ADDRESS BY THE PREMIER OF LIMPOPO MR. CHUPU MATHABATHA ON THE OCCASION OF THE SALGA LIMPOPO PROVINCIAL MEMBERS ASSEMBLY, THULAMELA LOCAL MUNICIPALITY, 2TEN HOTEL.

07 AUGUST 2018

Programme Facilitator; SALGA Provincial Chairperson, Cllr Thembi Nkadimeng; SALGA NEC representatives; MEC for CoGHSTA, Ambassador Jerry Ndou; Chairperson of the Limpopo House of Traditional Leaders, Kgoshi Malesela Dikgale; Executive Mayor of the Vhembe District Municipality, Cllr Florence Radzilani; Executive Mayors and Mayors present here today, Acting SALGA Provincial Executive Office, Mme Ledile Molope; Municipal Managers and all other officials, Reverend Masalesele, from the South African Council of Churches; Mme Nkaro Mateta from the IEC; Esteemed delegates, Ladies and gentlemen:

Let me start by expressing my appreciations, and indeed the appreciations of our government for this generous invitation to participate in this important meeting of SALGA.

We are indeed very pleased to be with you in this Provincial Members Assembly of the South African Local Government Association in our Province.

Perhaps before I could go any further, I should take this opportunity and congratulate our newly elected National Deputy President of SALGA, Cllr Thembi Nkadimeng. We are convinced that representing us at that level will accrue some benefits for us in the Province. We wish you all of the best in your new responsibilities. Your meeting is taking place during the all-important month of August, which is our National Women's Month.

Our country commemorates Women's Month in August as a tribute to the more than 20 000 women who marched to the Union Buildings on 9 August 1956 in protest against the extension of Pass Laws to women.

Our democratic government has declared August women's month and 9 August is celebrated annually as Women's Day.

The historic 1956 march by women against apartheid pass laws marked a turning point in the role of women in the struggle for freedom and society at large.

As we celebrate this year's women's month, we particularly remember Mama Albertina Sisulu, who the year 2018 marks 100 years of her birth.

Mama Sisulu was a prominent leader of the ANC, the ANC Women's League, Federation of South African Women and the United Democratic Front. She was an epitome of selfless service to the people.

In defence of her legacy, we must use this year to redouble our efforts in the fight against the abuse of women and children.

As leaders, we must also empower women to be able to stand up and reject oppression in all its manifestations.

One of the better defences we can provide for women is to ensure their socio-economic liberation. It is the duty of government to ensure that we break the historic barriers which have denied women opportunities to provide for themselves and their families. In this regard, I must really commend the local government sphere for having done relatively well when it comes to the issue of gender parity.

We appreciate the fact that a significant number of councillors and Mayors are women. This would certainly have made Mama Sisulu and her counterparts happier.

Programme Director;

The last time we interacted in a meeting of this nature was four years ago in Bela-Bela, where we had convened under the theme which said 'Local government deepening democracy beyond 20 years of Freedom'.

It was clear at that time that the focus was, amongst others, to interrogate the progress that had been made from 1994 to 2014.

Taking advantage of what was your theme for the 2014 Assembly, I pleaded with delegates that they should make time and respond to some of the questions we thought to be pertinent at the time.

The questions were around;

•the advances made in terms of meeting the basic needs of our people;

•whether we had adequately managed to democratise the institution of local government; and,

•If we have done enough to transform the local government into an effective and efficient machinery reliable to can deliver on the mandate to better the lives of our people. It is my take that these questions, which we asked four years ago, are neither out of time or outdated. I am saying this because as an association of municipalities, you carry the mandate to ensure that municipalities take basic services to the people.

We must always ensure that the local government space is democratised, allowing the voices of our people to guide development in their own communities. It is also your responsibility as SALGA to ensure that our municipalities are well-oiled machines for effective and efficient delivery of services to our communities.

Programme Director;

We cannot over emphasise the significance of this Provincial Assembly. For us this Assembly should be about powering the institution of local government in our province to be accountable, responsive, with the necessary capacity to speed up the delivery of services to our people.

