

VOTE 13: HUMAN SETTLEMENTS
VOTE 8: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

BUDGET VOTE SPEECH FOR THE 2014-2015 FINANCIAL YEAR

PRESENTED BY MEC SM MLAMLELI

MEMBER OF THE EXECUTIVE COUNCIL FOR COOPERATIVE GOVERNANCE,
TRADITIONAL AFFAIRS AND HUMAN SETTLEMENTS

9 July 2014

Honourable Speaker

Honourable Premier and Members of the Executive Council

Honourable Members of the Legislature

Executive Mayors, Mayors, Speakers, Chief Whips and Councillors

Chairperson of SALGA and the Executive Committee

Heads of Departments

Marena le Dikgosi

Veterans and stalwarts of our Liberation Struggle

Distinguished guests

Comrades and friends

Ladies and Gentlemen

Madam Speaker, we had, as part of the Delivery Agreement signed with the Minister of Human Settlements to fast track the achievement of the Outcome 8 targets for the province, undertaken to accomplish the following before the 31st March 2014;

- Upgrade 26 400 households in well-located informal settlements with access to basic services and security of tenure
- Develop 5 280 well-located and affordably priced rental accommodation
- Accredite 1 Metropolitan Municipality

- Expand the National Upgrading Support Programme (NUSP) to six (6) municipalities.

Over and above the stated targets, we also made additional commitments during the departmental budget vote speech for the 2013 /2014 financial year and it is fitting at this point to report progress made against those commitments as well as challenges that could have hampered our diligent and conscientious efforts aimed at accomplishing our targets. During the past year, the department accomplished the following major key deliverables:

- Completed **an audit of incomplete housing projects** in the Province, assessment of their structural integrity and costs to complete.
- During the past financial year, for the first time the Department developed a Human Settlements **Project Pipeline** to determine the optimal mix and sequencing of proposed projects to best achieve the Department’s human settlements goals.

This plan determines the MTEF expenditure and investment for bulk infrastructure, internal reticulation services and shelter provision. It is a “negotiated plan” with relevant sector departments, Municipalities and relevant State Owned Entities to inform the disbursements and flow (sequencing) of funding to human settlements projects. The department now has:

- Projects prioritized and sequenced to align to policy priorities and available budgets, and
- Projects’ Planning and Readiness.
- The development as well as implementation of a **Quality Management System (QMS)** through the optimum staffing of the Project Management Chief Directorate to oversee the packaging of housing projects and their continuous monitoring with a view of ensuring the provision of high quality houses.

- The delivery of **6920 quality housing units** as part of the government's strategy of providing housing, security and comfort to the people of the Free State in line with the Bill of Rights as enshrined in the Constitution of the Republic and the Freedom Charter.
- Prioritization of the eradication of buckets toilets and VIP toilets systems, thereby allocating R330 million, which resulted in the eradication of **5058 buckets** during the year under review.
- On informal settlements, **4253 sites were planned and surveyed** in various areas of the province, informal settlements have been audited across the Free State Province and rapid assessment were completed in 8 municipalities, 3 settlements technical upgrading plans and 35 settlements enumerations were completed from **5 National Upgrading Support Programme (NUSP) Municipalities**. Key notable success of this programme is that the Free State Informal Settlements Upgrading Strategy has been completed.
- **7203 sites** were connected to basic water and sanitation as part of the IRDP and Informal Settlements Upgrading Programme because like we normally say "Water is Life and Sanitation is dignity" those households who were given access to water and sanitation were given the life while their dignity was restored.
- During the year under review, the department acquired 8 strategically well located land parcels measuring 1118, 371 hectares in extent in **Mangaung Metro, Metsimaholo, Letsemeng, and Maluti-A-Phofung Local Municipalities** for the creation of Integrated and Sustainable Human Settlements.
- **7437 Title deeds** were verified and handed over to housing beneficiaries as part of government's strategy of giving our people back their dignity whilst at the same

time promoting home ownership amongst the historically disadvantaged and dispossessed

