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7

# CONTENTS

ISSUE 33, INSIDE THIS ISSUE



40



13

## UPFRONT

- 2 EDITORIAL DELIVERY  
**A year of uncertainty**
- 4 FROM THE CEO  
**Building social cohesion and a shared national identity**

## THE PULSE PLUGGED IN

- 7 FRAMING A POST-COVID-19 REALITY  
**How a global pandemic could be the wake-up call municipalities need to improve service delivery**

## IN THE HEADLINES

- 13 SOLVING THE MUNICIPAL DEBT CRISIS  
**The pandemic and lockdown has led to a growing number of many citizens being unable to pay their municipal bills**
- 18 LOCAL TOURISM TAKES THE SPOTLIGHT  
**Tourism Month was celebrated under unprecedented circumstances with emphasis on finding solutions for the industry's recovery**
- 22 PURSUING AND PROMOTING GENDER EQUALITY  
**SALGA has created formal structures to mobilise women in local government and co-ordinate their gender struggles**

- 24 LOCAL GOVERNMENT WEEK 2020  
**This annual event focused on improving the efficiency and capability of local municipalities by ensuring good governance**

## THE LONG VIEW MUNICIPAL MATTERS INNOVATION

- 29 MUNICIPAL INNOVATION MATURITY INDEX  
**How effective is the Human Sciences Research Council's index, used by municipalities to measure their problem-solving capabilities?**
- 30 NEW AND IMPROVED MY COE APP  
**The City of Ekurhuleni has launched a new easy-to-use app for residents**

- 32 BETTER THAN BEFORE, THANKS TO TECHNOLOGY  
**New technologies enable local government to future-proof processes and improve engagement with their communities**

- 34 IN THE INTERNATIONAL SPOTLIGHT  
**Nquthu Local Municipality in KwaZulu-Natal has won a European award for its recycling project**

- 36 CLEAN AUDITS ARE POSSIBLE  
**The CFOs of two municipalities explain how they achieved clean audits**

## THE BULLETIN POLICY ISSUES

- 39 A WORD FROM PARLIAMENT  
**An update on the issues that SALGA has been discussing in Parliament**

## SALGA IN ACTION OPINION

- 40 THE LEADERSHIP WE NEED  
**What is needed to ensure good, effective leadership to help the country recover**

## SALGA IN ACTION

- 43 SALGA STANDS IN SOLIDARITY  
**SALGA has set up a solidarity fund for the local government sector aimed at helping the most vulnerable in local communities**

- 43 SALGA ON THE INTERNATIONAL STAGE  
**Sustainable recovery was high on the agenda of the Third Local and Regional Governments' Forum**



30

# THE YEAR OF UNCERTAINTY

This year, 2020, will certainly be remembered by many for its life-altering events and the high levels of uncertainty it has created

**S**outh Africans and people from around the world, regardless of their culture and beliefs, are all united in agreement that 2020 **has been a momentous year, filled with challenges and changes and characterised by uncertainty.**

The novel COVID-19 virus has wreaked destruction in all walks of life. For local municipalities, government entities, private companies and sports fraternities, the impact of the coronavirus is huge. It presented a big threat to the health of the world's population and rocked the global economy. Here in South Africa, we cannot talk about the pandemic and ignore the precarious situation it has placed many of our people in and the disruption it has brought into our daily lives. Many South Africans have been retrenched, resulting in a great deal of stress not only for them, but also for employers who had to let go of large numbers of workers. For those who were retrenched or whose businesses have closed down, **it has been a time of great anxiety** as they fret about how to provide for their families.

## ISSUES FACING MUNICIPALITIES AND COMMUNITIES

While our citizens are worrying and struggling to make ends meet, some government officials are having a feast with monies that were aimed to deliver services and relief for people in the communities. Corruption within the

government is rife and it has been a topical issue for a long time. Of the 257 municipalities audited, only 20 achieved clean audits for the 2018/2019 financial year – this is an alarming statistic. Clean audits are obtainable as Puseletso Mompei finds out when talking to Thabo Nonyane, CFO of the Capricorn District Municipality in Limpopo (page 40). Nonyane says **it is essential to develop and monitor the annual financial statement (AFS) process plan and compilation of the annual financial statement in time** to enable proper review by the internal audit and audit committee. Meanwhile, more and more local municipalities are struggling to deliver basic services as their finances have been greatly reduced due to citizens being unable to pay their bills. The knock-on effect is big.

In a further example of our current troubled and uncertain times, South African Local Government (SALGA) CEO Xolile George spoke about the scourge of gender-based violence (GBV), which has cast a dark cloud over our communities. He says that during the lockdown phases, more women fell victim to the anger and frustration felt by their partners or other loved ones, causing concern about the rising level and severity of GBV.

What the future holds is still uncertain, but one thing we do know is that **South Africans are resilient and positive people** and we at SALGA are determined to support our local municipalities to ensure that basic services continue to be rolled out to communities. ■

More and more local municipalities are struggling to deliver basic services as their finances have been greatly reduced due to citizens being unable to pay their bills.



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# BUILDING SOCIAL COHESION AND A SHARED NATIONAL IDENTITY



SALGA CEO Xolile George

**H**aving recently celebrated Women's Month, it is worth noting once again that South Africa has some of the most progressive policies aimed at advancing women empowerment and gender equality in the world. As far as local government is concerned, the challenge lies in translating these policies into practice to effect real and material change to not only the lives of women, but also those around them.

This is vital since **women have an important role to play in our ongoing efforts to improve the quality of life for all South Africans**, particularly when it comes to addressing the triple ills of poverty, inequality and unemployment.

SALGA encourages women to be active participants in transformation programmes across the workplace and society in general and encourages them to influence policy development processes.

SALGA CEO Xolile George highlights some of the challenges facing municipalities and the opportunities they present while also sharing some of SALGA's achievements

SALGA also understands that **women's leadership is critical if we are to enhance the capacity of local government** to deliver on its constitutional and legislative obligations of service delivery in a way that is more effective and compassionate when dealing with citizens.

We have made significant strides towards such empowerment through the placement of women in positions of leadership, both in parliament and local government. However, our journey towards gender parity is not yet complete as evidenced by the fact that less than 40 per cent of our existing mayors are women.

Moreover, **the scourge of gender-based violence (GBV) remains a major challenge** and is one that can only be overcome if women and men work together to ensure a violence-free society. Therefore, SALGA encourages women to be active participants in transformation programmes across the workplace and society in general and encourages them to influence policy development processes.

**The overarching goal being to ensure that women issues take centre stage in all empowerment programmes.**

GBV is a particularly critical issue in light of the fact that instances of GBV increased significantly during lockdown, likely exacerbated by the alcohol and cigarette ban, and the lengthy period of home confinement.

## CHALLENGES AND ISSUES

This was not the only challenge that arose during this period. A number of other issues, which impacted SALGA and its municipalities directly, came to the fore. For one thing, water was identified as a crucial element in preventing and fighting infections, therefore, making it critical for communities to access water services. The challenge was that

**the pandemic affected the supply and delivery of water and sanitation across the country**, affecting mostly the poor and vulnerable communities.

SALGA has worked closely with the Department of Water and Sanitation to procure water tanks and tankers that have been deployed to municipalities across the nation. Other areas of concern have been illegal evictions, carried out by some municipalities, and the urgent need for councils to undertake online meetings to fulfil their oversight functions.

Perhaps our biggest concern has been the projected reduction in revenue collection by municipalities caused by job losses, reduced household incomes and even the local authorities being unable to rent out facilities or generate the normal level of revenue from areas such as traffic fines.

Our **municipalities have also experienced challenges in conducting waste management**, they have had to ensure that the relevant protocols, such as gloves and masks, are followed when disposing of hazardous waste. Public facilities too have needed extraordinary cleansing and a variety of measures have had to be adopted to mitigate employee health and safety risks.

These measures have included the provision of the necessary materials or equipment, such as sanitisers, facial masks and soaps, to prevent the person-to-person transmission of the virus. We have also prioritised the electronic handling of documents for the same reason.

**Frontline and general staff have been trained on hygiene and the sanitisation of workspaces**, as well as on COVID-19 risk identification and response protocols.

These attempts to mitigate the impact of the disease are not the only efforts being undertaken in relation to COVID-19. SALGA's National Executive Committee recommended that councillors, officials and staff should contribute towards the Solidarity Fund that has been established at a municipal level, the aim of which is to benefit local communities.

Mayors and nearly 10 000 councillors in the country's 257 municipalities agreed to contribute their four per cent salary increases to the COVID-19 Solidarity Fund for the

months of April, May and June, following President Ramaphosa's decision to increase their salaries backdated to July last year.

## OPPORTUNITIES AND CELEBRATIONS

On a more pleasant note, Nkangala District municipal manager Millicent Skosana deserves praise for the manner in which she played a key role in ensuring that **10 trainees from her district in Mpumalanga were afforded the opportunity to train on a world-class production** – Beyoncé's film, *Black is King* – enabling these previously disadvantaged young people to work on a major Hollywood-type production.

The hope is that these youngsters use the experience they have gained from the production in their future pursuits in the film industry.

Finally, June to September have presented us with opportunities to celebrate a number of key events, including several environmentally-themed focuses, such as World Environment Day and National Arbor Week, as well as, of course, Heritage Month.

SALGA joined the rest of the world in celebrating our natural environment during World Environment Day on 5 June, and continued this through the entire month, observing the theme "It's Time for Nature". The aim of this celebration is to **encourage worldwide awareness, action, collaboration and education around the protection of our shared natural environment**.

It is always important to remind ourselves of the value of nature and the relationship that we, as humans, have with it. Let us not forget that the worldwide disruption caused by the COVID-19 pandemic has resulted in numerous impacts on the environment and the climate.

Some has been positive, like the short-term reduction in greenhouse gas emissions, while others were negative, including the increased generation of household and medical waste and the reduction of recycling.

National Arbor Week is another important environmental celebration, as its main focus lies in the greening of communities, something that is a responsibility of all who live in them. SALGA encourages communities to be involved with and take part in the process of planting trees and "greening" all our human settlements.

Greening is about more than just planting of trees; it is about adopting an integrated approach to the planting, care and management of all vegetation in urban and rural areas, and it is, therefore, important for local government to partner with its stakeholders and support green community-based activities.

I believe **municipalities have a critical role to play in creating awareness of the importance of greening public spaces as well as establishing sustainable and liveable habitats that protect the environment**.

Lastly, we are proud to have celebrated Heritage Month in September, and particularly Heritage Day on 24 September – a day that marks our nation's diverse cultures and heritage. This year, due to the pandemic, the celebrations took place virtually.

The theme for this year's Heritage Month was "Celebrating South Africa's living human treasures". The question of living human treasures is relevant since it is acknowledged that most of what still needs to be excavated, coded and stored is available from the many living archives.

While the pandemic has exposed many realities such as poverty, inequality, unemployment and GBV in the country, let us work to create greater awareness around these issues and consider how we can fight them by inculcating positive societal values. Finally, **let us all come together as citizens of this great country to foster better social cohesion**, stronger nation-building and a shared national identity. ■

It is always important to remind ourselves of the value of nature and the relationship that we, as humans, have with it. Let us not forget that the worldwide disruption caused by the COVID-19 pandemic has resulted in numerous impacts on the environment and the climate.

# INNOVATION DISTINGUISHES BETWEEN A LEADER AND A FOLLOWER

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# FRAMING A POST-COVID-19 REALITY

In the midst of difficulty lies opportunity. How a global pandemic could be the wake-up call municipalities need to improve service delivery. By **Anél Lewis**

**N**ever before have the glaring gaps in resources and access to basic services in communities across South Africa been more apparent than during the COVID-19 pandemic.

**Those without access to running water, electricity or housing have been particularly hard hit.** At a time when communities should have come together to find solutions to a common problem, many municipalities have instead been rocked by allegations of corruption and misappropriation of public funds intended for relief efforts.

Karen Heese of Municipal IQ says:

“Unfortunately, there are few examples that I can think of where local government has done well in meeting the challenges imposed by COVID-19.”

Instead, reports of the illegal procurement of personal protective equipment (PPE) in various municipalities prompted President Cyril Ramaphosa to authorise the Special Investigating Unit to **investigate the purchase of PPE in all state institutions.**

Speaking at the annual Local Government Week in early September, Minister Nkosazana Dlamini-Zuma made



Nkosazana Dlamini-Zuma



Food parcels packed and ready for distribution to the poor and hungry.

the following observation: “In hindsight, what the pandemic revealed is the pivotal role that local government plays in responding to crises, but more importantly, is that most of our municipalities lack the financial capacity and the capability to do so.”

But Dlamini-Zuma also said: “This is not the time for despair, (but) rather **an opportune moment to reshape municipal finances and local economies broadly.**” Government has, therefore, activated the District Development Model initiated by the President in his 2018 budget speech. It allows for collaborative planning at local, district and metropolitan levels by all three spheres of government, Dlamini-Zuma explained.

