



**SALGA**  
*South African Local Government Association*

**SALGA NATIONAL CONFERENCE  
29 AUGUST – 1 SEPTEMBER 2011**

**CONSOLIDATED  
RESOLUTIONS  
FROM COMMISSIONS**

*“ Building Municipal and Social Cohesion  
for Improved Service Deliver:  
2011 and Beyond”*

## COMMISSION 1: THEME 1

### Towards Stable Municipal Governance, Effective IGR Support and International Relations

#### 1. Constitutional status of LG

##### RESOLVED THAT:

- **SALGA should affirm** that the 3 spheres are interdependent and interrelated.
- DCOG **must** allocate responsibilities and ensure that work is being done towards the resolution of the external issues that are beyond the scope/ control of a municipality.
- DCoG must ensure a more coherent approach to LG support by sector departments; (All development programmes of govt must be reflected through IDPs as the central planning tool of govt)
- Provinces must to improve their capacity to monitor and support LG, including in the areas of technical capacity to operate and maintain infrastructure, borrowing and investment.
- The outcomes based approach of govt must focus on results & provide a hierarchy of development goals.

#### 2. Differentiated Approach

##### RESOLVED THAT:

- There is a need to accelerate the recreation of cities as a different level of government with different relationships with national and provincial governments.
- With regard to support to municipalities by provincial governments, the focus should be on:
  - Monitoring city performance and fostering effective intergovernmental co-operation with the cities;
  - Monitoring and supporting medium capacity municipalities to improve technical capacity operate and maintain infrastructure, borrowing and investment in infrastructure; and
  - Being effective long-term hands-on service delivery partner in low capacity municipalities

#### 3. Powers and functions

##### RESOLVED THAT:

- Functional competences of LG **must** reflect the constitutional vision of a developmental sphere as outlined in the White Paper.
- Larger cities must have full control/authority over the built environment and the creation of liveable sustainable human settlements in their areas, incl. fiscal and regulatory control related to that function.
- Functions such as housing, public transport and roads, must be fully assigned to metropolitan municipalities. (Costing of powers and functions is critical to inform the devolution model.)
- This approach also requires the present system of two-tier LG to be revised.
- The principle of differentiation should be considered in finding the most appropriate structural arrangement, in that we might yet retain all three categories, but in a differentiated or even in a single tiered system.

#### 4. IGR & Section 139 Interventions

##### RESOLVED THAT:

- Inter-sphere or horizontal IGR must be implemented and strengthened to capacitate municipalities and mitigate vulnerability in the sphere (sector leadership).
- A much stronger intergovernmental approach to interventions, by clearly outlining a role for SALGA and Districts in firstly, supporting municipalities to render interventions unnecessary and secondly, when the need for an intervention does arise, to support the intervention process.
- Three(3) main principles need to guide provincial interventions in municipalities:

- 1<sup>st</sup>, the assumption of responsibility should be a measure of last resort in a process of provincial supervision which should normally commence with review and monitoring of a municipality, followed by steps to strengthen and support.
- 2<sup>nd</sup>, the integrity of local government as a sphere of government exercising original powers should be respected as clearly delineated in the Constitution - this should protect municipalities from provincial interferences with municipal legislative functions.
- 3<sup>rd</sup>, the aim of the intervention should be restorative rather than punitive.

## 5. Oversight at local level

### **RESOLVED THAT:**

As far as possible and practical, municipalities establish s79 oversight committees (Municipal Public Account Committees) to enhance oversight and ultimately good governance.

- CLLRS who serve on s79 committees must be capacitated to play their oversight role (role for SALGA) & receive appropriate administrative support to carry out their oversight function.

## **Mayoral executive system**

- In general, the appropriateness of the executive mayoral system for all types and sizes of municipalities need to be reconsidered. (Currently there are municipalities with a total of 13 Cllrs functioning as an executive mayoral system.)
- In smaller municipalities a collective executive system may be more appropriate.
- Although the determination of the type of municipality is a provincial function, it is proposed that certain norms & standards for classification be agreed upon.

## 6. Framework for effective ward governance & boundary re-determination

### **RESOLVED THAT:**

- FOCUS should be on the effective operation of ward committees, with specific regard to **governance** model, a model for **accountability** and **resourcing** thereof.
- The Role of CDWs should be kept distinct from that of ward councillors and ward committees.
- When the MDB determines a municipal boundary, it must ensure that it enables a municipality to fulfil its constitutional obligations and effective governance in that municipality.
- It is critical that political ownership of this process is taken by Speakers of Municipal Councils. This will ensure that the process adds value to the intent of legislation and does not become a point of contestation.

## 7. Proposed Single Election

### **RESOLVED THAT:**

- The implications of a single election should be thoroughly investigated, including the constitutional, legislative and practical implications, if a single election is to be pursued.
- There should be an engagement with the ruling party.
- Govt should officially put forward a discussion document on the subject, and allow a period for more in depth discussion on the desirability of a single election and what its full implications are.
- The ideal would be to allow all relevant stakeholders such as the IEC, MDB, CoGTA, SALGA, Home Affairs and Justice to consider all aspects and implications of such an election and table a full report of what will need to be done and what the envisaged timeframes would be to effect a single election, possibly in 2019.

## 8. Future restructuring of municipalities

### RESOLVED THAT:

- A full Blueprint must be developed to assist municipalities facing restructuring.
  - Although the situations will differ, and each process will have its own dynamics, the blueprint must set out procedural steps that can be further developed to guide restructuring municipalities.

## 9. International Relations

### RESOLVED THAT:

- It is highly desirable that a structured policy approach be adopted to enable strategic positioning *vis-à-vis* South Africa's effective bilateral & multilateral interactions
- It is critical to **reaffirm the measures and mechanisms for the coordination** of the conduct of international relations and implementation of South Africa's foreign policy.

### **Municipalities have to ensure IR plans are part of:**

- Planning and alignment to mid-term priorities;
- Preparing coherent projects and budget plans to support their municipal priorities as part of the IDP process; factoring-in a donor resources strategy to this broader scope of strategic IR management; and
- Submitting plans and details of any official international visit to Council for approval, and relevant line Ministries at provincial and national level through SALGA and the DIRCO IR Consultative Forum (CFIR).

## 10. Review of Organised Local Government (OLG)

### RESOLVED THAT:

- SALGA must be assertive in representing its members – reconsider IGR deployment (use Cllrs who are not necessarily serving as office bearers in municipalities).
- National government (DCOG/ Treasury) must support the strengthening of OLG by addressing:
  - the funding model and increasing financial support to SALGA; and
  - the appropriateness of PFMA listing of SALGA as a public entity.

## **COMMISSION 1: Theme 2**

### **Towards a Decent and Well Governed Councillor Support System**

#### **Councillors Welfare**

##### **NOTING THAT:**

1. The new system of remuneration for councillors as introduced in June 2006;
2. Within the context of 5 years implementation experience, the ranging challenges with the system of remuneration;
3. The lack of appreciation of the critical role of councillors vis-a-vis public office bearers at other spheres of government;
4. The lack of understanding of the roles and responsibilities and more so the critical contribution councillors make in our democracy;
5. The disturbing increase in number of attacks on councillors and their property, with no recourse/protection.

