



REPORT

**CONSOLIDATED REPORT OF THE SPECIAL NATIONAL
MEMBERS ASSEMBLY OF 18-20 JUNE 2016**

BOARDWALK HOTEL, NELSON MANDELA BAY, EASTERN CAPE

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1. INTRODUCTION

This National Members Assembly (NMA), SALGA's second highest decision making constitutional structure was convened subsequent to a decision by the National Office Bearers meeting of 25 January 2016 that resolved to host a Special National Members Assembly in May 2016 in Port Elizabeth, Eastern Cape. The main objective of this Special NMA was to address key transitional matters on leading up to, during and after the Local Government Elections of 03 August 2016; discuss key policy and legislative matters impacting on Local Government; and consider for approval the SALGA annual report for 2014/15 inclusive of audited annual financial statements and organisational performance; the SALGA organisational programme of action, business plan and budget for the 2016/17 financial year as approved by the NEC.

Convened under the theme "Managing the transition – ushering in the 4th term of democratic and people centred local government" the assembly was attended by over 640 delegates that included the Minister of Co-operative Governance and Traditional Affairs, Hon. Des van Rooyen; Deputy Ministers, Executive Mayors, Mayors, Speakers, Councillors; members of parliament; representatives from the provincial governments; local government practitioners, key government agencies, as well as representatives of the private sector and other organs of civil society.

In his welcome address, Cllr Danny Jordan, warmly welcomed delegates to the Nelson Mandela Metropolitan Municipality and wished the gathering well. SALGA Chairperson, Cllr Manyoni in his address reflected on the journey of local government of the past 15 years and preparations for the transition into the next term of local government. Minister Des van Rooyen in his keynote address congratulated SALGA for a fourth successful clean audit and provided an update on local government programmes such as Back to Basics (B2B) and the Integrated Urban Development Framework (IUDF).

Presentations by the Independent Electoral Commission (IEC) and Municipal Demarcation Board (MDB) and inputs from the Deputy Minister Nel clarified a number of issues for municipalities to ensure smooth transition into the new term. SALGA contributed governance support to manage transition in the form of publications and guidelines that were distributed to member municipalities and also made available through the SALGA website. This Special NMA resolved amongst others to work with all spheres of government and relevant institutions to build resilient municipal institutions that are able to continue operating efficiently and effectively regardless of the challenges of transition.

2. WELCOME ADDRESS BY THE EXECUTIVE MAYOR OF NELSON MANDELA BAY METROPOLITAN MUNICIPALITY, CLLR. DANNY JORDAN

Programme Director

- Councillor Thabo Manyoni (Chairperson of SALGA)
- SALGA NEC Members
- Executive Mayors, Mayors & Councillors
- Dr Xolile George (CEO of SALGA)
- Representatives of Sponsors
- Distinguished Guests
- Members of the Media
- All Protocol Observed
- Ladies and Gentlemen

Good morning

It is a privilege for the Nelson Mandela Bay Metro to be able to host the SALGA Members' Assembly in our city. We are especially encouraged that you have chosen to do so as we prepare for local government elections on 3rd August of this year.

We acknowledge and welcome all of you to the Nelson Mandela Bay, who have come to share your perspectives and experience gained over the last 15 years of democratic local government at this very crucial assembly of the SALGA.

It is indeed a profound honour for the Nelson Mandela Bay Municipality to host the Special SALGA National Members Assembly held under the theme: "Managing the transition-ushering in the 4th term of democratic and people centred local government". Once again, and in the spirit of celebrating Africa Month, welcome to the Nelson Mandela Bay.

The Nelson Mandela Bay Metro is standing in the cusp of economic rejuvenation. We are fashioning a new transformation that will deliver jobs in the form of the Five Golden Years which features the oceans economy, township economy, creative economy, tourism and agriculture. Our golden thread is the Back to Basics and ensuring that we the things we are supposed to do best.

The game of soccer teaches us that unless we work as a team we will not be able to achieve our strategic objectives. Just like a soccer team organizations need strikers, midfielders and defenders. It is important therefore that managers are team players and take necessary steps to cultivate the team work culture in their organizations.

Success is also about choosing the right team and attracting the right players. When it comes to delivering on the political mandates that we have as councillors to deliver to our people, we can't be compromising on the people that we choose to do it.

The success of the Nelson Mandela Bay Metro team has in a short space of time yielded results in the following areas:

- Moody's has moved Nelson Mandela Bay up three rating notches, to Aa1.za, the second highest level possible. "This all is a great tribute to the cooperation between a whole-of-government and the sterling political and administrative leadership of the Metro. Everyone who played a role must be congratulated for their commitment and help, which has been a great part of the above successes;
- The Metro is under borrowed and has cash reserves to the tune of R2bn;
- Beijing Automobile International Corporation, which is to build an R11-billion vehicle manufacturing plant and is set to create 2 500 direct jobs and thousands of indirect ones;
- Logistics Park (Current Investment: R327m with 751 jobs created, currently considering expansion to Phase 2);

- Lighting Innovation R60m: 120 jobs;
- Clover R100m: 100 jobs;
- Discovery R20m: 500 jobs;
- Mutual Financial Analysts R11m: 300 jobs;
- Aspen Expansion R1.8bn: 497 jobs;
- PRASA R1.4bn;
- VW R4.5bn;
- Transnet: R8.568bn and an additional R700m.

For our part, we will continue to be a trustworthy and active partner with all our communities. We are supported by a brilliant Constitution, supported by the legacy of Mandela and many other luminaries. We want our people to live in a City that Mandela will be proud of. We are not slaves of the past. And we do not want the hardships of days gone by to oppress the future generations. We have learned from the past 15 years to live in the future we now call our 4th transition and as we approach local government elections.

By and large, this gathering of the NMA of SALGA represent the key leadership of South Africa's local government and those at the cutting edge of developing collective solutions to the opportunities and challenges which local governance pose to major cities and towns in South Africa.

As local government we have responded through a range of policies and programmes, including local economic development, metro and provincial growth and development strategies and integrated development plans.

Our common and collective approach, I believe is based on the recognition of shared responsibility and destiny and the need to plan and act together today to build a better tomorrow. It is based on the simple realization that we will be more effective in building on our achievements and addressing our considerable development challenges if we work together.

The party to which I belong, and which I have no doubt will do particularly well in the elections in this city, has a policy of retaining 60% of councillors, so that there is continuity in political leadership. We have a solid team of councillors in this city, and we aim to build on that experience for the next term of local government. But regardless of this, the make-up of SALGA's leadership after the elections will change, and this is the last time we will be meeting as this collective in this form. So this is a very poignant moment for us. As municipalities we share a common destiny. Our success is also your success. Your success is also our success.

I thank you.

3. CHAIRPERSON'S ADDRESS BY SALGA CHAIRPERSON, CLLR. THABO MANYONI

Programme Director

- Honourable Minister Des Van Rooyen
- Deputy Ministers Hon. Nel and Hon. Bapela
- Honourable MPs
- Our Host Mayor, Hon. D. Jordaan
- Honourable Premiers and MECs
- Presidents and Secretary-Generals from LG associations from around the continent and the world
- Our Traditional Leaders, represented by the Chair of the National House of Traditional Leaders
- Dignitaries (in attendance)
- The SALGA National Executive Committee
- NCOP representatives of SALGA
- Former Chairpersons of SALGA, notably CDE Mkhathshwa
- Mayors, Speakers, Whips, Councillors
- Municipal Managers and Senior Management
- SALGA officials, led by our CEO
- The media, Sponsors and exhibitors
- Ladies and Gentlemen

Programme Director, it is a great honour and privilege to address this august gathering of leadership to collectively reflect on the progress we have made thus far in our quest to create accountable, caring, and responsive and people centred local government during this 3rd democratic term of local government.

We would especially like to take this opportunity to acknowledge the presence of the host Mayor, Honourable Danny Jordaan for extending the support of the city to this Assembly. We have been much impressed by the work the Mayor and his team are doing to effect positive turnaround of the City to be responsive to the needs of its people, especially in the short period since the SALGA NEC met with the leadership of the municipality when they had just been appointed.

Programme Director, also for the first time since his appointment as Minister for Cooperative Governance and Traditional Affairs, we would like to welcome the Honourable Des Van Rooyen, one of SALGA's own, in the midst of an official Members' Assembly of organised local government. We commit ourselves to work hand in glove with him in strengthening local government and cooperative governance for more coherent development of our communities.

To that end, and being the last Members' Assembly of this 3rd term of democratic local government, it is timely to reflect on the lessons learnt, as well as the work that has been and still needs to be done to ensure a smooth transition and usher in the next term through combining continuity of the good and fresh energy for change in the areas required.

a) As we have passed the 15 years of Democratic Local Government milestone and are reaching the end of the 3rd Democratic Term, what progress have we made?

