

THE SPEECH OF THE MEC FOR COOPERATIVE GOVERNMENT, TRADITIONAL AND HUMAN SETTLEMENT ON THE OCCASION OF THE BUDGET VOTE 08 2025/26 - 13 June 2025: Fourth Radsaal, Bloemfontein

Honourable Speaker and of the Free State Legislature

Premier of the Free State Province Mme Letsoha Mathae

Morena e Moholo oa Batlokoa le Morena e Moholo oa Bakoena

Fellow Members of the Executive Council

Honourable Members of the Free State Legislature

Chairperson of the House of Traditional Leaders and Members of the Executive Committee

Our esteemed Traditional Leaders

Executive Mayors, Mayors, Speakers, Chief Whips and Councillors

Chairperson of SALGA Free State and Members of the Executive Committee

Director General, HODs, MMs, CEOs of Government Entities and Senior Managers across all spheres of government

Representatives of Chapter 9 Institutions

Leadership of Organized Labour, our stakeholders and partners in local government

Members of the Media

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Setjhaba sa Free State ka bophara

BoMme le BoNtate

THE BUDGET

Speaker as part of the COGTA budget vote speech I hereby wish to table the Department's Final Budget Allocation which amounts to **R 447.914 million for the 2025/26 financial year which is a 7 percent increase from the 2024/25 financial year allocation.**

The allocation for 2025/2026 has been split per programme as follows:

Programme1 (Administration): R182 113 million (41% of the total budget)

Programme 2 (Local Governance): R113.671 million (25% of the total budget)

Programme 3 (Development and Planning): R72.604 million (16% of the total budget)

Programme 4 (Traditional Institutional Management): R64.097million (14% of the total budget)

Programme 5 (House of Traditional Leaders): R15.429 million (4% of the total budget)

Allocation have been split as follows:

Goods and Services: R327 790 million

Transfers and Subsidies: R12.224 million. (R2.160mln is for Non-Profit Institutions, municipalities taking the remainder where Xhariep gets R4.392 mln of the share.

Households: Leave Gratuity amounting to R662 thousands

Capital Assets: R6.594 million which includes the building of Palaces for Marena for 24/25

The source of Earmarked funding is as follows:

- **Water Laboratory Fund: - R2.5 million** (supporting municipalities with the maintenance of water treatment laboratories)
- **Municipal Support Programme: - R20 million** to assist in terms of Section 154 of the Constitution.
- **Municipal Intervention Section 139: - R4.927 million**
- **Disaster Fund: - R10 million** (to mitigation of Disasters in the Province).
- **Cleaner City competition: - R5 million** (R15 million over the 2025 MTEF)
- **Palaces for Marena: - R5 million** (R15 million over the 2025 MTEF)

INTRODUCTORY REMARKS

Honourable speaker, We present this budget vote at a point where local government in the province is faced with many significant **challenges but also have glimpses of hope/good work** and or turnaround in terms of service delivery.

The province has been affected for over the years by challenges maladministration, disregard for the law/due process and the general neglect that led to **decay of public infrastructure**. These years of capture have led to collapse of strategic infrastructure where sewer running the streets and water shedding is a now a common sight in many municipalities. The political and administrative instability also led to **exodus of critical skills** as the most skilled left these institutions with finance and technical capacity being the most affected.

The persisting low **economic growth trajectory** compounded by the global and unstable geo-political tensions is not helpful to our stabilisation efforts. The impact of low economic growth/activity has direct bearing on employment levels and henceforth citizens ability to pay for services consumed. The low **revenue collection** we see is a result of economic hardships and other related challenges. The un-updated municipal indigency registers are not helpful in remedying the situation for those who can't pay. The above remains two major challenges for most of our municipalities, does undermining the ability to perform certain service deliver functions.

Speaker, there is no denying of a positive relationship between good audit outcomes and effective service delivery. The recent AG report has been damning against some of the FS municipalities where persistent stagnation with continued negatives outcomes needing more attention than ever before. key to persisting challenges remains the municipal finance section capacity (high usage of consultants), non-compliance with procurement and contract management legislation, underspending of conditional grants, wasteful and irregular expenditures and the financial losses etc.

As part of the response efforts, and few months into the 7th administration COGTA and on behalf of FS government, convened a local government summit, which focused on the top five challenges facing municipalities in the province. The summit as convened adopted a turnaround action plan on all key challenges facing municipalities. As per the summit resolution, this action plan has since been adopted by Exco and all municipalities are expected to table, adopt and implement these resolutions.

Guided by Amilcar Cabral in what he says 60 years ago, addressing the Communist Party of Guinea-Bissau "Always bear in mind that the people are not fighting for ideas, for things in anyone's head. They are fighting to win material benefits, to live better and in peace, to see their life's go forward, to guarantee the future of their children".