##### **RESOLVED THAT:**

1. A total review of the system of support for councillors should be conducted urgently.
2. The process to review the system of remuneration of councillors to include the principle of uniformity across the 3 spheres of government. This principle to be implemented by April 2012.
3. The remuneration of Councillors should be paid out of the central National Revenue Fund instead of municipal budgets by April '12.
4. The full-time/part-time nature of councillors should be abolished and make provision for full-time councillors only.
5. The benefits of councillors should be directly benchmarked against Public Office Bearers at a provincial legislature level by April '12.
6. The total remuneration package should be designed for an entry level position and that an additional amount to be added for higher positions, in accordance with increased duties.
7. The timing of the issuance of the Notice should be reviewed to be before the start of the municipal financial year.
8. A clear distinction is drawn between remuneration and tools of trade and that tools of trade are excluded from remuneration.
9. Mandatory/Compulsory membership to the Pension Fund should be introduced.
10. Identical Pension Fund benefits as those recommended for Public Office Bearers at provincial and national level be extended to councillors.
11. Medical aid to become mandatory, SALGA should investigate a specific medical aid regime for councillors.
12. Policy Guidance should be given with regard to the extension of Mayoral Vehicle to Mayors within the context of affordability and value of the vehicle.
13. Re-consider the necessity of Housing benefits and its implications for Mayors with a Mayoral Residence – a similar system to MPs and MPLs should be explored.
14. The Application of the non-inclusion of travel between work and ordinary place of business for ward councillors and councillors appointed to the district municipality should be reviewed and/or clarified.
15. Years of service to be recognized.
16. The Section 8(1)(d) allowance to be reviewed to be beneficial and provide value-add to Cllrs.
17. Chairpersons of Section 79 and 80 should become full-time.
18. Drastic action by the government is needed to prevent further loss of life and damage caused by disgruntled communities.

19. Councillors should be entitled to, at the cost of municipalities or the state, risk benefits including but not limited to death cover, disability benefits, funeral benefits and cover for personal assets lost or damaged as a direct result of public violence.
20. The rules need to be changed to exclude funeral benefits or to provide for the routing of the funeral benefit premium through the fund accounts.
21. Independent trustees with relative expertise should be considered as part of the composition of the Board of Trustees of the MCPF.
22. SALGA to establish a committee to look into Councillor Support issues and seek political intervention.

## COMMISSION 2: THEME 1

### Accelerating access to Sustainable Municipal Services for All

The conference noted that in respect of municipal infrastructure issues, there are issues that cut across all sectors and those that are sector specific.

Having noted that:

- Issues remain the largely the same because
  - In many cases, the decisions taken at SALGA meetings have not been implemented
  - There is also little movement by other spheres of government on issues where SALGA was mandated to lobby them
- Funding of local government to perform its functions is the “elephant in the room” that bedevils service delivery
- Court judgments are increasingly making procedural issues in service delivery a key issue
- Consumers are increasingly using municipalities as “staging posts” to access opportunities from different municipalities to enhance their livelihoods
- There is a need to make a distinction between social and economic infrastructure investment and this needs to inform the allocation of resources to different municipalities
- Refurbishment of new infrastructure before the end of its design life, in addition to replacement of old infrastructure, is increasingly becoming a huge area of concern due to poor maintenance – this is a huge cost which is avoidable
- There is a need for formalization of service provision to backyard dwellers
- Economies of scale is key to sustainable infrastructure services management

Conference therefore took resolutions in respect of cross-cutting and sector specific issues:

#### CROSS-CUTTING ISSUES

##### 1.1 On the state of infrastructure across sectors

###### NOTING THAT:

- On establishment municipalities inherited old infrastructure some of which was already overdue for replacement
- In a sense municipalities inherited a liability rather an asset because by taking up these functions, they accepted an unalienable responsibility of replacing and refurbishing old infrastructure that was associated with the function.
- This infrastructure had been servicing a minority of the population largely defined along racial lines with the majority population not having access to services and the new democratic government correctly decided to rather prioritize extension of services to the un-serviced.
- This aging infrastructure which is overdue for replacement and refurbishment is now collapsing leading services delivery interruptions and high costs of service delivery
- The cost of refurbishing and replacing this infrastructure is estimated at R200 billion over the next 10 years and there is no available funding for this.
- Municipalities, on their own, will not afford provide this funding
- There is a need to prioritize
- A related challenge is lack of data regarding the state of infrastructure especially in sectors such as roads and water services because many water and waste water treatment schemes inherited by municipalities, from pre-1994 were without documents such as updated drawing designs (as-is drawings). Consequently, in some municipalities, it is not known where infrastructure such as pipes is laid, the age and the materials used.

## **RESOLVED THAT**

SALGA should lobby for the:

- Establishment of a national municipal infrastructure refurbishment fund that will provide for the rehabilitation of municipal infrastructure at the required scale.
- In prioritizing investment, in A and B1 municipalities the primary focus should be on investing to meet growth requirements and rehabilitation, in B2 and B3 the focus should be mostly on rehabilitation whereas in B4 the focus should be on service backlogs and rehabilitation.
- Establishment of national GIS based databases and national programmes to collect data and manage information on an ongoing basis on the state of municipal infrastructure starting with priority sectors such as roads, water services and electricity.

### **1.2 On funding and pricing of municipal infrastructure services**

#### **NOTING THAT**

- Analysis is beginning to suggest that SA is on a trend towards pricing basic services such as water supply, sanitation services and electricity supply at a level that will begin to work against country's economic competitiveness and ability to sustainably provide services to poor households as they will consume at levels that are above the ability of the state to subsidise
- This is driven by a policy framework that requires that these services be financially self-sustainable and therefore recover all capital and operating costs from user chargers.
- More middle and high income households and SMMEs are increasingly defaulting on payment leading to inability by municipalities to pay bulk services providers
- Electricity income is the only other revenue source, in addition to rates income, from which municipalities must raise 90% of the revenue they require to perform the 38 functions assigned to them by the constitution.
- The dire financial circumstances of municipalities force them to milk the electricity distribution industry and invest less on maintenance and refurbishment.
- A greater part of most non-metropolitan municipal areas is rural and government policy requires services to be provided to these areas
- Yet with the exception of prepaid electricity, there are no service charges or rates levied in these areas.
- Urban rate payers and poor rural households, paid for by the national fiscus, have to carry the unfair subsidy burden to the rural middle and high income households, intuitions and businesses.

## **RESOLVED THAT**

SALGA should lobby for:

- A review of the municipal services pricing policy
- More urgency in the establishment of an independent and effective economic regulator in the water sector.
- The implementation of rural rates and service charges
- More urgency in the review of the local government fiscal framework

### **1.3 On Bulk Infrastructure Services**

#### **NOTING THAT**

- The issue of bulk infrastructure for municipal services tends to be discussed as if it is a one dimensional singular problem; the funding of bulk infrastructure and how this lack of funding constrains development.
- This has then led to a discussion, within government, about the need to introduce a bulk infrastructure grant.
- Funding of bulk infrastructure is indeed an issue and a sustainable funding model for bulk infrastructure in required.

- The other dimension to the bulk infrastructure constraint to development is institutional and this institutional dimension has municipal infrastructure services sector nuances

**RESOLVED THAT:**

**SALGA should:**

- Support process of establishing a bulk infrastructure fund
- But also insist that there be an intervention that seeks ensure that there are appropriate institutional arrangements for managing investments and O&M in both bulk and connector infrastructure

**1.4 Institutional Capacity Issues**

**NOTING THAT:**

- Section 77 of the Municipal Systems Act enables municipalities to utilize various institutional options through which municipal services can be delivered.
- While there are examples of excellence, especially in the cities, this is one of the cases in which many municipalities have not done well.
- Many municipalities continued with whatever institutional mechanisms they inherited rather than considering other alternatives or where they did, such preferred alternatives were never fully implemented if at all implemented.
- The inappropriate institutional arrangements have led to poor and unsustainable services delivery in sectors such as water services and solid waste management.
- In many cases, especially in smaller municipalities, the approach has been to keep very limited in-house technical capacity leading to a situation where these municipalities depend entirely on external service providers for the design and implementation of infrastructure projects; even small projects such as sealing of roads or repairing of pot holes.
- In many cases there is even no capacity to manage the quality of work of these external services providers leading to situations where consultants have unfettered roles in municipal infrastructure development.
- Consultants design development projects and have disproportionate influence in the procurement of EIA consultants and contractors leading to abuse of municipal procurement between consultants and contractors and exposure of municipalities to corrupt practices.

