

**2022/2023 BUDGET SPEECH – VOTE 11: COGTA
BY HON. S E HLOMUKA
KZN MEC FOR COGTA
FINAL DRAFT – 6 MAY 2022 @20h00**

Madam Speaker;

The Premier of KZN, Hon. Sihle Zikalala;

Members of the Provincial Executive Council;

Honourable Members of the Provincial Legislature;

A special welcome to the Zulu Royal Family;

Inkosi Chiliza, Chairperson of the Provincial House of Traditional Leaders;

Amakhosi AseNdlunkulu present;

Chairperson of SALGA;

Mayors and Councillors of municipalities;

Heads of Departments and government officials;

People of KZN;

Theme: “Turning the corner in KZN municipalities: Fostering peaceful and sustainable communities through the delivery of basic services”

Madam Speaker

It is now for the third time that we present this Budget Speech for Vote 11: Co-operative Governance and Traditional Affairs during a global pandemic. By now, Covid-19 has fully transformed the way we conduct business as a department which supports municipalities and traditional institutions. I wish to assure this august House that despite the daily challenges caused by the pandemic – and most recently by the catastrophic floods we have seen in KZN, we are advancing service delivery as per our mandate while we remain subject to robust parliamentary oversight.

Madam Speaker, this Budget Speech is primarily a report on the progress made in the implementation of the commitments we made to this House and the people of KZN a year ago. It is also an occasion to present not only a set of tangible deliverables for 2022/2023, but a vision for local government and

traditional institutions in this province. To underscore this point, we have actively sought public input for this speech via various social media platforms, some of which we will acknowledge during this presentation. Today we thus present a long-term plan for a time when we begin to rebuild post-Covid-19 and after the latest devastating floods and realise our ultimate goal of a better local government – one that fosters peaceful and sustainable communities through the delivery of basic services.

As I say this, I also need to make a disclaimer that in the context of the recent floods and the request to the provincial government departments to reprioritise their budgets to enable the necessary recovery to occur, our own 2022/2023 Budget, with guidance from Provincial Treasury, may need to undergo adjustments which will then also result in adjustments in our respective Annual Performance Plan.

KZN floods: Where we stand

Honourable Members, we are only just recovering from the most devastating floods to hit KZN in a generation. The scale of the devastation is difficult to comprehend: 435 lives lost, 63 people still unaccounted for, 40,000 lives severely disrupted, 4983 homes completely destroyed, 8310 homes partially destroyed, and R25-billion (with assessments still underway) incurred in damages to both public and private infrastructure across the length and breadth of the province.

With eThekweni metro - as KZN's economic hub - accounting for almost half of all of the damages caused by the heavy rains, the impact of the resulting floods is felt throughout the province. Nothing symbolises the economic cost of the floods more than the damage inflicted upon the Port of Durban. Add to this all the roads, schools and medical facilities affected by the floods and you get the full picture of the sheer destruction we have suffered as a province.

As a coordinating department, we at KZN COGTA have been at the forefront of efforts to mitigate the impact of the floods on our communities and businesses. With the timeous assistance from the highest offices in the land – including the President and various national Ministers who have promptly visited the province – we have managed to mobilise a large chunk of resources for both emergency relief and the recovery that will soon follow.

With the national Cabinet declaring a national state of disaster and the private sector stepping up to the task of assisting with immediate relief, we have amassed significant resources, some of which are already being deployed on the ground to help those most in need of assistance: water tankers, emergency

shelters, food parcels or technical and medical assistance – all of this is being rolled out in the affected communities on a scale previously unseen.

While we continue to restore the most essential services, including water and electricity, to all affected communities, we carry on with the task of assessing the damages to prepare for full reconstruction of all infrastructure that has been destroyed. In these efforts, we are being assisted by other government departments, municipalities, NGOs, businesses and foreign donors. All this help is hugely appreciated by us as much as by all its beneficiaries. In order to ensure that the funds earmarked for recovery indeed reach their beneficiaries, we will be monitoring all expenditure with utmost care.

Covid-19: How far we have come

Honourable Members, we are now also in the third year of the Covid-19 pandemic which has to date, in this province alone, claimed almost 16,000 lives out of more than 650,000 positive cases that have been identified through rigorous testing and tracing and despite our massive, government-led vaccination drive. It is clear that vaccination has helped to bring the number of casualties down significantly.

At COGTA specifically, Covid-19 has since the onset of the pandemic taken 13 dedicated employees, in whom we have lost not only hard-working colleagues but, in many instances close friends. Similarly, we have at the same time lost more than 167 officials in our municipalities whose absence in the workplace is felt just as sorely by everyone whose lives they had touched as colleagues and friends.

But Covid-19 has also been a test of true leadership – and we in South Africa and KZN have been fortunate to benefit from some of the best. This is an opportune time to applaud our President, our Minister of Health, our national counterpart and Minister of COGTA, our Premier and our MEC for Health for always putting the safety and wellbeing of our people first.

As the pandemic has taken on a life of its own with new virus variants, lockdowns and travel bans, our leaders in government have lived up to the Japanese proverb that says: *Fall seven times and stand up eight*. It is the perseverance of our leaders, our civil servants both in the Provincial Government and in municipalities as well as our communities at large that will ultimately prevail against Covid-19.

Overview of performance in the 2021/2022 financial year

Madam Speaker, we present this Budget Policy Statement having, as a department, achieved a second clean audit in a row. For the 2020/2021 financial year, the Auditor-General has once again rewarded our hard work with a clean audit report for both Vote 11 (the department) and the Traditional Levies and Trust Account. The credit for this must go to the whole of COGTA team, led with distinction by the Head of Department, Mr Thando Tubane.

A new term of local government

Even as the pandemic continued to devastate our communities and negatively impact on the work of government throughout 2021, we as COGTA still managed to deliver, in close coordination with the Independent Electoral Commission (IEC) and in compliance with all the government-mandated Covid-19 protocols, successful Local Government Elections on 1 November 2021.

Our role as a department in municipal elections is merely supportive and our appeals to the general public for voter registration and participation in these elections are strictly apolitical: we maintain with good reason that high turnout in local government elections ultimately serves to enhance the legitimacy of local government institutions which we support in their daily operations.

In contrast to the 2016 Local Government Elections, last year's polls in KZN were characterised by voter apathy which may be a reflection of popular dissatisfaction with the performance of municipalities. This has resulted in significant swings in party support across the province's municipalities.

Compared to the 2016 Local Government Elections, last year's municipal polls have thus yielded an unprecedented high number of hung municipal councils in KZN. As a result, coalitions between and/or among political parties have become imperative in order to constitute working majorities in councils.

The lack of consensus and insufficient level cooperation within such councils is likely to be a dominant factor that could affect council decision-making and leadership and potentially result in divided and dysfunctional councils, thus negatively impacting on service delivery.

Strong oversight from this department will be required to monitor the functionality of councils and to provide support where necessary. I can assure this august House that we are more than equal to the task and I will outline our municipal support plans in greater detail in the course of this presentation.

PROGRAMME ONE: ADMINISTRATION

Targeted procurement

Throughout 2021/2022, we actively earmarked 30% of our public procurement budget for awarding to SMMEs, cooperatives, township- and rural-based enterprises and people living with disabilities. With equal vigour, we promoted the Black Economic Empowerment by ensuring that 60% of all bids were awarded to black Africans, with 30% of procurement going to women, 10% to military veterans, 5% to people living with disabilities, and 15% to the youth.

Having said this, I also need to make mention of the recent Constitutional Court judgment which found that the regulations requiring companies tendering for public procurement to meet certain pre-qualification criteria was inconsistent with the Preferential Procurement Policy Framework Act and the section of our Constitution which requires public procurement to be fair, equitable, transparent, competitive and cost-effective. As a department, we are awaiting the finalisation of the updated regulations by the custodian National Treasury, which will have an impact on the targeted procurement.

