



## **NATIONAL COUNCIL OF PROVINCES**

### **Policy Debate on Budget Vote No. 3 – Cooperative Governance and Traditional Affairs**

**8 June 2011**

**Honourable Minister  
Honourable Chairperson and Deputy Chairperson of the NCOP  
Honourable Members**

We wish to begin by acknowledging the intense work of the IEC, political parties and municipal officials for the very successful 2011 local government elections from which we have just emerged. In the wake of recent uprisings around the world, this is something to be celebrated. The aggressive media, communication and marketing strategies and resultant voter turnout, as well as the competitive nature of the electoral campaigns, indeed highlights that we are beginning to entrench the footprints of a vibrant local democracy.

We must be mindful, as many new councillors have taken office, that the burden on them and local government is immense. Indeed, local government has been given a very broad and challenging set of responsibilities.

As the national and provincial governments begin to engage with the new Councils, they must be mindful that effective performance by local government against that mandate requires a much more coherent and co-ordinated set of support initiatives from the other two spheres of government, in terms of policy and resources, than has been the case to date. Parliament and provincial legislatures, crucially, must play its part in ensuring that this support is forthcoming at national level and indeed in the provinces.

*More coordinated support and consultation*

As the Department seeks to strengthen cooperative governance, through instruments such as the Green Paper on Cooperative Governance and Policy Review process, we would appeal that extensive consultation with SALGA be emphasised and prioritised.

The same goes the introduction of a number of support and monitoring mechanisms, such as the Special Purpose Vehicle for Infrastructure of indeed the Inspectorate for Fraud and Corruption that the Minister referred to. The ultimate objective of these initiatives must be to build and strengthen the decentralised form of government. We premise this on the assumption that the country has not lost faith in a decentralised system of government and in the role of local government.

Whilst we would welcome additional support to municipalities, we must be careful and ensure that these instruments are indeed consistent with our developmental local government objectives and are not indicative that national government has appeared to lose faith in the decentralised system of government and is intensely, through policy and legislation, attempting to centralise powers and functions.

Moreover, in intervening and supporting municipalities, national and provincial government must realise that there is a dialectical relationship between capacity and responsibility; both work to condition and define the other – absence of responsibility diminishes the force to build capacity and vice versa. Therefore, any policy or legislative intervention and support should not take away responsibility for service delivery from municipalities.

#### *Funding Model for Local Government*

In 2009, SALGA recommended a comprehensive review of the local government fiscal framework. While there has been common agreement on the challenges, there has since been little progress to resolve them. In our view, there needs to a comprehensive review of the fiscal framework to address the fundamental structural challenges rather than introducing minor *ad hoc* adjustments to improve operational efficiency in the short term.

While there have been some attempts to introduce a differentiated approach to local government finance, we believe that there must be comprehensive review outlining a long term vision for sustainable local government finance. This must entail a differentiated approach to all the main elements of the fiscal framework configuration: expenditure assignment, revenue assignment, the vertical division of revenue, the local government equitable share, conditional grant design, infrastructure funding and borrowing powers.

#### *Need for improved councillor support*

One of our continued struggles over the last decade has been on the inadequate support for councillors, in comparison to our national and provincial counterparts. Despite comprehensive submissions made by SALGA directly to the Commission, the

remuneration and benefits of councillors has not been addressed conclusively, which still results in significant inconsistencies amongst remuneration and benefits for office bearers in the national and provincial government vis-à-vis those in local government.

Chairperson, if we are serious about a strong local government sphere and establishing a developmental local government and vibrant local democracy, then we must put our money where our mouth is. We must have due regard to the vulnerability and safety of councillors through remunerating them accordingly and providing them with appropriate insurance cover.

With these discrepancies and the number of councillors who have lost their lives, the message we are sending out to political parties and the state is that local government is not important and therefore you send your senior politicians to national and provincial government and then, whoever is left, is deployed to local government. Yet councillors are at the coalface of delivery and bear the brunt of citizens' unhappiness. This is where we need experienced political leadership the most.

#### *Need for revised funding model for SALGA and full-time leadership*

On the role of organised local government, it is a fact that SALGA is undertaking legislated functions regarding its mandatory participation in the various IGR structures. The extent and form of such participation, and whether representation is at a national or provincial level, is effectively required in terms of legislation. On that basis, we have consistently argued, and again appeal, that the mandatory participation in the IGR structures should be funded by the national fiscus. The current allocation is miniscule in relation to the obligations for participation imposed on SALGA.

SALGA is playing a crucial role in the intergovernmental arena on behalf of local government. Yet SALGA's part-time leadership, most of whom are mayors in municipalities, are expected to participate in Parliament and its committees, formal and informal intergovernmental structures and many other forums where its counterparts are full-time. In order to optimise local government's participation in key national and provincial structures, full-time political leadership at the helm of SALGA must become a reality.

In order to play its role effectively, SALGA needs adequate resources, both human and financial. Full-time councillors to represent local government in all IGR structures where its participation is required, and to advance the local government agenda, is a critical lever if SALGA is to be effective as a representative body of local government. Failing this, SALGA will continuously struggle to represent local government at the least, adequately, or at best, effectively in these kinds of structures.

#### *In Conclusion*

We must consolidate the gains made in the last decade by addressing some of the fundamental constraints hampering local government in our quest to effect development, so that the third generation of councillors that have just stepped into the fray and those after them have a more stable, sound and equitable policy framework to deliver on the developmental mandate.

Chairperson, we are committed to working with the CoGTA to ensure an integrated approach to service delivery and that the developmental vision of local government is realised. We trust that the Department will take these issues into account as we begin our work for the next term of local government.

I thank you.

**Cllr CC Brink**