

THE NEW ERA: WE ARE WORKING TOGETHER TO
MAKE OUR TOWNS' AND COMMUNITIES' SOCIAL
AND ECONOMIC VIABRANT WHILE RESPONDING TO
THE NEED OF OURSERVICE DELIVERY TO OUR PEOPLE



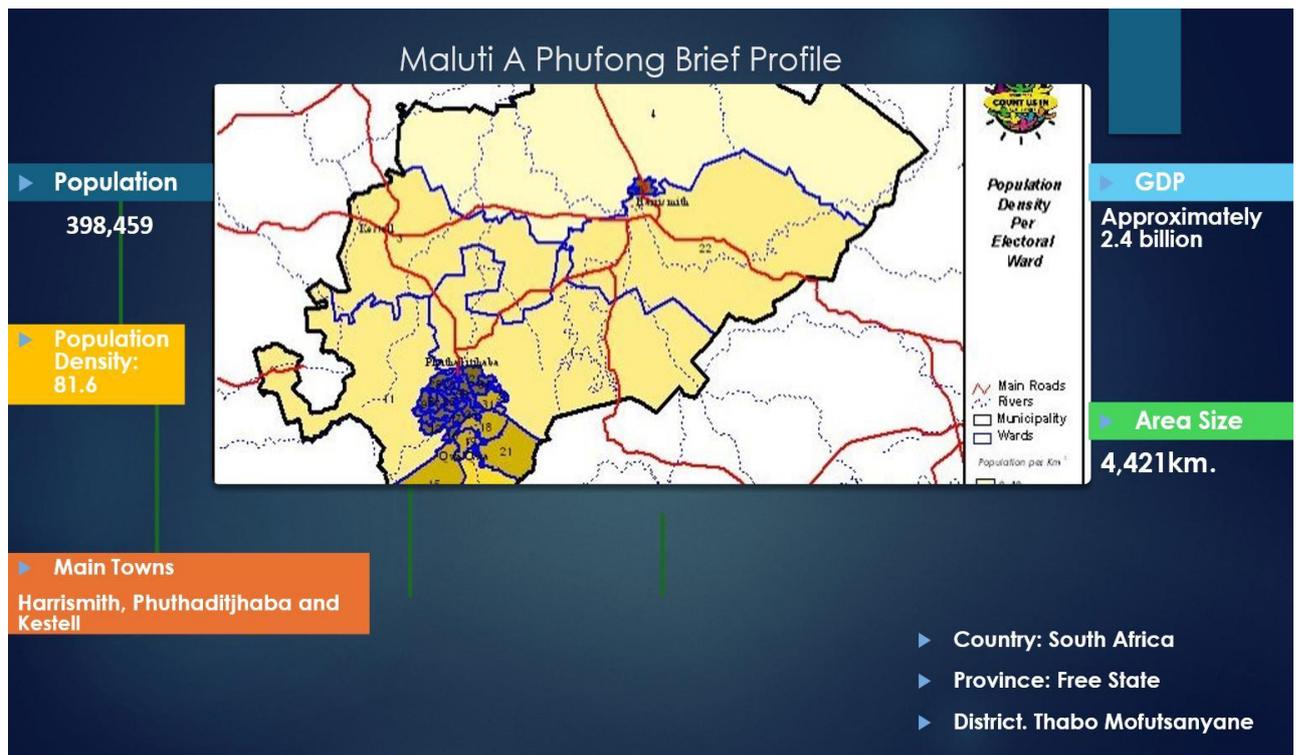
2025/2026

2025/2026 Budget Speech by the Executive Mayor of Maluti-A-Phofung Local Municipality



WE WILL WALK AND WORK TOGETHER TO MAKE OUR MUNICIPALITY GREAT.
WE WILL DANCE TO A DIFFERENT TUNE, WHERE THE STARS WILL WALK WITH US.

