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# NEWS RELEASE

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## **SALGA calls for single sector planning regime at National Municipal Managers Forum amid growing demands for service delivery**

Local government in South Africa has undergone rapid transition and transformation over the last two decades and there is evidence that the acceleration of service delivery is due to systems and structural improvements made by the sector.

This view emerged at the SALGA's Municipal Managers Forum which is being held in Fancourt, George in the Western Cape, where nearly 200 Municipal Managers from across all nine provinces are in attendance. Local government has attained significant achievements and important milestones but more can be done to improve in planning and execution.

Speaking at the Municipal Managers Forum, SALGA CEO Xolile George, told the Municipal Managers that single sector planning regime was needed to take local government to another level.

"We have the country's blue print which is the National Development Plan vision 2030, and the Sustainable Development Goals (SDGs); Agenda 2030, municipalities have Integrated Developmental Plans (IDPs) which all need to be anchored and aligned to our 2030 goals. .

"We are calling for a single set of planning. We will convene a session later this year with the National Planning Commission to discuss a new approach which will see a much more improved planning regime for the sector. Can we have an integrated set of indicators that point us to the objectives of local government so that we can have a much better-integrated reporting?" George said.

The White Paper on Local Government (1998) requires SALGA, together with Municipal Managers to play a leading supportive role in the wholesale transformation of local government to be developmentally oriented.

The SALGA Strategic Plan 2017 – 2022 and outcomes of the SALGA National Conference held in November 2016, places an emphasis on SALGA's role as a PROTECTOR, to enforce rights of local government robustly. This requires the organization to constructively DISRUPT where the existing system (legislative, fiscal, policy, institutional) compromises the ability of local government to deliver on its mandate.

It is well-known fact that the success of local government and each and every municipality is rooted in a good administration, a function that Municipal Managers are charged with. The Municipal Manager as head of the administration is responsible and accountable for tasks and functions as provided for in, but not limited to the Local Government: Municipal Systems Act, No. 32 of 2000. This means that the National Municipal Managers forum is the critical platform for reflections, peer learning through sharing of good practices and innovations.

The Municipal Managers, Heads of Administration, CEOs of public entities and private institutes, National and Provincial Treasuries and Cooperative Governance & Traditional Affairs (CoGTA) have descended to George to discuss Local Government Policy Agenda as well as reflect on the local government progress over the past term and outline the strategic objectives and priorities leading up to 2021 and up to 2030. The forum was established in 2011 and continues to grow.

Key speakers at the forum included Auditor General Mr Kimi Makwetu and Statistics SA Statistician General Statistics Mr Pali Lehohla.

Past and present Municipal Managers are sharing their insights and experiences on the role of Municipal Managers in navigating a highly dynamic local government environment and the challenges faced by Municipal Managers in South Africa, and how they can be addressed.

Auditor General Mr Kimi Makwetu said: "Municipal Managers continue to prove that they are a dynamic and valuable role-player in the local government sphere. Many of our achievements over the 3rd generation of Local Government have been achieved by working together".

He urged municipal managers to adhere to the rules and governance guidelines.

Local Government has made a huge contribution to ensuring delivery of basic services to the poorest of the poor and to improve the dignity and quality of life. Concerns, however, remain in certain services in certain geographic areas. Increases in access to services happened against declining revenue, for example, from 2005 to 2014, the number of people paying for water declined from 61.9% to 43,7%.

Issues around energy and electricity also dominated the agenda of the forum and SALGA presented the progress pertaining the CoGTA led Inter-ministerial Task Team (IMTT) which was established earlier this year to deal with the Eskom and municipal debt, and constitutional, structural and systemic challenges related to electricity distribution.

In June 2017, the following concessions were secured; Rationalisation of municipal tariffs to reduce tariff options from 11 to 3; decrease the interest rate charged on overdue balances from prime plus 5% to prime plus 2.5%; change the payment period on municipal bulk accounts from 15 to 30 days; change Eskom payment allocation policy to allocate payments to capital debts first before allocating payments to interest charged.

The role of municipalities in delivering on the democratic dividend of our country has been gradually increasing over the past period – despite the increasing demands on municipalities for services, infrastructure and other delivery needs, the financial resources allocated to municipalities fall far shorter. This is complicated by the current state of the economy, especially unemployment and limited local tax revenues. Discussions on the inadequacy of the funding of local government have been around for some time now without resolution.

Though nominally, the allocations to municipalities have increased in real terms over the past recent period, local government still receives conservatively 9% from the Fiscus.

Stats SA's presented the most recent release of its Non-Financial Census of Municipalities (NFCM) and demonstrated how SA increase in the number of indigent households across the country. South Africa's 278 municipalities registered 3, 56 million indigent households in 2016, the highest number on record since figures were first published by Stats SA in 2004.

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For media enquiries, please contact:

Sivuyile Mbambato | Mobile: 073 897 8519 | Email: [smbambato@salga.org.za](mailto:smbambato@salga.org.za)