**MEDIA STATEMENT**

**SALGA AND COSATU APPEAR BEFORE APPROPRIATIONS COMMITTEE ON MTBPS**

**Parliament, Thursday, 25 November 2021 –**The South African Local Government Association (Salga) and the Congress of South African Trade Unions (Cosatu) yesterday appeared before the Standing Committee on Appropriations to make inputs on the Medium Term Budget Policy Statement (MTBPS) and the Division of Revenue Amendment Bill.

The committee questioned Salga about its oversight mechanism to ensure that municipalities perform properly. The committee told Salga that if they conducted oversight they would see the state of poor service delivery before the public complains about it.

"Our interest as the committee is to make sure that people get services. This committee doesn't look which party is in charge when we appropriate. Our concern is over the lack of service delivery and the wastage of money by municipalities," said the Chairperson of the committee, Mr Sfiso Buthelezi.

The committee also expressed concern with municipalities' over-reliance on consultants. In the past financial year, municipalities spent R1 billion on consultants. Salga admitted that underspending and the use of consultants are among some of the challenges facing the local government sphere. Capacity-building programmes and partnerships with institutions of higher learning are being established to upskill municipalities, Salga said.

Salga's Mr Bongani Baloyi told the committee that Salga is also concerned about the issue of consultants. "It is criminal behaviour to some extent, as there are warm bodies employed to do the work that is done by consultants."

Cosatu shares the concern about the collapse of local government and state-owned enterprises. The union federation said these problems threatened all the gains made since 1994.

Cosatu also told the committee that it was disappointed by the Medium Term Budget Policy Statement (MTBPS). Cosatu believes the MTBPS provided few new ideas or interventions to grow an economy in its deepest recession in a century, with an unemployment rate that has reached 44% and is rising.

"No new allocations were provided to stimulate the stagnant economy. No new measures were provided to increase badly needed state revenue, nor to deal with the ballooning levels of corruption and wasteful expenditure. No practical plans or steps were provided to rebuild a capacitated developmental state, to stabilise and save our battered state-owned enterprises or fix the litany of dysfunctional municipalities," said Mr Matthew Parks, representing Cosatu.

The union federation had hoped that the government would place the revival of the economy and providing relief for distressed workers, the unemployed and businesses at the centre of the MTBPS. Cosatu proposed stabilisation, recovery and repositioning plans for embattled municipalities, as well as a road map to move towards the District Development Model.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE STANDING COMMITTEE ON APPROPRIATIONS, MR SFISO BUTHELEZI**

For media enquiries or interviews with the Chairperson, please contact the committee's Media Officer:

Name: Sakhile Mokoena

Parliamentary Communication Services

Cell: 081 705 2130

E-mail: smokoena@parliament.gov.za