

**ADDRESS BY HONOURABLE MEC MAKOMA MAKHURUPEPTJE ON
THE OCCASION OF THE TABLING OF BUDGET VOTE 11 OF THE
DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN
SETTLEMENTS AND TRADITIONAL AFFAIRS TO THE LIMPOPO
PROVINCIAL LEGISLATURE, 12th April 2016, LEBOWAKGOMO
LEGISLATIVE CHAMBERS:**

Honourable Speaker and Deputy Speaker

Honourable Premier Stanley Chupu Mathabatha

Colleagues in the Executive Council

Honourable Members of the Provincial Legislature

Honourable Members of Parliament

Your Worship, Executive Mayors and Mayors of our municipalities

The Leadership of SALGA in the Province

Provincial Leadership of CONTRALESA

Chairperson of Limpopo House of Traditional Leaders

Chairperson and Members of the Housing Advisory Panel

Chairperson and Members of Rental Housing Tribunal

Our esteemed Majesties, Kings and Royal Highnesses present

**Leadership of the IEC and other Chapter Nine and Ten Institutions
present**

Leaders of Opposition Parties

**The leadership of the Ruling Party, the African National Congress and
Alliance Partners**

Stalwarts and Veterans of our struggle

Leadership of various Religious Denominations

Representatives of ESKOM, NHBRC and HDA

Coghsta Staff led by the Acting Head of Department

Members of the Media

Invited Guests and Stakeholders of the Departments

Comrades, Ladies and Gentlemen

Good morning, Thobela, Avuxeni, Ndi matsheloni, Goeie more

Madam speaker,

It is once again my pleasure to present to the people of Limpopo Province the Department of Co-operative Governance, Human Settlements and Traditional Affairs Budget Vote 11 for 2016/2017 financial year.

As we gather in this August House, one is reminded of how far we have come as a country in our journey of the attainment of freedom and democracy. The significance of this month on the calendar of our liberation movement cannot be taken for granted. April is freedom month in South Africa. This is the month which reminds us of the callous murder of Comrade Chris Hani and untimely passing of the gallant leader of our revolutionary movement Comrade Oliver Reginald Tambo. It was the passing of these great leaders in particular which propelled the country to move faster to hold democratic general elections on April 27th which heralded the constitutional order we now enjoy.

The year 2016 is also significant on our calendar for it marks the 60th anniversary of the women's march to the Union Buildings to demonstrate against the carrying of passes. It was through the courage of great women such as Charlotte Maxeke whose birthday we celebrated on the 07th of

April that the apartheid government finally realized that there was no turning back in our quest for a universal suffrage for the people of South Africa. The battle cry of women of 1956 “wathinth’ a bafazi wa thinti Mbokodo” still echoes and resonates vividly in our minds even to this day.

I’m also reminded madam speaker that, it was on this day in history – on the 12th of April 1991, when the African National Congress (ANC) made public its proposed constitutional principles for a new democratic South Africa. We give credit to all the martyrs in our land who laid down their lives so that we may live in freedom. The father of our freedom Nelson Mandela aptly puts it that: *“To be free is not merely to cast off one's chains, but to live in a way that respects and enhances the freedom of others”*.

Albert Einstein is on record as having said: *“Everything that is really great and inspiring is created by the individual who can labor in freedom. Nothing is as precious as one's freedom. Dreams, aspirations, and ideals mean nothing if one does not have the freedom to pursue them.”*

So I appeal to you dear South Africans that, as Freedom day approaches on the 27th of April this year, let us embrace it heartily and in unison, without for a minute doubting nor forgetting to remember the priceless cost that came with this freedom.

Madam Speaker,

The 2016/17 budget vote of CoGHSTA is presented to cover the services rendered by the department as categorized under three core programmes

and one support programme in line with sector specific structures of vote eleven (11) which are namely; Administration, Cooperative Governance, Integrated Human Settlements and Traditional Affairs.

The 2016/17, 2017/20018, 2018/2019 Medium Term Expenditure Framework (MTEF) allocation amounts to R2.286 billion, R2.487 billion and R2.632 billion respectively. In 2016/17 the allocation declines by 15 percent from 2015/16 financial year which is attributable to a decrease on conditional grant.

The final allocation for 2016/2017 Financial year is as follows: Administration (R307 million), Human Settlements (R1.320 billion), Co-operative governance (R263 million) and Traditional Affairs (R396 million). The allocation in summary is meant for supporting the work of the four departmental programmes in respect of the following:

- Management and Administrative support to core functions of the department through refinement of corporate policies, skills development, efficient and effective financial management, compliance with legislation and championing Batho Pele principles and service delivery
- Provision of housing development, access to adequate accommodation in well located areas, access to basic services, access to social infrastructure and economic opportunities
- Provision of technical and oversight support to municipalities in terms of implementing their mandates; and
- Support to the institution of Traditional Leadership to operate within the context of cooperative governance in the three spheres of government

Madam Speaker,

In line with the commitment made in the last budget vote, the department has succeeded in filling 78 funded posts which was done in line with our call of building a capable state of which for us by now, is no longer an option but an imperative. It is incumbent upon the department to ensure that sufficient capacity exists to implement core priorities and programmes, hence we continue to recruit and train high calibre professionals. The department is as well committed to complying with all the laws and regulations to maintain sound financial management in order to realize our objectives. This is confirmed by the positive audit outcomes we have achieved during the past three financial years.

