podium and not the staff.

It's not during the expiration of the time I am not talking about that.

The DEPUTY CHAIRPERSON OF THE NCOP: No, no, no, what has been happening is that I am controlling it from here.

Mr M KHAWULA: Chairperson, as I am saying when the hon member sitting down was there that microphone was being switched on and off. And that is not right Chair.

The DEPUTY CHAIRPERSON OF THE NCOP: No, no, no, you remember there was a point by a member establishing whether the member was prepared to take a question? And the member continued speaking and I switched it off in order for me to be able to ascertain whether the member was prepared to take a question or not, and he said no, and I switched it on. [Interjections.] No, I don't want it. No! It's fine. Hon member, can you continue with the debate?

Ms B ENGELBRECHT: Mr Chairperson, hon Minister and Deputy Minister, the Department of Co-operative Governance and Traditional Affairs is mandated to ensure applications across our three spheres of government implementing principles of strong and sound governance. Unfortunately, implementing these principle has proven to be

daunting for the department, especially seen in the light of the 166 municipalities in dire need for intervention. Hon Minister, this is not a good story to tell, and it is something that I am afraid I believe you should hang your head in shame. This equals 64% of our local municipalities in dire need for intervention.

Looking at the performance of these municipalities, and especially the section 139(1)(b) intervention requests, the problem appears to be a governance problem within many cases, a culture of corruption, highly paid municipal executives and widespread maladministration with resultant poor service delivery. This results in many municipalities waiting for hand outs instead of being accountable for their actions.

Therefore, in spite of the back to basics programme, to strengthen local government it appears to be too little, too late and indicates that co-operative governance model should be re-evaluated. The five principles of basic service delivery, good governance, public participation, financial management, and institutional capacity seem to be failing on politically deaf ears.

Hon Minister, even a ten point plan in Nelson Mandela will not make any difference as you clean up a mess of your own making instead of bringing people to account. Only under the DA with hon Athol Trollip can change be implemented. [Applause.]

Hon Mohapi, I agree with you, let us take Parliament to Alexandra, Bekkersdal, Zandspruit, where the ANC governs instead of Harding.

In Tshwane residents in Hammanskraal have to collect water over vast distances because the rooiwal water waste treatment is not being maintained, with raw swage flowing into once valuable agricultural land ... [Interjections.]

The DEPUTY CHAIRPERSON OF THE NCOP: Hon member, your time has expired.

Ms B ENGELBRECHT: No, it's not possible! [Laughter.]

The DEPUTY CHAIRPERSON OF THE NCOP: It is possible.

Ms B ENGELBRECHT: Three minutes, Mr Chair?

The DEPUTY CHAIRPERSON OF THE NCOP: Your three minutes is over. It is possible. [Laughter.]

Ms B ENGELBRECHT: Are serious, Mr Chair?

The DEPUTY CHAIRPERSON OF THE NCOP: I am serious.

Ms B ENGELBRECHT: No! Because I worked it out about 200 words ...
[Interjections.]

The DEPUTY CHAIRPERSON OF THE NCOP: No, no, no, I am serious. It is zero zero, hon Gaehler.

Mr L B GAEHLER: Thank you, Chairperson. The institution of traditional leadership represents early form of societal organisation. It embodies the preservation of customs, culture, values and tradition. It promotes communal and collective approach to development, entrenches high morality levels and puts family hood at the centre of development.

With the rise of poverty and unemployment, exposing young people to drugs and violence thus ending up in jails, this historic institution need to be called to action. The role of these leaders cannot be denied. Working with traditional leaders, youth and communities in general should be able to direct resources and energies towards developmental programmes that will create employment.

Chairperson, local government must put community first. The current system of ward committees has failed. They have been reduced to an extension of the ruling party at the expense of the larger section of the community.

The UDM suggest that as part of putting community first, we consider introducing sustainable development councils, which are representative of the community, including councillors, key state

departments, traditional leaders, nongovernmental organisations, religious groupings as well as the youth, women and people living with disabilities.

Billing in many municipalities continues to be in a state of chaos; many residents may not even be aware that they are being incorrectly billed. In many municipalities the potholes outnumber the streetlamps. The services don't reach the people and often people are charged for services they don't receive. It is only right that you pay for the services you actually receive.

We need to formulate a clear strategy for the equitable allocation of funds to rural areas, to be spent on, amongst others, access roads, dipping tanks, fencing of grazing lands, sport facilities, crop fields, clearing of streams and rivers of invasive alien vegetation and combating soil erosion as well as adequate sanitation.

Finally, Chairperson, one is concerned about the state of our municipalities, for example, sewer spillages are the order of the day, state of refuse collection is not done. There are more rats than...

... abantu ngokwamanani. Ndikuncede Dlamini? [...people in numbers.
Can I help you Dlamini?]

The rural municipalities are in a very bad state. The worse of all is that tender corruption where selected few members of the ruling party are given tenders. We appeal to you, Minister to investigate this, especially in the small municipalities of the Eastern Cape. One can mention King Sabata Dalindyebo, KSD, Mbhashe, and Alfred Nzo where tenders are given to certain individuals, why because they support their ruling party. We urge you then to please investigate that, and inform this House accordingly. We support the budget. I thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: Thank you very much, hon member. I wish you could have negotiated with the hon Engelbrecht, on those coupler seconds and minutes. That would have been quite good.

Mr S G THOBEJANE: Chairperson, hon Ministers, deputy Ministers present, hon members of this House, guests, ladies and gentlemen, good afternoon. This particular debate is one of the important debates and members of Parliament should take it in that context.

I have been listening to some of the members, particularly from the opposition, and they have missed the boat. It is because the debate on policy budget, particularly Vote 4, speaks to all of us. Nobody should be self-centred or selfless because the elections are in August. People, instead of debating the policy, are debating how to become councillors.

The role of traditional leaders is one area that we, as a country, need to tirelessly work on to undo the damage that has been caused by several inhumane behaviours that we have seen from slavery, colonisation and apartheid. We all know that it is all those systems that caused us to be where we are. When we are correcting those inhuman behaviour of the system of the past, we all need to work together and assist one another to restore the dignity of the institution because it has the potential to bring stability in the country to make sure that we don't see the kind of behaviour that we see today.

All over the country, people are driven by nyaopes, ill-discipline disrespecting their parents and everybody. It is that institution that would coordinate and bring everybody back to be dignified as a human being. Therefore, we as the current leaders need to make sure that the damage that the institution has undergone for 300 years, as expected, restore it to where it belongs. Basically, we are saying this because by now we should have been investing sufficient resources to make sure that we build the capacity of the institution so that it assist government in delivering proper and quality services that we all have been missing.

I used to say that the institution, despite apartheid and all those systems that I have mentioned, keeps on bringing hope and has continued to build whether it was structures that were liked by many people or not, the fact of the matter is, on that particular

scenario, they have created schools, roads, hospitals and everything. Therefore, when we are given the power to govern South Africa, the ANC is saying that we have to go back and make sure that those areas that have been isolated are to be empowered, reconstructed and make sure that electricity is provided irrespective of your colour.

When looking at South Africa from the top when flying to work every day, it is 90% different from the South Africa we took over in 1994. [Applause.] It tells you that we might be having challenges here and there because we had to undo the massive damage that has been going on in this country. Therefore South Africa will never be the same unless somebody decides to remove South Africa where it is today with its loyal, capable listening government of the ANC.

Our people, me included, from the rural areas, where we have been isolated, left without any form of services, today South Africa at that level is not the same. You can go everywhere you might think of it is not the same South Africa that we have seen at that particular time. What we need to do is to make sure that we invest properly where our mouth is and our mouth is where our people are. You know, sitting here we are talking to ...

Mr J W W JULIUS: Chairperson on a point of order: I wanted to know whether the hon Thobejane would take a question, please?

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Are you prepared to take the question, hon member?

Mr J W W JULIUS: Thank you I really appreciate it hon Kgosi. Based on what you are saying and where we are going and what we want to achieve for our people in the country. Are you convinced that the current ANC leadership and also the Minister by default are the right people to steer us in the right direction? Thank you.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon Julius can you just withdraw the words a Minister by default we have a Minister.

Mr J W W JULIUS: I withdraw.

Mr S G THOBEJANE: I think this is an obsession of the opposition. When the oppositions are supposed to deal with real issues they come with predetermined decisions to say that there are people and they know their name. They want to talk about them. Here, we are not talking about individuals, we are talking as South African collective and say: How do we reconstruct South Africa? Therefore, it becomes important that when people are given an opportunity to debate the welfare of South Africa, they do that with honesty.

Ms T J MOKWELE: Chairperson, on a point of order: Motlotlegi Kgoši [hon Chief], a collective is led by somebody.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Can you address me, hon member.

Ms T J MOKWELE: Through you Chair ... [Interjections.]

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Can you address me and not address the member on the podium?

MsT J MOKWELE: Modulasetilo, ke ne ke re ke reye Kgosi ka boikokobetso ke re ... [Tsenoganong.] [Chairperson, with utmost respect, I wanted to say to Kgosi ...][Interjections.]

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: No, hon member! On what point are you rising? [Tsenoganong.] [Interjections.]

Ms T J MOKWELE: ... that the collective is led by someone and the system is led by someone; that is why the Minister is responsible for the ... [Tsenoganong.] [Interjections.]

Mr S G THOBEJANE: If I were to try - not necessarily that I wanted - to scrutinise an individual but just to help them so that they can be better debaters tomorrow. We have been given an opportunity to stand here by this NCOP to say: Minister tell us your plans of taking South Africa forward. However, you listen to hon Chetty, whom I respect very much, instead he started talking about the

R500 millions that were not part of today's debate. I don't know whether this continuous character assassination that you are pursuing will help you build a better South Africa.

South Africa need politicians that will always sit and say this is the best route that we need take and that is the purpose of the debate. Please, we should not miss an opportunity to help the people of South Africa. They have put their hope in us and when we are debating they expect us to say there is a shortfall here, close this. However, you don't do that. You tell us that you are number one in the candidate list to become the executive mayor; we are not debating the mayorship. We are not debating the mayors here but the budget of this particular institution.

You know, I like my daughter, Mamokwele. She knows where to press when she wants but the reality of the matter is that she knows that there might be an element of truth in what we are saying. When we are sitting together, debating policies, we debate precisely because there are things that we must correct. However she would deliberately choose to leave that and speak about individuals. Why talk about people and leave the real issue - which is how do we help South Africa to move forward? This is an opportunity that the Minister has presented to us to say ...

Ms T J MOKWELE: Chairperson on a point of order: Kgoši must not address me directly. My speech was indicating the key points on the

EFF manifesto and that the budget of the department doesn't address the issues.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon member, can I address you? Hon members in the House, we are different political parties with different views and so forth. So if you had said something, and another political party responds to that particular thing, it does not now give you the right to want to interact with what the other party is saying because now you would be participating, by default, in the debate again. Continue, hon Kgoši

Mr S G THOBEJANE: Thank you. Mma Mokwele, I would advise that every time you are given an opportunity ...

