

**REMARKS BY MINISTER OF COOPERATIVE GOVERNANCE AND  
TRADITIONAL AFFAIRS (COGTA), DR NKOSAZANA DLAMINI ZUMA  
AT THE NCOP 2022 LOCAL GOVERNMENT WEEK**

**THEME: ADVANCING OUR COLLECTIVE EFFORT TO ENHANCE  
OVERSIGHT AND ACCOUNTABILITY IN THE LOCAL SPHERE OF  
GOVERNMENT**

Lagoon Beach Hotel, Cape Town, Western Cape Province  
13 September 2022

Programme Director and Deputy Chairperson for the NCOP, Ms Sylvia Lucas,  
Chairperson of the NCOP, Mr. Amos Masondo,  
Chief Whip of the NCOP, Mr Seiso Mohai,  
Chairpersons of the Select and Portfolio Committees of COGTA, and other  
Chairpersons of Parliamentary Committees,  
Members of the NCOP,  
Cabinet Ministers and Deputy Ministers,  
MEC's of various portfolios present,  
Auditor-General of South Africa, Ms Tsakani Maluleke,  
President of SALGA, Cllr Bheki Stofile,  
Esteemed guests, Ladies and gentlemen,

Thank you for this opportunity to address this session of the 2022 Local Government Week, which the house hosts under the theme:

***'Advancing Our Collective Effort to Enhance Oversight and  
Accountability in the Local Sphere of Government.'***

The centrality of local government for socio-economic development emboldens me to argue that every week should be local government week. We cannot address any issue in local government without an understanding

of the ideal local government, particularly how our successes and/or failures translate to whether we can achieve a better life for all our people.

**Honourable Chairperson**, former President Nelson Mandela, in his inaugural State of the Nation Address on 24 May 1994 said:

*“The government I have the honour to lead and I dare say the masses who elected us to serve in this role, are inspired by the single vision of creating a people-centred society. Accordingly, the purpose that will drive this government shall be the expansion of the frontiers of human fulfilment, the continuous extension of the frontiers of the freedom. The acid test of the legitimacy of the programmes we elaborate, the government institutions we create, the legislation we adopt must be whether they serve these objectives. We must construct that people-centred society of freedom in such a manner that it guarantees the political and the human rights of all our citizens.”*

In echoing these words, it is necessary that we locate and reflect on the ideal local government, particularly one that would enable us to create the people centred society uTata desired South Africa to become. This will enable us to determine the type of oversight necessary from the various spheres and institutions of collective governance. We must also recognize the developmental role given to our local government by the White Paper on Local Government and the Constitution.

Section 152 of the Constitution sets the objectives of local government which are to:

- (a) Provide democratic and accountable government for local communities.
- (b) Ensure the provision of services to communities in a sustainable manner.
- (c) Promote social and economic development.
- (d) Promote a safe and healthy environment; and
- (e) Encourage the involvement of communities and community organisations in the matters of local government.

Our Constitution recognises that these objectives require the provincial and national spheres of government to actively enable local government, as Section 154 mandates those spheres to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions accordingly.

The Constitution and the White Paper call on us to imagine an ideal local government as a space where everyone can and should live to their full potential. The ideal local government creates prosperous, resilient, sustainable, coherent, cohesive, integrated, non-sexist, vibrant and climate smart communities.

These communities within this ideal local government can attest that they:

- i. Human settlements that are resilient and can withstand disasters and calamities with minimal damage and loss of lives.
- ii. Have a decent living environment with clean air and fruit trees in every household;

- iii. Enjoy safety for themselves, particularly women and children;
- iv. Can easily access education, skills development, health, and recreation facilities;
- v. Skills training based on economic needs through targeted TVETs, underpinned by Science Technology and Innovation
- vi. Have access to clean water, dignified sanitation, quality transport, consistent energy and electricity, and road networks as well as Information, Communications and Technology (ICT) services.
- vii. Are part of the fourth industrial revolution (4IR) and have access to digitisation and ubiquitous broadband connectivity.
- viii. Have access to integrated transport both on road, rail air and in some municipalities in the ocean.
- ix. Are part of a vibrant local economy creating quality jobs, sustainable livelihoods and promoting inclusiveness.
- x. A place where people bank and ensure that income rotates within the community through local and community banks at least once.
- xi. A place where people want to visit and come back and where everyone respects the rule of law.
- xii. Have food security, where basics such as fruit, vegetables, and warm bread are sourced locally.
- xiii. Good revenue collection and an effective efficient billing system