Madam Speaker,

Way back in 1955, the people of our country gathered in Kliptown to adopt the Freedom charter which provided a framework for the kind of South Africa they wished to live in: *“All people shall have the right to live where they choose, be decently housed, and to bring up their families in comfort and security; Slums shall be demolished, and new suburbs will be built where all have transport, roads, lighting, playing fields, crèches and social centres; Fenced locations and ghettos shall be abolished, and laws which break up families shall be repealed”*.

Before this vision was spelled out, it was an accepted norm that blacks belonged in the reserves and the township ghettos, whereas whites live comfortably in the cities and the suburbs. The apartheid government invested heavily, where the white man lived and seriously neglected the so-called black reserves and the townships.

The ANC government came and adopted a policy known as Breaking New Ground (BNG) which seeks to integrate our communities and break the apartheid settlement patterns. The plan includes amongst others, revision of subsidies; the extension of rental housing; deepening partnerships between government and the private sector, and the eradication of informal settlements.

The policy is being implemented in a way that reaches the poor and build integrated and viable communities. The policy is also aimed at reconfiguring the apartheid human settlement patterns where whites and the rich live near places of business and work; while black people and the poor live far from places of work and mainstream economic activity.

Madam Speaker,

"A house is a home when it shelters the body and comforts the soul." So says Phillip Moffitt: *a renowned author and motivational teacher.* What we want in essence is to build houses that are more than just a place to live. We want our people to stay in areas where they can easily access places of work, shopping, recreation, entertainment, education, and worship. This explains why our vision remains integrated sustainable human settlements.

The National department of Human Settlements Strategy for the 2014 – 2019 Medium Term Strategic Framework focuses on policy and funding reforms that seek to achieve 1.4 million new housing opportunities; better spatial planning; better resource allocation; ensuring that poor households have adequate housing in better living environments and lastly, supporting the development of a functional and equitable residential property market.

Towards the achievement of the national target by 2019, the department is gearing up to achieve its target of creating 80 000 housing opportunities in the province.

Madam Speaker,

We are proud to join the rest of South Africa in celebrating the delivery of 4.3 million houses built countrywide which are continuing to benefit over 16 million people. As Limpopo, we have built and handed over 310 016 units which benefited millions of people since 1994. It is a good story to tell indeed.

Madam Speaker, for the budget speech of this department to be presented within its rightful context, it will be important to remind this august House of the correct historical background which reflects the reality we emerge from, and that is the declaration of section 100 on our province in 2011. Even though this department was not under section 100, it unfortunately was deeply affected, needless to say that its negative ripple effects also affected the entire Limpopo community.

As we are all aware, the department had some serious challenges relating to the human settlements delivery in the last two financial years of 2013/14 and 2014/15. The challenge in the main, related to the procurement of the R900 Million Low Cost Houses followed by the withholding of the human settlements grant and subsequent intervention by national Treasury. During that period CoGHSTA's Human Settlements delivery in the province had taken a downward spiral dive to an extent that housing delivery in the

province over the past two years yielded 0 houses, which is 0% in 2013/14 and only 2065 housing units which equal 20% in 2014/15 financial year.

Madam Speaker

We therefore want to take this opportunity to thank the wisdom of the honourable Premier Chupu Mathabatha when he established a team comprising of Provincial Treasury, LEDA and the National Human Settlements department that has worked closely with us to develop a multi-pronged turnaround strategy anchored on four pillars which are already under implementation. The strategy includes the following:

- *Beneficiary Management*

This involves processing beneficiaries in the Housing Subsidy System (HSS) such that all approved beneficiaries are allocated to an individual contractor in a particular municipality, classified per village. This enables a contractor who is awarded beneficiaries in a municipality to know upfront the names of such beneficiaries, as well as the village/ township locality where he/ she shall find them in order to expedite the housing construction phase.

- *Geo-technical Reports and foundation designs*

This intervention is aimed at addressing the lack of Geo-technical reports in villages / development Areas that have been approved. This strategy compels the NHBRC to deploy its Geological Engineers alongside contractors to conduct Test Pits on site. They then recommend and give the contractor, the most appropriate foundation designs to work with immediately.

Furthermore the department is currently procuring services of geo-technical engineers with a SANA accredited soil testing laboratory, who will be retained for the next three years. The in-house geo-engineers will annually prepare geo-technical reports for all approved development areas to ensure that contractors are immediately favoured with requisite foundation designs for the houses they intend to construct.

- *Partnership with Contractor's Preferred Material Supplier*

This intervention enables the contractors with limited financial resources to conclude cession agreement with their preferred material supplier such as big hardware stores, brickyards, steel merchants, etc. This helps to alleviate the cash-flow challenges often experienced by emerging contractors that constitute 60% of our appointed contractors, thus enabling them to perform.

