ORDINARY COUNCIL MEETING

OPEN



KOUGA
local municipality
Good Governance through Service Excellence

DATE: 29 October 2025
TIME: 10:00
Virtual

KOUGA MUNICIPALITY (EC108)	UMASIPALA I-KOUGA (EC108)	MUNISIPALITEIT KOUGA (OK108)
NOTICE CONVENING A MEETING	**ISAZISO NGENTLANGANISO**	**KENNISGEWING VAN VERGADERING**
NOTICE IS HEREBY GIVEN that in terms of Section 19 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) that an Ordinary Council Meeting will be held virtually on	**ISAZISO** sikhutshiwe ukuba ngokwe Candelo-19 uMthetho weeNkqubo zikaMasipala, (uMthetho 32 ka-2000), ukuba kubanjwe intlanganiso ebonakalayo yesigqeba Ye khansile	**KENNIS GESKIED HIERMEE** dat ingevolge Artikel 19 van die Wet op Munisipale Stelsels, 2000 (Wet No.32 of 2000), dat 'n virtuele raadsvergadering gehou sal word op
DATE: 29 October 2025	**UMHLA: 29 EyeDwarha 2025**	**DATUM: 29 Oktober 2025**
TIME: 10:00	**IXESHA: 10:00**	**TYD: 10:00**
L. MAREE **SPEAKER**	**L. MAREE** **USOMLOMO**	**L. MAREE** **SPEAKER**

Councillors are required to comply with the Standing Rules and Orders of Council and all its Committees By-law as promulgated in the Provincial Gazette on 22 October 2018 No.4134 and applicable to this meeting of Council. Any person who willfully contravenes any provision of these rules shall be guilty of an offence and which contravention shall be dealt with in accordance with the disciplinary procedures for Councillors.

A G E N D A

1. **NOTICE OF MEETING**
2. **OPENING AND WELCOME**
3. **ABSENT WITH LEAVE**
4. **ABSENT WITHOUT LEAVE**
5. **PRESENTATIONS**

   None
6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**
7. **STATEMENTS OR COMMUNICATIONS BY THE SPEAKER**
8. **STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR**
9. **DISCLOSURE OF INTEREST**

10. **STATUTORY MATTERS**

11. **MINUTES OF PREVIOUS MAYORAL COMMITTEE MEETING FOR INFORMATION**

11.1 Minutes of a Mayoral Committee meeting held on 11 June 2025

Pages: 8 - 17

12. **CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING**

12.1 Minutes of an Ordinary Council meeting held on 28 August 2025

Pages: 19 - 51

13. **REPORTS OF COMMITTEES OF COUNCIL**

13.1 **REPORT BACK: SARAH BAARTMAN DISTRICT MUNICIPALITY REPRESENTATIVE**

None

13.2 **KOUGA AUDIT COMMITTEE**

25/10/KAC1 Minutes of the Kouga Audit Committee

Pages: 54 - 84

25/10/KAC2 Kouga Audit Committee Assessment

Pages: 85 - 89

13.3 **RULES & ETHICS COMMITTEE**

None

13.4 **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

25/10/MPAC1 Minutes of the Municipal Public Accounts Committee

Pages: 91 - 101

25/10/MPAC2 Amendment to the Approved Term of Reference (ToR) for the Municipal Public Accounts Committee (MPAC)

Pages: 102 - 112

13.5 **MUNICIPAL BY - LAWS AND POLICIES**

25/10/PB1 Ward Development Fund Policy

Pages: 114 - 128

14. **REPORT BACK: MUNIMEC**

None

15. **REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER**

25/10/MM1 Appointment of Kouga Audit Committee Member

Pages: 130 - 132

25/10/MM2 Request for Council to Investigate the Alleged Breach of Code of Conduct – Cllr Petersen

Pages: 133 - 138

16. **REPORTS BY THE OFFICE OF THE DEPUTY MUNICIPAL MANAGER**

25/10/DMM1 Replacement of Democratic Alliance Councillor on the Committees of Council

Pages: 140 - 142

25/10/DMM2 Report on Liquor License Applications Received for the Period between July 2025 and September 2025

Pages: 143 - 153

17. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

18. **REPORTS BY THE PORTFOLIO COMMITTEE CHAIRPERSONS**

18.1 **REPORTS BY THE CHAIRPERSON: FINANCE & ECONOMIC DEVELOPMENT**

25/10/FED1 Economic Development and Tourism Key Memberships, Subscriptions, and Associations for 2025/2026 Financial Year

Pages: 157 - 165

25/10/FED2 Close-Out Report: Teater by die See: 21 – 23 March 2025 and Sponsorship Request for 2026: 20-21 March 2026

Pages: 166 - 182

25/10/FED3 JBay Summer Festival December 2025 Sponsorship

Pages: 183 - 197

25/10/FED4 Supply Chain Management: Consolidated S36 Deviations for the months: August -September 2025

Pages: 198 - 207

25/10/FED5 Budget and Treasury: Withdrawals from Municipal Bank Account for the Quarter ended 30 September 2025

Pages: 208 - 212

25/10/FED6 Monthly Budget Statements for the Period July to September 2025 and Financial State of Affairs of the Municipality as at 30 September 2025 (2025/26 Financial Year)

Pages: 213 - 263

25/10/FED7 Supply Chain Management: Quarterly Implementation Report for the first term of the 2025-2026 Financial Year ending 30 September 2025

Pages: 264 - 296

18.2 **REPORTS BY THE CHAIRPERSON: PLANNING & DEVELOPMENT SERVICES**

25/10/PD1 Request for Council's In-Principle Approval for the Alienation (Lease) of a Portion of Portion 4 of Farm 346, Humansdorp Rd

Pages: 298 - 303

25/10/PD2 Request for Council's Final Approval for Alienation (Lease) of a Portion of Portion 125 of Farm 335, Humansdorp Rd (Oceanview)

Pages: 304 - 313

25/10/PD3 Request for Council's Authorisation for In-Principle Approval to Alienate (Lease) of Council Properties in Kruisfontein for Business Purposes

Pages: 314 - 319

18.3 **REPORTS BY THE CHAIRPERSON: CIVIL & WATER SERVICES**

25/10/CWS1 Progress Report on DoHS Funded Projects as at 14 August 2025

Pages: 321 - 344

25/10/CWS2 Approval for the Registering of New Projects on MIG

Pages: 345 - 348

18.4 **REPORTS BY THE CHAIRPERSON: ELECTRO-MECHANICAL SERVICES**

25/10/EMS1 Request for Council's Approval for the Appointment of Mr. Ndumiso Nongcuala GMR 2(1) and Mr. Bonga Mpongwana as GMR 2(7) Responsible Persons

Pages: 350 - 356

25/10/EMS2 Report: Fatal Electrocution Incident on Municipal Electrical Infrastructure – St Francis Bay

Pages: 357 - 366

25/10/EMS3 Kouga Electricity Demand Side Management Program in Alignment with Eskom Distribution Demand Management Program.

Pages: 367 - 372

19. **QUESTIONS SUBMITTED IN TERMS OF RULE 39 OF THE STANDING RULES & ORDERS**

25/10/MM3 Question posed by Councillor L Nkilishane in Terms of Rule 39 of the Standing Rules and Orders for Meetings of Council and all its Committees

Pages: 374 - 377

20. **CLOSURE**

Distribution list:
Executive Mayor
Deputy Executive Mayor
Speaker
All Councillors
Municipal Manager
All Directors
Relevant Managers
Committee Services

CONFIRMATION OF MINUTES OF PREVIOUS MAYORAL MEETING

KOUGA
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MINUTES OF A MAYORAL COMMITTEE MEETING OF THE KOUGA MUNICIPALITY HELD IN THE COUNCIL CHAMBERS, JEFFREYS BAY ON WEDNESDAY, 11 JUNE 2025 AT 09:00 AM

Present:

Councillors	H Bornman	(Executive Mayor)
	T Jantjes	(Executive Deputy Mayor)
	L Maree	(Speaker)
	J Alexander	
	R Foley	
	S Ruth	
Councillors as Observers	W van der Linde	
	F Heystek	
Officials	C du Plessis	(Municipal Manager)
	D de Jager	(Deputy Municipal Manager)
	R Lorgat	(Chief Financial Officer)
	T Madatt	(Director: Electro-Mechanical)
	C de Kock	(Director: Civil & Water Services)
	L Ramakuwela	(Director: Planning & Development)
	L Opperman	(Manager: Legal Services)
	E Goliath	(Manager: Public Participation)
	Mr K Minnaar	(Manager: Special Programmes)
	Ms A Jonck	(Acting Manager :Economic Development & Tourism)
	M Basson	(Manager: Media & Communications)
	M Julius	(Senior Admin Officer: Committees)
	R Swart	(Committee Officer)

1. **NOTICE OF MEETING**

The Executive Mayor read the notice convening the meeting in terms of Section 19 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) that a Mayoral Committee Meeting would be held on Wednesday, 11 June 2025 at 09:00 am in the Council Chambers, Jeffreys Bay.

2. **OPENING AND WELCOME**

The Executive Mayor welcomed all present and requested Cllr Jantjes to open the meeting with a prayer.

3. **ABSENT WITH LEAVE**

Ald D Benson
Cllr M Nicholls

4. **ABSENT WITHOUT LEAVE**

None

5. **PRESENTATIONS**

None

6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

The Executive Mayor extended condolences to the family of the woman and her son, who tragically lost their lives the previous night.

7. **STATEMENTS OR COMMUNICATION BY THE EXECUTIVE MAYOR**

The Executive Mayor expressed appreciation for the Directors and teams who ensured strong year-end financial performance. He highlighted increased expenditure and the importance of sustaining momentum into the new financial year through continued budget and revenue meetings. Concerns were raised about customer service delivery and ongoing infrastructure priorities. He voiced frustration regarding provincial cooperation and funding for the Informal Settlements Upgrading Grant (ISUP) project. The Executive Mayor emphasised early signing of performance agreements and the need to monitor both formal and informal responsibilities. Lastly, the potential of internal systems like Document Management System (DMS) and Collaborator to improve operations was acknowledged.

8. **DISCLOSURE OF INTEREST**

None

9. **STATUTORY MATTERS**

10. **CONFIRMATION OF MINUTES OF PREVIOUS MAYORAL COMMITTEE MEETING**

10.1 **MINUTES OF THE MAYORAL COMMITTEE MEETING HELD ON 9 APRIL 2025**

Cllr Foley referred to page 8 and noted that "flush" should be amended to "FLISP.

Resolved (11 June 2025)

1. That the minutes of the Mayoral Committee meeting held on 9 April 2025 be accepted as amended.

Proposed: Cllr R Foley Seconded: Cllr T Jantjes

11. **REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER**

25/06/MM1 MAYORAL RESOLUTIONS AS AT 12 FEBRUARY 2025

Resolved (11 June 2025)

1. That the updated Action Sheets reflecting resolutions of previous Mayoral meetings, be noted.

2. That the action sheet be tabled at Top Management for discussion and actioning.

25/06/MM2 2024/25: QUARTER 3: PERFORMANCE REPORT: PERIOD 1 JULY 2024 TO 31 MARCH 2025

The Executive Mayor remarked that there appears to be a tendency to hide behind capital or low capital expenditure as justification for certain issues. It was emphasized that, with the financial year ending, close attention must be paid to this matter.

The Executive Mayor acknowledged that some progress had been made since it was last discussed, however, looking ahead to the new financial year, concerns remain regarding funding that may remain unspent due to circumstances beyond the Municipality's control. The importance of addressing this challenge was strongly underscored.

Cllr Alexander requested clarification on the low spending of only 17% of the R1.1 million budget allocated for upgrading school facilities as noted on page 48, and asked which specific facilities in Kouga were included. He also raised concern on page 55, about a contractor not being present on site and expressed uncertainty about which contractor was assigned. Additionally, he enquired whether retention funds would be held separately upon project completion, referencing items listed at the top of page 48.

The CFO explained that the Finance division will now oversee the retention process, previously managed by project managers. From July 1st, the expenditure section will handle income accounting, where requisitions will reflect full income amounts. A negative UKey retention will be applied, resulting in a net repayment. All expenditures will appear in full on invoices to enable UKey +retention.

Resolved (11 June 2025)

1. That the 2024/2025 Quarter 3 Performance Report be considered.

2. That all areas of underperformance be discussed at Portfolio Committee level to determine and agree on corrective actions to be implemented and monitored to ensure targets are achieved by year end.

3. That the report be submitted to the next Council meeting.

12. **REPORTS BY THE OFFICE OF THE DEPUTY MUNICIPAL MANAGER**

25/06/DMM8 OFFICE OF THE DEPUTY MUNICIPAL MANAGER: PUBLIC PARTICIPATION REPORT AS AT 30 APRIL 2025

Cllr Foley recommended that Integrated Development Plan (IDP) requests be handled separately from Ward action sheets. This measure is intended to improve efficiency by simplifying internal workflows and enabling the department to prioritise actionable matters more effectively.

The Executive Mayor noted that the primary purpose of Ward action sheets is to enhance communication between the administration and Ward Councillors.
It was further acknowledged that there is a shared consensus regarding the current format being disorganised and in need of restructuring to improve clarity and effectiveness.

The Deputy Executive Mayor emphasised the importance of Councillors reporting matters through the appropriate channels, highlighting that doing so would strengthen accountability mechanisms within the governance structure.

The Manager: PPU acknowledged inefficiencies in communication between departments and committees, despite system improvements like DMS and the call center. Some engineering issues remain unresolved for years, with recurring committee queries and lack of follow up. Suggestions included simplifying reporting processes and improving feedback mechanisms. Persistent delays have caused frustration, and there is a call for elevating unresolved matters and ensuring proper departmental accountability.

The Speaker emphasised that the role of Ward Councillors is not to interfere with institutional operations, but rather to facilitate communication between the administration and the Ward. The Speaker suggested separating items such as IDP related matters and project progress updates. She also reiterated the importance of Councillors using appropriate reporting channels, noting that delays in addressing service issues, particularly in Wards 3 and 8, often lead to enquiries from Ward Committees. The Speaker committed to engaging with Public Participation and Committee Services units to improve communication processes and enhance the quality of action sheets for Council use.

Resolved (11 June 2025)

1. That the Public Participation report for April 2025, be noted by the Portfolio Committee.

2. That proposed plans and activities in support of institutionalizing Public
   Participation be supported by all Directorates.

25/06/DMM10 <u>DRAFT INSTITUTIONAL CALENDAR</u>

The Deputy Mayor reaffirmed the need for consistency in adhering to the every-other-month portfolio reporting framework and sought clarification on potential barriers to initiating the process next month.

The Deputy Executive Mayor recommended revising the Draft Executive calendar to defer the portfolio meetings to the following month, to alleviate staff pressure and enhance overall workflow efficiency.

The Manager: PPU suggested adjusting the calendar to prioritise public participation, particularly during key community events such as Holy Week. This proposal included the need to coordinate with partners and stakeholders to finalise the annual planning schedule.

The Director: Civil and Water Services suggested rescheduling the portfolio meetings to commence in August instead of the 1st of July. He recommended holding meetings in October and early December, while skipping September and November to allow for additional flexibility. He raised concern that agenda items may become repetitive or formulaic.

Resolved (11 June 2025)

1. That the amended Institutional Calendar be referred to Council for approval.

13. REPORTS BY THE PORTFOLIO COMMITTEE CHAIRPERSONS

13.1 REPORTS BY THE CHAIRPERSON: FINANCE & ECONOMIC DEVELOPMENT

25/06/FED3 COUNCIL APPROVAL OF THE REVIEWED INTEGRATED ECONOMIC GROWTH STRATEGY

Cllr Ruth referred to page 141, observing that the second paragraph appeared to be incomplete and recommended that it be revised prior to submission to Council.

The Municipal Manager acknowledged that reliance on current statistical surveys could present significant challenges in the future. He emphasised the value of allocating funds towards conducting an independent survey within the next one to two years. The Municipal Manger proposed a collaborative approach to develop a strategic framework for implementing this initiative.

Resolved (11 June 2025)

1. That the reviewed Kouga Integrated Economic Growth Strategy be approved by Council.

2. That the amended report be submitted to the next Council meeting.

25/06/FED4 KLTO FUNDING 2024/2025 – KOUGA LOCAL TOURISM ORGANISATION

Resolved (11 June 2025)

1. That Council approves the funding of R 360,000-00 (Three Hundred and Sixty Thousand Rands only) all-inclusive for 2024/2025 FY only.

2. That Council authorizes the Accounting Officer to conclude a Funding Agreement / SLA with Kouga Local Tourism Organization in respect of funding stated in (1) above.

3. That the report be submitted to the next Council meeting.

25/06/FED5 SUPPLY CHAIN MANAGEMENT MONTHLY REPORT FOR APRIL 2025

Cllr Foley referred to page 243, drawing attention to the remark by the Director: Civil & Water Services regarding the development of an appropriate Standard Operating Procedure (SOP) for the Small Works Roster, scheduled to begin on 1 July 2025.

He emphasised that this initiative would play a key role in addressing existing backlogs and facilitating improved management of future small works projects. He further expressed the view that this undertaking would be of considerable value to the institution.

Resolved (11 June 2025)

1. That the SCM report for the month starting 1 April and ending 30 April 2025 be for the 2024/2025 Financial year be approved.

25/06/FED14 BUDGET AND TREASURY: VIREMENTS REPORT FOR THE QUARTER ENDED 31 MARCH 2025

Resolved (11 June 2025)

1. That the Mayoral Committee notes the Municipal Manager's report on all virements approved during the quarter ended 31 March 2025.

13.2 **REPORTS BY THE CHAIRPERSON: PLANNING & DEVELOPMENT**

25/06/PD4 APPLICATION FOR LEVEL 1 ACCREDITATION FOR IMPLEMENTATION OF HUMAN SETTLEMENTS PROGRAMMES

Cllr Alexander raised several concerns regarding developments in Ward 4. He referenced inconsistencies in property transfer data and queried the accuracy of site identifications between Kruisfontein 219 and 208. He requested clarification on town planning status statements and emphasized the need for updated information in the report, noting that many entries cited deadlines from January and February despite the document being reviewed in June. He recommended that progress updates reflect the status as of the end of April.

The Director: Planning and Development explained that the referenced report stems from a business plan submitted in January or February. Although the data may appear outdated, it was included at the request of the portfolio committee to give Councillors a general understanding of its contents. He clarified that the report was originally intended for the Department of Human Settlements for accreditation purposes. While acknowledging the volume of inquiries raised, he committed to providing further detail under the relevant agenda item. He also noted that project timelines may precede International Organization for Standardization (ISO) confirmation and that certain projects may now be on hold.

The Manager : PPU outlined challenges with inconsistent naming of a residential area undergoing development, noting that four different names had been used across documents and meetings. He emphasised that the renaming process lacked public participation and had caused confusion, particularly in Ward 5 and related planning sessions. He recommended that, moving forward, community input should be incorporated when naming extensions, rather than defaulting to generic labels such as "Extension 1" or "Extension 2."

Cllr Ruth pointed out a discrepancy on page 277 under the table of informal settlements. She noted that while the table shows 35 entries, the accompanying figure states 350. She indicated that the correct number should be 300 informal settlements, not 350.

Resolved (11 June 2025)

1. That the report of the Human settlements Accreditation Business Plan be noted.

2. That Council supports the application for Level 1 Accreditation for implementation of Human Settlements programmes.

3. That the report be submitted to the next Council meeting.

25/06/PD5 **APPLICATION TO BE APPOINTED AS IMPLEMENTING AGENT: TRANSFER OF GOVERNMENT SUBSIDIZED HOUSES**

Cllr Ruth sought clarification on the status of title deeds, questioning whether the listed ones were the only outstanding cases or if additional deeds were still missing. She noted that while some title deeds were held in the office, there may be more yet to be identified.

The Director: Planning and Development confirmed that there are still outstanding title deeds, which the department aims to facilitate. He noted that some title deeds are already held internally and are ready for distribution to the community. He also referenced deeds that were referred to the Office of the Mayor for handover. While exact figures are pending confirmation with the team, he affirmed that certain deeds are prepared for release to beneficiaries.

Cllr Alexander expressed concern over inaccuracies in reported housing subsidy completions. He highlighted that two houses still lack title deeds despite claims of full completion, a matter he has pursued for six years. He also disputed figures in the Gill Marcus project, asserting that the report's data is incorrect.

The Director: Planning and Development stated that certain business plan details are not necessary for securing the Council resolution. He emphasised the need for the Municipality to act as an implementing agent for current and future projects. Due to ongoing uncertainty around outstanding title deeds and verification, he recommended removing the annexure and focusing solely on obtaining the resolution as the core of the proposal.

Resolved (11 June 2025)

1. That the Council supports the application for the Municipality to be appointed as Implementing Agent to attend to the transfer of Government subsidised houses.

2. That an application to be appointed as Implementing Agent for the transfers of government subsidized housing, be submitted to the Eastern Cape Department of Human Settlement for consideration action.

3. That the report be submitted to the next Council meeting.

25/06/PD6 REQUEST FOR COUNCIL'S PERMISSION TO ACCEPT OFFER TO REGISTER A RIGHT OF WAY SERVITUDE OVER PORTION 249 OF THE FARM GOEDGELOOF NO. 745 (SEA VISTA) HUMANSDORP RD IN FAVOR OF THE MUNICIPALITY

Resolved (11 June 2025)

1. That Council accepts a right of way servitude over Portion 249 of the Farm Goedgeloof No. 745 (Sea Vista) Humansdorp Rd in favor of Kouga Municipality.

2. That the Accounting Officer be authorized to complete the registration process of the intended servitude.

3. That the report be submitted to the next Council meeting.

25/06/PD9 DEPARTMENT: HUMAN SETTLEMENTS PROGRESS REPORT: Q3: 01 JANUARY 2025 – 31 MARCH 2025

Item Withdrawn.

25/06/PD10 DEPARTMENT: TOWN PLANNING PROGRESS REPORT: Q3: 01 JANUARY 2025 – 31 MARCH 2025

Item withdrawn.

13.3 **REPORTS BY THE CHAIRPERSON: ELECTRO-MECHANICAL SERVICES**

25/06/EMS8 REQUEST FOR COUNCIL'S PERMISSION TO REZONE PORTION 4 OF FARM 346: HUMANSDORP RD (RHEEBOKSFONTEIN RENEWABLE) & REMAINDER of ERF 499 HUMANSDORP TO PERMIT RENEWABLE ENERGY STRUCTURES, AGRICULTURE AND AUTHORITY USES

Resolved (11 June 2025)

1. That the item be referred to the Council for approval.

2. That the Accounting Officer be authorized to implement the legislative process to apply for the rezoning of the applicable land parcel.

3. That the report be submitted to the next Council meeting.

25/06/EMS10 <u>SERVICE DELIVERY DASHBOARD REPORT AS AT END APRIL 2025</u>

The Executive Mayor expressed concern about outdated and inaccurate report content. He suggested that each department should create its own report and submit it at portfolio level.

The Manager: PPU stressed the importance of linking service standards to measurable outcomes. He explained that doing so enables effective monitoring and management, especially in the context of public facing evaluations. He noted current performance figures and highlighted that meeting or exceeding service standards (e.g., 60–70%) is positive, while anything below that requires attention.

Cllr Ruth stressed the need for a timeline to clean and prepare data for public release, citing concerns over misleading or outdated information.

The Deputy Municipal Manger stated that departments have access to incident reporting tools and dashboard was set up to address key issues. He noted that although some incident letters have been closed, certain items such as meter-related cases remain unresolved.
A cut-off date was agreed upon for closing data, but exceptions were made. He reported progress with a current resolution rate of 64.67%, averaging 22 days, after removing outdated figures that previously distorted the data.

Cllr Foley raised concerns about long standing issues with blocked water meters noting that 14 meters have remained unresolved for years. He called for a discussion between Finance and Civil Services to address the backlog, which continues to grow monthly. He also highlighted inefficiencies in assigning multiple operators to the same water-related issues and suggested streamlining the process to avoid duplication and improve coordination.

He recommended a plan of action to address current issues and backlog areas. He proposed to adopt the current approach despite potential short-term data limitations. A data cleansing initiative should begin, removing outdated meter reports from previous years and ensuring accurate, ongoing reporting from meter readers moving forward.

The Director: Civil and Water Services reported that the Finance Department had submitted the 887 reports, and that data cleansing was underway. He emphasized the need to verify list contents before acting, suggesting that confirmed issues be addressed through a formal meter replacement program.

He noted staff capacity challenges and referenced the high cost of smart meter installation, recommending a dedicated team for implementation. Once the remaining 67 items are completed, a full report will be prepared to stress the importance of working with accurate data.

The CFO explained that the automated meter reading system logs incidents whenever a meter cannot be accessed, resulting in potential duplication each month. He emphasised removing duplicate entries while retaining one incident per household to allow verification and collection processes. Based on recurring reports since October 2023, the total incidents could reach 30,000. He recommended conducting a data clean up exercise to assess the impact.

Cllr Alexander stated that overtime should only be approved with a valid call centre reference and a completed job card. He raised concern about large overtime payments specifically mentioning R7 million for one department and R12 million in total. He suggested that such funds could be better used to appoint permanent staff and noted that some individuals appear to be earning substantial secondary income from overtime. He called for increased accountability from departments.

The Municipal Manager expressed concern that the discussion around overtime is being unfairly critical without a full understanding of the underlying reasons. He indicated that the matter would be addressed in the upcoming Top Management meeting and emphasised that if the details behind overtime were fully understood, the criticism would be reconsidered.

Resolved (11 June 2025)

1. That the Service Delivery Dashboard report as at end April 2025, be noted.

13.4 **REPORTS BY THE CHAIRPERSON: COMMUNITY & SAFETY SERVICES**

25/06/CSS10 INTEGRATED WASTE MANAGEMENT PLAN FOR SARAH BAARTMAN DISTRICT MUNICIPALITY AND KOUGA MUNICIPALITY

Resolved (11 June 2025)

1. That the Kouga Municipality Integrated Waste Management Plan be adopted by Council.

2. That the Kouga Municipality Integrated Waste Management Plan be submitted for endorsement by the MEC.

3. That the report be submitted to the next Council meeting.

14. **CLOSURE**

The meeting adjourned at 11:11

H BORNMAN 29 SEPTEMBER 2025
EXECUTIVE MAYOR **DATE**

CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING

KOUGA
local municipality
Good Governance through Service Excellence

MINUTES OF AN VIRTUAL ORDINARY COUNCIL MEETING OF KOUGA MUNICIPALITY HELD ON THURSDAY, 28 AUGUST 2025 AT 10:00 AM

PRESENT: Councillors	J Alexander	
	C August	
	Ald D Benson	
	H Bornman	(Executive Mayor)
	B Dhludhlu	
	R Foley	
	W Gertenbach	
	V Gunuza	
	F Heystek	
	T Jantjes	(Deputy Executive Mayor)
	L Maree	(Speaker)
	M Mbandana	
	E Mbuqu	
	H Murray	
	K Ndzelani	
	M Nicholls	
	L Nkilishane	
	N Ntengwane	
	P Oliphant	
	W Petersen	
	C Pietersen	
	S Ruth	
	G Stuurman	
	M Valgee	
	W van der Linde	
	M van Niekerk	
	Ald B Williams	
	M Yali	
	V Zana	
Officials & Municipal Manager	C du Plessis	(Municipal Manager)
	D de Jager	(Deputy Municipal Manager)
	R Lorgat	(CFO)
	N Machelesi	(Director: Community Services)
	C de Kock	(Director: Civil & Water Services)
	T Madatt	(Director: Electro-Mechanical Services)
	L Ramakuwela	(Director: Planning & Development)
	L Opperman	(Manager: Legal Services)
	E Goliath	(Manager: Public Participation)
	C Prinsloo	(Legal Officer: Office of the Speaker)
	D Klopper	(Office Administrator: Office of the Speaker)
	Y Jordaan	(Office Administrator: Office of the Executive Mayor)
	K Minnaar	(Manager: Special Programmes)
	A Koegelenberg	(Manager: PMS)

M Basson	(Manager: Media & Communication)
S Mlonyeni	(Communication Officer)
R Klaasen	(Media Liaison Officer)
Z Njikelana	(Media Liaison Officer)
M Julius	(Senior Admin Officer: Committees)
R Swart	(Committee Officer)
M Mitchell	(Committee Clerk)

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting in terms of Section 19 of the Local Government: Municipal Systems Act,2000 (Act No.32 of 2000) that an Ordinary Council Meeting will be held virtually on 28 August 2025 at 10:00 a.m.

2. **OPENING AND WELCOME**

The Speaker stated that, in accordance with point 10.1 of the Rules of Order, the meeting would once again be conducted in English.

The Speaker welcomed everyone present to the meeting and requested Cllr G Stuurman to open with a prayer.

3. **ABSENT WITH LEAVE**

Cllr N Ntshota

4. **ABSENT WITHOUT LEAVE**

None

5. **PRESENTATIONS**

None

6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Cllr Oliphant questioned whether the Speaker was intimidating members into speaking English, referencing what he described as an irrelevant and unconstitutional rule. He further asked whether the rule acknowledged the authority of the Constitution in relation to language use and challenged the notion of English being imposed as the medium of communication.

The Speaker ruled that English would be used for the meeting, noting that the rules were still in the process of being updated.
She reminded Councillors that this approach had been followed in previous meetings and emphasised the need to proceed efficiently until the revised rules were finalised.

Cllr Petersen expressed solidarity with the community of Knoflokskraal in the Western Cape, commending their resilience against alleged efforts by the Democratic Alliance to evict them from their land. He emphasized the historical and cultural significance of the land to the Khoi and San nations and asserted that no external authority should dictate their future. His remarks

underscored a broader call for indigenous land rights and constitutional recognition.

Cllr Nkilishane, speaking on behalf of the Economic Freedom Fighters (EFF), acknowledged the keynote address delivered by their President, Julius Sello Malema, at the Nigerian Bar Association. He described the speech as revolutionary and progressive, highlighting its emphasis on African unity and industrialization as key drivers for a unified continental economy.

Cllr Nkilishane also extended condolences to the family, friends, and colleagues of the late broadcaster and journalist, CD Madia.

Cllr Mbandana congratulated the President of the United States for convening a peace-focused meeting on 15 August in Alaska, highlighting concerns about the suppression of Russian-speaking communities in Ukraine. He drew a parallel to local language dynamics, expressing frustration over the perceived marginalization of isiXhosa within Council proceedings and affirming his commitment to resisting cultural colonisation.

He also commemorated the historic women's march to Parliament on 8 August, led by figures such as Mama Sophie de Bruyn, and called for the establishment of a Gender Commission in Kouga. He supported concerns about gender-based misconduct raised by fellow councillors and emphasised the need for accountability and protection of women across all communities.

Ald D Benson extended warm birthday wishes to all Councillors who celebrated their birthdays in September, specifically acknowledging Cllr Oliphant and Cllr Nicholls. He conveyed his best wishes to them for the year ahead.

The Executive Mayor congratulated Joshua Janssen from Jeffreys Bay on being crowned Mr Teen World 2025 and acknowledged his upcoming participation in international competitions in Peru and Egypt, representing South Africa, Kouga, and his hometown. His achievement was celebrated as a source of pride for the local community.

Additionally, the Executive Mayor commended Dr Naledi Pandor for her courage in speaking out against issues within her political party, recognizing her commitment to integrity and accountability.

Cllr Ruth expressed her support for the Executive Mayor's remarks regarding Dr Naledi Pandor, commending her for speaking truth to power within her own political ranks. She described Pandor as a courageous advocate for women and a steadfast opponent of corruption.

Cllr Ruth also extended her appreciation to the women participating in the annual 100-kilometre walk from sunrise to sunset, which includes a stop in Kouga. She congratulated them on their endurance and continued growth and thanked them for choosing Kouga as one of their bases.

Cllr Zana congratulated all women in Kouga and the region in celebration of Women's Month, encouraging them to continue advancing their role in all areas of society. He also expressed concern regarding the reported killing of

journalists in Gaza, describing it as a matter of deep importance to the African National Congress (ANC). Cllr Zana voiced strong support for Dr Naledi Pandor's stance on the conflict in Palestine, commending her for speaking out against what she described as acts of genocide. He drew parallels to South Africa's apartheid history and emphasised that the ANC remains a democratic organisation where women's voices are not silenced.

7. **STATEMENTS OR COMMUNICATIONS BY THE SPEAKER**

Honourable Mayor and Members of the Council, Officials, Online Guests, colleagues,

Good morning,

As we near the end of Women's Month, I want to extend my heartfelt appreciation to all the women of Kouga for their hard work, resilience, and dedication. I have also been inspired by the wisdom shared in the video clips on our Facebook page – a true reflection of the strength and insight of our community's women.

A special congratulations goes to Cape St Francis local, Heilie Uys, who has been inducted into the World Transplant Games Hall of Fame for her incredible contribution to organ transplant athletics. With over 10 World Transplant Games led, she has earned no less than 29 gold, 9 silver, and 1 bronze medal – an extraordinary achievement that makes us all proud.

We also warmly welcome Ms Pietersen as the newest Councillor on our Council. It is wonderful to see that we are now 10 women strong on our Council – a testament to the growing voice of women in leadership.
I look forward to a successful Council meeting.

Thank you.

8. **STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR**

The Executive Mayor opened by welcoming all councillors, Mayoral Committee members, the Municipal Manager directors, and extended a special welcome to newly appointed Cllr C Pietersen from the Patriotic Alliance, expressing hope for a fruitful tenure.