Having had sight of the above, we are reminded that the ideal local government is supposed to achieve all the aims of a developmental state. Therefore, should local government fail to achieve these objectives, the whole of government fails, and when local government succeeds the whole of government succeeds.

**Honourable Chairperson**, we live in one of the most unequal societies in the world, with rampant poverty, inequality and unemployment. The bedrock on which these triple challenges are rooted is the lack of vibrant local economies. In many municipalities, government is the biggest source of jobs, economic opportunities, and any prospect of upward social mobility for our people. The only means by which we can realise common prosperity is by having a strong and vibrant economy in each local area that harnesses the local endowments for its residents.

**Honourable Members**, ensuring ideal municipalities requires a whole-of-government and society approach and policy coherence implementation at all levels of government. It is for this reason that we continue to strengthen the District Development Model (DDM) approach, which is anchored on Section 47 of the Intergovernmental Relations Framework Act. This whole of government and society approach identifies metros and district spaces, although with distinct constitutional powers functions and responsibilities, as the most appropriate levels for intergovernmental coordination and social compacting. It is aimed at facilitating joint planning, implementation, and monitoring of government's development programmes with all spheres, sectors and entities. These must undertake collaborative planning, budgeting and implementation processes thus converging developmental efforts at the district/metropolitan level. When a district is working optimally, we should have one plan that is implemented by all sectors and spheres of government.

The DDM further provides an ideal platform to support Disaster Risk Reduction in the country. The 2022 Global Risk Report highlights that climate-change related risks account for three of the top risks by severity over the next 10 years. Respondents to the Global Risk Perspective Survey (GRPS) rank “climate action failure” as the number one long-term threat to the world. Climate change is already manifesting rapidly in the form of droughts, fires, floods, resource scarcity and species loss, among other impacts.

Our collective oversight and accountability through the local sphere of government can bear the desired impact when the oversight is cross-sectional, and is able to view the performance of local government in tandem with that of provincial and national government.

**Honourable House Chair**, the Eastern Seaboard Development, which is a flagship project of the DDM, was officially launched by the President last year November. The Eastern Seaboard development follows a polycentric planning approach to establish a fully integrated system of settlements that co-exist and collaborate in mutually beneficial ways.

The Minister of Agriculture Land Reform and Rural Development has declared the area a region in terms of SPLUMA. This will deepen our collaboration and the support we have received from the traditional leaders, the 17 local municipalities and the 4 districts. Three catalytic projects have been identified and are currently under project preparation: these are the development of Cannabis/hemp industry, small ports and harbours and the Umzimvubu water project.

Through the DDM, we have managed to unblock the Masodi Wastewater Treatment Works project in Mogalakwena in Waterberg, with the following positive results:

1. 200 jobs have been preserved
2. The Environmental impact of sewage entering streams averted
3. A development amounting to approximately R300 million for the development of a sewage treatment plant is continued in the Mogalakwena municipal area
4. The Mogalakwena municipality is secured of direct monthly income from the sale of treated effluent from Ivanplats,

Multiple government departments were involved in the unblocking of the project (e.g. COGHSTA, DWS, Treasury), indicating that silos are progressively weakened to achieve a common goal.

An ideal local government must have an ideal municipality that has a clear delineation of powers and responsibilities between the political and administrative interface. This ideal municipality must above all else respond to the needs of its citizens in that it must:

- Have a stable council that is duly constituted in accordance with the Constitution and relevant laws,
- Have competent leadership,
- Have oversight structures that meet regularly,

- A council that meets its obligations to fill senior vacancies, ensure community participation, and hold the administration accountable.
- Not interfere in the affairs of the administration, particularly supply chain management processes.

