

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 1

THURSDAY, 18 JULY 2019

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*PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES*

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The Council met at 14:02.

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

**APPROPRIATION BILL**

(Policy debate)

Vote No 4 – Co-operative Governance and Traditional Affairs

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:  
Deputy Chairperson, Deputy Minister Obed Bapela, hon chairperson of the select committee, hon Thamsanqa Dodovu, members of the Select Committee on Co-operative Governance and Traditional Affairs, Cogta, hon members – both permanent and delegates, MECs, chairperson of the national and provincial House of Traditional Leaders, leaders of the

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 2**

SA Municipal Workers Union, Samwu, the entire labour movements, civic organisations, our Director-General of the Traditional Affairs, CEO of the SA Cities Network, CEO of the Municipal Infrastructure Support Agent, Misa, our distinguished guests, ladies and gentlemen, it is indeed an honour for me to stand before you to present the Budget Vote of the Department of Co-operative Governance and Traditional Affairs. Let me start by expressing our condolences to all the families that have lost their loved ones recently. We know that there are a number of funerals taking place as we speak. Also, let me congratulate our national netball team who have won all their five games of the World Cup and they have now advance to the semi-finals. [Applause.] We wish them all the best.

Hon members, we are gathered here today as we all know the birthday of our icon who would have turned 101 as we celebrate 25 years of our democracy. He taught us many lessons but I just want to quote one where he says it always seems impossible until it's done. This is very appropriate for Cogta and the local government. We hope that we can transform this department and the local government.

When justice triumphed over the evil of the apartheid systems and replaced it with a participatory inclusive democracy, it was through the process that Parliament developed our constitution, which

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 3**

adopted a government with three spheres which are distinctive, interdependent and interrelated. These spheres are national, provincial and local government. For government to effectively deliver services all spheres must function optimally. The Department of Co-operative Governance and Traditional Affairs is mandated to ensure co-operative governance and intergovernmental relations. This means that we have a responsibility to support provinces to fulfil their constitutional objectives at all times. Each municipality has a constitutional obligation to provide democratic and accountable government to local communities. It must also ensure provision of services to communities in a sustainable manner, promote social and economic development, promote safe and healthy environment and encourage the involvement of communities and community organisations in matters of local government. They also have a developmental duty to provide social and economic development with the community, the private sector, labour and traditional authorities.

The department together with provincial administrations have the distinct responsibility of supporting and strengthening the capacity of municipalities to manage their own affairs.

It is section 154 of the Constitution that mandates us, national and the provinces, to ensure that we support local government so that it

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 4**

can fulfil its obligations. In undertaking this task the provincial administration is called upon to consult with the Minister responsible for local government affairs as well as the provincial legislature and NCOP especially if the province is deciding to put a municipality under section 139. Of course, the national can also put a province under section 100 if it's not fulfilling its obligations. As we speak we have one province that is under section 100, the North West province. Unfortunately, we have 40 municipalities that are currently under section 139. And many others are dysfunctional or struggling. Of the municipalities that are under administration, one is in the Western Cape, three in the Northern Cape, two in the Free State, 10 in the Eastern Cape, two in KwaZulu-Natal, two in Limpopo, 14 in the North West and five in Mpumalanga.

This is also in line with the findings of the Auditor-General who found that 65% of the budget controlled by municipalities had unqualified audits but findings - 101 municipalities had unqualified audits but with findings. A total of 18 municipalities have unqualified audits with no findings. But municipalities with disclaimers have marginally decreased to 26 from 31, while 24 audits are still outstanding.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 5**

The major challenges facing these municipalities are weak governance, noncompliance with legislation, poor quality of annual financial management, weak internal control, supply chain management is not good as well as lack of service delivery. This is compounded by the fact that they don't have enough technical skills wherein there is a 15% vacancy rate. There are 39 municipalities which are without chief financial officers, CFOs. Only 55 out of the 257 municipalities have at least one qualified engineer to assist in the rolling out of infrastructure and maintenance. If the majority of them do not have at least one engineer what do we expect.

Some of the problems of municipalities are structural. The advent of wall to wall municipalities extended services to many neglected area. These municipalities don't have a base to collect revenue. The current funding model for municipalities overemphasises population size with limited regards to the revenue generation potential, poverty, inequality and unemployment. For instance, Statistics SA informs us that 81% of the rural municipalities are poor if the upper bound poverty line is utilised. The current funding model does not address the spatial distribution of poverty.

Consequently, in this Budget Vote Gauteng receives R13,2 billion, KwaZulu-Natal R13,5 billion, Eastern Cape R9,6 billion, Limpopo

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 6**

R9,4 billion, North West and Mpumalanga each receive about R5,9 billion, Western Cape R5,2 billion, Free State R4,1 billion and the Northern Cape municipalities get R1,8 billion. If we take the case of the Northern Cape, for example, there is poverty in that province. But it has a small population scattered over a third of the size of South Africa. Delivering services there is very difficult. But because their population is small, they can a very small budget.

The other critical challenge is the R21 billion debt that the municipalities owe to Eskom. Municipalities are also owed R139 billion. So, if the municipalities could be paid by all the people owe them, they would be able to pay Eskom.

Many municipalities are also not able to spend their Municipal Infrastructure Grant, Mig, and you can also see why. If they don't have qualified people to plan, execute and maintain the infrastructure and to develop it, obviously, they won't be able. Previously, when the municipality was unable to spend its grant, that money was send to the municipality that could spend it or sent back to the Treasury. We think that's unfair because the communities that that municipality serves still need those services. That's why we have to look at a different way of doing things.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 7**

First, in terms of the funding model we hope that you can join us and agree with us, campaign with us and advocate with us to change this model so that it takes into account the inability of certain municipalities to collect revenue because there is no revenue base from which to collect, and also to take into account the levels of poverty and underdevelopment.

We also think that we must assist the municipalities in the following ways. We must improve governance; engage political parties to channel their influence in the municipalities to make sure that properly qualified people are appointed; we must root out corruption; build capacity; and help municipalities to implement their strategic projects.

As part of trying to assist the municipalities, focus will be paid to reversing their negative outcomes, starting with Cogta's own audit outcomes. We must urgently address this issue and we have a roadmap to address the Auditor-General's concerns at the departmental level. The department itself has a disclaimer. The disclaimer is mainly around that are used in the community work programme.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 8**

In order to ensure that municipalities provide services to the people efficiently, professionally and expeditiously, they must put people first- Batho Pele - and must appoint the right people with the right qualifications to key positions in municipalities. We must not compromise on that aspect.

The NCOP, which is the closest House of Parliament to the provincial and local government, has a significant oversight role to play to ensure accountability and sustainability of municipalities and to identify areas that need our urgent intervention. As part of building strong institutions we must also ensure that capacity is built in the municipalities. We are going to work with the School of Governance to ensure that there are municipal-specific modules that can assist in that direction. We must also ensure that municipalities engage their citizens through ward committees to develop their integrated transport plans, ITPs, and many other activities.

As for the issue of the Mig grants we think that we must strengthen the Municipal Infrastructure Support Agent, Misa, Misa so that it can assist many more municipalities. But we also want to have partnership with the Development Bank of Southern Africa, DBSA, in

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 9**

this endeavour so that our people can receive the infrastructure that they need.

The community work programme, CWP, has a budget of about R3,8 billion divided amongst the provinces. But there is hardly an impact on the ground. I have visited one of the sites and found that really we need to review how CDW is implemented. We need to change the model. It is also the same CWP that gave the department a disclaimer.

Of course, we are also looking after the traditional affairs. We are mandated to work with the institutions of traditional leadership to develop vibrant and sustainable communities. We will continue towards clarifying and strengthening the involvement of traditional leaders in socioeconomic development and in government programmes. We also want to work with them in terms of the agrarian reform. We will also be engaging farmers to assist with that. We are discussing with the traditional leadership looking at their handbook for the tools of trade and we hope that we can come to a conclusion about that. We also want to work very closely with the SA Local Government Association, Salga, and with all other stakeholders.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 10

There are Bills that are going to come here. One of them that relates to Traditional Khoisan Leadership Bill, is already here. The other Bills from our department are the Traditional Leadership and Governance Framework Bill and the Customary Initiation Bill.

Local government is everybody's business so we must work together to ensure that we develop a framework that can give us an early warning so that we don't always utilise section 139 where things have gone completely out of hand. We must utilise more section 154 to assist municipalities so that they don't get to section 139.

We therefore welcome the R90,7 billion allocation. But as you know R86,2 billion of that doesn't stay with us, it is transferred. We will try to do our best to "khawuleza" [speed up]. We thank you, the select committee, directors-general, DGs, everybody who has worked towards this Budget Vote, the MECs and heads of department, our gratitude goes to you. We hope that you will indeed support this vote. [Applause.]

Mr T S C DODOVU: Hon Deputy Chairperson, hon Minister, Dr Nkosazana Dlamini-Zuma, all leaders of entities under the department, permanent and special delegates of the NCOP and ladies and gentleman, I feel very much elevated for the rare possibility and

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 11

honour bestowed in me to participate on this historic day - Mandela day.

It was on this day, 101-years-ago that Tata Nelson Rolihlahla Mandela, the father of our nation, an international icon, the architect of our new constitutional dispensation and the first President of the democratic South Africa, was born.

Equally, on this day, 18th July, we celebrate the birth date of Mama Adelaide Tambo, a gallant hero of our struggle and a midwife of our liberation struggle. As we celebrate this historic day, we must remind ourselves what President Mandela urged us to do in 1994 when he said, and I quote:

We have to seize the time to define ourselves what we want to make of our shared destiny regardless of the accumulated effect of our historical past.

Hon Deputy Chairperson, I will therefore dedicate this Budget debate to Tata Mandela and Mama Tambo for the indelible contribution they made in bringing about freedom in our land. Today, as we walk along the same path and along a solid foundation they laid, we indeed owe a special debt of gratitude to them because they have enriched our

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 12

lives with the magic of their words, the enchantment of their images, the acuity of their insights as well as the magnitude of their vision.

Hon Deputy Chairperson, as we were interacting with our people during the recent general elections campaigns, they gave us a clear and cogent message that needs no other interpretation. They told us straight in our faces that they want us to fight corruption and improve poor performance. They told us that they want municipalities to work to improve their lives and provide them with water, electricity, better roads and housing. But they also told us that they want us to be accountable and create jobs, fight poverty and address inequalities in their communities.

Hon Deputy Chairperson, as we continue to resolve problems of local government, we must be responsible to the people. We must speak frankly, candid and honest about the challenges we face. As Mao Tse-tung of the People's Republic of China taught us:

Our duty is to hold ourselves responsible to the people. Every word, every act and every policy we make must conform to the people's interests, and if mistakes occur, they must be corrected - that is what being responsible to the people means.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 13**

Yes, we have made mistakes. We are the first ones to admit that we have not delivered on our mandate as expected. We have underestimated the magnitude of our challenges.

Local government is one of the most complex and protracted projects of state transformation since 1994. Today, as we speak, the state of local government in our country is a source of serious concern.