The Executive Mayor highlighted several key developments within Kouga Municipality, beginning with major infrastructure upgrades in the electricity sector. These include tenders for battery storage and the upgrading of substations, which are expected to enhance development capacity, create business, and job opportunities, and improve residents' quality of life. Appreciation was extended to the Director: Electro–Mechanical and the Municipal Manager for their leadership in this area.

Progress in civil and water infrastructure was also acknowledged, particularly the work on the Seekoei River Causeway and the rollout of Municipal Disaster Recovery Grants (MDRG) in towns such as Thornhill and Loerie. The Executive Mayor emphasised the importance of addressing long-standing service delivery gaps in smaller communities, including road, stormwater, and sewage upgrades.

Preparations for the upcoming summer season were noted, with departments actively working to ensure lifeguards, beaches, and facilities are ready to welcome holidaymakers an essential boost to the local economy.

The Executive Mayor commended community collaboration efforts, citing examples such as Rotary, Billy's Beach, and the St. Francis fire station project. Special recognition was given to the Groyne project in St. Francis Bay, aimed at preserving the beach and supporting economic development.

He also celebrated the electrification of 200 households in informal settlements across St. Francis, Sea Vista, and Ocean View, stressing the importance of safe, legal electricity connections and thanking the relevant departments for their dedication.

Ongoing audits by the Auditor-General were mentioned, with gratitude expressed to the finance department, CFO, and Municipal Manager for their efforts in maintaining a clean audit and sound financial governance.

In closing, the Executive Mayor reaffirmed the Municipality's commitment to continuous growth and improvement, emphasising that residents deserve a dynamic and forward-moving administration. He reflected on the progress made over the past eight to nine years and underscored the importance of sustaining momentum to achieve future goals.

9. DISCLOSURE OF INTEREST

The Speaker on item 25/08/MM6 stated that only Cllr Oliphant would be asked to move to the waiting room.
For item 25/08/MM7, Cllr Petersen would be requested to do the same.
All other Councillors would remain present during the discussion of both items.

10. STATUTORY MATTERS

11. MINUTES OF PREVIOUS MAYORAL COMMITTEE MEETING FOR INFORMATION

None

12. CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING

12.1 MINUTES OF AN ORDINARY COUNCIL MEETING HELD ON 26 JUNE 2025

Resolved (28 August 2025)

1. That the minutes of an Ordinary Council meeting held on 26 June 2025 be approved.

Proposed: Cllr T Jantjes Seconded: Cllr W Gertenbach

12.2 MINUTES OF AN ORDINARY COUNCIL MEETING HELD ON 30 JULY 2025

Ald Williams requested clarification regarding page 47, item 25/07/MM2, noting that the item had previously been withdrawn with the understanding that a

corrected report would be submitted to Council. He expressed concern that the Quarter Four Performance Report was not included in the current agenda and sought an explanation for its omission.

The Municipal Manager clarified that the Fourth Quarter Performance Report is identical to the Draft Annual Report, which is scheduled for consideration under the Municipal Manager's reports later in the meeting.

Resolved (28 August 2025)

1. That the minutes of an Ordinary Council meeting held on 30 July 2025 be approved

Proposed: Cllr W Gertenbach Seconded: Cllr M van Niekerk

13. REPORTS OF COMMITTEES OF COUNCIL

13.1 REPORT BACK: SARAH BAARTMAN DISTRICT MUNICIPALITY REPRESENTATIVE

The Speaker informed Council that discussions were underway with Cllr Gunuza, who is currently working with the administration to prepare a report for presentation at the next Council meeting. The Speaker expressed appreciation for Cllr Gunuza's contributions and noted that Council looks forward to receiving the report.

Cllr Petersen expressed concern regarding repeated muting during the meeting and emphasised that the Speaker should maintain order. He likened the interruptions to unruly animals that ought to be kept on a leash. He then requested clarification about a reference to a meeting with Cllr Gunuza, specifically asking who comprised the "we" mentioned in that context.

The Speaker described the earlier remark as uncalled for and clarified that the pronoun "we" referred to her office. She explained that, following the previous Council meeting, her office had emailed Cllr Gunuza, who replied confirming she is working with administration to formulate the requested report. The Speaker offered to forward the email to any Councillor after the meeting.

13.2 KOUGA AUDIT COMMITTEE

None

13.3 RULES & ETHICS COMMITTEE

None

13.4 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

None

13.5 MUNICIPAL BY - LAWS AND POLICIES

None

14. **REPORT BACK: MUNIMEC**

None

15. **REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER**

25/08/MM1 COUNCIL RESOLUTIONS AS AT 30 JULY 2025

Cllr van der Linde requested updates on several long-outstanding matters noted on the action sheet:

- Page 71, Item 22/12/PD6: He asked for detailed information on the grant and aid, which has been pending since December 2022.
- Page 72, Item 25/03/FED1): He sought the monthly update promised by the CFO on the Hanky Fresh fruit market and requested the status of that project.
- Page 123, Item 24/12/PD5): He questioned the exclusion of IRF873 (the golf course) from the feasibility study, recalling the Executive Mayor's prior resolution that any facility not originally included—specifically ERF 873 should be formally removed from the study.

He urged that these items be addressed with the relevant documentation and feedback ahead of the next Council meeting.

Cllr Zana raised several queries regarding long-outstanding items on the Council's action sheet:

- Pages 65–68 (Appeal to MEC): He requested confirmation from the Speaker's office regarding possession of the appeal submitted by Cllr Peterson and asked when the deducted funds would be reimbursed, given the pending appeal.
- Page 72 (Item 25/03/FED1 – Hankey Fresh Food Market): He sought an update on the status of the project, expressing concern over its viability and describing it as a failed initiative under the Democratic Alliance-led administration.
- Page 87 (Item 22/05/PDT2 – New Housing Developments): He inquired whether the resolution requiring water tanks and harvesting systems in newly constructed houses across Kouga is being implemented, emphasising the importance of sustainable water management.
- Page 89 (Restitution of Urban Land): He asked whether the land intended for restitution to a specific claimant has been formally transferred and requested clarity on the status of the process.
- Page 89 (Ratification of Portion 6 Houses): He requested an update on the ratification process for these properties.
- Page 107 (Street Naming in KwaNomzamo): He asked for progress on the allocation of street names in the area and clarification on the source of funding, noting the importance of formal street identification.
- Page 104 (Land Disposal to African Gospel Church, Patensie):

Ald Williams, on behalf of the Democratic Alliance (DA) Caucus, expressed concern regarding the number of outstanding Council

resolutions. He proposed an additional recommendation 10.3 requesting that the administration provide the Speaker with copies of top management meeting minutes from the past three months to enhance oversight and accountability.

Cllr van der Linde supported Ald Williams' proposal.

Cllr Foley requested that execution dates be provided for several outstanding items listed on page 71 of the action sheet, including the SMME Forum (22/04/PDT14), the Grant-in-Aid Policy (22/12/PDT6), and the Tourism and Marketing Plan (23/12/FED7). He emphasised the need for clear timelines to ensure accountability and timely delivery, echoing concerns raised by Cllr van der Linde.

The Director: Planning and Development addressed several items raised by Councillors:

Rainwater Harvesting Tanks: The original resolution was adopted during the drought period. Due to financial implications, it is not currently enforced for all new developments. The matter is under internal review, and a proposal will be presented to Council following further discussion.

RDP Housing Water Tanks: While not mandatory, the inclusion of water tanks is considered a good proposal and will be discussed further, subject to budget considerations.

Patensie Portion 6 Houses: The Provincial Department of Human Settlements has appointed Oputa and is finalizing the Service Level Agreement. The project is progressing.

African Gospel Church (Patensie): Communication was sent on 1 August. The conveyancer has requested documentation from the church, and the matter is ongoing.

Mr Maseti Land Transfer: The Municipality is in contact with Mr Maseti. A payment condition has been communicated, and the transfer is pending receipt of payment.

Street Naming in KwaNomzamo: Approved Street names are being captured by the Geographic Information System (GIS) department to ensure visibility on digital platforms. Installation of signage will follow.

ERF873 (Golf Course Property): The Director: Planning and Development acknowledged that the property was not intended for development and committed to reviewing the resolution with legal services. If necessary, the feasibility study will be adjusted to exclude ERF873.

The CFO provided an update on the Hankey Mini Fresh Food Produce Market, noting that all internal departmental responses have been received and a site meeting was held with relevant stakeholders. Engagements with ESKOM have also taken place, and a formal

response has been received. The CFO confirmed that a consolidated report will be submitted to the next Council meeting.

Regarding page 71, the CFO acknowledged Cllr Foley's request for specific dates to be included alongside response items to indicate expected timelines for policies, plans, and reports.

The CFO confirmed that these dates will be incorporated to ensure clarity and facilitate proper tracking through the relevant committees and Council structures.

The Manager: Legal Services clarified that the appeal lodged by Cllr Petersen to the MEC does not automatically warrant reimbursement. The Municipality is reviewing the appeal and has identified grounds for a possible review of the MEC's decision. A litigation report will be submitted to the Mayoral Committee next week and subsequently tabled at the next Council meeting.

Cllr Nkilishane requested clarity on the legal basis for the administration's approval of a demolition contract for the Cultural Centre, noting that the contract was approved in January 2025 three months prior to Council's formal resolution in April. He directed the question to the Municipal Manager, seeking justification for the deviation.

Cllr Zana requested clarification from the Manager: Legal Services on whether it was procedurally correct to impose a financial sanction while an appeal was still pending. He also asked whether, based on the CFO's remarks, Councillors could reasonably conclude that the Hankey Mini–Food Market project amounted to fruitless and wasteful expenditure.

Cllr Petersen questioned whether the drought relief initiative involving water tanks was formally adopted through a Council resolution. He sought clarity on how the administration proceeded with implementation based on that resolution, referencing the Director's earlier response.

He echoed concerns raised by Cllr Zana regarding the Hankey Fresh Food Market and asked for confirmation on whether the project reflects appropriate use of Council time and resources.

Lastly, he raised a procedural concern about the appeal to the MEC, asking whether the decision to challenge the MEC's recommendations in court should be made by Council rather than solely by the Municipal Manager.

Cllr Mbandana requested clarity on the Patensie housing project, noting that although a contractor has been appointed by the Department of Human Settlements and the budget is available, work has not yet commenced. He asked for an explanation regarding the delay.

He also referred to the appeal matter on page 65, raising concerns about procedural fairness. He cited the principle of *Nemo judex in Causa Sua* (no one should be a judge in their own case), noting that the same prosecutor involved in Councillor Oliphant's matter had previously acted as a judge in a related case involving Councillor Petersen. He stated that the MEC rejected the recommendation on these grounds and argued that, since the appeal was approved, Cllr Petersen should be reimbursed. He questioned the delay in processing the repayment.

The Executive Mayor commented on the need for deeper engagement with the Council's action sheets and proposed that these documents be referred to the Monitoring and Evaluation (M&E) Committee for detailed review. He noted that Council meetings often lack sufficient time for thorough deliberation and emphasized that the M&E Committee would provide a more appropriate platform for integrated feedback and clarification. He further expressed appreciation to the Speaker for the inclusive way meetings are conducted, acknowledging that all Councillors who indicate a desire to speak are given the opportunity to do so.

Cllr van der Linde supported the Executive Mayor's recommendation.

The Director: Planning and Development explained that the demolition of the Cultural Centre was based on a prior Council resolution aimed at securing the property due to safety concerns and unauthorized occupation. A tender was issued to assess budget adequacy, and demolition was later deemed more cost-effective.

Regarding water tanks, the Director clarified that the original resolution called for a study not mandatory implementation. The study was intended to evaluate financial and operational impacts, especially during the drought period. The resolution is now under review.

On the Patensie housing project, he confirmed that a contractor has been appointed and that the Service Level Agreement is being finalised. The department is actively following up with the relevant stakeholders.

The Municipal Manager explained that making rainwater harvesting tanks compulsory would require amendments to existing policies and bylaws, which must be approved by Council. He emphasised that the matter involves multiple considerations, including safety and proper usage such as preventing the use of municipal water to fill the tanks. Administration will guide the process through the portfolio committee and make recommendations when amendments are needed.

The CFO reported that the Grant-in-Aid Policy is being reviewed and expanded into a broader funding policy that will incorporate various types of financial support, including sponsorships and community-initiated projects. In response to Cllr Foley's request, updated execution dates will be provided for each related action item.

Regarding the Hankey Fresh Food Produce Market, the CFO stated that it is premature to classify the project as fruitless and wasteful expenditure. A determination can only be made once the full report is presented to Council outlining the way forward.

The Manager: Legal Services clarified that the appeal lodged by Cllr Petersen does not relate to the current deductions being made, which stem from a previous sanction. The appeal concerns a new sanction scheduled to commence in November 2025. Implementation of that sanction will be suspended pending the outcome of the appeal with the office of the MEC. The deductions currently in effect until the end of October are unrelated to the appeal and remain valid under the previous sanction.

The Municipal Manager Informed Council that the format for tracking Council resolutions is being migrated to the municipality's document management system. Under this system, each resolution will be assigned to the relevant director for updates and feedback, with follow-up deadlines set accordingly. This new reporting format will provide more detailed and structured feedback on the implementation progress of Council resolutions during future Council meetings.

Resolved (28 August 2025)

1. That the updated Action Sheets reflecting resolutions of previous Council meetings, be noted.

2. That the action sheet be tabled at Top Management for discussion and Actioning.

3. That the administration provides the Speaker with top management meeting minutes from the past three months to support effective oversight.

   Proposed: Ald B Williams Seconded: Cllr W van der Linde

4. That the action sheets be submitted to the Monitoring and Evaluation Committee for further review.

   Proposed: Cllr H Bornman Seconded: Cllr W van der Linde

25/07/MM2 **APPROVAL OF INTEGRATED DEVELOPMENT PLAN (IDP), MUNICIPAL PERFORMANCE SYSTEM AND BUDGET TIME SCHEDULE OF KEY DEADLINES FOR THE REVIEW OF THE 2025/2026 AND SUBSEQUENT IMPLEMENTATION IN 2026/2027**

Cllr Nkilishane expressed concern that while the IDP process plan appears good on paper, the Quarter 3 performance report shows poor delivery on existing IDP targets especially in disadvantaged areas. He called for concrete steps to ensure the new IDP is realistic and achievable.

He also raised concerns about inadequate public participation, noting that some communities feel excluded. He requested a detailed plan for inclusive public meetings.

Lastly, he questioned how the Council could plan for 2026–2027 when many resolutions tied to previous IDP cycles remain unfulfilled and asked for a clear strategy to address the backlog.

Cllr Yali emphasised the importance of accountability in the IDP implementation process, calling for all directors to attend public meetings so they can directly respond to missed targets. He stressed that only a few directors currently engage with community concerns, which undermines transparency. He also urged that the IDP be published in multiple languages, including isiXhosa and Afrikaans, to ensure inclusive public participation. He concluded by expressing hope that the implementation of the plan will be taken seriously and reflect genuine community engagement.

Cllr Mbandana expressed concern over the continued lack of IDP priorities since 2021, noting that none of the key projects have been delivered. He criticised the management of IDP and budget meetings, citing inadequate support and the presence of junior officials, which he believes contributes to disorder and ineffective engagement.

He affirmed the Municipal Manager's competence and understanding of developmental local government, planning, and performance management. However, he alleged that political interference particularly within supply chain management has obstructed the Municipal Manager's ability to execute his duties effectively. Cllr Mbandana referenced past internal communications and leadership conflicts as evidence of this interference, asserting that such dynamics are deliberately undermining administrative performance.

Ald Williams raised concern over the absence of the Section 52 report in the Council agenda, noting that it was due by 30 July following the end of the financial quarter on 30 June. He emphasised that Section 52(d) of the MFMA requires quarterly reporting within 30 days, without exception. He questioned why the report was delayed to September, as this undermines Council's ability to perform timely financial oversight and contradicts the approved schedule of key deadlines.

The CFO confirmed that the Section 52 report was included in the Council agenda for the Ordinary meeting held on 30 July 2025. He explained that the Municipality consolidates monthly and quarterly financial reporting into a single format, which satisfies the compliance requirements outlined in the MFMA. Therefore, the reporting obligations for the quarter ending 30 June have been met.

Resolved (28 August 2025)

1. That the IDP/Budget Time Schedule for the review of 2025/2026 and subsequent implementation in the 2026/2027 financial year attached as Annexure "A" to the item be approved.

2. That the provisions of Section 32 of the Local Government Municipal Systems Act, 32 of 2000 be complied with.

3. That the IDP/Budget Time Schedule for 2026/2027 be submitted to the MEC and relevant stakeholders within 10 days after adoption by Council.

25/08/MM3 **2025/26: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: AMENDMENT**

Cllr Dhludhlu raised a query regarding the increase in the battery storage budget, seeking clarification on the adjustment from R20 million to R25 million.

Ald Williams pointed out discrepancies in the budgeting for electricity and water sales, observing that the figures seemed to have been incorrectly divided by 12, potentially affecting monthly projections.

Cllr Mbandana expressed concern over the absence of tangible community benefits in the budget and urged officials to take meaningful action to address local needs.

Cllr Petersen expressed frustration over repeated interruptions during the meeting, alleging that a specific individual was deliberately muting him whenever he attempted to speak.

The Speaker cautioned Cllr Petersen regarding disrespectful remarks and warned that such behaviour could result in his removal from the proceedings.

Cllr Petersen raised a serious concern regarding a fellow Council member's alleged racist remark, which suggested that budget allocations unfairly favour white individuals over previously disadvantaged groups. He emphasised the importance of transparency and called for greater public awareness of how community funds are being utilised.

The Executive Mayor sought clarification on the capital and operational budgets, noting that most funds are allocated to operational expenses. He affirmed that municipal services benefit all residents, refuting allegations of biased service delivery toward specific groups.

The CFO confirmed that the battery storage budget had consistently been R25 million. He explained that water revenue was budgeted on a straight-line basis, acknowledging seasonal variations in December and January. Seasonal adjustments were applied to expenditure but not revenue, with higher electricity and property rate income expected in specific months. He clarified that "inventory consumed" includes both bulk water costs and store procurement, with spikes in August and October.

He acknowledged omissions in aligning figures with projected expenditure and committed to addressing these in the adjustment budget.

Resolved (28 August 2025)

1. That the Service Delivery and Budget Implementation Plan for the 2025/26 financial year as approved by the Executive Mayor be noted.

2. That the Municipal Manager oversees the quarterly submission of departmental progress reports to the respective Portfolio Committees on the implementation of the Service Delivery and Budget Implementation Plan.

25/08/MM4 **SUBMISSION OF PERFORMANCE AGREEMENTS: SECTION 56 AND SECTION 57 EMPLOYEES: 2025/26 FINANCIAL YEAR**

Cllr Oliphant addressed the Council in his preferred language.

The Speaker ruled that English was to be used during the Council Meeting. She issued three warnings to Cllr Oliphant for non-compliance and subsequently instructed that Cllr Oliphant be muted.

Cllr Zana enquired whether the community priorities outlined in the Integrated Development Plan (IDP) had been incorporated into senior management's performance agreements.

The Municipal Manager confirmed that senior management performance agreements are aligned with the IDP and the budget, thereby ensuring that community needs are addressed.

Cllr Zana sought clarity on responsibility for implementing community priorities, citing the example of a day hospital request in Hankey (Ward 13) and noting exclusion from the relevant Intergovernmental Relations (IGR) forum. He also asked whether designated group issues are incorporated into senior management performance agreements, stressing the importance of reflecting key community priorities in performance scorecards, even if not all can be achieved.

The Executive Mayor stated that the approved IDP process plan includes structured engagement with relevant provincial departments at district and provincial levels to address community priorities through IGR processes. He confirmed this applies to projects such as the proposed day hospital and others reliant on provincial support.

He commended the administration for cascading performance agreements from the Municipal Manager to all staff levels, noting that this approach promotes accountability, supports staff development, and improves service delivery. He acknowledged the Local Labour Forum's endorsement of this method and thanked the Municipal Manager and administration for their efforts.

Resolved (28 August 2025)

1. That the Performance Agreements and supporting Performance Plans for the 2025/26 financial year in respect of the Municipal Manager and Directors be noted.

2. That in terms of the provisions of Section 53(3) of the Local Government Municipal Finance Management Act 56 of 2003 the Performance Agreements of the Municipal Manager and Directors for the 2025/26 financial year be submitted to the MEC for Local Government and be made public by publication on the Municipal Website.

25/08/MM5 **ANNUAL PERFORMANCE REPORT: 2024/25 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

The Municipal Manager tabled the 2024–2025 Annual Performance Report for the service delivery budget implementation plan, indicating that it remains subject to potential adjustments. The report will undergo further evaluation by the Municipal Public Accounts Committee (MPAC).

Ald Williams requested clarification on two report items, the discrepancy between festive season water demand and billing figures, and the SCADA system's partial completion, noting that the standard does not account for tracking progress.

Cllr van der Linde expressed concern regarding the low expenditure levels recorded for various streets and pump stations. He specifically highlighted that no spending had been reported for the KwaNomzamo and Beach pump stations, both reflecting a 0% allocation.

Cllr Mbandana voiced criticism of the Municipality's planning processes, suggesting that unspent funds be deferred and stressing the urgent need for a comprehensive water master plan for Jeffrey's Bay. He further highlighted the absence of adequate planning within the civil department, which he attributed to ongoing inefficiencies and the underutilisation of available resources.

At 12:37, Cllr Foley raised a point of order in terms of Rule 32 Relevance.

Cllr Zana recommended the inclusion of a dedicated column in Municipal reports to indicate the specific locations of projects. This suggestion aims to improve transparency and strengthen accountability in service delivery tracking.

Cllr Zana raised concerns about the accuracy of several items in the report. He questioned the reported completion of the Hankey Sports Field project in Hankey, stating no such project occurred under his oversight. He also sought clarification on the electricity transfer from Nelson Mandela Bay Municipality (NMB) to Kouga Local Municipality (KLM), noting no visible progress.
Additional queries included the low Green Drop compliance rate (19% vs. a 50% target), the audit timeline, and why the La-Mer sewer rising main was reported as 0% achieved despite being nearly complete.

Cllr Yali requested an update on funding from the Department of Human Settlements, noting that the delay in disbursement has impacted the progress of several Municipal projects.
The CFO reported that a rollover application totalling R11.6 million is currently being prepared, with capital expenditure figures to be updated for submission to the Auditor General.

The Director: Civil and Water Services acknowledged inconsistencies between water billing and consumption data, noting that efforts are underway to address water losses. Additionally, the Green Drop compliance rate was recorded at 19%, with no confirmed timeline for the release of the most recent audit results.

The Director: Electro-Mechanical addressed several queries, acknowledging an incorrect explanation regarding imported equipment delays and confirming it will be resolved in the new financial year, pending rollover approval. He explained that progress on the INEP electrification project in Ocean View is hindered by delays from the Department of Human Settlements, with only 34 units electrified and Phase Three awaiting funding. Contractors are on standby, though negotiations are ongoing to avoid penalties. For the High mast lighting project, masts are being manufactured and expected within 5–6 months, with site confirmations received from all ward councillors except Thornhill. On the Thornhill electrification, infrastructure is in place, but funding is still required to proceed.

Cllr Petersen sought clarification on whether the Green Drop score considers water quality concerns specific to Humansdorp.

Cllr Ndzelani raised concerns about ongoing wastewater overflows from the KwaNomzamo treatment works, affecting Dieprivier Farm and nearby residential areas. He noted that he had shared photographic evidence with Director Civil and Water Services and requested a clear update on the situation and its resolution.

The Municipal Manger agreed to investigate the inclusion of a ward-based column in future reports to improve project visibility for councillors and communities.

The Director: Civil and Water Services reported that progress on the Hankey Wastewater Treatment Works is improving, with letters issued to expedite completion. All wastewater sites were included in the Green Drop audit, with results expected later this year. On the KwaNomzamo site, a dry run began on the 19 August 2025, marking a key milestone. While minor spillages continue during startup, they are contained and used for irrigation under license conditions. The project is nearing handover and expected to bring significant relief to the community.

The Director: Electro–Mechanical Services explained that the R51 million reflected in the minutes pertains to a newly procured fleet under a three-year lease-to-own agreement, replacing outdated vehicles and eliminating previous lease costs.

Regarding pump stations, he noted frequent failures due to foreign objects entering the system. The Vergenoeg pump is currently with the service provider for replacement. Acadia pump station, recently repaired at a cost of R150,000, was vandalised again within a week. These incidents highlight ongoing infrastructure challenges.

Resolved (28 August 2025)

1. That the Draft Annual Performance Report on the implementation of the 2024/25 Service Delivery and Budget Implementation Plan be noted by Council.

2. That the Draft Annual Performance Report on the implementation of the 2024/25 Service Delivery and Budget Implementation Plan be submitted to the Municipal Public Accounts Committee and the Kouga Audit Committee for purposes of oversight and recommendations to Council.

25/08/MM6 **REQUEST FOR COUNCIL TO INVESTIGATE THE ALLEGED BREACH OF CODE OF CONDUCT – CLLR OLIPHANT**

At 13:10, Cllr Oliphant was placed in the waiting room.

Ald Benson addressed concerns about disciplinary actions against Councillors, emphasizing that all conduct is governed by the Code of Conduct for Councillors under Schedule 7 of the Municipal Structures Act (1998, as amended). He rejected claims that specific councillors are being targeted, stating that misconduct such as meeting disruptions, failure to perform duties, or abuse of power will be dealt with regardless of party affiliation.

He condemned derogatory language used by some Councillors towards officials and affirmed that any such behaviour, including bullying, will be referred to the Rules and Ethics Committee. As Chief Whip of Council, he committed to upholding discipline and accountability across all parties.

Cllr Zana, speaking on behalf of the African National Congress (ANC) component, expressed concern over disciplinary proceedings against Cllr Oliphant, describing them as unjust and politically motivated. He clarified that Cllr Oliphant merely questioned the branding at a Municipal Demarcation Board meeting, which was not a Kouga Municipality event, and argued that this did not warrant disciplinary action. Cllr Zana criticized the Rules and Ethics Committee, asserting that it has become a punitive mechanism under the current administration and declared that the ANC caucus would not participate in its proceedings, citing a lack of impartiality and predetermined outcomes.

Cllr Petersen responded to remarks made by Ald Benson, clarifying that his previous statement was made in a light-hearted context.

He explained that he had expressed being in a particularly good mood, humorously noting that he greeted everyone including, figuratively, the "DA's rubbish bins". He emphasised that the comment was not intended to be offensive and chose not to pursue the matter further.

At 13:18, the Speaker invoked Rule 32 on relevance and requested that Cllr Petersen direct his remarks to the item under discussion.

Cllr Petersen clarified a previous remark, stating it was made in a light-hearted context. He then supported Cllr Zana's view on the disciplinary

matter involving Cllr Oliphant, criticising the prominence of Kouga Municipality branding at a Municipal Demarcation Board meeting. He condemned the Rules and Ethics Committee as a punitive body, sharing his own experience of being found guilty of calling it a "Kangaroo Court," and asserted that it suppresses dissent rather than promoting accountability.

The Speaker called for a vote as follows:

In Favour: 16
Not In Favour: 9
Abstain: 1

Resolved (28 August 2025)

1. That Council approves the request for the Rules and Ethics Committee to investigate and recommend an appropriate finding and sanction on the alleged breach of the Code of Conduct as well as the alleged contraventions of the Standing Rules and Orders for the meetings of Council and all its Committees for Councillors by Councillor Oliphant.

2. That the Rules and Ethics Committee submit its recommendations following its sitting, to Council.

25/08/MM7 REQUEST FOR COUNCIL TO INVESTIGATE THE ALLEGED BREACH OF CODE OF CONDUCT – CLLR PETERSEN

At 13:22, the Speaker directed that Cllr Oliphant be brought back from the waiting room and that Cllr Petersen be placed in the waiting room for the duration of the item under discussion.

Ald Benson reiterated the importance of upholding the Code of Conduct for Councillors, as outlined in Schedule 7 of the Municipal Structures Act. He emphasised that disciplinary action will be taken against any Councillor who breaches the code, regardless of political affiliation. He condemned the use of derogatory language and disruptive behaviour in Council, stressing that Council meetings should be conducted with respect and decorum.
Ald Benson called on all political parties to address misconduct within their ranks and warned that repeated transgressions would be dealt with firmly, including escalation to higher authorities if necessary.

Cllr Mbandana emphasised that local government functions as a foundational level of parliament, where open engagement is essential. He reflected on South Africa's history of institutional racism and the development of inclusive legislation post-1994. Citing legal sources, he argued that bias undermines administrative fairness. Responding to Ald Benson's remarks, he asserted the right of Councillors to express frustration and views freely, particularly regarding perceived imbalances in governance under the DA-led administration.

Cllr Oliphant expressed strong disappointment with Ald Benson's remarks, emphasising that all Councillors are equals and not subordinate to any individual. He asserted that Councillors represent their constituencies and do not answer personally to one another. Cllr Oliphant criticised Ald Benson's approach as disingenuous and

reaffirmed the importance of mutual respect and accountability within council proceedings.

Cllr Oliphant expressed deep frustration over being charged for comments made during a Municipal Demarcation Board (MDB) meeting, emphasising that Kouga Municipality was merely an invitee and had no authority to discipline other attendees. He accused the DA of political bias and claimed the charges were retaliatory, stemming from the public's rejection of the DA Speaker at the meeting. Cllr Oliphant also highlighted a previous incident where he was allegedly called a monkey by another Councillor, stating that no action was taken, and criticised the disciplinary process as unjust and politically motivated.

Cllr Yali argued that Kouga Municipality, as an invited stakeholder to the MDB meeting, does not have the authority to charge one of its Councillors for conduct during that meeting. He maintained that all attendees were stakeholders and therefore the allegation should be omitted from consideration.

The Speaker called for a vote as follows:

In Favour: 15
Not In Favour: 9
Abstain:1

The Executive Mayor requested a caucus of 15 minutes.

Cllr Petersen was re-admitted to the meeting from the waiting room

The Speaker declared a comfort break from 13:38 to 13:58

Resolved (28 August 2025)

1. That Council approves the referral to the Rules and Ethics Committee to investigate and recommend an appropriate finding and sanction on the alleged breach of the Code of Conduct as well as the alleged contraventions of the Standing Rules and Order for the meetings of Council and all its Committees for Councillors by Councillor Petersen.

2. That the Rules and Ethics Committee submit its recommendations following its sitting, to Council.

16. REPORTS BY THE OFFICE OF THE DEPUTY MUNICIPAL MANAGER

25/08/DMM1 REPLACEMENT OF PATRIOTIC ALLIANCE COUNCILLOR ON THE COMMITTEES OF COUNCIL

Resolved (28 August 2025)

1. That Council resolve that Cllr C Pietersen replace Mr. B Human on the on the respective Section 79 committees as follows:

Disciplinary Committee (Rules and Ethics Committee):

Committee Members
Chairperson : Cllr W van der Linde
Cllr M Nicholls
Cllr C August
Cllr F Heystek
Cllr B Dhludhlu
Cllr G Stuurman
Cllr N Ntshota
Cllr M van Niekerk
Cllr C Pietersen
Cllr M Mbandana
Cllr L Nkilishane

Municipal By-laws and Policy Committee:

Committee Members
Chairperson: Cllr F Heystek
Ald B Williams
All D Benson
Cllr R Foley
Cllr H Murray
Cllr G Stuurman
Cllr T Mbuqu
Cllr K Ndzelani
Cllr C Pietersen
Cllr W van der Linde
Cllr L Nkilishane

Monitoring and Evaluation Committee:

Committee Members
Chairperson: Cllr B Dhludhlu
Cllr S Ruth
Cllr F Heystek
Cllr M van Niekerk
Cllr M Nicholls
Cllr G Stuurman
Cllr M Valgee
Cllr K Ndzelani
Cllr C Pietersen
Cllr W van der Linde
Cllr L Nkilishane

2. That Council resolve that Cllr C Pietersen replace Mr B Human on the composition of members for the Section 79(A) committee as follows:

Municipal Public Accounts Committee:

Committee Members
Chairperson : Cllr M van Niekerk
Cllr H Murray
Cllr C August
Cllr G Stuurman
Cllr W Gertenbach
Cllr F Heystek
Cllr V Zana
Cllr P Oliphant
Cllr C Pietersen
Cllr W van der Linde
Cllr L Nkilishane

3. That Council resolve that Cllr C Pietersen replace Mr B Human on the composition of members for the Section 80 committees as follows:

Corporate & Communication Services Portfolio Committee:

Committee Members	**Alternate members:**
Chairperson: Cllr M Nicholls	Cllr B Dhludhlu
Ald D Benson	Cllr S Ruth
Cllr M van Niekerk	Cllr K Ndzelani
Cllr H Murray	
Cllr G Stuurman	
Cllr V Gunuza	
Cllr M Mbandana	
Cllr C Pietersen	
Cllr W van der Linde	
Cllr L Nkilishane	

Planning and Development Portfolio Committee:

Committee Members	**Alternate members:**
Chairperson: Cllr T Jantjes	Cllr M Nicholls
Cllr M van Niekerk	Cllr J Alexander
Cllr R Foley	Cllr V Zana
Cllr C August	
Cllr G Stuurman	
Cllr M Yali	
Cllr W Petersen	
Cllr C Pietersen	
Cllr W van der Linde	
Cllr L Nkilishane	

Civil & Water Services Portfolio Committee:

Committee Members	**Alternate members:**
Chairperson: Cllr R Foley	Cllr B Williams
Cllr B Dhludhlu	Cllr M Nicholls

Cllr S Ruth	Cllr M Mbandana
Cllr W Gertenbach	
Cllr J Alexander	
Cllr V Zana	
Cllr P Oliphant	
Cllr C Pietersen	
Cllr W van der Linde	
Cllr L Nkilishane	

Electro-Mechanical Services Portfolio Committee:

Committee Members	**Alternate members:**
Chairperson: J Alexander	Cllr B Dhludhlu
Cllr S Ruth	Cllr H Murray
Cllr B Williams	Cllr M Yali
Cllr W Gertenbach	
Cllr M Nicholls	
Cllr M Valgee	
Cllr Ntshota	
Cllr C Pietersen	
Cllr W van der Linde	
Cllr L Nkilishane	

Finance & Economic Development Portfolio Committee:

Committee Members	**Alternate members:**
Chairperson: Cllr S Ruth	Cllr H Murray
Cllr B Williams	Cllr R Foley
Cllr B Dhludhlu	Cllr M Yali
Cllr F Heystek	
Cllr W Gertenbach	
Cllr P Oliphant	
Cllr W Petersen	
Cllr C Pietersen	
Cllr W van der Linde	
Cllr L Nkilishane	

Community and Safety Services Portfolio Committee:

Committee Members	**Alternate members:**
Chairperson: Ald D Benson	Cllr S Ruth
Cllr G Stuurman	Cllr J Alexander
Cllr C August	Cllr V Zana
Cllr F Heystek	
Cllr M Murray	
Cllr E Mbuqu	
Cllr K Ndzelani	
Cllr C Pietersen	
Cllr W van der Linde	
Cllr L Nkilishane	

17. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

18. **REPORTS BY THE PORTFOLIO COMMITTEE CHAIRPERSONS**

18.1 **REPORTS BY THE CHAIRPERSON: FINANCE & ECONOMIC DEVELOPMENT**

25/08/FED1 SUPPLY CHAIN MANAGEMENT: ANNUAL IMPLEMENTATION REPORT FOR THE OF THE 2024-2025 FINANCIAL YEAR ENDING 30 JUNE 2025

Cllr Zana requested clarification on the item dated 30 August 2024, specifically regarding the mention of "various rates" and a timeframe of "three working days." He noted that several other items also reference "various rates" without further detail and asked for an explanation to better understand their meaning.