**RESOLVED THAT:**

- During the first year of this 5 year council term, all municipalities that never formally considered alternative institutional options for services delivery must do so for at least the water services and solid waste management sectors.
- In the Year 2, all council decisions in respect of preferred institutional options must be implemented.
- Municipalities, through SALGA in partnership with relevant government departments, should develop national minimum benchmark organogram guidelines for each category of municipalities, based on their functions and differentiated capability. Then the S component of the Equitable Share for municipalities must seek to fund this capacity requirement on behalf of poor households in the municipal area.

## **1.5 On Intergovernmental Relations Matters**

### **NOTING THAT:**

- Increasingly, national government departments seem to be eager to interact with metropolitan municipalities directly as evidenced by the increasing practice where some Departments often invite City officials and Councillors to national meetings of IGR structures (MinmeCs and Technical MinmeCs).
- While Government Outcome 9 specifically addresses local government, municipalities have to contribute towards the achievement of the other outcomes; especially outcomes 4, 6, 7, 8 and, 10. This has led to some City Mayors signing delivery agreements with the Minister(s).
- The Department of Human Settlements, having given the cities Level Two Accreditation for Human Settlements Programmes and having to transferred money to these cities in the same way it is doing with provinces, it is beginning to require a more closer communication with these municipalities so that it may monitor the expenditure of the funds transferred to them.
- Different categories of municipalities are facing different challenges and have diverse interests and views and in some cases the interest of Cities and smaller municipalities tend to be in conflict putting SALGA in a dilemma as to should it represent the cities or the smaller municipalities.
- In many cases cities have better capacity than the provincial governments that have jurisdiction over their areas and there can arguably be better coordination and possibly improved services delivery if Metros were to perform all built environment and socio-economic development functions currently performed by provinces in the metro areas of jurisdiction.

### **RESOLVED THAT:**

- As part of the review of the structure a functions of the sub-national spheres of government, a consideration be given to the recategorization of Metros be into a different level of government with all built environment and socio-economic development functions currently performed by provinces in the metro areas of jurisdiction assigned to Metro and their relationship with national government accorded a comparable/similar status as that of provincial governments.

## **1.6 On Technical skills shortage**

### **NOTING THAT:**

- There is a serious skills shortage across municipal infrastructure services sectors.
- The problem has, among others, the following facets:
  - There are few qualified engineers and technicians vis the need
  - The few qualified engineers and technicians are getting older and will soon retire
  - There are fewer than required new entrants
  - Due to few qualified engineers and technicians and technicians there is very limited capacity to supervise artisans into qualified engineers and technicians
  - Most of the qualified engineers and technicians find government service, especially municipalities, unattractive for employment and as soon as they get the required qualification and experience they move to the private sector
- Municipalities take a lot of criticism for being able to employ suitably qualified personnel even though skills development is a national competency
- While in provincial and national government there is a rural allowance in order to incentivise the attraction and retention of scarce skills into rural areas, in the case of local government the reverse is applicable due to lowers salaries paid by predominantly rural municipalities as result of their grading which is linked to the economic strengths of their municipal areas.

**RESOLVED THAT:**

- SALGA should lobby
  - The Department Higher Education and Training, SALGA, the relevant sector Departments, relevant SETAs, Eskom, Water Boards and CoGTA establish a national training facilitation partnership whose focus will be to improve the number of graduates in technical fields from further education, training and tertiary institutions and experiential learning of new graduates and artisans.
  - National government to subsidize a rural skills incentive in local government in order to level the playing fields in respect of different categories of municipalities attracting and retaining scarce skills

**1.7 On Urban-rural balance in the design of SA municipalities****NOTING THAT:**

- The current construct of the SA local governance one-size- fits-all system is generally urban biased even though it also has problems with respect to urban spaces e.g. some built environment functions allocated to provinces.
- The powers and functions are essentially about managing built environments than scattered rural settlements that are generally primarily suitable to agricultural production than other forms of economic activity.
- Few municipalities have rural development strategies and appropriate institutional capacity to execute these.
- The prioritization and conception of infrastructure investment in rural areas is from an urban residential perspective than and has very little relevance to rural areas that should be focusing primarily on utilizing land for economic production.
- Fiscal powers result in dependence on urban spaces while a greater part of most non-metropolitan municipal areas is rural (some metros also have significant portions of rural areas).
- Government policy requires that services such as water supply, sanitation, refuse removal, roads and electricity be provided to these rural areas. Yet with the exception of prepaid electricity, there are no service charges or rates levied in these areas. Therefore urban rate payers and poor rural households, who are paid for by the national fiscus, have to carry the unfair subsidy burden to the rural middle and high income households, intuitions and businesses.
- A municipality cannot overtax urban rates payers leading to situations where there is no financial provision for investment and maintenance of the rural infrastructure services except for the small contribution made by the national fiscus, on behalf of poor households.
- Ironically, middle and high income households and businesses are the most vocal in rural areas in their demand for good quality services.

**RESOLVED THAT:**

- A new concept of a rural local government institution (a rural municipality) be designed including a different fiscal framework and powers and functions for it.
- In the short term the implementation of rural rates and service charges be considered in order to finance provision of infrastructure services in these areas.
- Municipalities which are predominantly rural be supported to develop and implement rural infrastructure development strategies that facilitate economic activity in rural areas.

## **SECTOR SPECIFIC ISSUES**

### **1.8 Water services**

#### **NOTING THAT:**

That the national priorities should be:

- Indications are that within twenty years, South Africa is likely to face a national water deficit of between 17 % and 30%, as demand steadily outpaces supply – even with additional infrastructure development
- Municipal water supply is the fastest growing sector of national water demand
- Municipal water services management has critical implications for national water security, now, and increasingly in future
- Water infrastructure operated by municipalities (especially rural) requires major attention in as far as water wastages, shortage of skills etc.
- Only 66 of the 914 water treatment works got blue-drop status and only 40 Of 821 WWTW received Green- drop status
- While 94% have access to infrastructure less than 76% of households have functional service
- Existing infrastructure in poor state and reaching end of life resulting in regular service interruptions and customer dissatisfaction
- There is need to strategically shift focus to maintenance and rehabilitation vs. new infrastructure
- Bulk water shortage (bulk unpurified water and Bulk purified water) is impacting negatively on the delivery of water services in most of the non-metropolitan areas of South Africa.
- In additions to funding, the other additional cause for bulk water shortage is the institutional vacuum in respect of bulk water services provides in most parts of the country largely financially challenged municipalities are forced to take up an unfunded responsibility of being bulk service providers in addition to their reticulation function.
- The bulk water services provision institutional vacuum also leads to an apparent biased towards urban and commercial farming rural in respect of bulk infrastructure investment due to lack of capacity for forecasting future regional needs, plan, construct and manage regional water resources infrastructure such as dams, transfer schemes and desalination plants
- R580billion is required and R280billion in capital investment is available from present funds over 10yrs and therefore investment must double to meet development and refurbishment requirements

#### **RESOLVED THAT:**

- That there is a need to shift focus to maintenance and rehabilitation vs new infrastructure especially in not metro municipalities
- DWA, in consultation with municipalities, should develop integrated bulk raw water storage facilities using the water mix approach

Municipalities should:

