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Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA

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Department of Local
Government
Western Cape Province
Republic of South
Africa



IDP HEARINGS 2005

PANEL REPORT

CENTRAL KAROO DISTRICT (DC5) WESTERN CAPE

Panel Members	Organisation
Mr Elroy Africa (Chairperson)	dplg
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Mr. Ashraf Adam	Independent (MCA)
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Dr. Laurine Platsky	Office of Premier
Mr. Albert Van Zyl	Provincial Treasury

VENUE: Municipal Council Chambers, Stellenbosch

DATE: 19 May 2005 (session)

1. BACKGROUND TO THE HEARINGS

The Local Government MINMEC meeting held on 12 November 2004 mandated government to hold nation-wide Hearings on Development Planning. These are scheduled for every district and metropolitan municipality between April and June 2005.

The IDP Hearings take the form of an inter-governmental dialogue around the issues in the Districts/Metros and are aimed at assessing how the whole of government is prioritizing development, allocating resources and implementing in the district and metropolitan areas. It is therefore aimed not only at assessing the municipalities but also provincial and national input and support.

IDP hearings for Western Cape province took place from the 18th –20th of May in Stellenbosch.

This Panel Response report highlights the most critical issues emerging from the Central Karoo District Hearings. It acknowledges the context and capacity of the District and provides a panel response to development challenges raised. It also proposes actions, which may need to be taken up by District, national, and/or provincial spheres, ensuring a collective responsibility for service delivery.

2. THE PANEL VIEWED THE MAIN DEVELOPMENT CHALLENGES FOR THE DISTRICT AS BEING:

- a) One of the main challenges that the Central Karoo District Municipality (CKDM) is faced with, is creating sustainable employment opportunities in the area, as well as alleviating poverty. From the DM's IDP, it is stated that the District has the highest poverty rate in the Western Cape and it is higher than the provincial municipal average of 23.1%. Thus, the District is struggling to address the above challenges in a holistic and strategic manner.
- b) Related to the issue of poverty and unemployment, is the prevalence of social poverty as well as poor living standards within the CKDM. The District has not been able to fully tackle the issue of informal settlement. This 'persistent' burgeoning of informal settlements is linked to the lack of a strategic approach to land redistribution in the Western Cape as a whole.
- c) The CKDM has not been able to forge links and/or networks with other spheres of government as well as other relevant role players. The root cause of this lack of 'connection' with other role players can be linked to lack of communication between the CKDM and other spheres of government.
- d) Moreover, like most district municipalities in the country, the CKDM is yet to address its housing as well as infrastructure backlogs.
- e) Addressing the abovementioned, backlogs will be difficult, considering the District's declining economic base. The CKDM is reliant on agricultural as well as the tourism sector. These almost 'seasonal' economic activities have a direct impact on how citizens pay their rates. Consequently, the CKDM's ability to raise revenue quite limited.
- f) Linked to the issue of revenue is the District's inability to systematically handle its finances. Weak financial management in most municipalities has resulted in the wastage of scarce resources as well as mismanagement of government funds. This challenge is not confined to the CKDM only; it is also prevalent in other districts such as Eden and the West Coast.
- g) The uneven spread of capacity and skills level has been highlighted as one of the key challenges faced by the District. With high levels of illiteracy in the area, it becomes difficult for the District to find suitable candidates who could fill in management posts. Less wonder, the CKDM has to rely on the services offered by consultants.
- h) The Karoo has a sensitive environment. Over the years, it has been difficult for this District to attract and retain investment in the area. Furthermore, most municipalities have not been able to engage with issues around sustainable

development. Thus, the District as a whole is yet to understand the concept and/or the practice of promoting sustainable settlements.

3. THE PANEL VIEWED THE KEY DRIVING FORCES FOR ECONOMIC DEVELOPMENT AS BEING:

- a) The CKDM's economic base is centered around agricultural and tourism activities. Effort is being made however to promote other economic sectors particularly trade, transport, public service and finance.
- b) Apart from promoting the abovementioned economic sectors, there has been a bid by the District to foster local economic development activities in the area. This promotion of LED involves harnessing SMMEs in the area particularly those involved in tourism. Furthermore, the use of the natural environment as an economic strategy is being seriously considered.