## INCLUSIVE GROWTH

Dr Harlan Cloete, extraordinary lecturer at the School of Public Leadership at Stellenbosch University, says the pandemic has created opportunities for local government to communicate better with citizens. “What has become important is for municipalities to rebuild trust with communities; **this is an opportunity to reload.**”

Consultation at local government level is nothing new, says Mahlatse Rampedi, of the Public Affairs Research Institute. “Communities have long been involved in the >

“Unless the political leadership deals with the political challenges confronting local government, no amount of administrative support or restructuring of the intergovernmental fiscal system will create a capable and financially sustainable local government sector.” – **Nkosazana Dlamini-Zuma**



Dr Harlan Cloete



discussions about municipalities' Integrated Development Plans (IDPs), so have been able to say that there is publication participation." He says communities have attended meetings in town halls to raise concerns and suggest interventions to improve services.

However, the reality is that whatever is contained in the IDP will be dictated by the budget, and very little of the input from the community will be included. This has led to an erosion of trust between communities and local government, that will take more than a pandemic to restore. Cloete agrees that the **public engagement must be "meaningful" and should involve a relook at the IDP and the budget** to prioritise the needs of those most vulnerable.

### REVISITING LOCAL GOVERNMENT PRIORITIES

Heese says the pandemic has created opportunities for municipalities to focus on their core delivery mandates, and many of the municipal clinics did respond to the need for basic health services. But, the knee-jerk responses to needs exacerbated by lockdown restrictions and the impact on vulnerable households are unfortunately not sustainable. Cloete cautions that the distribution of parcels is not a long-term solution. Instead, **municipalities need to invest in infrastructure that will help communities in need**. Practical alternatives could include the crediting of prepaid meters for qualifying households or the procurement of gas burners

**"What has become important is for municipalities to rebuild trust with communities; this is an opportunity to reload." – Dr Harlan Cloete**

that could support the efforts of community organisations. Rampedi said municipalities missed an opportunity to use the lockdown period to work on infrastructure upgrades, especially for the provision of water and sanitation.

### THE MUNICIPAL PURSE

South African municipalities have been struggling in their handling of the COVID-19 crisis, but perhaps more importantly, this crisis has revealed a long-standing history of weak financial controls and inadequate consequences for poor performance and transgressions in audit outcomes, all of which now are more pronounced. Dlamini-Zuma told delegates at Local Government Week that this historical shortcoming has played a key role in the misappropriation of resources needed for the fight against COVID-19. "These matters of mismanagement, highlight long-standing challenges that have not been addressed in the local sphere," she said.

The MECs taking part in discussions on improving service delivery during Local Government Week raised **concerns about the lack of internal audit functions in many municipalities, which has led to noncompliance with supply chain management regulations**. Irregular expenditure has become a common municipal malaise. Rampedi agrees, saying that inherent flaws with municipalities' procurement processes have long hampered service delivery in many areas. "Municipalities are, therefore, unable to use the pandemic as an opportunity for improvement, because these problems are long-standing." The pandemic is not a panacea for local government inefficiencies.

"Where there's a corrupt will, there's a corrupt way," Cloete says of the PPE debacle. "What is needed is a nonpartisan approach to development. **Checks and balances are required for internal processes, and all decisions taken by the municipality must be open to public scrutiny.**" Heese adds that the pandemic has encouraged municipalities to increase their auditing scrutiny of emergency tenders.

Municipalities are heavily dependent on revenue collection, with much of their income coming from the charges that are levied on services such as water, electricity, sanitation and refuse collection. As StatsSA notes, this collection of revenue is a critical indication of their financial independence. Municipalities also generate income from the use of facilities such as sports

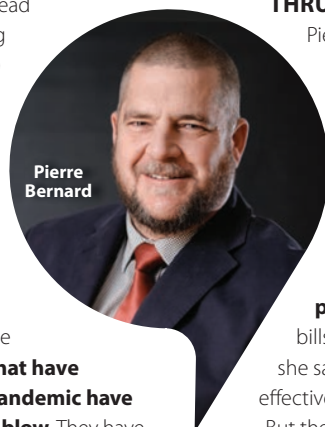


Vulnerable and poverty-stricken communities are greatly impacted by the pandemic.

grounds and recreation centres. But during lockdown, many of these facilities were closed. Also, many households have been unable to pay for municipal services. As a result, **revenue collection for municipalities across the country has dropped by between 40 and 60 per cent since March.**

Unfortunately, it is the vulnerable communities that will suffer most if municipalities are unable to continue providing basic services because of revenue shortfalls. Also, it could just lead to more municipalities being placed under Section 139(b) administration for failing to fulfil their executive functions, cautions Rampedi. "Clean audits don't necessarily mean that service delivery is happening. The monitoring of local governments is, therefore, very important," he adds. **"The communities that have been hit hardest by the pandemic have had nothing to soften the blow.** They have been unable to do odd jobs to earn an income. Many are struggling more than ever before."

Speaking at Local Government Week, President of the South African Local Government Association (SALGA) Thembu Nkadameng said that the financial resources available to municipalities have fallen short of the demands for infrastructure and services.



Pierre Bernard

**"Clean audits don't necessarily mean that service delivery is happening. The monitoring of local governments is, therefore, very important." – Mahlatse Rampedi**

"This is further complicated by the current state of the economy, especially with limited tax revenues, retracted economic growth and rising levels." **More needs to be done to address the imbalance between local government's constitutional obligations and its allocation from the national fiscus,** said Nkadameng.

#### THRUST INTO THE DIGITAL AGE

Pierre Bernard, managing director of Ntiyiso Digital Services, a subsidiary of the Ntiyiso Consulting Group, writes: "The digital age is no longer an apparition somewhere in the distance – it is here, and in part accelerated by COVID-19." The wheels of bureaucracy traditionally turn slowly and often especially so at local government level. Those municipalities that have been able to respond to challenges by embracing digital technology to provide services and collect revenue have proved to be more resilient.

Heese says the pandemic has created **opportunities for municipalities to leverage digital platforms for engagement, emergency tender procurement and revenue collection.** Enabling residents to pay their municipal bills online not only saves time, but also minimises the risk of the spread of COVID-19, she says. Cloete says data-driven decisions would help municipalities respond more effectively to challenges.

But the pandemic has also highlighted the widening digital divide in many parts of the country, says Cloete, where communities do not have access to technology. Online payment options will not be of benefit to those without access to data or computers.

#### WHERE THERE'S A WILL, THERE'S A WAY

Cloete says studies show that most municipalities are unfortunately very reactive. "They are resistant to change and unwilling to explore other possibilities." The pandemic has certainly highlighted this shortcoming, as **municipalities have scrambled to deliver the basics while dealing with a health crisis.** Nkadameng says the pandemic had exposed "serious weaknesses" >

in the leadership of many councillors. “Every five years, the high turnaround in local government, exacerbated by the lack of proper screening of candidates, sets the sector back in terms of leadership, governance and oversight stability.” SALGA has, therefore, called **for a new arrangement for the identification and deployment of councillors.**

However, although recent months have highlighted many inherent weaknesses within local government, there have been some cases where municipalities have risen to the challenge. In the Drakenstein Municipality, the executive mayor and councillors, as well as the city manager and municipal officials, **have agreed to forego salary increases for the 2020/2021 financial year as part of a bid to deal with the area’s financial challenges.** The municipality has also tabled a “COVID-19-resilient” budget based on anticipated revenue streams.

Heece says George Municipality should be commended for its upgrade of informal settlements, which was accelerated before the lockdown, to promote community health. It also released all of its tenders related to COVID-19 relief for public scrutiny. Similarly, eThekweni has also done extra effort to scrutinise tenders, she says.

Mossel Bay, which, according to the Government Performance Index for 2019, was the top-performing municipality in the country, adapted many of its internal processes to work more efficiently and effectively, says Cloete.



Many municipalities initiated feeding programmes for the vulnerable.

But Cloete posits **that sound leadership is needed to navigate municipalities through the crisis, and beyond.** The behavioural change needed to alter the course through these choppy waters must start at the top. “It comes down to asking, ‘Why am I a public servant?’” he says. **“Commitment and will are what it takes to change an organisation. At local government level, it doesn’t matter who governs, as long as they do so ethically.”**

This sentiment was echoed by Dlamini-Zuma during Local Government Week. “I would like to emphasise that unless the political leadership deals with the political challenges confronting local government, no amount of administrative support or restructuring of the intergovernmental fiscal system will create a capable and financially sustainable local government sector. As we move towards a

local government election in 2021, we need to restore the institutional integrity and credibility of the local government sphere.”

The way in which municipalities have responded to the pandemic will most certainly affect how citizens vote in next year’s local government elections, adds Cloete. **A maturing electorate is likely to vote for trustworthy candidates who can deliver the services needed, especially during challenging times.**

As Albert Einstein once said: “In the middle of difficulty, lies opportunity.” The time is ripe for municipalities to overcome their historical shortcomings and to refocus their energies on their core functions of delivery and engagement with local communities. If they don’t, the breakdown of trust between those in authority, and communities on the ground, will prevail long after the pandemic has run its course. ■



Rural communities without access to running water and electricity have been hard hit by COVID-19.



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# SOLVING THE MUNICIPAL REVENUE CRISIS

The pandemic and lockdown has led to many citizens being unable to pay their municipal bills. With municipal revenue collection down significantly, local government has been forced to think on its feet. **Rodney Weidemann** reports

In an event unlike any witnessed in the past century, the COVID-19 virus has wreaked havoc across the globe, including South Africa, with people from all sectors, every region and walk of life impacted by it. Following the strict lockdown that was put in place to help curb the spread of the disease, **businesses have gone bankrupt, many others are struggling and in the region of three million jobs have been lost across the country.**

As the economy slows to a near standstill and most industries continue to grapple with the fallout of the ongoing lockdown,

less and less money is available. Moreover, retrenchments have skyrocketed, and it appears things will get worse before they get better.

**Many South Africans have been left with a gaping hole in their disposable household income.** The ripples of this impact are now also expected to affect revenue collection across the nation's 257 municipalities.

According to Mohammed Lorgat, national programme director: Municipal Audit Support at SALGA, there is little that municipalities can do about this.

"The only thing that municipalities can do is to adjust their budgets to reflect the expected lower revenues and then to ensure that they also cut spending accordingly. Of course, even this poses a challenge, as numerous costs are fixed, meaning they cannot be cut. It is only those costs classified as variable that can be cut," he explains.

"Within the current economic climate, with its high levels of unemployment and indigency, **many households are finding it difficult – if not impossible – to pay their debts.** Having regard to both the Auditor-General and National Treasury Section 71 >





Residents of Mooiplaas informal settlement outside Centurion gathered to collect food hampers.

“The only thing that municipalities can do is to adjust their budgets to reflect the expected lower revenues and then to ensure that they also cut spending accordingly.” – *Mohammed Lorgat*

reports, it has been confirmed that **80 per cent of debts are unrecoverable.**”

To this end, adds Lorgat, SALGA is proposing that a national bill be put through parliament for **the writing off of household debts in exchange for the installation of prepaid water and electricity meters.** After all, he points out, Eskom is already experimenting with these measures in places such as Soweto.

#### INDIGENT ISSUES

“SALGA widely expects that the quantum of indigents, both during the outbreak of COVID-19 and in the immediate short- to medium-term thereafter, will increase significantly,” Lorgat says. “Such a significant increase clearly warrants a review of the base for Local Government Equitable Share calculation, in terms of the 2016 Community survey and 2011 Poor Household ratio.”

He suggests that this section of the community also faces a severe threat



Mohammed Lorgat

of hunger in current conditions, adding that most municipalities already have programmes of some description in place for assisting indigents.

“During the COVID-19 lockdown, **many municipalities instituted feeding programmes and other forms of assistance, which was provided to the needy and vulnerable sections of the population within the municipal bounds.**”

Desiree Sehlapelo, manager of Planning and Economic Development and District Development Model (DDM) co-ordinator at the Waterberg District Municipality, points out that there has been an increase in the number of indigent people who are unable to pay for even basic services.

“Obviously, this is a concern for us, because the greater the number of people on this list, the more it impacts our ability to function effectively as a municipality because, ultimately, we are the ones who have to pay for the services received by these people,” she explains.

“We are also working closely with partners – NGOs and the mining houses – and other municipalities to establish a food bank for indigents who have no access to meals. Of course, this remains only a short-term relief option. In the longer term, it is **vital that we work to get our people back on track and the economy revived and reconstructed.**”

According to Serrah Mhlanga, municipal manager for the Midvaal Local Municipality, the indigent register is a safety net put in place to assist those most in need, however, anyone struggling financially who is not on the list needs to approach the municipality personally should they have financial problems.

“Registering on the list now essentially means nothing, because National Treasury uses a predetermined formula, informed by Statistics SA (2016 Community Survey), to determine the numbers of indigents in an area,” she explains. “All that an **increase in numbers on that list does is to enable better municipal reporting and management of debtors book through write-offs** – it does not change the budget allocated for





indigents in that particular area. This is not to say that the municipality does not ensure new people are added to the register, but this is done to ensure that current and future reports can cite accurate and complete data.” She indicates that indigent households on the list gain **access to subsidised basic services from the municipality** as informed by the Free Basic Services policy, which covers property rates, water, electricity and sanitation services.