Regularisation of contract employees

On the Human Resources front, 2021/2022 saw the finalisation of the permanent appointment of 120 contract employees of the department following a legitimate recruitment process. This brought to an end a longstanding issue of a large number of contract employees as well as a perceived unfairness where many of our contract employees felt disadvantaged due to the temporary nature of their employment. These employees are now secure in their employment and enjoying the benefits of their permanent status.

Training of departmental staff

Through a series of Memoranda of Understanding with external training institutions such as the National School of Government, we in 2021/2022 provided training opportunities to 736 departmental staff at all levels of employment. Examples of training included ethics, problem-solving and decision-making, and project and supply chain management.

PROGRAMME TWO: LOCAL GOVERNANCE

Implementation of the 2019 State of Local Government Report

Madam Speaker, you will recall that since 2019 we have been regularly reporting on the findings of and subsequent progress regarding the State of Local Government Report we conducted in June of that year. As the most comprehensive assessment of the state of local government to date, the report focused on the state of governance, financial management and service delivery in our 54 municipalities.

In August 2021, we conducted the latest review of the state of KZN municipalities using the same methodology which focussed on three key performance areas, namely governance and administration, financial viability and management, and basic service delivery. Some of the highlights of this exercise are as follows:

- 11 municipalities were found to be very stable and require only monitoring,
- 14 municipalities were categorised as low-risk requiring just general Section 154 support,
- 17 municipalities were found to be at medium risk and require close monitoring and support, and
- 12 municipalities were categorised as dysfunctional and require high-priority support and targeted intervention. Eight of these municipalities are already under Section 139 intervention while the remaining four have chronic areas of dysfunctionality.

Following the assessment, we assembled a package of support for the municipalities to address identified performance gaps. This, in the main, included coordinating and consolidating targeted support in the form of Municipal Support and Intervention Plans for these municipalities. To advance this agenda, we have solicited professional experts, including technical, financial and governance champions, to be deployed in each of the municipalities that were categorised as dysfunctional.

Starting from February 2022, one-on-one strategic engagements have been conducted by the department on a monthly basis with all municipalities categorised as dysfunctional. This close oversight seeks to monitor progress and the turnaround in these municipalities. Municipal Support Plans were also developed for all other municipalities in the province to monitor and support municipalities to improve on identified weak performance areas.

Madam Speaker, I wish to assure this House that our monitoring of municipal performance continues to adhere to the strictest standards: it is comprehensive, continuous and thorough. We conduct regular

municipal visits, we provide hands-on support when and where necessary, and we hold weekly Nerve Centre meetings as well as monthly meetings of the department's various business units with the municipalities' management teams.

Deployment of Local Government Champions

In addition, we have, in 2021/2022, deployed dedicated Local Government Champions in each of KZN's 10 districts and the metro. This has facilitated the resolution of countless service delivery issues on the ground where it matters most. The Local Government Champions have been the "eyes and ears" of the department and municipalities have taken advantage of their presence by utilising them as a bridge between the local and the provincial spheres of government in the province.

Additional support to municipalities under administration

Madam Speaker, we are pleased that the majority of municipalities under Section 139 intervention have achieved an acceptable level of political and administrative stability. Two notable exceptions are Mtubatuba and uMkhanyakude district where we have intensified our support, including through the deployment of additional experts in the fields of governance, finance and infrastructure development. In addition, monthly meetings have been held with the ministerial representatives, senior municipal officials and our own business units to monitor progress and provide assistance and guidance where required.

Additional finance experts have also been deployed in Msunduzi, Mpofana, uThukela district, Inkosi Langalibalele, uMzinyathi district and Abaqulusi municipalities. Other municipalities that are not necessary under intervention have benefitted from this support. They are Ugu district, Amajuba district as well as Nquthu and Alfred Duma municipalities. The purpose of these deployments is to support these municipalities in order to improve their financial management and reporting, and ultimately their audit outcomes. We have tabled a comprehensive assessment report in the Provincial Executive Council to enable the Executive to pronounce on the future of these interventions.

Participation of amakhosi in municipal councils

Traditional leaders remain a crucial link between government and traditional communities and their participation in municipal governance is key. Currently, among our key priorities in this regard is the popularisation of the new participation regime introduced on 1 April 2021. To date, 52 municipalities, except Greater Kokstad and Endumeni, have been provided with the details of participating traditional

leaders in line with the new provision. Municipalities have also been advised and supported on measures to improve relations with traditional leaders and to enhance the contribution by amakhosi on decisions affecting traditional communities. We will continue to support and monitor the implementation of these measures.

Implementation of consequence management in municipalities

We continue to monitor the implementation of consequence management in relation to senior management in municipalities with vigour. To this end, we have compiled monthly consequence management monitoring reports in relation to all municipalities in KZN, including those under administration. There are currently four municipalities with pending disciplinary proceedings against the senior managers. Councils are being requested to fast-track and finalise these proceedings within the shortest timeframe.

During 2021/2022, we tabled a total of six forensic reports in terms of Section 106 of the Municipal Systems Act at municipalities, namely Msunduzi (two reports), uThukela district, Alfred Duma, Abaqulusi, and Richmond. We have also monitored the implementation of recommendations of all other forensic reports tabled to date. Out of 750 recommendations, a total of 316 have been implemented to date as a result of this exercise. A database on progress made in the implementation of recommendations has been updated on a monthly basis.

Support measures for Msunduzi municipality

Given the ongoing challenges at Msunduzi, we have, during 2021/2022, enhanced our monitoring of the municipality's recovery plan as part of our intervention. We specifically addressed the issues of Msunduzi's waste management, potholes, recurring electricity outages and strengthening the management capacity within the municipality. In addition to our ministerial representative at the municipality, we have deployed other officials who are working with the Msunduzi to resolve matters relating to government debt which has since been reduced from R225-million to below R150 million as at 31 December 2021. The municipality has likewise secured grant funding worth over R20-million from the Development Bank of Southern Africa to resolve its billing challenges.

We have also deployed external financial experts to Msunduzi who are working with the municipality for a period of six months starting in December 2021. Additionally, we have deployed an engineering expert to work with the municipality on infrastructure matters for a period of 12 months starting from January

2022. A deployed electrical project manager has also been assisting the municipality in resolving the major outage caused by storms in December 2021 in Northdale. A total amount of R25-million has been allocated to assist Msunduzi with its ongoing electricity challenges, with R9-million transferred in the previous year. The remaining R16-million has been included in the Budget for 2022/2023. Furthermore, we will also be engaging a dedicated service provider to assist Msunduzi in stabilising its electricity supply over the next two years.

Standardised performance management system

To improve performance in municipalities, the national COGTA together with National Treasury, introduced a sequence of reporting reforms which include standardised indicators for all municipalities across provinces and which began to be implemented in July 2021. On the ground, these reporting reforms have helped to meet the growing demands for live and up-to-date performance information data from municipalities. We are confident that these reforms will lead to improvement in audit outcomes of our municipalities.

Post-election support to municipalities

Following the 2021 Local Government Elections, we provided full support to municipalities in the inauguration of new office bearers. Once councils were reconstituted, cluster engagements covering all 54 municipalities were held where we handed over reports from the previous councils to the new municipal administrations and outlined a programme of action for the next five years. We have also been conducting sessions with individual municipalities to unpack details of support that is provided by the department. Other immediate priorities as part of our post-election support to municipalities are:

Status of senior management posts in municipalities

As at 15 February 2022, there were 313 senior management positions across KZN's municipalities, of which 268 were filled (85.63%). The total number of vacant positions stood at 45 which translates to a 14.37% vacancy rate. The vacancy rates for senior managers are fluid even as all municipalities are urged to fill all critical posts within the shortest time possible. Going forward, we will urge that senior management posts be filled within six months of a vacancy while we will also work to develop a mechanism to facilitate reference checks for officials who are changing jobs between municipalities to ensure that only properly vetted candidates are considered for vacant posts.