4. PROPOSED INTERGOVERNMENTAL ACTIONS

4.1 WATER, SANITATION, INFRASTRUCTURE

The panel notes that:

- a) The CKDM has made some inroads insofar as infrastructure investment is concerned. In Laingsburg LM and Murraysburg, for instance, the CKDM has managed to provide basic services to the majority of the citizens. In Beaufort West LM, all residents are said to have access to water within the prescribed norm of 200m. Furthermore, in terms of sanitation as well as electricity provision, all the municipalities (excluding the rural areas) have adequate access.
- b) An effort is being made for the provision of basic infrastructure to be extended to the rural communities particularly in Prince Albert LM. In order to achieve its goals, the District has to create an exact profile of backlogs in rural areas.
- c) From the presentation made by the CKDM, there is an indication that the Extended Public Works Programme (EPWP) is creating jobs for a large number of citizens. The District has employed labor-intensive methods in its EPWP implementation, resulting in job creation.
- d) The Municipal Infrastructure Grant (MIG) has also been used to fund projects that create employment for local people. In Murraysburg, for instance, a substantial amount of money is being used for road construction and maintenance.

4.2 LAND MANAGEMENT AND HOUSING

The panel notes that:

- a) In terms of land management and redistribution, there are challenges that are yet to be addressed. Like in most district municipalities, much of the land is privately owned (usually by Whites). Consequently, it becomes difficult and expensive for the public sector to buy that particular land at a market price. The public sector's

- inability to buy/own much of the prime land results in the slow delivery of low-income housing.
- b) In order to address the land issue satisfactorily, there is a need for relevant departments (i.e. the DLA and dplg) to engage with municipalities, thus coming up with a strategic and holistic land redistribution policy. As the CKDM rightly states, issues around land redistribution and housing delivery do not fall directly under the competencies of district and local municipalities. Other spheres of government need to come to the party as they have the capacity (in terms of finance and human capital) and the legislative authority to do so.
 - c) Lack of a coherent housing delivery strategy in the CKDM, has resulted in the mushrooming and/or growth of informal settlements. A provincial-wide strategy housing strategy is what is needed in the Western Cape.
 - d) The CKDM has blamed the provincial government for the red tape that exists, particularly in the release of commonage land for development. An example in Beaufort West LM, where it takes four months to release land for development, was cited.
 - e) The delivery of housing in the District is closely linked to the land ownership pattern. If the private landowners do not want to or are reluctant to cooperate with the public sector insofar as the redistribution of land is concerned, there is bound to be chaos.

The panel is concerned about or recommends that:

- a) In order to benefit from the involvement of other spheres of government particularly in issues around land management and housing delivery, the CKDM must have a viable Spatial Development Framework (SDF) that is in line with the District IDP as well as the Provincial Spatial Development Framework. A progressive SDF in the CKDM is likely to foster spatial as well as socio-economic integration that is so needed in the area.
- b) The CKDM does not have a progressive SDF in place. Furthermore, the panel came to a realization that the District does not have a concrete housing delivery strategy. Furthermore, there has not been any fruitful liaison or engagement between the CKDM and the relevant national and provincial departments on issues around land ownership and redistribution.
- c) The Department of Land Affairs was requested to engage with the CKDM as soon as possible to address the issue of land ownership and housing delivery in an equitable manner.

4.3 ECONOMIC DEVELOPMENT AND FINANCIAL MANAGEMENT

The panel notes that:

- a) The CKDM is faced with a challenge of diversifying and/or expanding its economic activities. Presently, the agricultural as well as the tourism sectors are the main economic activities that employ a large number of people in the area.
- b) The CKDM has embarked on a number of projects that seek to raise revenue for municipalities, and at the same time upgrade the living conditions of the community. In the Laingsburg area for instance, a substantial amount of MIG has been used to promote SMMEs. Furthermore, an effort is being made by the District (and other role-players) to impart skills that would enable the community to actively participate in economic activities within the District.

- c) Although the CKDM was concerned with the temporary jobs created by the EPWP, it acknowledged the positive impact that the programme has in the community. In the Beaufort West LM for instance, local contractors have been used in most of the contracts that embody the principles of the Extended Public Works Programme. These opportunities have improved the livelihood and the living standards of the majority of the people in the District.
- d) Interesting ideas were raised by the District, which believed that the Karoo was not as economically 'dry' as it was purported to be. The CKDM stated that it could use its geographical advantage to foster economic growth within the area. One way of doing this was by building/investing in a 'money spinning' initiative such as a casino. Alternatively, the Mayor came up with the idea of building a prison in the area.
- e) Although the abovementioned ideas were criticized or dismissed as 'daylight dreaming' by some panelists, it must be realised that there was potential to transform the economy of the CKDM for the better. Such ideas do not only reflect the wishes and dreams of local people who are trying to maximize their geographical advantages and local experiences, it is also indicative of the District's innovative and creative nature. In any case, strategic planning and economic growth can only be achieved through creativity and innovation.