Cllr van der Linde questioned the high costs associated with security remotes and laboratory tests, expressing concern over potential overpricing. He further questioned the amounts listed on pages 633 to 638, which pertain to expenditures related to the Red Ants.

In response, the CFO provided a detailed explanation of the Municipality's procurement procedures, outlining how pricing is determined, supplier selection is managed, and compliance with financial regulations is ensured.
The CFO explained that budget deviations were essential to ensure efficient supply chain operations, noting that certain expenses were consolidated to cover annual needs.

On the Red Ant matter, the Deputy Municipal Manager confirmed that legal action has been initiated in the High Court against the individuals unlawfully occupying ERF 319 in Papiesfontein. The Municipality will also pursue recovery of all costs incurred on behalf of the Department of Human Settlements for actions taken to stop and prevent the illegal occupation.

The Executive Mayor questioned whether Cllr Petersen should have recused himself from the Papiesfontein discussion, on the basis that he is alleged to be illegally occupying the Papiesfontein property under consideration. He noted that Cllr Petersen did not declare any interest prior to the debate, yet appears to have a direct personal stake, and therefore should have recused himself or been excluded from the proceedings.

The Manager: Legal Services clarified that Cllr Petersen may not have been aware at the outset that questions concerning his alleged occupation of land would arise during the meeting. However, the Municipality does have the opportunity to excuse or exclude him from the discussion if necessary.

The Speaker explained that the matter under review is not a specific agenda item but rather a cost-related entry governed by procedural rules and does not directly reference any individual or item.

Resolved (28 August 2025)

1. That Council approves the Annual Supply Chain Management Report for the 2024/25 financial year.

25/08/FED2 **ITEM TO COUNCIL FOR THE BUDGET AMENDMENT OF THE 2025/26 APPROVED CAPITAL AND OPERATIONAL BUDGETS IN TERMS OF THE 2024/25 UNSPENT, INTERNALLY FUNDED, CAPITAL ROLLOVERS AND THE REDUCTION OF VARIOUS OPERATIONAL ITEMS.**

The Speaker called for a vote as follows:

In Favour: 16
Not In Favour: 9
Abstain:1

Resolved (28 August 2025)

1. That the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Finance Management Act, Act No 56 of 2003: approves the amendment of the 2025/26 Capital and Operational Budget as indicated in the "**Annexure A".**

25/08/FED3 **SUPPLY CHAIN MANAGEMENT: S36 DEVIATIONS FOR THE MONTH: JULY 2025**

Cllr Yali questioned an entry on page 671, dated 25 July, from the DMM's office showing zero cost and "N/A" in the final column.
He asked for clarity on why no amount was indicated, especially since Mr van Rooyen, Cllr Petersen, Cllr Oliphant and the Department of Cooperative Governance and Traditional Affairs (COGTA) were mentioned. He also sought explanation for the missing cost related to the Papiesfontein matter.

Cllr Mbandana raised concerns about the Municipality's legal spending, questioning the high costs of sending both attorneys and advocates for brief court appearances, including cases involving former Cllr Lloyd and Mr Freddie van Rooyen. He requested a detailed breakdown of legal payments and highlighted ethical concerns, warning that such practices could resemble money laundering. He also referenced a constitutional case on evictions, stressing that no one may be removed from their home without a court order that considers all relevant circumstances.

Cllr Zana raised concerns about several financial and operational matters. He questioned the deviation in the KwaNomzamo Wastewater Treatment Works project and asked whether a contractor was appointed using national government funds. He also challenged the high rental costs paid to Bambalela property development, especially given recent staff dismissals and available office space.

Lastly, he criticized the inconsistency in eviction practices, noting that people were evicted from Papisfontein land not owned by the

Municipality while illegal occupants in Aston Bay Caravan Park remain untouched, suggesting possible racial bias.

At 14:30, the Executive Mayor raised a point of order Rule 32 on relevance, stating that Cllr Zana was defending a caucus member accused of illegally occupying land. He clarified that the Municipality acted on a formal request from the Department of Human Settlements and had not received similar requests regarding other properties, which justified the specific intervention.

At 14:31, Cllr Petersen raised a point of order under Rule 32, arguing that the Executive Mayor's point of order was irrelevant to the item Cllr Zana was addressing and should not have been interrupted.

Cllr Zana responded by requesting that the Executive Mayor furnish a formal Council resolution authorizing action on the Papiesfontein matter. He clarified that his intention was not to protect any member of his caucus, but to highlight the inconsistency in how land occupation issues are being addressed. He pointed out that while action was taken in Papiesfontein, the situation at the Aston Bay Caravan Park remains unresolved and unanswered, raising concerns about fairness and equal treatment.

The CFO addressed the zero-value entries on page 671, explaining that these relate to ongoing cases where invoices have not yet been received. To ensure service providers can be paid when invoices arrive, deviations are processed upfront. This is allowed under procurement rules when it is impractical to follow standard supply chain procedures due to continuity from previous formal processes. Once invoices are submitted, the amounts and requisition numbers will be reported in future cycles.

Regarding the Bambalela property rentals, the CFO clarified that the Municipality rents the Woltemade building. Due to the nature of monthly rentals, it is impractical to follow regular procurement steps, so a deviation is processed in advance to facilitate payment.

On the Lektratek project, the CFO explained that it began through a formal process. However, additional funding was received to complete the final phase, and appointing a new service provider would be impractical. Therefore, a deviation was used to allow the existing provider to continue and finalise the project.

The Director: Civil and Water Services supported the CFO's explanation, confirming that the KwaNomzamo Wastewater Treatment Works is a long running the Municipal Infrastructure Grant (MIG) project. He stated that the full original scope of work had to be reinstated, and the completion of the project using the MIG funding allocated for the current financial year required a deviation process. This deviation is what accounts for the amount reflected in the CFO's report.

Cllr Zana requested that the Executive Mayor provide the Council with the Department of Human Settlements' official letter regarding Papiesfontein, which directed Kouga Municipality to intervene.

Resolved (28 August 2025)

1. That the Deviation report for the month of July 2025 be approved by Council.

18.2 REPORTS BY THE CHAIRPERSON: PLANNING & DEVELOPMENT

25/08/PD1 REQUEST FOR COUNCIL'S FINAL APPROVAL FOR THE ACQUISITION OF UNREGISTERED ERF 3777, HUMANSDORP

Cllr Ndzelani raised concerns about an unregistered piece of land near Humansdorp, formerly owned by Dr. Potgieter. He questioned its ownership, the Municipality's interest in acquiring it, and the future for the site, especially given the poor living conditions of current occupants.

Cllr Mbandana questioned the R2.9 million purchase of the unregistered land, suggesting it may resemble money laundering. He urged the Municipality to consider alternative registered properties and recommended referring the matter to the Hawks for investigation.

Cllr Petersen raised procedural and financial concerns about the land purchase. He questioned the definition of "unregistered erf," the lack of committee discussion, the presence of residents on the property, and the inflated purchase price compared to its previous listing of R450,000.

At 14:46, the Executive Mayor raised a point of order Rule 32 Relevance , accusing Cllr Petersen of misleading Council by claiming the property was listed for R400,000. He challenged Cllr Petersen to provide evidence, stating that the Municipal Manager had negotiated the R2.9 million price with the property owners and that the matter had been previously discussed by Council.

The Speaker confirmed that the land purchase matter had already passed through the relevant portfolio committees and the Mayoral Committee. She instructed Cllr Petersen to continue but reminded him to stick to the facts, emphasising that this was not the first time the issue had come before Council.

Cllr Petersen responded by asserting that his claim about the property's price is based on direct evidence. He stated that he personally took a screenshot of the listing on Property24, which showed the property being sold for R450,000. He explained that he was actively searching for development opportunities at the time, which is why he remembers the listing clearly.

At 14:49, the Executive Mayor raised a point of order under Rule 32, challenging the relevance of Councillor Petersen's claim about the property's price. He insisted that Council cannot rely on unverified statements and asked Cllr Petersen to provide proof, such as a photo of the listing, to confirm the property was indeed advertised for R400,000.

The Executive Mayor emphasised that the Municipality had conducted external valuations and agreed on the R2.9 million price, which includes a large piece of land and a dam. He stated that, if evidence to the contrary is provided, he would be willing to refer the matter back to administration.

Cllr Petersen asserted that he has proof of the property's previous listing price, stating he personally took a screenshot when it was advertised for R450,000. He emphasised that he does not need validation from the Executive Mayor and stood by his claim, insisting that he is presenting a fact, not seeking approval.

The Speaker invoked Rule 31.3, asking Cllr Petersen to pause and allow her to speak. She noted that Cllr Petersen was speaking over her and reminded him that she had been repeatedly asked to submit any additional proof to the Speaker's office so it could be formally included in the proceedings.

At 14:50, Cllr Zana raised a point of order, citing Rule 30.1. He argued that the Executive Mayor cannot raise multiple points of order on the same item, indicating that the repeated interventions were procedurally inappropriate.

Cllr Petersen expressed frustration over being muted during the meeting, stating it was procedurally and legally inappropriate. He emphasised his right to speak freely as a Council member. In closing, he requested a formal presentation to Council outlining the intended use and necessity of the land in question. He also committed to submitting evidence regarding the alleged price inflation of the property.

The Director: Planning and Development explained that the primary purpose of acquiring the property is to establish a homeless shelter near the Humansdorp Central Business District (CBD), where homelessness is a growing concern. He noted that the property is already developed, has usable structures, and is within walking distance of key facilities. Its size also allows for future subdivision and additional Municipal uses.

He dismissed claims of money laundering, suggesting Cllr Petersen may be referring to a different, smaller property. He assured Council that land acquisition efforts are ongoing in various areas, including Patensie, based on identified needs.

Regarding the Geelhout property, he clarified that although earmarked for housing, it lacks services and is not suitable for short-term use. He also defined an "unregistered erf" as a subdivided portion of land with a Cadastral boundary that has not yet been formally registered to a new owner.

At 14:56 Cllr Zana requested a 5 minute Caucus

The Speaker granted the caucus from 14:56 -15:01.

Cllr Zana, speaking on behalf of the ANC Caucus, outlined three key positions regarding the land acquisition item. First, the caucus intends to call for time on the matter and request a divisional vote. Second, they do not support the proposed item. Third, they seek a clear explanation from Kouga Municipality regarding the purpose and rationale behind acquiring the land.

The Executive Mayor emphasized the need for clarity on the property's price. He stated that if Cllr Petersen has proofed the same property was advertised for R450,000, then purchasing it for R2.9 million would be unjustifiable. However, if Petersen is referring to a different property, that

claim becomes irrelevant. The Executive Mayor reiterated that Council cannot proceed with the higher purchase price without verified evidence and requested confirmation on whether Cllr Petersen's proof directly relates to the property under discussion.

The Director: Planning and Development emphasised that the property acquisition is intended primarily for a homeless shelter due to its strategic location near the CBD, existing usable structures, and potential for immediate use. He also noted its suitability for administrative functions and broader community benefit.

Cllr van der Linde expressed concern regarding the ambiguity surrounding the property discussions and proposed that further consultation take place before any decisions are made.

The Executive Mayor emphasised that the item in question has followed all required legislative procedures, including independent valuations and provisional approval. It has been presented to Council before and discussed across various platforms.

In the absence of any evidence to the contrary, there is no reason to withdraw or delay the matter, and Council should proceed accordingly.

Cllr Mbandana stated that the ANC does not support the item, following Cllr Zana's instruction, and confirm his position by seconding the motion.

Cllr Petersen raised concerns about the property's ownership and transfer process. He questioned how the current owner acquired the land if it belongs to the government and sought clarity on the term "unregistered," noting the property was subdivided but not yet transferred.

The Speaker clarified that the property is currently privately owned and will be transferred to the municipality upon purchase. It is not government-owned, and the relevant questions have already been addressed in the item.

The Speaker called for a division of vote on the approval of the amended recommendations as follows:

J Alexander	In Favour
C August	In Favour
Ald D Benson	In Favour
H Bornman	In Favour
B Dhludhlu	In Favour
R Foley	In Favour
W Gertenbach	In Favour
V Gunuza	Spoiled vote
F Heystek	In Favour
T Jantjes	In Favour
L Maree	In Favour
M Mbandana	Not in Favour
H Murray	In Favour
K Ndzelani	Not in Favour
M Nicholls	In Favour

L Nkilishane	Not in Favour
N Ntengwane	Not in Favour
C Pietersen	Not in Favour
W Petersen	Spoiled vote
S Ruth	In Favour
G Stuurman	In Favour
M Valgee	Not in Favour
W van der Linde	Abstain
M van Niekerk	In Favour
Ald B Williams	In Favour
M Yali	Not in Favour
V Zana	Not in Favour

It must be noted that the following Councillors were not present for the vote:
Cllr N Ntshota(Apology submitted)
Cllr E Mbuqu
Cllr P Oliphant

The Speaker announced the result as follows:

In Favour: 16
Not In Favour: 8
Abstain: 1
Spoiled Vote: 2

Resolved (28 August 2025)

1. That Council **grants final approval** for the acquisition of unregistered Erf 3777, Humansdorp.

2. That Council approves the purchase price at the market-related valuation of **R2,900,000.00** received from an independent valuer as purchase price for the property.

3. That Council authorizes the Accounting Officer to enter into a Deed of Sale providing for the occupation of the property prior to the finalization of registration of transfer of the property, in order to prevent further damage to the property.

25/08/PD2 **RESCIND PREVIOUS COUNCIL RESOLUTIONS ON UNREGISTERED ERF 3298, HUMANSDORP AND REQUEST FOR COUNCIL'S FINAL APPROVAL FOR THE DONATION OF ERF 3298, HUMANSDORP TO THE PROVINCIAL DEPARTMENT OF EDUCATION**

The Executive Mayor highlighted the importance of education in Humansdorp, noting overcrowding in primary schools. He thanked the Kouga Wind Farm and their trust for their contributions to the Kouga Municipality. He expressed excitement about a new school being established, clarifying that the current step involves property transfer, with construction to follow.

Cllr Zana welcomed the addition of a new school in Kouga and emphasised the need for a second high school in Humansdorp due to

overcrowding. He expressed hope that this initiative, in partnership with the wind farms, would lead to further educational development. He also highlighted the importance of opening access to learning and culture and wished success for the school in producing future professionals who will positively impact the community.

Resolved (28 August 2025)

1. That Council **grants final approval** for the alienation (donation) of the unregistered Erf 3298, Humansdorp to the Eastern Cape Department of Education purposes of the development of a new school, subject to the Eastern Cape Department offering, by way of a donation, the municipality suitable immovable property, to be identified at the discretion of the municipality.

2. That Council authorizes the Accounting Officer to sign a land availability agreement, granting the Eastern Cape Department of Education permission to commence construction, subject to the provisions of 1. above.

3. That the outcome of the discussion with the Department of Education pertaining to the property being donated to the municipality be tabled to Council for final approval.

4. That the approval and all conditions of the environmental authorisation be formally transferred to the developer.

5. That the Council confirms that the land is not needed to provide the minimum level of basic municipal services.

6. That the applicant be responsible for all development rights applications including the subdivision, rezoning and registration of Erf 3298, Humansdorp.

25/08/PD3 **REQUEST FOR COUNCIL'S FINAL APPROVAL TO ALIENATE (LEASE) ERF 1259, SEA VISTA TO ST. FRANCIS BAY PADDLING CLUB**

Cllr Zana, on behalf of the ANC Caucus, supported the leasing of the facility to the St. Francis Bay community. He stressed the importance of expediting lease allocations across Kouga, particularly to ensure equitable access to unused municipal land for emerging farmers. He expressed hope that this approval would contribute to establishing Kouga as a prominent agricultural hub within the Eastern Cape.

Resolved (28 August 2025)

1. That Council **grant final approval** for the alienation (lease) of Erven, 1259, Sea Vista to the St. Francis Bay Paddling Club represented by Mr. Charles Jonsson for a period of 9 years and 11 months.

2. That Council, in terms of Section 14 and 90 of the MFMA and departmental inputs, hereby confirms that the property is not needed in future to provide the minimum level of basic municipal services.

3. That town planning activities and all other administrative processes be finalized and the cost be for the account of the applicant.

4. That Council approves the market-related rental valuation of **R2,800.00** per month in line with the provisions of the approved Disposal and Leasing Policy of Council.

5. That the property be used for the purpose applied for, and for no other purpose whatsoever, unless prior written consent has been obtained from the Lessor.

6. That the lease be cancelled if purpose applied for is not implemented within 12 months from date of signed lease agreement.

7. That the lease agreement make provision for a rental escalation clause.

8. That Council grant authorization to the Accounting Officer to enter into a lease agreement with St. Francis Bay Paddling Club.

25/08/PD4 **APPLICATION TO DEVIATE FROM KOUGA MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK, 2021**

Cllr Mbandana raised concerns about unequal implementation of the Spatial Development Framework (SDF) in Kouga, questioning delays in developing areas like Papiesfontein. He emphasised the need for fair and inclusive planning across all communities and called for a comprehensive SDF that addresses the entire region. He warned against perceived favouritism toward developers, particularly ahead of elections.

The Speaker clarified that the remaining sections of the SDF are currently open for public participation and available on the municipal website for review and comment.

Cllr Petersen emphasised that the discussion centers on a request to deviate from Kouga's SDF. He questioned whether anyone is eligible to apply for such a deviation and asked what criteria must be met for approval, stressing the importance of addressing the principle behind the process.

At 15:35, Cllr Ruth raised a point of order under Rule 32, stating that the SDF is currently under review and the item being discussed is not about that review. She emphasised that Councillors, especially portfolio Councillors, have sufficient knowledge of the SDF to address the specific matter at hand.

Cllr Petersen reiterated his question about whether anyone can apply to deviate from Kouga's SDF and what the requirements are. He expressed concern about the lack of spatial justice, particularly for Khoi and San communities, and emphasised the personal importance of the issue.

Cllr Petersen, speaking on behalf of the ANC Caucus, expressed concern over perceived racial bias in application approvals, stating that white applicants receive support while black applicants face barriers. He also claimed personal persecution by what he described as a racist institution.

The Director: Planning and Development explained that any registered property owner may apply to deviate from Kouga's SDF, provided the deviation does not conflict with its core objectives. The process involves a standard land use application, environmental authorisation, and Council approval. In this case, environmental approval has already been granted, and the land use approval is pending.

The Executive Mayor questioned the basis of Cllr Petersen's claims regarding the nature of the application, stating that there is no evidence in the item to support it being a racially motivated or individual-specific application. He clarified that the application is from a company seeking zoning inclusion in the SDF, with no reference to personal identity or race.

He urged Cllr Petersen to refrain from making unsubstantiated and racially charged remarks, and to focus on contributing constructively to Council discussions.

Cllr van der Linde raised concerns about a dispute involving the Afrikaans Protestant Church and property developers over a 4.5-hectare portion of land reportedly bequeathed to the church by the late Mr. Cornelius van Rooyen. He stated that the developers are allegedly refusing to transfer the land, and the matter is currently being handled by the church's lawyer. Due to the unresolved legal conflict, he indicated that he cannot support the item until the issue is settled.

The Director: Planning and Development acknowledged Cllr van der Linde's concern but clarified that the issue regarding the Afrikaans Protestant Church was not raised during public participation, and no objections were received. He emphasised that any registered property owner may apply for development, and disputes over ownership must be resolved through legal channels. The Municipality cannot withdraw the item based on unverified claims. He also noted that Council does not approve Spatial Planning and Land Use Management (SPLUMA) applications; only the Executive Mayor can decide on appeals. If the church wishes to challenge the application, it still has recourse through the appeal process.

Cllr Petersen objected, questioning why Council is involved in private property matters when the Director**: Planning and Development** stated it should not interfere. He highlighted a perceived inconsistency and formally registered his objection.

Cllr van der Linde object to the item.

Cllr Dhludhlu was in support of the item.

The Speaker called for a vote as follows:

In favour: 15
Not in favour: 7
Abstain: 1

Resolved (28 August 2025)

1. That the Council approves the amendment of the Kouga Municipality Spatial Development Framework (SDF), 2021, to permit the development of Gamtoos Mouth Resort Phase 3.

2. That the proposed Gamtoos Mouth Resort Phase 3 be incorporated in the reviewed SDF.

19. **CLOSURE**

The meeting closed at 15:49

L Maree
SPEAKER

DATE

REPORTS OF COMMITTEES OF COUNCIL:

KOUGA
local Municipality
Good Governance through Service Excellence

KOUGA AUDIT COMMITTEE

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
KOUGA AUDIT COMMITTEE
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/KAC1**

MINUTES OF THE KOUGA AUDIT COMMITTEE

1. **Introduction**

The purpose of this item is to refer to Council the minutes of the Kouga Audit Committee.

2. **Background**

The confirmed minutes of the Kouga Audit Committee are referred to Council for noting.

3. **Discussion**

The Council is advised that the Kouga Audit Committee held a meeting on 20 June 2025 and 27 August 2025. The minutes of the respective meeting are attached for ease of reference and marked as Annexures A and B. The matters arising schedule for the Kouga Audit Committee have been attached and are marked as Annexure C.

4. **Financial Implications**

Completed by BTO -	Not applicable
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	
BTO Signature	

5. **Applicable Legislation**

Sections 165 and 166 of the Local Government: Municipal Finance Management Act No. 56 of 2003.

6. **Legal Implications**

None

7. **Other Implications**

None

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Not applicable

8.2 **Director: Planning & Development**

Not applicable

8.3 **Director: Civil & Water Services**

Not applicable

8.4 **Director: Electro-Mechanical Services**

Not applicable

8.5 **Director: Community Services**

Not applicable

8.6 **Deputy Municipal Manager**

Not applicable

8.7 **Municipal Manager**

9. **Delegated Authority**

To Council for noting.

10. **Recommendations**

10.1 That the minutes of the Kouga Audit Committee meetings held on 20 June 2025 and 27 August 2025, along with the Matters Arising Register be noted.

Item prepared by the: Kouga Audit Committee Chairperson**:** 

MINUTES OF A VIRTUAL KOUGA AUDIT COMMITTEE MEETING HELD ON FRIDAY, 20 JUNE 2025 AT 09:00 AM

PRESENT	Mr D de Lange	(Chairperson)
	Mr G Sarpong	(Member)
	Mr R Moodaley	(Member)
COUNCILLORS	Cllr L Maree	(Speaker)
	Cllr J Alexander	(MMC Electro-Mechanical Services)
	Cllr M van Niekerk	(Chairperson: Municipal Public Accounts Committees)
OFFICIALS	Mr C du Plessis	(Municipal Manager)
	Mr D de Jager	(Deputy Municipal Manager)
	Mr L Ramakuwela	(Director: Planning and Development)
	Mr R Lorgat	(Chief Financial Officer)
	Ms N Machelesi	(Director: Community Services)
	Mr T Madatt	(Director: Electro-Mechanical Services)
	Mr I Fakir	(Manager: Risk & Internal Audit)
	Mr A Koegelenberg	(Manager: Performance Management System)
	Ms C Groenewald	(Manager: SCM)
	Mr N Swarts	(Manager: Assets & Investments)
	Mr C Tyani	(Internal Auditor)
	Ms S Mpumela	(Internal Auditor)
	Ms N Mqutyulwa	(Risk & Internal Audit: Intern)
	Ms R Swart	(Committee Officer)
	Ms M Mitchell	(Committee Clerk)
STAKEHOLDERS	Mr M Ngwadla	Provincial Treasury

1. **OPENING AND WELCOME**

The Chairperson commenced the meeting by extending greetings to all attendees. Acknowledgement was also made of the Secretariat's efforts in preparing the agenda and maintaining high-quality minutes.

The Chairperson proceeded to outline the governance, and compliance matters to be addressed, including the adoption of minutes from the second-quarter meeting held on 25 March 2025. It was noted that these minutes should be submitted to for inclusion in the Council agenda promptly. Appreciation was expressed for the internal audit and risk management work completed to date. Several reports were scheduled for review, including those pertaining to Supply Chain Management (covering both formal and informal tenders), and revenue management for the 2024/25 financial year.

These reports were deemed essential for evaluating the effectiveness of internal controls and financial management processes. Emphasis was placed on assessing progress in the implementation of audit recommendations, supported by a tracking mechanism.

Updates were expected regarding the 2024/25 Internal Audit and Audit General (AG) audit plans, alongside consideration and potential approval of the proposed internal audit plan for 2025/26. In the domain of fraud risk, governance, and oversight, the Chairperson referenced correspondence from the AG requesting formal written representations on fraud risks and related investigations. This requirement was anticipated to be a recurring annual obligation under new auditing standards. As a proactive measure, it was recommended that the institution strengthen its whistleblowing mechanisms, maintain statistical reporting on hotline usage, and regularly review the fraud risk strategy and register. The importance of conducting ethics and fraud awareness training was also highlighted, given the alignment with AG evaluation criteria.

A proposal was made to explore the feasibility of confidential quarterly management declarations concerning fraud incidents, subject to guidance from the Accounting Officer. He reminded that such discussions would occur under the closed session of the agenda.

Regarding performance and service delivery, concerns were raised over low capital expenditure figures. The need for assurance on the completion of projects by the end of June 2025 was emphasized. The Chairperson also recommended that the Audit Committee and treasury self-evaluation results be reviewed not merely as a procedural exercise, but as a tool to identify performance gaps and inform strategic improvements.

In concluding remarks, attention was drawn to the upcoming review of the 2024/25 annual financial statements. Technical issues with SharePoint functionality were noted, particularly the inability to annotate documents. It was suggested that the feasibility of enabling digital comments to be discussed further. The Chairperson expressed confidence in the productivity of the meeting and encouraged active engagement from all participants to uphold governance standards and service excellence.

2. **ATTENDANCE REGISTER**

Noted.

3. **APOLOGIES**

Mr C de Kock (Director: Civil & Water Services)

4. **CONFIRMATION OF AGENDA**

The agenda was confirmed without amendments.

5. **DECLARATION OF INTEREST**

The declaration of interest signed and sent via email to the Internal Auditor by the Kouga Audit Committee members.

6. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

6.1 MINUTES OF THE KOUGA AUDIT COMMITTEE MEETING HELD ON 25 MARCH 2025

The Chairperson noted minor editorial changes from pages 7–13.

Page 10: Third paragraph: The phrase "are be invited" should be amended to "are invited."

Page 14: "Attention was drawn to discussions around Fraud Management and Administration from the previous meeting."

Pages 15–18: Page 18, second paragraph: The word "commanded" should be reviewed and likely replaced with "commended."

Page 19: Second paragraph: Suggested correction from "inquired whether if the system faulty" to a clearer phrasing such as "inquired whether the system is faulty."

Page 22: First and second paragraphs: Multiple uses of "records" should be revised to "reconciliations," reflecting the discussion on bank reconciliations.

Page 23: First paragraph: "Workload on current pools" may more accurately refer to "pools of consultants."

Paragraphs 1 & 2: Replace "funds" with "fines" to reflect the intended context.

Resolved (20 June 2025)

1. That the Minutes of the Kouga Audit Committee Meeting held on 25 March 2025 be approved with amendments.

   Proposed: Mr R Moodaley Seconded: Mr G Sarpong

7. REPORT BY THE MUNICIPAL MANAGER FOR THE LAST QUARTER

The Municipal Manager reported positive progress on the implementation of the Ignite Performance Management System for the new financial year. The top-level SDBIP has been approved, and departmental SDIBIPs are nearly finalised, with only a few key performance indicators still under review. Contracts are expected to be ready by the end of June, enabling cascading implementations for all relevant staff.

Additionally, the Municipal Manager disclosed that criminal charges related to electricity theft have been filed against a former employee following a labour relations investigation, with the case now under police review. Further updates will be addressed in upcoming reports.

8. MATTERS FOR DISCUSSION

8.1 MATTERS ARISING REGISTER

25/06/KAC1 MATTERS ARISING REGISTER AS AT 25 MARCH 2025

The Chairperson facilitated a structured evaluation of Matters Arising (pages 31–59), encouraging input from committee members regarding the status of previously recorded items. The review aimed to determine which recommendations could be justifiably removed from the active tracking register, based on their completion.

In accordance with National Treasury stipulations, the Chairperson reiterated the necessity of maintaining a comprehensive audit trail of all recommendations made by the Audit Committee. This repository, to be compiled by the Secretariat, will support the preparation of the committee's annual report.

During the review, the following items were confirmed as completed and recommended for removal: internal audit response closure (Item 1), institutionalisation of capital expenditure oversight (Item 2), incorporation of the anti-fraud strategy (Item 4), use of standardised SOP templates, quarterly performance updates, integration of Information and Communication Technology (ICT) audit coverage into the 2025/26 plan, and reallocation of CCTV oversight to the ICT division with a corresponding implementation plan and budget.

A series of additional matters were discussed:

The process for handling internal investigations prior to referral to the disciplinary board was retained for monitoring, as no cases have yet been submitted.

The proposed appointment of a forensic internal auditor was formally withdrawn, allowing removal of the item.

Evaluation processes were maintained until results are received.

Risk register updates, reliance on external service providers, and IT device management were approved for removal due as these risks have been assessed and were added to the IT Risk Register.

Expenditure tracking, debt reduction plan circulation, and reporting format adjustments were also reviewed, with some items deferred pending additional clarification.

Subsequently, the Committee considered the Anti-Corruption Strategy and Fraud Prevention Policy. Members agreed that elements of the policy, dated 2018, may be misaligned with current legislative and procedural frameworks. Concerns were raised regarding its applicability to disciplinary matters governed by the Labour Relations Act and associated collective agreements.

A recent arbitration case was cited to underscore the potential risks of policy misalignment. It was agreed that the internal audit function will

incorporate a fraud governance review in the upcoming 2025/2026 financial year to assess the document's relevance and efficacy.

Further discussion addressed the ambiguity surrounding the establishment of an Anti-Fraud & Corruption Committee. Members highlighted inconsistencies between strategic directives and committee decisions and called for clarification as part of the broader policy review.

Resolved (20 June 2025)

1. That the matters arising register be noted.

8.2 **AUDITOR GENERAL UPDATE**

None.

8.3 **INTERNAL AUDIT AND RISK MANAGEMENT**

25/06/KAC2 INTERNAL AUDIT FINDINGS TRACKER

The Chairperson questioned whether any progress had been made since the last meeting regarding internal audit findings. He asked if departments had managed to reduce the number of issues by implementing the Auditors' recommendations.

The Manager: Risk & Internal Audit reported significant improvement in audit activity, noting that receiving management readiness responses enabled clearer planning of audit tasks. A marked increase was observed in findings currently under testing 24 in total indicating progress. The team is also considering alternative strategies to address older findings, some dating back to 2018 and 2019. Overall, the Manager: Risk & Internal Audit emphasised positive movement, particularly in the volume of active testing, as highlighted in the traffic check.

