

NEWCASTLE MUNICIPALITY

VIDE ITEM 20

OF

**THE EXECUTIVE COMMITTEE AGENDA FOR THE MEETING
SCHEDULED FOR 24 FEBRUARY 2015**

ADDITIONAL PAGES NOW RECEIVED

**REPORT FOR CONSIDERATION BY THE
EXECUTIVE COMMITTEE**

time on preparations for the impending negotiations. It is important to highlight though that SALGA is currently pleased with the level of maturity that has manifested among the SALGBC parties. We are encouraged by the communal approach that has trended within our local government sector. It is therefore considered very critical that we sustain the stability within local government in order to realize the capable and developmental state envisaged in our country's National Development Plan (NDP). Our "Back to Basics Programme" (B2B) as pioneered by our COGTA Minister equally advocates, among other things, the building of strong resilient and capable municipal administrations, systems and processes. This therefore calls for dedicated efforts towards improvement of capacity among municipal leadership. In other words, collective bargaining issues should be disposed of as soon as possible in order to ensure that good morale and motivated workforce prevail in our municipalities. The SALGBC parties are currently finalizing the Service Charter as intended to give effect to the Back to Basics agenda for our sector.

The consultation sessions with all municipalities are planned to take place during the second and third week of February 2015. However, the exact dates shall be communicated to all municipalities immediately after the Bargaining Team meeting of the 05 February 2015. Our request is that Municipal Councils (or the Executive Mayor/ Mayoral Committee/EXCO in the event that there are no scheduled Council meetings in the period before mandate sessions are convened), should consider and approve the set of principles that must underpin the SALGA's mandated strategic framework, which municipal approval must be confirmed by the duly authorized representative of the municipality at the mandating meetings/sessions that SALGA shall facilitate.

The effective management of the negotiation process and realization of stability and continuity within local government is envisaged to be dependent on the extent to which our municipalities have taken leadership decisions that look at the long term objectives of the Back to Basics programme of our government. The afore-stated municipal decisions and mandates should take into account the following "key principles" that will underpin the approach by SALGA negotiators in the process:

- A Multi-Year Collective Agreement.
- Inflation - based/linked salary and wage increases.
- Promotion of "Interest-Based Bargaining" approach by all SALGBC parties. This ensures transparency and information sharing.
- Advocating the "holistic (mutual gains) approach" in the process to avoid disruptive multiple negotiation stages.

However, at the center of the same deliberations shall be a consideration of the following inevitable factors:

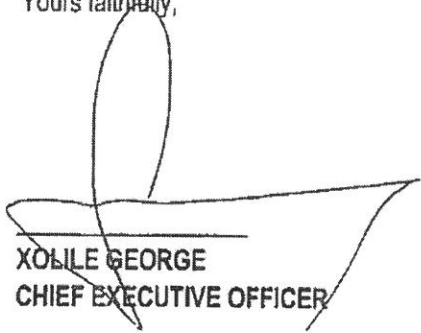
- *Affordability*
- *Macro Economic Policy (Stability)*
- *Inflation*
- *Productivity*
- *Comparability*
- *Efficiency & financial sustainability*

Upon the finalization of the "consultation sessions" with all municipalities, the National Executive Committee (NEC) of SALGA shall then direct what the mandate to the negotiators shall be and this will inform the SALGA briefing to the COGTA Minister prior to the commencement of the negotiations. The

negotiations are due to commence on the 02 - 04 March 2015. SALGA shall keep all municipalities posted on the developments.

It is trusted that you'll find the above in order.

Yours faithfully,



XOLILE GEORGE
CHIEF EXECUTIVE OFFICER

