

MEC COGTA, Budget Vote Speech – 2023/2024 financial year.

Honourable Speaker, Mme Zanele Sifuba

Honourable Deputy Speaker, Mme Lucy Mapena

Honourable Premier, Ntate Mxolisi Dukwana

Honourable Members of the Executive Council

Honourable members of the Free State Legislature

Heads of Chapter 9 Institutions

Morena e Moholo oa Batlokoa le Morena e Moholo oa Bakoena

Our esteemed Traditional Leaders

Executive Mayors, Mayors, Speakers, Chief Whips and Councillors

Director General, HODs, MMs, CEOs of Government Entities and Senior Managers across all spheres of government

The leadership of Organized Labour, our stakeholders and partners in local government

Members of the Media

Distinguished Guests

Setjhaba sa Free State ka bophara

BoMme le BoNtate

I stand once again before you privileged and honoured to serve the people of this province. On this occasion as we continue to commemorate our month of freedom, we reflect on the auspicious day when democracy first set in our country. We must always remind

ourselves of what one of our finest and iconic leader said on the 20th April 1964 “I have cherished the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities...” thus we must commit ourselves that whatever the challenges of the moment, we shall overcome and we dare not despair until the ideal of a better life for all is realized. We must be resolute in our endeavours to deepen democracy and reverse the despondency and social disconnection between the people of our country and government. We must revive the spirit of making people central to government.

Honourable Speaker, as a department, we dedicate this budget speech to Thabo Mofutsanyana after whom this district was named. This is the leader of our society whose courageous commitment saw the ANC appointing him as a deployee in the Native Representative Council, in the 1940s, to deal with civic matters for African Communities. That participation in that structure laid a foundation for Africans to better understand civic politics.

Honourable Speaker, the department needs to be appropriately positioned to pursue cooperative governance. In doing that, we need to relook at functionality of necessary instruments of Intergovernmental Relations for effective performance. In deepening cooperative governance in integrated planning and delivering services, the Cabinet approved District Development Model, in 2019, as a mechanism to coordinate impactful and effective performance.

This model is aimed at dealing away with silos at a horizontal and vertical levels. This means fiscal dumping and unnecessary projects are eliminated. In order for the developmental state to function effectively, the instruments of government must function as a unit, and this model addresses that.

Honourable Speaker, in the province, implementation of the District Development Model has not been satisfactory. Part of the problem has been that the Intergovernmental Relations structures in the districts have not been duly supported and respected by stakeholders. Such a situation leads to continued silo planning and fiscal dumping. As an example, in Trompsburg, a taxi rank was constructed when there are no taxis in that area.

At the moment, all the districts of the province have been able to develop and adopt their One Plans, as necessary instruments for integrated planning. We shall intensify monitoring of implementation of catalytic projects contained in those plans. Our efforts to drive cooperative governance shall be anchored on the strong functionality of IGR structures and instruments supporting them.

Honourable Speaker, it is in the interest of the nation that local government is capacitated and transformed to play a developmental role.

The developmental local government, is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.

In echoing these words, it is necessary that we locate and reflect on the ideal local government, particularly one that would enable us to create the people centred society.

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

Honourable Speaker the ideal local government, should be the one wherein the communities within the ideal local government should be able to attest that they:

1. Have Human settlements that are resilient and can withstand disasters and calamities with minimal damage and loss of lives.
2. Have a decent living environment with clean air and fruit trees in every household.
3. Enjoy safety for themselves, particularly women and children.
4. Can easily access education, skills development, health, and recreation facilities;
5. Have access to clean water, dignified sanitation, quality transport, consistent energy and electricity, and road networks as well as Information, Communications and Technology (ICT) services.
6. Are part of the fourth industrial revolution (4IR) and have access to digitisation and ubiquitous broadband connectivity.
7. Have access to integrated transport.
8. Are part of a vibrant local economy creating quality jobs, sustainable livelihoods and promoting inclusivity.
9. Have food security, where basics such as fruit, vegetables, and warm bread are sourced locally.
10. Good revenue collection and an effective efficient billing system

The ideal local government is supposed to achieve all the aims of a developmental state. Therefore, should local government fail to achieve

these objectives, the whole of government fails, and when local government succeeds the whole of government succeeds.

