



cogta

Department:
Cooperative Governance and Traditional Affairs
PROVINCE OF KWAZULU-NATAL



MEC FOR COGTA
Ms, Nomusa Dube-Ncube



SANITATION **ELECTRICITY** **CLEAN WATER**
PUBLIC PARTICIPATION **GOOD GOVERNANCE**
EMPLOYMENT OPPORTUNITIES
DISASTER MANAGEMENT



2016/17

BUDGET

POLICY SPEECH VOTE 11

15 April 2016
KZN LEGISLATURE
09AM



**2016/2017 BUDGET SPEECH
BY HONOURABLE NOMUSA DUBE-NCUBE
KZN MEC FOR COOPERATIVE GOVERNANCE AND TRADITIONAL
AFFAIRS
KZN LEGISLATURE, PIETERMARITZBURG: 15 APRIL 2016**



Theme: "Local Governance: Driving Economic Growth and Development"

Madam Speaker;
The Premier of KwaZulu-Natal, Honourable Senzo Mchunu;
Members of the Provincial Executive Council;
Honourable Members of the Provincial Legislature;
Amakhosi AseNdlunkulu present;
Mayors and Councillors of municipalities;
Excellencies, Members of the Diplomatic corps;
Heads of Departments;
Distinguished Guests; Ladies and Gentlemen;
Senior Officials;
Members of the media;
Citizens of KwaZulu-Natal, Izakhamizi zonke zaKwaZulu-Natali;
Madam Speaker;

It is humbling that we are once more accorded the opportunity to present the 2016/2017 budget for Vote 11, to this revered House.



April is indeed an important month for us as a nation; it is a month in which we celebrate our freedom. In two weeks' time we will commemorate the 22nd anniversary of our freedom as a nation. Even today we still recall the images of long queues of South Africans, most of whom were waiting to cast their votes for the first time in their lives. It was in this month that we took a decisive break with the abhorrent system of apartheid and ushered in democracy which made possible the vision for which many of our heroes and heroines sacrificed their lives.

In case some among us have forgotten, in the month of April we celebrate victory over a system which brought misery, prejudice and rampant poverty to the overwhelming majority of our country's people.

When we celebrate our freedom, we celebrate the achievements of our democracy under the ANC-led government. We celebrate the restoration of human rights. We celebrate a non-racial, non-sexist, democratic South Africa which is based on the will of the people. We celebrate that women, children, people with disabilities, and rural and poor communities have benefitted directly and in majority from the ANC-led government policies and programmes and continue to receive focused attention.

Madam Speaker, veteran poet and author Don Mattera in one of his poems challenges us to use the glory of freedom to give birth to what he calls "more perfect days" for our people. Honourable Members, standing here today we assume a special place in the aspirations of our people, for we are the harbingers of their "perfect days". We are of the view that this budget will lessen the burden imposed on our people by poverty, inequality and underdevelopment.

Madam Speaker, in order for the perfect days to dawn, the most vulnerable among us must see their rights to development being realised with each passing day, through progressive advances in access to land, shelter, water, sanitation, education, training, health care and economic opportunities.

Madam Speaker, we are tabling this budget as our economy adapts to an ever-changing economic environment. This has led to economic pressures which forced government at national level and in KwaZulu-Natal as a province to wrestle with the challenge of budget shortfalls. Despite the economic constraints, we have, in putting together this budget, made choices that are in line with our government's main priorities which are, among others, accelerating service delivery, investing in infrastructure, and driving economic growth to reduce unemployment.

Honourable Members, in line with the decision of our government as outlined through His Excellency President Jacob Zuma's State of the Nation Address and the Premier's State of the Province Addresses, this budget is guided by the following key principles:

- Reprioritisation, improvement of efficiencies and alignment of spending towards core service delivery;
- Allocation of resources in line with provincial outcomes with an emphasis on driving economic growth and reducing unemployment;
- Specified funding for key projects and programmes aligned with the strategic provincial and national outcomes.



Cooperative Governance and Traditional Affairs MEC Nomusa Dube-Ncube observing as targeted Mayors sign the pledge in line with the Back to Basics programme during its launch in Umgungundlovu

OVERVIEW OF THE 2015/2016 FINANCIAL YEAR

Back to Basics programme – Changing lives

Madam Speaker, in the previous budget speeches we submitted to this House, we presented concrete plans to build resilient local government institutions which will become catalysts for development and growth and well-being of our people. Under the ambit of our Back to Basics programme, we committed to:

- Put the people and their concerns first and to ensure constant contact with communities through effective public participation;
- Create conditions for decent living by consistently delivering municipal services to the right quality and standards;
- Ensuring that municipalities demonstrate good governance and administration by cutting wastage, spending public monies prudently, hiring competent staff, ensuring transparency and accountability;
- Ensuring sound financial management and prudently managing resources to deliver services and bring development to communities; and
- Building and maintaining institutional and administrative capabilities by dedicated and skilled personnel at all levels.



Key achievements of the 2015/2016 financial year

Re-engineering departmental business model

Today I am pleased to present before this House the growing list of our achievements over the past financial year:



Various measures have been put in place to improve clean water delivery to communities despite all the

Madam Speaker, we no longer see ourselves as a mere support structure to municipalities. We are transforming ourselves into a veritable service delivery department: we deliver water and electricity infrastructure, we encourage local economic development, we create jobs on the ground.



Agriculture and rural development MEC Cyril Xaba, MEC for Cogta Nomusa Dube-Ncube and Umgungundlovu district mayor Yusuf Bhamjee at a Munimec which operates as an IGR forum, helping address issues that cut across all spheres of government

We have drawn a lot of important lessons since the inception of our Back to Basics programme a year ago. One of the key lessons is that the time has come for our local government to reach a stage where all our municipalities are fully capacitated to discharge their developmental mandate. We believe the era of continuous capacitation - with municipalities collapsing once our intervention has concluded - has to come to an end. Our municipalities have to be resilient and we have now resolved that the blueprint of an ideal municipality which we articulated last year has to become a reality. We are now reconfiguring our business model so that all our operations across business units respond to this policy imperative.

To this end, the Local Government Branch has been re-aligned to respond appropriately to the new emerging trends in local government. This includes the institutionalisation of the Back to Basics support programme which is aligned to Operation Sukuma Sakhe as well as the creation of a new Business Unit called Municipal Service Delivery Support. Its main task will be to ensure co-ordination of support within the department, other sector departments and municipalities.





From left, Economic Development MEC Mike Mabuyakhulu, KwaZulu-Natal Premier Senzo Mchunu, Cogta MEC Nomusa Dube-Ncube and the contractors on one of the projects supported jointly by government departments

Some of the functions of this Business Unit will include:

- Ensuring the functionality of IGR structures in municipalities;
- Supporting the implementation of performance management in municipalities;
- Co-ordinating the five pillars of the Back to Back Basics programme as per Chapter 13 of the National Development Plan (supporting the building of a capable state); and
- Ensuring the integration of Back to Basics into Operation Sukuma Sakhe and the implementation thereof.

We are placing more emphasis on integrating our support services to the clients and consolidating all economic development activities into Programme 3 under the LED unit. The new structure introduces a new concept of local government champions who will be placed in various districts, acting as a link between us and municipalities. The local government champions should be able to attend to challenges emanating from municipalities, resolve



MUNIMEC

them and provide referrals to the relevant business units and other sector departments. They will also act as the champions of the Back to Basics programme in the various districts where they will be placed.



Improved service delivery coordination

Back to basics



Traditional leadership and government

We have registered an improvement in coordination with a number of sector departments, such as Water and Sanitation, Energy, Human Settlements, Public Works and others who are actively participating in the Provincial Back to Basic Task Team which, in turn, is ensuring coordinated service delivery on the ground. Munimec has served as a special IGR for a where matters of urgency as well as wider policy issues are discussed with municipalities





KZN Service delivery index to date

Water infrastructure



Water infrastructure



Madam Speaker, our service delivery index indicates that in water provision we have improved from 80.47% in June 2011 to 87.35% in 2016, reducing the backlog by 6.88% and providing safe drinking water to some 235 150 households. The persistent drought since 2014 and increasing unit costs in deep rural areas have had a significant impact on the rate at which we are able to improve. We are pleased to have maintained a positive trend.





