

**CO-OPERATIVE GOVERNANCE AND TRADITIONAL
AFFAIRS (COGTA) PORTFOLIO COMMITTEE
2022/23 BUDGET REPORT**

Committee Details	
NAME OF COMMITTEE	COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS PORTFOLIO COMMITTEE (COGTA)
TABLING DATE	10 MAY 2022
	HON. ZLI CELE



BUDGET REPORT FOR CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (COGTA) PORTFOLIO COMMITTEE 2022/23

1. INTRODUCTION

Honorable Speaker and Members of this House, I take this opportunity to table a summary of the Committee's deliberations on 2022/23 Budget. The Department of Co-Operative Governance and Traditional Affairs presented the 2022/23 Budget and the Annual Performance Plan (APP) at a meeting of COGTA Portfolio Committee 14th of April 2022. The Committee is pleased with the fact that the APP is fully aligned with the National and Provincial Priorities and that consideration was given in developing the APP to the new term of Municipal Administration and changes necessitated by it.

To comply with the Sector Oversight Model (SOM), the Committee held an interactive session at uMgungundlovu District Municipality under Mpendle Local Municipality on 10 December 2021, a session which was attended by Stakeholders within the district and the public at large. At this meeting, stakeholders were given an opportunity to table their contributions on the Draft APP and Budget for 2022/23 to the Committee.

The Department assured the Committee that it will continue to support and ensure that there is alignment between the national, provincial, and local government priorities. Working together with different stakeholders in the province and countrywide, the department committed itself in contributing toward the realization and achievement of government's priorities as spelt out in the MTSF.

The meeting to consider the budget and APP proposals by the department was held on 14 April 2022. This meeting convened shortly after the finance hearing held on 12 April 2022. At both these engagements, the Committee had an opportunity to interrogate the budget and the APP proposals of the department, matters of concerns were also articulated by the Committee Members.

Madam Speaker, it is a welcomed opportunity for us in the COGTA Portfolio Committee to participate in this debate of Co-Operative Governance and Traditional Affairs budget speech presented to the House today.

The committee commends the department for transparency displayed in its budget processes. The critical matters that were noted and are worth mentioning to this House are as follows:

- Approximately R27 million has been budgeted by the department, for improving the Traditional Administrative Centres (TAC's) infrastructure. This is where the department will complete twelve (12) major rehabilitation projects in 2022/23 financial year. Moreover, the department has indicated that a further R3 million which will be utilized for minor works of Community Service Centres. During the Mpendle stakeholder's engagement, the community members raised concerns in relation to the lack of adequate rehabilitation of Traditional Administrative Centres (TAC's) infrastructure by the department.
- R1 million has been allocated by the department, for Anti Gender Based Violence and Femicide (GBVF) interventions/campaigns of traditional leadership to assist in the reduction of scourge in traditional communities.
- An additional R7 million will be made available for Imizi Yezizwe Programme by the department, for the rehabilitation or maintenance of Imizi Yezizwe. Moreover, the department has catered for Imizi Yezizwe to be constructed within its 2022/23 *New Infrastructure Assets: Capital* allocations. This includes the Zulu, Xaba and Hlomendlini Community Services Centres, amongst others.
- In terms of service delivery projects, allocated within Programme 2: Local Governance and Programme 3: Development and Planning, the department has allocated a budget amounting to R78 million for transfers to local government. The R78 million is broken down as follows, R11,200 million allocated against Corridor Development Programme for construction of trading stalls; R45,800 million allocated against Small Town Rehabilitation Programme; R16 million allocated against Disaster Management Programme for Amajuba and uMzinyathi Disaster Management Centres; and R5 million allocated against Massification Programme for electrification projects.

2. BUDGET 2022/23

The Portfolio Committee notes that the department is allocated R1, 820 billion in the 2022/23 financial year to deliver on its mandate. The committee has also noted that this is a minimal increase of 2,16 per cent, if compared to the 2021/22 Main Appropriated amount of R1, 782 billion, due to no changes having been observed to the department's allocation in the 2022/23 Financial Year. The committee has also noted that the minimal increase in the 2022/23 MTEF Budget is mainly to cater for planned filling of vacant posts, remuneration of Izinduna, support to traditional institutions, transfer to the IEC for the TC elections, amongst others.