- During the year under review, the department awarded **Mangaung Metro level 2 accreditation** and has ensured that a plan is mapped out for the proper management of level 3 accreditation for the Metro.
- The department hosted a successful Provincial Govan Mbeki Human Settlements Awards ceremony showcasing best practices in the human settlements arena. This was followed by the national awards in which the department won three awards in the category of Community Residential Units (CRU), youth and women contractors.
- During the year under review, the department worked tirelessly with municipalities, appointed contractors and consulting engineers to expedite service delivery resulting in the department spending 100% of its allocated Human Settlements Development Grant thus showing a greater improvement of its spending and delivery capacity.
- The development, completion and allocation of **402 affordable rental units** as Phase 1 of the Brandwag Social Housing Project for households earning between R1 500, 00-R3500, 00 and between R3500-R7500. The 495 units of Phase 2 are currently under construction. These will run parallel with the commencement of Phase 3 which is due to start and will yield 154 units once completed.
- **312** of the completed 461 units at the pilot Masimong 4 CRU project have already been allocated to eligible households. Having learnt from the challenges experienced by the management company in relation to the rental collection, the Department will be implementing an improved model of project

management in other CRU projects with a particular intention of handing over the finished CRU projects to the relevant municipalities swiftly.

- The completion of **132 units** of the 450 CRU units earmarked for the Merriespruit Hostel in Virginia, Matjhabeng Local Municipality. The remaining 318 units are at varying levels of completion and will be completed by April 2015.
- The allocation of institutional subsidies for the development of the Hillside View Social Housing Project for households earning between R1 500, 00-R3 500, 00 and between R3500-R7 500, 00.
- The department has completed **98 units** as Phase 1 of the Zamdela Community Residential Units in Sasolburg in the Metsimaholo Municipality as part of our strategy of improving the quality of life of the working people.
- The completion of the additional accommodation at the Mphatlalatsane Special Needs Housing Project.
- Appointment of a service provider to streamline the HSS ensuring its efficiency and effectiveness. This process will greatly improve the integrity of the data and statistics collated in and gleaned from the HSS, as there has been a data clean up aimed at bringing synergy between the HSS and BAS.
- The department, during the financial under review, utilized the mobile application and GIS technologies to profile housing projects in terms of their geographic spread as well as monitoring and inspection of contractor's performance on a click of a button.

Madame Speaker, the department has continued to consciously prioritise the elderly, disabled persons and child-headed households in the allocated housing projects.

- **15** Projects amounting to **984 units** that were part of the **Rectification Programme** (involving the demolition of one door and two roomed as well as dilapidated houses)in have been converted in the following areas:

- Bloemfontein: Phelindaba and Heidedal
- QwaQwa: Bluegumbosch
- Bothaville: Dikgeleng
- Hennenman: Putswastene
- Parys: Schonkenville.

Peculiar challenges to the programme include:

- Family squabbles
- Unfinished deceased estates
- Houses rented out to tenants
- Houses sold illegally
- Land still registered in the names of the affected municipalities.

*On addressing the housing needs of the Gap Market (households earning between R 3501 and R 15 000 per month) through the Finance Linked Individual Subsidy Programme (FLISP), we hereby report that in preparation for the implementation of FLISP an amount of **R84 million** to cater for **976 subsidies** was transferred by the department to the implementing Agent **NHFC (National Housing Finance Corporation)**. However, there were peculiar challenges encountered by the department with the approvals of eligible households by the Financial Institutions.*

Madame Speaker, on dealing with 2014-2019 trajectory, it is noteworthy to mention that the immensely improved and updated **Outcome 8** underpinned by the **2014-2019 Medium Term Strategic Framework (MTSF)** as informed by and aligned to both the **National Development Plan (NDP)- Vision 2030** and the **2014 African National**

Congress Election Manifesto, require of us to roll up our sleeves and put our shoulder to the wheel to ensure the vigorous and enhanced pace of service delivery to bring our province and people forward.

