



JOINT SITTING DEBATE ON THE PRESIDENT'S STATE OF THE NATION ADDRESS

15 FEBRUARY 2023

Cllr. B C Stofile
SALGA President

***“UNDERSTANDING AND REBUILDING THE MUNICIPAL SYSTEM
FROM DESPERATE TODAY TO EXPECTATION OF TOMORROW”***

Speaker of the National Assembly, Honourable Nosiviwe Mapisa-Nqakula;

The Chairperson of the NCOP, Honourable Amos Masondo;

Your Excellency; President Cyril Ramaphosa;

His Excellency; Deputy President David Mabuza;

Honourable Premiers of our 9 Provinces;

Honourable Members;

Fellow South Africans;

Madame Speaker,

The Constitution of the Republic introduced a complete transformation of the local government system. Local government is a sphere of government in its own right and no longer a function nor an implementing arm of national or provincial government.

Local government is responsible for 46% of the constitutional functions and has also been given a distinctive status and role in building democracy and promoting socio-economic development. A sphere of government which is centrally concerned with working with local citizens and communities to find sustainable ways to meet their needs and improve the quality of their lives.

Whereas local government, has undergone rapid transition and transformation over the last 22 years, there can be no doubt that it has had a profound impact on the lives of ordinary South Africans in expanding the provision of services to our people.

While it is true that a number of serious and complex challenges persist in some municipalities, by and large there are extensive examples, as confirmed by the municipal non-financial census, that local government has delivered quality services and a better life for the majority of our people.

Madame Speaker, Local Government has in the same breath come under a lot of scrutiny recently. Perhaps necessarily so as this is the most visible sphere and closest sphere of government to the people. Furthermore, our system of wall to wall municipalities means that all developmental work happens within a municipal ward. In one way or another, nearly all the services our people get or do not get from government find the most concrete expression at a municipal level.

Despite its most pivotal role, it remains the step child, the punching bag and the object of abuse or scapegoat of government and by extension organs of state. Instead of

supporting local government as is constitutionally required, local government is often threatened with interventions or threats to take over its responsibilities.

Madame Speaker,

Over the past 20 years, various policy, legislative, regulatory and support program measures have been brought about to stabilize local government and to give it its necessary impetus to operate optimally. No less than ten (10) national support measures or interventions have been initiated, which all seem to yield limited results from the Project Consolidate, Local Government Turn Around Strategy, Siyenza Manje, Back to Basics and the current District Development Model.

I will repeat the questions previously posed by my predecessors in this house. Where to next and how do we bring about stability, increase capacity, institutional resilience, good governance, financial sustainability and improved service delivery? Are we applying the correct diagnostic tools to understand the deep structural and systemic challenges facing local government?

Madame Speaker,

Our own assessment as SALGA, is that local government is a complex sphere of government, it requires a proper diagnosis, to develop a response that is appropriate. An appropriate response requires a distinction between the occurrences, patterns and trends versus the systemic and structural issues. Having regard to the national interventions alluded to earlier, we tend to react and respond to the occurrences and not the underlying causes.

It is our respectful view, as SALGA, that in dealing with the state of local government and the challenges attendant to, consideration has to be given to a number of interventions as a package instead of wanting to deal with them in isolation.

“The Impact of Coalition governments on Service Delivery and Municipal Governance”

Madame Speaker,

Unlike previous elections the 2021 local government elections gave rise to the most dramatic results as it relates to coalition governments. This development suggests that coalition government would clearly become a common feature of our political landscape at a local level.

Looking at the surface, some hold the view that coalitions government is an occurrence of a new phenomenon, whereas it

is in fact, looking at it much deeper and analysing its impact, exposing our general neglect of this very important subject matter. I will later return to unpacking this neglect.

Madame Speaker,

It is our considered view that at the core of the challenges of coalition governments are the following:-

1. The Lack of Oversight and Accountability measures in Coalition Governments;
2. No transparency in Coalition Agreements with no Community Involvement and Participation in Coalition Governments;
3. Lack of Proportionality, Accountability and Integrity in the Allocation of Municipal Portfolios, Political Offices and Functions;
4. The temptation for coalition talks to include issues related to staff appointments and procurement decisions.

These are just some of the challenges besetting coalition arrangements.