Madam Speaker, we are concerned that some councils have been terminating senior managers and arbitrarily interfering with employment contracts of municipal officials. Councils are cautioned against such actions and decisions, which constitute interference by councillors in municipal administrations and invariably result in instability in municipalities. Where it is proven that the council or councillor knowingly took an unlawful decision of this or any other kind, as MEC for COGTA, I will have no other option but to invoke the provisions of item 3 of the Code of Conduct for Councillors contained in the Municipal Structures Act.

Ward committee elections

In order to implement our constitutional mandate in terms of community participation, we have supported the establishment of ward committees in each ward in KZN municipalities, within the stipulated timeframes. In councils where valid reasons were provided, COGTA granted the extension of time to establish the ward committees. To date, we have established 98% of ward committees, with the remaining 2% being objections raised post the establishment, which are in the process of being resolved. To ensure effectiveness and efficiency, we have engaged in a training programme in all 44 local municipalities for ward committees, to assist them together with ward councillors, in convening meetings to report back to communities on service delivery issues and in being available to listen to and respond to community concerns. The training will be concluded in June 2022.

Provincial Rapid Response and Community Development Works Programme

Madam Speaker, we have promulgated the Provincial Rapid Response Strategy to provide a provincial framework for the management of public protests through the establishment and effective functioning of Provincial and Municipal Rapid Response Teams and inclusive participation of key role players. All 54 municipalities have established the MRRTs.

As we recover from the recent floods, we are strengthening the involvement and capacity of Community Development Workers. We are specifically strengthening CDWs' capacity in being the conduit of community issues being communicated to government and vice versa. This is to ensure speedy response by government to social issues, including but not limited to, identity documents, support grants, burial support and Operation Sukuma Sakhe Ward profiles. We have also recently appointed 10 CDWs to augment capacity in municipalities.

Capacitation of new councillors

Post-elections, we have likewise prioritised the capacitation of new and returning councillors through targeted, needs-directed interventions. These included the councillor skills audit that aimed to determine educational levels, current employment, years of experience in local government and training needs of councillors. Its findings will allow for the development of ongoing capacity-building interventions for all councillors who require them.

In collaboration with SALGA and other stakeholders, we have been rolling out Sector-Based Councillor Orientation Workshops aimed at inducting and orientating both new and returning councillors about their roles and responsibilities in the local government environment and the legislation that governs it. The capacitation of municipal portfolio committees, including MPACs, will commence after the induction and orientation as will additional capacity-building for Speakers through peer learning sessions. As a matter of urgency, we will also build project management capacity in municipalities that are failing to spend grant funding, particularly in the Ugu, uMkhanyakude and uMzinyathi districts.

Implementation of findings of skills audit and capacitation of municipal officials

Throughout 2021/2022 and particularly after the 2021 Local Government Elections, we worked closely with municipalities to address the gaps we identified in the skills audit we had undertaken during the previous financial year. In doing so, we have ensured that municipalities are now prioritising the gaps identified in the skills audit in their workplace skills plans.

Support for municipal oversight structures

A new term of local government has turned our attention towards the need to identify the existing and outstanding skills among the newly elected councillors in order to provide the necessary support in this regard. Our focus has been on the capacitation of councillors in general and on municipal Internal Audit Units and the Municipal Public Accounts Committees in particular.

Improved community participation in municipal decision-making

In order to give communities a more meaningful voice in the way their municipalities operate, we have, during 2021/2022, revived the traditional *izimbizo* as a vehicle for participatory democracy at local level. In doing so, we are making sure that the concerns of communities are not only heard but addressed by

the relevant authorities. For this to happen, we have been working closely not only with the existing public participation platforms but also with the ones established as part of the new District Development Model.

Improved revenue collection in municipalities

The very existence of service delivery hinges on the ability of municipalities to collect revenue. Covid-19 has had a negative impact on revenue collection in municipalities but we have been able to intervene. During 2021/2022, we deployed a targeted approach to revenue collection in municipalities that managed to reduce both consumer and government debt while enhancing revenue collection. In tandem with the Covid-19 Debt Relief Programmes introduced by municipalities, consumers have been encouraged to pay their dues on time.

In addition, various interventions in respect of government debt that have also been successful in reducing government debt owed by 15.15% or R434.38-million during 2021/2022. Our department will continue working with all provincial and national government departments and entities to reduce debt owed by government and organs of the state to only current accounts by resolving ownership matters and municipal recording and billing challenges in respect of these.

Eskom debt

Madam Speaker, whilst we were able to settle Eskom debt in full at the eDumbe, Mthonjaneni, Abaqulusi and Inkosi Langalibalele local municipalities in prior years, we still have municipalities that owe Eskom. These arrears have been exacerbated by the low revenue collection on service charges due to the Covid-19 pandemic. Currently, there are five KZN municipalities in arrears with Eskom payments totalling R675.1-million.

Arising from our mediation efforts and support in developing credible payment plans, including introducing cost containment at these municipalities, four municipalities have reduced their debt, namely Ulundi (owing R99.2-million from the original debt of R105.3-million), Newcastle (owing R137.8-million from the original debt of R264.8-million), Msunduzi (owing R189.4-million from the original debt of R199.9-million) and Endumeni (owing R36.2-million from the original debt of R54.2-million).

Mpofana municipality, by contrast, now owes Eskom R293.5-million which is an increase of R50.9-million from the previous year. A revised payment plan has been submitted to Eskom for consideration in respect of Mpofana and a litigation between the parties, in which COGTA is a respondent, is still pending. The

municipality is also engaging Eskom in respect of the takeover of the electricity reticulation function. Our support to Mpofana continues.

Improved audit outcomes of municipalities

Madam Speaker, there has been a reduction in the number of audit queries raised in municipal audits - by 23% across KZN between 2018/2019 and 2019/2020. We have, together with Provincial Treasury and SALGA, developed a turnaround plan towards improving municipal audit outcomes. Areas of collaboration include the review of the 2020/2021 annual financial statements of municipalities, internal audit and risk management support and developing and monitoring the implementation of budget funding plans in municipalities with financial viability challenges.

The AGSA officially released audit outcomes for 2020/2021 in respect of all 54 municipalities on 28 February 2022. Delays in the finalisation of audits were mainly due to the impact of Covid-19 on both the audit team and municipal staff. We congratulate Okhahlamba municipality for retaining its clean audit, uMhlathuze which attained a clean audit under our Financial Experts Programme introduced during the audit year as well as King Cetshwayo district for its clean audit in the 2020/2021 financial year. Msunduzi, Zululand district, Big 5 Hlabisa and Ubuhlebezwe improved from qualified to unqualified audits and Amajuba district improved from a disclaimer to a qualified audit. Thus far, no regressions have been noted.

Eliminating irregular expenditure

In respect of Unauthorized, Irregular, Fruitless and Wasteful (UIFW) expenditure, we have, throughout 2021/2022, reviewed the municipal processes to ensure strengthened internal controls to prevent such expenditure. Regarding the UIFW expenditure already incurred, we have provided intensive support to the Finance Committees, MPACs and councils on the processes of dealing with such expenditure and, where necessary, we have encouraged municipalities to strengthen their consequence management of such expenditure.

PROGRAMME THREE: DEVELOPMENT AND PLANNING

District Development Model in action

Madam Speaker, I am happy to report that the District Development Model is already transforming the sphere of local government in KZN. This new and enhanced approach to intergovernmental relations is already operational in most of districts and the metro in the province with all spheres of government actively engaging with one another in aligning and integrating their plans and budgets for shared implementation resulting in more effective service delivery.

This alignment is now expressed in the model's One Plans which are now being finalised with our hands-on support throughout the province with the exception of eThekweni whose One Plan is complete. Additional support is being directed at Zululand, uMkhanyakude and Ugu districts where insufficient progress in this regard has been detected. Where completed, all One Plans will be implemented and monitored in each district in the current year.

Implementation of the KZN Provincial Water Master Plan

In 2021/2022, we began implementing the water interventions enshrined in the KZN Provincial Water Master Plan. A key part of our efforts were the accelerated province-wide water interventions that are aimed at improving general access to water for both communities and businesses. In 2021/2022, we supported individual municipalities in increasing their levels of water service in line with the ward profiles produced in the Provincial Water Master Plan.

