



THE STATE OF THE MUNICIPALITY ADDRESS (SOMA) AND THE TABLING OF THE BUDGET FOR 2025/2026 FINANCIAL YEAR

Cllr. Victoria de Beer-Mthombeni

The Executive Mayor: Ngwathe Local Municipality

**30th May 2025
Ngwathe Council Chamber**





1. SALUTATIONS

Madam Speaker of Ngwathe Local Municipality, Cllr. **Neheng Mopedi**

- The Chief Whip, Cllr. **Mbuyiselo Tyumbu**.
- Esteemed Members of Mayoral Committee (**MMCs**).
- All Members of Council from respective political affiliations.
- Our distinguished guests from **COGTA**.
- Executive Mayors and Mayors, together with **SALGA** and **Auditor General** representatives.
- **Municipal Manager, Dr. Futhuli Mothamaha** as well as the management of Ngwathe Local Municipality.
- **Trade Unions** within the Municipality and all employees.
- Again, let me acknowledge the presence of our **Pastors and all members of the clergy**.
- **Business Community**.
- **Media Houses**.
- Fellow community members of Ngwathe Local Municipality.
- Esteemed guests, Comrades & Friends.
- Ladies and Gentlemen.

Dumelang, Sanibonani, Goeie More, Molweni!

2. INTRODUCTION

Madam Speaker, it is both a privilege and a great responsibility to stand before this august House today to present the state of the municipality and to table the of Budget for 2025/2026 Financial Year. I would like to take this opportunity to highlight that we are presenting this budget during the national commemoration of **Child Protection Week** that commenced **yesterday, the 29th of May 2025** and it is set to end on the **5th of June 2025**.

This **National Child Protection Week** is an annual commemoration in our country and is planned at raising awareness on the rights of children as articulated in the **Constitution of the Republic of South Africa and Children's Act (Act No. 38 of**



2005). Let me remind you that protecting children is a collective responsibility and requires ongoing efforts. Our obligation is to educate the public, raise awareness and mobilise communities to protect children and prevent them from any sort of harm. I cannot overemphasise the importance of children in our lives!

The Bible says in the book of: **Psalm 127:3**

“Children are a gift from God; they are God’s generous legacy.”

Ladies and Gentlemen this portion of the scripture emphasises that children are a gift from God and a source of strength and joy to each one of us. This also reminds me of the words of the former **President of South Africa, Nelson Mandela**, who once echoed the same sentiments about children.

I quote: ***“Safety and security don’t just happen; they are the result of collective consensus and public investment. We owe our children, the most vulnerable citizens in our society, a life free of violence and fear.”*** Closed quote.

I call on all our communities to support Child Protection Week by ensuring that the most vulnerable in our society do not suffer abuse. It is in our hands to stop the cycle of neglect, abuse, violence and exploitation of children. Fellow Comrades, Brothers and Sisters, Children are our most valuable resource!

3. OVERVIEW OF THE BUDGET PROCESS

Madam Speaker, honourable Councillors, esteemed guests, and fellow community members, today, I stand before you to present Ngwathe Local Municipality’s Annual Budget for 2025/26 Financial Year. This budget is a critical document that outlines our municipality's financial plans and priorities for the next year, and it is aligned with our Integrated Development Plan (**IDP**). We engaged with various stakeholders, residents, businesses, and community organisations in Public Participations and Draft Budget Roadshows to ensure that our budget reflects the needs and priorities of our community.

4. Key Focus Areas

Honourable Speaker, today’s gathering marks a significant change in our administration, I am glad to announce the Council’s appointment of Ngwathe Local



Municipality's supervisory administration, Dr. Futhuli Mothamaha who is appointed as the Municipal Manager. Dr Mothamaha has a track record in public administration and governance. His role is central to ensuring the smooth operation of our municipality, overseeing service delivery, financial management, and overall strategic direction. We are confident that under his guidance, we will continue to improve our efficiency and accountability.