Geater Kokstad bulk water supply opening

Madam Speaker, we are focusing our energies on the fast-tracking the delivery of water infrastructure. We have just recently commissioned with the Minister of Water and Sanitation, Honourable Nomvula Mokonyane, Phase 1 of the Lower Tugela Water Scheme. We are working closely with the Department of Water and Sanitation and with Ilembe district and Umgeni Water Board to fast-track the remaining implementation of this bulk water supply scheme so that the communities of Groutville and Hazelmere/Ballito can receive the much needed relief in terms of reliable potable water supply with up to 55 million litres per day. Other settlements within KwaDukuza municipality that will also be served by this bulk water supply scheme are Ohlange, Mdlebeni, Sakhamkhanye and Nyathikazi. All these areas have been seriously affected by the drought and the fast-tracking of these projects is thus a fundamental drought intervention.



Another water scheme in Umkhanyakude



Maphumulo bulk water supply



Shemula water scheme in Umkhanyakude



Back wash water purification system in Maphumulo



Drought intervention strategies

No less than R1.26-billion was spent in the 2015/2016 financial year on the DWS Regional Bulk and Infrastructure Grant (RBIG) in KwaZulu-Natal. R1.09-billion has been set aside for this financial year on the RBIG programme.

The Greytown bulk water supply scheme is also making progress with regards to the fast-tracking of implementation. The project now stands at 30% completion and will result in the provision of adequate potable water supply for the areas of Greytown and the surrounds that have been adversely affected by the prevailing drought. The fast-tracking of this supply scheme is thus a medium-term drought intervention.

The Umkomaas bulk water scheme is now in advanced planning stages and will provide the Umgeni system (uMgungundlovu district, Msunduzi, eThekweni Metro etc.) with the raw water deficit that they will soon start to experience. It is also a critical long-term drought intervention for water security and will cost in excess of R20-billion.



Drought intervention strategies



Drought intervention strategies



The survival of community livestock depends on water supply from government

The rationalisation of the Water Boards in KwaZulu-Natal is being led by the Honourable Minister of Water and Sanitation. This will assist the water service authorities in terms of strategic water resources planning and the provision of reliable bulk water sources that can meet the required higher levels of service (75 litres per person per day). We now have the Greater Mthonjaneni Scheme, the Hlabisa/Mandlakazi Scheme, the Shemula Water Scheme in uMkhanyakude, and the Western Aqueduct in eThekwin, all of which are at advanced stages of implementation. These schemes will be game-changers in resolving our backlogs in water delivery in the province once they come to life.



Water tanker fetching water from Shemula water scheme



Water tanker delivers water in Umzinyathi



Water conservation campaign in Ballito. Stakeholder engagement becomes paramount



Drought intervention



Electricity infrastructure

Back to basics



MEC Nomusa Dube-Ncube taking stock of challenges faced by the community of Manaba in Umhlabuyalingana before she launched the electrification project in the area

According to Census 2011, KwaZulu-Natal stood at 80.2% of households with access to electricity with a backlog of 19.8% (502 905 households). According to the Department of Energy, Eskom and municipalities have electrified a total of 84 793 and 28 321 households respectively since 2011, translating into a provincial total of 113 114 electrified households since 2011. DoE estimates the current KwaZulu-Natal electrification backlogs to be 449 062 out of an estimated total of 3 200 000 households translating into an estimated 86% of households with access to electricity in 2015. This equates to an estimated 5.8% increase in households electrified since 2011. This means that we have substantially reduced the electrification backlog by 5.8% notwithstanding constraints on the national grid and the population growth. In KwaZulu-Natal we now have 449 062 without access to electricity. In the current financial year, we intend to focus on bulk infrastructure upgrades and reticulation of municipalities with the highest backlog. These are: Umhlabuyalingana, Msinga, Jozini and Maphumulo. According to Eskom, the following are some of the electricity bulk infrastructure projects that were completed in the year under review:



Children, whose education and general livelihoods are now set to improve, rejoice during the electrification launch in Mtubatuba

- Nongoma Substation Upgrade (R 35 million)
- Nongoma MV Network Upgrades (R134 million)
- Jozini Town Cable Network Upgrades (R 15 million)
- Ndumo 20 MVA Substation and related MV and HV lines (R125 million and benefiting uMhlabuyalini communities in the vicinity of the substation)
- Nagle Dam 20 MVA Substation and related MV and HV Lines (R 88 million and benefiting uMkhambathini LM communities).

The following electrification bulk infrastructure projects are to be complete in the current financial year 2016/17:

- Eshowe Substation Upgrade (R 32 million)
- Cathkin Substation Upgrade in uKhahlamba (R22 million)
- Makhathini MV Network Upgrades (R41 million)
- Manguzi Network Normalisation (R15 million)



Electricity infrastructure

Back to basics



Family member rejoycing during the electrification launch in Mtubatuba



Electrification

We project, Madam Speaker, all things being equal, that we should by the end of the 2016/2017 financial year have Okhahlamba, Mbabazane and uPhongolo with universal access to electricity.

We are vigorously extending energy infrastructure programmes to rural areas. With the financial injection of R554-million through Integrated National Electrification funding to municipalities, we expect to electrify a further 24 000 households. In addition to this, through our Massification Grant, R227-million has been injected into municipalities in the year under review. In Ubuhlebezwe municipality, we are electrifying 4300 households; in eMahehle 1342 households have been energised, while 1200 households in Ofafa are being electrified, with 1800 more under construction in Mkhunya.

Likewise, in Umvoti municipality we have electrified 5 452 households in two financial years. This is a 20% reduction in the backlog of Umvoti from 41% in 2011 to 21% in 2016. In Nquthu 1750 households are being electrified now. Madam Speaker, these are priority programmes announced by the Honourable Premier when this administration assumed office in 2014.

A further six municipalities are being supported, these are: Vulamehlo, uMzumbe, Okhahlamba, uPhongolo, uMhlabuyalingana, and Mandeni. In terms of the electrification programme, the work of the department in speeding up the delivery of household electrification has been acknowledged by the Department of Energy as best practice with an invitation extended to the province to share its implementation model with the Eastern Cape and Limpopo.



Electrification



Electrification

Uma siqaphelisisa, amalungu ahloniphekile alendlu azobona ukuthi umsebenzi omuningi mayelana nalentuthuko siwenza ezindaweni zamakhosi ngokubambisana namakhosi. Ngakho kulesisifundazwe siyazigqaja ngamakhosi ethu angamashoshozela entuthuko nempilo engcono yezizwe zawo.

Electricity “islands”

Honourable Members, you will recall that when we assumed the mantle of leadership of this department, one of the first issues we had to confront was the deliberate neglect of some of our communities which were deprived of electricity services on the basis of political affiliation. In this ANC-led administration, we stand proud to say that we have responded to this injustice by ensuring that we address these electricity “islands”. We have covered 74%, that is 43 of the 60 packaged projects which makes 22 237 households.



MEC handing over electric appliances



Sanitation

Operations and maintenance



Sanitation



In sanitation provision, we were at 79.28% access in 2011 and we target to reach 88% by the end of June 2016. Included herein are bucket eradication projects.

Of concern remains the deterioration of infrastructure through inadequate maintenance. We are now ring-fencing 5% of MIG budget towards refurbishment of existing infrastructure. We continue with our Operations and Maintenance Support Programme which assists with an inventory of fixed assets, condition assessments, geo-spatial records, maintenance manuals and plans. These are being completed in six districts in 2016/2017.



The drought crisis

Interventions



Public engagement on drought

Madam Speaker, KwaZulu-Natal has been battling one of the greatest challenges of our times - the drought. This government, as is typical, has rejected a defeatist approach; we have proactively moved to mitigate the drought's impact. To date we have mobilised resources worth of more than R1-billion to respond to the drought in this province.

We set up Joint Operation Committees; we declared disaster; we applied water restrictions; and we imposed water rationing. We took control of the crisis and brought it to the attention of our people and asked them to play their part through aggressive communication interventions. The fact that we still have water coming out of our taps is due to the urgency applied in managing the crisis. We are still experiencing challenges. Yes, we cannot make the rain fall but we can reduce demand and we have asked municipalities to consider a 15% demand reduction until September 2016 when we expect rainfall.