Hon Deputy Chair, there are no improvements in the audit outcomes of municipalities; there is poor accountability and no consequences for poor performance. The debt owed by municipalities exceeds R139 billion as the hon Minister has said and our municipalities owe Eskom more than R9 billion.

Over and above all these challenges, irregular expenditure has increased; municipalities are regressing in terms of service delivery; there are numerous supply chain management transgressions; the Municipal Infrastructure Grants, MIG, are underspent or poorly spent by our municipalities and there is high employment of underqualified managers.

Hon Deputy Chairperson, these problems that I am talking about are experienced by municipalities across the board; from the ANC-led

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 14

municipalities in the North West, where the deployment of unqualified staff has led to their collapsed to the DA-EFF marriage in Tshwane where irregular expenditures have increased and in Johannesburg where its liquidity problems have led to its credit rating downgrade.

Where the IFP governs some municipalities in KwaZulu-Natal ...

[Interjections.] I want to repeat this. Where the IFP governs municipalities in KwaZulu-Natal they are not immune from these problems because they cannot provide basic services to the people ...

Ms N P KONI: On a point of order. Thank you very much, Chairperson. You know, I had vowed not to interrupt the hon member on the podium but he is provoking us.

The DEPUTY CHAIRPERSON OF THE NCOP: Is that a point of order?

Ms N P KONI: If ever there was a marriage between the EFF and the DA, it is over. We are not a bitter ex. Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: Can you seat down because it is not a point of order.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 15

Mr T S C DODOVU: If there was a marriage and it is now a divorce, it is up to them. The fact of the matter is that this marriage of the DA and the EFF ...

The DEPUTY CHAIRPERSON OF THE NCOP: Order, hon members, we don't know the terms of your divorce. It cannot be the problem of the NCOP. Can you continue, hon member.

Mr T S C DODOVU: I want to repeat it, if they serve divorces for this marriage in Tshwane, that is their problem and they must solve it. But the fact of the matter is that in all these municipalities as I indicated, there are problems that must be confronted. That's why I said we must be candid, honest and frank to one another and be brutally honest with regard to dealing with these problems that are confronting us. That's what we must do going forward.

Despite all the challenges above, over the last 25 years, all is not doom and gloom. Under the ANC government, local government has ensured that more people have access to clean water and electricity; municipalities have promoted the interests of children, people with disabilities, women and older persons. More people have gained access to housing, land and education and the services in our clinics are improving.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 16**

Hon Deputy Chairperson, this undesirable situation I spoke about requires strong leadership. As the ANC, we have no doubt in our minds that under the leadership of Dr Nkosazana Dlamini-Zuma, a tried and tested leader, we are going to turn this situation around. In all stations where she was deployment, she has demonstrated an unflinching commitment to turn the tides. She has a good track record of turnaround and success that we must emulate.

From the department of health, where she made us to stop smoking in public places and to smoke in front of our children, to the Department of International Affairs where she place our country at the apex of African renaissance and the creation of a better world. From home affairs where she improved its systems to world class, to the African Union where we adopted an Agenda 2063 to address the problems afflicting our mother continent. She has demonstrated that she has the capacity to turn the situation around. [Applause.] This is what we must support to ensure that going forward we deal with these particular issues.

Having said that, hon Deputy Chair, I want to propose certain measures that I think this department have to address to ameliorate the situation that is confronting municipalities in order to improve it for the better.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 17**

Here are the proposals in line with what the President has indicated: that the department must insist that all municipalities must recruit, retain and develop the best possible talents and skills; create an environment of responsiveness; high performance; and clear accountability to achieve the developmental objectives of local government.

Going forward, we must also ensure that municipalities establish people-centred culture of service delivery and customer care in line with the principle of Batho Pele. We must ensure that planning, governance and putting up systems and structures in place, especially infrastructure and oversight mechanisms are aligned to our Integrated Development Plans, IDPs and applicable legislation.

We must also ensure that we create our municipalities as economic and financial viability and prosperity for all our people. We must also build good public profile and nurture sustainable relationships with stakeholders. We must also uproot corruption and all its manifestations. Equally important, we must say to all the political parties here who are talking that together we deploy councillors with the requisite skills, expertise and the right moral fortitude to ensure that we deal with the challenges as I indicated.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 18**

Hon Deputy Chairperson, now the trumpet is summoning all of us to sustain the legacy of Tata Mandela and Mama Tambo to fulfil their dream of a truly developmental local government. As we navigate to seek solutions to our problems, we are called upon to bear the burden of a long and protracted struggle, year in and year out. We must pursue a struggle against the common enemies of our people: poverty, unemployment and underdevelopment.

Hon Deputy Chairperson, as I pointed out, we must be modest and prudent, guard against arrogance and rashness, we must not play to the gallery and use some simple techniques to resolve complex problems that are confronting us. We must be propelled by a burning desire to ensure that whatever we do, it is to the people and for the people.

As I indicated, our point of departure must be to serve our people wholeheartedly and never for a moment divorce ourselves from the masses of our people who have demonstrated their confidence to us as public representatives irrespective.

As we move forward, we must continue to play our oversight - and I guarantee you - with respect, dignity and resoluteness. We will play our role to ensure that we scrutinise the department. We will help

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 19**

you turn around the department and to ensure that public participation happens. And whatever the legislation that is before us, we deal with it for the best benefit of our own people.

I say to our cadres - the cadres of the movement, whatever their ranks, their station of lives, they must continue to be the servants of the people and whatever we do must be to our people so that at the end of the day, we fulfil that dream, the dream of Nelson Mandela, who cherished an ideal of a free and democratic society.

As I indicated, yes, we have problems but we must resolve them. We must not use radically sounding propositions at the expense of our people and think that whatever we are going to do is to scavenge on the carcass that is called the ANC. The ANC must resurrect from the shambles graves and ensure that whatever we do, we attend to the problems of local government and traditional authorities.

As I indicated, we are confident and we want to restore your leadership. We are going to work with you together with your Deputy Minister to ensure that we succeed. Howlers will howl. Whoever wants to do whatever he does, will do. Our people, who we are accountable to, will help us, understand us. We will humble ourselves to our people, who are going to understand that the problem that we are

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 20

facing needs us with our resilience and determination to attend to them.

As I indicated, these howlers who play to the public gallery and are not realistic with regards to resolving the problems facing us, we will defeat them because we are committed. We know that what propels us is to ensure that we succeed.

Even these municipalities where they are involved, be it Tshwane or Johannesburg, where you see what are they doing, they are highly involved in terms of those particular issues. Our preoccupation ... [Interjections.] It is the two of us debating now, Chairperson.

All that I am saying is that, we are going to do everything within our power to attend to these particular issues. On that particular basis, as the ANC, we fully support the Budget and the department. Thank you very much. [Applause.]

Ms C VISSER: Hon Chairperson, hon Minister, hon members, a special guest of mine today Speaker of City of Cape Town, Dirk Smit and fellow South Africans, The reality of celebrating 25 years of democracy and 24 years of democratic local government cannot be a celebration when communities express their discontent through

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 21**

violent service delivery protests, resulting in apocalyptic warzones of destruction on an almost daily basis in South Africa.

Towns are being looted and burnt down, private properties vandalised, municipal infrastructure destroyed, and local government structures become absent in existence of their core function. Plans or programmes initiated by CoGTA during the 24 years of democratic local government could not succeed in building a sustainable, developing local government and a better life for all.

The collapse of local government structures negatively impacts on local economic development in the municipal demarcated areas under jurisdiction of the said local government structure, contributing to the devastating increase in unemployment and the consequential rise of poverty. When the taps run dry, raw sewerage streams through the streets, flooding residential properties, while residents are left disgruntled in the wake of Eskom disconnecting electricity supply.

Additionally, almost 50% of municipalities do not have an approved policy on water and sanitation maintenance with any road maintenance plans. Withholding basic services is a violation of our Constitution. Failing to meet the Constitutional obligations of

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 22**

local government and the Batho Pele Principles is equally unacceptable.

The Auditor-General, AG, reports year after year confirm the decline in sound financial management, an early warning of distressed local governments. Accountability, according to the Municipal Financial Management Act, MFMA, is not enforced and the rule of law not respected or honoured by those entrusted to ensure compliance to the laws of this land.

Irregular expenditures by municipalities across the country have grown to R21 billion with no appropriate disciplinary or criminal charges instituted against the perpetrators. More than R1.2 billion worth of tenders in municipalities cannot be audited due to basic documents needed for the investigation having so conveniently disappeared.

In the 24 years of democratic local government, The Department of Co-operative Governance and Traditional Affairs, CoGTA, could not pursue the mandatory core function to implement and monitor implementation of national policies and legislation, resulting in the collapse of local governments and subsequent failure to deliver essential services. The North West province is under administration.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 23**

Fifteen of 22 municipalities in North West are placed under Provincial Intervention in terms of section 139 (1) (b) of the Constitution since before the elections.

Since 2010 some of these municipalities are under administration for the 2nd or 3rd time. Not one of these municipalities experienced any institutional benefit of the previous interventions. In fact, these municipalities regressed financially and institutionally after every intervention.

North West Provincial treasury requested the National Treasury to withhold or delay the transfer of the equitable share of 9 of the 17 municipalities due to gross non-compliance and financial misconduct. This will negatively impact on the delivering of essential services like the provision of bulk water, sewer services and electricity supply.

When CoGTA intervenes, enough time must be allocated for an effective restoration of the municipality or provincial government as well as clearly defined timelines that can be monitored through the appropriate mechanisms. These municipalities and provinces simply cannot be left in a worse state than how it was found when CoGTA intervened.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 24**

So, how can we really debate the budget allocation to this department, knowing the dismal state of our local governments and the failure to enforce the necessary legislation that should ensure compliance of regulations as well as transparent management of municipal finances?

The quality of municipalities is declining at an alarming rate. Three years ago, 54 municipalities received a clean audit. That number has dropped to a disappointing 18 of 257 municipalities getting thumbs up from the AG. Let us not forget the political fighting that has caused chaos in the functioning of municipalities.

In Nelson Mandela Bay, the ANC, EFF, and UDM coalition of corruption had to delay the voting of their budget four times. Councillors from both the coalition government and opposition were threatened with their lives to vote in favour of the budget.

In Ethekewini, the suspended Mayor, Zandile Gumede is mobilising support to make the city ungovernable. Despite her being charged for fraud and corruption. Her supporters caused chaos in a recent council meeting, with an alleged plot of poisoning the acting mayor. It's like something out of the Isidingo writer's room. Except this

is real life, and the residents of Durban suffer at the actions of self-enriched criminals.

Section 139 interventions are not always utilized for their intended purpose, as envisaged in the Constitution. Instead of being implemented for administrative purposes, these interventions are used to settle political scores, most especially just before and during election seasons.

Legislation from this department during the Fifth Parliament has also been flawed. One such example includes the Municipal Demarcation Amendment Act, which was passed less than a year before the historic 2016 local government elections that saw the ANC lose three key metro municipalities. The demarcations of municipal boundaries were blatantly manipulated to suit the ANC, knowing their dismal performance in the local government elections were on the horizon.