We have also intensified our support to municipalities by providing additional technical capacity to a number of districts, including Ugu and uMkhanyakude, to ensure that their existing conditional grants would be utilised effectively and the additional funding we provided for the Accelerated Water Programme was fully implemented. This technical support will be further intensified in the current year in the municipalities that lack such capacity.

Specifically, in 2021/2022, we have achieved the following deliverables through our Accelerated Water Programme:

- St Helen's Rock pump station and borehole programme in the Ugu district at a cost of R19.3-million;
- Franklin Water Scheme refurbishments and springs protection in the Harry Gwala district at a cost of R30-million;
- Nsuze Dam Optimisation and Sokesimbone Water Scheme upgrades in the Ilembe district at a cost of R25-million;

- Refurbishments to Ayliff and Tweefontein pump stations in the Newcastle municipality at a cost of R8.7-million;
- Sanitation Programme in the uMgungundlovu district at a cost of R18-million; and
- Spring Protection Programmes in the Harry Gwala district at a cost of R4-million.

In terms of the Master Plan's intervention programmes, in 2021/2022 we have implemented or began to implement the following:

- Water Resource Programme: 16 Boreholes and spring protection projects in eight districts, with physical progress ranging from 20% to 70% completion;
- Water Treatment, Bulk Distribution and Storage: 57 projects in seven districts, mainly Bulk Water Supply and Water Treatment works, with physical progress ranging from 20% to 85% completion;
- Water Reticulation Programme: 19 water reticulation projects in nine districts funded through MIG, with physical progress ranging from 40% to 90% completion;
- Water Conservation/Water Demand Management: 5 WCWDM strategic programmes to address water balance issues, that is demand versus supply, non-revenue water and water losses in four districts;
- Financial Sustainability and Revenue Enhancement: 8 strategic plans to improve revenue collection, 7 of which in three districts are in planning stages and with Msunduzi at 60% completion;
- Operations and maintenance: 90 refurbishment projects in 13 WSAs at overall 35% progress; and
- Human Resource Development Programmes: 6 projects in two districts, all of which are in the planning stage.

In addition, in 2021/2022 we also embarked on a programme to provide short-term relief to water-scarce areas throughout KZN region by installing new 230 boreholes in six districts. The scope of work for the programme has included the assessment, drilling, yield testing, water quality testing, designing and equipping of boreholes at uThukela, uMkhanyakude, Zululand, Amajuba, Harry Gwala and uMzinyathi districts.

Water interventions in water-challenged districts

Ugu district is one of the province's water "hotspots" as identified by the KZN Provincial Water Master Plan. There are challenges of intermittent water supply at Ugu – as pointed out by Ms Vuyokazi Mtembu Hlophe from Ugu in her input to this speech made via Facebook - that are due to aging infrastructure, unplanned power outages as well as vandalism.

In response to Ms Mtembu Hlophe, during 2021/2022 we transferred R19.3-million to Ugu for water infrastructure projects, including 12 boreholes in uMzambe and uMuziwabantu local municipalities. We also appointed a technical expert who is stationed at Ugu to assist in unblocking the local water challenges. On 1 February 2022, a stakeholder engagement was held at Ugu by the Hon. Premier to promote broad collaboration in finding solutions to its water challenges. Going forward, we will be sending an engineering team to Ugu and transferring an additional R9-million for water services in the district.

In addition to the newly established Water Rooms in all water-challenged districts, Ugu as well as uMzinyathi and uMkhanyakude will, from 2022/2023 onwards, benefit from additional technical support in the form of an external service provider appointed for a period of two years. This will go a long way towards ensuring an interrupted water supply to the local communities.

KZN Provincial Electricity Master Plan

Having successfully completed the KZN Provincial Water Master Plan, we have in 2021/2022 developed and began to implement the KZN Provincial Electricity Master Plan. The Master Plan focuses on universal access to electricity and alternative energy and asset management frameworks. Specifically, the plan addresses the ongoing need to support municipalities with operations and maintenance of dilapidated energy infrastructure.

The implementation of this plan has already commenced with costed infrastructure maintenance and work on the network backlog per local municipality following the assessment of existing power infrastructure which we had previously conducted in all 24 Licenced Electricity Distributors (that is municipalities) in KZN in July 2020 and in conjunction with Eskom's own updated development plans for transmission bulk delivery.

Electricity delivery highlights

Throughout 2021/2022 our dedicated electrification programme has gone from strength to strength.

Some of the project delivery highlights from this period include:

- Abaqulusi Ward 1 – 63 connections at the Madanini Village at a cost of R4.5-million;
- Abaqulusi Ward 2 – 200 connections at Esihlengeni/Tholakele/KwaSithole villages at a cost of R7.9-million;
- Abaqulusi Ward 3 – 69 connections at Shayelweni village at a cost of R3.4-million;

- Abaqulusi Ward 4 – 101 connections at Esigangeni/Mpembeni/Ngedlani/Sozwane villages at a cost of R8.3-million;
- Jozini Ward 4 – 213 connections at eKuvukeni village at a cost of R11.5-million; and
- Ray Nkonyeni Ward 30 – 240 connections at a cost of R6-million.

In 2022/2023 we will allocate a further R5-million for electricity connections in Nsuze, Luthuli/Esdumbini, Ozwathini and Dikwayo at Ndwedwe.

Eskom transmission line

I am pleased to report to this House that the Eskom Ariadne Venus Transmission project is now under construction. This electricity bulk infrastructure along the N3 corridor spans from Richmond through Msunduzi, uMngeni, Mooi Mpofana to Inkosi Langalibalele municipality. The project has recruited 182 unskilled and 115 semi-skilled employees since its inception. Currently, the project is at 88% completion.

eThekwini's alternative energy initiative

The eThekwini metro has recently embarked on a new policy direction to adequately reduce its energy reliance on Eskom. The new energy policy includes eThekwini's integrated resource plan which is the first of its kind at the local government in South Africa. This has been developed in order to safeguard the service delivery mandate of the municipality, lowering the cost of electricity bills, bring policy certainty to the investors and adhere to environmental sustainability.

Assisting municipalities to fully spend infrastructure grants

We have been transparent about the province not doing well in terms of overall expenditure on grants due to the lack of skills and capacity, SCM challenges and the absence of monitoring. We are under constant threat from National Treasury for withdrawal of unspent funds. As part of the turnaround strategy, we have established a dedicated Project Management Unit that is now working closely with municipalities to speed up project implementation and strengthen planning systems for infrastructure projects. Regular meetings with underspending municipalities are held to ensure full compliance so that no unspent grants are forfeited to National Treasury.

Provincial Small Towns Socio-economic Revitalisation

We have finalised a Provincial Small Towns Socio-economic Revitalisation Strategy that will identify key interventions in the priority nodes throughout the province considering spatial planning initiatives and linking these with industries and initiatives that will improve their sustainability. The strategy aims to provide direction on how government and other stakeholders should tackle the revival of economically declining towns in KZN. The strategy will also inform budgetary provision for planning and promote development of strategic priorities. The implementation will take place in the current year and our focus will be on a number of municipalities, including municipalities mentioned in this regard in the Hon. Premier's State of the Province Address, such as Mkhambathini or Mpofana.

To further stimulate and support the recovery of KZN's small towns, especially those negatively affected by the unrest of July 2021 and small towns in our more remote rural areas in general, we are also currently reviewing our existing small enterprise and community development support packages. We expect to conclude this process in 2022/2023 and begin implementation given the urgency in finding ways to enable citizens to develop local enterprises and stimulate local economies against the backdrop of limited job opportunities due to the economic slowdown caused by the Covid-19 pandemic.

District Economic Recovery Plans

At the beginning of the Covid-19 pandemic, each district was advised to develop its own economic recovery plans to combat the economic fallout. We supported all districts in the development of these plans. The 2021 Cabinet Lekgotla made specific reference to supporting the implementation of these plans and we at COGTA were tasked with this. Throughout 2021/2022, we have been monitoring the implementation of these plans and we have prepared a detailed report per district on its economic recovery. Monitoring is ongoing to ensure that all local economies are resuscitated.

