



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
CO-OPERATIVE GOVERNANCE,
HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS



MEC's

BUDGET SPEECH 2019/20

BROUGHT TO YOU BY MULTI-AWARD WINNING DEPARTMENT





ADDRESS BY MEC BASIKOPO RODGERS MAKAMU ON THE OCCASION OF THE BUDGET VOTE OF THE DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS TO THE LIMPOPO PROVINCIAL LEGISLATURE, 25 JULY 2019, LEBOWAKGOMO LEGISLATIVE CHAMBERS.

**Madam 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
Executive Mayors and Mayors of our Municipalities
Chairperson and Members of the House of Traditional Leaders
All Traditional Leaders present
Chairperson and Members of CONTRALESA
Our esteemed Majesties and Your Royal Highness present
Leadership of Chapter Nine and Ten Institutions
Leaders of opposition parties
The leadership of the ruling party, the African National Congress
Stalwarts and Veterans of our Struggle
Leadership of various Religious Denominations
Members of the Housing Advisory Panel and Limpopo Rental Tribunal
Representatives of ESKOM, NHBRC and the SABC
Coghsta Staff led by the Head of Department Ms.Ngaka Dumalisile
Invited Guests and Stakeholders of the Departments
Comrades, Ladies and Gentlemen
Good morning, Thobela, Avuxeni, Ndi matsheloni, Goeie more**

I consider it a great privilege to be delivering this budget vote a few days after the birthday of one our world icons, the late Nelson Rolihlahla Mandela and on a month dedicated to do work in honour of this struggle hero. **May his soul rest in peace!**

Madam Speaker,

Empowerment through access to decent housing, skills development, safe water, sanitation, affordable energy and cohesive and vibrant communities are all important for the recovery of humanity. To be treated with respect and dignity by one's fellow citizens and by those who have the responsibility of providing public service is important for the recovery of our humanity. This is how Madiba conducted himself through and through before he left us.

Madam Speaker,

We also dedicate this Budget Speech to the memory of Comrade General Bra Ike Maphoto, who put aside the comfort of his family to go into unknown foreign countries to fight for the freedom that we enjoy today. This combatant of uMkhonto we Sizwe dedicated his entire live to the service of the people of South Africa. General Bra Ike Maphoto took part in the battles of Wankie and Sipholilo campaigns where he distinguished himself as a reliable fighter. As we present this Budget Speech today, may we at all times remember the role he played in ushering freedom to the people of South Africa. **May his soul rest in peace!**

Madam Speaker,

As we are working for humanity in honour of these stalwarts of our struggle, we have to be mindful of the fact that South Africa has to grow and we have to grow it together. We are indeed having a conviction that, South Africa will realize growth, just as the President of the Republic Cyril Ramaphosa in his State of the Nation Address opening remarks in Parliament, Cape Town on Thursday, 20 June 2019, said: “We are at a moment in our history that holds great hope and promise. In 25 years of democracy we have made remarkable progress in building a new nation in which all South Africans have equal rights and broadening opportunities. Government has done much to meet people's basic needs, to reduce poverty and to transform a devastated economy that was built to serve the interests of the few”.

The Department's move in the New Dawn coincides with the marking of 25th years of democracy and freedom in the country and the province. It continues to devote its efforts in fulfilling its mandate as provided for in the Medium - Term Strategic Framework and the implementation of the National Development Plan - Vision 2030 in ensuring an Integrated Sustainable Human Settlements in Limpopo Province.

Madam Speaker,

The journey we traversed in the last 25 years was worth undertaking. For us it has been pursuant of a just course, underpinned by a quest to build a non-racial, non-sexist, non-greed and a democratic South Africa. We indeed wanted to reverse and eradicate the triple challenges of poverty, unemployment and inequality.

Madam Speaker

In presenting this budget for the department of Coghsta today, we continue to cement a call made by, South Africans of all colours, in 1955 at Kliptown, Johannesburg when they adopted the freedom charter and agreed that “there shall be Housing, Security and Comfort”. Sixty Four Years having made this call, I am pleased to present a budget geared towards pursuing this freedom charter resolution.

