

MEDIA STATEMENT BY MEC MB MASUKU AT THE BREAKFAST MEETING WITH JOURNALISTS AND NEWS EDITORS ON 23 AUGUST 2011

It's over three months since we have held our 3rd democratic local government elections. We wish to once more thank all citizens who took part in choosing their own leaders. The huge turnout by voters is a clear indication that our democracy is maturing and our people understand their responsibilities in a democratic society.

We are proud to report that all our 21 municipal councils have been constituted and have started their work.

As part of supporting municipalities and strengthening functionality of councils, the department together with SALGA in the province convened a three day indaba for all councilors. This indaba was highly successful and we were able to capacitate the new councilors on the following:

- Local government's challenges and achievements
- Role of Councillors on implementing 12 outcomes and key government priorities
- Understanding the key priorities for the next term of local government in terms of national outcomes
- Creating an alignment between challenges and national priorities with the current municipal IDPs and budgets
- Planning IDPs according to needs and priorities of communities and aligned to other sector departments
- Establishing a broad common vision for local government within the context of a differentiated approach to municipalities
- Strengthening the council's functionality.

The indaba amongst other issues resolved the following:

- That municipalities are still a vital cog in the developmental state machinery;
- That all departments, state owned enterprises and government employees to pay all their outstanding municipal accounts immediately and that the each municipality will craft and implement a programme of debt management and revenue enhancement;
- To strengthen the Project Management Units in all municipalities and provide technical support through the District Rapid Response Units and Provincial Rapid Response Support Unit to facilitate, co-ordinate, monitor, evaluate and streamline all support initiatives aimed at local government.
- To fill all critical funded vacant positions with suitable and appropriate qualified individuals within three months from the conclusion of the Indaba;

- That in 2011 all municipalities Integrated Development Plans must be credible, improved involvement of sector departments and deployment of officials at the appropriate levels and ensure targeted support;
- Reaffirmed zero tolerance to any form of corruption and those involved irrespective of their positions and status, will be brought to book through a due process.

We appeal to all citizens of this province to play their role in making sure that municipalities work effectively. We appeal to communities to be involved in all matters affecting them. Let us all be involved in matters of development in our areas. We must be able to hold our public representatives accountable. These are leaders that you have chosen.

On 11 May 2011, the Executive Council of the Province resolved to support municipalities in the province with the provision of bulk water, through the provision of a unique specialized R100 million capital grant to realize the vision of safe water for all households in the province. A decision has been taken that implementation will be done through strategic partnership with existing water boards, district and local municipalities respectively as the responsible agencies in order to strengthen their functions. The municipalities have already identified the projects to be implemented. We are pleased to announce that all contracts have been signed and detailed implementation plans finalized. A monitoring committee will be set up by CoGTA, DWA and the Districts to monitor progress and provide oversight and we expect substantial progress in the implementation by the end of 11/12.

The debt owed to municipalities continues to be a matter of concern to us as government. Of great concern are government departments that owe municipalities. Through the intervention of the Premier we have seen reduction in the amount owed by Provincial government as about R21 million has been collected.

A Debtors Committee has been set up in terms of section 64(3) and section 44 of the Municipal Finance Management Act 56 of 2003 which obligate the Provincial Treasury and CoGTA to intervene and assist municipalities to recover government owed debts for services rendered for property and service charges. In this regard a circular No 28 was issued to all departments reminding them to verify and settle their arrear accounts.

The Department of CoGTA and Provincial Treasury are working closely to ensure that municipalities correct their billing systems through cleansing their data to ensure that correct accounts are issued and they clearly indicate the institutions liable for payments.

CoGTA and Provincial Treasury are in the process of conducting a financial systems analysis to advise the municipalities on the adequacy of their respective financial systems. This analysis includes assessment of reliability (Good, fair, bad) Data Accuracy (Good, fair, bad). This exercise will be completed by the end of October 2011 whereby each municipality will receive a report on the outcome of the assessment.

We also call upon all citizens to pay for their services the slow payment for services has an adverse effect on municipalities and has caused some of them to fall into distress because of this. The debts owed by individuals and private and public institutions to municipalities remains a great concern. Currently the debt owed to municipalities is R 1, 5 billion.

One of our immediate interventions is to assist municipalities to fill in their vacant positions at senior management level. An assessment was done to all 21 municipalities in the province to check the vacancy rate. All municipalities with vacancies were requested to advertise all vacant section 57 managers' posts. I am sure we have seen adverts for positions of Municipal Managers and Section 57 managers going out in different newspapers. Significant progress has been made by most municipalities where short listings and interviews have started. These municipalities are now in a process of concluding appointments. We are confident that we will meet the target we have set for ourselves. As the MEC for CoGTA I have had discussions with all Executive Mayors to ensure that they employ properly qualified and skilled people. I have also urged them to ensure that performance management system for all municipal officials is in place.

