

**National study of service delivery in District  
Management Areas (DMAs)**

**Study undertaken for the South African Local  
Government Association and the  
Department of Provincial and Local Government**

**By the  
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## **ACRONYMS AND ABBREVIATIONS**

DBSA	Development Bank of Southern Africa
DEAT	Department of Environmental Affairs and Tourism
DLN	District Learning Network
DM	District Municipality
DMA	District Management Area
DPLG	Department of Provincial and Local Government
GSLWP	Greater St. Lucia Wetlands Park Authority
IDP	Integrated Development Planning
LED	Local Economic Development
LM	Local Municipality
MDB	Municipal Demarcation Board
SAHRA	South African Heritage Resources Act
SALGA	South African Local Government Association
SANParks	South African National Parks
SETA	Sector Education Training Authority

## **EXECUTIVE SUMMARY**

The transformation of the South African local government system in the early 1990s saw the issue of service delivery related to the establishment of developmental local government come to the forefront of the debate. Since then municipalities have become an effective partner in the state's obligation to provide a better life for all. The new system of local government consolidated in 2000 with the re-demarcation process is founded on the assumption that for the first time in the history of the country all communities will receive the same standard of service delivery. While much has been achieved in extending basic service delivery to all communities, it remains clear that more still has to be done in rural and remote settlements. The standard by which service delivery is measured will always be determined by the degree to which the community perceives their municipality to be responsive to their basic needs.

The South African Local Government Association (SALGA), and its developmental partner, the Department of Provincial and Local Government (DPLG), commissioned this study following a District Learning Network (DLN) workshop held in Qwaqwa in 2003. The DLN is a 16-member network of district municipalities in South Africa. One of its goals is to share information and knowledge between members regarding issues and challenges that face district municipalities. The delivery of services in District Management Areas (DMAs) has been identified as one such issue. The DLN also looks at best practices and has developed a set of benchmarks that underscore excellence in development, leading and learning, democracy, and community engagement and performance.

This study is intended to contribute to an understanding of service delivery in areas demarcated as DMAs. DMAs are areas which fall outside the boundaries of Category B (local municipalities) areas that could not, due to their nature, (e.g. national park and world heritage sites) be included as part of local municipalities. Category C areas (district municipalities) then assume direct responsibility for the governance, administration and management of these areas by providing a limited number of local government functions. The study examines the status quo with respect to service delivery in DMAs. Although the debate around the right of existence of district municipalities is far from over, this study focuses exclusively on service delivery in DMAs. This narrow focus is determined by the terms of reference, the limited budget and the time frames provided.

The study sought to establish, firstly, what is the national picture with respect to the provision of services in DMA settlements and secondly, with reference to a series of case studies, establish what is happening on the ground to determine "best practice". The first phase includes a detailed search of international and national literature for material on the topic, and an analysis and assessment thereof. The second phase of the research - a key element in the study - consists of a series of detailed case studies across thirteen district municipalities to identify and gauge the effectiveness of existing service delivery or potential for future service delivery in DMA settlements. The third and final phase of the study focuses on analysing and synthesising the findings with known information about the district municipalities in an endeavour to draw out key lessons.

The literature review reveals that while almost 100 000 people live in DMA settlements, not much has been written about service delivery in such areas, nor has there been much research about DMAs in general. In fact, the most valuable sources of information were various reports from the Municipal Demarcation Board (MDB). The study also reveals that service provision in DMAs has indeed

become well established in the country at least as a concept or an ideal towards which to work. However, a series of key blockages are impeding the widespread and successful implementation of service provision in a number of district municipalities. Whilst some district municipalities have achieved noteworthy successes, there are constraints related to shortages of funds, resources in terms of staff and skills, and most importantly the lack of a national framework for service delivery in private farms and areas demarcated as DMAs. These key blockages have made the task even more daunting for district municipalities. Additionally, the MDB and a number of government departments, most notably the Department of Environmental Affairs (DEAT) and the South African National Parks (SANParks) have raised a number of serious objections to the role of district municipalities in the provision of services to areas demarcated as DMAs.

The study also reveals that district municipalities operate in very different contexts and serve areas of very different sizes and settlement patterns, ranging from areas of dense settlement to vast, sparsely populated regions. Also, there is little evidence of partnership formation with developmental agencies and private farmers; where such relations exist they are often established on an informal basis even though partnership agreements are critical in extending basic service to the most vulnerable groups, which are people living in remote settlements and farm workers.

The study is divided into a number of sections. The first three set the broad framework for the study and include the introduction to, and objectives and purpose of the study, which is service delivery in District Management Areas. The research approach and methodology used for the study are then discussed, and the methodological limitations encountered in the course of the study are outlined. Section four provides a brief overview of developmental local government and the issues surrounding developmental local government in South Africa. This is intended to provide background and context to the challenges and problems in achieving successful and developmental local government. Section five defines and explains the establishment of areas demarcated as DMAs. Section six explains the legislative framework governing DMAs. Section seven provides detailed profiles of all thirteen case studies. The case studies are spread across a number of provinces. Section eight outlines the principles of service delivery, as articulated by the White Paper on Local Government (1998). Section nine, the most important section in the study, gives an overview of direct service delivery in DMAs. Section ten is a continuation of the previous section, and provides a detailed analysis of service delivery initiatives undertaken by different district municipalities, while simultaneously identifying “best practice” models. The section concludes with a brief overview of service delivery backlogs in DMA settlements. Section eleven is an international review, which provides a comparative analysis of service delivery in remote settlements in the Australian City of Alice Springs. A number of international case studies were assessed and Australia was identified as a country whose dynamics closely resemble those of DMAs as encountered in South Africa. This section is intended to compare service provision in South Africa against some “best practice” internationally. It is envisaged that district municipalities can possibly learn from their Australian counterpart. Section twelve discusses the future of DMAs as envisioned by the MDB. Section thirteen presents the findings of the research and undertakes some searching conclusions about service delivery in DMAs. Section fourteen, the last section of the study, makes recommendations whilst taking into account the impending decision from the MDB about the future of DMAs.

## **1. INTRODUCTION**

Local government in South Africa has undergone radical and almost continual transformation since 1993. As one of the three spheres of government local government plays a vital part in the governance of the country; it is the key site of delivery and development, central to South Africa's entire transformation project. The overall intention of this process is to bring local government in line with the current political landscape, improve its viability and ensure efficient service delivery. It is apparent that the extent to which municipalities are responsive to the needs of the community will always be determined through the delivery of services (or lack thereof). While no municipality will always have enough resources to satisfy the needs of all its community, access to basic services is an inalienable right that every resident is constitutionally and morally entitled to. As a consequence, the Republic of South Africa Constitution (Act 108 of 1996) mandates all municipalities to strive within their available resources to ensure that basic services are provided to all community members. This is a constitutional obligation, the implementation of which tends to pose serious dilemmas for many municipalities.

One of the most contentious results of the 2000 local government transformation process has been the debate about powers and functions between district municipalities (DM) and local municipalities (LM). While the debate is far from being resolved, the administration of District Management Areas (DMAs) poses an interesting example of municipal service delivery. This, in effect, is an example of single-tier local government, and it may well prove to be more viable than the complex and tortuous double-tier system operating in the rest of the country. With the extension of district municipalities' powers and functions several typically "urban" services came to the fore.

Direct service delivery in DMAs often takes place because district municipalities are the only point of service delivery in such areas and they perform the functions because it benefits their communities. In some instances service delivery in rural areas is an inheritance from the pre-2000 management of Transitional Rural Councils (TRCs). This report does not attempt to provide a resolution to the current powers and functions debate, but rather provides insight about basic service provision by district municipalities in areas designated as DMAs.

## **2. PURPOSE AND OBJECTIVE OF THE STUDY**

In November 2003 the Democracy and Governance Research Programme of the Human Sciences Research Council (HSRC) was commissioned by Organisation Development Africa (ODA) and the South African Local Government Association (SALGA) to undertake a pilot study of service delivery in the Siyanda District DMA in the Northern Cape.<sup>1</sup> The findings of the study were presented at a workshop hosted by SALGA on behalf of the District Learning Network (DLN) in Qwaqwa in the Eastern Free State. The DLN is a 16-member network of South African district municipalities. Following intense deliberations at the workshop, the DLN resolved to commission a national study on service delivery in DMAs, the objective being an evaluation of service delivery initiatives in different DMA settlements and the identification of "best practice".

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<sup>1</sup> See Makgoba, S and Atkinson, D. 2003. Service delivery in District Management Areas: A case study of Siyanda District Municipality, Northern Cape. HSRC. Pretoria.



### **3. RESEARCH METHODOLOGY AND LIMITATIONS ARISING**

The study entailed both desktop studies and detailed case studies. The case studies for in-depth analysis were selected from a list of 25 DMAs determined by the SALGA. Preference was given to DLN member on whose behalf the study had been commissioned. Information was gathered through focus groups, and from interviews with municipal officials, councillors and community members living in DMA settlements.

The assistance of all selected district municipalities in making the study possible was invaluable, yet there were a number of (minor) problems that arose over the course of the study. For example, there is far too little research and writing on the functioning of service delivery by district municipalities, with the result that secondary reports with which to compare are scarce. On occasion, municipal officials did not distinguish between current and planned service delivery interventions in DMA settlements, making it extremely difficult to determine planned and direct services provided in some DMA settlements. Also, different types and levels of municipal staff presented themselves for the interviews with the result that their knowledge base varied, thereby making it difficult to achieve the required depth necessary to compare municipalities across a number of key variables. Although an interview schedule with a questionnaire was prepared and sent out to municipalities prior to the interviews, it became clear that the questionnaire was not relevant in all particulars to all the interviews. In some cases, information provided was incomplete, with the result that extensive telephonic follow-ups had to be made. These follow-ups were not always successful, since municipal officials are extremely busy.

### **4. A BRIEF LITERATURE REVIEW AND SOME MAJOR ISSUES IN DEVELOPMENTAL LOCAL GOVERNMENT AND SERVICE DELIVERY<sup>2</sup>**

This section is intended to give a background and context to the challenges and problems in achieving successful and developmental local government. Local government is now in a third and final phase in its planned progression. The first-generation issues from 1992 to 1998 were transitional, covering the amalgamation of racially defined municipalities following the Local Government Transition Act, 1993 (Act 209 of 1993). The period was characterised by a lack of normative paradigms for steering municipal development and capacity building, resulting in different styles of functioning in municipalities all over the country.

Second generation issues (1998-2000) concerned the consultative processes around the Green and White Local Government Papers, which was intended to establish a normative framework and key requirements for the operation of developmental local government. It also saw the drafting of the Municipal Structures Act (Act 117 of 1998) and the Municipal Systems Act (Act 32 of 2000) and concluded with the re-demarcation of local government boundaries in 2000. The White Paper (1998) on Local Government defined “developmental local government” as government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and to improve the quality of their lives. The White Paper (1998) also outlines the constitutional mandate of local government to create and sustain equitable

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<sup>2</sup> For a detailed discussion of these issues see, Atkinson, D. 2003. *A Passion to Govern: Third generation issues facing local government in South Africa*. Centre for Development and Enterprise. Johannesburg.

and viable human settlement. Furthermore, the White Paper emphasises the new challenge of local government to create a developmental governance system committed to working with citizens and groups within the community, and to finding sustainable ways to meet social, economic and material needs and improve the quality of life. It emphasises an overall vision and rationale for local government.

Third generation issues have prevailed since 2001, and involve issues of practical development management within the framework of the White Paper on Local Government and key legislation. Some of these issues are a developmental style of functioning, the desirable outputs of municipal activity and the way in which these activities should be constructed, and importantly, the achievement of best practice. Over the recent past, attempts at the development of this overall mandate have implied that many municipalities have had to develop a range of models, methods, and arrangements in order to work towards an ideal best practice which, until recently, has been very loosely defined. In their quest for efficient service delivery municipalities have had to cope with the massive restructuring following the demarcation processes. To undertake this process, complex support programmes and policy prescriptions have been introduced to support municipalities. However, due to a number of reasons, these programmes and policies have not always achieved the desired result.

## **5. DEFINITION OF DISTRICT MANAGEMENT AREAS**

A distinction needs to be drawn between conventional urban areas and DMAs, which are usually predominantly rural, but sometimes include small settlements with more concentrated services. The Municipal Structures Act (1998) defines a “District Management Area” as part of a district municipality that has no local municipality and is governed by a district municipality alone. In other words, a DMA is an area within a district municipality, which is not part of any local municipality and is governed and managed directly by the district municipality under whose jurisdiction it falls. Depending on the nature and type of DMA, a district municipality assumes all the local government functions and becomes responsible for basic service provision. As a result, the district municipality co-ordinates development and service delivery in the entire DMA settlements. Some DMAs also include remote settlements, and areas of low economic potential. In other cases DMAs are designated pieces of land that have a high diversity and environmental value which requires protection and conservation, while others are nature reserves.<sup>3</sup>

DMAs are located in areas where the establishment of a local municipality would not be viable. These are areas such as state-owned national parks and protected areas as well as desert regions where low population density over an extended area would make fulfilling the objectives of local government quite difficult. Since DMAs do not belong to a local municipality, should the declaration of a DMA be withdrawn, either a local municipality must be established for that area or it must be incorporated into an existing local municipality.<sup>4</sup> The latter option is more probable since the Municipal Demarcation Board (MDB) is unlikely to establish new municipalities with little or no viable economic base. The purpose of district municipalities taking over the responsibility is to

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<sup>3</sup> [http://www.demarcation.org.za/demarcation/about\\_demarc.html](http://www.demarcation.org.za/demarcation/about_demarc.html)

<sup>4</sup> MDB. 2003. Draft Report District Management Areas in South Africa. MDB. Pretoria. P.4. Downloaded from <http://www.demarcation.org.za>

ensure development and basic service delivery in sparsely populated areas, particularly for disadvantaged communities.