- *Contract Management*

This measure introduces stringent contract management with enforceable punitive clauses in the event of poor performance, whilst on the other side, it allows for flexibility in the SLAs to introduce more than two cessions that will assist the contractor to perform optimally.

As indicated earlier, our department is concluding a three-year contractor database against which it will be able to allocate annual units to contractors without having to go through a lengthy Supply Chain Management (SCM) process as all contractors in the database shall have been evaluated for

functionality. This is intended to stem the tide against shoddy work and poor performance by contractors.

We note with a serious concern that even in 2015/16 FY when we were able to appoint contractors on time, there were some contractors that did not move as we expected. We are saying Madam Speaker that appointed contractors must shape up or ship out as we are no longer going to tolerate non-performance. As part of our new contract management, contractor's performance will be assessed on a weekly basis and those who chronically fall short of their promised (contracted) delivery schedules will on a monthly basis, lose their units which will immediately be reallocated to performing contractors. In worse case scenarios, contractors will forthrightly be terminated for non-performance and their entire allocation will be immediately re-allocated to other contractors in the database which is at its final stages of conclusion.

Madam Speaker

In an effort to address the challenges experienced in the previous two financial years, department has acquired requisite capacity in its Human Settlements division both in the funded structure whereby the ISHS DDG and the Project Management Unit has been appointed.

In addition to this turnaround strategy, the department is concluding the process of appointing a panel of contractors and built environment professionals who will be enlisted on our database for the next three years. This is done as part of forward planning to alleviate the chronic challenge associated with procurement. Given the plans we have in place, we remain

convinced that the situation will indeed change for the better with all these efforts.

Madam Speaker,

CoHGSTA is on an upward direction and there is no looking back. Evidence abound to prove that work is being done to restore dignity to the poor and hope to the homeless.

I am happy to announce to this august seating here today that all the historical challenges faced by this department regarding human settlements have become a thing of the past. Our original target for 2015/16 was 8565 with only 3008 units approved on roll-over amounting 11573. We therefore report that our performance has moved from 2065 housing units which is 20% in 2014/15FY to 8634 completed units in 2015/16FY which translate to more than 100% on the original target and 74% with the roll-over. Besides these completed and handed over housing units - we find it even more encouraging that work in progress during the same period yielded 3084 housing units which are at foundations and wall plates levels thereby constituting 26% drawing from the roll-over.

Madam Speaker,

In last year's budget speech we committed ourselves to handing over the Seshego Community Residential Units (CRU) Project to its beneficiaries. I am happy to announce that the project has officially been handed over to deserving residents and is benefitting 756 people - with stalls to support small businesses. This is a historic development as the project has brought a serious paradigm shift from the single sex hostel to family units which enhance our social cohesion agenda.

Madam Speaker,

In addition to the many strides we are making, let me hasten to report that the contractor for Marapong Community Residential Units project has been appointed and actual construction is set to start this month. The project will yield 514 family units that are set to benefit 1540 beneficiaries and small businesses. Finally Madam Speaker, Bendor extension 100 has been given a new impetus. A total of 19 units are completed and will be ready to be occupied by not later than June this year. In the same breadth, we set aside an amount of R16 Million for the packaging of three (03) CRU Projects (Talana & Nkowankowa) in Tzaneen and Tshikota in Makhado. We have as well budgeted R12 Million for Garena Phase 2 in Polokwane.

Madam Speaker

You will remember that in last year's budget speech we committed R57 million to acquire 40 Hectares of land for human settlements development. Given the increased demand for housing in mining towns, we have since reallocated an additional R100 million. We have thus acquired 133 hectares at Tubatse and Tzaneen. It is therefore our hope that this additional 108 hectares acquired at Tubatse will immediately make an impact in the shortage of housing in these mining towns. This acquired land will add to 663 hectares of land acquired to date.

Madam Speaker,

During 2015/16 financial year, we commenced with work to install basic services on 2789 sites. Of these, 1136 sites have been provided with water, sewage and roads at Phagameng extensions 8 and 11, Vaalwater extension 3 (Modimolle); Polokwane extension 106; Tshikota (Makhado) and Nancefield extension 7 (Musina). Work in progress will place an additional 1653 families on sewer and water supply grid-lines by 30th June 2016 at Modimolle, Musina and Polokwane. An additional 4850 sites will be serviced during 2016/17 at Lephalale, Bela Bela, Polokwane, Musina, Lepelle Nkumpi and other mining and secondary towns, at a combined cost of R208.5 million.

The database for Military Veterans has been finalized after thorough negotiations with the Department of Military Veterans (DMV) and the South African Military Veterans Associations (SAMVA). Contractors have been appointed to construct 200 sixty square metre houses for Military Veterans. The provisioning of GAP Market housing will be fast-tracked, following the appointment of RISIMA, a LEDA subsidiary responsible for financing and facilitation of affordable housing across the Province.