It is common knowledge that as from the first democratic local government elections in December 2000, until the 2021 elections, they have always produced 'hung councils', resulting

in coalition governments. It is further common knowledge and generally accepted that, coalition governments are often unstable as illustrated by the current challenges besetting coalition governments in municipalities.

What concerns us is that despite this daunting reality, despite coalitions being a relatively common occurrence in South Africa, coalition governments have not become institutionalised with the absence of guidelines for coalitions that define the principles, rules, procedures or sanctions that will apply to the political parties and independent councillors that attempt to govern together.

Madame Speaker,

What is lacking is thus a framework for coalition governments that can be used as a guide by political parties in structuring their coalitions in practice. Without a framework to guide political parties in structuring and managing coalitions, political parties and independent councillors will be required to establish coalitions whilst being uncertain about the rules or mechanisms needed to maximise the incentives for cooperation in the coalition government. This will, in all probability, continue to result in coalitions being unstable or short-lived.

Is this not an opportune time to address “our general neglect of this very important subject matter?”

“Building state capacity and capability to provide services”

Madame Speaker,

In the 2021 debate on SONA we fully supported the President’s view on the appointment of properly qualified municipal officials to ensure the effective management and provision of services. We, however, added that similar focus should be placed on the political arm in a municipality, the councillors.

Our analysis confirms that every five years, the high turn-around in local government, exacerbated by lack of proper screening of candidates, sets the sector back in terms of leadership, governance and oversight stability. Despite numerous interventions to increase the capacity of Councillors, during a term of office, the task is daunting and the gaps are blatant as recent developments particularly in coalitions have exposed serious weaknesses in the leadership qualities of many councillors.

We once more repeat our plea and call to all political parties to prioritise deployment of skilled and knowledgeable councillors. A more radical proposal is that, as we march towards the next elections, there should be a set of minimum criteria, coupled with

the introduction of a performance management and accountability based remuneration regime for both councillors and Senior Managers.

Madame Speaker,

We have similarly identified several critical digital skills required by local government – for both our ICT/Digital employees and the rest of the municipal officials and councillors. We therefore welcome the R800 million from the National Skills Fund and propose for a portion to be ring-fenced for local government for SALGA to rollout skilling interventions through its partnerships with SETAs (MICT Seta and LG Seta) and other strategic private sector big-technology (Big-Tech) companies.

Madame Speaker, as it relates to ***“Municipal Financial Sustainability”***, the Honourable President rightfully recognizes some of the challenges that weaken local government institutions. This view must be seen in the context that the financial resources available to municipalities have fallen short of the demands on municipalities for services, including non-revenue services, and infrastructure delivery needs and this has been worsening over time.

This is further complicated the increasing cost of the most significant contributor to municipal operational costs which is the cost of bulk utilities. Tariffs imposed by water boards and ESKOM contribute to the costs borne by municipalities when providing services to communities, costs that are generally unaffordable. SALGA remains concerned about the affordability of bulk water and electricity tariffs charged to municipalities. To this end, we persist in rejecting the 18.65% increase by NERSA for ESKOM tariffs.

Madame Speaker,

As it relates to Energy and Disaster Management, it should further be noted that **loadshedding** is causing havoc on municipal services - not only electricity but also water, sanitation, waste management and other municipal services. For example, Cities have reported that they incur a loss of income due to unserved energy because of load shedding, ranging from R3 to R6 million per stage load shedding per day. The loadshedding costs and losses to municipalities are substantially high and growing every day as this problem persist. It has become unsustainable and unaffordable.

SALGA therefore welcomes the interventions contained in the Energy Action Plan, but we believe the plan also needs to include solutions to be implemented in local government. We further

impress upon the Honourable President to include local government's voice on the National Energy Crisis Committee (NECOM) as one of the most affected spheres of government.

We call for support to be provided to municipalities to deal with the externalities of load shedding including, loss of revenue, damage to electricity distribution networks, especially substations, damage to treatment plants and other infrastructure, theft and vandalism of infrastructure linked to load shedding. There are many solutions that can be implemented by local government including waste to energy, utility scale embedded generation, roof-top solar power, opportunities for consumers to feed their excess power into the distribution grid, and so on.