- Establish long-term institutional arrangements for service delivery (Section 78 decisions)
- Develop, adopt transparent tariff determination methodologies
- Develop 10 -15 year infrastructure master plans with funding mechanisms
- Put aside 1% of the total Capex as a revolving fund towards water conservation and demand
- Set blue, green and water loss targets in their strategic and annual plans
- Set refurbishment and O&M budgets that are reflective of their water services infrastructure assets

### **1.9 On Electricity distribution**

#### **NOTING THAT:**

- There continues to be high inefficiency of the industry owing to fragmentation
- The inability to leverage economies of scale in respect of investing in assets, sharing of facilities, services, people development

- Inequitable treatment of consumers across the country
- Inequitable treatment of municipalities regarding revenue and governance authority i.r.o areas where Eskom is a distributor and where municipalities are distributors
- Network outages as a result of distribution failures are on the increase - average age of assets 45 years.
- Distribution entities should be investing at a rate of about 10% of asset value per year - investment rates in majority of municipalities are < 2% per year!
- Maintenance, refurbishment and strengthening backlog in the EDI (Eskom and Municipalities) is currently standing at a total of about R32 bil and is growing at an alarming rate of R2.5 bil per annum.
- Infrastructure inability to support growth initiatives and national projects such as electrification, security of supply, demand side management etc.
- Theft of copper and electricity exacerbate the problems of EDI
- With critical vacancy rate of about 50% at electricity departments of municipalities; recruitment, training and retention of skills are a significant EDI sustainability risks.
- About 25% of critical electricity skills are close to retirement age
- There is tariffs differentiation between municipalities and Eskom.
- Leakage of Free Basic Electricity to non-qualifying households.
- Negative effect of tariff increase on poor consumers.
- Electrification funding is in some cases unused in municipal accounts for as long as 3 years sometimes
- Access to electricity currently stands at about 83% and about three quarters of the remaining 17% is in rural areas
- The following remedial attempts to address the problems
  - Cabinet established EDIH in March 2003 to facilitate the restructuring of the electricity distribution into six regional electricity distributors (REDs) and subsequently took a decision to discontinue the process of creating the REDs and mandated the DoE to review the whole electricity value chain and address the challenges.
  - DoE is initiating the implementation of ADAM phase 2 but there is no funding yet
  - In response to increasing electricity prices NERSA introduced IBTs as a means of providing relief to poor low usage customers however this has had unintended consequences of reducing municipal revenues
  - SALGA partnered with Eskom, PRIMEDIA, Proudly SA, BUSA, Business Against Crime and Crime Line to launch of Operation Khanyisa (An anti electricity theft campaign)
  - In order to speed up electrification non-licensed municipalities who do not have electricity departments and completely rely on consultants to design and implement projects are implementing electrification projects in Eskom areas of supply and distributing municipalities are also implementing projects in Eskom areas of supply.

**RESOLVED THAT:**

SALGA should,

- Engage the DoE to:
  - develop an alternative approach (to the REDs) of resolving the structural issues facing the electricity distribution industry.
  - improve the capacitate of INEP regional offices to provide technical support to under-capacitated municipalities
    - Allow use of INEP to upgrade of existing infrastructure as may be necessary for electrification projects
  - fund infill connections
  - do away with the requirement for 80% occupancy of housing developments before electrification

- amend the policy to provide the full cost of connections in areas provided by both Eskom and municipalities
- Support the implementation of ADAM Phase 2 but work on a strategy to address the challenge of refurbishment the backlog estimated R27 billion growing at R2,5 billion per annum
- Continue to engage NERSA regarding the principles, design and implementation of IBT with the aim of having a more viable and yet pro-poor tariff structures.
- Improve its coordination of municipal participation in the anti electricity theft campaign
- Lobby for INEP offices be the points of coordination/ planning alignment between various electrification projects funding agencies
- Engage NERSA must make concluding an SDA with a municipality, where Eskom is a distributor, a licence condition and disconnecting electricity as a means of credit control be included in SDAs between Eskom and municipalities
- Lobby the Minister of Human Settlements to adjust the National Housing Programme to include funding for the removal of the existing meters and the re-installation thereof in the new dwellings
- Engage provincial Housing Departments to make their approved Multi Year Housing Development Plans and priority development objectives available to the DoE enable the latter to align its electrification programme accordingly
- Engage the Minister of Finance to prescribe the compulsory national norms and standards for imposing municipal surcharges, as required in terms of 8. (1) of the Municipal Fiscal Powers and Functions Act, 2007 in order to enable municipalities to charge a surcharge on electricity supply where Eskom is a distributor.
- Municipalities must
  - Act and report their actions against electricity theft based on the tip offs received.
  - Consider reviewing their bylaws to have more stringent penalties against electricity theft

#### **1.10 On Energy Efficiency and Renewable Energy**

##### **NOTING THAT:**

- Energy efficiency is recognized as the most a cost-effective means to many aspects of sustainability
- Municipalities are central players in improving energy efficiency, in their capacity as infrastructure service providers, regulators of local planning and building controls, and as major consumers of electricity in their own right
- Energy efficiency funding has been not used or accounted for properly leading to National Treasury deciding to discontinue the grant

##### **RESOLVED THAT**

- Salga, in partnership with DoE, NERSA, NT and other key stakeholders:
  - Develop electricity tariffs structures which promote energy efficiency and preserve revenue, possibly drawing on international experience.
  - Undertake detailed analysis of job creation potential related to the implementation of renewable energy technologies and energy efficiency interventions.
  - Investigate the possibility for municipalities to develop micro feed-in tariffs or use of MFMA principles to procure renewable energy

#### **1.11 On Roads and transport**

##### **NOTING THAT:**

- The roads and transport sector of MIS has historically received very limited focus in SALGA
- Municipalities are responsible for an estimated 168 000 km of the 752 700 km of the country's roads network while 221 000 km remain unproclaimed
- Due largely to funding constraints, between 2003/4 and 2009/10 municipalities spent on average R156 000 per kilometre of road while provincial and national governments spent R258 000 and R3m respectively

- With the exception of tolled roads, the roads infrastructure is generally funded from tax; in the case of local government, this tax is property rates tax.
- In rural areas there is no property rates tax payment and only the national fiscus contributes to, on behalf of poor households, in the form of MIG, some limited amount for the provision basic services infrastructure, including basic level of roads infrastructure. Therefore urban rate payers and poor rural households, who are paid for by the national fiscus, carry an unfair subsidy burden to the rural middle and high income households, businesses and institutions.
- There is a limit to which a municipality can tax urban rates payers leading to situations where there is no financial provision for investment and maintenance of the rural roads infrastructure except for the small contribution made by the national fiscus on behalf of poor households.
- Sustained increase in vehicle travel demand puts pressure on the existing road and parking capacity, leading to an need for further expansion of roads infrastructure and building more roads and parking spaces only temporary decreases congestion
- Instead of adding more road lanes and upgrading roads and bridges, there is a need to prioritise improving alternative transport mechanisms that will meet the needs of communities and businesses
- Charging the users of infrastructure for the use of such infrastructure is an acceptable way of revenue collection however there is a concern over how this principle has been applied in the case of Gauteng Freeway Improvement Project and its implications for future Open Road Tolling in and around metropolitan spaces
- The application of road user charging through tolling a road should be preceded by detailed studies impact studies.
- Public transport systems such as the Bus Rapid Transport systems are being implemented in the cities and integrated public transport networks planned in other municipalities
- With the exception of the cities, there is very limited public transport management and capacity in many municipalities
- In many municipalities the approach has been to retain very limited in-house technical capacity
- These municipalities depend entirely on external service providers for the design and implementation of infrastructure projects; even small projects such as sealing of roads or repairing of pot holes.