... o seke wa tlogela monyetla wa go bolela dilo tše o nyakago go di bolela ka lebaka la gore ge o di kgaola bogare rena ra tla ra di tlaleletša, re di tlaleletša ka mokgwa wa rena gomme wa kwa bohloko. Ke se e lego gore o lokela go se dira ka gare ga metsotso ye meraro. Le ge e le metsotso ye meraro goba ye mebedi, dira mošomo wa gago ... *(Translation of Sepedi paragraph follows.)*

[... do not forfeit the opportunity to say everything you wanted to say because we will add our own version and you will not like it. Present your whole speech within the timeframe allotted to you. Whether it is two or three minutes, just do it.]

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon Thobejane, can you please avoid addressing hon Mokwele directly and address me to avoid this kind of interaction

Mr S G THOBEJANE: Ke a leboga, mohl. [Thank you, hon Deputy Chairperson of the National Council of Provinces.]

Ms T J MOKWELE: Chairperson on a point of order: You must also tell Kgosi that he must withdraw from misleading the House. Whatever I wanted to say in my speech, I addressed it. As the ANC member, he does not have the right to tell me how to debate.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon member, can I warn members not to raise points for debates. Can you avoid raising political issues that needs debate? No, this is a political debate - this is a political policy debate! No, you don't have to respond. You have the opportunity to stand here. Hon Mokwele, can you take your seat please?

Ms T J MOKWELE: [Inaudible.]

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon member, can you take your seat?

Ms T J MOKWELE: {Inaudible.]

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Can you take your seat? Thank you very much!

Mr S G THOBEJANE: Ke a leboga, Modulasetulo. Ke gopola gore ...

[Thank you, ho Deputy Chairperson. I think...]

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: On what point are you rising, hon Mokwele?

Ms T J MOKWELE: Chairperson on a point of order: That ...

[Interjections.]

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Can I listen to your point?

Ms T J MOKWELE: ... It is within the rules of this House that ...

[Interjections.] ... I am not cramming those thing is for you to cram them. I am not doing that!

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Can you address me?

Ms T J MOKWELE: I am addressing you, Chair, that: If a member is dispersing wrong information, it is for the member of the House to clarify. Now I am clarifying to Kgoši that ... [Interjections.]

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Can I make a ruling on that?

Ms T J MOKWELE: No, no! Listen and let me finish ...

[Interjections.]

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Can you allow me to make a ruling on that?

Ms T J MOKWELE: ... but let me finish. I just want to finish first. You don't even know what the first sentence say ... [Interjections.]

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: No, you raised an issue about the rights of members in the House, and my ruling on that matter is that: You are absolutely correct. Every member has a right to freedom of expression. However, that freedom of expression has got limitation. Can we continue with the debate?

Mr S G THOBEJANE: Ke a leboga, mohl. [Thank you, hon Deputy Chairperson.]

The reason why ANC ...

... e dula e lekola gore na e šoma bjang, e etla ka mananeo ...

[...continually evaluates performance, introducing new programmes...]

... amongst others, Back to Basics, that is one reason we are saying we are willing and know that we are human beings. There will always be challenges here and there. We need to take stock of where we are, what the challenges are and how do we move forward. I think the ANC has done very well to say that. We are aware that there are element where people without education...

Ms T J MOKWELE: Ke ne ke botsa gore a Kgosi a ka tsaya potso? [Can the hon Kgosi take a question?]

Mr S G THOBEJANE: Ke lemogile gore nako yela e sepetše. Ke be ke se na bothata; ke be ke tla e tšea. Nako ga e ntumelele. [Tsenoganong.] Ke gopola gore lebaka le le ra gore ke motho fela yo a nago le maikarabelo a go hlompha motho yo mongwe; a kgonago go tšea sephetho sa gore a lekodišiše gomme a boe a šupetše motho yoo dilo tšeo di sego gabotse.

Ke ka lebaka leo re rego go na le mo e lego gore ga re thwale batho ka tsela ya maleba. Ga se taba ya gore re ka lemošwa ke mokgatlo wa ... *(Translation of Sepedi paragraphs follows.)*

[I have noticed that the time has expired. I would take your question and I do not have problem with that. Unfortunately time does not allow me to do so. [Interjections.] I think this might mean that I am the only person who has to respect everyone, who after careful evaluation can decide and give direction where necessary.

And that is the reason why we say there are cases where we do appoint people who qualify. We do not need to wait for the party ...]

... opposition. We are doing this, we have these tools that we are putting together, hence we are talking about Back-to-Basics processes. We are saying, this R72 billion - if it has to be used effectively, efficiently and economically, it can change the department towards moving in a better direction ...

... ra ba le mmušo wo mokaone. Gomme ka mantšu a; rena re le ANC, re thekga tekanyetšo ye. [... for us to have a better government. With these words, as the ANC we support this budget vote.]

Thank you. [Applause.]

TONA YA TIRISANOMMOGO YA PUSO LE MERERO YA SETSO: A ke leboge, Motlatsamodulasetilo. Ke leboge le ditlhagiso tse di dirilweng ke maloko a a tlotlegang, le fa tse dingwe ke sa utlwa gore di simolola kae le gore di felela kae. (*Translation of Setswana paragraph follows.*)

[The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Thank you Deputy Chairperson and I acknowledge the inputs made by hon members although I could not make head or tail to some of them.]

Indeed, South Africa is a better place than it was before 1994. This is a fact that can't be denied by anyone, it is a fact confirmed by a reputable research institution. And I know to the disappointment of the beneficiaries of Apartheid, to the disappointment of the black pessimists and the racist leaders who disguise as democrats or maybe champions of democracy of today. They are disappointed, so they will find whatever at their disposal to undermine this fact, it is a fact.

But also, it is important Chair [Interjection.]

Mr J W W JULIUS: I think you heard, maybe you can pre-empt again but I'll say it Chairperson. The Minister referred to members here as racists, that saying something [Interjection.]

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: I heard racist pessimists, pessimists.

Mr J W W JULIUS: Racist, pessimists, whatever, is it allowed? That is my question.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon member, can I rule the following because I don't want to get into an engagement of you having heard what, what I've heard and so forth. I'll check with Hansard and I'll come back to it.

The MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Le le molato le a ikatlhola. [The guilty party always speaks first.]

Chair, let me take this further and indicate that the correlation between the clean audits or the audit findings [Interjection.]

Ms T J MOKWELE: Ke ne ke botsa Tona, ka thuso ya gago Modulasetilo, gore ga a re le le molato le a ikatlhola a o raya gore racist? [With permission from you Chairperson, I would like to ask whether the Minister by saying the guilty party always speaks first does he mean racist.

Is he referring to hon Julius as a racist or what?

Ka gone ga a re le le molato le a ikatlhola go raya gore a re... [Because when he says the guilty party always speaks first it means...]

...it's a racist.

The MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Not at all Chair, I'm not referring to that.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Okay, can you continue then.

The MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: It is very important for us as public representatives to familiarise ourselves with the correlation between audit findings and our core mandate of equitable and fair distribution of our resources to the previously disadvantaged people.

The reality of the matter is that we welcome clean audits, we welcome AG's proper findings about financial management in municipalities. But the reality of the matter is that, that doesn't translate to appropriate and equitable distribution of resources to our people. I want to urge Members of Parliament, as you do your oversight, please take a thorough look at this particular correlation, it's very, very important.

On traditional leaders, hon Deputy Chairperson. Traditional leaders and the government of the day are what I can term an intricate knot. We are not going to separate traditional leaders from the government of the day because, the very same origin of the government of today and the democracy that we are enjoying today, is out of this relationship. Traditional leadership will continue to enjoy our support, but beyond that, traditional leadership will continue to be promoted by this government of the day. We are not compromising on that one and we are not doing them a favour, this is a constitutional provision.

At times, as we use examples of violent protests to explain the state of service delivery, let's not forget our responsibility as public representatives. To condemn acts of violence and intimidation used to register concerns and complaints. Let's not forget because political stability that we are enjoying today, it's a product of this democracy that we all claim to be cherishing. Now I'm warning you, as we talk about these protests without condemning them, is very, very dangerous. We should condemn these protests as the biggest enemy of our democracy, that's my advice to hon members.

We all agree, Chairperson, I'm sorry it seems as if the watch here is static. I'm not sure what is happening here.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: No, no, just continue responding hon member.

The MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Let me just indicate that the cabinet approves what is termed Integrated Urban Development Framework [Interjections.]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Now it's rudeness, it's no longer about interjection, it's no longer about heckling, it's just being disrespectful. That's it! Continue, hon member.

The MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: This intervention is called Integrated Urban Development Framework or the IUDF. This intervention marks a new deal for South African cities and towns. IUDF provides a roadmap to implement the NDP's vision for spatial transformation. And I hope members, those who subscribe to the party of everything for free will have time to go through this particular intervention, it's a very, very important intervention.

Hon Mngasela, after surviving the spaza shop shenanigans, as you referred to the DA. I will definitely spare you because while you were still obsessed with the mess in the spaza shop, a lot happened to turn things around in those cities that you have cited. I don't know when last did you visit those cities. While you were busy trying to survive the chop by the madam, about talking bad about the madam, a lot happened my brother. So I would like to, really advice you, because I don't want to take you through another rollercoaster of emotions. I would like to advice you to take your time and visit those cities again, things have steadily changed in those cities.

They have changed because of this Back to Basics that you are trying to undermine. Back to Basics for your information, we have collapsed all those approaches that have been tried before into this particular approach. It's a very comprehensive approach, collaborative and very, very effective. So I would advice you my brother to go and visit those areas again, and come let's engage

about the progress, or maybe the performance of those municipalities.

Mr C F B SMIT: On a point of order. Hon Deputy Chair, I want to hear whether it is parliamentary for the hon Minister to refer to the other member within the House as my brother, and referring to the Premier as a madam.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon Minister, just refer to him as hon member.

The MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Hon Mnqasela, I can see he's worried that we might regain you again, that's why he's posing this question.

Mr M MNQASELA: [Inaudible.] Thank you, Deputy [Inaudible.] They are drowning me. Thank you, Deputy Chairperson. I would like to take the Minister's offer to go on an oversight visit with him to all the areas where there's progress [Interjection.]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: On what point were you rising on, hon member?

Mr M MNQASELA: On the point that he says the situation has changed in Johannesburg, Mtata and those other areas [Interjection.]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: It's not a point of order. Can you take your seat. It's not a point of order.

Hon Engelbrecht, on what point are you rising?

Ms B ENGELBRECHT: Mr Chair, I appreciate that the Minister is short of stature but I think, is it parliamentary for him to remain standing while there has been a point of order?

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: No, it is not, it is not and my apologies. Let me take responsibility for that because I should have ordered the Minister to take a seat. I take responsibility for that.

Yes, hon member?

Ms T MOTARA: Deputy Chairperson, is it parliamentary to refer to any member of the House's physic or physical built? The member, Engelbrecht, referred to the Minister as short of stature.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Did you say that, hon member?

