

NEWCASTLE MUNICIPALITY

# **VIDE ITEM 20**

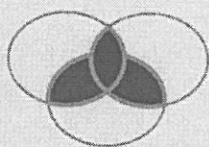
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**OF**

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

**ADDITIONAL PAGES NOW RECEIVED**

**REPORT FOR CONSIDERATION BY THE  
EXECUTIVE COMMITTEE**



**SALGA**  
South African Local Government Association

Enq: Mrs Chantal Moodley  
Tel: 031 817 0000  
Fax: 031 817 0034  
E-mail: cmoodley@salga.org.za  
Date: 18 February 2015  
Ref: KZNMID/ 20150218/2445  
Cir 06 /15: Labour /Provincial

**NOTICE**  
**PROVINCIAL OFFICE : KWAZULU-NATAL**

**FROM : PROVINCIAL EXECUTIVE OFFICER**  
**TO : MAYORS /SPEAKERS /HR PORT FOLIO COUNCILLORS**  
**MUNICIPAL MANAGERS /FINANCIAL MANAGERS/CORPORATE**  
**SERVICES MANAGERS /MEMBERS OF THE SALGA KZN HR**  
**WORKING GROUP**

**SALARY MANDATE MEETING : 17 FEBRUARY 2015: AMANZIMOTOTI CIVIC**  
**CENTRE : 10:00**

Municipalities received the attached circular 02/15 dated the 28 January 2015, from SALGA National, requesting that your municipality consider the broad principles for the negotiation process and delegate representatives to attend the mandate meeting on the 17 February 2015 at Amanzimtoti Civic Centre .

The mandating process, in terms of the consultation with municipalities, were coordinated at a national level and the proposed provincial salary mandate meeting for KZN also coincided with a back to basics meeting, called in Pietermaritzburg, involving most of our Mayors and other politicians.

The provincial salary mandate meeting was attended by mostly officials from 30 municipalities with a small number of councillors in attendance.

The meeting was chaired by the Deputy Chairperson, of the SALGA KZN Human Resources Working group, Councillor Ngubane, whilst Mr. Rio Nolutshungu Executive Director of MID at national level was also in attendance.

The meeting however agreed that due to the limited number of councillors in attendance that the a formal circular be submitted to all municipalities in KZN requesting a formal mandate from your municipality .

It was also agreed that it would not be necessary to have formal Council or Exco meetings, but that the Mayor ,could provide the mandate after consultation with relevant structures within the municipality , as the mandate required ,is in terms of broad principles to be used during salary negotiations as opposed to a specific mandate .

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A formal presentation was conducted by the Program Manager HR/LR/CB of SALGA KZN, who gave a broad overview of the principles to inform the negotiating process and the mandate required from municipalities.

The following is a broad summary of the key principles to inform the negotiating process for 2015:

- SALGA will push for a "Multi – Year" Collective Agreement
  - Advocate adherence to "interest-based bargaining" approach by all parties
  - SALGA will ensure a "holistic approach" in the process to avoid disruptive multiple negotiation stages.
  - De - linking the salary negotiations from the other issues that remain unresolved in negotiations such as pension fund restructuring, MCA inclusive of the disciplinary code
- ❖ In dealing with the proposed salary and wage increases, SALGA shall always be guided by five fundamental factors which entail the following:
- Affordability
  - Macro Economic Policy (Macro Control)
  - Inflation
  - Productivity
  - Comparability

The following is **Recommendations** to be considered by the municipalities:

- ❖ Approval of the SALGA approach to the 2015 Negotiations.
- ❖ The holistic approach to negotiations to the extent Municipal Budgets are affected is approved.
- ❖ Approval that the Interest-Based Bargaining should be a guiding factor for the Bargaining Team and be accommodative to factual expositions.
- ❖ The proposed Dispute Resolution, Communication and Strike Management Strategies are approved.
- ❖ An "average percentage increase" for the province is utilized to assist the Bargaining Team in the formulation of the Bargaining Range.

