

**2020/2021 BUDGET SPEECH – VOTE 11: COGTA
BY HON. S.E. HLOMUKA
KZN MEC FOR COGTA
5 JUNE 2020**

Madam Speaker;

The Premier of KZN, Hon. Sihle Zikalala;

Members of the Provincial Executive Council;

Honourable Members of the Provincial Legislature;

Inkosi Chiliza, Chairperson of the Provincial House of Traditional Leaders;

Amakhosi AseNdlunkulu present;

Mayors and Councillors of municipalities;

Heads of Departments and Government Officials;

Citizens of KZN;

Theme: “Fighting the Covid-19 pandemic in KZN with a capable, ethical and developmental local government”

Madam Speaker, 15 days from now will mark exactly 25 years since the passing of one of South Africa’s revolutionary stalwarts - the pride of the KZN province and a son of the Midlands - uBaba Harry Themba Gwala who passed away on 20 June 1995. His contribution to the liberation struggle of the people of our nation and province was paramount.

This year also marks the centenary commemoration of uMtomdala as he would be turning 100 a month from now. It is particularly fitting that we recall the bravery of Comrade Gwala at a time such as this when we face the most unprecedented of challenges. It is at times like these when we must emulate his bravery; times like these demand of us resilience and courage to forge ahead.

The fact that we present this Budget Speech for Vote 11: Co-operative Governance and Traditional Affairs for the 2020/2021 financial year via an online platform is a sign of the times. We must congratulate you, Madam Speaker and your capable team, that despite these challenges, you have ensured that the show goes on. You have proved that accountability is not quarantined and that service delivery is not under lockdown. We are reminded of the revolutionary leader of Burkina Faso, Thomas Sankara’s words:

“You cannot carry out fundamental change without a certain degree of madness. In this case, it comes from nonconformity, the courage to turn your back on the old formulas, the courage to invent the future. It took the madmen of yesterday for us to be able to act with extreme clarity today.” Today we are those madmen as we have amidst the current challenges continued to carry out new methods and formulas for doing our work. Indeed, the show must go on.

The national lockdown, in effect since 27 March, has placed our municipalities under immense pressure and it has severely curbed their ability to raise revenue and provide services. This is a time when our limited resources to fight the pandemic have had to be pooled and redistributed towards a new and unforeseen priority – the fight against the Covid-19 pandemic.

This is also a time when a steadfast cohort of leadership has been required to steer us forward. We are grateful to His Excellency, President Ramaphosa and his Cabinet together with the Hon. Premier Zikalala and his Executive Council for the unwavering leadership they have provided during these trying times.

It is also fitting to acknowledge the role played by the national Minister of Cogta Dr Dlamini-Zuma in sailing us through these turbulent storms. Today we stand here resolute in offering our continued support to municipalities and traditional institutions at a time of crisis so we, together, can deliver quality services, as we have always done, to the communities of KZN.

This is an opportunity to present not only a Budget Speech for Vote 11: Co-operative Governance and Traditional Affairs for the 2020/2021 financial year but a vision for local government in KZN. It is a blueprint for the immediate future as we continue to fight the Covid-19 pandemic but also for a time when we begin the journey to a new normal and we have regained the energy and regrouped our resources to realise our vision of a reliable and sustainable local government. It is a blueprint for wide-ranging and far-reaching support for municipalities and traditional institutions for and beyond the Covid-19 world we now live in.

As we soldier on during these difficult times, the mandate from the people of this province remains our compass and conscience in all the efforts we make. We do not take the people’s trust in us for granted. In the context of local government, this trust is based on our unparalleled achievements in the rollout of basic services, infrastructure and good governance.

Last year we made a series of commitments to this House and today we are here to report on the progress we have made in achieving what we set out to do during the first year of this administration, before we

can make any further commitments. We will admit upfront that this journey has not been one without challenges. However, we remain upbeat, knowing that the path to success is always under construction. As we soldier on, we are emboldened by the words of Amilcar Cabral, the famous revolutionary, when he warns us to *“hide nothing from the masses of our people. Tell no lies. Expose lies whenever they are told. Mask no difficulties, mistakes, failures. Claim no easy victories”*.

Covid-19 interventions

Madam Speaker, while it is fair to say that the global outbreak of the novel coronavirus was largely unforeseen, we in KZN were able to respond to it with the necessary speed and effectiveness once the dangers were known in our regional context. We are proud to report to this august House that since the earliest days of the Covid-19 pandemic in this province, we at Cogta have been at the forefront of efforts to limit its spread and devastating consequences in our municipalities and traditional institutions and the communities they serve.

Following the national declaration of disaster, we promptly instructed all local government institutions, including traditional institutions, to limit their meetings and public gatherings and educate and sensitise communities as well as our own employees about the ramifications of the declaration of state of disaster, which included the national lockdown from 27 March.

In this regard, we have worked closely, through our disaster management teams, with all the relevant stakeholders in the province, including municipalities, amakhosi, sector departments, SAPS, social partners, the media and communities themselves. We remain in daily communication with our mayors and municipal managers within the framework of the provincial Covid-19 Command Centre.

We have also instructed municipalities to ensure that all basic services, such as the provision of water, electricity and waste removal, continue in spite of the limitations on the freedom of movement and economic activity. We have similarly instructed mayors and municipal managers to reconfigure their conditional grant funding towards the fight against the virus and to streamline procurement procedures towards ensuring that all the necessary maintenance and repairs to essential municipal infrastructure proceed without undue delays.

The sphere of local government itself has also heeded our call to action with great and exemplary urgency. Our municipalities and traditional leaders have, in their various capacities, called for compliance

with the social distancing rules or the deep cleaning of public spaces, such as municipal buildings, taxi ranks and other areas with heavy foot traffic.

At the same time, we have continued to distribute water tankers to areas with unresolved challenges in the delivery of water and we have also visited selected municipalities to monitor the progress on the ground and respond to practical concerns raised by communities. We also continue to work with the provincial Department of Health in facilitating the operation of screening, testing and quarantine sites in all relevant municipal jurisdictions.

In addition, we have also ensured, from day one, that our own employees are adequately protected from the novel coronavirus in their respective workplaces and sensitised to all the associated risks as they continue to discharge their duties. Our approach has been multi-pronged and comprehensive and it will continue to be so until the entire province is declared a Covid-19-free zone.

Overview of the 2019/2020 financial year

Madam Speaker, allow me to borrow from the Gospel of Matthew 13:3-9: *“When Jesus told his disciples many things in parables, saying: A sower went out to sow and he sowed, some seeds fell along the path, and the birds came and devoured them. Other seeds fell on rocky ground, where they did not have much soil, and immediately they sprang up, since they had no depth of soil, when the sun rose they were scorched. And since they had no root, they withered away. Other seeds fell among thorns, and the thorns grew up and choked them. Other seeds fell on good soil and produced grain, some a hundredfold, some sixty, some thirty.”* And concludes: *“He who has ears hears”*.

Last year, Madam Speaker, we stood before this House to report on work done for the 2018/2019 financial year and also to commit our budget for the 2019/2020 financial year. The budget we were allocated was indeed seeds that fell on good soil for the fruits are out on display for all to see.

Economic transformation and job creation

As far as budget cycles go, it was a relief that the Covid-19 pandemic manifested itself towards the end of 2019/2020. This allowed us to deliver on most commitments we made in this House a year ago. On the economic transformation and job creation front, we have already placed 520 interns in municipalities, exceeding our target of 500. We have also maintained 45 000 work opportunities created through the Community Work Programme funded with R586-million by the national Cogta.

