ENHANCING AND OPTIMISING SERVICE DELIVERY AT LOCAL GOVERNMENT LEVEL

# BACKBASICS

INDEPENDENT QUARTERLY MAGAZINE FOR LOCAL GOVERNMENT IN SOUTH AFRICA

Volume 9 // March 2025



"Audit Outcomes for 2023/24 - A step in the right direction for local government in Gauteng" - Dr. Darion Barclay, HOD for COGTA in Gauteng



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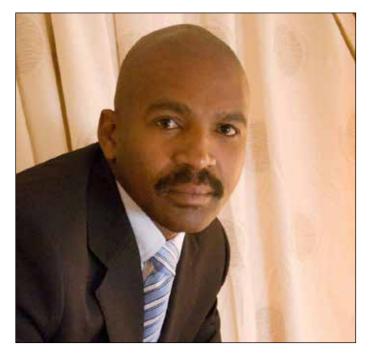












n this edition, Dr. Darion Barclay, HOD - for COGTA in Gauteng Province commends Gauteng Municipalities for having taken a step towards the right direction. Gauteng municipalities have shown a significant improvement according to the Auditor-General's latest municipal audit report.

It must be noted that if a municipality receives a clean audit opinion, it means that its financials and performance report gives a transparent and credible account of its finances and performance against service delivery.

We also take a look at infrastructure development. The financial strain on municipalities is palpable. Municipalities are tasked with balancing immediate service delivery and long term infrastructure needs. These local authorities are under relentless pressure to stretch their budgets even further than before.

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# **Foreword**

As the pending 2025 Budget Review looms large, there is a need for the National Treasury to not only consider essential allocation to municipal infrastructure grant, but also other grants for rebuilding infrastructure damaged by the most recent disasters caused by torrential rains nationwide.

As we further navigate the complexities and seek solutions, another significant issue facing municipalities is illegal electricity connections, which pose safety hazards and rob municipalities of their vital revenue. In response to that, some municipalities have started implementing smart meters. A technological advancement designed to ensure that electricity corresponds with purchases. This initiative does not only counter illegal connection but also promotes responsible usage and at the same time reinforcing financial stability.

Our March edition brings stories of hope and resilience amid adversity. While challenges are immense, innovative strategies and systems must be adopted for municipalities not to react, but to lay the groundwork and prevent such catastrophes in future.

I invite you to delve into the pages of this magazine, explore the insights shared, and join the conversation. Together, we can bring about the transformative change that South Africa needs.

Sincerely, Lawrence Mofokeng

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### **COVER STORY**

# **Audit Outcomes** for 2023/24 —

# A Step in the Right Direction for Local Government in Gauteng

he last few years in local government have been characterised by increased community protests and vandalism of infrastructure primarily, as a result of poor service delivery. The Auditor-General of South Africa, in its 2022/23 general audit report, indicated that their call to action had been positively received by leadership in local government and all indications point to a positive response towards accountability and decisive leadership.

The number of dysfunctional municipalities has increased year on year, and at the centre of this issue is the deteriorating standards of living and service delivery failures. The breakdown of governance, leadership, and internal controls remains the most important challenge in municipalities. These issues can only be corrected with the appointment of capable, accountable, and citizen-centric leadership. Essentially, the skills that have been eroded, such as town planning, engineering, and financial skills, among others, need to be rebuilt, and the ca-



Dr Darion Barclay — Head of Department, Gauteng Department of Cooperative Governance and Traditional Affairs.

ment must take centre stage. The audit outcomes for the Gauteng province system as a whole. Many experts have pacity and capability of local govern- are vital to economic growth, trust in called for a review of local govern-

government, and the local government



local government funding system, a process that is currently underway and spearheaded by the national Department of Cooperative Governance and Traditional Affairs.

When a municipality receives a clean audit opinion, it means that its financial statements and performance report provide a transparent and credible account of both its finances and its performance against service delivery targets. In other words, these accountability reports present a reliable picture of that municipality's performance — whether good or bad. This enables the council and everyone with an interest in the municipality, particularly communities and those in national and provincial government who need to oversee the municipality's performance and provide the support it needs to succeed.

The State of Local Government Report (SOLG) for 2023, issued by the Department of Cooperative Governance and Traditional Affairs (COGTA), reported that the Joint Planning, Budgeting, and Reporting Reforms structure

ment legislation and, in particular, the established by the National Treasury (NT) and COGTA in 2019 identified challenges in municipal reporting, which included, among others, misalignment with national priorities, lack of standardised indicators, and sector departments with their indicators as ernment. Due to inadequate informaadditional concerns.

> An analysis of over 2,500 indicators and 18,000 data elements led to the development of a singular but differentiated set of key performance indicators as required by Section 43 of the Municipal Systems Act (MSA). This section of the MSA empowers the Minister responsible for local government to prescribe a set of general indicators to measure the performance of municipalities.

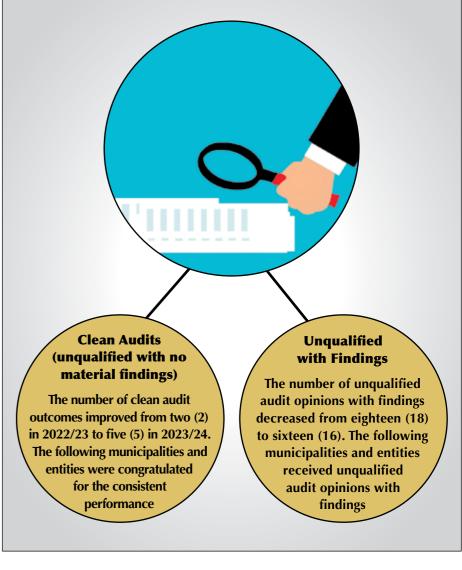
> This process resulted in the issuance of MFMA Circular 88, which was jointly issued by NT, COGTA, and the Department of Planning, Monitoring and Evaluation (DPME). Circular 88 detailed the pilot phases for metros and other municipalities as guided by the AGSA to ensure that all municipalities are equipped to report on the proposed indicators.

The report signifies the need to strengthen the capacity and capability of M&E Units at provincial and national levels to support municipalities while continuing to monitor and report on the performance of local govtion from the Provincial State of Local Government reports, secondary data was used to triangulate the information and strengthen the national 2023 SOLG report. The 2021 and 2022 State of Local Government (SOLG) reports categorised municipalities based on stability, risk, and dysfunctional.

To address these issues, the Municipal Support and Interventions Plans (MSIPs) Framework was adopted by the Cabinet and is being implemented. The SOLG report indicated that in Gauteng, out of eleven (11) municipalities, ten (10) are at risk, and one (1) is in distress.

In the 2023/24 financial year, the performance of Gauteng municipalities and entities has improved, and this should be seen as a step in the right direction. The overall performance and observations, despite the positive trend, are far from ideal.





### **Clean Audits (Unqualified with No Material Findings)**

TThe number of clean audit outcomes 2. improved from two (2) in 2022/23 to *five (5) in 2023/24. The following mu-* 3. nicipalities and entities were congratu- 4. **lated for their consistent performance:** 5.

- Midvaal Local Municipality
- 2. West Rand District Municipality
- Joburg Market
- East Rand Water Care Company
- 5. Ekurhuleni Housing

### **Unqualified with Findings**

The number of unqualified audit opinions with findings decreased from eighteen (18) to sixteen (16). The following municipalities and entities received unqualified audit opinions with 15. Johannesburg Roads Agency findings:

- 1. Johannesburg Metropolitan Municipality
- Ekurhuleni Metropolitan Municipality
- Mogale City Local Municipality
- Rand West Local Municipality
- Lesedi Local Municipality
- 6. Sedibeng District Municipality
- 7. Johannesburg Property Company
- 8. Johannesburg Water
- Johannesburg Social Housing Company
- 10. Metropolitan Trading Company
- 11. Pikitup
- 12. City Power
- 13. City Parks
- 14. Johannesburg Development Agency
- 16. Metrobus

### **Unqualified with Findings**

- 1. City of Tshwane
- 2. Merafong Local Municipality
- 3. Emfuleni Local Municipality

The reduction in unqualified audits should not be seen as a regression, as the number of clean audits improved, and the number of disclaimers, in comparison to the previous reporting cycle, improved from one (1) in 2022/23 to zero (0) in 2023/24. No municipality or entity received an adverse opinion, nor were there any outstanding audits. While the City of Tshwane's audit remains unqualified, the improvements made since the last audit are commendable, and we look forward to a positive trajectory in the next financial year. The same applies to the Merafong and Emfuleni local municipalities.

The overall assessment from the Auditor-General demonstrated improved leadership, stability, and effectiveness of governance structures and oversight bodies, as evidenced by the improved audit outcomes. Improvements were also noted in the quality of submissions of annual financial statements and performance information, despite the number of material adjustments made.

From a service delivery perspective, the Auditor-General was extremely critical of municipalities for their failure to meet service delivery standards by delivering quality-built infrastructure that positively impacts the lives of citizens. A serious impediment to

sustainable service delivery is the inability of municipalities to collect rev- wane, (R2.4 billion), City of Johannesenue and reduce distribution losses, burg (R1.9 billion), Johannesburg Waspecifically in water and electricity, as a result of poor infrastructure maintenance. This is an area that requires intervention at the national level.

Specific emphasis was placed on non-compliance and consequence management. The number of non-compliance areas has reduced, but more effort is needed to reduce unauthorised, wasteful, fruitless, and irregular expenditure; expenditure management; material misstatements; procurement management; and consequence management.

City Power (R4.8 billion), City of Tshter (R1.2 billion), and Mogale Local Municipality (R0.615 billion).

In conclusion, it is paramount to act with a sense of urgency, hold officials accountable, and improve governance and audit outcomes as we prepare for a positive path towards the local government elections in 2026.

Dr Darion Barclay is the Head of Department at the Gauteng Department of Cooperative Governance and Traditional Affairs and a Research Associate at Good Governance Africa.

The top contributors to this area are Email: darion.barclay@gauteng.gov.za

# Building revenue security and acceptance for the Emfuleni Local Municipality through smart meters

BXC (BXC South Africa) is a leading smart meter service provider that daily demonstrates the transformative potential of smart meter technology in reversing - smart meter by smart meter at a time - a deep-seated culture of non-payment in both the suburbs and townships of the Emfuleni Local Municipality (ELM) in Gauteng.

he Company has also successfully co-created with ELM an Enabling Environment and operational approach to not only transform lives and service delivery where operative in this municipal hotspot but also in forging a unique bond with all stakeholders and through developing its own Behaviour Change and Social Responsibility programme to enhance acceptance and compliance with implementation.

This article explores the transformative power that smart meter technology can have in not only increasing the municipal revenue footprint but in achieving the social, political, business and residential co-operation so necessary for sustainable revenue collection and expansion in a region widely regarded as the graveyard of many high-profile Corporate and Government reputations and projects over the years.

### BXC: A Pioneer in Smart Meter Solutions

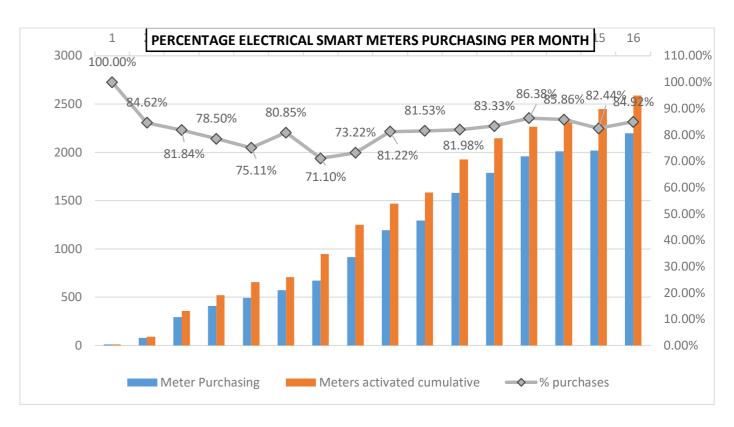
BXC specialises in providing advanced smart metering solutions that enable accurate measurement, monitoring,



and management of electricity and water consumption - the most crucial factor in service delivery for residents and business. Their smart meters are equipped with cutting-edge technology that allow for real-time data collection and communication between the utility provider and the end-user. This ensures

availability of information to customer, transparency, reduces energy theft, and enhances billing accuracy.

The company offers a range of services, including the installation, maintenance, and management of smart meters both for water and electricity.



They also provide customer support and educational resources to help users understand and optimize their energy consumption.

### The Challenges Faced by ELM and its Strategic Response

ELM, located in Gauteng Province, has faced numerous challenges in managing its electricity distribution and revenue collection, as with its potable water losses and distribution.

High levels of energy theft, outdated infrastructure, and inefficient manual billing systems have resulted in significant revenue losses. These issues have hindered the municipality's ability to provide reliable services to its residents and invest in infrastructure development.

In addition to this, residents and businesses owe the embattled local authority up to R9 billion in unpaid services. Also, the municipality has struggled with a low collection rate for electricity payments. Many residents and businesses have been unable or unwilling to pay their bills, further exacerbating the financial strain on the municipality.

This has created a vicious cycle of underfunding and service delivery failures, making it difficult for Emfuleni to meet the needs of its growing population.

ELM also is a participant in the National Treasury Municipal Debt Relief Programme, has negotiated an agency agreement with Eskom on managing its revenues and electrical infrastructure and will soon be participating with Rand Water in a similar scheme to manage water revenue and infrastructure.