**RESOLVED THAT:**

- Should engage the Minister of Transport with the intention of institutionalizing a methodology of planning Open Road Tolling in and around metropolitan spaces that takes into account the impact of the diversion of traffic from the tolled roads into local roads, in terms of congestion and costs of maintenance and provision made to ameliorate such an externality of Open Road Tolling on to the municipal roads network.
- Work with NT and DoT to develop and implement a sustainable funding model for roads infrastructure at a municipal level, especially in rural areas
- Work with DoT to accelerate a move by towards prioritization of efficient public transport and use of rail for freight instead of roads
- Work with DoT and NT to develop and facilitate implementation of minimum benchmark organogram requirement for each category of municipalities based on the functions for Public Transport and roads infrastructure management and the and the S component of the Equitable Share for municipalities must seek to fund this capacity requirement i.r.o. poor households in the municipal area.

**1.12 On Human Settlements**

**NOTING THAT:**

- A national policy shift from housing to human settlements implies that the funding for the housing component of human settlements development needs to be integrated to the overall human settlement funding in municipalities

- Inferior materials used in construction leading to poor quality houses and resultant huge and costly rectification programmes is evidence of common wisdom that it is almost impossible to manage a construction project from afar, municipalities are better placed to manage housing development projects in their areas than provinces
- There is a need to formalize the supply of services to backyard dwellers

**RESOLVED THAT:**

- The implementation of the municipal accreditation programme should not only be monitored at an administration level; political supervision is also required. Progress on implementation of this programme should therefore be regularly be reported at MinMec
- In respect of the metros, there is a need to move beyond accreditation to devolution of the housing function

**SALGA should:**

- Lobby for a policy and programme to formalize the supply of services to backyard dwellers
- Lobby for a review of the housing code to align it with the the human settlements paradigm shift
- Vigorously engage with National and Provincial Treasuries and National and Provincial Departments of Human Settlements to ensure compliance with the Division of Revenue Act iro ensuring predictability of funding flows.
- Lobby the DHS to effect an amendment of the National Housing Code, 2009 in particular Part 3, as far as it relates to the Emergency Housing Policy to remove ambiguities in the policy in respect of the role, powers and functions of municipalities in respect of human settlements development.

## **COMMISSION 2: THEME 3**

### **Environmental and Climate Change**

#### **1 SOLID WASTE MANAGEMENT**

##### **NOTING THAT:**

- Over the past 10 years there has been a paradigm shift, at least at a policy level, with regards to how solid waste should be managed
- Municipalities have been much slower in shifting their operational paradigm to reflect this policy shift and Service provisions arrangements are still orientated towards of refuse collection, transportation, disposal and management of disposal sites
- Most municipalities, when they were established simply continued with whatever institutional arrangements for providing waste management services that were used by their predecessors and over time they started to utilize private sector providers, and contracted labour mainly to collect and transport waste to landfill sites
- A few municipalities reviewed the inherited organisational arrangements and adopted different institutional models for providing waste management services even with the changed policy approach
- There are low levels of revenue compared to expenditure and the service has therefore been largely subsidized from the rates income.
- The Domestic Waste Collection Standard of 2010 requires that waste management services be provided in all parts of a municipal area including rural areas
- Output 2 of Outcome 9 and Output 3 of Outcome 10 targets universal access to refuse removal services at 75% by 2014.
- In rural areas waste management services are not funded because there are no user charges or rates levied in these areas.

##### **RESOLVED THAT:**

- Municipalities should:
  - View solid waste management as a technical service and manage it as such including hiring properly technical qualified solid waste management officials
  - Review the appropriateness of existing institutional arrangements for providing waste management services in the context of implementing the new policy approach in respect of waste management
  - Establish partnerships with industry towards establishment of Material Recovery Facilities
  - Regularize at least 80% of their landfill sites by 2015
  - In partnerships with relevant industries, start providing households, institutions and businesses with receptacles (bags and bins) for separation of bottle, metal, paper and other waste
  - Investigate the feasibility being investors in waste to energy plants or entering into PPPs arrangements
  - Through implementation of the new IWMPs, facilitate unlocking of the economic value of solid waste leading to participation of private sector, cooperatives and SMMEs in waste management including:
    - Substitution of landfill sites for waste to energy plants
    - Collection and transportation
    - Reuse of building rubble to example produce bricks and in and roads construction
    - Recycling of metal and glass
- SALGA should
  - lobby for the review of fiscal mechanism for the funding of waste management services, taking into account the cost of providing the services

- lobby for a high profile and sustained national campaign of raising awareness and consciousness of the public regarding care for the environment, changing consumer patterns and behaviour to encourage waste separation at source, littering and waste management.
- lobby for national government support to municipalities in promoting investment in waste to energy plants
- Undertake reviews of the full costs of providing waste management services in order to facilitate appropriate service pricing and subsidization.
- Support the implementation of the Cabinet approved policy on provision of Refuse Removal Services to the indigent
- Facilitate a review of municipal waste collection models to focus on labor intensive IWMP so as to align with the new policy approach models
- develop/ review approaches to waste management
- IWMP of municipalities must have a clear sustainable funding mechanisms

## **2 ENVIRONMENT**

### **NOTING THAT:**

- The Constitution lists environment as a concurrent function of provincial and national government but the following municipal functions, can be considered to be essentially environmental functions.
  - Air pollution
  - Pontoons, ferries, jetties, piers and harbours, (excluding the regulation of international and national shipping)
  - Municipal parks and recreation
  - Cleansing; and
  - Refuse removal, refuse dumps and solid waste disposal (also known as waste management services)
- In urban areas, with the exception of solid waste management, all these functions are meant to be funded from rates income as part of a basket of 34 municipal functions that should be funded from the same rates income.
- In rural areas, none of these services are funded as there no user charges or rates levied in these areas

### **RESOLVED THAT:**

- The local government fiscal framework be reviewed to make provision for sustainable financing of municipal environmental functions

## **3 ACID MINE DRAINAGE**

### **NOTING THAT:**

- Acid mine drainage and climate change have emerged as two key the two environment related challenges that have a potential to undermine socio-economic development progress and threaten human lives in South Africa.
- These are not municipal functions *per se* but municipalities have to be at the forefront of finding and implementing solutions in respect of climate change and acid mine drainage if they are to contribute in the determination of their futures.

### **RESOLVED THAT:**

- Local government be represented in the Inter-Ministerial Committee on Acid Mine Drainage
- The Minister of Environment and Water Affairs outlines clear response measures with timelines indicating the extent to which such implementation timelines of response measures will avert a crisis

#### **4 CLIMATE CHANGE**

##### **NOTING THAT:**

- eThekweni Municipality will host COP 17 and CMP 7 in Durban in November and December 2011
- **SALGA** (as the voice of local government in SA), **SACN** (as a programme of advancing progress in the country's big cities); **eThekweni Municipality** (as the Host City of COP 17) and **ECLEI** (as an international partner in its capacity as the UNFCCC focal point local government stakeholders) have constituted themselves into a partnership for the purpose of the serving as a focal point and coordinator of local government activities towards COP 17
- The dominant features of the current climate change response discourse (international negotiations and local practices) are not relevant to the context of the cities of the developing world
- Given that COP17-CMP 17 will be hosted in Durban, it is critical that the opportunity offered by an African COP is utilized by local governments to raise the issue and importance of forward-looking adaptation clearly and strongly.
- Forward looking adaptation is about "bouncing forward" not "bouncing back"; accepting that the world as we know it will change permanently