There is no denying that municipalities in the Free State are far from being ideal. More than half of our municipalities have been deemed dysfunctional by the diagnostic report from National Department of Corporate Governance and Traditional Affairs. We therefore need to double our efforts if we are to turn the tide. This can only be achieved if we all pull together.

The Department will in this financial year accelerate the Economic Reconstruction and Recovery Plan which was introduced by government in October 2022. Through this recovery plan, government will focus on four key priority interventions, namely, Massive roll out of infrastructure, Rapid expansion of energy generation capacity, Employment stimulus to create jobs and support livelihoods and Drive for Industrial growth.

Honourable Speaker, we live in one of the most unequal societies in the world, with rampant poverty, inequality and unemployment. The bedrock on which these triple challenges are rooted is the lack of vibrant local economies.

In many municipalities, government is the biggest source of jobs, economic opportunities, and any prospect of upward social mobility for our people.

The only means by which we can realise common prosperity is by having a strong and vibrant economy in each local area that harnesses the local endowments for its residents.

Local Economic Development

In the financial year 2023/2024, the Department will focus on the following intervention mechanisms, among others, for municipalities:

- Update LED strategies for municipalities, so as to ensure that municipalities create enabling environment that will ensure local economic growth.
- Assist the municipalities to facilitate the establishment of Local Business Forum that will facilitate cooperation amongst local business in the communities.

Free Basic Services

The Department will be supporting municipalities in the 2023/2024 financial year on the communication of Free Basic Services to communities in collaboration with National Department of Corporative Governance by conducting workshops on communication strategies of Free Basic Services.

Community Works Program

Honourable Speaker, the Community Work Programme (CWP), is an initiative designed to provide an employment safety net by providing participants with a predictable number of days of work per month. This program creates job opportunities, targeting the unemployed and/or underemployed people of working age, including those whose livelihood activities are insufficient to lift them out of poverty.

Through this programme 26 871 job opportunities were created and implemented in all the 80 towns of the 19 municipalities in the Free State province. It is anticipated that 27 500 job opportunities will be created in the 2023/2024 financial year. The national DCOG is currently reviewing the methodology on appointment of implementing agents to derive maximum benefits in terms of supporting service delivery in municipalities. This will ensure that the department provides CWP workers with tools of trade and appropriate training; so as to avoid the perception that CWP participants are always seating under the trees and sleeping.

Spatial Planning and Development

Madam Speaker, Spatial Planning is about improving the quality of people's lives. People must have easy access to work, schools, clinics, hospitals and many other social amenities through proper planning.

In the last year, Madam Speaker the department undertook to realise these by supporting municipalities with drafting of Land Use Schemes in line with the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA), drafting Spatial Development Frameworks (SDFs) and ensuring that Municipal Planning Tribunals (MPTs) continue to decide on development applications that contribute towards enhancing quality of life and creating employment opportunities.

It is a pleasure to inform you that the following municipalities' Land Use Schemes are now fully operational:

1. Kopanong

2. Letsemeng
3. Mohokare
4. Mantsopa
5. Nketoana
6. Phumelela
7. Tswelopele
8. Setsoto
9. Ngwathe
10. Matjhabeng
11. Mohokare
12. Masilonyana
13. Mangaung
14. Moqhaka

In the coming financial year, the department will finalise approval of the following outstanding Land Use Schemes:

1. Maluti a Phofung
2. Dihlabeng
3. Nala

This, Madam Speaker would ensure that municipalities make informed decisions regarding land development in their respective areas.