Local government has come a long way since its democratic establishment in wall-to-wall form in 2000, and the preceding transitional phases which we all recall and no doubt participated in. We should never forget what a massive transition this was, in which we moved from a highly fragmented racial based system of local government to an integrated democratic system, with uniform wall-to-wall municipalities.

While local government, in democratic form, is now more than 15 years in practice, the transformation (amalgamation and consolidation) of municipalities and the establishment of new ones have all taken place

at different stages, and some continue due to boundary redetermination every five years. It is unfortunate that some would have us believe that transforming more than 300 years of colonial legacy in less than 15 years of democratic local government is a reasonable expectation.

The truth of the matter is that the exact stage of development which any given municipality finds itself in may differ vastly from that of its neighbour. It is worth reminding ourselves that maturation is not a linear process. Some municipalities, despite the turbulence of economic crises and the inevitable challenges of servicing vast municipal areas with ageing infrastructure, are already sustainable or in the sustainability phase.

Yet others, where there was some historic form of local government and a record of service delivery, could either be in or marching towards the consolidation phase. These may even be on their way towards achieving sustainability. Then there are those municipalities who started from scratch and are still very much in the establishment phase, or those who have had recent amalgamations or other forms of transformation.

Finally, there are those municipalities who, due to their particular spatial and economic circumstances, are and will continue to grapple with the complexity of the mandate.

The popularly cited top 20 and bottom 20 performing municipality lists that we read about in the media, often bear close resemblance to this historic reality, with those that have had local government in various guises long before the democratic era hovering near the top and the so-called bottom 20 having been formed in 2000 and still very much coming to terms with what institutional governance and performance is all about.

Thus, any generic categorization of local government as being in the consolidation phase, or sustainability phase, is misdirected. Within those there are several important nuances. It is for this reason that we have argued very strongly that differentiation in approach to local government, not in words only, but in practice, must be applied if we are to achieve meaningful and tangible outcomes. This must find greater traction in the next term.

b) Reflection on the environment – Local Government now at the Centre of a changing World

15 years after formally establishing democratic, people centred local government, we must acknowledge that the local government experience in South Africa is a complex one and democratising local government to represent and service all has been extremely challenging. In that time we have had some significant achievements in deepening democracy and development, while our challenges have grown ever more in complexity and urgency.

Of course, the world has changed quite a bit in the last 15 years, so the job is unfinished for millions of people and the inequality gap and social burden is growing. The global economy is now much more interconnected and there is a profound spatial reality to these economic shifts – the global economy is highly concentrated in urban areas with the most obvious impact being rising inequality and its socio economic consequences.

Only 28% of the labour force in Africa occupy stable wage-earning jobs compared to 63% in vulnerable employment, while 63% of urban dwellers in sub-Saharan Africa live in informal settlements. This also means that the potential tax bases of cities are relatively small, creating a serious financial imbalance to address the vast service delivery and economic infrastructure needs.

To respond to this emerging reality, and at the same time as the 15 year local government landmark was reached, the world transitioned from the Millennium Development Goals and universally adopted 17 Sustainable Development Goals (Vision 2030), and the global Paris Accord on Climate Change in December 2015. Closer to home, the African Union Agenda 2063: The Africa we Want and the National Development Plan (also Vision 2030) focus on a more sustainable, inclusive and just future.

These collectively define the development agenda at local level to be about making municipal spaces more socially inclusive, economically productive, environmentally sustainable and resilient to climate change and other risks. The global development pact is based on an understanding that cities and municipalities present the most promising site for governance reforms and innovation to tackle rising inequality, intensifying environmental stress and vulnerability, continued economic crisis, increasing conflict and to take advantage of unprecedented technological opportunity.

All of this plays out during the 4th industrial revolution, that can safely be called the age of digitalisation and disruption, in which we are seeing a convergence of a number of key challenges (global and local) having an increasingly significant impact on our local realities. Declining economic growth, increasing inequality, security risks and migration patterns, as well as the internet of things continues to impose new and ever more complex challenges to the management of our cities, towns and villages.

In a rapidly changing and interconnected world, coupled with unprecedented disruption and innovation challenging the way we do business and governance in the 21st century, this convergence presents both a significant challenge and huge opportunity to position local government at the heart of localising people centred growth and development. Due to the accelerated speed of technological change, combined with the fluidity of capital flows, it is essential that cities lead in addressing multiple, complex pressures and exploiting opportunities.

In an ever more restrained resource and fiscal environment, the value of strategic partnerships, networks and stakeholder relationships is likely to become increasingly important in supporting and financing an inclusive growth and developmental agenda.

Back home, we are seeing this reality emerge. Despite the social, economic, and financial challenges we are facing as a country, many of our cities and towns are doing just that and in fact leading the way in stimulating economic growth, digitalisation and broadband as well as attracting large scale and quite substantial investments, not to mention achieving investment ratings upgrades, in a few cases jumping a substantial four notches.

This is a glimpse of the future and how we get sustainable and inclusive economic growth going – greater investment in and partnership with local government would serve the country well. The launch of the IUDF is a step in the right direction and we must ensure its implementation.

c) 20 years of SALGA – our work has only started

In 1996, nearly 20 years ago, the then members came together to form this organisation that we call SALGA and mandated it to:

- Represent, promote and protect the interests of local government in our cooperative governance and intergovernmental relations system (which is our reason for existence);
- Assist in the transformation of local government, particularly in establishing the structures, systems, policies and procedures for effective, accountable and people centred local governance;
- Assist the sector to entrench a developmental culture, focused not merely on service delivery but on transformation of spaces and places; and
- Knowledge sharing, peer learning and innovation in the quest to do things ‘differently’ (the White Paper advocated the need to find innovative ways to be developmental and people centred, and the role SALGA should play in this regard).

During this NMA we will reflect on what we have done to stay true to the purpose of organised local government and to further the transformation agenda. History will rightly judge us based on this score. Given the many complex challenges the country is facing, the time has come to up our game and reposition SALGA as a thought leader to inspire the sector to deliver more effectively and innovatively in the increasingly digital age. More on this later in today’s programme.

d) Ushering in the 4th democratic term – Key Imperatives requiring Leadership and Action

Programme Director, whilst progress has been made, substantial work remains to be done during the transition to ensure that service delivery and the long term strategic agenda continue uninterrupted. Leaders change, but the work of local government in the quest to effect fundamental economic transformation and equality remains the central focus. In many instances the work continues unabated, in other areas a change of policy or approach is required. Minister Van Rooyen will hereafter outline his vision for implementing the key tenets of B2B and the immediate actions needed to implement this approach during the 4th term. We look forward to it.

It goes without saying that SALGA must work closely with our Minister and the Department to inculcate this back to basics approach and ensure coherence of support to local government as the sphere of interface with our people. Many previous local government programmes of action yielded limited results due to the exacerbation of our challenges by the other spheres of government. In this regard, we call on our Minister to engage with his national and provincial counterparts in government to ensure support for our commitments by:

- Applying the principle of finance follows function to those functions already transferred/assigned and those to be transferred/assigned to local government, including;
- Quantifying the financial implications of new laws / regulations to municipalities
- Implementing an integrated planning and execution approach across sectors and spheres in line with the National Development Plan to achieve spatial transformation, through the IUDF and IDPs as the central planning tool of government;
- Promoting respect and support for the constitutional mandate of local government, and collaborating with the sector to improve development outcomes, including through;
- Rationalising legislation and regulations which impede the effective delivery of services and transformative socio-economic development; and
- Involving and consulting meaningfully with the leadership of organised local government on a regular basis.

Finally, to our Parliamentary Principals present here today, we trust that you will continue to work with us in Parliament, primarily through our NCOP representatives. We look forward to continuing and building on our partnership with both the NCOP and the National Assembly even after the change of leadership in the sector and potentially SALGA. We also look forward to your continued support in our quest for sustained partnership and participation with, and in, the provincial legislatures.

In Closing

Programme Director, while substantial progress has been made, much work remains to be done during this transition to ensure the continuity of our change agenda, which remains our demonstration that local government is indeed responsive and accountable to its inhabitants, and that we undertake all of our duties and tasks with the utmost care and diligence for the benefit of our people.

Recent economic and social developments have increased attention given to the role that good governance and political leadership plays in achieving social and economic development. High quality political and executive leadership is absolutely key to the culture of the sector and its credibility and reputation with the public it serves. We must invest our time in the remaining months in ensuring the continuity of good governance as a sure way to provide leadership and build greater connectivity with our people.

