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NATIONAL COUNCIL OF PROVINCES

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PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES

The Council met at 14:03.

The Chairperson took the Chair and requested members to observe a moment of silence for prayers or meditation.

ACKNOWLEDGEMENT OF DELEGATES FROM VARIOUS PROVINCES

(Announcements)

The CHAIRPERSON OF THE NCOP: Hon delegates, let me take this opportunity and welcome you into this sitting as well as the special delegates that have joined into the sitting. We do have delegates from the provinces of Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, the Western Cape, as well as SA Local Government Association, Salga, representative.

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We want to acknowledge the presence of the MEC for Human Settlements from Gauteng, the hon Motara who has joined in. We also want to acknowledge the presence of the Chairperson of Finance Portfolio Committee from KwaZulu-Natal, the hon Dlungwana.

We also have the MEC for Provincial Treasury from Limpopo, the hon Mahoai as well as the Chairperson of the Portfolio Committee on Co-operative Governance, Human Settlements and Traditional Affairs from Limpopo the hon Sepuru.

From Mpumalanga we have the Chairperson of the Portfolio Committee on Agriculture, Rural Development, Land and Environmental Affairs, the hon Sedibe, as well as the MEC for Infrastructure in the Western Cape, the hon Simmers.

Hon member, you are warmly welcomed in the National Council of Provinces, NCOP.

We are also joined by the Minister of Land Reform and Rural Development in our midst. Hon Minister, you are also welcomed.

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Hon delegates, I have been informed that there will be no Notices of Motion and Motions Without Notice.

We shall now proceed to the first order. Consideration of the Report of Select Committee on Public Petitions and Executive Undertakings on the hearing of the Magog Petition held on 12 September 2025 at Umzumbe Village, KwaZulu-Natal province, as adopted by the select committee on 9 December 2025.

I now have the pleasure to call upon the Chairperson of the Select Committee on Public Petitions and Executive Undertakings, the hon Mokae to present the committee report. The hon Mokae, you have 10 minutes.

**CONSIDERATION OF REPORT OF SELECT COMMITTEE ON PUBLIC PETITIONS
AND EXECUTIVE UNDERTAKINGS ON THE HEARING OF THE MAGOG PETITION
HELD ON 12 SEPTEMBER 2025 AT UMZUMBE VILLAGE, KWAZULU-NATAL
PROVINCE, AS ADOPTED ON 09 DECEMBER 2025**

Mr O J MOKAE: Hon Chairperson, hon members, and fellow South Africans, good day. Hon Chairperson, the Select Committee on Public Petitions and Executive Undertakings, having considered the Magog Petition referred to the committee by the Chairperson, your good

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self, of the National Council of Provinces for its consideration and resolution, reports as follows.

On 27 June 2025, the committee received a petition From Mr Michael Kholiswa Sithole, who is now the petitioner, submitted on behalf of the Sithole family and other affected community members. The petition is calling for assistance from the National Council of Provinces, in relation to the alleged systematically disregard of mining regulatory framework in the Magog Village Umzumbe by the SA Lithium Mining Company, here after eferred to the mining company. The petitioner *inter alia* alleges the following: The mining company had failed to consult the Magog community before undertaking the mining activities in the area.

The infringement of cultural and other human rights as a result of inappropriate grave relocation practices that had been carried out by the mining company.

The mining activities harm the surrounding environment by destroying land and biodiversity, creating toxic chemicals and causing water and air pollution.

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Since mining started operating on their doorsteps, the walls of their homes are cracking, and the floors are collapsing as houses are damaged by unabated blasting.

Some community members have been diagnosed with certain illnesses likely caused by mining activities.

Lastly, the community members submitted their complaints to the director-general of the Department of Mineral and Petroleum Resources but to no avail.

Hon Chairperson and hon members, consequently the petitioner requested the committee to physically visit the SA Lithium Mine and the community of Umzumbe to get a proper sense of grievance and assist the community in resolving the matter.

The main objective of the oversight was to determine the extent of allegation caused by this mining company. Following the referral of the petition to the committee, we then resolved to have a hearing on this petition to afford the petitioner an opportunity to make a firsthand aural submission to the committee on the petition submitted to the National Council of

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Provinces, NCOP, and also to allow relevant stakeholders to make submissions on the issues raised in the petition.

The committee then resolved to have a couple of hearings both from the petitioner as well as from the community members.

Hon Chairperson and hon members, allow me to go straight to the recommendations contained in this report.

Following extensive deliberations on the submissions made during the hearings on the petition, the committee recommends to this House as follows: Firstly, issues regarding the independent compliance and environmental audit that the Department of Mineral and Petroleum Resources in collaboration with the Department of Forestry, Fisheries and the Environment and the SA Human Rights Commission, commission an independent compliance, environmental and health impact audit within 60 days of the adoption of this report. The audit must assess licencing compliance, environmental degradation and water quality and the health impact on residents and its findings must be made public.

Secondly, we are also seeking immediate relief and safety measures that the Department of Mineral and Petroleum Resources

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working with the Department of Human Settlements and the Ugu District Municipality, conduct urgent structural assessments of damaged houses and facilitate temporary relocation or compensation for households facing safety risks with 60 days of the adoption of this report.

Thirdly, with regard to accountability for grave violations that the committee refer the matter of the grave destruction to the SA Heritage Resources Agency and the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities, CRL, Commission for investigation, prosecution and remedial action under relevant heritage and cultural rights legislation.

Fourthly, the committee is also recommending a restorative justice and compensation that the SA Lithium Mining Company be directed to establish a compensation and restoration fund to address property damage, medical expenses and a loss of water supply. This fund must be administered transparently, under the Department of Mineral and Petroleum Resources for oversight with independent auditing and community representation.

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The fifth recommendation is: We also want public transparency and progress reporting by the Department of Mineral and Petroleum Resources published as quarterly reports on the implementation of all recommendations on both its website and the parliamentary monitoring group platform ensuring continuous public accountability.

On the sixth one is a follow up of parliamentary oversight visit to be conducted: That the committee undertake a follow up visit within six months of the adoption of this report to verify progress on resettlement, health interventions and community compensation.

The seventh one is also looking for legal and policy referral that report recommends that the Department of Justice and Constitutional Development and the National Prosecuting Authority, consider possible criminal and civil liability under environmental, heritage and human rights legislation for any confirmed violations.

The eighth one is the KwaMadlala Traditional Council and the SA Lithium Mining Company in consultation with the Department of Co-operative Governance and Traditional Affairs and community

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members must establish a multidisciplinary committee to oversee the following: Firstly, issues of the occupational health and safety, environmental impact assessment, social facilitation and community profiling, cash compensation for assets, including crops and structures, resettlement profiling and remuneration and the provision of a resettlement site and resettlement housing, that a comprehensive business case is required demonstrating the company's resettlement plan, timeframes and phases.

The ninth one is we want also the SA Lithium Mining Company to address the community concerns within the defined legal framework and also the concerns that were raised by the members of the community. They must engage with the community regarding its internal processes and work together to draft engagement terms of reference. This will assist from the community complaints.

The last recommendation is that the company must ensure compliance with regulatory frameworks and fostering a mutual beneficial relationship with the affected community households.

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The interventions of the department, the Department of Employment and Labour, the Department of Forestry, Fisheries, and the Environment to act as facilitators and exercise their oversight as regulators in this matter by ensuring legislative compliance with constitutional principles and protecting customary rights.

Hon Chairperson, the other overarching recommendation is that the Department of Mineral and Petroleum Resources and the relevant stakeholders and departments must appear before the committee to make sure they give progress report in terms of the work carried out.

Hon Chairperson and hon members, allow me to table this report. However, firstly, I would like to thank the committee support staff who are assisting us in carrying our responsibilities. Their continued dedication to this committee is not unrecognised.

Let me also thank the committee Whip and all the community members for their hard work and dedication.

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Last but not least, hon Chairperson, let me also thank the presiding officers, for their leadership and particularly the House Chairperson, Committees and Oversight for his guidance in the work of our committee.

Hon Chairperson, I hereby table this report for consideration and adoption. I thank you.

Setswana:

Ke a leboga.

Afrikaans:

Baie dankie. [Thank you very much.]

Debate concluded.

Question put: That the Report be adopted.

In favour: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West, Western Cape.

Report adopted in accordance with section 65 of the Constitution.

**CONSIDERATION OF REPORT OF JOINT STANDING COMMITTEE ON DEFENCE
(JSCD) ON THE PRESIDENTIAL LETTER OF EMPLOYMENT OF THE SOUTH
AFRICAN NATIONAL DEFENCE FORCE IN COOPERATION WITH THE SOUTH
AFRICAN POLICE SERVICE, DATED 13 MARCH 2026**

Mr P NOE: Chairperson, hon members, the Joint Standing Committee on Defence Consideration Report on the Presidential Letter of Employment of the South African National Defence Force in Cooperation with the South African Police Service, dated 13 March 2026.

In terms of Joint Rule 156(1) of Parliament's Joint Rules, 7th Edition, the Joint Standing Committee shall report to both Houses on the employment of the SA National Defence Force by the President of the Republic in fulfilment of an international obligation, in defence of the Republic or in cooperation with the SA Police Service.

The letter for consideration from the President, dated 05 March 2026, was submitted to the Speaker of the National Assembly and tabled in Parliament on 9 March 2026 and referred to the committee on 10 March 2026. The letter complies with the requirements of section 201(3) of the Constitution, Act 109 of

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1996, as well as section 18(2)(e) of the Defence Act 42 of 2002, by informing Parliament of the following:

The employment of the SA National Defence Force is in support of the SA Police Service to combat crime and preserve law and order in Gauteng under Operation Prosper-illegal mining. The employment comprises 550 members of the SANDF. The duration of the employment is from 30 January 2026 to 30 April 2026. The expected expenditure of the employment is R80,74 million.

The committee considered the employment letters. Parliament's Joint Standing Committee on Defence considered the relevant letters during its meeting of 13 March 2026. During engagement on 13 March 2026, the committee made the following comments regarding the employment:

The committee noted the employment. The committee raised concern that the employment letter was dated only 5 March 2026 while the deployment commenced on 30 January 2026. The committee raised concern that while the letter of employment was limiting the employment to Gauteng, the presentation included reference to deployments in the Free State and North-West Provinces.

The considered the following recommendations, which are tabled today to the House:

In compliance with Joint Rule 156(1) and after having considered the details of the SA National Defence Force employment according to the Presidential Letter dated 5 March 2026, the committee notes the employment and does not recommend the Houses of Parliament consider the amendment, substitution or termination of the employment.

The Committee will request the Minister to provide further clarity on the deployment area of this operation given that the letter of employment was limiting the employment to Gauteng, while the presentation included reference to deployments in the Free State and North-West Provinces respectively.

The Minister should also clarify under which authorisation the recent anti-gang deployments in Eldorado Park and related areas in Gauteng took place.

The committee further calls for the urgent submission of the letter of employment of the SA National Defence Force as

announced during the 2026 state of the nation address. The committee therefore table the Report for noting. Thank Chairperson.

Declaration Of Vote:

Mr F J BADENHORST: Hon Chairperson, the Western Cape supports the adoption of this report. This report relates to an ongoing deployment of the SA National Defence Force under Operation Prosper ...

The CHAIRPERSON OF THE NCOP: Hon Badenhorst, I know you have a rally voice, if you I will ask you to speak closer to your mic, we would appreciate that. Thank you.

Mr F J BADENHORST: Should I start again Chair?

The CHAIRPERSON OF THE NCOP: Yes, you may.

Mr F J BADENHORST: The Western Cape supports the adoption of this report. This report relates to an ongoing deployment of the SA National Defence Force under Operation Prosper specifically in support of the SA Police Service to combat illegal mining.

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The purpose of the letter before the committee was simply to extend an existing operation. Unfortunately, the extension was formalised only in March, yet it was backdated to 30 January 2026, with no clear explanation for the delay in this administrative step. That alone raised legitimate concerns about compliance with the law and with Parliament's oversight responsibilities.

More troubling, however, was the confusion created during the Committee's engagement. While the letter itself referred to the continuation of the illegal mining operation in Gauteng, the presentation made to the committee spoke of deployments to other provinces. This created the false impression that the letter related to a broader, new deployment - including the one publicly anticipated following the state of the nation address. It did not!

And, if we are honest, some of that confusion appeared to stem from the fact that the majority party itself seemed unsure about who chairs this committee. Despite the formal governance arrangements with the very party that continues to keep this country's resources out of the clutches of the EFF and MKP.

That uncertainty may be political theatre elsewhere, but in matters of national security and troop deployments, clarity is not optional.

The Western Cape supports this report because communities facing organised crime and illegal mining deserve decisive intervention. But our support is inseparable from our responsibility to ensure proper oversight; particularly where deployments involve substantial public funds.

We must be clear - there can be no price tag on people's lives. But there must always be accountability for how public money is spent in the name of protecting those lives.

Oversight ensures that deployments are effective. It ensures that our troops are properly resourced, properly accommodated, properly transported and properly fed. It ensures that they operate under a clear and lawful mandate, and that they are not placed in situations where planning failures undermine their mission or their morale.

The responsibility is essentially important in the light of troubling reality. That approximately 24% of ongoing corruption,

irregular expenditure investigation within the security cluster involve the Department of Defence and Military Veterans. The investigation is that it already amounts to between 2,1 billion and 2,5 billion rand.