Today and as, we undertake the task to stabilise local govt we heed the call of Cabral and choose to be frank about the issues we believe are tangible and matter most to our people including their daily lived experience. We make a connection to the past to strengthen efforts to correct and build stable and capable municipalities, led by credible and accountable elected and appointed officials. We are working with municipalities to resolve problems and despite serious challenges, we are beginning to see improved responsiveness and signs of recovery in some municipalities

Speaker without undermining the significant challenges that MAP is facing, the municipality is now showing signs of recovery in terms of service delivery and stability. We are now seeing improved water supply and more stable electricity supply. The maintenance of roads, parks etc is now stabilising. Mangaung is also becoming clean again, sewer leakages have stabilised with work starting on the road maintenance. Coordinating with provincial govt, municipalities are now rebuilding the road infrastructure whose work is currently underway in several towns. MIG spending is now published monthly for efficiency in infrastructure drive. Strengthened oversight and support coupled with interventionist approach in municipalities like Nala, Mafube, Nketoana, Matjhabeng and Mohokare should bear results soon.

In the previous Budget Vote, we unequivocally declared that the period of unresponsive government is over as we seek to build a more responsive and people centred developmental government. Having appreciated the link between quality senior managers and service delivery, we stated previously, that the times of municipalities led by unqualified and incompetent people is over. Part of our efforts is to build capacity and professionalize local government. We need to attract people with requisite skills and make local government an employee of choice. We need to attract young professionals to come work at local government, build efficiency and preserve institutional memory. For municipalities heeding this call recovery signs are beginning to show and those reluctant will be forced to comply even if it means taking the legal route.

Building Capacity of Municipalities

As the Department, we seek to strengthen inter-sectoral cooperation and coordinate all spheres of government that can contribute to an effective cooperative governance.

Together with our traditional leaders, we aim to entrench a participatory government that is based on the will of the people.

As we table this Budget Vote today, we reaffirm our commitment to disrupt the status quo where a laissez faire approach to provision of basic services is normalised. We take the opportunity presented by this budget vote, to recommit ourselves to spare no effort to ensure that our municipalities provide basic services to the people of Free State. Nonetheless, the state of some of our municipalities remain concerning.

We must be the first ones to concede that the state of some of our municipalities is far from ideal. The last assessment of the State of Local Government, as done in 2021, came out with a less than pleasing observation that 12 out of our 23 municipalities in the Free State are in a state of "Dysfunction". The observation was an outcome of assessment of Municipalities based on five (5) strategic pillars which are,

- Political Stability and Governance.
- Sound Administration.
- Provision of Services.
- Sound Financial Administration
- Local Economic Development

Based on assessment on these pillars, 12 out of 23 Municipalities were deemed "Dysfunctional". I hear that Municipalities don't like to be identified as "dysfunctional" and would rather we use cosy terms like "Distressed Municipalities".

We believe, Honourable Speaker that we should call things as they are. We can't call a "Spade" a "Garden Tool", a "Spade" is a "Spade". Dysfunctional is dysfunctional.

As the Department we have developed what we call the "Municipal Support Improvement Plan (MSIP)". This plan is based on the mission of our existence, which is to "Support, Monitor and Intervene in the affairs of the Municipalities."

Section 154 of the Constitution places an obligation on the national and provincial

governments to support and strengthen the capacity of municipalities. This includes providing legislative and other measures to enable municipalities to manage their affairs, exercise their powers, and fulfil their functions effectively.

Based on these prescripts of the Act, we are called upon to Build Capacity and Provide Support to Municipalities. This implies that as COGTA we have an obligation of identifying challenges in municipalities even before they become a crisis, provide consistent support to our municipalities and ensure that they are capacitated to fulfil their obligations. Section 155 of the Constitution obliges us to monitor the performance of Municipalities. This obligation is not just a nice to have but a fundamental instrument for monitoring provision of basic services to our people.

To this end, the Municipal Systems Act provides clear directive to the MEC for Local Government to set up monitoring mechanisms for Municipalities. The Act provides that "the MEC for Local Government in each province establishes mechanisms to monitor municipalities, assess their capacity, and support their development in managing their affairs and exercising their powers". Based on this, Honourable Speaker, it is not a choice or a favour, we are called upon to Monitor the performance of Municipalities. Failure to do this will not only be irresponsible from our side, but it might also prove us to be "Constitutional delinquents", a status we are not ready to assume!!!

We are in a process of developing a "Notice of Compliance", which is going to be a Directive to Municipalities to direct them to improve their performance based on our assessment of their state. Honourable Speaker, the Constitution also directs us, in Section 139, to Intervene, where Municipalities are failing to perform their Legislative or Executive functions, as enshrined in Section 152 of the same Constitution.