## 5.1 Establishment of District Management Areas

There are three types of DMAs.<sup>5</sup> Firstly, there are deserts and semi-arid areas, comprising approximately one-third of the territory of the country, which has in all less than 100 000 people living in it. The establishment of category B (local) municipalities is unlikely to be met in arid and semi-arid areas. Secondly, there are state protected and conservation areas where only selected development can be implemented to ensure that the natural state of the environment is maintained. In state protected and conservation areas the South African National Parks (SANParks) takes over overall management, including the provision of basic services. Thirdly, there are special economic areas that include areas that for national strategic investment reasons should not form part of local municipalities. These are mostly world heritage sites. In terms of the National Resources Act (Act 25 of 1999) the South African Heritage Resources Agency (SAHRA) co-ordinates and promotes the management of all heritage resources.<sup>6</sup>

There are 25 DMAs throughout the country and most have no viable economic base from which basic service delivery can be sustained. Furthermore, many DMAs are geographically inaccessible to local municipalities. These are areas that can be best served by a district municipality. Like many remote settlements, DMAs are characterised by low labour force participation, high levels of unemployment, poverty and low incomes.

**Table 1: Number and types of DMAs in South Africa.**

PROVINCE	DISTRICT MUNICIPALITY	CODE NAME	COMMON NAME	REASON FOR DMA
Eastern Cape	Cacadu DM	DC10	Aberdeen Plain	Low Population
Eastern Cape	Chris Hani DM	DC13	Mount Zebra NP	National Park
Eastern Cape	Ukhahlamba DM	DC14	Oviston Nature Reserve	Provincial Park
Eastern Cape	Alfred Nzo DM	DC44	O' Connors Camp	Provincial Park
<b>TOTAL NUMBER OF DMAs IN THE EASTERN CAPE = 4</b>				
Free State	Thabo Mofutsanyane DM	DC19	Golden Gate Highlands Park	National Park
<b>TOTAL NUMBER OF DMAs IN THE FREE STATE = 1</b>				
KwaZulu Natal	Umgungundlovu DM	DC22	Highmoor/Kamberg Park	Provincial Park
KwaZulu Natal	Uthukela DM	DC23	Giants Castle Game Reserve	Provincial Park
KwaZulu Natal	Umkhanyakude DM	DC27	St Lucia Park	World Heritage Site
KwaZulu Natal	Sisonke DM	DC47	Mkhomazi Wilderness Area	Provincial Park

<sup>5</sup> MDB. 2000. Policy for the determination of District Management Areas. Pretoria. Downloaded from <http://www.demarcation.org.za>

<sup>6</sup> See, The National Heritage Resources Act. Act 25 of 1999. The Republic of South Africa. Government Printer. Pretoria.

<b>TOTAL NUMBER OF DMAs IN KWAZULU NATAL = 4</b>				
Mpumalanga	Nkangala DM	DC31	Mdala Nature reserve	Provincial Park
Mpumalanga	Ehlanzeni DM	DC32	DMA Lowveld	Provincial Park
<b>TOTAL NUMBER OF DMAs IN MPUMALANGA = 2</b>				
Northern Cape	Namakwa	DC6	Namaqualand	Low Population
Northern Cape	Karoo DM	DC7	Bo Karoo	Low Population
Northern Cape	Siyanda DM	DC8	Benede	Low Population
Northern Cape	Frances Baard DM	DC9	Diamond fields	Low Population
<b>TOTAL NUMBER OF DMAs IN NORTHERN CAPE = 4</b>				
North West	Bojanala DM	DC37	Pilanesburg Park	Provincial park
<b>TOTAL NUMBER OF DMAs IN THE NORTH WEST = 1</b>				
Western Cape	West Coast DM	DC1	West Coast DC	Low Population
Western Cape	Boland DM	DC2	Brede River DC	Low Population
Western Cape	Overberg DM	DC3	Overberg DC	National Park
Western Cape	Eden DM	DC4	South Cape DC	Low Population
Western Cape	Central Karoo DM	DC5	Central Karoo DC	Low Population
<b>TOTAL NUMBER OF DMAs IN THE WESTERN CAPE = 5</b>				
Northern Cape/North West	Kgalagadi DM	CBDC1	Kalahari CBDC	Low Population
Limpopo/Mpumalanga	Sekhukhune DM	CBDC3	Schuinsdraai Nature Reserve	Provincial Park
Limpopo/Mpumalanga	Bohlabela DM	CBDC4	Kruger Park	National Park
Gauteng/North West	West Rand DM	CBDC8	Sterkfontein DMA	World Heritage Site
<b>TOTAL NUMBER OF DMAs IN CROSS BOUNDARY DISTRICT MUNICIPALITIES = 4</b>				
<b>TOTAL NUMBER OF DMAs IN SOUTH AFRICA = 25</b>				

Source: The Municipal Demarcation Board report on DMAs (2003).

## 6. LEGISLATIVE FRAMEWORK FOR THE ESTABLISHMENT OF DISTRICT MANAGEMENT AREAS <sup>7</sup>

The establishment of DMAs is made possible by a number of legislative enactments starting with the Constitution (1996), the highest law in the country.

### 6.1 The South African Constitution

Chapter 7 (in Section 151) of the Constitution (1996) makes provision for the establishment of wall-to-wall municipalities for the governance of the whole country. Although Section 154 of the South

<sup>7</sup> See, MDB. 2003. Draft Report District Management Areas in South Africa. MDB. Pretoria. P.4. And MDB Demarcation Board, 2002/2003 Annual Report, P10. Both downloaded from <http://www.demarcation.org.za>.

African Constitution makes no direct reference to the establishment of DMAs, it does however lay down the foundation for the creation of three different categories of municipality. Category A (metropolitan municipalities) comprises municipalities with exclusive executive and legislative authority in their area of jurisdiction: these are stand-alone local authorities or single autonomous local government units responsible for their own administration. Metropolitan municipalities have been established in six cities. Category B comprises municipalities that share executive and legislative authority with category C municipalities within whose areas they fall: there are a total of 231 such municipalities, which have been divided into wards. They include municipalities centred on secondary cities or encompassing several towns and surrounding peri-urban and rural areas. Such municipalities share their authority with a district municipality under whose jurisdiction they fall. Category C municipalities have executive and legislative authority in an area that includes more than one Category B municipality: Category C, also known as District municipalities, are made up of a number of local municipalities that fall under their jurisdiction. These are regional authorities with particular overarching powers over the local municipalities under their area of jurisdiction.

The Constitution also outlines a vision for developmental local government by stating that a municipality that is able to govern its affairs on its own initiative should demonstrate the financial and administrative capacity to:

- Provide democratic and accountable government for local communities
- Ensure the provision of services to communities in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment, and
- Encourage the involvement of communities and community organisations in matters of local government.

The Constitution (1996) further provides for the establishment of an independent authority that will provide for the procedures and criteria for the demarcation of municipal boundaries. This has since evolved to mean the MDB. The MDB is also responsible for municipal capacity assessments and advice to the national Minister of Provincial and Local Government on boundary determinations.

Section 156(1)(a) of the Constitution provides that a municipality has executive authority in respect of, and has the right to administer the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 of the Constitution. This is the primary source of power for local government. Moreover, national and provincial governments' regulatory power over matters in Schedule 4B and Schedule 5B is limited. The Schedules constitute the most fundamental features of local government's institutional integrity. While the Constitution (1996) provides for three categories of municipality, it fails to specify which category should provide which services. In addition, section 155(3)(c) provides that, subject to section 229, national legislation must make provision for an appropriate division of powers and functions between municipalities when an area has municipalities of both categories B and C. The division of powers and functions between any two linked category B and C municipalities may differ from the division of powers and functions between others.

## **6.2 The Municipal Structures Act**

The Municipal Structures Act (Act 117 of 1998) provides for the establishment of municipalities in accordance with the requirements relating to categories and types of municipality; for establishing

criteria for determining the category of municipality in an area; for defining the types of municipality that may be established within each category; for providing for an appropriate division of functions and powers between categories of municipality; for regulating the internal systems, structures and office-bearers of municipalities; for providing for appropriate electoral systems; and for providing for associated matters.

The Municipal Structures Act (1998) also makes provision for the MDB to declare part of an area that must have both a district and local municipality as a DMA if the establishment of a local municipality in that part of the area will not be conducive to the fulfilment of the demarcation objectives set out in the Municipal Demarcation Board Act (1998). The Municipal Structures Act (1998) also provides for the division of powers and functions between district and local municipalities. It assigns district-wide functions to municipalities and most day-to-day service delivery including the provision of basic services functions to local municipalities.

Section 6 of the Municipal Structures Act (1998) stipulates that areas that cannot be demarcated as metropolitan municipalities can be declared as district or local municipalities. However, in areas where the establishment of a local municipality is not possible such areas are DMAs. It is important to note that the national Minister of Local Government makes such declarations on the recommendation of the MDB after consulting the Member of the Executive Council (MEC) for Local Government in the province concerned. In addition, the national Minister, also on the recommendation of the MDB and after consulting the MEC for Local Government in the province concerned, may by notice in the Government Gazette withdraw the declaration of an area as a DMA. When a DMA is withdrawn, the relevant MEC for local government must, with effect from the date of the next election of municipal councils, establish a municipality or include that area in another local municipality. DMAs are therefore areas in which the requirements of section 24 (demarcation objectives) of the Municipal Demarcation Act (1998) cannot be fulfilled. A separate local municipality can thus not be demarcated for such an area and neither can a municipality be established. Incorporating DMAs into local municipalities would not be conducive to fulfilling the objectives of local government as set out in the Constitution (1996) and the White Paper on Local Government (1998).

Section 24 states that when the MDB determines a municipal boundary, its objectives must be to establish an area that would enable the municipality to fulfil its constitutional obligations to provide democratic and accountable government for the local communities; to provide services to the communities in an equitable and sustainable manner; to promote social and economic development, and a safe and healthy environment. Section 24 goes further, by stating that the MDB must be able to establish an area that would enable effective local governance and integrated development, and have a tax base as inclusive as possible of users of municipal services in the municipality. DMAs are areas in which the establishment of local municipalities would not be viable. This circumstance, as has been seen, refers to areas such as state-owned national and provincial parks and protected areas as well as desert regions where low population density over an extended area would make fulfilling the objectives of local government quite difficult.<sup>8</sup>

Section 25 explains the factors to be taken in account when determining a municipal area. These include employment, commercial and industrial linkages and the need to share and redistribute

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<sup>8</sup> MDB. 2003. Draft Report District Management Areas in South Africa. MDB. Pretoria. P.4. Downloaded from <http://www.demarcation.org.za> P4.

financial and administrative resources. Section 89 of the Municipal Structures Act (1998) provides that in DMAs the district municipality possesses all municipal functions and powers. This means that district municipalities are fully-fledged autonomous units that can provide all the services traditionally provided by local municipalities. As such, district municipalities must play a developmental role as enshrined in the Constitution (1996) and as clearly outlined in the Constitution and White Paper on Local Government (1998).<sup>9</sup>

### **6.3 The Demarcation Board Act**

The Demarcation Board Act (Act 27 of 1998) defines the authority referred to in the Constitution (1996) as the MDB and sets out the procedures for establishing the MDB while giving it major powers and functions. The function of the MDB is to determine municipal boundaries in accordance with this Act and other appropriate legislation (most notably the Municipal Structures Act) enacted in terms of Chapter 7 of the Constitution (1996). The MDB's mission is to undertake major functions pertaining to municipal and ward boundaries. It also assesses the capacity of municipalities to perform their constitutional functions. In addition, the MDB advises the National Minister of Finance and Provincial Members of the Executive Committee on a number of matters specified in the Demarcation Act (1998). The MDB also works closely with government departments (including the Department of Environmental Affairs and Tourism) on the alignment of service delivery boundaries. The legislation also maps out the operating procedures of the MDB, defines the criteria envisaged in the Constitution (1996), and sets out the objectives of demarcation and the factors to be taken into account when demarcating new boundaries. The Demarcation Board Act (1998) also defines the procedures the board must follow in deciding on boundaries and the manner in which it must consult municipalities and communities in this process. It also makes very clear who will decide when new boundaries take effect, and how. The overarching criterion is that demarcation must be geared towards ensuring that municipalities are able to meet their constitutional objectives. Therefore municipal areas which do not allow for proper planning or for the financial sustainability of municipalities, will not be conducive to democratic accountable government, equitable and effective service provision, the promotion of social and economic development, or the maintenance of a safe and healthy environment for all.<sup>10</sup>

## **7. PROFILE OF CASE STUDIES AND DISTRICT MANAGEMENT AREAS**

The study comprises thirteen district municipalities spread across the eight provincial boundaries, with three from the Northern and three from the Western Cape, two from KwaZulu-Natal, and one each from the Free State, Eastern Cape, Mpumalanga, North West and Gauteng provinces.