To that end all of the Human Settlements projects that we have allocated and those that will be allocated in future under the various Programmes have to reflect compliance with the following **2014-2019 Human Settlements Priorities**, namely;

- **Integrated human settlements residential programmes** to provide **all inclusive amenities and public transport** and overcome apartheid spatial development.
- Provide the **Free State quota in proportion to the (national target of) one million housing opportunities** for qualifying households in urban and rural settlements over the next five years.
- Provision of **basic services and infrastructure** in all **existing informal settlements** will and has to be accelerated.
- The supply of **affordable housing** will be increased through mobilization of housing allowances for teachers, nurses, police officers, office workers and many others in the **gap market**.
- The **backlog of title deeds** will and has to be eliminated. New homeowners in the subsidy market will be **issued with title deeds on occupation**.
- There will be **close co-operation with the financial institutions, the FDC, private sector organizations, co-operatives and social partners** to increase the provision of **capital** for housing. This will include the establishment of a mortgage insurance scheme;
- The number of housing units in **better – located mixed income projects** will and has to be increased, especially in **social, co-operative and rental housing** to revitalize inner cities, mining towns and developing cities.
- **Catalytic projects**, such as integrated residential programmes, will and has to be used to direct investment and overcome apartheid spatial geography.

It must be emphasized that “**Adequate housing**” in this context means adequate privacy, adequate space, physical accessibility, adequate security, security of tenure, structural stability and durability, adequate lighting, heating and ventilation, adequate basic infrastructure such as water supply, sanitation and waste management facilities, suitable environmental quality and health. Related factors include adequate and accessible location with regard to work and basic facilities, all of which should be available at an affordable cost. Services include those required by a community for the fulfilment of its functions as a social body such as education, health, culture, welfare, recreation and nutrition.

Honourable Speaker, the Honourable Premier pertinently captured the spirit and purport of the Freedom Charter in this, the 59th Anniversary of the People’s Charter in the recent State of the Province Address (SOPA) of 26th June 2014. Here he reiterated that **THERE SHALL BE HOUSING, SECURITY AND COMFORT**. We wholeheartedly and unequivocally agree with him when he said “We will continue to implement various housing Programmes to ensure that we provide decent housing for our people ...”

The high impact **Integrated Sustainable Residential Development Programme (IRDP)** will be implemented in the following areas:

- Caleb Motshabi (Dinaweng) in Mangaung
- Thandanani in Matjhabeng
- Wesselsbron in Nala
- Refengkgotso in Metsimaholo
- Ficksburg in Setsoto.

We will implement the **Rectification of Stock Programme** through the demolition of one door and two roomed houses in the following municipalities:

- Mangaung (Bloemfontein, Botshabelo and Thaba Nchu)
- Moqhaka
- Ngwathe
- Matjhabeng
- Letsemeng

- Mantsopa
- Metsimaholo
- Maluti A Phofung

Social Housing has become a critical programme to implement as it promotes densification and integration of communities we will continue to implement it in Brandwag and Hillside View in the Mangaung Metropolitan Municipality.

The **Community Residential Units (CRU)** Programme will be implemented in the following areas:

- Mangaung (Dark City and Silver City Hostels)
- Matjhabeng (Merriespruit and G Hostels)
- Metsimaholo (Zamdela Phase 2)
- Moqhaka (Bokahosane Ba Bana, a special needs housing project)

We will work with the Traditional Leaders to implement 300 **People's Housing Process (PHP) Programme** in various villages in QwaQwa.

The projects under the programmes referred to by the Honourable Premier as well as all other projects, inclusive of the catalytic projects, will definitely go a long way in gravitating the department, the province and the country towards a society envisioned in and by the **NDP's Vision 2030**.

Some of the **key and strategic complementary interventions** to be implemented by the Department and its Social Cluster partnering departments and SOEs include:

- The eradication of informal settlements and the bucket sanitation system will be accelerated.
- All buckets must be eradicated by the end of the 2015/2016 financial year.
- Access to basic infrastructure and services must be included in all new developments.
- Title deeds will be issued to homeowners and issuing of title deeds will form part of the housing development process.