Through the MSIPs, we intend to turn around the performance of Municipalities, and this will be monitored consistently. The Department is setting up a system that will pay undivided attention on improvement of performance of Municipalities. Through this work, we will set up Early Warning Mechanisms to assist us in identify warning signs and proactively Intervene and address issues of concern. We do this not for optics but

also because Cabinet is demanding of us to report on mechanisms to improve the performance of our municipalities.

Honourable Speaker, by definition, a stable municipality is one which effectively and efficiently performs its constitutional, policy, legislative and regulatory prescripts. The key indicators that illustrate a stable municipality are inter alia the following:

- Political and administrative stability
- Effective community and stakeholder relations and communication
- Responsive essential and basic services provision
- Good financial management with key indicators within sector norms and standards, and
- Unqualified and or clean audits

The Department undertook various measures and shall continue to ensure that municipalities are supported and capacitated to implement the prescripts that enjoins a professional and capable local government.

Honourable Speaker, as a Sector, we can agree on legislative measures put in place to ensure achievement of a developmental local government. These prescripts remain tested, which also illustrate a case of open democratic dispensation.

This Budget vote is presented after the Constitutional Court made a pronouncement on the matter of allowing employees of the municipality to be office bearers of political parties. The Department remain resolute to the principle of “trias politica” and we respect the independence of the Judiciary. We shall put measures in place for proper implementation of the decision of the Constitutional Court.

As the Department we will continue to assist the municipalities in the process of recruiting the best candidates to provide services for our people and we intend to address the process of granting concurrence in the appointment of senior managers to the municipalities. The Department aims to assist municipalities to manage their recruitment process of senior managers to ensure adherence to applicable legislation.

We would also like to assist municipalities to move away from the tendency of having officials acting on their positions over prolonged periods which can unintentionally have undesired either legal or financial implications. This will assist municipalities to function seamlessly and effectively.

Financial Performance

Honourable Speaker, one of the challenges that faces the Department is the need to assist municipalities to manage their finances better. The Auditor General report is painting a painful picture on the state of local government, where none of our municipalities have received a clean audit in the past financial year.

Submission of Annual Financial Statements have improved in the last financial year, where we saw all four District Municipalities and fourteen (14) local municipalities submitting their Annual Financial Statements to the AGSA by 31 August 2024. The four remaining Municipalities have subsequently submitted their Annual Financial Statements, and the process of audit is in progress.

Most municipalities sustained their previous audit opinions during the 2023/2024 MFMA audit. **6 received Unqualified audit** opinions, **10 received Qualified audit** opinions, and **2 received Disclaimers**.

As part of our effort to improve audit outcomes of the municipalities, the Department has gone into partnership with the Provincial Treasury and SALGA to develop the **District Audit Action Plan Forums** where a follow up on performance of municipalities was done. The forums were convened during June 2024 and January 2025. We hope to continue fostering partnership with stakeholders to improve the audit performance of municipalities. One of the biggest challenges facing our municipalities is the **debt that municipalities owe to 3rd parties** and the subsequent litigation that follows from that.

As on the 31st of January 2025, municipalities in the Free State owed **Eskom R24,4 billion** and owed the **Water Boards and the Department of Water and Sanitation R3,6 billion**. The debt of municipalities to the Pension Funds by 31 January 2025 was at R531 million and the debt to Medical Aids was at R444 million.

On the other hand, municipalities are battling huge amounts owed to them by their debtors. As on the **31st of January 2025**, **consumers owed municipalities a combined debt of R30,6 billion**, and with organs of State owing **R2,4 billion**. **Commercial consumers jointly owe municipalities R3,9 billion** whilst the biggest debtors from the municipalities are the **households that owes R23,5 billion**.

Honourable Speaker, **the collection rate for all municipalities for January 2025 stood at 56%**, a slight improvement from the 51% a year earlier.

The Department of Cooperative Governance has identified the following municipalities for Data Management Revenue Project as a mechanism to improve their collection rate.

- Kopanong
- Mafube
- Maluti a Phofung
- Mantsopa

This project will help municipalities to manage their revenue through digital means, and it is expected to improve their collection capacity. One of the problems that the Department faces, is municipalities adopting unfunded budgets. In the previous financial year, only the 4 District Municipalities plus Tswelopele, Setsoto and Metsimaholo Local municipalities adopted funded budgets for 2024/25 financial year. 15 municipalities adopted unfunded budgets and have submitted Budget Funding Plans.