### **7.1 Eden District Municipality**

The Eden District Municipality is situated in the Western Cape Province with its head office in George. The establishment of Eden DM saw the amalgamation of the former Klein Karoo and

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<sup>9</sup> Chapter 7 of the South African Constitution outlines the developmental role of local government. The White Paper on Local Government takes the notion of developmental local government further, by explaining what developmental local government is and how it should be attained.

<sup>10</sup> Mosang, P.O. 2001. The Likely Impact of Cross-boundary Municipalities on Service Delivery. Downloaded from [www.gautengleg.gov.za](http://www.gautengleg.gov.za).

Southern Cape District Councils. Eden DM covers seven Category B municipalities namely, Plettenberg Bay, (renamed Bito LM), Knysna, George, Mossel Bay, Langeberg, Kannaland and Oudtshoorn. The area is known for its scenery and internationally renowned tourism potential, including most recently the development of large-scale tourism sites including golf courses and animal viewing areas. The DMA in Eden comprises the former Haarlem and Uniondale TLCs, with the surrounding rural areas, and covers approximately 4 170 square kilometres in the north-eastern corner of the District, stretching around 100 kilometres from its western border on the R62 road (Oudtshoorn to George) to its Eastern and northern border. Agriculture, including small-scale horticulture, agricultural service support, as well as some small-scale manufacturing in Uniondale, defines the economy of the region, accounting for nearly two-thirds of the economically active population. The population of the DMA area is estimated at 14 591, with approximately 50% of the population residing in the two anchor towns of Uniondale and Haarlem. There are 3 299 households in the DMA.

## **7.2 Kgalagadi District Municipality**

The Kgalagadi DM is a cross-border municipality between the North West and Northern Cape Provinces, made up of three local municipalities, Moshaweng, Gamagara and Ga-Segonyana. Two of the local municipalities (Gamagara and Gasegonyana) are in the Northern Cape whilst Moshaweng, a newly established municipality, serves a predominately rural population of 154 villages in the North West Province and has no viable economic base. The DM administrative offices are situated in Kuruman, and the largest part of the municipality is characterised by rural land. In 2003 Kgalagadi DM was officially launched as one of the 13 rural nodes. The district relies significantly on the Vaal-Gamagara pipeline and the distributive lines for domestic, industrial and commercial use. Water extracted from mining operations is also a resource. In addition, the DM has an area designated as a DMA. The DMA covers approximately 10 705 square kilometres and has 2848 households with a population of 6230. The DMA is made up of Vanzylsrus (an informal settlement) and two mining towns (Hotazel and Black Rock) and a number of surrounding farms.

## **7.3 Cacadu District Municipality**

The Cacadu District Municipality (formerly known as the Western District Municipality) is in the western half of the Eastern Cape Province. To the west, it borders the Western Cape Province and in the extreme north the Northern Cape Province. In the northeast and east respectively, it borders the Chris Hani and Amatole District Municipalities. The district municipality covers 58 242 square kilometres, and includes nine local municipalities (Baviaans, Blue Crane Route, Camdeboo, Ikwezi, Makana, Ndlambe, Kouga, Sundays River Valley, Kou-kamma) and four other portions collectively known as the DMA (Addo, Tsitsikamma, Uitenhage rural and Rietbron/Aberdeen). The total DMA node measuring 13 284 square kilometres is commonly known as Aberdeen Plain and is classified as low population. The Cacadu DM is only responsible for municipal service provision to Uitenhage rural and Rietbron/Aberdeen. Both these areas consist mainly of farms and small settlements where the inhabitants have few sustainable employment opportunities, for the most part living in conditions of extreme poverty. The South African National Parks Board manages the other two DMA areas. There are an estimated 1728 households and a population of 6442 people in the entire DMA area. A key factor for Cacadu is that the area around the coastal urban node of Port Elizabeth-Uitenhage-Despatch has been excised to form the Nelson Mandela Metropolitan Municipality. Although the metropolitan municipality covers a relatively small area, the re-demarcation process nevertheless resulted in a 72 percent decrease in the population of the district municipality.



#### **7.4 Siyanda District Municipality**

The Siyanda DM is one of the five district municipalities in the Northern Cape Province and borders Namibia. The main towns in the district are Upington (where the administrative offices are situated), Olifantshoek, Kakamas and Postmasburg. Siyanda DM covers an area of 120 000 square kilometres and is responsible for six local municipalities, Mier, Kai, Garib, Khara Hais, Kheis, Tsantsabane and Kgatelopele. The entire DMA covers a little over 65 000 square kilometres and comprises three non-contiguous units. These include the Kalahari Gemsbok National Park and Kgalagadi Conservation area, Riemvasmaak on the bank of the Orange River and Swartkopdam in the Western Kalahari. Riemvasmaak is divided into two community settlements, namely, Sending, a mission station, and Vredesvallei. Sending has 108 households and Vredesvallei 58. Sending is estimated to have about 480 inhabitants and Vredesvallei about 350, while Swartkopdam has an estimated 20 households and about 80 people.

#### **7.5 Umgungundlovu District Municipality**

Umgungundlovu DM is located in central KwaZulu-Natal, covers an area of approximately 8500 square kilometres and embraces seven local municipalities namely, Umshwati, Mngeni, Mooi Mpofana, Impendle, Msunduzi, Mkhambathini and Richmond. The Umgungundlovu DM with its administrative offices in Pietermaritzburg is made up of a number of primary and secondary towns including Mooi River, Impendle, Howick, New Hanover, Richmond and Camperdown. The secondary nodes are Middelrus, Rosetta, Boston, Mpaphomeni, Taylor's Halt, Thornville, Hilton, Wartburg, Etsheni, Abebhuzi, Ashburton, Eston, Mid-Illovu and Inhlazuka. The District Management Area (KZDMA 22) is Highmoor/Kamberg Provincial Nature Reserve. The DMA covers 276 square kilometres and has 10 households and a population of 15.

#### **7.6 Umkhanyakude District Municipality**

The Umkhanyakude District Municipality is situated in the North-eastern part of KwaZulu-Natal Province. Its total population is estimated to be 573341 people, spread evenly among the five local municipalities (Umhlabuyalingana, Hlabisa, Jozini, Mtubatuba, and the Big Five False Bay) and one DMA (Greater St. Lucia Wetlands Park). Umkhanyakude DM comprises the Greater St. Lucia Park (DMA 27) as well as the Hluhluwe – Umfolozi Game Reserve. The Greater St Lucia Park was inscribed as a Natural World Heritage Site in 1999 and consists of a number of protected areas, these being: False Bay Park, Sodwana Bay National Park, St. Lucia Game Reserve, St. Lucia Park, Cape Vidal State Forest, Eastern Shores State Forest, Mapelane Nature Reserve, Nyalazi State Forest, Sodwana State Forest, St. Lucia Marine Reserve, Maputaland Marine Reserve, Lake Sibayi Freshwater Reserve and Coastal Forest Reserve. The total area of the Greater St. Lucia Park is estimated to be 2759.5 square km.

#### **7.7 Thabo Mofutsanyane**

The Thabo Mofutsanyane District Municipality is situated in the eastern Free State, (the former homeland of Qwaqwa) and has an estimated 800 000 inhabitants. It is made up of five local municipalities, namely Dihlabeng, Maluti a Phofong, Setsoto, Nketoane and Phumelela. The Thabo Mofutsanyane DM also has an area designated as a DMA, the Golden Gate Highlands National Park. Like all national parks, the Golden Gate is managed by the SANParks as a tourist destination.

The district is regarded as one of the most fertile areas in the Free State and consequently one of the most productive agricultural areas. However, the agricultural sector experiences serious financial strain with high production costs, and natural disasters contribute to the poor state of the sector. Although the region has excellent potential and good infrastructure and has the N3, N5 and N8 passing through, it does not have a strong industrial base. As a result the district has one of the highest poverty rates in the country. The surface area of the Golden Gate DMA will cover 34 000 hectares after it has been amalgamated with the Qwaqwa National Park. The total population of the DMA is estimated at 260 people in 30 households.

## **7.8 West Rand District Municipality**

The West Rand District Municipality is situated in the western part of Gauteng Province, and the central offices of this municipality are in Randfontein. The DM also borders North West province. It includes four local municipalities, Mogale City, Randfontein, Westonaria and Merafong City. It also includes a designated DMA comprising the area known as the Cradle of Humankind (GTDMA41) and the Sterkfontein Nature Reserve. The population of the DMA is an estimated 5 774 people in 1 669 households.

## **7.9 Frances Baard District Municipality**

Frances Baard DM is located in the north-eastern region of the Northern Cape, with its head office in Kimberley. The DM consists of four local municipalities, Dikgatlong, Magareng, Phokwane and Sol Plaatje. The Frances Baard DM also looks after a predominantly rural DMA with three small settlements at Dan Carl, an informal settlement with about 50 temporary structures, Boetsap, an informal settlement with about 20 people, and Koopmansfontein. Dan Carl is a private mining area and Koopmansfontein is a rural settlement with 37 households owned by Spoornet. This land is in the process of being transferred to the DM. The rest of the DMA area comprises farmland. The entire DMA, predominately a farming area, covers 5700 square kilometres and has an estimated 4853 people.

## **7.10 Bojanala Platinum District Municipality**

The Bojanala Platinum District Municipality is in the eastern part of the North West Province. The municipality's central offices are in Rustenburg and it is one of the four district municipalities in the Province. The Bojanala Platinum District Municipality comprises the following local municipalities: Kgetleng River, Madibeng, Moses Kotane, Moretele and Rustenburg. The DMA under the jurisdiction of the Bojanala-Platinum District Municipality consists of the Pilanesberg Game Reserve. At present the Bojanala-Platinum District Municipality is holding talks to discuss the possibility of the DMA falling under the Moses Kotane Municipality.

## **7.11 Ehlanzeni District Municipality**

The Ehlanzeni District Municipality (EDM) is situated in the eastern part of Mpumalanga Province, and the central offices of this municipality are in Nelspruit. The DM consists of four local municipalities namely, Thaba Chweu, Mbombela, Umjindi and Nkomazi. In addition, the DMA consist of four DMA nodes, Barberton - Mpumalanga Parks Board, Mount Anderson Nature Conservation - Private Farms, Mahushe Shongwe Game Reserve - Mpumalanga Parks Board and

Mthethomusha Nature Reserve - Mpumalanga Parks Board. The total surface area of the DMAs is approximately 110 square kilometres and there are about 70 households made up of 96 people.

### **7.12 West Coast District Municipality**

The West Coast District Municipality covers five local municipalities, Matzikama, Cederberg, Bergrivier, Saldanha Bay and Swartland and a designated DMA area on South Africa's south-western coast. The West Coast DM serves as the local authority for a District Management Area (DMA), encompassing the Cederberg Wilderness area, the West Coast National Park and northern areas of the west coast comprising towns such as Bitterfontein and Nuwerus. The entire DMA area covers 8352 square kilometres made up of a scattered and non-contiguous area with a population of just 4,674 spread over 1,000 households.

### **7.13 Boland District Municipality**

The Boland District Municipality is situated in the heart of the Western Cape Province. Its head office is currently shared between Stellenbosch where the administrative component is situated whilst the political component is in Worcester. The Boland District Municipality was established following the amalgamation of the former Winelands and Breede River District Councils. The Boland DM comprises a District Management Area as well as five local municipalities namely, Witzenberg, Breede Valley, Breede River/Winelands, Drakenstein & Stellenbosch. The DMA area falling under Boland DM, although relatively less topographically and economically diverse, presents its own unique challenges for ensuring access to basic services. The DMA consists of one contiguous area of nearly 11,000 square kilometres with an estimated population of over 6,500 attached to over 1,500 households.

## **8. PRINCIPLES OF SERVICE DELIVERY<sup>11</sup>**

Municipalities in the country exist primarily for improving the welfare of the communities they serve. The ever increasing challenges facing municipalities to improve service delivery require innovative methods and systems that will address the needs of communities. In this spirit, the White Paper on Local Government (1998) outlines principles for service delivery. These principles, listed below, provide a new and holistic framework on which municipal service delivery should be based.

### **8.1 Accessibility of services**

This requires municipalities to ensure that all citizens regardless of race, gender, creed or sexual orientation have access to at least minimum levels of service delivery. Imbalances in access to services must be addressed through the development of new infrastructure, and/or rehabilitation and upgrading of existing infrastructure.

### **8.2 Affordability of services**

Accessibility is closely linked to affordability. Even when service infrastructure is in place, services will remain beyond the reach of many unless they are financially affordable to the municipality.

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<sup>11</sup> The White Paper on Local Government Section B. 1998. Department of Constitutional Development. Pretoria.

Municipalities can ensure affordability through setting tariffs, which balance the affordability of continued service provision and the ability of the poor to access services, thus determining appropriate levels for service delivery. Service standards which are too elaborate may be economically unsustainable and jeopardise continued service provision.

### **8.3 Quality of products and services**

The quality of services is difficult to define, but includes attributes such as suitability for purpose, timeliness, convenience, safety, continuity and responsiveness to service-users. It also includes a professional and respectful relationship between service-providers and service-users. An important factor in the delivery of services is the monitoring of results. To ensure that services provided are of a quality good enough to meet set standards, there should be continuous recording and review of the local authority's income and expenditure in relation to the services provided. The individual facets of the activities of every local authority should be selected and scrutinised to ascertain that they are conducted economically, efficiently and effectively.