We also have filled key managerial positions reporting directly to the Municipal Manager, which are the following:

- The Municipal Manager;
- Chief Financial Officer;
- Director for Corporate Services;
- Director for Technical Services;
- Director for Planning and Local Economic Development; and
- We have just appointed the Director: Community Services. This appointment makes the full complement of our senior management team.

Honourable Speaker, through these appointments, we are reinforcing a leadership administration structure that is dedicated to responsive governance, ethical leadership, and effective service delivery.

Furthermore, we have **appointed a panel of highly qualified legal professionals** to support our efforts of good governance and service delivery. This panel will provide expert legal counsel, ensuring that our policies and decisions are legally sound, ethical, and aligned with the best interests of our residents. The legal panel's expertise is instrumental in safeguarding the integrity of our municipality and enhancing our ability to resolve legal matters efficiently.

These achievements are a testament to our unwavering commitment to good governance, accountability, and excellent service we are liable to provide.

Fellow Comrades, we remain focused on continuous improvement, and we commit to further strengthen our governance, refining processes, and fostering a culture of



excellence in public service and ensuring that our municipality remains a beacon of hope to the people we lead.

We are rebuilding our lovely Ngwathe Local Municipality!

5. Achievements:

Despite the challenges we might face, we remain devoted to our vision, to creating a vibrant, prosperous, and sustainable municipality. That is why we have prioritised access to basic services, economic opportunities, as well as a safe and healthy living environment for all.

Honourable Speaker, we are glad to announce the following achievements:

LOCAL ECONOMIC DEVELOPMENT (LED)

In our efforts to enhance the economy of Ngwathe and subsequently to improve the lives of our local people, while there are numerous planned developments, there are several projects that have already been implemented as follows:

- **Damlaagte Solar PV Plant:** Ngwathe recently welcomed the 97.5 megawatts Damlaagte Solar Project, which is currently under construction in Parys. The project is anticipated to provide approximately 300 million kilowatts of clean electricity.
- **Sedibe Solar PV Plant:** Last week Madam Speaker, we also welcomed a line-up of contractors appointed by energy company Teraco, to commence with phase 1 of the Sedibe Solar Project which shall involve the construction of the PV plant in Parys. Phase 1 will be implemented for a period of 12 months starting from August 2025 and is expected to create 2 780 jobs during and post construction.
- **New mall:** Madam Speaker, a few days ago Council approved the development of our **new mixed-use development including a retail centre and residential development** here in Parys between Schonkenville and Tumahole, where we



anticipate high numbers of job creation. We are working tirelessly to extremely reduce the high rate of youth unemployment in our society. At least over 4 900 jobs will be created by the developer pre-construction (500), during construction (4 000) and post construction (400).

- **Parys Mega Development:** In November 2024, we did the sod-turning for the **Parys Mega Development** that will take place along the R59 road near Parys Airfield and the Parys Golf and Country Estate.

This massive infrastructural development will feature the following key expansions:

- **Solar Plant;**
- **Rehabilitation of the Parys Airfield to operate as a Strategic Freight Hub;**
- **A Comprehensive Medical Campus with Student Accommodation;**
- **Private Primary and High School;**
- **A Truck Stop;**
- **Hotel, and**
- **and Retail Centre.**

The planned development is intended to create numerous temporary and permanent job opportunities for the local people of Ngwathe.

Ladies and Gentlemen, our mission is to turn this place into a construction site of world class development that by the virtue of these developments implemented and completed here, investors from all walks of life will flock in to create more opportunities that will contribute immensely to our local economy of Ngwathe, as well as the GDPs of the Free State Province and South Africa.

SPATIAL PLANNING AND LAND USE

Honourable Speaker, the distribution of land remains a very critical aspect of our mandate. The following words that are articulated in the **Freedom Charter** are engraved in our hearts. “***The Land Shall be Shared Among Those Who Work It and***



All shall have the right to occupy land". We have been running our **Land Allocation Programme** where on Fridays we handover sites to our local residents.

In the month of March this year, we were able to allocate sites **(143)** to the residents of Schonkenville Extension 8, commemorating Human Rights Month. The joy that filled residents when they finally received their long-awaited stands is indescribable. This exercise happened a few months after hundreds of sites were allocated last year in the various towns of Ngwathe. These newly allocated sites are already equipped with water and sanitation infrastructure.

