

CHAPTER 8

AN INTRODUCTION TO THE GREATER PRETORIA METROPOLITAN AREA IN THE INTERIM PHASE (1 NOVEMBER 1995 UP TO 5 DECEMBER 2000)

8.1. INTRODUCTION

On 1 November 1995 the interim phase commenced when the communities within the greater Pretoria area elected their political representatives on the metropolitan council and the three metropolitan local authorities (*Official Local Government Yearbook*, 1995/96: 13-14). On 8 December 1995, Premier's Proclamation No 38 was promulgated, and on 12 December 1995 the Greater Pretoria Metropolitan Council (GPMC) with the three metropolitan local authorities of:

- (d) the Town Council of Centurion;
- (e) the City Council of Pretoria; and
- (f) the Northern Pretoria Metropolitan Council,

was officially inaugurated.

Before the restructuring of local government as it moves towards the final phase can however, be discussed it is important to place the Greater Pretoria local government structures in the interim phase into perspective. In this chapter the status of local government in the Greater Pretoria Area (GPA) in the interim phase will be discussed, by means of statistical analyses focussing on political representation, staffing structures, and financial and fiscal affairs.

8.2. LOCAL SPHERE OF GOVERNMENT IN THE INTERIM PHASE

The local sphere of government in South Africa in the interim phase has been structured into 839 local authorities. These local authorities have been divided as follows:

- (a) six (6) metropolitan councils with collectively 24 metropolitan local authorities;
- (b) 42 regional councils/district councils;
- (c) 440 local authorities; and
- (d) 327 representative councils (Sutcliff, 1998: 2).

These local authorities are the products of the second phase of the restructuring of local government, the first being the establishment of appointed "pre-interim" local authorities. Local elections during 1995 and 1996 led to these "interim" local authorities.

Six metropolitan areas are existent in the Republic of South Africa (Official Local Government Yearbook, 1998: 17), namely:

- (a) the Cape metropolitan;
- (b) the Greater Johannesburg;
- (c) the Greater Durban;
- (d) the Greater Pretoria;
- (e) the Lekoa Vaal; and
- (f) Khayalami.

These will be restructured in terms of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998) for the "final phase".

8.3. PRETORIA IN NATIONAL SOCIO-ECONOMIC CONTEXT

Pretoria is one of South Africa's four largest metropolitan areas, with an estimated 1995 population within the greater Pretoria metropolitan area of

1 678 800, and a functional area population of 2 431 000 (Greater Pretoria Metropolitan Council, 1996; Centre for Developmental Education, 1995). Table 3 provides a comparison with figures for the other metropoles (Official South African Local Government Yearbook, 1997/98: 228).

TABLE 3: POPULATIONS OF THE LARGEST SA METROPOLITAN AREAS (a)

AREA	1995 POPULATION
Witwatersrand	5 484 000
Durban	3 215 000
Pretoria	2 431 000
Cape Town	2 279 000

(a) Source: Greater Pretoria Metropolitan Council Land Development Objectives, 1997: 7.

In terms of location, Pretoria is one of the two major metropolitan complexes in the Province of Gauteng, the other being Johannesburg. Commuters often either live in Johannesburg and work in Pretoria, or *vice versa*, underlining the interdependence of the Gauteng metropolitan system, and the need for Gauteng-based co-ordination between the various elements of that system (Greater Pretoria Metropolitan Council Land Development Objectives, 1997: 7).

Given that approximately 33% of the road network in the greater Pretoria area is geared towards high volume and rapid movement of traffic, it can be assumed that an intensive movement of people, goods and services is facilitated both internally and externally. It must also be noted that a large volume of commuter traffic enters the Pretoria area from outside its boundaries, especially from the Garankuwa and Mabopane regions (Municipal Demarcation Board, 28 June 1999: Annexure A).

TABLE 4: PEAK HOUR PUBLIC TRANSPORT NODAL SPLIT (a)

MODE	ACTUAL	PERCENTAGE
Rail passengers	34 000	35%
Bus passengers	30 000	31%
Taxi passengers	33 000	34%
TOTAL	97 000	100%
Passengers per 1000	64	
population		

(a) Source: Municipal Demarcation Board, 28 June 1999: Annexure A.