This meeting should therefore come with strategies to assist our municipalities to overcome some of the following challenges:

•The challenge of poor accountability and relationship with communities

•Problems with the political administrative interface

- •Poor compliance with the legislative and regulatory frameworks
- Corruption and fraud
- •Lack of proper planning and poor project management,
- •Lack of forward and integrated planning on current and capital projects,
- •At times lack of suitably qualified and skilled personnel and, above all,
- •None and under-expenditure of the Municipal Infrastructure Grant.

All these challenges deserves our immediate attention and action, however, we need much tenacity when it comes to the issue of inability to spend on conditional infrastructure grants.

The issue of MIG has been a problem for most of our municipalities.

This meeting would have betrayed its purpose if it can't sufficiently deal with this matter. Whatever the problems are, there should be a solution, and that solution should be found in this meeting.

Earlier this year, we met with you in a meeting convened by the Auditor General and amongst other issues, the MIG spending was discussed.

This point is related to the issue of those municipalities which are classified as dysfunctional. I think it is a very serious indictment on all of us that we should have even a single municipality classified as dysfunctional. It is even a serious indictment on Mayors and councillors who preside over such municipalities.

As you know, dysfunctionality in most municipalities is as a result of poor governance, political instability; poor audit outcomes, high vacancy rate at senior management level, and poor spending on MIG.

Our Back-to-Basics Programme was aimed specifically at addressing some of these challenges. The question we have to answer in this meeting is why some municipalities are failling to respond to this prescription. What is it that we need to do in order to rescue these municipalities from total collapse?

Again, this meeting should provide answers.

We should also use this meeting to find answers to the issue of regressing municipal audit outcomes –it can't be business as usual.

In his latest MFMA audit report, the AG reports that the province's audit outcomes regressed with no single auditee being able to improve their audit outcome. This is without doubt, a sad tale.

The AG went further to categorise the provincial audit outcomes into the following three classes:

 \checkmark Complacent auditees consistently receiving unqualified opinions with findings, without any improvement in internal controls to address shortcomings in the areas of performance reporting and compliance. These municipalities lacked the will to move to a clean audit status

 \checkmark Underperformance that continue to receive qualified outcomes because of their failure to deal with repeat qualifications, and

✓Consistent poor performers with high level of transgressions and no consequences.

In simple terms, the Auditor General says that there is no motivation to do things the right way. He goes further to say that there are no consequences for doing things the wrong way.

We will be putting more pressure on SALGA and various councils to ensure that those who are not prepared to do things the right way give way to those who will do the right things.

The issue of lack of consequences could be related to the R1.5 billion that municipalities in this province lost through VBS investment.

We are told that municipalities have been warned, long ago, that such investments are in violation of the law, and no one cared to listen. This is the type of attitude that is taking us backward.

The need to transform the economy, in particular the financial sector should never be done in a manner that disregards our laws.

In this regard, we call on municipal councils to take the necessary corrective action, including ensuring that are appropriate consequences for those who have willfully violated the law.

Colleagues; if we do not make deliberate investments in strengthening the capacity of our municipalities, we should forget about development of our communities, something we

cannot afford to do.

Municipalities are, and should remain our strategic engines of development. All countries which have improved on their development trajectory have done so with through local government.

This is because all development projects and initiatives, takes place at a local level. There is no development that is taking place at national or provincial level without a real feed-in from local level.

You all know about our SEZ initiative. You would also know that such a massive development project is taking place in the space of local government.

This SEZ initiative is expected to revitalize Limpopo's industrial economy by utilising our local mineral resources and integrating the industrial chains of both the upstream and downstream. Several plants will be constructed under this SEZ projects.

These include coal washery, Coal-fired Power Plant, coking plant, stainless steel plant, high-carbon ferrochrome plant and silico-manganese. Supporting administrative services such as houses, hotels, shopping malls, healthcare facilities and schools will also be constructed.

I must also say that this project is expected to create no less than 20 000 jobs for the people of this Province. You can already see the massive role that the municipalities of Musina and Makhado and of course Tubatse are expected to play in this regard.

Colleagues, I am aware that your programme is congested and you have a hectic day ahead.

I want to once again extend my appreciation for your generous invitation. On behalf of the Provincial Government I wish you fruitful deliberations and a successful Provincial Members Assembly.

We look forward to interacting with your resolutions.

I thank you!