Ms B ENGELBRECHT: Mr Chair, I said I appreciate that the Minister is short of stature, so it was actually a compliment.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Can I ask you to withdraw that part!

Ms B ENGELBRECHT: It was a compliment.

The DEPUTY CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: No, no, hon member. Order, order, hon members.

Ms B ENGELBRECHT: Mr Chair, I will withdraw the compliment.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Thank you very much.

Can you continue hon Minister!

The MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Hon Mngasela, I want to assure you that even the changes you are referring to in Oudtshoorn, are as a result of this intervention, 139, are as a result of this Back to Basics. So, really, don't forget to also praise where praise is deserved. Because the note of the matter is that we, as COGTA, have sent our team also to assist in Oudtshoorn. So, you can't just claim, hon member, that is only because of DA.

Hon Deputy Chair, instead of hanging hands in shame or claiming easy victory, I would like to urge all of us to be obsessed with finding

solutions to problems that have been created by colonisation and Apartheid system. I urge all of us to be creative [Interjections.]

Ms T J MOKWELE: Ke ne ke botsa gore Tona e e tlotlegang a ka kgona go tsaya potso? [I would like to know whether the hon Minister is prepared to take a question?]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Are you prepared to take a question, hon Minister?

The MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: When time is there, I'll do that.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: He's not prepared to take a question.

Ms T J MOKWELE: So you are inviting me to come to you?

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: He is not prepared to take a question hon Mokwele.

Ms T J MOKWELE: Can I come to you and ask you personally?

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: After!

The MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: I'll have to apply for security before I allow her to visit me.

I urge all of you to be very creative and propose approaches that will ensure that the realisation of the 2030 NDP vision is possible. Don't forget, the NDP enjoins us to strive for a vision of a responsive, accountable, effective and efficient developmental local government system. And hence I agree with Kgosi that it's indeed our collaborative, working together that will turn things around in our beloved country.

A re yeng ditlhopong. Ke a leboga Modulasetulo. [Let's go and vote. Thank you Chairperson.]

APPROPRIATION BILL

(Policy debate)

Vote No 11 – Public Works:

The MINISTER OF PUBLIC WORKS: The Departmental budget allocation over the medium term is R21,4 billion. Of this total amount, R18,3 billion is earmarked as transfers and subsidies. R6,4 billion goes to the Expanded Public Works Programme, EPWP, incentives intended for the creation of job opportunities; R11,4 billion goes to funding the operations of the Property Management Trading Entity,

PMTE. The balance of the budget will fund the operational priorities of the Department of Public Works.

This Budget Vote debate takes place against the backdrop of low growth and constraints on government spending. The state of the nation address and the Finance Minister's Budget Speech makes clear demands on government departments to contain costs, cut waste, combat fraud and corruption, and renegotiate leases to ensure value for money.

I want to assure this House that, as the Department of Public Works and as the PMTE, we are taking action on all those fronts. By strengthening our legal unit we have reduced the high rate of default judgements against the department, with consequent savings to the state. Moreover, civil claims against the department to the value of around R300 million were successfully defended.

Human resource plans are being reviewed to contain administrative costs while focusing available resources on acquiring professional and technical skills as well as maintaining the bursary and training programmes. To drive this effort, we have strengthened the professional services function of the department.

This is my fifth Budget Policy Vote presentation as Minister of Public Works. You will remember, colleagues, that when I announced the turnaround strategy in 2012, I said that it would be based on

two pillars: zero tolerance of fraud and corruption, and improving the way we do business. To this end, we have worked closely with National Treasury to develop a 7-year plan to rebuild Public Works.

Four years on, I am here today to say that we have delivered on both fronts. [Applause.] In relation to improved audit outcomes, the main vote maintained its unqualified audit opinion in 2014-15. The PMTE, on the other hand, maintained its qualified audit opinion but with only two areas of qualification, down from seven in the previous year.

In preparing for the current audit, we are actively addressing all outstanding issues. The positive audit outcomes reflect improvements in the department's operations, particularly in lease management and the procurement environment. I can say now that, at the leadership level of the department, we have stabilised.

In relation to the first pillar of the turnaround strategy – zero tolerance of corruption – one of my priorities has been to fully operationalise the Governance, Risk and Compliance, GRC, branch to lead the fight against fraud and corruption and to strengthen governance and compliance.

For a detailed account of the investigations, disciplinary actions and criminal and civil proceedings emanating from the work of this

GRC anti-corruption unit, please refer to the document which we have tabled for today's debate.

When we conceptualised the GRC branch, back in 2012, we engaged with officials of the SA Revenue Service, Sars. They advised us along these lines: that whilst it was necessary to investigate and prosecute wrongdoers, it was even more important to put in place strong governance structures and controls to deny the opportunity for corruption in the first place.

With the focus on strong governance practices, I am pleased to announce that, over the past two years, the department has improved at what is called its MPAT assessment results - the government's Management Performance Assessment Tool - which provides a barometer for improvements in governance practices.

We have successfully re-launched Operation Bring Back to identify, investigate and recover state properties that have been unlawfully occupied or disposed of. Please refer again to the tabled document for the details around the progress and statistics which describe the magnitude of the corruption we are dealing with in pertaining to these properties. Some of these properties ... most of them were stolen or transferred illegally just on the eve of 1994. Guess who was responsible there?

I believe that combating fraud and corruption and strengthening financial management and governance structures is an essential precondition for us to make progress on the second pillar of our turnaround strategy, which is about improving the way we do business. At the heart of this is the operationalisation of the Property Management Trading Entity responsible for the core business of the department – the provision of accommodation to government departments and management of the state's property portfolio. This is a very huge mandate.

The vision that was articulated for the PMTE is to ring-fence, better manage, maintain and optimally utilise the massive state property portfolio to build value, generate income and bring savings to the state – as well as other socio-economic benefits, particularly job creation and empowerment – whilst improving service to client departments.

In pursuit of empowerment objectives, the PMTE has embraced the state's procurement directive to target 30% of appropriate categories to engage SMMEs and co-operatives. In 2015-16, the value of construction contracts to SMMEs amounted to R478 million. I am pleased to announce that the PMTE will present a comprehensive and reliable Generally Recognised Accounting Practice, GRAP-compliant immovable asset register for 2015-16 which comprises 105 586 immovable assets on 31 310 land parcels. That's the size of the of

the property portfolio of government. It is 10 times bigger than the biggest one in the private sector.

Fair values have now been assigned to the assets, resulting in an increase in disclosed value from R3,5 billion in 2012-13 to an expected value in the region of R100 billion for 2015-16. This more appropriately reflects the value of the state's immovable assets on the national balance sheet. This is the national balance sheet, not a provincial one nor a local one. This should tell you that this is a very huge portfolio, if you are talking about one portfolio across the three spheres of government.

So the register provides the essential database to underpin all programmes of the Property Management Trade Entity.

During 2015-16, the PMTE commenced with a project to understand fully the contents of this massive property portfolio, to unlock its value and development potential. Key to this is the development of a strategy to utilise vacant properties which amount to 13 000 land parcels and 1 929. Options include the identification of those properties that could benefit government programmes, such as the need for student accommodation.

We have now started serious talks with Minister Nzimande and with the various landlords around how they can utilise their properties. How can we make them utilise our empty buildings in order to

accommodate the students at the various universities? It is a very huge project and we think that it will work.

During 2015-16, 36 494 hectares were released for human settlement, land reform and other socioeconomic objectives. The PMTE will also provide opportunities for letting some of the vacant properties to the public and private sectors, in particular, availing properties to emerging black and female entrepreneurs.

Where properties are identified as having no utilisation potential, a disposal option will need to be considered.

You might ask the question, why emerging black and female entrepreneurs. I can tell you that the property space in South Africa is still an old boys' club. That's a fact! I can tell you, currently, from this current government of the ANC, 80% of the leases – that's big wealth – goes to white companies.

Initial research by the PMTE indicates that government is paying considerably above the market rate for leases in the Tshwane Metro. These findings point to the savings simply by insisting on the market rate and support our negotiations with the landlords.

The department seeks an appropriate balance between the state-owned portfolio and reliance on leased-in accommodation. So, the acquisition of the Telkom Towers office precinct in the Pretoria CBD

as permanent accommodation for the head office of the SA Police Service will, by way of example, result in long-term savings to the state of R1,3 billion over 10 years. That's what it means if we were to lease it. So it was better to buy it.

The recent acquisition of the Parliament Towers building, just across the road from Parliament, which accommodates our directors-general, also reduces the state's financial exposure to leasing.

A challenge that we are still faced with, however, is that numerous state properties are vacant, leaving them susceptible to theft, vandalism, and illegal occupation.

To address this, the PMTE is developing capacity to implement our maintenance strategy. This approach will also reduce the incidence and cost of unplanned maintenance, and preserve the longevity and condition of the department's immovable assets.

In 2105-16, the PMTE, for the first time, was able to obtain all 42 User Asset Management Plans – called UMs – from the user departments. This represents a significant milestone in terms of compliance with the Government Immovable Asset Management Act, by more accurately matching needs to available accommodation. The purpose is to save costs and ensure that accommodation is fit for purpose, thus assisting line departments to enhance their service delivery.

The PMTE has identified 11 turnaround projects to run over the next three years. The highlights of these include projects improving ... I mean, the first project is meant to improve water management services at state-owned facilities. The department is currently refurbishing 50 water treatment and wastewater treatment plants. This involved the recruitment and training of 102 water professionals in 2015-16. This number will increase to 180 in the present year, with an additional 110 young people to be trained in various professional and technical capacities.

The second project – the Small Town Precinct Development – sees the creation of a focused planning and precinct development unit which seeks to redress racial spatial imbalances, as well as integrate government infrastructure planning to create efficiencies, balance the leased portfolio, save costs, and make services more accessible.

When people talk about government precincts, they talk about big towns. They forget about small dorpias like Port St Johns, Nquthu ... you can find them all over. We want to create government precincts in those areas where we can serve our people better than just these big government buildings in the cities.

The unit is currently active in Polokwane and Mbombela, as well as in smaller town developments like Mandeni, Mount Fletcher, Secunda and Howick, and is targeting 24 integrated precincts for development by 2020. The towns I have mentioned are just pilots.

Project 3 deals with systems development to manage payment of property rates and municipal services. This assists struggling municipalities, for whom these payments provide a critical revenue stream.

The project dealing with the development of integrated enterprise resource, ERP, planning system and the information, communication and technology, ICT, master plan is meant to support line function operations and to manage all transactions. This will also support government's commitment to pay service providers within 30 days.

We believe that the roll-out of the automated invoice tracking and payment systems during 2016 will address these delays.

Another project is the small harbours development which is meant to upgrade proclaimed harbours in the Western Cape as well as develop un-proclaimed small harbours in KwaZulu-Natal, the Northern Cape and Eastern Cape as part of Operation Phakisa: Oceans Economy. So please, small harbours economies ... not just in the Western Cape. The whole coastline has a lot of harbours which must also be proclaimed. And small communities; not big business must ... they must be able to get a share from that because the tendency is to want to use most of these harbours for the big business, not for the small communities out there. This will create jobs in maintenance, fishing, aquaculture and tourism.