Interventions in municipalities under administration

Madam Speaker, there were nine municipalities that were under intervention in terms of Section 139(1)(b) of the Constitution at the start of 2019/2020. Since then the intervention at eNdumeni ended on 30 November 2019 while interventions at Richmond, Mtubatuba, uMzinyathi, Msunduzi, Inkosi Langalibalele, Mpofana, Abaqulusi and uThukela district have been extended until 31 October 2020.

- **Progress in Msunduzi**

Despite notable improvements, there are still persistent challenges in this municipality. Msunduzi received a qualified audit opinion for the 2018/2019 financial year which is an improvement from the audit opinion for 2017/2018 which was adverse. There has been a marked reduction in the public protests by various communities surrounding service delivery. A municipal manager was appointed and assumed duty on 1 April 2020. This is a huge step in the efforts to improve the municipality to the status it deserves as the capital city of our province.

- **Progress in uMzinyathi district**

The municipality and its municipal manager who was suspended reached a settlement to terminate his services. We approved the tabling of the Forensic Investigation Report. The municipality accepted the report and undertook to implement its findings and recommendations. As a department, we are monitoring the implementation very closely. To alleviate the challenges related to the delivery of water in the district, amplified by the Covid-19 pandemic, the municipality took delivery of 20 water tankers.

- **Progress in Richmond**

The municipality received an unqualified audit opinion for the 2018/2019 financial year. This was an improvement from the adverse audit opinion received a year before. The position of its municipal manager became vacant and the municipality has commenced the process of filling the position. It has also recruited a chief financial officer following the resignation of the previous CFO. The municipality received a grant of R10-million for road infrastructure development (Magoda Road). The municipal environment has stabilised.

- **Progress in Mtubatuba**

The municipality, working with the appointed administrator, commissioned a forensic investigation into allegations of maladministration, fraud and corruption in respect of rehabilitation of water and sanitation infrastructure. Several senior employees were implicated and are facing disciplinary action. The

process to depoliticise employees and build staff morale is ongoing. The municipal environment is stable, yet fragile since consequence management is in progress.

- **Progress in Endumeni**

This intervention closed on 30 November 2019. We are pleased to report that this municipality remains politically and financially stable.

- **Inkosi Langalibalele**

With Cogta's assistance, however, it has managed to cut Eskom debt from R130-million to R43-million in December 2019. This in itself is a notable achievement! The intervention recovery plan is being implemented to ensure a return to good governance and a stable financial position.

- **Progress in Abaqulusi**

The municipality obtained an unqualified audit opinion for the 2018/2019 period which was an improvement from the 2017/2018 opinion which was qualified. The municipality challenged the resolution of the Provincial Executive Council to place it under intervention in terms of Section 139(1)(b) of the Constitution. The High Court has dismissed the application. Consequence management is being pursued both at political and administrative levels.

- **uThukela district**

Despite much effort from Cogta, there has, unfortunately, been little progress at uThukela district. The municipality received a qualified audit opinion for the 2018/2019 financial year. The issue of the unfunded budget with a deficit of approximately R73-million re-emerged when the municipality was forced by National Treasury to pass an adjustment budget in November 2019. The municipality has committed to work harder to implement cost curtailment measures, improve revenue collection and reduce the high salary bill. These aspects are comprehensively addressed in the Municipal Recovery Plan. This district remains one of our top priorities going forward!

- **Progress in Mpofana**

Despite Cogta's involvement, payments by Mpofana municipality to Eskom remain a challenge. Support from this department, together with Provincial Treasury, is in place to find a way forward, which would benefit all parties. This is an interim arrangement until the review application is completed. Both Provincial Treasury and Cogta have deployed additional experts who are based at the municipality for periods of up to six months assisting the administrator and the municipality to turn the situation around.

Progress in eThekweni metro

Although eThekweni metro has not been under intervention, the change in political leadership in the province's only metro has led to changes that need to be reported here. Since September 2019, eThekweni metro's new leadership has largely stabilised the city by building a capable and accountable government and accelerated the pace of service delivery by focusing on creating an inclusive economy. With eThekweni being the financial hub of the province, this is a heartwarming story to tell on behalf of Cogta and we do so here today with pride!

Improving municipal audit outcomes

We have developed an Audit Improvement Plan to address the findings by the Auditor-General wherein we have targeted ten municipalities, namely Umuziwabantu, Nquthu, Msinga, Mandeni, Umhlabuyalingana, Ray Nkonyeni, uPhongolo, Maphumulo, City of Umhlatuze and Umlalazi that achieved unqualified audit opinions with findings in the 2018/2019 financial year, with the sole objective to improve their audit opinions to unqualified audit opinions with no findings (clean audit) for the 2019/2020 financial year.

We have just appointed financial experts to improve audit outcomes of five intervention municipalities, with the exception of Msunduzi and Mpofana which have had such experts for some time. Expert resources have been drawn from our Panel of Financial Experts to support these municipalities to improve the overall audit outcomes. We are aiming to resolve all audit queries and implement robust internal controls which will ensure effective accounting and reporting and enable municipalities to be proactive in attaining and sustaining clean audits.

Fraud corruption and consequence management

We have been in discussion with DCOG to tighten the disciplinary regulations for local government senior managers under the Municipal Systems Act. This is to deal with senior managers who opt to resign before the disciplinary measures against them are concluded. The matter has been raised at the quarterly forum with provinces. The following recommendations were made:

- (a) A person who is found guilty in a criminal court should not be re-employed, and
- (b) If a staff member resigned prior to the finalisation of the disciplinary proceedings, this does not preclude the municipality from pursuing criminal charges and reporting the matter to the SAPS.

Unfunded budgets

Madam Speaker, we have managed to reduce the number of municipalities with unfunded budgets by 50%. Our assessment in 2019 had revealed that 17 out of 54 municipalities had unfunded budgets. Currently, 46 out of 54 municipalities have funded budgets and 8 municipalities with unfunded budgets have financial recovery plans which have been accepted by National Treasury.

Preparation for the Local Government Elections

Madam Speaker, we remain on course with preparations for the upcoming Local Government Elections scheduled for 2021. The outer boundaries of municipalities have been finalised and became effective on 1 July 2019. I, in my capacity as MEC for Cogta, have also determined the new number of councillors to become effective on the day of the 2021 elections. Currently, Ward Delimitation is being undertaken by the Municipal Demarcation Board.

Masakhane campaign

Our municipalities continue to provide a wide range of basic services, including water, electricity, sanitation and refuse removal, and unpaid bills for these services mean that municipalities cannot continue to provide them indefinitely. Poor or limited understanding of how basic services work is a contributing factor behind the escalating service delivery protests, which pose a serious threat to development in our communities. It is evident that at least part of the solution lies with an integrated campaign that brings communities together with councillors from municipalities and civic organisations in championing the cause and culture of civic pride.

It is for this reason that we have revived the Masakhane campaign to appeal to the public to pay for services, whilst educating them about the threat posed by the culture of non-payment. We are making them aware that non-payment for services is lethal to municipalities. The Masakhane campaign was launched in Ugu district on November 2019 and was being rolled out in all municipalities until the Covid-19 pandemic slowed its progress in March 2020. To date all district and municipal debt books have been updated and a process of cleaning indigent registers and updating indigent policies is ongoing.

