



**NCOP POLICY DEBATE ON BUDGET VOTE NO 3:
COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS
06 JUNE 2012**

Chairperson of the NCOP, Honourable M J Mahlangu

Honourable Deputy Chairperson of the NCOP

Honourable Minister of Cooperative Governance and Traditional Affairs

Honourable Members of the House

Honourable Executive Mayors and Fellow Councillors

We wish to agree with the Minister when he boldly emphasises in his Vote that it is not all doom and gloom – indeed, there are many good practices and pockets of excellence to be found at Local Government level. It is critically important, in our view, to bear in mind the tremendous strides and progress that government has made (with Local Government playing a critical role) in expanding the provision of services to our people. While acknowledging and addressing the challenges, we should not be overcome with the obstacles before us.

Yes, it is true that the triple challenges of poverty, unemployment and underdevelopment is manifested at Local Government level because this is where

people meet Government in all its forms. To communities, there is no distinction between National, Provincial and Local Government, or indeed state enterprises. The transformation from a society rooted in discrimination and disparity, to a constitutional democracy posed, and will continue to pose, particularly profound challenges at Local Government level. It is here that acute imbalances in personal wealth, physical infrastructure and the provision of services were and are **most obvious**.

On service delivery protests and need for risk cover for Councillors

It is thus important that we contextualise the microscopic lens on Local Government as a reflection of government. In that context, service delivery protests have become part and parcel of our democratic form of expression. While we condemn in the strongest terms the violent nature of some of these protests, we must confront the challenges still befalling our people. It is also critical that we, as the collective and organised leadership of Local Government, be hands-on in responding to the issues raised by communities. We invite the Minister to work with us when going to municipalities to address these challenges so that we do not sing from different hymn sheets.

It is a fact that many of the issues raised in these protests are in fact not Local Government functions. But Local Government represents all of government to communities, so councillors (in particular ward Councillors) bear the brunt of the violent elements of the protests, often leading to damage or destruction of property and most tragically, loss of life. Yet, Councillors who are at the coalface and most vulnerable to public outrage, receive no risk cover against these deadly attacks.

We are strongly of the view that this must be urgently corrected. Councillors are no less public servants than the honourable members of this house and deserve the

same protection. The same applies to fast-tracking the review of the remuneration framework for councillors.

On operation clean audit and the fiscal sustainability of Local Government

Honourable Chairperson, sound financial management and good governance for effective service delivery is highly important. To this end, SALGA has intensified, along with provincial governments, our efforts to roll out Municipal Public Accounts Committees in all provinces. Indeed, the MPACs have, for the most part, been established throughout the country and are functioning. The continuous challenge will be to capacitate Councillors to ensure role clarity and that we understand the importance of oversight and accountability. The fruits of clean audits will follow.

Financial viability of various municipalities is a critical issue and we certainly welcome the haste with which the review of the Local Government component of the equitable share is currently being undertaken by COGTA and National Treasury. As SALGA, it remains our view, however, that a comprehensive review of the broader fiscal framework and vertical division is needed to address fundamental structural challenges, rather than introducing minor *ad hoc* adjustments. The analysis indicates that the municipalities have been and continue to be grossly underfunded to perform the big 5 functions (hence the low capacity and backlogs).

While demarcation issues, as highlighted by the Minister, are related to the viability of municipalities, we wish to caution that amalgamating or incorporating one or more municipalities will not *per se* address the challenges. We should thus be careful not to create false expectations that the identification of “unviable” municipalities, and their possible disestablishment or re-demarcation would solve the underlying economic reality or historical settlement patterns.

At the same time, in respect of rural development, we must acknowledge that the current concept of a municipality is modelled along the management of urban spaces, largely premised on raising rates and charges, even in predominantly rural municipal areas where this is not the case. Due to the nature of the municipal powers and functions, few predominantly rural municipalities are primarily concerned with implementing appropriate rural development strategies. This must be addressed in the broader viability and reconfiguration review.

On the Legislative Review Project and Infrastructure Programmes

Honourable Chairperson, while we welcome the review as a means to address the constraints hindering service delivery and overregulation of Local Government, we must ensure that the ultimate objective is to build and strengthen a decentralised form of government, which does not take away responsibility for service delivery from municipalities.

The same principle applies to regulations accompanying the Systems Act, which we will work closely with the Ministry on refining them. In so doing, we must demystify some of the 'untruths' which give rise to sensational reporting in the media as it relates to Local Government (including municipal management) and instead ensure that our policy and legislative interventions in fact addresses the fundamental and systemic problems. The institutional integrity of Local Government must be preserved.

In the same vein, the Municipal Infrastructure Support Agency must not become another stop-gap measure, but must support medium and smaller capacity municipalities to improve their own technical capacity to operate and maintain infrastructure, borrowing and investment in infrastructure. It is a reality that our country is not producing enough technical skills to manage technical services.

Local Government Week

Honourable Chairperson, it is with appreciation that we acknowledge that the Local Government Week will be included in the programme of the NCOP and that the Council has agreed to host the inaugural session of the Local Government week in 2012. The purpose of the Local Government Week is not only to allude to challenges experienced by Local Government but also to celebrate the successes of Local Government. It will allow the Local Government sector the opportunity to share its experiences with the House.

In Conclusion

This debate and broader policy discussions come at a critical juncture as Local Government settles into the new term and comes to grips with the ever-increasing challenges confronting us. In our estimation, the response to these challenges now could go a long way to realise the objective of building a more efficient, effective, responsive and accountable Local Government that is highly capacitated to contribute meaningfully to the development of the State. There can be little doubt that Local Government is the key site of delivery and development and is central to the entire transformative project of the new South Africa.

We must therefore use the opportunity to address some of the fundamental constraints hampering Local Government so that the sector has a more stable, sound and equitable policy, legislative and fiscal framework to deliver on the developmental mandate. Let us support the Minister in the implementation of the Vote and forge stronger partnerships with our provincial partners in addressing

service delivery gaps. The one-for-summits will be a critical platform to further entrench our joint collaboration.

As SALGA we appreciate being part of this cooperative partnership and look forward to influencing its outcomes.

Enkosi Kakhulu,

Nginyabonga

Ke a leboga

Baie Dankie

Cllr Mpho Nawa

Deputy Chairperson, SALGA