Financial Accountability

Honourable Speaker we intend to address the scourge of Unauthorized, Irregular, Fruitless and Wasteful expenditure in municipalities. As in the previous financial year, the UIF&W at municipalities stood at R29,1 billion which is extremely unacceptable.

In an effort to address the issue of financial accountability in municipalities, the Department in collaboration with the Provincial Treasury and SALGA have engaged into a program to train Municipal Public Accounts Committees (MPACs). In the past financial year, MPACs in 12 municipalities were taken through training processes.

The MPAC Chairpersons Forum was established on the 7th of November 2024, and the inaugural meeting was held on the 6th of March 2025. The Forum is meant to encourage peer review mechanism and benchmarking amongst MPACs. Municipalities continue to perform poorly in terms of the conditional grants, and the National Treasury has no choice but to deduct such amounts from the Equitable Share

allocation of such municipalities. For the financial year 2023/2024, R184.9 million was underspend by municipalities in the province, and this is once again unacceptable.

The Department will continue to use the Chief Directorate Municipal Planning and Development to assist municipalities to improve their grant expenditure. We have also developed partnership with Municipal Infrastructure Support Agent to assist municipalities with their grant expenditure.

Building a democratic State

Honourable Speaker, the country is slowly but surely entering the elections season, and we must begin to prepare for the next local government elections. Effective democratic participation is highly dependent on functionality of our municipalities. Voter turnout at previous elections is painting a worrisome picture of a downward spiral, and that does not augur well for a developmental state we seek to build.

The Department, working with Districts and local municipalities has included civic education as one of their priorities for communities to play a meaningful role in a democratic state. We will be partnering and strengthening our collaboration with Chapter 9 institutions to accelerate the programme of voter and civic education. The Department encourages public participation in the redetermination of municipal boundaries.

Speakers of municipalities are expected to ensure that all councillors are held accountable to their constituencies by convening without fail ward committee meetings and engage in community participation processes. We have also agreed with Speakers that councils must develop and adopt schedules for meetings of community feedback sessions. It's just unfortunate that not all municipalities have been consistent with this commitment. We however intend to intervene to enforce compliance with section 37(k) of the Municipal Structures Act, which determines the roles and functions of the Speakers of Council.

Honourable Speaker, buildup to local government elections usually experiences a rise in service delivery protests and in anticipation of these, the Department will continue to strengthen efforts for more public engagements between municipalities and

communities on issues of service delivery. We will continue to render advice to municipalities on the on public participation.

Municipal Boundaries Re-determinations: Certain Municipalities in the Free State

As part of the ongoing efforts to strengthen local governance and improve service delivery, significant changes to municipal boundaries have taken place in the province. A new municipality will be established in the Xhariep District, comprising the four towns that currently under the Kopanong Local Municipality, namely, Fauriesmith, Jagersfontein, Reddersburg and Edenburg. Additionally, Phiritona, Heilbron, and the surrounding farming communities will be moved from Ngwathe Local Municipality and be incorporated into Metsimaholo Local Municipality. These changes will come into effect on the next Local Government Elections (LGEs). The Department has already begun implementing transitional measures which include consultations with the affected municipalities.

Furthermore, there are two applications from the Free State still under consideration by the Municipal Demarcation Board (MDB). The first seeks to establish a new municipality by separating the Greater Harrismith area from the Maluti-a-Phofung Local Municipality. The second proposes the creation of another new municipality, comprising the towns of Dewertsdorp, Wepener, Vanstadensrus, and Zastron.

In this regard, the Department has formally submitted its view that any decision on these two proposed new municipalities must be informed by a comprehensive Capacity Assessment Report, as provided for in Section 85(4) of the Municipal Demarcation Act, 1998. This Report is essential to ensure that the proposed municipalities will be viable, sustainable and capable of delivering on their developmental mandate.

Honourable Speaker, as part of our preparations for a successful local government election, we are developing an integrated plan with support packages for municipalities. This support package will serve pre, during and post elections and will ensure seamless transition to the next administration of local government.

SPATIAL PLANNING

The implementation of Spatial Development Frameworks (SDFs) is an ongoing process and shall continue as long as spatial imbalances continue to exist. We have to ensure that we draft and implement Spatial Development Frameworks that should bridge the spatial gap between the rich and poor, improve access to amenities, employment, reverse apartheid settlement patterns and enhance the quality of lives.

In this financial year we shall be continuing with the implementation of the following SDFs: Mohokare, Phumelela and Tswelopele while also providing support with the drafting of the SDF for MAP.

Municipal Planning Tribunals (MPTs) are a very important cog in the development process, the absence of functional MPTS can result in the following:

- discouraged investor confidence because the investors don't know what the growth priorities of the Municipality are,
- Deny municipalities economic development opportunities as those that don't guide the direction of economic development, can just react to situations as they develop on their own. This adversely disrupt planned economic growth,
- Lack of planned economic growth that affects job creation in a negative way. Sometimes development is made away from where the community resides, and this minimize job opportunities.

