



Province of the
EASTERN CAPE
LOCAL GOVERNMENT
& TRADITIONAL AFFAIRS

POLICY SPEECH 2012 - 2015



Ikamva eliqaqambileyo!

**STRENGTHENING A SINGLE WINDOW OF CO-ORDINATION IN
BUILDING BETTER COMMUNITIES – 2012/13 FINANCIAL YEAR**

Honourable Speaker and Madame Deputy Speaker

**Honourable Madame Premier and the Executive Council of the
Province**

**Members of the Provincial Legislature and National Council of
Provinces**

Executive Mayors, Mayors and Councillors

**Members of the Eastern Cape House of Traditional Leaders and the
entire Traditional Leadership institutions in the Province**

Director-General and Heads of Departments

**Superintendent-General, Adv Stanley Khanyile and the management
of the department**

**Representatives of State Owned Enterprises and Non-Governmental
Organisations**

**Religious Leaders, Representatives of Civil Society and Organised
Labour**

Strategic partners and stakeholders

Distinguished guests

Members of the Media

Citizens of the Eastern Cape Province

Honourable Speaker, I extend warm revolutionary greetings to you all. It can only happen in the **Centennial Year of the ANC** that our department unveils **4 Priorities** contained in the **4th Policy Speech**, during the **4th term** of our democratic dispensation in the year **2012**.

We salute the towering leaders of our movement and fallen comrades whose legacy remains firmly imprinted in the liberation heritage of this country. In the same vein, we remember Traditional Leaders and Councillors who tirelessly served their people with honour, humility and dignity and they include Kumkani Maxhobayakhawuleza Sandile, Nkosikazi Nokhaya Mgcotyelwa, Queen Nolwazi Dalindyebo, Mxolisi Gumenge, Phumeza Lose, Noncedo Ngqondi, Linda Tshiki, and many more.

Since the advent of democracy, our movement has recorded landmark victories in the progressive realization of our long-held vision of a better life for all. The State of Local Government Report reflects that municipalities are becoming vital cogs in the wheel of service delivery through our support. Traditional leadership transformation programmes are also bearing fruit.

Honourable Speaker, allow me to outline progress on the implementation of our policy priorities in the 2011/12 financial year.

The seamless execution of the department-led plans prior and post-elections have contributed to the relative stability in municipalities. To date, 96% of Ward Committees have been elected.

Leadership Empowerment Sessions were conducted in all District Municipalities to delineate roles and responsibilities of Mayors, Speakers and Chief Whips in line with legislation.

In the period under review, the Local Government Turn-Around Strategy gained impetus with in-roads having been made in relation to pushing back the frontiers of underdevelopment.

Undivided attention was accentuated on aligning efforts of various spheres of government for accelerated service delivery. The King Sabata Dalindyebo Presidential Intervention is a shining example of what we can do when we work together. The major highlights include but not limited to, upgrading of various projects such as the Mthatha Airport, Bulk Water Supply and Mqanduli Milling Plant. The total number of temporary jobs created are **2 480**.

All 45 municipalities were supported to develop and adopt their Integrated Development Plans (IDPs) to achieve coherence in service delivery.

The Engcobo Fire Station was constructed with employment opportunities generated for **30** local people. The fire station will hone the disaster management ability of the municipality.

On Local Economic Development (LED) facilitation, financial assistance was provided to municipalities for the appointment of **27** LED Experts and Assistants.

Operation Clean Cities and Towns was launched in Elundini, Engcobo, Ngquza Hill, King Sabata Dalindyebo, Makana, Matatiele, Mbashe, Mnquma, and Senqu municipalities. As part of the Community Work Programme, **20 358** jobs were created.

In pursuance of the ANC's accountability commitment, we signed Service Delivery Agreements with all the Mayors, Municipal Managers and Chief Financial Officers. In this regard, inter-governmental monitoring mechanisms are in place.

In line with the provincial effort to curb fraud and corruption, 22 investigations were conducted and tabled in Municipal Councils for them to take action based on the recommendations.

In collaboration with the Office of the Premier, we have rolled out anti-corruption awareness programmes in municipalities. Furthermore, a Provincial Legal Advisors Forum was launched for legislative compliance in local government, uniformity in legal interpretation and sharing of best practices.

The Department received an unqualified audit opinion for the 2010/11 financial year.

The flagship programme of **Operation Clean Audit** which enjoins us all, saw considerable improvements in the audit outcomes of municipalities.