District Development Agencies

The functionality of seven DDAs was monitored and supported during 2021/2022. The role of DDAs in LED has become increasingly evident in government's Radical Economic Transformation Programmes which include RASET, Bulk Buying and Government Warehousing, all of which are geared towards mainstreaming SMMEs in the rural and township economy. DDAs and municipalities have also been introduced to potential partnership opportunities in KZN with the view of creating economic growth and assisted in utilising existing assets in creating economic growth.

Many of the DDAs have continued to struggle to find their financial independence and play the effective economic development role we had envisioned for them. An intense review of their functionality will be a focus for the coming financial year. This will require that they are positioned between government and the private sector with increasingly independent funding sources from the district municipalities, that they are not subjected to the full machinations of the civil service, and that they focus solely on delivering a lean organisation aimed at improving local economic development in their district.

Special projects and their implementation

During 2021/2022, we continued to support municipalities and traditional institutions by rolling out the Small Town Rehabilitation, Corridor Development, Rural Local Economic Development, Amakhosi and RASET Programmes, and the following projects were completed in that financial year: Richmond Siyathuthuka Magoda Road, KwaDukuza People's Park, Msunduzi Youth Enterprise Park, Manaye Precinct and eDumbe rehabilitation of roads and construction of an ablution facility.

In 2022/2023 we will allocate a total of R45.8-million to various projects under the Small Town Rehabilitation programme, including at Umdoni, Mshwathi, eDumbe, Abaqulusi, Okhahlamba, Nkosazana Dlamini Zuma and Ubuhlebezwe. Also in 2022/2023 we will allocate R11.2-million for Corridor Development projects at uMuziwabantu and Msunduzi.

Amakhosi-led Rural Local Economic Development

In supporting amakhosi through the Rural Local Economic Development Programme, we have in 2021/2022 allocated R6.5-million to Nkanini TC for the expansion of Bulwer Farm agri-tunnels and open field production wherein a local cooperative is supported to produce vegetables. The KwaXolo TC was also supported with R6.5-million to expand the existing work of Phezukomkhono Youth Cooperative through agri-tunnels.

We have worked with other stakeholders to provide support to small businesses by facilitating the local municipalities' attendance of the support programme that was conducted by the Department of Small Business and by engaging and providing advice to municipalities on issues related to the funding that is currently available from different government departments. In 2022/2023 we will allocate a further R3-million to the Sithole TA in the uThukela district for the establishment of a cultural lodge.

Access to government through Community Service Centres

Furthermore, we have in 2021/2022 rehabilitated 15 Traditional Administrative Centres at a cost of R5-million in supporting safe and conducive working environments for our Traditional Councils. Construction works on a further 12 TAC major rehabilitation projects have commenced and will be completed in the current year at an estimated cost of R24-million.

Two new CSC Infrastructure projects for the Khumalo TC in Ndwedwe and the Mvozane CSC at Maphumulo were completed at a combined cost of R16-million while construction works for three further projects have commenced and will be completed in the current year. CSC infrastructure investment will amount to R45.5-million in 2022/2023.

Establishment of new Community Service Centres

By way of redressing the past spatial isolation of services to the majority of our population, in 2021/2022 we officially opened the uMfolozi and Matimatolo (uMvoti municipality) CSCs. The uMfolozi CSC now provides key services, such as SASSA, Social Development, IEC, Digital Centre, Safety and Liaison, Community Development Workers and general municipal services, which are now easily accessible to the community of KwaMbonambi and the surrounding wards. The Matimatolo CSC is currently in the process of formalising tenant occupation with SASSA, Department of Agriculture, Department of Labour, the ward councillor and the municipal offices.

Mass job creation

In 2020/2021, we have created 45 250 job opportunities through the Community Work Programme. Moreover, additional 261 employment opportunities were created through the newly developed In-Service Training Programme. The department has also created over 500 employment opportunities through its flagship Municipal Internship Programme. These internships have since been extended to make up for time lost during Covid-19 lockdowns. These programmes have been lauded as most impactful due to their uniqueness in terms of approach and nature. They are also providing additional capacity in various municipalities in addressing service delivery gaps.

PROGRAMME FOUR: TRADITIONAL INSTITUTIONAL ADMINISTRATION

Killing of amakhosi and izinduna

The surge in the killings of traditional leaders remains a grave concern as acknowledged by the Hon. Premier in his State of the Province Address. Consequential efforts are being made to apprehend the criminals who are responsible for these gruesome assassinations. A total of 43 cases of murder have been registered by the South African Police Service since 2012. A total of 25 people have been arrested in relation to 14 of these cases. We call upon communities to come forward with any information that might assist the law enforcement to apprehend assassins.

Additionally, in partnership with the Department of Community Safety and Liaison, a Provincial Imbizo with amakhosi and izinduna was held on 22 September 2021 to deliberate on the possible mechanisms to curb the violence against traditional leaders. We are happy to report that as a result of a resolution by the Provincial Imbizo to engage all districts, we subsequently convened cluster izimbizo that saw participation of all districts in this critical discussion. A comprehensive report on the outcomes of izimbizo has been tabled before Cabinet.

Provision of resources to amakhosi

During 2021/2022, we have continued with our efforts to uphold the dignity of the institution of traditional leadership by rehabilitating 26 imizi yezizwe at a total cost of R2.4-million. In the current year, we will construct a further 7 imizi yezizwe. Similarly, in 2021/2022 we provided furniture to 113 Traditional Councils following a thorough assessment of their needs. A further 54 Traditional Councils will be provided with furniture in the current financial year.

Capacity building for traditional institutions

Madam Speaker, we believe that traditional leaders need to be equipped with the necessary skills and knowledge on matters of governance to serve their communities effectively. In August 2021, we, in partnership with Deloitte, conducted induction workshops that sought to capacitate them, together with their structures, with skills to fulfil their mandate. The new Traditional Khoi-San and Leadership Act was covered in these workshops to ensure that amakhosi are equipped to implement the Act.

In addition and based on the findings of our Traditional Council assessments conducted in 2019 which revealed that Traditional Council Secretaries require comprehensive computer skills to effectively and efficiently perform administrative duties for their respective Traditional Councils, we commenced in

2021/2022 with computer training for 295 Traditional Council Secretaries as part of broader capacitation of the Traditional Councils in the province.

Recognition of Traditional Leaders

During 2021/2022, we, through the Provincial Executive Committee, successfully recognized 21 amakhosi, and seven amabambabukhosi. Some of these recognitions have brought finality to longstanding succession disputes. Furthermore, two amakhosi have retired from their positions due to ill-health, resulting in the new recognitions as resolved by imindeni. Madam Speaker, we are happy to report that most of these recognitions were concluded a few months after the passing of an inkosi. *Sifisa ukudlulisa ukubonga imindeni esabelile kwikhwelo likahulumeni lokuphuthumisa uhlelo lokuvalwa kwezikhala zamakhosi ngoba lokhu kulekelele kakhulu ekunciphiseni imibango yesihlalo.*

Going forward, we will ensure that we finalise recognitions within 90 days as stipulated in the Traditional and Khoi-San Leadership Act. We are working tirelessly to conclude the 13 existing ubukhosi vacancies through active engagements with imindeni yobukhosi. Honourable Speaker, we want to assure this august House that *imindeni iyona enegunya lokuhlonza Inkosi eqondene nesihlalo ngokuzaleka kwayo. Umsebenzi womnyango ukuqinisekisa ukuthi umndeni ulandele amasiko ngesikhathi kuhlonzwa.*

Replacements of izinduna

Izinduna zamakhosi play a vital role in the promotion of indigenous practices that seek to maintain peace and stability in rural communities. Our government introduced the remuneration of izinduna in recognition of their role as enablers of development in rural communities. We acknowledge that budget cuts affected our pace in addressing simple replacements of 332 izinduna as appointed by amakhosi during 2021/2022 but, in the end all, izinduna were replaced and – to assure Mr Falendoda Charles Malinga from Pongolo who provided his input for this speech via Facebook - all payments owed to them were paid. Izinduna who are sharing izigodi are currently the only outstanding replacements.