Another project is the construction turnaround. Despite the improvements, the PMTE spent 88% of the capital budget, largely due to insufficient professional capacity and outdated infrastructure delivery models. I can assure this House that these shortcomings are being comprehensively addressed.

Ring-fencing and professionalising the property management activities within the PMTE has also focused attention on the need to clarify and enhance the other mandates and roles of Public Works.

In summary, these are to nationally co-ordinate the EPWP; to provide oversight and governance in public entities; to provide oversight, policy and standard-setting for the wider Public Works family; and to transform and regulate the built environment.

These are the big areas on their own.

In relation to EPWP, I just want to say that we are on track to meet the target of 6 million job opportunities by 2019 – the absolute priority in the face of the continued systemic unemployment. We are engaging with the Office of the Auditor-General to address challenges of under-reporting. In this regard, we will need to work closely with the provinces to ensure implementation of the relevant protocols. Strict selection guidelines and standard operating procedures have been developed to be implemented from July 2016. Our priority is therefore to promote best practice examples so that they

are taken up as we speak, like the 40 000 women-headed households each contracted to look after and maintain 500 meters of the road.

And on EPWP we just want to be honest. This has been abused in some areas as a political tool, not just in ANC areas or ANC-controlled municipalities, but even in DA-controlled municipalities. So it has been abused. There are big outcries in Khayelitsha. There are big outcries, like in some areas, there are accusations against some of the ANC local councillors. So we are trying to address this particular matter. [Interjections.]

Hayi injalo maan, sukuphikisa into ongayiziyo. [No maan it is like that, you do not know what you are talking about.]

In relation to oversight of the public entities, we will come to ... [Interjections.]

Mr M KHAWULA: Hon Minister, that it very unfair. It cannot only be ANC- and DA-controlled municipalities. What about IFP-controlled ...

The CHAIRPERSON: Hon Khawula, please take your seat. Continue, hon Minister.

The MINISTER OF PUBLIC WORKS: We will come to Parliament during this year to discuss the governance challenges and the need for appropriate amendments to both the council for built environment and

the CIDB. Because, if we are to be honest, where there is no transformation is in the built environment. This is a very serious matter. We must look into all the professional councils and deal with them and their mandate. Because, if you look at history, they came as voluntary associations. Now we want to force them to comply to certain laws. And if we are serious about transformation, we cannot be happy that those professional ... I mean, today, the built environment professional ... it's only 20% black. We cannot be happy with that.

But even today, if you look who is at the top in terms of the CIBD grading, it's only mainly the white companies ... one of two black companies. At the lower levels of the ladder, it's the new upcoming ...

And this is a challenge for all of us. Let's put aside the politics if we are serious about building this country.

In case of the IDT we are pleased to report that we will be taking a new and sustainable business model for approval to Cabinet. We have done with all the issues which were problematic.

In terms of the concurrent mandate, that is national and provincial Public Works departments, already we co-operate across a range of areas, including co-ordination and implementation of EPW, implementation of the Infrastructure Delivery Management System,

IDMS, the Green Building policy, maintenance of immovable asset registers, co-ordination of payment of rates and taxes owed to municipalities, and the implementation of the Government Immovable Asset Management Act.

I can tell you, all the provinces are co-operating, including the DA-controlled ... [Interjection.]

Finally, the department has embarked upon a major policy review to produce a new White Paper which will culminate in the tabling of a Public Works Act to clarify the mandate of the department. This process also lays the groundwork for the third phase of the turnaround, which is sustainable development.

And we want you to help us. There is currently no national legislation governing public works. That's why provinces are going one way while national goes another way. Thank you. [Time expired.]

Mr B G NTHEBE: Thank you very much hon Chair, "Letona" the hon Minister, special delegates, distinguished guests, members of the House,

Hon Minister, I want to out rightly concur explicitly and express our satisfaction as the select committee. As a central theme of this budget that we are presenting to you today, is costs containment, waste cutting, combating of fraud and corruption and renegotiation

of all leases on property and equipment. It is quite an interesting part of the select committee because we would want you to have more emphasis on this last part of what you have just said.

You also look into lubricating and creating conducive climate for economy and job creation, which we appreciate as the select committee. Through this budget, we concur that the budget reassures value for money. We see it in the manner in which under tight fiscal prudence framework, we have been able to allocate money through the different programmes that you are running as the department.

Almost 85, 5% of the budget is earmarked for transfers and subsidies. We think this is part of the cracks of what we appreciate as the select committee. An amount of R6, 4 billion goes to the EPWP. Minister, this does not stop on what you have said. However, it goes further to say, this is in consistent with the Medium Term Strategic Framework and the NDP, which we think is beginning to bear fruits. As we move along we see better processes unfolding and the R11, 4 Billion will fund the operations of the Property Management Trading Entity, PMTE.

However, we would want to see the PMTE in line with the objectives of the programmes you are running; and to become more professional and more inclusive in terms of how we run our property management system. As we began to do that, we should ensure to give more leverage to those who are trying to emerge and enter the space. So

that competitive platforms are equalized for all our people to participate.

The inward funding allocation will enhance the departmental commitment to combating fraud and corruption and delivery on set out targets. We think we must appreciate that. From our part, we welcome commitment to foster partnerships that are strong. We are thinking of partnerships that are going to bring along sectors, including provinces. That is why in your last remarks you said there should be a legislative framework to govern how we relate with the provinces. It is important, if we could faster that.

We welcome the establishment of inspectorate and compliance unit to prevent any irregularities in the procurement process working closely with the national treasury, the office of the Chief procurement officer. If you remember Minister, in the last few years we spoke very badly about the department. We have even gone beyond the resuscitation process, we are moving now into the stability phase and we think that we are driving into the right direction.

A well-funded operation bring back process is a noble intervention, state properties must be recovered, complete the asset register, in time. We think that we must make a descent call to those who are - because we know that on the eve of democracy the state property just vanished. That those who are having such state properties must

accede to the call and approach the department, and co-operate so that state property can be returned to the state asset register.

Almost one thousand three hundred properties identified as illegal occupied must be brought back to the custodianship of the department and be properly used so that we began to see processes unfolding. The intentions to reposition the PMTE as grading entities are well received and supported; PMTE must be assisted and strengthened. It must also be able to assist the SMMEs; the space that we would think that in the near future we must began to see progress. Commitment to release land by government for broader economic development initiative is long overdue. Minister, we must really begin to see progress with this matter.

Hon Minister, your hard working department has increased government immovable property asset value from R3, 5 billion in 2012-13 to an estimate range of R100 billion under the current term. We think that we are making progress. You should be applauded for that.

The fifth administration is aimed and committed to deepen transformation and implement the NDP. We are beginning to see strides in that. The ultimate objective is to accelerate growth, create decent work and promote investment in a competitive economy.

However, we must remember Minister that competitive space that we want to create must also give those who were previously disadvantage

the very same leg to be able to participate. We don't to see a situation where somebody is almost hundred meters down the race line and he is telling somebody who is still on his mark that this is an equal opportunity society. It does not work equalize the playing ground so that everybody can be competitive

The creation of six million work opportunities for poor and unemployed people over a five-year period through labour intensive delivery of public services and infrastructure is welcomed. The establishment of government risk and compliance branch to drive anticorruption is in the second phase of turnover strategy. It is most welcomed. Instituting a policy review, which would result in the Public Works Act; and this is what you committed to. A programme of action to transform the built environment is most welcomed.

These priorities Minister, in our own view, are meant to address the historical perspective, which was inherited by the current leadership that you are leading now. We are beginning to see progress. These include a number of identified issues in the Treasury report, which notes the following: the existence of allegations of fraud and corruption. We think so far we are dealing with it and there are no more reoccurrence.

The Treasury approval for the PMTE has not been implemented to the latter. We are beginning to see progress. The lack of service delivery to user departments and the immovable Assets Register was

not completed. We are sitting at 99, 1%. We think we are moving, and lastly, the lack of stability in leadership positions and negative audit outcomes. There is progress.

In addition, on these issues Minister, the department developed a seven-year turnaround plan and developed a strategy to operationalise the PMTE. These include the acceleration of the Expanded Public Works Programme, EPWP, which is one of government's areas of programmes aimed at providing subsistence to the poverty-stricken and income relief through temporary work for the unemployed.

We know that those who were doubting Thomases in the past are beginning to see that the EPWP is working now. They are even beginning to appreciate it. We must begin to bless them and continue to encourage them to work with us so that they see where we are going.

By the end of March 2015, we have exceeded the target that we have set. We think that 1, 2 million work opportunities as compared to the target of 1 million when we said this, is quite welcomed.

In April 2015, Statistics SA released its 2014 Labour Market Dynamics survey. The report findings reported seven out of ten of those who participated in the EPWP and other government job creation

programmes were employed. We think this is beginning to make necessary progress.

The EPWP Programme has achieved 5 million work opportunities in the last 5 to 10 years. Since its inception in 2004, the EPWP has alleviated the social and economic living conditions of struggling families by creating opportunities for them. This programme has reached its target for women and youth participating, with 60 % participants being women and 50% being youth, compared to the targets of 55% women and 40 % youth.

We think that in the 278 municipalities that we have touched so far, we are beginning to make progress. One thing that we think that you should begin to focus on Minister is in relation to the immovable asset register. With the public works, we know that we are sitting at 99, 9% now. However, this has already resulted in significant improvements in audit outcomes. Moving further, we want to say, the public works can make sure that it determine its property portfolio comprising of more than 108 000 buildings and 32 000 land parcels. We can be able to make sure that we increase this, moving forward.

We also want to confirm the existence and high level condition assessment of this properties and also confirm that the user department occupying this properties are going to be having what you call the Service Level Agreement, SLAs with your custodian department.

Hon Minister, we think that we have begun to see more progress as the select committee, we want to stand up here and say, there is more to be done. We think that we are moving in the right direction and as we go to the elections, moving forward, we would make sure that these priorities are implemented to the latter; and on the 03 August, Siyabaphinda. The select committee endorses the report.

[Applause.]

Ms E C VAN LINGEN: Hon Chairperson, hon Minister, hon members, I appreciate the enthusiasm and courage with which the Minister presented his Budget Vote.

A national DA government will have 15 Ministries and we will take the Immovable Asset Management Programme and move it to Treasury and the Finance Ministry. The management of the Expanded Public Works Programme, oversight on the National Infrastructure Maintenance Strategy and the Zimsile service delivery improvement initiative would be transferred to the Integrated Planning and Service Delivery Department and Ministry.

Only this reduction, we would save South Africa over R1,3 million. A DA government will be responsible with the taxpayers' money. In fact, we actually have a track record of good governance.

Asset management is the foremost portfolio within the department, as it must manage the land and immovable assets in a profitable manner.

This department is the custodian of all state assets, which has enormous responsibilities and accountability. I have three issues that I would like to highlight.