Why responsible Parliament can allow a major deployment to proceed without safeguard to ensure that it does not become part of the statistics.

In supporting this report today, the Western Cape reaffirms a simple but essential principle; strong oversight strengthens deployments. It protects communities. It protects our troops.

And it protects the integrity of public funds. I thank you

Debate concluded.

Question put: That the report be adopted.

Report accordingly adopted in accordance with section 65 of the Constitution.

**DEBATE ON RURAL INFRASTRUCTURE DETERIORATION: "A DEBATE ON
MUNICIPAL FUND WITHHOLDING IN TERMS OF SECTION 216(2) OF THE
CONSTITUTION."**

Ms M MAKESINI: Chairperson of the Council, greetings to the members, the Commander in Chief and the leadership of the EFF. Rural infrastructure is the backbone of economic development in South Africa. Yet for a period over three decades, the rural landscape of this country, from the forgotten villages of the Eastern Cape to the dusty plains of Limpopo, have laid forgotten, while the metropolitan elite areas enjoy the world classic logistics. For the EFF, this is not merely an administrative failure, but a deliberate exclusion. That is why we have brought this debate to the House today. At the centre of this debate, is section 216(2) of the Constitution, which empower the National Treasury to withhold or stop the transfer of funds to any organ of state that commits serious or persistent breach of measures establishment to ensure transparency and expenditure control at some financial management.

The section is an important piece of legislation in that it affects equitable share and the conditional grant, and it is

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also used to enforce financial discipline on the municipalities that are facing financial crisis, or those who are not submitting their required financial statement. This applies to the national departments, provincial departments and the municipalities. It also ensures transparency, accountability and it enforces proper financial management. In reality, this exact section that is mentioned here, is most often applied through the withholding or stopping of the conditional grants, delay interruptions to the data that transfer the funds to the municipalities, and the Treasury's intervention in financial and distressed institutions.

The result is that, while accountability is enforced at institutional level, the immediate consequence about the disruption is service delivery on the ground that is felt by the ordinary masses. In turn, this means that the infrastructure projects are halted and service delivery programmes are delayed, and those municipalities that are already under strain are further constrained. The practical implication of invoking section 216(2) in rural municipalities, is profound. It must be understood within the broader contest of inequality and uneven development in South Africa. By their very nature, the rural municipalities are structural weaker, with limited revenue base,

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capacity constraints and they rely heavily on the national transfer to sustain the basic services.

So, it is in this context that the application of section 216(2) does not occur in a neutral environment, but within the already fragile system. This is because they rely heavily on a public funding to deliver the basic services such as water, sanitation, roads, education and health infrastructure. Unlike in the urban areas, the rural community have very limited alternatives, they rely almost entirely on the state transfers. This means that section 216(2) which governs the withhold of the funds, has direct and disproportionate impact on the rural communities, and when such funds are withheld, infrastructure projects are stalled, maintenance of water and sanitation system is delayed, and schools and clinics are not properly supported at all.

In rural context, the impact is immediate and severe reinforcement exists, inequality and underdevelopment. The application of section 216(2) at the local level, exposes a structural contradiction as the municipalities that are already failing are further deprived of resources. Their ability to recover is weakened, and the service delivery obligation remain

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without sufficient funding. Instead of stabilising the government, withholding of the funds may deepen institutional failure and accelerate infrastructure collapse. We also say that in their rural villages across the Eastern Cape and Limpopo, the effects of this provision are evident. In the Eastern Cape, many rural villages continue to face severe infrastructure challenges, particularly, in provision of healthcare and education.

In the districts like O R Tambo and Alfred Ndzo, access to water remains inconsistent and unreliable. Communities often rely on unsafe water resource due to the failing or nonexistent system, while clinics and hospitals remain underresourced. Schools' infrastructure is frequently inadequate with overcrowdedness, poor sanitation and deterioration of facilities that affects the learning condition. In the Province of Limpopo, similar pattern persists across the rural villages, where water infrastructure is unreliable and is often collapsed entirely. In the districts such as Vhembe and Sekhukhune, the infrastructure exists in blends and budget but fails in practice.

The pipelines are lying without consistent supply, borehole collapse due to the lack of maintenance, and the community go to

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the extended period without water, forced to intervene as the state failed. The example is Vhembe in Mushari village, where the residents have spent almost three months without water in 2025; where the community were forced to contribute and pay to fix pipes because the municipality had no funds to fix them. In the North West, in the municipality such as Ngaka Modiri Molema, the electricity infrastructure is unreliable and poorly maintained. Power interruptions are prolonged, not only due to the national supply pressure, but because of the local system that has not been sustained.

In the Free State Province, the province where I come from, the municipalities such as Maluti-a-Phofung, Mafube, Nketoana, Masilonyana and Matjhabeng reflects a deeper institutional breakdown. Roads have deteriorated to the point where they are no longer connecting communities, but instead, isolate them. Emergency services are delayed, transport costs are increased and local economic activity is constrained. A constant pattern emerged where infrastructure is funded, planned for and reported. Some infrastructure is not delivered, and it is not functional on the ground. This reflects a systematic failure rather than an isolated incidence. Infrastructure failure is a

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direct limit to rural economic activity, and it undermines development programmes.

Taken together, this condition reveals a consistent pattern of widening gap between what is planned and what is experienced by the people on the ground. Infrastructure exists in reports and allocation, yet it failed to translate in reality, function on the ground, so that people can get service delivery. This is reflected in the state-owned data. The Auditor-General has repeatedly found that many municipalities, particularly in rural province, are unable to produce credible financial statement or maintain basic financial control, and with advanced findings, recurring year after year.

Where funds are withheld, water and borehole projects are stalled, road infrastructure remain incomplete, community facilities are left unfinished, local and economic opportunities become severely strained, and as a result of the rural community, experience a dual burden, which is the impact of the poor governance and the consequences of withheld funding, which lead to further poverty and inequality. While section 216(2) is necessary to enforce accountability and protect the public fund, its current application raises a fundamental concern, that is in

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attempt to discipline municipalities, the state may entrench infrastructure deterioration in rural areas of South Africa.

In rural South Africa today, the crisis of infrastructure is emerging, but it is not historically entrenched. It is visible in communities where water system failed for weeks; where sanitation is inadequate or entirely absent; where roads have deteriorated beyond the use and where electricity supply is unstable, not as an exception, but a daily condition. For millions of the people of South Africa, infrastructure is no longer performing its most specific function, which is to sustain life and dignity. It is deeply embedded on structural issue. This brings us the question, how rural municipalities are funded through equitable share model, and whether the model is adequate for the conditions that are faced by the rural municipalities and whether is it the true reflection or not?

Unlike in the metropolitan municipalities such as Cape Town, which benefits from the strong revenue basis concentrated of economic activities and they are also able to attract the private companies to invest in their municipalities. But in the rural municipalities, it is very rare to get people who come and invest in their area. In those municipalities, there are limited

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revenues, weak economic base and they depend heavily on the national transfer, particularly, the equitable share and the conditional grant. This reflects a deeper special inequality, which historically marginalise areas remain locked out of the economic opportunity.

While still being expected to meet the same governance standards without the same material basis, yet despite this, results of the outcome remain poor. Resources that are allocated by the system, remain fragile, and the infrastructure is extended, but not sustained. This point is not only the governance challenge, but it is also misalignment between the funding framework, institutional capacity and the local realities. It is within the system that section 216 of the Constitution operates. Section 216(2) empowers the National Treasury to withhold the funds where there are areas of the serious persistent of noncompliance with financial standards.

It is intended to enforce accountability and to protect the public resources. But it is this application in rural municipalities that raises serious concern. It is applied in municipalities that are already struggling to deliver; already dependant on this transfer and already operates under the

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condition of institutional weakness. This creates a contradiction. Where funds are withheld from the municipality that lacks capacity, infrastructure projects are stalled, maintenance delayed and they have service delivery deterioration. Communities are left with bear consequences of both government's failure and fiscal intervention.

In fact, we are using this tool to correct the failure in the way that it is reproducing it. This does not suggest that accountability is unnecessary, but accountability cannot be reduced to blunt fiscal instrument that withdraw resources without restoring capacity, stabilising governance and discarding service delivery. In closing, because a system that enforces compliance in reform, while allowing infrastructure collapse, the practice does not resolve the failure, it entrenches it. The reality is that it is unclear. Rural infrastructure deteriorating, water system failing, sanitation remaining inadequate, roads collapsing and electricity supplies remaining unstable. What is not enforced is the consideration of how accountability funding capacity alignment in the municipalities works. Without alignment, the cycle of infrastructure will continue, despite the mechanism designated to prevent it. Salute!

Mr P J SWART: Hon Chairperson, hon members and fellow South Africans, ...

Afrikaans:

... goeiemiddag, ...

English:

... good afternoon, ...

IsiXhosa:

... molweni.

English:

When we speak about the withholding of municipal funds, we must first understand and address the deterioration of rural infrastructure in South Africa. Then, we must ask and begin with one uncomfortable truth. Infrastructure does not collapse by accident, it collapses when provincial or local governance collapses. Infrastructure does not collapse by accident, it collapses when provincial and local governance collapses.

Across rural South Africa, we see the same picture repeated year after year. Municipalities unable to meet the most basic

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obligations. Roads remain unrepaired for years. Communities protest for access to water as seen in Gauteng. Water systems fail regularly and they cannot pay water boards. Electricity networks are on the verge of collapse as seen across the Nelson Mandela Bay, which has been without power for weeks and sewage flow through communities already struggling with poverty. The greatest tragedy is the rural communities that bear the brunt of failed governance. Those who rely on us the most, we have failed the worst. Those who rely on us the most, we have failed the most.

It is time that we hold municipalities accountable for poor service delivery that has become the lived reality of so many South Africans. The Auditor-General has made it clear that municipalities are losing billions in revenue because they are failing to bill and collect that is owed to them. At the same time, water and electricity losses due to neglected infrastructure amounts to more than R37 billion in lost revenue. Hon Chair, R37 billion in lost revenue.

Let me refer to the Free State, the home of my DA colleague, hon Scheurkogel, a province where governance failure is clearly visible that is arguably the worst run province in South Africa.

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The Auditor-General has outlined how many municipalities in that province are effectively bankrupt. In the 2023-24 financial year alone, collective net loss of R745 million was recorded.

Irregular expenditure reached R12,5 billion and fruitless and wasteful expenditure increased to R5,3 billion. This is around about R18 billion in irregular, fruitless and wasteful expenditure.

Do we know how much can we imagine in physical money, how much money that is? The issue is not the shortage of money, it is poor governance, financial mismanagement and the lack of accountability. We thus have to ask the question, is the current local government fiscal framework still viable? If we are told that Treasury is withholding funds responsible for infrastructure collapse. Let us be honest with our residents, funds are withheld under section 216 of the Constitution.

When municipalities fail to comply with financial management rules, and the Free State being the prime example.

Treasury does not punish communities, it responds to failed governance. I repeat, Treasury will not punish communities, they only respond to failed governance. We cannot continue pouring

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money into municipalities where procurement rules are ignored, tenders are manipulated and infrastructure budgets are treated like personal bank accounts, while services go undelivered and rural communities suffer the most.

Chairperson, municipal debt to Eskom is projected to reach R116,2 billion by the end of March. Municipalities collect money from residents but fail to pay Eskom. The question must be asked, where does that money go? This is not a technical failure, it is a governance failure. Across the country, critical technical posts are no longer filled with engineers and professionals, but too often, through political deployment. Water systems cannot be run by cadres, they must be run by engineers. Technical expertise and electricity networks require qualified professionals.

Hon members, the consequences as we know and as we see are devastating. The Green Drop report shows that more than half of South Africa's water treatment plants are in poor and critical condition, meaning untreated sewage is flowing into rivers where communities depend on. This is not just infrastructure collapse, it is a public health crisis. Where governance improves, infrastructure improves. Municipalities in the Western Cape

consistently achieve better audit outcomes, not because they receive more money, but because they manage it better.

South Africa does not have a shortage of infrastructure funding. South Africa has a shortage of honest governance and that is the reality so many of us have known, even 32 years into democracy. Until we fix poor governance, rural infrastructure will continue to collapse and the poorest communities will continue to suffer. I thank you.

An HON MEMBER: Spot on.

Ms T MOTARA (Gauteng): Hon Chairperson, hon members, special delegates of the NCOP, permanent delegates of the NCOP, we gather today to deliberate on a matter that sits at the heart of governance, accountability, and the lived realities of our people. The deterioration of infrastructure, particularly in rural and municipal spaces and the implications of withholding funds in terms of section 216(2) of our Constitution.

Section 216 is clear. It empowers the National Treasury to enforce compliance and, when necessary, to stop the transfer of funds where there is a serious or persistent breach. This is a

necessary instrument. It protects public resources, reinforces accountability, and ensures that the state remains disciplined in its financial conduct.

House Chairperson, the Constitution also asks something deeper of us. It asks us to govern in a way that improves people's lives, and that is where the tension lies. When transfers are withheld, the impact is not confined to balance sheets or ordered outcomes. It quickly affects the lives of ordinary people, and we must confront the real-world consequences of this intervention.

Municipalities rely heavily on the equitable share to sustain daily operations. When this is interrupted, they are unable to pay workers, service providers, and contractors. What follows is predictable. Refuse collection slows down, water provision becomes inconsistent, and electricity supply is strained.