Maximising income from these can only be achieved through a dramatic expansion in ELM's BXC smart meter programme the public has clearly lost all faith in traditional billing and usage methodologies - these are seen as thumb-suck revenue extraction exercises for the benefit of only ELM.

Thus ELM Municipal Manager April Ntuli has adopted a vastly different approach to the strategically crucial smart meter programme in Emfuleni by giving BXC agency to develop a cutting edge Social Management Behaviour Change programme to reduce resistance and

increase acceptance - in other words not just a compliance programme but a sustainable co-created environment demonstrably for the benefit of all.

"It was clear to me that if we wished to achieve revenue security in Emfuleni we would have to change our approach radically on smart meters as with Eskom and Rand Water," said Ntuli.

Clearly this approach has borne fruit for ELM and BXC and resulted in major political and business support for the programme as momentum increases through an accelerated installation programme aimed at installing 12 000 electricity smart meters but also 5 000 smart water meters.

### **BXC Role in Improving Revenue Security**

BXC - where operative and currently engaged in a major expansion of the ELM smart meter programme - has been instrumental in addressing these challenges by implementing their smart metering and social management solutions in Emfuleni. Their technology has provided customers with the ability to managed consumption savings in



rands and cents and the municipality with the tools needed to enhance revenue security and improve service delivery. Here are some of the keyways in **2. Improved Collection Rates:** By which BXC has made a difference:

- 1. Accurate Billing and Reduced Energy Theft: BXC's smart meters provide precise daily measurements of electricity consumption, ensuring that users are billed accurately for the energy they use. This eliminates discrepancies and disputes over billing, which were common with traditional metering systems. Additionally, the real-time monitoring capabilities of smart meters help
- detect and prevent energy theft, a major source of revenue loss for the municipality.
- switching from post-paid to prepaid electricity systems, BXC has helped Emfuleni improve its collection rates. Pre-paid systems require users to pay for electricity in advance, reducing the risk of non-payment and ensuring a steady flow of revenue for the municipality. BXC's user-friendly payment platforms have made it easier for residents to purchase electricity credits, further boosting compliance.

The data collected by BXC's smart meters allows the municipality to identify and address inefficiencies in its electricity distribution network. This includes pinpointing areas with high energy losses, optimizing load management, and planning infrastructure upgrades. These improvements have not only reduced operational costs but also

enhanced the reliability of electrici-

3. Enhanced Operational Efficiency:

- ty supply for residents. 4. Ongoing Customer Engagement and Education: BXC has worked closely with the municipality to educate residents about the benefits of smart metering and how to use the technology effectively. This has fostered greater trust and cooperation between the municipality and its residents, encouraging more people to comply with payment requirements and report issues such as energy theft.
- 5. Consumption information to customers: The smart meter technology places information of daily consumption and costs in the hands of the consumer. This provides them with the ability to actively influence their electrical usage and monthly spend. This is a valuable tool for consumers to formulate and managed their monthly budgets.

### **BXC Impact on ELM**

The implementation of BXC's smart metering solutions has had a transformative impact on the Emfuleni Local Municipality. The municipality has reported significant improvements in revenue collection, with collection rates increasing steadily since the introduction of pre-paid systems. This has provided the municipality with the financial resources needed to invest in infrastructure development and improve service delivery.

Moreover, the reduction in energy theft and operational inefficiencies has resulted in cost savings for the municipality amounting to millions.





BXC's efforts have also contributed to a more sustainable energy management system in Emfuleni. By promoting energy efficiency and reducing wastage, the municipality has been able to minimize its environmental impact and move towards a greener future in the areas smart meters were installed.

### **Challenges and the Way Forward**

While BXC's smart metering solutions have brought about significant improvements, there are still challenges that need to be addressed. For instance, the initial cost of installing smart meters can be a barrier for some residents, particularly those in low-income households. The municipality and BXC continue to work together to develop strategies for making smart metering more accessible and affordable for all residents. Electricity is an expensive commodity essential for everyday living and high tariffs have a significant impact on customers especially because the meter switch the electricity supply off if the credit is finished.

Communication is an essential process in the roll-out of smart meters, customers need to be informed regarding the reasons for the change in metering, the advantages and how the meter works and will improve their lives. It is also important that the installation program

is distributed to the customers effect- innovative smart metering solutions. ed, which is challenging to reach every customer. An effective communication strategy must be established with easyto-use information points where customers can get information. BXC runs a 24/7 call centre where customers can get information, log complaints and make appointments, in addition there is also a website where customers can view essential documents and verify the installation teams working in the field.

Additionally, ongoing maintenance and upgrades of the smart metering infrastructure are essential to ensure its long-term effectiveness. This requires a sustained commitment from both the municipality and BXC to invest in technology and training.

Looking ahead, BXC and the Emfuleni Local Municipality have the opportunity to build on their successes and explore new ways to enhance revenue security and service delivery. This includes leveraging data analytics, (AI ) Artificial Intelligence to gain deeper insights into energy consumption patterns and optimize resource allocation.

### Conclusion

BXC has played a crucial role in improving revenue security for the Emfuleni Local Municipality through their

By addressing challenges such as energy theft, inaccurate billing, and low collection rates, BXCSA has helped the municipality achieve greater financial stability and enhance service delivery. Their efforts have not only benefited the municipality but also improved the quality of life for its residents and businesses who currently have access to smart meters.

As BXC continues to innovate and expand its services, it is poised to make an even greater impact on energy management and revenue security for municipalities in South Africa.

The partnership between BXC and ELM serves as a model for other municipalities facing similar challenges, demonstrating the transformative potential of smart metering technology combined with the innovative thinking of all stakeholders involved, including business and municipal structures.



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# **Gauteng Municipalities Achieve Significant Audit** Improvements, Midvaal Leads with Clean Audit Streak

palities have made noteworthy strides in their record-keeping, as evidenced by the latest audit outcomes for the 2023/24 financial year. According to the Auditor-General of South Africa (AGSA), Tsakani Maluleke, eight out of the eleven municipalities received unqualified opinions, with two municipalities achieving this status with no findings.

The report, which was recently tabled and adopted by municipal councils, reveals that Gauteng's audit landscape consists of three metropolitan municipalities, two district municipalities, and six local municipalities. While most municipalities maintained their audit outcomes from the previous year, it is particularly encouraging that three improved, signifying a step forward in governance and financial management. Crucially, no municipalities regressed this year, highlighting a trend towards better accountability.

Leading the charge is the Midvaal Local Municipality, proudly celebrating an impressive eleven consecutive years of clean audits. This sustained achievement not only cements its reputation for exceptional financial

al misstatements in specific amounts, or there is insuf-CITY OF **TSHWANE** n a positive turn for public ac- oversight but also serves as a beacon countability, Gauteng munici- for other municipalities striving for excellence. **Audit Opinions Explained** There are four categories of audit opinions/outcomes: adverse, dis-Mogale City claimer, qualified, and unqualified (with and without findings). 1. A disclaimer of audit opinion inevidence for the dicates that the municipal-AGSA to conclude that specific ity provided insuffiamounts included in the financial CITY OF cient evidence in the statements are not materially mis-**EKURHULENI** form of documenta-**IOHANNES-WEST RAND** tion on which to base an audit opinion. ings indicates that the munic-**BURG** The lack of suffiipality's financial statements Rand cient evidence contain no ma-West is not conterial City fined to spe-Merafong cific amounts but represents findings Lesedi a subhave been raised stantial on reporting predeportion termined objectives, SEDIBENG of the innon-compliance with formation conlegislation, or both. An unquali-Emfuleni tained in the fied audit without findings, also financial statements. 2. An adverse opinion indicates that a municipality's financial that the municipality's financial statements are free from material statements contain material mismisstatements, with no material statements that are not confined findings related to performance to specific amounts, or the misobjectives or non-compliance with legislation. statements represent a substantial

### **Tshwane and Emfulenii**

The audit opinions for the City of Tshwane and Emfuleni Local Municipality for the 2023/24 period remained unchanged from the 2022/23 financial year, with both being qualified.

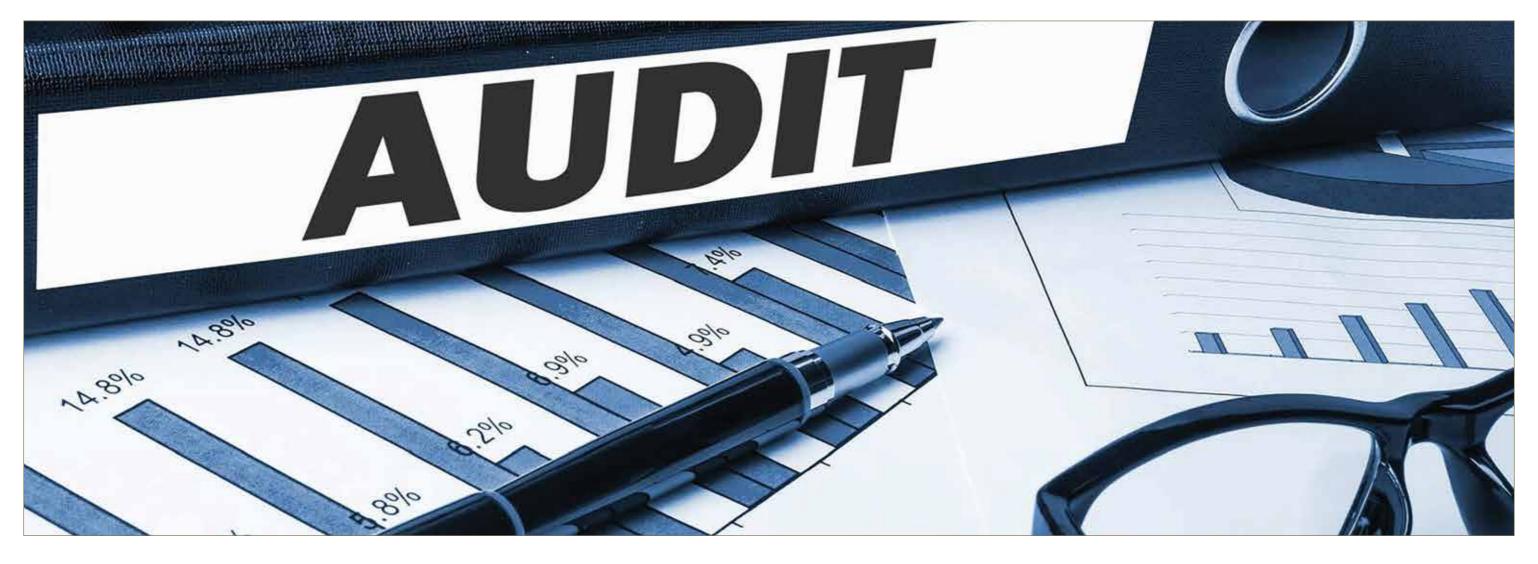
This indicates the inability of these municipalities to implement the recommendations made by the AGSA in the 2022/23 financial vear audit outcomes.

Gauteng MEC for Finance and Economic Development, Lebogang Maile, said while this was concerning, the Gauteng government - together with the South African Local Government Association (SAL-GA) — was hard at work reviewing the particular challenges that the two municipalities were confronted with.

Maile said the provincial government would be focusing specifically on the efficacy of the recommended interventions within the context of these municipalities' material circumstances.

The MEC said the reality was that even within the same province, different 4. An unqualified audit with find- municipalities face different realities owing to their specific geo-histories and the base from which they make improvements.

"While the pace of the municipalities' improvement may seem glacial, we wish to assure residents of Gauteng that the municipalities and the provincial government are not sitting idle. We are hard at work improving our interventions and providing much-needed technical support to the municipalities to ensure a known as a clean audit, indicates sustainable turnaround," Maile said. "We are focusing specifically on assisting municipalities to comply with National Treasury reporting reforms using the Financial Management Capacity Maturity Model (FMCMM) and the e-monitor system."



### **Assessment**

The FMCMM is a tool to assess munic-towards better audit outcomes. ipalities' level of maturity and capabilities in financial management. It is **Intervention** a framework that describes the key elements of effective financial management and sets out a path that municipalities can follow to progressively develop more sophisticated financial management practices. As it addresses multiple disciplines, including determining the impact of non-financial processes on financial management, it aids municipalities and municipal nicipality, and Lesedi Local Municientities in continuously improving and innovating their financial management for effective, efficient, and economical service delivery, while also assessing risks by serving as a afong Local Municipality, and Mogale proactive early warning mechanism. City Local Municipality improved This mechanism supports improve-

turity and capabilities, contributing

The improvement experienced in other municipalities is expected to be sustained as the Gauteng Provincial Treasury (GPT) has committed to aid municipalities in improving their audit findings. Audit opinions for the City of Johannesburg, the City of Ekurhuleni, Rand West City Local Municipality, Sedibeng District Mupality for the 2023/24 financial year remained unchanged — unqualified with findings. In the same period, the West Rand District Municipality, Mertheir audit outcomes from unqualified ments in financial management ma- with findings to unqualified with no

findings, from a disclaimer to a qualified opinion, and from qualified to unqualified with findings, respectively. Midvaal Local Municipality, on the other hand, maintained a clean audit — its 11th consecutive clean audit.

The improvements in the three stated municipalities were attributed to the efforts made to better manage their audits and prepare the audit file. The municipalities had teams responsible for managing previous audit findings and overseeing the current year's transactions. The improvements are due to management implementing recommendations from the previous year, mainly by improving review controls.