“While not an official local government programme, some municipalities have also been handing out food parcels to those most in need. While this has been done from a place of caring, these entities have been overstepping their mandate,” Mhlanga says. “The fact is that distribution of such parcels belongs within the mandate of specific government departments, like social development, which have the competence and skill in such areas.”

### MUNICIPAL SNAPSHOTS

Asked for her view on the impact of the virus and subsequent lockdown within the Midvaal Municipality, Mhlanga says that operational expenditure, in particular, has been negatively affected. Those **areas that have a direct impact on service delivery are affected by a reduction in capital expenditure**, although she adds that funds have been redirected from less important services to those that are related to the virus containment – such as sanitation and the provision of water for washing hands.

“That is not to say that capital expenditure has not been impacted, so here we have had to apply stringent cash flow management mechanisms. These are further supported by cost-containment measures instituted by

National Treasury. Do we expect to suffer? Most likely, but if we manage our cash flow properly and understand that our projected revenue budget will be lower and we need to spend less, we should manage. In the end, it boils down to better cash flow management.”

Mhlanga points out that during lockdown, the municipality has also **delayed implementing credit control processes, meaning that it has not been disconnecting citizens who have not paid their bills**. Now that the economy has begun to open up and people are purchasing luxuries again, Midvaal felt it was the right time to institute these controls once more.

“The goal is to strike a balance between empathy for the citizens’ plight and remaining within the ambit of the law. COVID-19 has certainly opened our eyes to the nature of how

**“We are also working closely with partners – NGOs and the mining houses – and other municipalities to establish a food bank for indigents who have no access to meals.” – Desiree Sehlapelo**

an unexpected disaster can impact us, so we are also using this opportunity to review our policies to be better prepared for future disasters,” she says.

“What amazes me is how well municipalities have continued to function effectively, even during a disaster – the level of maturity and innovation, I believe, is well above what could have been generally expected. **If we can keep government operational under these circumstances, just imagine what we can do if we put our minds to it.** Although we were forced into this situation, I feel our reaction speaks well of how we operate in an emergency,” Mhlanga says.

Sehlapelo suggests that despite having a disaster management plan in place at national level, there was little that could be predicted about this crisis.

“Our focus has been on assisting our communities – and by communities we mean not only citizens, but also businesses – so as part of our DDM model, **we have proposed payment breaks where people are not penalised for nonpayment or options to reduce the interest** they would normally pay because it is vital not to cut people off if this can be helped.”

“Of course, we need to be aware that when we are unable to collect all the anticipated revenue, it will directly impact on what we can do and will reduce our ability to effectively serve our citizens,” says Sehlapelo. “This also creates a ripple effect that negatively impacts our ability to deliver services.” >

### A MOUNTAIN OF DEBT

The current reality, says Mohammed Lorgat, national programme director: Municipal Audit Support at SALGA, is that the aggregate municipal consumer debts amounted to R191.5-billion at the end of the 2019/20 financial year, of which not all are realistically collectable. Worse, this debt has been increasing on a quarter by quarter basis.

“The largest component of this debt relates to households and represents R133.9-billion, while government departments account for R14.8-billion. Despite many undertakings, National Treasury has instituted limited measures to get government and state entities to pay their debts to municipalities. The project initiative – driven by the Department of Public Works – has not yielded much and limited progress has been made.

“The situation is further exacerbated by retracted economic growth, limited tax revenues and rising debt levels, due to unaffordable burden on struggling ratepayers. Therefore, one of the key focus areas for local government to emerge better from the pandemic should be resolving the state of municipal finances,” he says.

### THE LONGER TERM VIEW

Logat believes that the impact of COVID-19 will definitely manifest itself in job losses and reduced income and that this will, ultimately, impact on municipal revenues in various ways.

"Municipalities will witness reduced collection levels. The consequent inability to meet financial obligations will likely lead to the closure of companies and businesses. There will also be a major loss of revenue from the rental of municipal facilities, such as conference centres, due to the lockdown. Furthermore, some research institutions are predicting that municipal revenues are expected to decline significantly as a result of the economic impacts of the lockdown. This is to be expected, since **just a five per cent drop in payment rates will cost local government an estimated R14-billion.**"

Waterberg Municipality is working hard on a recovery plan, says Sehlapelo, **because the region – which relies mostly on mining and tourism – has been especially hard-hit by the lockdown.**

"Such a plan is difficult because the first action is to eliminate government's traditional approach of working in silos. The recovery plan will be sector-specific, so we are working closely with the Limpopo Tourism Authority and the Waterberg Tourism Association. We aim to **develop plans to assist the region in recovering from the effects of the virus,** but this too becomes more difficult when you realise that opening businesses up again requires business owners to spend additional money on things like hand sanitiser. This money is not always easy to find when you have had no income for six months.

"Nonetheless, we have a project termed 'Reimagining Waterberg', which in the long-term is about further developing our tourism offerings, as well as **achieving a competitive advantage for our mines by moving our economy away from only being in the primary production area of the economy,** by developing beneficiation capabilities," Sehlapelo explains. "We have even noted that much of our agriculture production could be packed and prepared in the region, which is close to the N1 transport hub and has relatively easy access to the SADC markets."



Mhlanga suggests that Midvaal was quick to realise the pandemic was going to take a long time to resolve, so it put together a Midvaal economic recovery plan as early as May. This was a ten-point plan to revive the economy that

aims to deliver a shock to the system by identifying the 'low hanging fruit', which government can redirect funds towards to kick-start the economy.

"By using intentionally targeted business procurement methods for any basic project that requires council services – such as tree felling or the painting of signage – **we will be able to provide jobs to local SMEs within our community,**" Mhlanga says. "This

is already underway with regard to grass cutting and the maintenance of municipal gardens and we are **witnessing a positive impact on the community,** especially on the youth who are being employed.

"We have learned through this crisis that there are things we can do differently and more proactively, so it is important that we absorb all the learning we can from this experience so that we can ensure we are better placed for the future. For example, we have **learned the importance of regular and clear communication with citizens.** And, without casting any blame, we understand that as government, we simply have to do better in the future. So we will certainly be digesting everything we have learned through this and will apply that knowledge to ensure that the municipality is capable of handling anything that the future throws at us," she concludes. ■

**"The goal is to strike a balance between empathy for the citizens' plight and remaining within the ambit of the law. COVID-19 has certainly opened our eyes to the nature of how an unexpected disaster can impact us." – Serrah Mhlanga**

### SALGA GAUTENG PROVINCE REVENUE COLLECTION INITIATIVE

Maphefo Mgadi, advisor for Finance and Audit Support at SALGA Gauteng, points out that the establishment of a municipal revenue and debt management proposal was informed by numerous interventions. These were undertaken by SALGA, through the provision of capacity-building programmes and peer-learning sessions, with different municipalities in the province.

"It has been noted that **there is a need for an integrated revenue and debt management committee at the municipal level,** comprised of various departments such as electricity, water, community services, infrastructure and disaster management. These 'War Rooms' are convened monthly and championed at the office of the MMC Finance and Municipal Managers with the objective of assessing the municipal collections against the work that is being done by executives within municipalities on certain key issues."

These issues include:

- improved revenue collection from prepaid households
- installation of prepaid meters in unmetered areas, if any
- municipal infrastructure challenges such as water linkages
- ensuring 100 per cent collection in areas where the municipality can collect
- involvement of civil society to promote educational programmes to communities on revenue management-related matters (specifically in zero-rate collection areas).

"With the amount owed to municipalities steadily increasing every year, organisations such as SALGA must devise strategies that will assist its members," says Mgadi. "Inadvertently, **debt owed to municipalities undermines the ability of municipalities to deliver services to its citizens,** as well as undermining the financial stability of these institutions.

"Even more critical to the plight of revenue collection is the advent of the COVID-19 pandemic, which has become a threat to the livelihood of many South African citizens and thus a threat to municipal revenue collection and financial stability. The Revenue Management War Room initiative, therefore, supports SALGA's mandate to support and advise municipalities on improving revenue management, credit controls and how to manage outstanding debt," she concludes.



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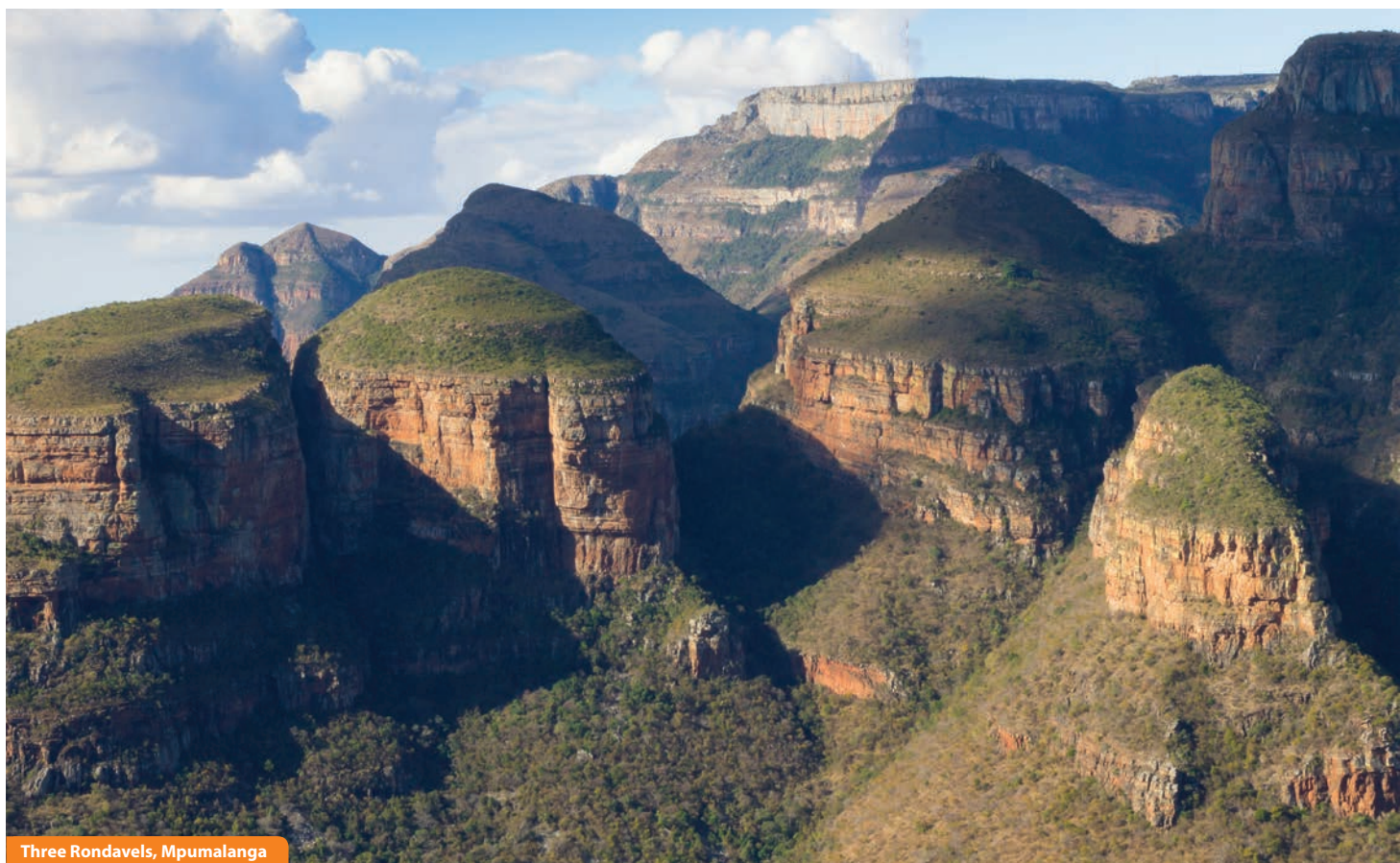


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# LOCAL TOURISM TAKES THE SPOTLIGHT

This September, Tourism Month was celebrated under unprecedented circumstances with emphasis on finding solutions for the industry's recovery, writes **Dale Hes**



Three Rondavels, Mpumalanga

**C** OVID-19 has brought devastation to the tourism sector – a sector that is viewed as absolutely critical to the future economic growth of the country. As domestic tourism opens up again, **stakeholders in the tourism industry and local government need to adapt to the new normal to keep the industry afloat.**

The tourism industry breathed a collective sigh of relief when, in August and September, President Cyril Ramaphosa announced the lifting of restrictions on interprovincial travel, domestic leisure tourism and sit-down dining.

However, it has been projected that up to 500 000 jobs could still be lost in South Africa's tourism sector due to the effects of the national lockdown and COVID-19. The virus struck at an inopportune moment for the tourism industry, which had been identified as a crucial catalyst for economic growth in the years to come. Now, tourism stakeholders and government are on a mission **to build the industry up again, seeking new pathways towards stimulating tourism in a world completely changed by COVID-19.**

## THE ROAD TO RECOVERY

In 2019, prior to COVID-19's arrival in South Africa, the country received 10.23 million international arrivals and recorded 7.1 million domestic holiday trips. The tourism sector supported about 1.5 million direct and indirect jobs and accounted for about 8.6 per cent of total GDP.

