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MEDIA STATEMENT

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SALGA SONA EXPECTATIONS 2023

The State of the Nation Address (SONA) will be delivered on Thursday, February 9, 2023, and the South African Local Government Association (SALGA) would like to wish the President of the Republic of South Africa, His Excellency, Cyril Ramaphosa, well.

This year's SONA takes place as South Africa struggles to deal with several issues, most notably the energy crisis and the rising cost of living. In a similar vein, local government is confronted with a variety of complex issues, such as the growing debt owed to municipalities, which directly affects municipal revenue sources, and is made worse by the weak economy, which causes unemployment and rising poverty levels.

SALGA hopes, in his address, President Ramaphosa will tackle a few issues pertinent to local government.

Municipal debt recovery

According to the most recent data, businesses, government entities, and households owe municipalities a total of R290 billion for the services they received from municipalities.

Municipalities generate revenue in part from fees from municipal service charges, which are used to run and maintain services like reliable water supply, sanitation, energy, and refuse services.

In July 2022, SALGA launched its Asisho! Let's Say It! A national citizen responsibility campaign, which emphasizes citizens, businesses, and households contributing to the social and economic development of their communities by paying for municipal services rendered.

Municipalities are currently working to improve their municipal debt recovery mechanisms in accordance with the campaign, and SALGA calls on the entire government to join forces in the ongoing effort to build a financially viable local government system that will increase the quantity and quality service delivery to everyone, everywhere.

None of these challenges are insurmountable if all three spheres of government work together towards a common objective.

Energy

To relieve pressure on Eskom and ensure energy security, SALGA is promoting the acceleration of the energy transition on behalf of its member municipalities, including legislative changes that would allow municipalities to produce their own electricity and buy electricity from independent power producers (IPPs).



Considering the imperatives of a just transition, the potential negative impact of the Just Energy Transition on certain localities and communities should also be considered in our ambitious actions for an environmentally sustainable economy.

SALGA requests that the President give a status update on the introduction of renewable energy independent power producers (IPPs) in the country's energy sector as well as plans for ending persistent loadshedding, which has had a negative effect on municipalities, consumers, and small businesses.

Local government funding

The White Paper on the funding model envisaged that Local Government, in addition to its own revenue, it would have access to an equitable share of nationally raised revenue. However, municipalities currently receive 9.8% of nationally raised revenue under South Africa's local government funding and revenue framework, which could be significantly improved.

The revenue-sharing mechanism, specifically the Local Government Equitable Share Grant (LGES), is insufficient and hinders the sector's ability to carry out its constitutional obligations, including providing basic services to indigent households.

In the context of declining property rates and tariffs revenues and increasing expenditure on bulk service costs, local government is operating in an unsteady environment and requires more financial support if it is to address the social and economic challenges people are facing.

SALGA would like to hear President Ramaphosa address the inadequate funding of local government from the national budget.

Municipalities in co-operative government

The placement of municipalities in the cooperative government system emphasizes the significance of cooperating to create coherence in our oversight approach in support of local government.

In this regard, Section 154 (1) of The Constitution makes it abundantly clear that national government and provincial government, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

Therefore, SALGA is urging greater collaboration between the three spheres of government to enhance government planning, decision-making, and service provision.

Coalition Governments

SALGA supports a regulatory framework for coalition governments that is sustainable and can inspire public confidence in the democratic system. Seeing that coalitions were becoming a permanent feature of local government democracy, in November 2021, SALGA collaborated with members of executive councils and tertiary institutions to develop a Framework for Coalitions Governments.

The purpose of the framework was to determine the parameters within which coalition partners can practice their coalition politics. Without a framework to guide political parties in structuring and managing coalitions, political parties, and independent councillors are required to establish

coalitions whilst being uncertain about the rules, which results in coalitions being unstable or short-lived. This continues to be a common problem across the board.

Safety and security of municipal councillors and officials.

SALGA remains gravely concerned by the increasing number of incidents of intimidation and killings of councillors and municipal officials. The killing of municipal leaders and officials, including the destruction to their property harms the functionality and stability of municipalities and an attack on local government representatives is a serious threat to democracy. Such incidents should never be allowed to become part of the regular hazards of working for local government.

However, there is now a national crisis because of the alarming rise in violent threats against council members and municipal officials.

SALGA brought up this issue at a National Council of Provinces (NCOP) meeting in November 2022 and recommended, among other things, that the South African Special Risk Association (SASRIA) insurance be expanded to cover senior municipal officials.

The organisation also called for improved synergies with the South African Police Service (SAPS) to ensure that there is a more direct and coordinated effort by the police to act on charges and complaints of violence and acts of intimidation. SALGA would like the President to make this issue a national priority.

The role of municipalities in combating climate change

The role of municipalities in disaster management and the funding thereof have come under the spotlight because of recent floods in KwaZulu-Natal, the Eastern Cape, and other regions of the country.

Municipalities currently lack the resources necessary for disaster mitigation and prevention, and the funds that do exist are only made available after a disaster has already occurred.

Due to this, SALGA believes that the country's current Disaster Management Function and Funding Arrangements need to be modified and focused on putting measures in place to reduce the likelihood of fatalities and severe infrastructure damage after receiving an early-warning disaster alert. In other words, it needs to be geared towards risk reduction and rapid response.

Municipalities should also be equipped to implement emergency preventive and risk-reduction measures as part of this.

SALGA would like to hear President Ramaphosa emphasize the role that municipalities play in combating climate change.

District Development Model (DDM)

The District Development Model (DDM), into which SALGA expects the President delving, calls for all three spheres of government to coordinate and integrate development plans and budgets as well as to mobilize the capacity and resources of government and civil society, including business, labour, and the community, to achieve inclusive growth and job creation.

SALGA therefore looks forward to how the President plans to strengthen and enhance cooperative governance in a way that delivers real results for people and communities.

Additionally, SALGA expects that the President of the Republic will gauge public sentiment, read it, and offer assurances that should instil not only hope but also solutions to the nation's pressing problems.

SALGA expects that when President Ramaphosa delivers his SONA, he will keep South African municipalities in mind. SALGA hopes for a SONA that reflects the bold policy shifts necessary to increase the capacity of local governments.

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