INTEGRATED DEVELOPMENT AND PLANNING

Legally Compliant and Credible Integrated Development Plan must comply with relevant legislation and convey, among others, a resilient, responsive and sincere Provincial Government that cares about its people, the environment and strives to build social cohesion.

To date all 23 Free State Municipalities including the Metropolitan Municipality have heeded the call and adhered to all the prescribed various pieces of legislation that governs and regulates Integrated Development Plan timeframes by tabling and adopting their respective Final IDPs for 2024/2025 Financial Year. The Department trust that Municipalities will successfully translate the adopted Final Integrated

Development Plan into action and change the lives of their ordinary community members in their Municipal area.

The Department successfully coordinated, conducted and facilitated **Draft IDP Assessment Sessions**, and subsequently assessment report was generated and shared with all Municipalities to consider comments or inputs made during Draft IDP Assessment Sessions. It should be noted that during the 2024/2025 financial year all 23 Municipalities across the Province reviewed legally compliant and credible IDP documents through the support mechanisms of the Department.

Pursuant to the objective of achieving legally compliant and credible IDPs the Department will **support and monitor all 23 Municipalities** to review legally compliant and credible IDPs that are responsive to Women, Youth and Persons with Disability.

LOCAL ECONOMIC DEVELOPMENT

During **the 2025/2026 financial year** the Department will assist the following municipalities with the review and finalization of the following LED strategies: Xhariep DM, Kopanong, Tokologo, Tswelopele, Matjhabeng, Thabo Mofutsanyana DM, Nketoana, Setsoto, Dihlabeng, Fezile Dabi DM, Mafube, Moqhaka and Ngwathe. The aim of LED strategies is to ensure that municipalities create enabling environment that will ensure local economic growth. We will continue to support LED related initiatives such as FS Partnerships steering committee, Revitalization of Mining Towns as well as the Small-Town Regeneration Programme of SALGA.

Status of the registration of Business Applications

Honourable Speaker, over the past two years, township spaza shops have drawn the attention of the country as there were reported cases of food borne illnesses. The prevalence of illicit and non-compliant food represents a significant threat to the health, safety and security of the community at large.

Effectively, intervention measures were outlined including those that relate to the local government sector. Municipalities are expected to register businesses within legally

stipulated timeframes, ensure adoption of the **Township Economies by Laws by Council in line with the Municipal Systems Act**. Municipalities are also reminded to embark on clean up and proper waste management in public areas, including where spaza shops are located.

COGTA, together with DESTEA and SALGA are playing an oversight role by monitoring the progress on the registration of businesses in the municipalities through the PROVJOINT meetings.

Out of the 19 Municipalities only 4 did not adopt the Township Economies by Laws: Mangaung, Matjhabeng, Ngwathe and Nketoana: To date the free state has received **9336 Business licencing applications**, out of **which 4568 are from foreign nationals**. To date we have **issued 705 Certificates of Acceptance** and of the **1721 total applications approved, 526 of this are of foreign nationals**.

DISASTER MANAGEMENT

Honourable Speaker, similar to coastal provinces, the Free State province particularly the southern and eastern parts, are now more prone to frequent disasters as compared to the rest of the province. localised flooding, windstorms, snow and extreme colds are now more common in the southern and eastern belt of the province as compared to the rest. Whilst disaster management is part of the action plan adopted by the local government summit, the province and municipalities still have a long way to go in its disaster management capacity.

The operationalisation of the Provincial Disaster Management Centre (PDMC), District Disaster Management Centres (D-DMCs) and the establishment of a fully functional fire services unit within the PDMC is critical to much needed **integrated institutional capacity** in the province.

The Department will prioritise the development of scientific and evidence-based disaster management plans at Levels 2 and 3 that are aligned with their Integrated Development Plans (IDPs). The R10 million rand allocated for this year will assist in the implementation of mitigation measures necessary to manage various disasters we battle from time to time.

The Department activates Joint Operations Centres (JOCs) during emergency events to ensure a coordinated, multi-sectoral emergency response, swift deployment, and coordinate resources of municipalities, districts, provincial and as well as national government towards a much more comprehensive response effort.

Education, Awareness, and Communication with our people is key to successful management of mitigation measures. A public that is well mobilised is key to avoid any loss of life and damage to property. A public that is ignorant and ignores disaster warnings simply leads to unnecessary loss of life. In terms of **Funding Commitment** as gazetted in the Free State Disaster Management Framework, the Province is expected to allocate at least **1% of the annual provincial budget** to a **Contingency Reserve Fund** dedicated to disaster preparedness, response, and recovery.