Shortly after South Africa moved down to lockdown level 1, South African Tourism released its *Tourism Sector Recovery Plan COVID-19 Response* report. The document highlights the **devastating impact the pandemic has had on the tourism industry.**

"It is estimated that R54.2-billion in output may already have been lost between mid-March and the end of May. The sector now faces a potential 75 per cent revenue reduction in 2020, **putting a further R149.7-billion in output, 438 000 jobs and R80.2-billion in foreign receipts at risk**," said SA Tourism CEO Sisa Ntshona.

Although a reopening of the global tourism sector is anticipated between now and early 2021, Ntshona warns that South Africa may emerge more slowly than other countries and in several phases.

"South Africa itself looks set to emerge more slowly than many regions, although key source markets in Europe and North America are also facing a fragile recovery. It is, therefore, likely that tourism recovery will experience a number of phases, from hyperlocal community attractions, through broader domestic tourism, followed potentially by regional markets and then the resumption of worldwide international travel."

With international tourism likely to remain limited, **strong domestic demand will be critical to the performance of the tourism sector** for the remainder of 2020.

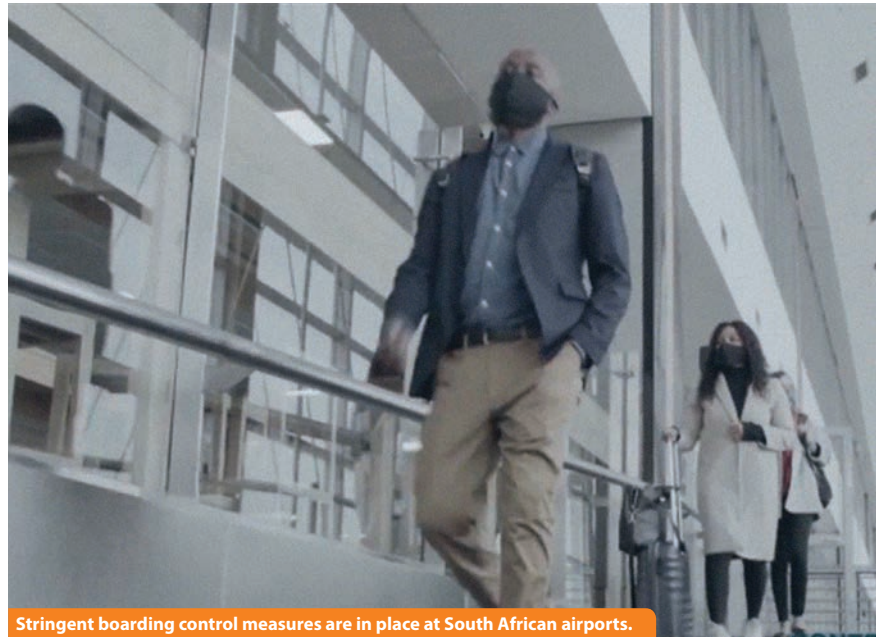
**KEY RECOMMENDATIONS**

South African Tourism has released a set of recommendations for recovery, based on three pillars – Reigniting Demand, Rejuvenating Supply and Strengthening Enabling Capability – these include:

- the creation of a comprehensive industry/government partnership to collaborate on all aspects of tourism recovery
- the introduction of national norms and standards for safe tourism operations
- enhancing air access and implementing an air service development programme
- catalysing domestic demand with informative and inspirational messaging that encourages safe domestic tourism
- executing a global marketing and travel trade programme targeted at highest-potential source markets to reignite international demand
- implementing the e-visa programme and



Sisa Ntshona



Stringent boarding control measures are in place at South African airports.

reviewing and transforming tourism policy to deliver efficient, effective and purpose-led support for growth and development. From the recommendations, it is clear that local governments and their associated tourism agencies and partners will have a particularly **important role to play in ensuring that domestic travel can guide the initial phases of recovery in the sector.**

**TOURISM RECOVERY IN THE OVERBERG**

Encompassing Hermanus and its surrounding towns, Whale Coast Tourism is responsible for driving tourism initiatives in the Overstrand Local Municipality. Frieda Lloyd, tourism manager at the municipality, says that the municipality had already been **focused on continuing to publicise the region and its tourism potential** even before the latest set of restrictions was relaxed. This included extensive use of social media. "Cape Whale Coast Tourism actioned its towns to communicate the message that **our towns are open with protocols in place and ready to welcome back visitors.** We invited

social media influencers to visit Gansbaai on 1 September and this paid off with significant digital media exposure. The focus is on supporting local businesses and being a tourist in your own town," Lloyd explains.

Lloyd said that the loss of the international tourist market has been a major blow to the municipality, but **domestic tourism is starting to increase steadily.**

"With the Overstrand's proximity to Cape Town and the Boland, we are upbeat about visitor numbers and our Tourism Visitor Information Centres have seen accommodation enquiries increase steadily. We miss our international market, but are thankful for the local support. Weekly surveys of incoming vehicles are done and it is evident that our neighbouring residents are doing day trips. With the annual whale season well on its way the whales are a great help in getting visitors here."

**THE LOWVELD PREPARES FOR A TOURISM RESURGENCE**

Meanwhile, in the Mpumalanga Lowveld, Kruger Lowveld Tourism (KLT) has also drawn on social media to promote tourism in the region. Chief operating officer Linda Grimbeeck explains that the KLT has encouraged tourism role players to advertise themselves for free on a dedicated Facebook page. >



Cape whale coast



Kruger Park



Frieda Lloyd

**“We are upbeat about visitor numbers and our Tourism Visitor Information Centres have seen accommodation enquiries increase steadily. We miss our international market, but are thankful for the local support.” – Frieda Lloyd**

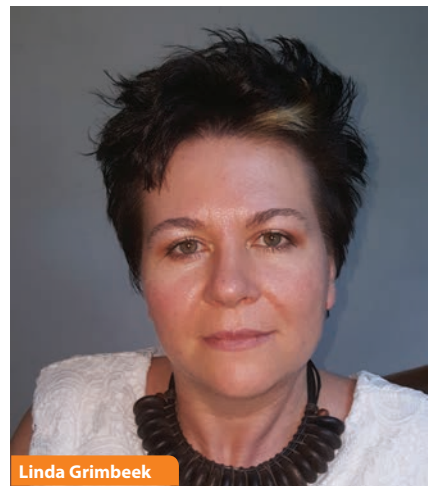
She adds that, unfortunately, local municipalities have had to contend with tight budgets during these testing economic times. “In our region, it is the responsibility of the local municipalities, not the district municipality, to do tourism marketing, but funding for them is lacking. Meanwhile, **the district municipality received a presidential mandate to pilot tourism development in one area.** They have chosen Barberton and we will jointly look at a strategy to develop inclusive tourism there and to promote it.”

However, the KLT has been heartened by **a surge in bookings for renowned attractions such as the Kruger National Park.**

“We have seen a massive interest when bookings opened for the Kruger National Park. We will also see a lot of South Africans travelling in South Africa that may have preferred to go overseas. Many of them will visit our region during the December holidays.”

Grimbeek says that she **expects a significant shift in tourism trends, even once all lockdown restrictions are lifted.**

“South Africans will have an awareness of the importance of spending their funds



Linda Grimbeek

locally and **we will see more South Africans travelling as tourists in their own country.** Many people in many countries had nothing to do except to look for interesting new destinations and I am sure South Africa will have made many people’s bucket list. However, we will have to learn to compete against the rest of the world to ensure that we are safe for travellers.” ■

**“We are in advanced stages of building a great website where everything in the Lowveld will be bookable with first-in-the-world features enabling a potential visitor to plan their own itinerary and book it with one click.” – Linda Grimbeek**

Enhancing the competency of local government officials ensures improvement in service delivery for local communities and builds sustainable municipalities that adhere to the Batho Pele principles. Through short-courses and training programmes offered by Enterprises University of Pretoria, skills are developed to respond to modern day challenges.

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Municipal Governance Excellence	3 days contact session
Municipal Management Development Programme (MMDP)	8 study blocks of 2 days each
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Writing Skills for Municipal Officials

3 days contact session

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Municipal Accountability and Ethics (LG SETA 116343 & 119342)	5 days contact session
Municipal Asset Management (LG SETA US 116362)	2 days contact session
Municipal Public Accounts Committee Training Course (MPAC) (LG SETA US 116343; 116348; 116358; 119334)	5 days contact session
Online Course in Supply Chain Management for Public Officials (LG SETA US ID 119345)	5 weeks online session
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Shifting knowledge to insight

# PURSUIING AND PROMOTING GENDER EQUALITY

As South Africa celebrated Women's Day on 9 August, we were reminded that gender parity has not yet been achieved, reports **Puseletso Mompei**

**W**omen across all sectors face many challenges in South Africa. In local government, the challenges they face relate to voice and representation of women in society in general. **Women are economically, socially and politically disempowered due to social attitudes and gendered norms** that obstruct their meaningful access to the structure of opportunities, the world of employment and social institutions.

In the public sphere, where the numbers of elected officials seem to tip the scales toward women, some of the things that happen include political appointees being replaced by men and Integrated Development Plans (IDPs) that generally do not reflect mainstreaming of gender.

SALGA has created formal structures to mobilise women in local government and co-ordinate their gender struggles. One such body is the SALGA Women's Commission, which spearheads the objectives, policies and programmes of the United Cities and Local Governments (UCLG) among women councillors and officials and the emancipation of women within the UCLG and its regions and at all levels of local government. The commission has overseen **the implementation of the gender policy framework for local government in relation to all municipal functioning** as well as the implementation of SALGA and UCLG resolutions on gender equity and equality.

Additionally, the Women's Caucus was established with a view to promoting gender equity and equality, regardless of party affiliation.

## WOMEN LEADERSHIP DEVELOPMENT MASTERCLASS

At the core of developing women leaders at local government level is the recognition that women have an important role to play in efforts aimed at improving the quality of life for all South Africans and addressing the triple ills of poverty, inequality and unemployment.

To strengthen women's capacity, SALGA will be rolling out a local government women leadership development masterclass. The intervention specifically focuses on women's leadership to enhance the capacity of local government to deliver on its constitutional and legislative obligations of service delivery. It should also **result in a more effective and compassionate interface with ordinary citizens** who rely on the state for public goods such as health, welfare, education, justice and security.

The masterclass aims at empowering women occupying leadership positions at political and administrative levels to become effective leaders in their specific roles and in society and helps prepare women seeking to occupy and take up leadership positions in future.



SALGA president Thembisile Nkadimeng.

The programme is specifically targeted at women leaders whose sphere of influence and focus is local governance. It is delivered with the **core aim of empowering and equipping women councillors and managers at local government level** with the requisite skills and competencies for the betterment of society and to play a significant role in the attainment of the local government development imperatives. The programme provides training to women in leadership and management roles in council and local government divisions.

The masterclass aims at empowering women occupying leadership positions at political and administrative levels to become effective leaders in their specific roles and in society and helps prepare women seeking to occupy and take up leadership positions in future. SALGA is offering this programme to **propel women leaders to the forefront of organisational change efforts** geared at transforming municipalities into high-performing organisations, enhancing women leadership capacity in local government, and improving the profile of women leaders in local government. This will further institutionalise the SALGA leadership competency model as **a cornerstone of leadership development in the sector, promote diversity in**

## WOMEN IN KEY LEADERSHIP POSITIONS IN LOCAL GOVERNMENT

Women occupy an accumulative 33 per cent of mayoral positions and 36 per cent in the National Council of Provinces.

Source: Genderlinks



**leadership, and unleash leadership potential in women** to build and sustain a pipeline of effective women leaders.

In addition to these high-level objectives, the aim is to address the specific challenges relevant to the target group. These will be identified in the early stage of the project through the needs assessment and based on the project team's input and experience.

**ADVANCING WOMEN IN LOCAL GOVERNMENT**

SALGA's president, Themi Nkadimeng, is also the co-president of UCLG.

An outspoken advocate for women's advancement, she has been participating in various platforms to seek solutions to the challenges women face. On 28 July, alongside the national chairperson of the Women's Commission, Councillor Flora Maboja-Boltman, Nkadimeng participated in the virtual second meeting of the Africa-Europe Support Committee for the Charter and UCLG Africa Working Group to fast track the drafting of the "Local Authorities Charter for Gender Equality in Africa".

This project is part of the implementation of the "Africa-Europe Marrakesh Pact for Local Equality", which aims to strengthen co-operation between UCLG, UCLG Africa/REFELA

**"The status of women, the specific needs and unique contributions they make to shape the future of humanity cannot remain invisible."**  
 – **Themi Nkadimeng**

and EMR/PLATFORMA to advance equality of women and men in local life in Africa.

"The status of women, the specific needs and unique contributions they make to shape the future of humanity cannot remain invisible. It remains essential in the post-COVID-19 era to **include women and their voices in both the formulation and monitoring of public policies**, and especially those that belong to populations that have been historically discriminated against," Nkadimeng said.