Madam Speaker, the department had in the previous financial year promised to ensure that municipalities that had not held their inaugural

Municipal Planning Tribunal meetings would be supported to ensure that these meetings take place. It is a pleasure to inform you that this undertaking was achieved.

The department will continue to ensure that the MPT continue to hold their meetings. We will support municipalities to ensure that:

- New MPTs are appointed timeously when the current terms expire
- That New MPTs and councillors are capacitated of spatial planning matters
- That all involved in spatial planning are equipped with necessary planning tools
- Most importantly these MPTs must relentlessly foster the creation of inclusive societies and sustainable development.

Madam Speaker, on a continuous basis the department supports all municipalities with the drafting and review of their Spatial Development Frameworks.

In order to avoid disasters and promote a safe environment, Municipalities must ensure that municipal planning tribunals are independent. We must mitigate the vulnerability of our communities to impacts of disasters, municipalities must together with their MPT's operates within the confines of the law. Approvals of townships establishment and formalization of informal settlements must take into account spatial planning principles and guidelines on Geotechnical reports and flood lines policies. There must be no populist resolutions but sound decisions.

Honourable Speaker, re etsa kgoeletso ho baahi le mekgatlo ya setjhaba le ya dipolotiki ho kgaotsa ho rotlowelletsa le ho susumetsa

boipehi dibakeng tse sa hlophisetswang bodulo (Decent and sustainable human settlements)

MUNICIPAL INFRASTRUCTURE, MONITORING AND EVALUATION

Honourable Speaker, in his State of the Province Address the Premier, Honourable Mxolisi Dukwana said: “We must direct our focus to the basic service delivery imperatives – reliable and clean water supply, proper and decent sanitation services, regular refuse removal, decent roads as well as the creation of an enabling environment for job creation. A sense of urgency must be instilled in our local government sector to attend to these imperatives.

We must maximize the benefits inherent to the Municipal Infrastructure Grant (MIG) in terms of both infrastructure improvements and job creation.”

Honourable Speaker, in keeping with this policy directive by the Premier, I wish to first give account on how the Municipal Infrastructure Grant contributed towards municipal service delivery in the Province during the 2021/2022 Municipal financial year.

Seven hundred and seventy nine million, three hundred and fifty two thousand rand (R779,352,000.00) was allocated, and six hundred and eighteen million, six hundred and seven thousand rand (R618,6m), was spent on municipal infrastructure projects, which represents seventy nine percent (79%) spending on the total revised 2021/2022 Municipal Infrastructure Grant budget.

The performance on the 2021/2022 MIG funds allocated to Municipalities within the respective Districts of the Free State was as follows:

XHARIEP DISTRICT

All three Municipalities within the Xhariep District spent twenty four million, three hundred rand (R24, 3m) which represents forty five percent (45%) of the District allocated amount of fifty eight million (R58,176m).

The Xhariep District spent their 2021/2022 MIG funds on the following services: Water, ten percent (10%), Sanitation, fifty two percent (52%), Roads and Storm-water, eighteen percent (18%), Sport and Recreation, two percent (2%), Solid Waste Disposal, six percent (6%) and Project Management Units (12%).

The five Municipalities within the Lejweleputswa District spent one hundred and seventy two million, five hundred (R172,585m) and achieved seventy seven (77%) of the total District allocation to the amount of two hundred and twenty three million, two hundred (R223,232m).

LEJWELEPUTSWA DISTRICT

The funds within the Lejweleputswa District were spent by the five Municipalities on the following services: Water, thirteen percent (13%), Sanitation, thirty three percent (33%), Roads and Stormwater, forty one percent (41%), Sport and Recreation, four percent (4%), Project Management Units, six percent (6%) and other such as Fencing and High Mast Lights, three percent (3%).

THABO MOFUTSANYANA DISTRICT

The six Municipalities within the Thabo Mofutsanyana District spent two hundred and ninety four million, five hundred (R294,576m) which represents eighty six percent (86%) expenditure against the total allocation to the amount of three hundred and forty million, seven hundred (R340,768m).