Additionally, the Traditional and Khoi-San Leadership Bill, which was passed by Parliament earlier this year, discriminated between different traditional leaders while favoured only a few, but was still forced through as an attempt by the ANC to get quick votes before the May general elections.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 26**

Parliament's processing of local government legislation has also been embarrassing. In 2017, the Constitutional Court ruled that the 2011 Amendment Bill of the Municipal Systems Act was unconstitutional based on procedural grounds, and that Parliament had two years to enact a new bill. However, due to the backlog of legislation at the end of the Fifth Parliament, this never came into fruition.

We need solutions for local government. We need cleaner audit outcomes. Municipalities need to rely less on external consultants and focus more on the transfer of skills and institutional knowledge within the municipal departments. This starts with saying no to cadre deployment, with a focus rather on professionalising local government workforces.

Appointments of municipal managers need to be made based on skills and qualifications in order to implement transparent accountable financial practices. The key lies in the separation of powers between the state and party. The most especially concerns political appointments which need to be clearly defined and based on fixed-term contracts.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 27

The concept of cooperative governance is the catalyst of this department's mandate. Yet we hardly ever see such a practice between national, provincial and local governments. Again, such a failure of cooperation is mostly credited to being political. Whether it is a province governed by one party that has no desire to assist a municipality governed by another, or national government letting a province continue to fail to settle internal party factional battles. This is not in the spirit of Chapter 3 of the Constitution.

The department should make it a priority to ensure cooperation between all three spheres of government, regardless of which party governs. If there is a failure in political leadership in providing sound and effective management of a municipality or provincial government, CoGTA must step in.

Lastly, Hon. Minister, as the executive of an incredibly crucial national department, you need to remain resolute and ensure that CoGTA is never used as a political cleaning weapon but rather as an administrative tool of oversight by national government to ensure clean, transparent and accountable governance. It is now on you hon. Minister, to create a new, respectable era of cooperative governance as envisioned in our Constitution. Thank you.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 28**

Ms M P MMOLA: Hon Deputy Chairperson, hon Minister and Deputy Minister hon members, distinguished guests fellow South Africans, I greet you all, I feel very much honoured to be part of this debate on Mandela Day. colonialism and apartheid has resulted in a South African society that is deeply divided, which is further entrenched by an inequitable distribution of people and economic activity. The resulting spatial inequality serves to trap historically disadvantaged communities in poverty and underdevelopment. It also results in the creation of inefficient cities, as well as undermining rural livelihoods.

The dynamics of spatial inequality illustrate the complex nature of the challenge and senses to indicate how reconfiguring the spatial patterns engineered during apartheid is a long-term endeavour, requiring political will, resources and dedicated effort.

History reminds us of the critical role played by traditional leadership, for example in the formation of the ANC, many traditional leaders waged the struggle against apartheid with the masses to defeat the system that sought to divide and look down on customary ways of our people.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 29**

The colonial and apartheid laws were made in an effort to control traditional authorities and traditional courts with an aim of regulating the institution of traditional leadership. The deliberations around transforming the institution of traditional leadership began in the late 90s, as a response to the colonial and the apartheid regimes infiltration into cultural practices and norms of the African people. These deliberations, made way into the 48th National Conference of the ANC held in Durban. They found expression in the subsequent May 1992 Policy Book "Ready to govern" as well as the 1993 Interim Constitution of South Africa.

Post the establishment of a democratically elected government in 1994, the Reconstruction and Development Programme, RDP, and Chapter 12 of the final Constitution of the Republic of South Africa recognised the institution's status and roles of traditional leadership, according to customary law.

The ANC government acknowledges the critical role of traditional leadership institutions in South Africa's constitutional democracy and in communities, particularly in relation to our rural development strategy.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 30**

The debate on land is still very important in accelerating inclusive economic growth and creation of jobs and the ANC is encouraged by traditional leaders that have identified land designated for agricultural production. Society looks to traditional leaders to work with government and communities to find solutions to the deaths of our young males in initiation schools. We should collectively, not allow an ancient rite of passage to become synonymous with death and serious injury.

As we continue encouraging people to get tested and to seek treatment, the ANC recognises the role played by traditional leaders in promoting awareness about HIV/Aids and TB and the role that traditional leaders are playing in confronting gender-based violence as well as the critical partnership between the National House of Traditional Leaders and government on issues of femicide, violence perpetrated against the Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, and Intersex. LGBTQI+ community, the elderly and other vulnerable groups in society.

As the ANC-led government steps up the fight against corruption and restoring the integrity of our institutions, it is essential that the moral fabric of our society be restored too. We therefore, look

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 31**

to traditional leaders to inculcate a sense of moral responsibility, cohesion and accountability across society.

The National House of Traditional Leaders was established to promote the role of traditional leadership within a democratic constitutional dispensation, enhance unity and understanding among traditional communities and advise national government were amongst its objectives and functions. The houses, both at the national and provincial levels work to improve working relations within national and provincial government, thus strengthening ties between municipalities and traditional leaders on customary law and development initiatives. The development of policies is to regulate and promote the institution of traditional leadership within the framework of the Constitution, designed to encourage good governance in traditional communities.

The participation of traditional authorities in integrated development planning, IDP, of municipalities is encouraged. However, we do recognise the need for strengthening policy implementation.

The constitutional and legislative requirements have drawn the institution of traditional leadership in the transformative process of the democratic developmental state, which places the institution central in the socio-economic development of traditional

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 32**

communities.

Thus, it is critical for traditional leadership structures at local government level to be functional, and in addition be able to discharge functions successfully in attaining the objectives of the back to basics approach in their communities. Consequently, the Department of Co-operative Governance and Traditional Affairs, is obligated to transform and support the institution to effectively contribute to the developmental role within the democratic foundations of the country including Khoisan leadership, and supporting the development of stable and cohesive interfaith communities.

The Traditional and Khoisan Leadership Act seeks to pave the way for Khoisan people to be recognised. The Act contributes to the National Development Plan, NDP,'s key targets relating to social cohesion and unity, accordingly addressing the inequalities of the past. It will see an increased number of functional structures of traditional leadership and support the formation of a National Khoisan Council that will focus on reducing traditional leadership disputes and claims, as well as developing and implementing capacity-building plans for the institution of traditional leadership.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 33**

It is the age old knowledge of traditional leaders and their role in Africa and South Africa in particular that has resolved disputes through traditional courts, which promote, fairness, peace and reconciliation. The Traditional Courts Bill is in no way suggesting a creating of new courts, as traditional courts do already exist. Rather, it tries to create a legislative framework for regulating structures and functions in the resolution of disputes in accordance with constitutional requirements and principles as espoused by the ANC.

In essence, the Bill recognises the value in the evolving customary law and the role of traditional courts. As a result, traditional courts would be recognised like any other courts under the customary law, legitimizing them as defined in the Constitution, hence the strict requirements to be consistent with the Constitution. The matter of remuneration and benefits received by traditional leaders is contentious in public discourse. The current position is that the Independent Commission for the Remuneration of Public Office Bearers makes recommendations on salaries of traditional leaders to the President for determination.

The Traditional Leadership Indaba held in August 2016 considered some of the challenges faced by traditional leaders and made

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 34**

recommendations in this regard. The Indaba felt that the current remuneration model does not take into account the performance of traditional leaders and members of houses, whether good or poor. There was also no incentive to reward good performance. A submission was thus made that a review was necessary to consider the ideal remuneration model catering for all levels of traditional leaders.

The department has developed a draft funeral policy, if need be, will be submitted to the Commission for further consideration to deal with categorization of funerals and proposed amounts.

We understand that the department is considering a framework of comprehensive benefits for traditional leaders. We hope that these matters will be addressed in order to affirm the importance of the institution of the traditional leaders. Thank you, Deputy Chairperson.

Mr K MOTSAMAI: Thanks to the leadership of the economic emancipation revolution, the EFF. The ground forces, the millions of people who voted us, we are now red in this Parliament. Chairperson, the released audit report by the Auditor General of South Africa showed the scale of collapse in local government in this country.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 35

*Setswana:*

Aforikaborwa e nale dimmasepala tse 257, mme mo godimo ga tsone, 18 ya tsone ...

*English:*

... received clean audit in the 2017-18 financial year, that is 7%. The year before, 33 municipalities received clean audit and overall, 63 municipalities diminished in their audit outcomes. Things are getting worse - not better.

*Setswana:*

Fa o le kwa Vaal, kwa masepala wa Emfuleni, ga gona tsela e o ka e tsamayang, ke dikhuti mo ditseleng tsoatlhe. Tona, go bodile thata fa o tsena kwa Sebokeng, ga gona le ditsela, diterena di thibile gotlhe ebile ga gona batho ba ba tsayang matlakala. Kwa mmasepalang wa Emfuleni fa o e lebeletse, batho ba setse ba dirisa dintlwana boithusetso tsa dikhuti.

Ka ka moo EFF e buang mo Palamenteng gantsi gore dimasepala di bodile. Fa o lebelela ko Everton le kwa Alexandra, mo batho ba rona ba neng ba nale tshepo teng, o tla fitlhela gore dimasepala tse di neng di nale diporojeke, di filwe batho ba ba itseng ba ANC, gore ba

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 36

tswelele ka tsona, ga ke tshepe gore wa ba etela batho bao go ya go bona gore ...

*English:*

... how do those municipalities push corruption.

*Setswana:*

Re bona bobodu bo diragala ko Everton le kwa Alexandra, re e lebeletse ka matlho. [Tsenoganong.]

The DEPUTY CHAIRPERSON OF THE NCOP: Please sit down. Yes, is that a point of order?

Mr K MOTSAMAI: O batla eng? O batla eng?

Mr M I RAYI: Chair, there is no interpretation here. We are trying to listen. [Interjections.]

The DEPUTY CHAIRPERSON OF THE NCOP: There is a challenge with the interpretation ... [Interjections.] [laughter.] ... but I think they have taken a note of it. Thank you.

*Setswana:*

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 37

Nagana ka bona letsatsi le lengwe le lengwe, bona botoloki boo.

[Tsenoganong.]

*English:*

The DEPUTY CHAIRPERSON OF THE NCOP: You were the first one to complain. [Interjections.]

*Setswana:*

Ntate K Motsamai: Matlakala ga a tsewe fa o tsena ka Sebokeng le mo Ekhurleni. Go thapiwa batho ka gore ba tswa kae.

*English:*

I am very happy that today is the day that we remember the former President, Nelson Mandela, who failed to release the political prisoners. [Interjections.] We remember Nelson Mandela in his speech when he said:

“If the ANC does to you what the apartheid government did to you, then you must do to the ANC what you did to the apartheid government”

*Setswana:*

Gompieno batho ba rona ba sotlega, re ba lebeletse. Batho ba rona ga gona mo ba tsenang teng mo dimasepaleng tse ka bontsi ba tsona. Fa ba itseela dimmereko ...

*English:*

... then you prosecute them ...

*Setswana:*

... le ba isa dikgotlatshekelo. Re a ipotsa gore ...

*English:*

... what is happening.

*Setswana:*

Modulasetula, re nale dipuo a 11 mo Aforikaborwa, mme re nale bothata ba gore go lemogiwa tse pedi fela. Lo a lebala gore rona, tse dingwe tsa dipuo tseo ga re di tlhaloganye. Tse dingwe tsa dipuo tseo di a re palela. [Tsenoganong.] EFF ga e tshegetse Tekanyetsokabo e. E e tshololela kwa ntle. Ke a leboga. [Legofi.]

