

Speech by Gauteng MEC for Human Settlements, Urban Planning, Cooperative Governance and Traditional Affairs, Lebogang Maile on the occasion of the Budget Vote 2019/20 for the Gauteng Department of Cooperative Governance, Traditional Affairs and Urban Planning at the Gauteng Legislature on the 26th of July 2019.

Theme: Growing Gauteng Together With Cities at the Forefront of our Developmental Agenda

Madam Speaker

Honourable Deputy Speaker

Honourable Premier

Honourable Colleagues in the Executive

Chief-Whip of the majority party

Honourable Members of the Provincial Legislature

Distinguished Guests

Members of Media

Dumelang!

Sanibonani!

Avuxeni!

Ndi matsheloni!

Molweni!

According to a 2017 Habitat report, by the year 2050, it is estimated that nearly 70 out of 100 people will live in cities. The report also states that cities have become the world's major growth engine, currently estimated to be generating roughly 80% of global GDP.

With about 60% of places that will be urbanised by 2030 still to be built globally, we have a unique opportunity to help the urban poor unlock their economic potential and to safeguard our hard won developments 25 years into our relatively young democracy. Local government is the centre of all human development activities and cities are the primary drivers of socioeconomic development and social cohesion.

Madam Speaker, one of the critical ways we can achieve this within Gauteng City Region is to ensure that we place Gauteng at the forefront of the New Urban Agenda within the country and the continent, through ensuring that we achieve some of the things that the Habitat report highlights: there is proper urbanisation with the rule of law being upheld, that there is adequate provision of common goods (i.e that there is quality service delivery of basic services) and that there are local fiscal systems that are clean and efficient and able to redistribute parts of the urban value chain generated through all economic activity. We must take the lead in the African cities and metros agenda as the frontline for development.

Honourable Members, we need to move forward with the conviction that denser, more compact cities are indeed desirable and workable and to extol the virtues of proximity, convenience and diversity in all our planning and development. In the words of former United Nations Secretary General, **Ban Ki-Moon**, *“Building sustainable cities and a sustainable future will need an open dialogue among all branches of national, regional (provincial in our case) and local government and it will need the engagement of all stakeholders, including the private sector, civil society and especially the poor and marginalised.”*

According to the latest Auditor General’s (AGs) report, despite achieving clean audits, there are serious challenges that we have to confront within our municipalities in terms of non-compliance with key legislation and lack of accountability. There are certain risk factors that we have to tackle in order to ensure that our municipalities move towards a healthier state as highlighted by the AGs report. There are still unacceptably high levels of unauthorised, irregular and wasteful expenditure, with the City of Tshwane leading the pack and this is something that we are going to decisively deal with. We will be introducing

integrity systems in our municipalities and working very closely with the AG to improve performance in this regard.

Madam Speaker, the Amended Public Audit Act constitutes a critical first step towards legally enforcing accountability from our municipalities with 2019/2020 being the first financial year where municipalities will be audited under the new law, which allows the AG to “*refer material irregularities to relevant public bodies for further investigations*”, a step which we will support in pursuit of clean, accountable governance.

As the 6th Administration, we are not going to tolerate the flouting of governance laws and the disregarding of the AGs recommendations. We want to institutionalise integrity and promote ethical leadership within all our municipalities in Gauteng, taking practical steps to improve audit outcomes, accountability and public financial management. We will be working in conjunction with the **Ethics Council** that Premier Makhura has put in place, in order to cultivate a culture of integrity in all our municipalities within Gauteng.

In his book **Promoting Good Governance-Principles, Practices and Perspectives**, **Samuel Agere** describes good governance as, “*participatory, transparent and accountable in order to ensure that political, social and economic priorities are based on a broad economic consensus in society*” and this is a benchmark that we will endeavour to achieve for all our municipalities in Gauteng during our term in office.