MUNICIPAL INFRASTRUCTURE, MONITORING AND EVALUATION

Honourable Speaker, the **Municipal Infrastructure Grant (MIG)** contributed towards municipal service delivery in the province. During the **2024/2025** Municipal financial year, Municipalities who are responsible for the implementation of municipal infrastructure were allocated **eight hundred seventy-five million rand (R875,214,000.00)** of which an amount of **six hundred and sixty-six million rand (R666 194 030.53)** was spent by **31 May 2025**, which represents **seventy eight percent (78%)** from the total allocation. A further amount of R19 million rand was approved 2023/2024 MIG roll over, of which (R10 076 743.92) of that total was spend by 31 May 2025.

The combination of two figures mentioned above was spent on the following infrastructure services: **Water is 25%, Sanitation 16%, Roads and Stormwater 30%, Sport and Recreation 8%, Project Management Units 5%, High Mast Lights 2%, Specialized Vehicles 5%** and other Municipal facilities such as Sidewalk/Pedestrian Bridges, Solid Waste Disposal, Fencing and Cemeteries totalling 2%. We have achieved 78% expenditure against provincial target of 92% at the end of May 2025.

Between July 2024 and March 2025, the **Two thousand (2000) temporary job opportunities** were created through the implementation of the MIG projects in the

province. These job opportunities contributed towards poverty alleviation in all the districts.

The impact brought by MIG on the Implementation of roads and stormwater infrastructure contributed immensely to improved access to social amenities, Fencing restored dignity in Cemeteries, development and refurbishment of Water Infrastructure helped Municipalities to improve their Blue; Green and No Drop certification within their water supply systems, Community lighting (High Mast Lights) contributed towards reducing crime within our Townships, sports and recreation facilities contributed towards unleashing talent amongst the youth and keeping community healthy.

Municipalities such as Tswelopele, Dihlabeng and Phumelela applied for MIG funding towards the procurement of Specialised Vehicles for refuse removal; to date they have received the following fleet for the purpose of enhancing their service delivery:

Tswelopele – 1 TLB (Tractor, Loader and Backhoe) and 2 Tipper Trucks

Dihlabeng – 1 Refuse Compact truck, 2 Tipper trucks

Phumelela – 1 Front end loader.

Honourable Speaker, for the **2025/2026 Municipal Financial Year** National Treasury allocated an amount of eight hundred seventy-seven million, seven hundred and twenty-one thousand rand (R877 721 000) through the Municipal Infrastructure Grant (MIG) towards the implementation of municipal infrastructure projects within the 18 receiving Municipalities for the 2025/2026 Municipal financial year in the Free State.

According to the Municipal MIG implementation plans received from the 18 Local Municipalities it is envisaged that the grant will be spend on Water, Sanitation, Roads, Stormwater, Sport and Recreation, Project Management, Solid waste disposal, Side Walks and Pedestrian Bridges, Taxi Facilities- two percent, Specialized Vehicles-two percent and High Mast Lights and Cemeteries. In the same breath as in the 24/25 our plan to create an estimated figure of two thousand five hundred (2500) job opportunities for the 2025/2026 MIG financial year.

In its direct intervention to municipalities, COGTA assisted **Tswelopele** with **R 1 422 984.33 towards the installation of 2000 smart prepaid electricity meters**, and the project is 100% complete. **Mangaung Metro** was assisted with an amount of **R2 018**

250 for vacuuming of 3000 toilets and pit latrines in Botshabelo and this project is 100% complete. **Dihlabeng was assisted with R1.8m for the procurement of Cemetery Management System**, the project was handed over to the Municipality in April 2025 and the project is still in procurement stage.

FREE BASIC SERVICES AND PARTNERSHIP

Honourable Speaker, the programme is aimed at ensuring that Indigent households have access to Free Basic Services such as water, refuse removal, sanitation and electricity. All municipalities in the province have Indigent policies that are reviewed on an annual basis.

As at the end of the **2024/2025 financial year** all municipalities in the province were providing **Free Basic Services to qualifying households through Indigent Policies**. The Department was involved with monitoring the implementation of Indigent policies and registers by all the local municipalities including the metro. Currently there are **168 834 registered indigent households in the province**. In the **2025/2026 financial year** the Department will support municipalities to align their Indigent policies to the National guidelines to ensure that Indigent Policies are credible. The Department will be monitoring municipalities on how indigent registers are updated.

Honourable Speaker, the province in the **2025/2026 financial year** will be supporting municipalities together with other stakeholders such as Eskom, Department of Mineral Resources and Energy and, Provincial Treasury in ensuring that municipalities provide Free Basic Services to qualifying households. A Communication Strategy on provision of Free Basic Services by municipalities has been developed and workshopped with municipalities.