We remain committed to assisting our municipalities strengthen their fight against any corrupt activities. We are assisting municipalities to establish Municipal Public Accounts Committees (MPACs). As you are aware the role of MPACs is to provide assurance to the public that public funds are being managed properly; that funds were spent as intended; and that there has been best possible value received from funds spent. After the local government elections, 17 municipalities (Mbombela, Msukaligwa, Lekwa, Emalaheni, Chief Albert Luthuli, Victor Khanye, Thembisile Hani, Thaba Chweu, Umjindi, Nkomazi, Ehlanzeni, Emakhazeni, Dipaleseng, Mkhondo, Pixley Ka Seme, Dr JS Moroka and Bushbuckridge) have established Municipal Public Accounts Committees. The remaining 4 municipalities are in the process of establishing these MPACs. We will be embarking on a programme to train all the members of the newly constituted MPACs.

All our municipalities have adopted their IDPs and budget for 2011/12. It's important to note that the quality of the IDPs produced has improved. This improvement is due to increased participation and level of support and understanding of the IDP processes. Although there is room for improvement in the quality of the IDPs, they can be categorized as follows:

- 12 IDPs are ranked high
- 5 are ranked medium
- 4 are ranked low

We have also developed the draft guidelines on ward plans that will guide ward committees on the development of integrated development plans.

Under the Local Economic Development Programme, we have implemented the Community Works Programme (CWP) in Bushbuckridge and Albert Luthuli municipalities and by so doing maintaining a total of 1956 and 2300 temporary work opportunities respectively. We have also commenced the roll out of the CWP in Nkomazi, Mkhondo, and Thembisile Hani. This will create 300 new temporary work opportunities in each of these 3 municipalities.

We have uplifted the Section 139(1) (b) interventions in Lekwa and Thembisile Hani Local Municipalities, which were the last two municipalities still under administration. Whilst we have uplifted the interventions we are staying closer to these municipalities to support them through after care support to prevent any relapse.

As the Department working together with Municipalities, Provincial Treasury and Office of the Auditor General we remain committed towards Operation Clean Audit 2014. Through our various assistance programmes and interventions we are confident that we will achieve this milestone. We are proud that out of seven municipalities that achieved clean audits for the 2009/10 financial year nationally, three of them are from our province. These municipalities are: Ehlanzeni District, Steve Tshwete and Victor Khanye Municipalities. We once more congratulate them and believe that they will keep up their good performance. We urge other municipalities to follow suit and ensure that public funds are utilized responsibly and for what they are intended for. This will ensure that our municipalities remain accountable and we increase public confidence in local government.

We are continuing to support our Traditional Leadership Institutions. We have delivered vehicles to all our Traditional leaders including our Two Kings. We have developed a policy for the tools of trade of our Traditional Leaders and have a draft policy for the tools of trade of our kings, which we hope to finalize very soon. The Premier has appointed members of the Provincial Committee on Disputes and Claims. This committee will look into all the dispute matters that were submitted to the Nhlapho Commission before 31 August 2010. Their names will be announced by the Premier soon.

CONCLUSION

In the short to medium term our focus will be on:

1. ACCESS TO BASIC SERVICES

ELECTRICITY

- Finalize a provincial electricity master plan
- Municipalities to ensure that the Eskom debts is settled to avoid cut-offs
- The matter of electricity distribution license between Eskom and municipalities requires an urgent discussion session with Eskom and Minister of Energy
- Municipalities to deal with issues of illegal connections and the capacity of the municipal electricity infrastructure
- Municipality to implement energy efficiency- tap from the National funding

WATER PROVISION

- Finalization of the provincial water master plan by 30 September 2011
- Alignment of infrastructure plans especially dealing with matters of aging infrastructure
- Municipalities to address lack of spending and proper focus on critical issues through the MIG
- Need to improve planning, contract management and monitoring- be firm in curbing slow response and delay in implementation
- Address the matter of power and functions with respect to the provision of bulk water infrastructure.
- Technical required immediately in the acceleration of implementation
- Municipalities to immediately address matters of asset management, spending on O&M, Capex

2. FINANCIAL VIABILITY

- The spatial planning development framework to be concluded to address the growth trajectory for each municipality.
- All municipalities to craft their specific revenue enhancement strategies
- Conduct an institutional assessment for all municipalities by end of the year, determine minimum needs that can be funded from other structures.
- Municipalities to have cost recovery plans implemented immediately- attention to placed on the billing systems, consumer data base and campaign to address the culture of non-payment
- Pay special attention on promoting local procurement to ensure inclusive economy
- Ensure integrated and common ICT systems for all municipalities

3. OPERATION CLEAN AUDIT 2014

- All municipalities to ensure the establishment and functionality of MPACs, Integrity Management Units, Audit Committees
- Ensure that all the 21 municipalities, parastatals and provincial departments achieve clean audit opinions by 2014.
- Provincial and district support on the implementation of MFAMA
- No disclaimers in this year and ensure that we increase and sustain 3 clean audits
- Need to pay a special attention on matters of assets
- Direct all sector departments to pay all outstanding debts immediately.

Issued by the Department of Co-operative Governance and Traditional Affairs

Contact Person: Simphiwe Kunene - 082 413 3931

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