Madam Speaker

In this financial year (2016/17), we are more than prepared to deliver 9242 houses of which 7934 will be rural housing; 100 PHP; 358 disaster; 200 Military Veterans; 150 CRU units and 500 completions of blocked projects. Over and above these houses, the Department is on course to deliver 4850 serviced sites, thereby resulting in the creation of over 14,092 housing opportunities.

Madam Speaker, we don't only build new houses and hand them over to our beneficiaries. We also take the responsibility to ensure that these houses are registered with the Deeds Office to ensure that Title Deeds are issued to beneficiaries. In this financial year, we will transfer 3000 houses through our Registration and Endorsement programme at a cost of R3.5 million. In addition, we will transfer 100 units from the former R293 Townships through our Enhanced Extended Discount Benefit Scheme (EEDBS). All these projects constituting the 2016/17 business plan will be funded at a cost of R1.2 billion. We aim to create no less than 9000 direct jobs during the construction phase.

Through the “**Each one settle one**” programme, in partnership with South African businessmen and women, we recently constructed decent shelter to needy families of whom some are present today in this chamber. The donations read as follows:

- ✓ Ntje Contractors donated a house for Mokgatla family at Nabane, Greater Tzaneen Municipality.
- ✓ Zhora Khan Developers donated a house for Komane family at Finale, Maruleng Municipality.
- ✓ Ratshatsha Contractors donated an 85 square metre house for Masasane family at Mogodi Ga-Manthata, Blouberg Municipality
- ✓ Intinga Engineering donated a house for Hlatswayo family at Gowe, Greater Tubatse municipality.

- ✓ C Hoxani donated a house for Ramalekane family (*the owner Ms Morongwa Florinah is now deceased*) at Ga-Mamaila Kolobetona under Greater Letaba Municipality.
- ✓ Mongkhumo Holdings donated a house which was opened by the Honourable Premier in Groblersdal, Elias Motsoaledi Municipality.
- ✓ Maeshibe General Trading which donated a house to the Kekana family in Zebediela, Lepelle Nkumpi Municipality

As part of our partnership with the SABC Foundation, our “**Celebrity build a house**” programme has in collaboration with Thobela FM succeeded in building decent homes to needy families with the help of philanthropists. One example to this is the recent collaboration by Zhora Khan Developers, Protoscape Ambulance and Tubatse Steel Hub who worked together in building a 75sqm house for the Diketane family in Maololo (Gamashabela), Makhuduthamaga Municipality. We are overawed by this gesture of goodwill and wish to unconditionally thank these great men and women for their noble contribution.

Taking cue from the Holy Scriptures, Madam Speaker, allow me to borrow from the book of *Deuteronomy* 15 verse 11 which says: “*Thou shall open thy hand unto thy brother to thy needy and to thy poor in the land*”. The Book of Acts chapter 20 verse 35 concludes by promising: “*it is more Blessed to give than to receive*”. It is in this spirit that I wish to urge business people from all corners of the province to come forward and open their hands to partner with our Department as we push back the frontiers of poverty.

Madam Speaker,

Over the last 15 years, local government has played a leading role in the delivery of services and restoration of human dignity. This is a journey that has seen challenges but also massive improvements in the lives of many people. Over the last 15 years, significant strides were made in the delivery of water, electricity, roads and housing at a far greater speed than what the apartheid regime accomplished in a period of 400 years.

The rural nature of our province requires us to comprehensively address the overwhelming needs and expectations of our people. Undoubtedly, the uneven spatial development needs constrained by drought and water resource challenges become a major obstacle to the realization of our developmental goals.

Madam Speaker,

By the time Stats SA census was conducted in 2011, households in Limpopo had 86% Access to water; 87% access to Electricity; 38% access to Sanitation; and 22% access to Waste removal.

Our development blue-print, the Limpopo Development Plan (LDP), challenges us to achieve 90% access to water; 50% access to sanitation; 90% access to electricity; and at least 50% access to refuse removal by 2020.

Madam Speaker,

In accelerating electricity provision in the province and addressing the 13% backlog, Eskom and municipalities in the province have delivered 56 167 units in 2015/16 financial year. For 2016/17 financial year, Eskom alone is geared to deliver 33078 electricity units. Municipalities at the moment are busy finalizing their submissions of household connections with the Department of Energy.

Madam Speaker,

We know it well that water is a constitutional right - without which there can be no life. This explains why our government continues to do everything in its power to ensure that life goes on, even in the face of drought and water scarcity. As the Hon Premier made the commitment in the last budget vote, a provincial water summit has since been held and its outcomes are being implemented, with the main being the drafting of the Provincial Water Master Plan. Work to finalize this master plan is almost complete and the plan will focus amongst others on the revitalization of water infrastructure and maintenance operations.

The intervention by the Department of Water and Sanitation in Mopani has seen the speedy completion of the water treatment works to supply water to the 55 villages. Currently work is underway by the Department of Water and Sanitation to refurbish and repair water distribution pipelines to ensure safe and reliable supply to the 55 villages.