### **8.4 Accountability for services**

Whichever delivery mechanism is adopted, municipal councils remain accountable for ensuring the provision of affordable and accessible quality services. It is part of human nature to make mistakes and this also extends to municipal officials. Therefore, it is necessary not only to correct mistakes, but also to learn from them. If the promised standard of service is not delivered, the community should be offered an apology, a full explanation and a speedy and effective remedy; when complaints are made, they should receive a sympathetic and positive response. This means that municipalities must have a complaints section, which will address all the concerns raised by the community.

### **8.5 Integrated development and services**

Municipalities should adopt an integrated approach to planning and to ensuring the provision of municipal services. This means taking into account the economic and social impacts of service provision in relation to municipal policy objectives such as poverty eradication, spatial integration and job creation through public works.

### **8.6 Sustainability of services**

Ongoing service provision depends on financial and organisational systems, which support sustainability. Sustainability includes both financial viability and the environmentally sound and socially just use of resources.

### **8.7 Value-for-money**

Local authorities have very limited sources of revenue and it is important that services delivered should be provided in such a way as to give the community value for money. Section F of the White Paper on Local Government (1998:94) states that value for money in local government is both a matter of the cost of inputs and of the quality and value of outputs. This requires the best possible use of local resources to ensure universal access to affordable and sustainable services.

## 8.8 Ensuring and promoting competitiveness of local commerce and industry

Given the competitive nature of commerce and industry and their role in generating jobs, they must not be adversely affected by higher rates and service charges in order to subsidise domestic users. Transparency is required to ensure that investors are aware of the full costs of doing business in a local area.

## 8.9 Promoting democracy

Local government administration must also promote the democratic values and principles enshrined in the Constitution, including the principles in Section 195(1). These principles apply to every sphere of government, including local government and all organs of state, and include the promotion and maintenance of a high standard of professional ethics, and the maintenance of an administration that is broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

# 9. AN OVERVIEW OF DIRECT SERVICE PROVISION IN DISTRICT MANAGEMENT AREAS

In this section, a variety of implicit and explicit functions are reviewed. A common theme is the wide discrepancy between district municipalities as regards their current functions in their respective DMAs. While a number of district municipalities have been innovative and successful in the delivery of services in their DMA settlements, others have not been so fortunate. However, this is not unexpected as district municipalities selected for the study are spread across a capacity continuum especially as this relates to their ability to render services in remote settlements. However, before a detailed evaluation can be undertaken it is necessary to look at the financial (2004/2005 budgets) position of different district municipalities.

**Table 2: 2004/2005 budgets of District Municipalities<sup>12</sup>**

DISTRICT MUNICIPALITY	TOTAL REVENUE 2004/2005	OPERATING EXPENDITURE 2004/2005	CAPITAL BUDGET 2004/2005	TOTAL EXPENDITURE FOR THE DMA 2004/2005	OWN REVENUE 2004/2005
Boland DM	R242, 3 m	R239, 2 m	R 650, 000	R 996, 500	R119, 8 m
Eden DM	R71, 5 m	R70, 9 m	R5, 5 m	R1, 6 m	R54 m
West Coast DM	R189, 2m	R189, 2m	R17, 8 m	R190, 000	R30 m
Kgalagadi DM	R123, 4 m	R120, 7 m	R3, 4 m	R2, 2 m	R14, 4 m
Siyanda DM	R63, 8 m	R20, 7m	R43, 1m	R2, 5 m	R25 m
Frances Baard DM	R76, 3 m	R75, 2 m	R617 000	R2, 5 m	R33 m
West Rand DM	R171, 5 m	R 47,9 m	R21, 2 m	R 3,7 m	R5 m
Bojanala DM	R223 m	R111 m	R288 m	R4, 5 m	R128 m
Thabo Mofutsanyane DM	R148, 1 m	R44, 6 m	R103 m	R2, 1 m	R23 m

<sup>12</sup> A number of DMs indicated that some the figures provided would be revised before the end of the financial year. For their Capax and broader infrastructure projects municipalities have two sources of funding, own reserves built over the years and nationally raised revenue (DORA).

Cacadu DM	R172, 9 m	R160, 4 m	R12, 5	R5, 3 m	R21 m
Ehlanzeni DM	R 79, 6 m	R 86 m	R 60 000	N/A	R72, 1 m
Umkhanyakude DM	R175 m	R83 m	R175 m	R850 000	R3 m
Umgungundlovu DM	R244 m	R148 m	R111, 2 m	DM not sure about allocation to DMA area	R178 m

**Source: District Municipalities 2004/2005 budgets**

Funding for service delivery is made available from a pool consisting of the Districts' own Regional Services Council (RSC) levy revenue, supplemented by the nationally raised equitable share. Other notable revenue streams include interest on investment and various sources of grant funding. Many of the district municipalities rely to a great extent on the equitable share to fund basic service provision in the DMA settlements. In the 2005 national budget the Minister of Finance, Mr Trevor Manuel, stated that RSC levies will be eliminated and new allocation formulas will be phased in for both provincial and local government equitable shares. In addition, the Minister indicated that grants to municipalities total 5 per cent of available resources, growing by 13,3 per cent per year.<sup>13</sup> A number of local government commentators remain critical of the contribution of District Municipalities, and argue that RSC levies are the only thing keeping district municipalities in business. Furthermore, the levy is a particularly unfortunate type of tax, for various reasons: (1) the tax has to be paid by businesses, even if they are not making a profit; (2) the levies are based on unverifiable information provided by businesses.<sup>14</sup>

The actual allocations for service delivery and infrastructure development in different DMA settlements varies between just under R200 000 to a little over R5 million. Although most district municipalities accept that they cannot provide sustainable services without sufficient and reliable sources of revenue, a number of them have developed some system of delivering services in DMAs.

While it is not clear what functions district municipalities should perform in DMAs, all aim at the full provision of basic services at Reconstruction and Development Programme (RDP) standard. The starting point is the Municipal Structures Act (1998), which gives a detailed outline of services that should be performed by district municipalities. Section 83(3) of the Structures Act (1998) describes the developmental mandate of district municipalities in terms of four aspects: (1) ensuring district-wide integrated development planning; (2) providing district-wide bulk services, (3) building the capacity of local municipalities, and (4) promoting the equitable distribution of resources between local municipalities. The actual functions of district municipalities are stipulated in Section 84 of the Act, and can be categorized as follows:<sup>15</sup>

**Table 3: District Municipality functions in terms of the Municipal Structures Act<sup>16</sup>**

CATEGORY OF FUNCTION	FUNCTION	LEGAL PROVISIONS IN SECTION 84
Integrated development planning		84(1)(a)
Bulk infrastructure	Water	84(1)(b)
	Electricity	84(1)(c)

<sup>13</sup> Atkinson, D., Van der Watt, T and Willie, Fourie, W., Roefs, M., Makgoba, S., Vollenhoven, K and Koopman, C. 2003. Role of District Municipalities. HSRC. Pretoria. P6

<sup>14</sup> Ibid. P11.

<sup>15</sup> Ibid. P6.

<sup>16</sup> Ibid. P8.

	Sewage disposal	84(1)(d)
	Roads	84(1)(f)
District-wide services	Solid waste disposal, affecting the district as a whole	84(1)(e)
	Municipal health services serving the district	84(1)(i)
	Regulation of passenger transport	84(1)(g)
	Fire fighting serving the district	84(1)(j)
District-wide facilities	Municipal airports serving the district	84(1)(h)
	District-wide fresh produce markets and airports	84(1)(k)
	District-wide cemeteries and crematoria	84(1)(l)
	Municipal public works	84(1)(n)
Economic development	Promotion of tourism	84(1)(m)
Financial redistribution	Receipt and distribution of grants	84(1)(o)
	Imposition and collection of taxes and levies	84(1)(p)

**Source: Role of District Municipalities, 2003**

Section 84(2) of the Act vests all other municipal functional competencies in local municipalities, i.e. district municipalities may not perform them. Section 85(1) of the Act then empowers the Minister for Provincial and Local Government to authorise that local municipalities can carry out district functions, and vice versa, if the municipality in which that power is vested does not have the capacity to perform its functions. In the run-up to the 2000 municipal elections, it was decided to maintain the status quo in respect of four key functions: water, sewerage, electricity and municipal health. These status quo authorizations were gazetted in November 2000. This meant that newly established local municipalities continued to perform the functions, which the disestablished TLCs used to perform in those areas. This was done to avoid disruptions to service delivery. The authorizations were valid until 5 December 2002. However, the Municipal Structures Act (1998), which allows the Minister to adjust the powers and functions if municipalities lack the required capacity, leads to enormous uncertainty. There has not been a once-off decision regarding powers and functions. Furthermore, it is quite possible that Category Bs and Cs in different parts of the country have different functions, so there is also no one standard system. This diversity is not necessarily a problem in principle. The fundamental difficulty is that five years after the 2000 municipal demarcation process, the logic of district and local government functions remains unresolved.

The question of what would happen after the declaration expired in December 2002 dominated the debate within local government circles. The Demarcation Board recommended that district municipalities could serve as the actual service providers. In July 2002, the Minister of Provincial and Local Government reiterated the importance of district municipalities primarily on the basis that district municipalities provide economies of scale, and do have some democratic representation (indirect representation, via local municipalities; and direct representation, via a PR system). The national government envisaged a “phased approach to the final distribution of powers and functions”, which would enable local municipalities to continue with certain functions, while district municipalities’ capacity is built up.<sup>17</sup>

<sup>17</sup> These issues are clearly articulated in the HSRC. 2003. Atkinson, D., Van der Watt, T and Willie, Fourie, W., Roefs, M., Makgoba, S., Vollenhoven, K and Koopman, C. 2003. Role of District Municipalities. HSRC. Pretoria.

The picture of service delivery in DMA settlements is varied, implying that the districts maintain as wide a spread of facilities and know-how as possible to serve the varied people and situations with which they are confronted amongst the urban and rural populations that they serve. Service delivery in the DMA settlements can generally be divided into a range of financial supports and technical/engineering services, covering the basket of services presently provided for the DMA settlements, as indicated in table 4 below. The table indicates the extent of progress made in the delivery of essential services by the district municipalities in their respective DMAs and highlights the need for generating suitable statistics, for both planning and managing services.

**Table 4: Service provision in District Management Areas**

DISTRICT MUNICIPALITY	ELECTRICITY	WATER AND SANITATION	REFUSE REMOVAL	ROADS MAINTENANCE	PRIMARY HEALTH (RURAL CURATIVE HEALTH)	DISASTER MANAGEMENT
Boland DMA	Infrastructure upgrade by DM in DMA. Electricity panels also supplied to farm workers.	Both water and sanitation in the DMA settlements are rendered by farmers (DM provides subsidy for infrastructure provision.	Service rendered by farmers	Agency agreement with provincial government. DM carries out direct upgrading of roads	12 mobile clinics have been provided to render this service in the DMA settlements	Fire brigade services and chemical spillage rendered by DM. DM also provides farmers/workers with radios, first aid training and materials, and in limited instances vehicles for patrols.
Eden DMA	Services infrastructure provided by DM	DM renders service and subsidy in DMA settlements.	DM agency agreement with provincial government. Specifically supplies administrative and financial support services, and carries out direct upgrading.	DM provides service via mobile clinics; provision of Environmental Health services	Services infrastructure provided by DM	Disaster Management plan developed, as part of 2004 DMA Strategic Framework. Framework commented on inadequacy of present services in DMA, inc. fire, emergency communications
West Coast DMA	Infrastructure upgrade by DM in DMA. Electricity	Services infrastructure provided by DM	DM renders service and subsidy in	DM carries out upgrading	DM provision of primary and	DM in the midst of appointing consultants to



	subsidy provided to households.		DMA settlements		environmental health services in DMA.	draft a Disaster Management Plan for entire District area. Presently able to deploy fire and flooding response.
Kgalagadi DMA	Provision of infrastructure in some DMA area (has budgeted R100 000)	Provision of infrastructure in all DMA settlements (except farms and in areas owned by the mine).  VIP (RDP standard) in all DMA settlement	Provided in only Vanzylsrus. Service not extended to other settlements .	DM function on behalf of Province. Function limited only to maintenance of access roads. Limited to road paving in Vanzylsrus	Not provided. To be a DM function in the near future.	Provision of emergency and mobile fire control centres to all DMA settlements.
Siyanda DMA	Service provided in Riemvasmaak through an agreement with Eskom  In Swartkopdam service limited to (solar panels provided by the DM)  Private farms are subsidised for electricity provision to farm worker units	Water tank supplied by a bore hole in all DMA settlements  VIP toilets in all DMA settlements. Subsidy allocation to private farms  Private farms are subsidised for the provision of sanitation to farm worker units	Service limited to provision of refuse dumps	DM function on an agency basis. Service limited to a number of gravel roads.	Service not provided	Provision of a 24-hour disaster centre in all DMA settlements
Frances Baard DMA	Decision to provide electricity has been approved by Council. Work to start sometime in 2005 at Koopmansfontein.	Household taps in Koopmansfontein  Communal taps in Dan Carl  VIP (RDP standard)  Subsidy	Only provided in Koopmansfontein	DM function on behalf of Province.	Not provided	Veld fire-fighting units for DMA communities and farmers

		provided to farmers who provides the service to their employees				
West Rand DMA	DMA classified as world heritage site	DMA classified as world heritage site	DMA classified as world heritage site	DMA classified as world heritage site	DMA classified as world heritage site	DMA classified as world heritage site
Bojanala DMA	DMA forms part of SANParks	DMA forms part of SANParks	DMA forms part of SANParks	DMA forms part of SANParks	DMA forms part of SANParks	DMA forms part of SANParks
Thabo Mofutsanyane DMA	DMA forms part of SANParks	DMA forms part of SANParks	DMA forms part of SANParks	Provides the function on an agency basis (but not in the DMA area)	DMA forms part of SANParks	DMA forms part of SANParks
Cacadu DMA	The council has reached an agreement with Eskom and approved a budget to provide the service in Rietbron.	Water is provided in all DMA settlements (no provision is made for private farms)  Provision of VIP (RDP standard) in all DMA settlements (no provision is made for private farms)	Service provided in only in Rietbron settlement.	Proclaimed	DM function on behalf of Province. Provides service through a mobile clinic.	Information provided not clear
Ehlanzeni DMA	DMA part of SANParks	DMA part of SANParks	DMA part of SANParks	DMA part of SANParks	DMA part of SANParks	DMA part of SANParks
Umkhanyakude DMA	DMA classified as world heritage site (area managed by the GSLWAP.	DMA classified as world heritage site (area managed by the GSLWAP.	DMA classified as world heritage site (area managed by the GSLWAP.	DMA classified as world heritage site (area managed by the GSLWAP.	DMA classified as world heritage site (area managed by the GSLWAP.	DM lacks capacity to undertake the function and is currently being assisted by the Umgungundlovu District Municipality. Service not extended in the DMA area.
Umgungundlovu DMA	DMA part of SANParks	DMA part of SANParks	DMA part of SANParks	DMA part of SANParks	DMA part of SANParks	DMA part of SANParks

Source: Personal interviews with DM officials.