Infrastructure projects are among the first to stall. Roads remain unfinished. Bulk infrastructure is delayed. Housing developments lose momentum. In rural areas and smaller municipalities, the effects are even sharper. These are places where a single delayed project can hold back an entire

community. There is also a longer-term consequence that is often overlooked.

Municipalities under financial pressure begin to rely on short-term loans just to stay afloat. Debt accumulates, and costs rise. The space for recovery becomes smaller and smaller. And in the midst of all of this, public trust begins to erode.

Chairperson, there is another truth we must confront honestly. We have seen instances across the country where infrastructure programmes have stalled, not because funding was never allocated, but because institutional challenges prevented effective spending. Some municipalities have struggled to spend what has already been allocated to them. Reports from the Auditor-General continue to point to recurring challenges. Weak financial controls, under-expenditure on infrastructure grants, and projects that are delayed not by lack of funding, but by lack of planning and execution capacity.

The National Treasury has reiterated this, highlighting persistent under-spending of funds intended for critical services such as roads, sanitation, and water infrastructure. This is not a question of intent but of capacity, and capacity

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cannot be improved through financial penalties alone. Where there are shortages of engineers, planners, and project managers, projects will stall. Where procurement systems are weak, funds will remain unused. Where governance is unstable, implementation will suffer. Withholding funds in this context can worsen the problem rather than resolve it.

Some municipalities have even challenged these decisions, arguing that the effect is to penalise communities rather than those responsible for administrative failures. That concern should not be dismissed lightly, because when services are disrupted, it is not officials who feel the impact first, but residents - the families who rely on consistent access to water, electricity, sanitation, and housing.

It is in those moments that we must remind ourselves of the vision that was guided this country for decades. The Freedom Charter declares that "There shall be houses, security and comfort." This is not just a slogan, but a commitment, one that speaks directly to the responsibility of the state to ensure that people live with dignity, supported by functioning infrastructure and reliable services. If our interventions

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unintentionally delay that promise, then we must reflect carefully on how those interventions are applied.

Chairperson, none of this suggests that accountability should be weakened. On the contrary, accountability is essential, but accountability must be paired with support. Municipalities need practical, sustained assistance, technical expertise, stronger financial systems, and governance stability. They need help to plan, to implement and to spend effectively.

A municipality that is corrected without being supported is unlikely to improve. A municipality that is supported while being held accountable has a far better chance of recovering and delivering.

In Gauteng, we have seen that when oversight is combined with direct support, projects move, blockages are resolved and delivery begins to stabilise. That is the approach that should guide us.

Hon members, infrastructure is not abstract. It shapes how people live every day. A working water system means health. Reliable electricity means safety. And a completed housing

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project means dignity. When those things are delayed, the consequences are immediate and deeply personal.

The question before us is not whether the Treasury should act - it must. The question is how those actions can strengthen municipalities rather than weaken their ability to deliver. At the end of the day, the purpose of every intervention, policy, and decision we take must be measured against one thing: are people better off? Are we moving closer to a country where every person can live with dignity, supported by functioning infrastructure in communities that are not left behind? That is the standard, and that is the responsibility we carry. Thank you.

Ms K R MOLOKOMME: Deputy Chair, greetings to your good self and everyone on the platform. Hon Deputy Chair, we stand at a crossroad. The ANC has currently declared 2026 as a year of decisive action to fix local government.

This is not merely a political slogan. It is a battle cry for the millions of South Africans in the rural areas and the heartlands. Those daily lives are constrained by crippling

bridges, dry taps and the roads that we are seeing in rural villages.

This year, our mission is to move from the heretic of the planning to the reality of execution. We are soberly aware that the credibility of our democratic project will be judged by whether a farmer in a remote village can get their produce to the market or whether a child can cross a river safely to reach school.

The National Development Plan, NDP, target for infrastructure investment is 30% of the GDP, yet we have averaged only 15,7% over the last decade. This gap is most painfully felt in the rural areas of our municipalities.

Hon members, much has been said about section 216(2) of our Constitution. Let us be clear. The true spirit of this clause is not to punish our people by withholding their equitable shares, but its intention is to protect the public purse from serious or persistent material breaches of financial management. Currently, the National Treasury holds a heavy responsibility. When we see that 87% of municipal debt is older than 90 days, we must ask

ourselves this question, whether withholding funds is an impediment or an opportunity.

We must critique this current Treasury regulations. The impediment lies in a one-size-fits-all approach. Rural municipalities can often lack the tax base of metros. When we withhold these funds due to poor billing systems that may have collapsed years ago, we risk a death spiral. Section 216(2) must be catalysed for intervention, not just an act of financial garnishing.

Deputy Chair, to fix local government, we must empower our district municipalities. They are the strategic hub of our rural economy under the District Development Model. The district is the scale at which we achieve synergy between national, provincial and local municipalities. Data from the 2025 NDP monitoring reports shows that where districts take a lead in shared services, polling of engineers, auditors and project managers, infrastructure projects are 22% more likely to be completed on time. We must move away from the fragmentation where every small local municipality tries to reinvent the wheel. The district must be the primary vehicle for rural infrastructure engineering.

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Hon members, we must interrogate the rule intent of this section. It was never framed by the founders of our Constitution as a kill-switch for local administration. Rather, it is a preventative medicine meant to stop the continuous financial rot. If we don't implement this, I know our hon members will be saying there is a lot of corruption that is happening in municipalities. I believe that we will all understand that when we implement this section, there will be several investigations that will have been made before it can be imposed in those various municipalities.

The impediment we face today is that section 216(2) is often triggered as a last resort, like I've said, after the horse has already bolted. By the time the Treasury stops the flow of funds, the municipality is already in a stage of advanced collapse.

We must move towards a trigger-linked investigation model. If a rural municipality fails to submit an audit-related financial statement for two consecutive cycles, section 216(2) must not just stop the money, it should automatically trigger a mandatory National Treasury diagnosis. However, without a concurrent technical investigation, the punishment simply resulted in a 14%

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drop in local sanitation maintenance. This was indicated in the Auditor-General of SA, AGSA, general report of 2025. We can't allow fiscal discipline to result in a literal overflow of sewerage in our streets.

Fellow South Africans and hon members, we must be honest about the inadvertent impediments created by current National Treasury regulations. While the Municipal Finance Management Act, MFMA, is a gold standard for transparency, for a small rural municipality in the Eastern Cape or Limpopo, the compliance burden is often insurmountable.

We are seeing a compliance paradox. A municipality spends so much of its limited budget on consultants to comply with Treasury's report templates that they have no budget left to fix the boreholes. I think, hon members, this has been raised by the Auditor-General on several occasions when they were doing their financials.

Treasury must differentiate between compliance and performance. Perhaps we need to attack the regulations framework that allows rural municipalities to be more flexible in performance and especially in infrastructure, provided they are under the direct

mentorship of the district municipalities or the provincial Treasury.

Hon members, the role of the national government in advancing local needs must shift from oversight or co-production. Currently, the Municipal Infrastructure Grant, MIG, is often underspent and returned to Treasury because municipalities lack the project management unit to spend it. Sometimes, this grant is even used to pay officials in municipalities. This is a challenge that we know municipalities are faced with. This is a tragedy of a higher order.

As part of our decisive intervention, the national government is deploying infrastructure ... [Inaudible.] ... through the Municipal Infrastructure Support Agency, which ... [Inaudible.] ... tenders and also the project oversight for the top 50 most distressed rural municipalities. I think this will also assist those various municipalities that are struggling to deal with their finances.

In conclusion, Deputy Chair, 2026 is a year where we stop managing the decline and start managing the recovery. We are using section 216(2) not as a weapon of exclusion, but as a

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compass for redirection. We are telling our municipalities that the money is there, but the old way of spending it is over. We are replacing the district at the centre of the rural economy to ensure that the Intergovernmental Fiscal Relations, IGFR, system works for the person at the end of the dirt road, not just the accountant in a Pretoria office. We need to take this seriously as a local government, especially because we are working directly with our communities.

Let us be the generation of leaders who turn the constitutional threat of withholding the funds into the constitutional promises of a functional, capable and rural-central developmental state.

Chairperson, I think this section is working, especially in the rural municipalities, so that funds are well managed. It's not to punish our rural municipalities. We need to know that municipalities, even the district and provincial government, need to account for how they are using their money, so that they don't pay officials or lawyers with the funds that are meant for service delivery. I thank you, Deputy Chairperson.

The MINISTER OF LAND REFORM AND RURAL DEVELOPMENT: House

Chairperson, hon members, greetings to you all. The Department

of Land Reform and Rural Development is mandated to develop national rural development policy, legislate within its functional domain and implement service delivery programmes that support rural communities. The mandate is executed through facilitating economic growth in rural areas, supporting land reform beneficiaries, advancing integrated land administration systems and driving spatial transformation to enable sustainable rural livelihoods.

In this regard, the Integrated Rural Development Sector Strategy identifies rural infrastructure development, maintenance, and investment as a central enabler of economic development, industrialization, and job creation across 44 rural districts. The structural nature of the infrastructure crisis over the past three decades, there has been a sustainable deterioration of infrastructure across rural municipalities, including roads and transport networks, water and sanitation systems, electricity supply and social infrastructure platforms.

This deterioration is not attributed to a single factor. It reflects systemic failure across multiple dimensions. Namely, chronic underinvestment in both capital and maintenance, weak institutional governance and instability, limited consequence

management, procurement inefficiencies and delays, weak project preparation and execution capacity, persistent under expenditure of conditional grants, abandoned and delayed infrastructure projects, and increasing exposure to corruption and maladministration, particularly in water service delivery systems. The consequence is a direct erosion of constitutional rights, including dignity and equitable access to basic services, as enshrined in the Constitution of the Republic of South Africa.

On municipal system failure, the scale of institutional distress is now well established. The 2025 Co-operate Governance and Traditional Affairs, CoGTA, report indicates the following: 67 municipalities are in financial distress, 33 municipalities are under section 139 interventions, and 100 municipalities are operating with unfunded budgets. These conditions materially constrain service delivery and infrastructure investment capacity. In parallel, Statistics SA 2024 General Household Survey reports that only 36,7% of rural residents have access to safe water, reflecting persistent rural urban inequality in basic service provision. These outcomes are structural consequences of governance and institutional design failures.

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There is alignment with the role of National Treasure in enforcing fiscal discipline through section 216(2) of the Constitution. This mechanism remains necessary to enforce compliance with the Municipal Finance Management Act, ensure adoption of funded budgets and strengthen accountability in municipal financial management. However, the current application of fund withholding introduces a critical policy contradiction. While it enforces compliance, it simultaneously risks by disrupting service delivery, deepening infrastructure collapse and undermining constitutional rights in already vulnerable communities. In practice, this often means enforcement without a parallel service delivery continuity mechanism.

The policy gap absence of service delivery continuity mechanism:
The current system lacks a structured intervention model to ensure continuity of service delivery when municipalities fail. Accordingly, a clear institutional gap exists. A co-ordinated provincial or national service delivery mechanism must be established to assume implementation responsibility where municipal capacity is compromised; deliver critical infrastructure projects and stabilise service provision while municipalities undergo corrective processes. Without such mechanism, fiscal enforcement alone is insufficient.

Strategic framing of the core policy question: The issue before this House is not diagnostic. The root causes are known. The central questions are operational and political. Why is decisive intervention not consistently implemented? Why does the cycle of allocation, underperformance and withdrawal persist? What mechanisms will ensure municipalities are capacitated to deliver? What institutional model will break the current cycle of failures? These questions require implementation decisions, not further analysis.

Infrastructure prioritisation imperative: A deliberate shift in infrastructure policy is necessary. Existing infrastructure assets must be prioritised alongside new investment, in particular, rural access roads require urgent intervention to enable access to schools, clinics and markets; to support agricultural value chains; improve emergency response capability and strengthen spatial integration between rural and urban economies; neglecting maintenance; accelerating long-term fiscal and social costs.

Targeted policy and implementation interventions: The following measures are proposed to stabilise and reverse current trends: financial and governance reform; ringfence infrastructure

maintenance and development budgets; strengthen grant planning, execution and monitoring; improve revenue management and financial discipline.

Two; legislative and policy alignment: amend transport legislation to formally recognise rural roads as economic infrastructure; classify access roads as critical social economic assets.

Three; labour and economic activation: expand labour intensive maintenance programmes to drive employment; scale up local economic participation through structured programmes.

Four; institutional capacity and delivery models: establish district level shared technical capacity; deploy professional implementing agents including the Development Bank of Southern Africa, DBSA, and the Municipal Infrastructure Support Agent, Misa, and provincial entities where municipal capacity is weak.

Five; law enforcement and project protection: address criminal disruption of infrastructure projects, including extortion practices linked to construction mafia and local business forums.

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Six; inter-governmental interventions: strengthen co-ordinated provincial and national intervention mechanisms to ensure uninterrupted service delivery.

In closing, the current trajectory is unsustainable. If decisive action is not taken, infrastructure degradation will deepen, service delivery will continue to fail and the social contract with rural communities will erode further. Future generations will assess the decisions taken in this period harshly. The responsibility to act is immediate and not transferable. I thank you.

Mr M C SEDIBE (Mpumalanga): Deputy Chair, greetings to you, the Chairperson of the NCOP, *in absentia*, and all hon members.