Know Your CDW campaign

Madam Speaker, the Know Your CDW campaign that we launched in iLembe and subsequently rolled out to all districts has taught us valuable lessons. We have always known that the fight against poverty can never be won by government alone. Through this campaign we have been assured that government is not alone. We have formalised a social compact with the business community, civil society and government against poverty and underdevelopment. Together we have provided relief for communities in distress. This has added meaning to the work of the CDWs who now walk through communities with confidence knowing that they will be able to mobilise support from communities.

Eskom debt

Debt owed to Eskom by municipalities, including Newcastle, Mpofana, Inkosi Langalibalele, Ulundi and Abaqulusi, has been reduced as a result of the payment plans which Cogta helped to negotiate between the owing municipalities and the power utility.

Operation Khawuleza

In response to the infrastructure maintenance backlogs faced by the province, we have rolled out Operation Khawuleza, through which we have provided R160-million worth of yellow plant equipment, including graders, water tankers, rollers, excavators, waste trucks, honey suckers and TLBs, to municipalities on the basis of need. To date, a total of 103 such items have been purchased and handed over to Ugu, uMgungundlovu, uThukela, uMzinyathi, Amajuba, Zululand, King Cetshwayo, iLembe, uMkhanyakude and Harry Gwala districts. The programme is ongoing, subject to delays necessitated by the Covid-19 pandemic.

Through this initiative we have recorded speedy delivery of water to communities with water challenges, especially in Ugu, uThukela and Amajuba. When these municipalities faced water shortages, they received water tankers. uMshwati municipality witnessed one of the most severe storms and a grader was immediately deployed there to surface the roads. Such positive impact has also been experienced at Mpofana, Ward 4, where the community could access a road that had been in disrepair for three years. Similarly, at uMkhanyakude one of our water tankers is now servicing the palaces on a weekly basis which alleviates the water challenges at the Royal Household. It is evident, Madam Speaker, that the seed did fall on good soil.

IGR as a 'game changer'

Madam Speaker, last year we boldly declared that IGR was going to be a game changer. We are now making good on this promise. We have already re-engineered the District Mayors and District Municipal Managers Forums to become the district political and technical hubs to drive the implementation of the District Development Model as pronounced by the President of the Republic. It was envisaged that all 10 district hubs and the metro would be operational from 1 April 2020 but the Covid-19 pandemic has necessitated a delay. A revised Terms of Reference will eventually see the streamlining of coordination among all three spheres of government operating in the local government space in a coordinated manner to plan, budget and deliver effective services to the communities.

IDPs and Integrated Plan for All Government

During April 2020, support was provided to all 54 municipalities in reviewing their adopted 2019/2020 IDPs to ensure their alignment to the catalytic projects in their District Growth and Development Plans, Departmental Sector Plans and the priorities of the 6th administration. National and Provincial Treasury, in partnership with sector departments, made available their respective future projects to municipalities for alignment and inclusion in their draft 2020/2021 reviewed IDPs.

We are now making progress in entrenching IDPs as the bible for all government implementation. We will continue to preach this gospel until everyone is converted. We are curbing fiscal dumping onto the municipalities by other spheres of government. This will ensure that the review of IDPs enables the realisation of the District Development Model's One Plan One Budget through intensified sectoral coordination and alignment.

Role of amakhosi in IDP process

To ensure that IDP becomes an integrated Plan for All Government, we are rolling out workshops on the IDP as an interface for the District Development Model. We are targeting all Local Houses of Traditional Leaders in the province. The aim is to ensure that amakhosi asendlunkulu participate in municipal planning processes and are informed of every development in local government.

Disaster management

In 2019/2020, the province recorded a total of 2624 disaster-related incidents, mainly due to inclement weather conditions and veld fires. Consequently, 25 812 households were affected and damages to public infrastructure, such as roads, schools and community halls, amounted to some R3-billion.

Unfortunately, as a result of these disasters there have been 208 casualties as well as 500 injuries. In response to these tragedies, we at KZN Cogta, through the Provincial Disaster Management Centre, District Disaster Management Centres and municipalities, responded to most reported incidents.

We also hosted a Disaster Management Summit in Bergville in January 2020 whose participants took stock of the disasters that have been testing the capacity of disaster management structures. The summit adopted resolutions to address the lack of adequate funding for the disaster management function in municipalities. In addition, we have provided financial support to Ubuhlebezwe, Alfred Duma, Ilembe and uThukela for the construction of Disaster Management Centres and procurement of equipment. These projects are being implemented, subject to delays due to the Covid-19 pandemic.

Community Service Centres and Traditional Administration Centres as Smart Centres

Madam Speaker, we have been actively bringing services closer to communities. Thus far Precinct Plans have been developed to inform the construction of new Community Service Centres in line with the Provincial Growth and Development Strategies. We are also proud to note that our province scooped a number of top awards at the national Thusong Centre Service Excellence Awards. In addition, we also are forging ahead in ensuring that our CSCs have Wi-Fi connectivity

Municipal spaces and planning

Municipalities have been guiding public and private sector management and development of land since the passing of the Spatial Planning and Land Use Management Act (SPLUMA) in 2013. We at Cogta are now mandated to support them in driving spatial planning and regulating land use management and we have therefore provided both technical and grant funding support to put the required spatial plans and land use schemes in place.

With our technical and grant support, 98% of KZN's municipalities have updated their Spatial Development Plans to ensure that they are compliant with SPLUMA. During the past year, our municipalities' compliance with wall-to-wall land use schemes has reached 35%, with another 10% due to finalise their schemes by July 2020. The Covid-19 pandemic is likely to cause delays but we at Cogta continue to provide the necessary support from our side.

Assessment of the State of the Institution of Traditional Leadership

We have assessed the functionality of 287 Traditional Councils in the province. The assessment focused on the execution of roles and functions, administrative capacity, state of physical resources and intergovernmental relations. It highlighted critical needs in infrastructure, tools of trade and capacity building. We are now developing the support plans for each Traditional Council to provide interventions towards self-sustainability and competency. This will automatically prepare the institution of traditional leadership for effective and meaningful participation in future District Development Model activities.

Updating of family trees

To date we have managed to update 268 family trees of imindeni yobukhosi. The outstanding 12 could not be completed due disputes and other challenges. We will continue to engage amakhosi to cooperate so that the outstanding family trees are also updated.

Traditional Council Elections

In February 2020 we planned to host the reconstitution of Traditional Councils, which includes the election of the 40% of their membership. Due to administrative challenges, the elections had to be postponed. Our plan now is to design a new consultation programme with amakhosi and His Majesty and deliver the elections during the 2020/2021 financial year, subject to developments in respect of the Covid-19 pandemic. In the meantime, we have continued to attend to the outstanding issues raised by the Traditional Councils and amakhosi, such as the payment of sitting allowances for 1690 Traditional Council members amounting to R1.245-million.

Progress on payments to izinduna

As indicated in the last Budget Speech, we collated all input regarding the payment of the outstanding increment of salaries for izinduna and we also paid all izinduna their outstanding increment. We continue to engage izinduna leadership on their concerns which include the issue of the back-pay. We will be meeting with the national government and other stakeholders to discuss this issue and agree on a workable way forward.

PROGRESS ON FINDINGS FROM THE LOCAL GOVERNMENT ASSESSMENTS

Madam Speaker, you will be aware that shortly after the 2019 Provincial Elections, we conducted Local Government Assessments on an unprecedented scale in all 54 municipalities in this province. In our last

Budget Speech, we made a number of specific commitments in respect of our findings and we are now reporting on our progress in this regard.

