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MEDIA STATEMENT

MINISTER MACPHERSON RELEASES FINDINGS OF INVESTIGATION INTO ALLEGATIONS OF EPWP FUNDS ABUSE AT MATJHABENG MUNICIPALITY

- Public Works & Infrastructure Minister Dean Macpherson has released the findings of the investigation into Matjhabeng Local Municipality, confirming that all EPWP Integrated Grant funds for 2023/24 and 2024/25 were fully accounted for and spent on approved projects.
- The officials highlighted in media reports are not EPWP participants and are not paid from the EPWP Integrated Grant. They are part of an “EPWP Support Unit” created by the municipality in the Mayor’s Office and funded through the municipal budget. This has nothing to do with the national department.
- The Minister has directed that withheld EPWP funds be released so projects creating much-needed work opportunities can continue, while stressing that the municipality must account for its decision to establish the support unit.

The Minister of Public Works & Infrastructure, Dean Macpherson, has released the findings of the Department’s investigation into allegations that the Expanded Public Works Programme (EPWP) in the Matjhabeng Local Municipality was to fund inflated salaries for former councillors and sitting political office bearers. This follows after the Minister suspended EPWP transfers to the municipality pending an investigation in July after a City Press investigation found that salaries exceeding R31,000 a month were paid to these officials, more than ten times the average EPWP stipend.

Subsequently, a team of senior officials from the Department of Public Works & Infrastructure travelled to Matjhabeng Local Municipality to conduct an on-the-ground verification of records and payments. This investigation established that:

- All EPWP Integrated Grant allocations for the 2023/24 and 2024/25 financial years were fully spent on approved projects, creating a total of 373 and 751 work opportunities, respectively. Expenditure patterns reported by the municipality correlated with proof of payment to participants.
- The individuals referenced in media reports are not EPWP participants and are not paid from the EPWP Integrated Grant. They are instead part of an EPWP Support Unit created by the municipality in February 2024, housed in the Mayor’s Office and funded entirely through the municipal budget.

- While these officials' salaries are significantly higher than the EPWP stipend, their contracts are municipal appointments linked to the Executive Mayor's term and fall outside of the EPWP framework. While it may be considered unnecessary for such a unit, that is within the political decision-making realm of the mayor and not the minister to determine.

"When I first learned of the allegations, I moved speedily to ensure that public funds are protected and that an investigation be conducted as soon as possible. I therefore commend departmental officials for conducting the investigation within three weeks, which found that all EPWP funds transferred to Matjhabeng are accounted for, and that grant money was used strictly for its intended purpose - creating work opportunities for unemployed South Africans. As the Department of Public Works & Infrastructure, we will continue to ensure good governance and accountability," Minister Macpherson said.

As the investigation found that no national government EPWP funds were used to fund the EPWP support unit within the Mayor's office, the Minister has directed that all EPWP funds withheld during the course of the investigation now be released to Matjhabeng Local Municipality so that projects creating much-needed work opportunities can continue without delay. The Minister said the municipality has to answer itself on the merits of establishing an EPWP support unit using funding from the municipality's budget.

"As we work to reform the EPWP program towards becoming more transparent, a skills-transfer and a hand-up to permanent employment, the integrity of the program is paramount. Where allegations arise, we will investigate these speedily and provide feedback to the public as we have done in this case. This will ensure that a culture of transparency is built within the programme to keep officials accountable for how funds are distributed. Through this action, we are building a better department which will help us build a better South Africa."

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