Pretoria is also an "inter-provincial" metropole, with over a hundred thousand commuters (in 1994) arriving daily for work in Pretoria from adjacent settlements in the Northwest and Mpumalanga provinces (e.g. Winterveld and the former KwaNdebele areas). This suggests a potential special national government interest in the future development of the Pretoria metropolitan area (Greater Pretoria Metropolitan Council Land Development Objectives, 1997: 8).

Pretoria's local economy is not quite as diverse as the other major metropolitan areas. It shows a strong bias towards the services sector, which employs some 46% of workers (in comparison the equivalent figures for Johannesburg, Durban and Cape Town are 34%, 31% and 30%). This partially reflects the strong public sector bias of employment in Pretoria, the administrative capital of the country as well as home to several national government institutions (Official South African Local Government Yearbook, 1997/98).

During the late 1980's and early 1990's, Pretoria's rate of economic and employment growth (in the latter case 30% growth between 1985 and 1991) were amongst the highest in the country, being three times those of Cape Town and equivalent to those of Durban. By 1998, however, Central Statistic Services' indicators suggest a slow-down in Pretoria's comparative rate of economic growth, with the value of new buildings being completed in the area,

for example, now being less than half the equivalent completions in either Cape Town or Durban. This negative recent trend (reinforced, for example, by the closure of ISCOR and layoffs in other industries) suggests a need for Pretoria's leadership to prioritize economic development, a conclusion that they themselves have already collectively reached through the Greater Pretoria Metropolitan Council's (GPMC's) land development objective processes (Greater Pretoria Metropolitan Council Land Development Objectives, 1997).

8.3.1. BROAD DIMENSIONS OF METROPOLITAN GOVERNMENT

The greater Pretoria metropolitan area had an estimated 1995 population of some 1,68 million, most of whom (1,12 million) lived within the central metropolitan local authority area – the largest of the three within the greater Pretoria metropolitan area (see Table 5). The other two metropolitan local authorities are much smaller (Official South African Local Government Yearbook, 1997/98: 228-229).

TABLE 5: POPULATION IN THE GPMC AREA AND METROPOLITAN LOCAL AUTHORITY AREAS (a)

LOCAL	1993 POP.	%	1995 POP.	%	Estimated	%
AUTHORITY					2000 POP.	
Soshanguve	370 000		400 383		864 000	
Akasia	19 821		21 773		27 545	
Subtotal	394 821	24,92	422 156	25,15	891 545	37,65
Pretoria	508 115		521 184		556 360	
Atteridgeville	194 000		206 710		242 000	
Mamelodi	328 352		357 168		439 410	
Eersterust	20 770		31 905	,	37 940	
Subtotal	1 060 237	66,93	1 117 067	66,54	1 275 710	53,87
Centurion	106 762		116 324		175 095	
Laudium	22 278		23 252		25 880	
Subtotal	129 040	8,15	139 576	8,31	200 975	8,49
TOTAL	1 584 098	100	1 678 799	100	2 368 230	100

(a) Source: Greater Pretoria Metropolitan Council Land Development Objectives, 1997: 15.

The interim shape of local government boundaries reflected considerable residual effects from past patterns of local government. The outer perimeter of the greater Pretoria metropolitan area was, for example, influenced by concepts of regional services council areas and the outcome of negotiations over provincial boundaries. Hence, the northern Pretoria metropolitan boundary parallels the Gauteng province boundary, when there are, in fact, a significant number of Pretoria's commuters beyond these boundaries. The central metropolitan local authority boundary was also largely a reflection of the aggregation of the former Pretoria and Atteridgeville, Mamelodi and Eersterust, and the southern metropolitan local authority area, for example, was largely the result of the segregation of the former Centurion with Laudium (McCarthy, 1998: 28).

8.3.2. FINANCIAL STATUS OF LOCAL AUTHORITIES IN THE GREATER PRETORIA AREA

In gross financial terms, the greater Pretoria area appears to be viable with a per capita rate of local authority income comparable to that of Durban. The most unusual characteristic in Pretoria's finances relates to metropolitan council and metropolitan local authority relationships, and some indication of the relative dominance of the central metropolitan local authority can be gauged from the total income figures for 1996/97 of the various councils. The preliminary indicators of relative financial scale are shown in Table 6 below (based upon figures provided by the Department of Finance). These figures reflect a somewhat smaller role for the Greater Pretoria Metropolitan Council (GPMC) than might otherwise be determined from the summary budgets supplied by the Greater Pretoria Metropolitan Council (GPMC) and metropolitan local authorities and this, in turn, is a reflection of various roles that were performed by local authorities on an agency basis on behalf of the Greater Pretoria Metropolitan Council (GPMC). These discrepancies do not. however, affect the broad points which are made here (Department of Finance, 1998: 8).