2022/2023 BUDGET IN THE WIDER POLICY CONTEXT

Madam Speaker, the 2022/2023 Budget continues to be constrained by the ongoing Covid-19 pandemic – and most recently by the impact of the devastating floods KZN has experienced in the past few weeks. To ensure that our limited resources make a maximum impact on communities, we

are targeting our spending initiatives on the most urgent priorities while we continuously strive to improve expenditure efficiency. Specifically, our improved financial management is bound to ensure ever greater value for money when coupled with an improved SCM framework.

In planning for a sustainable and prosperous post-Covid-19 and post-disaster era, we are actively supporting municipalities in their own recovery efforts directed at local economies. As municipalities focus on their Post-Covid-19 Recovery Plans – and now also on their post-disaster recovery plans, we are focusing on ensuring the basic functionality of municipalities themselves. It is clear that no meaningful recovery can take place without good governance, sound financial management and effective service delivery at local level.

SPECIFIC PRONOUNCEMENTS FOR THE 2022/2023 FINANCIAL YEAR

PROGRAMME ONE

Recruitment of persons with disabilities

Madam Speaker, encouraged by the results of our drive to actively recruit women managers whose proportion in the department now stands at 58%, we will in 2022/2023 embark on a similar recruitment drive to employ persons, and especially youth, with disabilities. To this end, we will engage with organisations, such as Disabled People of South Africa, that provide support to this valuable but vastly under-employed demographic.

New offices for uMzinyathi and Harry Gwala districts

During 2022/2023 we will embark on the construction of new offices in the uMzinyathi and Harry Gwala districts which will act as one-stop shops for the department. The new offices will go a long way towards strengthening our district capacity and improving our operational efficiency on the ground in these districts and their families of local municipalities. The procurement for these projects is already at an advanced stage.

Asset management in Traditional Councils

Given our mandate to monitor and support Traditional Councils under our general oversight throughout the province, we will in 2022/2023 focus on improving general asset management within these traditional institutions. To this end, we will automate asset management processes within our Traditional Councils in order to improve their accountability for assets and, in the process, we will also enhance expertise in asset management among the staff operating within our Traditional Councils.

PROGRAMME TWO

Review of the state of local government in KZN

We will conduct another fully-fledged assessment of the state of local government in all 54 municipalities in KZN in September 2022. The results of this fresh assessment will provide the department with credible information, not only on the general state of local government in the province, but also to create a new yardstick to determine whether the support provided by us, other sector departments and other relevant government entities are yielding any tangible impact on the performance of municipalities.

Dealing with coalition municipalities

There is no doubt that the 2021 Local Government Elections resulted in the continuation of political realignment in the province. This is characterised by the dramatic increase in the number of hung municipalities from fewer than 10 to more than 20. There is anecdotal evidence of cases where service delivery has been impacted by ructions among coalition partners. Municipalities, such as Mtubatuba, Newcastle and uMvoti, are some of the examples where we have already begun to see these ructions. Their impact on service delivery is undeniable.

Squabbles between and among political parties diminish the public confidence in their ability to govern effectively. We urge political parties to do all in their power to prevent such ructions. Working with our partners such as SALGA, we will be setting up conflict management mechanisms to ensure that coalition municipalities are stable. There is no doubt that coalitions will remain an important aspect of local government going forward. We will engage the Minister of COGTA to consider augmenting policy and legislation to cater for the stability of coalition municipalities in future.

Quarterly engagements with municipal ExcOs

Starting in 2022/2023, there will be quarterly Municipal Cluster engagements with the Executive Committees of all KZN municipalities. These Cluster engagements are envisioned to eliminate the silo approach in coordinating support to municipalities, strengthen the oversight role of Exco's and refocus these committees' executive roles and responsibilities which are enshrined in the various parts of the existing local government legislation.

Our quarterly Municipal Cluster engagements will further strengthen the objectives of the District Development Model, which seeks to narrow the distance amongst the different spheres of government. We are confident that improving the performance of the municipal Executive Committees through more direct monitoring and oversight will ultimately result in the overall improvement of municipal performance throughout the province.

Deployment of additional champions to municipalities

In 2022/2023 we will deploy additional Local Government Champions to all municipalities, including those in distress. These new deployees will be supported by professional experts in the fields of finance, governance and engineering. Currently, there are five Local Government Champions responsible for 10 districts plus one metro. The work of Local Government Champions in the districts, even with such reduced capacity, has proven to be effective in improving coordinated support to municipalities.

In order to improve this support further, it is important that, going forward, each district and the metro can benefit from the work of a dedicated Local Government Champion. To this end, we will appoint six additional Local Government Champions during 2022/2023 to bolster the constant presence and visibility of the department within the municipal spaces. We are confident that these additional deployees will enhance the quality of our targeted support programmes individually and collectively.

A new approach to municipal interventions

While we respect the status of municipalities as an independent sphere of government, we rely on the constitutional provisions that enable us to monitor municipalities and sometimes intervene where ordinary support is not yielding the desired outcomes. At the same time, we recognise the need for alternative steps to interventions in order to induce compliance by municipalities with their executive obligations. To this end, we will be liaising with the Minister of COGTA to fast-track the promulgation of the Intergovernmental Monitoring, Support and Interventions Bill which, inter alia, provides clear guidelines on the appointment of administrators when intervening in municipalities.

Credibility of municipal Integrated Development Plans

At the end of 2021/2022, the provincial IDP credibility average has improved to 73.71%. This is above the provincial benchmark of 60% and the national benchmark of 50%. The focus for the fifth generation of IDPs will now be on the implementation and monitoring of the identified priorities and commitments made by municipalities in their IDPs. For our part, we will no longer only focus on the credibility of the municipal IDPs but will develop a tool to monitor implementation of commitments in the IDPs.

This will determine whether the improvement in the credibility of IDPs matches the service delivery outputs and outcomes that are contained in these strategic documents. The department will henceforth report regularly on any failures in implementation of service delivery priorities by municipalities. These failures will then be communicated to municipalities on a quarterly basis and municipalities will be expected to institute corrective measures before the next quarter report.

Revival of Back to Basics approach to service delivery campaigns

During 2022/2023, as pronounced in the Hon. Premier's State of the Province Address, we will revive a number of service delivery campaigns under the umbrella of the erstwhile Back to Basics programme which was aimed at re-focusing municipalities to prioritise basics. This approach has already been applied at Msunduzi municipality and the results in terms of service delivery quick-wins are promising. Province-wide, these campaigns will include:

- The Masakhane campaign which creates awareness of the importance of paying for services,
- The campaign to repair broken street lights and fill potholes,
- Localised clean-up campaigns, and
- The joint campaign with the Department of Economic Development, Tourism and Environmental Affairs on environmental awareness and dangers of illegal dumping.

In each case, the revival of these campaigns will start with a provincial launch to be followed by all OSS Champions cascading each campaign down to their respective districts. In each instance, we will invite the private sector to join us in these campaigns as there are many potential stakeholders who are willing to support overall improvement in their own municipalities. We will also link these campaigns with the quarterly Cluster engagements with municipal Exco's for improved monitoring and oversight.

Rollout of training for municipal officials and traditional institutions

With the recommendations of the municipal employee's skills audit undertaken in 2021 approved by the GSCID Executive Committee, individual municipal skills audit reports will now be tabled at municipal council meetings during 2022 and municipalities will be engaged to develop action plans for implementation of the recommendations. These activities will ensure that municipal employees are trained in line with the needs identified in the skills audit. Similarly, the rollout of training for the Traditional Council Secretaries commenced in February 2022, with 295 of them undergoing training in computer skills. Further training will be extended to amakhosi during 2022/2023.