Drought intervention strategies

We also have water tankers assisting communities; but of course, at times they cannot cope with the demand. We have introduced new storage facilities that can help supply water for the entire week to communities and we believe these facilities are a better option than the current water tankering which is proving to be expensive and unsustainable. Going forward, we are implementing our one school-one borehole, one clinic one borehole, one hospital-one borehole, one community





Water tanker purchases per District

Water Service Authority	Quantity	Budget
uGu	8	R 11 899 411.00
uThukela	9	R 13 386 838.00
uMkhanyakude	20	R 29 748 526.00
uThungulu	7	R 10 411 985.00
ILembe	3	R 4 462 279.00
Harry Gwala	3	R 4 462 279.00
Abaqulusi	3	R 4 462 279.00
TOTAL	53	R 78 869 777.00

Projects Budget

Harry Gwala	R 9 800 000.00
ILembe	R 3 199 000.00
uGu	R 8 340 000.00
uMgungundlovu	R 25 000 000.00
uMkhanyakude	R 51 746 827.00
uMzinyathi	R 24 845 000.00
uThukela	R 1 162 800.00
uThungulu	R 24 690 884.00
Zululand	R 19 700 000.00
Total	R 168 484 511.00

REFURBISHMENTS AND UPGRADES OF WATER SCHEMES

SPRING PROTECTION

Water Service Authority	Quantity	Budget
uGu District Municipality	100	R 2 500 000.00
uThukela District Municipality	16	R 1 395 360.00
Zululand District Municipality	18	R 4 320 000.00
ILembe District Municipality	9	R 837 000.00
Harry Gwala	19	R 5 100 000.00
TOTALS	162	R 14 152 360.00

BOREHOLE DRILLING

Water Service Authority	Quantity	Budget
uThukela District Municipality	21	R 7 558 200.00
Zululand District Municipality	77	R 11 550 000.00
uMkhanyakude District Municipality	70	R 17 101 900.00
ILembe District Municipality	9	R 2 250 000.00
Harry Gwala District Municipality	12	R 3 550 000.00
TOTALS	189	R 42 010 100.00



Water package plants

In many areas, conventional water supplies will not be available for many years until bulk and distribution infrastructure reaches them. The programme for the installation of “package-type” water purification plants in priority areas has been completed. These plants, collectively, have the capacity to meet the water needs of some 29 500 households. A few of these have been installed in Umkhanyakude, uThukela and Ilembe districts, amongst others.

War on water leaks

Due to the high water losses, severe drought and the need to conserve water, municipal capacity to conserve water is being enhanced through programmes implemented under the “war on leaks” campaign targeted at vulnerable rural municipalities with high water losses, poor infrastructure coupled with high number of indigents. Ilembe, Ugu, Zululand and uThukela districts are participating in the campaign with 586 trainees recruited as water agents, plumbers, and water conservation and demand managers. We are pleased to welcome in this House five of these young trainees who are at the coalface of our drought interventions in municipalities.

Drought forecast for winter

As we head into winter season, the drought outlook for KwaZulu-Natal remains bleak. The long dry spell will likely bring veld fires which will further increase demand for water we do not have. Our message is very clear: do not play with fire this winter because we do not have enough water. We must brace ourselves for the tough times ahead as in certain instances municipalities may have to apply restrictions as high as 50% and the dreaded water rationing. Let us all exercise caution and maximise our efforts in conserving water.

Nakuba sisakwazi ukuthi sivuke ekuseni kubekhona okutholakalayo okungamanzi, simelwe wukuba sizituse thina sonke ngokwethu. Indlela esikhombisa ukubambisana ngayo, iningi lethu, kulomkhankaso wokuba sisebenzise isicethe samanzi esisekhona, yikhona okwenza ukuba sisakwazi ukuphefumula ngaphezu kwalesisimo esimanazonzo sesomiso. Sisanxusa ukuthi siqhubeke sibambisane, ngokuthi amanzi siwasebenzise ngokuwonga, kwazise phela izanusi zezulu zisakhomba ukuthi kusazoba yizinyanga impela ngaphambi kokuba silindele ukuthola amathonsi abanzi.



Disaster Management

Interventions



Well trained disaster management personnel

Somlomo nendlu yakho ehloniphekileyo, izinhlekelele zakamuva ziyikhahlamezile kakhulu imiphakathi yamakhosi akithi. Sibone kwanda kakhulu izigameko zokuswelakala kwemiphefumulo emiphakathini yakithi ngenxa yemibani nezimo zezulu ezingezinhle. Siyakhalisana kakhulu nemiphakathi elahlekelwe ngabathandiweyo babo ngenxa yalezinhlekelele.

We continue to provide grants to municipalities for the establishment and enhancement of their Disaster Management Centres to deal with disasters. The Provincial Disaster Management Centre has launched the Umkhanyakude, Ilembe, Harry Gwala and Ugu Disaster Management Centres during the previous financial year while uThukela, Umzinyathi and Amajuba are currently

being constructed with the help of Cogta. In addition, the construction of a fully equipped Provincial Disaster Management Centre at Mkhondeni is now complete and ready to be commissioned.

We have concluded an agreement with the 911 Fund in New York which has led to the province receiving two containers of fire-fighting equipment to the value of R1-million. Through the partnership, the 911 Fund has visited our province and conducted training sessions at no cost. This has benefited our fire-fighters and disaster managers from various municipalities who have received training from renowned experts.



Adequate disaster management infrastructure helps government to respond timeously to community needs in time of distress caused by various types of storms



Ugu Disaster management centre



Disaster management team members



Disaster management gear donated by 911 fund



Putting people and their concerns first

Report-back



In keeping with the Back to Basics, government allows communities full access to services and the leadership. Here, Ntuzuma township community members voice their concerns directly to MEC Dube-Ncube

An example of our progress in putting people and their concerns first, we launched the Councillor Constituency Month during which we tasked all councillors to hold compulsory report-back sessions with their communities. Through these engagements, we have been able to resolve a number of service delivery protests. Mr Zakhele Mkhwanazi of Mtubatuba municipality has remarked on one of these engagements as follows: “I now understand the process of electrification, it has always concerned me that you get your house numbered and then all goes quiet, I now know there is surveying and power boosting that also needs to be done.”

Our communities have appreciated these engagements and we aim to intensify them in the coming years.



The drought crisis

Rapid Response



Members of KwaZulu-Natal Cabinet attending to a set of inputs being made by the community of Copsville in Umgungundlovu

Our Rapid Response strategy and established Municipal Rapid Response Teams at all 61 municipalities is bearing fruit. To date, we have attended to 117 cases of service delivery concerns in the 2015/2016 financial year. Out of the 117 cases of service delivery protests, 106 cases have been finalised through the intervention of our Rapid Response Unit, with regards to the other 11 cases, the municipal engagements are ongoing and the municipalities are reviewing plans and resources in addressing the outstanding cases.

Masizwakalise ukukhathazeka nokho ngalesisihlava sokuthi njalo nxashane kukhona esikhala ngakho siyimiphakathi, bese sinquma ukuba sizwakalise ukukhononda kwethu ngokuthi sicekele phansi impahla yomphakathi. Lokhu kusibuyisela emumva impela, kwazise phela ukuphinda kwakhiwe lengqalasizinda kungumsebenzi othatha iminyaka eminingi ukuphuthuleka.



Promoting good governance



Municipal excellence awards promote good and clean governance practices by municipalities



Municipal council meeting

Madam Speaker, various intervention packages to support and promote good governance in municipalities have been implemented during the year under review. The key focus was on municipalities showing signs of distress. We have stabilised governance by invoking Section 139 (1)(b) of the Constitution in some municipalities. We are now witnessing signs of political stability and improved governance and we will continue to support and monitor these municipalities. It is important to note that the municipalities under our hands-on management constitute only a fractional 1% of all our municipalities.

Madam Speaker, our municipalities' consolidated financial performance indicators have shown that many of our municipalities, at least 85% of them, are in a healthy fiscal position. This is all due to hard work of their political principals.

Madam Speaker, based on the latest audited figures for the municipal financial year 2014/2015, the consumer debt owed to all municipalities stood at approximately R13.3-billion. eThekweni Metro comprised R5.6-billion and Msunduzi municipality comprised R1.9-billion, resulting in a combined 56% of the total municipal debt. This debt comprised of R333-million reported by 34 municipalities owed by government departments whilst 27 municipalities did not disclose government debt as a consumer classification. Cogta has helped to resolve a number of disputes arising from invoices and this exercise has led to the recovery of approximately R4.5-million for government properties that have been verified against municipal valuation rolls in respect of Mooi Mpofana and Mfolozi municipalities. A comprehensive process of verification of government property on municipal valuation rolls is ongoing.