In the context of the COVID-19 pandemic, recent reports indicate that the livelihoods of women around the world are now worsening and gender-based violence is increasing, often exacerbated by the precarious housing conditions. Nkadimeng highlighted that **"women are the bulk of healthcare and basic stores workers who are at the frontline of facing the challenges**. They represent almost 60 per cent of the workforce on a part-time basis and 40 per cent of total employment. They are also playing a critical role in the cohesion of our neighbourhoods and solidarity efforts, keeping us together and safe."

She also recently co-hosted a virtual dialogue, themed "Leading in the Face of COVID-19 and gender-based violence" with Councillor Parks Tau on Women in Local Government as part of Women's Month commemorations. "In our pursuit of generation equality, **we need to reflect on the role**



**Dr Nkosazana Dlamini, Minister of CoGTA, participated in the Women's Development Masterclass this year.**

**of women as catalysts** towards pervasive community empowerment. We should create enabling **workplace environments that protect and advance the socioeconomic standing of women** in society," Nkadimeng said during the event.

**UCLG WOMEN'S DEVELOPMENT**

At their 12<sup>th</sup> thematic live learning experience, UCLG women leaders agreed on a call to action called "Women's Leadership for the Post-COVID-19 era". Nkadimeng argued for the importance of women's self-organisation to better rebuild in the aftermath. She called for national governments to act on gendered inequalities and enhance wellbeing with universal healthcare and social protection. She also called for the **development of an equality framework in urban planning and legislation to ensure the full inclusion of women and girls** in the social fabric of cities and regions.

"As identified in our UCLG decalogue for the post-COVID-19 era, we know well that the sacrifices that we are asking from this and future generations need to lead to more just and equality driven societies where we take care of each other," Nkadimeng said. ■

**SNAPSHOT OF WOMEN IN KEY LEADERSHIP POSITIONS**

In the private sector, only 20 per cent of directors of JSE-listed companies are women, while in the public sector, 46 per cent of MPs are women, and a meagre 22 per cent of premiers are women.  
 Source: Genderlinks

IMAGES SUPPLIED

# LOCAL GOVERNMENT WEEK TACKLES GOVERNANCE

This year's local government week focussed on ensuring that municipalities, with the assistance of national and provincial government, implement the Municipal Audit Results and restore good governance across all 257 municipalities

## Local Government Week .....

Ensuring Capable & Financially Sound Municipalities



On 8 September, the South African Local Government Association (SALGA) in partnership with the National Council of Provinces (NCOP), kicked-off the Local Government Week under the theme "Ensuring Capable and Financially Sound Municipalities". The week-long event was attended by parliamentarians, senior members of national and provincial SALGA leadership, cabinet ministers, MECs, the Auditor-General (AG), independent analysts, and strategic entities involving local governance.

**"Local government's policies, systems, practices and funding have tended to lag behind those of the other two spheres – provincial and national.** This is demonstrated by the ongoing debate around the powers and functions of municipalities," says SALGA president Councillor Thembi Nkadimeng.

Almost all municipalities have established Municipal Public Accounts Committees (MPACs), however, they are undercapacitated, poorly resourced, and junior councillors are deployed to lead these, with most of their oversight recommendations have no binding effect, resulting in very little to no follow-through or execution.

### FACTORS CONTRIBUTING TO POOR DELIVERY

**Over R127.7-billion of service-related debt is owed to municipalities.** Slow-paced business activities, tax evasion and inadequate collection systems resulted in a total debt of R181.3-billion of which R28.9-billion was owed by businesses and R18.1-billion by government in all its spheres at the end of the municipal financial year.

The AG's report shows that 43 per cent of municipalities received an unqualified audit outcome, with only 11 per cent of them receiving no findings. Of the 257 local municipalities, 28 did not

Municipalities are encouraged to fully exploit all sources of revenue to meet their developmental objectives in servicing the communities, ensure that services are provided at affordable levels, and improve efficiency in public spending.

submit their reports on time and 91 per cent did not comply with legislation, pointing to a lapse in oversight and the lack of controls, particularly as it relates to supply chain management and procurement.

With the exception of the attempts made by opposition parties in councils, **there is very little oversight played by mayors over what happens in the municipal administration.** Similarly, there is very little oversight by municipal councils over the mayor and mayoral committees or executive committees. The 2018/19 municipal audit outcomes confirm that mayors provide 25 per cent, municipal councils provide 26 per cent and MPACs provide 27 per cent independent assurance and oversight at municipal level.

### PROACTIVE INTERVENTIONS

The AG promotes proactive interventions that need to be effected urgently to restore full functionality and efficiency of local government.

**Municipalities are encouraged to fully exploit all sources of revenue to meet their developmental objectives in servicing the communities,** ensure that services are provided at affordable levels, and improve efficiency in public spending. In so doing, municipalities will remain accountable to local taxpayers for



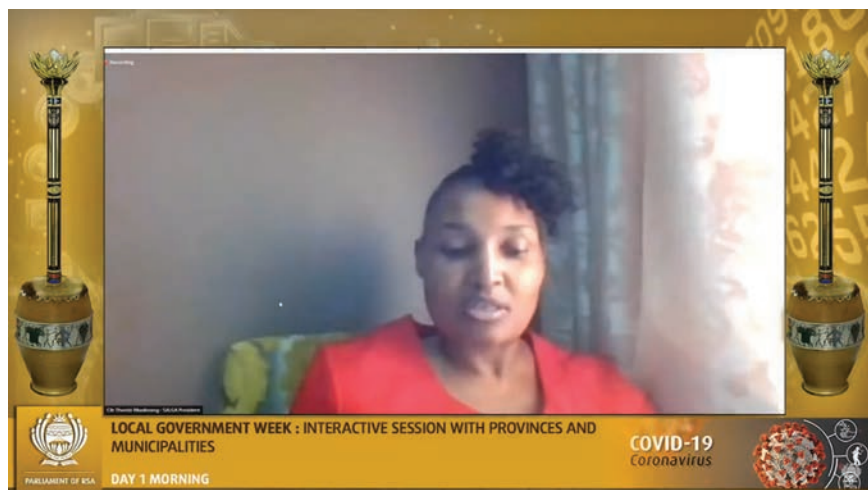
the use of public funds and all windows for corruption and malpractice will be closed.

Efforts to address administrative challenges have been ongoing. The specific administrative challenges that have emerged are largely linked to poor leadership and management in local government.

As a result, **a number of municipalities overspend their budgets, undercollect on their revenue, default on their payments to suppliers**, manage their capital assets poorly, prioritise nonessential spending, and make decisions that are inconsistent with the Constitution.

There are several solutions to address these issues.

- Revenue adequacy and certainty: municipal leaders are encouraged to fully exploit these sources of revenue to meet their developmental objectives.
- Sustainability: this requires **municipalities to ensure that their budgets are balanced (income should cover expenditure)**. Given revenue constraints, this involves ensuring that services are provided at affordable levels.
- The effectiveness and efficient use of public resources and expenditure and ensuring municipalities are able to recover the costs of service delivery.



- Accountability, transparency and good governance. Municipalities must be held responsible and accountable to local taxpayers for the use of public funds. **Elected representatives should be required to justify their expenditure**

decisions and explain why and how the revenue necessary to sustain that expenditure is raised. Accounting and financial reporting procedures should minimise opportunities for corruption and malpractice. ■

**“Local government’s policies, systems, practices and funding have tended to lag behind those of the other two spheres – provincial and national. This is demonstrated by the ongoing debate around the powers and functions of municipalities.” – Themi Nkadimeng**

# WHY YOU NEED MEDICAL AID

**Lee Callakoppen**, Principal Officer of Bonitas Medical Fund, explains why you need to be covered by a medical aid scheme



## HAPPY TO USE A NETWORK?

Some plans require you to use a specific GP and hospital network and have a list of Designated Service Providers (DSPs) to keep costs down. Check that the network in your area will cover your specific needs.

## AGE MIGHT IMPACT YOUR DECISION

If you have young children, make sure that the medical aid option you select provides sufficient child illness benefits. For young couples starting a family, check that the option provides adequate maternity benefits. However, if you are ageing then you need a plan that covers chronic conditions and provides sufficient in-hospital cover in the event of hospitalisation.

## ADDITIONAL BENEFITS

Supplementary benefits might be available that could save significantly on day-to-day expenses such as preventative care benefits, ranging from basic screenings (blood pressure, cholesterol, blood sugar and BMI measurements) through to mammograms, pap smears and prostate screening. In some cases, this extends to maternity programmes, dental check-ups, flu vaccinations and more.

The bottom line is that you cannot compromise your health. Medical aid is your support, ensuring that you have access to quality healthcare where and when you need it. ■

## For more information:

- 🌐 [www.bonitas.co.za](http://www.bonitas.co.za)
- ☎ 0860 002 108
- 📍 @BonitasMedical

**T**he global COVID-19 pandemic has highlighted the importance of quality healthcare and being on a medical aid scheme. It is in times of crisis, or when faced with unexpected and expensive medical costs, that the true value of medical cover is understood.

Here are a few tips on how to choose a medical aid and the reasons why you shouldn't cancel your membership, even when financially strapped.

## GET ADVICE

Before making important financial decisions, consider all options. Your family's health is a priority, particularly if there are any existing health issues. Speak to your medical aid provider or a broker to find the best plan for your needs. Cancelling your medical aid should be the last resort. It may impact, not only on your access to quality healthcare, but also add more financial strain if you fall ill.

## WHAT HAPPENS IF YOU CANCEL?

When you resign from a medical aid scheme, you are no longer able to access healthcare benefits. This means you either need to use the public health system or cover all medical expenses yourself. These include doctors' visits, medication,

X-rays or hospitalisation, which in a private facility, can become expensive.

## DO YOUR HOMEWORK

The medical aid landscape can be tricky to navigate, so it's important to read the fine print and compare the different plans offered by the various schemes. Offset this against your family's healthcare needs to decide whether you need to go on a full medical aid or a hospital plan.

## JOINING A MEDICAL AID FOR THE FIRST TIME

Medical schemes are nonprofit organisations, strictly controlled and regulated by the Council for Medical Schemes. If you are joining for the first time the scheme can impose:

- a three-month general waiting period
- a 12-month exclusion for any existing medical condition
- Late-joiner penalties if you are over 35.

## CHECK YOUR BUDGET

Consider all the costs involved before you make your final decision. The rule of thumb is that contributions should not exceed 10 per cent of your monthly income.

**"It is in times of crisis or when faced with unexpected and expensive medical costs that the true value of medical cover is understood." – Lee Callakoppen**



# CONSULT A GP FROM HOME WITH VIRTUAL CARE ON THE **BONITAS APP**



**Virtual Care** is free\* for all South Africans to consult a **GP from home** during the **lockdown period**.

**DOWNLOAD NOW!**



For more information on COVID-19, visit [www.bonitas.co.za/home/covid](http://www.bonitas.co.za/home/covid).

\*Consultations are free for a limited time.

SMS **SWITCH TO 33035** / [bonitas.co.za](http://bonitas.co.za)

SMSs CHARGED AT R1.50. FREE SMSs DO NOT APPLY. Ts & Cs APPLY.

**Bonitas**

Medical Aid for South Africa

# NEW AND IMPROVED MY COE APP

## HAVE YOU DOWNLOADED "MY EKURHULENI APP"?

The City of Ekurhuleni has launched a new easy-to-use app designed to improve the quality of access for residents, **Lwando Njamela** reports

The City of Ekurhuleni's new app, My City of Ekurhuleni (COE), has been developed to make it easier for Ekurhuleni residents to access a host of municipal services. Ekurhuleni spokesperson Themba Gabede says the city is pleased to announce that it has developed another technologically-advanced customer interface platform "in the form of **an improved services app that boasts new functionalities**". The new app replaces the old Ekurhuleni app that was launched in 2018.

"The COE app's new functionalities include traffic information and 24-hour municipal services news, among a number of other offerings. Residents can log queries and monitor them through the app at a touch of a button. The app is interlinked to the city's online payment system Siyakhokha, which is used to view, manage and pay municipal accounts."

### WHAT IS SIYAKHOKHA?

Siyakhokha is the **city's efficient online system, designed to make it faster and easier for residents to interact with the City**. It offers the residents, businesses, government, and the city, the convenience of online services. It also contributes to cost saving and reduces carbon footprint. With Siyakhokha, residents can easily receive and securely pay their municipal accounts anytime. Residents and other stakeholders **can also lodge queries, check their account history and update their contact details**. Each communication and payment undertaken on the system is secure and confirmation is received immediately.

The beauty of Siyakhokha is that it saves time – customers don't have to stand in long queues and queries are handled far quicker, resulting in faster resolution turnaround. And, customers can interact with the city at their own pace.

Gabede says: "The city's vision is to follow the world migration to the digital world and position itself to be a digital trendsetter in the local government space. We want to do that together with our residents. We believe that **we must continually adapt to the changing world and provide a convenient and effective service to the people**. The new app features, which inform residents and motorists of the state of traffic in their locality, will help them to plan their travel much better." ■

The COE app's new functionalities include traffic information and 24-hour municipal services news, among a number of other offerings.