Funds were spent on the following services by the Municipalities within the District: Water, twenty eight percent (28%), Sanitation, thirty nine percent (39%), Roads and Stormwater, twelve percent (12%), Sport and Recreation, nine percent (9%),

Project Management Units, six percent (6%), Solid Waste Disposal, two percent (2%) and other services such as Cemeteries and High Mast Lights, four percent (4%).

FEZILE DABI DISTRICT

Fezile Dabi District, which has four Municipalities spent an amount of one hundred and twenty seven million, one hundred (R127,1m) which represents eighty one percent (81%) of the total District Allocation to the amount of one hundred and fifty seven million, **one hundred(R157,176).**

Funds were spent on the following services: Water, nineteen percent (19%), Sanitation, seventeen percent (17%), Roads and Storm-water, thirty six percent (36%), Project Management Units, five percent (5%), Solid Waste Disposal, ten percent (10%), Footbridges and Sidewalks, ten percent (10%) and other such as Cemeteries, Sport and Recreation, four percent (4%).

One thousand eight hundred and thirty nine (1839) temporary jobs were created during the implementation of the 2021/2022 municipal infrastructure projects of which five hundred and fifty three jobs (553) were towards women and one thousand and forty (1040) towards youth.

Three hundred and fifty six thousand (356,961) Households were serviced and twenty five kilometres (25 km) of roads and storm water were constructed during the 2021/2022 MIG financial year.

ROLL OVER FUNDS

Honourable Speaker, on roll over funds the following, I wish to report the following:

- 1) National Treasury declined a rollover of unspent 2021/2022 MIG funds in Letsemeng to the amount of eight million (R8m), Kopanong to the amount of fifteen million four hundred (R15.4m) and Mohokare to the amount of ten million three hundred (R10.3m).
- 2) Masilonyana Local Municipality did not apply for the 2021/2022 MIG Roll Over and forfeited ten million rand (R10m).
- 3) National Treasury declined the 2021/2022 MIG roll over in Dihlabeng to the amount of twenty one million nine hundred (R21.9m) and Mantsopa the amount of eight million eight hundred (R8.8m).

Honourable Speaker, the Municipal Infrastructure Grant (MIG) will continue to contribute towards municipal service delivery in the Province during the current 2022/2023 Municipal Financial year which will come to an end by 30 June 2023.

The National Treasury has allocated an amount of eight hundred and fifty seven million, nine hundred and seventy nine thousand (R857 979 000) through the Municipal Infrastructure Grant (MIG) towards the implementation of municipal infrastructure projects within the 18 receiving Municipalities for the 2023/2024 Municipal financial year in the Free State.

According to the Municipal MIG implementation plans received from the 18 Local Municipalities within the four Districts it is envisaged that the grant will be spent on the following project categories:

Sixty four million (R64,193m) was allocated to the three Municipalities within the Xhariep District which is envisaged to be spent on the following services: seven percent (7%) on Water, twenty nine percent (29%) on Sanitation, twenty one percent (21%) on Solid Waste Disposal, thirteen percent (13%) on High Mast Lights, twelve percent (12%) on Roads and Stormwater, five percent (5%) on Project Management Units, five percent (5%) on Sport and Recreation and nine percent (8%) on cemeteries.

The four Municipalities within the Lejweleputswa District will receive an allocation of two hundred and forty two million, eight hundred (R242,873m) that will be spent on the following services: five percent (5%) on Water, seventeen percent (17%) on Sanitation, nine percent (9%) on Solid Waste Disposal, sixty one percent (61%) on Roads and Storm-water, five percent (5%) on Project Management Units and three percent (3%) on other services such as Sport and Recreation and Fencing.