Madam Speaker,

The Budget I am presenting is of a total of R **2 720 467 000** broken down as follows: Administration R 387 262 000, Human settlements, R 1 476 830 000, Cooperative Governance R315 124 000 and Traditional Institutional Development R 541 251 000. This budget is aimed at the following:

- Providing effective leadership in strategic planning of the department, management and administrative support to the core functions of the department. This include: (Continuous refinement of corporate policies, skills development, efficient and effective financial management, structures and systems);
- Ensuring the provision of housing development, access to adequate accommodation in relevant well located areas, access to basic services and access to social infrastructure and economic opportunities;
- Providing technical and oversight support to municipalities in terms of implementing their mandates. This is pursued through the following sub-programmes: development planning, municipal infrastructure development, local governance support, democratic governance and disaster management; and
- Supporting the institution of Traditional Leadership to operate within the context of Co-operative Governance.

Key and of central importance to this budget is to realise our vision for integrated and sustainable human settlements.

Madam Speaker,

Human Settlements development post 1994 elections started with the Botshabelo National Housing Accord prepared and signed under the leadership of the first Minister of Housing Joe Slovo. This Accord was signed by various stakeholders and organizations representing government, homeless people, communities and civil society, the financial sector, emerging contractors and established construction industry, building material suppliers, employers, developers, and the international community. The document formed the foundation of South Africa's Housing Policy, leading to the promulgation of the National Housing Act, 107 of 1997. The preamble of the National Housing Act states that in terms of section 26 of the Constitution of the Republic of South Africa (Act No. 108 of 1996), that everyone has the right to have access to adequate housing. The Preamble to the National Housing Act further recognizes that:

- Housing, as adequate shelter, fulfils a basic human need;
- Housing is a product of human endeavor and enterprise;
- Housing is a vital form of integrated development planning;
- Housing is a key sector of the national economy;
- Housing is vital to the socio-economic well-being of the economy.”

However, twenty-five years into South Africa's democracy, and despite being recognized as a right in the Constitution and the relevant enabling legislation, access to adequate housing continues to be a significant challenge facing our people. It has been acknowledged, through the term “human settlements” that housing comprises part of broader integrated development and is intrinsically linked to the provision of basic services, including water, sanitation, social and economic facilities such as schools, clinics, parks and business centers.

The National Development Plan 2030 (NDP) also recognizes that apart from the right of access to adequate housing being entrenched in the Constitution, it forms a key component to the country's economic development. It recognizes that due to its apartheid past, the majority of poor South Africans reside in far-flung areas away from work, with little access to basic services and efficient transport, thus limiting their ability.

Madam Speaker,

In line with the National Development plan, we will continue to develop sustainable human settlements, improve spatial integration and housing assets, upgrade and eradicate informal settlements. The Late Minister, Joe Slovo; solidified these sentiments during the signing of the Botshabelo Housing Accord when he said, open quote *“All role players must strive for the establishment of viable, socially and economically integrated communities which are situated in areas allowing convenient access to economic opportunities, health, educational and social amenities and within which South Africa's people will have access on a progressive basis to: a permanent residential structure with secure tenure, ensuring privacy and providing adequate protection against the elements; potable water and adequate sanitary facilities including waste disposal and domestic electricity supply.”* Close quote.

Pursuant to this commitment and the constitutional stipulation on housing as a basic right, in the previous financial year 2018/19 through housing development, implementation and planning; we have planned to build and hand over 7450 housing units as a contribution to our delivery target of creating 80 000 housing opportunities in the province by 2019.

Of this figure as at the end of March 2019, the department successfully completed 10 562 housing units. The total contribution to meeting the delivery target of the previous term of government of 80 000 housing opportunities by 2019 amounted to 40 781 housing units and 11 330 services making it a total of 52 111 housing opportunities created.

Compared with the previous financial years (2016/17 and 2017/18, the number of completed houses in the last financial year shows some significant increase. These completed housing units are inclusive of Rural and Urban, Enhanced People's Housing Programme (EHP), Finance Linked Individual Subsidy Programme (FLISP) and Military Veterans. The completed housing units exceeded the target as a result of roll-over housing units from the financial year 2017/18 which were at various construction levels at the end of that year.