PROGRAMME THREE

Establishing Social Compacts

Working with the KZN Economic Council, we have commenced with cascading the concept of the Social Compacts which will enhance the participation of all sectors in economic development in municipalities, especially in ensuring economic recovery from the impact of Covid-19 and social unrest of July 2021. We will also support municipalities in providing a conducive environment for the private sector to participate and increase opportunities for investment through effective implementation of Municipal Revenue Enhancement Strategies and Municipal Development Incentive Strategies.

Review of Municipal LED Strategy

We will, during 2022/2023, be reviewing the Provincial LED Strategy to accommodate the implementation of the Provincial Localisation Strategy and, in doing so, promote local production by small businesses. The new approach will entail a strong partnership between the departmental LED Unit, various NGOs and the private sector in advancing LED initiatives. A concept document in this regard is being finalised. Once completed, a special fund will be created for the implementation of the new community-based localisation plan.

Implementing the KZN Provincial Water Master Plan

As stated in the Hon. Premier's State of the Province address, expanding access to water is one of KZN's top priorities. The KZN Provincial Water Master Plan, compiled by the department and adopted by the province in 2021, is now guiding all our municipalities in their annual planning, prioritising and budgeting

for their water needs. The master plan, which assessed the state of infrastructure and has since given municipalities a detailed sense of the priorities required to ensure all citizens obtain access to quality water, is now also intensifying our monitoring of planning and progress made by all Water Services Authorities with monthly and quarterly reviews to put KZN on a path to sustainable development.

During 2022/2023, these efforts will be enhanced on the ground with the assistance of a dedicated Crack Team comprising the department and Provincial Treasury whose task will be to design and oversee water interventions. We will also implement capacity development plans for staff of the WSAs in their Technical Services and Project Management Units. In addition to the newly established Provincial Cabinet Subcommittee on Water and Sanitation chaired by myself and aimed at expediting service delivery in this regard, we will establish Water War Rooms in the WSAs, with the ones at uMzinyathi, uMkhanyakude and Amajuba districts starting immediately. Additionally, we will provide adequate support to municipalities in the event of delays or backlogs in issuance of water use licences which are a function of the national Department of Water and Sanitation.

Implementing the KZN Provincial Electricity Master Plan

The KZN Provincial Electricity Master Plan, also completed in 2021, provides a detailed, district-level intervention plan for existing and future loads. Its implementation during 2022/2023 with a focus on districts and under the guidance of a dedicated Task Team will enhance the service delivery approach enshrined in the DDM. We are acutely aware that the forecasted load demand far exceeds our ability to meet it as it will require massive infrastructure investment, estimated at R26-billion.

Despite limited funding available, an amount of R25-million will be transferred in 2022/2023 to Msunduzi municipality as a matter of priority to tackle its persistent electricity challenges. At the same time, we will be actively supporting municipalities across the province in exploring alternative energy generation and procurement options. There are already exciting plans afoot in this regard in the eThekweni Metro and uMgungundlovu district.

Integration of all Provincial Master Plans in line with the DDM

The District Development Model has clearly resulted in an intensification of intergovernmental relations across the three spheres of government and across sector departments in KZN during 2021/2022. Through the development of joined-up plans in the districts, we are now able to identify our shared

strengths and weaknesses in terms of service delivery and socio-economic development at large. More importantly, we are also able to act on them.

The already adopted One Plans will during 2022/2023 be enhanced with the Master Plans from the sector departments in the province for implementation and monitoring at a district level through the local DDM structures. With the recent announcement by the national Department of Minerals and Energy to develop a Provincial Integrated Electrification Master Plan, integration of service delivery master plans within and across provinces is now the new frontier.

Expanding and enhancing EPWP to 1000 job opportunities

Our successes in the management of the Expanded Public Works Programme and internships have resulted in a decision to further expand these opportunities to ensure that youth and women in particular are afforded as many job opportunities as possible in order to provide solid stepping stones into the mainstream economy. In 2022/2023, in line with the Hon. Premier's pronouncements in his State of the Province Address, the existing programme will be expanded significantly.

On the ground, this expansion will create an additional 1000 job opportunities for the next two years. Municipalities will be asked to contribute to the programme which will also see the development of a new model for supervision of its beneficiaries. Additionally, the programme be enhanced with small enterprise support packages for those who wish to exit the EPWP and establish their own businesses. We also believe that these additional packages will further close the service delivery gaps in municipalities.

African Smart City on the Eastern Seaboard

We are now actively engaged in the conceptual development and coordination of the Eastern Seaboard project announced by the Hon. President and prioritised by the Hon. Premier. This area along the N2 linking KZN to the Eastern Cape is scarred by the country's history of forced removals and separate development. In line with the vision of spatial transformation, we are now collaborating with our partners in the national government, the Eastern Cape and municipalities to reimagine and develop these coastal and inland areas into South Africa's first African Smart City.

Following the initial conceptual development and beefing up of our intergovernmental relations across the three spheres of government through the District Development Model during 2021, we are now moving full steam into detailed plan developments for the area comprising the Ugu and Harry Gwala

districts. Consultations with interested and affected parties will intensify in 2022/2023 to ensure full support from the local residents and stakeholders, including traditional leaders, the youth and women, all of whom are actively involved in defining what it means to be part of an African Smart City.

Beyond the Land Governance Summit

Having hosted the Land Governance Summit in March 2022, we now have a programme that mobilises all role players towards a collective review of land administration and management efficiencies in the province. Our country's land reform programme has afforded many citizens new land rights and the challenge remains for the government as well as our traditional authorities to support these rights administratively. In 2022/2023, we will begin to implement the summit's resolutions to ensure that our people exercise their respective land management roles and benefit from the associated socio-economic development programmes and opportunities.

Progress on disaster recovery projects

During the months of April 2019, October 2019 and January 2020, KZN experienced extreme weather conditions which resulted in tragic loss of life and damage to public infrastructure. Subsequently, the Provincial Government declared a state of disaster and the Provincial Disaster Management Centre secured post-disaster recovery grant funding for the reconstruction of damaged infrastructure.

Following the technical verification on the ground, National Treasury in 2021 allocated R2.82-billion to the affected KZN municipalities to implement disaster recovery projects. The PDMC remains the coordinating agent and will support these municipalities in complying with the grant funding framework through oversight and monthly reporting.

Disaster risk reduction in informal settlements

Madam Speaker, we have identified veld and shack fires as one of the hazards with a disproportionately high number of incidents and fatalities in the province. These incidents also often result in the destruction of environment, property and agricultural sector, thus affecting livelihoods and the economy. From 2022/2023 onwards, we will through the Provincial Disaster Management Centre proactively embark on a fire safety programme focused on informal settlements and rural areas.

As part of our specific programme to deal with fires occurring in informal settlements, we will begin to install smoke alarms in informal residential areas historically most prone to fires to help with early detection of fires and therefore allow for escape and extinguishment of fire before it spreads to nearby dwellings. We will also roll out strategic fire breaks, specifically to reduce and prevent the risk posed by runaway fires to our communities in the province.

Early disaster warning system for the province

Following an initial delay when funds allocated to this initiative were redirected towards Covid-19, we will during 2022/2023 procure and install an integrated communication and information management system for disaster management in the Provincial Disaster Management Centre at Mkondeni. This is a multi-year project that will involve both hardware and software and its purpose will be to receive early disaster warnings and feed this information to other stakeholders, including municipalities and sector departments. The system will massively improve coordination of the provincial response to disasters in the face of KZN's worsening climate change profile.

Disaster Management Summit

In light of the recent floods, we must embark on a serious conversation among all critical role players to identify root causes and draft mitigation plans to avoid a repetition of the recent devastation inflicted upon our communities and infrastructure. To this end, a Disaster Management Summit will be convened in due course to formulate watertight solutions to the challenges KZN is facing as a result of climate change.

As signatories to an international treaty on climate change, we will strengthen all partnerships this entails to expand our knowledge on technical mitigation plans, especially in respect of flood management. In this regard, we are already taking advantage of various knowledge-sharing platforms through our membership of Under2 Coalition and other climate change partnerships at national level.