**How Improvements Came About** In the context of Mogale City Local Municipality, the improvement is also attributed to the efforts made to implement the recommendations from the previous year on asset management, as well as the involvement of the AGSA in its interim financial statements review. The West Rand District Municipality's improvement from unqualified with findings to unqualified with no findings was the result of rigorous reviews performed by management, working alongside other governmental institutions, including the Gauteng Treasury, COGTA, and SALGA.

Gauteng municipalities' financial reporting diagnosis highlights challenges with the credibility of the annual financial statements (AFS) but no challenges with their submission within the legislated date. In aid of credible AFS, the GPT embarked on standard operational plans to support and monitor ac-

tivities/interventions of municipalities. The aim of these plans was to improve the financial reporting control environment. This included a quarterly assessment of whether municipalities comply with the MFMA. The assessment reports identified opportunities for improvement within the financial reporting control environment. The GPT assessed whether municipalities were performing their key controls tests and implementing actions identified in the previous year's audit process.

Beyond the standard support given to municipalities, the GPT also introduced new initiatives to improve the credibility of the AFS. Internally known as the AFS Accelerator Programme, Gauteng municipalities introduced the production of Interim Financial Statements (IFS). The IFS boards are functioning as intended.

were reviewed by the provincial government in pursuit of identifying opportunities to improve their audit outcomes, and for Mogale City, the Interim Financial Statements process was reviewed by the AGSA.

"In the previous financial years, disciplinary boards were established to deal with cases of financial misconduct," Maile said. "We reiterate the call we made in our previous communication on the 2022/23 audit outcomes, urging the speakers of councils, municipal public accounts committees, and other council committees to instil a culture of good governance by promptly investigating instances of unauthorised, irregular, fruitless, and wasteful expenditure, and by ensuring that disciplinary



MEC Faith Mazibuko warning children about substances and their negative impact on their lives

# Reclaiming Freedom: Why Saying NO to Substance Abuse is a YES to Life

n a cold winter evening, scantily dressed, hungry, and sickly, Tumelo uses her last bit of money to buy drugs. With trembling hands, she receives the 'stuff' from a dealer and heads home to a place with no food, where her six-year-old daughter waits wrapped in a blanket. There is no electricity to power the heater because Tumelo did not buy any. School fees are gone, grocery money is gone, and along with them, her dignity. One fateful morning, staring at her reflec-

tion in a shattered mirror, she recalls the countless messages and advertisements urging her to stop substance abuse. In that moment, she decides, "Enough is enough." Today, Tumelo is four years sober — proof that breaking free from addiction is possible. The battle begins with a choice.

waits wrapped in a blanket. There is no electricity to power the heater because Tumelo did not buy any. School trapping individuals in its relentless grip.

Unfortunately, South Africa faces a serious challenge with alcohol and drug

abuse. In 2022, Harm Reduction International's Global State of Harm Reduction report identified South Africa as one of the world's largest methamphetamine markets.

### Substances Don't Give, They Take Away

Addiction is a relentless adversary, impacting millions of lives worldwide. It does not discriminate; it can touch anyone, regardless of age, gender, or social standing. The consequences are devastating — not just for individuals but for the country as a whole.





Substance abuse places a significant financial strain on the South African economy. Nearly 20% of South Africans, or one in five adults, abuse mind-altering substances, with alcohol, painkillers (codeine), cocaine, and dagga being the most prevalent. A study published by the South African Medical Journal (SAMJ) in 2014 estimated that alcohol

abuse alone costs the country up to 10% of its Gross Domestic Product (GDP) — as much as R37.9 billion annually — in lost productivity, healthcare expenses, and alcohol-related crime. Addressing substance abuse is not just about individual recovery; it is about reclaiming the economic and social well-being of our communities.

Given this background, it is clear that there are many like Tumelo in our midst. If we turn the corner, we will not only change their lives for the better but also restore losses incurred through substance abuse. To combat this crisis, the Gauteng Department of Social Development (GDSD), along with its partners, has implemented a comprehensive approach that includes law enforcement, awareness campaigns, prevention efforts, early intervention, community-based in-patient and out-patient rehabilitation, aftercare services, skills development, and longterm recovery support programmes.

### Ke Moja – I Am Fine Without Drugs

MEC Faith Mazibuko is spearheading Ke Moja Fridays, a mass mobilisation campaign held weekly to combat substance abuse and provide hope, support, and strength to those battling addiction. Research suggests that courage plays a crucial role in overcoming addiction, and the *Ke Moja* campaign fosters this resilience by consistently reaching communities.



To further strengthen the fight against substance abuse, the Gauteng Department of Social Development is utilisengage the public. These efforts aim to reach more individuals like Tumelo, offering them a lifeline and an opportunity to escape addiction's grip.

### **Help Is at Hand**

Gauteng is battling addiction to various substances, including crystal meth, nyaope, dagga, CAT, alcohol, phetamine, khat, and over-the-counter medications such as codeine. Despite its widespread prevalence, recovery is possible. Through GDSD-supported rehabilitation centres, individuals can access inpatient or outpatient ser-

way house assistance.

ing radio, print, and social media to In addition to treatment, GDSD offers free, accredited skills development training to help recovering substance users reintegrate into society and build sustainable futures. The holistic treatment services available include detoxification, occupational therapy, spiritual guidance, recreational activities, and therapeutic interventions such as individual therapy, family therapy, couples heroin, mandrax, cocaine, metham- therapy, and inpatient group therapy.

### **Empowering Recovery Through Skills Development**

TTo support long-term recovery, GDSD prioritises skills development programmes that empower youth and

vices, followed by aftercare and half- rehabilitate individuals recovering from Substance Use Disorder (SUD). Key initiatives include:

- · Providing accredited training programmes designed to equip beneficiaries with marketable skills and facilitate their reintegration into the economy through job placements or entrepreneurship.
- Offering accelerated skills development programmes in various trades, including bricklaying, electrical work, plumbing, carpentry, welding, water and waste management, ICT systems, hair and beauty, hotel and catering, food management, and waste management.
- Operating four Centres of Excellence in Gauteng, focusing on skills development and social reintegration.

- · Partnering with Non-Profit Organisations (NPOs) to assist recovering substance users and individuals experiencing homelessness.
- · Providing counselling services addressing issues such as reproductive health, substance abuse, and employment.
- Collaborating with the Gauteng Department of Economic Development and its agencies, such as the Gauteng Economic Propeller, to facilitate job placements for programme graduates.

### Addiction Is a Storm, But Every **Storm Runs Out of Rain**

One of the biggest challenges in combating addiction — especially among youth — is peer pressure. Many young



people experiment with substances as Recovery is not just about quitting a means of gaining social acceptance. GDSD is committed to educating youth that saying no to drugs is not Treatment centres provide skill-buildonly smart but empowering. It is cool ing, relapse prevention strategies, and to say no to substances. It is cool to long-term support to help individuals avoid harming yourself. It is cool to reintegrate into society as healthier, choose freedom over addiction. It is cool to choose a better future over tomorrows filled with shame, regret, self-blame, hopelessness, and depen- tion, the benefits extend far beyond dence on others for survival. So, the themselves. Families heal, relationships first step to avoiding addiction is not trying substances at all. Choosing freedom over addiction means choosing a future free from regret, dependence, and lost opportunities.

development, and substance use can have long-term negative effects on cognitive function and decision-making. Government efforts focus on prevention and education to ensure young people are equipped with the knowledge and resilience needed to resist substance use disorder.

### **Restoring Hope**

Many individuals struggling with addiction also face underlying mental health issues. Substance abuse treatment centres offer dual-diagnosis care, addressing both addiction and co-occurring mental health conditions.

drugs or alcohol; it is about rediscovering life's beauty and purpose. more fulfilled individuals.

When one person overcomes addicmend, and communities grow stronger. Tumelo's story is a testament to this: her bond with her daughter has been restored, and, with new skills and opportunities, she is building a better future.

Adolescence is a crucial stage of brain 

If you or someone you know is struggling with substance abuse, do not lose hope. A simple visit to any office of the Department of Social Development could be the first step towards transformation. Another option is to call the Gauteng Anti-Substance Abuse helpline at 0800 22 88 27. Help is available, and recovery is within reach.

> Substance abuse steals potential, but through collective action, by individuals, families, and communities, we can rebuild lives and create a society free from addiction. With all hands on deck, we can overcome substance abuse together.

# Mogale City Makes History with Landmark Electrification for Rural Communities



Mogale City Executive Mayor Lucky Sele with community members during the switching on of electricity in Hekpoort Flora Port and Portion 149

n a groundbreaking initiative that promises to transform the lives of under-serviced rural communities, on electricity in Hekpoort Flora Mayor Lucky Sele, who took the cer-

predominantly inhabited by historically disadvantaged farm workers.

Mogale City has officially switched The story of Hekpoort is steeped in historical inequalities. For years, the Port and Portion 149. This landmark residents—especially farm workers moment was celebrated by Executive have been systematically marginalised, denied access to fundamental emonial step towards integration and rights and services, including elecequitable service delivery in an area tricity. This lack of basic amenities has

forced families to grapple with daily challenges such as children attempting to study in dimly lit homes and businesses lacking the power to grow and thrive.

The recent electrification initiative stands as a testament to Mogale City's commitment to redressing these historical injustices. By facilitating 140 new home connections, the city is not merely providing electricity; it is unlocking a spectrum of opportunities that can significantly enhance the quality of life for the residents.

For too long, rural communities have faced daily struggles without electricity-children struggling to study by candlelight, families unable to refrigerate food, and businesses stifled in their growth potential. The provision of electricity is not merely a convenience; it is a fundamental service that unlocks opportunities, improves safety, and drives economic development.

With this initiative, Mogale City reaffirmed its commitment to ensuring that all residents, regardless of their geographical location, have access to the same essential services as their urban counterparts.

The municipality's vision for urbanisation across the city ensures that all necessary services and opportunities are available within the confines of the community, thus reducing the need for residents to travel long dis-



tances, often exceeding 20 kilometres, to meet their basic needs. This electrification project is not just about illuminating homes; it is about igniting dreams.

Electricity enables children to study in well-lit environments, empowers entrepreneurs to expand their businesses, and enhances healthcare by facilitating the use of essential medical equipment. It is a game-changer for the people of Hekpoort and a significant step towards achieving equality in service delivery.

"True leadership is demonstrated by those who prioritise the needs of all citizens, not merely those residing in affluent suburban areas. Leaders who advocate for equitable service delivery are visionaries—champions of progress who understand that a prosperous society is one where no community is left behind," stated Executive Mayor Lucky Sele.

Despite various efforts to impede the



progress of this project and the de- to continue their support for initiatives velopment of the area, Mogale City remains steadfast in its commitment to improving the lives of all residents Together, Mogale City stated that it entitled to, as enshrined in the South ipality celebrates this pivotal milestone, it has called on all stakeholders nities they rightfully deserve.

aimed at uplifting rural areas.

through the essential services they are can build a future where every home in the municipality, from the vibrant African Constitution. As the munic- urban centres to the serene farmlands. has access to the power and opportu-



# **Reflections on SONA in Respect** of the SOE Reform Agenda:

by Dr Nimrod Oupa Mbele (PhD), Group CEO at **Knowledge Anchors Group** 

limitations and opportunities of the SOE reform agenda outlined by the President in his State of the Nation Address. In 2021, the President introduced the National State Enterprise Bill to strengthen and the role of the private sector and governance, financial management, and oversight of SOEs. The Bill proposed a State Holding Company to centralise SOE management but un- tunities for meaningful reform.

nis article examines the derwent multiple revisions to address weaknesses in dysfunctional SOEs. Ultimately, it was not passed due to critical shortcomings, particularly the lack of clarity in duality of mandates (public and commercial), the governance model (power concentration), implications for appointing boards. These gaps represent key limitations, while their resolution presents oppor-

The Bill proposes a State Holding Company (SHC) as the central custodian of all state shareholding interests, granting unprecedented powers to the President. Chapter 3, Section 3 designates the state as the sole shareholder, with the President as its representative, who may delegate administrative powers to a cabinet minister. This creates a hybrid centralised-decentralised governance model, raising critical questions: 1) Does this reduce political interference in SOEs? 2) Can the President or delegated minister misuse appointment powers over SOE boards? 3) What happens to When considering the 'so what' question, the proposed hybrid governance model offers both potential benefits and risks.

While centralising state shareholding under a State Holding Company (SHC) could improve oversight and coordination, it also risks consolidating power in the hands of the President or a cabinet minister, which may lead to political interference. In addition, SOEs excluded from the SHC's remit may continue to suffer from governance weaknesses. For the model to succeed, it must balance centralised control with independent, merit-based governance to avoid political patronage and ensure accountability, performance, and long-term accounting authorities. sustainability across all SOEs.

Effective governance requires clear roles, defined delegations of authority, and safeguards against scope creep. The Zondo Commission exposed rampant political interference, unqualified appointments, and financial mismanagement in SOEs, leading to their near collapse. In response, Chapter 6 of the Bill establishes a Presidential Advisory Committee, including government, labour, and business representatives. However, with a majority of political appointees, its ability to curb interference remains uncertain.

The Bill lacks a clear commitment to preventing interference in SOE boards when they perform in line with their mandates, leaving governance vulnerable to political influence. A major concern is Section 22(3), which exempts the State Holding Company (SHC) and its subsidiaries from the Public Finance Management Act

(PFMA), except for Sections 47 and 48. This exclusion contradicts the Bill's stated objective of enhancing governance and efficiency. It raises SOEs excluded from the SHC's remit? critical questions: Does the govern- SOEs risk remaining inefficient and ment see the PFMA as a barrier to proper governance? If so, why is it retained for other SOEs? The absence of PFMA oversight is a significant governance risk, potentially undermining For true reform, the bill should introfinancial accountability and operational integrity.