Inter-party tensions

Discussions to amend the KZN Types of Municipalities Act have commenced. We will report to this House as soon as this matter has been finalised. We have also engaged with different political parties represented in our municipalities to deal comprehensively with inter-party tensions.

Oversight structures

Our assessment had revealed that 15 municipalities had poorly functioning Councils, 12 municipalities had poorly functioning Executive Committees (EXCOs) and 20 municipalities had poorly functioning Municipal Public Account Committees (MPACs). Currently, 52 municipalities have functional councils, with only two municipalities still facing challenges being eDumbe and Mpofana.

The number of poorly functioning ExcOs in the province has decreased significantly since it is now only eMadlangeni and eDumbe that still have challenges in convening Exco meetings. Support has been provided to all 20 municipalities which were initially found to have poorly functioning MPACs. The rest of the oversight structures throughout the province are generally functional.

Councillor and municipal office bearer vacancies

All Mayor vacancies have been filled with an exception of KwaDukuza and Abaqulusi. All Deputy Mayors, Speakers, Ward Councillors and PR Councillors vacancies have been filled in the 37 municipalities that reported such vacancies during last year's assessments.

Filling of vacant posts in municipalities

Madam Speaker, the current vacancy rate at senior management level in municipalities is 16.7%. This includes six municipal managers and nine CFO positions. This is of great concern to us and we continue to urge municipalities to expedite the filling of these vacancies. We continue to support municipalities with a standard Anti-Fraud and Anti-corruption Strategy, the objective of which is to create a culture within municipalities which promotes public service by adopting measures to prevent, detect and

investigate fraud and corruption. We can also report that all (100% of) appointed municipal managers and senior managers have undergone competency assessments.

Challenges with the implementation of tabled forensic reports

The focus on implementation of recommendations of all forensic reports has intensified and steps will now be taken against those municipalities that fail to implement findings of forensic reports. To this end, we have made recommendations to the national government for legislative reform to strengthen the provisions of Section 106 of the Municipal Systems Act and we have published, in November 2019, a Notice in terms of Section 105 of the Systems Act to compel municipalities to report on detailed steps in respect of implementation action taken.

Participation of traditional leadership in municipal councils

Although the number of municipalities which enjoyed 80% and above attendance of traditional leaders at meetings has increased to 20, there remains much room for improvement. All municipalities with poor attendance of traditional leaders at council meetings have been engaged and guided on participation enhancement measures. Similarly, all participating traditional leaders who were identified as not attending council meetings have been met and given the opportunity to inform us of their reasons.

For purposes of enhancing coherence in the province, a Provincial Participation Coordination and Peer Learning Forum comprising of relevant Cogta officials and municipal participation practitioners has been established. This Forum will be used to strive for common approach in dealing with traditional leadership participation-related issues. It will be used as a platform to share experiences in addressing pertinent participation issues as well as to minimise the current disparities on participation practices.

2020/2021 BUDGET IN THE WIDER POLICY CONTEXT

Madam Speaker, even as we build on these solid achievements to return our local government to normalcy amid the devastating Covid-19 pandemic, we continue to bring about universal access to basic services, more and better infrastructure and improved audits in all municipalities by the end of this term of office. We also look further into the future with two tangible goals in mind.

The work we do is always for the benefit of our communities. In order to make this budget as people-centred as possible, we have gone out of our way to solicit public inputs for the initiatives we will undertake

in the 2020/2021 financial year. For this purpose, we employed a variety of platforms to invite suggestions from the public and the response has been overwhelming. We wish to thank everyone who took their time to contribute to this ongoing process and we want to assure everyone that their opinion matters.

We seek to create a conducive environment for stable economic growth which will lead to sustainable job creation at local level in our municipalities. This has never been as critical as in the phase we find ourselves in as a country and even as the world. Secondly, we pursue a drastic intervention programme at local government level aimed at enhancing efficiencies in respect of municipal management and service delivery to put a stop to wasteful spending of hard-earned taxpayers' and ratepayers' monies. In doing so, we strive towards making our local government not only fully functional but also viable and sustainable.

In these efforts, we are guided by our government's new Medium-Term Strategic Framework (2019-2024) which also outlines a five-year perspective for Cogta. The plan defines a desired destination and identifies the roles different sectors of society need to play in reaching that goal. The MTSF identifies the task of improving the quality of public services which requires KZN as a province to focus on strengthening the ability of local government to fulfil its developmental role in our communities. Its seven key priorities are as follows:

1. Capable, Ethical and Developmental State
2. Economic Transformation and Job Creation
3. Education, Skills and Health
4. Consolidating the Social Wage through Reliable and Quality Basic Services
5. Spatial Integration, Human Settlements and Local Government
6. Social Cohesion and Safer Communities
7. A Better Africa and World

In line with the Hon. Premier Zikalala's 2020 State of the Province Address, in 2020/2021 we will be focusing on building a Capable, Ethical and Developmental State. In practice and in the added context of the Covid-19 pandemic, this will require that we focus on capacity building, both internal which refers to our own recruitment and training needs as a department and external which has to do with our support for training needs of municipalities and traditional institutions. The "ethical" part of this priority will refer to the strengthening of our frameworks that ensure clean and corruption-free governance.

Central to achieving the seven MTSF priorities, in a future Covid-19-free KZN, is improved coordination and cooperation among all government structures as envisaged in the Constitution. To address the fragmented approach to planning and implementation within government, Cabinet has approved the District Development Model, as an important mechanism for enhancing the cooperative governance system. The District Development Model seeks to facilitate joint planning, budgeting and implementation, as well as monitoring and evaluation between and among all spheres of government. I will later elaborate on how we will roll out the District Development Model in our province, working together with all stakeholders with Cogta playing a very strategic and coordination role.

In 2020/2021, as we emerge from the Covid-19 pandemic, our focus will be on building capacity and competence to drive the agenda of the current administration through various interventions, such as the planned organisational functionality assessment. Through it, we will assess the competency of management, both at senior and middle levels, with the intention to refer for training where deficiencies are identified in line with the set of skills required for us to successfully impact on the system of local government and set priorities.

The MTSF further identifies the following groups as priority for the 6th administration: women, youth, and people living with disabilities. In this regard, our budget provides for capacity building and job creation for these designated groups. A commitment to set aside 35% of the department's procurement budget for women entrepreneurs, youth and people with disabilities will be honoured to ensure the plight of these groups becomes a thing of the past.