Mr X NQATHA (Eastern Cape): Deputy Speaker of the NCOP, hon Minister, Dr Nkosazana Dlamini-Zuma, the Deputy Minister, hon Obed Bapela, the Chairperson of the select committee, hon Member of the

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 39**

Executive Council, MECs, hon members, traditional leaders, delegates from the provincial legislatures, director-generals and all senior officials, ladies and gentlemen, I rise to provide unwavering support to the Budget allocated to the national department for 2019-20 financial year.

The Budget allocation once more demonstrates the commitment of the sixth administration to build a responsive, caring and accountable local government and traditional institutions. Indeed, the local sphere of government is the closest to the people, hence the need to go back to basic to serve our communities for the better.

So, in the context of the fifth administration, we have managed to lay solid foundation through service delivery for core basic services, namely: clean drinking water, sanitation, electricity and so on. These are basic human rights that some who benefited in the past take for granted.

We in the Eastern Cape, see how the provisioning of these services brings about meaningful change to the lives of the majority who for many years have been without these services. Today, as we speak in the Eastern Cape a number of households with access to water has increased, 1,3 households which translate to 79% in 2014. As we

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 40**

speaking today, by 2018 1,5 will translate to 89% in 2018 of households have access to clean drinking water.

A number of households with access to water has increased and the provisioning of electricity between 2014-2018, 187 000 households were connected to the grid and to date the cumulative number of households that have access to electricity is 1,7 which translate to 97% of a total households in the Eastern Cape having access to electricity.

Hon Deputy Chair, as a province we are the first one to admit that in the number of municipalities that are facing challenges, the hon Minister has referred to, some of the municipalities are found in our province. Many challenges that the Minister has pointed to we agreeing with those challenges and amongst the reasons includes poor planning with results to under expenditure infrastructure and some of the reasons include lack of consequence management and the weakening of accountability mechanisms.

Therefore, we are committed to ensure that we strengthen local government by ensuring that we provide support for planning so that the monies that are allocated to us are spent accordingly. No doubt, we are on a service delivery trajectory to promote a developmental

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 41**

local state and regional institutions that are accountable focussed on citizens priority capable of delivering high quality service consistently and sustainable through co-operative governance and participatory democracy.

This is our mission that we committed to realise in construction and development of our country and a society in which citizens of our country could engage in a meaningful and a direct way with the institutions of the state. Part of taking forward this work, the province will developing a province wide-local government dashboard that will assist in the monitoring and evaluation of performance of municipalities so that we can be able to set parameters for performance and be able to dictate problems and ensure that we provide this support of ward based planning and expenditure in the infrastructure grants I have referred to above.

We will monitor how these municipalities respond for instance to petitions submitted by the people will ensure that there is public participation is effective and projects are implemented effectively, because this issue of responsiveness is regarded as quite very critical especially as we approach the next local government elections as failure to respond to communities results in

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 42**

unnecessary protest as people are panicking because of non responsiveness.

The local government dashboard therefore will help in setting performance parameters for all municipalities in the province and in the greatest service delivery model.

Today, marks the birthday of the world icon our first democratically elected President, Nelson Rolihlahla Mandela. In honouring Tata Mandela for his outstanding commitment in building a united democratic and prosperous South Africa, it is our firm commitment to professionalise the public service and for it to reflect the values and ethos entrenched in our Constitution and the noble goals of a developmental state.

From this point I would like to borrow, it's about the issue of celebrating those who came before us to say the greatest thing about those who came before us is not because of who they were the make mistake but because of their contribution, they have left us with the great legacy with the Constitution that we celebrate today and therefore Tata Mandela constitute amongst such leaders. That is for us now to take the work forward than to seek to blame them for they have made their own contribution.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 43**

We should build ethical and capable state as we pay tribute to the lives of Tata Mandela and many of our leaders so that we ensure that there is ethical conduct in the way we do our work as political leaders and administrators. We should therefore strengthen our efforts to combat corruption both in the public and in the private sector.

The centre of the renewal project should be the restoration of the rule of law and due processes that there must be no shortcut. Like Tata Mandela said and I quote:

When we succeed in changing our own way of doing things, when we make progress in transforming society at all levels, we shall not only be improving our own quality of life, we shall be laying the basis for the future of hope for our children and grand children.

As I conclude, we understand where we are, where we could have been, what needs to be done to improve the performance of our government. Our goal is to improve the functioning of the municipalities and traditional institutions to serve our people better and create the Eastern Cape we want and for failure is not an option. We support the hon Minister and the call for the review of the funding model amongst other things for it is critical for our rural province

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 44

specifically for many municipalities have no revenue base but as much as we support that we are equally committed to ensure that the available resources must be used effectively and efficiently and that there should be no wastage and therefore we support the Budget. Thank you.

Mr S HLOMUKA (KWAZULU-NATAL) - MEC - COGTA: Chairperson, hon Minister, Deputy Minister, hon members. It is said that time and space is significant determinants in history as they define the actuality of any period. They tell us about the challenges and opportunities of any period and the possibilities permitted by such period. During the Budget presentation eloquently defined the actuality of the period we are in as a country and quite succinctly sketched the bright possibilities ahead, particularly the mission to grow South Africa and create more job opportunity.

In her articulation of our radical socioeconomic agenda to grow South Africa, the hon Minister Dr Nkosazana Dlamini-Zuma, took a full charge of the Cooperative Governance and Traditional Affairs, as a vehicle that will transport this country on a journey towards achieving the vision National Development Plan, NDP, 2030. There can be no doubt that in the hon Minister Dr Nkosazana Dlamini-Zuma, we have a driver who knows where she and her team are heading to.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 45**

The 2019-20 Budget for national Cooperative Governance and Traditional Affairs, CoGTA, was bound to be an impressive budget because it presents a vision that will take the sector of Cooperative Governance and Traditional Affairs to another level. This comes from a minister with a stellar career in championing ground breaking developments as a former Minister of Health, Home Affairs, Foreign Affairs and Chairperson of the African Union Commission. Many of her achievements in each of these portfolios are now forming part of the collective legacy of our successive democratic governments.

We are lucky to have Minister Nkosazana Dlamini-Zuma in charge of CoGTA at a time when this portfolio is seeking to reclaim its role of being a developer of choice for South Africa. We are confident that Dr Dlamini-Zuma will bring her vision, her special brand of energy, her hands on management, her judgment and her woman's touch to CoGTA and addressing the stubborn challenges facing the local governance sector such as the challenge of finances, governance issues and service delivery shortcomings.

As articulated by the Minister, the policy continuity and change will define the work; we will collectively perform in this sector. The ongoing Back to Basics programme is a good starting point for

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 46**

any discussion of local government in South Africa today. The programme rests on the pillars of governance, financial management, service delivery, capacity building, and public participation. Dr Dlamini-Zuma has made clear on how she intends to deal with each of these areas in her budget speech.

Coming from the province of KwaZulu-Natal, a province which has the largest number of municipalities of any province, a province of a larger number of deep rural and a province of a larger number of traditional leaders and izinduna, we would like to bring our own experiences and solutions to this vibrant debate in this House and the debate on the future of local governance in our country as a whole.

In many ways, KZN is the microcosm of local government in South Africa. We are representative of both its successes and shortcomings. In order to maximise on the successes and minimise on the shortcomings, we have undertaken an assessment of the current state of local government in our province. Its aim was to get to the bottom of the multiple challenges and to sharpen our own response as KZN Department of CoGTA. We have collected up to date information, we have reconciled it with the existing municipal reports and

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 47**

corroborated it with the municipal leaders, both administrative and political, in all of the 54 municipalities.

We have found municipalities with unfunded budgets, high levels of irregular expenditure, wasteful expenditure, unspent conditional grants, high vacancy rates and poor state of service delivery to our people. With all of this information on hand, we have formulated in details how our support programmes will have to change to offer comprehensive and a targeted support to municipalities that is tailor made to their specific needs and specific challenges, because we don't want to have a global approach, that is why we want to be tailor made and deal with challenges at hands, on the merit of each case.

Going forward, we will support as best as we can, but we will also demand strict consequent management for all manner of wrongdoings. We are determined to build on the successes we have as KwaZulu-Natal, such as the 34 municipalities with unqualified audits with matters, and all of which we will support so that they can graduate to the clean audit category where we already have Okhahlamba municipality, which has received clean audit.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 48**

We will also build on the successes of municipalities that have excelled in the provision of universal access to electricity, such as Kokstad and Danhauser which have electricity in every ward. We will respond comprehensively to the challenges of non-payment of services. We will roll out campaigns to encourage communities to pay for what they use. We commit to ensuring that we will write a new narrative for a local government in the coming years and we will ensure that this sector is repositioned to achieve its sustainability phase as envisage in the local government white paper.

At the same time, we will be uncompromising when it comes to maladministration, fraud and corruption. We will continue to conduct forensic investigations, speed up the tabling of our reports in the affected councils and sharpen our tools in ensuring that our recommendations are implemented even when that means that those fingered in the investigations are brought to book and lost funds are recovered.

We are encouraged by the recent judgment by the Western Cape High Court where a custodial sentence has been imposed on the former Municipal Manager for offences relating to irregular expenditures. This adds bite to the provisions contained within the Municipal

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 49**

Finance Management Act, MFMA, and we hope that our Municipal managers will note the possible consequences for failing to prevent irregular expenditure in their municipalities.

The democratic state cannot be successful without working together with traditional leaders and their institutions, especially at local government level. We have to intensify a programme that enhances the role of traditional leaders to work in partnership with government to improve the lives of our people, as stability and development in rural areas that can bring about economic opportunities. We are engaging with all traditional leaders in our province with a view of identifying areas of improvements. We will ensure that the developmental role of amakhosi is aggressively enhanced.

As we consider our best response to the challenges of our own municipalities and traditional leadership institutions, we rest assured that our counterpart department at national level is in the best hands of Hon. Minister Dlamini-Zuma. We pledge to work with her as she tackles the day to day running of one of South African important portfolios and we also pledge to give her our unwavering support.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 50

In conclusion, I want to say. We are led by a woman of less talk, a woman of a more action, indeed Thomas Sankara instructed us, in this Sixth administration:

Our revolution will not be a public-speaking tournament. Our revolution will not be a battle of fine phrases. Our revolution will not simply be for spouting slogans that are no more than signals used by manipulators trying to use them as catchwords, as code words, as a foil for their own display. Our revolution is, and should and will continue to be, the collective effort of revolutionaries to transform reality, to improve the concrete situation of the masses of our country.

As KwaZulu-Natal we welcome and support the budget presented by the Honourable Minister of Cogta, thank you.

Ms Z V NCITHA: Chairperson, the Minister, and the Deputy Minister, the Delegates from the Provinces, my colleagues, officials and those that are listening at home, good afternoon. This budget charts a path towards building economic confidence and return the public confidence to a sustainable path.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 51**

President Cyril Ramaphosa calls this a new "dawn", where ANC Government has committed itself to effectively implement of policy and inclusive development of Government. Our system of government allows for the National Treasury, Provincial Treasuries and the South African Local Government Association (SALGA) to assist municipalities where there are challenges and it should be done to deal with fruitless and wasteful expenditure.