EXECUTIVE MAYOR MALEKULA MELATO
MALUTI A PHOFUNG LOCAL MUNICIPALITY
2025/2026



Honourable Speaker, Cllr Mandlenkosi Dlamini

Honourable Whip of Council, Cllr Moeketsi Lebesa

Members of the Mayoral Committee

Morena E Moholo Moremoholo Motebang wa Bakoena Ba Mopeli

Morena E Moholo Paolos Moloj wa Makgolokoe

Morena E Moholo Montoedi wa Batlokoa Ba Mota

Marena ohle

Former Executive Mayors

Former Speakers

Coalition leaders of the African National Congress, Dikwankwetla Party of South Africa, African Transformation Movement, African Independent Congress and the African Content Movement

Fellow Councillors

Municipal Manager Adv M Mofokeng

Leaders of faith, business, and civil society

Distinguished Guests

Baahi ba Maluti-A-Phofung

Ke le dumedisa ka tlhompho

Good morning

I stand before you today with a profound sense of responsibility and determination, entrusted with presenting the 2025/2026 Budget and Medium-Term Revenue and Expenditure Framework (MTREF) of Maluti-A-Phofung Local Municipality.

This budget is not merely a financial document; it is a roadmap for recovery, a commitment to service delivery, and a social contract between the coalition partners, the municipality and the people who have placed their trust in us.

Dumelang

Sanibonani

Goeie More

1. ECONOMIC AND MUNICIPALITY REALITIES

Previously, I assured the people of Maluti-A-Phofung that I am committed to serving you and will do anything to prioritise the municipality above myself. I have shared this commitment and will always uphold it. May the mountains of Maluti, the lush lands of our great municipality, and the rivers that flow through us bear witness to this. To this day, I remain steadfast in those words.

Despite the challenges we face together, economically and socially, I am proud of this great municipality. We present this budget during significant national and local economic difficulties. Unemployment remains high, inflation affects our communities, and service delivery has faltered in many areas. Yet, we are not deterred by these challenges. Instead, we are driven by the urgency to act. Our municipality is transforming—from dysfunction to functionality, crisis to credibility. We have a great team and people who share the same common vision to improve the lives of our residents in Maluti-A-Phofung, our wonderful place.

Our team is committed to:

1. Creating a conducive environment for our people to invest and attract foreign investors.
2. Fostering socio-economic development and growth.
3. Safeguarding the safety and security of our people.
4. Creating opportunities for everyone.
5. Providing excellent service delivery despite our challenges.
6. Addressing challenges through innovation and creativity.
7. Actively listening to the people, we serve; this is non-negotiable.

Honourable Speaker: Maluti-A-Phofung will be a place where we exemplify our commitment to compassionate and responsive government through our professional delivery of services and humanity. We aim to demonstrate to our people that despite the challenges posed by the difficult economic climate, our leadership will strive to ensure sustainable service delivery. Our strategies will be bolstered by good governance, accountability, transparency, and a practical budget.

Our strategies aim to demonstrate that improvement is possible through budget approval, highlighting plans and ideas to enhance our people's and communities' lives. Our team, along with the residents, will diligently work towards advancing our service delivery, improving our infrastructure, and creating an enabling environment for economic growth.

2. 2025/2026 BUDGET OVERVIEW AND KEY FIGURES

In 2024, following extensive IDP and draft budget engagements, the Council collectively approved the budget. **The following are the highlights of our budget for the 2025/2026 financial year:**

For the 2025/26 financial year:

1. **Operating Revenue:** R2.4 billion
2. **Operating Expenditure:** R2.6 billion
3. **Operating Deficit:** R230.5 million
4. **Capital Budget:** R299.2 million
 - I. R286.4 million from grants
 - II. R30.2 million from own revenue

This deficit is a warning signal but not a dead end. It reflects systemic challenges in billing, collection, and escalating electricity costs, with our Eskom bill now averaging R80 million per month.

This budget demonstrates our commitment to allocating funds to important areas such as service delivery and infrastructure maintenance.