Progress with regards to the projects that we highlighted in our previous budget speech which are funded by RBIG are as follows:

- Giyani Bulk Water Supply - Lepelle Northern Water completed the assessment of work that was done by Mopani district, developed the bill of quantities and the contractor has recently been appointed to construct the pipeline from Nandoni to Giyani.
- Mametja Sekororo Bulk Water project is at 93%
- Mogalakwena bulk water supply is at 90%
- Moutse, Nebo and Mooihoek bulk water supply is at 65%
- Sekhukhune Regional water scheme is at 70%
- Valdezia to Mowkop bulk pipeline is at 31%

Feasibility studies are already completed for the following projects; Nzhelele valley bulk water, Mutash hub, Polokwane Sewer Plant and Aganang bulk water.

Madam Speaker,

The provincial state of drought disaster was declared on November 4, 2015. The department of Water and Sanitation has developed short, medium and long term interventions to mitigate against the effect of drought. The short term mitigation are water carting, provision of static tanks in affected areas, water restrictions, war on leaks and drilling and equipping of emergency boreholes. The medium term measures are: domestic rain water harvesting, integrating ground water and surface water use, dolomic aquifer and recharge.

Long-term measures are: review of all state owned reservoir operating rules, incorporate all municipal and privately owned dams into the management system for future, further transfer schemes to improve drought resilience, large scale desalination options, institutionalize the conjunctive use of surface and ground water and construction of new dams.

Partnerships with the strategic water partners and operation hydrate will continue as well as future engagements with organisations such as Business Unity South Africa, Black Management Forum, Chamber of Business and Chamber of Mines.

As consumers, we all need to be conscious of the consequences of our actions with regard to water use. Some tips for water saving are:

- Fix leaking taps, toilets and pipes,
- Re-use water for flushing and gardening,
- Collect water from rainfall
- Plant indigenous plants
- Don't leave taps running, including when brushing teeth.

In pursuance of our objective to guarantee water security for our people, we have secured an amount of R1.030 billion and R680.088 million to provide for water services in the province through the Regional Bulk Infrastructure Grant (RBIG) and Municipal Water Services Infrastructure grant (MWSIG) respectively.

The RBIG funded projects for 2016/2017 are as follows:

- Giyani Bulk Water Supply & Water Services

- Mutash Hub
- Maruleng Water supply
- Sinthumule Kutama Bulk Water supply
- Polokwane Waste Water Treatment plant
- Polokwane Bulk Water supply
- Matoks regional water scheme
- Aganang bulk water supply
- Magalies water to Waterberg
- Mogalakwena Bulk Water supply
- Moutse bulk water supply
- Nebo Bulk Water supply and De Hoop augmentation
- Lebalello Central & North regional water scheme
- De Hoop Water treatment works
- Sekhukhune Bulk Water supply – De Hoop reticulation

Madam Speaker,

Preparations for municipalities to implement Spatial Planning and Land Use Management Act (SPLUMA) is at an advance stage. In the main municipalities are finalizing by-laws and appointment of tribunal members as required by the Act. Furthermore, I wish to state that an EXCO Inter-Ministerial team comprising of CoGHSTA, DPWRI, OtP and Provincial Treasury has been established to speed up the long outstanding issue of Jane Furse Township establishment. It is the wish of EXCO that this matter must be expedited to ensure that there is considerable progress by the end of the financial year.

Madam Speaker,

The role of Local government in meeting the basic needs of our people cannot be overstated. This is why it is crucial for governance machineries in all municipalities to be improved to equal the task at hand.

In pursuant of this goal, we have ensured over the last financial year that all municipalities have oversight committees in place. In keeping with local government policy guidelines, we have also ensured that all municipalities in the province have audit committees that meet regularly.

Our department continues to work tirelessly in supporting municipalities with regard to recruitment, appointment and retention of critical section 54A and 56 manager posts in line with the municipal systems act regulations.

We have developed Guidelines and supported the establishment of MPACs across the province. Currently 100% of these MPACs are in place. We continue to monitor on a regular basis other governance structures such as Audit Committees and Internal Audit Units.

Our hands on approach to local government support has yielded positive improvements in a number of areas in municipalities. Some of these include the following:

- Audit on performance information
- Implementation of Performance management system
- Appointment of section 54A & 56 managers

- Basic services delivery: water, electricity, sanitation,

We come a long way from 2010/11 financial year when municipal audit outcomes were least impressive. At the time we recorded 2 clean audits, 2 unqualified, 15 qualified, 8 disclaimers and 3 adverse opinions. It is quite pleasing to note that the audit picture has now changed for the better since then.

The 2014/15 audit reports issued by the Auditor General show that most of our municipalities performed better in their audit outcomes. We congratulate Waterberg District Municipality, Bela-Bela, Lephalale, Musina, Thulamela, Capricorn District, Molemole, Polokwane, Sekhukhune District and Makhuduthamaga for achieving unqualified audit opinions from the Auditor General.

Although not fully pleased, we are encouraged by Mookgopong, Modimolle, Aganang, Blouberg, Lepelle-Nkumpi, Elias Motswaledi, Fetakgomo, Mutale, Makhado, Ba-Phalaborwa, Greater Giyani, Greater Tzaneen, Greater Letaba and Maruleng which received qualified audit opinions. Although this is not highly satisfactory, we do accept that this may well be a regression for others, in as much as it could be an improvement on the part of some. We hold a view that there is room for improvement as we encourage everyone to work towards Clean Audit.