TABLE 6: COMPARATIVE 1996/97 (NON-LOAN BASED) INCOME FIGURES FOR THE FOUR PRETORIA LOCAL AUTHORITIES (a)

LOCAL AUTHORITY	1996/97 BUDGET INCOME
	'R'-MILLION
GPMC	482 M
Central	2 539 M
Southern	383 M
Northern	330 M
TOTAL	3 734 M

(a) Source: Official South African Local Government Yearbook, 1997/98: 228-248).

Even in the context of this comparison, the central metropolitan local authority is in order-of-magnitude larger than the other two metropolitan local authorities, not only in population but also in budgetary terms. Moreover, its budget is significantly larger than the Greater Pretoria Metropolitan Council's (GPMC's), which is a situation unparalleled elsewhere in the country (in Durban the metropolitan council budget is several times larger than that of its largest metropolitan local authority – the northern central local authority). Even if somewhat different calculations are made of total budget size, based upon the summary budgets supplied by the various local authorities, the central metropolitan local authority emerges as significantly larger than the Greater Pretoria Metropolitan Council (GPMC) (McCarthy, 1998: 29).

The aspect of relative scale has led to some confusion in the perceptions of both insiders and outsiders as to what the "Pretoria Council" actually is – the Greater Pretoria Metropolitan Council (GPMC) or the central metropolitan local authority, the latter often being described in general discourse in Pretoria as the "Pretoria Council". In the interim, in functional terms, the Greater Pretoria Metropolitan Council (GPMC) tended to perform many of the development roles in lower income areas and the central metropolitan local authority engaged in a mix of functions, including many systems maintenance functions in the more developed areas. This dualism was unlikely to provide a durable solution to the longer term challenges of metropolitan/local government in Pretoria, and a degree of boundary realignment and reallocation of functions began to appear necessary over time (Greater Pretoria Metropolitan Council, April 1998).

8.3.3. COUNCILLOR REPRESENTATION

The interim system for electing councillors consisted of 40% proportional representation and 60% "first-past-the-post" ward candidates. The number of councillors that made up the metropolitan local authorities were:

(a) South (20);

- (b) Central (70); and
- (c) North (30) (Official South African Local Government Yearbook, 1997/98: 228–248).

Twenty four of these councillors (eighteen (18) from the central -, four (4) from the northern and two (2) from the southern metropolitan local authority) sat on the Greater Pretoria Metropolitan Council (GPMC) together with sixteen (16) other Greater Pretoria Metropolitan Council (GPMC) councillors elected via proportional representation, making up a Greater Pretoria Metropolitan Council (GPMC) of 40. All four councils had elected mayors and deputy mayors and elected executive committees (McCarthy, 1998: 29). There were 72 wards in the interim resulting in a councillor to population ratio of about one to 12 000. The latter figure was nearly four times the national average, which is one to 3 405. Although it was higher than in many cities, it was not largely out of line with the national pattern in metropolitan areas, where densities allowed higher numbers of people per councillor (a comparative figure for Durban was about 7 000) (McCarthy, 1998: 29).

8.3.4. HUMAN RESOURCE STRUCTURES

The organizational systems of the human resource structures of the different local authorities varied, each having their own organograms. Perhaps the most striking feature of these, given the comparable sizes of the Greater Pretoria Metropolitan Council (GPMC) and the central metropolitan local authority, was the relative simplicity and flatness of local authority structures, which made significant use of outsourcing (indeed, the Greater Pretoria Metropolitan Council's (GPMC's) salary bill comprised only some 10% of operating expenditure in comparison with the central metropolitan local authority's 38% in 1996/97) (Official South African Local Government Yearbook, 1997/98: 568-636).