The Department in collaboration with other stakeholders would be embarking in a process of supporting initiatives through the establishment of partnerships relating to Private- Public Partnership and Public- Public Partnerships. The establishment of partnerships in municipalities would ensure that basic services are provided to indigent households. The Department has identified private partners who are ready to support municipalities around issues such as waste management.

Through the Community Work Programme (**CWP**) the National Department of Cooperative Governance and Provincial Department of Cooperative Governance and

Traditional Affairs seek to create employment to under-employed and unemployed individuals. The programme provides useful work that is agreed upon with municipalities. To **date 23 500 job opportunities have been created through this programme.** The creation of jobs contributes to the economic growth in municipalities and ensure better livelihoods for the communities.

The programme would be targeting the youth, women and disabled persons through the establishment of smart partners with private establishments or other stakeholders in the communities. It is envisaged that through these partnerships more skilled youth will be able to participate in the formal economy and will contribute to the decrease in the high youth unemployment rate of the province.

The Department in collaboration with other stakeholders will continue with the Cleanest and Greenest Municipality Competition, to promote a clean and healthy environment in our settlements. During the Local Government Summit in December 2024 the Department made a pledge that the prizes for the Municipalities that won in 2023/2024 financial year, would be delivered. **The municipalities that won was Tswelopele first, Dihlabeng second and Mantsopa third.** This **promise was achieved** as these have been delivered to the municipalities involving items such as a **TLB for Dihlabeng, Front- end loader for Tswelopele and other materials to Mantsopa.** The Department is also in the process of acquiring tools of trade that will be provided to municipalities relating to environmental cleaning and Greening.

The objective of the competition seeks to address environmental protection, social upliftment and economic growth under the ambit of greening the economy. Since the outbreak of the food borne illnesses in the country in 2024, emphasis was placed on the regular removal of waste and clean towns as an effective intervention measure. In the main, these objectives are meant to encourage both the metropolitan and local municipalities to address the six elements of the greening initiative, namely: *waste management, energy efficiency and conservation; water management and conservation; landscaping, tree planting and beautification; public participation and community empowerment and leadership and institutional arrangements.*

WHITE PAPER REVIEW (RECENTLY LAUNCHED)

The national department has recently launched the Review of the white paper on local government (WPLG98). The province we will be embarking on a consultative process to ensure that our municipalities and sector partners give full effect to the review of the white paper on local government. Amongst others, trainings and workshops will be conducted to ensure that there is full implementation of the review plan and consolidate the Free State input.

INTERVENTION IN NALA

The Provincial government has recently evoked section 139(1b) intervention in Nala which is underway as we speak. Over and above successive shutdowns and service delivery halted, the municipality was affected by numerous challenges including dualism at leadership level that simply compounded its ability to operate and deliver services. The team of Exco representatives that have been appointed have made some progress though with unfreezing of the municipal bank account, paying of salaries and some service providers involved in critical service delivery items. The municipality's budget for the 2025/26 financial year has also been approved, together with a budget funding plan.

WORK WE ARE NOW DOING IN MAFUBE, NKETOANA

Honourable Speaker, as part of my executive authority, I must announce that I have earnestly begun the programme of oversight and monitoring municipalities. I have indeed started with the oversight and monitoring visits to municipalities such as Mohokare, Mafube, Nketoana just to name a few. The purpose of the oversight visits is not only to provide for a platform to assess the State of Municipality, but also to facilitate processes of monitoring performance of the municipalities as enshrined in Section 105 of the Municipal Systems Act.

The oversight visits have further provided rapport with municipalities and ensured that the Department is able to formulate relevant and responsive Municipal Support Package in terms of Section 154 read together with Section 155 subsection 6 of the Constitution. In so doing, this oversight endeavours shall strengthen the capacity of municipalities to not only manage their own affairs, but also to exercise their powers

and to perform their functions in accordance with the provisions of section 154 subsections 1 and 2 respectively.

Traditional Affairs

Honourable Speaker, I wish to commend all the Senior and Deputy Traditional Leaders who convened community meetings/ “Dipitso”, wherein community members were afforded an opportunity to nominate their preferred candidates, who were going to stand for elections in the recent Reconstitution of Traditional Councils.

Under their leadership, the Department was able to conduct elections in the twelve Traditional Councils, wherein 106 voting stations were established and that resulted in the elections of the 40% of each community representations in the various Traditional Councils. There was a huge voter turn-over for these Traditional Councils Elections, and this clearly demonstrated the commitment and honour the traditional leadership has in the various traditional communities within the province.