As outlined in the table above, a number of district municipalities are responsible for actual service provision in their respective DMAs with several of the municipalities operating on an agency basis for provincial departments. It would seem road maintenance is the most common example.

The Umgungundlovu DM does not provide services in environmental health, primary services, telecommunications, housing & building regulations, disaster management, electricity and refuse removals (with the district providing disposal facilities). However, Umgungundlovu does provide assistance to local municipalities in road maintenance, including the upgrading of roads, water and sanitation. This includes implementation of a water and sanitation supply infrastructure project with local municipalities. The community settlements in both the West Rand DM and Umkhanyakude DM form part of world heritage sites, which means that they fall under the jurisdiction of the National Department of Sport, Recreation, Arts and Culture. In terms of the Heritage Act (1999) the responsible body for all management purposes, which includes all development, is the South African Heritage Resources Agency (SAHRA). Therefore, no new development (e.g. new roads, buildings, infrastructure, alterations to buildings etc.) can be done without the approval of SAHRA.<sup>18</sup> As a result the role of both these district municipalities in the provision of traditional municipal services within the DMA settlements is limited. SAHRA and SANParks manage DMAs that form part of the world heritage sites and national (and provincial) parks respectively with the role of district municipalities limited to a handful of functions.

The Umkhanyakude DM offers direct services in environmental health (but with administrative constraints), water and sanitation, and disaster management. In disaster management, the DM lacks capacity and is currently being assisted by the Umgungundlovu District Municipality. The DM also lacks the capacity to provide services in water delivery as the infrastructure is not in place and people are sourcing water from boreholes and springs. Furthermore, the Umkhanyakude DM does not offer services in road maintenance, primary health services, refuse removal, telecommunications, or housing and building regulations. The Greater St. Lucia Wetlands Park Authority (GSLWP) undertakes all capital related projects in the DMA, with the major project being the Lubombo Spatial Development Initiative, which is a concerted programme by the governments of Mozambique, Swaziland, and South Africa to ensure that new investment occurs rapidly in the area.

In 2002 the MDB report<sup>19</sup> expressed concern about Cacadu DM's management of its DMA settlements. The MDB recommended that the Eastern Cape Provincial Department of Local Government should intervene to ensure that the communities in DMA areas receive all municipal services. In light of these concerns, Cacadu DM established an office in one of the DMA settlement (Rietbon), with a staff of three, including a Manager who is responsible for overall administration and management in all DMA settlements. This arrangement ensures that service delivery is brought nearer to the communities. In addition, R2, 2 million has been allocated for the electrification of the five station housing settlements. Consultants have been appointed to implement the project. Also an indigent policy has been introduced in the DMA to subsidize services to those persons who are unable to afford even the basic service-level. In addition, the District Municipality has established an excellent working relationship with the Development Bank of Southern Africa (DBSA) to support and co-fund various research and planning initiatives, including a research project to develop a physical and socio-economic spatial database of the District.

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<sup>18</sup> MDB. 2003. Draft Report District Management Areas in South Africa. MDB. Pretoria. P.4. Downloaded from <http://www.demarcation.org.za>. P42.

<sup>19</sup> See, MDB. 2002. Cacadu Assessment. Downloaded from <http://www.demarcation.org.za>

## **9.1 Electricity**

It would seem none of the district municipalities have managed to extend the service to all settlements under their jurisdiction. Therefore, electricity provision in DMA settlements is generally the responsibility of Eskom and is made available to a limited number of settlements within different DMAs. Since none of the district municipalities manage the distribution of electricity, their role is limited to the co-ordination and putting in place of the necessary infrastructure. Siyanda DM together with the Northern Cape Provincial Department of Housing and Local Government allocated R3, 2 million towards the installation of 120 pre-paid meters and streetlights in one of their DMA settlements (Riemvasmaak). Swartkopdam, the other community settlement makes use of solar panels. Farmers on privately owned land either use solar power or make own arrangements with Eskom.

In the Eden DMA settlements the houses of 200 farm workers have no access to electricity. The DM has set June 2005 as the target date for eliminating all service backlogs. However, this seems unlikely given the high costs of providing services to remote settlements.

Cacadu DM provides electricity only in the Rietbron settlement, where the Council has already reached an agreement with Eskom and approved a budget. Plans are under-way to extend the service to other settlements within the DMA.

## **9.2 Water and sanitation**

The provision of water and sanitation are particularly important, for several reasons. Firstly, these are major revenue-generators for many municipalities. Secondly, they are highly complex functions since they combine infrastructure design and provision, natural resource management, operations and maintenance, credit control and community awareness issues (e.g. health, hygiene, and infrastructure maintenance). Making effective policy decisions for water and sanitation is a challenging task for any municipality. In terms of sanitation, the communities living in the DMA settlements are provided with ventilated improved latrines (VIPs), which is the minimum service standard.

Eden DM provides services, which include water piping, reticulation, purification, metering and cleaning out existing storm water drainage, and the DM is in the process of launching an upgrade. However, there is a shortage of 900 toilets on farms, and the conditions of farm workers have been identified as a priority that will be addressed in the short-term. In Boland DM, at farms that form part of the DMA, services are rendered through a water and sanitation subsidy scheme that is made available to farmers. In Eden DMA settlements, amongst other advances, significant progress has been made with VIP toilets in farming areas.

The community at Siyanda DMA has been provided with VIPs. Because of the huge backlog, sanitation has been identified as a priority in all DMA settlements and funding will be directed towards its improvement. Siyanda DM provided R40 000 and enlisted a woman contractor to construct a water pipe for eight families living at Beryl Kop, a small cattle outpost about 8 kilometres from Sending. In Frances Baard DMA settlements, Koopmansfontein communities have onsite VIP toilets, and in Dan Carl eight toilet structures and a dumping site have been erected. However, this poses serious health and safety problems. Water is supplied through a borehole. After

realising that the service does not meet RDP standard, and as a temporary measure, the DM erected two 5000-litre water tanks. The first municipal services accounts in Koopmansfontein were due to be delivered before the end of February 2005. However, due to the high unemployment rate in the DMA area, the DM does not expect to collect much revenue from this area.

Kgalagadi DM provides water and sanitation services to some DMA settlements, including health and hygiene awareness as well as the implementation of a sanitation project and support to local municipalities. Kgalagadi had been identified as a site of best practice by the national Department of Water and Forestry when it comes to the provision of sanitation. The Kgalagadi DM makes extensive use of the community as part of their job creation initiatives. It introduced a self-building scheme, which focuses on community empowerment and capacity building and the creation of jobs, which is regarded as national Best Practice. A ground water protocol was also developed.

### **9.3 Road maintenance**

Several district municipalities provide this function on an agency basis for provincial departments. Siyanda DM is responsible for the maintenance of gravel roads in the DMA settlement on an agency basis for the provincial Department of Roads. However, this arrangement impacts negatively on the finances of the DM since it has to provide top-up funding. The provincial department's subsidy for the 2003/2004 budget amounted to R7, 5 million for this function, whereas the DM requires at least 12 million to render the service effectively. In addition, over the past few years there has been a steady decline in the amount of money allocated for this function. The Kgalagadi DM also provides roads maintenance on an agency basis on behalf of the Northern Cape Provincial Government. The function is limited to maintenance of numbered roads and access roads as well as the paving of internal roads in one of the DMA settlements (Vanzylsrus).

Boland DM renders this service through an agency agreement with the Western Cape Provincial Government. In Eden DM services rendered include grading and rolling of streets, preparation for gravelling and upgrading of pavements. There is an on-going need to upgrade roads and study the impact of the condition of roads on the economic development and social conditions of the DMA settlements.

### **9.4 Primary health care**

Cacadu DM provides primary health care on an agency basis on behalf of the Eastern Cape Province. All DMA settlements are serviced by a mobile clinic. The Cacadu DM does not receive the full costs for rendering the service and has to provide top-up funding. As a result the DM has not renewed its old vehicles and equipment.

In Boland DM 12 mobile clinics have been provided to render this service in all the DMA settlements. West Coast DM has prioritised a range of service accessibility issues including healthcare (especially dentists), a range of emergency services, access to clinics, general administrative communication with head office and social services. For Eden DM unpredictability about arrival and the limited extent of mobile services is a challenge due to the remoteness of DMA settlements.

## **9.5 Environmental health**

All district municipalities were supposed to be responsible for Environmental Health after 1 July 2004. However, this has not happened across all provinces. In the Northern Cape Province there have been major delays in transferring the function to district municipalities. As a result the function is currently provided on an agency basis for the Northern Cape Provincial Department. Kgalagadi DM achieved third place in a district health competition run by the National Department of Health District Health Information System for Environmental Health.

## **9.6 Refuse removal**

District municipalities responsible for service provision in their DMA settlements render the function on a limited basis. None of them have been able to extend the service to all DMA settlements. In the Eden DMA settlements only about 40% of the community have access to municipal or communal dump sites - the remaining 60% either have their “own refuse dump” or have no formal refuse dump. In Cacadu DMA settlements the service is provided only in Rietbron, as it is expensive to extend the service to other DMA settlements. Private farms make their own arrangements.

## **9.7 Building regulations**

Building regulation is typically a local municipality function, and is not included as a DM function in the Municipal Structures Amendment Act (1998). Nevertheless, several district municipalities still perform some of these functions, in particular, the enforcement of building regulations. This is particularly important in remote settlements to ensure that proper infrastructural development, most notably housing, is done in a cost efficient and economical manner that will make it easier for the bulk provision of basic services. Siyanda DM does not have a housing department. All housing related functions are being performed by the Technical Services Department. The Council has built 166 houses in Riemvasmaak with the help of private consultants. Currently there are over 100 people awaiting approval for their housing subsidies.

## **9.8 Disaster management**

The biggest threat in all DMA settlements is veld fires. As a result most district municipalities have developed a fire prevention strategy that aims to reduce the number of run-away fires and prevent death and injuries. The Boland DM offers fire brigade services as well as assistance with chemical spillage. However, the extent to which these services are provided in the DMA settlements remains unclear.

The West Coast DM is presently able to deploy fire and flooding responses. In the Eden DM a disaster management plan has been developed as part of the 2004 DMA Strategic Framework.

In addition to the provision of emergency and mobile fire control centres to all settlements in the DMA, Kgalagadi DM has provided first aid and basic veld fire training to volunteers in the DMA settlements. Siyanda DM also provides the service, which includes specialised fire fighting, planning, co-ordination and regulation of fire services in all the DMA settlements. Furthermore, Siyanda has installed a 24-hour hotline that can be used during emergencies.

## **9.9 Local Economic Development**

Local economic development requires a conception of municipal development that enables municipalities to understand poverty and engage with communities in policy and programme design and project implementation, while drafting multi-sectoral responses which are appropriate to local contexts. Agricultural development in Riemvasmaak addresses all these issues. The project involves the cultivation of table grapes and raisins for the local market. Ten hectares of land have been put aside for this purpose and a mentor farmer comes in once a week to help with skills development. The use of the mentor farmer has been a breakthrough for both the municipality and community. The mentor farmer has helped the community identify potential threats, while taking advantage of opportunities. The success of the programme can be attributed to the selection of candidates on merit, commitment and enthusiasm. Also, a lot of emphasis is placed on effective career path development for trainees, which ensures a gradual transfer of skills over three to five years.

Boland DM has engaged with various DMA and cross-boundary tourism initiatives such as farming to produce medicines and essential oils. The DM has also explored the potential for training individuals to become guides in addition to exploring small-farmer assistance schemes attached to specific areas. The West Coast DM provides a mix of small-scale LED projects such as sewing and needlework, a guesthouse project and small-scale cultivation of herbs.

## **9.10 Development of an indigent policy**

Not surprisingly, the different municipalities vary in the specifics of indigent policy and the types of basic service support. Different district municipalities vary the subsidy on the specific water, electricity or sanitation services to households.

