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'NOT AN EMPLOYMENT AGENCY'

Zikalala warns municipalities on wage bill

CO-OPERATIVE Governance and Traditional Affairs (Cogta) MEC Sihle Zikalala has issued a warning to municipalities in the province about having a high spending ratio on salaries.

Addressing a South African Local Government Association (Salga) provincial assembly recently, Zikalala said the department was not comfortable with municipalities that had become "employment agencies" at the expense of service delivery.

"We are of the view that municipalities should not spend more than 35% on staff wages, this is a healthy ratio and allows the municipality to dedicate 65% of its resources to expenditure on capital projects which is their core mandate."

Zikalala's comments come after a SA Cities Network report recently painted a grim picture of the state of finances of the country's major cities, including Durban, Pietermaritzburg, Cape Town and Joburg.

The Mercury reported that the report had noted that between 2016 and 2021, employee-related costs grew at an average of 10.3% for the cities combined – significantly above inflation – pointing out that the costs were the second fastest-growing expenditure item after debt impairment.

Zikalala added that the department had taken a tough stance on municipalities having unfunded budgets, which is a contravention of the Municipal Finance Management Act.

"We will not condone such budgets and municipalities will have to comply with the law and only pass funded budgets." He said the department was working with Salga to:

- ◆ Improve the provision of water in municipalities.

- ◆ Improve spatial planning.
- ◆ Provide service through the District Development Model.
- ◆ Strengthen the Masakhane Campaign which calls for residents, businesses and government to pay for municipal services.

"Those that fail to pay for these services are compromising the financial viability of municipalities and their ability to continue providing services," Zikalala said.

He also spoke about the professionalisation of local government. "Our communities rely on the services rendered by municipalities, which means a dysfunctional municipality has disastrous consequences for residents."

He added that while Cogta was working to ensure municipalities had staff who were qualified for their jobs, councillors needed to understand the seriousness of the positions they occupy. "If this is not looked into, we run the risk of having the stature of our municipalities undermined and the public losing confidence," he said.

Thami Ntuli, Salga KZN chairperson, said Salga had noted the issue of services being cut to hospitals and schools in arrears with municipal bills.

A number of schools in Pietermaritzburg had their water disconnected recently by the Msunduzi Municipality which has embarked on an aggressive campaign to collect debt.

"Members were apprised of this matter which became a contentious issue at the Muni-MEC (forum). Mayors stood their ground and indicated that school-governing bodies and hospital CEOs are allocated funding for municipal services, however, this money is diverted to other priorities," Ntuli said.

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