##### **RESOLVED THAT:**

- SALGA must facilitate implementation a local government programme for COP17- CMP7 made up of key events which will include the following:
  - An international Cities and Local Governments Convention to explore an appropriate climate change response paradigm for the cities of the developing world
  - Local Government Climate Change Lounge at COP 17
  - Conference of Signatories of the Mexico Covenant and Carbon Register
  - Mayors Chamber at COP 17
  - Local Government Pavilion at SA COP 17 Expo
- Municipalities must support and participate the implantation of this LG Programme towards COP17- CMP7
- Municipalities recognise the critical need to reduce Green House Gases (mitigation) as well as to prepare for the impact of extreme weather events and the effects of climate change (adaptation), have to scale-up mitigation and adaptation actions, and promote municipality wide programmatic approaches to dealing with climate change.
- There is a need a clear legal mandate for the role of local government in climate change response
- Need a clear legal mandate for the role of local government in climate change is required.
- A constitutional, policy, and legislative review should be undertaken to empower local government to respond to climate change
- There is a need for increased financial allocations for climate change response, including compensation for adaptation measures, planning, project preparation and capacity building, capital expenditures and operational support.
- Municipal Treasuries should establish mechanisms for accessing additional financing mechanisms such carbon trading mechanisms and other national international financial resources.
- Government should consider assigning specific powers for mitigation and adaptation actions such as coastal management, infrastructure management and natural resource stewardship some of which lie in other spheres of government to municipalities.
- Need to mainstream climate change issues across municipal departments, especially engineering components dealing with water, sanitation, stormwater drainage, electricity, waste management etc.
- Shortages in staffing, skills and knowledge (such as in scientific information on mitigation and adaptation) need to be addressed, and an audit/needs assessment linked to the Local Government Turnaround Strategy (LGTAS) should be conducted.

- SALGA's coordination of the local government climate change response and lobbying for regulatory changes and financial resources should be strengthened.
- Best practice knowledge sharing across local governments is required to take advantage of emerging models in climate change adaptation and mitigation.
- A programme of learning events, networking and capacity building should be developed by SALGA in partnership with SACN.
- A municipal climate change response planning toolkit which is being developed be finalised and rolled out.
- There is a clear need for leadership "climate champions" in local government and Mayors will need to play a greater role in this regard.

## COMMISSION THREE

### ***Leading the Fight against Poverty, Inequality and Xenophobia: A Local Government Perspective***

#### **Gender Mainstreaming**

##### **RESOLVED THAT:**

Municipalities:

1. *Support and drive the activities of the SALGA Women's Commission to proactively advocate for gender equity and equality both within municipalities and in local government programmes*
2. Should develop structures to mainstream gender and monitor and evaluate implementation;
3. Should, with SALGA, facilitate multi-party women's caucuses

SALGA:

4. To develop a capacity building programme targeting and educating both men and women on gender mainstreaming;
5. To lobby national government to co-host the Women in provincial and local government summit annually.

#### **Migration and Xenophobia**

##### **RESOLVED THAT:**

1. SALGA must advocate and lobby for the Rethinking of the data collection system and interface between municipalities, StatsSA, population unit within the department of social development and other data collection agencies, better understand the demographic patterns of municipalities especially those with highly mobile populations.
2. SALGA should develop and lead a campaign, in partnership with government departments, and civil society structure aimed at educating citizens and municipalities (including the municipal police) on issues relating to migration and dealing effectively with diversity.
3. SALGA must advocate for municipalities to be funded to deal with the effects of migration.

#### **HIV and AIDS**

##### **RESOLVED THAT, Municipalities:**

1. Should develop localized, contextualized responses to HIV and AIDS that engage with local population dynamics in relation to HIV and AIDS,
2. To strengthen and revive local AIDS councils.

SALGA:

3. To advocate for conditional grant funding for local AIDS councils.
4. To focus on capacity building of political leadership so that they can become active champions to promote an effective leadership response to HIV and AIDS

#### **Disability**

##### **RESOLVED THAT Municipalities:**

1. To encourage the inclusion of persons with disabilities as policy and decision makers in local government
2. To advocate for an audit to address structural barriers in the built environment, inaccessible service points, poor town planning including basic accessibility to facilities.
3. To comply with the national directive of 2% minimum employment equity requirement of people with disabilities

#### **Youth development**

##### **RESOLVED THAT SALGA:**

1. Should assist municipalities to develop appropriate youth development structures.

2. To strengthen relations and collaborations with the National Youth Development Agency aimed at establishing and strengthening youth development structures at local level.
3. To lobby for municipalities to develop programmes for the youth, especially in terms of skills development and job creation.

### **Sport, recreation, arts and culture**

#### **RESOLVED THAT SALGA:**

1. Conducts research on population - library ratio per municipality which will inform the need for library infrastructure.
2. Lobby for National Treasury to provide a conditional grant for library service infrastructure. The formulae used for such a conditional grant should take into consideration all inequalities associated with library services across the country.
3. Lobby for development of norms and standards for provision of art and culture related services. Norms and standards should stipulate assignment of functions and transfer of funds from provincial government to municipalities
4. And municipalities should engage the national treasury towards the creation of appropriate conditional grants for Arts and culture facilities.
5. Lobby for a long term funding mechanism of sport infrastructure to take the form of conditional grant rather than MIG ring- fencing of 15%. The conditional grant should give a leeway to ensure maintenance costs are taken into account.
6. Lobby for Department of Education and Sport and Recreation to jointly develop norms and standards for sharing of sport facilities between schools and facilities.

### **Disaster management**

#### **RESOLVED THAT SALGA:**

1. To advocate for funding for municipal planning and responses to disasters and climate change.
2. To advocate for funding for volunteer units within local municipalities from provincial government
3. Municipalities to prioritise DRM within IDP process, and ensure proactive strategies are in place with adequate capacity (including fire-fighting services)

### **Education and skills development**

#### **RESOLVED THAT:**

1. SALGA to assist municipalities in developing collaborative strategies and programmes with all social partners in ECD as a means to ensuring the co-ordinated and integrated development of young children
2. Lobby for funding to enable municipalities to contribute to the expansion of early child care facilities.
3. To lobby for legislation and funding to enable municipalities contribute to the expansion of early child care facilities.
4. To lobby for legislation and funding to enable municipalities contribute to the expansion of early child care facilities.
5. To advocate for community libraries to be run by municipalities with adequate fiscal arrangements, and with national and provincial governments providing standards and norms (providing the policy framework).

### **Health**

#### **RESOLVED THAT SALGA must:**

1. Advocate for the ring fencing of MHS funding through the creation of conditional grant for MHS.
2. Advocate for all municipalities to develop organisational structures and budgets for municipal health services

3. Define local government's role within an integrated district health system in partnership with the dept. of health
4. Support the capacitating of local government to have a central role in the provision of primary health care, and the implementation of the national health insurance (NHI) at community level.
5. Advocate for district and metropolitan municipalities provide municipal clinics as one of the first entry points of the integrated district health system.
6. Lobby for national government to capacitate districts and metropolitans to deliver PHC.
7. Poverty Eradication
8. Advocate for guidelines that harmonize the relationship between CDWs and Municipal structures.
9. Advocate for greater local government participation on the War on Poverty Programme as a flagship programme of Mayors at local government level.
10. Advocate for poverty eradication and human development planning to be a legislated component of the Integrated Development Plans.
11. Advocate that funding should be aligned to support the community development functions assigned to local government.
12. Municipalities to address developmental challenges that are reflected in population data through household profiling.

### **Poverty Eradication**

#### **RESOLVED THAT:**

1. Municipalities to develop working partnerships with civil society organisations/organisations that work and represent poor people
2. To develop local strategies to monitor the implementation of MDGs
3. Municipalities and SALGA to develop municipal approaches to the sale of alcohol.
4. SALGA to lobby for greater decentralisation in terms of government departments.
5. SALGA and municipalities to partner with civil society organisations to make use of social capital and community networks to improve government support to the poor.
6. SALGA to lobby for municipalities to be utilised as government's entry-point into communities.

