

## The Citizen

### Salga calls for review of funding for municipalities

*Eric Naki*

**Salga believes the formula that was initiated by the Financial Fiscal Commission is rendering many poor municipalities unable to function.**

South African Local Government Association (Salga) chief executive officer Xolile George has called for a review of the funding formula for municipalities and a complete repeal of all legislation that impedes service delivery by local authorities.

In an interview following Salga national conference, where a new executive committee was elected on Thursday, George said Salga believed that the formula that was initiated by the Financial Fiscal Commission rendered many poor municipalities unable to function. He said the formula was based on the principle that municipalities should be able to raise their own revenue when in fact many rural municipalities had no revenue to collect.

Instead, those local authorities mainly relied on equitable share funds and grants from national government.

He said the FFC formula failed to consider the fact that some municipalities had a large number of indigent residents who were unable to pay for rates and services but depended on the municipal indigent policy to access basic services.

“As Salga, we call for a review of this formula because the local authorities are getting far less than the tasks they had to perform to achieve optimal development and bring proper services to the people. It does not consider the reality that many municipalities, especially in the rural areas, do not get revenue,” George said.

“The equitable share must be responsive to the conditions at municipal level. On what basis would you say those rural municipalities can have revenue when the many of their residents depend entirely on pension grants and other forms of social security and also with very high unemployment rates,” he added.

He said through this equitable share exercise, the poor were getting a raw deal because their municipalities were not properly funded, resulting in residents being unable to access the services they required and entitled to in terms of the law.

Salga believes that if the local authorities are to be able to provide descent services, some policy levers aimed at improving the lives of the poor ought to be reviewed to suit their needs. George said the fact that municipal sector got less than 9% of the overall share was itself telling that the policy model must be reviewed.

Salga elected a new national executive committee comprising chairperson Parks Tau and his deputies, Zandile Gumede, from Ethekwini Metro, Sebenzile Ngangelizwe, from Lejweleputswa District Municipalities and Lindiwe Ntshalintshali, from Emalahleni Local Municipality.

As part of commemorating yesterday's World Aids Day, mayors at the gathering signed a pledge to take up the fight against the scourge of HIV/Aids to the local level including people at ward

level. The campaign would be spearheaded by the relaunched the South Africa Chapter of the Alliance of Mayors's Initiative for Community Action on Aids at the Local Level.

<http://citizen.co.za/news/news-national/1363963/salga-calls-review-funding-municipalities/>