As we march towards the elections, let this NMA be a reflective and continuity orientated one so that we ensure readiness for the transition and uninterrupted delivery of quality services to our people. SALGA remains at members' service!

I thank you.

4. KEYNOTE ADDRESS BY THE HONOURABLE MINISTER FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, MINISTER DES VAN ROOYEN

“Consolidating Local Democracy and Deepening Development: B2B 10-Point Plan to build confidence in local government and Put People First” at the Special SALGA National Members’ Assembly, 19 May 2016, Nelson Mandela Bay Metro

Programme Director

- Deputy Ministers, Andries Nel and Obed Bapela,
- Chairperson of the NCOP,
- SALGA Chairperson, Cllr Thabo Manyoni, and SALGA leadership,
- Deputy Chair of National House of Traditional Leaders,
- Executive Mayor of Nelson Mandela Bay, Councillor Danny Jordaan,
- Executive Mayors and Mayors from other Municipalities,
- Councillors,
- Traditional Leadership with us here today,
- Union leadership,
- Esteemed Guests,
- Ladies and Gentlemen,

Good morning,

After I left the defence force in 1999, I spent ten years in the local government sector. I started as a ward councillor, then later became MMC for Safety. I later became Executive Mayor. Indeed I belong here. I feel like I’m being welcomed back home. Khumbul’ekhaya. Thank you for the opportunity to address SALGA’s 2016 National Members’ Assembly. Let me state our high regard for the SALGA under the stewardship of Chairperson, Councillor Thabo Manyoni.

SALGA has been at the heart of professionalising local government. I know it – I was here. It has played an important role at all levels of government, as well as on the international front, as we witnessed at the Africities conference last year.

Let me also congratulate the CEO, Mr Xolile George, for achieving a fourth successful clean audit. SALGA certainly sets an example that all municipalities should strive to achieve. We welcome SALGA’s endorsement of the Back to Basics programme, and for its support of the second phase of its implementation. We appreciate your efforts in working towards a smooth transition after the local government elections.

Working together, we are preparing a councillor training programme and updating the Councillor Induction Manual to focus attention on the Back to Basics programme. SALGA has proved to be a dynamic and valuable role-player in the local government sphere.

On the 5th of December 2015 we celebrated 15 years of democratic local government. Many of our achievements over this period have been achieved by working together. Let us continue in that spirit to foster our relationship.

Members of SALGA, Last week the World Economic Forum Africa gathered under the theme of, “Connecting Africa’s Resources through Digital Transformation”. Today, all businesses are digital businesses – and that includes the local government sphere. I’m glad that our cities are realising the potential of utilising ICTs to innovate service delivery.

The Tshwane International Trade and Infrastructure Investment Conference held this week, noted that 43 percent of the city’s population had logged into its free Wi-Fi service. This is in line with initiatives such as the City of Johannesburg’s Smart City Wi-Fi project that has seen areas such as Braamfontein receive 100 percent Wi-Fi access.

As we meet in Africa Month and get set to usher in a new local government administration, let us keep our eye on building Smart Cities that are at the forefront of building a better Africa. I am honoured to participate in this Assembly today with people and organisations that recognise the importance of local government as the sphere that is closest to our people.

The theme for this year's National Members Assembly is certainly apt: "Ushering in the 4th term of democratic and people centred local government - our readiness to navigate the sector transition". I welcome the fact that this Special National Members' Assembly will consider key transitional matters that have to be attended to prior to, during, and after the 3rd August local government elections. As established councillors and administrators you are perfectly positioned to express yourselves on key transitional matters that must be attended to. Clear guidance in this regard will ensure that the progress of municipalities from interim or transitional structures, to established and accountable institutions, is smooth and straightforward.

Your stated intention to contend with key policy and legislative matters impacting on Local Government is appreciated, because there are matters that are constraining the functionality of our municipalities. Furthermore, ladies and gentlemen, as part of your discussion points you must, as a matter of urgency, consider how the Back-to-Basics programme can be entrenched in our municipalities. This will provide a clear strategic vision through which the fourth fully democratic local government term can be ushered in.

IUDF

Ladies and Gentlemen,

This year we commemorate the 20 anniversary of the signing of the Constitution. The South African Constitution reflects a national consensus on the basic character of state and society in post-apartheid South Africa. The Constitutional recognition of local government opened the way for broader participation in the governance of the country through community-level political representation within a framework for national sovereignty and unity.

The apartheid system used municipal administrative boundaries as instruments to enforce separate development, white minority privilege, and the political and economic exclusion of black South Africans. The legacy of that system remained in the fragmented settlements and distorted space economy that we inherited.

Today we see that in the apartheid spatial legacy that still blemishes our landscape. Yesterday, Deputy Minister Nel hosted a dialogue on the Integrated Urban Development Framework (IUDF) that was approved by Cabinet in April. This Urban Development Framework aims to change the apartheid legacy that coarsens the lives of especially black South Africans. Many of whom still travel for hours to get to and from work each day, or live miles from economic opportunities that will lift them out of the cycle of poverty.

The IUDF offers a New Deal for South Africa's cities and towns – and by implication its residents. The Integrated Urban Development Framework sets out the policy framework for transforming and restructuring South Africa's urban spaces. This is guided by the vision of creating "liveable, safe, resource-efficient cities and towns that are socially integrated, economically inclusive and globally competitive, where residents actively participate in urban life."

The IUDF has also released its Implementation Plan for 2016-2019. This requires that all three spheres of government and all public entities must embrace the IUDF and use its principles when developing plans, programmes or approving projects. The IUDF recognises local government's role in implementing and integrating long-term growth and development plans.

I am sure that you will take this policy into consideration in your efforts to develop the space economy. I am told that the document has been widely distributed and is also available on the CoGTA website.

Ladies and Gentlemen,

Post-apartheid local government functions with a radical new mandate. The mandate of local government is located in the Constitution's definition of local government as a sphere of government. Together with this new status, the Constitution gave local government a new developmental mandate, namely that a municipality must:

“Structure and manage its administration; budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community”. Critical to local government’s mandate is the requirement to improve the lives of all the citizens in their municipality through:

- The provision of basic services,
- The development and growth of the economy,
- Recognising and harnessing the skills potential of people living in municipalities,
- The mobilisation of people to make their own contribution towards the improvement of their living conditions and job creation.

Back-to-Basics

Distinguished Councillors, Mayors and Executive Mayors

Too often we forget that most citizens’ experience of government occurs at the local government level. When the traffic lights are working, the garbage is collected and clean water comes out of an open tap, that’s when our citizens know that government is working for them. The Back to Basics programme has been our response to improving the lives of all citizens. I am privileged to report encouraging progress. We can state with confidence that Back to Basics has been widely accepted by all stakeholders in government.

Furthermore, our communities and the business sector have become active partners in the implementation of this programme. Telkom, Old Mutual, First National Bank and the Banking Council are among those institutions that have provided their expertise to municipalities. Old Mutual for example has identified 20 municipalities it would like to support in terms of the B2B pillar of ‘Building capable institutions.’ We will meet more business stakeholders to determine what role they can play in further developing our municipalities, through the B2B programme. Step by step we are changing how institutions are working in practice and are already seeing positive results.

However, it is important to ensure that municipalities do not become dependent on support programmes, but rather develop their own capacity for sustainability in the medium and long term. Our Policy Review has indicated the need to strengthen the role of District Municipalities and the importance of spatial integration and transformation, especially with regard to Metros and District Municipalities. We’ve also provided specific support and interventions to troubled municipalities including Mogalakwena, Nelson Mandela Bay Metro, Buffalo City, Oudtshoorn and Makana. These positive developments show that B2B is stimulating a culture of accountability and responsiveness to the needs of our people, among our municipalities and municipal officials. Even those municipalities that were classified as not doing well or dysfunctional are improving in some areas.

Programme Director

Despite our clear progress, there remain areas of concern. We’ve noticed that in municipalities categorised as not doing well (dysfunctional), the systems and processes for citizen engagement are weak. This includes the lack of functioning ward committees.

Another concern is that few municipalities have conducted Citizen Satisfaction Surveys, with many regarding the IDP process as fully indicative of communities’ concerns. Ageing infrastructure across provinces is exacerbating service delivery failures. This is further compounded by weak technical capacity within municipalities – for example, some municipalities even require support to design and develop tender documents for submission to Supply Chain Management units.

Another growing area that municipalities are struggling with is the capacity of Water Services Authorities to respond to water challenges and in some instances to perform disaster management functions. The lack of sound financial management is underpinned by a number of factors. These include the servicing of debt to bulk suppliers such as Eskom, problems with billing systems and the debt owed to municipalities by clients, government in particular.