Resolved (25 March 2025)

1. That the Audit Committee notes the status of the internal audit findings tracker summary.

25/06/KAC3 INTERNAL AUDIT PLAN VERSUS ACTUAL AND QUARTERLY REPORTS

The Manager: Risk & Internal Audit provided an overview of progress, noting that Sections A and B pertained to administrative and risk management activities. He indicated that his report would focus on Section E2, which covered internal audit reviews conducted in relation to performance management. All planned reviews for the financial year had been completed.

He proceeded to address the Annual Financial Statements, reiterating that the review had been outsourced and was now finalised. The Supply

Chain Management review, which comprised two phases, had also been completed, with the relevant submissions from the second phase included in the meeting agenda.

Furthermore, he confirmed the completion of reviews concerning controls over municipal building security, housing delivery, and electricity infrastructure. He noted that engagements with National Treasury's Financial Management Capability Maturity Model (FMCMM) were ongoing, as were responses to ad hoc requests, though no specific updates were provided in that regard.

Lastly, he reported that reviews carried over from previous years had been concluded, and that follow-up efforts related to AG and internal audit findings remained continuous, with no additional commentary offered at this stage.

Mr Moodley enquired whether the identified instance was the only one among the tested samples that lacked a Service Level Agreement (SLA). He sought clarification on the total number of samples examined in relation to the finding.

The Manager: Risk & Internal Audit clarified that, based on the sample reviewed, the identified instance was the sole case lacking an SLA. He confirmed that this specific occurrence formed the basis of the reported finding.

The Chairperson referred to page 93 and asked whether the cash box had been locked. He enquired if the cash box contained significant amounts and whether a reconciliation had been completed.

The Manager: Risk & Internal Audit reported that the cash box held a minor amount approximately R300 at the time of observation. He explained that the concern stemmed from uncertainty about cash holdings at other sites. To address this, he recommended a surprise-based cash management review in the 2026/2027 financial year, with scope letters issued but review dates kept undisclosed.

Resolved (20 June 2025)

1. That the Audit Committee notes the internal audit plan versus actual and the internal audit reports concluded for the quarter.

25/06/KAC4 <u>INTERNAL AUDIT FUNCTION ORGANIZATIONAL INDEPENDENCE</u>

Resolved (20 June 2025)

1. That the Kouga Audit Committee notes the organizational independence of the Internal Audit function.

25/06/KAC5 DRAFT 2025/2026 INTERNAL AUDIT PLAN

The Chairperson referred to pages 101–103 of the Internal Audit Plan and expressed confidence that it appropriately targeted high-risk areas. He noted the inclusion of fraud risks, ICT risks, and water and electricity losses issues previously raised during quarterly meetings. He further indicated that he had consulted the Chief Audit Executive (CAE) regarding available resources and received positive feedback. Before recommending adoption of the plan, he invited comments from the Committee.

Mr Sarpong requested confirmation regarding which reviews of the Internal Audit Plan had been outsourced.

The Manager: Risk & Internal Audit confirmed that two reviews in the Internal Audit Plan were outsourced: the Annual Financial Statement (AFS) review, due to tight deadlines, and the ICT maturity assessment, owing to a lack of specialised internal skills. He noted that for the Annual Financial Statement (AFS) review, this approach had proven effective in the previous financial year.

The Chairperson enquired whether the specifications for the review of the annual financial statements included a requirement for the service provider to examine the audit file and lead sheets associated with the statements.

In response, the Manager: Risk & Internal Audit clarified that reviewing the audit file and lead sheets had not been included in the service provider scope in previous years and was not part of the current specifications.

The Chairperson expressed concern that the Committee lacked access to the audit file and lead sheets, which were not included in the service provider review scope. He noted that this could represent a gap in the overall review process and questioned how the matter would be addressed.

The CFO reported that delays in year-end invoice processing posed challenges to finalising financial statements, particularly in asset and revenue areas. To mitigate this, stricter controls were implemented, including cancelling non-compliant orders. He confirmed that internal audit gaps had been addressed and that he would retain responsibility for lead sheets and annexures.

He highlighted the shift to compiling financial statements using data strings via Caseware, aiming for improved efficiency and alignment with Section 52 reporting. The upcoming review would focus on compliance with generally recognised accounting practice (GRAAP) standards and disclosure requirements.

Resolved (20 June 2025)

1. That the Kouga Audit Committee approves the draft internal audit plan for the 2025/2026 financial year.

2. That the Audit Committee recommends that the Draft 2025/2026 Internal Audit Plan be submitted to the Council for noting.

Proposed: Mr R Moodley Seconded: Mr G Sarpong

25/06/KAC6 AUDIT COMMITTEE WORK PLAN FOR 2025/2026 FINANCIAL YEAR

Resolved (20 June 2025)

1. That the Audit Committee notes the 2025/2026 audit committee work plan.

25/06/KAC7 STRATEGIC AND ICT RISK REGISTERS

The Chairperson suggested that, going forward, the ICT Risk Register be included under ICT matters, acknowledging that it currently falls within the scope of Integrated Risk Management and Internal Audit.

The Manager: Risk & Internal Audit confirmed that including the ICT Risk Register under ICT matters would be feasible. He explained that, following internal discussions with the ICT Manager, the updated register could be forwarded to the Deputy Municipal Manger's Office for inclusion in their submission.

The Deputy Municipal Manager acknowledged that the finalisation process was underway and agreed on the importance of including the ICT Risk Register. He indicated that, once finalised, the register would be incorporated into the ICT submission, which already addressed most relevant issues.

The Manager: Risk & Internal Audit stated that while the issue was not significant, the institution was making steady progress in prioritising the risk register and improving feedback mechanisms. He noted that engagement with management had become more regular, and that portfolios of evidence were now being requested to support reported actions, thereby enhancing the credibility of the process. He expressed appreciation for management cooperation and encouraged continued progress in the new financial year.

The CFO reported that the Municipality was facing challenges with its service provider in reconciling fines and related collections. He explained that fines are paid into a separate bank account, and a reconciliation report detailing fines issued, paid, and transferred is pending and expected to be finalised at year end.

He clarified that the full budgeted amount of R43 million is not collectible, but GRAAP standards require recognition of fines in a specific manner, which accounts for the high reported figure. Correcting journal entries will be processed once reconciliation is complete.

Mr Moodley observed that expenditure on computer equipment and internet charges had exceeded the allocated budget, with actual spending amounting to R6.7 million compared to the budgeted R5.4 million.

The CFO explained that the overspend on computer equipment and internet charges was likely due to a journal entry, as the financial system is designed to prevent requisitions that exceed budget allocations. He noted that the matter would be investigated further and confirmed that a follow up had been scheduled.

Resolved (20 June 2025)

1. That the Audit Committee notes the risk registers.

8.4 **FINANCE REPORTS**

25/06/KAC8 **MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2024 TO MARCH 2025 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MARCH 2025 (2024/25 FINANCIAL YEAR)**

Mr Moodley referred to page 120 and reiterated the Chairperson concern regarding capital expenditure, noting that only 42% had been spent to date. He requested an update on the status of capital projects and asked whether the majority would be completed by 30 June 2025.

The Municipal Manager explained that capital expenditure faced a uniquely challenging environment due to mid-year budget adjustments. While initial spending aligned well with the approved budget, complications arose from disaster funding and the withdrawal of expected funding from the Department of Human Settlements, which would now be spread across three financial years. He noted that the reported 52% expenditure figure could be misleading and recommended a category-level analysis.

He reported that conditional grants, including Municipal Infrastructure Grant (MIG) and Water Service Infrastructure Grant (WSIG), were expected to be fully or nearly fully spent. One disaster funding allocation was close to completion, while procurement for the second had just begun, with a 12-month spending window. Internal capital expenditure was also expected to be nearly fully spent by year-end, supported by incoming invoices.

Mr Moodley observed a positive trend in the reduction of overdue customer debts. He enquired whether this improvement could be attributed to the implementation of an updated policy.

The CFO reported that procurement for all conditional grant projects was expected to be completed by 30 June 2025, with evaluations and deviations nearing finalisation. This was part of a strategy to ensure full expenditure in the next financial year and to meet the 70% threshold by December, which would qualify the Municipality for additional funding through National Treasury reallocations.

On the Debtor's book, he explained that a reduction plan had been implemented, including the write-off of R160 million in irrecoverable debt from the Gamtoos Valley area. Credit control measures were being enforced, and the Indigent Policy was amended to designate sub-economic areas as indigent by default, with assessments to confirm eligibility. This approach, effective from 1 July, aimed to improve revenue collection and debt management.

Mr Moodley identified a likely typographical error in the current ratio on page 121, suggesting the actual figure should be 0.91 rather than 91:1. He acknowledged the debt collection rate of 90%, noting it remained below the normative benchmark of 95%. He reiterated the earlier concern about capital expenditure being at 42%. On page 122, he highlighted a significant variance in non-exchange revenue, where fines, penalties, and forfeits showed a year-to-date actual of R828,000 against a budget of R43 million, and requested clarification on the cause of this discrepancy.

Resolved (20 June 2025)

1. That the monthly budget statements for the period July 2024 to March 2025 be noted.

25/06/KAC9 **MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)-BUDGET FOR 2025/26 TO 2027/28 FINANCIAL YEARS**

Mr Moodley enquired whether any changes had been made to the Municipality ‘s budget policies.

The CFO confirmed that the budget had been formally adopted by Council. He highlighted updates to the indigent and customer care policies, noting a shift toward limiting retrospective billing and designating sub economic areas as indigent by default. The Supply Chain policy was amended in December 2024, and the capital replacement reserve established last year was now active.

He raised concerns about Eskom tariff adjustments, particularly the increase in peak hour charges, which could not yet be quantified and would be addressed in the adjustment budget. Despite affordability constraints, the Municipality had to validate service provider increases some as high as 30% to ensure budget realism.

On capital projects, he reported a fair allocation, with major funding directed to road infrastructure via an DBSA loan and R25 million earmarked for a battery storage pilot aimed at reducing peak electricity costs. Operationally, payroll accounted for 33% of the budget, within acceptable norms, though a R270 million shortfall remained in staffing needs. The Eskom account exceeded half a billion rand, and the battery project was intended to mitigate this burden.

He concluded that the budget reflected forward planning and long-term cost saving strategies.

Resolved (20 June 2025)

1. That the Kouga Audit Committee notes the approved Budget.

25/06/KAC10 2023/24 REVISED AUDIT ACTION PLAN

Mr Sarpong enquired whether the action plan had been considered or formally acknowledged by the Head of Internal Auditing as part of their preparations for the upcoming financial year.

The Manager: Risk & Internal Audit confirmed that two separate compliance reviews will be conducted to assess electricity and water losses independently. He stated that progress on the related plans would be monitored and affirmed that the action plan had indeed been considered.

Resolved (20 June 2025)

1. That the 2023/24 Revised Audit Action Plan progress be noted, "**Annexure A".**

25/06/KAC11 SUPPLY CHAIN MANAGEMENT: QUARTERLY IMPLEMENTATION REPORT FOR THE 3RD TERM OF THE 2024-2025 FINANCIAL YEAR ENDING 31 MARCH 2025

Mr Moodley referred to page 788 and enquired about the listed deviations. He acknowledged that the first deviation was due to an emergency but questioned the justification for subsequent deviations, particularly those on page 789, such as the appointment of a contractor. He sought clarification on why these instances did not follow standard supply chain procedures.

The Manager: SCM clarified that both deviations Rudcor and Q Point originated in the previous financial year, as indicated by their reference numbers. In Rudcor case, the initial tender was terminated, leading to their appointment via deviation. Similarly, Q Point was appointed through deviation after the original service provider failed to deliver services, particularly related to wastewater treatment plant sampling. Termination challenges necessitated the deviation to ensure service continuity.

The Chairperson referred to page 791 and noted multiple deviations involving the repeated appointment of Flash Electrical to service electrical mechanical pump stations and switchgear. He acknowledged that these deviations were attributed to breakdowns but questioned the underlying root causes of the recurring failures.

In response, the Director: Electro-Mechanical Services explained that pump station failures were primarily caused by debris such as bricks and tires entering the system and damaging the pumps. He acknowledged that while some breakdowns were routine, the presence of foreign objects was the main issue. He noted that a tender was under evaluation to appoint a service provider, with the aim of eliminating future deviations. He concluded that the nature of the materials being pumped was the root cause of the failures.

The Chairperson questioned why the demolition of the Kouga Cultural Centre, a substantial project, was processed as a deviation rather than through a formal tender.

In response, the Director: Planning and Development clarified that a formal tender process had been followed, but none of the bids received met the qualification criteria. Consequently, the deviation was implemented to proceed with the project.

Resolved (20 June 2025)

1. That the report be noted by Kouga Audit Committee as per the reporting requirements for the third quarter of the of the 2024/2025 Financial year starting.

25/06/KAC12 **SUPPLY CHAIN MANAGEMENT: S36 DEVIATIONS FOR THE MONTHS OF FEBRUARY TO MAY 2025**

Resolved (20 June 2025)

1. That the report is submitted to Kouga Audit Committee for noting the S36 deviations for the months of February to May 2025

8.4 **PERFORMANCE MANAGEMENT**

25/06/KAC13 2024/25: QUARTER 3: PERFORMANCE REPORT: PERIOD 1 JULY 2024 TO 31 MARCH 2025

Resolved (20 June 2025)

1. That the 2024/25 Quarter 3 Performance Report be considered.

25/06/KAC14 REPORT ON PERFORMANCE REVIEWS AND PERFORMANCE MANAGEMENT SYSTEM

Resolved (20 June 2025)

1. That it be noted that the 2024/25 mid-year performance reviews of Senior Managers have been conducted as required in terms of the provisions of Section 28(2) of the Performance Management Regulations for Municipal Managers and Managers reporting directly to Municipal Managers R805 dated 1 August 2006.
2. That it be noted that the electronic performance management system shall be rolled out to senior managers and line managers as from 1 July 2025.
3. That progress reports on the roll out of participation in the electronic performance management system be submitted to the Kouga Audit Committee until such time as all the permanently employees participate in the system.

8.5 **CORPORATE SERVICES REPORTS**

25/06/KAC15 CRITICAL VACANCY REPORT

Mr Sarpong referred to page 903 and observed that the ICT department appeared to be fully capacitated, noting that it was not listed among departments with critical vacancies. He implied that no additional staffing was currently required for that unit.

The Deputy Municipal Manger clarified that the critical vacancy list reflected newly created positions rather than existing vacancies. Within the ICT department, a senior role reporting to the manager and responsible for functions such as Closed-Circuit Television (CCTV) had recently been advertised and was expected to be filled soon. This position would appear on the updated critical vacancy list, which was being finalised for submission at the next meeting. The CFO had previously referenced this update. One budgeted position remained unfilled due to funding constraints and would be addressed when resources allowed. The revised list would also incorporate connectivity related roles discussed earlier.

Mr Sarpong referred to pages 905 to 907 of the job evaluations report and acknowledged the noted growth in permanent staff during the previous period.

He cited the CFO earlier observation that the Municipality was expanding and questioned whether staffing levels were being benchmarked against population growth and town planning metrics specifically, whether staff numbers were aligned with the number of residents requiring Municipal services.

The Deputy Municipal Manager explained that staffing ratios were regulated by a 70:30 guideline 70% service delivery staff and 30% support staff with the Municipality currently operating at an 80:20 ratio, which remains compliant. He noted increased demand for town planners, building inspectors, and civil engineers due to urban growth, though recruitment challenges persist. Budget constraints limit expansion, with salary expenditure capped at 55% of the total budget.

While current spending is below that threshold, upcoming appointments from the new critical vacancy list may bring it closer. He also highlighted staff turnover, particularly among engineers and planners, due to competitive offers from larger municipalities like City of Cape Town. Despite these challenges, the department is actively addressing staffing needs, supported by data-driven motivations from the Director Planning and Development.

The Chairperson referred to page 916, highlighting statistics on disciplinary matters. He suggested that, from the Audit Committee's perspective, it would be useful to receive information on suspended individuals and the duration of outstanding disciplinary cases. He proposed that future confidential agendas include anonymized case details such as planned hearing dates to enable effective monitoring. He acknowledged that while the number of cases was low, the length of time they remained unresolved was of concern.

The Deputy Municipal Manger acknowledged the Chairperson concern regarding disciplinary matters and confirmed that approximately 16 cases were currently being managed. He emphasised efforts to resolve them promptly but noted that delays can occur due to procedural requirements, health related postponements, and legal disruptions. He cited a specific arbitration case in Port Elizabeth where proceedings were delayed due to changes in legal representation. He stressed that such delays are often unavoidable due to adherence to natural justice principles. Nonetheless, he affirmed that suspension data could be reported in future confidential agendas, while maintaining necessary confidentiality.

Resolved (20 June 2025)

1. That the report be noted.

25/06/KAC16 <u>JOB EVALUATIONS REPORT</u>

Resolved (20 June 2025)

1. That the report be noted.

25/06/KAC17 REPORT: REVIEW OF THE ORGANOGRAM

Resolved (20 June 2025)

1. That the Committee note the report.

25/06/KAC18 SUBMISSION OF THE AMENDED POLICY REGISTER

Resolved (20 June 2025)

1. That the policy register be noted by the Kouga Audit Committee

8.6 **ICT REPORTS**

25/06/KAC19 ICT STEERING COMMITTEE MINUTES OF A MEETING HELD IN NOVEMBER 2024

Mr Sarpong referred to page 945 and noted that the meeting documentation highlighted a significant cost associated with user training for Microsoft licensing. He observed that a learning platform was planned to support user skill development and queried whether the training would be facilitated internally by the Municipality or outsourced to an external service provider.

The Deputy Municipal Manager reported that the Municipality had developed an internal e-learning platform using in house resources, incurring no external costs. The platform is already operational and regularly updated, offering training on Microsoft tools and emerging technologies such as Artificial intelligence (AI) and two factor authentication. He added that the intranet was being finalised for launch by August 1st and would host the e-learning platform along with policies, news, and staff documents.

Mr Sarpong noted that an upgrade was required for the Environmental Systems Research Institute (ESRI) system and sought clarification on its functional relevance specifically whether it was connected to time-based project planning.

The Deputy Municipal Manager explained that the ESRI system is primarily used for geographic information system (GIS) functions, town planning, and building control approvals. However, the current service provider failed to deliver a solution that met the Municipality's requirements. As a result, the Municipality may discontinue using ESRI for town planning and building control, retaining it only for GIS related functions.

Resolved (20 June 2025)

1. That the minutes of the ICT Steering Committee be noted.

25/06/KAC20 DIGITAL SERVICES STRATEGIC PROJECTS AND PROGRESS REPORT AS AT END APRIL 2025

Mr Sarpong referred to page 952 and noted that it listed the top network users. He recalled a previous comment suggesting that users should provide clearer descriptions of their devices when connecting to the network. He observed that some users were consuming large amounts of data, making it difficult to identify specific individuals or devices responsible for the usage.

The Deputy Municipal Manager acknowledged that the issue of identifying high data users and device descriptions was still under review. He noted that this concern would likely be addressed through the Municipality's new cybersecurity tender. The previous solution, procured via RT15, was cancelled due to its inability to meet requirements. A new tender has been issued, with a briefing session recently held. He expressed hope that a suitable service provider would be appointed soon and anticipated clearer outcomes by the next ICT Steering Committee meeting.

The Chairperson requested a final decision on how the AFS would be reviewed either collaboratively via SharePoint or individually through downloaded documents, as done in the current meeting. He emphasised that clarity on this process would assist with future planning.

The CFO expressed support for using SharePoint to review the printed financial statements, noting that although he was not very familiar with the platform, it was the standard link typically used. He welcomed the inclusion of comments and responses within the system and stated that this approach would be beneficial ensuring that both Audit Committee documentation and internal audit inputs are available during committee discussions.

The Deputy Municipal Manager confirmed that access to protected cloud-based documents had been planned, as discussed in the previous meeting. He explained that the issue likely stemmed from external network restrictions and would consult the ICT team to find a solution. He committed to emailing the Chairperson with an update and proposed way forward. He expressed confidence that the ICT team would resolve the issue.

Resolved (20 June 2025)

1. That the report be noted.

9. **MATTERS TO BE ESCALATED**

None

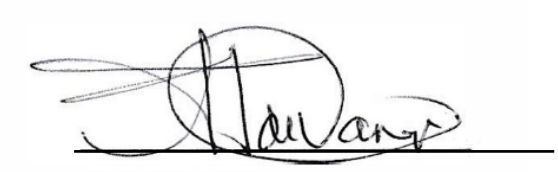
10. **IN COMMITTEE MEETINGS**

None

11. **DATE OF NEXT MEETING**

TBC

The meeting adjourned at 11:35.



MR D DE LANGE
CHAIRPERSON

9/10/2025

DATE

MINUTES OF A SPECIAL VIRTUAL KOUGA AUDIT COMMITTEE MEETING HELD ON WEDNESDAY, 27 AUGUST 2025 AT 13:30 PM

PRESENT	Mr D de Lange	(Chairperson)
	Mr R Moodaley	(Member)
COUNCILLORS	Cllr J Alexander	(MMC Electro-Mechanical Services)
OFFICIALS	Mr C du Plessis	(Municipal Manager)
	Mr R Lorgat	(Chief Financial Officer)
	Mr T Madatt	(Director: Electro-Mechanical Services)
	Mr C de Kock	(Director: Civil and Water Services)
	Mr S Abrahams	(Manger: Budget and Treasury)
	Mr I Fakir	(Manager: Risk & Internal Audit)
	Ms N Mate	(Manager : Revenue)
	Mr A Koegelenberg	(Manager: Performance Management System)
	Ms L Opperman	(Manager: Legal Services)
	Ms C Groenewald	(Manager: SCM)
	Mr N Swarts	(Manager: Assets & Investments)
	Mr C Tyani	(Internal Auditor)
	Ms S Mpumela	(Internal Auditor)
	Ms N Mqutyulwa	(Risk & Internal Audit: Intern)
	Ms R Swart	(Committee Officer)
	Ms M Mitchell	(Committee Clerk)
STAKEHOLDERS	Mr W Smith	(Altimax)
	Ms S Budaza `	(Eastern Cape Provincial Treasury)
	Ms G Hammond	(Eastern Cape: Provincial Treasury)

1. **OPENING AND WELCOME**

Kouga Local Municipality Opening Statement – Audit Committee Meeting - Review of Annual Financial Statements| and Annual Performance Report 27 August 2025

Good Morning Honourable Mayor, Speaker, Councillors, members of the Audit Committee, MM and representatives from management, internal audit, provincial treasury COGTA and colleagues.

Welcome, and thank you for attending today's Audit Committee meeting. Our primary objective is to review the Annual Financial Statements (AFS) and Annual Performance Report for the financial year ended 30 June 2025, as part of our oversight responsibilities in terms of the Municipal Finance Management Act (MFMA), applicable Treasury regulations and the Audit Committee Charter.

You will recall that I suggested that we leverage SharePoint as a centralized platform to streamline the review process, ensure version control, track changes, and provide real-time collaboration between finance, internal audit, and management.

We have not been able to implement this recommendation. With my experience at other sites, it is evident that it will be necessary to arrange a training session in this regard as there are numerous security hurdles that need to be negotiated to gain access and to comment on the documents. We have therefore submitted our comments on the downloaded PDF version. Maybe we can arrange such a training session at our next quarterly meeting.

It is important to recognise that the Statement of Financial Performance and the Statement of Financial Position represent the result of countless decisions, transactions, journal entries, payments, and service delivery actions undertaken by everyone through the year across the municipality. It is therefore also important to accept that everyone in the institution has a responsibility when making decisions and processing transactions that comply to legislation and to act in an ethical manner.

It is also important as the King IV states to set the tone at the top.

In my short tenure at the municipality, I have been impressed by the work ethic and dedication of councillors and officials which are all necessary elements required for maintaining a clean audit outcome.

The Audit Committee, by design, reviews only these end results (AFS)

The responsibility of the ARC is not to prepare or audit the financial statements, but to **provide independent oversight** and ensure that:

- The AFS are prepared in accordance with GRAP, and other relevant standards and we are fortunate that we have Altimax to assist us;
- They fairly present the financial position, results of operations, and cash flows of the Municipality.
- Proper internal control and financial reporting processes are in place and functioning effectively.
- That the AFS and APR are free from material misstatements.

We acknowledge that the detailed audit file, including lead schedules and supporting documentation, falls under the purview of **management and internal audit** and the **AGSA** tasked with reviewing and testing the adequacy and completeness of this documentation. Today we need assurance that there was independent review that the Audit File is complete and available.

In this regard, we expect management to provide the Committee with a clear assurance that:

- The AFS are fully supported by complete, accurate, and appropriately reviewed working papers.
- All balances and disclosures are traceable to the underlying accounting records and lead schedules.
- The audit file has been compiled in accordance with the AGSA's audit requirements.
- That the Trial Balance is in balance and that the figures reflected in the AFS agree with the trial balance.
- That the AFS have been drafted in accordance with GRAP Standards
- That the AG'S Audit Plan has been fully implemented and that there are no recommendations outstanding that will impact negatively on the Audit Outcome.

Likewise, we will consider the assurance provided by the consultants and **Internal Audit** on the readiness of the municipality for external audit.

Today's meeting is critical to ensuring that the municipality meets its statutory submission deadlines and upholds a standard of accountability and transparency to the community it serves.

I would also emphasise that to improve the audit outcome the municipality must strictly adhere to timelines in the AG'S Engagement Letter regarding the Communication of Findings and Request for Information to avoid limitation of scope.

It is important that a record of all RFI'S and COF'S are recorded in a central register and that a senior official keeps track and monitors responses daily during the audit.

Regarding the format of today's meeting, I have suggested that the Finance Team respond to the comments, findings and issues raised by the Consultants, ARC members, Internal Audit as well as the Provincial Treasury and COGTA.

I suggest that we start with the presentations of the Consultants, Provincial Departments, followed by Internal Audit and then the members of the ARC. Each party will provide an overview of their report and raise any significant findings whereafter the Finance team will respond on the progress made with the implementation of findings and comments.

The ARC was not invited to the presentation of the audit committee strategy meeting, and I will be most grateful if the presentation is made available to the members of the ARC.

With that, I propose we proceed with the agenda.

Daniel J de Lange

Chairperson of the Audit and Risk Committee

2. **ATTENDANCE REGISTER**

Noted.

3. **APOLOGIES**

Cllr M van Niekerk (Chairperson: Municipal Public Accounts Committees)

4. **CONFIRMATION OF AGENDA**

The agenda was confirmed without amendments.

5. **DECLARATION OF INTEREST**

The declaration of interest signed and sent via email to the Internal Auditor by the Kouga Audit Committee members.

7. **MATTERS FOR DISCUSSION**

25/08/KAC1 2025 AFS REVIEW – ALTIMAX

Mr Smith presented the Alitmax review, referring to page 18 of the dashboard. The review identified a total of 48 non-compliance findings, 18 other findings, and 8 cosmetic findings.

- **Non-compliance findings** refer to instances where the financial statements did not comply with GRAP or the MFMA. However, it is important to note that no MFMA non-compliance was found in the disclosures.
- **Other findings** are aimed at improving the accuracy of the financial statements and include minor numerical errors and similar issues. Mr. Smith urged the municipality to address and clear these findings as well.
- **Cosmetic findings** are not serious in nature and consist of minor typographical errors and similar issues noted during the review of the financial statements. It was clarified that this was a review process, not an audit.

Mr Smith also referred to page 14 to explain the methodology used. The team employed a comprehensive GRAP checklist approximately 100 pages in length to conduct the review. This checklist focuses primarily on compliance and disclosure, rather than detailed costing, cross-casting of figures, or tie-ins between notes and the face of the financial statements.

The CFO confirmed receipt of the Altimax report and stated that a working document has been created to track and respond to all findings, including the 48 non-compliance issues and others. Each finding is matched with a response and record of corrective action.

The team is actively updating notes, gathering necessary information, and ensuring compliance. Some findings may require clarification due to limited context. All comments from Provincial Treasury, Internal Audit, and the Audit Committee will be considered, with each manager addressing relevant issues within their section to ensure all concerns are resolved before finalising the financial statements.

The Chairperson appreciated Altimax for the comprehensive review of the AFS.

At 13:50 Mr Smith was excused from the meeting.

25/08/KAC2 INTERNAL AUDIT QUARTERLY REPORTS

The Manager: Risk & Internal Audit indicated that the attached document is the Quarter Four Performance Report for the 2024/2025 financial year, which serves as a review of the Municipality's Annual Report. He explained that the purpose of the report aligns with the approach used for reviewing the annual financial statements namely, assessing reported performance and supporting evidence to allow management the opportunity to make any necessary additions, corrections, or updates before submission to the Auditor-General. While the methodology is similar, the review specifically focuses on Quarter Four performance and not on the financial statements themselves.

The Chairperson noted that a significant amount of funding is being spent across Eastern Cape municipalities and recalled confusion last year regarding the correct audit standard for principal agent arrangements. Some municipalities reportedly amended their financial statements late in the process to reflect this. The Chairperson seek clarity whether the housing matter currently under discussion is part of that broader project and requested clarification.

The Chairperson expressed concern about inconsistent treatment of principal-agent arrangements across municipalities. They suggested that guidance from the Auditor-General, despite their usual reluctance to advise, might help ensure uniformity. Without consistency, some municipalities may handle the matter correctly while others may not, potentially leading to significant impacts on financial statements.

The CFO stated that the treatment of the issue remained unchanged from the previous year, during which it was audited without concern. Therefore, management is confident in maintaining a consistent approach. The CFO suggested consulting Mr. Christo Welsh to confirm whether any changes have occurred, noting that he is familiar with the issues raised in the Eastern Cape. Although the Auditor-General typically avoids giving direct advice, the CFO believed that an informal confirmation would likely support the current treatment. This would provide additional assurance before finalising the financial statements.

Resolved (27 August 2025)

1. That the Audit Committee notes the internal audit reports concluded for the 2024/2025 financial year

25/08/KAC3 ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2024/2025

Ms M Budaza presented the findings from the Provincial Treasury's review of the draft Annual Financial Statements, highlighting several discrepancies and areas requiring improvement. Key recommendations included ensuring proper alignment across the financial statements and enhancing the clarity of commentary provided on material variances.

The CFO acknowledged all findings raised by Provincial Treasury and confirmed that they will be addressed using the same approach and template applied to the Altimax findings. Many of the issues have already been dealt with, and the team will respond accordingly, noting any disagreements with appropriate justification. The CFO emphasized that most findings are straightforward and do not constitute major non-compliance requiring technical advice.

One exception highlighted was the housing-related issue, for which the CFO requested Mr Abrahams provide clarification. It was noted that the Municipality has two types of housing fund arrangements one involving direct transfers and the other based on claims from the department. The CFO referenced prior technical engagements and the Accounting Standards Board (ASB) guidance issued in March 2017, stating that the Municipality has previously received clean audits under similar conditions and believes the treatment has been appropriate.

The Manager: Budget & Treasury stated that all relevant agreements had been reviewed. He explained that the main variance related to the principal agent arrangement for top structures. However, they noted that none of the current projects involved top structures, as all were focused on bulk services. As a result, a different agreement had been entered into for those projects, and the matter had been adequately addressed.

The CFO confirmed that management had assumed full responsibility for reviewing working paper files and reconciling the trial balance with the general ledger. Financial statements are being drafted in CaseWare, with lead sheets and reconciliations underway to ensure a properly compiled audit file.

Additionally, all identified issues would be consolidated into a single document. Common concerns such as duplication, cash flow and equity imbalances, and depreciation linkages have been flagged by Internal Audit, Treasury, and the Audit Committee. These will be resolved during finalisation through thorough cross-referencing between the financial statement face and the notes.

Resolved (27 August 2025)

1. That the Annual Financial Statements for the Financial Year 2024/2025 be noted.

25/08/KAC4 ANNUAL PERFORMANCE REPORT: 2024/25 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The Manager: Risk & Internal Audit Risk explained that the Quarter Four 2024/25 Performance Report Review was based on a draft version of the report, which may have changed since the review was conducted last week. The review covered all reported KPIs and identified several findings, primarily related to insufficient or missing evidence supporting reported performance. In cases of unmet targets, reasons for underperformance and corrective actions were often not provided.

Additionally, some evidence submitted was inadequate, and instances of inaccurate performance reporting were noted. Each finding includes a breakdown of the relevant KPI. The purpose of the review is to alert the Performance Management Section so that necessary corrections can be made before submission to the Auditor-General. While this is a standard review process, the key distinction is the timing allowing for adjustments prior to final submission.

The Manager: PMS confirmed that the senior management team is actively working on the agenda comments and performance report. He plans to review the annual performance report with the CFO to ensure all issues especially those related to underperformance re addressed with appropriate comments and corrective actions before submission to the Auditor-General.

The Chairperson emphasised the importance of the portfolio of evidence in the annual performance report, noting that the Auditor-General prioritises verifying reported performance through supporting documentation. He stressed the need for credible evidence to confirm achievements. Additionally, he highlighted that the Auditor-General cross-checks figures in the annual financial statements against the performance report and requested assurance that the administration is actively managing this process.

The Manager: PMS confirmed that directors have compiled portfolios of evidence, which are available electronically. They noted that if changes to the annual financial statements arise, the performance report can be updated accordingly. Historically, adjustments have been made to the performance report based on matters raised by the Auditor-General during the audit process.

The Municipal Manager reported that preliminary performance evaluations for the first quarter were recently completed, with a particular focus on verifying the portfolio of evidence.

