



North West Provincial Legislature Office

Caucus Leader: Freddy Sonakile

Caucus Chief Whip: Gavin Edwards

Chief of Staff: Carin Brits

Email: dumak@da.org.za

www.da.org.za

NW Provincial Legislature, Unit 1, Mmabatho

Debate

Budget – Provincial Treasury

Hon. W Wallhorn

24 July 2025

Honourable Speaker, Honourable Members of the House,

We are here today to debate the 2025/26 budget for the North West Provincial Treasury, a department that, while small in direct allocation, plays an outsized role in determining the efficiency, ethics, and impact of every rand spent by this government.

Unfortunately, instead of bold reform and strong financial leadership, we are once again faced with a budget that tinkers at the edges of a broken system. A Treasury that audits but does not act. That observes irregularity but rarely intervenes. That receives clean audits itself, while those it monitors collapse under mismanagement and corruption.

Treasury's mandate is not to cheerlead departments or municipalities; it is to regulate, monitor, and correct them. But in the North West, Provincial Treasury continues to function like a commentator, not a controller. Three municipalities, Matlosana, Ditsobotla, and Moses Kotane, have recently tabled unfunded budgets. Treasury flagged this but failed to intervene decisively. Recommending action is not enough when councils ignore you.

We need legislative reform to empower Provincial Treasury with binding financial recovery powers, especially in dysfunctional municipalities. Provinces like KwaZulu-Natal have made decisive moves in this space, insisting that Treasury instructions be implemented, not debated, when fiscal crises loom.

We acknowledge Treasury's own record of clean audit. But that is only one part of the story. The true test of a clean audit is whether you can ensure others follow your lead.

In the 2024/25 financial year:

- Some departments failed to implement Auditor-General recommendations.
- Municipalities ignored procurement rules and continued irregular, fruitless, and wasteful expenditure.
- There is minimal follow-through on forensic investigation findings, with no consequence management from Treasury's side.

Why is there no dedicated Public Finance Accountability Tracker to monitor which departments comply with Treasury circulars, SCM frameworks, and audit action plans? Why are budget reviews conducted without linking them to performance audits or service delivery outcomes?

In Gauteng, the Treasury operates with what MEC Maile calls an "open-door fiscal policy," ensuring that budgets are transparent, realistic, and reviewed in line with departmental capacity. There, under-expenditure is not merely noted; it is corrected, and funds are reallocated to essential services.

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In provinces like KZN, Treasury has implemented reforms that we must learn from:

- A cost-containment strategy endorsed by the Executive Council.
- The planned rollout of an e-procurement platform to curb overpricing and tender manipulation.
- A SMART oversight tool to prioritise core services and eliminate non-essential expenditure.
- The exploration of new revenue streams, including through asset optimisation and digital payments.

These are not impossible in North West. They are overdue.

Treasury's APP boasts:

- 100% payment of valid invoices within 30 days.
- Support to improve audit outcomes for 8 departments and entities.
- Assessment of Auditor-General findings for three departments.

Yet:

- These days the payments culture is not duplicated to sister departments, as this is treated as a 'by the way' and not a legislative requirement.
- Municipalities like Matlosana failed to remit licensing fees to the province, with no plan for recovery.
- SCM failures are widespread, and Treasury has no visible enforcement programme.

The gap between what is reported and what is experienced on the ground must close.

Reforms the DA Proposes for Treasury:

- Budget Credibility Unit: An internal Treasury review team to vet all departmental budgets for realism and enforceability before tabling.
- Financial Recovery Enforcement Powers: Amend provincial legislation to give Treasury binding authority on recovery plans in municipalities and departments.
- Early Procurement Framework: Departments must initiate procurement six months before the financial year to allow a full 12-month implementation cycle.
- Live AGSA Tracker: A publicly accessible platform showing progress on implementation of Auditor-General recommendations by each department and entity.
- e-Government Finance Portal: "Know Your Budget"—an interactive platform for residents to track spending, contracts, and departmental performance in real time.
- Industrial Budget Incentives: Offer tax discounts or lease relief for private investors in Bophuthatswana-era industrial parks to unlock provincial economic zones.

If we want economic growth, we must start with governance reforms.

Honourable Speaker, the DA is committed to fiscal responsibility, oversight with teeth, and an inclusive economy that leaves no one behind.

We accept this budget but demand the following from the MEC in the 2025/26 financial year:

- A clear, time-bound implementation plan for e-Procurement.
- A draft amendment to empower Treasury in financial recovery enforcement.
- Quarterly publication of departmental audit action plans and compliance scores.
- A realistic plan to monitor unfunded budgets and redirect resources toward functioning, service-orientated departments.

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Speaker, Treasury must stop being a scoreboard. It must become a referee, with rules, red cards, and results.

Let us not delay a better future with indecision. Let us build a Provincial Treasury that is respected, not ignored. One that leads by example and governs with integrity.

The DA is ready to work for that vision. We will support this budget.

End.

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