3. OPERATING GRANTS: NATIONAL SUPPORT

We acknowledge and appreciate support from the national government through the Division of Revenue Act (DoRA):

Local Government Equitable Share (LGES): R878.5 million

Finance Management Grant: R3 million

EPWP Grant: R3.1 million

Municipal Support Funds (own contribution to EPWP): R6 million

4. INFRASTRUCTURE PRIORITIES

Ladies and gentlemen, sustainability is the foundation for our development. Every major decision we have taken as a local government started by asking what is in our municipality's and its residents' best interest. Our team has demonstrated this by allocating.

Total Capital Budget for the financial year 2025/2026:

R299.2 million Funding Sources:

1. **Municipal Infrastructure Grant (MIG):** R189.4 million
2. **Water Services Infrastructure Grant (WSIG):** R51.7 million
3. **Integrated National Electrification Programme (INEP):** R39.9 million
4. **Neighbourhood Development Partnership Grant (NDPG):** R100,000
5. **Own Revenue Contribution:** R17.9 million

These funds will be invested in critical infrastructure, including water projects, road rehabilitation, electrification, and municipal fleet upgrades.

5. SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

We are investing boldly in infrastructure that communities can see, touch, and benefit from:

1. **Water and Sanitation:** R63.5 million in upgrades in Tlholong Kestell where we will soon complete the water project in Extension 4, in Ha Sethunya where phase two is budgeted for R14.6 million and in Tshiame and Makholokoeng where R41 million has been set aside through the Water and Sanitation Infrastructure Grant (WSIG)
2. **Electricity:** R39.9 million for rural electrification through the upgrading of the Elizabeth Ross substation. This will help alleviate the pressure felt by the Moteka substation. Phamong, Lusaka, Naledi, Boiketlo, Ha Rankopane, Senyamo, Bolata and many other areas, we have heard you.
3. **Roads:** R51.3 million in road rehabilitation that includes Makwane Phase 1, Qoqolosing, Intabazwe, and Fika Patso.
4. **Sports and Community amenities:** Charles Mopeli and Platberg Stadium will see upgrades to the combined amount of R13.2 million to support township sports and recreation.

Our indigent policy continues to protect the vulnerable and we continue to encourage deserving households to register when such a call is made:

1. 50kWh electricity free per month
2. 6kl water free per month
3. 100% subsidy on refuse and sanitation
4. Rebates on property rates.

Honourable Speaker, our Debt Incentive Scheme where we offer 50% discount to businesses, households, schools, farms and churches ends at the end of June 2025. We call on all our deserving rate payers to contact our Billing Office.

Waste and Environmental Management

We collect waste covering all municipal areas to keep our municipality healthy and clean. We have litter pickers who clean and gather litter daily throughout the municipality. A bulk waste service is available for industrial businesses and residents and we have skis bins strategically placed to alleviate and prevent illegal dumping. The municipality is working to allocate a budget to educate our residents on waste and environmental issues to minimise illegal dumping and promote a greener municipality. Let us work together in unity and love to keep our areas clean.

Infrastructure

Infrastructure is the backbone of service delivery for the Municipality Establishment. This department works long hours to ensure that all residents have basic access to water, sanitation, and electricity.

6. COMMUNITY VOICE: THE COMPASS OF THIS BUDGET

Community budget meetings were successfully held in most wards. The following were the key priorities raised:

1. Water shortages
2. Electricity outages and illegal connections
3. Poor road conditions and potholes
4. Sewer overflows and blocked drainage
5. Low service access

However, substantial progress continues to be made in the provision of all these services. For example, we now have an Acting Chief Executive Officer at MAP Water. Mr Thomas Mkaza has already set the right tone at the water utility. The process to have a permanent Board of Directors is already underway.

From 12 to 20 May, we heard from our people:

“We just want water and safe roads, nothing more.” — Resident, QwaQwa

“Our toilets overflow every week—please fix the system.” — Mother, Namahadi

Their voices have shaped this budget. They are the heartbeat behind every rand allocated.

7. CHALLENGES ACKNOWLEDGED WITH HONESTY

We are not hiding the truth. We face:

1. Over R8.9 billion in Eskom debt, R18 million interest monthly
2. Many of municipal accounts are in arrears
3. Incomplete internal systems, reliance on consultants

4. Delayed billing, illegal connections of electricity and water, and data inaccuracies
5. Non-payment of services

These are not minor issues. But we are not small in courage either.