> The legal framework governing SOEs also presents inconsistencies. The PFMA and the Companies Act impose overlapping but distinct governance expectations, particularly regarding directors' fiduciary duties and accountability for negligence. Sections 76(4) and 76(5) of the Companies Act define directors' conduct standards. while Sections 50 and 51 of the PFMA set fiduciary and general duties for

Without harmonisation, these frameworks could create ambiguity and weaken governance enforcement. Additionally, Section 10(1) of the Bill, which assesses board competence collectively rather than individually, risks allowing unsuitable appointments, contradicting King IV principles that emphasise skill, experience, diversity, and independence. Strong governance, accountability, and leadership expertise are essential for any SOE turnaround, yet the Bill does not adequately address these. Effective Holdings, with independent goverperformance monitoring of subsidiaries requires sophisticated systems and expertise, which history shows are

While an ethical, capable board is vital, experienced executive management is equally critical for operational success. The Bill's failure to encourage private investment further limits reform potential, raising concerns that it prioritises centralised

control over meaningful efficiency improvements. Without mechanisms for stronger governance, investment, and professionalised leadership, financially burdensome, failing to deliver long-term economic and social

duce mechanisms for efficiency, accountability, and external investment while reducing state interference and fostering strategic partnerships. Without these, SOEs risk remaining inefficient and financially burdensome, failing to deliver the long-term economic and social benefits expected by South Africans.

In conclusion, South Africa's SOE transformation demands a pragmatic, results-driven approach. Although the State of the Nation Address (SONA) does not delve into granular details of SOE reform, accelerating policy implementation is critical to addressing systemic inefficiencies. Notwithstanding this imperative, a key question remains: should reform be ideology-driven or market-driven? Although ideology can shape the vision, market-driven reforms focusing on efficiency, competition, and investment are crucial for sustainable success.

South Africa must adopt a professionalised, performance-oriented model, similar to Singapore's Temasek nance, merit-based appointments, and performance-linked incentives. A mixed-ownership model could also encourage private sector investment while safeguarding public interests. Ultimately, transparency, rigorous oversight, and alignment with national development goals are vital to transforming SOEs into competitive, value-generating entities that contribute to economic growth and social development.

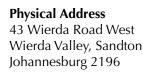


### **OUR BELIEFS**

**ATTENTION AND RESPONSIVENESS** 

### **PRACTICE AREAS**







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# The JB Marks Local Municipality confronting the pressing crises of illegal land occupation and service connections



peaking to our Magazine, Cllr. Gaba Thithiba Ka of the JB Marks Local Municipality, emphasized that by the time the new administration took office on 21 November 2021, the majority of open spaces had already been unlawfully occupied. Nearly eight court orders to evict illegal occupiers had been secured by that time, but only one of them had really been carried out, removing people from the land that was owned by Department of Agriculture. We moved them to the area near Dassierand. Restrictions put in place during the COVID-19 demic made the Municipality's proactive approach even more difficult

to navigate.

peaking to our Magazine, Cllr. Gaba Thithiba Ka Qhele, the Executive Mayor of the JB Marks Local Municipality, emphasized that me the new administration African Police Services and the South African National Defense Force as part of the Security Cluster. Subsequently,

profile program to evaluate informal settlements and determine the effects of unauthorized connections to utilities like electricity and water. About 70% of the verification procedure has been successfully

concluded

we initiated a comprehensive

unsuccessful atillegal connecwith the South es and the South target of approximately 8,000 informal setups under its purview.

"We then decided that we'll have to look at relocating them to other alternative portions of land because, in reality, the rest of your so-called Western Transvaal, this part of the North West Province, and part of Merafong in Gauteng, are sitting predominantly on dolomitic soils. So also here, that's one area that we are actually grappling with. We don't have enough land available where we can actually

relocate people. It's only few pockets

by the Municipality thus far, with a

and support from local government

are crucial as authorities begin the

long process of formalizing informal

settlements and bringing desperately

needed resources to residents.

The Executive Mayor of JB Marks Local Municipality, Cllr Gaba Thithiba Ka Qhele of areas that we have," said the Executive Mayor.

"Since the Municipality lacks appropriate alternative land, Officials have sought inspiration from the neighbouring Gauteng's Governance Model, exploring strategies to formalize and connect informal settlements while curbing losses incurred due to illegal connections.

We came to the conclusion that in the meantime, whilst looking at other best practices like in Gauteng where you find Government working with Eskom, we would embark on a program of connecting informal settlements with the view of curbing losses that we encounter as Municipalities with regards to electricity.

However, the truth remains that we, the Municipality, are paying when people connect illegally, and if we are not collecting revenue, we are losing money.



JB Marks Local Municipality grapples with the impact of the past two financial years' staggering electricity tariff hikes by Eskom through approval of Nersa, which imposed around 30% increases.

The Municipality cannot assume that consumers would be able to afford 30% electricity tariffs. We were left

with no choice but to increase tariffs by 9% in 2023 and 12% in 2024 in order to lessen the potential impact on ratepayers, which remains a delicate balance between fiscal sustainability and community welfare.

JB Marks Local Municipality Officials geared up to initiate their first formal-



ization project in Ward 17, Ext. 3 and be ring-fenced in securing formalized 4 where assessment results suggested that nearly 900 informal structures could be given legal recognition.

Building on this foundation, they planned to extend their efforts to other 9 with close to 1600 informal struc-Ward 26 which is just above 2000 informal structures getting close to 8000 that have been attended.

The aim is to alleviate socio-economic crises woven into the fabric of in- barked on its battle against illegal land formal settlements. The administration has been crafting a set of innovative proposals to maintain effective service delivery while addressing those illegal activities.

A Council endorsed on implementation of a R200 flat-rate service fee for households engaged in illegal water and electricity connections; funds

services moving forward.

The looming threat of resistance from illegal connection operators, who profit off the current disarray, presents itself as a formidable obstacle, and the Muinformal settlements, Hashtag in Ward nicipality is prepared to engage in disputes if necessary to restore order. The tures and proceed to the next informal Municipality did submit an application structures also known as Hashtag in to the Integrated National Electrification Programme (INEP) for funding of more than sixteen informal settlements.

> The local community is on high alert as JB Marks Local Municipality emoccupancy and service connections. Officials recognize the potential danger posed not only to the Municipality's revenue but also to residents' safety, with illegal connections resulting in catastrophic events that have even led to fatalities.

The Administration has firmly committed to finding a solution that would raised through such initiative would bring stability and accountability to JB

Marks Local Municipality, and it has engaged all stakeholders in this process.

According to Municipal reports, areas such as Ventersdorp have been hit hard, experiencing power outages three to four times a week, despite recent months seeing a reduction in load shedding across the region due to cable theft between Coligny and Makokskraal.

The jurisdiction over electricity supply lies with Eskom, which is also grappling with challenges posed by cable theft, complicating repair efforts. Local farmers have even resorted to using drones and cameras in attempts to catch culprits, though catching thieves in these rural areas remains an uphill battle.

The repercussions are not only felt economically; they threaten the structure of the Municipality as well. Residents who consistently pay for their water and electricity services becomes increasingly frustrated. "If this is allowed to continue, people will stop paying," the Executive Mayor warned, underlining the cyclical impact of rampant theft on services provided to the community. Residents, particularly those in informal settlements, have been expressing their desire for a functional electricity grid, echoing the call for equitable access to utilities.

As JB Marks Local Municipality grapples with the dual crises of electricity theft and declining infrastructure, the road ahead is fraught with challenges. Nevertheless, community leaders remain determined to implement practical solutions and galvanize community support to restore dignity and functionality to these essential services. In response to these mounting issues, the Municipal Leadership is strategizing on new infrastructure development and service delivery expansions to ensure availability and fair distribution of electricity.

"We are committed to engaging communities and offering them an opportunity to be part of the solution. Our challenges that plague underserved meetings with community leaders have shown that many residents are as fed up with illegal connections as we are," said the Executive Mayor. He emphasized that, many residents genuinely wish to pay for services and therefore, expects the Municipality to enforce regulations against theft.

JB Marks Local Municipality authorities made strides towards addressing a longstanding water and sanitation

communities. The situation has been complicated by the age of existing infrastructure, much of which dates back to the apartheid era and was not designed with the needs of expanded post-apartheid communities in mind. Recent initiatives include constructing a new 25-Megalitre Reservoir in Ika-Alongside tackling electricity theft, the geng, Extension 7 to address historical underfunding of Municipal Water Infrastructure and enhance service delivery during power outages.





# JB Marks Municipality prioritizes Infrastructure upgrades to enhance Community **Services**

response to longstanding community concerns, as outlined in to go," MMC Modise said. a recent interview with a Member of the Mayoral Committee (MMC) re- "We have pushed for the establishsponsible for Technical Services, Cllr Gerald Amos Modise.

With an allocation of R79 million for Technical Services in the 2024/25 Financial Year, the Municipality aimed to tackle critical issues ranging from road maintenance to water supply, while also addressing pressing prob-Municipal services.

During the interview, MMC Modise acknowledged the institution's politicization, calling for a shift in focus towards effective governance and community upliftment.

Acknowledging past financial hurdles, MMC Modise described a recent R62 million cut of unspent allocation from the National Treasury as a turning point which forced the Municipality to re-evaluation expenditure practices. "Since we came in, we took a resolution that all is not well.

ne The JB Marks Local We are running an institution which Municipality is set to un- is over-politicized and [there is] entidertake significant infra- tlement. But thus far, after the Nationstructure improvements in al Treasury took that R62 million, we then decided that, this is not the way

> ment of Panels of Consultants and Contractors. And thus far, we have spent 100% in the previous financial year, including the Municipal Infrastructure Grant (MIG).

For all the Grants, all the money has been spent as expected. "During the 2024/25 Financial Year, we were sitting lems such as illegal connections to at 15% of expenditure on MIG and in the current as the Executive Mayor alluded, there were projects that we have engaged on through various Grants."

### **MMC Modise said those** projects included:

- Electrification of communities at Tshing, Extension 10, through the Integrated National Electrification Programme (INEP).
- Construction of a 25-Megalitre Reservoir at Ward 20, through the Regional Bulk Infrastructure Grant
- Paving of various roads at Tshing Wards 30 and 33

· Finalization of internal road improvements covering four more Wards which were Ward 01, 09, 18 and 27.

"We have also handed over projects for the Bulk Line from Ikageng Reservoir to the new Reservoir in the 25-megalitre and it also covered five Wards which were Ward 08, 09, 10, 26 and 20. The Bulk Line from Ikageng is a 600-millimetre PVC pipe," MMC Modise said.

"We are also hard at work with the Project from the Treatment Works, just in the Southern part of the Town which covers Wards 28, 23 and 03. There are some Projects that we have engaged on, for which we allocated R79 million during the 2024/25 Financial Year.

"We anticipate to do between 200 and 300 old toilets, taking them totally off and rebuild them across the Old Ikageng Township.

Those are some of the areas that we vide water to the residents. are attending to, which include those that we are trying to rework in the Ventersdorp Region. There has been a serious challenge of water at Extension 3 but now, through the assis-

tance of the Provincial Government, Service Provider was appointed to install a Steel-elevated Reservoir, and the work should be about 40% or 50% now to be finalized so as to pro-

There is a lot of work that we are doing as the JB Marks Local Municipality." The Executive Mayor added that the Municipality was set to see





a surge in Housing Development as Local Authorities addressed pressing accommodation challenges.

He said recent discussions have highlighted significant advancements in various housing projects intended to alleviate the existing shortage of houses in the area, particularly at Ventersdorp and Extension 30, where approximately 1 000 homes will be developed.

The Executive Mayor indicated that sary infrastructures. Dolomite issues posed challenges in certain areas, yet constructive measures were being pursued. A recent report outlined several key develop-

ments, including collaborations with the Housing Development Agency that aimed at establishing Mixed Typology Projects.

Notable developments are planned for areas such as N12 and Eden Development. Additional projects include three new Township Establishments in Wilgeboom and further initiatives in Marikana, both of which have already appointed Service Providers tasked with formalizing neces-

Once the establishments reach completion, the process of integrating residents into these areas will commence,

marking a critical step in meeting housing demands. "Another area that we are also focusing on is adjacent to the Graveyard in Dassierand. We are looking at the Missing-Middle, the old FLISP (Finance-Linked Individual Subsidy Programme) kind of a program to attend to those people who could not be accommodated," he said.

"There are some areas that we will also fast-track to attend to the shortage of houses in and around, in particular the Tlokwe Region." In light of public concerns regarding affordable access to essential services, the Municipality is also considering the treatment of residents in Informal Settlements.

Discussions are underway to implement a fair pricing structure for electricity and water usage to combat illegal connections, while simultaneously offering sliding scale options for those who genuinely cannot afford to pay. "In our deliberation, we looked broadly at matters that included legislative issues which required to be catered for such as Indigents.