In Cacadu and Siyanda households with a total monthly income of less than R1500 qualify to be classified as indigents. Cacadu DMA households receive a monthly subsidy of approximately R 110 covering the following: 50 kW of electricity per month, 6 kilolitres of water, refuse removal, sewage removal charges and sanitation charges. The total annual cost to council is R440 000. The Cacadu DM has already taken a decision to roll out free basic services to all households in the DMA.

Although the Boland DM implements an indigent policy, it does not extend to the DMA settlements and hence there are no indigents registered in the area. However, farmers are subsidised for providing services to farm workers. This reflects the economic and municipal services profile of the area, which sees farmers assuming a more active role in the provision of services, with subsidy support from the District representing a key financial injection into the area.

## **10. ANALYSIS OF SERVICE DELIVERY INITIATIVES AND IDENTIFICATION OF BEST PRACTICE**

A number of district municipalities have developed practical methods of service delivery in remote settlements by administering a system similar to one utilised to administer the erstwhile transitional rural councils. However, more alarmingly, a number of district municipalities do not provide or subsidise service provision in private farms. The issues of land tenure and property rights are

fundamental and unless they are addressed district municipalities have no method of delivering services in these areas. A number of district municipalities are against the use of public resources to upgrade privately owned areas. Some municipalities have shown impressive initiative, but there is still room for improvement.

The most remarkable example of community participation is demonstrated by the Cacadu DM, which has established a DMA committee to deal with the practical administration of the DMA settlements. The committee is made up of two Mayoral Committee councillors, one DMA councillor, DM officials, the DMA settlement Manager and representatives from all settlements in the DMA. This committee is governed by a constitution and provides a consultative platform to receive information on the needs and problems of each settlement area by identifying projects. The forum meets regularly to formally identify and discuss problems in all DMA settlements. Although the committee does not have the final decision-making powers, it nonetheless submits recommendations to the Mayoral Committee. Owing to this committee a number of areas have been targeted for increased development with regards to infrastructure, poverty alleviation and other social programmes. Furthermore, a socio-economic profile and assessment of LED options for the DMA settlements was completed in 2003. This gave the DM a better insight into the living conditions and perceptions of the DMA inhabitants. Also, the municipality has started interacting with the commercial farmers, who form the economic backbone of the DMA.

The West Coast DM appears to have cultivated a generally sound level of trust amongst DMA residents over the past few years by prioritising and being better able to respond to short-term capital needs. The challenge for the district in the medium term, given the non-contiguous boundary of the DMA area, is to decide on the best configuration of district category B delivery of services given the particularly difficult challenge of ensuring access to services. Jurisdictionally therefore sharing the responsibility across district and local municipalities seems more advisable in this area. Deciding the best future configuration of district versus local delivery of services may then have to involve a realistic appraisal of the comparative advantages of 'hard'-infrastructure and 'soft'-social economic needs. On an administrative level, the District has mooted the appointment of a DMA co-ordinator to improve its short-term capacity to manage the range of services it provides in the area. At the moment, services in the area fall within the District's day-to-day organisational framework, described in section one, which again caters for both 'hard'-technical and 'soft'-community services, and social and economic development. However, an area of concern was the past misalignment of external funding with the District's priorities as illustrated in the IDP. Past spending plans totalling R100 million were quoted in an interview as inconsistent with IDP priorities. The West Coast DM did however indicate that this situation has improved since 2002. Moreover service delivery performance indicates that the DM has been able to acquire a range of capital funding/partnerships including a slice of national revenue via the equitable share, funding via the CMIP programme and the Western Cape provincial government, as well as collaboration with the Development Bank of Southern Africa (DBSA).

In West Rand DM there are initiatives that have been undertaken to strengthen the relationship between the District municipalities and the private farm owners in the DMA settlements. However, the DM believes that a special relationship between landowners and the West Rand DM is needed because the GTDMA41 is not a 'normal' DMA settlements but a world heritage site, the Cradle of Human Kind. The West Rand DM and the Gauteng Department of Agriculture, Conservation and Management address some issues simultaneously. In light of the special nature of this DMA, there is a strong relationship between the West Rand DM and the Gauteng Department of Agriculture,



Conservation and Management on issues affecting the DMA. Overall, there are no major weaknesses in relationships between the West Rand DM and other spheres of government in terms of service provision in the DM. However, there are no formal relationships/institutional arrangements between the District Municipality and the local municipalities in the provision of services within the DMA. The major inhibitor that caused drawbacks and blockages to more effective performance in service provision in the DMA was the fact that it is a large rural area with poor infrastructure and a lack of systems - representative forums - to get the community involved in local government issues.

The Eden DM produced a detailed and sophisticated Spatial Development Framework for the DMA, which paints a largely positive baseline picture of service provision in the area. Service provision in the DMA has been spear-headed by efforts to install and upgrade water, sanitation, and refuse services before tackling the DMA's housing shortfall. Projects planned for 2003/2004 in the IDP bear out this strategy, with the prioritisation of refuse disposal, storm water drainage, roads and community infrastructure such as libraries. A summary of the Eden DM's service delivery planning and implementation in the DMA appears to contradict in practice the perception that "District Municipalities are not focussed on service delivery". Eden DM has been able not only to finance but also procure external infrastructure funding for priority capital spending. What is evident is that the DM has been able to penetrate the area with medium-term planning, prioritisation and implementation of basic services. Furthermore, Eden DM partners a variety of funding and technical assistance agents in the delivery of services, including the Western Cape Provincial Government, Department of Provincial and Local Government (via CMIP funding), and the Department of Water Affairs and Forestry. Other external sources of funding are being sought such as the Critical Ecosystems Partnership Fund, directed at the Succulent Karoo Biodiversity hotspot and specifically the Cedar Mountain Conservancy.

In Boland DMA settlements essential services have been prioritised in the short-term, channelled largely through subsidies, equipment and mobile service patrols in the area. Equipment, capital works and the provision of mobile services are deployed from the District offices outside the DMA area, in bordering towns such as Montague, Ceres, Worcester, and Robertson. Connecting with key essential service delivery points is sometimes made more difficult by problems in accessing private farms, as compared to settlements, towns and other residential areas where access is easier. Given the lack of any municipal infrastructure in the area though, as well as its predominately rural landscape, the only viable mode of dealing with these access issues seems to be a continuation of working with farmers to maintain service delivery infrastructure, while work proceeds in the longer-term to facilitate a wider range of economic opportunities for both farmers and especially farm workers. According to municipal officials the DM determines service delivery priorities by 'way of up front liaising with local municipalities and by way of sector plans. This model was developed by public participation workshops during the development of plans. Adequate and effective initial planning is cited as the important enabler in getting the processes of service delivery right. The inhibitors of the processes are inadequate staff capacity and insufficient funds.

The West Coast DM is in the course of finalising its micro-organisational structure, but has put in place a macro-organisational structure demarcating departments, committees and portfolios. However, the extent to which this restructuring will improve service delivery remains to be tested. The West Coast DM has structured its service delivery portfolios into relatively small yet clearly demarcated internal administrative and external service-driven units, including in the former finance and corporate services, and in the latter community services, social and economic development, and

technical services. This has mostly but not wholly been replicated at municipal level including the creation of area manager posts. While the significance of such a configuration may not be immediately obvious, it does indicate a move towards greater administrative appreciation of broader factors impacting on, and inter-linkages between, social and economic service issues. Moreover this configuration supports the District's interlinked orientation to the maintenance and rehabilitation of infrastructure so as to support the enhancement of existing economic activity in the region via poverty alleviation, land reform and stimulation of local economic development (LED) opportunities.

## **11. INTERNATIONAL CASE STUDY**

The following section presents a general picture of service delivery issues in remote parts of Australia. The comparison with South Africa seems instructive. However, the socio-economic, political and historical differences between Australia and South Africa will always make it difficult for comparisons and parallels to be drawn between the two countries. Australia is often classified as a first world country while South Africa is seen more as a developing country.

### **11.1 Alice Springs, Australia**

Local Government in Australia is a principal means by which local and regional communities express their identity while enhancing their well-being. Throughout Australia, local authorities provide a democratic forum for local decision-making accountable to communities, and a firmly based network of public administration capable of adjustment or expansion to undertake necessary roles and responsibilities. The Australian federation is seen as three spheres, not tiers (that is federal, state/territory and local government) that work together, each valuing the others as equal partners in governance of the country.<sup>20</sup> As a result, local government plays an important and expanding role in the Australian federation, delivering a broad range of important services at local level. One of the great strengths of Australian local government is its diversity as in most instances the population and geographic size of local authorities differ greatly. Local government in Australia has been in existence since the 1840s, and is established under state (not federal) legislation. Although local government has been in existence for more than 160 years, it is not formally recognised in the Australian Constitution.<sup>21</sup>

Because local government has been established under state legislation, it is accountable to the states and accordingly, has a strong state focus. As a result, local government is sometimes undermined by the federal government and is often treated as little more than an extension of state government departments.<sup>22</sup> Furthermore, local government is under growing financial pressure, which hinders its ability to provide for the increasingly complex needs of 21st century communities. Federal and state governments have often been guilty of cost shifting by delegating functions and tasks to local

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<sup>20</sup> Local Government Association of the Northern Territory, *Resourcing Local Government for the Future*, Northern Territory. 2005. Downloaded from. <http://www.alga.asn.au>

<sup>21</sup> It would seem local government in Australia is structured in much the same way as apartheid local government in South Africa before the transformation process that resulted from the South African Constitution (1996) and the 1998 White Paper on Local Government, which gave rise to key legislation (including the Municipal Structures Act and the Municipal Systems Act. Apartheid local government was not constitutionally recognised and merely served as an implementing agent for national and provincial governments.

<sup>22</sup> <http://www.alga.asn.au/cgi-bin/perfect/search/search.pl>

government without adequate or commensurate funding or access to additional revenue to cover the costs of providing those additional services.<sup>23</sup>

Alice Springs is a thriving community with a strong tourism and service industry base. It is also a multicultural community with a large indigenous population, made up of the traditional owners of the area, the Central Arrernte people, as well as other Aboriginal people from Central Australia. The nearest cities are Adelaide, which is 1,300 km to the south – and Darwin, another 1,300 km to the north. Sydney is more than 2,000 km to the east and Perth 1,600 km to the west. Remote as it is, Alice's council and its representatives play a strong role within local government at a state and federal level. Alice Springs is a town of 30,000 serving the needs of small and isolated indigenous communities, mining operations and pastoral properties spread across the arid plains of Central Australia.

Alice Springs is part of the Local Government Association of the Northern Territory (NT) that has been set up under an Act of the NT Parliament and is only 30 years old. The NT was first incorporated in 1992 as the single peak body representing local government in the Northern Territory. The Association is established as an incorporated body by section 224 of the Local Government Act of the Northern Territory. Membership of the Association is voluntary and open to all local governing bodies eligible to receive Commonwealth Financial Assistance Grants. The Association aims for constitutional recognition of local government with jurisdiction over the entire landmass of the Northern Territory providing an efficient, effective and sustainable range of agreed services for the entire population.

The role and function of Alice Springs includes the provision and maintenance of infrastructure such as local roads, bridges, and regional airports, provision of recreation facilities, health services such as water and food inspection, immunisation and environmental health, community services and some welfare services, planning control and building services, cultural facilities and services such as libraries, art galleries and entertainment centres, water and sewerage services. Historically, local government in Australia has been focused on property services, a significant component of which has been the provision of local roads and sanitation services such as waste collection, water and sewerage. However, in the past few decades, there has been increasing demand for local government to provide a greater array of human services. Funding these services has come at the expense of traditional, property based services. As a consequence the infrastructure is deteriorating and in need of a significant injection of funds.<sup>24</sup> About 92% of the NT is not incorporated into Local Government, and services for communities, some of which are very remote and inhabited by indigenous people, are provided for by the Community Councils and some NT government agencies. There is very little economic activity in most communities apart from the store, school and health clinic and Council positions. Most communities reside on land that belongs to traditional owners and there is no ability to rent, buy or sell land. Therefore is difficult to set up business or have economic activity. Australia has a very extensive social security system (popularly called 'sit-down money') and in some cases several generations of families have not worked in the formal economy and see no reason to educate their children. Lack of education and unemployment are huge issues. As a result, most communities exist from grant money from Territorial and Federal Governments, operational subsidies, specific purpose grants, etc.

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<sup>23</sup> <http://www.alga.asn.au>

<sup>24</sup> Presentation by Mayor of Alice (Killgraff) at the Bloemfontein Women' conference

### **11.1.1 Financing local government in Australia**

Australia underwent a major overhaul of taxation arrangements three years ago. During that time, the Federal Government sought to pull out of local government funding altogether and transfer its responsibilities in this area to the states. Local government revenue, amounting to around 17 billion Australian dollars (12 billion US dollars) comes from three main sources; property taxation or rates, charges for sale of goods and services and grants from federal and state governments. Rates account for around \$7 billion (about 40% of total revenue). Grants from the Federal Government provide funding of nearly \$2 billion through a combination of untied financial assistance grants - about \$1.5 billion annually - and around \$400 million through specific program grants for services such as roads, care for the aged and children's services. But these grants do not increase to match the real growth in the cost of providing council services nor increasing community demand for new and enhanced services. Local government needs access to a fair share of national taxation revenue, and organised local government is optimistic that the financial pressure facing local government will be addressed as the major parties respond to the Fair Share report on cost shifting and local government financing, tabled in Federal Parliament in late 2004.<sup>25</sup> Unlike the state and federal governments, local government has no access to a stable and growing source of revenue. As a result organized local government's goal is to replace the federal system of financial assistance grants with a fair share of national taxation revenue.