He expressed satisfaction with its availability and confirmed that a final review of the annual performance report will be conducted following the meeting. This review will ensure that all comments and agreed corrective actions are accurately reflected and updated.

Mr Moodley emphasised the importance of ensuring the portfolio of evidence is ready and accessible before the Auditor-General's audit. While acknowledging internal audit timing constraints, he stressed that management must guarantee the documentation is in place when required.

The Chairperson raised a concern regarding the Auditor-General's annual audit committee strategy meeting, noting that he had not received an invitation and were unsure whether the meeting had already taken place. He highlighted the importance of this engagement, as it typically outlines the audit rollout plan and budget discussions.

The CFO explained that the Auditor-General's strategy meeting usually takes place after submission of the annual financial statements, around September. Although planning begins earlier, the formal presentation is scheduled post-submission. The Management will coordinate with Audit Committee members to ensure their inclusion once the meeting is arranged.

The Chairperson requested to be kept informed of any significant developments arising from steering committee meetings following the submission of the annual financial statements and performance report. Although Audit Committee members are not required to attend, they expressed interest in receiving updates ahead of the next meeting scheduled for 8 October 2025, by which time the audit should be well underway.

The Manger: Budget & Treasury requested clarification from Provincial Treasury regarding the submission deadline for annual financial statements, noting that National Treasury had informed a KwaZulu-Natal (KZN) Municipality to submit by 29 August 2025 since 31 August 2025 falls on a Sunday.

Ms Hammond acknowledged receiving the communication regarding the financial statement deadline. She noted that, based on their interpretation of the Municipal Finance Management Act (MFMA), the deadline is two months after year-end without specifying working days. A meeting with the Eastern Cape Office of the Auditor-General was scheduled for later that day to clarify the matter, and Municipalities would be updated afterward.

Mr Moodley expressed satisfaction with the progress made on the financial statements and the annual performance report, indicating confidence in achieving a clean audit outcome.

The Chairperson commended the team for their diligence and timely preparation of the financial statements.

Resolved (27 August 2025)

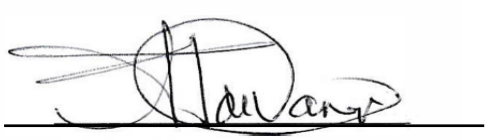
1. That the Draft Annual Performance Report the implementation of the 2024/25 Service Delivery and Budget Implementation Plan be considered by the Kouga Audit Committee.

8. **DATE OF NEXT MEETING**

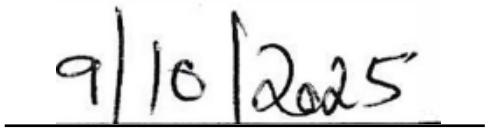
8 October 2025

9. **CLOSURE**

The meeting adjourned at 14:30



MR D DE LANGE
CHAIRPERSON



DATE

ANNEXURE C:

MATTERS ARISING REGISTER: KOUGA AUDIT COMMITTEE									
MEETING DATE	**NUMBER**	**ITEM NO**	**ITEM DESCRIPTION**	**RESOLUTION**	**ACTION TAKEN**	**CURRENT STATUS**	**TARGET DATE**	**RESPONSIBLE OFFICIAL**	**CURRENT STATUS COMPLETED NOT COMPLETE IN PROGRESS ON GOING**
07-Dec-23	**3**	**23/12/KAC9**	**MATTERS ARISING REGISTER AS AT DECEMBER 2023**	That Fraud Risk Register be included for the next Kouga Audit Committee meeting.	The development of the fraud risk register can take place however due to resource constraints within the Risk and Internal Audit section , the register cannot currently be developed. The funding of the vacancies within the Risk and Internal Audit section (Senior Internal Auditor postion) will make it possible for the development of the fraud risk register to occur as well as the subsequent updates and reassments. The filling of this postion will also assit with any additonal risk management and audit related requets.	In progress	31-Dec-25	Municipal Manager & Manager : Internal Audit	In Progress
25-Mar-25	**11**	**25/03/CKAC 2**	**REPORT ON PERFORMANCE REVIEWS AND PERFORMANCE EVALUATIONS CONDUCTED**	That the Administration review the matter of the Municipal Manager's appraisal going to MEC for noting	Submitted to the MEC on 25 March 2025 in terms of the provisions Section 34(3) of the Municipal Performance Regulation for Municipal Managers and Managers Directly Accountable to Municipal Managers R805 dated 1 August 2006			Manager: PMS	Completed
	16	**25/03/KAC1**	**MATTERS ARISING REGISTER AS AT DECEMBER 2024**	In terms of the Audit Committee Charter, annual evaluations of the Audit Committee, Internal Audit, and the Treasury Division must be undertaken	All assessments have been completed.	In progress	30-Jun-25	Manager: Internal Audit	Completed

25-Mar-25	**21**	**25/03/KAC7**	**MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2024 TO DECEMBER 2024 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 DECEMBER 2024 (2024/25 FINANCIAL YEAR)**	That the capital expenditure report includes a column outlining reasons for underspending	Report to be included in the KAC Agenda	This Report is included in the Agenda for all Section 52 Reports.	31-May-25	Manager: BTO	Completed
20-Jun-25	**22**	**25/06/KAC7**	**STRATEGIC AND ICT RISK REGISTERS**	That the ICT Risk Register be included under ICT matters	In process- Risk register to completed with IA		30-Nov-25	Manager:ICT	
	23			That the overspend on computer equipment and internet charges be investigated further			Done	Manager:ICT	Completed
	24	**25/06/KAC14**	**REPORT ON PERFORMANCE REVIEWS AND PERFORMANCE MANAGEMENT SYSTEM**	That progress reports on the roll out of participation in the electronic performance management system be submitted to the Kouga Audit Committee until such time as the all permanently employees participate in the system.	Key Performance Indicators have been developed for all staff from Task Grade T17 to Task Grade T 9 and the performance agreements are being rolled out at these levels			Manager PMS	
	25	**25/06/KAC15**	**CRITICAL VACANCY REPORT**	It is recommended that anonymized information on suspended individuals and the duration of unresolved disciplinary cases be included in future confidential	Report to be included in the KAC Agenda			DMM	Completed

				agendas. This should incorporate case-specific details—such as planned hearing dates and procedural milestones—without disclosing personal identifiers. The inclusion of such data will enhance the audit committee's ability to monitor disciplinary processes effectively, promote transparency, and support timely resolution in alignment with governance best practices.					

KOUGA AUDIT COMMITTEE ASSESSMENT

1. **Introduction**

The purpose of this item is to apprise Council of the assessments conducted by the Audit Committee and the Municipal Manager for the 2024/2025 financial year.

2. **Background**

Circular no. 127 of the Municipal Finance Management Act (MFMA) requires a structured and formal evaluation of the Audit Committee's performance which can help ensure that the committee delivers on its charter and can help the committee continuously enhance its contribution to the Municipal Manager.

3. **Discussion**

The Audit Committee members conducted assessments of the Internal Audit function, the Finance department, and completed a self-assessment. In addition, the Municipal Manager assessed the Audit Committee. These assessments were carried out using the following evaluation tools:

- Audit Committee Self-Assessment Tool
- Audit Committee Competency Framework Checklist
- Internal Audit Effectiveness Assessment Tool
- Finance Function Assessment Tool

A summary of the assessments conducted during the 2024/2025 financial year has been annexed to this item which consolidates the results of the assessments carried out by the Audit Committee and the Municipal Manager.

4. **Financial Implications**

Completed by BTO -	Not applicable
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	

BTO Signature	

5. **Applicable Legislation**

Section 166 of the Municipal Finance Management Act (No 56 of 2003) - In accordance with the provision each Municipality is required to constitute an Audit Committee that will serve as an independent advisory body which must advise the Municipal Council, the Accounting Officer and the management of the Municipality.

6. **Legal Implications**

None

7. **Other Implications**

None

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Not applicable

8.2 **Director: Planning & Development**

Not applicable

8.3 **Director: Civil & Water Services**

Not applicable

8.4 **Director: Electro-Mechanical Services**

Not applicable

8.5 **Director: Community Services**

Not applicable

8.6 **Deputy Municipal Manager**

Not applicable

8.7 **Municipal Manager**

Not applicable

9. **Delegated Authority**

For noting by Council

10. **Recommendations**

10.1 That Council notes the assessments carried out by the Audit Committee and the Municipal Manager for the 2024/2025 financial year.

Item prepared by: Manager: Risk and Internal Audit 

Item approved by: Municipal Manager 

SUBJECT: 2024/2025 Audit Committee and Municipal Manager Assessment Summary

BACKGROUND

The audit committee comprises 3 members who assessed the Internal Audit Function, Finance department and a self-assessment of the audit committee. The Municipal Manager assessed the audit committee.

AUDIT COMMITTEE ASSESSMENT OF THE INTERNAL AUDIT ACTIVITY

The audit committee strongly agreed that the internal audit function demonstrates understanding of the municipality's business, governance processes, risk environment and internal control framework. That the internal audit function has a formal internal audit charter and which is reviewed annually. The Manager: Risk and Internal Audit has a standing invitation to attend all audit committee meetings and has direct access to the chairperson of the audit committee.

The Internal Audit mandate meets the municipality's current needs and is independent from management.

AUDIT COMMITTEE ASSESSMENT OF THE FINANCE FUNCTION

The audit committee agreed that the municipality has a finance function with members who collectively have financial qualifications and experience to enable them to fulfill their functions and individually meet the prescribed financial management competency levels. The finance function takes notice of any significant findings reported by the external and internal audit during the external audit and puts action plans to implement then and to address weaknesses identified.

The quality of the internal financial reporting to the Audit Committee is adequate and the quality of the annual financial statements in the annual report is comprehensive and of an acceptable standard.

AUDIT COMMITTEE SELF-ASSESSMENT TOOL

The following table notes the audit committee self-assessment:

No	Key principles	Average score	Comment
1	Charter Evaluation	5	n/a
2	Composition	5	n/a
3	Training and Resources	4	No formal on-boarding process however, a formal induction process should be developed.
4	Meetings	5	n/a

No	Key principles	Average score	Comment
5	Combined Assurance	4	There is a need to develop a combined assurance model.
6	Risk Governance Oversight	4	n/a
7	Internal Audit	5	n/a
8	External Audit	5	n/a
9	Accounting and Financial Statements	5	n/a
10	Finance Function	5	n/a
11	General	5	n/a

AUDIT COMMITTEE COMPETENCY FRAMEWORK

The Municipal Manager assessed the competency of the Audit Committee by using the Audit Committee competency framework.

The audit committee comprises of three members who are independent non-executive members and the members do not serve longer than six years on the committee.

The chairperson of the audit committee is an independent non-executive member, who has relevant public sector experience and demonstrate attributes of an effective chair.

The audit committee has an appropriate mix of appropriate mix of core skills, knowledge, and experience to address the needs and complexity of the municipality and there is a committee member who is a financial management expert.

Summary prepared by: Manager: Risk and Internal Audit

Summary approved by: Municipal Manager

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

KOUGA
local municipality

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/MPAC1**

MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

1. **Introduction**

The purpose of this item is to refer to Council the minutes of the Municipal Public Accounts Committee.

2. **Background**

The confirmed minutes of the Municipal Public Accounts Committee are referred to Council for noting.

3. **Discussion**

Council is advised that the Municipal Public Accounts Committee had a meeting on 27 May 2025 and 26 August 2025. The minutes of the meetings are attached for ease of reference.

4. **Financial Implications**

Completed by BTO -	Not applicable
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	
BTO Signature	

5. **Applicable Legislation**

Local Government: Municipal Structures Act, as amended.

6. **Legal Implications**

None.

7. **Other Implications**

None

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Not applicable

8.2 **Director: Planning & Development**

Not applicable

8.3 **Director: Civil & Water Services**

Not applicable

8.4 **Director: Electro-Mechanical Services**

Not applicable

8.5 **Director: Community Services**

Not applicable

8.6 **Deputy Municipal Manager**

Not applicable

8.7 **Municipal Manager**

Not applicable

9. **Delegated Authority**

Council

10. **Recommendations**

10.1 That Council notes the minutes of the Municipal Public Accounts Committee and that the recommendations contained therein have been submitted to Council for resolution.

Item noted by the by the: MPAC Chairperson

MINUTES OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON FRIDAY, 27 MAY 2025 AT 10:17 IN THE COUNCIL CHAMBERS, JEFFREYS BAY

Present: Committee Members	Cllr van Niekerk	(Chairperson)
	Cllr C August	
	Cllr H Murray	
	Cllr W Gertenbach	
	Cllr W van der Linde	
	Cllr V Zana	
	Cllr P Oliphant	
	Cllr G Stuurman	
Officials:	Mr C du Plessis	(Municipal Manager)
	Mr D de Jager	(Deputy Municipal Manager)
	Mr R Lorgat	(Chief Financial Officer)
	Ms N Machelesi	(Director: Community Services)
	Mr C de Kock	(Director: Civil & Water Services)
	Mr T Madatt	(Director: Electro-Mechanical Services)
	Mr A Koegelenberg	(Manager: PMS)
	Ms L Opperman	(Manager: Legal Services)
	Ms M Julius	(Senior Admin Officer: Committees)
	Mr R Swart	(Acting: Committee Officer)
	Ms S Ndyenge	(Intern: Committees)
Stakeholders:	Ms L Mostert	(Public Representative)
	Adv A Klopper	(Public Representative)

1. **OPENING AND WELCOME**

The Chairperson welcomed all members present. She read the notice convening the meeting and requested Cllr van der Linde to open the meeting with prayer.

2. **DECLARATION OF INTEREST**

None of the members had anything to declare.

3. **APPLICATION FOR LEAVE OF ABSENCE/ABSENT WITH APOLOGY/ABSENT WITHOUT APOLOGY**

3.1 **ABSENT WITH APOLOGY**

Cllr F Heystek
Cllr B Human
Cllr L Nkilishane
Mr L Ramakuwela (Director: Planning & Development)

3.2 **ABSENT WITHOUT APOLOGY**

None

4. **PRESENTATIONS**

None

5. **CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

5.1 **CONFIRMATION OF MINUTES OF PREVIOUS MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON 28 FEBRUARY 2025**

Cllr van der Linde pointed out that he had submitted an apology, and that the minutes should be corrected to reflect absent with leave.

Resolved (27 May 2025)

1. That the minutes of the Municipal Public Accounts Committee meeting held on 28 February 2025 be accepted as amended.

Proposed: Cllr H Murray Seconded: Cllr W Gertenbach

5.2 **CONFIRMATION OF MINUTES OF PREVIOUS SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON 11 MARCH 2025**

Resolved (27 May 2025)

1. That the minutes of the Special Municipal Public Accounts Committee meeting held on 11 March 2025 be accepted.

Proposed: Cllr W Gertenbach Seconded: Cllr C August

6. **MATTERS FOR DISCUSSION**

25/05/MPACC1 MPAC RESOLUTIONS AS AT 11 MARCH 2025

Resolved to Recommend (27 May 2025)

1. That the updated Action Sheets reflecting outstanding resolutions of MPAC as of 11 March be noted.

25/05/MPACC2 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) – ANNUAL WORK PLAN

Resolved to Recommend (27 May 2025)

1. That the MPAC Annual Workplan be approved and referred to the next Council meeting.

25/05/MPACC3 2024/25: QUARTER 3: PE$_3$RFORMANCE REPORT: PERIOD 1 JULY 2024 TO 31MARCH 2025

Resolved to Recommend (27 May 2025)

1. That the Municipal Public Accounts Committee conducts oversight on the 2024/25 Quarter 3 Performance Report.

25/05/MPACC4 **2023/24 REVISED AUDIT ACTION PLAN**

Resolved to Recommend (27 May 2025)

1. That the 2023/24 Revised Audit Action Plan progress be noted, "Annexure A".

25/05/MPACC5 **MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2024 TO MARCH 2025 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MARCH 2025 (2024/25 FINANCIAL YEAR)**

Cllr Gertenbach expressed concerns about the budget for a deficit, raising questions regarding its long-term sustainability and implications for financial health.

In response, the CFO confirmed that the Municipality had been budgeting for a deficit, which was expected to decrease over time. He stated that the current deficit was influenced by depreciation costs, which were part of the long-term financial plan aimed at achieving a surplus budget in ten years.

Cllr Zana raised concerns about unspent Municipal Disaster Response Grant (MDRG)funds.

The Municipal Manager reported that capital expenditure was affected by several factors, including significant changes to the regional capital budget and late receipt of disaster grants, which could not be fully spent in the remaining months of the financial year.

A housing grant initially fully allocated was unexpectedly reduced, leading to budget constraints. The Municipal Manager emphasised analysing spending across categories, expressing confidence in fully utilising the Municipal Infrastructure Grant (MIG), and requested clarification on the Water Services Infrastructure Grant (WSIG) grant expenditure.

The Director: Civil and Water Services reported that the WSIG, which allows for roll-over spending, had been mostly utilised, with approximately R4.3 million remaining for the ongoing St. Francis boreholes project. Emphasising the importance of not returning grant funds, the Municipality remains committed to full expenditure despite operational delays and disruptions. Regarding the MDRG, last year's allocation was completely spent.
The current challenge lies with the Seekoei Causeway Project, which must be finalised by 30 June 2025. With a fully deployed team and site closure in effect, he expressed confidence in meeting the deadline, noting that any potential shortfall would be marginal.

oCllr Oliphant called for a clear graphical overview of expenditure per grant received to enable comparisons with previous data and ensure transparency. He expressed concern about slow spending

rates observed during an earlier session, noting that such delays could risk future funding from provincial or national government. He urged Council officials to address any discrepancies and proactively close gaps in grant spending performance.

The Municipal Manager affirmed confidence in fully spending several major grants, including the Finance Management Grant (FMG), Expanded Public Works Programme (EPWP), Municipal Infrastructure Grant (MIG), and Integrated National Electrification Programme (INEP). The Water Services Infrastructure Grants (WSIG) remains a priority despite contractor-related disruptions. Two MDRG are in play one recently received with a one-year spending window, and another nearing its deadline with environmental approval delays hindering progress. The WSIG grant could not be utilised due to un transferred funds, though planning efforts continue. While some projects will roll into the next financial year, he confirmed strong regional budget performance overall.

Resolved to Recommend (27 May 2025)

1. That the monthly budget statements for the period July 2024 to March 2025 be noted.

9. **DATE OF NEXT MEETING**

26 August 2025

10. **CLOSURE**

The Chairperson thanked the Committee members and officials for their contributions and urged continuous communication regarding the annual report.

The meeting adjourned at 10:40

M van Niekerk

27.08.2025

CLLR M VAN NIEKERK **DATE**
CHAIRPERSON

MINUTES OF A VIRTUAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON TUESDAY, 26 AUGUST 2025 AT 10:08

Present: Committee Members	Cllr M van Niekerk	(Chairperson)
	Cllr C August	
	Cllr F Heystek	
	Cllr H Murray	
	Cllr G Stuurman	
	Cllr W Gertenbach	
	Cllr W van der Linde	
	Cllr V Zana	
Officials:	Mr C du Plessis	(Municipal Manager)
	Mr D de Jager	(Deputy Municipal Manager)
	Mr R Lorgat	(Chief Financial Officer)
	Mr C de Kock	(Director: Civil & Water Services)
	Mr T Madatt	(Director: Electro-Mechanical Services)
	Mr L Ramakuwela	(Director: Planning & Development)
	Mr A Koegelenberg	(Manager: PMS)
	Ms L Opperman	(Manager: Legal Services)
	Ms M Julius	(Senior Admin Officer: Committees)
	Ms R Swart	(Committee Officer)
	Ms M Mitchell	(Committee Clerk)
	Ms N Dlova	(Committee Clerk)
Stakeholders:	Adv A Klopper	(Public Representative)
	Ms L Mostert	(Public Representative)

1. **OPENING AND WELCOME**

The Chairperson welcomed all members present. She read the notice convening the meeting and requested Cllr Murray to open the meeting with prayer.

2. **DECLARATION OF INTEREST**

None of the members declared.

3. **APPLICATION FOR LEAVE OF ABSENCE/ABSENT WITH APOLOGY/ABSENT WITHOUT APOLOGY**

3.1 **ABSENT WITH APOLOGY**

None

3.2 **ABSENT WITHOUT APOLOGY**

Cllr P Oliphant
Cllr L Nkilishane

4. **PRESENTATIONS**

None

5. **CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

5.1 **CONFIRMATION OF MINUTES OF PREVIOUS MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETING HELD ON 27 MAY 2025**

Resolved (26 August 2025)

1. That the minutes of the Municipal Public Accounts Committee meeting held on 27 May 2025 be accepted.

Proposed: Cllr Gertenbach Seconded: Cllr G Stuurman

6. **MATTERS FOR DISCUSSION**

25/08/MPACC1 MPAC RESOLUTIONS AS AT 27 MAY 2025

Cllr Zana sought clarification regarding the content on page 11, specifically in relation to the formalisation of informal settlements. It was observed that the item appeared to be highlighted in blue.

The Municipal Manager explained that all informal settlements in Kouga Municipality are part of a long-term planning initiative under the Upgrading of Informal Settlements Project. Approximately R150 million has been secured for this multi-year effort, with an initial R30 million already allocated to begin planning. The goal is to eliminate unplanned areas by formalising settlements assigning erf numbers and integrating them into the general plan to enable future service delivery like electrification. He noted that funding is difficult to obtain for areas that remain informal.

The Director: Panning and Development clarified that the upgrading initiative applies to all informal settlements in the Municipality, not just coastal towns. Under the ISUP programme, funding has been received, and planning is underway in areas like Ocean View, where 80 hectares are being formalised. Service providers have been appointed for environmental studies, surveys, and layout approvals.

Due to limited funding (currently R30 million), full-service provision is not yet possible. Similar planning efforts are ongoing in Kwa Nomzamo, Loerie, Thornhill, and Patensie. The Municipality is prioritising the relocation of residents living under service lines and conducting surveys to determine eligibility for relocation.

Challenges remain in Sea Vista, where the land is still owned by Public Works. The Municipality is engaging with them to secure a land availability agreement and eventual transfer.
Overall, the project is progressing, with pre-planning and data collection actively underway.

The Municipal Manger conveyed that the two items highlighted in blue, pertaining to the formalisation of informal settlements, had been removed from the action sheets, given that their implementation is already underway and projected to span several years.

The Municipal Manager also recommended that the items related to the mid-year Institutional Performance Report be removed from the action sheets, as those matters had been systemized and were in the process of being implemented.

Cllr van der Linde and Adv A. Klopper expressed their support for the Municipal Manager's suggestion to remove the items mark in blue from the action sheet.

The Director: Civil and Water Services agreed with the Municipal Manager, noting that the item dated back to 13 March 2023, shortly after the drought period, which highlighted road deterioration. This led to the Roads Master Plan being prioritised and included in the current SDBIP. Since then, Engineering Advisory Services (EAS) was appointed to assess all Municipal roads, resulting in a R200 million loan now being implemented.

While the project is in its execution phase, he emphasised the need for an updated master plan to reflect recent developments. He also mentioned that Development Bank of Southern Africa (DBSA's) non-lending support is assisting with the review and development of other municipal master plans.

Resolved to Recommend (26 August 2025)

1. That the updated Action Sheets reflecting outstanding resolutions of MPAC as of 27 May 2025 be noted.

2. That the actions marked in blue recorded on 25/03/MPACC1 and 25/02/MPACC2 be removed.

25/08/MPACC2 **MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2024 TO JUNE 2025 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 JUNE 2025 (2024/25 FINANCIAL YEAR)**

The CFO reported that Council had approved plans to reduce water and electricity losses, as well as to improve the debtor's book. These plans are currently being implemented by the relevant departments and are monitored through the Revenue Enhancement Committee.

He noted that specific targets have been set to improve billing accuracy, particularly for properties where meter readings have been estimated due to access issues.
Programmes are underway to address water leaks, reduce consumption and wastage, and improve metering on the electrical side.

Ms Mostert pointed out a possible typographical error on page 18 under the summary statement, noting that the total expenditure figure appears to read "11308794" and may contain an extra digit. She suggested that this might have already been corrected.

The CFO clarified that the June Section 52 report reflects year-end preparations for the annual financial statements. He explained that various accrual entries affecting both revenue and expenditure

have influenced the reported percentages. These adjustments will be reflected in the final financial statements, which are due for submission by 31 August 2025.

Cllr Zana noted that the battery installation in St. Francis Bay appears to be a pilot project. He requested details on the cost and capacity of the batteries, asking specifically what the Municipality would pay for one or two units. He expressed interest in whether the initiative could help reduce electricity costs during peak hours and sought clarity before the project is expanded to other areas in Kouga.

The Municipal Manager explained that the budget for the battery project was based on pricing from tenders awarded in other municipalities, estimating approximately R25 million for a 5 MW battery system. He confirmed that the tender process has been initiated, and the actual cost will be determined once submissions are received.

He noted that battery and solar panel prices have dropped significantly, largely due to overproduction—particularly from China making the technology more affordable. The project is currently being treated as a proof of concept, with the intention to verify its cost-effectiveness before considering a broader rollout across Kouga.

If successful, the Municipality may explore further expansion, potentially funded through a loan from the Development Bank. The Municipal Manager emphasised the importance of affordability and financial prudence, stating that the batteries are expected to pay for themselves within five to six years, based on current projections.

The Director: Electro and Mechanical Services confirmed that the tender for the battery project is closing within two weeks. He noted that battery prices have dropped significantly over the past year, likely due to reduced demand. The estimated R25 million budget will cover not only the battery itself but also associated infrastructure such as transformers and cables.
He described the initiative as a pilot project aimed at collecting data to inform future decisions. Given the sharp increase in Eskom's peak-hour electricity costs reaching nearly R7 per kilowatt-hour during winter months he emphasised the importance of peak shaving, particularly in high-demand areas like St. Francis Bay.

The Municipality plans to participate in an Eskom incentive programme for peak reduction. He highlighted the potential long-term benefits of the project and recommended that, if successful, it be expanded across Kouga. Data from the pilot will guide future rollout decisions.

Cllr Gertenbach enquired whether any progress had been made on the previous year's annual report, noting that the Municipality was already entering September.

In response, the Manager: PMS reported that the draft annual report is nearly complete and will be submitted to the Auditor-General (AG) alongside the annual financial statements. The submission will be routed through the Budget and Treasury Office.

He noted that the only outstanding components are the financial information and the forewords from the Municipal Manager and Executive Mayor, which depend on the final outcomes from the AG. These will be added once received.

He further indicated that the MPAC Committee is expected to begin reviewing the report, as in previous years, by engaging with individual directorates to address any questions or necessary corrections. He confirmed that the annual report will be finalised by Friday.

The Municipal Manager expressed confidence in the readiness and improved quality of the annual report and financial statements, noting steady progress over the years. He confirmed that the audit committee will review the financials, followed by a management-led quality check. Performance was strong overall, especially in capital expenditure and repairs and maintenance, despite setbacks like the undelivered USIP funding. However, revenue targets were missed due to shortfalls in three critical months, which will be addressed in the annual report foreword.

The CFO confirmed that the Municipality achieved 91.38% revenue collection at year-end, falling short of the 95% target. To improve performance this year, mechanisms have been implemented particularly around annual rates billing, which showed a stronger start in July (59% vs. 52% last year). August collections are expected to boost figures further. Despite reduced cash flow, payroll savings helped offset the impact. Additionally, over 2,000 customers have entered payment arrangements, which are being actively managed. Credit control measures are proving effective, and the CFO is optimistic about reaching the 95% target this year.

Resolved to Recommend (26 August 2025)

1. That Municipal Public Accounts Committee notes the report.

8. **DATE OF NEXT MEETING**

30 September 2025

9. **CLOSURE**

The Chairperson thanked the Committee members and all officials for their contribution.

The meeting adjourned at 10:44

M van Niekerk

01.10.2025

CLLR M VAN NIEKERK
CHAIRPERSON

DATE

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/MPAC2**

AMENDMENT TO THE APPROVED TERM OF REFERENCE (TOR) FOR THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

1. **Introduction**

The purpose of this item is to refer to Council the Terms of Reference for the Municipal Public Accounts Committee (MPAC), as reviewed by the MPAC.

The Terms of Reference is attached and marked Annexure A.

2. **Background**

The Department of Cooperative Governance and Traditional Affairs (CoGTA) communicated the Municipal Development Circular No 3 of 2024 to all Municipalities and which Circular conveyed the request that the Municipal Public Account Committee include the progress on the implementation of audit improvement plans in its scope of work. The circular served before Council under Council item no. 25/03/MPAC2 and Council resolved as follows:

10.1 That the Municipal Development Finance Circular 3 of 2024 be noted.
10.2 That the additional function be included in the existing Term of Reference go the Municipal Public Accounts Committee, and that the amended Terms of Reference be referred to Council for approval.

3. **Discussion**

The Council is required to consider the proposed amendments as per the attached draft amended Terms of Reference. The amendments are highlighted for ease of reference.

4. **Financial Implications**

Completed by BTO -	Not applicable
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	

Comment	
BTO Signature	

5. **Applicable Legislation**

Section 79A of the Local Government: Municipal Structures Act No. 117 of 1998.

6. **Legal Implications**

Should Council approve the proposed amendments, the amended draft Terms of Reference will be amended as of date of Council resolution, and for the implementation of MPAC.

7. **Other Implications**

None

8. **Comments by Directorates:**

Comments by Directors not required.

8.1 **Deputy Municipal Manager**

Noted

8.2 **Municipal Manager**

Noted

9. **Delegated Authority**

Council

10. **Recommendations**

10.1 That the reviewed Terms of Reference for the Municipal Public Accounts Committee be approved.

10.2 That the commencement date of the Terms of Reference of the Municipal Accounts Committee shall be the date of the resolution by Council.

Item noted by the: MPAC Chairperson

KOUGA MUNICIPALITY
MUNICIPAL PUBLICACCOUNTS COMMITTEE (MPAC)
TERMS OF REFERENCE

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7. Reporting
8. Review

1. INTRODUCTION

The roles and responsibilities of Council should always be carried out with a clear distinction between oversight and interference in administration, as defined in the Local Government: Municipal Finance Management Act, 2003, Act No. 56 of 2003 (MFMA), section 52(b) and 103 respectively as well as in the Code of Conduct for Councillors, defined in Schedule 7 of the Local Government: Municipal Structures Act, No 117 of 1998, as amended by the Local Government: Municipal Structures Amendment Act, 3 of 2021.
Section 129(4) of the MFMA further provides for the issuance of guidance on the manner in which Municipal Councils should consider annual reports and conduct public hearings, and the functioning and composition of any public accounts or oversight committees established by the Council to assist it to consider an annual report.
Section 32(2)(b) of the MFMA further inter alia provides for the Municipality to recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless, in the case of irregular or fruitless and wasteful expenditure, the expenditure is, after investigation by a Council Committee, certified by the Council as irrecoverable and written off by Council.

2. INSTITUTIONAL CONTEXT AND FUNCTIONS OF THE KOUGA MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

2.1 Institutional context

The Municipal Public Accounts Committee (MPAC) is established in terms of sections 79 and 79A of the Local Government: Municipal Structures Act, No. 117 of 1998, as amended and performs an oversight function on behalf of Council and is not a duplication of other committees of Council, such as the Finance Committee or that of the Audit Committee. MPAC may undertake and manage similar functions and responsibilities for the Municipality, as undertaken by the Standing Committee on Public Accounts in the national and provincial legislature, except for certain powers regarding subpoena of individuals. In the case of irregular expenditure or any fruitless and wasteful expenditure incurred by the Municipality, MPAC will have the right to call upon the Accounting Officer of the Municipality or his/her delegatee to appear before it to provide information or clarity.
The MPAC may engage directly with the public and consider public comments when received and will be entitled to request for documents or evidence from
the Accounting Officer.

MPAC can request the support of both the internal and external auditors (advisory) when necessary. The standard rules for the Council apply to MPAC.
The Committee shall have permanent referral of documents as they become available relating to:

(i) in-year reports of the Municipality;
(ii) financial statements of the municipality as part of the Committee's oversight process;
(iii) audit opinion, other reports and recommendation from the Audit Committee;
(iv) information relating to compliance in terms of sections 32, 128 and 133 of MFMA;

(v) information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before the Committee;
(vi) any other audit report from the Municipality; and
(vii) performance information of the Municipality.

The MPAC is not responsible for policy formulation. The MPAC reports directly to Council through the Speaker and interfaces with the other committees of Council through the Speaker, where relevant.

It is emphasised that the Audit Committee is an independent advisory body that advises Council, political office-bearers, the Accounting Officer, and the management of the Municipality on matters related to internal control, internal audits, risk management accounting policies and adequacy reliability and accuracy of financial reporting and information, performance management, effective governance compliance with the MFMA and the Division of Revenue Act.

2.2 Roles and Functions of MPAC

2.2.1 The primary functions of the Municipal Public Accounts Committee are:

(i) To review the Auditor-General's reports and comments of the management committee and the audit committee and make recommendations to the Municipal Council.
(ii) To review the internal audit reports together with comments from the management committee and the audit committee and make recommendations to Municipal Council.
(iii) To initiate and develop the oversight report on annual reports contemplated in section 129 of the Municipal Finance Management Act.
(iv) To attend to and make recommendations to the Municipal Council on any matter referred to it by the Municipal Council, Executive Committee, a committee of Council, a member of this committee (MPAC), a Councillor and the Municipal Manager.