Madame Speaker,

We are looking forward to the appointment of the Minister of Electricity in the Presidency to speed up the implementation of the NECTOM plan. This Ministry will be ideally placed to also work closely with the Minister of Cooperative Governance and Traditional Affairs, Minister of Water and Sanitation, Minister of Forestry, Fisheries and Environment and SALGA to collectively find solutions to our electricity, water, sanitation, waste management, environmental management, and other challenges. The absence of an IGR structure that includes local government representation for both electricity and water services

is hampering efforts to collaboratively tackle the ongoing challenges that municipalities face with service delivery.

Madame Speaker,

SALGA aligns itself with the declaration of the State of Disaster on both Electricity and recent flooding and welcome measures that will enable critical infrastructure such as water pumps, sewer systems, pools, offices, streetlights etc, to be exempt from loadshedding. However, we still need sustainable solutions and support to rollout solar infrastructure in the related municipal facilities.

An integrated and coordinated disaster management policy to prevent or reduce the risk of disasters, and to mitigate the severity of disasters is necessary to address the electricity crisis and the many impacts thereof. This is a step to the right direction as municipalities cannot continue financing the massive loss of revenue and costs of damaged infrastructure because of the energy crisis. There must be inclusivity in the structures that will be established as part of the declaration of the state of disaster as well as in the development of related regulations.

Madame Speaker,

The Honourable President, announced that through the Just Energy Transition Investment Plan, R1.5 trillion will be invested in our economy over the next five years in new frontiers such as renewable energy, green hydrogen and electric vehicles. We would also like to highlight that the South African waste sector presents an opportunity for enhancing the country's energy generating capacity. Most metropolitan municipalities have conducted feasibility studies for waste to energy initiatives, however, struggled to proceed to an implementation phase. We therefore request that due consideration be given to use part of the R1.5 trillion to unlock these initiatives in metropolitan municipalities.

Local government also welcomes the allocation of R319.6 billion for municipalities for various just energy transition (JET) programmes such as infrastructure development, maintenance and upgrades, amongst others. SALGA is already at work supporting municipalities to identify JET projects, to ensure that such projects are incorporated into their IDPs, and to develop mechanisms through which municipalities will access the funds. Through the various engagements with the Presidential Climate Committee (PCC), SALGA is committed to co-host the consultation session on the Just Energy Transition Investment Plan with the PCC so that municipal leadership is well informed on the transition plan of the energy system, and the impact it will

have for energy service provision, other services and local economic development.

“Importance of public participation in local government to enhance accountability and to ensure a people driven local government”

Madame Speaker,

We agree with the Honourable President that the people of South Africa are action oriented, wanting solutions and government to work for them. It is equally important that we encourage citizens to work with government. For example, the state of cleanliness in our country is not desirable with littering and illegal dumping in many open spaces. Addressing this challenge requires collaboration between government and citizens. Citizens taking responsibility for ensuring that waste is put in the bin and separated for recycling. A national campaign on antilittering and illegal dumping must be implemented to keep our country clean.

“Safety of Councillors and Municipal Officials”

Madame Speaker,

We are very concerned about the growing number of intimidation and killing of councillors and municipal officials, and damage to municipal property during service delivery protests. In recent times this has also been extended to traditional leaders.

Coupled with recent shootings and killings, there are broader questions to be asked. "What has gone wrong with the moral fibre of our society? Is the cause of these types of death love of money or greed? Are we not making enough noise to be heard when we say that enough is enough? For how long are we going to keep quiet while councillors, municipal officials and our people generally are killed on a daily basis?"

This is a worrying development in the context that the occurrence is country wide, although with different intensities. These developments **threatens the credibility** of our democracy but more so **negatively impacts the credibility of local government** as a potential area of opportunity for qualified and competent public representatives and prospective employees.

The Honourable President announced a structured programme to improve the witness protection programme and strengthen protection for whistle blowers. We are therefore hoping that a similar and related protection could be extended to municipal councillors and officials that are continually threatened for wanting to do the right thing.

Madame Speaker,

As I conclude, as some have said before me, the journey of local government over the past 27 years in South Africa has been **AN IMPERFECT TRANSITION**. We need to stay the course on policy choices made and see to their effective execution. Multiple policy changes, sometimes necessary, but not properly thought through, impede rather than advance the course of progress and consolidation.

I thank you.