



PARLIAMENT OF
THE REPUBLIC OF SOUTH AFRICA

Kevin Mileham MP

Shadow Minister: Co-operative Governance & Traditional Affairs



Parliament of the Republic of South Africa
PO Box 15
#304 Marks Building, Plein St
Cape Town, 8000

Tel: 021 403 8663
Fax: 086 600 4757
Cell: 083 463 8858
Email: kmileham@gmail.com

08 February 2018

Cllr. Parks Tau
President
South African Local Government Association
via email

Dear Cllr. Tau,

The Continued Involvement of DA-governed Municipalities in SALGA

Further to our discussion in Parliament yesterday, I hereby write to you on behalf of the Democratic Alliance.

As discussed, the DA has a number of concerns with SALGA, all of which will influence its decision as to whether or not to continue to support the organization. These are as follows:

- 1. Representation on SALGA national and provincial structures:** It is of concern that the amended provisions of clause 8.2, read with clause 31.2, of the SALGA constitution adopted in 2016 have not been complied with. Specifically, the formula referred to in 8.2 has not been presented nor implemented as a transitional arrangement, which would result in changes to SALGA's national and provincial structures.
- 2. SALGA priorities:** We note with concern that municipalities are expected to carry the costs for priorities which are not within the mandate of SALGA. Specifically, we refer you to your apex priority of "Strategic Profiling" and your "Social Cohesion" activities, neither of which fall within the responsibilities designated to organized local government in terms of S163 of the Constitution of South Africa. In this regard, we believe that the very broad and open-ended objectives of the organisation, coupled with the difficulty of translating or interpreting them into concrete, measurable activities and beneficial outcomes, as reflected in its KPAs, are indicative of an organisation trying to be involved in too many fields and attempting to do something at least in each.
- 3. SALGA expenditure:** While we acknowledge that SALGA has received clean audits for a number of years and commend the organization for this, we question whether the utilization of funds (largely generated by membership fees from municipalities) is optimal, and whether this is the best use of resources (refer to (2) above). We are further extremely concerned at the fact that personnel costs amount to 55.6% of the organization's total expenditure, and administrative costs a further 7.5%. In contrast, programme costs are only 20.7% of total expenditure (based on the 2016/17 Annual Report).
Of particular concern is the remuneration of senior managers (including the CEO). This remuneration structure is not aligned to that of other public sector officials of similar description, responsibility and capacity. Additionally, it is noted that SALGA's office space is amongst the most expensive and luxurious in Pretoria, and that a more reasonable location could have been sourced.

4. International relations: The extensive international travel of SALGA NEC members and senior management on behalf of the organization has been highlighted as an area of concern. In our discussion yesterday, you indicated that the purpose of this was three-fold:

- a. To highlight and profile South African local government internationally;
- b. To influence the global agenda; and
- c. To share and learn best practices.

It is our contention that (a) and (b) are competencies of the national department of COGTA, and that (c) is something that should be undertaken by individual municipalities, at their own expense. It is worrying that the national leadership of SALGA is frequently out of the country at times when parliament is considering the organization's annual report and APP, or when there are crises of local government.

5. Political bias: Allegations abound of political bias in the determination of who is included in SALGA training, and the politicisation of the SALGA mandate. I have communicated with you several examples of this, and can provide further information on request.

In light of the above, I have been mandated by the DA Federal Executive to communicate that, unless significant concessions are received from SALGA on or before 30 April 2018, DA-led municipalities will not be paying membership fees to SALGA for the 2018/19 financial year, and will withdraw from SALGA in its entirety. We note that municipal membership fees are due and payable on 1 April, and will withhold payment pending your response.

I look forward to a resolution of this matter at your earliest convenience.

Kind regards,



Kevin Mileham MP

cc: James Selfe MP – Chairperson of the DA Federal Executive
Cllr. Karen Smith – Chairperson of the Association of Democratic Alliance Councillors