This Budget Speech seeks to integrate the MTSF into our plans for 2020/2021 and beyond, and make existing departmental work consistent with the plan and the goals. As I go about presenting the specifics, I am mindful of the need to:

- Provide wide-ranging and far-reaching **support to all municipalities and traditional institutions as we continue to fight the Covid-19 pandemic** and as we return to normalcy once the pandemic has been suppressed and the economic activity in the province has resumed;
- Provide rigorous support for **intergovernmental relations structures**, identified as the “game changer” for this cycle to ensure that IGR forums drive coordinated planning effectively, monitor the alignment and implementation of the Integrated Development Plans (IDPs), Service Delivery and Budget Implementation Plan (SDBIP), as well as all budgets;
- Coordinate the newly launched **District Development Model** approach to service delivery through the mobilisation of national, provincial and local government resources towards One Plan per district;

- Create a **local government that works better** and in order for this to happen, we will decentralise support to municipalities through **Local Government Specialists** who will improve coordination and facilitate the resolution of service delivery issues. We will also focus on **appointing suitably skilled qualified finance and governance professionals** who will be deployed to municipalities for a period agreed upon to provide hands on support. We will likewise **improve revenue collection** at municipalities through the Masakhane Campaign. We will further reduce Unauthorised, Irregular, Fruitless, and Wasteful Expenditure and enforce **consequence management** in municipalities;
- Improve the functionality of **Community Service Centres** by digitising and making them compliant with 4th Industrial Revolution;
- Coordinate and support municipalities and organs of state dealing with **disaster management** irrespective of whether a provincial state of disaster has been declared;
- Manage the **water crisis** in the province by developing a Water Master Plan for KZN, which takes cognisance of current and future demand and which identifies short, medium and long term interventions, to ensure water security;
- Strengthen the capacity of youth graduates deployed in municipalities through the **graduate apprenticeship programme**;
- Entrench **participation of amakhosi** in the development of IDPs to contribute towards building a peaceful province;
- Implement **social cohesion programmes** in partnership with the interfaith sector, municipalities and traditional leadership to address social ills in municipalities through special programmes of the municipal IDPs;
- Develop and implement **Traditional Affairs Policies and Guidelines** to ensure that standardised processes are adhered to in the execution of duties; and, lastly,
- Develop the **Performance management system** for the institution of traditional leadership.

SPECIFIC PRONOUNCEMENTS FOR 2020/2021 IN SUPPORT OF MTSF GOALS

Ongoing Covid-19 interventions

Madam Speaker, since the identification of South Africa's first case of Covid-19, which was reported in KZN on 5 March, a Provincial Covid-19 Response Plan has been developed based on the hotspots identified by municipalities. Furthermore, the Provincial Disaster Operation Centre along with District and Metro Disaster Operation Centres have been activated to coordinate with the National Nerve Centre. In

addition to identification of quarantine and isolation sites and homeless shelters, we have continued to support municipalities in their provision of basic services to curb the spread of coronavirus.

We have been supporting municipalities with cleaning of public places in partnership with programmes, such as EPWP. We have also participated in municipal Covid-19 awareness campaigns and distribution of hand sanitisers. To ensure municipal funding for Covid-19-related initiatives, we have facilitated the settlement of government debt owed to municipalities in light of revenue losses and the need for uninterrupted supply of water and electricity during lockdown. We have also supported municipalities in revising their 2020/2021 budgets to include Covid-19 allocations and cost-containment measures.

The impact of Covid-19 has hit our economy hard both in the formal and the informal sector. We have provided support to municipalities in ensuring that informal traders in particular do receive relief as per the pronouncements made by the national government that different packages be made available to support small businesses during the lockdown period and beyond. With our support, municipalities have been able to grant special permits to spaza and tuck shops to ensure that they are able to access funds through relevant banking institutions.

Post-Covid-19 interventions

Based on our day-to-day experience in dealing with the Covid-19 pandemic as it has unfolded in the context of KZN municipalities, we have, as a department, formulated a comprehensive Recovery Plan to provide a broad framework of plans to support the recovery of local government post-lockdown. The plan is based on five pillars, namely, governance, finance, basic service delivery, performance management and the District Development Model. We are currently engaging with all 54 municipalities in the province to develop their own customised Post-Lockdown Recovery Plans.

To mitigate the possibility that many local industries might close down post Covid-19 and the effect of ensuing job losses, KZN municipalities will be supported with continued infrastructure development and measures to support surviving local industries, attracting investment and reducing the Red Tape. We will be supporting municipalities in reviewing their current Informal Economy Policies to ensure a sustainable transition to more inclusive local economies. We will also facilitate completion of incomplete infrastructure projects in our CSC, Municipal Infrastructure and Small Town Rehabilitation programmes.

Capacity building

Madam Speaker, the fight against the triple scourge of poverty, inequality and unemployment can never be won if we do not build the capacity of our local government institutions. However, the offensive to building capacity has to start from an understanding and appreciation of the capacity that you already have.

Skills audits

We have reported at length in the previous budget speeches about a province-wide skills audit that was conducted to determine the education levels and qualifications, of councillors post-elections from 2016 to 2018. We also conducted a province-wide skills audit of officials in KZN municipalities. During the Finance, Budget and Treasury Office and Technical Skills Audit, 5 955 municipal employees were audited. A further 4144 employees were audited in nine municipalities.

The total number of officials audited is 10 099. These skills audits have assisted us in identifying skills gaps and specific training needs per municipality. Sixty officials were trained in various municipalities on the use of the Gaps Skills Audit system. This ensures that municipalities are able to conduct their own skills audits to fast-track the identification of training interventions that are required. The remaining 36 772 employees will be audited in the 45 municipalities in the next two years using the 60 trained officials.

Institutional capacity

With 2020/2021 being defined by the need **to create a Capable, Ethical and Developmental State**, as per the first priority of the MTSF, there is a need to reconfigure Cogta's working arrangement to enhance the responsibility of co-ordination within and outside the department. In practice, this means that we need to build both internal and external capacity.

Enhancing internal – departmental - capacity

We are continuously capacitating our employees as per their Personal Development Plans. We would previously offer bursaries to our staff for the training needs they would identify themselves. We found, however, that many of the chosen qualifications did not meet Cogta's needs in terms of specialised skills. For this reason, we opted to channel our employees' training needs towards Cogta's delivery objectives. We will be channelling resources towards training that will amass the capacity and skills that we need to push back the frontiers of poverty in our communities.

We have established a Forum for Deputy Directors and Assistant Directors to enable these employees to locate themselves within the broader goals of the department. We have also undertaken a process of mentoring and skilling of these employees so that they can move into the next level with a greater level of competency in managerial skills that are required of a senior manager. In 2020/2021 we will be conducting a skills assessment of all deputy directors and its findings will inform their training needs to be reflected in their new revised Personal Development Plans. An amount of R1.5-million is allocated for this purpose.

We have already mentioned that Cogta has embarked on a process to increase the level of skills in respect of employees who provide direct support to municipalities and traditional institutions. Training competencies have been identified and a needs analysis is underway. Training courses in Operational Financial Management, Strategic Financial Management, Risk and Change Management, Project Management, Supply Change Management and Audit and Assurance form part of the needs analysis. E-learning on the MFMA via the National School of Government has also been identified.

Enhancing external – municipal - capacity

As a department, we are monitoring the implementation of the Provincial Capacity Building Plan. Interventions within the capacity building plan include Capacity Building interventions for Municipal Officials, Municipal Councillors and Traditional Leaders. This is central to building a capable, ethical and developmental state.

Competency assessments

In order to address the gaps identified in the competency assessments of municipal managers and senior managers, we embarked on the rollout of the National School of Government's mandatory training programmes. A series of programmes commenced in February 2020 that targeted municipal and senior managers aimed at building their skills and competency. The training programmes offered are: Khaedu Training, Evidence-Based Policy Making, Executive Coaching for Leadership Development and the On-Line Ethics Programme.