Illegal electricity connections cost us lot of money. Let me remind our communities, such connections affect our effectiveness in the supply of electricity.

The Way Forward: A Municipality in Motion

To restore financial health and service delivery:

1. We are rolling out flat-rate billing and smart meters
2. We are strengthening our data systems and billing platforms
3. We are finalising our organisational structure
4. We are participating in the Debt Relief Programme with the National Treasury and COGTA
5. We are developing a long-term Waste Infrastructure Plan and engaging Eskom on the Electricity Distribution Agency Agreement (DAA)
6. We have invested in our new yellow fleet that includes utility bakkies to improve service delivery in electricity and water, specifically.

These are fundamental steps. Not speeches.

8. INVESTMENT UNIT AND INVESTMENT FACILITATION

The Municipality seeks to establish a **Maluti-A-Phofung Investment Forum** that will drive investment initiatives. The intention is to create a cross-functional, multi-department structure to expedite the decision-making process for critical investment requests. This will enhance the development of our area, promote the potential found within the municipality, and support local economic development. My team will devise a strategic approach to establish the Maluti Local Economic Development Forum by uniting stakeholders under one umbrella to coordinate economic projects and investments better. We have already taken a step towards this by inviting the Chinese Consul General, Mr Pan Qinjiang, who spent two days here last week.

On the question of Public-Private-Partnerships, the Harris Lifestyle mall is opening next month and will have about 20 business tenants. This means more permanent job opportunities for our resident.

On the same note of alleviating poverty and unemployment, I want to applaud the role played by Ntate Tommy Makhatho from Bibi Cash and Carry.

We must acknowledge the impact of the knowledge, skills and expertise that he has invested in our communities for over 30 years now. Bibi Cash and Carry is by far the biggest employer in this area after government departments. Its diversified portfolio in the services they provide has earned this dynamic business international recognition. Earlier this year, Bibi was nominated by the Independent Grocers Alliance of Africa for the Best International Retail of the Year. Then on 24 February 2025, they were honoured as the Best International Retail of the Year 2025 in Las Vegas, Nevada, in the United States of America.

Who doesn't know Bibi Cash and Carry?

Bibi Cash and Carry now competes with national retail brands and is a living proof of the potential that our local economy and SMMEs have.

I challenge the University of the Free State Qwaqwa Campus to give him the recognition he deserves through an honorary doctorate.

Our local economy of Maluti-A-Phofung is estimated to have a GDP of R2.55 billion. The manufacturing and industrial sector, tourism, agriculture, and the commercial and trade sectors primarily drive the local economy. We have an ongoing strategy to identify areas of economic opportunity; our team has identified five considerations to promote economic growth and opportunity. These considerations are:

1. Alternative energy
2. Investment into industrial Automation through our Special Economic Zone (SEZ), industrial zones, light industries and SMMEs in our towns and townships
3. Tourism development
4. Agricultural development through agro-processing and farming.
5. Infrastructure.

We are dedicated to creating opportunities for our youth, providing space for young people to access learnerships, mentorships, or experiential opportunities.

Our team is doing more to attract developers, builders, businesses, and investors. Compliance with municipal bylaws is essential for all residents' good quality of life. To combat transgressions, municipal departments conduct joint operations to visit properties suspected of violating the bylaws.

The municipality plans to conduct property audits to ensure it utilises its property for improved social and economic opportunities and investments. The audit will enhance the accountability of the municipality's systems and its facility management.

9. SPECIAL ECONOMIC ZONE AND INDUSTRIAL ZONES

Honourable Speaker: Maluti-A-Phofung Local Municipality has a special economic zone, the MAPSEZ. This zone has existed for a considerable time and has now been expanded to a broader area and legitimised by the National Department of Trade and Industry as a special economic zone.