The six Municipalities within the Thabo Mofutsanyana District will receive an allocation of three hundred and seventy four million (R374,630m) of

the total MIG allocation which is envisaged to be spent on the following services: thirty seven percent (37%) on Water, twenty percent (20%) on Sanitation, nineteen percent (19%) on Roads and Storm-water, ten percent (10%) on Sport and Recreation, five percent (5%) on Project Management Units and nine percent (9%) on Solid Waste, High Mast Lights and Footbridges.

Fezile Dabi District which has four Municipalities, was allocated an amount of one hundred and seventy six million (R176,283m) of the total MIG allocation which is envisaged to be spent on the following services: twenty six percent (26%) on Water, fifteen percent (15%) on Sanitation, forty six percent (46%) on Roads and Storm-water, five percent (5%) on Sport and Recreation, five percent (5%) on Project Management Units and three percent (3%) on Solid Waste and Fencing.

It is further envisaged that an estimated two thousand five hundred (2500) temporary job opportunities will be created within the 2023/2024 MIG financial year through the implementation of the Municipal Infrastructure Grant.

Disaster Management

Honourable Speaker, disasters and emergencies have increased in frequency and intensity all over the world. In the Free State province, increased wildfires and drought have devastated many areas threatening lives of vulnerable front-line communities, thus exacerbating hunger and poverty.

We have to acknowledge the impact of climate change and global warming in exacerbating these environmental emergencies. However,

with technological advancement, acquiring knowledge and its application in the realm of action is regarded as the only effective way for preventing disasters and reducing their effects.

In order to mitigate this situation by increasing resilience and risk-reduction-capacity, the Free State Disaster Management Centre will be incrementally build by seed-funding with R10 million during 2023-24 financial year.

Municipal Intergovernmental and Public Participation

Honourable Speaker, the turn up during the national and local government elections has been declining at an alarming rate. The past 2021 Local Government elections was no exception.

The trend of past elections voter outcome were National elections 2004 (78 %), 2014 (71 %) with the Local Elections 2011 (58%) and 2021 (46%).

It is therefore expected that voter apathy will also be affecting the forthcoming 2024 National Elections thus resulting in declining voter turn up.

The municipalities as the sphere of government closer to the communities are therefore faced with the challenge of engaging communities in a more systematic and coordinated way. Public Representatives have a constitutional responsibility to continually engage with their constituencies Thus, we will strengthen our partnership with different stakeholders, especially the Department of Home Affairs on Identity (ID) campaigns and the Independent Electoral Commission (IEC) on voter registration and voter education

Madam Speaker, as we are approaching the national elections as one of the key milestones of our democratic project, one of the ingredient is constant contact with our communities, this calls for us to strengthen our Izimbizo programme and endure that there is proper follow-up on issues raised and continuous feedback.

The issue of accountability must be central theme of my term of office, these will start with strengthening the capacity of our ward committees to ensure that they become real ward based parliaments of our people and they play meaningful oversight responsibility for our communities.

TRADITIONAL AFFAIRS

Honourable Speaker, the institution of traditional leadership represents an early form of societal organisation in the Country. It embodies the protection of culture, traditions, customs and values.

The institution and roles of traditional leadership are respectively recognised and provided for in our Constitution. The Constitution provides for traditional leadership to influence the way in which their communities are governed by participating in developmental initiatives.

In enacting the Traditional and Khoi-San Leadership Act, 2019 (Act No. 3 of 2019), the government confirmed its commitment to ensuring the preservation of the cultures, traditions and customs of traditional communities.

Traditional leaders are the custodians of the moral, value, cultural and social systems in traditional communities.

Reconstitution of Provincial House and Local Houses of Traditional and Khoi-San Leaders

Speaker, the 6th Provincial House of Traditional and Khoi-San leaders was reconstituted in June 2022, and the House, elected Morena Neo Mopeli as its Chairperson and Kgosi Gaboilelwe Moroka as a Deputy Chairperson. I had an opportunity to briefly engage with the traditional leaders at the occasion of the launch of Banna Kgotla and reconstitution of BoMmasetjhaba forums, and I will certainly be meeting with them soon to discuss matters affecting them. We remain committed to restoring traditional leadership to its proper space in society. To this end, an amount of five hundred thousand rand (R500 000) has been allocated to specifically support the programs of Banna Kgotla and BoMmasetjhaba, which will constitute an additional allocation to Program five (5).