### STEPS TO DOWNLOAD

- 1 Go to Google Play Store or App Store in your mobile phone
- 2 Search for "My Ekurhuleni App"
- 3 Download and install the app
- 4 Register yourself using your contact details
- 5 Log your queries



### THE OLD APP VERSUS THE NEW APP

#### Features of the old app

- 📞 Complaints: view and log complaints
- 📞 Contacts: contains important contact numbers in the city
- 🚨 Emergency: contact information for various departments
- 👤 Ward councillors: lists their name and details
- 📶 Free download: but data charges will apply

#### Features of the new app

- 📊 Meter readings: capture/submit meter readings and view consumption
- 📅 Events: lists upcoming events in the city
- 🌤️ Weather: view at current location
- 📍 Around Me: helps you to find nearby places and get directions
- 🚦 Traffic: view traffic conditions at and around your location
- 🚨 Alerts: displays any hazards or dangerous places
- 📍 Things to do: information on attractions in and around the city
- 👤 Ward councillors: lists their name and details
- 💳 Municipal accounts: view and pay online
- 📰 Newsfeed: daily updated content QR code
- 📊 My Usage: view your usage on water and electricity
- 📶 Free download: but data charges will apply

# THE MUNICIPAL INNOVATION MATURITY INDEX

How effective is the Human Sciences Research Council's index, which municipalities use to measure their problem-solving capabilities? **Levi Letsoko** reports

Over the years, national government has been striving to keep track of the effectiveness of municipalities in delivering basic services.

Numerous measures have been tried and tested while others fell through the cracks. It was only in 2016 that the Human Sciences Research Council (HSRC) first implemented **a tool that stands to redefine how municipalities measure their problem-solving capabilities.**

The standard of science, technology and innovation (STI) facilities in South Africa can be regarded as the best on the continent. The main question is, are these resources being used in a manner that improves the livelihoods of the ordinary citizen?

The Municipal Innovation Maturity Index (MIMI) is a tool developed by the HSRC to **evaluate and gain clarity on the capabilities of municipalities and how these can be enhanced to deliver municipal services effectively.**

As a research institution, and part of the Inclusive Economic Development Unit, the HSRC's key focus is to support research projects



Karabo Nyezi

that influence the formation of policies meant to help govern communities.

"Innovations in service delivery can help municipalities to serve more people, with less money, less time, and at a higher quality," says Karabo Nyezi, a research assistant at the HSRC.

"While the potential role of science, technology and innovation in dealing with challenges in local government has been acknowledged, the extent to which local municipalities in South Africa are oriented towards leveraging these resources to improve service delivery and creating an enabling environment for local economic development is not clear," adds Nyezi.

## RESEARCH-BASED INNOVATION

The Innovation Partnership for Rural Development Programme (IPRDP), an initiative by the Department of Science and Technology, played a collaborative role in the implementation of the MIMI tool as a means of tracking the success rate of various initiatives.

**The tool has successfully provided the HSRC with a broader view of the progress made by the evaluated municipalities while putting the spotlight on the challenges faced in the delivery of services.**

"Gaining an understanding of the factors that enable innovation is the missing link between policy and practice, between willingness to innovate and innovation itself," says Angela Bolosha, a research assistant at HSRC.

"We want to know what an innovative municipality looks like. The tool seeks to understand what capabilities exist in the public

sector to learn and absorb new ways of doing things," she adds.

Although innovation in municipalities has experienced a marginal increase, the tool made it evident that **more needs to be done to ensure that innovation as a practice is fully entrenched** in every organisations' leadership and management structure.

## POWERFUL TOOL

Local and district municipalities are moving in the direction of allocating appropriate solutions to existing challenges, however, it is too early to celebrate.

The improvement displayed by distressed municipalities that have adopted the MIMI tool speaks to the positives of the initiative. It is clear that municipalities can only continue in the prescribed direction if the initiative is backed by organisational enablers.

"The pilot phase (IPRDP phase) showed that the MIMI tool is **a valid knowledge management instrument, as well as being a strong and powerful tool for understanding innovation capabilities at local councils,**" says Nyezi.

"Even though the tool was developed for municipalities, it was not always easy to get them to participate. Some seemed to view it as just a research exercise, instead of a learning experience. We are working towards changing that mindset," she adds.

The MIMI tool has managed to **cultivate the culture of innovation within the public sector.** Despite the challenges of implementation, the tool has made it harder for the sector to overlook the concept.

"The long-term objective is to embed MIMI as a sectorwide information and decision-making tool to assist municipalities in promoting innovation in their operations and the quality of services being delivered to communities," concludes Bolosha. ■



Angela Bolosha

**"Innovations in service delivery can help municipalities to serve more people, with less money, less time, and at a higher quality." – Karabo Nyezi**

# THE ROLE OF MUNICIPALITIES IN THE DIGITALISATION JOURNEY

Digital infrastructure is vital for ensuring South Africa's socioeconomic development and the availability of broadband in all municipalities is an important first step

In the last few years, terms such as the fourth industrial revolution (4IR), 5G and gigabit broadband have become mainstream. **Globally, governments have been shifting the direction of their economic policies, embracing ICT-led growth strategies** to sustain or radically boost their economic growth.

The 4IR brings with it advanced robotics and automation, the internet of things (IoT), artificial intelligence (AI), cloud computing, advanced wireless technologies and much more. Many countries are now ushering in 5G technologies where networks are expected to be 10–100 times faster than 4G LTE while delivering low latencies on connections and the ability to connect many billions of things into intelligent networks. Digital inclusion and workforce-readiness for this digital era have become a high priority for South Africa.

The first months of 2020 saw the emergence of a rapidly propagating novel coronavirus that devastated economies across the world. Impacted countries tried to curb the viral spread by closing borders, grounding flights, declaring states of emergency and introducing curfews. Large parts of the global workforce were forced to stay home and working remotely, online education, digital financial transactions and online shopping became our “new normal”. This brought an immediate surge in network traffic as households went online to share and gather information, access services and stay connected with loved ones. **Broadband connectivity became vital, allowing economies to move forward regardless of the applicable lockdown level.** Many countries, South Africa included, now find themselves in the second wave of this pandemic, making resilience in connectivity and communications imperative.

## MUNICIPALITIES ARE THE STARTING POINT

Digital infrastructure, including broadband networks, is an important precursor to South Africa's foray into the 4IR. As a critical lever for socioeconomic development and inclusion of all people in the country, **the construction of high-speed communications networks is an essential first step in the country's journey to digitalisation.** Making high-quality broadband available to all municipalities begins at the street level where each new or existing site is developed or upgraded to boost network capacity.

As network traffic moves from business and commercial districts into the suburbs and townships due to COVID-19 related work and study from home policies, the ability to rapidly deploy sites in these areas takes on new urgency. Network densification sees many



small cells being deployed to enable more users, lower latency and expanded coverage. **The ease with which sites are deployed has a direct bearing on how quickly residents can benefit from the improved connectivity.**

Municipalities should, therefore, prepare for the densification of networks with more sites being deployed on towers, poles or other resources. Batch approvals (by street or suburb) become necessary, especially where lamp pole sites are being deployed. Power to those sites is equally important to ensure that site activation occurs speedily once construction is complete.

When planning new townships or developments, pre-provisioning for fibre resources caters to future connectivity needs in ways that limit disruptions to the municipality and its residents downstream. An environment that enables seamless site access (right of way) and site approvals, ultimately benefits residents.

**Municipalities are central to the country's ability to build up and strengthen the required digital infrastructure foundation to support a robust digital economy and connected society in South Africa.** At a time when connectivity has been elevated to the same level of importance as water or electricity, there are several ways in which municipalities can help to speed up the expansion of critical broadband networks nationally. Getting this right ensures municipalities their own access to high-speed broadband, thereby expanding their capacity to quickly deliver more public services to more people.

**WHAT MUNICIPALITIES NEED TO FOCUS ON**

Municipalities should consider the following enablers for rapid broadband expansion:

**1. Network site development in residential and other high-demand areas.** Access to areas and sites with increased or growing demand for broadband and high bandwidth services should be eased. Restrictions or onerous

**There are several ways in which municipalities can help to speed up the expansion of critical broadband networks nationally.**

requirements for site development in high-demand areas are misaligned with the post-pandemic connectivity needs of residents and business.

**2. Municipality resources for network expansion.** Large numbers of possibly passive resources in municipalities can be leased to telecommunications network providers. These include street light poles, building rooftops and billboards, among others. These resources can generate monthly rental revenue for municipalities while aiding network development.

**3. Network site approval by site type.** Differentiating site approvals by site type will optimise the end-to-end process undertaken in municipalities. With telecommunications now being classed as critical infrastructure, special consent need not apply. Smaller, low-impact sites should require only a building plan for site applications to be approved.

**4. Site application process automation.** Automating the end-to-end process of submitting and approving site applications becomes imperative in a rapid deployment environment. Ultimately, time to market or cost reductions benefit end-users directly or indirectly.

**5. Strategic wayleave processes and pricing models.** Right of way permitting or wayleave processes should be standardised and automated as far as possible. Municipalities can also consider new ways of working that will support the ICT industry to improve connectivity. Pricing models should always consider the larger, broader socioeconomic impacts and benefits of municipalities having pervasive, high-quality broadband.

**6. Co-deployment of fibre resources.** Pre-provisioning of fibre on new builds will ensure critical connectivity is established in

the shortest possible timeframe. Planning for fibre resources in advance prevents unnecessary civils work and disruptions later on if new ducts are needed. The processes of delivering wayleaves should be automated as for all other network communications site application processes.

**Aligning the norms and standards for the construction of telecommunications infrastructure countrywide underpins the pace with which quality broadband is delivered to all municipalities.** Access to quality broadband networks enables increases in productivity, efficiency and innovation to boost economic growth at different spatial levels. More especially, broadband allows society to stay connected to family, friends and colleagues, fulfilling an important socio-psychological need. The standardisation of the rules, conditions, processes and pricing for the approval and construction of telecommunication infrastructure clears the path to simplified and smoother site applications processes.

**Huawei's vision and mission is to "bring digital to every individual, home, and organisation for a fully connected, intelligent world".** Huawei is committed to working with SALGA and all other parties in the public and private sector as we unite behind the common goal of preparing South Africa and its people to fully embrace the digital age and the 4IR. ■



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**Access to quality broadband networks enables increases in productivity, efficiency and innovation to boost economic growth at different spatial levels. This requires every one of us to work together to create an inclusive digital future for all in South Africa.**

# BETTER THAN BEFORE, THANKS TO TECHNOLOGY

The COVID-19 pandemic has offered an amazing leapfrog opportunity in the electronic space for local government to future-proof processes and invite unprecedented ease of engagement with communities. By **Trevor Crighton**



**T**he COVID-19 pandemic has hastened the adoption of technology in many spheres – and local government is one area that has seen an exponential increase in the use of technology, both internally and in terms of the roll out of services to the public.

Zanaxolo Futwa, Free State provincial director of operations at the South African Local Government Association (SALGA) says

that the national restrictions under the state of emergency, which limited face-to-face interaction, has forced people to look at alternative ways of achieving objectives. “Public participation has moved at a different pace compared to the time before COVID-19 – **the pace at which people and institutions have engaged with technology has increased rapidly since March this year**,” he says.

He says that the adoption of technology for council meetings and the like has seen the cost of larger meetings come down from around R250 000 to R10 000–R15 000 if participants are adequately resourced in terms of hardware and connectivity. “That uptake has appetised a lot of consciousness about the value of e-platforms – including e-learning, which was not previously prioritised,” says Futwa. “A huge positive has come in terms of **allowing people to be more independent in exercising their fiduciary duties**, without fear of influence from other people in physical meetings with a particular political agenda – and it’s introduced an interesting element into the psychology of decision-making in groups.” Futwa says that before the recent leap, the

uptake of e-services had not been up to satisfactory levels in many municipalities. “There has been **a general struggle with systems, skills and know-how, in terms of accessing the tech**, maintaining connectivity and being able to use B2B facilities,” he says. “However, there has been a commitment to gradually automate municipal processes, particularly by larger municipalities. This cuts across a range of things and we’ve seen that the pandemic has pushed people out of their comfort zones and encouraged them to change.”

Methods of engagement in a municipality have largely been based on classical methods of physical engagement, incorporating a range of activities, which, it has been seen, could also be automated. Futwa cites examples of performance management processes like paper-based communication around the outcomes of land development applications, which previously required applicants to report in person. “Now **you could have a GCIs process that delivers pictures and details electronically, saving time and effort** and also removing subjective elements like human error.”

**“There has been a commitment to gradually automate municipal processes, particularly by larger municipalities.” – Zanaxolo Futwa**

## E-PARTICIPATION FOR MORE EFFECTIVE ENGAGEMENT

Dr Obianuju Okeke-Uzodike, senior lecturer in the Department of Applied Management at the Durban University of Technology, says that **local and national government have been working to roll out e-services, borne out of the growing need to enhance the effective engagement between government and citizens.** “Enabled by ongoing advances in ICT, e-participation extends to a wide array of governance processes and administration, such as service delivery, decision-making and policy-making. All over the world, governments are increasingly engaging citizens via various online platforms; South Africa is a prime example of that,” she says. “At national level, government efforts to engage with citizens are evident in platforms such as Twitter and Facebook, which allow for two-way communication processes. Such communication platforms are also being applied at the municipal levels.”