We are expediting measures to ensure that all outstanding payments due to municipalities are paid timeously. To this end, we have urged businesses and other debtors to honour their civic responsibilities and pay for services.



Sound financial management



MEC for Cogta Ms Nomusa Dube-Ncubbe welcomed by Riel Franzsen, Director of African Tax Institute from the University of Pretoria in South Africa and Trevor Richardson from the South African Institute of Valuers in South Africa

Revenue enhancement

As part of our revenue enhancement strategy, we have supported municipalities in the implementation of the Municipal Property Rates Act. To date we have set up 11 Valuation Appeal Boards across all KwaZulu-Natal districts and the eThekweni metro. We are also working hard to inspire innovative ways to assist municipalities in enhancing revenue. We embarked on a project to establish traffic licencing and testing centres. The following centres have been constructed through the small town rehabilitation programme: Okhahlamba, Umzimkhulu and Richmond traffic centres at a minimum cost of R5-million each. These centres will be opened before June and will bring services closer to the people and generating revenue for the municipalities.

Municipalities themselves have also introduced interesting incentives, for example: Umgungundlovu district's refund to customers of a certain percentage for each R1 paid to settle old debts. This strategy has increased the district's revenue collection rate to an impressive 95.2%. Similarly, if you settle your annual rates at Umhlathuze in July, the municipality gives you a 10% discount. If you settle your consolidated monthly bills in full every month, you get a 5% discount.

This year we will mount a campaign to appeal to everyone to pay their debts to municipalities on time. We urge all political parties to support this campaign because it holds the key to the survival of our municipalities. We know that it can make you unpopular to ask people to pay but leadership requires that we take unpopular decisions in the best interest of the people. If our municipalities are to render services of high standard, they must collect revenue.



Improved audit outcomes

Madam Speaker, our municipalities continue to break new records in terms of audit performance. For the first time, we have over 93% of municipalities achieving acceptable audit outcomes. We have a whopping 25 clean audits with no emphasis on matters, 45 clean audits with minor emphasis of matters and there is only one disclaimer. Since 2009 there has been a steady improvement in municipal audit outcomes, with disclaimed audit opinions reduced from 15% to 1.6%, adverse audit opinions decreased by 1.6% and qualified audit opinions reduced from 13.3% to 8.2%. A consequent improvement has been recorded with an increase in unqualified audit opinions by 15.3% and an overall increase in



MEC for ogt Ms Nomusa Dube-Ncube meeting with business people and community leaders at Mpofana.

municipalities achieving clean audits by 21.4%. What a difference! No other administration in this province has achieved this before. We have extended the challenge to the remaining municipalities to strive towards achieving clean governance. We are grateful for all the support we and our municipalities have received from the Auditor General in this regard.

Year	Municipalities				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Clean	5	1	7	13	18
Qualified	7	9	11	6	7
Unqualified	48	44	40	39	35
Adverse	1	0	0	0	0
Disclaimer	0	7	3	3	1
TOTAL	61	61	61	61	61

Improvement in municipal audit trends in KwaZulu-Natal during 2010-2015



Cooperative Governance and Traditional Affairs MEC Ms Nomusa Dube-Ncube handing clean audit awards, a ceremony aimed at promoting municipal clean audits

To sustain the positive results, we have in response to the 2014/2015 audit outcomes of municipalities, developed an Audit Response Strategy in order to:

- Provide support to municipalities in a co-ordinated, collaborative and complementary manner by all relevant stakeholders,
- Adequately address issues raised by the Auditor General in the municipal audit reports;
- Prevent issues recurring in the future; and
- Highlight the key focus areas for the 2015/2016 municipal audit and proactively address them to prevent audit findings.

Various internal and external stakeholders will play a critical role within their respective legal mandates to provide support that will impact on the audit outcomes of municipalities, including Auditor General, Provincial Treasury; National Treasury; national Cogta; and SALGA. It is important that stakeholders work in a collaborative manner and that Cogta is able to promote co-ordination in the delivery of support to municipalities. This will be

achieved through a single joint support plan that aims

to indicate the nature of support, level of support and areas to be covered across municipalities. Cogta has led capacity building in financial management which has been ongoing for the past five years with various departmental support measures being provided through multiple forums, including the District Finance Forums and Provincial CFO Forums. The introduction of the Local Government Accounting Certificate programme has assisted in the training of 366 learners to support 39 municipalities. This programme has contributed significantly to the improved skills level of municipal officials in financial management and it has impacted positively on overall financial management and audit outcomes. In addition, we have also trained more than 800 councillors on Accredited Councilor Training Programme, which has armed councillors with skills to perform effective oversight over municipal administration.



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Another notable example of inter-departmental co-operation is the partnership between the Provincial Treasury and the South African Institute of Chartered Accountants. Since 2013, the government's generous R16-million investment in the Thuthuka Bursary Fund has channeled chartered accountants to our municipalities where they assist with financial management by better managing budgets and, consequently, achieving clean audits.

Non-priority expenditure

Madam Speaker, the austerity measures as announced by the Minister of Finance and our own MEC for Finance, my colleague Belinda Scott, which are necessitated by the constrained fiscal environment, must also apply to municipalities. We therefore urge all municipalities not to spend on non-priority items. We will be issuing a circular detailing such non-priority items to guide municipalities and assist councils and their relevant committees in exercising adequate oversight over such spending.



MIG expenditure

A total number of 54 municipalities will benefit from the 2016/2017 MIG allocation amounting to R3.449-billion. This money will finance 3000 projects implemented by municipalities. These include water, sanitation, roads and community facilities.

In the past three financial years, KwaZulu-Natal has seen a significant improvement of 10% in MIG expenditure. In these years, we have also held a second position nationally, noting that we have the highest number of municipalities and the highest allocation. In the year under review, we have been consistently ahead of our Provincial Monthly Expenditure Target by 10%, demonstrating maturing of our Project Management Units in the management of the MIG. Municipalities need to be commended for this improvement. Madam Speaker, it must also be noted that the number of municipalities in KwaZulu-Natal which are spending less than 51% of their allocation has ceased to exist.

Manhunt for Cogta suspect

Cops make arrest after millions of rand reportedly rerouted to private account

THANPOPO

A BUSINESS PERSON has been arrested while a manhunt has been launched for a postcard government employee linked to the disappearance of R2.2m from the Department of Cooperative Governance and Traditional Affairs (Cogta).

The money was earmarked for the Integrated Municipality in the Midlands.

It is believed the administration official managed to bypass the government's complex biometrics process for settling government accounts by routing millions into a private account.

"However, the department was quick to perform the audit trail in the accounting system and identified the alleged culprit, who has since vanished," KZN Cogta speaking person Luthando Mkhosini said.

He said with action by the department and the banks had led to the arrest of the business person. In addition to taking further measures, the official has also been charged with other people who have been involved.

"We continue the hunt, one of all those involved in the case will be held,

through our courts," Mkhosini said.

"We are following important leads. We are involving them and there will be no more forays. We are at their mercy and at their hands," Cogta MEC

The MEC said this information incident was a call for the government to rethink the way it handled monetary transactions.

"The system where officials, mostly

processing payments, some sort of risk factor to service providers, warrants a review so the government minimises the risk of falling prey to scams of this nature," Dube-Nkomo said.

The MEC noted financial transactions in the government were an attractive target for criminals because of the amount of money involved. He noted the government audits service providers but there were constant efforts to make them more secure.

"We assure the public we will keep on doing our best to ensure that those involved in this gross act of fraud are brought to book," MEC Dube-Nkomo said.

The MEC said the investigation of the possible existence of a syndicate paying on officials with access to government transactions and systems procedures.

"The cheating trail started in a few municipalities and it was feared it was going to be migrating to other levels of government."

"We commit to the public that we will provide them with the answers and prosecution of all those linked to this scandal," Dube-Nkomo said.

