

For immediate release

Thursday, 18 May 2018

## **SALGA welcomes COGTA Budget Vote designed to transform municipal spaces and build developmental Local Government**

The South African Local Government Association (SALGA) welcomes the Cooperative Governance and Traditional Affairs (CoGTA) Budget Vote No: 4 as tabled by the Honourable Minister Des Van Rooyen this afternoon, Thursday, 18 May 2017, in the National Assembly, Parliament.

Transforming the local government sector has been a key element of the CoGTA Budget and this is a clear indication that SALGA's Strategic Framework 2017 – 2022 – as discussed and adopted in the previous SALGA National Conference, themed, “Spatial Justice and Social Cohesion through the Integrated Management of Space, Economies and People”, speaks to the needs of the people and the developmental agenda of local government.

Minister Van Rooyen used his Budget Vote to “congratulate the President SALGA, Councillor Parks Tau, on his election as President of the United Cities and Local Government (UCLG).

“Councillor Tau has also been appointed to the United Nations (UN) High-Level independent panel to oversee the effectiveness of the UN-Habitat – a programme that promotes socially and environmentally sustainable towns and cities,” the Minister said.

Following the Municipal Election 2016, SALGA successfully rolled-out an Integrated Councillor Induction Programme (ICIP) in ushering in the newly democratically elected local government for the next five year period. To further democratise municipal spaces, the ICIP included traditional leaders in municipal councils.

Minister Van Rooyen further said: “For the first time, following the 2016 Local Government Elections, traditional leaders attended the Integrated Councillor Induction Programme that was hosted by SALGA”.

To further improve the state of our municipal finances, Minister Van Rooyen announced that his Department developed a generic revenue plan which was implemented in 30 municipalities. Implementation entails the review and update of municipal financial policies, assistance to recover outstanding government debt and data cleansing. This development is welcomed as it strengthens municipal revenue collections and financial governance which is an extension of SALGA’s Municipal Audit Support Programme (MASP).

SALGA supports the call by Minister for transformed municipal spaces to become a reality for all South African citizens.

SALGA congratulates Municipalities in Mpumalanga Province for being the best performing at this point as they have spent 72,42% (R1,3 billion), followed by KwaZulu-Natal that have spent 69,4% (R2,3 billion) of the total allocation of R3,8 billion.

### **Municipal revenue and Eskom debt**

The Minister also expressed his concern about the excessive growth of debt owed to municipalities to the tune of R117 billion as at 31 December 2016.

“The culture of non-payment in our society is becoming a pandemic. National departments are owing municipalities R2,3 billion, while Provincial departments are owing municipalities R3,1 billion,” the Minister said.

The Minister announced that together with the Minister of Public Enterprises, they have set up Inter-Ministerial Task Team inclusive of the Department of Public Enterprise, Eskom, SALGA and the National Treasury to find solutions to the challenges faced by municipalities who owe Eskom.

Added to the systemic challenges, the Inter-Ministerial Task Team is also attending to the Constitutional complication on the “dual competency” for Eskom and Municipalities when it comes to electricity distribution and reticulation.

The Inter-Ministerial Task Team met in Cape Town on Thursday, 11 May 2017 to, among others, discuss and agree on its Terms of Reference. SALGA is of the view that the matters relating to electricity and Eskom cannot be viewed in isolation and need to be dealt with holistically in the spirit of Intergovernmental Relations. The discussion on the Terms of Reference is important because it outlines the issues the Inter-Ministerial Task Team will deal with including Constitutional, structural and systemic aspects related to electricity reticulation.

SALGA hopes that the Inter-Ministerial Task Team and its Technical Team will find a sustainable solution to these challenges and report progress to the Cabinet.

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**ISSUED BY: SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION**

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