She cites the example of the Gauteng government’s effort to embrace online services in the form of the launch of the Department of e-Government, which aimed at ensuring timely and effective delivery of services. “I must also underscore that at the municipal levels in all provinces, platforms such as SMS, Twitter, Facebook and websites are mobilised (more or less) as instruments for governance,”

says Okeke-Uzodike. **“These platforms encourage citizens to voice their opinions on matters pertaining to governance,** which may include, but is not limited to policy amendments, service delivery issues and social debates, among others.”

In terms of local government processes, Futwa says that there’s still a long way to go before e-participation becomes the standard, rather than the exception. “There’s plenty of work to be done in terms of standardising systems, training around them and implementing them and constituting them as the basis of the municipal process. For example, many municipalities that weren’t geared for electronic collection of fees suffered severe cash flow slumps in the April–June 2020 period when people couldn’t physically present themselves to make payments. **The municipalities that performed better were those which had already put in place the necessary technology and were able to continue conversations with their customers and enable them to transact electronically.** Those that couldn’t, learned the lesson the hard way when they struggled

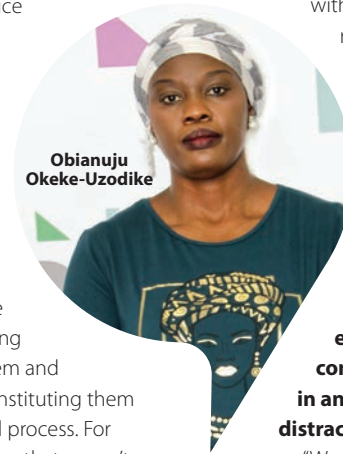
to deliver services because of cashflow issues.” He says that the switch to “work from home” also needs to be addressed, in terms of challenges like having municipalities with 1 400 staff now working

remotely and having to be managed, monitored and evaluated differently.

“A large percentage of those people probably aren’t able to work unsupervised, and

**we’re going to have to find ways of working together remotely to ensure that everyone continues to do their work in an environment with more distractions than ever before,**” he

says. “We need trust in the system, the ability to be professional, mature and self-managing.” In the public space, e-adoption now allows us to take advantage of the fact that more than 40 per cent of South Africans have access to, at least, a basic mobile phone, and they can now use those to interact with e-services – it’s a hugely positive gain for municipalities and society. If we can drive this positively and consolidate our amazing gains over such a short period, we can easily make this ‘new normal’ the new state of being.”



Obianuju Okeke-Uzodike

## BENEFITS AND CHALLENGES

Okeke-Uzodike believes that aspects of every municipal function could benefit from technology, but notes that **the challenges lie in the availability of both tangible and intangible resources.**

“Though e-services provide two-way communications, there is a financial implication for citizens, such as the purchase of airtime or data to access those services. E-services are often interactive and they do have communication functions – for instance, SARS provides a fairly extensive interactive service based on that model,” she says.

“In my view, the challenges point (among other things) to the problems of emplacing appropriate enabling infrastructures to support not only the changes in technology, but also the development of the needed materials and staff for the target South African languages. Third, is the digital poverty that has engulfed our society such as the challenges universities are facing with remote learning in this COVID-19 era where **a good percentage of students do not have devices, cannot**

**afford data, or do not have network availability in their areas.**

Given that there are various automated telephonic responses in English, Afrikaans, Zulu, and other languages, when one dials into organisations for enquiries, I believe that with time and appropriate investments, the incorporation of more South African languages into e-participation platforms will be feasible.”

Futwa says that the future of e-participation depends on people being allowed to think out of the box. “We need to incentivise innovation, get kids from university to work with local municipalities and find solutions to these problems. **The younger generations can teach us a lot about their ability to stretch their minds and access, understand and use tech** – and we have to give them the space to start playing a role there. The future is theirs,” he says. “That’s the kind of mentality we need to institute strongly, both as local government and as the community, to help South Africa take advantage of this leapfrog opportunity.” ■

“Enabled by ongoing advances in ICT, e-participation extends to a wide array of governance processes and administration, such as service delivery, decision-making and policy-making.” – *Obianuju Okeke-Uzodike*

# LOCAL MUNICIPALITY IN THE INTERNATIONAL SPOTLIGHT

The Nquthu Local Municipality has won a European award for its recycling project.

**Lufuno Maboho** reports

**N**quthu Local Municipality in KwaZulu-Natal has scooped a global recognition award at the European Platform Awards 2020 for its waste management project. Mpume Jiyane, the director of planning services at Nquthu Local Municipality, worked closely with Elke De Sagher, a global policy expert from Bornem in Belgium, to create and manage the project called Waste Project Management. Together the team engaged unemployed people from KwaZulu-Natal townships to **collect waste and earn money from selling it for recycling at the Buy-Back Centre**, built by Nquthu Municipality. In so doing, some 143 jobs were created.

The project forms part of an agreement signed between the two municipalities in 2008 **to sustain a greener world and to work together to help change the lives of local communities** and in so doing, meet the 5 Ps of the Sustainable Development Goals (SDG):

1. People – end poverty and hunger in all forms and ensure dignity and equality.
2. Prosperity – ensure all human beings can enjoy prosperous and fulfilling lives and that economic, social, and technological progress occurs in harmony with nature.
3. Place – foster peaceful and inclusive societies.
4. Partnership – implement an agenda through a solid global partnership.
5. Planet – protect our planet’s natural resources and climate for future generations.

In the last 12 years, the partnership has **been sustained due to the benefits it has brought to both municipalities**.

In a presentation at the award ceremony, Jiyane said that the project offers people faced with poverty the opportunity to change their status.

**Employing and training youth as waste ambassadors increases their chances of reducing poverty** and also enforces a clean environment.

## MANAGING THE RECYCLING PROJECT

Tholo Hlope, KwaZulu-Natal waste management officer, and Mpume Jiyane answered some questions about the management of the community recyclers and future prospects.

**Q:** How are the community recyclers handling the pressures of COVID-19?

**A:** It is hard for them as recycling is their source of income, but they are adhering to the rules. **The Department of Environment, Forestry and Fisheries (DEFF) also supplied the recyclers with food vouchers purchased from Recycling Enterprise Programme funds.** The recyclers are complaining that since the pandemic the rates have gone down so they are not making enough money as they did



**Waste in the Nquthu area is being managed through an innovative management project.**

**Q:** COVID-19 may have suppressed the economy of South Africa, but the recycling industry doesn’t seem to be much affected. What are the future plans for the local recyclers and the rest of South African local communities?

**A:** We need to encourage the processing of recyclables; in that way, more job opportunities will be created and the recyclers can earn a better income. We also need to apply for more funding to expand the scope of recycling and encourage recyclers to concentrate on other streams of waste, thereby expanding the recycling business.

**Q:** In recent years, we have seen the rise of South Africans engaging in the recycling industry. How are recyclers earnings scaled?

**A:** **This business is solely based on volumes, the more you collect the more you can earn.** The business is market-related so you have to stay on top of your game in terms of rates, which fluctuate.

**Q:** What is the municipality’s role in making sure recyclers are protected from COVID-19?

**A:** We educate and conduct training about the pandemic and provide sanitisers for landfill site workers. There is also daily monitoring of workers.

**Q:** On what grounds did the municipality manage to get more people involved in the recycling project?

**A:** Education and awareness campaigns played a big role in getting the message across to the community and keeping them informed. We have a waste forum, which consists of recyclers, whereby they are informed of any available projects and funding. We also **help them to apply for the funding and we conduct training to assist them in growing their businesses.** In this forum, we also get to hear their concerns and the difficulties they face in their day-to-day job. This assists the waste management officer to develop new strategies that can overcome those issues and also to decide what can be done in upcoming projects. ■

# A GREENER WORLD THANKS TO INDUSTRIAL ENERGY EFFICIENCY

South Africa's IEE Project, which assists industrial companies to improve energy-efficiency, was the first of its kind when it launched 10 years ago and continues to be a highly-successful initiative

**A**lthough South Africa boasts the most industrialised economy on the African continent and significant growth has been experienced since the advent of democracy, in the last decade, energy insecurity has come to the fore. Ongoing rolling blackouts and significant dependence on fossil fuels both remain important challenges to economic growth.

Therefore, efforts must be made to achieve greater industrial energy efficiency, which will relieve pressure on the electricity grid. By reducing the energy consumption of large industrial organisations, there will be less demand and, therefore, a more reliable electricity supply.

To this end, the South African Industrial Energy Efficiency Project (IEE Project) was launched a decade ago to assist industrial companies around the country to improve their energy efficiency, resulting in reduced national energy demand.

Implemented by the National Cleaner Production Centre South Africa (NCPC-SA), together with international implementing agent, the United Nations Industrial Development Organisation (UNIDO), the project is now well into its second phase.

## SUCCESS STORY

As a measure of its success so far, during the first phase between 2010 and 2015, the project assisted industrials to reduce their energy use by some 1 220 GWh, which translates to savings for participants of some R1.7-billion in energy



costs. Moreover, since 2010, the IEE Project has capacitated over 3 500 professionals and trained over 160 experts in industrial energy efficiency.

Although the South African IEE Project was the first of its kind, serving as an international pilot project, its success has been such that today, similar UNIDO-implemented projects are operational in 17 other developing countries around the world.

The IEE Project aims to contribute to the sustainable transformation of industrial energy usage practices in South Africa, thereby reducing carbon-dioxide emissions and pressure on the already strained energy resources, while demonstrating the impact of energy-efficiency practices in terms of monetary and environmental benefits.

This is achieved through a holistic approach based on several key components, such as encouraging the creation of an enabling policy environment; supporting the adoption and promotion of energy management standards like the ISO 50001 group of standards; building

local capacity to implement energy management systems in industrial enterprises through specialised training courses and extensive in-plant implementation support; and demonstrating the potential and impact of IEE on the bottom line and sustainability of a business, through case studies, demonstration plants and awareness-raising.

Further to this, the IEE is seeking to improve incentives and access to funding options by ensuring that the finance sector has the expertise to service energy-efficiency projects. Gender mainstreaming is another commitment, with the IEE Project team focused on stimulating better gender balance within the energy-efficiency industry.

The overall target for the IEE Project is to develop and showcase the lessons from a total of 150 local demonstration plants. This will enable their peers to reduce their exposure to energy shortages by implementing their own improved energy management and systems optimisations.

There can be little doubt that the project to date has been a success, as the total amount of energy savings made so far is some six billion KWh, or roughly the equivalent electricity required for two billion hours of air conditioning and the powering of 800 000 middle-income homes for an entire year. Meanwhile, energy costs avoided amount to \$245-million and the greenhouse gas emissions so far avoided have been six million tonnes-worth – equivalent to the per capita emissions of more than 600 000 South Africans. ■

## A CASE IN POINT

Cape Town-based Vito Ice Cream had experienced significant competition in the frozen dessert market and found it had to aggressively drive costs down to maintain its competitiveness.

By implementing energy-saving interventions relating to the refrigeration systems, compressed air systems, lighting and hot water systems, the company – with an initial investment of R250 000 – was able to achieve monetary savings of R436 839, energy savings of 350 717 KWh and a greenhouse gas emissions reduction of some 335 tonnes of CO<sub>2</sub>. This was achieved by implementing boiler lagging and cladding, upgrading the boiler control panel and focusing on water and steam distribution improvements.

## For more information:

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# CLEAN AUDITS ARE POSSIBLE

Of the 257 municipalities audited, only 20 achieved clean audits for the 2018/2019 financial year. **Puseletso Mompei** spoke to the CFOs of two municipalities for insights on how they achieved clean audits

**F**or a municipality to achieve a clean audit, says Thabo Nonyane, CFO of the Capricorn District Municipality in Limpopo, there must be supporting documentation to prove that recorded transactions are valid, accurate and complete. He adds that it is essential to **develop and monitor the annual financial statement (AFS) process plan and compilation of the annual financial statement in time** to enable proper review by the internal audit and audit committee.

When it comes to reviewing the reports used for annual financial statement compilation, Nonyane advises that municipalities must be up-to-date with the relevant applicable standards, the progress of the audit and hold regular meetings with the auditor-general (AG) audit teams.

Nonyane makes a strong link between good governance and effective service delivery, saying: "The fact that the municipality achieved a clean audit opinion means that there is good governance in that all municipal funds were accounted for to the last cent. The audit performed by the auditor-general also focused on the projects and no issues regarding the service delivery from the projects were identified."

Now that the municipality has achieved a clean audit, he says they are looking forward to capacitating finance officials both in number and knowledge through training and compilation of monthly financial reports. "We are also **aiming to improve the revenue base of the municipality through revenue collection**. We'll also look more closely at how the municipality has managed to deal with matters of compliance."

Capricorn District Municipality has developed checklists for each transaction and any issues that are flagged are addressed immediately.

Alice Stander, CFO of Nkangala District Municipality in Mpumalanga (NDM), lives by the motto that "clean audit is a way of living". She says that leadership is a key factor for excellence, pointing out that **municipalities require an effective leadership culture** that includes:

- effective working relationships between the political and the administrative leadership, with both setting a zero-tolerance policy for non-performance
- holding staff accountable for poor performance
- acting ethically and respecting each other's roles.