Moreover, in common with most other South African metropolitan areas, major elements of Pretoria's local governmental system had inherited something of

an old-fashioned "British Civil Service" *modus operandi*, adapted via layers of apartheid structuring, and subsequent amalgamations of apartheid subcomponents and, (uneven) affirmative action practices (Cloete, 1997: 33).

Subcontracting and public-private partnerships were, however, operating, and in the Greater Pretoria Metropolitan Council (GPMC) in particular, there was also a strong thrust towards strategic planning, which appeared to be heading towards the type of developmental goals envisaged in the White Paper on Local Government, 1998.

An innovative development in the interim in Pretoria was the emergence of a Chief Executives Committee (CECOM), where the four local authorities' chief executives and their senior aides met regularly to discuss matters of common interest, including, for example, the implications of the White Paper on Local Government, 1998, for their city. This resulted, *inter alia,* in some very useful working documents relevant to the future of metropolitan/local government in Greater Pretoria (Greater Pretoria Metropolitan Council Institutional Working Group, 1998).

8.3.5. DETAILED FINANCIAL ANALYSIS AND TRENDS

In 1996/97 the various local authorities in Pretoria had a capital expenditure (CAPEX) of R870 million, which increased to R1 312 million in 1997/98, whilst operating expenditures (OPEX) of R3 260 million in 1996/97 rose to R3 578 million in 1997/98 (see Table 7, columns 3 and 4). The more rapid rise of CAPEX than OPEX was a healthy trend, reflecting a movement towards more developmental priorities (Department of Finance, 1998: 6).

In order to gain some understanding of the budgetary relationships between the metropolitan council and the local authorities, the proportion of total CAPEX of all four local authorities shared by each was calculated, with the process repeated for OPEX (Table 7, columns 5 and 6). As can be seen, the proportion of CAPEX spent by the metropolitan council was decreasing, which was a worrying trend given its developmental orientation. In terms of OPEX, the metropolitan council's very slim 10% of total reflected its flat management and lean staffing structures in comparison with local authorities and there appeared to be no deviation in this pattern over time.

8.3.5.1. **SALARIES**

Examining the relationship between salaries and OPEX in Table 5, it can be seen that metropolitan local authorities' salary bills accounted for between 30% and 38% in 1996/97, with not much change in 1997/98. The Greater Pretoria Metropolitan Council had remarkably low salary proportions – 10% in 1996/97 and 12% in 1997/98 – reflecting its modern approach of slim bureaucracy with considerable outsourcing.

TABLE 7: FINANCIAL DETAILS: PRETORIA 1996/97 AND 1997/98 (a)

MC/MLA	STATE	CAPEX	OPEX	CAPEX/	OPEX/	SALA-	SALA-	LEVIES	RATES	RATES
1996/97	FUNDS			AREA	AREA	RIES/	RIES		OR	PER
(R000s)				TOTAL	TOTAL	OPEX			SITE	REG.
									RENTS	VOTER
										'R'
GTR PTA	46 133	310 000	343 555	35,62%	10,54%	10,2%	35 000	307 422		
Central	115 576	437 349	2 299 743	50,26%	70,54%	38,0%	873 220		386 494	925
Northern	52 633	69 570	251 019	7,99%	7,70%	30,0%	75 220		31 476	295
Centurion	26 283	53 313	366 224	6,13%	11,23%	30,9%	113 000		110 300	1 692
MLATOT	240 625	560 232	2 916 986	64,38%	89,46%	36,4%	1 061 440		528 270	
TOTAL		870 232	3 260 541			33,6%	1 096 440		528 270	895
1997/98										
GTR PTA	34 133	317 859	368 448	24,22%	10,30%	12,53%	46 180	334 315		
Central	109 922	721 334	2 473 493	54,97%	69,13%	36,38%	899 966		666 200	1 594
Northern	119 210	196 589	310 135	14,98%	8,67%	29,97%	92 932		37 150	348
Centurion	21 807	76 390	425 950	5,82%	11,90%	32,27%	137 455		135 977	2 086
MLATOT	285 072	994 313	3 209 578	75,78%	89,70%	35,22%	1 130 353		839 327	
TOTAL		1 312	3 578 026			32,88%	1 176 533		839 327	1 423
		172								

(a) Source: Department of Finance, 1998: 6.