- A provincial plan to address the deeds backlog will be developed and implemented by March 2015.
- The supply of housing opportunities will be increased using different tenure types to ensure the diversity necessary for addressing the social, economic and cultural needs.
- All Municipalities and the Department of Public Works and Infrastructure will fast track the release of well-located land for housing and human settlements targeting poor and lower middle income households.
- New housing designs and alternative technology must and will be considered and experimented by the Department. A pilot project on alternative building technology (ABT) is already being implemented at Thembalihle Extension 4, Vrede in the Phumelela Local Municipality.
- The Department will plan for development of Westminster in Mantsopa in this financial year.
- The bottlenecks, which negatively affect the implementation of the Matlharantlha project in Kgotsong, Bothaville, will be resolved in due course.
- The department ' s programme of action will include these projects:
 - Replacement of 2-roomed houses in Zastron, Soutpan, Jacobsdal and Sandersville
 - Provision of services for 4000 sites in Kroonstad and 1500 sites in Steynsrus
 - 300 houses in Bethulie
 - 400 houses in Parys
 - Construction of houses in Brandfort and all other coloured areas
 - PHP projects will be allocated to traditional villages in QwaQwa and the Trusts in Thaba Nchu.

Honourable Speaker, the department has geared itself to really hasten the pace of Human Settlements delivery and to improve the quality of workmanship in the housing

units built in the province, by immensely enhancing the technical expertise through the recruitment of a **Chief Engineer** who is supported by resident **Project Managers** in each district.

Moreover, the department has embarked on a process of ridding the Human Settlements sector of unscrupulous contractors by establishing a database of competent contractors who have been graded in compliance with stringent standards set by the **Construction Industry Development Board (CIDB)**. This grading is additional to the requirements of the **National Home Builders Registration Council (NHBRC)** and the **bank ratings** of each contractor.

We have also greatly enhanced our contracts by utilizing the **General Conditions of Contract (GCC)** which is a standard in the private sector construction industry with the **Retention Clause** that ensures that the finished houses are first allowed to be exposed to the elements (wind ,dust, rain , the sun, etc.) before the retention money is paid out to the Contractor. Any shoddy workmanship by a Contractor means that he/she will not receive the retention money

These efforts by the Department ensure compliance with **Sub-Outcome 3 (Enhanced Institutional capability for effective co-ordination and spatial investment decisions)** under **Outcome 8** and in turn really assist in retrofitting the current settlements into the integrated and sustainable Human Settlements required by the **NDP**.

Madame Speaker, I hereby present the Budget for the Department of Human Settlements for the 2014 /2015 financial year which is **R 1 210 317 000** in total comprising R146 561 000 Equitable Share Allocation plus R1 061 756 000 Human Settlements Development Grant and R2 000 000.00 EPWP Grant), appended in Annexure A.

VOTE 8: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Speaker, in contributing to the achievement of the priorities set out in the 2014-2019 MTSF, thereby improving the lives of our people in the Free State Province, the department has set the following goals over the next 5 years:

- (i) To facilitate the creation of accountable and sustainable local governance through effective collaboration with all stakeholders.
- (ii) To promote and facilitate integrated development and planning on local government level.
- (iii) To promote and facilitate viable and sustainable Traditional Institutions.
- (iv) To promote and enhance the effective and efficient functioning of the Free State House of Traditional Leaders

Cabinet adopted among others, Chapter 9 as per the National Development Plan for the 2014-2019 MTSF period, consisting of the following sub-outcomes:

1. Members of society have sustainable and reliable access to basic services.
2. Intergovernmental and democratic governance arrangements for a functional system of cooperative governance strengthened
3. Sound financial and administrative management
4. Promotion of social and economic development
5. Municipalities demonstrate quality management and administrative practices
6. Local public employment programmes expanded through the Community Work Programme
7. Promotion of a safe and healthy environment

These are some of our key plans for the 2014/2015 financial year:

Performance Contracts and Employment Contracts form the basis for the strengthening of **administrative and institutional capabilities** of municipalities. The status on the submission of Performance Agreements and Employment Contracts by municipalities is not as it should be and needs to be improved.

The department will rollout a programme towards implementing the Local Government Regulations on the appointment and conditions of employment of senior managers to both municipal administration and political echelon. This will ensure that municipalities comprehend their responsibilities towards complying with legislation.

During the past few financial years, we have implemented various initiatives in support of the objectives of **Operation Clean Audit and Viable Municipalities**. During the 2014/2015 financial year, we will continue to support municipalities to achieve clean audits.

