



MINISTRY
COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

**NATIONAL COUNCIL OF PROVINCES
QUESTIONS FOR WRITTEN REPLY
QUESTION NUMBER 157
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Non-payment of salaries at Kopanong LM

157. Mr M A P De Bruyn (Free State: FF Plus) to ask the Minister of Cooperative Governance and Traditional Affairs:

- (1) With reference to the Kopanong Local Municipality being under section 135 intervention, (a) what are the reasons for salaries not to be paid in April for the fourth time this year and (b) what steps is the Provincial Department of Cooperative Governance and Traditional Affairs taking to assist the said municipality in this regard;
- (2) whether any financial recovery plan has been drawn up for the said municipality; if not, why not; if so, (a) what it entails and (b) when will it be implemented? **CW165E**

REPLY:

- (1) Kopanong Local Municipality is placed under section 139(1)(b), of the Constitution of the Republic of South Africa, read along section 66 of the Water Services Act. The administrative intervention is in recognition of the challenges facing the Municipality, particularly its failure to meet its financial obligations to the Vaal Central Water Board.
 - (a) The employees of Kopanong Municipality have been paid for the months of January to March 2024, and the only outstanding salaries are for the month of April 2024 and May 2024 which will only be paid in July once the equitable share tranche is received. The Municipality is facing serious financial challenges, as its revenue base is very limited. There are very few business establishments in Kopanong Municipality, and the unemployment rate, according to Statistics SA of 2023 is at 47%. This makes it

very difficult for the Municipality to finance its operations purely from own revenue sources. The Municipality is thus wholly grant dependent.

The salary bill of Kopanong Local Municipality remains unaffordable due to irregular promotions that were effected by the previous Council without due process. The current Council has since taken a resolution to approach the court and to set aside the irregular promotions.

- (b) The Free State provincial COGTA department is supporting the municipality to collect outstanding revenue from its debtors including provincial departments.
- (2) The Financial Recovery Plan (FRP) that was last done for the Municipality was in 2022. The municipality has requested Provincial Treasury to develop the FRP for 2024.

End.