(v) To, on its own initiative, subject to the direction of the municipal Council, investigate and report to the municipal Council on any matter affecting the Kouga Municipality.
(vi) To perform any other functions assigned to it through a resolution of Council within its area of responsibility.
(vii) To monitor the development and implementation of audit action plans.

2.2.2 The MPAC must interrogate the following financial aspects addressed in the Municipal Finance Management Act:

A. Unforeseen and unavoidable expenditure (Section 29)

- any unforeseen and unavoidable expenditure incurred must be reported to the MPAC;
- proof of the necessary appropriation in an adjustment budget; the MPAC must consider the expenditure and make recommendations to the Council; and
- where the necessary adjustment budget has not been prepared, the MPAC must report same to the Council.

B. Unauthorized, irregular, or fruitless and wasteful expenditure (Section 32)

- any unauthorized, irregular or fruitless and wasteful expenditure by the council, the executive mayor / mayor, executive committee or any political office bearer of the Municipality must also be reported to the MPAC;
- the Municipal Manager must report to the MPAC on all steps taken to either authorize or certify the payment or to recover or write off the expenditure;
- the Municipal Manager must report on whether any criminal action was instituted in this regard; and
- the MPAC must report to the Council on the appropriateness of the any criminal or civil steps taken and report where no further action was taken and why.

C. The quarterly report of the Executive Mayor on the implementation of the budget and the state of affairs of the municipality SDBIP (Section 52(d))

- a copy of the quarterly report of the Executive Mayor on the implementation of the budget and the state of affairs of the Municipality must be submitted to the MPAC;
- where the report is not submitted to the MPAC within 30 days after the end of the quarter, the MPAC must report this to the Council;
- where the report is submitted, it must be interrogated, and recommendations must be made to the Council;
- the MPAC must ensure that the mayor attend to the necessary amendments to the SDBIP and submit the necessary report to the council with proposals for the adjustment budget, and where this is not done by the Executive Mayor, report it to the Council;
- the MPAC must report any matter of concern regarding the report of the mayor to the council.

D. Monthly budget statements (Section 71)

- the monthly budget statement submitted to the Executive Mayor must be submitted to the MPAC;
- the MPAC must interrogate the statement and report any matter of concern on the statement to the Council.

E. Mid-year budget and performance assessment (Section 72)

- the mid-year budget and performance assessment report submitted to the Executive Mayor must be submitted to the MPAC;
- the MPAC must interrogate the assessment and submit its comments on the assessment to the Council.

F. Mid-year budget and performance assessment of municipal entities (Section 88)

- the mid-year budget and performance assessment report submitted by the Municipal entity needs to be submitted to the MPAC;
- the MPAC needs to interrogate the report and report matters of concern to the Council; where the report has not been received or not published, it must be reported to the Council.

G. Disclosures concerning Councillors, directors, and officials (Section 124)

- as part of its interrogation of the annual financial statements, the MPAC must ensure that the necessary disclosures were made in the financial statements, including:
- salaries, allowances and benefits of political office bearers and Councillors of the Municipality;

- arrears owed by individual Councillors by the Municipality for more than 90 days;
- salaries, allowances and benefits of the Municipal Manager, CFO and senior managers;
- salaries, allowances and benefits of the board of directors of Municipal entities
- the salaries, allowances and benefits of the Chief Executive Officer and senior managers of Municipal entities;

H. Submission and auditing of annual financial statements (Section 126)

- copies of the financial statements submitted to the AG must be submitted to the MPAC as well as the financial statements of any Municipal entity under the control of the Municipality as well as proof of submission thereof to the AG;

- where the MPAC has not been provided with the financial statements or with proof that it has been submitted to the AG it must be reported to the Council.

I. Submission of the Annual Report (Section 127)

- the annual report must be submitted to the MPAC no later than two weeks after the date required for submission to the Council;
- where the annual report is not submitted to the Council as required, the MPAC must be provided with a copy of the written explanations of the Executive Mayor as submitted to the Council;
- where neither the annual report nor the explanation has been submitted, the MPAC must report same to the Council;
- the MPAC must monitor that the annual report has been submitted to the AG, as well as the provincial government departments required and has been published for comment; and
- the MPAC must also monitor that all Municipal entities have complied with the said requirements.

J. Oversight Report on the Annual Report (Section 129)

- the MPAC must consider the annual report and prepare a draft oversight report to be submitted to the council for purposes of adopting the oversight report;
- in preparing the draft oversight report, the MPAC must consider all representations in connection with the annual report received from the local community;
- the meeting of the MPAC considering the annual report must be open to the public and members of the local community must be allowed to make representations in connection with the annual report at the meeting;
- National Treasury Circular 32 provides guidance on the preparation of the oversight report. Reference to the oversight committee must be read as the MPAC.

K. Issues raised by the Auditor General in audit reports (Section 131)

- MPAC must be provided with the report prepared to address issues raised by the AG;
- where the report is submitted, MPAC should interrogate same and make recommendations to the Council; and
- where the report has not been submitted, MPAC should report this to the Council.

L. Audit Committee (Section 166)

- the MPAC must ensure that the Municipality at all times have an operational audit committee;
- all reports received from the audit committee need to be submitted to the MPAC to assist it in its functions and to capacitate the MPAC;
- where no audit committee has been appointed or where the audit committee is not operative, the MPAC must report this to the Council.

M. Disciplinary action instituted in terms of the MFMA

- all disciplinary processes instituted for the contravention of the MFMA must be reported to the MPAC;
- MPAC must monitor that all matters are brought to conclusion;
- MPAC must report to Council where matters are not dealt with effectively and timeously.

2.2.3 The MPAC must interrogate the following aspects addressed in the Municipal Systems Act.

A. Review of the IDP post elections (Section 25)

- MPAC must monitor whether the Executive mayor / Exco initiate the review of the IDP posts elections;
- Where the review is not done, the MPAC must report same to the Council.

B. Annual review of the IDP (Section 34)

- MPAC must monitor whether the Executive mayor / Exco initiate the annual review of the IDP;
- Where the review is not done, the MPAC must report same to the Council.

C. Performance management plan (Section 39)

- MPAC must monitor whether the annual performance plan is being prepared;
- Where the plan is not prepared, the MPAC must report same to the Council.

2.2.4 Monitoring that the annual budget is informed by the IDP (Regulation 6 of the Local Government: Municipal Planning and Performance Management Regulations)

- MPAC must review the draft annual budget and ensure that it is informed by the IDP adopted by the Municipal Council; but where the draft annual budget is not aligned with the IDP, the MPAC must report same to the Municipal Council.

2.2.5 Monitoring that all declaration of interest forms are completed by Councillors on an annual basis (Section 54 read with Item 7 of Schedule 1)

- MPAC must monitor whether all Councillors have completed their declaration of interest forms and update it annually;
- Where declaration of interest forms have not be completed or updated same must be reported to the Municipal Council.

2.3 Administrative Support by Council

In order for the MPAC to be effective in executing its functions, MPAC is supported by officials to co-ordinate and undertake research activities as

required by the committee work programme and to render a secretarial service.

3. COMPOSITION AND MEMBERSHIP

The MPAC comprises of a maximum of 11(eleven) Councillors, excluding the Executive Mayor, Executive Deputy Mayor, any member of the Mayoral Committee, the Speaker of Council, the Whip of Council and municipal officials, and a maximum of 2(two) public representatives.

The Committee may invite representatives of the community and co-opt members of the public who have expertise in relevant specific fields to assist and advise in the deliberations when the need arises. These representatives will have no voting rights as they are not elected Councillors.

3.3 Members of MPAC must represent various political affiliations.

Councillors serving on MPAC shall be appointed for a term which corresponds to the term of sitting Council. When a Councillor resigns or is transferred from the Committee, the resignation must be in writing and Council must appoint a replacement by resolution at the next scheduled full Council meeting.

The names of Councillors serving on MPAC shall be published in the annual report.

The Municipal Council may appoint alternates to serve on MPAC, and which alternates shall exclude the Executive Mayor, Executive Deputy Mayor, any member of the Mayoral Committee, the Speaker of Council, and the Whip of Council.

4. CHAIRING OF MPAC

a) The Chairperson of the Committee is to be appointed by Council.
b) When appointing the Chairperson of the Committee, Council must take into consideration the requirements of transparency, ethical behaviour and general good governance prescripts.
c) In deciding on the Chairperson, the Council may consider appointing Councillors from parties other than the majority parties in Council.

5. MPAC WORK PROGRAMME

MPAC must develop its work programme annually and link such programmes to the overall planning cycle of Council.

6. MEETINGS OF MPAC

a) Members of MPAC are to observe the Rules of Order as determined by Council.

b) Meetings must be held as may be necessary in accordance with the approved work programme. The meetings of MPAC must be included in the annual calendar of Council and the notice requirements should be similar to those of other committees of Council taking into consideration the timeframes in the MFMA for preparation and adoption of the oversight report on the annual report.

c) If otherwise, the notice of meetings shall be given at least 7 days prior to the meeting and agendas and relevant documents shall be delivered at least 7 days prior to meeting for preparation purposes.

d) A quorum shall be a majority of the members of MPAC, and which determination of a quorum shall include the public representatives serving on the Municipal Public Accounts Committee.

e) Any matter put to a vote, during a meeting of MPAC, shall be voted on only by the elected Councillors, serving as members of MPAC. No public representative shall have the right to vote on any matter before MPAC.

f) Members are to refrain from lengthy debates as public hearings, as the intention is to obtain information from other parties.

g) The Chairperson of MPAC may, through the office of the Municipal Manager, request the attendance of the applicable Director/s as and when required, depending on the Agenda items to be addressed.

h) The MPAC Committee may also invite any persons, including political office bearers (internally or externally) with relevant experience, to attend the Committee meeting or to give evidence. The office of the Municipal Manager must be notified of any requests to staff members in order to make the necessary internal arrangements.

7. REPORTING

a) The MPAC will report to Council on the activities of the committee; including a report detailing its activities of the preceding and current financial years, the number of meetings held, the membership of the Committee and key resolutions taken.

b) The Committee must discuss and adopt its report for Council in accordance with the procedures for tabling matters in Council defined in the standing rules of Council.

c) The MPAC should report to full Council at least bi-annually and may bring items before Council as and when necessary.

d) The full Council must deliberate on the recommendations from the MPAC, at a meeting open to the public, and must reach finality in the shortest possible time.

e) Council must evaluate the performance of MPAC on an annual basis.

f) That the MPAC report on the progress on the implementation of an audit action plan/ Audit improvement plans and interrogate the report at the MPAC meetings.

8. REVIEW

The MPAC terms of reference may be reviewed as and when the Municipal Council deems it necessary.

~~Approved by Council on 29 June 2022~~

_____

MUNICIPAL BYLAWS AND POLICIES

KOUGA
local municipality

KOUGA local municipality
Service Excellence through Good Governance

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
MUNICIPAL BY-LAWS AND POLICY COMMITTEE
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/PB1**

WARD DEVELOPMENT FUND POLICY

1. Introduction

The Ward Development Fund Policy (WDF) was submitted to the Policy Workshop Committee held on 21 November 2024 and served at the Municipal By-laws and Policy Workshop held on 20 February 2025, and again at a Municipal By-Laws and Policy meeting was held on 17 July 2025. The policy together with proposed amendments marked as Annexure A. The policy served at the Municipal By-laws and Policies Committee Meeting held on 09 October 2025.

2. Background

The policy was extensively discussed by all Councillors and input was provided at the Policy workshop was held on 21 November 2024, a Municipal By-Laws and Policy meeting was held on 20 February 2025 and a Special Municipal By-Laws and Policy meeting was held on 17 July 2025.

After minor amendments were proposed, those present resolved to recommend the policy to the Municipal By-Laws and Policies Committee for further interaction.

The recommendations of the Policy workshop on 21 November 2024 reflected that the following amendments be made to the policy:

Resolved to Recommend (21 November 2024)

1. *That the Ward Development Fund Policy be amended accordingly as follows:*

- *On page 87 clause 8.2 the word "Manager", be included.*
- *On page 88 clause 9.1.2 the word "for" be included*
- *That the full description of the Local Government Act be included in the policy.*
- *The legal framework should include all legislative pieces referred to in the definition of the portion of the policy.*
- *Operational projects be clearly defined.*
- *On page 88 clause 9.1.2 include moveable assets that would form part of municipal infrastructure.*
- *that the word 'agreement' be replaced with "acceptance letters with conditions".*
- *On page 88 clause 9.3 rollovers for operational budgets should be removed from the policy.*
- *On page 88 clause 9.4 the deadline for Ward Councillors to submit budget priorities be changed to 28 February.*
- *The dates in clause 10.2.8 be changed to January/February.*

- *The date in clause 11.1.6 be changed to 28 February.*

2. *That the Ward Development Fund Policy be submitted to the Policy & By-Laws Committee for review.*

Proposed: Ald D Benson Seconded: Cllr M van Niekerk

The minutes of the Municipal By-Laws and Policies held on 20 February 2025 reflected as follows:

The Chairperson referred to page 87, clause 9.1.1 and requested that the word "of " be removed.

Cllr Maree raised a concern that she was not part of the Policy Workshop convened on 21 November 2024, therefore she could not add her inputs. She referred to page 83, clause 9.3 and requested that the clause be retained because there was always a need to do a rollover especially to the big wards. She indicated that the rollover could assist to save more and to spend on other projects.

Furthermore, she referred to page 91, clause 14 and raised a concern that a Councillor duty was to only do an oversight over the funds as it was a duty of the Administration to handle the funds. She requested a legal opinion on the matter.

Cllr van de Linde indicated that the issue with clause 14 was raised at the previous Policy Workshop, therefore he was in support that the clause be rectified.

The Manager: Legal Services advised that clause 14.1.1 and 14.1.2 be removed and that clause 14.1.3 be retained to address the issue of oversight by Cllr Maree.

Cllr Maree proposed that the Ward Development Fund Policy be referred back to the department to be refined and thereafter be submitted to the Committee with the amendments.

Cllr van de Linde seconded the proposal.

Resolved to Recommend (20 February 2025)

1. *That the Ward Development Fund Policy be referred back to the department to be refined and thereafter be submitted to the Committee with the proposed amendments.*

   Proposed: Cllr L Maree Seconded: Cllr W van de Linde

The minutes of the Special Municipal By-Laws and Policy Meeting held on 17 July 2025 transcribed as follows:

Resolved to Recommend (17 July 2025)

1. *That the Ward Development Fund Policy be submitted to Council for approval, with the condition that the NGO appointment clause be reviewed after receiving feedback from SCM.*

Proposed: Cllr R Foley Seconded: Cllr W van de Linde

The Municipal By-laws and Policies Committee resolved on 09 October 2025 that the Policy be referred to the Municipal Council for approval.

3 **Discussions**

The Municipal Council is required to discuss the final draft Ward Development Policy with the proposed amendments as incorporated in the draft Policy.

4. **Financial Implications**

Completed by BTO -	Not applicable
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	

5. **Applicable Legislation**

Local Government: Municipal Finance Management Act 56 of 2003
Local Government: Municipal Structures Act 117 of 1998, as amended.
Local Government: Municipal Systems Act 32 of 2000, as amended.

6. **Legal Implications**

Should the Council resolve to approve the Policy, the provisions of the approved Policy may be implemented from date of such approval which may be the date of the Council resolution, or any future date determined by Council.

7. **Other Implications**

Should the Policy be approved, the Policy must be published on the Kouga Municipal website.

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Noted

8.2 **Director: Planning & Development**

Supported

8.3 **Director: Civil & Water Services**

Item noted.

8.4 **Director: Electro-Mechanical Services**

Noted

8.5 **Director: Community Services**

Supported

8.6 **Deputy Municipal Manager**

Supported.

8.7 **Municipal Manager**

Supported.

9. **Delegated Authority**

Council.

10. **Recommendations**

10.1 That the Ward Development Fund Policy be approved by the Municipal Council for implementation from date of this Council meeting.

10.2 That the Ward Development Fund be uploaded onto the Municipal Website.

10.3 That the previously approved Ward Development Fund policy by the Municipal Council be repealed.

10.4 That the Ward Development Fund Policy be circulated to all Councillors.

Item noted by the: Municipal By-Laws & Policy Chairperson 

REVIEWED: 17.05.2019
RECOMMENDED BY MAYCOM: 00.00.0000
APPROVED BY COUNCIL: 30.05.2019
ITEM NO: 19/05/CORP2

WARD DEVELOPMENT FUND POLICY

Document Control

Policy Title:	Ward Development Fund Policy
File plan reference number:	
Previously Council Approval:	31 May 2017
Directorate:	Office of the Deputy Municipal Manager
Section:	Office of the Speaker
Responsible Official:	Office Administrator & Ward Development Fund
Version:	002
Status of the Document:	Review
Review Date:	01 October 2024
Council approval date:	
Council Resolution number:	25/08/DMM_____
Future review date:	

REVIEWED:
RECOMMENDED BY MAYCOM:
APPROVED BY COUNCIL:
ITEM NO:

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1. DEFINITIONS

In this policy, not unless otherwise the meaning of terms will be referred as follows:

"Accounting Officer" is the Municipal Manager in terms of section 54A of the Municipal Systems Act 32 of 2000, as amended.

"Budget" for the purposes of this Policy shall mean the provisions made on the Approved Budget of the Kouga Municipality, for projects to be implemented in respect of a financial year.

"Budget year" means the financial year for which an annual budget is to be approved in terms of section 16 (1) of the Municipal Finance Management Act 56 of 2003.

"**Budget Task Team**" means members of the Ward Committee that will be responsible for the Ward Development Funds.

"Community" in the context of this policy means community residing in a demarcated ward in the Kouga area.

"Council" means the Council of the Municipality referred to in section 18 of the Local Government: Municipal Structures Act, 117 of 1998.

"Financial year" means the financial year applicable to Municipalities commencing from 1 July to 30 June of each year.

"MFMA" means the Local Government: Municipal Finance Management Act 56 of 2003.

"Structures Act" means the Local Government: Municipal Structures Act, 117 of 1998, as amended.

"Systems Act" means the Local Government: Municipal Systems Act 32 of 2000, as amended.

"Ward Councillor" a municipal councillor elected in terms of Section 22 (1)(b) of the Local Government: Municipal Structures Act 117 of 1998 (as amended), to represent a demarcated Council Ward.

Operational projects refer to current and short-term projects for which the cost is immediately recognised as an expense and funded from the Municipality's operational budget.

"Ward Assistant" for the purposes of this Policy, shall mean the assistant appointed by the Kouga Municipality, to assist the elected Ward Councillor administratively in the performance of his/her duties.

2. PREAMBLE

This budget allocation is made available in an accountable, open and transparent manner, including how such funds will be utilised as it is done in all budget allocations. Any transaction will form part of the normal audit of the Municipality.

Moreover, any activity should be operated in a transparent manner within a policy directive as set out by the Council and the administrative directive of the Municipal Manager. As such the Council, must set Supply Chain Management Policies for the purpose and use of such public resources and the Accounting Officer must ensure compliance with this policy when authorising expenditure.

3. PURPOSE

The purpose of this Policy is to:

3.1. Determine the placement of the Ward Development Fund within the municipality.

3.2. Establish parameters for an annual allocation to the Ward Development Fund.

3.3. Establish clear application and approval procedures for the utilization of the Fund.

3.4. Identify the key responsibilities of authorisation and accountability for the utilisation and reporting on the use of the Fund.

3.5. Establish an internal certification process to ensure transparency in the expenditure of the Ward Development Fund.

4. OBJECTIVES

The objective of the Policy is to:

4.1. Ensure that proper control, monitoring, authorisation, accountability and reporting.

4.2. Ensure that transparent processes exist for expenditure of the Ward Development Fund.

4.3. Ensure uniformity and consistency on the way the fund is utilised; and

4.4. Ensure that the Ward Councillor and Ward Committee can attend to urgent ward programmes, and or any other unforeseen needs that may arise in line with the approval by the Speaker.

5. SCOPE

The Policy provides details of application, approval, and authorization requirements under which the Ward Development Fund may be utilised and is applicable to all wards of Kouga Local Municipality.

6. LEGAL FRAMEWORK

a) Section 56 of the Municipal Finance Management Act, No. 56 of 2003 requires sound and sustainable management of the financial affairs of municipalities and specifically requires that the Accounting Officer of a Municipality should take reasonable steps to ensure that the Municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, withdrawal any payment of funds.

b) The Local Government: Municipal Structures Act 117 of 1998, as amended.

c) The Local Government: Municipal Systems Act 32 of 2000, as amended.

7. PRINCIPLES UNDERPINNING THE POLICY

This policy is underlined by the following principles:

7.1 Transparency

7.2. Openness

7.3. Accountability

7.4. Responsiveness, and

7.5. Communication

8. PLACEMENT OF THE FUND

8.1 The Ward Development Fund (WDF) is placed in the Office of Speaker.

8.2 Administratively, it falls under the control of the Deputy Municipal Manager supported by the Public Participation Unit and respective departments related goods and services.

9. POLICY DIRECTIVES AND PROCEDURES

9.1. GUIDELINES FOR THE UTILISATION OF THE FUND

9.1.1 The Ward Development Fund may only be utilised for defined operational projects based on the need identified by the respective ward.

9.1.2 Facilitate broadly the promotion of community relationships, where movable assets are procured, the Municipality must issue acceptance letters with conditions with the respective community/organisation handing the assets over to such community/organisation. The Municipality will not be responsible for on-going maintenance of any asset procured through the WDF, that is no longer under the ownership of the Municipality.

That all non-moveable assets will form part of the Municipality's asset register.

9.2 The following considerations will apply to the implementation of the WDF, subjected to paragraph 9.1.1 above:

9.2.1 Provide support to ward-based institutions, organizations.
9.2.2 Facilitate broadly, the promotion of community relationships.
9.2.3 Assist with the promotion of economic or community development initiatives within the ward.
9.2.4 Enhance the potential in the establishment or conducting of initiatives that will provide benefit to the ward /community.
9.2.5 The funds must only be used for annual programs and not for multi-yea year programs.
9.2.6 It is of utmost importance that the selected programs must benefit the organisations and or institutions within the ward through:

9.2.6.1 Enhancing community capacity building and awareness.
9.2.6.2 Promoting skills development and job creation.
9.2.6.3 Promoting community public participation.
9.2.6.4 Benefiting the vulnerable groups including women, youth, aged, disabled and children.

9.2.6.6 Improving the welfare of the communities within the ward.

9.2.6.7 Ward Councillors must motivate their requests and/or submissions made to use the WDF, and which submissions must be made to the office of the Speaker, who will be responsible, in consultation with the Deputy Municipal Manager and CFO, for the approval or non- approval of the request to avoid any non-compliance or abuse of public funds.

9.3 Any request for roll-overs in respect of budgeted funds must be considered in terms of the framework of National Treasury framework and recommended by

the Speaker to Council for final approval who will make the decision in consultation with the Deputy Accounting Officer Municipal Manager and CFO.

9.4 Priorities for the WDF must be submitted by Ward Councillors, to the Speaker by 28 February each year, to be considered for allocation on the budget.

10. OPERATIONAL PROVISIONS

10.1 An annual budget allocation shall be made for purposes of a Ward Development Fund.

10.2 The Ward Development Fund may be used only for the purpose for which it is approved **as guided by the provisions of clause 9.1:**

10.2.1 All requests for expenditure under the Ward Development Fund are to be presented to the Office of the Speaker for his approval or non- approval.

10.2.2 Once approval has been received from the Speakers' Office, the respective Public Participation/Administrative Officer will raise a written request for the financial processing of the transactions based on what is required on a case-by-case basis (e.g. direct payment of a service provider/procurement processes etc) and forwarded to the Finance Department for processing together with all the necessary supporting documents.

10.2.3 Upon the conclusion of the financial transaction, the applicant, and other stakeholders (e.g. Ward Councillor) will be informed by the Speaker's Office with documentary evidence to this effect.

10.2.4 The relevant Budget and Treasury Accountant and the Public Participation Unit must monitor expenditure to ensure that expenditure remains within the approved budget/allocation per ward.

10.2.5 The Speaker must be provided with the expenditure reports per ward on a monthly basis, and during the last quarter of the financial year (i.e. April – June), the Speaker must instruct Ward Councillors who are recording 0% spending in respect of his/her ward, to indicate to his office whether such allocations are still to be spent.

In the event of no response, the Speaker is authorised to make decisions on re-allocating the funding to needy (disadvantaged) wards or areas. This is intended to curb under-expenditure of funds, and due to the fact that certain wards are more needy than others, although funding is split in the same proportion.

10.2.6 Should a request for roll-over be denied by the Speaker, the Ward Councillor may appeal to Council, where after the decision of Council is final.

10.2.7 During January/February of each year, the ward Councillor must meet with the ward Committee and hold a public consultation meeting to receive proposals from the public on possible projects and proposals and how to spend the funds.

10.2.8 Such community engagements must be held in an open and transparent manner and the community and community organizations must be informed of the agenda for the meeting.

11. WARD COUNCILLOR'S ROLE

11.1 Each Ward Councillor shall establish a Budget Task Team comprising of Ward Committee Members, chaired by the Ward Councillor.

11.1.1 The purpose of the task team would be to consider all requests submitted for funding.

11.1.2 The budget task team of the ward shall receive written requests for assistance from the organizations within the ward.

11.1.3 With the assistance of the ward committee, the Ward Councillor will determine whether the request meets the criteria set out in the Ward Development Fund Policy guidelines.

11.1.4 The Ward Councillor will establish whether the applicant is not in receipt of funding for the same purpose from the municipality.

11.1.5 The Ward Councillor will verify the existence of the project/ beneficiary or the need of the funding.

11.1.6 If the applicant meets the criteria as well as the verification, the Ward Councillor should submit to the Office of the Speaker by 28 February of each year.

11.1.7 In respect of a project, the Ward Councillor together with the office of the Municipal Manager and Speaker must outline the financial, human resources and business plans required on how the project will benefit the community.

12 THE ROLE OF THE SPEAKER AND DEPUTY MUNICIPAL MANAGER'S OFFICE

12.1 Upon receipt of the application from the Ward Councillor, the Speaker shall liaise with the Deputy Municipal Manager's Office:

12.1.1 Verify if the application meets all the criteria as set out in the framework of the Ward Development Fund Policy.

12.1.2 Verify if the applicant has not been funded from the Ward Development Fund, or/and other municipal fund for the same purpose.

12.1.3 Confirms from Budget and Treasury if there is suitable budget for the project applied for by the Ward Councillor.

12.1.4 Recommend in writing to the Finance directorate for approval when the application meets all the requirements and where there are funds available in the ward budget.

12.1.5 Respond in writing to the Ward Councillor whether his/her application has been approved.

12.1.6 The Speaker's Office has the prerogative to refuse funding if it falls outside the scope of the policy.

12.1.7 The Finance Directorate, with the approval of the Speaker and Deputy Municipal Manager may, depending on the circumstances approve use of the Ward Development Fund to fund causes falling outside of the set criteria but within the mandate of the Municipality.

13 EXCLUSIONS

13.1 The following are excluded from the utilization of the Ward Development Fund:-

13.1.1 Parties or celebrations for individuals
13.1.2 Purchasing of refreshments and other office essentials
13.1.3 Burial of deceased persons in the ward
13.1.4 Any other matter that may be detrimental to the communities
13.1.5 Cash funding

14. MONITORING

14.1 The Ward Councillor shall:

be responsible to do oversight on all projects in the ward by keeping records of all projects made through the Ward Development Fund.

14.2 **The Speakers' Office shall:**

14.2.1 Continuously monitor and evaluate the usage and progress of projects funded from the Ward Development Fund.

14.2.2 Provide support and advice to Ward Councillors where necessary.

14.2.3 Keep records of all proposals/ requests processed for funding and report to the Speaker and the Public Participation Unit to report to the Council on a quarterly basis.

14.2.4 Not to consider any application that is in breach of the criteria as set out in the policy framework.

15. DEFINING RESPONSIBILITIES BETWEEN THE ~~TWO~~ OFFICES

15.1 **Finance Directorate**:

15.1.1 Confirm the correct job number for the ward.

15.1.2 Confirm budget availability in the respective ward.

15.1.3 Re-confirm compliance with the Council approved policy.

15.1.4 Liaise with the originating offices for any enquiries relating to the transaction, including but not limited to non-compliance, budget availability.

15.1.5 Sign-off the document to confirm that the transaction is fully compliant in all respects, etc.

15.2 **Speakers~~'~~ and Deputy Municipal Manager's Office:**

15.2.1 Scrutinize the documents in order to confirm compliance.

15.2.2 Communicate directly with the originating office in any case of non-compliance.

15.2.3 Sign- off the documents to confirm that it is complete and compliant in all respects, and

15.2.4 Preparing the quarterly reports on spending of the funds for the structures of Council and for the Speaker to report to Council.

16. REVIEW OF POLICY

This Policy comes into effect immediately upon its approval by the Municipal Council or at a date to be determined by a Council resolution. The Policy will thereafter be reviewed on a twelve-month cycle or earlier, as, and when the need arises.

REVIEWED:
RECOMMENDED BY MAYCOM:
APPROVED BY COUNCIL:
ITEM NO:

_____ _____

C DU PLESSIS **DATE**
MUNICIPAL MANAGER

REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER

KOUGA
local municipality

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
OFFICE OF THE MUNICIPAL MANAGER
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/MM1**

APPOINTMENT OF KOUGA AUDIT COMMITTEE MEMBER

1. **Introduction**

The purpose of this item is to appoint a Kouga Audit Committee member.

2. **Background**

At a Council meeting dated 28 July 2023, Council approved the appointment of George Sarpong as a member of the Kouga Audit Committee for a period of 2 years ending 31 July 2025. The term of the audit committee member has expired. Furthermore, at a council meeting dated 26 June 2025, Council resolved that this vacancy be advertised.

3. **Discussion**

As a result of the expiration of the term of the abovementioned audit committee member, an advertisement was placed in the relevant media and applications were received.

Three candidates were shortlisted considering the following:

- Qualifications
- Years of experience
- Experience in relation to existing audit committee composition.

Interviews were held on 06 October 2025 and the following candidate per the interview panel was recommended:
Dr Sizwe Nyenyiso

Dr Nyenyiso is currently the Senior Director: Internal Audit at the Nelson Mandela University. Dr Nyenyiso has over 20 years' experience in internal auditing, focusing on strategic assurance and advice to management in areas of governance, risk management, performance management and internal control. This skillset compliments the pool of skills that the rest of the audit committee members currently possess.

4. **Financial Implications**

Completed by BTO -	Not applicable
Project Description	

Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	
BTO Signature	

5. **Applicable Legislation**

Section 166 of the Municipal Finance Management Act (No 56 of 2003) - In accordance with this provision each municipality is required to constitute an Audit Committee that will serve as an independent advisory body which must advise the Municipal Council, the Accounting Officer and the management of the Municipality.

6. **Legal Implications**

Should Council approve the recommendations herein, the appointee will be authorised to serve as a member of the Kouga Audit Committee to fulfil the roles and functions of an Audit Committee and contemplated in Section 166 of the Local Municipal: Finance Management Act No. 56 of 2003 and the KAC Charter.

7. **Other Implications**

None

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Not applicable

8.2 **Director: Planning & Development**

Not applicable

8.3 **Director: Civil & Water Services**

Not applicable

8.4 **Director: Electro-Mechanical Services**

Not applicable

8.5 **Director: Community Services**

Not applicable

8.6 **Deputy Municipal Manager**

Not applicable

8.7 **Municipal Manager**

Not applicable

9. **Delegated Authority**

For noting by Council

10. **Recommendations**

10.1 That Council approves the appointment of Sizwe Nyenyiso as a member of the Kouga Audit Committee for a period of 2 years (ending 31 October 2027)

Item prepared by: Manager: Risk and Internal Audit 

Item approved by: Municipal Manager 

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
OFFICE OF THE MUNICIPAL MANAGER
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/MM2**

REQUEST FOR COUNCIL TO INVESTIGATE THE ALLEGED BREACH OF CODE OF CONDUCT – CLLR PETERSEN

1. **Introduction**

The purpose of the item is to request Council's approval for the referral of the alleged breach of the Code of Conduct to the Rules and Ethics Committee for investigation, as per the provisions of Schedule 7 of the Local Government: Municipal Structures Act 117 of 1998, as amended in respect of alleged breach committed by Councillor Petersen.

2. **Background**

Allegation 1:

It is alleged that during the virtual Ordinary Council meeting held on 28 August 2025, Councillor Petersen made a derogatory remark towards officials (sitting with the Speaker of Council during virtual Council meetings) positioned in the office of the Deputy Municipal Manager by referring to the officials as **"animals"** and done so in contravention of Rule 51.1 of the Standing Rules & Order for Councillors and all its Committees.

Allegation 2:

It is also alleged that during the virtual Ordinary Council meeting held on 28 August 2025, Councillor Petersen called and / or referred to the officials (staff) as **"dogs and must be kept on a leash"** and done so in contravention of Rule 51.1 of the Standing Rules & Order for Councillors and all its Committees.

Allegation 3:

It is alleged that during the virtual Ordinary Council meeting, Councillor Petersen referred to the staff members of the Deputy Municipal Manager as **"fool kids"** and done so in contravention of Rule 51.1 of the Standing Rules & Order for Councillors and all its Committees.