This is my first time addressing a sitting of the Government of National Unity, GNU. I am used to engaging with the incompetent one in my province. Allow me to also greet my commander-in-chief and president of the EFF, Julius Sello Malema.

The DEPUTY CHAIRPERSON OF THE NCOP (Mr P Govender): Hon member, can I ask you to switch off your video because it is causing an echo in the Chamber?

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Mr M C SEDIBE (Mpumalanga): Alright. Thank you. I have switched off the video. Allow us once more to send our heartfelt condolences to the Malema family, who laid to rest their mother, sister, aunt, friend, and grandmother. We also want to thank all those who sent messages of condolences and those who came to lay Fighter Martha Malema to rest, who died a member of the EFF in good standing.

Hon members, the people of Dixie Village and Thulamahashe in Bushbuckridge Local Municipality must wake up at 03:00 to queue for water from tankers. You will find the same if you go to Emalahleni, where, every day, residents and businesses are subjected to water supply interruptions. We have, without fail, pleaded with both the provincial and national government to fix roads in Schoemansdal and Mangweni in Nkomazi. It is raining now, and children cannot go to school because there are no proper roads.

If you go to Siyabuswa in Dr J S Moroka Local Municipality at any given time, there will be raw sewage running for weeks unattended because the municipality has no capacity. I raise these few examples just to demonstrate the state of affairs in many municipalities across the province. The province and many

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more of these municipalities have failed to put measures in place to spend the little revenue they collect or the funds that come through in the form of equitable share and conditional grants.

We have projects that were started and left incomplete, leaving our people stranded with unfinished water projects, roads built halfway with one side not surfaced, sanitation infrastructure left to decay and cause a stench, and schools with children in classrooms that can collapse at any time. To make matters worse, as correctly said by speakers before, many of these municipalities and departments do not have effective mechanisms to prevent wasteful, irregular, and fruitless expenditure.

On top of this, the very same provincial government and municipalities do not have the capacity to hold contractors accountable. To withhold funds in terms of section 216(2) of the Constitution is not the solution to a general problem. This provision was put in place to deal with occasional cases where there is consistent and persistent breach of set rules.

The reality is that the National Treasury may have substantive reasons to withhold funds, but this will not make matters

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better, only worse. We have to think both structurally and practically about the challenges facing provinces and municipalities. We must all agree that the current model of outsourcing everything to third-party contractors has failed, and it is time we begin to fast-track insourcing in a more consistent, co-ordinated, and comprehensive manner. Provinces and municipalities ... Sorry, my gadget ... I tried to move to a network area because I didn't want to struggle with the network. Pardon me, Chair.

Provinces and municipalities must build internal capacity of engineers, artisans, town planners, and administrators to build and maintain roads, fix water and sanitation infrastructure, manage disasters, and maintain electrical infrastructure. Those that have insourced early, such as the SA Revenue Service, the SA Police Service, and institutions of higher learning, are already benefiting from insourcing.

At a more practical level, we need to appreciate that not all municipalities are facing the same problems. Therefore, whatever solution we bring cannot be uniform. We must avoid at all costs a one-size-fits-all approach.

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As I conclude, hon Chair ...

The HOUSE CHAIRPERSON (Mr B A Radebe): Yes, you still have three minutes. You can conclude.

Mr M C SEDIBE (Mpumalanga): Yes, as I conclude, we have to think structurally. I have indicated. My speech was lost. I am concluding, Chair. Do not worry.

It is only through structural internal capacity-building that we can resolve service delivery challenges and improve governance. This is how we restore dignity and not deepen poverty and inequality. I was saying that those that have insourced early, such as the SA Revenue Service, the SA Police Service, and institutions of higher learning, are already benefiting from insourcing.

As a matter of emphasis, at a more practical level, we need to appreciate that not all municipalities are facing the same problems. Therefore, whatever solution we bring cannot be uniform. We must avoid a one-size-fits-all approach. Thank you, Chair.

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Mr O B KUNENE (KwaZulu-Natal): Hon Chairperson, hon Deputy Chairperson, hon Minister, special guests, hon members, and the residents of our beloved country, South Africa, across rural South Africa, infrastructure is under significant strain. In many communities, roads have become difficult to navigate. Water systems are frustratingly inconsistent, and access to basic services remains uneven. These challenges did not arise overnight. They are, in large part, the result of long-standing structural and governance issues that have developed over time.

Whilst this context is important, it cannot be an excuse for inaction. It must instead serve as a foundation for corrective measures. In this regard, it is important to recognise that the current Government of National Unity is taking steps to stabilise and improve governance across the state. The commitment to rebuilding institutional capacity and strengthening accountability mechanisms is a necessary and welcome development. We, therefore, as the IFP, strongly commend the Minister of Co-operative Governance and Traditional Affairs for driving the White Paper on Local Government. This intervention represents a decisive and necessary reform agenda, one that directly confronts systemic weaknesses in municipal governance. If implemented with urgency and discipline, it will

go a long way in restoring financial credibility, strengthening institutional performance, and critically reducing the need for drastic measures such as withholding municipal funds under section 216(2).

The matter before us today concerns section 216(2) of the Constitution of our country. This provision empowers the National Treasury to withhold funds where there is persistent and serious noncompliance with prescribed financial management standards. Section 216(2) is not intended as a punitive measure but rather as a safeguard, a constitutional mechanism designed to prevent further financial harm where there are clear and ongoing failures in governance. Ideally, such interventions should be rare and carefully executed. If a culture of prudent, disciplined, and lawful financial management was consistently upheld across municipalities, the need to invoke this provision would be significantly reduced.

The Local Government: Municipal Finance Management Act already provides a robust and comprehensive framework for the management of public finances. It sets out clear obligations for transparency, accountability, and proper expenditure. The challenge we face is not a lack of legislative instruments but

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rather uneven implementation and enforcement over time. It is rural communities that continue to feel the painful effects of these shortcomings. Historically, rural municipalities have operated with constrained revenue bases and limited infrastructure investment. At the same time, these communities have contributed significantly to the broader economy, often without receiving commensurate levels of development in return.

There is therefore both a developmental imperative and a moral obligation to ensure sustained and protected investment in rural infrastructure. When resources intended for this purpose are mismanaged, the consequences are immediate and tangible. It means projects are delayed, services are interrupted, and communities are left without the basic infrastructure required for dignity and economic participation.

It is in this context that the use of section 216(2) requires careful consideration. Whilst withholding funds may be necessary to prevent further financial mismanagement, it can also place additional pressure on municipalities already struggling to meet their service delivery obligations. This is a task that requires sustained commitment, capable leadership, and a shared resolve to ensure that the progress now being pursued is both measurable

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and lasting because, ultimately, every improvement in financial governance is an investment in the dignity and future of our rural communities. I thank you, hon Chairperson.

Mr K E MAHOAI (Limpopo MEC -Provincial Treasury): Hon Chairperson, and hon delegates, good afternoon, the state of rural infrastructure in our country calls for urgent attention and firm leadership. Our communities depend on roads, water, and sanitation services, as well as public facilities that must function every day. When this fails, the consequences are immediate and deeply felt.

This debate places the invoking of section 216(2) of the Constitution at the centre of this challenge. It is therefore important that we are precise in how we understand its application and relevance thereof. I may not repeat what all the previous speakers have emphasised about the actual essence of the sections, but, hon delegates, public money cannot be transferred without accountability.

Where there is continued failure to meet basic financial obligations, where unwanted expenditure persists, and where grant conditions are ignored, the National Treasury has a

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responsibility to intervene in accordance with section 216(2). It must also be understood that this intervention is limited in scope. Funds cannot be withheld indefinitely. The Constitution sets a clear maximum period of 120 days, and once compliance is achieved, these funds are then released.

The invoking of this section is often misunderstood as a punitive measure. Yet, its real purpose is to restore financial discipline and responsible governance by the sphere of government. In our province, Limpopo, we have experienced persistent noncompliance with section 65(2), article E of the MFMA, which in the main requires that all monies owed by municipalities be paid within 30 days of receipt of invoice. This noncompliance has resulted in high debts owed on bulk purchases such as water from water boards and electricity from Eskom.

Furthermore, there has been persistent noncompliance with section 32(2) of the MFMA, which requires municipalities to recover irregular or fruitless and wasteful expenditure from liable individuals. This is unless due process has been truly followed by councils in line with applicable legislation and the expenditure has been formally satisfied as irrevocable and

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written off. It is in these instances that it attracts the invocation of this section.

The Auditor-General of SA, AGSA, has always, under certain circumstances, observed that appropriate investigations are not being conducted by council committees to establish the facts, and this has resulted in a slow reduction of unwanted expenditure. It is further observed that writing off of this expenditure should in no way be excuses in either criminal or disciplinary proceedings against persons charged with commission of offences such as breaching of legislation, especially of section 32(5) of the MFMA.

Through the implementation of section 216 in previous times, we have begun to see a change in behaviour. Municipalities are now more aware that continued noncompliance carries consequences, including the withholding or stoppage of funds. As a result, there is a noticeable improvement in reporting and greater willingness to engage honestly.

Hon Chair and delegates, if we are to deal with rural infrastructure deterioration, we must examine the broader realities within rural municipalities which impede progress. A

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consistent pattern has emerged over time, and in some cases, funds are allocated but are not fully spent. At the end of the financial year, unspent conditional grants are then returned to the National Revenue Fund unless strict conditions for rollover are met. This means that projects remain incomplete not because resources were denied or grants were stopped but because they were not utilised appropriately.

In addition, many municipalities face serious challenges in collecting their own revenue where it is due. This limits their ability to maintain infrastructure and to continue projects where grant funding is disrupted. A municipality that cannot generate and manage its own revenue base will always struggle to sustain service delivery.

There is also the question of maintenance. Infrastructure does not collapse overnight. It deteriorates over time when it is not properly maintained. Yet we continue to see inadequate budgeting for repairs and maintenance of infrastructure and the absence of integrated asset management plans.

This weakens the entire system and increases long-term costs. Equally concerning are weaknesses in implementation, delays in procurement, poor contract management, and insufficient

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oversights that lead to slow or incomplete delivery. These challenges contribute directly to underspending and efficiency.

Hon delegates, when we consider all these factors together, the conclusion is clear. The deterioration of our rural infrastructure is not necessarily caused by the enforcement of section 216. It is driven by deeper structural and governance challenges within municipalities.

Therefore, invoking of section 216 is triggered by those challenges. It does not create them to suggest otherwise risks diverting attention from the work that must be done. In fact, this provision has encouraged collaboration where there was not once persistent deadlock.

For example, in our case, here in Limpopo, a long-standing dispute between the water board and some municipalities which are water service authorities were amicably resolved, and the invocation was withdrawn immediately through engagements. So, through structured engagement and payment arrangements, parties that were once in conflict are now finding common ground and commitments are being honoured. This demonstrates that the application of section 216 is not necessarily about punishment.

It is about correcting behaviour, strengthening accountability and ensuring that public resources are managed in a manner that serves communities effectively.

There is clear evidence of gradual progress, a culture of discipline is taking root and over time this will translate into improved service delivery and financial stability, which will unlock rural infrastructure development. The task before us is to strengthen local governance. This includes improving financial discipline, enhancing revenue collection, and building technical capacity for planning and implementation.

It also requires consequence management. Where there is noncompliance, there must be accountability. As the Provincial Treasury, we continue to support municipalities through technical oversight, support and capacity-building initiatives. However, support must be matched by responsibility.

Municipal leadership must take ownership of financial management. Councils must exercise effective oversight, and officials must adhere to the standards set by relevant authorities. In this way, there will be no need to even fear the

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invocation of section 216 because we'll do more prevention than curing. I thank you very much.

Mr M E DLUNGWANA (KwaZulu-Natal): Hon Chairperson, hon members of the NCOP and delegates from the provinces, while we are celebrating the 30 years of our democratic Constitution, a Constitution born from struggle, sacrifice and unwavering conviction that the people shall govern. We are called today to reflect with honesty on whether we are living up to its promise. It is this very Constitution, our democratic Constitution, that gives us both the power to allocate resources and responsibility to ensure that those resources change lives.

It is, therefore, within this constitutional mandate that we must locate this debate, not as an abstract context of political ideas, but as a living question about whether the state, at all levels, is fulfilling its obligation to advance dignity, restore equality and improve the material conditions of the people, especially the rural communities that were historically marginalised. Thirty years ago, rural South Africa, including the majority of poor rural KwaZulu-Natal, where I come from, was deliberately underdeveloped. Millions of people had no access to clean water, electricity, proper roads or sanitation.

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Unfortunately, very few people were provided with all these services due to their race and origin. But today, because of the work of the ANC-led democratic government, the lived realities of rural communities have fundamentally changed. The access to electricity has expanded from less than 40% of households in 1994 to over 90% today, reaching deep rural villages that were once in total darkness. Access to basic water services has increased from around 60% in the mid-1990s to over 85% of households, while millions more now benefit from sanitation infrastructure that simply did not exist before our democratic breakthrough.