Capacity building targets

We are now prioritising the implementation of the National Certificate: Local Government Practices for 2020/2021, which aims to capacitate 300 councillors on finance, budgeting and technical skills. Key service delivery activities for 2020/2021 include ensuring that skills audits are conducted in all municipalities, the continued coordination of capacity building in the province through the Provincial Capacity Coordinating and Monitoring Committee, and support to municipalities. Key training programmes that will be implemented in 2020/2021 are:

- National Certificate: Local Economic Development Qualification pitched at NQF Level 6, targets 50 Councillors. This programme supports the exit strategy for councillors.
- National Certificate: Public Service Communication pitched at NQF Level 6, targets 50 councillors. This programme supports the exit strategy for councillors.

We will further engage with the National School of Government to expand the rollout of training programmes in the Local Government Sector.

Municipal oversight structures

Our quest to build capacity in our ranks is not only limited to the administration. For 2020/2021 we have adopted a multi-stakeholder approach in rolling out MPAC workshops where there is partnership between Cogta, the Office of the Auditor-General, Provincial Treasury and SALGA. This multi-stakeholder team provides a multi-pronged approach to MPAC workshops with the aim of rigorously equipping these structures with skills to conduct effective oversight. Feedback from municipalities indicates that this new approach is far more effective in training MPACs to perform their functions.

Implementation of District Development Model

The District Development Model, which was launched in KZN last October, is now being implemented as planned. It aims to enhance intergovernmental relations to achieve integrated planning, budgeting and implementation among the three spheres of government. It also seeks to intensify the Operation Sukuma Sakhe approach which ensures that citizens are heard and their needs are addressed. This will deepen our inter-governmental relations and ensure that local government can perform its developmental mandate. We will play a key role in bringing this approach to life at a district level.

Key to this is formulating one development plan in which all stakeholders participate according to their mandates. To date, district profiles for all 10 KZN districts have been drafted by Cogta and these are now being consulted in each district among all stakeholders with a view to finding agreed catalytic projects for immediate joint interventions. Over the next year, each district will work towards ensuring that they

develop ONE PLAN where all stakeholders are represented in the joint plan. All of government is expected to take ownership and responsibility for this ONE PLAN in each district.

To further improve intergovernmental relations through this coordinated approach, the finalisation of the Memorandums of Understandings is currently underway at Cogta. To date, the MOUs including MISA, Provincial Treasury, Eskom and Education have been finalised while the drafting of the MOU between the Department of Water and Sanitation and Cogta is in progress.

Municipal Support Plans

The report on the State of Local Government in KZN has revealed our blind spots and we are determined to close the gaps. In response to its findings, we have developed 54 Municipal Support Plans which were subsequently adopted by all of our municipalities. Their implementation is now being monitored through an established Nerve Centre which meets fortnightly and through Quarterly Performance Reviews where Cogta also visits municipalities to verify progress.

Public Service Internship Programme

Madam Speaker, we are determined to continue making a meaningful contribution in reducing unemployment. We continue to prioritise the employment of women, youth and people with disabilities. Hence the Departmental Public Service Internship Programme is being implemented with a specific focus on these groupings. There are currently 70 interns. We have extended the duration of the internship as prescribed by the DPSA to 24 months. Interns recruited are in line with the scarce skills list as approved by the Executive. An additional 75 interns will be appointed in 2020/2021.

In our efforts towards employment equity, we have achieved a staff establishment of 2.01% filled with people with disabilities, which exceeds the 2% target. We will keep monitoring our performance because we do not want to regress. In 2020/2021, we will also run a pilot programme where some of our employees with disabilities will start working from home with the department providing for their immediate needs such as internet connection. This, we believe, will lead to savings as some employees with disabilities currently require assistance in the form of supporting staff.

Graduate Internship Programme

In 2020/2021, we will continue with the graduate internship programme that we launched in 2019/2020. With an allocation of R5-million, we will be catering for specific training needs of the graduate interns allocated to municipalities because we are aware that the municipalities would not be able to provide for such needs. We want to ensure that these graduate interns are up-skilled to further enhance the capacity in our municipalities and to also widen the skills pool.

Targeted departmental procurement

Madam Speaker, we have adjusted our departmental procurement policy in order to empower designated groups, including Africans, women, youth and persons with disabilities. In 2020/2021, we will also ensure that our public procurement will require service providers to demonstrate empowerment of graduate interns in their respective companies.

Local Government Toolkit

As I have mentioned earlier in this speech, in June 2019 we undertook a comprehensive assessment of the State of Local Government in KZN municipalities. One of its major findings was the need to address and strengthen the policy environment in municipalities. To this end, I directed that steps be taken to support municipalities in the policy field, which has given rise to a Consolidated Local Government Toolkit.

The purpose of the Toolkit is to provide a support package of Municipal Policies, Processes and Procedures, which may be adapted and adopted by municipalities. In addition, the Toolkit promotes uniformity, improves norms and standards in respect of the municipal policy environment and makes a contribution to professionalising local government in our province.

Supporting specific municipalities in 2020/2021

Madam Speaker, as Section 154 of the Constitution instructs us, we will in the 2020/2021 financial year continue to provide wide-ranging and far-reaching support to all of KZN's 54 municipalities while we, in response to specific challenges, focus on the following:

- **Msunduzi**

Going forward in 2020/2021, working with MEC Champion, Hon. Pillay and other sector departments, we will continue to coordinate service delivery initiatives for Msunduzi through the Service Delivery War Room (SDWR) which was established in December 2019 as per the directive of the Executive Council.

- **uMzinyathi district**

In 2020/2021, we will continue to support the municipality in filling the vacant position of the municipal manager. We will also monitor the implementation of findings and recommendations of all investigations.

- **Richmond and Mtubatuba**

In 2020/2021, we will continue to monitor the implementation of Section 106 findings and recommendations in these municipalities.

- **Inkosi Langalibalele**

In 2020/2021, we will provide institutional support (Technical and Governance Experts) to assist the appointed administrator. The administrator will finalise the process initiated in terms of Section 189 of the Labour Relations Act, if necessary. It should be noted that the administrator negotiated a settlement that did not involve the retrenchment of staff. Inkosi Langalibalele must be commended for taking bold steps to contain costs, including a reduction in security costs as well as designating all previously full time office bearers, as part time.

- **Abaqulusi**

In 2020/2021, we will conduct a forensic investigation in terms section 106 of the Municipal Systems Act into allegations of maladministration, fraud and corruption which was reported by the administrator. We will also continue monitoring the municipality closely with particular reference to its fragile governance arrangements.

- **uThukela district**

In 2020/2021, we will support the municipality with Finance and Technical experts, who will support the appointed administrator. We will also support the municipality to improve the audit opinion from the Auditor-General which remained qualified for two consecutive years.

- **Mpofana**

In 2020/2021 we will deploy additional experts who will be based at the municipality for periods of up to six months assisting the administrator and the municipality to turn around the situation.

Madam Speaker, going forward, we intend to close all interventions prior to 2021 Local Government Elections, if possible, and continue to support these municipalities in terms of Section 154 of the Constitution.

- **Newcastle, Ladysmith and other municipalities**

In recent months, Newcastle, Ladysmith and other municipalities have witnessed localised protest action that has, in some cases, paralysed the entire municipalities. In response, we have dispatched our Rapid Response Unit to liaise with the management of the affected municipalities as well as aggrieved stakeholders. Whilst this intervention has helped us in understanding the issues at play better, it is also correct to point out that the Rapid Response Social Facilitation intervention has only managed to provide temporary reprieve as some of the contested issues transcend broader service delivery issues.