Fraud case article from the newspaper

Fraud and corruption

We conduct investigations in municipalities on a quarterly basis for cases that are reported to us. Investigations have been conducted in the following municipalities: Hlabisa, Zululand, Uthukela, Nongoma, Umlalazi, Maphumulo, Umkhanyakude, eThekweni, Uphongola, Umngeni, and Umvoti. The department also conducted investigations in the following municipalities: Abaqulusi, Ingwe, Umtshezi, Kokstad, Richmond, Uthukela Water, Ethekeeni Metro, Mpofana, Amajuba, uMshwathi, Mthonjaneni, Ulundi, Emnambithi, uMdoni and uMsunduzi. National Anti-Corruption Hotline matters as well as Section 106 investigations were also undertaken.



Municipal competency requirements

Accelerating local economic development



Live factory funded by Cogta

The professionalisation of local government is underway. We have achieved all our targets with regards to qualifications of our municipal managers and chief financial officers who are in compliance with the set competency levels



Live factory funded by Cogta



Live factory funded by Cogta



Job creation



CWP launch in Umsunduzi

A total of 1520 jobs were created through Cogta-funded EPWP programmes. The department received an incentive grant of R4.1-million which was mainly utilised to create EPWP work opportunities. Furthermore, 34 000 work opportunities were created through Community Works Programme. To date, 38 municipalities are participating in CWP in KwaZulu-Natal and the target is to ensure all municipalities are benefiting by June 2016. Agreements are finalised with national Cogta to allocate additional work opportunities which will benefit Ethekwini with 2000 work opportunities and another 3500 to benefit municipalities which do not currently benefit. Nkandla in particular will receive an additional 100 participants and Ulundi will receive 500 participants.





Green economy



Festival of Beads promotes recycling while addressing unemployment challenges in rural areas

We have supported innovative green programmes and projects in response to climate change. The department has successfully piloted various options of energy provisions, especially in deep rural areas of Mthonjaneni and Umlalazi, using cow dung biogas to produce energy for lighting and heating 69 communities are already utilising this technology. Green Economy projects completed include

Mandeni Waste Management Project valued at R3.6-million, UMzimkhulu Solar street lights valued at R2.5-million, Ladysmith waste recycling facilities valued at 5.2-million and Umsunduzi Solar street lights valued at R11-million. Support is being provided to Ingwe Biofuel project valued at R10-million with a potential to create over 50 job opportunities.



Mandeni waste trucks



Umzimkhulu solar street lights





Convventional gas

We have piloted a ground breaking solar energy project in partnership with COEGA as an implementing agent. The project was piloted in 39 sites for community service centres and traditional authority Imizi yezizwe zamakhosi. This pilot project will be commissioned in May 2016. This programme has won a national award as one of the most innovative alternative energy projects. In furthering cost saving in economic development projects, Cogta partnered with Accenture through their corporate social investment programme to support the Mathenjwa Traditional Community in Ndumo B in yet another ground-breaking initiative on agriculture hubs and irrigation using solar powered systems. The Mnothopansi Project in Ndumo is a successful initiative producing vegetables and maize. The private sector is encouraged to emulate this project and assist us in replicating it in other amakhosi areas. At least 50 jobs have been created in this project.

Lokhu kungubufakazi obuqanda ikhanda bokuthi lohulumeni uzibophezele ukusebenzisana ngokubambisana kanye nokuhloniphana namakhosi nezakhiwo zonkana zobuholi bomdabu, ekuthenini kuphuthunyiswe intuthuko kanye nengqalasizinda emiphakathini ebikade ishaywa indiva ngesikhathi kusaphethe ohulumeni ababebandlululo. Imiphakathi yasemakhaya ngaphansi kwezizwe zamakhosi, ingenye ingxenye yomphakathi ebikade ibandlululwa nosekuyiyona manje esiyikhathalele kakhulu mayelana nokulethwa kwezidingo-ngqangi kanye namathuba emisebenzi.



Corridor Development



Harry Gwala farmers market

We have completed the N3 Strategic Corridor Plan to inform planning and bulk infrastructure provision for the N3 Corridor from Durban to border with Harrismith. Work has commenced on two additional critical corridor strategic plans covering the N2 Corridor from Ethekwini to Richards Bay and Umhlathuze – Ulundi - Vryheid Corridor are in line with the Presidential Strategic Infrastructure Programme. The main purpose of the Corridor Plans is to unlock the economic potential along these key corridors. These plans will also assist in cross-boundary and cross-border planning as well as informing the timing of the release of strategic bulk infrastructure.



P700 corridor



Small Town Rehabilitation



Umzimkhulu after



Umzimkhulu before



Greater Kokstad

In the year under review, the following small town projects were completed and are ready for handover: Umzimkhulu and Richmond Traffic centre, Dannhauser CBD rehabilitation, Weenen rehabilitation, Greytown rehabilitation, Endumeni community park, Greater Kokstad CBD rehabilitation and Okhahlamba CBD.



Ladysmith pedestrian bridge



Harry Gwala taxi rank

Comprehensive support was provided for the development of macro-regenerations plans for Mvoti, Kranskop, Mooi River, Mtubatuba, Cwaka/Mbodweni, Ndumeni and Harding to inform long-term future growth.

The funded urban regeneration plans were all successfully completed and are ready for implementation hence the provision of seed funding to kick-start development. Cwaka has since been adopted as a node for the Nkululeko Programme and all government departments have now committed projects for implementation once Cogta concludes the land legal and township establishment processes.



Okhahlamba testing centre



Richmond testing centre

Furthermore, within the Small Town Rehabilitation Programme, in the 2015/2016 financial year R50-million has been transferred to the following municipalities for the implementation of key projects in support of the local economies of Umzimkhulu, Umtshezi, Mbonambi, Emadlangeni, Richmond, Umhlabuyalingana, Endumeni, Mpofana, Phongolo and Umlalazi.



A community member working for a District Development Agency, as part of the catalytic programmes strategy to enhance district economy

Agro-processing and pack houses for farmers

We have supported districts with the establishment of agri-hubs/collection hubs for fresh produce in line with the cabinet resolution. The following districts have received funding for the programme: uThungulu, iLembe, Amajuba and Uthukela. The programme is now being aligned to the agri-parks programme being managed through the Department of Agriculture.

District Development Agencies

We have made remarkable progress in the establishment of District Development Agencies. These are meant to be the special purpose vehicles for driving LED in the districts through identifying and planning key economic opportunities and packaging high impact catalytic projects that will enhance the economy of the districts. Umkhanyakude, Ilembe, Ugu, Harry Gwala and Uthungulu have operational agencies that require strengthening. Zululand and Amajuba have concluded board recruitment and now need to appoint company CEOs while Umgungundlovu, Umzinyathi and Uthukela need to speed up the process to appoint boards. It is hoped that these agencies will drive radical economic transformation



Informal economy sector support



Umhlabuyalingana market stalls

We have also supported initiatives around the development of informal economy through building market facilities from which hawkers' trade. A number of facilities have been built to accommodate informal traders and the department has conducted a survey with the occupants to determine satisfaction rate. The following municipalities were part of the survey with occupants of Cogta-funded infrastructure: Nquthu, Richmond, Emadlangeni, Okhahlamba, Umtshezi, Dannhauser, Emnambithi/Ladysmith, Nongoma, Jozini, Mhlathuze, Phongolo, Mthonjaneni, Umhlabuyalingana, Mandeni, Ndwedwe and Maphumulo. The informal traders have expressed the need for further training in entrepreneurship and business management in order to grow into registered businesses.

Osomabhizinisi abasafufusa bangumgogodla emkhankasweni kahulumeni wabantu bokuba kuthuthukiswe umnotho ngokuthi kudalwe amathuba emisebenzi kanye nawokuzisebenza. Ocwaningweni olwenziwe ngumnyango mayelana nezinga lokweneliseka noma ukungeneliseki kosomabhizinisi abancane ngalokho esibaxhasa ngakho, okuhlalukayo wukuthi basalindele ukuba sibasize ngoqeqesho oluthe xaxa mayelana nokusingatha lomsebenzi wabo ukuze bakwazi ukuthi maduzane babekeke ezingeni losomabhizinisi abakhulu nabo.