We remain not happy with the performance of some municipalities like Vhembe which received Adverse opinion, and Mopani District, Ephraim Mogale, Mogalakwena, Thabazimbi and Greater Tubatse which received disclaimers.

In his State of the Province address, Honourable Premier Stan Mathabatha directed us to take necessary remedial action against those municipalities which continuously regress by ensuring that we apply consequence management for poor performance.

To further his directive, he has already convened a special Premier Intergovernmental Forum on 15th March 2016 to specifically address the audit issues with all the Mayors in the province of which one major resolution was that any municipal manager that receives, disclaimer will be disclaimed himself or herself. This is the commitment that myself and Mayors we dare not to falter.

Madam Speaker, It therefore goes without saying that it may not be necessary for us to apply consequence management if all of us adhere to this clear directive which in essence is about ensuring that we achieve proper control of our finances by avoiding fraud, irregular expenditure, wasteful and fruitless spending.

Madam Speaker, Municipal Infrastructure Grant (MIG), is by far the largest share of transfers to municipalities aimed at supporting government's objective of expanding service delivery and alleviating poverty. The MIG fund is meant to support the provision of municipal infrastructure such as basic services, roads and social infrastructure for poor households in all non-metropolitan areas.

In our province, municipalities were allocated R3.161 billion for 2015/2016 financial year. As at end of February 2016, R1.286 billion (out of R3.161billion) was spent. This translates to 40.7% by end of February

2016. This represents a marked improvement of 5.9% spending considering that we had spent just 34.8% during the same period in the last financial year.

Let me thank the Premier for convening a special meeting early this year with all Executive Mayors and Mayors as part of his intervention to increase MIG spending. There is a dramatic improvement which has seen more municipalities spending well above 65% as at the end of February 2016.

I wish to take the opportunity to congratulate Modimolle which spent 100%; Ba-Phalaborwa at 99%; Lephalale at 98%; Ephraim Mogale at 78%; Bela Bela at 78%; Blouberg at 76%; Makhado at 75%; Fetakgomo at 72%; Greater Tzaneen at 71%; Greater Letaba at 69%; Greater Giyani at 66% and Makhuduthamaga at 65%. Given this performance above, Limpopo has benefited in that out of the funds that were supposed to have been returned back to National Treasury, we managed to retain an amount of R367.556 Million which has since been reallocated to performing municipalities.

As part of our Back to Basic strategy in local government, the provincial government has also seen stabilization and turning around of a number of municipalities which have been showing signs of instability. Vhembe District Municipality which had a challenge of unfilled critical posts and was on the verge of collapse following a protracted labour unrest this year. As a result of our engagements and intervention, we are happy to announce that an Acting Municipal Manager from Treasury was seconded to help stabilize the municipality.

Amongst other municipalities which have made dramatic recovery include Ba-Phalaborwa which is now stable following the decision to invoke section 139 (1) (b) in 2015/16. Since our intervention we have seen the municipality adoption of the valuation roll by council, achieving qualified audit opinion from disclaimer since 2011 and registering 99% MIG expenditure. EXCO has since withdrawn section 139 (1) (b) intervention.

The department has been supporting Thabazimbi local municipality which experienced several challenges in the past two years. As part of support measures to the municipality we have recently appointed Advocate Letsepe Thubakgale as an Administrator for Thabazimbi Municipality following EXCO decision to place the municipality under section 139 (1) (b). This measure will no doubt help turn around finances and restore good corporate governance.

The department continues to closely monitor other municipalities which are unstable such as: Vhembe and Mogalakwena which struggled to fill critical vacant posts including a Municipal Manager for more than a year.

The other worrying factor are the violent protests we have experienced in Nwamitwa in Tzaneen, Modimolle, Mogalakwena, Mookgopong and Vuwani. Madam Speaker we appreciate the support from the honourable Premier who continues to prevail under these challenges in supporting both communities and Mayors respectively. We therefore want to condemn any violent nature of these protests and appeal to our communities to respect the rule of law and protect government property.

Notwithstanding the above challenges. I want us to continue drawing lessons of inspiration and best practices from other municipalities that are performing well in both MIG and audit outcomes such as: Bela-Bela; Makhuduthamaga; Waterberg District Municipality; Makhado; Polokwane; Capricorn; Lephalale; Greater Giyani; Sekhukhune and Ba-Phalaborwa.

Madam Speaker,

The department is implementing the Community Works Programme (CWP) in all 25 local municipalities. The programme is designed to provide an employment safety net to unemployed people and those whose incomes are insufficient to lift them out of poverty. The official target of 21000 work opportunities in 2015/16 was exceeded by achieving 23906 job opportunities. For 2016/17 financial year we are planning to allocate additional 1950 work opportunities to be distributed in various wards and villages under the control of traditional leaders.

Honourable members,

The term of the current local government is now drawing to a close in the next 3 months which started from May 2011 to 03 August 2016. The Minister of COGTA and the Municipal Demarcation Board (MDB) introduced a process of reconfiguration of municipalities in order to achieve viable and sustainable municipalities in the country.