## **COMMISSION 4: ECONOMIC DEVELOPMENT AND DEVELOPMENT PLANNING**

### **NOTED THAT:**

- The commission emphasized the need for SALGA to engage both National and Provincial spheres to coordinate and expedite the development of planning legislation that clearly defines what constitute “provincial”, “municipal” and “national” planning, seeing that the deadline for the DFA judgment is June 2012
- In lobbying for differentiated IDPs, SALGA should also lobby for a rethink on the approach to IDPs that seem to be constrained to municipal boundaries as opposed to a functional region. IDPs should be seen as a five year implementation plan that is informed by long range plans (GDS).
- Capacity constraints that municipalities face are not only limited to human resources, but also include financial capacity to implement IDPs and that should form part of the capacity framework

### **RESOLVED THAT:**

1. SALGA urgently lobbies for approval and implementation of coherent national Land Use Planning legislation
2. SALGA lobbies for a differentiated framework that also clearly defines the relationship between local and district IDP’s
3. SALGA highlights the need for a more coherent and integrated strategic (across spheres of government) and development planning system that is informed by long range planning (including alignment to the national planning commission)
4. SALGA develops a capacity framework and ensures municipalities develop SDF’s to address the apartheid spatial legacies
5. SALGA engages with the relevant national stakeholders for the development of a structured development planning capacity building programme

### **Economic Development**

#### **RESOLVED THAT:**

1. Municipalities need to align their LED plans within the umbrella of the New Growth Path by developing “a strategic jobs approach/plan” (SALGA to provide guidance for such alignment to the NGP through the budgeting around, planning for and reporting on municipal jobs approaches/plans)
2. SALGA supports municipalities towards a developmental approach for SMME’s, co-operatives and informal traders in municipal LED plans (advocate for National Policy/Guideline on the role of local government in informal trading management)

3. To raise the profile and application of Information Communications Technologies (ICT's) for effective municipal administration, governance and e-participation and to ensure that all municipalities are connected on fast affordable broadband by 2014
4. SALGA to ensure that municipalities have access to the necessary support in promoting effective LED. This will be done by:
  - Developing of differentiated LED strategies, funding, capacity and governance approaches in urban as well as rural areas for LED;
  - Understanding research into key socio-economic topics (eg. 'population and migration to understand urbanisation and rural migration', 'the green economy impacting environmental, sustainable and resilient factors, 'restructuring the SA Economy lessons from Brazil/India' and 'supporting the informal child centre development through LED')
  - Developing/unlocking meaningful partnerships and participation with sector departments, state owned entities (Transnet, Eskom), development finance institutions, banks, private sector, SETA's and NGO's and communities in unlocking and creating employment creating initiatives (cost of ports); and
  - Ongoing collection and sharing good LED practices (both urban and rural) and assistance in accessing of national and other related developmental incentives (such as the DBSA Jobs Fund) as well as strategies through internal procurement and supply chain.

## **COMMISSION 5: MUNICIPAL FINANCE**

### **RESOLVED THAT:**

1. SALGA to lobby National Government to review the local government fiscal framework (including the LGES), to:
  - *ensure adequate LGES envelope that is aligned with LG service delivery mandate*
  - *ensure equity of funding for households, capacity and geographical contexts (Constitution);*
  - *ensure sustainable local revenue bases for local accountability;*
  - *incentivise performance by all municipalities; and*
  - *Review approaches to funding of infrastructure in smaller municipalities.*
2. SALGA calls for a review of the vertical division of revenue of the National Fiscus for local government in accordance with its role and mandate for service delivery (grow the pie)
3. SALGA calls on National and Provincial government to properly cost and budget for agency functions (abolish AARTO), improve management of service delivery contracts and review powers and functions arrangements with a view to addressing unfunded mandates.
4. Develop an integrated framework of revenue management to reduce fragmentation of national influence (MPRA, NERSA, etc)
5. SALGA explores alternative taxation systems in rural areas and for a local business tax to fund economic services & infrastructure in cities and towns
6. SALGA to promote peer learning and support between municipalities and private institutions (e.g. banks) to continuously improve systems of financial management
7. Integrity of property data must be improved (Deeds Office and Surveyor General) as it impacts on property rates revenue collection
8. SALGA to lobby National Treasury to ensure NERSA aligns tariffs setting with municipal budget cycle
9. The role of development finance institutions (e.g. DBSA) must be clearly defined to create more competitive borrowing for municipalities
10. Submit an application to NT for a local business tax to fund economic services & infrastructure maintenance in cities and towns (NT requires a formal submission to initiate debate). SALGA to include options of a distribution formula of the LBT for small municipalities and rural areas
11. Explore the possibility of developing norms and standards for billing and other systems to enhance the ability of municipalities to collect outstanding revenue
12. All electricity revenue should accrue to municipalities from Eskom supply areas
13. Municipalities must exercise their responsibility to close the Fiscal Gap
14. Accurate billing and timely systems
15. Efficient Collections (those who can pay, must)
16. Prudent Increases
17. Expenditure efficiencies (still significant under spending)

18. Maximise current revenue (e.g. minimise water and electricity distribution losses).
19. A differentiated approach is required for different categories of municipalities
20. A focussed support programme for rural/smaller municipalities (similar to that of the City Support Programme)
21. Cities are the lifeblood of the economy and need to focus on:
  - Improving competitiveness/Challenges of Urbanisation/Public transport

ON SALGA finances

22. Approve 2011/12 membership levies formula
23. NEC to review the 2012/13 and 2013/14 membership levies formula in accordance with SALGA mandatory framework (includes PECs and municipalities)
24. Payment of membership levies must be between 1 April and 31 August
25. The NEC to develop in its first meeting to develop a delegations framework, a governance framework and a revenue sharing framework to enhance the sustainability of SALGA

## **COMMISSION 6: STABLE LABOUR RELATIONS AND EMPOWERED WORKFORCE**

### **RESOLVED THAT SALGA:**

**Facilitate the development and adoption of a White Paper or Policy Framework on Human Resource Management in Local Government to address amongst others the following;**

1. The formulation of regulations and guidelines to regulate uniform norms and standards for Human Resources Management and Administration in the sector;
2. Municipal salary grading per municipal classification upon proper employer driven Job Evaluation;
3. Arriving at common designations of titles of managers directly accountable to the Municipal Manager so that they have similar designations across the country, like those of Municipal Managers;
4. Remuneration and conditions of service of the Municipal Managers and managers directly accountable to the Municipal Managers;
5. In context of Professionalization of Municipal personnel, work with bodies like ILGM to develop appropriate and fit measures thereto including but not limited to registration and membership of professional bodies.