These are not abstract achievements, but material changes in the lives of people and a reflection of a developmental state at work. And yet, to acknowledge progress is not to deny the challenges. It is precisely because we take our responsibilities seriously that we must confront the weaknesses that undermine these gains. The Auditor-General pointed out the fact that only 34 municipalities, which equalled 13%, achieved a clean audit in the 2022-23 financial year, improving only slightly to 41 municipalities, which is 16% in 2023-24. At the same time, about 86% of municipalities continued to have material compliance findings, pointing to systemic government weaknesses. And yes,

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this is beyond just a technical issue. It is also a service delivery issue. When funds meant for water infrastructure are mismanaged, the taps run dry. When maintenance budgets are not properly utilised, roads collapse. When financial controls are weak, communities suffer. We have also seen this clearly in the growing debt crisis, as municipal debt to water boards, as hon members have mentioned before, has reached over R24 billion, threatening the sustainability of the entire water value chain. In KwaZulu-Natal, the total debt owed to municipalities rose to over R67 billion, with R56 billion older than 90 days, indicating deep structural financial distress.

At the same time, municipalities themselves owe billions to Eskom, as members have mentioned earlier, and other creditors, creating a cycle of financial instability that directly impacts service delivery. That is why the ANC is unequivocal that 2026 is the year of decisive action to fix local government, moving from commitments to measurable impact on all these systemic challenges. But let us be clear, the challenges of local government are not uniform, and they are not the responsibility of one political formation alone. For instance, northern KwaZulu-Natal, mostly led by the IFP, has some of the most severe infrastructure backlogs and governance failures.

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Communities in those areas experience persistent water shortages, deteriorating roads and weak financial controls due to serious financial mismanagement and governance inconsistencies. This is not said to shift the blame, but it is said to underline the principle that where there is instability, there is a lack of consequence management. Where there is poor planning, infrastructure indeed deteriorates, irrespective of who is leading, regardless of how much funding is allocated. And this brings us to the core of today's debate on municipal funding and the use of section 216(2) of the Constitution. Equitable share is not a privilege; it is a constitutional instrument to ensure that even the poorest communities receive basic services. It is meant to close the gap between inequality and dignity.

But the Constitution is equally clear that, where there is persistent serious financial misconduct, the state has the duty to intervene. Therefore, section 216(2) is not a punishment, but a safeguard. We have seen its impact when the National Treasury withheld funds from 34 defaulting municipalities, resulting in at least R278 million being repaid to water boards within weeks. This demonstrates both sides of the reality. It can enforce accountability, but it must be applied with care. The ANC

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position, therefore, is balanced and principled. We support accountability, we support consequence management, and we support the proper use of section 216(2). But we also insist that it must be applied in a manner that protects communities and not to punish them.

The main struggle before us is not whether resources exist, but it's whether those resources that have been allocated are translated into sustainable development. The Municipal Finance Management Act is clear, accounting officers, mayors, and officials have a duty to prevent unauthorised, irregular, fruitless and wasteful expenditure. Yet, year after year, billions are lost through poor procurement, weak controls and lack of consequence management. This is where the battle must be fought, not in slogans, rhetoric or cheap politics, but in systems, discipline and accountability. That is why the ANC, in particular, is strengthening oversight, building capacity and enforcing consequence management across all spheres of the government.

The truth is, South Africa is better today than it was in 1994. More people have access to basic services than ever before. But of course, we must deal with these underlying issues that we've

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mentioned above. As I conclude, I wish to remind hon members that our Constitution is not a document of convenience, but a social contract with the people, and section 216(2) exists to protect that contract. The Municipal Finance Management Act exists to enforce that contract, and the ANC exists to advance that contract. I thank you.

Mr J S MAJOLA: Hon House Chairperson, hon members, good afternoon. House Chairperson, as we debate this topic, let us be honest from the onset. What we are witnessing in rural South Africa is not simply infrastructure decay, it is a direct consequences of the failed enforcement models where the state would hold funds under section 216(2) of the Constitution, yet fail to address the true causes of the financial mismanagement while ending corruption and forcing accountability because these ultimately fail the very community it meant to protect.

Let us be clear, we are not debating the rural infrastructure decay as if it is a technical problem; it is not. It is a government failure, a political failure, and ultimately constitutional failure. This debate, therefore, is not about whether the mechanism is existing. The real question is whether

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these mechanisms are working, and the evidence is clear, they are not.

Section 216(2) empowers National Treasury to withhold funds where there is a serious financial misconduct. On paper, it is good. It is one of the strongest tools available to enforce physical discipline, but in practical, it has become something else - a procedural response to a systematic failure rather than a tool that produces the real accountability because what happens when funds are withhold? The municipality does not suddenly become clean, corruption does not suddenly stop, officials do not suddenly face consequences. Instead, something more dangerous happens: Infrastructure project stops, maintenance budget shrink, water system deteriorate, road becomes impassable, and people in the rural areas feel the impact of the local government failures.

The Auditor-General of South Africa reported that 206 municipalities, representing 83% of the total, had material failure findings on non-compliance, mostly in the areas like procurement, expenditure management and asset management.

Alarmingly, there were 446 material irregularities linked to the

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non-compliant and suspended funds leading to the estimated R8,74 billion in financial loss.

In total, 162 municipalities are identified as in a financial distress with poor governance leading to inadequate service and significant loss in water and electricity. The crucial question is whether the withholding of funds under section 216(2) to such municipalities were significant where underspending is anticipated. However, applying these measures to an already distressed municipality can worsen the situation. These areas are often struggling in terms of essential services and stopping funds leads to further breakdown. The problem is especially pronounced in the rural municipality with limited resources heavily dependent on transfers.

National Treasury acknowledged government's failure as a result of infrastructure maintenance and service delivery. Therefore, the MKP's position is clear. Section 216(2) should not be seen as a neutral fiscal tool when municipalities are in crisis. It becomes a society regressive by punishing residents before holding accountable the officials at fault. Thank you, House Chairperson. [Time expired.]

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The HOUSE CHAIRPERSON (Mr B A Radebe): The next speaker on the podium is Mr M M Peter from the UDM. He is not in the House. I don't know whether he is on the virtual platform. Hon Peter, are you in the virtual platform? I am going to count down to three and then I will go to the next speaker. Three, two, one, - out! The next speaker who is going to be on the podium is hon K Ceza from Mpumalanga. The provincial whip of the day. [Laughter.]

Mr K CEZA: House Chairperson, perhaps hon Modise, if we can ask a research question in addition to what we are debating today. I don't know how you processed that the NCOP as politicians, we go to rural areas to engage in campaigns, where people live, but why is development not going to ... [Inaudible.] ... only in the rural areas? Perhaps we should wipe out migration. Why the urban bias in development? Those are the things that we should be asking ourselves, whether this section 216 can be turned into a mechanism that automatically triggers technical turnaround tips to correct fiscal inequities. Whether we have moved towards a procyclical austerity spiral poor performance that leads to fewer grants, fewer projects, fewer jobs, deep social instability and why?

At the centre of this debate is a painful truth that millions of rural South Africans live with every single day. Infrastructure collapse is not an abstract policy issue; it is a lived reality. It is the daily accumulation of the communities who are told to be patient while their dignity is eroded by a state that governs through punishment instead of development.

The use of section 216(2) to withhold funds from rural municipalities reflects a dangerous misunderstanding of the structural conditions that define rural governance in South Africa, inconsistent with the provision of section 154 of the Constitution. It assumes municipalities have control over their financial distress. It assumes fiscal discipline alone can correct systemic underdevelopment. These assumptions are false but let us move away from theory and speak about real lives.

In Emakhazeni local municipality, residents have been waiting since 2024 for the repair of a sewer pipe. Families live in overflowing sewage, unbearable odours and constant fear of diseases. Children walk past these areas on their way to school. Elderly residents live with indignity of collapsed sanitation.

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In Madala and Siyathuthuka township ward two, ward three, extension 11, another sewerage plant remains dysfunctional. Residents wake up not knowing whether basic service sanitation will function. This is not inconvenience, it is a violation of dignity.

In ward eight in Belfast, water reservoir project remains incomplete due to poor workmanship. A community promised water security has instead received an unfinished structure, a monument of waste and broken promises. Even more disturbing is an indoor multipurpose sports facility that remained incomplete since 2016. An entire generation has grown up watching an abandoned building instead of accessing opportunity for sports development and social cohesion.

Chairperson, these are not isolated incidents. This reflects a crisis. Municipalities currently owe more than R467 billion by consumers, including households, private business and government departments. About R22 billion of this is owed by government itself. Yet municipalities owe approximately R105 billion to Eskom and about R25,5 billion to Water Boards. This means municipalities are owed far more money than they owe, but instead of aggressively recovering this debt, government chooses

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to withhold funds from struggling municipalities. This is not fiscal discipline; this is fiscal misdirection. Municipalities are trapped in a vicious cycle. They cannot collect what is owed to them. They fall behind on bulk payment and then their equitable share is withheld, further weakening their ability to maintain infrastructure and deliver services - maintenance stops, projects stall.

The implications are national. Municipal debt places immense strain on Eskom's already fragile finances. It threatens the sustainability of Water Boards and supply of water across the country. It accelerates electricity outages, water losses and infrastructure.

The root causes, as I conclude, remain unaddressed. A culture of nonpayment by some consumers, also the settlement of accounts by government departments and weak administrative capacity in municipality that cannot attempt and retain skills. Thank you very much. [Time expired.]

Afrikaans:

Mnr J H P BRITZ: Agb Huisvoorsitter, agb lede, mede-landsburgers

...

English:

... the fathers of our Constitution not alive today must be turning in their graves this afternoon. Fortunately, however, they had the foresight and insight to understand that maybe, just maybe one day, and that day is today, service delivery will collapse in South Africa, and therefore they included section 216 in the Constitution.

However, section 216 action is not an intervention. It is an indictment, a charge sheet against municipalities, accusing them of a wilful, negligent and in some cases an intentional dereliction of their duties and responsibilities.

Section 216 states that National Treasury and national legislation must prescribe measures to ensure both transparency and expenditure control in each sphere of government by introducing generally recognised accounting practices, uniform expenditure classification and uniform Treasury norms and standards.

However, it also goes further to state that National Treasury must enforce compliance with these established measures and may

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stop the transfer of funds to municipalities if it commits a serious or persistent material breach of these measures.

Why are we in this situation? Now, the Constitution answers this question: a lack of transparency, a lack of financial control, a lack of compliance with Treasury's norms and standards, and a persistent serious material breach of financial measures.

Rural South Africa is not collapsing because municipalities lack money. It is collapsing because billions meant for infrastructure are sitting idle while communities suffer. Communities still drive on gravel roads, fetch water from tankers or worse from dirty streams, and they sit in the dark.

This crisis is not funding. It is municipalities' failure to spend funds responsibly. We have to ask, who is the mighty political party that governs the overwhelming majority of poor performing municipalities?

Year after year, local governments complain about getting too little money from Treasury. The SA Local Government Association, Salga, comes with presentations and speeches pleading for more money, but the question remains unanswered. What did

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municipalities do with the money that they indeed received from the Division of Revenue Act? Let's investigate:

Firstly, municipalities underspent R68,2 billion in 2024-25, and who suffered? The residents;

Secondly, R42,1 billion of conditional grants transferred went unspent. That is 25% which municipalities did not spend. Who were the greatest losers? The residents; and

Thirdly, billions in infrastructure grants were not used. Funds are available, but municipalities simply cannot spend it effectively. Who is waiting in vain for infrastructure to be built? The residents.

Underspending equals no roads, no water infrastructure, no sanitation, and that is why it is a crime against our citizens. Yet, the evidence keeps on piling up:

Firstly, the Auditor-General reviewed 113 infrastructure projects in 2023-24 with a combined value of R12,64 billion. Of these, listen to this, 77% had findings, 52% were delayed, and

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the average delay across projects was 21 months, nearly two years;

Secondly, 17% were of poor quality construction;

Thirdly, 8% of projects went over budget; and

Fourthly, 6% ... not used for its intended purposes. In other words, stolen.

These audit outcomes confirm that even when money is spent, outcomes are poor. Communities pay twice. Once for the project and then to have it fixed later.

Only 41 municipalities received clean audits in 2023-24. Listen to this. Twenty-three of those are DA-run municipalities. The DA governs 12% of municipalities but holds 56% of clean audits. ... no adverse or disclaimed audits in DA municipalities. This emphasises the fact that good governance directly correlates into infrastructure delivery.

The issue in today's debate is good leadership on the one hand and accountability on the other hand. The real crisis is that

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infrastructure funds are being misused. To illustrate this point, municipal debt to Eskom stands at approximately R116 billion and water boards are owed over R25 billion by municipalities.

So, National Treasury is already forced to withhold funds under section 216(2) to compel payment plans, because infrastructure money is swallowed up by operational failures, and therefore withholding funds becomes necessary to protect essential service delivery.

Who are the victims? Who is being held to ransom? The residents. However, who will suffer again if funds are withheld? The residents.

The consequences for rural communities are severe. They will suffer the most because of infrastructure being delayed, water projects stalled, roads deteriorating and electricity interruptions. Underspending translates directly into deepening inequality.

The withholding of funds, however, must be accompanied by restraint. Funds should be targeted but be linked to recovery

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plans, and must ensure that communities are protected and not punished further.

We cannot keep sending billions to municipalities where accountability is absent. Withholding funds at this stage is protection. ... protection of taxpayers' money, protection of taxpayers, protection of infrastructure, and most importantly, protection of rural communities that deserve delivery, not excuses like we've heard ... speech after speech today. I thank you.

Cllr K R PHUKUNTSI (Salga): Chairperson, good afternoon to you and the members of the NCOP. The debate today is very interesting.