Improving KZN's coordinated response to disasters

The knowledge we gain from our partnerships in the fight against climate change must be matched by investments into an improved coordinated response to disasters at the provincial level. To be able to provide such a response consistently, our existing disaster management structures will require the most up-to-date technology and we will be approaching the Provincial Government for adequate funding in this regard as soon as we have quantified our needs.

Support for Amajuba and uMzinyathi District Management Centres

Even as we continue to support each and every disaster management structure in the province, the District Management Centres at Amajuba and uMzinyathi district will in 2022/2023 receive special attention in order to bring them up to the standard of other District Management Centres in KZN. We will work closely with both districts to ensure that these two centres are adequately equipped to fulfil their critical mandate. **Additional funding to the tune of R5-million for each centre will be allocated in 2022/2023.**

Improving KZN's spatial planning in response to disasters

Also to prevent the devastating impact of the recent floods on our communities and infrastructure from reoccurring, we will be working closely with KZN municipalities in respect of radically improved spatial planning for the province. Specifically, we will be guiding municipalities in ensuring that no new constructions, both residential and commercial, are built in areas that are prone to mudslides and flooding.

Formalising policy on construction of imizi yezizwe

With the draft policy governing the construction of imizi yezizwe now complete, we will in 2022/2023 proceed with formalising the provision of these facilities to amakhosi with added clarity ranging from eligibility to technical criteria for these structures. The new policy will standardise this process and assist with the provision of additional 7 imizi yezizwe during the same year.

PROGRAMME FOUR

New approach to dealing with the killings of amakhosi

Amakhosi themselves have cited longstanding succession disputes as one of the major contributors towards the killings of senior traditional leaders. In response to this, we will ensure that hereditary successions are concluded within 90 days after the need arises for the positions to be filled in line with customary law. KZN Traditional and Khoi-San Leadership and Governance Bill, which will be finalised

this year, clearly stipulates timeframes on the resolution of succession matters and family disputes and processes to be followed when there are grievances.

Working with the KZN Provincial House of Traditional Leaders and the Department of Community Safety and Liaison, we will also implement the already signed Memorandum of Understanding on safety and security in rural areas during 2022/2023. We are confident that this will ensure establishment of adequate safety structures in areas under the leadership of ubukhosi. We will similarly be working closely with the Department of Community Safety and Liaison and the SAPS to expedite the threats analysis reports affecting amakhosi and izinduna to activate all necessary safety plans.

Commission on resolution of traditional disputes

The institution of traditional leadership is plagued by ongoing disputes relating to succession in ubukhosi positions as well as boundary disputes among communities. This affects the stability in communities as well as service delivery and development. The Commission on Traditional Leadership Disputes and Claims that was appointed by the Hon. President at national level and was subsequently operating in the provinces ceased to exist in December 2017.

This commission left a number of important matters unresolved and these, together with many new ones that have emerged since, need to be resolved with urgency for the sake of long-term stability in our traditional communities. Accordingly, the Hon. Premier has recently appointed a new provincial Commission on Traditional Leadership Disputes and Claims for a five-year term to deal with ubukhosi disputes and this new body will receive our support during 2022/2023 and beyond.

Amending the provincial traditional leadership legislation

The Traditional and Khoi-San Leadership Act of 2019 (Act No. 3 of 2019), which was put into operation in April 2020, contains a number of new provisions and, as such, necessitates an amendment of our provincial legislation to be in line with the new national legislation. Accordingly, we will be piloting a Bill on Traditional and Khoi-San Leadership through the Provincial Legislature during 2022/2023. This will help to further strengthen ubuKhosi and restore their dignity in our province.

Finalisation of the status of uMzimkhulu

When uMzimkhulu was incorporated into KZN in 2005, there were many persons who claimed to be amakhosi. Extensive research was undertaken to ascertain the status of ubukhosi in uMzimkhulu and its outcomes were communicated to all interested parties. In 2017, the Provincial Executive took a decision to recognise four communities and found their amakhosi to be legitimate and hereditary. The remaining six communities were recognised as led by iziphakanyiswa and the incumbents were also recognised. Some of the interested persons, including izinduna/headmen, then approached the national Commission on Traditional Leadership Disputes and Claims with their grievances.

Some of these claims and disputes were finalised by the Commission before December 2017. Some who deemed the resolution of their grievances unfair then turned to courts. While some of these matters are still in courts, we will, during 2022/2023, do our utmost best to finalise the status of ubukhosi in uMzimkhulu by submitting all outstanding claims to the newly established provincial Commission on Traditional Leadership Disputes and Claims, transforming the current traditional authorities in the area into proper Traditional Councils, and commencing with the construction of offices for the Traditional Councils throughout uMzimkhulu.

Provision of digital tools to amakhosi

Madam Speaker, you will recall that in 2020/2021, we procured tablets for the Provincial House of Traditional Leadership and for the Chairpersons of Local Houses. In this financial year, the department will provide tablets to 247 amakhosi who belong in the eleven Local Houses of Traditional Leaders. This will enhance participation of amakhosi in municipal councils and other government engagements that are convened virtually.

BUDGET PER PROGRAMME

Our key pronouncements will be funded as follows:

Programme 1: Administration = R398.689-million

Madam Speaker, with an allocation of R398.689-million, Programme 1 will focus on newly restructured and more efficient administration that complies with all the prescribed cost-containment measures and that procures all its goods and services in line with the revised SCM regulations.

Programme 1: Administration	2022/2023 (R'000)
Office of the MEC	R14 812
Corporate Services	R383 877

Programme 2: Local Government = R359.511-million

This programme has an allocation of R359.511-million, which will be utilised to support and stabilise the sphere of local government based on our assessment of the state of governance, finances and service delivery at the start of the Sixth Administration.

Programme 2: Sub-programmes	2022/2023 (R'000)
1. Municipal Administration	R82 467
2. Municipal Finance	R42 334
3. Public Participation	R183 083
4. Capacity Development	R14 269
5. Municipal Performance Monitoring, Reporting and Evaluation	R37 358

Programme 3: Development Planning = R423.074-million

With an allocated budget of R423.074-million, our focus with the Programme will be on local economic development that strives for the viability and sustainability of local government through the development of local economies, job creation, infrastructure delivery, particularly of water, and spatial development.

Programme 3: Sub-programmes	2022/2023 (R'000)
1. Spatial Planning	R33 780
2. Land Use Management	R26 551
3. Local Economic Development	R193 869
4. Municipal Infrastructure	R116 291
5. Disaster Management	R52 583

Programme 4: Traditional Affairs = R638.759-million

This programme is allocated an amount of R638.759-million. Its strategic initiatives, which include wide-ranging support to the institution of traditional leadership, will be implemented through the following sub-programmes:

Programme 4: Sub-programmes	2022/2023 (R'000)
1. Traditional Institutional Administration	R550 229
2. Traditional Resource Administration	R88 530

The overall budget for the department is **R1.818.040-billion**.

Conclusion

Madam Speaker, the Budget we are presenting here today comes with a solid set of tangible deliverables for the 2022/2023 financial year but also for a time beyond when we begin to group and rebuild our municipalities, their local economies and our traditional institutions after the devastating Covid-19 pandemic. This is what we mean by turning the corner in KZN municipalities.

The political party that has nominated me for the leadership of this department - the African National Congress - will expect measurable performance in this regard and I am determined to deliver. I am also grateful for the support of this House and especially the COGTA Portfolio Committee whose robust oversight is helping the department to live up to its name. Let me also acknowledge my late father who continues to watch over me from above, my mother, my wife and children for their unwavering support.

At COGTA itself - my gratitude goes to the Head of Department, Mr Thando Tubane, and his whole team of capable managers and officials at all levels who have worked selflessly during the worst of the Covid-19 pandemic to ensure that the department always meets its constitutional obligations in respect of municipalities and traditional institutions. My personal thanks must also go to my supportive family.

Madam Speaker, with these words of gratitude, I hereby table the Budget for Vote 11: Co-operative Governance and Traditional Affairs for the 2022/2023 financial year.

I thank you!