I urge all residents who are planning to build houses to kindly submit their valid building plans for approval at the municipality, before any construction takes place. Please be responsible and do a needful thing. We did our best to allocate sites to you and we expect you to do your part too!

PUBLIC SAFETY, SECURITY AND TRANSPORT

Honourable Speaker, we remain resolute in our mission to provide basic quality services to our people. To enhance the responsiveness to the service delivery calls, I am proud to announce that we bought the following vehicles:

- **13 x Bakkies for different departments;**
- **1 x Honey sucker**
- **2 x Cherry Pickers**
- **3 x Compactor trucks, and**
- **1 x TLB.**

Ngwathe Local Municipality has truly become a construction site. As you move across our towns and communities, you will witness our dedicated municipal teams on the ground repairing water pipes, fixing electricity, patching potholes, and more. This visible activity is a testament to the hard work, discipline, and commitment of our municipal workforce. I wish to take this moment to sincerely thank our employees for



the excellent service they continue to deliver. Your efforts are noticed and greatly appreciated, keep up the good work!

While we did not procure new fleet for our Fire and Rescue Services during the past year, we have continued to invest in the maintenance and operational readiness of our existing fleet and equipment. This ensures that our resources remain in optimal condition and capable of responding efficiently to emergencies.

I am pleased to report that our Fire and Rescue Services responded to 408 emergency calls across the municipality, including structural fires, motor vehicle accidents, veld fires, and other urgent incidents. This level of responsiveness reflects the professionalism and dedication of our emergency services team, and I commend them for their unwavering commitment to public safety.

Honourable Speaker, our Disaster Management Unit has also continued to strengthen community safety through proactive monitoring of weather patterns. In partnership with the South African Weather Services, we monitor alerts and ensure they are swiftly communicated to the public through our Communications Unit. This enables communities to take precautionary measures and be adequately prepared for potential risks.

This proactive communication strategy supports the key pillars of disaster management, prevention, mitigation, preparedness, response, and recovery. It helps us cultivate a safer and more resilient municipality, where residents are informed, alert, and ready to act.

In our efforts to further reinforce institutional security, we have appointed six Senior Security Officers to strengthen internal control, protect municipal assets, and ensure a safe and secure environment for both staff and the public.

Furthermore, I am delighted to announce that the municipality has resolved to resuscitate the Traffic Unit, which will officially commence operations on the 1st of June 2025. This is a significant milestone in our mission to strengthen law enforcement, improve road safety, and restore municipal presence on our roads.

The re-establishment of this unit is not only a security measure, it also carries important financial implications. A fully operational Traffic Unit is expected to contribute



meaningfully to revenue enhancement through improved by-law enforcement, regulation of traffic violations, and the issuing of compliance notices. These efforts will boost municipal revenue while simultaneously promoting discipline, safety, and accountability on our roads.

Honourable Speaker, through these strategic interventions, fleet enhancement, infrastructure maintenance, emergency readiness, disaster risk reduction, internal security improvements, and the reinstatement of our Traffic Unit, we are building a safer, more responsive, and financially sustainable Ngwathe Municipality.

INFRASTRUCTURE

Water, Electricity and Road Projects:

Madam Speaker, for the first time in many years, areas such as B Location, Zone 6 Top, Mandela, Tokoloho behind Skotiphola and Zuma were without water since 2022 and they started receiving water since January 2025. Small farm was not receiving water since 2016 and also started receiving water in January 2025. The remaining areas including Sisulu and some parts of Lusaka will be receiving water once the refurbishment of the water plant is completed.

Madam Speaker, in Vredefort, three (3) boreholes were refurbished and one (1) was drilled through the assistance of Coca-Cola. With the upcoming upgrades of the Mapetla Pump station, areas such as Tambo and Mapetla will soon be receiving water.