Madam Speaker,

In this financial year the department will build and handover 5579 housing units in Urban and Rural areas. This planned number of houses is inclusive of the Military Veterans. I must however, **Madam Speaker** acknowledge that we face some challenges in the implementation of this programme. These challenges ranges from unavailability of stands, deceased beneficiaries and beneficiaries who are not interested in the size of the houses we want to build for them.

In addition to the planned 5579 housing units, we have planned to increase the number of Community Residential Units (CRU) at Marapong from 250 Units as announced last year to 332. Upon completion, the Marapong Community Residential Unit (CRU) is planned to deliver 514 units. The scope of the development includes civil infrastructure installation of water, sewer, roads and electricity. The project has been rolled over into the current financial year and is expected to be completed by 31 March 2020.

Madam Speaker,

Plans for the Altoostyd Project are at an advance stage. This is Mega Project aimed at developing 5 050 mixed housing units on 500 Hactre portion of land.

Bulk services have been installed for R230 Million, internal engineering services for 2 000 sites, Bulk Connector and currently awaiting an upgrade of sewer services. A transactional advisor was appointed to develop a financial and development model and has since concluded the report that is awaiting consultation with all relevant stakeholders for approval. The target for the current financial year is to upgrade the sewer and roads, develop BNG and FLISP housing and this is expected to commence in the third quarter of this financial year.

Madam Speaker,

Completion of Bendor ext. 100 project is long overdue. This is an integrated human settlements development project based on two (2) sectional title yielding a total of 661 units. The aim of this project is to cater for the GAP Market, through provision of FLISP units and affordable accommodation. So far, 60 housing units have been transferred and occupied by approved owners. 66 housing units are at various stages of construction i.e. foundations, wall plates, roofing, plastering and finishes.

An amount of R 16 320 000 has been budgeted for the delivery of 68 Community Residential Units in Tshikota in Makhado in the current financial year. The project is still at pre-evaluation stage and implementation is anticipated to start in the 3rd Quarter of this financial year.

Talana Community Residential Unit (CRU) in Tzaneen is still at project packaging stage. The Tzaneen Municipality has engaged Social Housing Rental Association (SHRA) on management of current hostel dwellers for rental collection and monitoring. Service Level Agreement between the municipality and SHRA has been finalised.

Madam Speaker,

We have planned to formalize and upgrade the Vingerskraal Informal Settlement in BelaBela. The project is aimed at formalizing and upgrading 1000 sites. A service provider for the township formalization has since been appointed and installation of internal services is expected to commence in January 2020.

As the department we committed ourselves to the revitalization of the Mining Towns of Mogalakwena, Elias Motsoaledi, Thabazimbi, Lephhalale and Fetakgomo-Tubatse. We have since entered into Memorandum of Understanding (MoU) with these municipalities and R116 Million has been transferred to them as per the gazette for 2018/2019 to implement bulk infrastructure (water, sanitation, electricity, roads and storm water). Contractors were appointed for Mokopane Ext 20 Mogalakwena and Raphuti & Regorogile in Thabazimbi. The tenders for Masakaneng (Elias Motsoaledi) and Burgersfort Extensions (Fetakgomo -Tubatse) was advertised.

Madam Speaker,

According to Statssa Community Survey conducted in 2016, indicates that Limpopo's population increased by 400 000, from 5,4 million people in 2011 to 5,8 million in 2016, making it the fifth largest province in the country in terms of population size. The number of households in the province has also increased to 1, 6 million in 2016, from 1, 4 million in 2011. The district municipality with the largest share of households in the province is Vhembe (382 346), followed by Capricorn (378 272), Mopani (338 385), Greater Sekhukhune (290 489), and Waterberg (211 452).