Installed shelters for the traders in Ulundi



Manguzi market stalls



Community Service Centres



Community service centres in Imbabazane



Community service centres in Mondlo

We have finalised the construction of the Emondlo and Xulu (Abaqulusi), Ngwenya (Jozini) and Biyela (uMlalazi) CSCs in the previous financial year with each costing on average R8-million. The community of Emondlo now has a Home Affairs office, Computer Tele-Centre, SASSA and Department of Labour services access at their door step. Such services were previously accessed from 20km away in Vryheid at significant cost and inconvenience to the public. The Xulu, Ngwenya and Biyela centres have a dual purpose which is to create conducive service delivery points in addition to enhancing functional relationships between local government and the institution of traditional leadership structures. In ensuring that the centres are fully operational, grant funding has been provided to the Ndwedwe, Abaqulusi, Umlalazi, Emnambithi and Imbabazane municipalities towards CSC operations, OSS-related initiatives and centre management support.

The KwaMbonambi CSC is currently at

construction stage and will be completed in the current financial year whilst on-site construction of the new centre at Bulwer will commence later this month. Nineteen Grade 2 CSCs (Traditional Administrative Centre) have been rehabilitated in the 2015/2016 financial year in support of conducive working environments for Traditional Councils in addition to 23 centres being provided with alternate energy solar solutions to circumvent grid electrification challenges. The implementation of the Community Service Centre infrastructure programme has seen over 250 jobs created.



Municipal Planning

Following the adoption of Sustainable Development Goals by the United Nations in September 2015, we hosted world town planning event in November 2015 to create awareness and



Community services centre in Phongolo



to facilitate discussions at local level about building resilient communities and the effects of climate change on sustainable development. The SDGs have now been incorporated into the planning agenda of province and municipalities moving forward. In September 2016, our province will play host to more than 500 planners who will descend for the ISOCARP 2016 conference. Planners from across the globe will converge to exchange knowledge and experience on possible solutions for our city challenges.

KwaZulu-Natal has been identified by the Climate Group - a group recognised by UN for activism on climate change issues - to attend to a discourse about water issues. We are to host a Water Summit in this financial year.

Shared services

We have assisted the ten district families of municipalities in building and maintaining development planning capacity in the form of District Development Planning Shared Services. The DPSS included the fields of Town and Regional Planning, Development Administration and Geographic Information Service (GIS). Of critical importance is that through the DPSS, municipalities in the province are ensured availability of and access to registered town and regional planners which is particularly important for the implementation of the newly promulgated KwaZulu-Natal Planning and Development Act and the Spatial Planning and Land Use Management Act.



Co-operative Governance and Traditional Affairs MEC Nomusa Dube –Ncube with the Demarcation board Chairperson Jane Thuphana

Reconfiguration of municipalities from 61 to 54

Madam Speaker, we have provided support to the Municipal Demarcation Board with GIS mapping during municipal boundary demarcation in preparation for the local government elections. We are now nearing completion in the reconfiguration of municipalities in line with the MDB's decision. This has been a daunting task because we have had to ensure that the new municipalities are able to function on the first day after the elections. We are facilitating a smooth

transition to the new entities. This has involved major communication initiatives, amalgamation of systems - be they financial, legal or technological. We have made substantial progress and we will be ready on Election Day. I can report that the new municipalities will be properly capacitated in terms of the number of councillors to serve all communities. We have determined the number of councillors in a manner that ensures that all areas are properly serviced. The number of councillors will increase from the current 1736 to 1846. Wards will increase from the current 828 to 870.



2016 LOCAL GOVERNMENT ELECTIONS



Voter registration



Madam Speaker, one major event that is going to shape our local government in the coming financial year are the elections for arguably the most important sphere of government.

As we stand before this House, Madam Speaker, we are on the threshold of yet another milestone moment in this ongoing relay race of our struggle towards a non-sexist, non-racial, democratic and prosperous South Africa. The end of the current term of local government marks, for us, not the end of the race but the transfer of the baton from those who have been running for the past five years and those who are eagerly awaiting to take over the baton and continue with the struggle to better the lives of our people. This is a ponderous moment for us, for it also marks sixteen years since the inclusive, wall-to-wall system of local government was introduced.

This period of continuity and change should re-invigorate us with a new enthusiasm to do even better than those who are now handing over the baton in this relay race of the emancipation of all of our people. For those who have run over the finish line, we say well done. To those who are waiting to run this race after the elections and beyond, we want to bid you a warm welcome, commending your courage in availing yourselves to serve our people. This is a privilege you should cherish and through your efforts, we will accelerate our own efforts to build a KwaZulu-Natal fit for all its people. We also pay tribute to all those councillors who have passed on during the current term of local government.



Door to door and interacting with citizens

Reflections on the 16 years of democratic local government

Madam Speaker, when we established the new system of local government 16 years ago, we knew that we were climbing a steep hill. For those of us who were moulded in the trenches of local government, it is times like these that inspire reflection as we look back at the challenges that we have conquered. We therefore present this budget fully aware of the responsibility to make the coming term of local government that will be ushered in August this year as an era of **“consolidation and advancement of the struggle for a better life for all”**.

Madam Speaker, the outcome of 2011 local government elections yielded 19 hung municipalities and we have witnessed some interesting times since then. Internal ructions in certain political

formations have tested the fundamentals of our

local government institutions and we stand here proud to report that they have passed the test. They have stood firm and remained resilient under trying circumstances.

We have had to ensure that internal party infighting does not compromise service delivery. We have remained on the side of the people and ensured that they get what they deserve from their government. We remained hands-on because to us the people come first. Contrary to speculations in the public domain, all municipalities continue to function fairly well. On 3 August 2016, the people of KwaZulu-Natal will have a huge responsibility on their shoulders to ensure that we elect developmental activists in our municipalities who are concerned solely with fulfilling their needs.



Voter registration campaign



Support IEC for free and fair elections

Madam Speaker, we have alluded to the fact that the hosting of the local government elections will be a key event that will have a catalytic effect on the activities of the department for the better part of this financial year.

As Cogta, we have a special interest in local government elections because they speak volumes about the legitimacy of our sphere of local government. They are a barometer which we use to measure whether a municipality enjoys the support of its communities. Voter turnout in our local government elections in the past has exhibited tendencies which were particularly worrying. What makes it a little disconcerting is the fact that voter trends in local government elections tends to stand in stark contrast to the high voter turnout seen in the provincial and national elections.

For this particular reason we have embarked on a huge voter mobilisation campaign during the two registration phases in March and April 2016. Already we have seen the positive impact of our collective mobilisation programmes: The voter registration figures speak for themselves. As I said, Cogta has an inherent interest in the legitimacy of the election outcome. For this, public participation in the electoral process is essential. The IEC's primary role is to conduct free and fair elections. The promotion of citizen participation in elections is the responsibility of other stakeholders, including Cogta and political formations. As a consequence of our aggressive voter mobilisation campaign, KwaZulu-Natal during the first voter registration phase registered 900 000 voters, of whom 166 000 are new voters.



Voter registration

During the second voter registration phase, we saw 1.1 million voters re-registering or checking their registration status. A total of 186 000 of these are new voters. As a province, we have contributed to the national voters' roll a total of 230 000 new voters - the highest number of all provinces. And for the first time in the history of our democracy, KwaZulu-Natal will have a voters' roll with 5.4 million registered voters, again the highest in the country. These numbers are testimony to the success and effectiveness of our voter awareness and mobilisation campaign. We will now embark on programmes to translate the enthusiasm seen during the registration periods into a turnout on the voting day.

Infrastructure for elections

Our department is chairing an Interdepartmental Committee on Election Infrastructure. Its mandate is to provide support to the IEC with the infrastructure they need to conduct free and fair elections. We are happy to report that as we stand before you, Honourable Members, it is all systems go! Our appeal is that we must all go out and attract voters on the basis of our programmes to create better communities. In doing so, we must promote the message of peace, political tolerance and be careful not to flare tempers. All parties must act swiftly against any of their members who are found violating the electoral code of conduct.



MEC during Change Management Committee meeting to discuss the work that has been done to prepare for the merger of the KwaSani and Ingwe Local Municipalities in the Harry Gwala District Municipality

Post-election environment

Madame Speaker, we have developed a plan of action to ensure that as soon as the new councillors are elected, they get to work immediately. We want these councillors on the battle field against the many maladies that continue to afflict our communities. We cannot procrastinate since the message of urgent service delivery that our people will have communicated is loud and clear to us all. It has been expressed in a number of ways, such as marches, service delivery protests, izimbizo, and during door-to-door campaigns.