Honourable Members, we have already and will be taking bold steps to deal decisively with corruption in our municipalities, working together with law enforcement agencies to bring to account all those who are guilty. Renowned Nigerian author and Nobel laureate **Wole Soyinka** has a famous quote which states that, “*a tiger doesn’t proclaim his tigrity, he pounces.*” Unlike a certain Mayor in one of our municipalities who continually harps on about corruption with no end result, we will and have already taken decisive steps to deal with corruption in our municipalities. We are going to pounce on those who are corrupt, not just shout from the rooftop like the kid who cried wolf till no one believed him.

Since coming into office, we have hit the ground running and have already compiled a State of Gauteng Municipalities report in order to guide our interventions in each

municipality, with the diagnosis therein informing the prognosis. We have categorised our municipalities in the report according to the principles and pillars of the Back to Basics programme, which was adopted in 2014 as a government-wide programme aimed at addressing the challenges faced within local government.

Some of our intervenes to improve governance and service delivery within our municipalities are as follows: Emfuleni municipality has seen a provincial government intervention in terms of Section 139 of the constitution to bring about a minimum standard of service delivery and ensure viability through a sound financial recovery plan. The recovery plan for Emfuleni entails comprehensive plans to address the financial viability of the municipality as well as the infrastructure and spending budgets regarding key service delivery hot spots.

There is a continued intervention in the Vaal with a task team comprising the Department of Defence, ourselves as Provincial COGTA, the Municipal Infrastructure Support Agency, the Ekurhuleni Water Care Company as well as Rand Water. It is a multi-faceted, intergovernmental response with an implementation plan having been drafted and currently being executed. R241 million has been made available for this multi-faceted intervention from various tiers of government.

In the West Rand, we have also instituted a Section 139 intervention with a Draft Municipal Financial Recovery Plan having been published for comments in June 2019. The City of Tshwane is lagging behind on ward committee establishment, a huge impediment to citizen participation in democratic processes as well as in service delivery processes as ward committees give expression to the popular phrase, “the people shall govern”. We have already written to the Speaker of the City of Tshwane for an update in this regard.

Honourable Members, the financial state of the City of Johannesburg remains of major concern to us, with a recent negative outlook on its financial liquidity expressed by the Global Credit Rating agency. Coupled with a continuously decreasing spend on infrastructure and drawing on reserves and overdraft facilities to pay operational expenses and service long term debt, this is a precarious position with negative effects

on service delivery that we will not hesitate to pro-actively respond to as a provincial government.

Madam Speaker, we want to strengthen cooperative governance in Gauteng. We will also be working with traditional leaders through a Traditional Leaders Council to adequately address traditional affairs and enhance service delivery. In this regard, we will be establishing a commission of enquiry to deal with all issues related to claims and disputes on traditional affairs. We will be working with the **Land Claims Commissioner** to deal with all outstanding land claims and we'll be taking an uncompromisingly tough stance on illegal initiation schools, working together with law enforcement agencies to close them down.

We will be re-igniting dialogue with the **Municipal Demarcation Board** to move towards a single-tier form of government in Gauteng, in order to ensure effective integration of municipalities which will reduce duplications in the provision of municipal services at district level. We will also be creating dialogue platforms in our towns and cities on the topical issue of migration and social cohesion.

In the interim, we are excited about the recently announced initiative by President Cyril Ramaphosa known as **Khawuleza**, an integrated, district-based approach where there will be implementing teams and oversight mechanisms set in place through provincial coordinating forums to drive development at a local government level in partnership with our communities.

The Presidency itself will be directly involved, showing the seriousness with which we take local government as a driver of development as government, through the Deputy President leading the drive to institutionalise and replicate the initiative and the President himself participating in ongoing, periodic Imbizos with municipalities and local communities. This is in line with our objective to move away from the previous approach of parachuting development into our communities, but rather to create economic opportunities and bring development by tailoring our efforts to unique, localised conditions and circumstances.

Honourable Members, we will be working very closely with our municipalities to upgrade informal settlements and stop land invasions because they make informality a permanent part of our spatial development trajectory. Municipalities have a primary responsibility to deal with and report land invasions within 48 hours to law enforcement and act decisively upon receiving eviction orders.