Thabo Mofutsanyana and Mangaung Local Houses of Traditional and Khoi-San Leaders' terms of office ended on May 31, 2022.

The Premier reconstituted the Thabo Mofutsanyana Local House of Traditional and Khoi-San Leaders on 29 June 2022.

The Mangaung Local House of Traditional and Khoi-San Leaders will be reconstituted after the Reconstitution of Barolong boo Seleka Traditional Council.

Honourable Speaker, the Local Houses of Traditional and Khoi-San Leaders are tasked to participate and lead traditional communities in the District Development Model (DDM) program.

The Thabo Mofutsanyana Local House of Traditional Leaders is a stakeholder in the Thabo Mofutsanyana District Development Model - One Plan. They are currently in a process of initiating conducting of profiles of traditional communities for inclusion in the One Plan.

Reconstitution of Traditional Councils

Honourable Speaker, the mandate of all thirteen Traditional Councils in the Province has expired. In keeping with the provisions of the Traditional and Khoi-San Leadership Act 2019, (Act No. 3 of 2019) (TKLA), the Department will undertake the project of reconstitution of these Traditional Councils.

The Customary Initiation Act, 2021 (Act No 2 of 2021)

Speaker, Section 11(1) of the Customary Initiation Act, 2021 (Act No. 2 of 2021) provides; that the Premier, must establish a Provincial Initiation Coordinating Committee (PICC) after consultation with the Provincial House of Traditional Leaders. This Committee is responsible for the coordination, oversight and control of all Initiation Schools, practices and activities and related matters in the Province.

On July 29, 2022 the Premier, by notice in the Provincial Gazette, established the PICC. Kgosi Nkgahle Tsotetsi was elected Chairperson and Ms Malefu Khamani is the Deputy Chairperson.

The PICC, must among other functions, coordinate all initiation schools, practices and activities within the Free State Province.

The challenge facing the PICC is the lack of resources and infrastructure to implement the provisions of the Customary Initiation Act.

Honourable Speaker, we are aware that for a long time there have been vacancies of both Traditional leaders and officials at various Traditional Councils in the Free State Province. We have taken into cognisance that these vacancies negatively affect services that are rendered by the Traditional Councils to our communities. It is against this background that we commit to fill vacancies and handover of new offices within the current financial year in order to enhance the efficacy of our Traditional Councils.

Despite the prevailing challenges, the PICC in its quest to maintain customary practices is issuing application forms for the upcoming initiations. All Our PICC members across the country will be attending the National Customary Initiation Indaba from the 24th to the 26th of April 2023 at Birchwood. The main of the Indaba is to curb the fatalities in initiation schools.

Honourable Speaker, we must hasten to caution against bogus initiation schools. Such schools are a breeding ground for gangsterism and criminality

Commented [LK1]:

Dikolo tse na tse seng molaong eba mahaha a mashodu le botlokotsebe metseng le metsaneng ya rona.

Ka hoo, re kopa setjahaba hoipopa ngatana 'nngwe ho tshireletsa, ho baballa le ho ntshetsapele setso le meetlo ya rona

GOOD GOVERNANCE

During the 2021/ 2022 financial year, the department obtained unqualified audit opinion with no findings, commonly known as clean audit.

This will set an example for the Municipalities. The department in collaboration with Provincial Treasury will continue to support the Municipalities in ensuring that they comply with the due dates with regard to the submission of quality Annual Financial Statements to the Auditor General South Africa. We will continue to strengthen our IGR structures in collaboration with Provincial Treasury, i.e Forum for CFOs, Forum for Chief Audit Executives, etc.