At an administrative level, an ideal municipality must:

- Have, qualified, skilled, and competent civil servants
- Have continuity within the administration, and
- It must be able to meet its strategic and performance expectation's which are in accordance with the White Paper on Local Government such as:
  - **Municipal long-term planning** to ensure effective spatial planning and land use management,
  - **Technical functions** to ensure the best management of energy, and infrastructure maintenance and building.
- The administration must also have a risk and compliance needs to ensure that it is:
  - Able to mitigate disasters, ensure public safety, and maintain law and order,
  - Able to comply with the legislative requirements on procurement, reporting and accountability.
  - Able to meet cooperate needs of the Municipality such as Human Resources, Information Technology and Communications, Fleet needs, and Marketing.



Ideal municipalities must provide a high-level standard of services to citizens. These include ensuring that each household has access to inhouse portable drinking water, households must have in-house water based flushing systems, that refuse is collected at least once a week, that there is consistent access to energy, that roads are paved or tarred, that there is access to consistent affordable fast broadband 5G fixed lines, and there must be local economic development.

Furthermore, traditional leadership is an integral aspect of a functional local government. The Municipal Structures Act provides that traditional leadership should be involved in municipal governance through meaningful participation in, and among other areas by:

- Supporting the relevant municipality in promoting integrated local economic development and planning
- Make recommendations and propose appropriate interventions in respect of service delivery within the defined areas of jurisdiction of the relevant traditional councils;
- Participating in relevant development programmes of the municipality;
- Promoting the ideals of co-operative governance, integrated development planning, sustainable development and service delivery
- Promoting indigenous knowledge systems; and
- Participating and ensure the participation of traditional and Khoi-San communities in any environmental programmes of the municipality.
- Integrating the rural Master Plan which the Traditional leaders have developed into government plans.

To attain the ideal state municipalities, we must work with and in partnership with communities, business and all stakeholders. Thus, they must maintain dynamic communications so that everything is citizen centric, and locally driven. Additionally, municipalities must adopt and live by the principles with which they ensure that we put our people first (Batho Pele). Municipalities must also ensure that utilized services are paid for by all affording residents.

**Programme Director**, National Treasury through sector Departments allocated a total of R6.6 billion, for the period 2020/21 to 2022/23, to support capacity building in municipalities to improve financial management skills and practices. The question that must be asked though, is, what sort of capacity was built given that financial management has not improved? We need to collate our efforts to ensure that support provided yields the required results.

To deal with this challenge the Department in collaboration with the provinces, SALGA and National Treasury has developed a framework to guide the process of developing, implementing and monitoring the Municipal Support and Intervention Plans (MSIPs).

**Honorable House Chair**, its important note that the post 1994 system of local government is based on a wrong assumption, that all municipalities, would be able to collect their own revenue. The reality is such that most municipalities are unable to collect revenue and are reliant on National and Provincial spheres for funding. A majority of municipalities thus have an unfunded budget. There is therefore a clear need to change that the funding model for municipalities must change.

Working with our provincial counter parts, we continue to support municipalities during the pre-implementation and implementation phases of Municipal Infrastructure Grant (MIG) projects by guiding them to meet the MIG Programme. This work is strengthened on a technical level by the Municipal Infrastructure Support Agent (MISA) when participating in verification processes when cost reimbursements are undertaken.

Most municipalities are also struggling with maintenance of infrastructure, such as roads, water, and wastewater treatment plants, as well as solid waste management. Local government can initiate infrastructure maintenance programmes that provide skills training and job opportunities to unskilled unemployed individuals. Many municipalities however have been unable to maintain or attract more experienced engineers.

We will therefore support the municipalities to recruit and establish road maintenance teams to patch potholes, clean storm water drainage systems and make road markings. The teams will be comprise of local people and work close to their homes. The Community Works Programme (CWP) is the best available vehicle, which we are remodelling so that it may be used to implement such projects.

Working through initiatives such as the MISA Municipal Capacity Building Build Programme, we continue to provide technical support and the building of sustainable technical capacity in municipalities for better delivery and management of municipal infrastructure.