The panel recommends that:

- a) Although the CKDM has interesting ideas on how the District economy can be enhanced, there is a need for a clear-cut economic strategy that can involve and benefit the poor within the District. Furthermore, a team (possibly from the dplg and SALGA) should engage with the CKDM, offering guidelines on how the District can deal with issues around economic development. For the economic strategies to be more than 'shopping lists', they must be in line with the IDP.
- b) Lack of skills and expertise in the area need to be addressed immediately. The uneven spread of capacity and skills levels in the area has a negative impact on the District's economic wellbeing. Thus, relevant provincial sectors need to engage with municipalities in this District to come up with a training programme that would capacitate and subsequently empower local people.
- c) The CKDM be cautious about expecting to be 'spoon-fed' by other spheres of government. Instead, the District must liaise with other role-players within the area in order to come up with a relevant economic strategy that could turn the District's fate around.
- d) The CKDM together with the province must formulate economic strategies that extent and/or incorporate the rural communities. Currently the LED strategies in the area have an urban bias, leaving the rural communities in a state of economic desperation and decline.

4.4 RESOURCE STREAMS

The panel notes that:

- a) The District is concerned about the way in which rates and taxes are paid by the communities. Failure to pay rates and taxes is linked to high unemployment rates and poverty in the District. The reliance on the agricultural and tourism sectors has a bearing on the 'payment pattern' of rates and taxes (which the District spokesman referred to as 'seasonal').

- b) It is unclear whether the District has a concrete or reliable strategy for the collection of levies. Neither the IDP document nor the CKDM presentation touched on the viability of levy collection in the area.
- c) The District relies on the national government for revenue. Such reliance is obviously not sustainable, economically or otherwise.

The panel is concerned with or recommends that:

- a) The CKDM's weak financial management strategy. The District does not have enough personnel to deal with financial management issues. Consequently, there has been a reliance on consultants, whose services are usually expensive.
- b) The District should train its own staff that will deal with financial auditing. Alternatively, the District should turn to other spheres of government (especially the province) for assistance.
- c) The lack of communication between the CKDM and other spheres of government tends to yield such problems. Financial management at District and local level should be monitored by the provincial government which is more often than not, well capacitated to deal with such issues.

4.5 ENVIRONMENT, NATURAL RESOURCE MANAGEMENT AND ENERGY

The panel notes that:

- a) Efforts are being made to ensure that land and the natural environment at large are protected.
- b) The CKDM is in the process of establishing an Environmental Management Committee in Beaufort West LM. This committee will address, oversee and monitor the management of aquifers and underground water in the area.
- c) In Murraysburg, strategic plans have been put in place. These include land reform projects, recycling projects, water quality projects as well as the provision of training and information on environmental issues in the municipality.
- d) In Laingsburg LM, a water service plan that focuses on the management of water usage has been put in place.
- e) Within the District, the CKDM seeks to embark on an Environmental Protection Plan, which will ensure that all LED projects in the area are environment friendly. Such an initiative will utilize labour-intensive processes that include removing alien vegetation for instance.

The panel is concerned with or recommends that:

- a) The environmental issues seem to be of lesser priority to the CKDM. Although there is a mention of environmental sustainability in the IDP, the District does not seem to have a clear strategy that promotes environmental sustainability.
- b) The promotion of sustainable settlements does not feature in the IDP process of the CKDM, nor was it specifically mentioned in the District's presentation during the hearings.
- c) The lack of a clear strategy on environmental sustainability will have a negative impact on the economic wellbeing of the District, affecting tourism in particular.
- d) Within the District, a waste management strategy has not been clearly spelled out. Moreover, the District has not preoccupied itself with finding alternative forms of energy. The CKDM should ensure that all these issues are considered and prioritized in the IDP process. Sustainable development should be the basis of every society's planning strategy.

- e) Relevant national departments should orientate the CKDM on issues around sustainable development. The failure of one province to tackle these environmental issues effectively will have an undesirable effect on the nation as a whole.

4.6 GOVERNANCE AND INSTITUTIONAL CAPACITY

The panel notes and recommends that:

- a) There is lack of capacity and expertise particularly at management level. As pointed out earlier, the District depends on consultants particularly in financial management fields.
- b) Although the District's lack of capacity is understood, the District is encouraged to come up with cost-effective ways of dealing with the problem. One way of cutting costs is to rely on experts from other spheres of government. [One wonders however, how the panel's suggestion/recommendation could be implemented as most municipalities in the country are faced with a lack of capacity].
- c) In order to strengthen its capacity, the CKDM should encourage skills transfer and in-house training. Although this might be an expensive and lengthy process, it is bound to yield results at the end of the day.
- d) Vertical and horizontal liaison between the CKDM and other spheres of government was seen as a way forward. Formulating or forging synergies between the public and the private sector is one way of fostering institutional strength and capacity.