To this effect, the department will strive to support the Municipalities with the compilation of the quality Annual Financial Statements and continue with this support throughout audit process.

The goal is to strive towards obtaining clean audit in all District Municipalities and at least two Local Municipalities in the 2023/2024 financial year.

BUDGET ALLOCATION

Madame Speaker, the Department has been allocated a budget of **R 406 376 million for 2023/24 Financial Year**. Below is a breakdown of how our budget will be utilised in the current financial year. A more detailed breakdown is accordingly *annexed* to this presentation:

Programme 1

A total amount of R162 238 000 (40%) has been earmarked for Programme One (**Administration**). These funds will be utilized to build

administrative capacity in the office of the Member of Executive (MEC), Head of Department (HoD) and Corporate Services.

Programme 2

We have allocated R100 259 000 (25%) to Programme Two (Local Governance). This is an important programme that provides which is entrusted with the responsibility to monitor and provide advice on the appointment of senior managers in Municipalities as well as their performance matrix.

With the support of official, I will therefore lead a charge within the department against all forms malfeasance and weaknesses across municipalities. The filling of vacant critical posts particularly, MM's and CFO's will get urgent attention.

These deficiencies in senior echelons has led to compromised accountability, delays in procurement on grant funding and thus failure to properly spend funds allocated. It is unacceptable for municipalities to be applying for roll overs while services continue to deteriorate.

To demonstrate our commitment to clean and transparent government, the department has referred reports of section 106 investigations to law enforcement agencies. This has led to arrests in Dihlabeng and more municipalities are to follow. Madam Speaker, importantly together with Provincial Treasury and SALGA will be strengthening our Monitoring and evaluation on functionality of Municipal Public Accounts Committees (MPACs). To ensure that they are dealing with any matters referred to them in accordance with their legislative responsibilities. In the same vein Madam Speaker, allow me to indicate that Local Government

Sector Education and Training Authority (LGSETA) is prepared to empower both our political and administrative leadership to enhance good governance, which will eradicate unauthorised, irregular, fruitless and wasteful expenditure (UIF and W).

FINANCIAL VIABILITY OF MUNICIPALITIES

Most municipalities in the province continue to not to fulfil their financial obligations with third parties. This undesirable state of affairs must be reversed. Government departments must pay their debts owed to municipalities, businesses must similarly do so together with communities in order to decisively with the culture of non-payment. Municipalities must also deliver services on time.

The envisaged Memorandum of Understanding (MoU) with Provincial Treasury will create an atmosphere for our MFMA unit, to be able to focus on non-financial aspects hereof, such as the Municipal Property Rates Act. and revenue enhancement.

The intention is to ensure that there is correct valuation of properties as well as billing for rates and taxes. We will ensure that correct property classification is done by municipalities so that schools, churches and government buildings, are not charged same rates as business properties. Proper billing formula is the right recipe for economic development.

REVENUE ENHANCEMENT

In partnership with the national Department for Cooperative Governance and Traditional Affairs (CoGTA) will also embark on a revenue project through the Municipal System Improvement Grant (MSIG) to support the following Municipalities Mafube, Kopanong, Mantsopa and, Setsoto local

municipalities. This Department has set-aside a funding to assist number of municipalities to install pre-paid meters as an endeavour to improve their revenue collection. This financial improvement funding is inclusive of dealing with both bulk water and energy losses and, reticulation losses.

As indicated above, the Provincial Disaster Management Centre needs to be beefed up to become the proper fusion centre through the Private Sector Participation Model (PSP). This means constructive partnerships with bodies such as the Fire Protection Association and related organizations. This will ensure that the province is fully capacitated to deal with any form of disaster, especially floods and veld fires that mostly affect our farmers – to protect food security and our communities in general.