Furthermore, MISA's statutory requirement also entails influencing the technical capacity development mandate towards professionalization. Consequently, the MISA Capacity Development Plan aims to support the professionalization of municipal technical officials through initial professional development or continuing professional development.

Additionally, the programme intends increasing qualification levels of Infrastructure / Technical Directors without minimum academic qualification in compliance with statutory provisions that regulates technical professionals. This is complemented with the provision of a technical bursary which funds the development of technical skills to create a pipeline of new built environment professionals for local government.

These professionals include Engineers, Town Planners, Construction Project Managers, Quantity Surveyors, Water and Wastewater practitioners as well as sanitation and waste management disciplines. Alongside these there is a critical need to support and consolidate a vibrant artisan skills base for local government by capacitating current municipal officials as Artisans and including deployment of recent graduates with these skills, especially in electricity, plumbing, diesel mechanics and motor mechanics for local government service delivery.

**House Chairperson**, our country's challenges are many and include high levels of poverty with 61.5% of people in the country living below the upper poverty line in 2020. This is up from 59.8% in 2019. On average, the Gini coefficient in South Africa is approximately 0.62. Category A, or metro municipalities, have a higher Gini index which indicates that there is a

significant inequality gap in these municipalities. Thus, our emphasis on local economic development so that local municipalities can create jobs .

The local sphere of government has the potential and mandate to play a significant role in the reconstruction and recovery of our economy. The tasks of local government, as the sphere closest to the people, includes the satisfaction of the current needs of the community residents and the stimulation of socio-economic development. We have therefore, revised the Local Economic Development (LED) Framework to enable municipalities to mainstream economic considerations into their sectoral department and accompanying strategies. The revised LED framework identifies five pillars of support, namely, research, planning and strategy; funding and finance; institutionalisation and collaborative partnerships; human resources and capacity; monitoring and evaluation and knowledge management.

Enabling significant economic opportunities for wealth-creation, self-sustenance, and resilience to drive local economic community development, particularly in townships and villages is extremely important. Through the Local Economic Development framework we also intend to facilitate :

- Localised instruments that can finance and support local businesses.
- Introduce and utilise a legal framework that will ensure that big business, retail shops and malls located in townships, partner with local businesses.
- Set up procurement rules and programmatic support which allows government and its main contractors to buy from large groups of township-based firms and cooperatives.

- Turning taxi ranks into micro-CBD's and support the taxi economy to use its scale to grow supporting value chains and industries.
- Converting areas with high commercial densities to into township high streets.
- Compelling all businesses that get government contracts to spend a certain percentage of their procurement spent on township and rural SMMEs and cooperatives, which are the real job creation vehicles.
- Accelerating strategies to absorb and mobilise skilled and semi-skilled labour, taking on unemployed youth as apprentices and employees, as part of a mass scale response to repairing and upgrading public facilities.
- Link agro-processing and the food economy to social relief to create an explicit market for homestead and small farmers to supply quality food to food insecure households, including through the establishment of municipal enabled "people's restaurants" following the model pioneered by Brazil as part of the Fome Zero programme.

With regards to the Municipal Infrastructure Grant (MIG), the allocation for the 2021/22 financial year is R15,6 billion. As at the end of June 2022 (the 4<sup>th</sup> quarter of the municipal financial year) the MIG has spent approximately R14 billion (89,73%) of the R15,6 billion MIG allocation. One hundred percent of the total 2021/22 allocation of R15,6 billion was transferred to municipalities by end March 2022.

Across municipalities, approximately 70% of revenue is raised by the municipalities themselves through rates, taxes, and service charges. The ability and capacity of local government to ensure that its own-revenue

streams are bringing in the necessary finances to the municipality is critical to their financial sustainability.

A net under performance against the budgeted revenue was R43.6 billion in the 2021/22 financial year. This indicates that municipalities were not able to bill and generate the revenue that it budgeted for, therefore, resulting in less funding available to cover the budgeted expenditure. Consequently, municipalities underperformed against the budgeted expenditure to align to the revenue generated and reduce the deficit. Included in the outstanding debt is an amount of R219.2 billion, which is debt older than 90 days (historic debt that has accumulated over an extended period).