Before I get to what I want to, let me outline a scenario. Before 1994, we had a very small portion of the population that was given services in this country. The infrastructure that we have, compared to the population we have today and compared to what happened pre-1994, when we speak, we must speak with that in the back of our minds.

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Furthermore, we want to bring to the attention of the NCOP that, although it is claimed that municipalities owe Water Boards and Eskom a lot of money, what is owed to municipalities compared to that? If we can get what is owed to us, we will be able to settle and have a surplus. Let me then get to what I am here for.

As the SA Local Government Association, Salga, we are pleased to participate in this debate on the invocation of section 216(2) of the Constitution and its implications for municipalities across our country, particularly rural and district municipalities that are not water service authorities. The two most rural provinces in the country, Limpopo and the Eastern Cape, have experienced a decline in the local government equitable share, as per the Financial and Fiscal Commission, FFC, 2026 and Division of Revenue Act submissions.

We meet today at a time when fiscal accountability within local government is under intense scrutiny. National Treasury has invoked the provisions of section 216(2) of the Constitution and section 38 of the Local Government: Municipal Finance Management Act, resulting in the withholding of the local government equitable share for more than 75 municipalities during the

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December 2025 tranche and 26 municipalities for the March tranche. This action, as you are aware, is part of what National Treasury calls an enforcement mechanism aimed at ensuring financial discipline, transparency, accountability, and adherence to the norms and standards that govern our municipal financial management system. As much as National Treasury actions are not arbitrary, and they are rooted in constitutional and legislative prescripts, the question remains whether withholding the equitable share is the only remedy or right mechanism to use to ensure compliance.

We ask ourselves the following: What is the purpose of the equitable share, and what legislative framework governs it? Section 214(1) of the Constitution and the Division of Revenue Act provide for the equitable division of revenue raised nationally among all spheres of government. The Division of Revenue Act must promote predictability and certainty in respect of allocations to provinces and municipalities and must promote transparency and accountability in the resource allocation process. Withholding the equitable share in the middle of a municipal budget year clearly does not promote predictability or certainty in budget planning. It surely does not promote transparency in the process, as municipalities are not given

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sufficient time to comply before the equitable share is withheld. The equitable share formula is intended to fund basic services and shared community services for poor households, as well as the institutional capacity required to support the poor households.

The revenue adjustment factor is intended to direct funds to weaker, mostly rural municipalities. Currently, municipalities are allocated equitable share using poor household data that is outdated, as it is based on the 2011 Census. Secondly, a Salga study and other research by the FFC and the Public Affairs Research Institute have found that the equitable share formula in its current form is inadequate. Equitable share allocations to municipalities are currently withheld due to nonreduction and lack of consequence management for unauthorised, irregular, fruitless, and wasteful expenditure, nonadoption and implementation of credible funding plans, and failure to pay creditors, such as the SA Revenue Service, pension funds, Water Boards, and the Auditor-General of South Africa, within 30 days.

If withholding continues, the consequences will be severe on municipalities. It disrupts budget planning and delays the payment of commitments, resulting in interest on debts, further

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plunging municipalities into more debt and unauthorised expenditure. The debt that Eskom is also ... Everybody is speaking about the debt of Eskom. They don't speak about the interest that is charged by Eskom on the regulatory framework that is not the mandate of Eskom. More debt may lead to reduced services by creditors and that may impact the quality of service delivery.

Withholding the equitable share is more than a compliance and consequence measure. It strikes at the heart of service delivery, community trust, and the constitutional promise of developmental local government and service delivery. Our task is not only to strengthen financial governance foundations of municipalities but also to protect against the unintended consequences of prejudicing the very poor households of the services and infrastructure they need.

We call on National Treasury to look at other mechanisms to instil compliance and consequences, mechanisms that do not perpetuate increased debt, unpaid creditors, and unauthorised expenditure. We call for predictability and certainty in municipal budget planning. We call for the fair application of the Constitution that protects all citizens of this country and

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for all institutions of government to not be used to demonise or victimise municipalities.

We are calling on National Treasury to not be biased and only target local government. Section 216 of the Constitution applies to all spheres of government and all organs of state that do not comply with norms and standards under the Public Finance Management Act. Municipalities are owed approximately R27,6 billion by government, and R538,57 billion, which is 92% of irregular expenditure, was incurred by national and provincial government, yet none of their equitable share was withheld.

In conclusion, as Salga, we remain committed to supporting municipalities and advocating for fairness and justice, ensuring that no community is left behind because of administrative and governance failures. It cannot be correct that we come here today and claim that where other parties govern, there is a clean audit. A clean audit does not translate into service delivery. We can prove that. I thank you.

The HOUSE CHAIRPERSON (Mr D R Ryder): Thank you very much, Cllr, for your input today. Good afternoon, hon delegates, ladies and

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gentlemen. The next speaker at the podium is the hon H J van den Berg.

Mr H J VAN DEN BERG: Chair, today, I will be delivering a speech on behalf of my colleague Tammy Breedt who is on oversight. I hope I do her speech justice. [Interjections.] That is true.

Today, we are debating section 216(2) of the Constitution, the withholding of municipal funds. Let's be clear from the outset. This is not just a legal or technical matter. This is about people.

Afrikaans:

Dit gaan oor gemeenskappe wat elke dag ly.

English:

Local development is the sphere closest to the people. It is where service delivery must happen – water, electricity, sanitation.

Afrikaans:

Wat sien ons in werklikheid? In Parys in die Vrystaat was daar gister alleen geen krag en geen water nie, riool in die

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vleilande, 'n onrybare R59 as enigste alternatief, en 'n rivier met die potensiaal om die dorp te oorstrom. Ons sien dus mislukking. Ons sien swak bestuur, en, uiteindelik, sien ons gemeenskappe wat betaal vir hierdie mislukkings.

English:

The reality is this: Municipalities are not complying with the law. They are violating the Local Government: Municipal Finance Management Act, they incur billions in irregular, fruitless, and wasteful expenditure, they pass unfunded budgets, they fail to pay creditors like Eskom and Water Boards ...

Afrikaans:

... en wat gebeur dan? Artikel 216(2) word toegepas. Fondse word teruggehou.

English:

Now the question we must ask is: Who really suffers when funds are withheld? Is it the politicians? Is it the officials? No.

Afrikaans:

Dit is die mense. Dit is die belastingbetaler. Dit is die inwoner wat al reeds sukkel.

English:

When funds are withheld, municipalities cannot pay salaries, cannot maintain infrastructure, and cannot deliver services. Water stops running. Electricity becomes unstable. Refuse is not collected.

Afrikaans:

Hierdie is nie net administratiewe probleme nie. Dit raak mense se daaglike lewens.

English:

Let us also be honest: Section 216(2) does not exist without reason.

Afrikaans:

Dis nie 'n straf sonder rede nie. Dis 'n korrektiewe meganisme.

English:

It is invoked because municipalities persistently fail to meet basic financial standards because they ignore legislation and because there are no consequences for poor governance. So, yes, withholding funds has devastating short-term consequences ...

Afrikaans:

... maar die werklike probleem lê dieper. Die werklike probleem is wanbestuur.

English:

In the Free State, the data is clear. Municipalities are struggling with low revenue collection at around 55%, far below the required 95%. Debts are skyrocketing into tens of billions of rand. Creditors are not being paid. Conditional grants are misused.

Afrikaans:

Dit wys vir ons een ding – die stelsel werk nie soos dit moet nie.

English:

Yet communities are expected to keep paying. Taxpayers are expected to fund a system that does not deliver.

From the FF Plus perspective, we must stand firmly for accountability, good governance, and financial discipline.

Afrikaans:

Ons glo in 'n staat wat werk, nie een wat mors nie.

English:

We cannot continue to tolerate a situation where municipalities break the law without consequence, funds are mismanaged, and communities are punished twice – first by failure, then by fund withholding.

What is the way forward? Firstly, there should be strict enforcement of the Local Government: Municipal Finance Management Act, without political interference.

Afrikaans:

Tweedens moet daar werklike aanspreeklikheid wees, nie net verslae en waarskuwings nie, maar gevolge vir wanbestuur.

English:

Thirdly, there should be protection of communities. When funds are withheld, mechanisms must ensure that basic services can still continue because the Constitution is not only about compliance; it is also about dignity.

In closing, section 216(2) is not the enemy. It is a symptom.

Afrikaans:

Die werklike vyand is swak bestuur, korrupsie, en 'n gebrek aan aanspreeklikheid.

English:

Until we fix that, communities will continue to suffer ...

Afrikaans:

... en dit is onaanvaarbaar.

English:

I thank you.

Mr P NOE: Chairperson of the session, just before I start with my presentation, I just want to say to hon Swart specifically and many others who, unfortunately, came to this podium to tell us about the negatives. It is unfortunate that if you drive in a town and you decide to go to a landfill, you will get debt. And when you drive inside a town, you decide to close your eyes to look at the good things. That is not our problem. However, if I can't reach where I want to respond to that, I will just advise hon Swart to go and look at the Rural Infrastructure Development

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Region 2, which is dealing with the Free State, Gauteng, Limpopo, Mpumalanga and North West.

That, so much has been done, and I want to say, the Free State is not collapsing. The Free State is well alive to respond to the challenges, and I will get there in the end. Challenges and opportunities of infrastructure development in local government, the 1994 foundation, which is a legacy of expansion. As we journey through this decisive year of 2026, we must begin by acknowledging the monumental journey of our democratic state. Since 1994, the ANC-led government has overseen an infrastructure expansion unparalleled in our continent's history. We moved from a society where dignity was a geographic privilege to one where millions gained access to electricity, clean water and formal housing for the very first time. The numbers tell a story of radical inclusion. Since the dawn of our democracy, we have connected over 5,8 million households to the grid, reduced the percentage of homes without electricity from 50% to roughly 14%, and provided basic water supply to an additional nine million people. We have built more than 3,7 million subsidised housing opportunities, giving a roof to over 12 million of our people and fellow citizens, and that is proof of what exists in our areas.

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However, we are not here today to merely recite our history as others did. We are here to confront its remaining shadows. While we have built millions of homes, the apartheid spatial architecture remains a stubborn ghost in our machinery. Our people were intentionally pushed to the periphery, far from the economic hubs and quality health care. The 2026 national Budget marked a fundamental shift in our fiscal architecture. For too long, the National Treasury acted primarily as a gatekeeper of the equitable share, but, as the President noted in his January 8th Statement, the challenge of this phase is not a lack of policy, but uneven execution. The Treasury is now moving from passive oversight to active structural intervention. In this financial year, our government committed over R1,1 trillion to public sector infrastructure over the medium term, but this money comes with a maintenance-first mandate. The Treasury has identified that poor municipal investment has created a passive backlog, including a R64 billion water crisis in Johannesburg alone. That means we acknowledge the setbacks and the challenges, and we are dealing with them. The District Development Model, DDM, the one-plan revolution. The turning of the tide requires us to break the pattern of operating in silos. The District Development Model is our primary operational framework to bridge the gap between planning and delivery.

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The DDM does not replace the constitutional autonomy of our municipalities. Rather, it provides a single window of truth through the one plan. This ensures that when a national department plans a road, the local municipality has already budgeted for the pipes beneath it. By aligning the budget of all three spheres of the government across our 44 districts and eight metros, we are eliminating the silo mentality that has wasted billions in duplicative planning. The DDM further allows us to strategically channel resources into areas where capacity is weakest, directly addressing the underresourced, specifically homelands, where I come from, of the past and turning them into vibrant local economies.

The ANC's NEC Lekgotla affirmed that 2026 is a year of decisive action to fix the local government, not to complain about it. We are shifting from fragmented interventions to co-ordinated delivery. We are professionalising the public service by deploying technical strike teams to distressed councils and accelerating the review of the local government funding model to ensure sustainability. We are also confronting the construction mafias and infrastructure vandals who hold our development hostage. This year, we are intensifying oversight and making it

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clear that infrastructure is a public asset, and its protection is a national priority.

Members, we are turning the tide. And turning the tide is about restoring the social contract. It is about ensuring that a child in a rural village has the same access to opportunities as a child in a suburban metro area. We are dismantling the apartheid geography and replacing it with an inclusive geography of hope. We have the constitutional tools through section 216(2) to ensure integrity in the DDM and to ensure co-ordination. Now we have the political will to execute. 2026 will be remembered as the year we stopped the decay and started the renewal. A common critique of our interventionist approach is that it undermines the constitutional autonomy of the local sphere. Let us correct that record.

The Constitution does not grant a right to fail or a licence to collapse. The Intergovernmental Relations Framework Act was never intended to be a shield for ineptitude and a lack of capacity, but it is a bridge for co-operation. In 2026, we are moving beyond the siloed grant system. Our government is now experimenting with consolidated capital grants at the district level. This allows for massive cross-boundary infrastructure

projects like regional water schemes that serve three or four local municipalities to be funded as a single unit. We are not taking away the powers of local councils. The government is providing them with the technical shared services they cannot afford on their own by placing professional engineers and town planners at the district level.