This implies that Limpopo has the highest proportion of households living in formal dwellings (88, 9% or 1, 4 million) and the lowest number of informal dwellings (4, 8% or 77 371) in the country. About 5, 1% (81 747) of households in the province are living in traditional dwellings. Limpopo also has the highest proportion of “owned and fully paid-off” homes in the country with 65, 4%. About 7, 5% of households in the province own their main dwellings, however they are still paying back their home loans. More than a tenth (11, 4%) of the households stay in rent-free homes they do not own, whereas 9, 8% rent their main homes.

Taking into cognizance this development Madam Speaker, in this financial year, we have planned installation of services in 5354 IRDP/UISP sites with an increase of 725 compared to 2018/19 financial year through Upgrading of Informal Settlements Programme. These informal settlements will be upgraded and formalised by March 2020 in our growth towns of Mogalakwena, Polokwane, Fetakgomo/Tubatse, Musina-Makhado, and Thulamela Collins Chabane. About 18 000 beneficiaries are set to benefit in this regard. The basic services designed to benefit these families will include among others, portable water, sanitation and roads.

Madam Speaker,

As part of our commitment to ensuring full ownership of property, the department will continue with its programme of handing over Title Deeds to our Beneficiaries. In the previous financial year, the department handed 3563 Title Deeds to their Beneficiaries. This number of title deeds represent a shortfall of 5168 title deeds. However, the remainder of these title deeds have been rolled over to this financial year and are committed. In this financial year, we will hand over 50 Title Deeds through Enhanced Extended Discounted Benefit Scheme (EEDBS), 1500 for houses built between 1994 and 2014 and 1810 title deeds for houses built post 2014.

Madam Speaker,

All these human settlements development programmes alluded to in the Budget, will contribute to the over 350 thousand housing opportunities created since 1994 in this province. In addition to these housing opportunities created by all these human settlements programmes, 3600 job opportunities will also be created.

Madam Speaker,

Last year we announced that as a province we will be delivering housing units that meet the BNG, National Housing Code and SANS 10400 standards and that our Subsidy Quantum was to be increased to match the national determination of R115 000 per housing unit. It gives me pleasure to inform this house that we are now building BNG Houses that are 45 square meters with bathroom included, plastered and painted in and outside, with ceiling and roof tiles that thermally performs SANS 10400 standards, electrical wiring and plumbing.

Madam Speaker,

During the last financial year budget presentation, we undertook to finalize the appointment of the new Limpopo Rental Housing Tribunal and Limpopo Housing Advisory Panel. I am happy to announce that the appointment of members to these bodies have since been finalized. I would like to take this opportunity to thank the two bodies for having started their term of office with earnest. In particular, I would like to thank the chairpersons of these statutory bodies, Mr. Robert Mokgalabone and Professor Muxe Gessler Nkondo for the leadership they continue to provide.

Madam Speaker,

In delivering these human settlements programmes, we continue to receive support from various stakeholders like the media and business community.

I would like to take this opportunity to thank all people who continue to partner with us in building houses to the needy. Your continual lending of your hands is indeed welcomed and appreciated. In appreciating these efforts **Madam Speaker**, we are as a department making a commitment that budget allocated to us, especially the Human Settlements Grant is spent to the last cent. I am making this commitment because of our history in the last administration of having lost millions of rands to the national human settlements.

Madam Speaker

Local government is the third sphere of government deliberately created to bring government to the grass-roots population and gives Citizens a sense of involvement in the political processes that control their daily lives. It is the closest sphere of government to the people and thereby constitutes the coalface of service delivery.

As the department, we will continue to play our supporting role and oversight to the municipalities of our province. In playing this role, we will in this financial year get municipal councilors especially ward councilors to hold community feedback sessions, monitor and submit reports on the functionality of ward committees, conduct mid-year assessment of councilors, come up with decisive intervention in municipalities where there is political instability and develop a provincial policy to standardize ward committee stipends.

As we will be doing this, we will be ensuring that there is political stability in our municipalities, functional structures of governance, healthy political-administrative interface, responsiveness to service needs, infrastructure maintenance, institutional continuity, clear policy and delegation framework, community satisfaction, engagements and feedback.