A range of challenges with the billing and revenue system have been identified which need to be addressed. Firstly, the financial systems must be functioning optimally – billing systems must accurately reflect the usage of services, bills must be presented to customers monthly, and the credit control system must be carefully managed to not let outstanding debts mount up. Cut-offs for non-payment must be timeously implemented.

**House Chairperson,** Effective revenue collection can only be done in the context of good service delivery. Increasing water or electricity outages have a negative on the willingness of customers to pay for services. In this regard, the effectiveness of the revenue system is closely related to the ability to respond to service delivery outages, queries, and complaints. Ongoing and timeous maintenance of infrastructure is a vital part of an effective revenue generation system. It is also important that local politicians and community

leaders understand the importance of the municipal revenue system and play a role in motivating households to pay and discourage payment boycotts.

Finally, the loss of water through poorly maintained infrastructure, illegal connections, and the theft of services without payment significantly reduces the ability of municipalities to raise their own revenue. Addressing these requires an ongoing focused approach which includes infrastructure maintenance, inspections for illegal connections and raised community awareness around the issue.

**Programme Director**, to improve the capacity and capability for sound management in municipalities, regulations prescribe minimum relevant qualifications for the municipal manager and other senior managers reporting to the municipal manager. The Municipal Systems Amendment Act which was assented-to by the President, will extend competency requirements to other employees across the municipality. This will contribute to a competent work environment and building capability and capacity over time. Therefore, the training of councillors, human resource practitioners, and senior managers on the implementation of the Municipal Staff Regulations and Guidelines will be conducted in a period of 36 months in the 2022/23 financial year.

The greatest challenge that is being faced in many municipalities is the instability brought about by the changing of political leadership. With the local government elections that were held on 1 November 2021, we saw an



unprecedented 70 so-called “hung councils” in the country. This resulted in protracted negotiations between political parties after the elections, and while agreements may have been reached between parties at that time, we have come to realise and witness that they remain fickle instruments to govern municipalities, and the greatest victims of this instability are the citizens that they serve.

It is only with responsible politicians across the spectrum and their ethical leadership that will we be able to restore stability in councils and ensure seamless service delivery. Of course, this, together with all the other requirements are pre-requisites for the ideal municipality. All political parties must ensure that they prioritise the needs of citizens and stay true to their election manifestos. This will also require that delinquent Councillors are replaced with those that are able and competent.

Both the executive and the legislature have important, although distinct, roles to play in enhancing local democracy and accountability and steering the municipality toward achieving developmental outcomes. The effectiveness of mayoral committees as an accountability mechanism has come under question. Whereas the executive committee system is designed to guarantee fair access to executive decision-making processes for political parties, the executive mayoral system reserves access to executive decision-making for parties represented on the mayoral committee.

The councillor-administration interface is an important area where both sides are still adapting to changed roles. At times, councillors are accused of interfering in municipal administration. Also, officials are at times accused of

obstructing progress on the political direction emanating from the council. What is clear, however, is that individual councillors have no municipal authority. They are tasked to represent their communities in the municipal effort that is based on strategic municipality-wide priorities. Reports of councillor interference in municipal administration at times also reveal instances of the pursuit of individual interests. A performance monitoring and management system will also be introduced for Councillors, for accountability and improved service delivery.

COGTA will, through the DDM approach continue to strengthen our own but also our provincial counterparts' continuous support to and oversight of municipalities. We have seen that where there is political will in provinces, and attention is paid to dysfunctional municipalities, there is a great improvement that can be witnessed.

As I conclude, I wish to again thank the House for inviting us to participate in this session. Engagements such as these ones are important as they aid us in reimagining a better, more equal and equitable society. Working together we can attain vibrant, cohesive, connected, sustainable, prosperous, non-sexist, non-racist and climate-smart communities. It is without a doubt that this can be best facilitated by a strong, capacitated, and capable local government.

I thank you.