**MEDIA STATEMENT**

**COGTA COMMITTEE RECOMMENDS DISSOLUTION OF RENOSTERBERG LOCAL MUNICIPALITY COUNCIL**

**Parliament, Thursday, 03 September 2020 –**The Select Committee on Cooperative Governance and Traditional Affairs, Water and Sanitation will recommend to the National Council of Provinces (NCOP) to approve the intervention by Northern Cape Provincial Executive into the Renosterberg Local Municipality in Terms of Section 139 (1)(c) and Section 139 (5) of the Constitution.

Following a lengthy engagement with the municipality’s stakeholders, the committee is convinced that the municipality is unable to achieve the objects of the local government, as set out in Section 152 of the Constitution.

Some of the issues the committee relied upon to reach this decision include the information that governance has collapsed, financial challenges facing the municipality including a R89 million debt to Eskom and non-submission of Section 71 reports, as per the Municipal Finance Management Act (MFMA).

“The committee was convinced that there are exceptional circumstances that warrant the dissolution of the municipality, as it has proven that it is unable to achieve its constitutional obligation in terms of Section 152 of the Constitution,” said Mr China Dodovu, the Chairperson of the committee.

The committee raised its disappointment with the absence of the municipality’s mayor and municipal manager to give their perspective on the matter, which would have enriched the committee’s discussion. “We have committed to look into reasons why they did not attend the meeting. This not only undermines the committee, but the Constitution as well, as it enjoys all spheres of government to work together to achieve common goals,” Mr Dodovu emphasised.

It was also concerning that the MEC reported that the municipality has refused to accept the support provided by National Treasury-appointed expert on their Municipal Finance Improvement Programme. This is concerning in the context that the municipality must implement a financial recovery plan, which is necessary to ensure that the municipality is returned to viability.

Furthermore, the committee is concerned that the municipality has failed to appoint a functional Municipal Public Accounts Committee, which could have exercised oversight over the executive in terms of the MFMA, the Systems Act and Municipal Structures Act. “This posed a serious breach in governance at the municipality, which is untenable,” Mr Dodovu added.

The committee is convinced that the decision it has taken is credible and is taken within the context of what is taking place at Renosterberg Municipality. Furthermore, the committee hopes that the decision will create a platform for change that will favour the people.

The committee is also satisfied by the fact that the Northern Cape provincial executive has met all the procedural requirements spelt out in Section 139 (3) of the Constitution on its intervention in the Renosterberg Municipality. It is in this context that the committee will recommend to the NCOP to approve the intervention as per Section 139 (1)(c) and 139 (5) of the Constitution.

The committee is hopeful that the intervention will be implemented to turn the municipality’s governance around to meet the service delivery needs of the people of the area. The committee will also recommend to the NCOP that the appointed administrator must move with speed to address the financial challenges facing the municipality and implement a financial recovery plan, address creditors’ issues and also address payment of third parties (pension fund, UIF and medical aid).

The committee will recommend that the NCOP adopt the dissolution of the municipality.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE SELECT COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, MR CHINA DODOVU**