The JB Marks Local Municipality has been in the process of aggressively combating corruption. "The first thing that we have done is to put the proper institutional arrangement in place like the Misconduct Board that needed to be established to deal with any

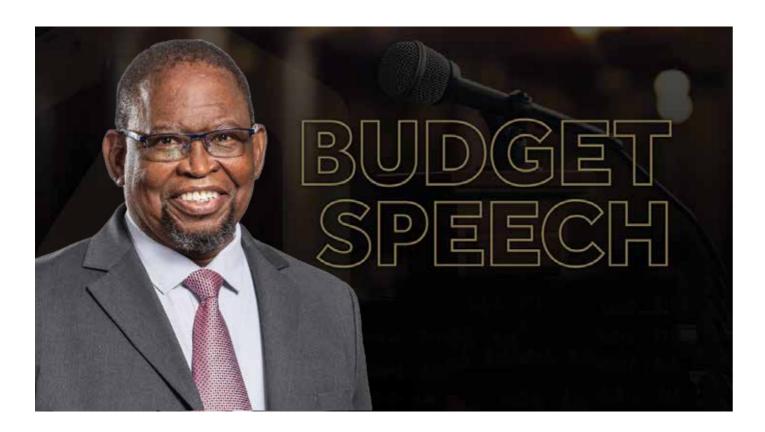
allegations of mismanagement in the institution.

A newly established Misconduct be collecting all Council Resolutions Board aims to comprehensively investigate past allegations of financial mismanagement. "We have established that, and luckily the Team has recently presented their first report of alleged misconduct and the Council gave it a thumbs up to proceed to do final investigations".

Whoever might be found on the wrong must be dealt with accordingly. "We have escalated a number of such matters, so at least we have now received one out of the many.

The Chairperson of the Misconduct Board indicated at the time that at the end of the Council Meeting, he would suggesting that there are wrongdoings in the Institution. He would then ensure that all of them does find proper expression by the Misconduct Board and that, proper reports get submit-

"Those are some of the areas that as the Executive Mayor, I think we are correcting. We are trying our level best amongst others, to close all the loopholes where people are doing wrong things and squandering the money coming from our Ratepayers."



# South Africa's 2025 **Budget Prioritises Reform** to Bolster Provincial and **Municipal Funding**

Godongwana, much-anticipated 2025 Budget Review on 12 March, underscored the critical need for structural reforms aimed at enhancing revenue generation, accountability, and efficiency within provinces and ture needs and improve overall govermunicipalities.

This push comes amid growing pressures on local governments to meet the fundamental service delivery demands of South African citizens, all while empower municipal entities that over-

grappling with the constraints of rising costs and declining economic growth.

With a focus on fostering stronger intergovernmental collaboration, the budget introduces targeted reforms designed to tackle urgent infrastrucnance across all levels of government. Among these reforms is the introduction of a new Urban Development Financing Grant, which consolidates components from existing grants to

see essential services such as water supply, sanitation, electricity, and waste management.

### **Changes to Provincial and Municipal Allocations**

The adjustments to allocations since the 2024 Medium-Term Budget Policy Statement are not merely administrative; they represent a fundamental shift in how resources are directed. The new grant system not only provides funds but also ties allocations to specific performance metrics, including management accountability and service delivery efficiency.

A key development is the introduction of the Urban Development Financing Grant, which merges the metro component of the Neighbourhood Development Partnership Grant and a portion of the Programme and Project Preparation Support Grant.

The new grant is intended to strengthen the management of municipal entities and infrastructure investment in services such as water and sanitation, electricity, energy, and solid waste management.

Allocations will be transferred to metros based on the achievement of targets related to management accountability, transparency, and institutional capability; financial performance, including better collections, cash flow, debt management, and capital investment; and service delivery efficiency, such as reduced losses and better quality and reliability.

The grant will be supplemented by results-based financing from international development finance partners such as the World Bank.

This merged grant will have baseline allocations of R518 million in 2025/26, R678 million in 2026/27, and R709 million in 2027/28.

Framework (MTEF) period, R8.5 billion is provisionally allocated pending the fulfilment of agreed performance conditions and obligations by metropolitan municipalities.

Additional results-based financing in 2025/26 is linked to the Urban Settlements Development Grant, which supplements municipal capital budgets for bulk infrastructure.

In the provincial sphere, the Expanded Public Works Programme (EPWP) In-

tegrated Grant will be merged with the Social Sector EPWP Incentive Grant from 2025/26, combining their allocations.

Furthermore, Godongwana announced that the Municipal Systems Improvement Grant will be discontinued, with funds redirected to the Department of Cooperative Governance for municipal support.

In addition, R494 million in 2025/26 will be shifted from the direct to the indirect component of the Municipal Infrastructure Grant to address wastewater infrastructure issues in 21 municipalities.

Allocations of R76 million in 2025/26, R83 million in 2026/27, and R86 million in 2027/28 are shifted from the Municipal Infrastructure Grant to the Integrated Urban Development Grant as Alfred Duma Local Municipality has become eligible to participate in the Integrated Urban Development Grant.

### **Update to Local Government Equitable Share**

Share formula has been updated to include revised cost factors for bulk services such as electricity and water. For the 2025 Medium-Term Expenditure Framework (MTEF) period, the formula will continue to use the entities, and national, provincial, and 2023/24 household estimates from the 2024 MTEF formula.

Over the Medium-Term Expenditure Godongwana said this approach provided stability in allocations until Statistics South Africa releases a new data series based on the 2022 Census. "The local government equitable share An amount of R219.2 billion will be will increase from R99.5 billion in 2024/25 to R115.7 billion in 2027/28. This is to fund increases in the cost of bulk water and electricity provided for free to needy households," he said.

> "In 2025/26, 83% of the Local Government Equitable Share provides a free basic services package of R610 per month to 11.2 million poor households.

This package of free municipal services continues to be a key tool for reducing poverty and inequality, raising living standards, and facilitating access to greater economic opportunities."

Similarly, the proportion of households below the affordability threshold in each municipality continues to be based on 2011 Census data.

This is because the 2022/23 Income and Expenditure Survey data was delayed and has not been released at the municipal level to enable updates to the Local Government Equitable Share formula for the 2025 Division of Revenue Bill.

Updating the formula with the latest official data is necessary to ensure that municipal allocations reflect demographic changes.

To this end, the National Treasury is engaging with Statistics South Africa to ensure that the necessary data is available for the 2026 Budget.

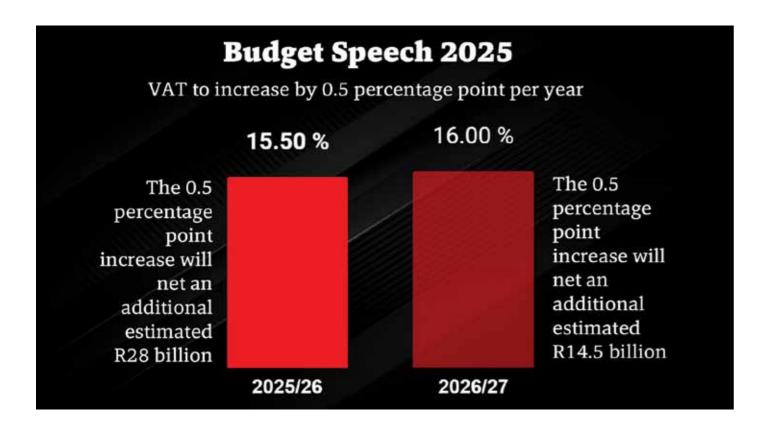
### The Local Government Equitable R1 Trillion to Infrastructure **Over Medium-Term**

Over the next three years, an estimated R1.03 trillion will be spent on public infrastructure projects by state-owned companies, other public local governments.

This includes R402 billion for road infrastructure, with R100 billion invested by the South African National Roads Agency Limited (SANRAL).

spent on energy infrastructure, and R156.3 billion will be allocated to water and sanitation infrastructure. The 2025 Budget added R46.7 billion in funding for infrastructure projects over the next three years.

For the 2025 Medium-Term Expenditure Framework (MTEF) period, provinces, and municipalities were allo-



cated R2.95 trillion, or 49.8% of total to better target poor households and non-interest spending.

Of this amount, R2.4 trillion goes to provinces, and local government re- In addition, the National Treasury is ceived R552.7 billion.

Funds were allocated in the form of equitable shares, which are distributed through a formula that factors in demographic and developmental considerations, as well as conditional grants.

### **Municipal Revenue and** Spending

As part of a five-year programme of action to improve local governance, the National Treasury is leading a comprehensive review of the Local stronger accountability. Government Fiscal Framework.

This review, which was endorsed by the Budget Forum in October 2024, aims to refine the funding model to ensure it is equitable, efficient, and responsive to the diverse needs of municipalities.

Key reforms include revising the Local Government Equitable Share formula account for cost differences across municipalities.

consulting stakeholders as part of developing norms and standards for municipal electricity surcharges to help reform municipal revenue collection. The challenges facing local government go beyond funding.

Weak political and administrative management has resulted in persistent failures - including poor cash flow management, irregular and wasteful expenditure, and non-compliance with financial management statutes - that highlight the need for

Vacancies in critical senior management positions, weak internal controls and poor implementation of audit findings further undermine financial discipline and service delivery.

### **Implementing the Conditional Grant Review**

Conditional grants are designed to achieve specific objectives, and they

are made available once provinces and municipalities fulfil conditions related to their use.

Provinces and municipalities face spending and revenue pressures from the rising costs of basic and social services, as well as declining economic growth and high borrowing costs.

After providing for debt-service costs, the contingency reserve and provisional allocations, 48.4% of nationally raised funds are allocated to the national government, 41.9% to the provincial government, and 9.7% to the local government.

The 2025 Budget introduces a performance-based conditional grant for certain trading service entities that provide basic services, such as municipal water.

This will incentivise financial and operational reforms to improve their functionality and sustainability.

Godongwana said the proliferation of conditional grants has necessitated a review to reduce duplication and improve the effectiveness of programmes.

He said this Budget will implement the first phase of the recommendations from the review, including merging conditional grants in basic education and agriculture.

Performance-based conditional grants for metropolitan municipalities are In coastal and rural municipalities, also introduced, linked to institutional, governance and financial reforms to improve services.

### **Building Local Government Disaster Resilience**

Godongwana said the incentives in the current disaster management system are skewed towards relief and rehabilitation, when mitigation and readiness to reduce damage are the most cost-effective response.

"Our municipalities stand at the frontline of disaster response, yet they are hamstrung by ageing infrastructure, bureaucratic fragmentation, and limited access to emergency funds. The priority is to reduce the administrative burden to access emergency funds. Every hour of delay costs lives and livelihoods," he said.

As a result, the National Treasury is leading reforms to enhance the Disaster Risk Financing Framework in the context of increasingly frequent and severe disasters.

Reforms aim to ensure that disaster response is timely, efficient, and equitable, while proactively reducing risks.

Treasury surveyed the 40 municipalities at highest risk of natural disasters. The results highlighted significant delays in municipalities accessing disaster response funds and recovery grants, averaging five months and 12.25 months, respectively.

Treasury said these delays hindered an effective response in resource-constrained municipalities.

limited technical capacity, exacerbate nicipalities.

Challenges such as access to disaster sites, reliance on consultants and unclear processes were contributing factors.

which are heavily reliant on disaster recovery grants, reported expenditure often fell below allocations due to data discrepancies – such as issues with data quality and reporting practices - and spending challenges.

Treasury said disaster risk reduction remained underfunded, with ageing infrastructure and poor maintenance increasing vulnerability.

It said inefficiencies were worsened by fragmentation, delays in provincial collation for disaster declarations and unclear roles across government.

However, Godongwana said a multi-layered risk financing strategy has been developed that will address the overreliance on budget reallocations, which often delays disaster response and recovery.

to the grant system to incentivise municipalities to access a variety of funding instruments for disasters. These include their own budget, the contingency reserve, conditional grant funding, and insurance," he said.

"The Budget allocates R1.7 billion to respond to future disasters over the medium term, while R4 billion is provisionally allocated to address backlogs in recovery efforts for provinces and municipalities."

### **Update on the Municipal Debt-Relief Programme**

Treasury said many of the 71 municipalities in the Municipal Debt-Relief

Complex application, verification and Programme were failing to meet the reporting processes, combined with required conditions for the national government to write off their arrears the delays, particularly in smaller mu- debt to Eskom in equal instalments over three years.

> Key issues include persistent non-payment of monthly electricity accounts and an inability to collect the mandated 85% of revenue.

> Forty-seven municipalities have consistently defaulted and already accumulated substantial arrears after receiving debt relief.

> Despite monthly support from provincial treasuries, these municipalities continue to struggle with financial management, risking removal from the programme.

> The National Treasury has issued final warnings to several municipalities, including Mangaung Metro, Richtersveld, and Inxuba Yethemba.

> Termination from the programme will require municipalities to repay their debt and accumulated arrears in full while facing credit control measures from Eskom, such as legal proceedings and the introduction of prepaid bulk electricity systems.

The National Treasury and provincial "Continuous improvements are made treasuries will continue to enforce programme conditions and support municipalities.

> Municipalities need to improve efforts to meet their obligations by implementing cost-reflective tariffs, sustainably managing free basic services, and exploring smart prepaid meters to improve revenue collection and financial sustainability. While challenges persist, there are success stories.

Eleven municipalities have had onethird of their debt written off after meeting the programme conditions. These successes highlight the programme's potential to improve municipal financial stability.

# **Premier Mokgosi Outlines Ambitious Plans for Transformation** in the North West Province

he North West province stands at the precipice of a transformative era as Premier Kagiso Lazarus Mokgosi delivered his inaugural State of the Province Address (SOPA) on February 27, outlining a bold vision aimed at revitalising the region, capitalising on its rich platinum resources, and addressing long-standing socioeconomic challenges.