The culture of non-payment by certain communities is impeding our efforts to place municipalities on a sound financial footing. Anecdotal accounts of some communities preferring to pay their DSTV accounts, instead of their rates, have brought to light the need to handle this issue more decisively. The good news is that our audit outcomes have improved in the last year, but this is an ongoing project, and one we should not falter on.

There is also a need to harmonise the relationship between traditional leaders and municipal councils, with the former not always getting the recognition and respect they deserve. Building institutional capability within municipalities is probably our biggest long-term challenge.

Municipalities with weaknesses in governance and corporate management functions such as financial management, HRM and SCM also tend to experience difficulties in service delivery. Legal capacity is non-existent in most municipalities, resulting in numerous litigations and escalating legal costs. A middle management layer that is not adequately skilled, with a limited capacity for forward planning and implementation capability, is another factor we have to contend with. Political instability and weaknesses in governance are two of the primary causes of poor service delivery at municipal level. Enforcement of by-laws by municipalities is generally weak or do not exist in municipalities.

There is correlation between senior management vacancy rates and lack of functionality of municipalities. These are some of the challenges we are experiencing and have taken note of. We have therefore adjusted our Back to Basics programme to deal with these challenges. The B2B programme entered its second phase this year.

Focus areas of next phase of B2B

The next phase of the Back-to-Basic approach will include a concerted initiative to identify the root causes of problems in each municipality. The focus will also be on the identification of what needs to be done differently by all stakeholders to address the root causes and bring about the desired changes in municipalities. The implementation of the prioritised actions in municipalities should have the maximum measurable results in functionality, service delivery and citizen experience. In the next phase of B2B we will be more precise and practical regarding the actions which will be effective in changing the way municipalities are working. There must be measurable improvements in citizens' experience of local government.

10-point plan of B2B priority actions

A 10-point plan of B2B priority actions was developed to guide this next phase. The plan includes the promotion of community engagement, which is absolutely critical to enable communities to provide feedback on their experience of local government.

- Community engagement and local government accountability to citizens will be strengthened through innovative platforms such as the use of social media, and community radio stations. We want to ensure that communities have positive experiences when dealing with municipalities. Here our ward councillors are very important as they serve as the interface between the citizens they represent and the municipal officials who design and implement development policies. The councillor's job is not just to serve as the voice of the people, for the expression of their community needs, but also to act as a watchdog and ensure the municipality implements policies to address the needs of citizens. Councillors should thus be sensitive to community views and responsive to local problems;
- Government will develop hands on programmes for each municipality which has been receiving disclaimers audit opinions over 5 years, to reverse this trend;
- Municipal revenue management will be improved through a clearly defined process of intervention;
- Government will guide municipalities in the appointment of senior managers, and ensure that their skills are fit for purpose;
- Support and interventions will be provided to increase access to quality, reliable and sustainable basic levels of services. More funding will be provided for the replacement and refurbishing of ageing infrastructure;
- The implementation of the recommendations of all forensic reports will be monitored;
- The Metropolitan B2B programme will prioritize issues that have immediate impact on the citizens, as well as enforcement mechanisms for service norms and standards, quicker response times and improvement of communication to citizens. The programme also makes provision for interim services to informal settlements;
- The role of district municipalities will be strengthened. The focus will be on the distribution of powers and functions between district and local municipalities, to foster regional integrated planning and the delivery of services, to establish a shared service model, and strong district support plans for weaker local municipalities;

- The development of a spatial development strategy for various localities and spaces is another priority area. It includes the development of an infrastructure development implementation plan to underpin the spatial development programme; and
- Provincial CoGTA Departments are essential partners in the implementation of the next phase of the B2B programme.

Therefore the strengthening of the capacity of these departments is an important priority area.

Distinguished Councillors, Mayors and Executive Mayors,

I am of the view that SALGA can structure support programmes to assist with the implementation of many of the elements of the 10-point plan. Your support is crucial to our attempts to address the challenges that continue to beleaguer the sector's progress. This includes:

- Strengthening oversight capacity to be robust and resilient to withstand the forces of corruption and maladministration, and increase the participation of communities in the governance processes;
- Ensure better audit outcomes and financial management through implementing the SALGA Municipal Audit Support Programme;
- Improving integrated development planning and the realisation of seamless government;
- Intensifying public participation and find innovative ways to include communities in municipal governance process;
- Support leadership development in the sector through the SALGA Centre for Governance Leadership and Executive Coaching.

Going forward: The establishment of a Developmental State

We can't have councillors who come to public meetings & say 'angaaz' or 'I don't know'...they are not cheque collectors. Going forward, we need to consolidate on the gains made and also rigorously apply the lessons learnt thus far. We should be under no illusions that the economic climate, which we are facing currently, is going to provide even steeper challenges for municipalities in the period ahead.

The constraints in the economic environment have serious implications for local government. We shall have to make a concerted effort to ensure that resources allocated to local government are put to its best possible use. Sound financial management therefore remains high on the agenda.

However, it is important to reconfirm that the government remains committed to the vision of a developmental local government, as part of an important strategy in advancing the developmental state. We also recognise that more should be done to build capacity in the state and on local government level to advance the lives of our communities. The developmental mandate of municipalities goes beyond service delivery and infrastructure.

Municipalities must lead the creation of cohesive, integrated and sustainable human settlements in their local areas. They undertake this role in two ways: namely by developing a strategic plan to guide the long-term spatial development of its area, and act as the point of coordination for the investments and services that the other two spheres discharge in the local built environment.

Outcome 9 has emphasized the important role of intergovernmental effort and cooperative governance in ensuring that the developmental local government system succeeds. Local government is recognised as a key part of the reconstruction and development effort of our country. The aims of democratising our society and bringing about a growing inclusive economy can only be realised through a responsive, accountable and efficient local government system.

Through the B2B approach CoGTA has identified areas through which cooperative governance can be strengthened. Basic services:

- National Treasury and CoGTA will provide institutional support to improve expenditure, to target backlogs and to ensure municipalities acquire relevant skills for infrastructure management.
- The IMC will coordinate service delivery initiatives of national government departments under the auspices of the IMC on Service Delivery.

- The Inter-Ministerial Basic Service Delivery Task Team will assist in unblocking and fast-tracking services around the country.
- CoGTA, Department of Water and Sanitation, Department of Rural Development and Land Reform and the Department of Human Settlements will intensify the implementation of a pipeline of projects in the 27 Districts, with a particular focus on water and sanitation to targeted areas.

Putting people first:

- National and provincial sector departments to increase their visibility and support to Thusong Centres.
- CoGTA to work with GCIS to improve communication in order to communicate local government successes and use them as learning opportunities for other municipalities.

Sound financial management:

- National and Provincial CoGTAs and Provincial Treasuries will assess and address capacity deficiencies of municipalities to develop and implement Audit and Post Audit Action plans.
- National and Provincial CoGTAs and Provincial Treasuries will assess the credit control and debt collection policies, including the elimination of theft of services, and by-laws for adequacy, and support the implementation thereof.

Building Capable Institutions and Administrations:

- CoGTA and National Treasury will collectively enforce the implementation of the Municipal Systems Act and Municipal Financial Management Act regulations.

Governance

- The areas of concern in respect of good governance can be summarized in the following key points:
- Weak political leadership is a key capacity constraint.
- Political leaders often lack the leadership, oversight and technical skills to enable them to perform their required roles and responsibilities;
- Weak political leadership is often linked to broader problems within the municipality such as:
 - o A blurred political/administrative interface,
 - o An unclear distinction between executive and legislative functions; and
 - o Weak strategic focus, institutional volatility, weak values, ethics and instances of mismanagement.

Furthermore a lack of consequences for poor performance and transgressions are the root causes of poor audit outcomes and bad governance in our municipalities. SALGA has a constitutional mandate to inculcate accountability within local government. Accountability is a key success driver in the adherence to the principles of good governance. SALGA must continue to invest substantially in the fight against corruption.

CoGTA acknowledges SALGA's huge contribution through its consequences and accountability framework for the sector. It cannot be denied that SALGA's Municipal Audit Support Programme (MASP), through which hands-on support to municipalities who received adverse or disclaimed audit opinions is provided, has resulted in a noticeable improvement in the municipal audit opinions.

SALGA's Centre of Leadership and Governance is at the forefront of Government's endeavours to professionalise local government. As we will soon enter into a phase where the elected will be subjected to induction training, I urge SALGA to lead from the front so that we can empower our new councillors with all the necessary skills and knowledge to succeed.

Let's use this initiation process to develop leadership to their full capacity in the areas of governance, citizens, media and stakeholder engagement and ethics.