She explains that to be successful, **leadership must assert its oversight responsibility and put clear policies and procedures in place**.

Stander points out that sufficient capacity is crucial for success. "This means ensuring that key vacancies are filled, officials are empowered to comply with legislation, policies and procedures, and each role player understands their role." She explains: "Accounting officers and senior management should proactively manage identified risks and put processes in place to ensure the municipality's readiness for changes in accounting requirements and

legislation. Additionally, everyone must act in the best interest of the municipality."

Stander says a good relationship with the AG goes a long way towards the management of the audit process. Her recommendations include **nurturing a good and positive working relationship with the AG team, listening and adhering to the audit requirements**, and establishing clear communication lines with the team. She advises that a designated official be available throughout the entire audit process so that they can liaise with the AG and respond to formal and informal queries quickly and efficiently with supporting documentation. She explains that some of the challenges in getting a clean audit include the myth that audit is only for finance. "It was important for us to get all role players to understand that they all contribute to the clean audit, but equally to findings if they don't comply. For many years, NDM was stuck with an unqualified audit opinion until the team understood their contribution, and realised that **it is not only a finance matter. Oversight structures make a huge difference** and it was only after the audit committee, internal audit, risk committee and Municipal Public Accounts Committee (MPAC) became fully effective that the audit outcome improved."

Stander advises tackling financial year procedures in advance. "Start from 1 July each year so that officials immediately detect if monthly accounts are not balanced and correct before the next month end, having adequate time allows sufficient opportunity to properly review general ledger account balances." ■



"Municipalities must be up-to-date with the relevant applicable standards, the progress of the audit and hold regular meetings with the auditor-general audit teams." – **Thabo Nonyane**



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# A WORD FROM PARLIAMENT

A round-up of parliamentary discussions. By **Rodney Weidemann**

**T**he South African Local Government Association, (SALGA) as a representative of South African municipalities, briefed Parliament on the measures being taken to assist several distressed municipalities: Polokwane Local Municipality, Dr Beyers Naude Municipality, OR Tambo District Municipality, Madibeng Local Municipality and the Maluti-a-Phofung Local Municipality.

**The latest local government general report of the Auditor-General (AG), flagged governance issues** in each of these municipalities. Issues ranging from debt from transferred liabilities of former separate municipalities – as is the case for Beyers Naude, which is an amalgamation of several smaller municipalities – to issues around management, capacity-building and irregular expenditure.

It would have been remiss of SALGA not to roll up its sleeves and assist. Therefore, **the organisation developed several strategies aimed at restoring governance in these municipalities.** These were detailed by SALGA as being strategies and programmes aimed at assisting these municipalities in the critical areas of financial management, governance, service delivery and institutional failures.

## EFFORTS TO MITIGATE IMPACT OF COVID-19

SALGA also briefed Parliament on progress made in the implementation of measures aimed at mitigating the impact of the COVID-19 pandemic on agriculture, land reform and rural development.

**The sector has lost value in production and unrealised revenues due to lockdown restrictions on trade and the general movement of goods and people.** In particular, the effect of lockdown restrictions negatively affected workers in the agricultural sector. Farmers operating small-scale and commercial establishments also lost significant production and revenue streams.

SALGA acknowledges and appreciates the tireless efforts of the Department of Agriculture and Rural Development in combatting the impact of COVID-19 on the agricultural sector through its strategic intervention programmes. The organisation also takes note and has keen interest in engaging further with the department on where it can collaborate through its member municipalities to supplement relief efforts. These include the Agriculture Master Plan programme, the Land State Land Allocation programme, the Rural Development Strategy and Land Reform programme.

## WORKING TOGETHER WITH NATIONAL GOVERNMENT

SALGA also extended its invitation to the department to join hands in the resolution of the following key challenges currently facing local government.

- The Land Administration system value-chain challenges.
- The areas of impasse currently experienced between rural municipal councils and traditional authorities, in respect of the full implementation of the Spatial Planning and Land Use Management Act (SPLUMA).
- Joint provision of capacity to struggling municipalities to fully realise the value and effectively implement SPLUMA.
- The sharing of experiences and knowledge systems between municipal local economic development functions and the department's research agencies.

It is SALGA's sincere hope that the National Council of Provinces (NCOP), will join hands with the organisation to provide support to this sector.

Addressing Parliament during Women's Month, SALGA president Councillor Thembi Nkadimeng detailed how **local government can address gender-based violence and femicide as a key service delivery issue.** She explained that this requires a high level of collaboration between different government departments, between the government and NPO sectors, and even between various intervention programmes and oversight bodies.

Moreover, while collaboration and integration efforts are more likely to succeed if they are led at the national level, these must be supported by integrated delivery at the municipal level. Local government **must respond to gender-based violence as a key service delivery issue by ensuring more women – including young women – are elected when ward committees are formed and are encouraged to be vocal.**

In addition, local government can do the following:

- focus on prevention by making communities safer by planning and improving safety in public places
- provide support to organisations offering places of safety and care
- facilitate and establish multisector co-ordinating structures to tackle gender violence for communities and strengthen relations with local police stations and other stakeholders to ensure that cases of GBV are efficiently and effectively addressed.

Nkadimeng told Parliament that **all levels of government needed to work in unison to dismantle and transform systematic, institutional and ideological patriarchy in society.** All this is vital to improving the lives of women, the girl child, and the LGBTQI+ community as well as persons with disabilities, she said.

## WEIGHING IN ON MONEY MATTERS

Finally, during a debate on the Adjustment Appropriation Bill, Councillor Stella Mondlane – on behalf of SALGA – acknowledged and supported the 5.3 per cent (amounting to R7.4-billion) increase in the allocation. She said **the organisation also supported the bill for recognising local government's role in responding to challenges brought about by the COVID-19 pandemic.** The allocation of a further R11-billion through the equitable share to support municipalities' increased expenditures around service provision, including shelter for the homeless, was also welcomed.

However, with the state of local government finances already in a precarious position before the pandemic, coupled with the problematic culture of nonpayment for services rendered by businesses and households, along with escalating levels of government debt, the financial sustainability of municipalities has never been under greater threat.

It has been resolved to intensify the demand for accountability from municipalities. Organised local government is resolute in its call to law enforcement agencies to expedite their investigations into transgressions of applicable prescripts, as reported by the AG.

Among the recommendations by SALGA are **a request for an urgent review of the fiscal reform for local government,** over and above addressing COVID-19 related pressures. Furthermore, **the upcoming October 2020 adjustment budget must consider the impact of the real reduction in municipal revenues** and how this will affect municipal responses to both COVID-19 and other service delivery challenges. ■

# THE LEADERSHIP WE NEED

Ryland Fisher looks at what is needed to ensure good, effective leadership to help the country recover



**F**ormer ANC deputy general secretary Cheryl Carolus painted a picture of broken-down service delivery at a webinar, hosted by the Mitchells Plain Development Action Collective recently to reflect on the role of the United Democratic Front, which was formed in Rocklands, Mitchells Plain on 23 August 1983 in opposition to the apartheid government.

“Service delivery has become like Father Christmas with leaders handing out presents to communities. It should not be like this. Service delivery is a right,” said Carolus.

Her comments were part of a reflection of what is required from local government leaders, as the panellists and others who commented from the audience stated that **one of the main lessons we could learn from the UDF was their insistence on local service delivery and good local leadership.**

“The only way to become a member of the UDF was through belonging to local organisations, such as civic organisations, church groups and sports bodies. We need to go back to building these organisations as a way of putting pressure on political organisations that might have become out of touch with the people,” said Carolus, who was also one of the UDF’s national leaders in the 1980s.

Sharon Davids, who was one of the leaders in Rocklands, Mitchells Plain at the time, said that many people were involved nowadays only for personal gain. **“We need to take up campaigns to address the challenges of our people at local level.”**

The webinar was one of many discussions in recent weeks where various organisations have been grappling with the nature of leadership required at this point: to steer us through what remains of the COVID-19 crisis and to help us get out of the economic crisis that is facing the country.

Good leadership at local level will be crucial over the next few months and years, and not only because of the local government elections due to be held next year. **Good leadership will be needed to guide our municipalities towards good governance and better service delivery** against a backdrop of a struggling economy.

If ever there was an indictment of leadership at a local government level, it can be found in the report on the audit outcomes for municipalities in 2018 to 2019, released by the Auditor-General (AG) Kimi Makwetu in July. Makwetu’s report, his last before he steps down as AG in November after serving



a seven-year term, is appropriately titled *Not much to go around, yet not the right hands at the till.*

Makwetu has always insisted that those charged with administration and oversight should “look at basic systems and controls as the foundation for proper accountability to the citizens of the country **to ensure that taxpayers’ monies are spent in a disciplined manner** in line with the prescripts set out in the many pieces of legislation governing the proper running of municipalities and that citizens can derive the expected benefits from this spending”.

However, in his final local government report, he tells a disturbing story of most municipalities “crippled by debt and being unable to pay for water and electricity; inaccurate and lacklustre revenue collection; **expenditure that is unauthorised, irregular, fruitless and wasteful; and a high dependence on grants and assistance** from national government”.

Makwetu feels it is possible to manage municipalities properly and stated in his report that there are some examples of this.

**“The financial statements of a municipality tell the story of how well a municipality is managed.** As is the case with these few municipalities, it can be a good story of disciplined spending that achieves value for money; meticulous billing and collecting practices; assets that are maintained and safeguarded; careful investments and savings for emergencies and future projects; and commitments to creditors and the community being honoured,” he said.

Prospective leaders of local government should probably take note of Makwetu’s comments, but they should also heed the words of warning from people such as Carolus: if they do not do their jobs, communities must be organised enough to hold them to account. ■



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# SALGA STANDS IN SOLIDARITY

SALGA heeds the call of ubuntu despite the calamity of a global pandemic. By **Puseletso Mompei**



**A**s the famous adage goes, “*umntu ngumntu ngabantu*” – SALGA employees have managed to raise more than R1.5-million through voluntary contributions in response to President Cyril Ramaphosa’s call for South Africans to pledge to the Solidarity Fund to curb the spread and impact of COVID-19.

Since the COVID-19 Solidarity Fund was established by President Cyril Ramaphosa in late March to relieve citizens from the

financial strain of COVID-19, SALGA heeded the call and mobilised its employees to dig from their pockets and become part of the good cause to curb and minimise the devastating impact of the COVID-19 pandemic in the country.

Through these voluntary contributions from employees, SALGA is proud to have amassed over R1.5-million. Various areas where the funds can be utilised have been identified.

SALGA is throwing down the gauntlet and challenging other public entities, national and provincial departments to match SALGA’s

contributions to fully maximise the impact of the donation.

It is evident that the COVID-19 pandemic is impacting all aspects of our society and an unprecedented action on the part of the government across all three spheres to curb the spread of COVID-19 and also to help everyone recover from the devastating socioeconomic effects of the pandemic requires a collective effort. ■

## INTERNATIONAL NEWS

Sustainable recovery was high on the agenda of the Third Local and Regional Governments’ Forum, writes **Puseletso Mompei**

**T**he high-level Third Local and Regional Governments’ (LRG) Forum, which was held on 13 July, illustrated the distinct elements essential for the kick-off of the Decade of Action from the perspective of the local and regional government constituency in the post-COVID-19 recovery phase

The forum was co-organised by the Global Taskforce and United Nations Department of Economic and Social Affairs (UN DESA), United Nations Human Settlements Programme (UN-Habitat), United Nations Development Programme (UNDP), and the executive Office of the United Nations (UN) Secretary General. The event took place within the framework of the 2020 High-Level Political Forum on Sustainable Development with over 30 speakers and 300 attendees.

Under the title “The Decade of Action – bolstering change from the ground up”, **the LRG Forum debated the importance of basic service delivery and the need for a renewed multilevel territorial governance in the midst of the pandemic.**

Also under discussion was the issue of how to carry out a full collaboration among spheres of government to recover after the outbreak while taking into account that the transformative

roadmap for local and regional governments remains the 2030 Agenda and its Sustainable Development Goals.

Thembisile Nkadimeng, Mayor of Polokwane, co-president of UCLG and president of SALGA, called on all spheres of government to carry out investment for a greener future. The multilevel governance system, she argued, is critical to support and empower local and regional governments to maintain their commitments with the universal development agendas.

**“Our efforts must include investments for a more inclusive and greener future.** This is where the multilateral system can support multilevel governance and empower LRGs to continue the commitment with global agreements,” she said.

The forum highlighted the rapid actions taken by local and regional governments in preventing and responding to the COVID-19 pandemic through universal public service delivery and shared examples of **how to be catalysts in the bottom-up transformation towards sustainability and resilience post-pandemic.** It emphasised the importance of multilevel governance, sound local finances, and decentralised co-operation and territorial cohesion in the aftermath of the outbreak.



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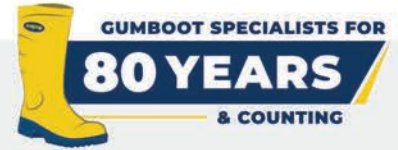
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