Firstly, the maintenance of these immovable assets by the department is still an issue. As you have said, rural areas need to be turned around and it must increase the asset value, in other words, if we maintain an asset, it will either retain its value and it could even increase its value. That is a very important point that we must strive to. I hear that you speak of such a strategy. My question is: How will you address the imbalance, which is there at the moment, between rental income and cost of maintenance under the circumstances of neglect by either the department or the lessees?

Secondly, the NCOP, on our oversight, also discovered that there is lack of payment of property rates owed to municipalities by departments, at both national and provincial level. There is a strategy that we must pay our accounts within 30 days. How is it possible that these vast amounts can be outstanding? Minister, I promise you, you can go to any province now and you will see that they owe property rates at this stage.

Thirdly, you referred to the property transfers on the eve of 1994.

Agb Minister, ek daag u uit, soos ons nou reeds bewys het, die gereg het 'n lang arm, en die agb President sal sy dag na sewe

jaar ook in die hof kry. So, bring vir ons daardie lys, sodat die arm van die gereg dit kan uitsorteer. (*Translation of Afrikaans paragraph follows.*)

[Hon Minister, I challenge you, as we have already proven by now, the law has a long arm, and the hon President will also get his day in court after seven years. Therefore, provide us with that list, so that the arm of the law can sort it out.]

The Independent Development Trust, IDT, a Department of Public Works entity, has been involved in various road maintenance projects. In the 2015 and 2016 financial years, they cost us money because they could not appoint the contractors before June and then they failed again by October. So, it is the department. You say that you have addressed it. I am not so sure. In the last financial year, they cost the Eastern Cape R160 million on road maintenance that we have lost.

The EPWP programme has to create short-term work opportunities and transfer skills. Your revised strategic plan 2015-2020 indicates that 60% of the respondents are living below the poverty line, prior to participating in the programme. It is actually the truth and it is as you say a very much needed programme. We would like to know whether the figures on that document that you are quoting are annual figures or whether they are cumulative figures. We would like to see how many have been trained or got job opportunities per year in

every municipality, because it is important to us to see what is happening in our provinces.

Municipalities use the EPWP opportunities to clean the towns. It is a problem because you can only acquire that through an ANC membership card. Hard-won freedom of association is not considered in ANC municipalities.

During the recent 9-day fire in St Francis, I have to commend the Working on Fire teams that supported the Sarah Baartman District Municipality and the Kouga Municipality. They have done fantastic work. There seems to be confusion about your support for the programme and the fact that municipalities must still pay for the call-out fees. I would like that to be addressed if you have time or if you can find a way

I would like you to start on a fire fighting volunteer programme within that same programme because we have a lot of high risk areas in informal settlements and when a shack starts burning, it is three or four or five that burn down and it takes time for the fire engine to get there on time.

The Coast Cleaning programme is an essential environmental programme, but we need transparency here. Implementing agencies are unknown to us and we can't even find them through the municipality

when we want to help or bring school kids out to support these workers that pick up refuse that come from the ships on the beaches.

The Home Based Carer Programme is an excellent programme. I would like to see that you assist on bringing in more skills transfer there, because these people are working on a daily basis with multidrug-resistant tuberculosis, MDR, and extensively drug-resistant tuberculosis, XDR, patients and they have to protect themselves and those families against these diseases. I need to tell you that for instance, the Nelson Mandela Bay and Sarah Baartman District Municipality health workers have not been paid for April and they have been at the Department of Health as of yesterday to complain about the fact that they have not received payment.

Under the DA government, our job opportunities are offered transparently and on a fair basis where one's political association is not used as punishment, where skills are transferred. We achieve our goals and your goals of this programme. That is why we have a 19% unemployment rate in the Western Cape and a 12% unemployment rate in the DA-led Midvaal Municipality. We put the people first in the Democratic Alliance and we can even help your department to do so. I thank you.

Ms Z B NCITHA: Good afternoon, if it's not evening to all members of the NCOP and as well to the Minister who is amongst us and a member of the Eastern Cape, Xolile Nqatha. Chairperson, firstly, I want to

say to the Minister, we are very proud of the work that the department is doing so far. We can't help the fact that we are in a mood for elections. Some of us are here to electioneer rather than address the issues that the department is supposed to do for our communities.

Going to my speech Chair, South Africa has begun a new phase of its democratic transition and this phase is more radical as the mandate by the ANC Mangaung conference in 2012. The electoral mandate of the fifth democratic government is to deepen transformation and implement the National Development Plan, NDP, in order to create employment, fight poverty and deal with inequalities. It is to accelerate inclusive growth, create decent work and promote investment in a competitive economy. In giving effect to this mandate, we continue to be guided by our constitutional obligations, I quote: "to improve the quality of life of all citizens and free the potential of each person."

Over the past 22 years, the ANC Government has massively expanded access to basic services, but backlogs remain and the quality of services is uneven, that is a fact. In addition to ensuring universal access to services, which require improvement in the performance of the public service, municipalities and service providers, the Department of Public Works core mandate is the management of an extensive public property portfolio, where there two other critical pillars in the public works mandate, which are:

the regulation of the Built Environment Professions, and a co-ordination role in the government's massive Expanded Public Works Programme, EPWP.

In executing its mandate, one of the key strategic outcomes of the Department of Public Works that defines the Department's mandate is ensuring efficient, competitive and responsive accommodation infrastructure network. Due to the scarcity of appropriate infrastructure and the maintenance backlog of existing freehold stock, Government is compelled to lease accommodation from third party lessors. That is a task to be executed by the Property Management Trading Entity, PMTE, which has found new life through the department's turnaround strategy.

The PMTE forms the core of the deliberate transformative agenda that is unfolding over the medium-term. The turnaround strategy moved the Department of Public Works into a phase of stabilisation and has resulted in the repositioning of the organisation to better discharge its responsibilities.

The value proposition of the PMTE cannot be underestimated. The PMTE has not only been geared up to be a responsive and effective cost-saving property management entity for the state, but has the added benefit of contributing towards these priorities through its operations.

In its commitment to the above, the PMTE aims to do the following: to leverage the state's property portfolio to contribute towards job creation, black empowerment and skills development mainly through the reopening of the Facilities Management Service Centres, and bridging service delivery gaps by targeting and engaging co-operatives, SMMEs and turnkey solutions for procurement in the provision of construction, facilities management, and property management services for underused state-owned properties; implementation strategies and redress mechanisms towards energy and water savings on newly constructed buildings and reducing the energy demand on existing properties through retrofitting. Immense gains have already been achieved through the incorporation of energy efficiency into the building designs and energy efficiency technologies - smart metering and lighting into existing buildings. One good example is the Agri-Vaal building, which houses the Department of Public Service and Administration; reclaim the mandate of public works, and take control and develop small proclaimed harbours as well as harbours that are not yet proclaimed as already alluded to by the hon Minister. This has implications for the better utilisation of state resources to promote economic development and job creation. The PMTE as the state infrastructure development organ will play a pivotal role in the development and modernisation of small harbours in stimulating the South African maritime economy. Conservative estimates tell that this work has the potential of unlocking about R118 million to the gross domestic product, GDP; to safeguard the state's assets from vandalism, theft and land

invasion. I think on that point, hon Minister, we need to take note as the department that we are against the issue of the department of giving over the land when it is already occupied illegally by communities. It becomes a burden to municipalities; and to reclaim all misappropriated state property through the newly launched Operation Bring Back Campaign, which project we really applaud. We will be able to reclaim all those properties that were taken by the previous regime.

It is well known that for eight consecutive years the department has been receiving adverse audit findings with high levels of fraud and corruption which have been reported to the office of the Public Protector and also to the Special Investigations Unit, SIU, we congratulate the department on that.

Even though the PMTE was established in April 2016, as part of a long-term reform programme to provide improved property management services to client departments, it has only become operational in the 2015-16 financial year, as of 01 April 2015. The department as the main vote would now be able to exercise much better oversight over policy formulation, co-ordination, regulation of the property and construction industries, as well as oversight related to the provision of accommodation and expert built environment services to client departments. The PMTE, as the implementation arm of the department is now focused on the planning, acquiring, managing and disposing of immovable assets. From an asset investment point of

view, the broader property market and the performance of the PMTE portfolio have and will continually be analysed, with the view of maintaining and enhancing value asset management which will be a systematic, structured process that covers the entire life cycle of assets, and requires insight and expertise from diverse organisational disciplines in the ever changing real estate environment.

With the expected infrastructure growth, there is also a need to improve all skill levels, from artisans to graduate professionals in the property and construction sectors. Blockages for professional registration by qualified candidate professionals must be addressed. As a major player in the construction industry to creating sustainable jobs by building sustainable capacity and skills, must be prioritised so that funds allocated are effectively spent on the much needed infrastructure development.

The payment of service providers within 30 days must be the priority because it really rolls back our gains hon Minister if we aren't paying our service providers. We note progress though in this area where the PMTE has achieved a rate of about 80% for payment within 30 days, I think we should give applause that. We should commend the adoption of new information technology systems which have assisted in this regard, but the department must strive for improvement until we get to 100%.

Based on the above, the PMTE differentiates itself as being a modern and professional client-centric and revenue focused entity that considers business process modelling, strategy, risk, and complexity, rather than simply the maintenance and management of the properties. We look forward to the full operationalisation of the PMTE and the finalisation of the organizational structure so that the PMTE becomes efficient and effective as expected. This will ensure efficiencies and also save costs for the state, whilst providing predictability for the future of the PMTE. We hope that in time ... [Time expired.] Thank you very much.

Mr M KHAWULA: Hon House Chair, hon Minister, of your total budget what is not worthy is that more than 50% goes to transfers. Along the poor process of this budget debates, members of the NCOP will need to ask themselves an important question: Why is it that government departments in South Africa have such huge allocations as transfers and subsidies but at the same time departments are also fully staffed with personnel? In other words, why should government continue to pay employees whose duty is only to monitor other agencies who are performing work for them? This does not pertain only to public works but to government as a whole.

Hon Minister, it is pleasing to note that after eight years of adverse audit reports before 2014, as you said, the department is beginning to get promising audit reports. Those disclaimers were due to high levels of fraud and corruption in the department. One would

like to know the end result of those officials, individuals and companies, who were found to have corrupted public funds for so long.

The social protection policy implemented through the Expanded Public Works Programme is very poorly monitored. The kinds of duties performed through the programme are questionable, the monitoring of whether real work was performed and whether people were really at work and so on, is very poor. There is some involvement of elements of corruption in the programme - of ghost indigents whose benefits accrue to someone else somewhere else.

There is also some rigging of the very minimal wages of the indigents by some leaders in certain communities. Hon Minister, the IFP is also concerned that in some municipalities the grant that the department gives for the Expanded Public Works Programme, EPWP, is misused for party political purposes. For example, in Mzumbe where I come from only two weeks ago the EPWP employees were introduced in a meeting comprising SGB, teachers and inspectors. The comment from the municipal official was that, and I quote, "All these EPWP employees have been recruited from branches and not from amaziko." Meaning they are all members of the ANC from ANC branches. This is terrible misuse of public funds.

