

## Media Release

For immediate release

Thursday, 26 July 2018

### **SALGA Leadership meets with King Sabatha Dalindyebo Municipality in Mthatha**

The South African Local Government Association (SALGA) is today meeting with the Executive Leadership of King Sabatha Dalindyebo Municipality (KSD) in Mthatha. The KSD is part of the 14 of the 39 Eastern Cape municipalities which have since been classified into the National Priority Municipalities list for municipalities in distress. All these municipalities are facing various challenges such as regression in audit outcomes, erosion of the revenue base, failure to pay its creditors, insolvency, among others.

KSD, in particular, has been encountering challenges in relation to a disputed valuation roll, inability to pay creditors, escalating legal costs, inability to finance repairs and maintenance at the required level, inability to provide for capital infrastructure, unauthorised, irregular, fruitless and wasteful expenditure. The municipality owes ESKOM approximately R103m mainly due to cash flow problems emanating from litigation by Landmark. These symptoms manifest themselves in municipalities struggling to meet their commitments.

The SALGA meeting with KSD Troika and Administrative Leadership will identify workable solutions and interventions that can be implemented immediately, medium and long-term basis as part of turning-around the municipalities to function and delivery services unhindered. As part of its strategic agenda, SALGA is committed to enhancing the capacity of municipalities to

adequately respond to the persistent challenges they face and decisively deal with the root causes.

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**For further media enquiries on the outcomes of the meeting and interviews, please contact:**

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