Local Government 2016 elections

In the midst of our actions to intensify the B2B programme, we must also direct our focus to ensuring a successful local government election in 2016. With that in mind we are committed to supporting the municipal amalgamations as announced by the Municipal Demarcation Board. We are working with the communities of Vuwani at finding a legally acceptable solution to all concerned. However, we will not tolerate the use of violence as a form of protest.

The destruction of property in which this government has invested millions is not acceptable. The future of learners in Vuwani is now hampered because of these actions. As we head towards the 2016 local government elections, we will see a total reduction of 19 municipalities through amalgamations.

Government acknowledges the important role that SALGA has to play in this process, and we look forward to our close cooperation over the next few months. National Treasury has allocated almost R100 million over the MTEF period to SALGA. We know this will be spent wisely.

CONCLUSION

Local government has been a primary site for the delivery of services in South Africa since 1994. We have made tremendous progress in delivering water, electricity, sanitation and refuse removal at local level. However, there are areas in which service delivery is failing, our governance system is not functioning, and we are not putting people and their concerns first.

Back-to-Basics is the framework for ensuring that the people's trust in local government is restored. Each sphere of government has to work together within the cooperative governance system to address the challenges faced by local government.

SALGA must be the partner to all spheres of government, business and civil society in this process. Let us go forward together and build the developmental local government system that our people deserve. Speaking at the World Economic Forum in Africa, the host President Paul Kagame of Rwanda had this to say:

"Development is about more than money, or machines or good policies – it's about real people and the lives they lead."

Let's bear this in mind as we hold the future of our citizens in our hands.

I wish you a productive and thought stimulating two days of deliberation.

I thank you.

5. NATIONAL MEMBERS ASSEMBLY: SUMMARY OF PROCEEDINGS

WEDNESDAY, 18 MAY 2016

Registration of delegations began from 14H00 PM 20H00 PM

During the cocktail reception SALGA and Financial and Fiscal Commission launched the Cost of the Services Study; COGTA launched the Integrated Urban Development Framework (IUDF) and the South African Cities Network launched the State of Cities Report.

THURSDAY, 19 MAY 2016

SESSION 1: OPENING CEREMONY

The proceedings started under the programme directorship of Cllr Mpho Nawa, Deputy Chairperson of SALGA who introduced Father Mkhathshwa to open the Special NMA with a prayer. This was followed by the rendition of the national anthem. The welcoming address was given by the Executive Mayor of Nelson Mandela Bay Metropolitan Municipality, Cllr Danny Jordan who welcomed all delegates to the city and wished the gathering well. Messages of support were given by National Council of Provinces and IMATU.

Chairperson of SALGA, Cllr Thabo Manyoni's address outlined the objectives of the Special NMA and thanked Cllr Danny Jordan for extending the support of Nelson Mandela Metropolitan Municipality to this Assembly. Cllr Manyoni welcomed the Minister of Cooperative Governance and Traditional Affairs, Hon. Des van Rooyen and reflected on the journey of local government for the past 15 years and much work that still needs to be done. The SALGA Chairperson's address was followed by the keynote address by the Minister of Cooperative Governance & Traditional Affairs, Hon. Des van Rooyen who congratulated SALGA on a fourth successful clean audit and provided an update on local government programmes such as B2B and the IUDF.

SESSION 2: STATE OF READINESS FOR ELECTORAL TRANSITION

The session was themed "State of Readiness for Electoral Transition" and facilitated by Mr Vuyo Mvoko of the SABC. Two presentations were received from MDB and IEC, followed by a response by Hon A. Nel, Deputy Minister of CoGTA, followed thereafter by a question and response session and comments by SALGA Women's Commission.

2.1. PRESENTATION BY MS JANE THUPANA, CHAIR OF MUNICIPAL DEMARCATION BOARD (MDB)

The presentation done by Ms Thupana aimed to inform the assembly of the status of municipal and ward boundaries towards the 2016 local government elections. It was further intended to share lessons learned, challenges, and proposed interventions prior to the next demarcation cycle. According to Ms Thupana, MDB is an independent constitutional body (section 155 of the Constitution) and performs its duties in terms of the Constitution of RSA, Municipal Demarcation Act (MDA), No 27 of 1998, and Municipal Structures Act (MSA) No 17 of 1998. MDB serves without prejudice to ensure that there is an integration of settlements, economies and communities and that the board continues to contribute towards shaping a developmental local government.

Ms Thupana emphasised that in the past year and prior to the ward delimitation process, a section of the act was invoked by the minister who requested that in terms of B2B programme, boundaries of certain municipalities be revisited in order to make them more viable. Ward delimitations and boundary delimitations were done at the same time and the processes have since been concluded. Thus far, twelve (12) proposals have been approved which affect twelve (12) municipalities in Limpopo, twelve (12) municipalities in Western Cape, two (2) municipalities in Northern Cape, and two (2) municipalities in North West. As a result, the number of municipalities has been reduced from 278 to 257.

Whilst much progress has been made in the operations of the board, the following challenges remain:

- Stakeholders failing to observe given legal timelines with comments, concerns and queries lodged long after the objection period had closed;

- Communities dissatisfied with provincial boundaries e.g. Matatiele and Flagstaff, and Traditional Authorities wishing to have their communities contained in same wards (both historical problems);
- Litigations by the Democratic Alliance and Traditional Leaders in Vuwani;
- DA (Part A) and Vuwani cases heard and judgments handed down; and
- DA case (Part B) still to be heard - Date not determined yet.

Lessons that may inform process and legislative review in order to address these challenges include:

- Frequent cycles of demarcation undermine long-term planning by municipalities.
- A small margin of variation for wards undermines public role in ward delimitation.
- Non legislation of the service delivery role of wards undermines the aspect of municipal planning in ward delimitation.
- Increasing public voice against the use of number of registered voters' viz. population in ward delimitation.
- Reliance on municipalities for facilitation of public participation in boundary and ward delimitation (possible manipulation and sabotage).
- Absence of a mechanism to determine a proportion of the public in support of a determination, re-determination or delimitation.
- Need to regulate or legislate time frames taking into account IEC programme in preparation for elections e.g. Board activities, publication of formulae by Minister and publication of number of councillors by MECs.
- The need to intensify public education and public participation.

In closing, Ms Thupana mentioned that these and other challenges will be addressed at the first demarcation conference scheduled for 23-24 June 2016 where inputs, lessons, and opinions will be shared by stakeholders both national and international.

2.2. PRESENTATION BY REV. BONGANI FINCA, INDEPENDENT ELECTORAL COMMISSION

Rev Finca presented an update on the state of readiness for the upcoming local government elections. He mentioned that with regards to registration of voters, targeted and communication registration initiatives were undertaken between November 2015 and February 2016. Two registration weekends successfully concluded and the voters roll is currently at 26.29 million, a figure which has increased by 44.6% since 1999.

Key factors to note are that in both registration weekends, close to 80% of voters are below 29 years of age, an indication of the political activity of young people "Mandela's children". There are also more women than men in all age categories.

The IEC introduced some innovations to assist with registrations including online submission of candidates, online payments of election deposits, and special vote application by sms for voting station visits. There were however, some challenges experienced which still pose a risk that may impact negatively on the elections. These include:

- The Constitutional Court matter relating to the addresses of voters which requires an appeal of the Electoral Court decision, an application for direct access to the Constitutional Court which is likely to be granted but in turn requires the IEC to agree on a settlement with other parties in the litigation;
- There are pockets of instability in various areas across the country including Vuwani in Limpopo, Kapok and Hopefield in Gauteng, De Doorns and Khayelitsha in the Western Cape and Elliotdale, Keilands, Ntabankulu in the Eastern Cape;
- Issues raised by political parties which include the employment of teachers (SADTU), coverage of political parties on the national broadcaster, the equitable nature of public party funding, the abuse of state resources, and the enforcement of the electoral code of conduct;
- Voting hours of 7am – 7pm present an enormous challenge as it requires voters to start voting early and setting up of more voting stations to ensure that people are well

2.3. A RESPONSE BY HON. A NEL, DEPUTY MINISTER OF COGTA

In his response Hon Nel focused on the following key points:

- The forthcoming elections will be the 4th democratic local government elections. This speaks volumes in that all the elections held thus far have taken place under peaceful, free and fair conditions. Research by Afro-Barometer indicate that more than 70% of South African citizens believe the country's elections have always been free and fair. This cannot be taken for granted and must be guarded. Figures shared by Rev Finca on voter registration weekends also indicate the strength, resilience, and dynamism of our democracy. Participation of young voters speaks to the manner in which South Africa values its democracy;
- Government is assisting an independent IEC by providing a conducive environment for the elections to take place and by ensuring that all necessary logistical support is provided. An Inter-Ministerial committee chaired by the Minister of CoGTA has been set up and it meets regularly to deliberate on briefings it receives pertaining to challenges faced during voter registration weekends. The committee ensures that these challenges are addressed timeously;
- Government together with MDB are actively involved in managing the transitional process for the thirteen (13) municipalities that are in the process of merging. Minmec has established a committee where this is a standing item as it is viewed a complex one;
- In the transition between administrations, CoGTA is working closely with SALGA to ensure that once elections are over and newly elected councillors have taken their oaths and assume their duties, they do so being ready to hit the ground running and continue to deliver services to municipalities. SALGA has developed a resource for governance support that will assist through the transition, whilst training manuals have also been adopted to make the five (5) pillars of B2B the core councillor training curriculum. This will also include training and induction on IUDF principles;
- The issue of voters roll brought before the Constitutional Court was argued extensively before the Concourt which has now reserved judgement and encouraged all parties involved to come together and reach a consensus on a way forward. In this regard, interactions have taken place and proposals have been made and circulated. Further deliberations are still to continue;
- With regards to constitutional rights it is important to note that everyone has a right to vote and elect those who should lead and represent them. Violence and destruction of public property can however not be acceptable. Leaders are urged to adhere to the electoral code of conduct that was signed by all political parties and demonstrate that they respect the rules of the IEC.

2.4. QUESTIONS, RESPONSES AND COMMENTS

a) Questions to MDB

In the lessons learned, have you looked at what seems to be a destabilising factor in looking at the boundaries every time? Is it not something that can be fixed to ensure viability and that it does not happen as is happening in Vuwani?

Response by MDB

- Some of lessons that are unique to this period and the kind of protest currently taking place are that the South African democracy is maturing as seen in the number of people who take up their democratic right to challenge the board in court;
- Secondly, violent protests are informed by the boundary determination processes that are concluded too close to an election which prompt people to link this too much to an election and how it directly affects / impacts on them;
- Undercurrents may be as a result of not tackling the social cohesion element. It is important to note that real issues lie with and are expressed by people on the ground who are directly affected but who do not have direct access to courts or to the MDB.

b) Question to IEC

The code of conduct signed by political parties on Monday. What does it allow and not allow? What are the consequences for non-adherence?

Response by IEC

- The Electoral code of conduct is aimed at creating a conducive environment for free and fair elections. It is about fair play and not doing anything as a contestant that you would not like your opponent to do;
- It ensures that there is sufficient respect for electoral processes and that there is credibility in the election process;
- Penalties for violation are severe and include up to ten (10) years imprisonment;
- Political parties who breach can be fined up to R200, 000 and may have their votes cancelled and party registrations also cancelled;

c) Comments by Hon. A Nel, Deputy Minister of CoGTA

- The basic principle is that SA is a unitary state that is demarcated for political and administrative purposes into provinces and municipalities. There are constitutional and legal means to deal with issues of demarcation and there are also means of objecting matters in court. Violent protests are not an excuse;
- Without minimising some of the challenges, it is not prudent to generalise that violent protests occur in every municipality. During voter weekends there were no disruptions in the 22000 voter registration stations;
- Protests in areas such as Vuwani very often get lumped together in one basket and called service delivery protests but the reality is more complex. Very often protests happen exactly at a point where services are being delivered;
- In Vuwani, in addition to legitimate concerns, what is driving protests is the fact that certain groups of people do not want to live in a municipality where another group of people may be a majority;
- There are law enforcement approaches that have been set up to deal with issues relating to the elections.

d) Comments by SALGA Women's Commission

- Cllr. Sindiswa Gomba highlighted that women representation is an issue that is often overlooked during election period. She further said that the Women's Commission in looking forward to the 4th Local Government Elections although the issue of regression and decline in women representation within political landscape remains a concern;
- She emphasised that women cannot remain comfortable and leave the issue of representation to political parties voluntarily as it is only one party that has thus far voluntarily accepted that issue of 50-50;
- Statistics and research points out that Lesotho is leading Africa in terms of women representation at 42%. SA is far behind at 37%;
- Cllr. Gomba stressed that the commission is urging ministers and leaders at the assembly to look at legislation to enforce the issue of 50-50 particularly through the Municipal Structures Act and the Local Government Elections Act;
- Men are encouraged to advocate for women in their ward structures;
- She urged the IEC to conduct voter education in order to deal with societal changes. People must be educated and empowered to vote for women and women must start recognising potential in one another and vote for each other.

SESSION 3: COUNCILLOR SUPPORT AND WELFARE

3.1. SOCIAL PROTECTION AND EMPOWERMENT PLAN FOR COUNCILLORS

The presentation by Cllr. Pillay aimed to give an update on the Councillor Social Protection and Empowerment Plan, an initiative taken by SALGA as a lesson from the 2011 local government elections which saw non-returning councillors being affected by adverse economic conditions at the time. Cllr Pillay outlined the objectives of the plan as to allow non-returning councillors access to information which will educate them on personal financial and wealth management and planning, enable participation in existing enterprise development and skills development programmes and initiatives, and inform councillors of the provision for the once off gratuity payment to be made to non-returning councillors post the 2016 municipal elections. Lastly he outlined the next steps to be undertaken by SALGA to ensure the implementation of the plan.

3.2. COGTA REPORT ON PROPOSED PROCESS TO ADMINISTER THE GRATUITY PAYMENT FOR NON-RETURNING COUNCILLORS PRESENTED BY HON. OUPA BAPELA, DEPUTY MINISTER OF COGTA

Hon. Bapela provided an input on the practicalities of the challenges experienced by CoGTA in implementing a once-off gratuity payment for councillors. He indicated that councillors who came in the years 2000 and 2006 did not receive a once off gratuity. The matter was addressed by SALGA and CoGTA towards the 2011 elections and was concluded three months after the elections. He confirmed that a budget was sourced from National Treasury and that first payments were done in March 2012. Hon. Bapela highlighted the following challenges that led to the delayed payments:

- Verifying lists from IEC, member parties, and SALGA
- Some members sending their documents to the wrong destinations including National CoGTA, Provincial CoGTA and municipalities
- Poor communication and feedback between all stakeholders
- Incomplete lists of non-returning councillors
- Late submissions of documents
- Councillors owing SARS substantial amounts of tax which resulted in payments being directly deducted by SARS
- Some municipalities deliberately excluding eligible councillors due to their party affiliations
- Banking accounts being inactive at the time of processing payment which resulted in payments being rejected
- Relocation of some non-returning members to areas where they could not be traced
- Disputes between councillors and their municipalities where forms ended up being withheld until the disputes were resolved.

Recommendations

The following proposals have been made to address the above mentioned challenges:

- An amount of R309m has been allocated by National Treasury for all non-returning councillors which will be paid out as soon as councillors comply and submit all required information. CoGTA and National Treasury are preparing for the administration of this proposal;
- Provincial coordinators dealing with councillors have been identified and councillors are requested to cooperate when contacted. SALGA, municipalities and provinces have already identified eligible councillors;
- Administration in municipalities to ensure that they establish a centre that continuously services members (update their records, save accurate details) for both returning and non-returning councillors. This will ensure a functional system and can service as a help-desk or councillor service point.

Frequently Asked Questions

Q: By when will ex-councillors start receiving their gratuity payments?

A: The process of identifying can only be finalised after district councils have constituted for municipalities that fall in categories B and C. For category A municipalities payments will commence as soon as administration process has been completed and audited.

Q: When will payments be finalised?

A: By the end of the 2017 financial year to avoid roll-over.

Q: Will councillors be disadvantaged if they do not serve a full-term?

A: Options are being considered that will ensure that councillors are not disadvantaged. Appropriate qualifying criteria are used to make pro-rata payments.

Q: Will the payment be subject to tax?

A: YES

Q: Who will the payments be made to?

A: Payment will be made directly to members' accounts and in cases of deceased payment will be made to direct beneficiaries of members.

Questions and Answers from the Assembly

Q: What are the possibilities of providing emotional support to councillors based on the strenuous conditions under which they work?

A: SALGA must revisit the issue and consider appropriate wellness programmes that can be implemented

Q: When will the issue of Chief Whips be addressed?

A: A proposal has been made for Upper Limits legislation to recognise Chief Whips. This is still work in progress

Q: Capacity building for councillors – can this be implemented at the beginning of term to empower them?

A: Capacity building forms part of the Councillor Induction Programme.

Q: Can non-returning councillors be absorbed into municipality's structures?

A: Councillors who qualify for deployment into administration structures of municipalities must be considered and their skills must be retained. (This suggestion was deemed progressive and welcomed by the assembly.)

Q: Is it possible to stretch the months of payments to 6 instead of 3?