The department has developed a generic pro-forma agenda together with a toolkit for the first meeting of councils. The toolkit will include copies of all local government legislation together with a booklet entitled “All a councillor needs to know” and copies of all departmental manuals.

After the declaration of results, departmental officials will attend the first meetings of all councils, supervise and record the elections of the Mayors, Speakers, Exco's and Portfolio Committees; and observe and record the election of locals to district by IEC.

The results of all internal elections will be captured on a single comprehensive database of all municipalities which was developed by the department. We are acutely aware of the principle of continuity and change and its necessity for the continued functioning of our municipalities. As such, during this changeover period, it is absolutely critical that we do not drop the baton for it is the very lives of our people which will be at stake if we, as elected representatives of our people, dilly-dally instead of getting on with the job.



Councillors graduation

Councillor induction and orientation

Immediately after the elections, SALGA will conduct Councillor Induction Training which is a short overview of municipal administration and governance matters. Thereafter from September to December 2016, the department will conduct Councillor Orientation Training.



AU Chair, Dr Nkosazana Dlamini-Zuma, attending Women councillor dialogue



Amakhosi rural LED programme



Social cohesion through Amakhosi initiative

Somlomo neNdlu ehloniphekile, amakhosi akithi abambe elikhulu iqhaza ekwakheni ubumbano nozinzo emiphakathini yethu. Kithina amakhosi awagcini nje ngokuba ngamashoshozela entuthuko kodwa aphinde abe ngabagcini nabakhuseli bendlela yethu yokuphila. Yingakho umnyango wethu uhlale njalo uxhasa imikhosi eyahlukahlukene emakhosini, onhloso zawo kuwukubumba isizwe. Ngokubambisana namakhosi siholwa Ongangezwe Lakhe, laphaya endaweni yaseKokstad sesikwazile ukulwa impi yokulahlekelwa yimiphefumulo kwabafana uma beyosokwa. Siphinde sibe nemicimbi eminingi esiyixhasile ukwelekelela amakhosi ekubumbeni isizwe. Okubalulekile wukuthi awukho umcimbi wesizwe esingawuxhasi inqobo nje uma izindlela nemali kusavuma. Sizokhubeka ukuwalekelela amakhosi ngoba lemikhosi iyingxenye yokwakha

nokuqinisa isizwe sethu, kuvuselelwe ukuziphatha kahle nokuhloniphana.

In addition, we have supported social cohesion initiatives through the Festival of Beads as a response to major social ills that plague our communities. This has been done in partnership with Provincial and Local Houses, municipalities and other government departments. The activation programme has been rolled out in ILembe, UMgungundlovu and in Ugu, and various cooperatives have received prize money that is being ploughed back into the communities. We have set aside a budget of R5-million to roll out this initiative to prioritised districts which include Zululand, Ugu, Umkhanyakude, Uthungulu, Umzinyathi, Uthukela and Harry Gwala. All of these are guided by the poverty profile in terms of the Poverty Eradication Master Plan.



Amakhosi ural local economic development

Amakhosi as drivers of rural local economic development

In line with the LED Summit resolutions, Cogta has commenced with the programme of rural and community based LED driven by amakhosi. The department has invested a further R23-million for the implementation of three amakhosi LED projects in partnership with Local Houses. Projects approved for implementation are: Okhahlamba vineyard community project with an allocation of R7.7-million, Empangisweni community citrus fruit and vegetable production worth R8-million, and Manguzi fish farming project with a budget of R10-million.

Singuhulumeni wabantu, siyakholelwa kakhulu ekutheni izinhlelo zokuthuthukiswa komnotho eziholwa ngamakhosi zingaba nenasasa elinqala, kwazise phela amakhosi asondelene nawo nezinsalelo zenhlalo yabantu ezindaweni zawo. Kulonyaka wezimali esingena kuwona, sizobhekana ikakhulukazi nemisebenzi emayelana nokuqinisa isithunzi sobuholi bomdabu, wukulethela amakhosi izinsiza zokusebenza kanye nezinhlelo zokubandakanya amakhosi ezakhiweni zokuthathwa kwezinqumo ezingeni lomasipala, ngokulandela isigaba 81



Amakhosi ural local economic development



Amakhosi ural local economic development

somthetho I Municipal Structures Act, okuyiwona obhekelele ukumiswa nokusebenza kwezakhiwo ngaphakathi emikhandlwini yomasipala. Loluhlelo selube nesasasa kangangokuthi selungundabamlonyeni nakwezinye izifundazwe esezilulandela, kanti lapha KwaZulu-Natali sesilusabalalisa ngendlela yokuthi nabasebenzi abasemikhandlwini yamakhosi nabo bathole izifundo. Sihlose njalo ngakho konke lokhu, ukuba sibuyise isithunzi sobuholi bethu bomdabu, ukuze bube yingxeny ephelele ekuyiseni isifundazwe sakithi phambili. Ngaphezu kwalokhu, siphezu komsebenzi wokucwaninga mayelana nokusunguleka kwe Traditional Leadership Institute, nokuyoba yisikhungo esibhekene ngqo nezifundo ezithinta ubuholi bomdabu esikhathi sanamuhla.



Umsunduzi festival of beads



Ukuthela Amanzi and installation of amakhosi

As part of our continuous programme towards the restoration of the dignity of amakhosi, we will continue with the Ukuthela Amanzi and the installation of amakhosi. In the last five years, we have supported His Majesty the King - Hlanga Lomhlabathi! - in the installation of more than 30 amakhosi. In this financial year, a total of ten amakhosi will be installed and five others will be recognised.



iMizi yeZizwe

Madam Speaker, we are proud to have delivered 30 imizi yezizwe in the past five years for the following amakhosi:

NAME OF INKOSI

DISTRICT

NAME OF TC

KHUMALO P.S.S
NZIMA
NTSHANGASE L.D
CHILIZA P.D.H
MSINGAPHANSI N.M
DLAMINI N.B
MKHIZE L.D
ZUMA ZUMA
HLOONGWANE M.E
NDABA N.F
CHILIZA N.N
SHOZI ETHEKWINI
MLABA S
NGCOBO G.N
NGUBANE P.J
MTHEMBU S.W
ZONDI L.Z

AMAJUBA
AMAJUBA
ZULULAND
SIONKE
SIONKE
SIONKE
UMGUNGUNDLOVU
UMGUNGUNDLOVU
UTHUKELA
UTHUKELA
UGU
VUMAZONKE
ETHEKWINI
ILEMBE
UMZINYATHI
UMZINYATHI
UMZINYATHI

AMANTUNGWA
NDLAMLENZE
ZULULAND
MADUNGENI
ZWELETHU
SHIYABANYE
EMBO-THIMONI
KWANXAMALALA
AMANGWANE
MHLUNGWINI
MADUNGENI
(NANGANGENI)
KWAXIMBA
MAVELA
BOMVU
MTHEMBU
ZONDI



NAME OF INKOSI

DISTRICT

NAME OF TC

KHUMALO T.R
MKHIZE D.W.F
JIYANE J.Z
MAPHUMULO N

UTHUKELA
HARRY GWALA
UMZINYATHI
UMGUNGUNDLOVU

AMANTUNGWA
EMBO
JAMA
MAPHUMULO



NAME OF INKOSI

GUMEDE
NTANZI B
MKHIZE S.N
CELE
NGCOBO
HLONGWA
GCUMISA
MEMELA
MTHIYANE

DISTRICT

UMKHANYAKUDE
UMGUNGUNDLOVU
UTHUKELA
ETHEKWINI
ILEMBE
ILEMBE
UMGUNGUNDLOVU
HARRY GWALA
UTHUNGULU

NAME OF TC

MASHABANE
NTANZI
EMBO
VUMENGAZI
NKUMBANYUSWA
HLONGWA
GCUMISA
MEMELA
MAMBUKA

NAME OF INKOSI

MOLEFE N.C
NGCOBO VT
MACHI NM
BUTHELEZI M.D
MPUNGOSSE Z.D

DISTRICT

UMGUNGUNDLOVU
ILEMBE
UGU
ZULULAND
UTHUNGULU

NAME OF TC

ISIMINZA
MALANGENI
IZIBONDA
EMPITHIMPITHI
MPUNGOSSE



Amakhosi Graduation

As part of our continuous programme towards the restoration of the dignity of amakhosi, we will continue with the Ukuthela Amanzi and the installation of amakhosi. In the last five years, we have supported His Majesty the King - Hlanga Lomhlabathi! - in the installation of more than 30 amakhosi. In this financial year, a total of ten amakhosi will be installed and five others will be recognised.