3. **Discussion**

It is alleged that as Councillor Petersen, has breached and or violated the following:

a) The Code of Conduct for Councillors in terms of item 2(a) and (b) states that a Councillor must perform the functions of office in good faith, honestly and in a transparent manner; and at all times act in the best interests of the Municipality and in such a way that the credibility and integrity of the Municipality are not compromised.

b) Rule 55 of the Standing Rules and Orders for the Meetings of Council and all its Committees: Language Usage states that the use of vulgar language shall not be allowed inside Council chamber or at a meeting of Council or its Committee.

c) Municipality's Policy on Prevention and Elimination of Harassment in the Workplace states in point 4.4 that where the conduct complained of is of a serious nature, a single event will be considered harassment. This is conduct which is generally considered to be unacceptable, and the perpetrator can reasonably assume the conduct would be offensive to the receiver, for example:

- Violent conduct, bullying and intimidation
- Sexual assault or commentary
- Racial remarks or commentary and;
- Discriminatory remarks or commentary.

d) Municipality's Policy on Prevention and Elimination of Harassment in the Workplace with reference to Schedule 2 referring to the definition of bullying: "means seeking to harm, intimidate, or coerce someone who is perceived as vulnerable (regardless of whether it is factually so) who are generally groups or persons susceptible to (or at higher risk of) unfair discrimination".

The correspondence dated **29 August 2025** and attached as Annexure A hereto, was put to Councillor Petersen, setting out the allegations. Councillor Petersen did not respond to the allegations set out above.

As stated in the Standing Rules and Procedures: *"If the Councillor elects not to comment, or after receipt of the comments of the Councillor or investigator, the Speaker is of the opinion that there are indeed grounds to continue with a disciplinary hearing, he or she must refer the matter to the Rules and Ethics Committee as soon as possible but in any case, within 30 calendar days, and inform the Municipal Manager"*.

Item 15 of the Code makes provision that if the Speaker of the Municipal Council, on reasonable suspicion, is of the opinion that a provision of the Code of Conduct has been breached the Speaker must authorise an investigation of the facts and circumstances of the alleged breach and give the councillor reasonable opportunity to reply in writing regarding the alleged breach and report the matter to a meeting of the Municipal Council.

Item 16(1)(b) of the Code provides that Council may establish a special committee to investigate and make findings on any alleged breach of the Code of Conduct and make appropriate recommendations to the Council.

4. **Financial Implications**

Completed by BTO -	Not applicable
Project Description	
Ukey no.	
Budgeted Amount	

Amount spent and committed to date	
Amount Available	
Comment	

5. **Applicable Legislation**

Local Government: Municipal Structures Act 117 of 1998, as amended – Schedule 7.

Promotion of Administrative Justice Act 3 of 2000.

Standing Rules and Orders for the meeting of Council and all its Committees of Council.

The Policy on Standing Rules and Procedures with regard to Disciplinary Matters against Kouga Municipal Councillors as approved by Council.

6. **Legal Implications**

The Municipal Council established a Rules and Ethics Committee to investigate alleged contraventions of the Code of Conduct and Standing Rules and Orders of Council. The Council can resolve that the said Committee investigate the alleged breach in line with the approved Terms of Reference for the Rules and Ethics Committee.

Should the Committee find that the Councillor is in breach of the Code of Conduct, the Council may:

(a) Issue a formal written warning to the Councillor;
(b) Reprimand the Councillor;
(c) Request that the MEC for Local Government in the province suspend the Councillor for a certain period;
(d) Fine the Councillor;
(e) Request the MEC to remove the Councillor from office.

The Speaker must inform the MEC concerned within fourteen (14) days of the finding and sanction decided on by Council.

Any investigation in terms of Item 16 must be in accordance with Section 3 of the Promotion of Administrative Justice Act 3 of 2000 and the natural rules of justice.

The Policy on the Standing Rules and Procedures with regard to disciplinary matters against Kouga Municipal Councillors provides for the procedure to act in respect of the alleged contravention of the Standing Rules and Order for the meetings of Council and all its Committee.

7. **Other Implications**

None.

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Not applicable.

8.2 **Director: Planning & Development**

Not applicable.

8.3 **Director: Civil & Water Services**

Not applicable.

8.4 **Director: Electro-Mechanical Services**

Not applicable.

8.5 **Director: Community Services**

Not applicable.

8.6 **Deputy Municipal Manager**

Not applicable.

8.7 **Municipal Manager**

Not applicable.

9. **Delegated Authority**

Council.

10. **Recommendations**

10.1 That Council approves the referral to the Rules and Ethics Committee to investigate and recommend an appropriate finding and sanction on the alleged breach of the Code of Conduct as well as the alleged contraventions of the Standing Rules and Order for the meetings of Council and all its Committees for Councillors by Councillor Petersen.

10.2 That the Rules and Ethics Committee submit its recommendations following its sitting, to Council.

Item prepared by the: Manager: Legal Services

Item approved by the: Deputy Municipal Manager

Item endorsed by the Municipal Manager:

ANNEXURE A

KOUGA local municipality
Good Governance through Service Excellence

Cape St Francis
Hankey
Humansdorp
Jeffreys Bay
Loerie
Oyster Bay
Patensie
St Francis
Thornhill

OFFICE OF THE SPEAKER:
CLLR LORRAINE MAREE
Postal: PO Box 21, Jeffreys Bay, 6330
Tel: 042 200 2200
Cell: 084 240 5226
Email: paspeaker@kouga.gov.za
Website: www.kouga.gov.za

OFFICE OF THE SPEAKER

29 August 2025

Dear, Councillor W Petersen

IN RE: ALLEGED BREACH OF THE CODE OF CONDUCT OF COUNCILLORS AS CONTAINED IN SCHEDULE 7 OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES ACT 117 OF 1998, AS AMENDED

The above matter refers.

The correspondence serves as a written notice as contemplated in the Policy on the Standing Rules and Procedures regarding Disciplinary Matters against Kouga Municipal Councillors.

You are reminded of the statutory functions of the Speaker, as stipulated in Section 37 of the Local Government Municipal Structures Act 117 of 1998, as amended, provides that the Speaker must ensure compliance in Council and Council Committees with the Code of Conduct. The Speaker of Council is responsible for the ethics and accountability of the Municipal Council.

Allegation 1:

It is alleged that during the virtual Ordinary Council meeting held on 28 August 2025, you made a derogatory remark towards officials (sitting with the Speaker of Council during virtual Council meetings) positioned in the office of the Deputy Municipal Manager by referring to the officials as **"animals"** and done so in contravention of Rule 51.1 of the Standing Rules & Order for Councillors and all its Committees.

Allegation 2:

It is also alleged that during the virtual Ordinary Council meeting held on 28 August 2025, you called and or referred to the officials (staff) as **"dogs and must be kept on a leash"** and done so in contravention of Rule 51.1 of the Standing Rules & Order for Councillors and all its Committees.

Allegation 3:

It is alleged that during the virtual Ordinary Council meeting, it is alleged that as Councillor you referred to the staff members of the Deputy Municipal Manager as **"fool kids"** and done so in contravention of Rule 51.1 of the Standing Rules & Order for Councillors and all its Committees.

It is alleged that as Councillor, you have breached and or violated the following:

(a) **The Code of Conduct for Councillors** in terms of **item 2(a) and (b)** states that a Councillor must perform the functions of office in good faith, honestly and in a transparent manner; and at all times act in the best interests of the Municipality and in such a way that the credibility and integrity of the Municipality are not compromised.

(b) **Rule 55 of the Standing Rules and Orders for the Meetings of Council and all its Committees: Language Usage** states that the use of vulgar language shall not be allowed inside Council chamber or at a meeting of Council or its Committee.

(c) **Municipality's Policy on Prevention and Elimination of Harassment in the Workplace** states in point 4.4 that where the conduct complained of is of a serious nature, a single event will be considered harassment. This is conduct which is generally considered to be unacceptable, and the perpetrator can reasonably assume the conduct would be offensive to the receiver, for example:

- Violent conduct, bullying and intimidation
- Sexual assault or commentary
- Racial remarks or commentary and;
- Discriminatory remarks or commentary.

(d) **Municipality's Policy on Prevention and Elimination of Harassment in the Workplace** with reference to Schedule 2 referring to the definition of bullying: "means seeking to harm, intimidate, or coerce someone who is perceived as vulnerable (regardless of whether it is factually so) who are generally groups or persons susceptible to (or at higher risk of) unfair discrimination".

You are hereby requested to give written responses in respect to the allegations set out herein within **seven (7) calendar days** from the date of receipt hereof.



_____

COUNCILLOR L MAREE
SPEAKER OF COUNCIL

REPORTS BY THE OFFICE OF THE DEPUTY MUNICIPAL MANAGER

KOUGA
local municipality

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
OFFICE OF THE DEPUTY MUNCIPAL MANAGER
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/DMM1**

REPLACEMENT OF DEMOCRATIC ALLIANCE COUNCILLOR ON THE COMMITTEES OF COUNCIL

1. **Introduction**

The purpose of the item is for Council to approve the replacement of the previous Democratic Alliance Councillor on the current committees of Council.

2. **Background**

Cllr Amore Hendricks of the Democratic Alliance (DA) was sworn in on the 10th of September 2025 as a PR Councillor of the Kouga Local Municipality Council, following the resignation of Cllr Brenton Williams.

3. **Discussion**

Following these changes, Cllr Hendricks must replace the previous DA Councillor, Mr. Brenton Williams on the existing Section 80 and 79 committees.

4. **Financial Implications**

Completed by BTO	Not applicable
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	

5. **Applicable Legislation**

The Local Government: Municipal Structures Act 117 of 1998, as amended.

In order to efficiently and effectively exercise the powers and functions of the municipality a Committee system is herewith proposed as envisaged in Section 33 of the mentioned Structures Act, which reads as follows:

"**33**. *Criteria for establishment of committees.- A municipality may establish a committee provided for in this Act if-*

(a) the municipality is of a type that is empowered in terms of this Act to establish a committee of the desired kind;
(b) the establishment of the committee is necessary, taking into account-
(i) the extent of the functions and powers of the municipality;
(ii) the need for the delegation of those functions and powers in order to ensure efficiency and effectiveness in their performance; and
(iii) the financial and administrative resources of the municipality available to support the proposed committee; and
(c) in the case of the establishment of an executive committee, the municipality has more than nine councilors."

All Committees of the Municipal Council must be fairly (proportionally) representative of all (political) parties and interests.

6. **Legal Implications**

Should Council resolve on the recommendations below, the Section 79 and the Section 80 Committees will be composed as per the Council resolution.

7. **Other Implications**

None

8. **Comments by Directorates:**

The recommendations for this item do not require comments from the Directors.

9. **Delegated Authority**

Council

10. **Recommendations**

10.1 That Council resolve that Cllr A Hendricks replace Mr B Williams on the Section 79 committee as follows:

Municipal By-laws and Policy Committee:

Committee Members
Chairperson : Cllr F Heystek
Cllr A Hendricks
All D Benson
Cllr R Foley
Vacant, previously Cllr H Murray
Cllr G Stuurman
Cllr T Mbuqu
Cllr K Ndzelani
Cllr C Pietersen
Cllr W van der Linde
Cllr L Nkilishane

10.2 That Council resolve that Cllr A Hendricks replace Mr B Williams on the composition of members for the Section 80 committees as follows:

Civil & Water Services Portfolio Committee:

Committee Members	Alternate members:
Chairperson: Cllr R Foley	Cllr A Hendricks
Cllr B Dhludhlu	Cllr M Nicholls
Cllr S Ruth	Cllr M Mbandana
Cllr W Gertenbach	
Cllr J Alexander	
Cllr V Zana	
Cllr P Oliphant	
Cllr C Pietersen	
Cllr W van der Linde	
Cllr L Nkilishane	

Electro-Mechanical Services Portfolio Committee:

Committee Members	Alternate members:
Chairperson: J Alexander	Cllr B Dhludhlu
Cllr S Ruth	Vacant, previously Cllr H Murray
Cllr A Hendricks	Cllr M Yali
Cllr W Gertenbach	
Cllr M Nicholls	
Cllr M Valgee	
Cllr Ntshota	
Cllr C Pietersen	
Cllr W van der Linde	
Cllr L Nkilishane	

Finance & Economic Development Portfolio Committee:

Committee Members	Alternate members:
Chairperson: Cllr S Ruth	Vacant, previously Cllr H Murray
Cllr A Hendricks	Cllr R Foley
Cllr B Dhludhlu	Cllr M Yali
Cllr F Heystek	
Cllr W Gertenbach	
Cllr P Oliphant	
Cllr W Petersen	
Cllr C Pietersen	
Cllr W van der Linde	
Cllr L Nkilishane	

Item prepared by: Manager Administration & Auxiliary Services

Item approved by: The Deputy Municipal Manager

Item supported by: The Municipal Manager

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
OFFICE OF THE DEPUTY MUNCIPAL MANAGER
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/DMM2**

REPORT ON LIQUOR LICENSE APPLICATIONS RECEIVED FOR THE PERIOD BETWEEN JULY 2025 AND SEPTEMBER 2025

1. **Introduction**

The purpose of this item is to report to Council on the liquor license applications received and responded to in line with the provisions of the applicable legislation.

2. **Background**

The Municipal Council is reminded that the authority to process liquor license applications has been delegated by the Council to the Deputy Municipal Manager under Council Resolution 24/12/MM3.

3. **Discussion**

Council is advised that the following liquor license applications were received between July 2025 and September 2025. The applications were processed, and the outcome was forwarded to the respective Ward Councillor, the applicant, and the Eastern Cape Liquor Board:

- Sgt. Pepperoni's
- Gamtoos Ferry Hotel
- Jbay Padels
- Geisha Wok & Noodle Bar
- Die OOG
- Pabala Nature Reserve

All above applications were circulated to the Advisory Committee for internal service department comments and the outcomes is marked as **Annexure A**.

4. **Financial Implications**

Completed by BTO -	Not Applicable
Project Description	
Ukey no.	
Budgeted Amount	

Amount spent and committed to date	
Amount Available	
Comment	
BTO Signature	

5. **Applicable Legislation**

The Constitution of the Republic of South Africa 108 of 1996;
Eastern Cape Liquor Act 10 of 2003;
Eastern Cape Liquor Regulation 2024;
Kouga Local Municipality By-Law on the sale of liquor and the regulating of trading hours for licensed undertakings and matters incidental thereto.

6. **Legal Implications**

None.

7. **Other Implications**

None.

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Not applicable.

8.2 **Director: Planning & Development**

Not applicable.

8.3 **Director: Civil & Water Services**

Not applicable.

8.4 **Director: Electro-Mechanical Services**

Not applicable.

8.5 **Director: Community Services**

Not applicable.

8.6 **Deputy Municipal Manager**

Supported

8.7 **Municipal Manager**

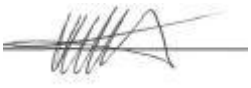
Not applicable.

9. **Delegated Authority**

Deputy Municipal Manager. The report is for Council to note the report.

10. **Recommendations**

10.1 That Council notes the report on the liquor license applications received.

Item prepared by the: Deputy Municipal Manager: 

Item endorsed by the: Municipal Manager 

KOUGA local municipality
Service Excellence through Good Governance

ANNEXURE A

LIQUOR LICENSE APPLICATIONS

NAME OF BUSINESS	WARD	COMMENTS BY RELEVANT DEPARTMENT	OUTCOME
Sgt Pepperoni's	8	**Town Planning**: Application is **supported**. The subject property is zoned Business Zone 2 where a restaurant is permitted in terms of the Scheme. Sale of liquor for on-site consumption in a restaurant is generally allowed subject to satisfaction of scheme provisions. **Building Contro**l: This application for onsite consumption is **Not supported**. Deviations from the approved building plan J0607-00475 were discovered on site. Notices have been issued to the owner to inform them of the transgression. No building plans has been formally submitted to date to rectify the said matter. **Law Enforcement**: Inspection was conducted on 25 June 2025. No law enforcement issues have been encountered in the past, nor can any be foreseen in the future; therefore, the application can be **supported.** **Traffic Services**: Parking is sufficient and there is no traffic impact at the location, and the application is therefore **supported**. **Environmental Health**: An inspection was conducted on 25 June 2025. Findings are as follows: Inadequate lighting in the kitchen preparation area. According to the manager, they are still in process with electrical installations and will install additional lights in the preparation area.	Application not supported

		Does not fully comply with ventilation requirements. It was observed at the time of inspection that they are currently busy with the installation of an extractor for the pizza oven at the shop. Compliant. There is a designated refuse storage area at the back of the premise where refuse is stored in bins pending removal. Adequate ablution facilities. There are no disabled access and no disabled toilet at the premises. It is noted that the scullery at the shop is not in use due to no water connection by the basins. The taps must still be installed. Currently the scullery of the shop next door (Bangkok Alley) is used for the washing of dishes. At the time of inspection, no occupation certificate was provided when an enquiry was made if the premises complies with land-use & building control regulations. A section of the ceiling needs to be fixed at the entrance area. According to the manager, plans have been made to address this issue. The application is **not supported**. **Fire Services**: An inspection conducted on 24 June 2025 at the above-mentioned premises revealed that it is not fire safety compliant as per SANS 10400 Part T. A notice was sent to the manager of Sgt Pepperoni's with regards my findings that require urgent attention. The application **cannot be supported** due to the following: · Fire equipment to be serviced and installed according to requirements with approved signage. · Manual fire alarm to be installed as the occupancy classification change to A1. · LPG installation and excess internal gas to be addressed on the premises. **Public Participation:** Meeting held on 11 April 2025. It was concluded that there were no objections; the application was signed by the attendees and Cllr Foley expressed his appreciation for the attendance and declared the meeting closed.	

Gamtoos Ferry Hotel	7	**Law Enforcement**: An inspection was conducted, and no law enforcement issues have been encountered in the past, nor can any be foreseen in the future; therefore, the application can be **supported**. **Traffic Services**: Parking is sufficient and there is no traffic impact at the location, and the application is therefore **supported**. **Environmental Health**: An inspection was conducted on 01 July 2025, and premises comply with all relevant environmental health requirements. The approval of liquor licence application is **supported** subject to compliance with all relevant requirements or the local authority or any other applicable legislation. **Fire Services**: An inspection was conducted at the premises on 1 July 2025 to check that minimum fire compliance is achieved and found that most fire equipment is in serviceable condition, two fire extinguishers found to be under pressure and indicated to manager to get sorted. The premises have been operating for a long period of time and unclear if the portion has been rezoned or still agricultural. Fire department can **support** application on condition that fire equipment be always kept in annual serviceable condition. **Town Planning**: The applications for on-site and off-site consumption are **supported**. A zoning certificate found on Town Planning records, dated 25 January 2007, reflect that the property (then Portion 12 of the Farm Nocton No. 441, Uitenhage RD) has land use rights which enabled a hotel and a bottle store. - The referred land use rights facilitate for sale of liquor for on-site and off-site consumption, respectively. **Building Control**: These applications for on-site and off-site are **not supported**. There are no available records relating to approved building plans or occupation certificate. The owner is also not in possession of any copies of approved plans. - Observations on site indicate that there may be possible unauthorized structures. - It is the property owner's responsibility to ensure that approved building plans exist for all structures on this property in terms of the National Building Regulations and Building Standards Act (Act 103 of 1977) and the referred applications may, unfortunately, not be supported in absence of relevant records.	Application not supported

		Public Participation: No minutes of consultative meeting with the public (report) submitted in terms of section3(2) of the By-Law on the Sale of Liquor and the Regulating of Trading Hours for Licensed Undertakings and matters incidental thereto read together with Section22(2)(d)(i) of the Eastern Cape Liquor Act 10 of 2003.	
Jbay Padels	11	**Law Enforcement:** An inspection was conducted, and no law enforcement issues have been encountered in the past, nor can any be foreseen in the future; therefore, the application can be **supported**. **Traffic Services:** Parking is sufficient and there is no traffic impact at the location, and the application is therefore **supported**. **Environmental Health:** An inspection was conducted, and the findings are as follows: • Lighting: Complies with lighting requirements. (Outdoor area on rooftop with enough natural light) • Ventilation: Complies with ventilation requirements (Outdoor area on rooftop with enough natural ventilation) • Waste management: Compliant. There is a designated refuse storage area. Refuse is stored in wheelie bins pending removal from municipality. • Ablution facilities: Adequate ablution facilities. • Disability access & facilities: There are no disabled access ramps: The area is located on a rooftop of an existing business that is only accessible via a staircase. There is also no disabled toilet at the premises. • General health and hygiene: Premises complies to general health and hygiene standards. The application is **supported**. **Fire Services**: An inspection was conducted at premises on 2 September 2025 to check compliance to minimum Fire protection requirements of SANS 10400 Part T. The premises do have serviceable fire extinguishers with approved signage in sufficient quantity, the emergency staircase to ground level place of safety do have handrails on both sides and the premises do have a population certificate. Fire department can **support** application.	Application not supported

		Town Planning: The application for sale of liquor for on-site consumption is **supported**. The subject property is zoned Business Zone 2 in terms of Kouga Local Municipality Land Use Scheme, 2021. A Consent Use to permit padel courts with subservient bar was approved in June 2025 per land use application JL2324-00170. Sale of liquor for on-site consumption on the subject property zoned Business Zone 2 (with approved Consent Use for padel courts with subservient bar) is permitted subject to satisfaction of scheme provisions. **Building Control:** The application for on-site consumption is **not supported.** Unauthorized structures were identified on the premises. Applicant should formally submit new building plans indicating all deviations from previous approved plans and in accordance with the National Building Regulations SANS 10400. **Public Participation:** A consultative meeting was held on 21 August 2025 together with the owner. There were concerns raised by a community member about lowly character having a negative impact on the immediate environment. The business owner showed the facilities (Jbay Padels) and indicted that the setup is of upmarket value. No further concerns were raised.	
Geisha Wok & Noodle Bar	12	**LAW ENFORCEMENT:** An inspection was conducted, and no law enforcement issues have been encountered in the past (in the vicinity), nor can any be foreseen in the future; therefore, application can be **supported**. **TRAFFIC SERVICES:** Parking is sufficient and there is no traffic impact at the location, and the application is therefore **supported**. **ENVIRONMENTAL HEALTH:** An inspection was done by Environmental Health on 18 September 2025 to verify and enforce compliance with the applicable legislation. The following findings were noted from in terms of the National Environmental Health Norms and Standards for premises perspective during inspection: A. General: The premises are currently not operational. The building site is incomplete (Indoor area) with most equipment and facilities not fitted in yet. Therefore, no verification could be conducted to assess compliance with Environmental Health requirements. As per follow up communication with the building control department, there has also been no request yet for a final building inspection.	Application not supported.

		B. Kitchen Area: Incomplete/ not fitted in. C. Ablution facilities: Incomplete/ not fitted in. D. Lighting and Ventilation: Incomplete/Not fitted in. E. Waste management: Incomplete/Not fitted in. **Application for liquor license can therefore not be supported at this stage.** **FIRE SERVICES:** An inspection was previously conducted at the premises before, and it was recommended that they submit an internal building plan for approval. The plan was submitted and approved on OVVIO. A population certificate was issued according to this plan for their liquor application. Fire protection details were included in this plan. According to my knowledge a final inspection was not conducted by departments for the approved plan. Our department **can support on condition that the premises are compliant in accordance with the approved plan and building control is satisfied for OC.** **Town Planning:** Application is **supported**. The subject property is zoned Business Zone 2 where a restaurant is permitted in terms of the Scheme. Sale of liquor for on-site consumption in a restaurant is generally allowed subject to satisfaction of scheme provisions. **Building Control:** This application for on-site consumption is **supported** on the following condition: The applicant needs to submit a final inspection request with all the required certificates to inspections@kouga.gov.za The next available building inspector will arrange the joint inspection with the relevant departments and inform the applicant of the joint inspection date and time. If all is in order an occupation certificate will be issued allowing the applicant to occupy the building. **Public Participation:** A consultative meeting was held on 26 August 2025; there were no objections received during the meeting.	
DIE OOG	6	**Law Enforcement:** An inspection was conducted, and no law enforcement issues have been encountered in the past, therefore, the application can be **supported.** **Traffic Services:** Parking is sufficient and there is no traffic impact at the location, and the application is therefore **supported**. **Environmental Health:** Premises should be operated with a valid Business Licence and Certificate of Acceptability obtainable from the Local Municipality. Disability	Application not supported

		friendly access and disability friendly ablution facilities should be provided for in accordance with National Building Regulations and the Building Standards Act, 1977 (Act No. 103 of 1977). Additional and sufficient ventilation (natural or artificial in the absence of natural) should be provided for in accordance with National Building Regulations and the Building Standards Act, 1977 (Act No. 103 of 1977). An extractor fan should be equipped in the kitchen facility, so to remove smoke, odours and improve the air quality in the kitchen area. Education and awareness were conducted on food safety and hygiene. **Application is not supported.** **Fire Services:** An inspection was conducted at the premises on 9 July 2025 to check fire safety compliance in accordance with the regulations for liquor license applications. **The fire department cannot support the application**. An inspection report was issued to the owner of the business indicating the areas of non-compliance and follow-up inspections need to be carried out to ensure compliance. **Public Participation:** No minutes of consultative meeting with the public (report) submitted in terms of section3(2) of the By-Law on the Sale of Liquor and the Regulating of Trading Hours for Licensed Undertakings and matters incidental thereto read together with Section22(2)(d)(i) of the Eastern Cape Liquor Act 10 of 2003.	
Pabala Nature Reserve	9	**Law Enforcement**: An inspection was conducted, and no law enforcement issues have been encountered in the past, therefore, the application can be **supported**. **Traffic Services:** Parking is sufficient and there is no traffic impact at the location, and the application is therefore **supported**. **Environmental Health:** Premise does comply with all relevant environmental health requirements. The approval of liquor licence application is **supported** subject to compliance with all relevant requirements or the local authority or any other applicable legislation. **Fire Services:** An inspection was conducted at the premises on 9 July 2025 to check fire safety compliance in accordance with the regulations for liquor license applications. **The fire department cannot support the application.** An inspection report was issued to the owner of the business indicating the areas of	Application not supported

		non-compliance and follow-up inspections need to be carried out to ensure compliance. **Town Planning**: The application for the sale of liquor for on-site and off-site consumption is **not supported**. Whilst it is noted that the property is referred as a private nature reserve, it is zoned Agriculture in terms of Kouga Local Municipality Land Use Scheme, 2021. Sale of liquor for on-site and off-site consumption is not permitted in Agriculture Zoned land without approval in terms of the Municipal Spatial Planning and Land Use Management By-law, 2016 and the Scheme. There are no available records for approval of land use rights which could facilitate the sale of liquor for on-site and/or off-site consumption on the subject property. **Building Control:** The application for sale of liquor for on-site and off-site consumption is **not supported**. There are no available records relating to approved building plans or occupation certificates. The owner is also not in possession of any copies of approved plans. Observations on site indicate that there may be possible unauthorized structures. It is the property owner's responsibility to ensure that approved building plans exist for all structures on this property in terms of the National Building Regulations and Building Standards Act (Act 103 of 1977) and the referred applications may, unfortunately, not be supported in absence of relevant records. **Public Participation**: No minutes of consultative meeting with the public (report) submitted in terms of section3(2) of the By-Law on the Sale of Liquor and the Regulating of Trading Hours for Licensed Undertakings and matters incidental thereto read together with Section22(2)(d)(i) of the Eastern Cape Liquor Act 10 of 2003.	

MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR

KOUGA
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REPORTS BY THE EXECUTIVE MAYOR

KOUGA
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REPORTS BY THE PORTFOLIO CHAIRPERSON: FINANCE AND ECONOMIC DEVELOPMENT

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Good Governance through Service Excellence

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
FINANCE & ECONOMIC DEVELOPMENT
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/FED1**

ECONOMIC DEVELOPMENT AND TOURISM KEY MEMBERSHIPS, SUBSCRIPTIONS, AND ASSOCIATIONS FOR 2025/2026 FINANCIAL YEAR

1. **Introduction**

This item seeks approval to collaborate and form part of selected key economic development and tourism memberships, subscriptions, associations and digital research and data sourcing organisations for the 2025/2026 financial year.

By participating and forming part of these key associations, Kouga Local Municipality will strengthen their position in the market, contribute to the overall growth of the sector, and ensure a more sustainable and prosperous future for economic development and tourism in Kouga.

2. **Background**

South Africa's economic development and tourism sector are supported by a network of associations and bodies that play crucial roles in marketing, development, and regulation. These private sector organisations and associations work to enhance the industry's contribution to the South African economy and ensure sustainable growth.

Benefits of membership and subscriptions to these associations and organisations:

Credibility and Trust
Networking and Collaboration
Access to Resources and Information
Advocacy and Representation
Education, Training and Industry Skills Development
Self-Regulation

3. **Discussion**

Tourism is recognized for its immense potential and its significant contribution to the economy. The 1996 White Paper on the Development and Promotion of Tourism confirmed South Africa's approach to tourism as one which is "government led, private sector driven and community based", and grounded in cooperation and close partnerships between all stakeholders. This sets the scene and is still relevant today.

Economic development and tourism are a complex industry which involves a wide range of stakeholders and businesses working together at different levels to provide a service for individuals or a group of people travelling away from

home for purposes of either leisure, business or visiting friends and relatives (VFR) – including expatriate visitors.

Local governments should actively participate in associations like SATSA, TBCSA, FEDHASA, and SAACI to enhance tourism development, improve service delivery, and foster economic growth within their jurisdictions. These associations offer platforms for collaboration, knowledge sharing, and advocacy, enabling local governments to effectively address tourism-related challenges and opportunities.

Benefits of Local Government Participation:

1. Enhanced Collaboration and Knowledge Sharing:

   Associations like SATSA and TBCSA provide platforms for local governments to engage with private sector stakeholders (tourism businesses, tour operators, etc.) and other municipalities. This fosters collaboration, allowing for the exchange of best practices, sharing of resources, and joint problem-solving.

2. Improved Tourism Planning and Development:

   By participating in these associations, local governments gain access to valuable insights into tourism trends, market demands, and effective development strategies. This knowledge can be crucial for creating targeted tourism plans, attracting investments, and developing tourism products that align with market needs.

3. Access to Funding and Support:

   Associations like SALGA, as the representative body for local government, play a crucial role in advocating for the needs of municipalities and facilitating access to funding and support from national and provincial governments. Participation in these associations can help local governments secure resources for tourism infrastructure development, marketing, and capacity building.

4. Strengthened Advocacy and Influence:

   These associations act as powerful advocates for the tourism sector, influencing policy decisions at the national level. Local governments can leverage this collective voice to ensure that their specific concerns and priorities are considered in national tourism strategies and legislation.

5. Economic Growth and Job Creation:

   Tourism is a key driver of economic growth and job creation in many municipalities. By actively participating in tourism associations, local governments can contribute to the development of a thriving tourism sector, leading to increased revenue generation, job opportunities, and overall economic prosperity.

6. Promotion of Social Cohesion:

   Tourism can play a significant role in promoting social cohesion by bringing diverse communities together. Local governments can utilize their

participation in these associations to promote inclusivity, cultural exchange, and community involvement in tourism initiatives.

Further advantages for the Kouga Region:

a. Capitalize on the town's surfing tourism potential:

   By collaborating with SATSA, TBCSA, and other relevant organizations, Jeffreys Bay can enhance its reputation as a world-class surfing destination and attract more visitors.

b. Improve infrastructure and services for tourists:

   Participation in these associations can help secure funding and support for infrastructure development (e.g., improved roads, parking facilities, public amenities) that are essential for a positive visitor experience.

c. Promote responsible and sustainable tourism practices:

   Working with these associations can help with the develop and implementation of sustainable tourism strategies that minimize environmental impact and maximize community benefits.

d. Engage with other tourism destinations:

   By participating in these associations, Kouga Local Municipality Tourism department can learn from other successful tourism destinations and collaborate on joint marketing initiatives.

By actively engaging with these associations, KLM can create a more supportive and enabling environment for Kouga's private sector tourism development, leading to increased economic growth, job creation, and improved marketing initiatives to promote the destination.

Objective

Each Association assists and promotes certain principles within the Tourism Value Chain. These associations and organisations are outlined below:

1. SATSA – South African Tourism Services Association (R9,500.00)

   SATSA, the Southern Africa Tourism Services Association, is a non-profit membership-based organization representing over 1,100 inbound tourism businesses in Southern Africa. Established in 1969, SATSA acts as a voice for the tourism industry, advocating for its members' interests and promoting sustainable growth and development. It's a trusted body that provides accreditation to tourism businesses, ensuring quality, safety, and ethical practices within the industry.

2. SAACI – South African Association for the Conference Industry (R6,500.00)

   The Southern African Association for the Conference Industry (SAACI) is a professional body dedicated to promoting and developing the business events industry in Southern Africa. Established in 1987, SAACI serves as a

platform for networking, knowledge sharing, and collaboration within the meetings, incentives, conferences, and exhibitions (MICE) sector.

3. SACIA – South African Communications Industry Association (R4,950.00)

   The Southern African Communications Industries Association (SACIA) is a not-for-profit organization promoting professional standards and ethical business practices within the communications, events, and entertainment industries across Southern Africa. It's a member-driven organization registered as a Section 21 company in South Africa. SACIA is also a SAQA-recognised professional body that awards designations to industry professionals. A key function of SACIA is Promotion of Professional Standards. SACIA focuses on raising the bar for professional conduct and ethical business practices within its target industries.

