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MEDIA RELEASE

Johannesburg 25 August 2025

SAPOA Launches South Africa's First-Ever Municipal Performance Awards to Spotlight the Local Governments That Get It Right in the property sector

For the first time in South Africa's history, the financial health of the nation's municipalities will take centre stage on a national platform, not for criticism but for celebration.

The South African Property Owners Association (SAPOA), in partnership with Ratings Afrika and the Banking Association of South Africa (BASA) has launched the SAPOA | Ratings Afrika Municipal Performance Award, the first national accolade to honour municipalities that demonstrate not just basic compliance but true excellence in governance, fiscal discipline and service delivery.

SAPOA approached Ratings Afrika in 2024 with the idea of launching these awards at its annual conference. The concept is bedded on the significant importance of the existing Ratings Afrika analytical tool which has been developed and implemented over the last 15 years.

Presented during SAPOA's prestigious Annual Convention, this groundbreaking award will recognise local governments that balance their books, safeguard public resources, invest in infrastructure and create the conditions for communities and businesses to thrive.

SAPOA's President, Mr Itumeleng Mothibeli, Managing Director of Vukile Southern Africa says "In a sector where dysfunction often dominates the headlines, these awards will shine a spotlight on the outliers, the municipalities that prove financial sustainability is possible and that it can be the foundation for economic growth and prosperity."

According to Ratings Afrika's 2024 Municipal Financial Sustainability Index (MFSI®), the vast majority of South Africa's 115 largest municipalities are in deep financial distress. Collectively, they recorded R35,3 billion in operating deficits last year, money they didn't have, spent on services they could not sustainably fund.

SOUTH AFRICAN PROPERTY OWNER'S ASSOCIATION NPC t/a SAPOA – REG NO 1966/008959/08

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Liquidity shortfalls ballooned to R104,9 billion, up a staggering R20 billion from -2023, leaving many municipalities unable to pay service providers like Eskom and water utilities on time.

“It’s a crisis that hits residents and businesses alike. Ageing roads go unrepaired, water treatment plants limp along, and power cuts intensify. In some municipalities, service delivery is collapsing outright, a reality that drives up costs for property owners, undermines investor confidence and chokes economic growth” added SAPOA CEO Neil Gopal.

Yet amid the decay, a handful of municipalities stand out as models of fiscal discipline and good governance. They balance their books, collect revenues efficiently and invest consistently in infrastructure, proving that financial sustainability is still possible in South Africa’s municipal sector.

It is precisely this standard of excellence that SAPOA aims to celebrate through the launch of the SAPOA | Ratings Afrika Performance Award. The award will be recognising municipalities that not only meet the basic obligations of governance but excel at them.

Judging will be based on Ratings Afrika’s six key financial components, a comprehensive benchmark of fiscal health that measures a municipality’s ability to generate operating surpluses to fund services, maintain sufficient cash reserves to absorb shocks, practice prudent borrowing and repayment, apply disciplined and forward-looking budgeting, keep rates and tariffs affordable and invest consistently in infrastructure to strengthen resilience and sustain long-term service delivery.

“A municipality’s financial health directly affects the property sector’s ability to grow,” said SAPOA President Itumeleng Mothibeli. “When service delivery is reliable and infrastructure is maintained, property values rise, businesses invest, and communities thrive. We want to hold up the municipalities that get this right as examples for the rest of the country.”

For SAPOA, the award is more than industry recognition, it is a rallying point for reform. By showcasing best-performing municipalities on a national stage, the association hopes to foster healthy competition, inspire better governance and highlight the economic benefits of fiscal sustainability.



“We can’t accept that dysfunction is the norm,” said Gopal. “We want to create a culture where municipalities strive for this recognition and where excellence becomes the standard, not the exception.”

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