Tools of trade for traditional leaders

The provision of various tools of trade for traditional leaders and their support structures is our priority. Madam Speaker, we have resolved the outstanding issue of benefits for izinduna - all izinduna will now receive monthly stipends. This has extended beyond those that form part of Traditional Councils. The Presidency is assisting with a lasting solution to all matters related to the Presidential proclamation and the President has been engaging with traditional leadership structures on the matter. We will continue to support the process strive to finalise all approved benefits for amakhosi and izinduna.



Traditional ceremonies



Traditional ceremonies

Capacity building

Uhlelo lokuxhasa amakhosi ngokuthuthukiswa kolwazi lwawo ngasohlangothini lwezemfundo luqhubeka ngendlela. Minyaka yonke sinamakhosi afundayo agogode. To date, through our capacity building programmes we have trained 111 amakhosi on the Basic and Advanced Leadership and Governance programmes and in this financial year we will train 20 amakhosi. The programme is growing fast and is now embraced by amakhosi from other provinces. We have also trained Traditional Council members, including secretaries on rural housing where the initial focus has been on uMkhanyakude district. We are doing this to ensure good governance, sound financial management and the effective and efficient functioning of our Traditional Councils.

Traditional Leadership Institute

Madam Speaker, we have completed the skills audit of amakhosi as well as our research on the proposed Traditional Leadership Institute. We are now interacting with universities in the province regarding the establishment of this institute. The Institute will assist amakhosi with ABET and undergraduate courses. It will also equip them with soft skills, such as chairing of meetings, taking of minutes, or development facilitation.



KEY PRIORITIES FOR 2016/2017

Madam Speaker, the key priorities for the coming financial year are the following:

- Households progressively gaining access to sustainable basic services, including water, sanitation, electricity and refuse removal;
- Extending basic services to communities living in informal settlements and farm dwellers;
- Implementing plans to address maintenance of infrastructure;
- Public trust in local government improving through active and deliberative citizen engagement;
- Being proactive in detecting citizen dissatisfaction;
- Municipalities demonstrating good financial governance;
- Improving the quality of management and administrative practices within municipalities;
- Creating and expanding work opportunities through programmes such as the Community Works Programme (CWP), especially targeting the youth;
- Enhancing the quality of governance arrangements and political leadership;
- Tackling corruption within local government more effectively; and
- Harmonising institutions of traditional leadership with local government by addressing access to land, land use and participation in municipal governance.

Report on Budget per Programme

Madam Speaker, Cogta has been allocated a budget of R1.5-billion for the 2016/2017 financial year. The department shows a general decrease in the budget over the period under review. This is as a result of the substantial budget cuts of R48.650-million, R51.959-million, and R55.492-million over the MTEF in Compensation of employees and R11.732-million, R12.197-million, and R12.410-million over the MTEF against Goods and services. Despite these cuts implemented by National Treasury, the budget still represents our priorities as articulated in the SONA and SOPA. All the projected targets will be met irrespective of the substantial cuts, in particular the allocation for Compensation of employees.



Programme 1: Administration = R367.321-million

With an allocation of R367.321-million, this programme will focus on strengthening our capacity in the provision of leadership and oversight. We will continue with our efforts towards building capable human resources, monitoring of implementation of Human Resource Plans, improvement of performance management and building of the competence of the current crop of Human Resource personnel within the department. Building a developmental state requires that we address the skills deficiency that has been identified as a great contributor to slow service delivery. This budget will also focus on building the capacity and capability of the department to promote clean effective and efficient governance through Monitoring and Evaluation.

Programme 2: Local Government = R249.953-million

This programme has an allocation of R249.953-million. It is the engine room that drives the Back to Basics programme in the province. This programme will drive the phase 2 of the Back to Basics programme as encapsulated in the newly developed in 11 point plan which includes:

- Ensuring positive community experiences;
- Prioritising and targeting municipalities receiving disclaimers over five years;
- Developing a revenue enhancement programme;
- Analysing the current state of affairs of the appointment of Senior Managers in municipalities;
- Improving service and infrastructure through diagnostic analysis leading to support and intervention to address key challenges;
- Implementing forensic reports and consequence management and accountability;
- Prioritising issues that have immediate impact on the residents of high-capacity municipalities which tend to be the key drivers of economic growth;
- Strengthening roles of district municipalities by clarifying allocation and distribution of powers and functions;
- Developing a spatial development strategy for various localities;
- Strengthening capacity and role of Cogta by clarifying its core functions, mandates and structure, both constitutional and legislative; and
- Creating a positive communication environment



It also focuses on various capacity-building programmes in municipalities. It also focuses on programmes which manage the re-demarcation process and prepare for the 2016 local government elections to ensure the smooth transition from one administration to the next. This programme also has a strong focus on good financial governance and the achievement of clean audits by municipalities. Additionally, this programme aims to strengthen public participation and enhances governance, accountability and service delivery. It also strengthens oversight and functionality of IGR structures.

Programme 3: Development Planning = R643.650-million

With an allocated budget of R643.650-million, the budget for this programme will be deployed, amongst other things, to execute interventions that are related to the prolonged drought in the province. The focus will also be on upscaling our water and electrification infrastructure to ensure universal access, especially in the rural areas. In this programme, we will also sustain our local economic development activities that create jobs and enable conditions for investment. These include Small Town Rehabilitation and Corridor Development Programmes.

Programme 4: Traditional Affairs = R284.999-million

This programme is allocated an amount of R284.999-million. The five strategic areas for the programme are:

- Stabilisation and strengthening of traditional leadership;
- Promotion of cultural and customary way of life which conforms to the Bill of Rights, Constitutional and democratic principles;
- Implementation of policies, legislation and regulations towards transformation and regulations of the sector;
- Coordination of interfaith activities to promote social cohesion and nation building; and
- Revival and activation of support of traditional institutions to promote socio-economic programmes.



Conclusion

Madam Speaker and Honourable Members, we are at a critical stage of our social transformation programme. As the ANC-led government, we continue to make policy choices that will propel our transformation revolution to greater heights and prosperity. This requires that we go together with the people.

Madam Speaker, through this budget we want to ensure that when we tell our story, we do not tell it with regrets about missed opportunities, but rather with a sense of achievement. We approach the coming term of local government with renewed hope and optimism. We have ridden the waves and even as the sea sometimes rocked our ship, we have weathered the storm. We have not yet found calm waters but the worst has passed. We must now mend our sails, reset our compass and conquer the high seas.

Madam Speaker, let me take this opportunity to thank the African National Congress, my comrades and compatriots. Let me also thank the Honourable Premier and Members of the Executive Council for their collective leadership. I would like to express my gratitude to the Portfolio Committee on Cogta, Finance and SCOPA for their wise counsel and for always endeavouring to ensure that our outcomes are adequately resourced.

I would also like to thank all our departmental staff under the leadership of our former Head of Department, Mrs Nonhlanhla Qhobosheane, Acting Head of Ministry, Mr Mthokozisi Duze, for all the commitment and support in serving our people. Finally, I wish to thank my family – my husband Mr Ncube, my dear kids, my sister (uMamkhulu Lorraine). You know I would not be able to do what I do without you. Mommy, wherever she is, will always be grateful for all the support and encouragement you continue to give.

To the many women - young and grown-up - sisters, girlfriends and grannies who continuously break the glass ceiling. You all remain a pillar of strength that sustains me and gives me energy to get up every day and face the challenges as we forge ahead with our agenda of changing the lives of our people for the better. To my spiritual leaders – you know yourselves – and, in particular, Reverend Shangase of UCCSA. To the Almighty – I am thankful that You are always with me; You are an awesome God, akekho onjengawe, I give You all the glory.

I now have the pleasure of introducing the 2016/2017 Budget for Vote 11, for consideration by this House.



R'000	
Programme	2016/2017
1. Administration	367 321
2. Local Governance	249 953
3. Development and Planning	643 650
4. Traditional Affairs	284 999
Total	1 545 923

I THANK YOU



"CELEBRATING 16 YEARS OF DEMOCRATIC LOCAL GOVERNMENT"

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