The results for the 45 municipalities are as follows:

- Thirteen (13) received unqualified audit opinions as against nine (9) in the previous financial year
- Thirteen (13) received qualified audit opinions against fourteen (14) in the year before
- Seventeen (17) received disclaimers compared to nineteen (19) previously
- Two (2) received adverse opinion as against three (3) in the previous year

Driven by the quest to realize good governance in municipalities, forty four (44) out of forty five (45) municipalities have functional Internal Audit Units. Forty two (42) out of forty five (45) municipalities have functional Audit Committees. Municipal Public Accounts Committees (MPACs) are in place in forty four (44) municipalities.

A total of nineteen (19) municipalities that have demonstrated excellence in various Key Performance Areas were awarded financial incentives. Moving forward, we will revise the municipal performance excellence model and communicate it broadly with our stakeholders.

Coming to Traditional Affairs, we had a mixed bag of successes including the integration of traditional leaders in municipalities, strategic positioning of this branch within the department, establishment of the Committee on Traditional Leadership Claims and Disputes, roll-out of Initiation Monitoring and Intervention Strategy and finally creating a platform for these traditional leadership institutions to play their legislated role.

In closing this financial year, we have taken stock of the challenges, consolidated our achievements and now move forward with a fresh vigour to build an efficient, effective, accountable and responsive local government system and traditional leadership institutions.

Honourable Speaker, we are cognisant of the triple challenges of “poverty, inequality and unemployment” that confront us in a real way. The ANC January 8th Statement directs us to “bring new energy and new ideas into the kind of society we want to build over the next few decades”. This new trajectory on the country’s growth path demands that the fire burns from all cylinders.

This policy statement sketches the context within which the Department of Local Government and Traditional Affairs operates and unveils the delivery imperatives as emanating from Outcome 9.

The set imperatives which will be implemented utilizing the department’s final appropriation of **R788, 452m** will form the delivery inferno of the department as we take the next steps to meet the needs of our communities during the 2012/13 financial year. The Department’s focal areas which are aligned to Outcome 9 are:

- **Good Governance**
- **Basic Service Delivery and Infrastructure Development**
- **Co-ordination and Integration**
- **Traditional Affairs**

FOCAL AREA 1: GOOD GOVERNANCE

Honourable Speaker, we will be intensifying our efforts with Provincial Treasury to provide hands-on support to municipalities in improving their audit outcomes. Entailed in the plans, is a reporting framework to monitor performance and impact measurement. A sum of **R42,9m** has been set aside to advance Operation Clean Audit support to 19 municipalities with adverse and disclaimer audit opinions. The names of municipalities which will form part of the intervention are: Alfred Nzo, Baviaans, Buffalo City, Chris Hani, Emalahleni, Engcobo, Enyandeni, Great Kei, Inkwanca, Intsika Yethu, King Sabata Dalindyebo, Kouga, Koukamma, Lukhanji, Makana, Ngqushwa, Nxuba, OR Tambo and Mbizana.

An additional **R6,2m** will be channeled to accomplish sound financial management, monitoring by oversight structures and records management in targeted municipalities.

Honourable Speaker, we are steadfast in our commitment to build the technical capacity of municipalities and to keep in check political-administrative interface for the sustained work of municipalities. The Amended Local Government Municipal Systems Act, No.7 of 2011, prescribes that the department must actively participate in the hiring of Section 56 Managers with powers of approving and disapproving appointment now vested in the MEC.

Section 56A (I) of the Amended Act, stipulates that “a municipal manager or manager directly accountable to a municipal manager, may not hold political office in a political party, whether in a permanent, temporary or acting capacity”. A budget of **R2,2m** has been committed for successful human resource management and development in municipalities.

Honourable Speaker, in addressing the cancer of fraud and corruption, the department will aggressively monitor the implementation of municipal investigation reports. Furthermore, the Plan is to conduct investigations, vetting of Senior Management Service members and those who are in strategic areas such as Finance and Supply Chain Management. We are aiming for 100% of disclosures on conflicts of interests. To realize the plans, we have put aside **R0,500m**.

Honourable Members, it gives me great pleasure to announce that in the past financial year, we have assisted municipalities to collect at least **R454,8m** of the debt owed by provincial government departments. It is through working with the Provincial Task Team that we will maintain to register these milestones. In 2012/13 financial year, municipal revenue management and enhancement strategies will be premised on drafting and fulfillment of plans, policies and procedures.