Speaker although there are so many challenges facing municipalities however it is befitting to indicated that in the past two financial year and more the following municipalities (Fezile Dabi, Lejweleputswa, Thabo Mofutsanyana, Tswelopele, Nketoana and Dihlabeng) have been receiving unqualified audit reports and with Mohokare and Kopanong showing improvement towards unqualified audit report in the near future.

In terms of the Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000), every municipality must establish a functional **performance management system** that is commensurate with its resources and best suited to its circumstances in line with its priorities, objectives, indicators and targets as reflected in its Integrated Development Plan (IDP). The Act goes further to outline reporting requirements.

Speaker, over the past years we experienced a decline in **municipal reporting** regarding the LGTAS as Cabinet's adopted government programme and the submission of quality Section 46 reports. Municipal reporting has posed a challenge, which affected the monitoring of the performance of municipalities negatively. In order to mitigate this challenge, the Department, in partnership with the University of the Free State, developed a Monitoring and Evaluation System, which will streamline municipal reporting. During the 2014/2015 financial year, we will therefore capacitate municipalities on how to report on their performance in terms of this Monitoring and Evaluation System.

Motsamaisi wa dipuisano, Moporimiri wa Freistata le ntlo e kgethehileng, ke thabo le motlotlo ho nna ho hlokomedisa ntlo ena ka tse latelang mabapi le maikemisetso a lefapha ho etsa bonnete ba hore baahi ba nka karolo mererong ya ntshetso-pele ya maphelo a bona.

Community participation is the cornerstone of developmental local governance. In improving localised ward development plans, the department will, during the 2014/2015 financial year, strengthen the implementation of **community based planning** methodology. This will not only serve as an important tool to monitor the effectiveness of our system of ward committee, but will also provide certainty and value for money with regard to the stipend we are paying members of the ward committees.

Speaker in the last financial year (2013/14), we conducted train-the-trainer workshop in partnership with Khanya, 17 municipalities attended the training (Fezile Dabi, Mafube, Ngwathe, Metsimaholo, Mangaung, Lejweleputswa, Nketoana, Dihlabeng, Mantsopa, Setsoto, Naledi, Tswelopele, Mohokare, Nala, Maluti-a-Phofung, Phumelela, and Letsemeng).

For the current financial year (2014/15) practical training for ward committees and community organisations was done at 5 Municipalities (Naledi, Dihlabeng, Mantsopa, Setsoto, Tokologo), the outcome of this process should be 317 ward operational plans for 2015/2016 municipal financial year.

Speaker, in his address of the State of the Province, the Premier directed the department to develop a **complaints and compliments management system**. The System will be launched during the 2014/2015 financial year. The effectiveness of the system however depends on the cooperation of all municipalities. We therefore call upon all our municipalities to start making the best use of the system.

The department collaborated with Provincial Treasury, the Auditor General of South Africa (AGSA) and the University of the Free State to develop mechanisms towards aligning Municipal Integrated Development Plans (IDPs) with their budgets, thereby enhancing legally compliant **Service Delivery Budget and Implementations Plans** (SDBIP)).

The department will, during 2014/2015, support municipalities in meeting the following minimum performance standards:

- Development and adoption of municipal IDPs in line with legislation governing IDP and IDP revised framework.
- Clearly articulating the alignment of national and provincial priorities.
- Strengthening the integration of sector plans in line with the IDP revised framework.

Motsamaisi wa dipuisano, mmuso o etelletsweeng pele ke mokgatlo o moholo wa African National Congress ha o so tshwarisi batho ba Free State “phupe ka lefe”. Boiketong ba dikgetho tse fetileng tsa naha, re tshepitsitse batho mesebetsi le ho nka karolo moruong wa naha.

Indeed we are implementing the manifesto as promised. As I have indicated during the 2013 Budget Speech, we have established 13 CWP sites in various municipalities. This resulted in the creation of **18,000 work opportunities** for members of various communities.

Speaker, in our quest to keep our communities clean, the department has appointed Enviro Mobi. This company will assist all the local municipalities in the province to manage waste removal, separate recyclable waste, creating business opportunities as waste recycled, by creating industrial had for manufacturing and creating 1015 jobs targeting youth.