I hope that the department has done something to improve the performance of the provincial departments of public works in some

provinces. I am much more concerned about this more so because provinces are a brainchild of the IFP. If provinces fail to perform the IFP's ideology of decentralisation of power gets a knock.

One would like to know how far the department has progressed in respect of locating all the immovable assets of government and recording them accordingly, like you touched on it, hon Minister. This is historical backlog dating back, like you said, to 1994 with the amalgamation of different administrations. People and organisation who continue to illegally occupy government properties must be dealt with. This will not happen if government does not have a proper record of what government owns.

Let me conclude, hon Minister, by referring to what you said about the proclaimed and unproclaimed harbours. Around 2000 and 2001 there was an application to the Department of Public Works by the Hibiscus Coast Municipality in Port Shepstone and the Ugu District for land in Hibberdene to be utilised as Hibberdene small crafts harbour. All the plans and everything was done and submitted to your department. But public works would not release land which was a hiccup for the project to be able to continue. Can the Minister attend to that, as leg one?

Leg two, funding from Phakisa for the Hibberdene small crafts harbour. Thank you Chairperson.

Mr E MAKUE: Chairperson, hon members, hon Minister, delegates from the provincial legislatures who have honoured us with your presence here today, we know South Africa works because of the Department of Public Works. We, members of Select Committee on Economic and Business Development, have seen first hand - and indeed we can stand here and say that Public Works contributes in a commendable manner to the creation of jobs. This department is a game changer.

The ANC as a movement that represents and serves the best interests and aspirations of the vast majority of the people of South Africa wants to congratulate you, Minister Nxesi, Deputy Minister Cronin, as well as the staff that you have in the department. We don't think that you should reduce; we think that you must just work harder. But the sterling leadership and work that you are providing to the winning team in the department is indeed noted by us in the ANC.

Genuine transformation within the department has been a tribute. As this year marks the fortieth year since the Soweto student uprising during which thousands of students protested against the apartheid brutal and unjust laws we appreciate the work opportunities offered by the Department of Public Works, particularly through the Extended Public Works Programme.

Unlike those prophets of doom ... [Laughter.]... and liars we have witnessed the successes of the EPWP and many of the communities where we reside in and serve our people in fulfilling the promises

made by the ANC and by many great leaders who served before us. Even in outlying rural communities like Melmoth in KwaZulu-Natal where we have witnessed young people building a police station, three stories high. In Friemersheim in southern Cape, where we have seen the Department of Public Works just showing great interest in assisting that community, in visiting this community and in listening to the community. They didn't want money; they needed the support and the solidarity. And we have seen it from this department.

But we have also seen it in Moruleng Village in the North West, where it was wonderful to see ordinary people using bricks - lay terminology - to lay roads for themselves, to see the massive structures that people are able to build there because land have been made available for them. And this we don't need to go the EFF to hear, we have gone to the traditional leaders who received us warmly and told us about the successes that they have achieved through co-operation with the Department of Public Works.

We are changing lives and restoring the dignity of millions of people. We are here not referring to what we have heard but what we have seen and were fortunate to listen to the praises raised by the beneficiaries themselves. Even the successes that we are talking about we know will not result in this ruling party and this government becoming comfortable. Oh, no. There is more work to be done, with the department that makes South Africa work.

The ANC, our movement, pursues the national democratic revolution with the strategic goal of putting in place a united, nonracial, nonsexist, and prosperous South Africa. Accordingly we consider the Department of Public Works Budget, the revised plan and annual performance plan through the lenses of the national democratic revolution. Those members of anarchic and rapidly declining parties that are no longer enjoying the disciplined leadership of the ANC are denying themselves the wonderful opportunity to take South Africa forward.

We notice the absence of one party in this House. And when they are not here, how disciplined and respectful the House is, indeed. Interestingly this House functions much better without such distractive behaviour.

In pursuing the national democratic revolution during the current phase the ANC understands the connection between political and socioeconomic challenges and therefore we have crafted plans to lead and serve the people in pursuing common aspirations. The ideal is aptly and admirably consolidated in the strategic and annual plans of the Department of Public Works.

Our Constitution, the National Development Plan, our Vision 2030 are embraced by the vast majority of South Africans as blue prints. And we don't take that for granted. When we looked at the budget and plans we assessed how it is in line with the NDP and with the

constitutional principles. As we are presently consulting with provincial governments and broader South African society including the public sector on the Expropriation Bill, we are humbled by the confidence expressed in Members and Delegates of the NCOP.

The Department of Public Works will be the leading department in addressing land hunger and the expropriation process and other property injustices from our difficult past. The Department of Public Works is committed to the attainment of a transformed built environment sector through convenient access to the dignified public service.

Phase three of the Extended Public Works Programme aims to create the jobs that have been shared with us before. During this phase, I think it is important to add, the EPWP must continue to deliver assets and services that directly benefit the poor in order to fulfil its transformative and developmental social protection potential. When we look at the budget and plans it is there and it is aligned with the Medium-Term Strategic Framework and Outcome 4.

Tremendous progress has been made during the last twelve months in finalising the Asset Register. When I visited the province that I proudly represent here, Gauteng, we had the opportunity to also look at the asset register for the province. We had conversations with the mayor of Johannesburg Metro where we also looked at the assets of that metro.

What has been kick started by the Department of Public Works in finalising an Asset Register has tremendous spin-offs and great potential to address the inequalities that have plagued our society.

A lot has been said about the Property Management Entity; what I just wanted to say there, Chairperson, is that the National Development Plan in chapter 6 and the Medium-Term Strategic Framework Outcome 7 mentions comprehensive rural development. The ANC appreciates work by the Department of Public Works in this regard.

Again, Chairperson, the Department of Public Works is indeed a game changer, the ANC lives and the ANC leads. I therefore urge all those members who have eyes to see and those with ears to hear to notice that South Africa works because of Public Works. We have no choice but to vote in favour of the Department of Public Works Budget.

Ms T J MOKWELE: Chair, firstly, I would like to again applaud the Gauteng leadership of the Economic Freedom Fighters for demonstrating the capacity that the EFF is indeed ready to govern in Gauteng by pulling masses of people to the most successful manifesto rally that was held in Gauteng, Orlando Stadium on Saturday. The Economic Freedom Fighters rejects Budget Vote 11 of the Department of Public Works for the 2016-17 financial year. This department has received a budget allocation of R6,5 billion for 2016-17 with which to accomplish its priorities. However, the question is: How can we

trust Minister Nxesi to manage such a huge budget, when he failed to manage the installation of security features in Nkandla?

Mr E MAKUE: Chair, on a point of order: The speaker at the podium is misleading the public by referring to a budget of R6,5 billion. That is not the budget of the Department of Public Works.

[Interjections.]

Ms T J MOKWELE: I will tell you. This is the first sentence. How can we, as this Parliament, with clear consciences, vote to grant a department that has been embroiled in one scandal to another, so much money without consequences for those involved in looting public money? This department, under this Minister, has been responsible for the biggest scandal in the democratic South Africa, that of colluding with the Head of State to loot public money and build a mansion for the President who thinks he is entitled to a life of comfort, at the expense of our people.

To protect this illegality, Minister Nxesi, outrageously called a swimming pool a fire pool, ...

Mr E MAKUE: Chair, on a point of order: I think the Rules are very clear, that we must not pre-empt conversations or debates that could happen in this House. The question of Nkandla has been dealt with in the National Assembly. [Interjections.] I am not talking to you; I am talking to the Chair.

Ms T J MOKWELE: He is wasting my time. Can I delivery my speech, please?

Mr E MAKUE: Chair, can I make my point?

HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms. M C Dikgale): I will give you a chance. Don't worry; your time is being managed here.

Mr E MAKUE: Chair, I have two minutes to make my point.

HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms. M C Dikgale): Hon Mokwele, take your seat.

Mr E MAKUE: Chair, my point is that the hon member at the podium makes an accusation that this Minister Thulas Nxesi is corrupt, and she is lying.

HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms. M C Dikgale): Hon Mokwele, I will ask you to continue the debate and then I will consult Hansard and check, because I am not sure whether it is a point of order or a point of debate. I will check and come back with a ruling.

Ms T J MOKWELE: Through you, Chair, you must go and read the findings of the Constitutional Court about this Minister.

To protect this illegality, Minister Nxesi, outrageously called a swimming pool a fire pool and participated in a serious violation of our the Constitution through Zuma.

HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms. M C Dikgale): Hon Mokwele, will you please call the hon President ...

Ms T J MOKWELE: President Zuma of the ANC.

HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms. M C Dikgale): Yes, thank you.

Ms T J MOKWELE: Our argument is that Nkandla is not so much a problem on its own, but it helps us see the rot that is deeply embedded in a system that lets the state ...

HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms. M C Dikgale): Hon Mokwela, there is a hand. Please, take your seat.

Ms T WANA: Sihlalo, ndicela ukulungisa into. Le nto siyixoxa apha, ayinanto nakwenza noMongameli. Apha sixoxa uHlahlo-lwabiwo-mali lweSebe lezeMisebenzi yoLuntu. Ndifuna ke nabantu abasezilalini baluqonde ola xoko luqhubeka phaya. Enkosi. [Hon Chairperson, I would like to correct something. What we debate here has nothing to

do with the President. Here we discuss the budget of the Department of Public Works. I need people from the rural areas to also know the lies that are spread there. Thank you.]

HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms. M C Dikgale): Hon member, take your seat. That is not taken.

Ms T J MOKWELE: Our argument is that Nkandla is not so much a problem on its own, but it helps us to see the rot that is deeply embedded in a system that lets the state abscond its developmental responsibility, giving it over to unscrupulous private businesses that are always eager to corrupt key leaders of the state.

Instead of using Public Works to intensify our efforts for rapid development, this department under Minister Nxesi has become a laboratory of corruption.

Public Works departments owe various municipalities across the country about R443 million in rates and utility payments. This cripples municipalities and makes them unable to deliver services.

Under the government of the EFF, we shall use Public Works to ensure that municipalities have properly working infrastructure. Public Works should be used to ensure that, in our municipalities, proper

buildings are made available to the public, to advance local economic development in our municipalities.

An amount of R3,6 billion of this budget, which proportionally represents 54,6% of the overall budget is allocated for the transformation of the construction and property industries, as well as a standardised approach and best practice in construction and immovable asset management in the public sector.

We highlight this particular programme because it is at the heart of what we think must change in the Department of Public Works, in order to position this department as a strategic development-inducing department.

This department, charged with being custodians of, and maintaining state property, should ideally be at the driving seat of sustainable and self-perpetuating development, driven by the state, and not by outsourcing our country's development obligations to the private sector.

In our founding manifesto, the EFF says that the state should build internal capacity to construct and maintain infrastructure such as roads, railways and dams and basic services such as schools, houses, hospitals and recreational facilities, not forgetting crèches.