A: The 3 months payment is intended to assist councillors during their cooling period whilst they wait for their pension pay-out. It is a once-off gratuity that cannot be extended to 6 months.

3.3. MUNICIPAL COUNCILLORS PENSION FUND (MCPF) READINESS FOR TRANSITION (OUTGOING COUNCILLORS) PRESENTED ON BEHALF OF CHAIRPERSON BUSISIWE MODISAKENG

Presentation Summary

The presentation focused on giving a status of the pension fund and addressing governance matters. It further outlined the processes to be followed when appointing the new board in terms of the registered rules of the fund whilst also highlighting achievements made by the current board in relation to home loans, member communication, member data enquiries and reduction of cost and self-administration.

Key emerging issues:

- Members sought clarity on the issue of the three (3) rules amendments as proposed at the NMA held in Boksburg in March 2016
- 13m paid by Akani and how members will benefit from this
- Investment in land and how members will benefit from this
- Fund self-administration vs. outsourcing
- Long term sustainability and viability of the fund – members proposed that other mechanisms be created to redesign and restructure the pension fund to ensure its long-term sustainability.

Chairperson's Responses

- With regards to rule amendments the Board has taken proposals from members and submitted to the Financial Services Board who are still to respond. This is work in progress
- The 13m paid by Akani was a negotiated settlement done out of court. It was paid to the fund and members are set to benefit from it.
- Fund self-administration was as a result of challenges experienced by the aboard with out-sourcing as was seen with the ABSA case.

SESSION 4: SPECIAL EVENT: REPOSITIONING OF SALGA

SALGA developed a new corporate identify that was launched on Thursday, 19 May 2016. The brand launch laid a firm foundation on the power of a brand through storytelling and play that led to the new brand being unveiled. The overall aim was to create awareness on SALGA's new brand identity.

The launch was followed by the networking dinner.

Friday, 20 MAY 2016

SESSION 5: CLOSED SESSION (MEMBERS ONLY)

The closed session continued with under the directorship of Cllr Flora Maboja-Boltman, SALGA Deputy Chairperson. She welcomed all delegates back and confirmed proceedings for the day.

5.1 CONFIRMATION OF CREDENTIALS

The Special National Members Assembly was read by Cllr Mpho Nawa as follows:

Province	Total No of Municipalities	Total Municipalities Registered in Attendance	% Municipalities In attendance	% Municipalities Good Standing (In attendance)	Delegates who attended
Eastern Cape	45	40	89%	50%	127
Free State	24	24	100%	38%	80
Gauteng	12	12	100%	75%	36
Kwa-Zulu Natal	61	47	77%	62%	139
Limpopo	30	30	100%	50%	80
Mpumalanga	21	18	86%	72%	46
North West	23	20	87%	50%	48
Northern Cape	32	23	72%	48%	47
Western Cape	30	16	53%	81%	37
National	278	230	83%	56%	640

5.2. PRESENTATION OF SALGA'S ORGANISATIONAL REPORT: CLLR. T. MANYONI, SALGA CHAIRPERSON

The organisational report of SALGA highlighting progress in strengthening Local Government and SALGA for the period 2011 – 2016 was presented by Cllr. T. Manyoni in his capacity as National Chairperson and in accordance with the provisions of the SALGA constitution.

The Assembly resolved that the report be adopted with amendments.

5.3. 2014/15 FINANCIAL STATEMENTS AND ANNUAL REPORT FOR ADOPTION: CLLR. S. PILLAY, SALGA NEC MEMBER

The 2014/15 financial statements and annual report were presented by Cllr. S. Pillay in his capacity as SALGA NEC member and in accordance with the provisions of the SALGA constitution.

The Assembly resolved that the report be adopted with amendments.

5.4. 2016/17 ANNUAL PERFORMANCE PLAN AND BUDGET FOR ADOPTION: CLLR. N. HERMANS, SALGA DEPUTY CHAIRPERSON

SALGA's 2016/17 Annual performance plan was presented by Cllr. N. Hermans in her capacity as SALGA Deputy Chairperson and in accordance with the provisions of the SALGA constitution.

The Assembly resolved that the report be adopted.

SESSION 5: MANAGING THE TRANSITION (PRESENTATION ON KEY TRANSITION MATTERS FOR SIGN OFF BY MEMBERS)

5.5. GOVERNANCE MATTERS – XOLILE GEORGE, SALGA CEO

SALGA NEC in November 2015 approved the framework for the transition to guide municipalities through transition during the 2016 Local Government Elections. The framework included governance support SALGA will be providing to municipalities prior, during and post elections and indicates timelines of the most critical activities relating to the elections. In his presentation, the CEO mentioned the number of documents and guidelines that have been developed, and emphasized that they are aimed at providing assistance to outgoing executive councillors, the administration as well as incoming executive councillors. He further stressed that a set of documents will be provided to all municipalities and will also be made available on the SALGA website accordingly.

The Assembly concluded that the documents be noted and signed off.

5.6. INTEGRATED COUNCILLOR INDUCTION PROGRAMME – RIO NOLUTSHUNGU, SALGA ED: MUNICIPAL INSTITUTIONAL DEVELOPMENT

The presentation aimed to give a rationale for the revamped councillor induction programme and to outline the contextual framework of the 2016 Integrated Councillor Induction Programme. The Assembly resolved that the presentation be noted.

SESSION 6: CLOSING REMARKS

5.7. CLOSING REMARKS: CLLR. THABO MANYONI, SALGA CHAIRPERSON

In his closing remarks, Cllr. Manyoni thanked the Honourable Minister, Deputy Ministers and MEC's who took time to participate at the Special National Members Assembly and who remain committed to strengthening Local Government. He further thanked members of parliament for their continued support towards organised local government through their representative role in parliament.

He expressed appreciation to partners, guests and civil society for their continued support and solidarity. Lastly, he thanked all members in attendance for their continued support and cooperation. Cllr. Manyoni assured everyone that the SALGA NEC will ensure smooth transition in ushering the 4th democratic local government elections and urged all to continue servicing the needs of communities with due diligence and professional practice. He concluded by appreciating the important role of all councillors in the lives of South Africans.

6. NMA DECLARATIONS

PORT ELIZABETH DECLARATION

SALGA SPECIAL NATIONAL MEMBERS ASSEMBLY

18 – 20 MAY 2016

WE the six hundred and forty (640) delegates at this Special National Members Assembly of the South African Local Government Association, drawn, from 230 member municipalities in the Republic of South Africa, gathered here at the Boardwalk International Convention Centre, at Summer strand, in Port Elizabeth from 18 to 20 May 2016 accept, of our own free will, to note with pride the significant strides that the local government sector has made over the past 15 years in its democratic form and commit to continue serving our people and consolidate the gains made towards deepening the quality of democracy across the length and breadth of the Republic.

INSPIRED by the presence and participation of the representatives from the Independent Electoral Commission, the Chairperson of the Finance and Fiscal Commission, the Municipal Demarcation Board, representatives of both houses of Parliament, the Speaker of the Eastern Cape Provincial Legislature, the Minister of Cooperative Governance and Traditional Affairs and Deputy Ministers of CoGTA, the Member of the Executive Council responsible for cooperative Governance and Traditional Affairs in the Eastern Cape Province, representatives of the Houses of Traditional Leaders at this Special National Members Assembly, and Organised Labour as well as the Moral Regeneration Movement, as a clear demonstration of their continuous commitment to local government as the sphere closest to the people.

ACKNOWLEDGING the support and participation of all key stakeholders, including civic organisations and the media, in this Special National Members Assembly and the collective role they play in strengthening the system of local government in South Africa.

APPRECIATING the complex nature of the local government transition which is intertwined with the thoroughgoing national transformation in terms of which the structural configuration of the South African economy prefigures the plight of a municipality in terms of geographical location, which compels us to re-emphasize a differentiated model having due regard to historical factors, category, size and locus of municipalities.

APPRECIATING the conditions under which councillors have to fulfil their obligations and the role they play in tirelessly building better communities and improving communication with constituencies.

APPRECIATING the role women councillors' play in building our communities and country and remaining committed to our objective of increasing women participation in local government, particularly in view of the upcoming 2016 general local government elections.

MOURNING the loss of many councillors and municipal officials through natural death and in some instances through violent attacks in the line of public duty; as Local Government leadership, we pledge our solidarity and convey our heartfelt condolences to their families and loved ones. We lower our banners to honour the lives of these fallen heroes and heroines in the service of our people and pledge to pick up their spears and re-double our efforts in advancing the quest to deepen local democracy, development and the quality of life of our people.