We will also be working very closely with our municipalities in order to ensure that we hand out all outstanding title deeds as well as accelerate the formalisation of our townships so as to enable the issuance of title deeds. We require municipal support to enable and facilitate the release of government buildings, abandoned factories, municipal shops or land for urban agriculture and entrepreneurial activities in order to grow the economy and create jobs. The AGs report revealed that about 55% of Gauteng municipalities struggled to settle invoices within 90 days, a killer for small businesses which we are determined to resolve and not impossible to accomplish as we have committed to paying invoices within 15 days as a provincial government.

Madam Speaker, we will be working closely with our municipalities to unlock the potential of the township real estate market, to create viable products to avail funding to upgrade backyard dwellings and unlock economic activity through partnerships with the private sector. Our municipalities will be at the centre of attaining the President's vision of new post-apartheid cities and development nodes within our five development corridors as a city region.

Local government faces many financial, institutional and service delivery challenges in our province and we'll be enforcing collaboration and accountability on all service delivery and socio-economic initiatives. We will be very pro-active and interventionist in order to improve our oversight and support to municipalities. We will be pursuing clean, accountable governance whilst at the same time being cognisant of the fact that clean audits without service delivery impact is of no use. Ours is to look after and advance the interests of the end user, the citizens of Gauteng.

Honourable Members, we want to build a sustainable revenue base for all our municipalities and we'll be working on reducing municipal debt in tandem with significant

stakeholders such as Eskom and Rand Water and of course by mobilising our communities to begin appreciating the importance of paying for services. This is a campaign that cuts to the heart of the health of our democracy which needs the support of all of us as a society. We must commend the City of Ekurhuleni in this regard, whose investment in their informal settlements has seen the provision of basic services produce the results of 98% of informal settlement residents paying for services.

We have already taken steps that have ensured that there is a reduction in water and electricity losses in Emfuleni and Merafong. We are looking to ring-fence a portion of VAT returns for infrastructure maintenance, with municipalities being able to claim back the VAT portion that they pay to suppliers from SARS and use part of that money for maintenance of infrastructure.

Madam Speaker, we are taking steps to address infrastructure delivery capacity challenges, such as: underspending on Capex, challenges with procurement processes that derail critical infrastructure delivery etc. **Through the Municipal Infrastructure Support Agency** we will be deploying specialist senior individuals with extensive knowledge in their fields (civil and electrical engineers, town planning specialists etc.) We will be tackling the challenge of underspending on infrastructure spending by our municipalities by playing a more active role in implementation and execution as a provincial government.

Through our Back to Basics programme we will be working very hard to improve service delivery and audit outcomes and we want to see greater citizen involvement in the **Integrated Development Plans (IDPs)** as part of enhancing our democratic processes. We want to instil the discipline of execution and perfect the art of service delivery within our municipalities. We want to ensure that there is proper planning, delivery as well as monitoring and evaluation at the coal face of service delivery, local government.

Honourable Members, our Rapid Response teams will help us to timeously resolve community complaints and service delivery protests. We have already taken steps towards implementing Asset Based Community Development in 6 local municipalities: Lesedi, Emfuleni, Midvaal, Rand West, Merafong and Mogale City. We are committed to

ensuring that there is a significant turnaround in the performance of our municipalities over the upcoming five years in order to bring about tangible improvements in the daily, lived experiences of our people.

The Budget Allocation for the 2019/2020 financial year is R562 282 000, inclusive of once-off additional funding of R45 million to assist with the West Rand intervention, which we now table before this august house for consideration. We would like to thank the Honourable Premier for his visionary leadership, fellow Members of the Executive Council for their insights and support, the Departmental Executive Management Team and all our civil servants for their dedication and commitment.

In closing Madam Speaker, as the 6th administration we are committed to seeing our municipalities transforming into centres of excellence for service delivery, with the aim of delivering on the promise of a better life that our people with their votes have given us the responsibility of delivering. We will work tirelessly towards lifting the dark cloud over local government and service delivery so that our people can see the brighter day that they so desire for themselves and their children. In the words of the late South African National Poet Laureate, **Keorapetse “Bra Willie” Kgosisile**, *“when the clouds clear, we shall know the colour of the sky.”*

Thank You!!!

