**MEDIA STATEMENT**

**STANDING COMMITTEE ON APPROPRIATIONS CALLS FOR REDUCTION OF OVER-RELIANCE ON CONSULTANTS BY MUNICIPALITIES**

**Parliament, Friday, 10 March 2023 –** The South African Local Government Association (SALGA) and the Department of Cooperative Governance (COGTA) briefed the Standing Committee on Appropriations on the Division of Revenue Bill. The deliberations formed part of processing the 2023 Division of Revenue Bill in fulfilment of the committee's mandate which includes budgetary oversight function.

The committee noted that there was an increase in the number of people requiring indigent grants and that there were failures to disperse the grant to the poorest of the poor. The committee said millions of houses do not get their indigent services which affect the poor as they have to choose between paying the municipality and buying food.

The committee noted that the increased levels of load-shedding have forced more people to move off the grid, resulting in declining revenue from electricity sales. Although the committee welcomed the interventions announced by the Minister of Finance to resolve debt by municipalities, it said it is aware of the anxiety of the Minister that there exists a possibility that municipalities could accumulate debts all over again.

The committee also called for the reduction of over-reliance on consultants by municipalities. The Chairperson of the committee, Mr Sfiso Buthelezi said: “It doesn’t help to get consulted at the end of the financial year, the process should be done much earlier in the year.”

The committee welcomed the news that through the Municipal Infrastructure Support Agent, 25 municipalities have been supported with Labour Intensive Construction as part of the President Economic Stimulus Package. Furthermore, it welcomed interventions and that Economic Reconstruction and Recovery Plan is not just a government plan, but included social partners to stimulate inclusive growth.

The committee called for synergy of all government structures to find long-lasting solutions so that services such as capacitation of municipalities to collect revenue can take place.

**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:
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