The state's dependence on tenders has massive political implications and often reduces the quality of work provided because of corruption and the corruptibility of the whole tendering system. In addition, the reliance on tenders limits the capacity of the state to directly industrialise the country by deliberately building value chains through direct state procurement.

This makes the state a cash cow for corrupt businesses and politicians, with very little value for our people and our developmental aspirations.

Costs of major infrastructure projects would not be as astronomical as they are now, if we had a state housing construction company, a state roads construction company and a state cement company.

This budget does not make the necessary strategic departure from past inefficiencies towards a more developmental approach. For this reason, we, the EFF, reject Budget Vote 11. I would like to say to the hon Minister, please don't ... [Time expired.]

HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms. M C Dikgale): Hon Mokwele, hon Mokwele!

Ms T J MOKWELE: Let me finish. I am ...

HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms. M C Dikgale): I also have the time in front of me. Your time has expired. [Interjections.] Order, hon Mokwele. [Interjections.] Hon Mokwele, you are done with the debate. Just take your seat.

Mr J J LONDT: Hon Chairperson, hon Minister and fellow members, hon Ncitha, I want to start off this debate by thanking you for making our campaign in Port Elizabeth so much easier, because the track record that you have left there helps us to campaign on and show what the real difference is between the ANC ... [Interjections.] ... Chairperson, I have been waiting, but not expecting you, to once again refer to your second-hand Department of Public Works story, a story that you have raised here previously of a department that was in intensive care, and have since been removed out of intensive care to the high dependency unit.

Hon Minister, if I may refer to a different analogy. This department is pretty much like our national soccer team. When you came on board there was hope that you would move the department in the right direction. It is like when we get a new coach, there are a few good results. Everybody had hope and we really wanted to believe that we are going to make a success. Then after a while, we were looking at the scoreboard and the results don't really reflect what we are hoping. This is what we have in this department as well, hon Minister.

The scoreboard reflects that you are not doing a good job. The judges, and in this case, the judges at the highest court of this country, said that you have failed miserably. They actually say that you should be disqualified, but because this is a democracy and you get voted in and appointed by a President, you cannot be disqualified. So, they are basically giving you a zero.

Hon Makue, you said that South Africa works if Public Works works. Now I see the hon Makue has left. The colleagues of the ANC must please listen and tell the hon Makue that South Africa works if Public Works works, but unfortunately, Public Works is in intensive care. How can you work, if you are in the sick bay?

The hon Makue also says that if you have eyes to see and ears to hear, then use them. Now if you have eyes to see, you probably watched the verdict that the Chief Justice gave and if you have ears to hear, then you have obviously listened to what that verdict is. South Africa is not working because Public Works is not functioning. And Public Works is not functioning because we have a Minister that is not doing what he is supposed to do.

But there is hope, if only you are willing to consult outside of Luthuli House hospital, you should see a few options on how to get this department back on the road to recovery. I am going to give you a few examples. The City of Cape is the only metro that has an impartial, open and fair expanded Public Works database. If you get

the same open, fair and impartial database rolled all over the country, you should not have these problems that we are facing all over the country. In relation to this database, the focus is on the youth involvement and the figures show that we are getting the highest percentage of youth involved there. Furthermore, the Western Cape's oversight and management of its property portfolio is top of its class.

I know you have your MinmeCs and I know MEC Grant also gives his examples, but I think it is time that we start rolling that out to the other provinces and getting their databases in place as well.

Hon Minister, you have not only failed yourself, your staff and your department with the Nkandla scandal, ... And you can say what you want, but, with all the others things that have happened, that is going to sit behind you and taint your name, going forward. I am asking that, with the little time that you have left, you either shape up, step up or ship out, because South Africa's Department of Public Works needs to work, in order for the country to really work. I thank you.

Mr L B GAEHLER: Chairperson, the UDM welcomes and appreciates the work being done by the department in general. However, we must register our disappointment with regard to the maintenance and improvement of government properties. Many of these are not in good

and habitable condition and require regular and maintenance by this department.

The UDM therefore suggests a dedicated of retired professionals and artisans working and mentoring a team of young inexperienced professionals artisans, be set up to take care of the maintenance of the public properties. They will then be able to gain experience and get paid at the same time. But this must be from national provincial and local government level. The UDM appreciate the work done towards the expropriation of the taken land. However, the process must and consider the fact that more land was taken before the 19 June 1913. In this regard, the UDM is of firm view that that the debate on that Bill must continue to take place so that all those whose land was taken can be able to get it back.

The UDM submit that, for our eye to be able to serve justice and achieve the objective of radical socio economic transformation. We must stretch the point of departure when dealing with the return of land. This must be followed by a confirmation of the state's financial viability to buy out the intended expropriates. Radical transformation without land does not make sense and the UDM explores this department.

Masize apho kufele ithole ke ngoku. [Let me come straight to the point now.]

Hon Minister, amongst the most common problems with this programme is the insufficient support for the emerging black contractors in the department. Some of them have no collaterals. We have spoken about this before. And you know that I speak from a point of experience as far as that is concerned. There are very few people who have experience that I have. Hon Minister, there need to be a dedicated fund for this emerging contractors. You have to speak to your colleagues to set up such fund. Secondly Minister, the mandate of the department, many times we have blamed you and I blamed you as well. I spoke to you last time about final accounts that have not paid to contractors with the Development Bank of Southern Africa, DBSA projects.

About two weeks back, I spoke to DBSA and they agree that their final accounts are over two years and they agreed to pay the contractors. Now it is very important for you to regain the mandate of this department for this contractors and professionals to prosper. They will never prosper hon Minister, if different departments are doing what the Public Works is supposed to do. That is very important. Most of our contractors are at a low CID B-level grading. And even those who have higher grading because of non payment have gone back to grade one.

Our people are not progressing hon Minister. They are not being paid in time. Contractors, especially the black ones, their profits are in the final account. People can say what they want about the

Independent Development Trust, IDT but they used to pay their contractors on time. So please hon Minister, regain the mandate and also work on the funds for the construction industry. That is very important. We have been talking about this when I was in the NA but something needs to be done because our people are being destroyed. We cannot talk about 80% of the construction industry being in the white hands also the property and not do anything about it. It is about time that we take action about this and you do something about it. I thank you. [Applause.]

Mnu G MTHIMUNYE: Sihlalo Ohloniphekileyo, lithi izwi leNkosi kumithetho eyishumi: "Hlonipha uyihlo nonyoko ukuze izinsuku zakho zande ezweni." Ukuze uphile ingunaphakade uma uyingane kubalulekile ukuthi uhloniphe uyihlo nonyoko. Angazi yini esingayisho lendaba ngalezi zingane ze-EFF, useyobatshela uMfundisi uMthethwa ukuthi itholakala kweliphi ivesi leyondimana yemithetho eyilishumi.

(Translation of isiZulu paragraph follows.)

[Mr G MTHIMUNYE: Hon Chairperson, the word of God, through the Ten Commandments, says: "Honour your father and your mother, so that you may live long in the land the LORD your God is giving you". For you to live forever as a child you need to honour your father and mother. I am not sure what to say about this issue to these children from the EFF, I would request Reverend Mthethwa to tell them where to find this verse where the Ten Commandments are found.]

You know Margaret Mead...

Mme T J MOKWELE: Modulasetulo, mo ntlheng ya kgalemo: Batoloki ba leleme la me ga ba yo fa. "Fa ke gopola" "zingane" ka leleme la gagwe ke bana. Mo EFF, gore o nne leloko, o tshwanetse o o be o na le dingwaga di le 18 le go feta , seo se raya gore ga gona ngwana. Sa bobedi, rotlhe ba re leng fa ... *(Translation of Setswana paragraph follows)*

[Ms T J MOKWELE: Chairperson, on a point of order: I do not have an interpreter in my language. As far as I can remember, 'zingane' in his language refers to children. For one to be a member of the EFF, "one should be 18 years and above", that means there are no children here. Secondly, all of us here ...]

Ms T J MOKWELE: We are members of this House. We are hon members like he wants to be called hon member. He must respect that and call us hon members. He must note that the EFF is here to stay. And note that whatever that he might say about EFF ...

The HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms M C Dikgale): Hon Mokwele!

Ms T J MOKWELE: We demonstrated to him and in his province that we are the government in waiting. He must know that, whatever that he says he knows that deep down that ... [Inaudible.]

The HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms M C Dikgale): Hon Mokwele! I am going to request you to listen to us as much as you want us to listen to you. On that note, continue hon Mthimunya.

Mr S G MTHIMUNYE: Hon House Chair, you know Margaret Mead in Sociology 200, characterised a defiant child as having a potential to destruct him or herself. I think that is the reminiscent of some of the members who wants to be referred as honourables. Hon House Chair, I too ... [Interjections.]

Mme T J MOKWELE: Modulasetulo, mo ntlheng ya kgalemo: Ga a gogela mafoko a gagwe kwa morago. O re bitsa bana. "Polelo" e a e dirileng ga e ntshwenye. Ga e ntire sepe ke kopa a gogele kgang ya gore re bana kwa morago. A itse gore ga re tshwenyeope, re tshwenya ena gonne re a mo tshosetsa him]. (*Translation of Setswana paragraph follows.*)

[Ms T J MOKWELE: On a point of order: He called us children and he did not withdraw. His speech is not an issue, however he must withdraw from calling us children. He does know that we do not create problems to anyone, except him because we are a threat to him.]

The HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms M C Dikgale): Okay, I got your point. Can I now

address you? Will you please take your seat? Hon Mthimunya, did you refer to the hon members as "kids" [bana]?

Mr S G MTHIMUNYA: I did not refer to the hon members as "kids" [bana]. The context, in which I expressed myself hon Chair, is in a form of a metaphor and I referred to a political child and in this case, a political beginner. [Interjections.] [Laughter.]

The HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms M C Dikgale): Hon Nthebe, please let's have order. Hon member, before you come in. The hon Mthimunya did not refer to anybody as a child. Hon mokwele! Why are you on your feet?

Mme T J MOKWELE: Modulasetulo, mo ntlheng ya kgalemo: Ke kopa ka tsweetswee. Ke kopile gore ga rena batoloki ba Setswana. Sa bobedi, ke kopa gore o laole mo. O seka wa mo botsa gone nna ke mo utlwile fa a re jalo. O fetoletse go popego ya puo. Ka jalo ke kopa gore ke go fe sebaka, o ye go buisa Hansard mme morago o dire laole.

(Translation of Setswana paragraph follows.)

[Ms T J MOKWELE: On a point of order: I have indicated that we do not have interpreters for Setswana. Secondly, I have asked that you make a ruling on the matter. You do not have to ask him, I have heard him. He used figure of speech. I would afford you time to go and read Hansard, thereafter, you can make a ruling.]

The HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms M C Dikgale): Okay hon Mokwele, thank you very much for the advice. I will go and check on the Hansard and come back with a ruling. But can the staff check on whoever is responsible for the interpreting please. Continue hon Mthimunye.