On the same matter of revenue enhancement, municipalities will commence with the second cycle of implementing the provisions of the Municipal Property Rates Act 6 of 2004 (MPRA). The department intends to

embark on facilitation processes and develop a computerised Valuation System to assist municipalities in preparation of Valuation Rolls. An amount of **R1, 2m** has been provided for this service. The diminishing pool of Property Valuations Practitioners is a worrying phenomenon and we encourage the youth to consider it as their career of choice. The financial support in the form of bursaries is available targeted at vulnerable groups

Municipalities must provide quality services that will change the lives of the people. At this point we call upon rate-payers associations in particular and the citizenry in general to work with us in building a viable and sustainable local government by paying their dues. In the same vein, we welcome the national budget proposals for expansion in municipal infrastructure grants over the MTEF period.

All these bold undertakings require that we continuously identify, replicate and reward best practices in municipalities utilising the Municipal Performance Excellence Award (Vuna) model as our compass. In this year, the Vuna Awards model will be reviewed and piloted to allow for more citizen participation. An allocated **R 1,1m** has been made for this purpose.

FOCAL AREA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Honourable Speaker, the hopes and aspirations of our people as contained in the IDPs must be met without fail. In the 2012/13 financial year, the emphasis will be improving ward-based plans for credibility of IDPs. To this end, an amount of **R2, 3m** has been set aside for integrated planning and monitoring capacity of local government.

Integrated development planning must take into account spatial realities. Assistance will be provided to 3 municipalities for the preparation of Spatial Development Frameworks which will enable the designation of areas for future growth. The budget allocation of **R1, 7m** will also cover the introduction of zoning schemes in municipalities. The Presidential Intervention in King Sabata Dalindyebo Municipality has been allocated **R1, 1m** for the establishment of a Cadastral Bank (CB) and General Plan (GP).

Compatriots and friends, Free Basic Services is at the heart of our onslaught to deal with poverty. In the last financial year, we successfully launched the Provincial Free Basic Services Forum with functional district based structural arrangements. Capacity building initiatives targeted at Councillors will serve to sharpen oversight for delivery of free basic services. The budget allocation for this programme is **R1, 7m**.

Honourable Speaker, **R3, 5m** will augment the provincial capacity to deal with disasters. Over the MTEF period, the department will adopt a phased-in approach on the construction of a Provincial Disaster Management Centre based in Bhisho. The centre will house various strategic partners for a consolidated provincial disaster response. This will give up-to-date weather forecast warning and monitoring systems.

In the 2012/13 financial year, a social dialogue on the architectural designs will ensue. The finalization of a Provincial Policy Framework on Disaster Management will be fast-tracked so that there is a clear roadmap for integrated disaster management in the Province. In addition, we want to explore partnerships with the Department of Human Settlements on disaster and sanitation issues.

Honourable Speaker, the local government turn-around agenda demands an active citizenry that partners with the state to become their own liberators. At the centre of the public participation intervention, is the efficacy of the Ward Governance System, functionality of Community Development Workers in bringing the community closer to government services and social facilitation for the infrastructure revolution. The establishment of Stakeholders Forums and civic education will broaden the scope for citizens to influence development and as such **R7, 3m** has been availed. Owing to the top slicing of the provincial budget, there will not be any new intake of Community Development Workers this year. In the

interim, a shared resource principle will apply for continued provision of services.

Inspired by our commitment to keep in tune with the needs of communities, we will assist all municipalities to conduct Customer Satisfaction Surveys (CSS). Monitoring of municipal turn-around times on the Presidential Hotline queries will carry on. Municipal communication will be accelerated in order to restore faith and confidence of the people in municipalities. Funding totaling **R2, 6m** will be directed to these endeavors.

FOCAL AREA 3: CO-ORDINATION AND INTERGRATION

Honourable Speaker, it is only through the integration and harmonization of the efforts of various spheres that we can realize the province's plans of infrastructure development. In accordance with the Service Delivery Model of the department, District Co-ordination will be reinforced to mainstream support where it is needed most. The development of a District Coordination Model will go a long way to ensure an integrated and coordinated municipal support service.

We will hold quarterly MuniMEC meetings, Provincial Water Forums and District Mayor's Forums to give effect to the single window of coordination.

On the international relations front, the development of standard operating procedures for twinning agreements will take centre stage.

Honourable Speaker, the Department attaches a high premium to the development of a growing economy, creation of decent work and sustainable livelihoods. The department is determined to make use of the budget allocation of **R7,4m** for municipal LED strategy development, execution of LED anchor projects in 3 municipalities (Port St John's, Emalahleni, King Sabata Dalindyebo) and marshalling energies of various partners towards a common programme of action.

The Small Towns Revitalization Programme aimed at economic development and job creation will benefit Nkonkobe, Mbashe, Engcobo, Ngqushwa and Port St John's.