In Limpopo, the affected municipalities are Aganang LIM 352 in the Capricorn District which has been disestablished and its wards shared by Blouberg LIM 351, Molemole LIM 353 and Polokwane LIM 354.

Fetakgomo LIM 474 and Greater Tubatse LIM 475 in Sekhukhune is amalgamated into one local municipality. Modimolle LIM 365 and Mookgophong LIM 364 in Waterberg is also amalgamated into one local municipality.

Mutale LIM 342 in Vhembe District has been disestablished and its wards are shared by Musina LIM 341 and Thulamela LIM 343. Honourable members, you will be aware that the Municipal Demarcation Board (MDB) has determined that a new municipality LIM 342 be established in Vhembe District after 2016 Local Government elections. As per current demarcations, this municipality will be made up of wards from Makhado LIM 344 and Thulamela LIM 343. We as well note that the matter relating to the new municipality is still pending in court.

The process of reconfiguration of municipalities in the province has resulted in 5 districts unchanged and local municipalities reducing from 25 to 22 and wards increasing from 543 to 566.

The department has already gazetted in terms of Municipal Structures Act a notice in accordance with section 14(5) which outlines the process of transitional matters and committee's structure compositions. The amended section 14(5) outlines the process of Integrated Development Plan (IDP),

Budgets, Financial Statements, Valuation and Supplementary Rolls, Rates Policies, By-laws and Tariffs.

We continue to manage transitional matters that have a bearing on governance, legal matters, institutional change, human resources, record management, finances and technical operations in municipalities post elections period. In this regard a number of structures have been established to ensure a seamless transition. The structures are the Provincial Transformation Committee (PTC) at a provincial level and the Political Change Management Committees (PCM) and Technical Change Management Committee (TCM) at a district level.

Local government is in your hands. Just last week the President announced the date of the 3rd August 2016 as the official date on which local government elections shall be held in South Africa. Just three days ago, we completed the process of voter registration and verification of names on the voter's roll – a process where we were encouraged by the level of excitement by the youth. Indeed the future of the country appear safe in the hands of our young people.

Madam Speaker,

The financial Year 2015/16 got off to a sad start in the life of traditional leadership in Limpopo, as we witnessed the passing on of some of our traditional leaders at the time when a lot was expected from them in relation to the Rural Development Strategy.

Allow me Madam Speaker to pause and pay homage to the late Kgoshigadi Mokgadi Cathrine Shayi, Kgoshigadi Mahlodi Emmarentia Mogashoa, Kgoshigadi Diphale Mampane, Kgoshigadi Mapitso Anna Shongoane, Kgoshi Mokgoma Joseph Mashung, Khosi Nesengani Phillemon Tshimbiluni, Hosi Chabane Jackson Maluleke Nhlaneki, Khosi Alpheus Sekhuthula Molema, Hosi Maluleke Hasani John and Kgoshi Shoroane Piet Maepa (may their souls rest in peace) for the role they played in leading our traditional communities to greater trajectory.

Of course they performed their work diligently because they worked very closely with this government for the development of the lives of their subjects. As they bade farewell to the land of the living, they joined the long list of their reputable predecessors such as Inkosi Albert Luthuli, Khosikhulu Makhado, Kgoshi Sekhukhune, Hosi Nghunghunyane and many traditional leaders who left the luxuries that come with their positions to join the struggle for a free country.

Madame Speaker,

Be that as it may, 2015/16 Financial year also provided a glimmer of hope for the institution of traditional leadership as we saw young traditional leaders coming through the ranks of this institution which has played an important role in the socio political life of our country. A total of seven traditional leaders were inaugurated. These include traditional leaders such as Khosi Pfuluwani Netsianda, Khosi Avhatendi Rambuda, Khosi Prince Vele Kutama, Hosi Mathevula Castro Mashila, Kgoshi Malegodu Moleke Mathabatha, Kgoshi Morwashai Rhine Komane and Kgoshigadi Manawe Roster Malepe. We take this opportunity to welcome them into the

institution of traditional leadership and hope that they shall use their energies to assist this government in the implementation of progressive policies to build a province we want to leave for our children and their children's children.

Ha tinyungubyisa hi tihosi ta hina ta ndzhavuko. Tiko leri ngariku na murhangeri a ri fambiseke! Shango la shaya thovhele ndi mulano!

Madam Speaker,

In pursuant to the Premier's commitment made to traditional leaders in this august House last year regarding the purchase of vehicles as part of their tools of trade, I'm pleased to report that we managed to procure 169 vehicles to senior traditional leaders. Of this number 113 vehicles have already been handed over and the remainder shall be delivered during the course of this financial year.

The department has allocated a Budget of R5 million to each of the two kings in our province. This allocation aims to assist in the establishment of both VhaVenda and Bapedi Kingdoms. Already we have started with the process of establishing the VhaVenda Kingship. It should be noted that similar process has been put in abeyance in Sekhukhune, pending the outcome of the court case facing the Bapedi Kingship.