The ANC at the 54<sup>th</sup> National Elective Congress that government has the responsibility to revive the economy and ensure social protection of the poor and vulnerable in the society. Provinces and municipalities play a crucial role in advancing the economic development of the respective societies. The provision of provincial and municipal public infrastructure services ensures mobility for goods while creating jobs.

The basic municipal services such as water, electricity and refuse removal, as well as business licensing and other municipal services are essential for well-being of citizens and conducive environment for business. Well-managed and procurement can maximise developmental impact without compromising efficiencies.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 52**

The Constitution enjoins national and provincial governments to through legislative and other measures, assist municipalities in their task by supporting and strengthening their capacity under (Section 154(1)). Where municipalities do not perform their functions, or are unable to do so, the Constitution (Section 139) and applicable legislation, such as the Local Government Municipal Structures Act, No. 117 of 1998 and the Municipal Finance Management Act, No.56 of 2003, empower provinces to intervene in such municipalities.

I am highlighting this Chair, because there is a cry from the municipalities that provinces they really do not apply Section 154 they jump to Section 139. Government is working with province and municipalities to rebuild governance and administration. Over the past decade, all spheres of government experienced an erosion of capacity and a weakening of integrity especially institutional.

As national government takes steps to reverse this pattern by strengthening state capacity and exposing corruption, it will also ensure that provinces and municipalities they do rebuild governance and administration structures.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 53**

Legislation governing local planning and budgeting emphasises community participation in decision-making. The partnership between municipalities and communities relies on the public recognising the value of and paying of municipal services. While government subsidises and municipal services in low-income municipalities, these services are only sustainable if people who can afford them and use larger quantities pay their bills.

Over the period ahead, equitable share allocations, which fund free basic services for low-income households, grow faster than inflation to account for household growth and higher costs of services. But, for most municipalities, own revenues are larger proportion of their funding than the transfers. Their sustainability depends on how collection and spending of their own revenues.

New incentives in the conditional grants encourage improved municipal performance in most of those municipalities. In 2019-20, seven intermediate cities will move from the municipal infrastructure grant to the new integrated urban development grant, which encourages cities to maximise their investments from non-grant funding and to maintain assets.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 54**

These cities qualified through governance, spending and reporting. Three of these municipalities financed more than 70% of their capital budget from non-grant sources, demonstrating the potential of non-metropolitan municipalities. These municipalities they are demonstrating to us that they are able on their own to contribute in the investments from their own revenue funding.

Financial management in local government has been deteriorating since 2011-12 and the Auditor-General's office has consistently warned those responsible for oversight and governance about this. This was so because many of the failing municipalities merely took the Auditor-General's recommendations as 'advice' to be acted upon if they chose to do so.

Now, there is hope that the new powers of the AG will compel both politicians and officials in the municipalities to ensure that they dispense public funds in a lawful manner, and that they will begin to take the AG's recommendations a lot more seriously.

Considering that the independent auditing body can only make recommendations, which are often disregarded, the introduction of the amended Public Audit Act seems to be the first step towards the legal process for accountability from municipalities.

The Public Audit Amendment Act, which was passed by both Houses of Parliament seeks to give the AG effective powers to intervene. The requirements of the amended of the act such came into effect on 1 April 2019, which means that the 2019-20 financial years will be audited under the new law. Firstly, this will empower the AG to refer undesirable audit outcomes to an appropriate investigating bodies such as the public protector, the Directorate for Priority Crime Investigation and also the South African Police Service. So we are dealing with the issue of the municipalities that are not performing.

*IsiXhosa:*

Ndixelela wena ke Mama Koni. [I am telling you Ms Koni.]

*English:*

We support the Rapid Response Technical Team which is assisting the financially distressed municipalities develop financial recovery plans in collaboration with the National Treasury to ensure that they are able to access the Financial Management grants offered by the National Treasury to promote reforms in the financial management and build capacity in municipalities.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 56

This is meant to ensure that municipalities have effective governance systems in place, and qualified and competent senior officials to manage the municipal finances with accountability and within applicable policies. We also call on CoGTA to continue to provide the required support to all municipalities that are in distress to ensure that they deliver services that is required. Time expired.

We then support Chair the Budget Vote.

*Isixhosa:*

Undivile lento ndiyithethayo Mama Koni.

Thank you chair.

The HOUSE CHAIRPERSON (Mr A J NYAMBI): To all those that are going to the podium for the first time there is a watch on your right at the podium so that you can check.

Mr B MAKAMU (Limpopo - MEC - Co-operative Governance, Human Settlements and Traditional Affairs): Hon Chairperson, hon Minister of Co-operative Governance and Traditional Affairs, Dr Nkosazana Dlamini-Zuma, Deputy Ministers, fellow MECs present here,

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 57**

chairperson of the select committee, members of the committee, members of the House, comrades and friends, good afternoon.

Finances are the backbone of any institution as they enable it to supply goods and render services as expected by its clientele. This holds for our municipalities. They must be financially healthier to render services in pursuance of the objects of local government as it is envisaged in Section 152 of the Constitution.

Our analysis of the financial health of municipalities indicates that there is a general decrease in financial viability of municipalities, primarily due to low revenue against debts. Most municipalities do not have sufficient cash and investments to pay creditors.

The high Eskom and water board debts put some of our municipalities at a high risk of insolvency. The high municipal debt, especially household debts in Limpopo stands at R5 7 billion, which constitutes 60% of total debt owed to municipalities, and is an indication of some several factors such as the following: the inability of municipalities to collect revenue due to them, poor culture of payment among households and high level of indigents because of poverty in our communities.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 58**

For this to be addressed, municipalities should prioritise credit control to ensure proper management of indigents and councillors should run advocacy programmes for payment of services. In some instances, government debt is also a contributor to poor financial viability.

To address this challenge, the province has established a provincial debt forum. The introduction of the Limpopo Provincial Debt Forum, wherein municipalities, sector departments and government entities meet on a quarterly basis to assess payment of government debts to municipalities, as well as to address several challenges; is bearing fruits.

As a result of this initiative the debt owed for municipal services has been significantly reduced, with challenges remaining in respect of the Department of Education and Health, especially in our schools and clinics.

This matter is being discussed to see how the issue can be resolved. A big challenge for the province is the increasing government debts for property rates, for example, the province is being owed almost R200 million as at 1 March 2019.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 59**

The main challenge in the province is that most government properties are built in the rural areas and are unregistered with the deeds office. Custodian departments acknowledge the properties but dispute paying municipalities due to their registration status. Debt will be disputed until these properties are registered.

These departments are the Departments of Public Works, Roads and Infrastructure and the Department of Agriculture, Rural Development and Land Reform. Our general plea as a sector is that government departments and entities should pay their outstanding debts and services within 30 days of receipt of their invoices.

Furthermore, the financial situation of some municipalities has also been worsened by the loss of money as a result of their investment with the Venda Building Society, VBS, and a mutual bank. They are negatively impacting on service delivery.

As part of consequence management, the province acted swiftly by removing mayors of municipalities where money was lost. Various municipal councils also instituted disciplinary actions against officials suspected of wrong doing. In some municipalities implicated officials have been dismissed, while in most municipalities, disciplinary processes are still underway.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 60**

Several lessons have been learnt from this unfortunate situation, other than making noise about it, namely: oversight by the legislative arm of municipalities must be enforced, insufficient capacity of both councillors and administration to ensure that policies comply with relevant legislation and the need for urgent action by the province and other oversight bodies in cases of non-compliance.

Part of our intervention in this regard includes work shopping councillors on their oversight role and responsibilities. We are also putting much attention to the training of members of the Municipal Public Accounts Committees, MPACs.

On audit outcomes, the province has not been doing well on audit outcomes as we received no clean audit over the past three financial years. These negative audit outcomes are as a result of the slow response by the leadership and management in improving key internal controls, addressing risk areas such as key officials lacking appropriate competencies, poor implementation of audit remedial plans and inadequate consequences for poor performance and transgressions.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 61**

We, however, have municipalities that have consistently achieved unqualified audit opinions for the past three financial years, and they are the following: the Capricorn District Municipality, the Sekhukhune District Municipality, Thulamela, Molemole and Maruleng Local Municipalities.

They hold our hope for clean audit outcomes. We are equally concerned about municipalities that continuously receive disclaimers and adverse audit outcomes.

The Limpopo Provincial Treasury and Corporate Governance and Traditional Affairs, COGHSTA, are working together to monitor and support the six municipalities which received disclaimers and adverse audit opinions. The majority of these municipalities fall within the distressed category and are part of our provincial targeted support and intervention plan.

Poor expenditure on Municipal Infrastructure Grant, MIG, and other conditional grants results in delayed or deferred provision of services to communities, which subsequently lead to community unrest.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 62**

Some of these challenges we are experiencing in this area are due to the following: insufficient attention to the development of or review of critical sector plans to guide annual resource allocation, insufficient alignment of bulk and reticulation plans, more especially in the water provision, the disruption of project implementation by our communities, poor forward planning and protracted supply chain management processes.

There is a need to strengthen partnership with national government partners to benefit from their skills, capacity and resources, and to back municipal planning, implementation and monitoring capacity.

Our MIG expenditure trends reflect an improvement as follows: for 2016-17 financial year we were at 86%, for 2017-18 we were at 82% and for 2018-19 we were at 90%. The 10% less spending, which translates to R305 841 787 of unspent funds, however, is a cause for concern when considering the infrastructure and service delivery backlogs in the province.

We will be putting more emphasis on our water service authorities in particular, as they constitute a higher percentage of the MIG allocation.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 63**

We are, however, confident that the partnership and support provided through the Municipal Infrastructure Support Agency, MISA, we acknowledge the presence of its CEO here, Government Technical Advisory Centre, GTAC, internal COGHSTA support and that of other sectors in the province, will help us improve.

Despite these challenges, there are municipalities that continue to do exceptionally well. We have municipalities such as Capricorn, Thulamela and Makhado that have consistently spent 100% of their MIG allocation over the past three years. We are also noting significant improvements in Blouberg, BelaBela, Makhuduthamaga and Greater Letaba municipalities that have spent 100% of their MIG over two years; the 2017-18 and 2018-19 financial years.

This gives us hope that with the right skills, attitude and support, our municipalities can spend 100% of their allocations.

Availability of information technology infrastructure is critical for improving service delivery and in enhancing communication with communities. The intention to partner with the Department of Communication is welcome and we will have to ensure that there is alignment and co-ordination with provincial initiatives.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 64**

For example, the Limpopo Connexion is also targeting connectivity in municipalities. It is therefore important to ensure that the various government initiatives are complementary for maximum impact.

Traditional leaders, as community leaders and custodians of land play an important role in ensuring co-ordinated development. One area of concern is the demarcation of sites by traditional leaders, which in some instances does not align with the spatial development framework or land use schemes of municipalities. It is therefore important that we strengthen the relationship between the democratic state and traditional systems in support of developmental local governance.