Madam Speaker,

All 27 municipal councils of our province were established in accordance with the legislation and are functional. However, we observed some signs of regress in the Fetakgomo/Tubatse Municipality due to the inability of the council to appoint a speaker following the appointment of the speaker to the position of Mayor. Section 37 of the Municipal Structures Act outlines the roles of the Speaker as the chairperson of council, and any other functions that may be delegated as per section 59 of the Systems Act. Continuous absence of the speaker means the functions are not performed and this negatively affects the functionality and governance of the municipality.

Ward committees were established in all municipalities except in three wards (7, 8 & 14) in Collins Chabane due to demarcation challenges and two wards (5 & 11) in Thabazimbi Local Municipalities due to challenges with mining houses.

There has been a good improvement in the filling of senior management vacancies especially for Municipal Managers and Chief Financial Officers in compliance with the provisions of the Municipal Systems Act. There is however a worrying progress on filling of technical services posts which has a direct impact on the provision of services. In this financial year Madam Speaker, we will finalize prototype of municipal structures to avoid bloated structures.

Madam Speaker,

All twenty seven (27) municipalities have approved their budgets as required by legislation. There is however, **Madam Speaker**, a challenge of high debt which affects the financial health of municipalities as they are expected to continue providing services without recovering the money. Outstanding debts for property rates on government property alone amounted to about **R 199 Million** as at March this year.

Most of government properties are built in the rural areas and are unregistered with deeds office. Custodian departments acknowledge the properties but dispute paying municipalities due to their registration status.

Household debt is standing at R5 763 Billion and constitutes 60% of total debt owed to municipalities. This **Madam Speaker** is an indication of inability of municipalities to collect, poor culture of payment amongst ourselves as citizens and high level of indigents. We therefore urge our Municipalities to prioritize credit control (policies, billing systems, and collection mechanisms), advocacy for payment of services by councilors and proper management of indigent policies and registers.

Madam Speaker,

I would therefore take this opportunity to make a call to our government departments and entities to pay their outstanding debts and services within 30 days of receipt of invoices so that municipalities can continue to render services.

Madam Speaker,

The financial situation of some of our municipalities has further been compounded by the loss of money as a result of the investments with the Venda Building Society Mutual Bank (VBS), and thereby negatively impacting service delivery. As part of consequence management, the Province acted swiftly by removing mayors of municipalities where money was lost, and the various municipal councils also instituted disciplinary actions against officials suspected of wrong doing. In some municipalities, implicated officials have been dismissed, while in most municipalities disciplinary processes are still underway. Several lessons have been learnt from this unfortunate occurrence.

Amongst some of the observations made is poor oversight by the legislative arm of municipalities which are councils, insufficient capacity of both councilors and administration to ensure that policies comply with relevant legislative prescripts.

As part of our intervention **Madam Speaker**, we will workshop councilors on their oversight and monitoring responsibilities. We will also be putting much attention to the training of members of the Municipal PublicAccounts Committees (MPACs).

Madam Speaker,

On Municipal audit outcomes, the province has not been doing well on audit outcomes as we received no clean audits over the past three financial years. These negative audit outcomes are a result of the slow response by the leadership and management in improving key internal controls, addressing risk areas such as key officials lacking appropriate competencies, poor implementation of audit remedial plans and inadequate consequences for poor performance and transgressions.

We are however **Madam Speaker**, encouraged by some of the municipalities that have consistently achieved unqualified audit opinions for the past three (3) financial years. These Municipalities are Capricorn District, Sekhukhune District, Thulamela, Molemole and Maruleng. We hold our hope for clean audit outcomes in these Municipalities and as the department we will with immediate effect start working closely with these municipalities to realize this outcome.

We are equally concerned about municipalities that continuously receive disclaimers and adverse audit outcomes. Provincial Treasury and COGHSTA are working together to monitor and support the six 6 municipalities who received disclaimer and adverse audit opinions. The majority of these municipalities fall within the distressed category and are part of our provincial targeted support and intervention plan.

These Municipalities are Fetakgomo/Tubatse, Modimolle/ Mookgophong, Mopani District, Thabazimbi and Vhembe. District. Amongst some of the interventions to be made, will be to resuscitate the Residents Accountant Programme and to finalize the process for the establishment of the Local Government Support Hub.