The Limpopo Provincial Executive Council has established an inter-ministerial committee and put processes in place towards the support of the coronation ceremony of the VhaVenda King, of which the date of such an occasion is still being determined by the Presidency.

As the department and the provincial government under the stewardship of Premier Chupu Mathabatha, we will continue to support the institution of traditional leadership as we deepen participatory democracy and service delivery.

Working together with traditional leaders, we shall spare neither effort nor strength in modernising this institution which has long been part of our lives since time immemorial. Traditional leaders have been part of our struggle for freedom and democracy. The pivotal role they played during the formative years of our struggle, even before the ANC was founded cannot be taken for granted.

Honourable Members;

The Kgatla Commission was appointed in 2012 to address 548 cases of chieftainship claims and disputes. To date the Commission has settled and finalised 293 traditional leadership disputes and claims, of which 236 have been determined by the Premier and 170 communicated. In the coming two years the Commission is expected to handle and resolve 255 cases, and we trust that it shall pull all the stops to get them to finality.

The percentage of cases finalized is 53% whilst 47% remain to be finalized by December 2017. The capacity of the committee has further been boosted by the increase in the number of commissioners from the national department who will no doubt assist us in expediting the resolution process. The term of office of the Kgatla Commission has been extended by two more years, starting from 01 January 2016 to 31 December 2017.

Madam Speaker;

The Limpopo Initiation Schools Bill has been tabled and referred to the portfolio committee. As the Department of Co-operative Governance, Human Settlements and Traditional Affairs, we are proud to be partners with our traditional leaders in this important Bill that seeks to restore and sustain the dignity attached to initiation custom, a rite of passage to those of us who hold it in high esteem.

Critically the Bill seeks to regulate initiation school customs and traditions of communities in the province, to repeal the Limpopo Province Circumcision Schools Act, 1996 (Act 6 of 1996) and to provide for matters connected herewith.

Madam Speaker;

With the initiation season approaching, we are ready to hit the ground running. Already the department has issued a circular on the closing date for application to open and operate initiation schools. In this regard traditional leaders have already been given notices about the closing date of initiation schools.

We once again make a clarion call to chance takers that there will be no space to manoeuvre as we have means and plans in place to register an incident free initiation season - and thus maintain our record as the best performing province in initiation practices.

Honourable Speaker and Members;

As we draw to a close, may I take this opportunity to acknowledge the stewardship of the Premier of our Province, Ntate Chupu Mathabatha who has been a pillar of strength in moving the Limpopo Province forward. One runs out of words in appreciation of the visionary manner in which he has led this province. *Re a go leboga Mahlatsi a Hlabirwa.*

To members of the Portfolio Committee led by the Honourable Johanna Aphiri, all I can say is that we have got nothing but gratitude about the manner in which you have led us to help guide this department to where it is today. Word of appreciation also goes to SALGA, the IEC, Mayors, the House of Traditional leaders and my colleagues in the Executive Council for providing support and the shoulder to rely on when the going gets tough.

May I also acknowledge Team CoGHSTA led by the acting Head of Department, Mr. Gregory Makoko, who has always been a reliable foot soldier in our drive to deliver on the mandate bestowed upon us by the people of Limpopo. To my mom and siblings who are here in this august house, I would like to say thank for the unwavering support that you have always given me, even when I least expect it.

Madame Speaker once again it is my pleasure, to present to you Budget vote 11 of the Department of Co-operative Governance, Human Settlements and Traditional Affairs Budget Vote for appropriation.

Nkhe rola nkaekheo, kele rolela khona. Phefo ya wesa Mabele, Maodho ke Monyanya.

Nala dza Vhathu. Aa.....

FINAL ALLOCATION PER PROGRAMME: 2016/17 - 2018/19 MTEF

PROGRAMME NAME	Medium-term estimates		
	2016/17 R'000	2017/18 R'000	2018/19 R'000
Programme 1: Administration *	307,160	326,701	345,649
Programme 2: Human Settlements	1,319,912	1,488,058	1,583,653
Programme 3: Co-operative Governance	263,154	274,437	290,354
Programme 4: Traditional Institutional Development	395,817	398,242	412,388
Total payments and estimates	2,286,043	2,487,438	2,632,045

ALLOCATION PER ECONOMIC CLASSIFICATION

Economic Classification	Medium-term estimates		
	2016/17 R'000	2017/18 R'000	2018/19 R'000
Current payments	1,046,453	1,106,538	1,161,765
Compensation of employees	878,262	929,405	983,318
Goods and services	168,191	177,133	178,447
Transfers and subsidies	1,231,244	1,379,850	1,469,169
Provinces and municipalities	2,039	2,215	2,344
Departmental agencies and accounts	1,128	1,193	1,263
Non-profit Institutions	14,483	4,743	5,018
Households	1,213,594	1,371,698	1,460,544
Payments for capital assets	8,346	1,050	1,111
Payments for financial assets	-	-	-
Total economic classification:	2,286,043	2,487,438	2,632,045
Baseline available for spending	2,286,043	2,487,438	2,632,045