The good news is that the Executive Mayor and her Economic and Investment Unit Team have taken the initiative to assist the provincial government and the MAPSEZ team in attracting investors to the zone. Our team has been meeting with potential investors and the Chinese Consulate in Johannesburg to assist in making this possible. Furthermore, the municipality team will engage with the provincial government to assist in finalising the township establishment of the MAPSEZ. In the next IDP, MAPSEZ will be included in the development framework, and the local economic development strategies will also encompass initiatives through which the municipality will collaborate with other stakeholders to ensure MAPSEZ's success. This will create employment opportunities, attract domestic and foreign investment, and empower our people economically and socially.

Other municipal industrial zones would be transformed to encourage investment and yield the same benefits as the special economic zones through accountable and transparent stakeholder engagement.

10. SKILLS DEVELOPMENT

The industry players, entrepreneurs, and small to medium enterprises generate business and employment opportunities. Individuals who take risks and visionaries who turn challenges into solutions are the people at the helm of progress. I firmly assert that Maluti-A-Phofung Municipality's fundamental responsibility is to invest in infrastructure and technology that facilitates business success in our area. We understand we cannot build this community alone; we must hold hands and collaborate with private enterprises and civil society to make a tangible difference. Maluti's leadership assures everyone they work tirelessly to woo investors to our special economic and industrial zones and the municipality. Soon, we will finalise the necessary documentation and legislative approval to simplify investment for our proposed partnerships. This will benefit our youth through skills development and employment opportunities.

We endeavor to collaborate with the following to ensure that investment opportunities are created:

1. In collaboration with other Chinese businesses, the Chinese Embassy has observed the Chinese Consulate and its team visiting the municipality to understand its considerable social and economic potential.
2. We will engage with the University in our municipality to explore the best methods for enhancing youth skills and empowerment, including support for initiatives that foster women's empowerment.
3. The Chinese Consulate and its team are also committed to assisting SMMES in gaining access to training, development, and facilities to establish and expand businesses and upskill or reskill youth and job seekers.
4. I encourage all stakeholders in this area to collaborate with us. Maluti will continue to seek partnerships with funders to aid in skills development and training.
5. The Expanded Public Works Programme creates employment opportunities in four sectors: Infrastructure, Non-state, Environmental, and Social.

11. INNOVATION

Honourable Speaker: Maluti-A-Phofung is an ideal of service delivery despite the challenges and huddles we face to deliver it; however, we must continually strive to raise the bar of excellence. To further our efficient and effective service delivery, we

will adopt a strategy to exploit information technology as a stimulus to improve resident satisfaction. Engaging technology will enable our municipality to improve response times and reduce waiting times at Municipal offices.

Our team will develop enthusiastic and encouraging attitudes towards our residents to log complaints via WhatsApp. Furthermore, the team will enhance the municipality's digital potential to allow residents to log calls using more inclusive social media platforms such as X, Instagram, and Facebook. This will ensure that our operational model for the service team (Customer Care Unit) is now channeled through data insights, where service delivery pressures are predominant.

The above will enable the Municipality to enhance complaint logging. Our team aims to do more and respond more effectively. The tools we are investing in will assist us in monitoring more effectively. The municipality plans to improve the quality of complaint closure through user feedback embedded in the complaints process.

12. TOURISM

The tourism development plans for Maluti-A-Phofung Municipality primarily will focus on leveraging the existing natural beauty and cultural heritage of our area and our people, particularly within the Golden Gate Highlands National Park, by developing adventure, eco, and sports tourism around attractions like Sentinel Peak, the Basotho Cultural Village, and Sterkfontein Dam, aiming to attract domestic tourists through better marketing and infrastructure upgrades to underutilised facilities.

Our team's key points about tourism development plans are as follows:

1. To enhance the potential of the Golden Gate Highlands National Park, which includes the Basotho Cultural Village, Sentinel Peak, and Sterkfontein Dam, for hiking, climbing, water sports, and cultural experiences.
2. To promote hiking, climbing, fishing, and birdwatching activities due to the area's mountainous terrain and diverse wildlife.
3. To involve local communities in tourism development by creating opportunities for them to provide services such as accommodation and cultural tours.