### **RESOLVED THAT SALGA:**

**Develop a National Integrated Human Resource Management Strategy for Municipalities which will address amongst others the following:**

1. The development of a Human Resource Information System framework for intelligence based decisions;
2. Facilitate the development and implementation of a comprehensive workplace wellness programme;
3. Develop guideline to streamline uniformity during recruitment and selection processes anchored on search for value fit appointments;
4. Facilitate the transformation of municipal employment practices to encourage the attraction, retention of scarce and critical skill, career pathing, talent management, succession planning.
5. Assist rural Municipalities to develop incentives to attract and retain scarce resources, through lobbying for a review of local government fiscal framework and remuneration policies to accommodate scarce skills and rural allowances.
6. Establish a Sector Mentorship Programme.
7. Skills development framework;
8. Ethical leadership and management Conduct

### **RESOLVED ON ORGANISATIONAL DEVELOPMENT THAT SALGA:**

1. Informed by semblance in IDPs for the past decade, review Municipal organizational structures and provide ideal and uniform structure per category of municipality which assist with efficiency and optimal utilisation of human and financial resources;
2. Determine and adopt Municipal job classification, competencies and requisite skills for each job category and as per each of the municipal classifications anchored on a differentiated approach model;
3. Streamline work processes and working relationship between the Offices of Council to ensure effective deployment of skills/capacity

### **RESOLVED THAT SALGA:**

**Amendments to Main and other Collective Agreements to be Submitted to SALGBC after a Research/Study has been carried out on the Impact of the Collective Bargaining Regime that Unfolded in the past 10years: among others;**

1. Employment conditions: section 57 managers:

2. Bargaining structures:
3. Municipal owned entities' bargaining arrangements:
4. Collective Bargaining generally
5. An accord with labour on reciprocal respect based relationships and conduct during all interactions including strike.
6. Defining the agenda beyond the distributive issues of percentage increases for a sustainable local government.
7. Informed by semblance in IDPs for the past decade, review Municipal organizational structures and provide ideal and uniform structure per category of municipality which assist with efficiency and optimal utilisation of human and financial resources;
8. Determine and adopt Municipal job classification, competencies and requisite skills for each job category and as per each of the municipal classifications anchored on a differentiated approach model;
9. Streamline work processes and working relationship between the Offices of Council to ensure effective deployment of skills/capacity.

**LABOUR RELATIONS:**

**RESOLVED ON JOB EVALUATION:**

That Job evaluation becomes an employer driven process;

**RESOLVED ON MEDICAL AID AND PENSION FUND:**

1. That medical care be accessible to all employees, particularly employees at lower echelons of municipalities.
2. That we move towards stopping the subsidy on post retirement medical benefits.
3. That, by legislation, we move towards one pension fund dispensation in the sector.

**RESOLVED ON DISPUTE RESOLUTION:**

1. To review and present a model of selecting Arbitrators and Commissioners other than the one where parties choose who they like to ensure labour justice is dispersed without fear, favour or prejudice.
2. In the interim, SALGBC Commissioners only deal with Conciliation and arbitration by CCMA or other agencies Commissioners.
3. To capacitate commissioners so that dispute settlement levels at conciliation are enhanced and arbitration referrals and concomitant costs are reduced.

**CAPACITY BUILDING:**

**RESOLVED On Individual Capacity**

1. The creation of a national data base of all qualifying personnel available to Municipalities to verify suitability of prospective candidates.
2. The Employment Equity Act imperatives should talk to the suitability of candidates.
3. That consideration be given to the establishment of Assessment Centres within the sector (to support municipalities in maintaining uniform standards).
4. Extend performance management to all levels and it must be tied to a reward and a recognition scheme.
5. Conclude the Task Job Evaluation with clearly defined job profiles which should be used to measure performance.
6. All Section 57 Managers' performance contracts MUST contain capacity building as a KPI.
7. The Personal Development Plans (PDPs) must evolve as a product of a performance management system. That SALGA engage with the PSC to explore the possibility of extending the scope and functioning of the PSC to include the local government sector.

8. That exchange or secondment programmes be carried out for people who make regulations and draw policy positions and/or negotiate agreements that impact on Municipalities to limit academic and non functional policies and outcomes that hamper municipal efficiencies.

**RESOLVED On Institutional Capacity**

1. A review of Section 78 of the Local Government Systems Act 32 of 2000, to remove bureaucratic red tape and expedite decision making by Councils.
2. Ensure Standardised training in terms of the minimum competency levels requirements.
3. Institute uniform training for generic needs within the sector.
4. Leverage SETA resources to fund general training programmes including training for Councillors.
5. Co-ordinate and develop a Councillor Training Programme and include these in the Workplace skills plan.
6. That SALGA engages with PALAMA, with a view to extending its mandate to include the local government sector. That SALGA must drive all initiatives of PALAMA within the local government sector.
7. SALGA conducts a review on the Effects of the period of appointment of Managers reporting to the Municipal Manager, on the functionality of Municipalities.
8. SALGA be strengthened to oversee compliance with laws, regulations and standards by municipalities.
9. That Municipalities allow IT system interface between them and SALGA for intelligent engagement and information gap closure.
10. Urgent review of the recently passed DC regulations for Sec 57 employees to make the process less tedious and cumbersome.
11. Explore shared service delivery models

## COMMISSION 7

### Local Government Leading the Fight Against Corruption

#### NOTING THAT:

- Addressing corruption requires a combination of legislative and policy interventions as well as moral and ethical regeneration
- Addressing enforcement requires municipalities' capabilities to initiate investigations, take prompt disciplinary hearing and ensure prompt recovery of losses and assets, instituting alternative dispute resolutions and prosecution etc.
- Obtaining a Clean Audit from the AG is but the first step towards excellence (complying to minimum legal requirements)
- Ethics beyond compliance
- Publication of companies that have been awarded tenders with all the company particulars
- Municipalities to publicly declare all companies that have been awarded tenders.
- Ad hoc and repetitive regression of financial management by municipalities
- Tool Kit produced by PSC (filling of vacancies/advertisement of posts, etc.)
- Good record management is essential for Clean Audit

#### RESOLVED THAT:

1. SALGA to use the study it has undertaken which reviews the state of corruption and mechanism to address it to lead a review of the Local Government Anti-Corruption Strategy focusing on the following.
2. SALGA to continuously build capacity in municipalities to detect, investigate and conclude on cases of corruption.
3. Monitoring Committee that is constituted of both internal and external stakeholders
4. SALGA to support the establishment of MPAC's in all municipalities and build their capacity to execute their roles.
5. SALGA to lobby for a regulation to strengthen the provision in the Systems Amendment Act to include those that are investigated in the roll, in cases of resignations.
6. SALGA through its PECs to ensure that the S.78; 79 & 80 Committees are capacitated and strengthened to execute their oversight roles.
7. SALGA to advocate for the declaration of interest to be cascaded to all levels of employees in the municipality and for Councillors to sign the declaration of interest at the beginning of their term (within 90 days) and update on an ongoing basis as their business interest change.
8. SALGA to advocate for the incorporation of Ethics in the Performance Agreements of Senior Management.
9. SALGA to capacitate municipalities to internalise and embrace values and principles as enshrined in S.195 of the Constitution as means of curbing corruption.

10. SALGA to mobilise municipalities to observe the International Ant-Corruption Day annually on 9 December to raise awareness on Anti-Corruption, and to include it in its annual calendar.
11. SALGA to facilitate the establishment and functionality of District Anti-Corruption Forums aligned with the Provincial and National Anti-Corruption Forums.
12. SALGA to advise municipalities to develop and implement “Whistle Blowing” policies, which will be key to the protection of “Whistle Blowers”.
13. SALGA to collaborate with key Anti-Corruption Agencies (SARS, SIU, PSC, AG, etc) in the fight against corruption.
14. SALGA to continue to build capacity of Councillors to prevent, detect and pursue corruption cases
15. SALGA to support municipalities in addressing the public perception about corruption through on-going community surveys and public participation to minimise the service delivery protests.
16. SALGA to advocate for elevation of Treasury Practice Notes to acquire an authoritative status in municipalities.
17. SALGA to lobby for direct funding to District Municipalities for shared audit functions.
18. SALGA to identify a range of areas where municipalities can share experiences on issues relating to corruption and mismanagement
19. SALGA to support municipalities in the strengthening and tightening of internal control systems.
20. SALGA to build project management capacity to ensure quality of projects implemented comply with required standards and specifications