Equally so, is the implementation of the Spatial Planning and Land Use Management Act, SPLUMA. We need to develop innovative ways of partnership between local government and institutions of traditional leadership.

As part of the support to the institution of traditional leadership, the Limpopo Provincial Government has embarked on a programme to construct or refurbish traditional council offices.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 65**

In an endeavour to integrate services and bring services closer to the people, we will be working together with our Provincial House of Traditional Leaders to develop a model of using these offices as multi-purpose government centres.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon MEC, round up.

Mr B MAKAMU (Limpopo - MEC - Co-operative Governance, Human Settlements and Traditional Affairs): In conclusion, Chair, we are here as the provincial government to support the 2019-20 Co-operative Governance and Traditional Affairs, COGTA, budget vote as presented by the hon Minister, and to rise to the challenges of co-operative governance and traditional affairs. Provinces and municipalities have to play their roles in support of the vision of COGTA. I thank you, Chairperson.

Mr S E MFAYELA: Hon Chairperson, South Africa is a country of major diversity and a country marked by ever increasing inequality. Strong, effective, professional and accountable governance is therefore critical if we are to successfully navigate a long road to achieve just a credible transition that shares our dream of truly inclusive rainbow nation.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 66**

This department is principally mandated with improving the efficiency of local government. Local government is the closest connection between the state and the people.

The IFP has always championed devolution of powers and a pluralistic approach to governance especially at local levels. We remain and advocate the belief that communities are best placed to address their individual needs and challenges. Communities must not simply be informed of the decisions taken on their behalf by the state through tokenism. They must exercise their citizen power through true partnership between the state, ultimately controlling the pace and agenda of development required in their communities.

Traditional leadership has a vital role to play in this respect as it is foundational to the custodianship of culture, traditional, custom and values of traditional societies and has admirably performed such function since time immemorial.

Despite the institution of traditional leadership being one of the oldest and most effective forms of local and community-based governance in both pre and postcolonial governance model in South Africa, it has not yet been fully embraced by this government. People see little respect shown to traditional leadership in so much

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 67

as its powers has been reduced to that of the mere spectator for appearance purposes.

The IFP supports this Budget Vote. [Applause.]

We will continue to call for recognition and empowerment of this institution, status and role of traditional leadership according to customary law, at local law and in matters affecting the communities. I thank you. [Applause.]

Mr S F DU TOIT: Hon Chair, hon Minister and hon members, the ANC government's greatest failure is the condition of our municipalities. Service delivery has collapsed and most municipalities are dysfunctional, unsustainable and even bankrupt. The ANC-led municipalities remain the most incompetent in all levels of government.

Hon Minister, your concession that there is currently no lot of anger and frustration by citizens and the trust in government is declining is spot-on. We can even go as far as to say that the destructive nature of service delivery protests which has drastically increased is indicative of the total loss of trust in

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 68**

government who has for more than two decades failed to deliver on its promises.

The Auditor-General, AG, of South Africa in his latest report the 2017-18 financial year flags the lack of accountability as a major cause of poor local government audit results. Various local governments have been slow in implementing and in many instances even disregarded the audit office's previous recommendations.

The AG's audits found that out of the 257 municipalities, only 18 of them managed to produce quality financial statements and performance reports as well as complied with all key legislation and there by receiving clean audits. This is a regression from 33 municipalities that received clean audits in the previous year.

Another finding is that the Auditor-General, which is considerably alarming, that R907 million was spent by municipalities on consultants to assist the preparation on financial statements. This is a clear indication that in many instances employees, who are employed in municipalities, simply do not possess the necessary skills to perform their tasks. We submit that this is because of cadre employment and affirmative action which does not favour merit above race.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 69**

It is absurd that employees, who receive salaries, are assisted by consultants to prepare financial statements and they are also paid by municipalities. Combined with fraud and corruption poor collection of debt, supply chain mismanagement, is no wonder there are no funds left for service delivery.

Hon Minister you mentioned that your department's audit was a disclaimer and that you were not certain, what is going to happen this year. We welcome the fact that you mentioned that you will encourage municipalities to employ competent and capable people and that there should be consequence management. Unfortunately we know what this is and supposed to happen without your encouragement.

Local government has not complied with nor adhered to the AG's previous recommendations. The question then becomes: What does the government plan on doing to implement change at local and provincial level?

For we have seen this far that the ANC will instead of disciplining and repudiating its misbehaving comrades, they rather redeploy them in other positions on higher level of government. One example of this is where the former premier of North West, who was subject to many service delivery protests in 2018, is now redeployed and

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 70

rewarded with a position as Member of Parliament and a chairperson portfolio committee. This is after the North West province has been placed under administration by the national government. This was under his leadership.

*Afrikaans:*

Ek is 'n inboorling van die Noordwesprovinsie, waar geen munisipaliteit 'n skoon oudit ontvang het nie. Ons het verlede week gesien hoe die munisipaliteit in Ottosdal deurgeloopt het. Die biblioteek is afgebrand, Delaryville se munisipale geboue is geplunder. In Sannieshof loop water en onbehandelde riool in die pad af, want hulle doen nie hulle werk om die water te suig nie.

*English:*

Local municipalities should comprise in a single town. There is no evidence to show that the system of merged municipalities which was implemented since 2001 is in any way beneficial to our people who desperately need service delivery.

Hon Chair, in closing, we are at the crossroads in South Africa.

It is up to all of us to brave and exude the type of leadership that inspires respect and change. It is up to all of us to call out those who abuse power and to make them accountable. It is up to all of us

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 71**

to set an example of hard work and ethics, for this is only when that we will begin to see the change that we need in this country. Thank you.

CLLR B STOFIE (SALGA): Thank you very much Chairperson and you will bear with me I feverish and I will try my best. The deputy Chairperson of the NCOP, The Chief Whip of the NCOP, The hon Minister and the deputy Minister, The MEcs from various provinces. Members of the NCOP, please we accept being invited and contribute into this debate of the Minister.

Be mindful and appreciative of the progress made by the sector, we should, however, remind ourselves that, at the time of the development of the new democratic system of local government, certain policy assumptions were made as to what the system will focus on and how the system will be resourced and supported. Chief amongst these include the Revenue Raising Assumption that Local government will generate more than 90% plus of recurrent expenditure. The current reality is that municipalities are under extreme cash flow constraints, with the aggregated year-to-date actual collection rate at 83.3 per cent, with over 123 municipalities with less than 80% collection levels and a further 75 municipalities with less than 60% collection levels.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 72**

The recently released the Financial and Fiscal Commission's (FFC) 2020/21 Division of Revenue submission under the title "Repositioning Local Government Public Finances" argues that the Local Government Fiscal Framework is not in synchronisation with the constitutional mandate of the sphere and requires renewal and rebuilding. In light of this FFC submission were the White Paper assumptions realistic given the spatial amalgamation of vast rural and small urban areas in a wall to wall context and the limited tax bases of most of the rural areas now to be declared as municipalities? And I think we support the Minister on the relook on the funding model of the municipalities.

It is our submission that fundamental in making municipalities developmental is an urgent need to sort out some of the lingering challenges arising from the current fiscal framework. This must include consideration of the unsustainable and increasing debts owed to and by municipalities. Bold measures are needed to curb these debts, ensure municipalities collect and better manage their customers and national interventions are initiated to ensure that this growing debt situation does not undermine the solvency of local government.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 73**

These bold measures must include serious consideration to introduce legislation that will allow, in particular, the writing off of bad, realistically uncollectable debt against incentives such as the installation of prepaid meters to prevent recurrence.

Chairperson, the second policy assumption made in 1998 is on the distribution of electricity; the White Paper cautioned then about the electricity distribution and reticulation. In this regard, the White Paper makes the following assumption:

"In some municipalities profits on electricity supply are used to cross-subsidise otherwise non-viable services, but many municipalities operate their electricity undertaking at a loss.

However, the removal of electricity will affect the municipal asset base, and thereby impact on credit ratings and borrowing ability".

It is in light hereof that SALGA welcomes and appreciates the findings of the Advisory Panel and progress made by the Inter-Ministerial Task Team (IMTT) on Electricity on this matter in attempting to resolve the current impact of Eskom and Municipalities on the structural and systemic problems facing municipalities. We hope that the progress as led by former Minister of COGTA, will conclusion on this matter.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 74**

Chairperson, we are agreement with the concern expressed by the Minister on the high number of municipalities currently under section 139 administration and many more that are struggling. We again wish to reiterate that the 1998 White Paper obligates the National and Provincial spheres of government to provide support and capacitate the local sphere to perform their functions and discharge their obligations; it is our considered view that not much has been done to diligently give effect to this as we instead observe an unprecedented state of inappropriate invocation of Section 139 interventions; some perpetual since 2004 whilst others have not been assisted with capacity since 2016; instead, directly imposed with Section 139 interventions; even in instances where Section 154 support interventions would be the most appropriate type of intervention.

It is our respectful submission, as SALGA, that the promulgation of the Intergovernmental Monitoring, Support and interventions Bill, which is currently subject to consultation in different intergovernmental forums, would create a predictable framework of support to the municipalities and thus eliminate subjective political factors being used to justify Section 139 interventions. More so, the Bill will introduce early warning systems that will

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 75**

enable appropriate and relevant support from national and provincial governments to local government.

Chairperson, as I draw towards conclusion we remain concerned about the continued loss of life through targeted assassinations and brutal killings of our councillors and municipal officials. A recent SALGA study confirms that 103 sitting Councillors died in the line of duty. It is quite clear that immediate interventions are necessary to avoid further deaths and injury, otherwise the sector will be a no go area.

I stand before you on behalf of the leadership collective of organised local government and the local government leaders from all our municipalities and pledge our support to the Ministry and the department to fulfil the promise of our Constitution to build a better life for all; in realisation of our founding father Dr Nelson Mandela's call that: "it is in our hands to make our country a better place for all our people".

Let us all go out and make the difference. It is only our collective efforts that can see us building sustainable communities. In our endeavours we should ultimately seek to empower communities. I thank you.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 76

Mr M S MOLETSANE: Hon Minister, hon Chairperson, hon members, delegates, fellow South Africans, having listened to the presentation of the hon Minister, let me take this opportunity and speak a bit about the speech of the hon member. I just want to give advice on what can be done to fix the problems across local government. The solutions I will present are focused on tackling four key issues: Corruption, incompetence, lack of funding, and the role of local government in economic development and service delivery.

As we have said before the provincial sphere of government in this country serves no real purpose, it is a strain on the national budget, and must therefore be done away with. Throughout there are examples of the importance of local government, but in South Africa it continues to be ignored. The best example of this is our Division of Revenue Bill. Currently local government only receives 9% of the budget; yet it is local government that is at the frontline of service delivery in this country.

Once the provincial sphere of government has been done away with, the budget it currently receives must be allocated to local government. Local government must then deliver more services, but also play a more active role in economic development. In Germany,

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 77**

for example, local government plays an extremely important role in shaping local economies, driving development and creating jobs. Our municipalities also need such power.