Mr S G MTHIMUNYE: Hon House Chair, I too bare testimony to the facts on the ground. I have been part of the group of my select committee that visited Kwazulu-Natal kwaDlangezwa. I have witnessed a group of widows who have organised themselves and are planting organic vegetables in that area. More than 100 of them are benefiting out of that program which is assisted by IDT hon Minister and funded by the Department of Public Works. So the freedom charter articulates hon House Chair ...

The HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms M C Dikgale): Sorry for the disturbance hon Mthimunye. Don't take your seat. Check channel nine for interpreting. Continue.

Mr S G MTHIMUNYE: So, the freedom charter hon House Chair articulate:

"The people shall share in the country's wealth".

Ordinarily I wouldn't have used the inverted commas to make reference to this freedom charter because I believe I come from the ANC, the core author of the freedom charter. And therefore, I enjoy the property rights of this intellectual property, the freedom charter which is abused by some in our midst. [Interjections.] The second face of our country's democratic transition led to the ANC to call for a radical economic transformation in order to place the economy on the qualitative different path that ensures more rapid sustainable growth - higher investment increased employment, reduced inequality and *de-racialisation of the economy*.

It also called for a sustained focus on addressing the uneven quality of service delivery. The ANC hopes to achieve this through the implementation of the National development Plan, to improve the quality of life for all our citizens. It was in the ANCs 53rd national conference that was held in Mangaung that resolved that the policy initiative such as the national infrastructure plan, the new growth path and the industrial policy action plan will continue to drive the medium policy agenda of the government within the vision of the national development plan.

Therefore, the strategic focus of the Department of Public Works as set out in the medium term strategic framework and aligned to the ANC election manifesto 2014-19, states as follows: The creation of decent employment through inclusive economic growth, strategic leadership, regulation of construction, property sectors and to

promote economic empowerment and skills development - Good co-operate governance to support effective and efficient service delivery - an efficient, competitive and responsive accommodation infrastructure and to contribute towards a comprehensive rural development.

The ANC has identified a wide range of programmes that are aimed at addressing the critical challenge of unemployment in the country. These include amongst others re-industrialisation, infrastructure programme, local beneficiation of our natural resources, using state procurement to ensure much greater localisation. The public employment programmes are identified as the key job drivers and critical to our economic development. The ANC has led one of the most extensive and innovative public works programmes in the world. The programme has provided work opportunities to millions of unemployed South Africans. It ranges across many sectors, including caring for the environment, providing home based care in poor communities, maintaining rural roads, and constructing social infrastructure like clinics and schools.

The second largest component of this budget is allocated to the Expanded Public Works Programme, EPWP and most of it is to be transferred to provinces and municipalities as integrated or incentive grants for the implementation of public employment programmes. According to the ANC's 2016 Local Government Election Manifesto. Between 2004 and 2014, the expanded public works created

over 5 million work opportunities for poor and unemployed people of the target of 6 million between 2014 and 2019. R1, 2 million work opportunities were already created by the end of March 2015. This figures surpassed the target of R1, 04 million for that period. Most importantly, the EPWP has surpassed its target of 55% and 40% of women and youth respectively, with 60% of participants being women and 50% being youth.

One of the positive outcomes of the Department of Public Works' turnaround strategy was the establishment of the Property Management Trading Entity (PMTE), which the Minister and many other speakers before me from the ANC have made reference to. I will not dwell on this particular score. However, it is important hon House Chair, to make the point that it is most welcome that the department has established this entity to assist and manage the state asset that has been declining in terms of value and other means. And some of them are utilised or misused by illegal occupants as hijacked property of buildings.

Through the Immovable Asset Register (IAR), buildings are being verified and fair values assigned on a continuing basis. A reliable IAR is expected to enhance the ANC's objectives for socio economic development, Black Economic Empowerment, unlocking the potential for SMME's and cooperatives, and job creation programme of the ANC government. As part of the PMTE's project to improve water management services at state-owned facilities, 50 water treatment

and wastewater treatment plants are currently been maintained and refurbished using an innovative biotechnology solution. This involves the recruitment and training of 102 water technicians or professionals as you like as the Minister made reference to in the 2015-16. This number will increase to 180 in the present year, with an additional 110 young people to be trained in various professional and technical capacities under this particular programme.

Furthermore, as part of the ANC's objectives to meet the renewable energy targets, in 2015-16, the energy savings of over 262 million kWh were recorded, with a further 250 million reduction targeted for 2016-17. A National Green Building Sector Plan has been concluded with provincial departments. Working with the Department of Energy and other state-owned entities, plans are being developed for the installation of solar panels in government buildings. Some 5, 500 green jobs are targeted for 2016-17 as part of the EPWP programme.

Hon House Chair, you know South Africa exists in a global village. It does not exist in isolation. It is very important for any government anywhere in the world to take into account in terms of configuring its own policies, the international balance of forces. We can't just come up with policies that are not friendly with the international community as a country as if we exist in space. We exist in the global village. For the record hon House Chair, hon Horn refers to Luthuli House as a hospital. The last time I checked, Luthuli House was the headquarters of the oldest liberal movement in

Africa. [Interjections.] And that oldest liberation movement in Africa liberated him from the bondages or from the oppression of his own cousins. [Interjections.] [Time expired.] [Applause.]

The MINISTER OF PUBLIC WORKS: Thank you, Chairperson. How I wish that hon members would understand the mandate of Public Works like hon Ncitha and hon Van Lingen have expressed it. I think it would go a long way, because I think they have been able to say, here is the core understanding of the mandate of this department, and avoid what I would call guerrilla and empty political rhetoric which came from the hon member of the EFF.

Hon Londt, unless you do not trust MEC Grant who has been working with me and appreciating everything we have been doing, and saying that there is an improvement and has been giving support to that. ... Unless there is a serious contradiction within the DA.

Hon Van Lingen, we are finalising the strategy for the whole maintenance of the state's property and we want to deal with it because that is a big job creator.

With regard to 30 day payments, 76% of all our invoices are paid within 30 days. The outstanding invoices relate mainly on the main vote ... on the travel agent invoices which require very stringent approval processes. You know scandals about travel agents. You have to be very meticulous.

In the property management and construction we are above 86% but remember that some of the invoices that are submitted we will also have to scrutinise otherwise we end up paying something which is not supposed to be paid and some ... not all the information has been paid.

On the issue of the debt to municipalities, the total debt to municipalities as of 31 March 2015 was R3,5 billion, and of this amount we are talking about R982 million that was owed by national departments, many of them. Debt attributed to Public Works was around R411 million and to date R317 million of the R411 million debt is paid with the balance in the payment process.

The Department of Public Works, working with the Treasury has set up a team with representatives from the Department of Co-operative Governance and Traditional Affairs, the SA Local Government Association and the provinces. That forum is doing the verification because there is a problem of proper billing by some of the municipalities. The issue of capacity comes back here because before we can pay we must see if we have been properly billed. There has been chaos in terms of the billing system.

Hon khawula, the presidential review team on the parastatals and state agencies is precisely trying to fundamentally answer this question as to why we have so many government agencies. The idea is to say we must reduce them because some of them are just crossing

over each other. That's the debate. In fact that's the intention. There will be an announcement. That's what I can tell you. We are dealing with those issues.

Indeed hon Mokwele, it is our resolve that we are now at the phase of consolidation. We are consolidating all our systems. We need to have proper systems to enhance the performance so that we deliver with speed, within budget and according to the needs of our clients. Our clients are not just government departments. It is also the public.

Hon Londt, let me give you the right analogy. We must say thanks to the aggressive surgery which I have outlined before which was accompanied by what we call positive therapeutic rehabilitation because I believe that the cancer of weak governance and corruption is now in remission. However, to prevent any relapse requires continuous monitoring amongst others by the members of the National Council of Provinces.

Let me take the last issue because there are many issues. I believe I must respond to this one. Hon Mokwele and Londt, since my appointment at the end of 2011 I have taken personal responsibility and accountability for fixing the problems at Public Works, including the issues which have arisen out of Nkandla. For your own information if you are good at your records and you read, that issue started in 2009, long before I came there. [Interjections.] I

announced a turnaround strategy in 2012 focussing on the financial management and procurement processes. I also implemented the findings ... [Interjections.] ... listen ... I implemented the findings and remedial action of all the reports, including the Public Protector. It's on record where the Public Protector has said that Public Works has implemented the remedial action.

[Interjections.] You know about that. Don't howl. Just listen and let me help you. Let me help you. [Interjections.] I've said ... Let me ask you whether you want me to say I am personally responsible for whatever happened before I was appointed. Let me help you.

The HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms M C Dikgale): Hon Mokwele ... hon Mokwele ... hon Mokwele, before you ... Hon Mokwele ... hon Mokwele ... hon Mokwele ... hon Mokwele, I am going to ask you to take a seat because the time for the hon Minister is over. It has lapsed. Hon Minister, your time has expired.

[Interjections.]

The HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms M C Dikgale): No, actually if you ... [Inaudible.] ... you would notice that I allowed you to continue. Okay?

The MINISTER OF PUBLIC WORKS: Thanks.

The HOUSE CHAIRPERSON: INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNMENT (Ms M C Dikgale): I wanted you to conclude Minister. Hon members I have ... Thank you very much hon Minister for coming to the House ... [Applause.] ... and hon members, I have an announcement. Those who are using the buses to their parks, the busses will be available outside at 19:00. This concludes the business of the day. Hon members are requested to remain standing until the procession ... [Inaudible.]

Debate concluded.

The Council adjourned at 18:35.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Bills passed by Houses – to be submitted to President for assent

- (1) Bill passed by National Council of Provinces on 4 May 2016:

- (a) **Division of Revenue Bill** [B 2 – 2016] (National Assembly – sec 76)

TABLINGS

National Council of Provinces

1. The Chairperson

- (a) A letter dated 25 April 2016 from the Minister of Justice and Correctional Services requesting consideration of a shortlist of candidates to be appointed as representatives of the public on the National Council for Correctional Services in terms of section 83(2)(h) of the Correctional Services Act, 1998 (Act No 111 of 1998).

Referred to the **Select Committee on Security and Justice** for consideration and report.

- (b) Report of the NCOP Report Back Exercise, Taking Parliament to the People programme, Eden District Municipality, Western Cape, 18-21 April 2016.

Please see pages 4-111 of the ATCs.

COMMITTEE REPORTS

National Council of Provinces

1. Report of the Select Committee on Trade and International Relations on the Protocol Amending the Marrakesh Agreement establishing the World Trade Organisation (WTO), including Annex 1A on the Agreement on Trade Facilitation, and the establishment of the National Committee on Trade Facilitation, dated 4 May 2016:

The Select Committee on Trade and International Relations, having considered the request for approval by Parliament of the *Protocol Amending the Marrakesh Agreement establishing the World Trade Organisation (WTO), including Annex 1A on the Agreement on Trade Facilitation, and the establishment of the National Committee on Trade Facilitation*, recommends that the Council, in terms of section 231(2) of the Constitution, approve the said Protocol.

Report to be considered.