Madam Speaker, in the previous year, with regards to our water quality assessment of all drops (Blue drop, Green drop and No drop), the municipality was at 11%. I am happy to announce that we have submitted all the required Blue Drop Corrective Actions Plans which show a significant improvement in our water quality. Importantly, Ngwathe is one of the two municipalities in the province that have received the approval of their Blue Drop Corrective Action Plans and this signifying the improvements we have made in our water quality, albeit waiting for our formal assessment results for all the Drops from the Department of Water and Sanitation. Madam Speaker, this is really **a very good story to tell.**



Another good story to tell Madam Speaker is that, we have just received a donation for the construction of a Substation from Moseme Foundation, as part of their social responsibility programme. This Substation will be constructed in Vredefort to assist with the for connections of 2000 households in Extensions 4 and 7. This will also help to reduce electricity load in that area.

- **Capital Projects Highlights (Currently implemented):**

The following are key projects which are underway in the current financial year, (some which are multi-year projects carried over from 2024/25 financial year):

- Parys: Refurbishment of old Parys Water Treatment Works in Parys.
- 2km Paving of Internal Roads in Vredefort.
- Construction of 1,5 Km Paved Road & Storm Water in Ward 13.
- Construction of 3km Waterborne Sanitation Network in Phiritona/Heilbron.
- Construction of Industrial Sewer Line.
- Construction of 3km Pipeline & Elevated Tower in Phiritona/Heilbron.
- Construction Pipeline in Koppies to Edenville.
- Upgrading of Secondary Bulk in Kwakwatsi.

Madam Speaker, an allocation of R 15 585 000 was received from INEP for the electrification of 805 households. Electrification was done in the following areas:

- ✓ 357 households in Mokwallo Ext 4 and the project is 96% completed;
- ✓ 224 households in Mokwallo Ext 7 and the project is 70% completed;
- ✓ 139 households in Mokwallo Ext 7 (Serope Seyabanya) and the project is 92% completed
- ✓ 79 and additional 6 households in Tumahole Ext 10 (Abazimeli) and the project is 100% completed;

Madam Speaker, I am happy to announce that Ngwathe is currently leading the Free State Province in grant performance. Because of that, we were further allocated an additional funding. For the 2025/2026 financial year, the following areas are planned for electrification:

- ✓ 361 households for Parys;
- ✓ 82 households for Mokwallo Ext 7 and

✓ 128 households for Mokwallo Ext 4

These projects are funded to the tune of **R 135.8 million from various capital grants.**

- **Job creation through all Capital Projects**

| Infrastructure Projects | | | | | | |
|---|-------------|-----------|--|-------------|----------|-------|
| Grant | | MIG | | | | |
| Refurbishment of Old Parys water treatment works | | | | | | |
| Adult Men | Adult Women | Youth Men | | Youth Women | Disabled | Total |
| 7 | 4 | 2 | | 5 | 0 | 18 |
| Mokwallo: paving of Access road of 2 km | | | | | | |
| Adult Men | Adult Women | Youth Men | | Youth Women | Disabled | Total |
| 25 | 10 | 2 | | 1 | | 38 |
| Tumahole: Construction of 1km paved access road stormwater in ward 13 | | | | | | |
| Adult Men | Adult Women | Youth Men | | Youth Women | Disabled | Total |
| 8 | 6 | 8 | | 7 | | 29 |
| Parys: Replacement of 15km water asbestos pipe | | | | | | |
| Adult Men | Adult Women | Youth Men | | Youth Women | Disabled | Total |
| 2 | 4 | 11 | | 8 | | 25 |
| Phiritona/Heilbron: Construction of 3km Waterborne Sanitation network connecting 66 erven | | | | | | |
| Adult Men | Adult Women | Youth Men | | Youth Women | Disabled | Total |
| 4 | 1 | 1 | | 1 | | 7 |
| Total | | | | | 117 | |
| RBIG | | | | | | |
| Construction of Kwakwatsi secondary Bulk water pipeline | | | | | | |
| Adult Men | Adult Women | Youth Men | | Youth Women | Disabled | Total |
| 8 | 5 | 4 | | 3 | | 20 |
| WSIG | | | | | | |
| Heilbron Sewerline | | | | | | |
| Adult Men | Adult Women | Youth Men | | Youth Women | Disabled | Total |
| | 3 | 6 | | 1 | 10 | 10 |
| Total | | | | | 30 | |

