**MEDIA STATEMENT**

**APPROPRIATIONS STANDING COMMITTEE CALLS ON SALGA TO IMPROVE SUPPORT TO LOCAL MUNICIPALITIES**

**Parliament, Tuesday, 15 March 2022 –**The Standing Committee on Appropriations was briefed by the South African Local Government Association (SALGA) on its interventions to assist local municipalities to better manage their finances and service their debts. SALGA was providing the committee with its comments on the Division of Revenue, especially around local government.

SALGA welcomed the increase in the allocation of local government equitable share by R28.9 billion over the Medium-Term Expenditure Framework and said it has developed a guide on municipal financial management to improve the capacity of municipal officials.

On capacity challenges, the committee said it is critical that anyone appointed to a position has the requisite skills to do it properly. It is too late to train a person when they are already on the job without the required skills, the committee said. The committee welcomed SALGA's interventions in training programmes for councillors and officials.

The committee noted SALGA's role in ensuring that municipalities manage their growing debt to state entities, such as Eskom. The committee further recommended that SALGA encourage municipalities to implement strict credit control measures to manage escalating debts.

The committee further noted that some municipalities have failed to register to receive indigent grants. The committee Chairperson, Mr Sfiso Buthelezi, said: "The lack of spending on these conditional grants leads the National Treasury, in some instances, to withdraw the funds and these actions lead to dire consequences for poor people".

Noting the increase in allocation of resources to local government and the challenges they face around revenue collection, the committee called on SALGA to intervene more to ensure that local municipalities have better audit mechanisms. The committee also recommended that SALGA should consider incentivising municipalities to manage their finances better.

The committee further welcomed SALGA's interventions to ensure economic recovery and the removal of red tape in local government. The committee also recommended that people with the necessary skills must be appointed to critical positions. The committee further requested regular progress reports on SALGA's interventions to assist municipalities to manage their finances.

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

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