We ensure that a small local municipality in a rural area has access to the same grade of technical expertise as a major metro. It is about time that we move the debate from pipes and bricks to lives and livelihoods. The deterioration of rural infrastructure is a direct assault on the dignity of our people. For too long, we celebrated the ribbon-cutting of new projects while allowing existing assets to rot. The National Treasury's 2026 circular now mandates that at least 8% of the value of municipal property and equipment must be allocated to repairs and maintenance annually. We are using the satellite imagery, Internet of Things, IoT, census funded by the Department of Science and Innovation to monitor water leakage and grid sustainability in real-time across our 44 districts to monitor leakages and grid stability. We are attending the tide, which is being powered by the Fourth Industrial Revolution, to ensure that when a pump fails in a rural village, the National Command

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Centre knows before the taps run dry. As I conclude, let us remember that the citizens of South Africa are not interested in our jurisdictional disputes. They are interested in whether the lights stay on, whether the water is clean, and whether the road to the clinic is paved. As the ANC, we declare 2026 a decisive year because we recognise that time is a luxury we no longer have.

We are using every tool in our constitutional arsenal, hon Badenhorst.

Section 216(2), to guard the fiscus. The DDM is to align our vision. The National Treasury is to unlock the capital. We are turning the tide from a legacy of spatial ... [Inaudible.] ... to a future of spatial equity and justice. We are building a state that is not only capable in theory, but deliverable in practise. Let history record that in 2026, we chose the hard path of reform over the easy path of excuses. Just to give hon Badenhorst what I wanted to give to him, he will be lucky if I don't get it, that the Free State provincial government is actively addressing rural infrastructure degradation, particularly roads crucial for agriculture, through a 2026 pilot in partnership with Infrastructure South Africa, Agri-SA and

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others. This initiative follows reports that poor ...

[Inaudible.] ... an economic loss exceeding ... [Inaudible.] ...

So, I will send it to you. [Time expired.]

Mr T SIMMERS (Western Cape): Hon House Chairperson, hon members present physically and those online from across the country and residents of South Africa, this debate asks a serious question if you look at it.

What must government do when municipalities fail their people? More importantly, what must government do when that failure is not caused by a lack of funding, but by weak municipal governance, political appointments, financial mismanagement and the steady collapse of administrative capacity? These are the real reasons why rural infrastructure is deteriorating across South Africa.

Roads are not maintained, water systems are failing, wastewater plants are breaking down and electricity networks are unstable, not because the Constitution failed, not because Treasury failed, but because in too many rural municipalities, the wrong people were appointed to do the most significant of jobs.

Chairperson, South Africa does not have a funding crisis in

local government. South Africa has a municipal governance crisis in our rural areas.

In the 2023-24 audit outcomes, fewer than 20% of municipalities achieved clean audits in South Africa, equating to nearly 80% failing financially, administratively or operationally, or all three of them at the same time, depending on which province you go to. Who governs the overwhelming majority of those failing rural municipalities that we are talking about here today? The African National Congress. They either govern it outright or post-2021, they are even governing in coalition with partners that are just as bad as the African National Congress.

Infrastructure does not collapse because money stops.

Infrastructure collapses because governance stops working. When governance fails, our people and families suffer first, and they suffer the most.

Chairperson, section 216(2) of the Constitution exists for exactly these circumstances. It allows funds to be withheld when a municipality commits a serious breach of financial management legislation. But this should not be seen as a punishment. It is protection - protection for our people, protection for the

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taxpayers who ensure these funds are available and protection for the integrity of the state. So, section 216(2) is not a weapon, it is a safeguard.

It exists because this Constitution recognises a simple truth. We cannot continue transferring public money to institutions that cannot account for it, that cannot manage it and cannot turn it into services for our people. Withholding funds does not cause collapse. Collapse begins long before that.

Collapse begins when discipline disappears. Collapse begins when cadre deployment replaces competence. Collapse begins when political loyalty matters more than technical ability. Once that happens, no amount of funding will save infrastructure.

Chairperson, in the Western Cape, we do not wait for collapse. We constructively intervene early. We constructively intervene lawfully. We constructively intervene to protect our people, not to protect politicians. Over the past few years, the Western Cape government has had to step in repeatedly when municipal governance failures placed infrastructure and service delivery at risk, not because we want control, but because our people

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cannot drink ideology. People cannot drive on slogans. People need water, roads, sanitation and electricity that works.

Let me give this House real examples of what I'm talking about from within our own province. In Beaufort West, severe water losses, ageing infrastructure and weak financial controls placed this town at risk. Provincial support had to be deployed to stabilise the municipality and protect service delivery.

In Kannaland, financial distress and political instability over a number of years threatened the ability of the municipality to function at all. Without our intervention, services would have collapsed in Kannaland. In Laingsburg, persistent financial and technical weaknesses required oversight to ensure that the municipality could continue to operate.

Let's go to the West Coast. In Matzikama, instability and administrative failures by a number of coalition-led governments placed infrastructure programmes at risk. Provincial support was needed to restore discipline and stability in this municipality. Ironically, it's different towns, different parts of our province, but there's the same pattern - weak governance and failing systems brought on by unstable coalition-led

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governments. Who pays the price? Our people and families continue to pay the price.

Chairperson, the clearest example is Knysna. Yes, I will talk about Knysna in this House. In 2025, the Western Cape government invoked section 139 to dissolve the Knysna Municipal Council after years of instability; yes, brought on by coalition government. There were governance failures and deteriorating service delivery.

As a government, we did not take this decision lightly. It was taken because financial management had broken down, infrastructure was deteriorating and the municipality could no longer guarantee even basic services to the towns that formed Knysna. This province acted to stabilise the situation and to prevent total collapse of what used to be the crown jewel in the Garden Route. But what happened next? Now I'm coming to this House where I'm standing today, the National Council of Provinces.

You voted to block the intervention, despite the evidence, despite the audit findings, despite the warnings from our province. And the result? Not even a few weeks after you had

voted, Knysna continues to face crisis after crisis, including the declaration of a local disaster linked directly to failures of infrastructure and service delivery.

When lawful intervention is blocked for political reasons, it is not government that suffers, it is the people of Knysna and the families who are there without water today, the towns with failing sewage works and rural roads that cannot be maintained. It is local economies that cannot grow. So, blocking intervention does not protect municipalities, hon members. It protects dysfunction.

Hon members, we must be honest in this House today. Rural infrastructure deterioration did not start with section 216. It started with years of cadre deployment, weak oversight, irregular spending, unqualified appointments and councils that put politics before people.

When government finally acts to stop the damage, those interventions are sometimes opposed, not because those interventions are wrong, but because they are politically inconvenient for the national government. That is not oversight, hon members, that is avoidance of your function and role. Our

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people pay the price, not the politicians that are being protected because of that decision.

Chairperson, the Western Cape government supports accountability. We support the Constitution. We support section 216 because public money must be protected. We also believe that withholding funds must go together with support, oversight and technical assistance, and when necessary, lawful intervention, because the goal is not to punish municipalities. The goal must be to fix them. The goal must be to stabilise them. The goal must be to protect the people who ultimately live in those municipalities.

In the Western Cape, this approach has worked for us. We have the highest number of clean audits. We have the most stable municipalities. We have some of the best infrastructure outcomes in the country. This is not by accident. This is by discipline, planning, and appointing competent and qualified people. Money does not fix municipalities; governance does. Funding does not build infrastructure; competence does. No law in this country can save a municipality that refuses to appoint capable people.

Chairperson, we must decide in this House what we stand for. Do we stand for accountability or excuses? Do we stand for service delivery or political protection? Do we stand for our people or for failing councils?

Rural communities deserve better. They deserve working infrastructure. They deserve reliable services. They deserve municipalities that serve the people, not political networks. When municipalities fail them, government must act, not to take power, but to restore service, not to punish, but to protect, not for politics, but for our people. This is what the Constitution demands. This is what responsible government requires and this is the position of the Western Cape. We will not apologise for defending it. I thank you.

Mr B J FARMER: Chairperson, I never knew there would be a day that I agree with the hon Simmers. Matzikama is a dump. Unfortunately, it's governed by the DA. Hon Chairperson, what's incredible to hear is that one day when the DA governs a municipality, it's the jewel of the province. The very next day, when the DA loses control, it's a dump.

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Hon Chairperson, hon members, I greet you in the name of Jesus Christ, our Lord and Saviour. Today we debate a matter that goes to the heart of governance, accountability and the lived reality of our people. The withholding of municipal funds under section 216(2) of our Constitution and the devastating impact this has on the rural infrastructure.

Hon members, let us be honest, rural infrastructure in our country is deteriorating by accident. It is deteriorating because of years of poor governance, weak leadership and lack of accountability. We have municipalities that cannot manage finances. We have projects that start but are never completed. We have money that disappears while communities wait for water, roads and electricity. And when the National Treasury steps in to withhold funds, it does so within the law to enforce discipline.

But here's the real question we must ask today. Who is really being punished? It is not the corrupt official. It is not the failing administrator. It is the ordinary person in the rural village, in the township, in the forgotten community. It is the mother who still walks kilometres for water. It is the child who

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travels on unsafe roads to school. It is the community that sits in darkness while infrastructure collapses.

Hon Chairperson, the PA is clear. We support accountability. We support consequences for mismanagement. We support the rule of law. But we will never support the system. [Interjections.]

The HOUSE CHAIRPERSON (Mr D R Ryder): Hon Farmer, would you take a seat for a moment, please. Hon Badenhorst, on what are you rising?

Mr F J BADENHORST: I'm rising on Rule 61(b), Chair.

The HOUSE CHAIRPERSON (Mr D R Ryder): Yes, go ahead.

Mr F J BADENHORST: This hon member just said that the PA supports accountability, yet we haven't heard what happened to all that money they raised in Sandton for Beaufort West. It's a couple of million rands that's gone missing, and that's not accountability. It's misleading the House.

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The HOUSE CHAIRPERSON (Mr D R Ryder): I think that's a point for debate, perhaps not a point of order, Hon Badenhorst. If you can continue your speech, please, Hon Farmer.

Mr B J FARMER: Thank you, Chairperson. We do support the rule of law. But we will never support a system where communities pay the price for leadership failures because governance is not about punishment. It's about delivery.

Hon members, Section 216(2) is a necessary tool, but it cannot be used in isolation. You cannot withdraw funding without fixing the problem. You cannot discipline municipalities without building capacity. You cannot enforce accountability without ensuring service delivery continues.

The PA believes in a balanced approach, where there is corruption, act decisively. Where there is mismanagement, intervene directly. But where there are communities, protect them at all costs. We must ask, why are failing municipalities allowed to continue without proper intervention? Why do we not deploy skilled administrators immediately? Why do we not ring-fence funds specifically for service delivery? Why do we not

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ensure that infrastructure projects continue, even when governance fails?

Hon members, good governance is not just about rules, it's about results. And the result we need to achieve is simple. Functioning municipalities, working infrastructure, dignified communities.

The PA stands for a government that works. A government that does not hide behind policy but delivers in practice. A government that ensures that when money is allocated, people see the impact because our people are not asking for explanations, they are asking for delivery.

Hon Chairperson, let us not allow financial enforcement measures to deepen inequality between urban and rural communities. Let these measures strengthen accountability, not create further suffering. Let them correct failure, not collapse already struggling municipalities.

Let us fix what is broken within the system, without punishing the very people we are meant to serve because at the end of the day, governance must restore dignity, not take it away.

Salute!

Afrikaans:

Dr I SCHEURKOGEL: Agb Voorsitter, ...

English:

... hon members, ...

Sesotho:

... dumelang, Maafrika Borwa a heso.

English:

The Constitution under section 216 allows National Treasury to withhold funds to municipalities that persistently fail to meet financial management. This is a mechanism for accountability, especially in the rural South Africa. It has become a blunt instrument that punishes communities for the failure of governance and unethical leaders.

Rural infrastructure is collapsing, not because there is not funding, it's because there is no consequence management, lack of accountability and shortages of capacity because of cadre employment. When Treasury withholds funds from struggling

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municipalities, it does not discipline the politically responsible, it derives already marginalised rural communities of water, sanitation, roads and electricity.

Chairperson, in the 2023-24 section 48 report on local government, it clearly shows that all provinces, but one lacks section 105 of the Systems Act to implement accountability. The Western Cape has enacted the Monitoring and Support of Municipalities Act 4 of 2024, which empowers the province to make sure that there is accountability and early warning systems are implemented.

Consider what fund withholding means in practice. A municipality already failing to maintain its water treatment plants now loses the very funding required to repair them. Roads already riddled with potholes, deteriorating further because maintenance budgets are focused. Clinics, schools and local communities suffer.

The core issue is not simply financial compliance but capacity. Many rural municipalities lack skilled technical expertise and institutional stability. Withholding funds without simultaneously providing meaningful support under section 154 of the South African Constitution is not governance, it's

abandonment. The Constitution envisions support before sanction, not punishment without remedy.

Furthermore, we must interrogate the political economy of this mechanism. Why is it that rural municipalities are the most affected? Why is enforcement inconsistent? Why are individuals responsible for mismanagement rarely held accountable under the Municipal Finance Management Act?

If there is finance misconduct, then officials responsible, municipal managers, chief financial officers, CFOs, and political office bearers must face the consequences, including the recovery of funds and criminal prosecution. But to cut up funds to entire municipalities is to punish the residents for governance failures which they did not create.

The destruction of local government over the past 30 years won't be fixed by invoking a section of the Constitution. Conditional funding linked to stricter oversight based on performance deployed skilled specialist teams with clear mandates and terms of references to implement and ring-fence infrastructure grant that cannot be diverted. This must be coupled for real-time monitoring and transparent reporting.