Central to Mokgosi's strategy are targeted interventions in agriculture, housing, water supply, and stateowned enterprises, driven by a commitment to improving the quality of life for residents.

address was Mokgosi's emphasis on empowering farmers and enhancing food security, with initiatives aimed at revitalising rural economies.

### Support for 5,000 farmers and food security

Mokgosi revealed that over 5,000 subsistence farmers were now receiving direct support through the Ilima/Letsema Programme and the Presidential Employment Stimulus, ensuring every household in the province has access to food.

The Ilima/Letsema Programme is aimed at reducing poverty through targeting smallholder farmers, agrarian reform beneficiaries, farm workers,



Among the key highlights from the cooperatives, and small agribusinesses. It focuses on revitalising irrigation schemes, household gardens, school, community and public gardens, purchasing livestock, and hectares planting inputs, among other initiatives.

> "To bolster this intervention, the government has injected R80 million in conditional grants to accelerate food production and promote sustainability in farming communities," Mokgosi

Recognising the essential role that irrigation infrastructure plays, Mokgosi highlighted notable advancements in the revitalisation of the Taung Irrigation increased food production initiatives Scheme. This initiative is the result of extensive consultations with traditional leadership and key stakeholders and

is designed to enhance water access, improve agricultural productivity, and fortify food security in the region.

The Taung Irrigation Scheme, built in the late 1930s and comprising seven cooperatives—Bosele, Ipelegeng, Tshenolo, Rethuse Re Dire, Tshediso, Are Ageng Mmogo and Kgosietsile-operates mainly on centre-pivot systems. The farmers who depend on irrigation for farming are plagued by ageing infrastructure, a lack of market access, and high water and electricity costs. These challenges continue to have an adverse impact on farmers, hindering their growth and development.

Mokgosi said the government was also prioritising water security through a partnership between the Vaalharts Wa-

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ter Users Association, the Department of Water and Sanitation, and the Dr Ruth Segomotsi Mompati District Municipality. This collaboration aims to boost water supply to Taung, Pudimoe, and Huhudi, and is part of a broader strategy that includes plans to restore the Disaneng, Molatedi, Hartbees, and Mooibank Irrigation Schemes, ensuring that farmers have reliable water sources to expand their production.

Additionally, the Premier introduced the Agri-Hub initiative, a collaborative programme developed in partnership with the Department of Agriculture and Rural Development, North West University, the Agricultural Research Council, and other key partners. This initiative is designed to advance agricultural development, empower emerging commercial farmers, and stimulate sustainable economic growth, thus playing a crucial role in alleviating poverty in rural areas.

Reaffirming the government's dedication to land restoration, Mokgosi positioned it as a cornerstone of economic transformation and rural revitalisation. "To date, over 6,000 hectares of land have been successfully returned to rightful owners and local communities, marking a significant achievement in the province's land reform agenda," he said.

This initiative has seen R4.5 billion invested in land acquisition, with an additional R430 million allocated as development grants to ensure the long-term viability and sustainability of restored land.

A remarkable case from this programme is the Bo-Moshe Communal Property Association, where over 670 hectares of land valued at more than R380 million have been restored, now underpinning a thriving berry export business.

This enterprise has attracted over R40 million in investments and has created nearly 5,000 seasonal jobs, along with 34 permanent positions for locals.

"These efforts go beyond farming; they are about restoring dignity, creating jobs, and ensuring that every citizen in our province has access to nutritious food. Through bold and decisive action, we are positioning agriculture as a cornerstone of economic transformation in the North West," Premier Mokgosi asserted.

**R450 Million for Water and Sanitation Projects** 

In a bold move to address pressing water shortages and sanitation backlogs, Mokgosi said the provincial government has embarked on an ambitious series of projects. This multifaceted initiative, financed by a substantial budget of R450 million, aims to deliver clean water and im-

proved sanitation to local communities across the province.

Mokgosi highlighted that key water and sanitation projects are in various stages of construction and completion across Moretele, Moses Kotane, Ramotshere Moiloa, Mamusa, and Naledi Local Municipalities. Among these vital undertakings is a major initiative to replace the Ramosadi sewer pipeline, which serves as a critical infrastructure element for the City of Mahikeng. The construction of a new sewer pipe, valued at R101 million, is set to commence shortly, following the introduction of a contractor to the local

> "The construction of a new R101 million sewer pipe will start in earnest following the introduction of a contractor to the community two weeks ago," Mokgosi said, emphasising the government's commitment to tackling the lingering challenges faced by residents regarding sewage management.

North West Premier: Lazarus Mokgosi

community two weeks ago.

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### ENHANCING AND OPTIMISING SERVICE DELIVERY AT LOCAL GOVERNMENT LEVEL



To further underscore the provincial government's fight against water scarcity, Mokgosi pointed out several water projects currently underway. "This includes the construction of a pipeline in the North West province, Mokgosi from Bloemhof Dam to Mamusa Local Municipality, which is due to be completed in June this year.

Several more projects of this nature are underway in Bodibe, Signal Hill, and Lobatla among others," he informed the assembly, highlighting the ongoing efforts to ensure residents have access to reliable water sources.

had been allocated for the completion of ongoing water projects in the villages of Ntsweletsoku, Dithakong, and Deelpan, located in the Ngaka Modiri Molema District. These efforts aim to bridge the historical gaps in service delivery and improve the quality of life for communities in these areas.

Mokgosi also shed light on the second phase of the Pilanesberg Water Augmentation Project, which is already in progress. This significant undertaking He emphasised that efficient execuis anticipated to alleviate the challenges of water provision for residents in the Ramotshere Moiloa Local Municipality.

### Plans for 3.555 New Homes in the Province

In a resolute display of his commitment to resolving housing challenges outlined ambitious plans to construct over 3,500 homes in the upcoming financial year. This initiative aims to address the backlog of housing development, unblock existing projects, and bolster human settlements for underserved communities.

Among the highlighted projects is the construction of a new home for the Modise family in Ramatlama Six In addition to these initiatives, the Pre- Hundred, who currently reside in a mier announced a further R65 million cramped two-roomed shack. This significant development comes as a beacon of hope for the family of sixteen, illustrating the province's commitment to ensuring that all residents have access to adequate housing.

> "We have noted the backlog in housing development and blocked projects across the province, and we need to address this problem robustly," Mokgosi said.

> tion and timely delivery of housing solutions are paramount to meeting the growing demand for housing. Mokgosi reported that the target for

Catalytic Projects in the current fiscal year were set at 249 units, with a budget exceeding R82 million. Remarkably, the province has already surpassed this goal, having delivered 268 units before the end of the last quarter. Looking ahead, Mokgosi announced plans to deliver a further 500 units specifically in mining towns at an estimated cost of R90.5 million.

In addition to the overarching housing initiatives, Mokgosi reaffirmed the government's commitment made during the Accelerated Service Delivery Thuntsha Lerole Programme in Ramatlabama Village.

The promise to construct 84 houses for the less privileged in the area has been successfully fulfilled, showcasing the government's dedication to uplifting communities and providing them with decent housing.

### **R4 Million for Mahikeng Arts** and Culture Foundation

The province is set to witness a renaissance in its arts, culture, and sports sectors, following Premier Lazarus Kagiso Mokgosi's announcement of a R4 million investment to refurbish the Mmabana Arts, Culture and Sports Foundation, a cornerstone institution in Mahikeng.







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### ENHANCING AND OPTIMISING SERVICE DELIVERY AT LOCAL GOVERNMENT LEVEL



This significant investment underscores the government's commitment to bolstering local heritage and community engagement through the arts. Mokgosi said this refurbishment will not only enhance the facilities but also provide a vibrant space for creativity and expression for artists and cultural practitioners. He said the dedication to uplifting cultural institutions reflects a broader vision for the province, positioning arts and culture as integral components of community identity and economic development.

"Kudunkgwane Cultural Villages will be completed by the end of next month, while the Tseoge and Sione Cultural Villages will be prioritised for the 2025/2026 financial year," he said.

Alongside the investment in the Mmabana Foundation, Mokgosi also announced the successful completion of the Moshana Cultural Village in Matloding. This development aims to foster cultural tourism and local craftsmanship, appealing to both residents and visitors alike.

ment is making strides in expanding access to literature and learning by delivering new libraries in Wolmaransstad, Matlosana, Coverdale/Boitumelong, and Bodibe. The Premier highlighted that the library in Wolmaransstad is nearing completion and will

open its doors to the community soon. In Ganyesa, a site has been earmarked for construction, with operational work expected to commence shortly.

### **Revitalising State-Owned Entities**

Mokgosi also delivered a decisive pledge to rejuvenate state-owned entities (SOEs) in the province. He said the revitalisation strategy was central to his vision for stimulating economic growth and development, particularly focusing on the North West Parks and Tourism Board (NWPTB), which has faced significant financial hardship in recent years.

The NWPTB, a body under the Department of Economic Development, Environment, Conservation, and Tourism (DEDECT), has been struggling with financial constraints that have resulted in delayed salaries for its workforce.

In light of these challenges, Mokgosi assured residents that the government is taking concrete steps to turn the agency around.

Mokgosi said the provincial govern-Additionally, the North West govern- ment must reposition and revitalise the entity to generate sustainable revenue, enabling it to effectively manage state-protected areas and the biodiversity network.

> "To achieve this, we will implement cost-containment measures, introduce

additional financial strategies where possible, and seek partnerships with stakeholders who can support the entity's legislative mandate," he said.

As part of establishing Public-Private Partnerships (PPPs), the government is set to issue Expressions of Interest for the management and commercialisation of underperforming parks.

A noteworthy project is the upgrading of the Kgaswane National Botanical Garden, which boasts a R15 million investment commitment from Glencore.

Emphasising the government's role in job creation and economic empowerment through SOEs, Mokgosi announced that over 3,000 young people have already reaped the benefits of recent initiatives.

These include employment as ambassadors for One-Stop Centres, participants in Small, Medium and Micro Enterprises (SMME) development through the Empowerment Fund, and initiatives involving tourism monitors across the province.

As the North West province embarks on this ambitious journey of transformation, citizens are hopeful that these strategic interventions will not only stabilise struggling entities but also usher in a new era of economic prosperity and opportunity.



# **HUMAN RESOURCES (HR) SERVICES**

### RECRUITMENT AND ONBOARDING

- Job description creation
- Advertising job openings
- Screening and shortlisting candidates
- Conducting background checks
- Onboarding new employees

### PAYROLL ADMINISTRATION

- Processing employee salaries and benefits
- Managing payroll tax calculations and submissions
- Generating payslips

### **HR COMPLIANCE AND POLICIES**

- Drafting and updating HR policies and procedures
- Ensuring compliance with labor laws and regulations
- Assisting with workplace audits and reporting

### **EMPLOYEE RELATIONS**

- Managing employee grievances and disputes
- Facilitating conflict resolution and mediation
- Promoting employee engagement and satisfaction

### HR ADVISORY SERVICES

- Providing HR guidance and strategy development
- Assisting with workforce planning and restructuring

### **EMPLOYEE RECORDS MANAGEMENT**

- Maintaining employee files and records
- Tracking leave balances and attendance
- Updating employee information

### PERFORMANCE MANAGEMENT

- Assisting with performance appraisal processes
- Creating and tracking key performance indicators (KPIs)
- Employee development planning

### TRAINING AND DEVELOPMENT

- Identifying employee training needs
- Coordinating training programs and workshops
- Tracking training progress and outcomes

### **EXIT MANAGEMENT**

- Coordinating employee offboarding processes
- Conducting exit interviews
- Ensuring compliance with termination procedures

### **TEMPORARY HR SUPPORT**

- Acting as interim HR support during staff transitions or high-demand periods
- Assisting with specific HR projects



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eThekwini Mayor Cyril Xaba addressing the Council on recent floods and disaster management interventions. Picture: eThekwini Municipality

# eThekwini Municipality Acts on **Flooding Crisis with Climate-Conscious Designs Amidst Severe** Weather Patterns in KZN

s KwaZulu-Natal graptating aftermath of relentless rains that have eThekwini Municipality is intensifying its commitment to climate resilience. The recent spate of floods,

which significantly impacted communities such as Lamontville, has prompted the City to reevaluate how government-developed properties claimed over 20 lives, are designed, ensuring they are better equipped to withstand the effects of climate change. The urgency of this initiative is underscored by the trag-

ic loss of seven lives in Lamontville alone, where severe flooding rendered numerous structures uninhab-

In response, approximately 160 displaced residents were swiftly relocated to temporary accommodation structures, with reports of entrapments still being attended to.

are pursued. Meanwhile, demolition operations have commenced in the transit camps housing these flood victims, where the municipality currently manages 71 camps accommodating over 10 000 families.

while permanent housing solutions

About 29 transit camps have been relocated into various housing projects, including Cornubia. According to the latest Human Settlements statistics, a total of 3,676 families have been relocated with 2,224 units demolished. A balance of 7,916 families across 42 transit camps remains in the current backlog to be relocated.

### The remaining transit camps are all planned to be relocated by 2027.

The City is currently in the process of reprioritising all the small transit camps within short-, medium-, and long-term interventions to align with the implementation programme for Cornubia housing development. eThekwini, the only metro in the

province, is thinking out of the box and has embarked on scrutinising the recurring floods in relation to the existing capacity of infrastructure built to meet of the required level of service to understand the risk related to exceedance of the infrastructure's built capacity.