4. Upgrade existing facilities such as accommodation at the Basotho Cultural Village and improve access to key tourist sites.
5. Engage with stakeholders to plan a marketing strategy that attracts domestic tourists and highlights Maluti-A-Phofung's unique offerings that include monuments/ statues from traditional councils with which we have very cordial relations and working partnerships.
6. We always look forward to the days like the Mandela Day in July that we spent with the elderly at the Bakoena Royal Council as well as the Annual Mofumahadi Manthatisi Mota Memorial Lecture at the Batlokoa Ba Mota Traditional Council. Makgolokoe also have their annual Mokete wa Mokopu in March and we look forward to celebrating this with them.

Some challenges we have identified, but are prepared to tackle, include the underdevelopment of tourism facilities, which need enhancement to meet visitor expectations. Furthermore, there is a lack of awareness regarding the area's tourism potential among domestic tourists and a requirement to improve transportation infrastructure to access key tourist sites.

Parks and Recreation

The regular maintenance, repairs, and development of our Municipal Parks are very close to my heart. We can and must do more for our children. We need to create a safe recreational space to help improve the quality of life for all the residents. We will engage with the Department of Sport, Arts, and Culture to assist us with developing and facilitating parks and outdoor recreation in our municipality. This initiative aims to promote healthy living and support social cohesion. We have already started doing our part by cutting the grass at the Phuthaditjhaba and President Brand parks. It is pleasing to see our boys and girls enjoying themselves there.

13. EDUCATION

Mr Speaker, our education plans at Maluti-A-Phofung Municipality primarily focus on initiatives to improve access to quality education, particularly by addressing skills gaps, providing career guidance, and partnering with institutions to offer student mentorship and training programs.

We plan to host career expos and workshops to introduce students to various career paths and potential scholarship opportunities. We want to engage with our University of the Free State and other institutions to provide mentorship to students from the municipality. We will also focus on training programmes that address the skills gap in the local workforce, potentially including vocational training.

We assist SANRAL's career exposure programme by offering information about scholarship and bursary opportunities in engineering fields to Maluti-A-Phofung students. Our Grade 12 learners benefit quite a lot from this partnership.

14. PRIMARY HEALTH CARE

We all understand that Primary Health Care is the provincial government's responsibility. However, our municipality is required to provide quality services to the clinics located within our area. We will continue to support them with services such as water, sanitation, and electricity which have a positive impact to our daily health.

15. SAFETY

Honourable Speaker, one of our team's focus areas is prioritising the safety and security of all of us. In the past financial year, the municipality invested in enhancing safety initiatives. Looking ahead, our commitment to the safety of our residents remains unwavering.

15.1. Traffic

In line with our innovative vision, the traffic department consistently researches ways to enhance traffic services to prevent any opportunity for corruption. We will continue to ensure efficient traffic control, respond to traffic congestion and minimise accidents through traffic monitoring and the provision of road signs.

15.2. Public Safety and Roads

We are a commendable municipality that consistently tackles service delivery challenges; however, we must acknowledge that we are not exempt from facing our difficulties. One notable challenge is addressing the backlog concerning gravel-to-tar roads, graded roads, and

maintaining our current road infrastructure. However, the intervention of the Free State Provincial government is always appreciated. We must thank the Premier Ma-Queen Letsosa-Mathae. We note that adverse weather conditions have significantly impeded our teams' progress completing the scheduled road maintenance tasks. Our team will continue to work hard to address these issues that affect our safety.

16. ETHICS, RETENTION AND PERFORMANCE OF OUR STAFFS

Maluti-A-Phofung Municipality subscribes to being a high-performing institution with strong ethical values, striving to be among the best. Although we may face challenges in this area, we aspire to overcome these obstacles and rank among the finest in the country. My management team endeavours to enhance staff morale and improve the institutional culture, reinforcing performance. We ensure thorough consultation and compliance with legislation when introducing amendments to new policies. We are committed to eliminating favouritism and nepotism, thereby preventing any preferential treatment of candidates. We are tackling issues of indiscipline and implementing consequence management strategies to ensure compliance and enhance efficiency among municipal officials.