One of the problems of the Australian system of governance has to do with poor coordination and responsibility for service provision across the three spheres of government. The Federal Government tends to run programmes that duplicate or cut across programmes run by state governments. Alternatively, neither level of government may at times provide a much-needed service, since each holds it to be the responsibility of the other sphere. Buck-passing has been endemic over the years.<sup>26</sup> One university study suggests that under current constitutional arrangements duplication and co-ordination costs at all levels of government in Australia probably amount to more than \$20 billion a year. Organized local government is also keen to explore greater engagement of state and federal governments through the development of partnerships that can meet common goals and objectives.<sup>27</sup>

### **11.1.2 Service delivery in remote settlements**

The current demographic and geographic situation in Australia has made it important for the government to look at potential policy responses needed to guarantee access to services to the residents of remote and sparsely populated regions. According to some studies Australians now question the sustainability of settlement in many established farming areas. Within certain regions of the southern part of the country, population loss and the question of access to adequate medical, education, financial, community and social services have been identified as threshold issues. Access to health, education, information technology, banking, transport, telecommunications and community services can be difficult for remote rural residents in northern South Australia. In the year 2000 the situation seemed to be deteriorating with factors such as the privatisation and commercialisation of public sector utilities reducing service levels while at the same time increasing

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<sup>25</sup> Local Government Association of the Northern Territory, *Resourcing Local Government for the Future*, Northern Territory. 2005. Downloaded from [www.lgant.nt.gov.au](http://www.lgant.nt.gov.au)

<sup>26</sup> Presentation by Mayor of Alice (Killgraff) at the Bloemfontein Women's conference. 10 August 2004

<sup>27</sup> Presentation by Mayor of Alice (Killgraff) at the Bloemfontein Women's conference. 10 August 2004

costs. In some instances, the private sector has rationalised operations by maintaining branches only in the largest and most profitable centres.<sup>28</sup>

A sparse and falling population is one of the factors that have contributed to historically low levels of service provision in northern South Australia. In some regions it is recognized that there will be an on-going cycle of service and employment loss unless the outflow of population can be addressed or even stopped. Poor access to services makes these towns and regions less attractive for business start-ups or for the location of branch plants, and this in turn contributes to high rates of unemployment and further population loss. The strategy aimed at making Australian industries more competitive by dismantling tariff barriers has disadvantaged non-metropolitan industries to a greater degree as it has re-emphasized the competitive advantages of a central location. It would seem that encouraging strength within regional economies is important as it is only by improving these economies that governments and communities will be able to break the cycle of employment shedding, population loss and the departure of services from non-metropolitan regions. As a result, in the May 2000 budget some relief was offered to non-metropolitan areas giving greater funding for health services outside the capitals.<sup>29</sup>

Considering the challenges for service provision in remote rural areas of Australia, a community-based, participatory approach to service development was adopted for a disability service project in central Queensland. The service framework, known as Community Based Rehabilitation (CBR), fosters the involvement of community members in disability service provision. Considering that few guidelines exist regarding appropriate implementation of such an approach, a Participatory Rural Appraisal (PRA) strategy was adopted. This has been reported to foster the participation and decision-making of community members in community projects.<sup>30</sup> In a study that examined the population and service provision data relevant to the geographical distribution of oral health care in Western Australia (WA) it was found that of the 1.7 million people resident in WA, 72% were resident in the five major urban centres with only 13% in rural and remote regions. Of the 320 postcode regions, 186 had a population of less than 2500, 31 had a population from 2500 to 5000, 42 from 5000 to 10 000, 37 from 10 000 to 20 000, and 24 had a population greater than 20 000. Almost 80% of postcode regions with a population less than 2500 are in non-urban regions. In order to address this disparity in service availability strategies recommended for implementation include the development of training for medical practitioners and auxiliaries, the use of modern technology, school-based programs and the development of interdisciplinary links.<sup>31</sup>

### **11.1.3 Lessons learned from the Australian System**

There are important lessons that can be learned from the Australian system of local government. Firstly, Australia has poor regional governance structures. This is a direct result of the federal

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<sup>28</sup> People and Place, "Population decline and service provision in regional Australia: A South Australian Case study", Vol 8, No 2, 2000.

<sup>29</sup> People and Place, "Population decline and service provision in regional Australia: A South Australian Case study", Vol 8, No 2, 2000.

<sup>30</sup> Steele, L., Pacza, T and Tennant, M. 2000. Rural and Remote Oral Health, Problems and Models for Improvement: A Western Australian Perspective in Australian Journal of Rural Health. February 2000, vol. 8, no. 1, pp. 22-28. - <http://www.ingentaconnect.com/content/bsc/ajr/2000/00000008/00000001/art00224>

<sup>31</sup> Australian Journal of Rural Health, February 2000, vol. 8, no. 1, pp. 22-28

structure, which is largely based around the geographically enormous states. If Australia is to improve service delivery at the regional level, it should be building on the strengths of local government. Local government is often the only institution in many regions of Australia with the capacity to undertake tasks and functions. Therefore, the capacity of local government should be enhanced so that neighbouring councils can work effectively together to deliver services on a regional level. Secondly, local government has come a long way in the past two or three decades in terms of its capacity to deliver at the local and regional level, a fact that is increasingly recognised by state and federal counterparts. However, securing partnerships at the national level between two or all three spheres of government presents great challenges.

## **12. Future of District Management Areas**

Most interestingly, when asked about the future of their DMAs, district municipalities had different opinions about what should happen to them. Some were of the opinion that given the fragility of many of their local municipalities and the extent to which they have failed to address service delivery backlogs in their areas of jurisdiction, they (district municipalities) should continue administering services in DMAs. A number of local municipalities have been experiencing problems at both the political and administrative levels, resulting in near paralysis of community participation and service delivery. Some district municipalities frankly admitted that since service delivery is not their core mandate they lack the technical knowledge to render services. The fact that district municipalities perform all the municipal functions and powers in DMAs contradicts the division of powers and functions between district and local municipalities as envisaged in Section 84 of the Municipal Structures Act (1998), and results in the duplication of capacity and service delivery within the same district area.

In 2003 the MDB<sup>32</sup> outlined three possible options for the future of DMA.<sup>33</sup> The first option is to maintain the status quo and leave district management areas under the administration and management of district municipalities. The MDB states that the current situation regarding DMAs is that in most cases the district municipalities have organized their administration and resources in such a manner that the population of DMAs is serviced in some way. Although this may not be the most efficient manner, the point remains that communities in remote settlements are being serviced. District municipalities are generally not geared towards service delivery in terms of the delivery of basic services to communities and should not have to take over the role of a local municipality. Also, the community in DMAs have representation (one councillor representing the entire DMA area) on the DM Councils, which in most cases have far more resources than most local municipalities. This makes it relatively easy to sustain service provision, although it might be argued that district municipalities are better equipped to play a developmental and capacity building role within the municipal legal framework and that service delivery is far removed from the people. This is a problem that will also affect neighbouring local municipalities since some of them are also far removed from the DMA areas. The post demarcation local municipalities are geographically much larger than before, consisting on average of three to four towns, and have a diameter of up to 150 km. In addition, arguments have been made that some local municipalities are only well positioned for service delivery in densely populated “urban” areas. While the MDB contends that there is no

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<sup>32</sup> See MDB. 2003. Draft Report District Management Areas in South Africa. MDB. Pretoria and subsequent notice of withdrawal and Demarcation Board, Annual Report, 2002/2003. P.10. Both downloaded from <http://www.demarcation.org.za>

<sup>33</sup> In 2002 the MDB had only envisioned two possible scenarios for the future of DMAs.

formal system for community participation in DMAs, the reality is that some district municipalities have developed some form of community participation that seems more effective than the ward system used by metropolitan and local municipalities.

The second option entails completely removing DMAs as a form of local government by combining the existing DMAs into some of the neighbouring local municipalities. This might seem the ideal solution since it would remove a lot of the legislative and administrative burden of this form of local government structure. The advantages with this option are that there would be a single clear and unambiguous policy on DMAs and everybody without exception would have an equal say in the affairs of local government. There would be less duplication of resources in terms of basic service delivery since the district municipality would no longer be providing the basic services and the local municipality would merely have to extend its current resources. However, the MDB realises that many local municipalities are not financially viable enough to perform their current mandate and the extra burden of service delivery in DMAs will further weaken the financial position of those municipalities. Local municipalities that receive additional DMA areas would need to re-organise their administration to cope with additional people. The stability of these local municipalities would be severely affected by the complex and time-consuming processes of amalgamation. In addition, state owned national parks and world heritage sites are fairly independent and do not depend on the local municipality for service delivery. This would deny the local municipalities the much-needed revenue to maintain sustainable service delivery. The capacity assessments<sup>34</sup> by the MDB reveal that there are a number of local municipalities with very limited capacity and addressing this will require considerable money, time and effort to build their capacity to function as fully fledged local municipalities.

The third option, which has been recommended by the MDB, (also referred to as the Board) necessitates changing the MBD's policy on DMAs so that areas of low population (settlements) should become part of a local municipality, and that national parks, world heritage sites, transfrontier parks and conservation areas (with a few exceptions) should be proclaimed as DMAs. The state owned parks and conservation areas would be "isolated" into a single form of local government structure and this would make it easier to change legislation and policy that affect this form of local government. National Parks provide their own services and are not dependent on the local municipality. This results in a smaller administrative burden on district municipalities in terms of basic service delivery. District municipalities would be able to focus more on bulk service provision and promotion of the districts' interests as a whole. It seems the MDB does not fully realise the dangers of this option. The provision of services and development in areas where economic potential has not been realised and where there is poor municipal infrastructure could prove too costly for local municipalities who are better attuned to service delivery in urban and more densely populated areas.

In 2004 the MDB<sup>35</sup> issued a notice in terms of Section 26 of the Local Government Municipal Demarcation Act (1998) read in conjunction with Section 6 of the Local Government Municipal Structures Act (1998) to withdraw the declaration of the areas mentioned in Table 5 below. This notice outlines the MDB's intention to determine or re-determine the boundaries of a number of municipalities. The MDB realises that determination or re-determination of municipal boundaries

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<sup>34</sup> See MDB. 2003. Draft Report District Management Areas in South Africa. MDB. Pretoria. P.4. Downloaded from <http://www.demarcation.org.za>.

<sup>35</sup> See withdrawal notice [www.demarcation.org.za/section%206%20Notice%20-%20Withdrawal%20of%20DMAs](http://www.demarcation.org.za/section%206%20Notice%20-%20Withdrawal%20of%20DMAs)

will adversely affect the ward delimitation process. As a result the process will only be finalised after the 2005/2006 municipal elections.

**Table 5: District Management Area Municipalities that will or may be affected**

PROVINCE	DISTRICT MANAGEMENT AREAS	MUNICIPALITIES THAT MAY OR MAY NOT BE AFFECTED
Eastern Cape	DCDMA 10 Aberdeen Plain	Cacadu District Municipality and the following local municipalities or areas: Camdeboo; Baviaans; Ikwezi; Blue Crane Route; Komga and Sundays' River Valley.
Eastern Cape	DCDMA14 Oviston Nature Reserve	Ukhahlamba District Municipality and Gariep Local Municipality.
Eastern Cape	DCDMA44 O' Conners Camp	Alfred Nzo District Municipality and Umzimvubu local municipality.
Kwazulu Natal Park	DCDMA22 Highmoor/Kamberg	uMgungundlovu District Municipality and the following local municipalities or areas: Mooi Mpfana; Emngeni and Imbabazane.
Kwazulu Natal Park	DCDMA23 Castle Gaints Game Reserve	Uthukela District Municipality and the following local municipalities or areas: Okhahlamba and Imbabazane.
Kwazulu Natal Park	DCDMA43 Mkhomazi Wilderness area	Sisonke District Municipality and the following local municipalities or areas: Mooi Mpfana; Kwa Sani and Impendle.
Mpumalanga	DCDMA31 Mdala Nature Reserve	Nkangala District Municipality and Dr. JS Moroko local municipality.
Mpumalanga	DCDMA32 DMA Lowveld	Ehlanzeni District Municipality and the following local municipalities or areas: Thaba Chew; Mbombela; Umjundi and Nkomazi.
Northern Cape	DCDMA6 Namaqualand	Namakwa District Municipality and the following local municipalities or areas: Nama Khoi; Khfi-Ma; Kammiesberg; Hantan; Karse Hoogte; Kareeberg; iKeis; Cederberg and Witzenberg.
Northern Cape	DCDMA7 Bo Karoo	Karoo District Municipality and the following local municipalities or areas: Siyanhemba; Kareeberg; Emthanjeni; Renosterberg; Thembelihle; Siyancuma and Tsantsabane.
Northern Cape	DCDMA8 Benede	Siyanda District Municipality and the following local municipalities or areas: Mier; Gamagara; //Khara Hais; Tsantsabane; iKeis; Kai!Garib; Khfi-Ma; Hantan; Kareeberg and Siyathemba.
Northern Cape	DCDMA9 Diamondfields	Frances Baard District Municipality and the following local municipalities or areas: Greater Taung; Dikgatlong; Kgatelopele; Sol Plaatjes; Siyancuma and Thembelihle.
North West	DCDMA37 Pilansberg National Park	Bojanala District Municipality and Moses Kotane local municipality.
Western Cape	DCDMA1 West	West Coast District Municipality and the following Local



	Coast DC	municipalities or areas: Kammiesberg; Matzikama; Hantam; Cederberg; Bergriver; Saldanha Bay; Witzenberg and Swartland.
Western Cape	DCDMA2 Brede River DC	Boland District Municipality and the following local municipalities or areas: Witzenberg ;Breede Valley; Breede River/Winelands; Swellendam; Langeberg; Kannaland; Laingberg; Karse hoogte and Hantam.
Western Cape	DCDMA4 South Cape DC	Eden District Municipality and the following local municipalities or areas: Oudtshoorn; George; Knysna; Plettenberg Bay; Kou Kamma and Baviaans.
Western Cape	DCDMA5 Central Karoo DC	Central Karoo District Municipality and the following local municipalities or areas: Beaufort West; Camdeboo and Ubuntu.
Northern Cape/North West	CBDCDMA1 Kalahari CBDC	Kgalagadi District Municipality and the following local municipalities or areas: Molopo; Kagisano; Moshaweng and Gamagara.
Limpopo/Mpumalanga	CBDCDMA3 Schuinsdraai Nature Reserve	Sekhukhune District Municipality and Greater Marble Hall Local municipality
<b>Total number of DMAs that may/may not be affected = 19</b>		

**Source: Municipal Demarcation Board withdrawal notice.**

## 13. RESEARCH FINDINGS

Having examined the detailed case-studies, attention now turns to an integration of the key findings from the cases, with the intention of identifying common themes – both positive and negative.