The Committee has noted that the department was allocated R9 million for the Unrest Damage to Provincial Infrastructure, in relation to Traditional Administrative Centres affected by the unrest for the 2021/22 Financial Year. Of this allocated R9 million, the department has only managed to spend R326 000 in 2021/22 Financial Year, and will request R8, 674 million as roll-over for the completion of the five (5) projects (done by Department of Public Works on behalf of the department). The portfolio committee has committed itself to monitor the R8, 674 million rollover request that will be requested by the department from the Provincial Treasury.

In relation to filling of vacant posts, the department has assured the Committee that it has done relatively well in filling critical vacant posts, especially in terms of priority posts. The Committee resolved that a progress report be tabled to the Committee at the next meeting of the Committee as part of playing robust oversight over the issue of filling of critical vacant posts by the department.

Noting, all the priorities presented by the Department of COGTA, the Portfolio Committee is dedicated in fulfilling its constitutional and legislative mandate through the application of the Sector Oversight Model; where it will monitor with keen interest through robust oversight, the Department's activities both from financial perspective and actual performance when tabling their quarterly reports to the Committee for the ensuing budget year.

The Committee wishes to highlight the following areas of concern and areas for noting of special interest that arose during the Budget hearing:


- The significant decline in the EPWP Integrated Grant for Provinces Grant allocation over the years, where it has declined from R3, 858 million in 2019/20 Financial Year, downwards to R2, 777 million in 2020/21 Financial Year, to R1, 994 million in 2021/22 Financial Year. In the current financial year of 2022/23, the department has been allocated R1, 993 million.
- A concern was raised by the committee, that of the R1, 820 billion allocated budget for the 2022/23 Financial Year and about R400 million goes towards service delivery, whilst most of the budget goes towards *Compensation of Employees*, to an amount of R793, 714 million, and *Remuneration of 3 098 Izinduna* to an amount of approximately R396, 244 million in the 2022/23 Financial Year. This implying that about 65 per cent of the departmental budget goes to the *Compensation of Employees and Remuneration of Izinduna* in the 2022/23 Financial Year.
- The committee raised a concern of department's readiness to realize the R55 million transfer allocation to the IEC, as in the past an amount of R19, 630 million was incurred by the IEC, against a budgeted amount of R47 million. The incurred amount by the IEC was utilized for administrative costs to prepare for the Traditional Council (TC) elections before they were postponed, due to reasons beyond the control of the department.
- Poor revenue collection by municipalities was also highlighted as a matter of concern. The Committee indicated that it would be necessary for councilors to lead revenue campaigns amongst the communities they lead for municipalities to be self-sustainable and not only rely on grant funding for sustainability.

After the Committee had satisfied itself with the budget presented, all parties then voted in favor of the 2022/23 budget as tabled. The issue of the non-increment of stipends of Traditional Council Secretaries was raised as a matter of concern by the IFP.

CONCLUSION

In conclusion, one wishes to commend the department of COGTA for achieving a clean audit over the past two financial years. The department's commitment to working for the people of KwaZulu-Natal is evident through their favorable and desirable audit outcomes, as the department managed to spend almost 100 per cent of 2020/21 budget, whilst achieving over 90 per cent of its performance indicator targets for that same financial year of 2020/21.

May I take this opportunity to thank the MEC for COGTA Mr Siphon Hlomuka, all members of the Portfolio Committee, the HOD, Mr Tubane and his team for their co-operation and lastly thanks to the Legislature support staff for providing administration support to the COGTA Portfolio Committee.



04 May 2022

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DATE

**CHAIRPERSON: CO-OPERATIVE GOVERNANCE
TRADITIONAL AFFAIRS PORTFOLIO COMMITTEE**