CONDEMNING IN THE STRONGEST TERMS the continuing number of sporadic illegitimate, illegal and violent community protests leading to the destruction of property, most recently in Vuwani destroying our children's futures, including the increasing attacks on councillors, their families and assets. We call upon our law enforcement agencies to leave no stone unturned in bringing to justice all the culprits of these dastardly deeds. We remain confident on the ability of our government working together with all the people to explore all possible avenues to resolve the genuine grievances of the people. Collectively, we implore all South Africans to treasure our hard won freedom and exhaust all available productive and peaceful means of engagement with our government within the provisions of our progressive constitution.

APPRECIATING the work of the Independent Electoral Commission and the Municipal Demarcation Board in executing their constitutional and legal mandate in support of democracy and ensuring readiness for the electoral transition.

ENCOURAGING all parties to conduct themselves with distinction, tolerance and adhere to ethical practices in furtherance of the Charter of Election Ethics to ensure responsible and ethical political leadership during the electoral period, which each of them committed to as a signatory during the historic session on 13 April 2016, at Constitutional Hill, facilitated by SALGA in partnership with the Moral Regeneration Movement.

CELEBRATING and collectively expressing confidence and satisfaction with the performance of local government over the last 15 years and in particular the 3rd democratic term, most notably the significant strides and achievements made by municipalities on transformation and deepening of local democracy, particularly in the areas of:

- a) Providing democratic, accountable and good governance to their constituents
- b) Extending basic services and the quality thereof to so many millions of South Africans
- c) Effecting positive social and economic transformation and social cohesion
- d) Providing safe, clean and healthy environment for communities
- e) Sound financial management and growing credibility and resilience of our balance sheets

NEVERTHELESS, while collectively appreciating and celebrating the progress made, we remain conscious of the fact that many communities have yet to taste the fruits of freedom and democracy. Therefore appreciating that the intensification of the back to basics programme will be the anchor of the next phase of strengthening municipal institutional performance, innovation and resilience, because we know and must acknowledge that there are indeed still a few municipalities that are not resilient, responsive and people centered.

ENDORISING and unanimously supporting the candidacy of the City of Johannesburg for the President of the United Cities and Local Governments global body of local and regional governments, as part of strengthening the South African local government association and profiling South African local government to the world.

CELEBRATING the 20 years of the South African Local Government Association as a formidable, vibrant and robust voice and representative of municipalities in the Republic of South Africa, more particularly its growth and development over the last five years, including

1. The operational efficacy and positioning of SALGA as a member centric organisation that supports and represents municipalities in the intergovernmental system in South Africa;
2. The effectiveness of SALGA's contribution in the international arena including the supportive role that it plays within re-uniting the continent;
3. The establishment of SALGA Women's Commission to advance gender mainstreaming within the local government sector;
4. The instrumental role played by SALGA in promoting and profiling of good practices, innovations, knowledge sharing and peer learning;
5. The continuing improvement of SALGA's advocacy and lobbying capacity towards fair and an equitable welfare and payment dispensation for local government public office bearers
6. The establishment of SALGA's Centre for Leadership and Governance which is uniquely positioned to provide responsive capacity interventions and facilitate establishment of communities of practice; and
7. The increasing recognition of the leadership role of SALGA as a hub of expert knowledge and general information by members and key strategic players in the sector; and
8. Its role in enhancing the capacity, and addressing key challenges, of the Municipal Councillors Pension Fund.

REPOSITIONING SALGA THROUGH THE LAUNCH OF ITS NEW BRAND to build on its legacy and inspire local government to deliver and be the point of collaboration in mobilizing social and business partnerships to uplift our communities, particularly in thought leading the implementation and localisation of the profound opportunities offered by the Sustainable Development Goals, the National Development Plan, Africa's Vision 2063 development goals and the Integrated Urban Development Framework to ensure that municipalities systematically confront the stark realities of the past and create a future which is more sustainable, inclusive and just.

NOTING the ongoing and sporadic incidences of racism, xenophobia and social disintegration that continues to rear its ugly head in many of our communities. We collectively condemn these incidences and make a clarion call to all municipalities to mainstream tangible programmes of social cohesion to strengthen and build bonds of social solidarity amongst our people. In this Africa month, we join all the peace loving and genuine freedom lovers all over our mother continent, the continent of Africa in expressing our joy and pride in being Africans and our affirmation to our belief in the spirit of our African Renaissance.

AFFIRMING the commitment of the local government sector to contribute towards continuously improving and implementing all the pillars of the Back to Basics programme as to provide differentiated responsive hands on support to all and ensure operational efficacy, good governance as well as ensuring a reduced trust deficit between citizenry and municipalities.

NOW THEREFORE RESOLVE to:

- a) Work with all spheres of government and relevant institutions to build resilient municipal institutions that are able to continue operating efficiently and effectively regardless of the challenges of transition
- b) Accelerate our quest to ensure all municipalities are grounded in terms of the basics and indeed forge ahead towards building smart governance leveraging on the benefits offered by ICT
- c) Declare to support all municipalities that have been identified to pilot the Integrated Urban Development Framework and to foster a systematic investment on the inherent interdependency between rural and urban spaces in our municipalities
- d) To provide active support to all municipalities to ensure readiness in terms of transitional arrangements prior, during and post the forthcoming local government elections
- e) Provide maximum support to councilors during this transition period, particularly by ensuring that the gratuities and pension fund affairs of non-returning councilors are in order.

ACCORDINGLY adopt the:

- f) Organisational Report for the period 2011-2016 of the Chairperson
- g) Annual Report 2014/15
- h) Annual Financial Statements for 2014/15
- i) Annual Performance Plan and Budget for 2016/17

AND DECLARE as members of SALGA our commitment to the work still to be done by organised local government, in partnership with CoGTA and our other stakeholders, in preparation for the upcoming transition and that we prepare the way for the next generation of councillors and leadership to carry on the good work and build on this foundation. It remains our collective resolve to redouble our efforts to accelerate the pace of socio-economic transformation and in particular eradicate the stubborn backlogs of service delivery that still remain.

7. LOGISTICAL ARRANGEMENTS

7.1 VENUE

Venue was the Boardwalk Centre, Port Elizabeth, Eastern Cape. The venue hosted the cocktail dinner on 18th, the main event and the gala dinner on 19th June and the closed session on 20th June 2016 until 14H00 PM.

7.2 REGISTRATION PROCESS

Each delegate paid an amount of R6500.00 to attend, including a category of guests, waivers other than for dignitaries were approved by the NEC/NOB. Registration was on-line and no manual forms were provided. The registration system was enhanced to include ID numbers upon registration; photo of the delegate and various designations. All partners/guests invited by NEC and EMT were also registered on-line. Late registrations were accommodated at the venue whilst still required to undergo the same on-line registration and payments to be accredited. Statistics for registration were as follows:

Province	Total no. of Munits	Total Munits Registered	% Munits Registered	Total Delegates Registered	Total Amount Invoiced	Total Paid	Total Outstanding	Payment %
Eastern Cape	45	40	89%	140	910000	806000	104000	89%
Free State	24	23	96%	88	572000	435500	136500	76%
Gauteng	12	12	100%	47	305500	214500	91000	70%
Kwa-Zulu Natal	61	46	75%	152	988000	793000	195000	80%
Limpopo	30	30	100%	106	689000	572000	117000	83%
Mpumalanga	21	18	86%	56	364000	338000	26000	93%
North West	23	20	87%	57	370500	286000	84500	77%
Northern Cape	32	22	69%	58	377000	299000	78000	79%
Western Cape	30	18	60%	39	253500	214500	39000	85%
National	278	229	82%	743	4829500	3958500	871000	82%

7.3 ACCREDITATION

In order to ensure compliance with security related matters and to step up security at major SALGA events, accreditation at the NMA was jointly conducted by SALGA and the State Security Agency of South Africa. SALGA registration system was improved to ensure a smooth accreditation process and overall security, these included producing forms of identification for accreditation.

7.4 SPONSORSHIPS

The following sponsorships contributed to the Assembly

Company	Sponsorship Type	Sponsorship
Rand Water	Monetary	200 000
Aurecon	Monetary	200 000

7.5 DOCUMENTS

The following documents and presentation distributed at the assembly:

SALGA Documents	Partner Documents
<ul style="list-style-type: none"> • NMA Programme • APP 2016/17 • Annual Report 2014/15 • Managing the Transition Pack • Integrated Councillor Induction Programme • Social Protection plan • Charter of election leaflet • Charter of ethical elections • SALGA Organisational Report • NMA Port Elizabeth Declaration 	<ul style="list-style-type: none"> • CoGTA Minister Speech • IEC Presentation • MDB Presentation • Municipal Councillors Pension Fund Presentation;

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