| EPWP | | | | | |
|---|-------------|-----------|-------------|----------|------------|
| Electrification of various township | | | | | |
| Adult Men | Adult Women | Youth Men | Youth Women | Disabled | Total |
| 4 | 2 | 8 | 7 | | 21 |
| TOTAL: All Infrastructure projects in 5 town | | | | | |
| Adult Men | Adult Women | Youth Men | Youth Women | Disabled | Total |
| 26 | 58 | 20 | 16 | 4 | 120 |
| Ngwathe Infrastructure, Environment and Social EPWP | | | | | |
| Adult Men | Adult Women | Youth Men | Youth Women | Disabled | Total |
| 101 | 63 | 77 | 54 | 1 | 295 |
| Total | | | | | 295 |
| Grand Total | | | | | 562 |

Part of the Capital Expenditure other than the above projects, will be financed from our **own generated revenue totalling R48.3 million** and it will be used primarily for the following capital items, amongst others:

- ✓ Upgrading of the Computer Server Room.
- ✓ SME Business Hubs in All Towns.
- ✓ Renovation and repairs of Municipal Offices in our towns.
- ✓ Procurement of Vehicles for Roads Unit.
- ✓ Procurement of Yellow Fleet.

The Office of the Deputy Minister for Tourism has already commenced with preliminary assessments for the technical work required to be conducted in the upgrading of **Mimosa Gardens** in Parys.

Honourable Speaker, I want to pause here and talk about the importance of paying for services. These projects I have mentioned are funded by the revenue we have collected – the same revenue helps us to create jobs, improve the delivery of quality basic services, and to develop our infrastructure.



For instance, the Fencing of the Landfill Site Project in Mokwallo created jobs for **13 workers** (10 general labours and 3 skilled personnel). More jobs are still expected to be created in this project as it advances. This project is made possible by residents who pay for the services they receive from the municipality.

Truly, our priorities guide our actions, and we are propelled to enhance economic growth, job creation, reducing poverty and to build a capable and sustainable municipality.

Ka nnete maikemisetso a rona ke ho ntlafatsa maphelo a Baahi ba Ngwathe!

FINANCIAL SERVICES

6. Budget Highlights

Madam Speaker, the budget for the upcoming financial year has for the first time passed the R 2 billion mark, as it stands at **R2.099 billion** and it is made up as follows:

| Total Revenue (including Operating and Capital Grants) | Amount |
|--|-----------------------|
| Operating Expenditure | R1.383 billion |
| Capital Expenditure | R171 million |
| Surplus | R544 million |

The 2025/26 annual budget is 59% more than the 2024/25 final adjusted budget and this increase is justifiable and is attributable to the following factors that have been considered during the budgeting process:

- Correction in Budgeting Approach;
- Targeted Revenue and Debt Collection Assumptions;
- National Treasury's Budget Parameter guidelines, and
- Identification of Internal Operational Inefficiencies.

These measures are outlined in detailed in the budget framework and



Consistent with prior year and the strategic goals adopted by council in term of the IDP at the beginning of this Council Term, this budget prioritizes the following key areas:

- 1) **Basic Service Delivery:** Where our focus is ensuring that all residents have access to basic services such as water, sanitation, electricity, and waste management.
- 2) **Infrastructure Development:** Where we are continuing to leverage on capital grants from the National Government and invest in new and renewal of water, electricity, and sanitation and roads infrastructure.
- 3) **Economic Development:** Where our focus is on supporting local economic development initiatives, including small business support, job creation programs and focusing on unlocking private sector investments in our area.
- 4) **Social Development:** Where our focus is on providing Free Basic Services and other social support to vulnerable communities, including the poor, elderly, and disabled.