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Chairperson, I'm so glad that I can contribute to this House because clearly the hon Makeseni listened to me and she tried to tell another compelling story following mine yesterday, but clearly all that I heard was grey noise and wait, no, my speech disappeared like your ideology.

To the member of the executive council, MEC, of Gauteng, I'm so glad about what you said, and I hope you will implement it because you clearly highlighted what Gauteng province is not doing. Action speaks louder than words.

Hon Molokomme, you remind me of an American celebrity, Jaden Esenhold, look over there, look over there, which is a typical ANC tactic to distract the people of South Africa.

Hon Radebe, I'm so glad you are so polite because these virtual viruses that you had that corrupted our afternoon with malware that debate but it didn't load. But what I also find very uplifting is that all the ANC speakers didn't mention one solution, only where they have fallen short.

Look over there, wait, that is a distraction for the 2026, the year to fix local government. You confirm that since 2021 you

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broke it but at least you have a loaf for one home. ANC, neh [right].

Hon Farmer, I'm not sure where you fit into the swingers' party but I guess the voice note will soon reveal that. But I guess the ... [Inaudible.] ... circus is handing out smarties because the new name for the PA is panic attack because that's what will happen when the WhatsApp drama goes out.

Hon Noe, you are correct, the Free State is alive, alive with E. coli and faeces in the streets. It's alive with the biggest crime scenes of South Africa and yes, alive in daylight robbery.

Hon Ceza, I'm so glad you brought in auspiracy in your speech because without that you won't have a speech.

Hon Modise, I humbly request that you allow some question and answer, Q&A, in your speech to add some life to this debate because the actual contributions in this debate topic are so uninspiring as to everything for free party that brought this debate.

I thank you.

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Mr M G MODISE: Chairperson of the National Council of Provinces, hon Refilwe Mtshweni-Tsipane, Deputy Chairperson, hon Les Govender, hon Minister Nyhontso, hon MECs, both physical and online, hon members, physical and online, special delegates, and people of South Africa ...

IsiZulu:

... sanibonani.

English:

Hon Ryder, due to the seriousness of the topic for debate today, I promise I will not speak about the flip-flopping of the EFF on General Mkhwanazi. From we are Mkhwanazi and Mkhwanazi is us, to Mkhwanazi must leave us alone. I will not enter there.

I also promise not to talk about Democratic Alliance and how they continue to kill up-and-coming educated black leaders like they did with hon Karabo Khakhau, Lindiwe Mazibuko, Musi Maimani, and the list goes on and on. Nor will I speak about the white boys privileged club and for the sake of those four Members of Parliament. I hope they've declared that extra source of income.

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Chairperson, as we stood together four days ago to commemorate the Sharpeville massacre, we were reminded that the freedom of South Africa was not negotiated politely. It was paid for in blood. On the 21st of March 1960, unarmed men, women, and children were gunned down for daring to demand dignity. The apartheid regime tried to bury the truth, but history refused to co-operate. The official figure of 69 tells only a certain part of the story, while the real number lives on the unmarked graves, broken families, and silent voices.

Today, we do more than remember. We acknowledge the pain that was denied. We honour the lives that were dismissed as disposable, and we recommit ourselves to a simple truth. A democratic state that failed its people is a betrayal to the people of Sharpeville.

We have entered 2026, a year that the mighty and glorious African National Congress, the people's movement, has declared a decisive year to fix local government. But let us be honest with ourselves. If the year ends with speeches instead of service, it will mean nothing to the woman who still walks kilometres for water. The year 2026 is not a slogan year. It is a year to repair. Our people are tired, not politically tired, but

physically tired. Tired of broken pipes. Tired of dark streets. Tired of promises that do not reach their homes. This House can no longer manage decline and call it governance. Local government will either be fixed now, or it will collapse on our children.

For too long, the triple challenges of poverty, unemployment, and inequality have been exacerbated by the delivery deficit at the municipal level. Today, we declare that the era of managing decline is over. We are now in the business of engineering a recovery and at the centre of this recovery is a historic commitment of over R1,1 trillion of public infrastructure for the next three years.

This money is not in abstract, Chairperson. It is for a road a child uses to get to school. It is for a clinic where a mother waits for care, and it is for water flowing from the tap instead of the river. The R1,1 trillion is not an announcement. It is a test of whether the state still takes its people seriously. If it does not reach the ground, it becomes betrayal and not budget.

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Chairperson, the scale of investment demands courage. The courage to change old habits. Treasure is no longer a passive payer. It is now a custodian of people's trust. Money will no longer move because the data appears on the calendar. It will move when there's performance, progress, and proof. In one financial year alone, R3,4 billion was returned for underspending. Every Rand returned represented a child who waited longer, a village that remained forgotten. Returned infrastructure funds are not savings. They are a stolen opportunity. We should bring in skills where hope is fading.

Hon members, we cannot build dignity with incompetence. We cannot build infrastructure with slogans and ghost engineers, and we cannot ask communities to believe again if projects keep failing and collapsing. When engineers arrive in a municipality that has not seen technical support in years, something shifts. Hope becomes practical. Plans become possible.

MISA is not visiting municipalities. It is occupying engineering rooms where real change happens. Chairperson, there is nothing radical about demanding competence. In fact, it is insulting to be governed by people who are unqualified to serve.

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Professionalisation is not elitism. It is respect for the people's suffering. When some of you here opposed minimum qualification for counsellors, you were not defending democracy. You were defending disorder. We must declare here and today, hon Siwisa. For all South Africans to know that no qualification, no council seat. Because our people deserve leaders who are prepared, capable, serious, and educated.

Planning, monitoring, and ending the culture of excuses is of paramount importance. Infrastructure does not fail by accident. It fails because systems look away. A clinic without a road is not development. It is negligence. That is why the District Development Model matters. That is why monitoring matters. That is why abandoned sites will no longer hide in silence. If a contractor disappears, the system will act because monitoring delayed is accountability denied.

Chairperson, let us remember, pipes do not fail. People fail to manage them. That is why you must invest in skills, ethics, and leadership. Because without capable people, even the best plans die quietly. We do not need officials who merely comply. We need officials who care.

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This debate is not for applause. It is for prosperity. Years from now, our children and grandchildren will ask what we said in this House. They will ask whether water flowed, whether roads lasted, whether government showed up when it was needed. Let us turn the tide, not with anger, not with slogans, but with skills, discipline, and unshakeable commitment to our people. Let 2026 mean something.

Chairperson, as we conclude, let us remember that the true record of this Parliament is not kept on Hansard alone. It is written in the lives of our people quietly, daily, and without applause. It is written in the hands of a grandmother who waits for water that should have arrived years ago.

It is written in the cracked tar road that turns an ordinary journey into a danger. It is written in the darkness of the street that should have been lit, and the silence of a clinic that should have been staffed. These are not statistics. These are our people. These are the realities and so, we must speak plainly and act decisively.

A state that cannot deliver the basics is a state that weakens the dignity of its own democracy. We commemorate Sharpeville,

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where South Africans were denied the right to be seen as humans. It should never be said that in freedom our people were denied dignity through neglect. It should never be said that we inherited sacrifice and returned excuses. Hon Badenhorst, 2026 must mean something because you are making noise, I don't know why.

Not us in this Chamber, but to those that are far from microphones. To the child who walks to school through mud because a road was promised but never built. To the family that measures each day by whether the taps run. To the young person whose hope is delayed, not by ability, but by abandonment. Chairperson, we're not merely debating infrastructure. We're deciding whether government still remembers who it exists for.

Let us therefore turn the tide slowly, steadily, without retreat, until steels become bridges. Until concrete becomes clinic. Until plans become pipes. Until budgets become living dignity and when history asks us. What did we do with our moment right now? Let our answer be simple and true. We chose competency over convenience. We chose accountability over comfort, and we chose service over slogans. We place the people back at the centre of the state.

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May the roads we build outlast our terms of office. May the water that flows outlive our arguments. May the work of 2026 become the gift to those who are yet to be born. That is our duty. That is our commitment and that is our honour that they passed by delivering the future. I thank you.

Ms M MAKESINI: Hon House Chair, let me thank all the people who participated in this debate. We all agreed about the challenges that are facing the people of South Africa and the challenges that affect the rural municipalities. We also agreed that accountability needs to be the motto of the day. We are not fighting here but we should agree that accountability must happen. Indeed, hon Modise, there is nothing good you said about the EFF or you had nothing to say. The debate was not about the EFF. It was about section 216(2).

We also want to thank SA Local Government Association, Salga, especially for their contribution. In fact, the contribution of Salga ...

IsiXhosa:

... iyabonakala ukuba ngabantu abachaphazelekayo mihla nezolo.

English:

They are experiencing the challenges of service delivery and are at the coalface of service delivery. When people protest, they are the first ones and their families to be the victims. We need to check the modalities on how to reinforce the support in the rural municipalities.

With the DA, I thought they were going to apply the very same support they previously rendered to the Knysna Local Municipality. The support that they are rendering in townships like Mfuleni, Du Noon and Khayelitsha ... The people of Knysna Local Municipality ... If the Western Cape provincial government has given the same support initially, there would be no dead human bodies found in the drains. If the provincial government was there to guide and support the municipality, there would be no challenges of service delivery there.

Hon MEC we still have the opportunity to go back and work with the people in the municipal councils even if you do not agree with them. Your responsibility is to give support. The debate is not about the municipalities only but also about the provincial and national governments. Let us not build this debate around the issues of the municipalities only.

To be honest, there is nothing much I can say to hon Badenhorst because ...

IsiXhosa:

... ungumntu nje omdala, ogulayo ongazaziyo ukuba ufuna ntoni apha.

English:

There is no VBS Mutual Bank scandal debate here and no leader of the EFF was ever found guilty or arrested in it.

IsiXhosa:

Ngoko ke, uyagula nje wena madala, hamba uye kufuna uncedo kuba nabantu baseMzantsi Afrika bayakubona ukuba uyagula.

English:

House Chair, in the Council already we agreed that the cutting off of the money to the supplier in the municipality will force the root cause of corruption to improve service delivery.

However, this logic has fundamental flaws. The flaw is that financial mismanagement in local municipalities is often a symptom of a deeper structural crisis. A lack of viable tax base in rural areas and a chronic shortage of critical skills.

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When you do this intervention, we need to support the people with skills so that when they leave, they leave behind the skills in the municipalities. Chair, when the Treasury withhold the Equitable Share, it does not magically create accountancy or engineering skills in the rural municipalities. If Treasury withhold money, then service delivery will also be affected. If maybe ...

Sesotho:

... ba ne ba tla ka ...

English:

... mechanism that as they are doing this they are sending the team to intervene in the municipality so that after their intervention inefficiency cannot continue. We will appreciate that. When the Treasury invokes section 216(2) small-scale infrastructure project, such as paving, rural roads and building of the clinic are abandoned a midway leading to the wasteful expenditure and the funds are already spent. When the Treasury invokes section 216(2), local small, medium and micro-sized enterprises, SMMEs that rely on municipality contracts go bankrupt and further erode the local economies and increase

unemployment. We can see in the municipalities of Western Cape, Free State and at Emfuleni Local Municipality ...

IsiXhosa:

... indlela abahlupheka ngayo abantu.

English:

In this essence, this correction is directed at the wrong target because it affects the people on the ground. We are not doing anything about the officials who occupy the position, those who did not submit the financial statement to the municipality and it affects really our people on the ground. When national treasurer also invokes the section 216(2), the Constitution is used to punish a whole community for an administrative failure of a few. This is a direct violation of the Bill of Rights, Human dignity and Housing, health care, food, water and social security enshrined in the Constitution. Hon House Chairperson, the EFF has stood here today to argue that instead of the punitive to use section 216(2), there must be a radical shift in how intergovernmental, fiscal and relation management are resolving the problem.

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As the EFF, we have consistently stated that this country must abolish the issue of the tender system. We can see that it is not working. It is not helpful to the people and the municipality. The people are looting and are not putting the interests of our people at heart. Instead of hiring private firms to build houses and roads, the EFF proposes creating a state-owned company that will employ its own engineers, architects and artisans so that people can work on their municipalities. This entity can be responsible for all the public infrastructure, ensuring that the profits are not extracted but reinvented into a further development.

Lastly, Chair, the state must insource all the workers. We must insource all the security guards, the cleaners and those who are working in the public institution so that they are permanent state employees with full benefits. They must not be exploited like the way they were exploited by the forefathers of Badenhorst. People who work as security guards must get benefit so that at the end of the day, they ease the burden of the state. DA did not love our people. That is why we see Karabo Khakhau being victimised.

IsiXhosa:

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Ndicela uthule wena Pienaar.

English:

So, the insourcing will be the solution and we are happy that the President of the country agreed with the EFF that the insourcing must be done and it will happen in the Department of Home Affairs, Department of Public Works and in all the departments. Even here in the Western Cape, you are not immune. We are going to do what we are telling you to do. We are going to vote in this House. This House is very important because we are doing the legislators. We are not going to be used to fight your failures in the Knysna Local Municipality and other municipalities. Thank you very much, Chair.

The HOUSE CHAIRPERSON (Mr D R Ryder): Thank you very much, hon Makesini. Hon members, that brings the debate to a close. I would like to thank all premiers, MECs, Special and Permanent Delegates, members of Salga that were in attendance today for your participation.

The Council adjourned at 17:21.