Speaker, during the State of the Province Address, the Honourable Premier has committed to fast track the process of changing the lives of communities in the province. In responding to this commitment, the Free State Province has received an additional 1500 intakes of participants for distribution to various municipalities. These will be allocated to Mantsopa and Maluti A Phofung ,QwaQwa in particular.

The Department of Cooperative Governance and Traditional Affairs (COGTA) successfully monitored, supported and intervened with the implementation of Municipal Infrastructure Grant (MIG) projects in 19 Local Municipalities.

An amount of R968, 682,000.00 was allocated to the Free State in terms of the Municipal Infrastructure Grant (MIG) for the 2013/2014 financial year.

Of this allocated amount, **R955,453,905.22** that is **99%** of the allocated budget, was spent by the end of June 2014.

This is an improvement of 4% on last year ninety five percent (**95%**). In addition, the MIG rollover of 2012/2013 totaling fifty one million nine hundred and twelve thousand, one hundred and sixty 4 rand and sixty-six cent (**R51, 912,164.66**) was also spent by the end of June 2014.

Hon Speaker, 18 of the 19 municipalities in the province have spent 100% of their total allocated MIG funding. I wish to congratulate them in this regard.

Of noting Speaker, is the fact that only Mafube Local Municipality was unable to spend their Municipal Infrastructure Grant. Mafube Local Municipality has spent **46%** of their

grant, which is **R24, 533,000.00**. This leaves an unspent balance of approximately **R13, 2 million**.

The implementation of MIG projects created **6 641** temporary jobs for the youth and people with disabilities. Of further noting, is that **30% (2,024)** of the **6 641** was employment towards women.

We will continue to facilitate the successful implementation of MIG projects amounting to **R813, 654,000** in the 2014/2015 municipal financial year. The allocation will be divided into the following services: 9% (R70m) for water, 24% (R192m) for sanitation, 28% (R227m) for roads and storm water, 20% (R164m) for sport and recreation facilities, 5% (R36m) for solid waste disposal, 14% (R125m) for other services such as high mast lights, taxi ranks, fire fighting, cemeteries, fencing, street trading and Project Management Units (PMU's). These priorities might change depending on changes within municipalities.

R26.883 million was allocated for the 2014/2015 financial year towards urgent infrastructure interventions within the Free State Province:

- a. Technical support to Municipalities: R10,944m
- b. Maluti a Phofung LM: R2,750m: Cleaning of 5000 VIPs
- c. Mangaung Metro LM: R3, 850m: Cleaning of 7000 VIPs in Thaba Nchu and Botshabelo.

The balance will be utilized by the Department for further identified interventions where needed.

During the 2014/2015 financial year, municipalities will be assisted and supported in the following areas:

- Reporting, both financial and non-financial.
- Capturing of project information on the MIG Management Information System (MIS).

- Technical assistance and advice.
- Project implementation planning.
- Evaluation on the performance of PMUs within municipalities.

Provision for integrated sustainable human settlements remains one of the key priorities of Government. Thus, **3478 new residential sites were created** during 2013/2014 **through township establishment processes**. This will also result in the creation of new businesses, jobs and social amenities. We remain committed to expedite the approval of township establishment applications.

The new **Spatial Planning and Land Use Management Act** (No. 16 of 2013) intends bridging the racial divide and providing measures to transform the settlement patterns of the country created by previous discriminatory legislation.

We have already conducted a municipal readiness assessment. During the 2014/2015 financial year, the Department will ensure that municipalities are capacitated to successfully implement the Act, and more specifically by:

- Training councillors and officials on new legislation;
- Training of Ward Committees.
- Capacitating municipal officials in the management and processing spatial planning. development applications; and
- Encouraging municipalities to employ professional town planners.

In compliance with the Spatial Planning and Land Use Management Act, 2013, I will, during 2014/2015, table before this House a Free State Provincial Spatial Planning Bill. All municipalities in the Free State are providing **free basic services** to households. Municipalities are in the process of aligning their indigent policies and registers to the National Framework, thereby ensuring that only qualifying households have access to free basic services such as water, electricity, refuse removal and sanitation.