Future approach to municipal interventions

Based on the unsatisfactory record of employing Section 139 interventions in municipalities, going forward in 2020/2021, for any municipality displaying consistent instability, we will adopt a mechanism recommended by the Executive Council for municipalities under constant distress, that of establishing a Service Delivery War Room as a measure to strengthen our Section 154 oversight role in municipalities but also as a proactive strategy to provide high-level platforms for stakeholders to engage on matters of complicated contestations.

Whilst these War Rooms will be coordinated by Cogta, we will request the Hon. Premier to assign MEC Champions, for the respective districts to provide strategic political leadership on them. This approach will be bolstered with the secondment to municipalities of provincial government officials who are experts in various fields as well as from a database of external experts. By way of monitoring and oversight, I, in my capacity as MEC for Cogta, will visit all municipalities in distress requiring high-level interventions.

Plans for eThekweni metro

In 2020/2021, we anticipate that eThekweni metro will continue on a positive trajectory towards stability in administration and governance and improving performance, especially on matters raised by the Auditor-General. We will supporting the metro in its integrated planning processes, especially for major catalytic infrastructure projects, some of which still display symptoms of silo-planning with its negative impact on sustainability. We do expect eThekweni to finalise the implementation of their insourcing strategy.

Progress in Ugu

The situation regarding water in the Ugu district is a cause for concern. While we acknowledge that this is one of our water-stressed districts, we are investing in long-term catalytic programmes to make it water-secure. We are deeply concerned that, in most cases, the disruption to water infrastructure arises not from routine operations and maintenance issues but due to unlawful actions, unauthorised interference and tampering with infrastructure, rendering it unable to provide water to communities.

We have allocated an amount of R20-million to alleviate Ugu's water scarcity and 92 static tanks have already been delivered. In addition, we have allocated R1.3-million to upgrade water pumps at Ifafa, R14.5-million for uMthamvuna's raw water pump station and water treatment works, and R2.7-million for the construction of a temporary bridge across uMzimkhulu River. Ugu has also been supplied with two water tankers and honey suckers, a grader, two TLBs, an excavator and a refuse compactor.

Consequence management in municipalities

In the year ahead, there will be a renewed focus on consequence management in municipalities at both a political and administrative level. Breaches of the Code of Conduct will be investigated and appropriate sanctions will be applied where necessary. A uniform standing procedure for breaches of the Code of Conduct for councillors has been drafted and will be implemented in the year ahead.

All Speakers will be empowered to manage the process in a professional manner, which will contribute to achieving a measure of stability in the Councils. Mechanisms to apply consequence management for poor performance, for breaches of the Code of Conduct for officials, for negative findings in investigations reports and contraventions of the Municipal Finance Management Act will be established and implemented.

2021 Local Government Elections

For the upcoming Local Government Elections scheduled for 2021, we will develop a Local Government Elections Programme with a Task Team. Currently, Ward Delimitation is being undertaken by the Municipal Demarcation Board and draft wards will soon be published for comments and/or objections. Once this process is finalised, the Independent Electoral Commission will commence with preparations for the elections. This will include Voters Awareness Campaigns and Voters Registration opportunities. Communities across our province are urged to participate in the Ward Delimitation process and to ensure they are registered to vote in the upcoming Local Government Elections.

Infrastructure assessment in KZN municipalities

We have conducted an Assessment of Infrastructure in all our 54 municipalities. It will be finalised in June 2020 and its findings will identify the nature, location and cost of repairs to broken infrastructure. In 2020/2021, we will be sharing this information with municipalities to assist with their planning, budgeting and implementation. We will also be enforcing an 8% allocation in municipal budgets for infrastructure and motivate for ring-fencing of portions of conditional grant funding for maintenance since the current model of such funding only provides for new infrastructure.

Provincial Water Master Plan

With 21.2% of KZN's households still lacking access to water, the supply of water has been identified as one of the key priorities of the 6th administration. We have established the Water Experts Task Team, chaired by the MEC for Cogta. Similarly, the Provincial Crack Team, comprising of Cogta and Provincial Treasury, is convening weekly to monitor water master planning and implementation of projects. We held a Water Summit on 22 November 2019 where we directed that a Provincial Water Master Plan be developed by July 2020 and that it should reflect the state of water provision in all wards, future interventions as well as immediate ones which will result in "quick wins" starting in 2020.

Water infrastructure interventions

Provision of water is number one priority also when it comes to public inputs into our budget process. Mphokophelo from uMvoti and Manatha from Bergville, both of whom wrote to us on Facebook, have alerted us to specific water-related needs of their communities and we wish to assure them that their inputs will be treated as matters of priority.

In addressing the growing demand for water services from communities, we are currently leading the implementation of the KZN Accelerated Water Programme in partnership with key sector stakeholder. This Programme primarily targets seven districts, namely Ugu, uThukela, uMzinyathi, Amajuba, Zululand, uMkhanyakude and Harry Gwala, at the total cost of R84.095-million, and constitutes four sub-programmes;

- Water Storage Programme with the provision of 3000 static tanks,
- New Borehole Programme with the provision of 251 boreholes in uMkhanyakude (24), Zululand (47), Amajuba (40), uMzinyathi (45), Harry Gwala (30), and uThukela (65),
- Spring Protection Programme (Enyokeni Palace), and

- Infrastructure Development Programme which includes transfer payments for short-term and high-impact water reticulation projects in all seven target districts.

Establishment of Programme Management Unit

Madam Speaker, as one of largest recipients of conditional grants for infrastructure development, we are making a tangible difference to lives of our communities with the delivery of new water, electricity and sanitation projects in our municipalities. In 2019/2020 we received R3.2-billion in infrastructure conditional grant funding which has been utilised for, among others water, sanitation, roads and storm water, community and sports facilities.

At the same time, we are witnessing under-spending of conditional grants due to poor planning which we are determined to arrest through consequence management. In 2020/2021, we will streamline the coordination of all conditional grant spending by municipalities through a newly formed Programme Management Unit (PMU). This unit will bring together all stakeholders involved in the delivery of infrastructure. It will assist municipalities with better planning, timely implementation of projects and ultimately with improving the living conditions of communities through job creation.

The new unit will ensure that municipalities produce credible cash flows. We will not draw-down funding to municipalities without projects ready for implementation. We will ensure expenditure targets are met and use early warning signs to support struggling municipalities. We will conduct monthly assessments of expenditure performance and make recommendations to the National Treasury to withhold funding from struggling municipalities until progress is achieved.

We will likewise recommend stopping of a portion of the municipal allocation if the municipalities show evidence of not being able spend all of their allocations within the municipal financial year. We will also recommend that the stopped funds go to well performing municipalities that have shown good progress and have projects ready to spend additional funds.

Spatial equity and Land use management in municipalities

Our key tool for achieving spatial equity and transformation in KZN is a Provincial Spatial Development Framework which will be finalised in 2020/2021. Each municipality will need to formulate its own SDFs and associated Land Use Schemes for its areas. This year, for the first time, we will have wall-to-wall

land use schemes across the province enabling us to closely direct, guide and monitor how land is used and developed.

We will introduce a Spatial Equity Geographical Information System that will assist government in planning, co-ordinating and directing its investments and monitoring its adherence to the agreed plans and priorities. This system will also act as a central place for holding and organising land data guiding all of government work and decisions in the province.

The introduction of the District Development Model approach will benefit from and be guided by these SDF, LUS and GIS interventions this year. For spatially equitable development to happen it is critical that we all agree on how land should be used and developed by municipalities for common good. We will be running a public awareness campaign on the important role of local government in planning and land use management if we are to achieve socio-economic development and spatial equity.