4.7 INTERGOVERNMENTAL COORDINATION

The panel notes that:

- a) The IDP of the District has always been aligned with the PGDS and the NSDP. This alignment, it is said, was made possible by various consultants.
- b) In the presentation, the IDP's eight strategies, i.e. economic development, institutional development, environmental and social development, health, housing and land as well as financial development, are shown to be aligned with the Western Cape PGDS (Ikapa Elihlumayo).
- c) The NSDP principles guided and informed the alignment of the IDP and the PGDS.
- d) This alignment of spatial planning instruments applies to all municipalities in the District.

The panel's response or recommendations:

- a) It is unlikely for a District that has no clear SDF, and has minimal or no understanding of debates around sustainable development, to have managed to align and harmonize all spatial planning instruments and/or strategies.
- b) The CKDM's presentation indicated an understanding or familiarity with the current spatial vocabulary, i.e. alignment, harmonization, strategic planning, holistic approach to planning, etc. However, when looking at the reality on the ground, it becomes clear that the CKDM (like most, if not all) districts in the country, have not fully grasped, let alone mastered, the concept of harmonization and alignment of planning.

- c) There is a lot of romance in most municipalities insofar as the alignment of planning is concerned. What is needed, is for provinces to set up workshops that would capacitate all those who deal with spatial planning in this District. [Maybe before even doing that, one needs to make sure that the provinces themselves understand the concepts and or planning ideas that they are supposed to monitor. As it is, the NSDP is a novel concept for most people who work in provinces. The best way to ensure that there is alignment, is to train those who work in the provinces, who will then monitor those who work in municipalities from a well-informed and knowledgeable perspective].

4.8 COMMUNITY PARTICIPATION

The panel acknowledges that:

- a) Community participation is crucial in the IDP process as it fosters or creates a sense of ownership of projects (or the process) within the community. Such sense of ownership is likely to guarantee the success of the IDP in the community.
- b) The District has established and improved the capacity of Community Development Workers (CDW) in municipalities. These are seen as the mouthpiece of the community.
- c) To encourage participation, Imbizos and council meetings have been held throughout the District.
- d) Plans to launch community radio stations that will be used as a communication medium between the community and the government are underway. Furthermore, in Prince Albert LM for instance, monthly newsletters are being circulated within the community.

The panel is concerned with or recommends that:

- a) In the CKDM, there are no Ward Committees. What exists, however, are Area Committees that operate in an ad hoc fashion.
- b) There has been lack of commitment from councilors to establish ward committees. The reason for this reluctance is thought to be political (or simply due to a lack of willingness on the part of the councilors).
- c) Other spheres of government need to intervene in the CKDM to ensure that Ward Committees are established as soon as possible. If there are no Ward Committees in the area, it becomes difficult if not impossible, for the community to actively participate in the decision-making process. The Mayor's suggestion that Ward Committees need to be legislated was taken into consideration by the council.

5. POLICY RECOMMENDATIONS AND CONSIDERATIONS FOR NATIONAL GOVERNMENT

If municipalities are to fulfill their developmental mandate, the role of the District must be clearly spelled out. This point was strongly emphasized by almost all municipalities in the Western Cape. As it is, the District finds itself playing the role of the provincial government, i.e. monitoring local government's activities. All this happens in a context where there are fiscal and capacity constraints. For the national

priorities to be realized, the national government should ensure that the plethora of policies as well as mandates that local governments are expected to adhere to, are supported by the provision of skilled and experienced people who will be able to implement policies, and sufficient funds that would enable municipalities to execute their projects effectively.

From the hearings, it has become evident that municipalities are faced with enormous challenges. Municipal Managers and Mayors alike have called out for support, particularly from the provincial government. Furthermore, it has become clear that intergovernmental relations between and within the three spheres of government have not yet taken root in this country. There is still much that needs to be done if municipalities (and the government system as a whole) are to fulfill their developmental mandates.

6. Conclusion

The panel acknowledged the challenges faced by the CKDM, and it urged the dplg, SALGA, DLA and all other government departments to play their role in this developmental mission. Failure of one District to deliver basic services is bound to render the whole government system weak and dysfunctional. In short, it might give the government a bad name. Thus, a concerted effort from all government spheres, the private sector, the NGOs as well as community members is a prerequisite for socio-economic development, spatial integration and subsequent political stability.

The District was thanked for its participation in these hearings and wished well for their future endeavours.

SIGNED

**Signature of
Chair:**

Name: Mr Elroy Africa

Date: National Department of Provincial and Local Government

**Signature of
Co-Chair:**

Name: Ms Shanaaz Majiet

Date: HOD, Department of Local Government, Western Cape