750,081 Households in the Free State currently have access to basic electricity. During the 2014/2015 financial year, the Department will facilitate the implementation of electrification projects by Eskom and the Department of Energy for 2930 households in the Province.

The **Provincial Disaster Management Centre** has continued to provide intervention support to municipalities towards dealing with disaster management issues and associated implications. Disaster mitigation and contingency plans intending to support municipalities to deal with the effects of climate change will be improved during the 2014/2015 financial year. This includes participating in climate change forums and implementing the outcomes thereof. We will strengthen the centre by appointing competent Manager and the intake of 24 Masters Students in disaster management.

We commit ourselves to establish and ensure the effective functioning of the **Provincial Political Disaster Management Committee**. This will ensure the improved coordination of disaster management within the Province.

Awareness campaigns and interventions will be concentrated in areas that are vulnerable to disasters such as in Thabo Mofutsanyana. Campaigns on evacuation and resettlement issues will be implemented in district municipalities to capacitate communities.

The Provincial Disaster Management Centre will actively engage the Departments of Human Settlements, Health, Transport and Education as well as municipalities on the reconstruction of damaged houses, schools, hospitals and infrastructure.

Speaker, during the 2013/14 financial year, the **Traditional Institution** was supported in the following areas:

- a. The proclamation on remuneration of public office bearers was issued and for the first time, the headmanship category was included. We have paid arrears of all headmen in the Province as per the stipulations of the relevant proclamation. The headmen who used to receive the stipend of R3000 per month are now receiving a salary of R6 700.
- b. Ten Traditional Councils were reconstituted and the outstanding two will be reconstituted in the 2014/15 financial year.
- c. Strengthening accountability within the institution of traditional leadership and to government is important as it illustrates good governance. Thus, we successfully audited ten (10) Traditional Councils. We have also monitored the performance of Traditional Councils and two bi-annual performance reports for all traditional councils were produced.

In the 2014/2015 financial year, our planned support to Traditional Leadership in the Province will include the following:

- a. The department will provide the Two Kingship offices with a minimum budget of R50 000 each per year for office administration.
- b. The National Department of Traditional Affairs has provided provinces with a national framework on the tools of trade to guide provinces to develop a provincial framework. We will be reporting on our comprehensive plan to address this matter. We acknowledge that the tools of trade are essential resources to enable the functioning of the traditional leadership institutions.
- c. The National Framework for the participation of Traditional Leaders in Municipal Council has been developed and will be consulted with relevant Municipal Councils for implementation in 2014/15 financial year.

During the 2014/2015 financial year, we will table before this House the following two pieces of legislation:

- a. The Free State Provincial and Local Houses of Traditional Leaders Bill, which has been pending for a considerable period, will be presented to the House during the 2014/2015 financial year. The purpose of the Bill is to *inter alia*:
 - Make provision for the establishment of a Provincial House of Traditional Leaders and Local Houses of Traditional Leaders.
 - Address the limitations of the House of Traditional Leaders Act, 19094 (Act No. 6 of 1994).
- b. The Free State Traditional Leadership and Governance Act, of 2005, as amended. In its current format, the Act needs to be rationalized to comply with the pending national Traditional Affairs Bill. The main objects of the Bill are to, *inter alia*,:
 - Consolidate existing national legislation dealing with traditional leadership and as a result thereof, to repeal the National House of Traditional Leaders Act, 2009; and the Traditional Leadership and Governance Framework Act, 2003.
 - Addresses the limitation of the two laws that are to be repealed.

Speaker, allow me to take this opportunity to congratulate Morena Neo Mopeli of Thaba Bosiu for obtaining his B. Com Degree at the University of the Free State, QwaQwa branch.

Honourable Speaker, let me take this opportunity to thank the Premier and Members of the Executive Council for their continued support, as well as Members of the Portfolio Committee and the Legislature, the House of Traditional Leaders and the entire Traditional Leadership; the Heads of the two Departments and staff, all Municipalities, SALGA Free State and my organisation, the African National Congress.

I also want to thank my family for always being by my side. On this note, Honourable Speaker, I hereby present the budget votes of the Departments of Cooperative Governance and Traditional Affairs, and Human Settlements as appended.

Ke a leboha.