17. TOWNSHIP ESTABLISHMENTS AND BUILDING DEVELOPMENT

Mr Speaker, in response to this, the municipality is exploring ways to establish a Private and Public Partnership (PPP) for the development of a mixed-use township that incorporates low-to medium-high-income earners alongside other uses such as education, health, recreation, parks, businesses, offices, and more. We will develop new township and residential projects within the municipality. This will help address one of the biggest challenges we face in various housing typologies. Both the Qwaqwa Gateway and Harrismith Smart City projects are starting in earnest soon. There are areas that are also under the attention of the Surveyor-General as we speak and will soon be formalised. One of the projects coming soon is the private hospital in Bluegumbosch that has already been approved by the Department of Health.

18. CEMETERY

Mr Speaker, we believe that cemeteries are sacred spaces that should be well-maintained to honour the dignity of our loved ones who have passed. We ensure they are cared for and

serve as places of respect for those who have transcended to their heavenly bodies. We also prioritise the security of these sites and guarantee their upkeep. Our EPWP participants will also be assigned duties to ensure these.

19. GENDER, YOUTHS AND DISABILITIES

Mr Speaker, the municipality will support Gender, Youth, and People Living with Disabilities through various programmes and the private sector initiatives. Ladies and gentlemen, the issue of GBV remains central to our fight for a more just and compassionate society. Our men must protect their sisters, wives, girl children, partners, the elderly, and vulnerable groups in our community. This issue is closer to my heart. We need a family where love reigns, we are sincere with each other, and we nurture our children to be better leaders, entrepreneurs, and employees tomorrow.

20. ALIGNMENT WITH THE IDP: STRATEGY MEETS SPENDING

This budget is aligned with our Integrated Development Plan (IDP). Every cent aligns with community needs and national priorities:

Strategic Objective	Revenue Allocated
Basic Service Delivery	R1.13 billion
Municipal Financial Viability	R882.8 million
Local Economic Development	R21.4 million
Good Governance and Participation	R6.5 million
Institutional Development	R13.9 million

21. WE CAN DO IT WITH LOVE

Mr Speaker, Honourable Councillors, I call on you: Let us adopt this budget not as a ritual, but as a renewal of our mission to serve. Community members, I call on you: Hold us accountable. But also partner with us. Pay what you can. Participate where you must.

Protect the infrastructure that serves you. Report vandalism in whatever form or shape, especially critical electricity and water infrastructure.

22. CONCLUSION: A BUDGET OF DISCIPLINE AND DELIVERY

Mr Speaker, Maluti A Phofung Local Municipality has always endeavoured to stay ahead of our challenges, despite our financial and economic difficulties. Nevertheless, we must not become self-righteous, for the work to serve the people of Maluti does not end; it is an endless journey. Self-righteousness would prevent Maluti from maintaining its reputation for striving to overcome present challenges and diligently working to put MAP on the social and economic map of the Free State and South Africa. Our challenges or fears stem from not delivering essential services to our people. Our second challenge is living beneath the potential that our environment and nature have bestowed upon us as a municipality.

My people, our communities, business stakeholders, political parties, and NGOs have not yet reached the place we aspire to be. Let us set aside our differences and collaborate to elevate our municipality to the position it truly deserves. We possess the spirit, have our people, and hold untapped potential. We may not be good enough now but can improve and succeed together.

As a municipality, we must protect our reputation through good governance, accountability, and transparency towards our communities and stakeholders by ensuring exceptional service delivery. Our commitment to service delivery will instill hope and confidence for the future and potential outcomes of social and economic growth. Let us remain committed to our objectives, goals, and vision to create a new outlook for our municipality and a place we can call home.

Let us reset the municipality and bring it back to its former glory of blue and green drop water achievements.

This is not a perfect budget, but it is an honest, people-centred, and implementable budget.

It is a budget of discipline, of dignity, and delivery.

“Re aha masepala o sebetsang. Re aha tshepo botjha.”

We are rebuilding a functional municipality. We are restoring trust.

Ke a leboha. I thank you.