Madam Speaker,

As part of the Back to Basics programme, the Province has identified several municipalities that are distressed. Three categories of municipalities have been identified as those that are doing well, those with potential to can do well and distressed. These municipalities are characterized by among others: Low revenue collection, persistent negative audit outcomes, poor governance(Council and its committees not meeting regularly and council characterised by special council meetings than scheduled meetings), unauthorized, irregular, fruitless and wasteful expenditure, non-payment of bulk services due to financial constraints (Eskom, Water Boards & DWS) and Poor expenditure on conditional grants.

To support and strengthen monitoring of these municipalities, the Limpopo Executive Council adopted a targeted support and monitoring programme targeting ten municipalities that are either distressed, identified as priority provincial growth points and/or water service authorities in May 2019. The support programme aims to mobilise and align the support and monitoring by three spheres of government (including entities such as Government Technical Advisory Centre, Municipal Infrastructure Support Agency, Sector Education and Training Authorities, etc.). Key focus in PGP is infrastructure delivery, financial management and long-term planning. Furthermore, a coordination model to ensure proper alignment of initiatives coordinated by Office of the Premier, COGHSTA and Provincial Treasury has been developed to implement the support plan and other initiatives.

Madam Speaker,

The economy of our country is not performing according to our expectations, and thus therefore require us to live within the limited means. This will have a severe impact on our municipalities, especially at the time when public coffers are bleeding. Acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs, the Minister of Finance has issued Municipal Cost Containment Regulations, 2019 in terms of section 168(1) of the Local Government: Municipal Finance Management Act, 2003. Municipalities are therefore urged to be prudent with their financial resources and focus on service delivery. In the same breadth Madam Speaker, I will be instituting investigations in Municipalities where there are allegations of misappropriation and inefficient use of funds as mandated by section 106 of the Municipal Systems Act.

Madam Speaker,

We have also noted serious development planning challenges in some of our priority growth municipalities and we will continue to mobilize support from various entities in pursuance of the objectives of the Limpopo Development Plan and the Integrated Urban Development Framework (IUDF). We are confident that the support from National Department of Cooperative Governance to target our identified priority growth point municipalities will be intensified so that the objectives of the IUDF are realized, and the Province benefits from the opportunities of urbanization and the catalytic interventions particularly in Musina/Makhado SEZ and Fetakgomo Tubatse (which is an earmarked SEZ). The provincial government will continue to mobilize key national departments and state owned entities to align resource prioritization to support planning capabilities and infrastructure planning and implementation in these two municipalities as this will unlock the economic potential of the areas and further change the provincial and national space economy.

Our focus areas for collaboration with national partners in particular relate to building development planning and infrastructure delivery capacity in the identified municipalities, road and rail infrastructure upgrade, bulk water and energy provision. Specific projects that require immediate attention have been identified in this regard.

Madam Speaker,

Poor expenditure of Municipal Infrastructure Grant (MIG) and other conditional grants results in delayed and deferred provision of services to communities, which subsequently leads to community unrests. Some of the challenges we are experiencing in this area are due to: insufficient attention to development /review of critical sector plans to guide annual resource allocation, insufficient alignment in respect of bulk and reticulations plans (water provision), disruptions of projects implementation by communities, poor forward planning and protracted supply chain management processes. There is need to strengthen partnerships with non-government partners to benefit on their skills, capacities and resources to build municipal planning, implementation and monitoring capacity.

Madam Speaker,

Our Provincial MIG expenditure trends reflect an improvement as follows: 86 %(2016/17), 82 %(2017/18) and **90%** during 2018/19. The 10% less spent, which translates to R305 841 787 unspent funds, however, is a cause for concern considering the infrastructure and service delivery backlog in the Province. We will be putting more emphasis on our Water Service Authorities in particular as they constitute a higher percentage of the MIG allocation. We are however confident that the partnership and support provided through the Municipal Infrastructure Support Agency (MISA), Government Technical Advisory Centre (GTAC) internal COGHSTA support and other sector province will help us to improve.

