

BUDGET VOTE SPEECH BY THE COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS DEPUTY MINISTER, PARKS TAU, MP

10 July 2019

Madam Speaker,

Ministers and Deputy Ministers,

Chairperson of the Portfolio Committee

Honourable Members

Chairperson of the National House of Traditional Leadership

President of SALGA

Leaders of Chapter 9 Institutions and Entities

Distinguished Guests

Ladies and Gentlemen

Introduction

Allow me to acknowledge the strong and decisive leadership our Minister, the Honourable Dr Nkosazana Dlamini-Zuma, is demonstrating as she steers us both, as CoGTA and as a sector, towards the realization of the vision of the National Development Plan (NDP).

The 1998 White Paper on Local Government is a benchmark to compare what we envisaged in 1998, and the realities in 2019. These realities are reflected in the NDP and our own departmental strategic documents. Today, local government is confronted with the following challenges:

- Governance, financial management and administration challenges;
- Non-viable municipalities due to apartheid spatial planning; and
- Systemic issues around powers and functions.

In articulating our common aspiration encapsulated in the NDP, we talk to the injunction that, South Africa belongs to all its people. It is a country where we have confronted effectively the impediments and untangled the bottlenecks that inhibit our abilities. The NDP projects a future where:

“Our homes, neighbourhoods, villages, towns, and cities are safe and filled with laughter. Through our institutions, we order our lives. The faces of our children tell of the future we have crafted.”

We have to achieve what we have set for ourselves in the NDP for the current and future generations.

Honourable Members

Funding Viability for Local Government

In crafting our vision for local government we said, in the White Paper, that municipalities will be adequately capacitated, with requisite powers, to raise revenue through various mechanisms. However, the ability to raise own revenue differs across municipalities, because of the normative apartheid divide between rural and urban areas and within our towns and cities.

Despite the challenges, our support to municipalities to protect and grow their revenue base yields positive results. Between March 2018 and March 2019, collection rate has increased in certain municipalities. For instance,

- Emthanjeni LM – collection rate increased from 71% to 98%
- Endumeni LM – collection rate increased from 83% to 92%
- Enoch Mgijima LM – collection rate increased from 54% to 99%

We shall intensify our efforts to increase rate of revenue collection in these and other municipalities.

Given the systematic, financial and governance challenges our municipalities experience – such as population growth, low infrastructure maintenance rates, low revenue base, shrinking budgets – there is a need to change course in how we generate revenue, and to ensure that there is equitable share in revenue that will result in long-term viability of local government.

Perhaps there is also room to explore an equitable fiscal dispensation that will be considerate of the assigned mandate and the responsibilities of, and, undertaken by local government.

Honourable Members

Spatial Justice and Equity

The urban-rural divide is not only evident in unequal municipal revenue collection capacities, but is also highlighted in spatial inequality, in the urban-rural divide and even within cities themselves. As such, there is urgent need to pursue aggressively spatial justice that promotes inclusive urbanism.

We must be bold in transforming persistent apartheid spatial patterns that continue to reproduce poverty and inequality. We must do this with a view to locating the working class and the poor closer to the work opportunities and amenities.

One available mechanism to address these spatial inequalities is to change course in identifying strategic nodes and corridors in line with the National Spatial Development Framework. This includes nodal points that enable greater integration.

By inclusive urbanism I refer to the centrality of cities and towns in shaping fortunes of the people and the supportive spatial ecosystems.

Inclusive urbanism underscores centrality of cities in provision of human rights to all people, irrespective of class, race, geography and ideology.

Inclusive urbanism is synonymous with green urbanism and smart cities which highlight effects of our carbon footprint on the supportive environment.

Why do we need smart cities? Figures tell the story best: 63% of people in South Africa reside in cities, by 2030 this number will rise to 70%. By 2050 majority of population should be living in cities characterised by, among others:

- Connection through seamless, integrated transport system.
- Integrated, sustainable human settlements.
- Homes connected to high speed broad band and nascent technologies.
- Smart metering grids and interconnectedness.

Honourable Members

Developmental Local Government

Since local government is at the coalface of, and for, basic service delivery, it is reassuring to hear the State President constantly refer to developmental local government (or DLG in short).

The White Paper stipulates that DLG should be committed to “work 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” targetting, in particular women, the disabled, and the youth.

Realisation of the socio-economic rights is paramount not only in addressing the legacy of apartheid but in encouraging community participation by making sure Municipal Councillors empower communities.

We must enable and facilitate active citizenry through amongst other, our ward committees. This is said because, at present, Ward Committees are sites of serious and damaging political contestation between various parties and within parties. And as a result, communities disempowered by such contestations are more likely to resort to protest, damaging public property as a way of venting anger to government, and lose trust in state institutions.

Honourable Members

In his State of the Nation Address, President Ramaphosa challenged us to make our municipalities centres of economic growth. We shall work towards realizing this imperative, fully aware that making our municipalities centres of economic growth requires revival and activation of local economic development initiatives and putting them on the agenda of all municipalities.

Conclusion

Let me conclude with a few suggestions.

Firstly, we must elevate the status of municipal rates and taxes to be on par with other taxes of the national government to improve collection in municipalities. We need a social compact between the government, labour, business and civil society, as this will assist in protecting and helping our municipalities to provide basic services to every community.

Secondly, in implementing the NDP and the IUDF, we must accelerate the implementation of land use management in our cities and towns so as to reverse the inherited apartheid spatial structure.

Thirdly, through the adoption of a district-based approach that focuses on the 44 districts and 8 metros we should speed up service delivery and to ensure that municipalities are properly supported and adequately resourced.

In this regard, we shall work towards strengthening cooperative governance, through a Coordinating Model that addresses integrated planning, budgeting, coherent implementation in the 52 impact zones.

Fourthly, on the very concerning issue of audit outcomes of our municipalities, we shall focus more on strengthening Governance, Financial Management and Administration to achieve functional municipalities, characterized by strong leadership, management and oversight, accountability and consequence management.

I thank you.

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