Honourable Speaker in the same vein, I also extend my word of gratitude to the Office of the Chief Magistrate, by availing Magistrate Cornelius Mokgobo, to officiate, by administering Oaths to all members of the twelve Traditional Councils.

Honourable Speaker, since Barolong Boo Seleka Traditional Councils has also been reconstituted, we will in the 2025/26 financial year, establish the Mangaung Local House of Traditional Leaders, whose primary role is inter alia: to advise the Mangaung metropolitan municipality, on matters pertaining to customary law, customs, traditional leadership and the customary initiation matters within the municipality.

Guided by our firm belief in the importance of traditional leadership in our province and having noted the recent developments in relation to Barolong Bo Seleka leadership issues, Speaker we can confirm that the FS government remains committed to facilitating a long-lasting solution in the Barolong boo Seleka traditional leadership succession challenges and any possible dispute.

Speaker, for the longest of time, leaders before made an undertaking **to build palaces for the two Principal Traditional Leaders in the Province**, but this couldn't come to fruition. I am pleased to announce to the House that R15 million is set aside over the MTEF to ensure the building of these two palaces, commencing during this financial year.

Marena aka, let me take this opportunity to wish all leaders of the five traditional communities in this province, peace, unity and tranquillity in managing their traditional leadership affairs and communities.

CUSTOMARY INITIATION

Customary initiation is practised by many communities in the province, as a sacred and respected practice and in some communities is considered as the rite of passage to adulthood. Customary initiation is an embodiment of ideas, values, and the aspirations of both the individual and community reflected in the teaching about culture, tradition, and respect.

However, the customary practise of initiation has been subjected to some abuse which in many instances has resulted into some injuries and even deaths of some initiates as reflected in our recent Provincial Summer Initiation Season. In the last summer customary initiation season, we experienced the highest number of registered schools at 1 266 with the total number of 20 266 admitted initiates, and 5 unregistered schools (3 Males and 2 Females) with the total number of 43 initiates.

It is saddening to highlight that the province suffered the total of 26 initiates deaths during the 2024 summer customary initiation season. Of main concern is that only one (1) death happened in an illegal initiation school, whilst the rest occurred in the legal initiation schools.

Speaker, there were 31 reported cases of assaults in the initiation schools, tragically most assaults were committed by the same caregivers that are supposed to take care of initiates. We had 55 reported cases of hospitalisation mostly in Mangaung Metro, Thabo Mofutsanyana and Fezile Dabi District. Dehydration and assault are the main drivers of fatalities here.

Honourable Speaker, the 2025 Winter Customary Initiation season will commence on **27 June 2025**, I urge parents/legal guardians to ensure that their children undergo medical checks ahead of the initiation process; ensure psychological readiness of initiates; use legally registered initiation schools; ensure that the traditional surgeons are registered.

We encourage pre-initiation medical screening process and call on parents and our communities to report any illegal/ unregistered initiation schools to the authorities for

appropriate actions. We are committed to achieve zero deaths and eliminate criminality during this forthcoming winter season. We join the PICC theme: “**Mabaye baphila babuye baphila**” in Sesotho its means “**Ba tsamaye baphela, ba kgutle ba phela**”

Honourable Speaker, on 16 September 2024, the President assented to the Traditional Courts Act, 2022 (Act No. 09 of 2022). The main object of this Act is to create a uniform legislative framework, regulating the role of and functions of the institution of traditional leadership in the resolution of disputes, in accordance with the constitutional imperatives and values.

This Act also aims to improve access to justice services by enhancing the effectiveness, efficiency and integrity of the institution of traditional leadership in the resolution of disputes with a view to promote social cohesion, co-existence, peace and harmony.

The Act is however not in operation yet, as it requires the regulations to be promulgated before it can be operationalised. The Minister of Justice and Constitutional Development has issued these regulations for public comments. It is envisaged that once the regulations are approved, the Department will facilitate the implementation of this Act in all Traditional Courts in the Province.

We remain committed to capacitate Traditional Councils, so that the current Traditional Courts are aligned with this new legislation.

CLOSING REMARKS

Speaker let me take this opportunity to thank all stakeholders for the role they have played in efforts to change the face and performance of local government in the province. The HOD, the senior management and all employees of the department for their daily effort in executing the task at hand.

The work in front of us is very demanding and critical to changing the lived experience of the people of free state. This task requires selflessness and dedication to service our people and grow the free state.

The Premier and the entire exco, thank you for the continued support. The family, thank you for understanding the time spent away from family. Its all in the service for

our people. Finally, the team in the MECs office as led by the Head of office remains critical to the work we do and coordinate between the department and the office. I salute the dedication and commitment to serve our people.

I Thank you