The City's Disaster Management and Emergency Services, on 19 February, responded to a heavy rain incident that resulted in four tragic fatalities in the south of Durban. The adverse weather experienced in the City led to the collapse of formal and informal

> Flooding during heavy rains is related mainly to the size of the storm event and the capacity of the stormwater systems as well as the nature of the debris carried by the stormwater into the stormwater systems.

> In eThekwini Municipality, the stormwater systems are designed to cope with a one-in-10-year storm event flow at critical points, but the municipality has, over the last 8-10 years, experienced recurring heavy floods. The 2017, 2019, 2022, and 2023 floods were greater than the onein-100-year flood in certain parts of the city. In other areas, the flooding events in 2024 and early 2025 have also exceeded one-in-20- to one-in-

40-year flood, meaning that the frequency and intensity of the floods have become unpredictable.

eThekwini Mayor Cyril Xaba on 4 March, said it was recognised worldwide that cities cannot afford to construct infrastructure to cope with every eventuality related to flooding, and therefore, other measures, such as early warning systems and risk mitigation, need to be instituted.

Given the increasing frequency and magnitude of such catastrophic events flooding events in the eThekwini area, Xaba said the City has embarked on many initiatives to reduce the risk of flooding and its impact on people's lives and infrastructure.

"For this reason, our new designs now take into consideration the effects of climate change. These design standards are benchmarked against international best practices," Xaba said. "It should be noted that high-intensity and short-duration storm events result



The MEC of Transport and Human Settlements Sboniso Duma and eThekwini Municipality Mayor Councillor Cyril Xaba on 21 February visited the families that were affected by recent floods.. Picture: eThekwini Municipality

in ponding at low points, which dissipates thereafter. Some of the proactive initiatives the City is implementthe following:

- The Sihlanzimvelo pilot programme where we maintain approximately 500 km of streams in high-risk areas.
- Revising the flood lines to incorporate the projected climate impact of a 15% increase in rainfall intensity.

"We are confident that these interventions will further climate-proof new developments in the city."

currently being appointed to conduct a detailed assessment to identify possible solutions to government-developed properties already built within the one-in-100-year flood line. He said the assessment would enable the City to produce stormwater management plans for the high-risk areas.

"This will also ensure that development in the City is done in a safe and sustainable way with regard to rainfall and the associated stormwater, thereby bringing the City into line with global best practices," he said.

With regard to the recent floods, eThekwini Municipality's disaster management teams are on-site assessing the ing to reduce flooding risks include full impact and financial implications of the flood damage.

> eThekwini's initiatives come in response to the South African Local Government Association (SALGA) calling for an overhaul of the country's disaster management system to address various legislative and administrative shortcomings.

This follows an assessment conducted during the 2020/2021 financial year to evaluate municipalities' capaci-Xaba also said technical teams were ty to perform disaster management functions.

> Speaking at the opening of the twoday Local Government Disaster Management Indaba on 25 February, SALGA Deputy President Xola Pakati said SALGA had invested significant resources in recent years to lobby the government for this overhaul.

> Pakati said South Africa's current disaster management system continues to be tested by increasingly frequent extreme weather events. "The arrival of the rainy season quickly trans-

lates into widespread flooding across the country, with each year bringing more severe impacts on vulnerable communities.

While disaster management professionals work tirelessly to mitigate risks and respond effectively, lives are still lost, critical infrastructure is damaged, and services are disrupted," Pa-

"Restoring normalcy and rehabilitating infrastructure remains challenging due to the significant social and economic implications. The burden on the national fiscus is also becoming unsustainable in the long run."

The Indaba brought together leaders and experts in disaster and risk management, climate change specialists, representatives from the Council for Scientific and Industrial Research (CSIR), non-profit organisations, as well as national, provincial, and municipal representatives.

Its aim was to consolidate local government perspectives on the ongoing review of the country's disaster management system and address pressing issues affecting the sector.

Minister of Human Settlements Thembi Simelane, MEC of Transport and Human Settlements, Siboniso Duma, and eThekwini Mayor Councillor Cyril Xaba during a visit to Impala Lodge, where they engaged with affected families and provided aid for their immediate needs. Picture: eThekwini Municipality

SALGA CEO Sithole Mbanga raised concerns about the lack of reliable disaster management data, calling it a wake-up call for the country.

He noted that only disasters receiving extensive media coverage tend to get the necessary attention and cautioned that this reactive approach does not support proactive disaster management.

The Indaba provided a platform for international experts to share insights, including lessons from Brazil's disaster management experiences, particularly the impact of extreme weather conditions in Rio Grande do Sul.

The National Disaster Management Centre delivered a comprehensive review of South Africa's disaster management system, while SALGA presented its proposal for the system's overhaul, incorporating lessons from Malawi and Brazil. The presentation highlighted the importance of effective early warning systems, risk reduction, and resilience-building.

The Indaba featured continued deliberations featuring discussions on response and recovery, CSIR's Advanced Fire Information System (AFIS), disaster risk reduction in informal settlements in eThekwini, and the use of drones, artificial intelligence (AI), and geographic information systems (GIS) in disaster risk management.

On 20 February, KZN MEC for Cooperative Governance and Traditional Affairs (COGTA), Reverend Thulasizwe Buthelezi, signed a groundbreaking Memorandum of Understanding (MOU) with key social partners—Old Mutual, Santam, the South African Red Cross Society, and the Al-Imdaad Foundation—in a proactive move to bolster disaster resilience across the province.

This landmark agreement formalised a powerful alliance to strengthen disaster preparedness, response, and mitigation efforts throughout the province and signified a crucial step towards a more coordinated and effective disaster management framework in KZN.

By forging partnerships with the private sector and NGOs, the department aims to leverage their expertise in disaster response, mitigation, and resource mobilisation. This collaborative approach will ensure a swift and impactful response when disaster strikes.



# **Shining a Light on Free State Municipalities: A Celebration** of Progress and Partnership



CoGTA and Human Settlements HOD, Tshepiso "Sugar" Ramakarane

he Free State province is stepping into a brighter future, showcasing the power of collaboration and innovation within local government. The Free State Department of Cooperative Governance and Traditional Affairs (CoGTA) is making great ily Khuzwayo. Together with their restrides in facilitating development and elevating service delivery through the Technical MECLOGA (Technical Mem-

ber of the Executive Council for Local Government and Traditional Affairs). This forum is co-chaired by the Head of Department, Tshepiso "Sugar" Ramakarane, and the South African Local Government Association (SALGA) Provincial Director of Operations, Emspective teams, the duo is determined to steer the province towards a more prosperous and well-governed future.

The Technical MECLOGA serves as a catalyst for progress, acting as an essential intergovernmental relations platform at the provincial level. It brings together government officials, local leaders, and experts to create a unified vision for Free State municipalities. This partnership enhances collaboration, empowers municipalities, and ensures that local government systems evolve in harmony with



both provincial and national development frameworks.

At its core, the Technical MECLOGA is designed to facilitate open dialogue and strategic planning among senior technical officials, including municipal managers, department heads, and governance specialists. These experts pool their collective knowledge and experience to address the unique challenges municipalities face, from infrastructure development to policy implementation.

By focusing on practical and technical aspects of governance, the forum helps municipalities refine their

strategies, streamline processes, and develop sustainable solutions for service delivery. This hands-on approach ensures that even the most complex administrative and technical hurdles are met with innovative, actionable solutions.

The leadership of Ramakarane and Khuzwayo has been instrumental in shaping this vision. Their commitment to cultivating a culture of continuous improvement and proactive problem-solving inspires municipalities to strive for excellence. Under their guidance, the Technical MECLOGA has become a vital hub for knowledge-sharing and strategic alignment. The Free State

CoGTA is unwavering in its mission to support municipalities in achieving their mandates. This includes ensuring that local development plans are robust, well-coordinated, and aligned with broader policy objectives. The Technical MECLOGA plays a pivotal role in this, providing municipalities with the technical expertise they need to bring their visions to life.

Whether through capacity-building workshops, policy advisory services, or direct technical support, the forum empowers local governments to make informed decisions and implement impactful projects. This tailored assistance is essential for driving sustainable development, enhancing infrastructure, and improving the quality of life for Free State residents.

Additionally, the forum emphasises the importance of continuous learning and adaptation. Municipalities are encouraged to share their successes and lessons learned, encouraging a culture of collective growth. This exchange of insights enables municipalities to replicate best practices and avoid potential pitfalls, accelerating progress across the province.

The establishment and continued success of the Technical MECLOGA mark a significant milestone for the Free State's local government sector. It stands as a testament to what can be achieved when stakeholders unite with a shared purpose. Through ongoing collaboration, Free State municipalities are not only overcoming their challenges but also setting new standards of governance excellence.

Looking ahead, the Free State CoG-TA and SALGA remain committed to building on this momentum. Plans are underway to further expand the forum's reach, incorporate cutting-edge technology into municipal operations, and deepen stakeholder engage-



ment. By staying adaptable and forward-thinking, the Technical MECLO-GA will continue to be a driving force for positive change.

thing remains clear: by working together and embracing innovation, the Free State's local governments are paving the way for a future filled with opportunity, resilience, and lasting success.

In her recent State of the Province Address, Premier MaQueen Letsoha-Mathae outlined strategic priorities that align seamlessly with the objectives of the Technical MECLOGA, reinforcing the province's commitment the technical expertise and resources to progress and development.

### **Priority 1: Drive Inclusive Growth and Job Creation**

Premier Letsoha-Mathae emphasised the importance of inclusive economic growth and job creation as foun-

dational elements for the Free State's success. She highlighted the province's efforts to position itself as a central freight and logistics hub, focusing on key projects such as the Malu-As the province continues to grow, one ti-a-Phofung Special Economic Zone (SEZ), the Harrismith Gateway, and the Tshiame Industrial Area. Additionally, the Gauteng-Free State-Eastern Cape manufacturing and automotive rail project is under consideration, aiming to bolster the province's economic infrastructure.

> The Technical MECLOGA plays a pivotal role in supporting these initiatives by ensuring that municipalities have necessary to implement such largescale projects. By facilitating collaboration among municipal managers, department heads, and governance specialists, the forum ensures that local development plans are robust and aligned with both provincial and na

tional frameworks. This alignment is crucial for attracting investment, fostering economic diversification, and ultimately creating employment opportunities for Free State residents.

### **Priority 2: Reduce Poverty and Tackle the High Cost of Living**

Addressing poverty and the high cost of living is central to the province's agenda. The Premier acknowledged the challenges posed by unemployment, poverty, and inequality, emphasising the need for actionable solutions. She noted that while progress has been made, more work is required to alleviate these burdens.

### Priority 3: Build a capable, ethical, and developmental State

Building a capable, ethical, and developmental state is essential for effective governance. Premier Letsoha-Mathae highlighted the province's commitment to improving local government, ensuring water and energy security, and strengthening the fight against crime and corruption.

The Technical MECLOGA contributes to this priority by enhancing service delivery at the municipal level. By driving inclusive growth, reducing poverty and unemployment, ensuring access to basic services, and promoting sustainable development, municipalities can directly impact the quality of life for their residents. The Technical MECLO-GA's role in facilitating collaboration, providing technical expertise, and promoting good governance is instrumental in turning this vision into reality.

As the Free State continues on this path, the collective efforts of provincial leadership, municipal authorities, and all stakeholders will be crucial in achieving these ambitious goals. Through dedication, innovation, and shared purpose, the province is well-positioned to overcome challenges and seize the opportunities that lie ahead.

# Themba Sepotokela Interrogates the Fragile Relationship Between Government **Spokespersons and Journalists**



Sepotokele, a journalist, reseasoned nowned spokesperson, communication strategist, media trainer and lecturer with a career spanning three decades, is taking a significant step in sharing his experiences and insights with the world.

He's the author of a seminal book, Being A Spokesperson—which explores the relationship between journalists and spokespersons since the dawn of democracy, from 1994 to 2024, when he started his journey as a journalist.

His book, Being a Spokesperson, is dedicated to those who have impacted his life and also serves as both a

political communication in South Africa. It is his contribution to a subject close to his heart—political communication.

Being a Spokesperson offers valuable insights for both current and aspiring journalists and spokespersons, emphasising the need for ethical conduct in a democratic society.

"There is no greater agony than bearing an untold story," wrote Maya Angelou. This quote resonates deeply with Sepotokele as he reflects on his journey—a journey characterised by trials, tribulations and triumphs, and magazines, conducted interviews on the relentless pursuit of truth. For him, penning this book has been akin to sion channels, and been recognised unearthing a buried treasure of untold stories, many of which have simmered within him for over a decade.

The idea of writing the book was ignited shortly after he was appointed as a media trainer at Rhodes University's Sol Plaatje Media Leadership Institute, an institution that had once "rejected" him as a prospective student in the 1990s.

This full-circle moment highlights the unexpected turns that life can take: "It has been a great honour and a privilege to be part of such an iconic institution, firstly, when I was appointed as media trainer while attending the short course on Government Communication & Media by Dr Francis Mdlongwa who has since retired. I

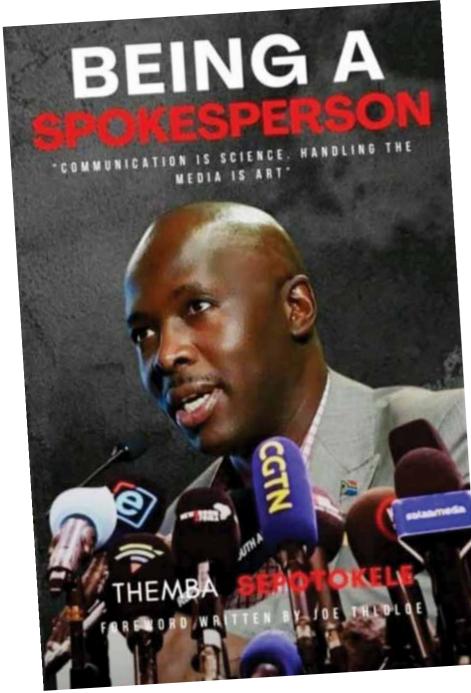
memoir and a critical exploration of am also part of the institution as an External Moderator for the Postgraduate Diploma in Media Management and have recently been appointed as a part-time lecturer."