Your municipality is requested to please indicate by the 28 February 2015, as per attached form, if you support the SALGA mandate, as the negotiations will commence on the 2-4 March 2015  
(Attention :Chantal Moodley –cmoodley@salga.org.za)

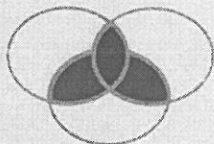
Your urgent attention to this is much appreciated.

Yours Sincerely



SABELO GWALA

PROVINCIAL EXECUTIVE OFFICER



# SALGA

South African Local Government Association

Enq: Gerard Greveling  
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 E-mail: ggrevelling@salga.org.za  
 Ref: : KZNMID 20150218/2445  
 Date: 18 February 2015  
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## SALARY MANDATE FORM

Name of Municipality : \_\_\_\_\_

Municipality supports the SALGA broad mandate for salary negotiations? Yes /No \_\_\_\_\_

If not supported please indicate your reasons?

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Signed on the \_\_\_\_ Day of \_\_\_\_ 2014

\_\_\_\_\_  
 MAYOR OR NOMINEE

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**CIRCULAR 02 / 2015**

**FROM : CHIEF EXECUTIVE OFFICER**

**TO : ALL EXECUTIVE MAYORS/ MAYORS  
ALL MUNICIPAL MANAGERS**

**DATE : 28 JANUARY 2015**

**LOCAL GOVERNMENT NEGOTIATIONS ON THE "NEW" SALARY AND WAGE COLLECTIVE AGREEMENT: 2015 AND BEYOND**

The above matter bears reference.

In terms of Section 71 of the Municipal Systems Act of 2000, as amended, it is mandatory that SALGA consults with, inter alia, municipalities before embarking on any negotiations with parties at the Bargaining Council, hence this communication.

Kindly be advised that the Salary and Wage Collective Agreement as concluded by the South African Local Government Bargaining Council (SALGBC) parties during 2012 is due to expire on the **30 June 2015**. It is therefore pre-emptory that a new collective agreement that will be due for implementation on the **01 July 2015** is deliberated upon and finalized by the SALGBC parties.

Preparatory arrangements are currently under way and these are aimed at ensuring meaningful engagements on the matter. The SALGA National Human Resources Development and Collective Bargaining Working Group of September 2014 approved the identified delegates that will constitute the Bargaining Team from SALGA on behalf of all municipalities. The SALGA Bargaining Team convened on the 05 November 2014 to consider, interrogate and finalize the Collective Bargaining Strategy framework that will guide the SALGA negotiators. The SALGA Executive leadership equally satisfied itself with the strategy framework document at its meeting of the 01 December 2014. This paved the way for the consultation session with the Finance and Fiscal Commission (FFC) which took place on the 05 December 2014 as required by Section 91 & 92 of the Municipal Systems Act, as amended.

Of fundamental significance are the "consultation" sessions that must take place with all municipalities which will enable SALGA to formalize its mandate on the matter. The employment relations developments that have been unfolding in the country across a number of sectors (e.g. Mining, Agriculture, Metal Industries etc.) during the past few years have necessitated that SALGA invests more

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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:

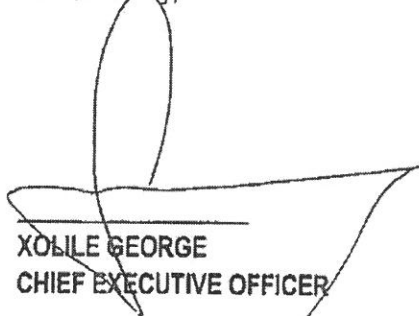
- *Affordability*
- *Macro Economic Policy (Stability)*
- *Inflation*
- *Productivity*
- *Comparability*
- *Efficiency & financial sustainability*

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,

A handwritten signature in black ink, consisting of a large loop and a horizontal line, crossing over the printed name and title.

XOLILE GEORGE  
CHIEF EXECUTIVE OFFICER