8.3.6. LEVIES AND RATES

Table 8 shows that, whilst levies and rates were important to the metropolitan council (82% of total budget in 1996/97 dropping to 49% in 1997/98), this did not apply to metropolitan local authorities where the proportion varied between 7% and 27%.

TABLE 8: FINANCIAL CALCULATIONS: PRETORIA 1996/97 AND 1997/98 (a)

MC/MLA	STATE	OPEX +	LEVIES+	STATE	OPEX +	LEVIES+
(R000s)	FUNDS/	CAPEX 1996/7	RATES/	FUNDS/	CAPEX	RATES/
	CAPEX +		OPEX +	CAPEX +	1997/8	OPEX +
	OPEX 1996/7		CAPEX	OPEX		CAPEX
			1996/7	1997/8		1997/8
GTR PTA	12,3	374 555	82,08%	4,9	686 307	48,71%
Central	1,7	6 679 092	5,79%	3,4	3 194 827	20,85%
Northern	16,4	320 589	9,82%	23,5	506 724	7,33%
Centurion	6,3	419 537	26,29%	4,3	502 340	27,07%
TMSSTOT	6,9	3 477 218	15,19%	6,8	4 203 891	19,97%
TOTAL		4 130 773	12,79		4 890 198	17,16%

⁽a) Source: Department of Finance, 1998: 8.

8.3.7. INTERGOVERNMENTAL TRANSFERS OF FUNDS

Although the Greater Pretoria Metropolitan Council did not have a rate base *per se*, all local authorities added a 10% surcharge to the rates they collected, and remitted this to the Greater Pretoria Metropolitan Council. Tables 9A and 9B show some of the intergovernmental transfers of funds, although they do not include funds paid by metropolitan local authorities to the metropolitan council and do not differentiate between provincial or national origins of funds.

TABLE 9A: INTERGOVERNMENTAL TRANSFER OF FUNDS: GPA 1996/1997(a)

GOVERNMENT	LOCAL	METRO – LOCAL	PROVINCE -	CENTRAL -
STRUCTURE	AUTHORITY –	AUTHORITY	LOCAL	LOCAL
	METRO		AUTHORITY	AUTHORITY
Akasia (North)		47 924 000	2 260 000 Subsidy	
			36 517 500 IGG #	
			13 855 826 Grants	
			& Subsidy	
Central (Pretoria		103 167 000	44 099 028 Subsidy	
Council)				
Centurion (South)		12 000 000	4 203 932 Subsidy	10 725 000 RDP
			11 354 257 Grants	
			& Subsidy	
Metro	Part of 16 132 722	·	20 000 000	10 000 000
			Subsidy*	Transport levy
			16 132 722 (Part	
			of)*	

⁽a) Source: Greater Pretoria Metropolitan Council, 30 June 1997.

The intergovernmental grant has two portions, one from provincial local government to the metropolitan council and a second from a 10% surcharge on ratable property. This is transferred to the metropolitan council.

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^{*} From National Revenue Fund, via Province.

TABLE 9B: INTERGOVERNMENTAL TRANSFER OF FUNDS: GPA 1997/1998 (a)

GOVERNMENT	LOCAL AUTHORITY	METRO – LOCAL	PROVINCE -	CENTRAL -
STRUCTURE	- METRO	AUTHORITY	LOCAL	LOCAL
			AUTHORITY	AUTHORITY
Akasia (North)		99 934 000	2 600 000 Subsidy	30 719 974 RDP
			38 004 180 IGG	1
			47 885 000 Grants	
			& Subsidy	
Central (Pretoria		133 010 000	46 221 956 Subsidy	6 600 000 RDP
Council)			57 100 000 Grants	
			& Subsidy	
Centurion (South)		12 000 000	3 375 000 Subsidy	8 902 400 RDP
			9 530 073 Grants &	
			Subsidy	
Metro	Part of 16 133 000		18 000 000 Prov.	
			Subsidy	
			Part of 16 133 000	

⁽a) Source: Greater Pretoria Metropolitan Council, 30 June 1997.

8.3.8. ANALYSIS OF WARDS AND VOTERS

In order to establish the extent to which relative equity in spending and in representation existed in Pretoria, various characteristics of wards within the local authorities have been compared (See Tables 7, 10 and 11).