> "It's an extraordinary accomplishment to have also taught at my alma mater, Cape Peninsula University of Technology, a prestigious institution renowned for producing quality journalists. This can best be described as phenomenal," he reflects.

Despite his numerous accolades having published in nearly all the country's leading newspapers and each of the nation's 24-hour televiwith awards such as the International Journalism Programme Award from the German Embassy—Sepotokele remains grounded.

In his book, Sepotokele, who cut his teeth at the iconic Sowetan newspaper under the editorship of the legendary Dr Aggrey Klaaste and later at The Star newspaper under the editorship of Peter Sullivan and Moegsien Williams, sheds light on the complex interplay between media and politics in South Africa, challenging readers to reflect critically on the narratives that shape their understanding of freedom and democracy.

Ironically, it was both Moegsien Williams and veteran newspaperman Joe Thloloe who recruited him from Pen-



tech to join the Sowetan shortly before the dawn of democracy.

ity of sharing truths about the media landscape, including the transgressions of former colleagues and friends who veered from media ethics—the cornerstone of journalism. He's passionate about media ethics, and his contribution to the Press Council of South Africa speaks volumes.

"It has not been easy to turn the mirror on the side of my colleagues in government and the media because they He also acknowledges the complex- were not only colleagues, but some became brothers and sisters. However, it had to be done, although some of my writing rubbed them the wrong way even because I had exposed their transgressions.

> "I also celebrated those shining a spotlight—be it journalists and spokesper-

sons," he reminds himself, fully aware of the potential backlash that might arise from his candid revelations.

In a career that has seen him transition across roles such as a government spokesperson and later a media trainer, Sepotokele has navigated the challenges faced by both journalists and communication professionals.

His latest work does not shy away from confronting these very realities. He candidly admits, "Having been in the belly of the beast for decades, I decided to venture where angels fear to tread."

This fearless perspective is what sets his book apart, allowing readers a glimpse into the often-overlooked relationship between political entities and the media that report on

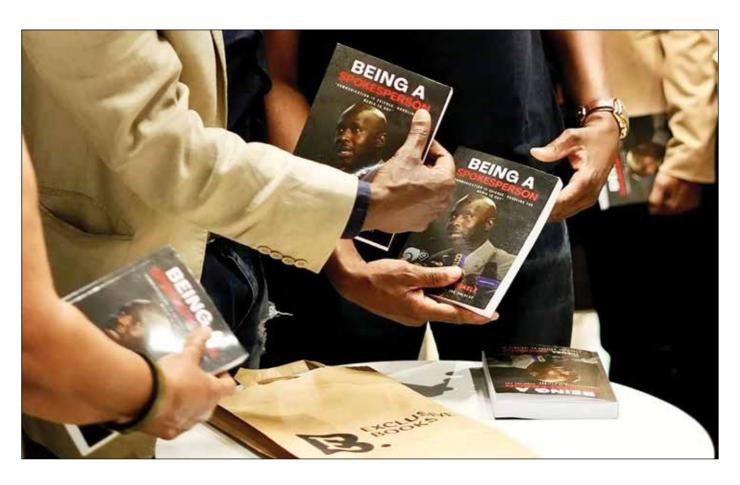
However, the task of penning the truth about one's peers and mentors can be daunting. Sepotokele recalls how he sometimes felt discouraged, demotivated, and deflated while working on his manuscript.

"As a family man, doing research, writing and editing while having a full-time job took a toll on me. I left the government and joined the private sector; unfortunately, the environment was toxic, and

I decided to quit. Between 2018 and 2024, I focused solely on my manuscript so that it's ready during the country's celebration of three decades of democracy," he said.

Yet despite these challenges, he persevered, underscoring the importance of his message and the contributions of those who have helped him along

"I doff my hat to all who directly or indirectly contributed to this project.



those who lifted me during my darkest hour. Those who slammed the condropped me in my hour of need."

The fragility of relationships in the world of journalism is also a prominent theme in his book. He acknowledges the sensitivities surrounding criticism in the field, understanding that exposing wrongdoing often risks alienation from those involved.

"With this book, I am surely electing to be lined up against the wall to be shot by the firing squad... and others believed I was playing a dangerous game of Russian roulette."

Amidst the uncertainties, Sepotokele's resolve stands strong. He hopes that his reflections will inspire others to explore the themes of political communication and media ethics more deeply. In doing so, he sets a foundation for a broader discussion on

Those who opened doors for me and topics that are vital to the health of the healthy functioning of democracy. democracies around the world.

crete door in my face, and those who He adds: "I hope that I have inspired colleagues in the media not only to adhere to ethics governing their respective professions, but that I have laid a foundation for them to contribute books that are so much needed.

> "This is but my humble contribution to government communication, which is, in fact, political communication and to the academic world where we rely mostly on the UK and US literature. I also hope this will be a source of reference for academia." As readers delve into Sepotokele's compelling narrative, they will discover not only the story of a journalist but also a voice that questions the status quo, inspiring fellow writers and media professionals to take on the other major bookstores nationwide mantle of truth-telling.

Sepotokele's book is a reminder of the symbiotic relationship required for zbeingaspokesperson.com

Journalists and spokespersons alike must remember their shared goals: to inform the public and encourage accountability in governance. In the face of hostility and division, they must resist the urge to become adversaries and instead strive for open dialogue.

As South Africa continues to navigate its complex political terrain, the relationship between those who communicate on behalf of the government and those who report on it will be crucial. The future of democracy may well depend on their ability to engage constructively, prioritising truth and transparency above all else.

Get a copy of Being a Spokesperson at selected Exclusive Books stores and for R400.

To order, please visit:



**CIGFARO** Workshop **Seeks to Transform Public Financial Management Through Ethical Practices and** Competence

**CIGFARO President: Dr Emmanuel Ngcobo** 

The annual Public Financial Management Act (PFMA) Workshop, an influential event in the realm of public finance, took place on 24 and 25 February, aiming to significantly transform the landscape of public financial management in South Africa.

Hosted by the Chartered Institute of Government Finance, Audit, and Risk Officers (CIGFARO), the twoday workshop attracted a diverse group of participants committed to fostering enhanced competence and ethical behaviour within the sector to improve service delivery across various government functions.

At the heart of this year's discussions were crucial topics revolving around the role of internal audit processes and internal control mechanisms. Participants engaged in insightful sessions that underscored how robust internal audits can lead to better audit outcomes, thereby serving as a deterrent against corruption. Enhancing internal controls not only protects public resources but also promotes transparency and accountability, both of which are integral to rebuilding trust in public institutions.

"The integrity of our public financial management systems relies heavily on the competence of those who govern and audit them," remarked a representative from CIGFARO during the opening address. "This workshop is not just a platform for learning, but a crucial step towards implementing preventative controls designed to safeguard against misconduct and enhance the delivery of services to our citizens."

With a firm focus on ethical conduct, the workshop provided a space for stakeholders to share best practices and collaborate on innovative strategies to address existing gaps in financial governance. The discussions also highlighted the importance of ongoing training and professional development for finance, audit, and risk officers to ensure they are equipped with the necessary skills to navigate the challenges of today's financial environment.

"As we evolve in a rapidly changing financial landscape, we must commit ourselves to ethical behaviour and competent management," said another participant. "Only then can we ensure that our public services meet the high standards they deserve."

The workshop concluded with a collaborative pledge among participants to implement the insights gained, thereby committing to fostering a culture of excellence, enhanced accountability, and unwavering integrity in public financial management.

# **CIGFARO North West Hosts Transformative Conference Focusing on Strengthening** Accountability, Ethical Leadership, and Financial **Integrity in the Public Sector**



Ms Thuto Ramakatsa, Chairperson: CIGFARO North West

he CIGFARO North West Branch, in collaboration with SALGA North West and the North West Provincial Treasury, successfully hosted a transformative conference at King's Palace Hotel in Rustenburg.

Bringing together municipal leaders and administrators, financial professionals, and governance experts, the event focused on strengthening accountability, ethical leadership, and Discussions highlighted the evolving landscape of internal auditing, municipal finance, and the importance of appointing competent leadership to drive efficiency and service delivery.

Key discussions revolved around ensuring municipalities operate with Lastly, the MEC for Finance, Hon. Ke-

transparency, improving financial systems, and fostering a culture of ethical decision-making. Leaders emphasised that good governance is not just about compliance, but about creating longterm sustainability and public trust.

Ms Thuto Ramakatsa, Chairperson of CIGFARO North West, in her opening remarks, emphasised that ethics should remain at the core of financial governance.

financial integrity in the public sector. The Executive Mayor of Bojanala Platinum District Municipality, Cllr Suzan Nthangeni, in her welcoming speech, also underscored the commitment of Bojanala Platinum DM and Moretele LM to achieving clean audits for the 2024/25 financial year.

netswe Mosenogi, in her address highlighted the often unappreciated nature of services provided and stressed that leadership must not take responsibility alone but should work as a united team for effective service delivery. She further emphasised the importance of addressing poor planning. MEC Mosenogi called for the recruitment of the right candidates to address these challenges.

With a strong commitment from all stakeholders, the conference reinforced that collaboration, knowledge-sharing, and strong leadership are essential in driving municipalities toward clean audits and effective service delivery.

#CIGFARONorthWest **#SALGANorthWest** #ProvincialTreasuryNorthWest #CIGFARO2025

# **Knowledge Anchors Group** celebrates 15 years of pragmatic business solutions

anagement and leadership consulting firm, Knowledge Anchors Group (KAG), has been providing pragmatic business solutions for 15 solid years, helping clients in both the private and public sectors.

KAG is led by a highly qualified and experienced executive team and brings a wealth of professional experience from a wide range of professions. The firm is a wholly black owned and controlled entity whose four directors and shareholders have held senior executive roles in private and public enterprises across South Africa and internationally.

The KAG's team comprises highly qualified and experienced individuals who understand the complex and dynamic nature of the business environment, including the principles of corporate governance and the importance of corporate governance.

Group CEO Dr. Nimrod Oupa Mbele is an accomplished leader with over 30 years of leadership, governance, and strategic management experience in both public and private sectors.

public policy development and administration and PhD in corporate governance in SOEs from Wits School of Governance.

He has held senior roles at institutions



Dr Nimrod Oupa Mbele (PhD), Group CEO

ness School, and the National Education Collaboration Trust, where he supports the Nerve Centre under the CEO's office.

Dr Mbele holds a master's degree in As managing partner at Knowledge Anchors Group, Dr. Mbele leverages his expertise in corporate governance, risk management, and organizational development to drive productivity and shared value.

such as the National Development An accomplished academic, Dr. Agency, Productivity SA, Wits Busi- Mbele has lectured and supervised

postgraduate students on corporate governance, strategy, and performance management at leading institutions, including Wits, Regenesys, and Regent Business School. He is also a certified executive coach.

KAG is focused on providing clients an opportunity to tap into areas that resonate with some of the challenges being experienced and thereby offering solutions that are pragmatic and implementable whilst effectively being tracked and reported on.

The company provides services in general Human Resources, industrial relations, corporate governance and advisory, talent development and training, and solutions for the individual.

Among its clients, KAG counts the Gauteng Provincial Government, Gauteng Partnership Fund, City of Ekurhuleni, Maquassi Hills Local Municipality, Philip Morris International, Regent Business School, Actagon, Afrika Tikkun, and others.

The company has networks of organizations and professional associates with impeccable pedigree in their respective fields. This network ferent skills and competencies as required in any assignment Justice Ndaba is the executive director responsible for strategy and finance at KAG.

work as head of consulting at Dual Point Holdings, including an extended stint as CEO and Owner at Vexopath Consulting. He is a former Head of Strategy at the South African Broadcasting Corporation and Acting Group Executive of Human Capital Services

Justice led a consortium of black business entrepreneurs who obtained a BEE status of 26% at the Zululand Anthracite Colliery, previously owned by BHP Billiton. He has extensive experience in union negotiations and stakeholder consultations across various industries spanning over 30 years.

approach enables us to harness dif- Moroka Phalane, the group director for risk and compliance holds a B. Proc and LLB from Wits University, as well as a Certificate in Finance and Accounting from Wits Business School, among other credentials.

His previous experience includes He has extensive experience in both the public and private sectors, spanning nearly 20 years and encompassing various areas of business management and commercial law.

> Orsbon Seboni, the group director for operations and business development, is a human capital professional and strategic advisor, leveraging extensive expertise coordinating the entire human capital management spectrum, providing corporate litigation and advisory services.

His experience has seen him holding various executive positions in companies SAB and ABI. He has repeated success in championing change and introducing growth-focused strategies, policies and procedures including staff development initiatives and programs to maximise efficiency, productivity, retention and communications, and reduce risk and expenses.

· Compliance (AFS)

· Acquisition of New Clients

Hosting of the

Corporate

Governance

Conference

2024

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**Growth of Network** 

White Paper on the

**Enterprises Bill 2024** 

the Henley Business

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### Milestones: 2010 to date



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