Another aspect of local government funding that needs to be addressed is the formula used in the distribution of resources amongst municipalities. Currently, the way municipal finances are allocated is along the lines of apartheid spatial plan, and if we continue to use the current formula, we will only further entrench the status quo.

This brings me to the point of spatial planning. Too many of our municipalities are a reflection of the 1913 Natives Land Act, and the Group Areas Act. Whites stay close to jobs, the CBD, good schools, good hospitals and in crime free areas, while black people are forced to live on the periphery away from schools, hospitals, safety and economic opportunity.

Our municipalities must be compelled to change this so that the legacy of apartheid is ended. Our people must be given housing and land close to jobs, close to schools, and close to quality healthcare. To fight corruption in municipalities, two things need to happen: Firstly, the Public Audit Act must be amended to give the

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 78**

Auditor-General wider powers to recommend prosecution of government officials and politicians who repeatedly fail to improve governance systems in their departments; and secondly, the tender system must be done away with and internal municipal capacity must be developed.

Currently, the reason why we have so few clean audits in our municipalities is because of the illegal awarding of tenders. Comrades in the ANC as well as those in the DA who have been deployed to strategic positions in municipalities use their power to award contracts to their comrades, without following procedures and guidelines. In fact, it is so bad that municipal services are sometimes collapsed so another tender can be provided.

The tender system is bad for service delivery. Municipalities must rather have the internal capacity to provide services. They must have electricians, plumbers, builders, engineers, cleaners, security and all other services that may be needed.

In Joburg, under the direction of the EFF, we have seen how this can work, and now hundreds of cleaners are earning double what they earned before, along with benefits and the services are still getting delivered. Proving that we do not need to outsource and use

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 79

tenders. Paying workers properly salaries also improves their mood, attitude and the quality of the services they are able to deliver.

One final issue that I want to raise before I close is the issue of utility bills. We currently have hundreds of thousands of poor South Africans who are unable to pay their utility bills for electricity and water and are being threatened with having their electricity cut off. Many of these people are social grant recipients ...

[Interjections.]

and are barely surviving so how can they be expected to pay for electricity.

It does not make any sense. Water and electricity must be provided to social grant recipients free of charge. These are some of the solutions that can be implemented at the local government level to improve its effectiveness and to ensure service delivery to our people. The EFF reject this budget vote.

The HOUSE CHAIRPERSON (Mr A J NYAMBI): Hon Moletsane, sorry, let me take a point of order. Hon Dodovu!

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 80

Mr T S C DODOVU: I want to ask the member if he is willing to take a question ... [Interjections.] ... because he is talking Johannesburg and that [Inaudible.]

The HOUSE CHAIRPERSON (Mr A J NYAMBI): No, no, no! Hon Dodovu, no, no, no!

Mr T S C DODOVU: Can I ask him a question?

The HOUSE CHAIRPERSON (Mr A J NYAMBI): No! Hon members, don't do that. No, don't do that; don't assist. Let's ascertain: Hon Moletsane, are you ready to take a question?

Mr M S MOLETSANE: No, I am not ready. He can write it and send it to me; I will respond in writing. [Applause.]

The HOUSE CHAIRPERSON (Mr A J NYAMBI): No he is not ready to take it!

Mr M S MOLETSANE: Many of these people are social grant recipients and are barely surviving. So, how can they be expected to pay for electricity? It does not make any sense at all! Water and electricity must be provided to social grant recipients free of

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 81

charge. Hon Minister, these are some of the solutions that can be implemented at the local government level to improve its effectiveness and to ensure service delivery to our people. The EFF rejects this budget vote! [Applause.]

Ms N P KONI: Chair, can we go home, we are done for the day!

Mr M R BARA: Before you leave - Chairperson!

Ms B T MATHEVULA: We are done! [Laughter.]

The HOUSE CHAIRPERSON: COMMITTEES: Hon members - sorry, hon Bara. Hon members, heckling is allowed but you can't drown the speaker at the podium. So, do it in a way that we will also be able to hear him at the podium. You are recognised, hon Bara.

Mr M R BARA: Hon Chairperson, Hon members, hon Minister, Deputy Minister, fellow South Africans, let me start by joining millions in South Africa and throughout the world in celebrating the birthday of Isithwalandwe's birthday, Nelson Mandela, who would have turned 101 years today. [Applause.]

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 82

It is a celebration of humanity, reconciliation and creation of a better South Africa for all. It is quite befitting therefore to have this debate today as Madiba fought for the poor throughout his life, but the organisation he once led fails to uphold and sustain his legacy.

The state of municipalities and local government in general leaves a lot to be desired. Now, let me correct this: It is not about questioning the credentials of the Minister, as it was not to talk about the credentials of Dr Mkhize, who was before. I can't say much with the weekend special before Dr Mkhize, and that is Des Van Rooyen. So, we are not questioning how qualified the Minister is. All that we want to do is to put the challenges of local government before this House and say that these are real challenges that need to be dealt with.

That reality is this: Three years ago, 54 municipalities received a clean audit and today that number has decreased to a lousy 18 out of 257. That is a reality that we are putting. It doesn't talk about credentials. However, amongst the top performers is the DA-led Midvaal Municipality under the stewardship of Executive Mayor Bongani Baloyi. It is the best run municipality in the country. In fact, it is the best in Gauteng. It has obtained five consecutive

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 83**

clean audits. We must learn lessons and good practice, irrespective of who runs the municipality.

Local government is in the front line of delivery, and the sooner the ANC recognises that, the better. It cannot be that there must be protest and destruction of property before the ANC-led government listens to the people. The Amahlathi Municipality - MEC Nqatha - in the Eastern Cape is one of 30 municipalities who find it difficult to pay its own employees. The second part of it is that many other municipalities are failing to contain sewage spillages. People are living as if they live in toilets. That is the reality and state of our municipalities.

Twenty-seven municipalities in Limpopo failed to improve on their audit outcomes. Despite spending R177 million of taxpayer's money spent on consultants to help them with financial management, while not a single municipality in the Free State got a clean audit in terms of the Auditor-General's report. That is the reality and the state of our municipalities. Irregular expenditure has risen to a value of R21 billion as we speak.

A few years ago, the Manase commission reported evidence of massive fraud and corruption in Ethekwini Municipality. To this day, not a

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 84

single person was brought to book. Minister, the Department of Co-operative Governance and Traditional Affairs, Cogta, received a disclaimer from the Auditor-General's report. How can you crack a whip on municipalities if the department itself is not in order?

*IsiXhosa:*

Ifana nononkala othi abantwana mabahambe ngqo, abe yena ehamba ngecala.

*English:*

Decisive political leadership and clean governance is essential if we are to run or turn things around. The chaos around the Ethekwini Metro, where the mayor faces fraud and corruption charges, comes to mind. It is necessary therefore for the ruling party to sort out its issues without those issues negatively affecting service delivery to the poor.

The huge amounts of money owed to Eskom by municipalities require urgent resolution. Ordinary citizens are suffering, having to live without electricity, while some of them are paying loyally in terms of services that they getting. That needs a speedy resolution. That kills local businesses under our suffering economic conditions which we can't afford to lose any of the jobs that we have. Minister, this

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 85

is what you have inherited in this department and you are left with no choice but to find a solution.

The VBS scandal must be mentioned because to the neglect of the Municipal Financial Management Act, mayors in Limpopo decided to go ahead and invest money in VBS, which is not a recognised bank in terms of the Bank Act of 1990. Some of ANC mayors are suspected to have received kickbacks while acting deliberately against the Municipal Finance Management Act. Now, ... [Interjections.]

The HOUSE CHAIRPERSON: COMMITTEES: Hon Bara, sorry. Let me take hon Mmoiemang.

Mr K M MMOIEMANG: Hon Chair, is it parliamentary to mislead the House? The hon member made reference to Ethekwini Municipality and the Executive Mayor of Ethekwini is on suspension.

The HOUSE CHAIRPERSON: COMMITTEES: Hon Bara, continue!

Mr M R BARA: Thank you, Chairperson. We shall engage outside. What I find disturbing is that some of those suspected of wrong doing are never brought before the law to prove their innocence. Instead, the ANC deploys them elsewhere or in this Parliament.

*IsiXhosa:*

Indawo yamasela nabarhwaphilizi yintolongo, hayi iPalamente.

*English:*

Lastly Minister, the role of the traditional leaders in a constitutional democracy must be clearly defined.

*IsiXhosa:*

Njengomntu okhulele eDikeni, ezilalini, phantsi kweNkosi uMabandla. Uphuhliso phaya belusiza ngaye phambi kokuba kubekuo oomasipala.

*English:*

However, what is happening now is that there is a conflict between our local government and the role that must be played by traditional leaders. This must be clarified so that we don't find unnecessary clashed in terms of who should be doing what.

So, in that way, the partnership between traditional leaders and our local government structures is essential if we are to drive any development. Secondly, let economic development be driven in our cities. [Time expired.]

*IsiXhosa:*

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 87

Awunakundipha nomzuzu lo ke?

The HOUSE CHAIRPERSON: COMMITTEES: Conclude! You can conclude!

Mr M R BARA: Minister, we are ready to share the successes of the DA-led municipalities with the department. I think there are lessons that you can learn across and kind of provide a pure service to the people in the interest of the development of our country. I thank you. [Applause.]

Mr A B GXOYIYA: Hon Chairperson, Deputy Chairperson of the NCOP, hon Chief Whip, hon Minister and Deputy Minister of Co-operative Governance and Traditional Affairs, CoGTA, our special delegates from provinces and SA Local Government Association, SALGA, hon members of the NCOP and the respectable citizens of the Republic of South Africa.

Let me first extend my word of congratulations to you Minister and Deputy Minister on your appointment to this Ministry. We welcome this appointment knowing your profile, hon Minister. It has been expatiated here; I'm not going to repeat that. And we are confident that through your leadership this department will deliver on its mandate.

*IsiXhosa:*

Ungugqirha wokwenyani...

*English:*

... wherever you go you heal. So, the footprints that you are going to leave, we are confident that they will heal our local government.

This policy debate takes place on an important day in the history of our country and in the history of the world. It is the birthday of our international icon, uTata uRolihlahla Mandela, Aah Dalibhunga!

Madiba's name is engraved in history as the father of our democracy and the architect of the Reconstruction and Development Programme, RDP; aimed at addressing socioeconomic injustices of apartheid, that the DA was part of.

The Reconstruction and Development Programme sought to combine a variety of measures including but not limited to housing, electricity, access to clean drinking water, which in the main are the responsibility of an efficient local government.

The work of local government is located in municipalities and the municipalities are situated in provinces. Therefore, as the NCOP we

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 89**

need to engage with this Budget Vote soberly and unite to achieve the noble goals of an ideal local government and avoid empty rhetoric and political grandstanding. We must keep interest in building an ideal local government that is capable of delivering services to the people.

Hon Chairperson, allow me to premise my input on the clause in the Freedom Charter which guarantees the people of South Africa the right to vote for a party of their choice and guarantees their power of decision-making. That clause reads thus, the people shall govern. Indeed the people of South Africa are governing and they have made their choice to elect the ANC to lead them in their numbers.

We must be thankful as the ANC to their wisdom and strive at all time to live up to their expectations. We dare not fail them, hon Chairperson. Not now and not ever.