7. Operating Expenditure Highlights:

On the other hand, the total operating budget for the upcoming financial year is **R 1,383 billion**, which represents a 10,2% increase from the previous year's budget. Some of the key budget highlights include:

- Electricity bulk purchases of R466 million and employee related costs of R342 million are the two highest operating expenditure items, taking up 34% and 25% of the operating budget respectively.
- Bulk water purchases of R64.6 million makes up 5% of the total operating budget.

Except for the electricity and water bulk costs, which were informed by proposed escalation margins from the bulk suppliers (i.e. Eskom – 11,32%, Rand Water 11,32%), escalation margins on expenditure were kept within the CPI margins of 4,3% - 4,4% as guided by the National Treasury.

8. Budget Assumptions Highlights



Madam Speaker, all budget assumptions used to guide the preparation of this budget were assessed and applied in the context of the following considerations throughout the budgeting process:

- **Sustainability:** the municipality's budget needs to be sustainable, meaning we should be able to cover our expenses and running costs without accumulating excessive debt;
- **Community needs:** we have considered that the focus of the budget should be prioritising the basic needs of the community and ensure that resources are allocated efficiently to deliver essential services, AND
- **Financial stewardship:** we also had to consider the overall impact of the budgeting decisions and ensure that they are informed, all while aligning financial practices with organisational objectives and goals.

9. Challenges and Opportunities

As we implement this budget, we will face many challenges, including limited resources and competing demands. However, we also see many opportunities for growth and development.

We are committed to ensuring that our budget is implemented effectively and efficiently, and that we deliver on our promises to our residents. We will work tirelessly to ensure that our residents receive the services they deserve, and that our municipality remains a place of opportunity and growth.

10. MAYORAL OUTREACH PROGRAMS

Honourable Speaker, the Mayoral Outreach Programmes are an avenue that is specially created to engage with the communities of Ngwathe Local Municipality. Their primary focus is to assist emerging entrepreneurs, graduates, NPOs and NGOs, Youth, people living with disability and all our people, by equipping them with necessary tools of trade that will assist them to be independent.

Through these Mayoral Programmes, we were able to unlock learnership opportunities, conduct information sharing sessions, empower agricultural groups



such as Matikoane NPO in Kwakwatsi, Koppies to be specific, and registered several New Academic Applicants for this 2025 Academic Year at various institutions of learning.

We are also committed celebrating our heritage each year and give necessary support to those who are passionate in Sports and Art activities. Each year we remember Tata Madiba by celebrating Mandela Day by gifting Mothers with New Born Gift sets.

Annually on **15 July**, we are also celebrating the **Tumahole Day** and is celebrated for the whole of month of July with different activities like memorial lectures to educate young ones with the history of what happened that day.

We are also encouraging our communities to put an end on Gender Based Violence through awareness with relevant stakeholders.

We work very hard to minimize the high unemployment rate through EPWPs programs, internships and learnership to also give skills.

Bo Mme le Bo Ntate, we are advancing forward, and we do not want to leave anyone behind!

11. Conclusion

Honourable Speaker, as I conclude, I would like to extend my sincere gratitude to Ngwathe Local Municipality Council, Officials and residents for their unwavering support and for ensuring that the budget decisions we made are aligned with the goal of advancing our municipality.

A big thank you to Municipal Public Accounts and Finance Committee (**MPAC**) for their diligent work in enabling accountability and oversight, ensuring that we remain on the right path toward good governance and that Ngwathe Local Municipality grows to be a vibrant, prosperous, and sustainable municipality.



Let me specially express my heartfelt thanks to my family, whose unwavering support and understanding provide me with the strength to carry out this important responsibility.

Honourable Speaker, as I close, I would like to quote thought-provoking words from the Bible:

Psalm 127:1

“Unless the Lord builds a house, the builders’ work is useless.”

Ladies and Gentlemen, human effort alone is insufficient without God's involvement and blessing. Please continue to keep us in your prayers as we carry out our responsibilities.

12. Recommendations

I therefore, recommend that Council approves the Annual Budget for Ngwathe Local Municipality for 2025/26 Medium Term Revenue and Expenditure Framework (MTREF) period.

I thank you!

Cllr Victoria De Beer – Mthombeni

Executive Mayor

Ngwathe Local Municipality