

MEDIA RELEASE LGSETA extension of irregular lease: PSA urges Minister to intervene

DATE 24 March 2026

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The Public Servants Association (PSA) is dismayed by revelations made in Parliament regarding the Local Government Sector Education and Training Authority (LGSETA) Administrator's decision to extend the organisation's building lease, despite it being flagged as irregular by parliamentary oversight structures.

According to reports tabled before Parliament, the lease agreement already deemed irregular, was extended for an additional year by the Administrator. This decision was met with strong criticism by parliamentarians who stated unequivocally that no extension should have been authorised, given the legal and financial risks associated with maintaining an unlawful lease arrangement.

The PSA is alarmed that instead of rectifying the irregular expenditure, the LGSETA perpetuated a non-compliant contract, thereby exposing the organisation to further financial waste, governance risks, and possible legal consequences. The PSA calls on the Administrator to explore viable alternatives. These include downsizing to smaller and more cost-effective office space, hybrid or remote work arrangements for suitable categories of employees, and a structured plan to reduce overheads in line with public sector cost-containment measures. These options are standard practice across the public sector and will significantly reduce operational expenditure without compromising service delivery.

In the interest of accountability and good governance, the PSA calls on the LGSETA to take urgent steps, including, obtaining an immediate and independent legal opinion on the feasibility and process of terminating the irregular lease. Any further expenditure related to the irregular contract should be stopped until legal clarity is obtained. A transparent procurement and property-needs assessment must be initiated to determine affordable and compliant office accommodation. Parliament and stakeholders should receive a report on corrective actions taken to prevent further irregular expenditure.

The PSA emphasises that the continued use of an unlawful lease undermines public trust and diverts critical resources that should be directed towards skills development in the local-government sector. The Minister of Higher Education and Training must demonstrate leadership, accountability, and strict compliance with the *Public Finance Management Act*. The PSA will continue to monitor the situation closely and will not hesitate to take further action to ensure that workers' rights and public funds are protected.

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