Table 10 highlights two main points:

- (a) the average size of wards varied greatly between local authorities from 5 432 in the south metropolitan local authority to 9 951 in the north metropolitan local authority, with the general result that poorer people's votes tended to count less; and
- (b) the range of sizes of wards within local authorities was great, so that the smallest ward in the central metropolitan local authority was about a tenth

of the largest, for example, and the smallest ward in the north metropolitan local authority was less than a twentieth of the largest in size.

Table 11 also illustrates racially-related differences. In the 1995 elections, there were an equal number of A and B wards per local authority. However, these may not have been equal in size in terms of the number of voters. In Pretoria a major area for concern was the north metropolitan local authority, where the number of registered voters in A wards was about one tenth of that applicable in B wards (McCarthy, 1998: 32).

One indicator of the relative economic welfare of local authorities was the *per capita* rates collected. As noted in column 10 of Table 7, there were radical variations in such figures with *per capita* income in the northern metropolitan local authority being only one fifth or less of the other metropolitan local authorities. Clearly these considerations would have to be re-addressed in any re-demarcation of wards and local authorities in the future.

TABLE 10: VOTER STATISTICS BY WARD: GPA 1995 (a)

MLA	#	REG.	REG.	REG.	RANGE	REG.	VOTER	VOTER	VOTE	RANGE	VOTER
		AVE-	MIN.	MAX.		SUM	AVE-	MIN.	MAX.		SUM
		RAGE					RAGE				
PC	42	9 951	1 484	18 423	16 939	417 956	5 116	666	12 408	11 742	214 899
PCE	12	5 432	4 183	6 584	2 401	65 187	3 500	1 774	4 458	2 684	42 000
PN	18	5 932	604	12 130	11 526	106 792	3 174	341	6 195	5 854	57 142
PTA		8 193	604	18 423	17 819	589 935	4 361	341	12 408	12 067	314 041

(a) Source: McCarthy, 1998: 32.

(PC: Central Pretoria, PCE: Centurion, PN: Northern Pretoria)

TABLE 11: A VS B NUMBERS AND VOTES BY WARD: GPA 1995 (a)

MLA	A	В	A/B	A	В	A/B
	REGISTERED	REGISTERED	REG.	VOTES	VOTES	VOTES
PC	226 079	191 877	1,18	115 683	99 216	1,17
PCE	65 187	-	-	42 000	-	-
PN	11 175	95 617	0,12	7 194	49 948	0,14
GRAND TOTAL	302 441	287 494	1,05	164 877	149 164	1,105

(a) Source: *McCarthy*, 1998: 31.

8.4. CONCLUSION

Greater Pretoria as the capital city of South Africa, is the northern portion of the Gauteng Province. When compared with the other existing metropolitan areas, it is clear that Pretoria, could be regarded as a medium-sized metropolitan area. Pretoria in the interim phase was regarded as the fourth largest metropolitan area in South Africa.

For the efficient functioning of the city, Pretoria has a large network of road and rail facilities and services. Within Pretoria an intense movement of people, goods and services takes place on a daily basis, which indicates that it operates as an entity and that it requires integrated development planning. A large volume of commuter traffic enters the Pretoria area from outside its boundaries, especially from the Garankuwa and Mabopane regions.

The Greater Pretoria area has the highest *per capita* capital expenditure in Gauteng. The Pretoria area also has the highest operating and income *per capita* ratios for all local authorities in Gauteng. Whilst levies and rates were important to the metropolitan council (82% of total budget in 1996/97 dropping to 49% in 1997/98) this did not apply to metropolitan local authorities where the proportion varied between 7% and 27%. All these factors would have to be taken into consideration when evaluating the *status quo* in order to determine a local government category for the Greater Pretoria Area.

In order to substantiate a specific local government category for the Greater Pretoria Area in the final phase the proposed categories of local government as contained in the Local Government Municipal Structures Act, 1998 (Act 117 of 1998) will be evaluated in the Greater Pretoria context. Comparison will be drawn with experience in the United States of America, where there is a wider range of city sizes available than in the Republic of South Africa. The experience will be used to evaluate the local government categories on the basis of key principles advanced by David Crombie's "Who Does What" advisory panel on the restructuring of local government in Toronto, Canada in

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order to substantiate a local government category for the Greater Pretoria Area.