Honourable speaker, in line with the creation of an employment safety net for the poor, the department will once again contribute to the Community Work Programme by creating an additional 342 employment opportunities by the end of the new financial year. The identified sites are in the following municipalities: Gariep, Senqu, Elundini, Matatiele (2 sites), Mzimvubu (2 sites), Mbizana, Mhlontlo, Sakhisizwe, Ngquza Hill, King Sabata Dalindyebo (2 sites), Mbashe, Intsika Yethu, Amahlathi, BCM, Ngqushwa and Ikwezi.

The development of a strong infrastructure will alleviate some of the pressures facing the province in the provision of services. Municipal Infrastructure Services is gearing itself to give technical support for the infrastructure development drive enabled by the allocation of **R5, 1m**. In the coming financial year, at least 12 municipalities will benefit from the Municipal Infrastructure Support Agency's (MISA) programme to ensure infrastructure development and maintenance.

The department is stepping up its support to municipalities for delivery of infrastructure timeously and in line with the budget. The strength of our partnership with Water Affairs will be unleashed with the implementation of the OR Tambo District Municipality's Water Systems, as enunciated in the national budget speech. In the provincial infrastructure projects, the department will engage public participation machinery and traditional leadership institutions to solicit buy-in of people and to make them custodians of these projects.

The provincial municipal infrastructure task team and district-wide infrastructure forums will be convened, in an effort to align sector plans with municipal plans. The emphasis will be on the use of grants for purposes intended to eliminate misuse of funds targeted for infrastructure development.

FOCAL AREA 4: TRADITIONAL AFFAIRS

Honourable Speaker, allow me to preface this focal area by drawing from the wisdom of Chief Albert Luthuli who once said “a chief is primarily a servant of his people. He is the voice of his people”. Traditional leaders are catalysts of development in their constituent communities and must be driven by the consciousness of the responsibilities that they have to their people.

Ladies and gentlemen, the five year term of the current members of the Eastern Cape House of Traditional Leaders (ECHTL) has come to end and plans for the election of the new members are complete.

Honourable Speaker, I take the opportunity to commend the Members of the House under the Chairmanship of Nkosi Ngangomhlaba Matanzima for raising the bar in the service of rural communities in this province.

Honourable Members, traditional leaders have a vital role to play in the march to build a national democratic society. Ties will be cemented between traditional leaders and various partners to advance the following programmes:

- The moral regeneration movement to heal the divisions of the past and build a caring society
- The HIV/AIDs partnership with Sector Departments and Non-Governmental Organisations

- Citizen mobilization behind the massive infrastructure and development initiatives
- Commemoration of frontier wars and the liberation heritage
- The responsibilities bestowed on the citizens in relation to energy efficiency, the green revolution, and basic human rights.
- Giving impetus to the fight against fraud and corruption where social grants are concerned
- Improved service delivery to rural communities

Honourable Members, the delivery imperatives for Traditional Affairs are as follows:

- **R9.3m** has been set aside for the House of Traditional Leaders to perform its duties as prescribed by law.
- Members of the Committee on Traditional Disputes and Claims have been allocated an amount of **R1.5m** for the operations of the Committee.
- **R7m** has been set aside for the construction and renovation of Traditional Councils.
- **R15m** for policy and legislative development, traditional leadership capacitation programmes and rural development initiatives.

We are aware of the challenges facing traditional affairs in our Province including lack of uniformity in policy and legislation that govern the affairs of traditional leaders. We commit to work with the national government to

define the place and role of traditional leadership within the new system democratic governance.

Honourable Speaker, our department is ready to speed up “action and implementation” of the plans contained in this policy statement. What propels us forward is enacting the single of co-ordination to build better communities.

CONCLUSION

In conclusion, I draw from President Zuma's clarion call for us to "write a new story about South Africa, the story of how, working together, we drove back unemployment and reduced economic inequality and poverty". The Department of Local Government and Traditional Affairs will seize the opportunity of writing yet another successful chapter in our democratic dispensation by getting down to work, doing more with less and leveraging on partnerships for maximum impact. We appreciate you unwavering support in the task of making local government and traditional leadership institutions work for the benefit of all our people. Let us join hands in the reconstruction and development of our Province.

Together we can do more!

I thank you.

**LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
SUMMARY OF ACTUAL AND BUDGETED PAYMENTS**

Programme	2012/13	% of Budget Allocated
Administration	174,972	22%
Local Governance	230,302	29%
Development And Planning	108,808	14%
Traditional Institutional Management	251,645	32%
House Of Traditional Leaders	22,725	3%
Total	788,452	100%
Compensation of employees	615,617	78%
Goods and services	141,652	18%
Transfers and subsidies	13,709	2%
Payments for capital assets	17,475	2%
Total economic classification	788,452	100%



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