# MINISTRY

**COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY QUESTION FOR WRITTEN REPLY QUESTION NUMBER 1311 OF 2020**

**FRIDAY, 26 JUNE 2020**

**1311. Mr I M Groenewald (FF Plus) to ask the Minister of Cooperative Governance and Traditional Affairs.**

1. Whether, with reference to the negative economic impact of the Covid-19 pandemic on communities at large, her department is considering to (a) implement measures to assist municipal ratepayers and/or recommending any prescripts for municipalities to this effect, (b) review the salary structures of some municipalities with excessively large salary expenditure, (c) abolish superfluous posts and (d) institute retrenchment processes where necessary;
2. whether she will make a statement on the matter?

# REPLY:

* 1. (a) To assist the municipal pandemic response, R11 billion has been added to the local government equitable share. These funds will allow municipalities to maintain existing services despite a temporary decline in revenue collections. They will also cover some additional expenses incurred in responding to the pandemic, including providing temporary shelter for homeless people during the lockdown.

These additions have been factored into the basic services component by increasing the number of poor households by 13.9 per cent and increasing the community services component by 41.5 per cent. The increase in the basic services component amounts to R7.5 billion. As a result, an additional 1.4 million poor households can be provided with free basic services, up from 10.4 million households in the 2020 Budget, if they become indigent as a result of a loss of income during the pandemic. The community services component of the equitable share increases by R3.5 billion. The revenue adjustment factor that is applied to this component of the equitable share formula ensures that this increase will benefit poor and rural municipalities with little capacity to raise own revenue. The total allocation for the community services component increased by 32 per cent. This component funds a range of services that are part of the pandemic response, including municipal health services, and services to cemeteries and crematories. Details about the structure of the components of the local government equitable share formula can be found in Annexure W1 of the 2020 *Budget Review*.

1. The department does not have information of municipalities with excessive large salary expenditure.
2. The department currently does not have information of municipalities with superfluous posts.
3. Retrenchments are determined by employer.
   1. No.

# End.