Small Town Rehabilitation Programme

Madam Speaker, our Small Town Rehabilitation Programme has been changing the face of our municipalities with upgrades of existing and construction of new public infrastructure. Currently, the focus is on three municipalities, namely Mtubatuba with an allocation of R14-million, Mpofana where multi-year projects are being implemented, and eDumbe with an allocation of R19.5-million. These allocations for municipal infrastructure improvements and beautification will improve the lives of local communities and enhance investment opportunities for all targeted municipalities.

Managing disasters

We would like to see our communities preventing and reducing the impact of disasters. We will fortify our efforts to build and strengthen the capacity of fire and rescue services in the province. We will ensure that we fast-track the completion of an Emergency Management Centre of Ubuhlebezwe municipality and monitor the construction of fire station at Alfred Duma municipality as well as the delivery of the fire-fighting equipment for ilembe and uThukela districts. In 2020/2021, we will be proceeding with the installation of an Integrated Communication System.

We will also support municipalities to develop and implement disaster management plans that must be aligned to their IDPs to ensure that they are budgeted for. We will likewise intensify the mainstreaming

of disaster management functions into community structures, such as amakhosi or Operation Sukuma Sakhe to inculcate the culture of risk avoidance.

Provision of resources to amakhosi

We are finalising the rehabilitation of eight Community Service Centre projects in improving working conditions for traditional leadership whilst a further six projects are at site handover stage. These projects are located in the following municipalities Umzumbi, uMshwati and Nkosazana Dlamini Zuma, Umlalazi, Nquthu and eThekweni. Twelve CSCs have free Wi-Fi access and 13 have computer tele-centres.

Rural Local Economic Development Programme

Our Rural Local Economic Development Programme brings together local municipalities and traditional institutions to improve the economy of a local area and the quality of life of its residents. We are currently focusing on ilembe under Inkosi Gumede and Ugu under Inkosi uXolo to maximise the potential of agricultural production for job creation and food security. This is also an opportunity to ensure that amakhosi play an active role in bringing development to their traditional communities.

In order to attain inclusive economic growth in line with the tenets of Radical Economic Transformation and Back to Basics, we have embarked on an initiative to partner with strategic stakeholders, including the Small Enterprise Development Agency (SEDA), to assist with technical and governance support to our District Development Agencies. Part of this initiative is the deployment of resources, including specialists and or field experts. In 2020/2021, R13-million will be allocated for this purpose.

Strengthening regulatory environment

There is a great need of strengthening of the traditional affairs regulatory environment. In this regard, we will pay full attention to the development and review of various policies, frameworks, guidelines and procedures.

Disputes and improving the process of the recognition of amakhosi

The Honourable Premier is appointing a Commission on the Traditional Leadership Disputes and Claims to finalise the disputes and claims not finalised by the national commission which ceased to exist in December 2017. The new commission is to ensure that all disputes and claims are handled to create

certainty to the affected families and communities. Some of these claims and disputes date back to 2004 when the national commission was established and we are inundated with calls for the conclusion of these matters.

The Hon. Premier is also in the process of finalising the appointment of the Babanango Commission to investigate and recommend on the longstanding boundary dispute between the traditional communities under amakhosi in the Babanango and Nobamba areas. We hope that this dispute, which led to the death of more than 50 people in the 1990s, will be resolved once and for all and communities can live side-by-side in peace.

Implementation of Traditional and Khoi-San Leadership Act

In late 2019, the President of the Republic assented to the national Traditional and Khoi-San Leadership Act, which seeks to introduce changes in the legal environment affecting traditional leadership. Its main feature is the recognition of the Khoi-San communities and leaders, which will initially happen at national level by the Minister through a commission. We are finalising a plan to brief amakhosi and other stakeholders on the new features brought about in terms of the Act. The Khoi-San communities and leaders will be involved in the programme.

BUDGET PER PROGRAMME

Our key pronouncements will be funded as follows:

Programme 1: Administration = R 444.176-million

Madam Speaker, with an allocation of R444.176-million, Programme 1 will focus on newly restructured and more efficient administration that complies with all the prescribed cost-containment measures and that procures all its goods and services in line with the revised SCM regulations.

Programme 1: Administration	2020/2021 (R'000)
Office of the MEC	R 20 078
Corporate Services	R 424 098

Programme 2: Local Government = R 368.097-million

This programme has an allocation of R368.097-million which will be utilised to support and stabilise the sphere of local government based on our assessment of the state of governance, finances and service delivery at the start of the 6th administration.

Programme 2: Sub-programmes	2020/2021 (R'000)
1. Municipal Administration	R 70 896
2. Municipal Finance	R 25 785
3. Public Participation	R 201 800
4. Capacity Development	R 19 954
5. Municipal Performance Monitoring, Reporting and Evaluation	R 49 662

Programme 3: Development Planning = R486.722-million

With an allocated budget of R486.722-million, our focus with the Programme will be on local economic development that strives for the viability and sustainability of local government through the development of local economies, job creation, infrastructure delivery, particularly of water, and spatial development.

Programme 3: Sub-programmes	2020/2021 (R'000)
1. Spatial Planning	R 68 069
2. Land Use Management	R 35 878
3. Local Economic Development	R183 741
4. Municipal Infrastructure	R148 147
5. Disaster Management	R 50 887

Programme 4: Traditional Affairs = R580.151-million

This programme is allocated an amount of R580.151-million. Its strategic initiatives, which include wide-ranging support to the institution of traditional leadership, will be implemented through the following sub-programmes:

Programme 4: Sub-programmes	2020/2021 (R'000)
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1. Traditional Institutional Administration	R 485 891
2. Traditional Resource Administration	R 94 260

The overall budget for the department is R1.879.146-million.

Conclusion

Madam Speaker, it is no exaggeration that the Covid-19 pandemic has stretched our capacity as a department to the limit. When I think about the work of Cogta during this crisis, I am mindful of one thing: whatever we do and achieve, we are doing and achieving as a team. This is a team that includes the management and staff of Cogta under the stewardship of Mr Thando Tubane, our municipalities, traditional institutions and the Cogta Portfolio Committee in the Provincial Legislature.

Our sincere thanks go to all of them, individually and collectively. My personal thanks also go to my movement, the African National Congress, for the trust it has placed in me to manage this important portfolio. And last but not least, a special thanks goes to my dear wife, my children and my whole extended family for their unwavering support and understanding.

As we conclude this Budget Vote, Madam Speaker, noting that this pandemic too shall pass, we are reminded of the words: *“Gloom and despondency have never defeated adversity. Trying times need courage and resilience. Our strength as a people is not tested during the best of times. As we said before, we should never become despondent because the weather is bad nor should we turn triumphalist because the sun shines.”*

As we, together, fight the Covid-19 pandemic and prepare to provide post-Covid-19 support to municipalities and traditional institutions and implement the Medium-Term Strategic Framework, we also continue to create a Capable, Ethical and Developmental State in the 2020/2021 financial year and beyond.

We now have clearly defined goals and now we must all pull in the same direction to implement them. Let us continue in ***“Fighting the Covid-19 pandemic in KZN with a capable, ethical and developmental local government”***.

Madam Speaker, we hereby table the Budget for Vote 11: Co-operative Governance and Traditional Affairs for the 2020/2021 financial year.

I thank you!