### 13.1 Service backlogs and delivery challenges

District municipalities have varying degrees of capacity. While some have been very innovative and allocated significant funds towards the delivery of services, others have only just got around to delivering basic services. The provision of free basic services has extended basic service delivery to communities who would otherwise not have been in a position to pay for them. Service delivery in DMA settlements is restricted to RDP standard due to the high costs of providing services to rural and remote settlements. However, there are numerous challenges that face District Municipalities in the provision of basic services to remote settlements. Unemployment and poverty are some of the daily challenges that face remote communities. As a result there seems to be greater dependence on social grants. Serious service backlogs range from immediate needs, such as housing, to access to basic municipal amenities such as electricity, clean water and sanitation. Other service backlogs include the provision of land for cemeteries and infrastructure development such as community centres, telecommunications, development and maintenance of access roads, sports and recreation facilities, and clinics. Most of these backlogs have been inherited from the former TRC's, which had serious financial constraints and provided little or no upgrading/maintenance of the infrastructure in the DMA towns. The problem encountered in addressing some of these backlogs has been that the district municipalities act as an agency for other provincial departments. These functions are

undertaken in some cases without corresponding and adequate funding, which ultimately results in district municipalities having to provide top-up funding from their own limited and forever shrinking sources of revenue.

### **13.2 Lack of national framework**

Local government has been given a new constitutional mandate to create and sustain humane, equitable and viable human settlements. It is doubtful whether local government - as presently designed - is adequately equipped to fulfil this developmental mandate. The lack of a national framework on service delivery in DMAs and uncertainty over the service provision role of district municipalities have made it unclear what functions district municipalities should perform in DMA areas. For example, should a district municipality aim at the full provision of urban services, or simply basic services? Should a district municipality aim at building up Category B institutional capacity within the DMA? If so, how would such a future Category B municipality ever be financially viable – particularly if the district municipality had been subsidizing high-level services from levy revenue? What is clear is that most district municipalities aspire to maintain and provide RDP standard services in the DMA settlements. This seems justified, as the communities living within DMAs are mainly rural and sparsely populated. As a consequence no district municipality would be in position to render more sophisticated functions that require highly qualified staff at central level.

### **13.3 Lack of adequate resources**

A number of factors impede effective and sustainable service delivery in DMA settlements. Lack of adequate funding ranks as one of the most crucial challenges. A number of district municipalities depend on the nationally raised equitable share and levy payments to deliver services in their DMA settlements. However, these sources of funding are not adequate to address all service backlogs in the DMA settlements, especially in light of the phasing out of the RSC levy in 2006 and the impending decision about the future of DMAs that could change the face of local government once more. The huge backlogs in service infrastructure in DMA areas require municipal expenditure far in excess of the revenue currently available within district municipalities.

### **13.4 Nature and distance of DMAs**

DMA settlements represent varied topographical areas including a mixture of arable and wilderness areas interspersed with one or two key anchor towns with very limited economic activity, mainly agriculture. This makes the provision of bulk services very difficult, especially in communities that rely to a great extent on social benefits. Lessons in development management point to the fact that only a limited number of development functions can be performed from a distance. Development, especially in the context of very remote settlements, is a highly labour-intensive process requiring mentors and municipal officials to be available regularly, often at unscheduled times to promote local leadership skills, build institutions, deal with practical problems, and give advice to beneficiaries. The distance between district municipalities and DMA settlements impedes effective service delivery since most are not easily accessible for municipal officials and they can therefore not maintain regular access. Therefore, distance is one of the great impediments in the delivery of services.

### **13.5 Role of the private sector**

The role of the private sector in the provision of services in DMA settlement is underestimated, and its possible contribution under-utilised. The most visible challenge for the DMA in the immediate future will be to improve relationships with farmers and agricultural unions to attend to service gaps for farm workers, perhaps the most vulnerable economic grouping. In the absence of a national framework for service delivery on privately owned land, district municipalities have developed their own service provision strategies. There is little doubt that partnership agreements can be reached through meaningful consultations with private farm owners. A number of district municipalities expressed concern that by subsidising farm owners to provide basic services farm prices would escalate. Their assertion is that public funds cannot be used to increase the farm prices of individuals. Therefore, opportunities for a public-private partnership with farmers are either missed or not fully realised.

### **13.6 Role of other spheres of government in capacity building**

The Constitution (1996) takes cognisance of the capacity challenges facing local government by placing an obligation on other spheres of government to play a role in building local government capacity. Also, the White Paper on Local Government (1998) prepares the way for a fundamental reconsideration of the manner in which municipalities' developmental role should be supported by other spheres of government. There seems to be very little assistance from the other spheres in improving the capacity of district municipalities to deliver effective services in their DMAs. Section 83(3) of the Local Government: Municipal Structures Act (1998) also places an obligation on each district municipality to build the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking. This legislative directive assumes that district municipalities are ideally placed and better capacitated to build local municipalities' capacity. However, this is not always the case as some district municipalities are frail and cannot even compete with some of the better-resourced local municipalities under their area of jurisdiction. However, district municipalities have not been the focus of these initiatives. As a result many have not had meaningful assistance in building capacity for service delivery in DMA settlements.

### **13.7 Meaningful community participation**

Although district municipalities are not bound by legislation to have ward committees, many have nonetheless been innovative and developed comprehensive processes for communicating with DMA communities and other stakeholders. The basic framework for ordinary community members is a system of structures that resemble ward committees, with municipalities then reporting back in public meetings, conveying decisions of the council back to the community. Furthermore, one proportionally elected councillor represents voters who live in DMA settlements. In some of the district municipalities the proportionally elected councillors are also members of the mayoral committee. This arrangement ensures that the needs of the DMA communities are addressed at the highest decision-making body. However, an ongoing challenge is the difficulty for one councillor of maintaining regular access to communities spread across the DMA settlements. Municipal officials also find it difficult to invoke a sense of participation amongst community members. Also for one reason or another some farmers have not been very cooperative. As a result, not all farm workers, even those that see the importance of community participation, can take part in the activities of their municipality.

### **13.8 Lack of a viable economic base**

District municipalities face a number of challenges in the provision of services to remote settlements. They express the need to improve service availability in DMA settlements and the importance of integrated town and regional planning. The receipt of payment for services rendered linked to a low population base coupled with a fragmented and generally depressed level of economic activity is and continues to be a significant challenge. Most district municipalities have effectively been subsidising the provision of basic services to DMA areas on a scale beyond that stipulated in their indigent policies. It is apparent that the pressure on a number of municipalities to respond to their own capital backlogs means that many are not yet at a level to sustain the added burden of service provision in the DMAs.

### **13.9 Consolidating service delivery backlogs**

A number of district municipalities have developed council approved strategies or commissioned research to get a better understanding of socio-economic conditions in their DMA settlements. Key statistics are crucial for the provision of service delivery, and district municipalities must know the level of service delivery and understand the socio-economic dynamics in their area. Furthermore, linking service delivery plans and targets to the IDPs ensures that priorities and targets are set where the service needs are greatest. In addition, some of the district municipalities have consolidated the service backlogs into a well thought through, extended multi-year plan of action. The plans have been publicised to communities so they can anticipate when their needs will be addressed. In addition, some of the municipalities have aligned service delivery plans, strategies and actions/projects to the priorities and spending in other spheres, to attempt to ensure integrated provision.

## **14. CONCLUSION**

Over the last decade South Africa's local government has undergone major policy changes, with the gradual removal of all racially defined municipalities and the implementation of the demarcation process. This has resulted in local government becoming an effective partner in the state's obligation to provide a better life for all. This new local government system has been founded on the assumption that all communities will receive the same level of service delivery irrespective of their race.

While there is no denying that district municipalities play an important role in the provision of basic municipal services in remote settlements, the environment and conditions under which they operate are fraught with challenges, the keys to which are the lack of a national framework guiding service delivery in DMA settlements and a very limited revenue raising capability. These challenges are further compounded by lack of meaningful support from the relevant government departments, more especially government departments that continue to provide insufficient funding for services provided on an agency basis. This study should be regarded as the first step in devising appropriate and meaningful qualitative indicators about service delivery in DMA settlements. It also raises questions about the ideological direction of current municipal organisational change, and suggests that the mere delivery of basic services in DMA settlements is a major achievement in its own right.

## **15. RECOMMENDATIONS**

These recommendations are made in light of impending decisions regarding the future of DMAs to be made after the 2005/2006 local government elections by the MDB in consultation with the national Minister of Local Government and various MECs.

### **15.1 Need to encourage investment**

The limited economic opportunities in the DMA settlements require district municipalities to start liaising with their local business chambers for the benefit of local communities. These discussions should include all stakeholders, including civil society, with economic/development interests. District municipalities must create and promote an environment conducive to investment and business development by providing the necessary infrastructure and support, particularly to bodies such as tourism agencies. In addition, all projects, including capital expenditure projects, should employ local labour as one measure of economic development and poverty alleviation. Projects need to have poverty relief as a primary goal, but it should be recognised that this may often best be achieved through support for formal business and economically competitive projects. Service delivery and development in the DMA settlements should as far as possible be de-politicised, for the greater good of the community as a whole. Furthermore, district municipalities should have a dedicated LED unit or official focussing exclusively on economic development of the DMA settlements. These units or officials should be obliged to undergo economic and development training (ideally the new SETA LED course) and report to both the district municipalities and the provincial units.

### **15.2 Develop a working definition of service delivery in DMAs**

Service delivery in DMA settlements needs to be clearly defined and understood by all communities. Such a definition should combine the strengths of the Department of Trade and Industry (DTI) and Department of Provincial and Local Government (DPLG) perspectives, and stress the need to strive for both poverty relief and sustainable economic development. National and provincial government can assist through proper market research, identifying national and international market opportunities, offering relevant and practical advice, and developing appropriate policy and realistic guidelines. Government should also promote best practices, publicise findings, and encourage monitoring, evaluation and assessment to determine future action.

### **15.3 Cost of providing services to rural areas**

District municipalities are better positioned to provide economies of scale. However, the bulk-service needs of farmers and DMA settlements communities are too difficult and costly to be met in full by district municipalities. This requires an innovative approach. For district municipalities to respond creatively to rural service delivery they have to develop spatial development plans or frameworks that will ensure some form of building regulations in all DMA settlements. The regulations will ensure that infrastructure development, especially housing development in DMA settlements, is in line with the strategies of the district municipalities.

#### **15.4 Alternative service delivery**

The White Paper on Local Government (1998) rightly states that municipal institutional arrangements cannot be assessed in the abstract, and that there are no universally ideal systems. While this White Paper is informed by research into municipal systems in both the developed and developing world, no international model can be transposed unaltered to the South African context. Rather, municipal institutions need to be assessed in the context of our specific circumstances, and judged against their ability to meet the needs of local communities. Therefore, district municipalities must develop service delivery mechanisms that are informed by their own socio-economic and political circumstances.

#### **15.5 Organisational restructuring for service delivery**

District municipalities need to develop a well-trained, committed, well-resourced, and permanent district facilitation unit that has the funds and staff to support DMA settlements. A number of development agencies including the Development Bank of Southern Africa should be engaged to determine what support they can provide in designing, funding and implementing appropriate DMA service delivery models. These models should be monitored and assessed continually to identify successes and blockages. The institutional design of district municipalities needs to recognise the diversity of rural settlement patterns, and the variations in existing municipal capacity and service demands across rural areas.

#### **15.6 Future of DMAs**

The imminent re-evaluation of DMA boundaries does not bode well for sustainable service delivery in DMA settlements. District municipalities should start engaging local municipalities about service partnership to ensure that all current efforts directed towards service delivery to DMA settlements do not amount to nothing. The financial and administrative ability of local municipalities to sustain capital infrastructure maintenance and rehabilitation in the areas should be supported in the short and medium term to ensure that DMA settlements do not lose out after the re-demarcation process.

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