We are confident that if we manage to address the deficiency in terms of long-term planning and procurement challenges which are being addressed through the implementation of the Standard for Infrastructure Procurement and Delivery Management will improve expenditure on MIG, conditional grants and own source capital budgets in municipalities.

Despite the challenges, **Madam Speaker**, there are municipalities that continue to do exceptionally well. We have municipalities such as Capricorn, Thulamela and Makhado that have consistently spent 100% of their MIG allocation over three years. We are also noting significant improvements in Blouberg, BelaBela, Makhuduthamaga and Greater Letaba municipalities that have spent 100% of their MIG over two years (2017/18 and 2018/19 Financial Years). This gives us hope that with the right skills, attitude and support our municipalities can spend 100% of their allocations.

Madam Speaker,

Community Works Programme continues to be a strategic intervention for providing job opportunities in light of the high unemployment rate the country is facing. In the Limpopo Province, the programme has seen an increase in participants from 23905 during the 2015/16 financial year to 28709 in 2018/19. The following are lessons learnt in the implementation:

- Training of participants: Skills development through the support of sector departments has resulted in participants getting better job opportunities elsewhere.
- Public goods provided through the CWP (community parks, establishment of community gardens, provision of cleaning services in crèches, schools and community halls) has assisted to bring services to rural areas which were not getting government services.

- The involvement of community members in identifying the type of work to be performed by participants assist in creating ownership of the programme(bottom up approach)
- Incapacity of appointed NPOs, Lack of work opportunities in some areas to enable participants to exit the programme and due to budget constraints CWP is not covering all wards.

With all these lessons learned Madam Speaker, we will develop a model that will see development of cooperatives that will manage the Programme(instead of NPOs) and also prepare the participants to develop cooperatives that can later administer the programme or offer other services based on skills acquired during the CWP.

Madam Speaker,

Our Constitution recognizes the existence and the importance of the Traditional Leaders. Traditional leaders, as community leaders and custodians of land play an important role in ensuring coordinated development. One area of concern is demarcation of sites by traditional leaders which in some instances does not align with the spatial development framework or land use schemes of municipalities. It is therefore important that we strengthen the relationship between the democratic state and traditional systems in support of developmental local governance. Equally so is the implementation of the Spatial Planning and Land Use Management Act. We need to develop innovative ways of partnership between local government and institutions of traditional leadership to ensure proper land management and development.

Madam Speaker,

As part of our commitment to support the Traditional Leadership Institution, in the last financial year, we committed ourselves to construct new Offices for Traditional Councils, refurbish those that are not in good shape and to procure furniture for those that are in need of it. I am delighted to announce that the following Traditional Council Offices were refurbished; Nyavana (Mabunda), Pheeha, Batlhabine, Mamaila Mphotwane, Mametja, Hlaneki, Bungeni, Nkidikitlana, Babirwa, Seakamela, Mathabatha, Manthata, Maja, Seloane, Bakopa Rammupudu, Bantwana, and Matlala Ramoshebo.

We further committed ourselves to construct seven (7) new offices. Work with the construction of these offices is underway in six (6) of these Traditional Councils Offices and planned to be completed by November this year. The seventh one has been rolled over to this financial year as procurement processes could not be finalized. A total of thirty three (33) traditional council offices will be provided with R5 million worth of furniture during the 2019/20 financial year.

Madam Speaker,

In an endeavour to integrate services and bring services closer to the people, we will be working together with our Provincial House of Traditional Leaders to develop a model of using these offices as multi-purpose government centres. This initiative will not only bring services closer to communities, but will also help harmonize relations between spheres of government and the institution of traditional leadership.

Madam Speaker,

Following the completion of the task of the Provincial Committee on Traditional Leadership Disputes and Claims, commonly known as Kgatla Commission December 2017, last year during the budget vote presentation we committed ourselves to communicating the outcomes to claimants.