I raise this clause precisely because the policies of the ANC as reviewed by the 54th National Conference are anchored on the progressive declaration of the people that they made in 1955.

Inspired by the Freedom Charter, the 2019 manifest commits us to open a new chapter in the history of our country: a chapter of

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 90

rebuilding our country through intensification of the fight against corruption; ensuring the eradication of the triple challenges of unemployment, inequality and poverty.

This manifesto, which has been copied verbatim by some parties and claimed to be theirs, makes a humble plea to all of us to join hands and build South Africa together. [Interjections.] If the shoe fits you wear it. [Laughter.] [Interjections.]

It is a known fact that the ANC had adopted key policies that are central to the transformation of the state. Chapter 3 of the Constitution of the republic deals with co-operative government and stipulates the principles that must be adhered to at all times by all three spheres of government whilst acknowledging their distinctive interdependent and interrelated nature.

It is, therefore, prudent that in anything we do and as we plan for the future we reflect on the charter and the manifesto of the ruling party, which is premised on it.

Successful service delivery requires focussed, efficient and effective local government that is free from corruption and graft. Our municipalities must be centres of excellence that are easily

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 91**

accessible to the people. The provincial government has the responsibility to exercise oversight over the municipalities, so as to ensure that they play their role in service delivery.

The ANC is committed to the provision of effective, transparent and accountable as well as coherent local government for the republic as a whole. In line with the Constitution as well as the Outcome 9 of the Medium Term Strategic Framework, MTSF.

This policy debate on CoGTA affords us an opportunity to assess the progress made in terms of achieving policy priorities.

The mandate of the Department of Co-operative Governance and Traditional Affairs is to develop, monitor the implementation of national policy and legislation aimed at transforming and strengthening key institutions and mechanisms of governance in national, provincial and local government to fulfil their developmental role.

The vision of CoGTA is thus to build functional and developmental local government system that delivers on its constitutional mandates.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 92

The ANC inherited citizens' towns that were mainly established to serve the interests of the white minority group at the expense of the poor working class. This development of white cities and towns by the apartheid government represents one of the most skewed planning and development in our modern era. South African townships were created with no potential for economic growth and far away from economic activities.

Hon Minister, you will agree with me when I say "ANC government is hard at work to transform this skewed spatial development and our local municipalities are at the centre of this transformation.

While we note the progress made in the last 25 years, we acknowledge the challenges still faced by local government. We particularly note

Mr K MOTSAMAI: Chairperson, on a point of order. I have a problem when you take other political parties' manifestos and you come and make it yours. [Laughter.] He must move from the manifesto of the EFF, not use it as your own. Ngiyabonga. [Thank you.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Motsamai, it's not [Interjections.] ya [yes] I'm ruling. Hon Motsamai, it's not a point of order. Section 71 of our Constitution read with Rule 30 of the

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 93

rules of the NCOP is clear about the freedom of speech. So, there's nothing wrong with what he has said.

Mr A B GXOYIYA: We say we particularly note the unpalatable audit outcomes and the recommendations of the Auditor-General, AG, as well as the government's failure to respond in the past.

Without going into the traumatic details and the negative impact it has in our communities we instruct the Minister to act decisively to ensure the implementation of the AG's recommendations in defence of the working class and the poor who are denied services as the result of inefficiencies and corruption.

Our municipalities must improve their capacity for revenue collection and we would be failing if we don't make a call to our people to start paying for their services.

Thomas Sankara, the selfless liberator of Guinea Bissau spoke against and condemned corruption and called for stern action against corruption. In his words he said: "No, we cannot be accomplices. No, we cannot go with those who suck our people's blood and leave on our people's sweat."

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 94**

I, therefore, call on you hon Minister to act decisively to crash the monster of corruption in the municipalities, in defence of our poor people as a whole.

I further call on those who claim to be the representatives of the marginalised and the downtrodden to stop opposing the good and progressive programme of the ANC in favour of none.

Hon Chairperson, in order to realise the effective and efficient local government it is important to ensure that we make our local municipalities employers of choice, they must attract the best skills, they must make sure there's skills audit and also to ensure that after the skills audit there's a concerted plan for skills development.

We also want to call on councillors to stop interfering with administration and exercise their oversight role so that we will make sure that our municipalities are effectively administered and administration accounts to the councillors.

High level of turnover in municipalities in many instances is called by political interference.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 95

Hon Chairperson, unlike the DA that continuously conceals the crisis in their municipalities, we concede the weaknesses and commit to support you in the implementation of the Auditor-General's, A-G's, recommendations. For example, the DA will never talk about the Cape Town metro where they are busy harassing homeless people as we speak, and they're trying to make ends meet, they cannot, because what they are obsessed with is to hide the people away from their white fellow friends. [Interjections.]

Delivery of basic services to our people underpins ANC's commitment to radical socioeconomic transformation. It cannot be overemphasised in the same breath to address the legacy of apartheid. CoGTA needs to ensure that local economic development takes place within our municipalities.

Section 1(2)(c) and 1(5)(3)(a) of the Constitution commit local government to promote social and economic development. Therefore, local economic development becomes the core functions of municipalities and must be sufficiently budgeted for.

The importance of local economic development can be seen, for example, in towns like Kimberley, where after the decline of mining activities there's was decline in economic activities because we did

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 96**

not plan to ensure that there are alternative activities to mining activities. So, in future that should be the case, the same applies to Matjhabeng Municipality in Welkom.

The importance of rural economies cannot be overemphasised. It is important to ensure the revitalisation of rural economy and this can be achieved through the successful implementation of agrarian revolution.

The Department of Co-operative Governance and Traditional Affairs commissioned a research on land tenure rights for traditional leaders and communities and this will help government to provide regulatory framework necessary for agrarian revolution. This work should be done in collaboration with traditional leaders. Access to rural communities should be through traditional leaders and therefore, it is important for the department to have a dynamic collaboration with traditional leaders.

Integrated Urban Development Framework is a policy initiative of our government co-ordinated by CoGTA, aimed at recognising our urban economies to be all inclusive so that our cities become good places to live and work in. this initiative seeks to foster a shared understanding across government.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 97

We know all the challenges of infrastructure development in most if not all our municipalities. The kind of infrastructure that was built was never meant to serve our people; it was meant in order to serve the few. And the DA-led municipalities continue to build on this legacy.

We will work very hard in support of you Minister to show up [Time expired.] Thank you, Chair.

In conclusion Chair, it is important that we as South Africans never claim to possess the magic wand, we must work together. As the ANC we unconditionally support this Budget Vote and call on all in sundry to join hands with us and support the good intentions of the ANC-led government.

*IsiXhosa:*

Khauleza mama, abantu balindile ...

*English:*

... they want good services. Thank you very much.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

Firstly, let me thank all of you who have participated in this

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 98

debate and giving lots of advice, and we consider as good advice we will take and implement.

I would like to thank the ANC for all the things they've said, especially the MECs because we are a team, I will be as good as the team, so we must work together and appreciate all the things that you have said. Because I don't have a lot of time I won't go on them one by one.

The other parties also have said some of the things that should be done and I thank all of them.

But I'm just puzzled with the EFF because you give good advice but you deny us the means to implement your advice. [Interjections.]

Yes! You give us good advice but you don't give us the budget to implement your advice, so how are we going to implement your advice if you don't give us the budget? [Interjections.] So, you are just as well saying, well, you don't care. If you don't give the budget it means you don't care, you don't care about our people

[Interjections.] Yes! So, please, you must support the budget.

But I want to just say something that [Interjections.] I beg your pardon?

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 99

Ms C LABUSCHAGNE: Hon Chair, I would like to ask the Minister a question.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Ya, ask it

The HOUSE CHAIRPERSON (Mr A J Nyambi): No, before you can ask. Hon members, in terms of the rule, you can't say you want to ask a question and ask the question. You must first ascertain whether the hon member at the podium is ready to take the question.

So, hon Minister, are you ready to take a question?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: I'm ready if you give me extra time. [Interjections.] [Laughter.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Okay, hon Minister, let me allow you to go with your responses and I'll see whether you have that time. We'll take it from there.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Okay. One of the things I want to do is to put a challenge to all the political parties, all of you. That you must assist us to ensure

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 100

that the people you put in local government, because it's political parties who put people in local government, are people who are ready to serve, who are ready to utilise the government's resources properly, not corrupt, are people who are fit for the job, because they in turn will employ officials who would be able to do the job. So, if the political parties did that, half our job will be done. So, the responsibility is yours, even more than ours to ensure that.

And of course we need to work with the rest of government to create employment because if in a community the only employer is local government then there'll be fights and all sorts of things, but if there are opportunities to work people will go into local government because they want to. So, it's one of the things that we must do and we appreciate the fact that the President said local government should be the centre of economic development. And if that happens, I think things will also improve. Of course, all the other things that we need to do, including in our department we'll do.

I'm curious about the question.

The HOUSE CHAIRPERSON (Mr A J Nyambi): we still have the time. We can [Interjections.] Order, members. We are still fine with the time, you can take the question. Hon Labuschagne!

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 101

Ms C LABUSCHAGNE: Hon Minister, I would like to know from the Minister's side that you know that the ANC is governing and the ANC has the budget, it means when the EFF or any other party in chamber does not agree with the budget "Do you really think not agreeing is a way saying you don't give us the budget?" That's a way out of not knowing how to answer because hon Minister [Interjections.]

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: So, what is the question?

Ms C LABUSCHAGNE: Hon Minister, do you say that if parties don't agree with the budget that you won't spend the budget, because we don't agree with the budget?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: If all parties were to not support the budget where will the budget come from? [Interjections.] So, I can tell you that ... no, you have asked your question

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Labuschagne, you have asked your question. Take your seat so that the Minister can respond to your question.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

THURSDAY, 18 JULY 2019

Page: 102

Ms C LABUSCHAGNE: I thought she already responded.

The HOUSE CHAIRPERSON (Mr A J Nyambi): No, hon Labuschagne, we got the question. Let's allow the Minister to deal with it.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: You know the budget, hon Minister, is there [Interjections.] hon member [Laughter.] [Applause.] is to ... the budget is to implement policies for a better life for our people. They can only come from the budget. So, if you support the budget it means you support the better life for our people, and if you don't support I don't know what you do. It means you are not interested in the better life for our people. That's the only point I was making. [Applause.] That's the only point I was making about saying [Interjections.]

Ms C LABUSCHAGNE: That's the arrogance of the ANC.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Now, the DA is really a party of the past that created all the problems we're trying to fix. Thank you. [Applause.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Thank you. Order, members! That concludes the business of the day.

**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**THURSDAY, 18 JULY 2019**

**Page: 103**

Hon members, allow me to take this opportunity to thank SALGA representatives present today, our special delegates, MECs from Limpopo, KwaZulu-Natal, Deputy Minister, Minister and Eastern Cape special delegates, MEC. It's what makes us the House that represents the interest of provinces if we have even SALGA participating in our debate. So, we are quite grateful.

Hon members, we are grateful for availing yourself for this very important debate. You are requested to remain standing until the procession has left the House. The House is adjourned.

The Council adjourned at 16:46