

Bojanala fails to pay workers, mulls short-term R50m loan

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RUSTENBURG - The Bojanala Platinum District Municipality in North West did not pay workers their July salaries on Thursday.

In a letter to the employees and councillors, municipal manager Pogiso Shikwane said payment of salaries for July would be delayed until a date to be confirmed.

Shikwane said the municipality was solely dependent on the equitable share as its main revenue.

The provincial treasury withheld the equitable share to Bojanala and eight other municipalities in North West due to non-compliance.

Shikwane said they trusted that the non-payment of salaries would be resolved at the earliest convenience as they were attending to the directives of the provincial treasury relating to non-compliance to ensure that operations of the municipality were restored back to normal.

The South African Municipal Workers Union (Samwu) said it was provoked by breach of contract where Bojanala district municipality failed to pay workers their salaries on time.

"For all reasons, we are also convinced that third party such as medical aid, funeral policies, and pension funds have not been honoured despite the fact that deductions have been processed," said deputy provincial secretary Vanguard Mokwena.

Municipal spokesman Archie Babeile the council had convened a special meeting on Thursday, to adopt resolutions in line with the directives of the Finance MEC Matlalepule Rosho as well as contingency measures for the operational budget while awaiting the release of equitable share.

He said as a contingency measure, the council resolved to acquire a short-term loan for an overdraft in the amount of R50 million for operational issues.

"The council had resolved to comply with the provisions of section 45 (4) of MFMA [Municipal Finance Management Act] to repay the short-term loan within the current financial year," he said.

"The municipality is in constant communication with the financial institution where the overdraft facility applied to and once same is approved and credited in the municipal account, operations of the municipality including payment of salaries will be affected as a matter of utmost urgency."

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