As we are busy communicating the outcomes of the commission to claimants, I would like to take this opportunity to call on all affected to follow the correct channels and protocols in handling their discontent. Key to this call is that matters of Traditional Leadership should be left to Royal Families to discuss and conclude on them. As government, we will not allow a situation where Traditional Leadership Disputes leads to disruption of service delivery to our people, destruction of other people's properties and threat to others' lives.

Madam Speaker,

The Initiation School Programme for 2019 started on the 7th June and ended on the week ending 14th July 2019. The 2019 initiation season had a total of 317 legal schools with an enrolment of 45 896 compared to 50 379 in 2018. We however, regret that we continue to have challenges of mushrooming of illegal schools in our province. Unfortunately this year **Madam Speaker**, we recorded three (3) deaths unlike the previous year where the Province registered zero death. Despite this set-back, the partnership between the Provincial House of Traditional Leaders (custodian of the initiation programme), our department, the Department of Health and the SAPS ensure that we continue to run a successful programme in preservation of our culture.

During this financial year, we will finalize the initiation school regulations. These regulations will assist in ensuring the implementation of the newly enacted Initiation Schools Act and therefore meaning that the 2020 initiation schools season will be conducted in terms of the new Act and its regulations.

Madam Speaker,

Let me take this opportunity to thank and appreciate the Limpopo House of Traditional Leaders under the leadership of Kgoshi Malesela Dikgale and Initiation School Committee led by Kgoshi Rammupudu for the sterling work in running of our Initiation School Season.

Madam Speaker,

We will also be revisiting our Initiation School Action Plan to ensure that we improve on the management and the timelines for finalizing the applications as this will help us reduce the number of illegal schools.

The Department plans to close applications for 2020 initiation schools by December 2019, to give an ample time to address all administrative processes and other logistics. Details in this regard will be communicated through the Limpopo House of Traditional Leaders. I therefore would like to take this opportunity to call on all role-players and stakeholders to work closely with the House as we work towards improving the work of initiation schools in our province.

Madam Speaker,

As I conclude, let me extend my sincere gratitude to the Honorable Premier Ntate Chupu Mathabatha for having afforded me an opportunity to lead the department of Coghsta and the support he continues to give to us as Members of the Executive Council.

To members of the Portfolio Committee, SALGA, IEC, Mayors, the House of Traditional leaders and my colleagues in the Executive Council for the support and guidance you give to the department. I further would like to acknowledge and appreciate work done by my predecessors in the previous administration Honorable Makoma Makhurupetje and Honorable Jerry Ndou for the solid foundation you laid in this department. May I also acknowledge Team CoGHSTA led by the Head of Department, Ms. Ngaka Dumalisile for the warm welcome you gave me when I joined the department in May this year.

Lastly, I would like to thank my Family for the support you continue to give me. Your support is highly appreciated.

Madam Speaker,

It is my pleasure, to present to you and the House, Budget Vote 11 of the Department of Co-operative Governance, Human Settlements and Traditional Affairs, Budget for the year 2019/20.

I thank you.

Summary of payments and estimates by programme

R thousand	Medium-term estimates		
	2019/20	2020/21	2021/22
Administration	387,262	398,856	420,349
Human Settlements	1,476,830	1,482,173	1,518,107
Cooperative Governance	315,124	333,777	351,801
Traditional Institutional Development	541,251	523,097	551,344
Total payments and estimates	2,720,467	2,737,903	2,841,601

Summary of payments and estimates by Economic Classification

	Medium-term estimates		
R thousand	2019/20	2020/21	2021/22
Current payments	1,291,729	1,361,726	1,435,306
Compensation of employees	1,094,897	1,155,165	1,228,238
Goods and services	196,832	206,561	207,068
Transfers and subsidies to:	1,366,507	1,363,089	1,392,500
Provinces and municipalities	3,798	4,227	4,455
Departmental agencies and accounts	47	50	53
Non-profit institutions	18,494	20,154	21,242
Households	1,344,168	1,338,658	1,366,750
Payments for capital assets	62,231	13,088	13,795
Buildings and other fixed structures	50,000	–	–
Machinery and equipment	12,231	13,088	13,795
Total economic classification	2,720,467	2,737,903	2,841,601



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