As we approach the fire season, the Department will be acquiring the services of Working on Fire and Fire Protection Association during this winter season to deal with and minimise the impact of anticipated fire outbreaks, both in the Province and cross-border fires. Furthermore, the Department will support municipalities by setting-aside funds to enlist them at their respective local Fire Protection Associations. These associations will enable and assist municipalities and communities to respond to any fire outbreaks in a collaborative manner.

Programme 3

We have set aside R73 424 000 (18%) to Programme Three **(Development and Planning)**, the budget will be dedicated towards providing support on the implementation of the Spatial Planning and

Land Use Management Act, by empowering Municipal Planning Tribunals.

This is necessary to fast-track development in municipal land parcels; transform apartheid era spatial patterns and, solicit development for economic growth, which will ultimately create jobs for our people.

This very programme will intensely monitor infrastructure planning, implementation and spending on the Municipal Infrastructure Grant (MIG), Water Services Improvement Grant (WSIG), Regional Bulk Infrastructure Grant (RBIG), Integrated National Electrification Programme (INEP) and the Energy Efficiency Demand Site Management (EEDM).

This ties in with our mandate of ensuring that, these grants are spent well and for the purposes for which they were intended, to forestall grants being used to pay for operational costs. This will further build more capacity in municipalities, to allow them to purge indigent registers of undeserving cases and, enhance and sustain revenue collection.

Programme 4

An amount of R54 937 000 (14%) has been allocated to Traditional Institutional Development, to ensure that we are able to effectively deal with the mandate of Traditional Leadership and support staff.

We will continue to lobby for more resources, to overcome human resources challenges in this unit. This unit is tasked with the mammoth task of addressing challenges which affect rural and traditional communities – including the establishment of various Local Houses.

Programme 5

A budget of R 15 518 000 (4%) has been allocation to the House of Traditional Leaders. Madame Speaker, this program has historically been underfunded and we commit to redress this imbalance.

We will endeavour to advance their course through the District Development Model, to mobilise the private sector to bring more investment opportunities to areas of their jurisdiction for economic development and job creation – particularly in the context of reducing the brain drain in rural communities and the attendant urban sprawl.

Conclusion

Working together, we should double our efforts to building a developmental state based on collaboration and coordination of business sector, organised labour and civic society from all walks of life to realise the dream of a better life for all. We call upon all sectors of society to join government in rendering services for better livelihood. As a department, we shall support initiatives that assist our communities to live better and to improve their environment.

Annexure A		
Vote 8		2023-2024
Cooperative Governance & Traditional Affairs		
Programme	Amount	Percentage of Budget
Administration	162 238	40%
Local Governance	100 259	25%
Development and Planning	73 424	18%
Traditional Institutional Development	54 937	14%
House of Traditional Leaders	15 518	4%
	406 376	100%
Economic Classification	Amount	Percentage of Budget
Compensation of Employees	282 899	70%
Goods and Services	94 380	23%
Transfers and Subsidies	18 268	4%
Capital Assets	10 829	3%
	406 376	100%
Transfers and Subsidies	Amount	Percentage of Budget
Province and Municipalities:		
Municipal Infrastructure	4 251	23%
Financial Assistance: Municipalities	11 392	62%
Households: Other	1 615	9%
Departmental Agencies and Account	10	0%
Non-Profit Institutions: Traditional Affairs	1 000	5%
TOTAL: Transfers and Subsidies	18 268	77%
PROVINCIAL FUNDING		
Earmarked funds		
of which earmarked for Water laboratory municipal support	2 500	3%
of which earmarked for Disaster:Fire Fighting	5 000	9%
of which earmarked for Municipal Finance Recovery Service(NT-S139 Intervention)	4 513	8%
of which earmarked for Municipal support	20 000	37%
Total: Earmarked Funds	32 013	
Other priorities		
of which other priorities for Municipal Financial Intervention Xhariep	4 392	8%
of which other priorities for financial Assistance Municipalities	11 251	
of which other priorities for Water and sanitation intervention	6 891	13%
Total: Other Priorities	22 534	
Total earmarked and other priority funds	54 547	100%