4. SKAL INT – Skål International (R3,250.00)

   Skål International is a global organization focused on uniting tourism professionals to promote the industry, foster business relationships, and build friendships. It's the only international group that brings together all sectors of the travel and tourism industry. With over 12,000 members across more than 300 clubs in 83 countries, Skål International aims to provide a platform for networking, knowledge sharing, and collaboration within the tourism sector.

5. MELTWATER – Digital (R140,000.00)

   Meltwater is a global organisation in media, social, and consumer intelligence, providing a platform for businesses to monitor, analyze, and act on online conversations. It helps companies understand their online presence, track brand mentions, identify influencers, and gain competitive insights. With a focus on real-time data and customizable dashboards, Meltwater empowers users to make data-driven decisions and drive business results.

6. Airbnb - Digital Data Analytics for Short Term Rental Market (7,500.00)

   AirD is a data analytics platform focused on the short-term rental market, specifically Airbnb listings. It provides insights into occupancy rates, pricing, and market trends, helping hosts, investors, and property managers make data-driven decisions. AirDNA tracks over 10 million properties in 120,000 markets globally, offering tools for various stakeholders in the short-term rental industry.

7. TBCSA – Tourism Business Council of South Africa (R9,500.00)

   The Tourism Business Council of South Africa (TBCSA) is the leading voice for the private sector in South Africa's travel and tourism industry. Established in 1996, the TBCSA serves as an umbrella organization, uniting diverse businesses and associations to engage with the government on matters of policy and development within the tourism sector. Its primary goal is to foster a competitive, inclusive, and sustainable tourism economy in South Africa.

8. WETU – Sued Africa (R75,000.00)

   Wetu is a travel technology company that provides online tools for the tourism industry, specifically focusing on content management and itinerary creation. It helps tour operators, travel agents, and destination management companies (DMCs) build and distribute engaging itineraries and marketing materials. Essentially, Wetu acts as a central hub for travel content, enabling businesses to showcase their offerings and connect with potential clients.

9. TOURISM UPDATE – Digital (TBC)

   Tourism Update (TU) is a leading online news publication, covering news across southern and East Africa. Focusing on the inbound tourism market, TU aims to inform DMCs, tour operators, tourism stakeholders, and travelers on news happening in and around this belt of Africa.

10. HASA – Heritage Association of South Africa (R1,500.00)

    The Heritage Association of South Africa (HASA), formerly known as the Simon van der Stel Foundation, is a leading conservation lobby group dedicated to preserving South Africa's national estate. It acts as an umbrella organization, advocating for the principles of the National Heritage Resources Act and other relevant legislation. HASA emphasizes the importance of heritage in national prosperity and responsible management of historical environments.

11. ECPHRA – Eastern Cape Provincial Heritage Resources Authority (R1,000.00)

    The Eastern Cape Provincial Heritage Resources Authority (ECPHRA) is the key organization responsible for heritage management in the Eastern Cape province of South Africa. It was established under the National Heritage Resources Act (NHRA). ECPHRA's mandate includes identifying, documenting, conserving, and promoting the province's diverse cultural heritage resources for sustainable development. ECPHRA's role is Identification and Documentation as ECPHRA identifies and documents heritage resources, including both tangible and intangible aspects of the province's cultural landscape.

12. FEDHASA – Federated Hospitality Association of South Africa (R16,950.00)

    FEDHASA, the Federated Hospitality Association of South Africa, is a key organization representing the hospitality industry in South Africa. Established in 1949, it acts as a voice for various segments of the industry, including hotels, restaurants, and accommodation providers. FEDHASA focuses on lobbying, advocacy, and providing support to its members, aiming to create a favourable trading environment and promote the growth of the sector. FEDHASA'S main role is Representation. FEDHASA represents a wide range of hospitality businesses, from hotels and restaurants to guesthouses and catering services.

13. SITE Africa (R11,995.00)

SITE Africa is a chapter of SITE (Society for Incentive Travel Excellence) focused on promoting and developing incentive travel experiences within the African continent. It aims to create a fully inclusive chapter for African destinations and is committed to educating destinations new to incentive travel, ensuring high-quality experiences for discerning travelers. The continent of Africa boasts incredible diversity, offering unique and memorable incentive travel opportunities. Comprising 54 countries, Africa is home to a melting pot of cultures and natural wonders. Its diversity of experiences offers a unique and impactful incentive encounter.

14. PCO Alliance (R4,500.00)

The PCO Alliance Network is a South African-based alliance of professional event organizers in the MICE (Meetings, Incentives, Conferences, and Events) industry. It aims to ensure high standards of ethics and professionalism among its members, affiliated suppliers, and associated stakeholders. The alliance focuses on collaboration and unity within the events industry, promoting the best practices and responsible operations.

15. SATOVITO – South African Township and Village Tourism Organisation (R0.00)

South African Township and Village Tourism Association (SATOVITO), provides various benefits for businesses and individuals involved in the township and village tourism sector. It offers a platform to connect, collaborate, and promote authentic, indigenous tourism experiences. It also assists with route development for new Township Experiences and contributes with marketing these new developments.

16. TraveLife – Sustainable Tourism Practices (R35,800.00)

TraveLife is an internationally recognized sustainability certification system specifically for the tourism industry, encompassing both accommodations and tour operators. It aims to help businesses improve their social, environmental, and economic impacts, and to communicate their sustainability efforts to customers. TraveLife focus on helping accommodation and hospitality establishments manage and minimize their social and environmental impacts. It involves a comprehensive set of requirements covering areas like environmental impact (emissions, water and energy use), human rights, fair labour practices, child safeguarding, and animal welfare.

17. Agri Tourism Africa (R3,995.00)

Agritourism in South Africa involves tourism activities on farms, offering visitors a chance to experience rural life, agriculture, and local culture. It encompasses various activities like farm stays, tours, and direct sales of farm produce, providing farmers with supplemental income, and promoting rural development. Agritourism in South Africa is a growing sector that aims to connect tourists with the land, food production, and the people who make it happen.

4. **Financial Implications**

Completed by BTO -	
Project Description	Expenditure: Operational Cost: Professional Bodies, Membership and Subscription
Ukey no.	2024 0710 995 766
Budgeted Amount	R350 000.00
BTO Signature	KOUGA MUNICIPALITY 2025-08-04 BUDGET &TREASURY
DATE	
Amount spent and committed to date	R0.00
Amount Available	R350 000
Comment	

5. **Applicable Legislation**

The following legislation is considered in all tourism activities:

a) Tourism White Paper released in May 1996
The role of Tourism starts with Local Government – this is clearly defined in the Tourism White Paper released in May 1996. This outlines the development and promotion of tourism in South Africa and indicates the roles of tourism within local government as follows:

The government is committed to providing a climate conducive to the growth, development and profitability of the tourism sector on behalf of the private sector.

b) Tourism Act No3 of 2014 (07 April 2014)
Tourism Act No. 3 of 2014 makes provisions for the development and promotion of sustainable tourism for the social, economic and environmental benefit of South African citizens and its visitors.

c) National Development Plan (NDP)
SA Tourism is entrusted with a critical mandate of contributing towards creating an environment for sustainable employment and inclusive economic growth through tourism. SA Tourism has specifically interrogated and aligned its role to the National Development Plan 2030.

d) National Tourism Strategy (NTSS)
The NTSS was approved by Cabinet and launched in March 2011. It sets bold commitments for the tourism sector. The NTSS advocates the development of a Tourism Growth Strategy aimed at increasing tourism's contribution to the economy.

NTSS's objectives is dependent on a collaborative effort between National, Provincial, Local government and the private sector.

In doing so, KLM takes a range of national and provincial legislation into account, including, but not exclusively, the legislation listed in the table below:

Marine Living Resources Act, 1998 (Act 18 of 1998)	This is the primary legislation governing the management of marine living resources and is applicable to all Marine Protected Areas
National Environmental Management Act, 1998 (Act 107 of 1998)	This is the national environmental legislation which provides guidance on environmental management
Tourism Act, 2014 (Act 3 of 2014)	- The promotion of responsible tourism practices - Provisions for the effective marketing of the province, both domestically and internationally - The promotion of quality tourism products and services - The promotion of economic growth and development of the sector - The establishment of concrete inter-governmental relations to develop and manage tourism
World Heritage Convention Act, 1999 (Act 49 of 1999)	This is the primary legislation governing the management of World Heritage Sites, which, in the case of the KLM, is applicable to the management of the Baviaanskloof section of the Cape Floral Region World Heritage Site that falls within the Gamtoos Valley Tourism boundaries and an ECPTA scope.
NEM: Integrated Coastal Management Act, 2008 (Act 24 of 2008)	This is the primary legislation governing the management of the coastal areas and prescribes the management of coastal protected areas

6. Legal Implications

Taking up membership, subscribing to and partnering with certain third-party associations as recommended in this item will impose legal, and to some extend possibly financial implications and responsibilities to the municipality.

No joining and or subscribing requirements are mentioned in the item and OBJ therefor the legal implications are limited, and the legal implications comment is limited.

7. **Other Implications**

No joining and or subscribing requirements are mentioned in the item and therefor other implications are limited.

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Recommendation supported.

8.2 **Director: Planning & Development**

Noted

8.3 **Director: Civil & Water Services**

Item noted.

8.4 **Director: Electro-Mechanical Services**

Noted

8.5 **Director: Community Services**

Noted

8.6 **Deputy Municipal Manager**

Noted.

8.7 **Municipal Manager**

Noted.

9. **Delegated Authority**

Council

10. **Recommendations**

10.1 That the Council approves that Economic Development and Tourism collaborate and form part of selected key tourism, events and heritage memberships, associations and digital research and data sourcing organisations.

Item prepared by the Acting Manager EDT: A Joncke

Item approved by the Chief Financial Officer:

Item endorsed by the Municipal Manager:

Item noted by Portfolio Chairperson:

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
FINANCE & ECONOMIC DEVELOPMENT
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/FED2**

CLOSE-OUT REPORT: TEATER BY DIE SEE: 21 – 23 MARCH 2025 AND SPONSORSHIP REQUEST FOR 2026: 20-21 MARCH 2026

1. **Introduction**

This item is to submit the event closeout report on the annual Teater by die See Festival hosted in Jeffreys Bay from 21-23 March 2025 and Sponsorship Request for event 20 – 21 March 2026.

2. **Background**

Jeffreys Bay Tourism in co-operation with LC EVENTS hosted a signature event during the March 2025 school holidays to attract tourists and visitors to our indoor facilities and provide entertainment for the local community as well as tourists

The Teater by the See is a planned annual community project that aims to promote theatre style productions, culture, arts, tourism, local businesses, and the spirit of togetherness in the town of Jeffreys Bay. It offers a diverse range of activities and other forms of entertainment for residents and tourists during the school holidays, contributing to the economic and cultural development of our region.

The purpose of the organizers was to stage a fully inclusive Teater by the See to the community and to ensure that:

- Events had pre-planned live video feeds to all our Jeffreys Bay Tourism social media platforms to promote destination marketing
- Events were disabled and family "friendly" with majority of events that kids all ages could attend
- Disability accessible for visitors with disabled parking spaces and bathroom amenities
- Ticket prices were subsidized to encourage community to attend the productions
- Local schools were approached and made part of the showcase

3. **Discussion**

Close-out Report: March 2025

Impact and Success

The aim was to organize and host the Teater by die See | Theatre by the Sea programme, with the prelaunch on 16 December 2024 with the production Kamphoer by the legendary Sandra Prinsloo. The main event was presented during 21 to 23 March 2025 which included the community, schools, radio stations, newspapers, businesses and more.

Several local businesses and stakeholders were brought together under the leadership of Jeffreys Bay Tourism and LC Events. It was initiated with great success by involving a group of dedicated local individuals who simply wanted to come together and make a difference.

Collectively, there was a single goal: To promote Jeffreys Bay and the Kouga Region as the destination of choice through a series of family friendly arts and culture productions and showcases.

The program attached, reflects the event that was hosted, as Jeffreys Bay Tourism, included majority of local artists and businesses.

Job Creation of 128 pax:

- 18 artists related jobs
- 38 marketing jobs
- 42 entertainment jobs
- 30 logistics jobs

In total, Council contributed R200 000.00 towards the event that was a remarkable success, showcasing the region's appeal as a premier school holiday destination. The event's diverse theatre, arts and culture offerings and community engagement, contributed to its and positive impact.

The festival is already planned and in process for 2026 and approval granted by the EPC. The goal for 2026 event is to expand to include more offerings by hosting theatre style events for children and to increase the tourism offerings during the March school holiday period in Jeffreys Bay and Kouga.

Sponsorships received
1. Kouga Local Municipality - Funding
2. Supertubes Guesthouse - Accommodation
3. Kouga Rhino Sanctuary – Accommodation & Activities
4. Spur Steak House – meals for Youth
5. BP: Deon Freemantle – Tickets for Pellsrus underprivileged
6. ATKV (Afrikaans Taal & Kultuur Vereeniging) – Marketing
7. Oasis FM Radio Station – Broadcast Advertising
8. Humansdorp Toyota – Artist Transport

Please refer to Annexures attached for a comprehensive overview:

"ANNEXURE A": EVENT PROGRAMME
"ANNEXURE B": MARKETING AND SOCIAL MEDIA REPORT
"ANNEXURE C": FINANCIALS

2025/2026 Sponsorship Proposal: Teater by die See

In the 2025 closeout report it is evident that the event was a great success reflecting the socio-economic impact on the local community and the environment.

As the event will be hosted for a 2nd year – the event will start in this year to generate more profitable income to host it for the next coming years.

"ANNEXURE D": 2025/2026 FUNDING PROPOSAL

4. **Financial Implications**

Completed by BTO -	
Project Description	JEFFREYS BAY TOURISM - TEATER BY DIE SEE
Ukey no.	20240710994885
Budgeted Amount	R200 000.00
BTO Signature	KOUGA MUNICIPALITY 2025-08-04 BUDGET &TREASURY
DATE	
Amount spent and committed to date	R200 000.00
Amount Available	
Comment	

5. **Applicable Legislation**

Funds transferred to external organisations or bodies must comply with section 67 of the MFMA, Act 56 of 2003:

Funds transferred to organisations and bodies outside government:

(1) Before transferring funds of the municipality to an organisation outside any sphere of government otherwise than in compliance with a commercial or other business transaction, the accounting officer must be satisfied that the organisation or body-

(a) has the capacity and has agreed-

(i) to comply with any agreement with the municipality;

(ii) for the period of the agreement to comply with all reporting,

financial management and auditing requirements as may be stipulated in the agreement;

(iii) to report at least monthly to the accounting officer on actual expenditure against such transfer; and

(iv) to submit its audited financial statements for its financial year to the accounting officer promptly;

(b) implements effective, efficient, and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and

(c) has in respect of previous similar transfers complied with all the requirements of this section.

(2) If there has been a failure by an organisation or body to comply with the requirements of subsection (1) in respect of a previous transfer, the municipality may (1)(c) make a further transfer to that organisation or body provided that-

(a) subsection (1)(a) and (b) is complied with, and

(b) the relevant provincial treasury has approved the transfer.

(3) The Accounting Officer must, through contractual and other appropriate mechanisms, enforce compliance with subsection (1).

6. **Legal Implications**

The Municipality must ensure that beneficiaries have complied with their contractual obligations, as required by the MFMA. Failure to comply with the MFMA may result in the transaction being classified as unauthorised, irregular, or fruitless and wasteful expenditure, and which may pose a risk to the financial audit qualifications of the Municipality.

7. **Other Implications**

None

8. **Comments by Directorates:**

8.1 **Chief Financial Officer**

Recommendations supported.

8.2 **Director: Planning & Development**

Noted

8.3 **Director: Civil & Water Services**

Item noted.

8.4 **Director: Electro-Mechanical Services**

Noted

8.5 **Director: Community Services**

Noted

8.6 **Deputy Municipal Manager**

Noted.

8.7 **Municipal Manager**

Noted.

9. **Delegated Authority**

Council.

10. **Recommendations**

10.1 That Council notes the 2025 Teater by die See/Theatre by the Sea Close-out Report.

10.2 That Council approves the funding of R 200,000-00 (Two hundred thousand rand only) all-inclusive for 2025/2026 FY only.

10.3 That Council authorizes the Accounting Officer to conclude a Funding Agreement / SLA with Kouga Local Tourism Organization in respect of funding stated in (10.2) above.

Item prepared by the Acting Manager EDT: A Jonck

Item approved by the Chief Financial Officer:

Item endorsed by the Municipal Manager:

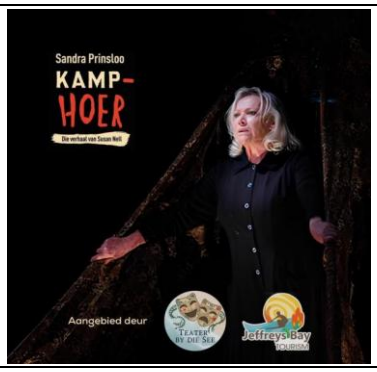
Item noted by Portfolio Chairperson:

ANNEXURE A – PROGRAMME & EVENTS



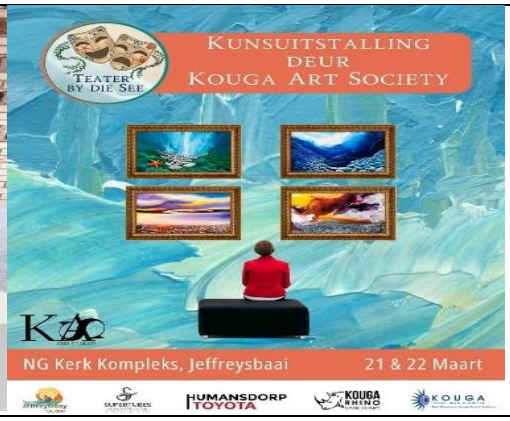
LAUNCH			
Kamphoer Production	Sandra Prinsloo	NG Kerk Kompleks	16 December 2025
Production of Kamphoer held on 16 December 2024 at the NG Church in Jeffreys, this event was fully funded by Jeffreys Bay Tourism. The show was very well attended with more than 700 attendees. Sandra received a standing ovation. The production set the tone for the main event to be hosted from 21 to 23 March 2025			





KOUGA ART SOCIETY			
Art Exhibition	Local Community	NG Kerk Kompleks	21-22 March 2025
The Kouga Art Society (KAS) displayed art from the local community which also included school children, this was very well attended, and many inquiries were directed to the different artists. The KAS did receive good exposure; the exhibition was for two days on 21 and 22 March. KAS and Theatre by the Sea plan to host an art exhibition during the year to provide exposure to the **youth** of Kouga			





TEA GARDEN			
Cake Base sales & Tea	Local Community	NG Kerk Kompleks	21-22 March 2025
During the Theatre by the Sea the church also had a tea garden, which sold pancakes, sweet and small savouries, hot and cold drinks. The Church and Theatre by the Sea did a profit sharing and both parties did benefit from this event. The Tea Garden was open for two days on the 21and 22 March.			





MORNING COMMUNITY CONCERT			
Old Age / Elderly Focus	Menno & Friends	NG Kerk Kompleks	11 March 2025
At 11 on the morning of 21 March a concert was hosted by Menno and friends, free of charge to all pensioners and the public at large, this was very well advertised and attended, more than 400 pensioners attended the show. The show was a great success and very well accepted.			



CLASSIC CAR EXHIBITION			
Classic Car Association	Local Community	NG Kerk Kompleks	12 March 2025
Jeffreys Bay also have a classical car association, and they were offered the opportunity to showcase their classical cars. 12 exhibitors showcase their cars, all are locals from our region.			





FLOWER ART WORKSHOP			
EB FLO Flower Club Jeffreys Bay	Anita Jordaan	NG Kerk Kompleks	21-22 March 2025

Two workshops were presented by Anita Jordaan, a local from Jeffreys Bay. The workshops were on the 21 and 22 of March, this was very creative, and the attendees were trained to do flower tattoos on their bodies. Both shows were sold out and 26 people attended. The funds generated were donated to support the EB FLO flower club. The workshop was such a great success, and more workshops will be hosted during the year.





ANDRE SWARTZ – MY PAD MET ANDREW LLOYD WEBBER			
EB FLO Flower Club Jeffreys Bay	Anita Jordaan	NG Kerk Kompleks	21 March 2025

Andre Schwartz -Any Dream Will Do – My Pad Met Webber', André Schwartz explores his relationship with all that is Andrew Lloyd Webber, since encountering his work for the first time at the age of 12 when he saw *Joseph and The Amazing Technicolor Dreamcoat*.

Schwartz's Mother, who had a substantial influence on his life is quoted as saying: "Weave your coat and create a tapestry of colours, let it shine as brightly as you want it to; dream whatever you want, even if dreams and reality become indistinguishable. You decide your own truth but always remember your way home."

347 attended the show and as always it was a great success.

Andre also performed with 2 choirs from Pharos school and Jeffreys Bay primary. Pellsrus School withdraw the morning of the event.

8 schools from Kouga were invited, to perform with Andre Swartz, however some could not attend, due to other school activities during the weekend.

The following schools were invited to participate:
Global Leadership Academy), Nico Malan High School, Gamtoos Primary, Pharos School, Victory School, Jeffreys Bay Primary, Pellsrus Primary, Kings Kollege

Teater by die see maak golwe!

VERONICA FOURIE

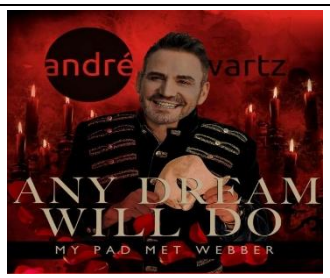
JEFFREYSBAAI het die afgelope naweek gegons tydens die eerste 'Teater by die See' fees wat deur Jeffreysbaai Toerisme in samewerking met die Kouga munisipaliteit aangebied is.

Kunstenaars soos André Schwartz, 'Liewe Heksie', Marion Holm en Jak de Priester het gehore vermak. Die projekbestuurder, Tom Bouwer, sê dit was 'n reusesukses: "Die gemeenskap en besoekers het ons uitstekend ondersteun, en almal is dit eens dat die fees wéér gehou moet word!"

Benewens die kunstenaars was daar ook 'n blomme-werkswinkel, talentkompetisie, kunsuitstallings, klassieke motors, 'n verskeidenheidskonsert en musiek. Bouwer bedank al die borge wat die fees moontlik gemaak het: Humansdorp Toyota, Supertubes Gastehuis, Kouga Rhino Sanctuary, Kouga Munisipaliteit, die ATKV, en Spur.

Aktrise Marion Holm sê, "Dit was 'n wonderlike ervaring. En ek praat nie van my vertoning of die uitstekende reëlings nie. Ek praat van die feit dat ek die voorreg gehad het om te sien hoe ongedwonge geïntegreerd julle gemeenskap is en dat dit my vir 'n rukkie hemel op aarde verskaf het."







LIEWE HEKSIE VANG N VIS			
Stage Production	Margit Meyer-Rodenbeck	NG Kerk Kompleks	22 March 2025

Liewe Heksie focused on children entertainment. Play schools were approached to participate in a colouring competition, free tickets were handed to the winners of the different play schools. The following play schools did participate:

- Smiley Kids
- Sharma Kids
- Whale of a time
- Pharos
- Pellsrus Primary

Mr Deon Freemantle from the BP garage donated 10 tickets to Pellsrus Primary to attend the show.

214 parents and kids attended. It was a very inter-active and the kids enjoyed the show





YOUTH PARTICIPATION			
Primary & High Schools	Various in Kouga	NG Kerk Kompleks	21 March 2025

LOCAL BANDS

The local Marimba and Harmony Brass bands were also part of the entertainment, the festival goers enjoyed the talented young children, and they were well applauded for their shows. **SPUR** sponsored hamburgers for the Marimba band





TALENT BY DIE SEE COMPETITION

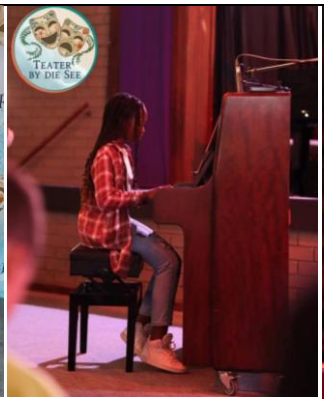
The talent by die see, was a first for Jeffreys Bay, coordinated by J Bay Academy and sponsored by the ATKV. We had professional judges from the ATKV, Marion Holm (one of the performers) and Khabonina Qubeka well know artist, the standard was high, and the participants delivered high standards during their performances. 55 talented participants enter for the 3 different categories, such as dance, music and drama. The following schools entered:

GLA, Gamtoos School, Kirkwood Primary, J Bay Academy, Jeffreys bay primary, Pharos School, Home School Students

The talent by die See was a great success and it is planned to do knock out competitions, and the winners will present their acts during 2026 Teater by die See

Marion and Khabonina Qubeka offered to provide FREE training to coaches and children in future









MARILYN MONROE			
Stage Production	Marion Holm	NG Kerk Kompleks	22 March 2025

Marion Holm's one-woman show, "Marion Monroe," is not a direct impersonation of Marilyn Monroe, but rather a comedic exploration of identity and the concept of names and how they shape perception, using the iconic star's name as a starting point. Holm delves into questions of what truly defines a person, exploring themes of self-perception, transformation, and the stories we tell ourselves and others. The show is not meant to be a serious or deep analysis, but rather a humorous and light-hearted look at these complex ideas.

This great entertaining show and attend by 320 people.





HARTKAMER			
Stage Production	Jak de Priester	NG Kerk Kompleks	23 March 2025

The weekend of Theatre by the Sea ended with the performance of Jak De Priester,
A very great show and attend by 204 people on the Sunday afternoon.





ANNEXURE B: MARKETING & MEDIA

1. **Facebook:**
   For a newly established Facebook page with only 534 members, good coverage was received, and it is encouraging to see the steadily growing page likes and followers.

   Of the 75 215 views the account attracted: 77.6% were non-followers, but the number of followers increased by a whopping 17.3%! The interactions on the page were also very good for a new page and 6 162 (likes and shares) were noted over the last 3 months.



We invite you to spend the long weekend in March in Jeffreys Bay and experience Teater by die See. A weekend of theatre and leisure awaits. Tickets are available @ Quicket and the Tourism office. 21...
Sat, 22 Feb

Views	Reach
4,147	2,357



What can we say, but wow 😴 This is an amazing opportunity for the little ones and the young ones! #localtalent #jeffreysbay #KougaTourism #opportunity #talentshow
Tue, 11 Feb

Post reach	Engagement
4,816	124

2. **Instagram:**
   Yet another newly established account, with 33 987 views, 252 profile visits and 83.2 non-followers who viewed the account, the reaction was surprisingly good

3. **Oasis FM Artist Interviews**



4. **Luister FM Outside Broadcast and Artist Interviews**



ANNEXURE C: FINANCIALS

INCOME	
Kouga Local Municipality	R200 000.00
Income Generated	R104 280.00
TOTAL	**R304 280.00**
EXPENDITURE	
Logistics	R63 991.00
Marketing	R42 638.46
Entertainment (other)	R7 403.00
Artists	R175 902.00
Quicket Costs	R8 615.97
NG Kerk Kompleks	R9 454.00
J Bay A	R5 242.00
TOTAL	**R313 246.43**
PROFIT / LOSS	**-R8 966.43**

TEATER BY DIE SEE 2025

INKOMSTE

Borgskap - KM					R200.000,00	
iNKOMSTE					R104.280,00	
					R304.280,00	

UITGAWES

Logistieke					R63.991,00	
Bemarking					R42.638,46	
Ander vermaak					R7.403,00	
Kunstenaars					R175.902,00	
Quicket					R8.615,97	
NG Kerk					R9.454,00	
J Bay A					R5.242,00	
					R313.246,43	

ANNEXURE D: PROPOSAL 2025/2026

Jeffreys Bay Tourism
17 Da Gama Road
Shell Museum Complex
Jeffreys Bay, 6300
Telephone : 042 293 2923
WhatsApp : 064 966 9933
Email : info@jeffreysbaytourism.org

12 July 2025

Cllr. Hattingh Bornman
Kouga Executive Mayor
Kouga Local Municipality
33 Da Gama Road
Jeffreys Bay
6330

Dear Executive Mayor H Bornman,

Re: Proposal for the Theatre by The Sea 2026 aka "Teater by die see"
We hope this letter finds you well. On behalf of Jeffreys Bay Tourism, we are excited to present our proposal for your consideration regarding Theatre by the Sea 2026.
The initial idea of the product was that Theatre by the Sea is a means to bring inclusive affordable theatre shows to town. The productions vary from children entertainment to Opera.

1. Introduction
Teater by die see/ Theatre by die sea is a project hosted by J Bay Tourism during March 2026 as part of promoting arts and culture to the Kouga region.
The NG Church in Jeffreys Bay will be utilised for this event with different types of arts. The weekend will showcase choirs, drama, comedy, art galleries and more.
This project will showcase local talent as well as National talent with shows that boast both.
A Sculpture route of Jeffreys sculptures route will be available by means or virtual link will also be put together where visitors can visit several sculptures on a map. Guest makes use of a self-drive option.
During September 2025 Teater by die See will host a production by Coenie de Villers and Rocco de Villiers in the same venue as a fundraising for the actual" Teater by die See" weekend.

2. Program Overview
The Theatre by the Sea Programme includes a variety of events and activities, such as:

Date: 20 March 2026
Event: Official opening - Community project
Venue: NG Church - Jeffreys Bay
Time: 11:00
This event will showcase local classical musicians with Free entrance for all to attend and feel like being part of the arts.

Date: 20 - 21 March 2026
Event: Theatre by the Sea
Venue: NG Church - Jeffreys Bay
Time: Daily 10:00 – 22:00

Art exhibition by Kouga Art Society
Book readings by Phillip Henn
Theatre productions
School choirs
Children Theatre
Community bands / musicians
Drama and dance workshops
Food trucks will be utilized at the venues to promote our local vendors.

3. Objective:
The following are objectives to be achieved by Jeffreys bay Tourism:
To promote culture, art and plays (Theatre)
To promote Jeffreys Bay and the Kouga region as THE destination of choice through art and culture
To extend our reach to as many tourist to visit Jeffreys bay as a holiday destination of choice
To add value to the growth in Jeffreys bay
To support our local business, which range from accommodation establishments, vendors, small businesses etc
To strengthen the current support of our local businesses, organizations and residence and build a strong group to deliver on any project to be presented
To maintain the strong relationship/partnership with the Kouga Municipality
To scout and identify local talent, with the aim the invest in the local talent and promote them

4. Sponsorship Request:
To achieve our vision for the Theatre by the Sea Programme, we are seeking financial support from the Kouga Local Municipality.

We kindly request financial assistance of **R285 000.00** to ensure the success of this program.
Below is a draft estimated budget.

Artists:	R60 000
Marketing :	R30 000
Venues:	R30 000
Sound:	R20 000
Lightning:	R20 000
Accommodation:	R20 000
Transport:	R10 000
Stage managers:	R10 000
Community projects:	R10 000
Safety Officer:	R10 000
Liability Insurance:	R10 000
Management fee:	R10 000
Coordinator:	R20 000
Sundries:	R5 000
Flights:	R30 000

Benefits to Kouga Local Municipality:
To increase the volumes of tourist during the winter/mid-year season
To increase the length of stay
Jeffreys bay must increase hosting events, to attract tourist during the year when a decline of tourist is recorded.
Kouga Municipality as partner, and an example of service delivery
Willingness of the community to support
Business involvement
Tourist satisfaction
Great tourist attractions
Good and high quality accommodation
Businesses providing the required quality goods and services to the satisfaction of tourist
Entertainment to be delivered on the highest standards
To show off the quality of indoor facilitates to host the eve

We believe that by joining hands, we can create an unforgettable arts and performance experience for all.

We kindly request an opportunity to discuss this proposal with you in more detail. Please feel free to contact us to arrange a meeting at your convenience.

Sincerely

Deon Freemantle
Chairman
Jeffreys Bay Tourism

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
FINANCE & ECONOMIC DEVELOPMENT
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/FED3**

JBAY SUMMER FESTIVAL DECEMBER 2025 SPONSORSHIP

1. Introduction

This item requests the Council's approval for the sponsorship of the 2025 JBay Summer Festival for December 2025 programs. These initiatives aim to spread the festive cheer all over Kouga.

Over the years, Kouga Municipality has played a vital and strategic role in advancing tourism initiatives designed to enrich the economic vitality of our communities, while promoting the unique appeal of our region to both domestic and international visitors.

2. Background

With its abundance of exceptional holiday towns, South Africa offers endless travel possibilities—but following a standout summer season, Jeffreys Bay and Kouga, earned its place as the third most popular holiday destination in 2024, thanks to its irresistible blend of charm, appeal, and unforgettable experiences.



In 2024, coastal towns once again emerged as South Africa's top holiday choices, with a 5% increase in petrol station stops along major national routes linking inland regions to the seaside.

The JBay Summer Festival has become a cornerstone event in our annual calendar, drawing thousands of visitors and residents. Scheduled for December 2025, the upcoming edition of the festival aims to build on the success of previous years by offering an expanded program of entertainment, local business showcases, and tourism-driven experiences.

Over the years, Kouga Municipality has played a pivotal role in supporting tourism and economic initiatives that promote regional development and social cohesion. The Kouga Mayoral Summer Festival, in particular, has proven to be a powerful platform for stimulating the local economy, creating temporary employment opportunities, and enhancing Kouga's reputation as a premier coastal destination.

3. **Discussion**

The primary goal is to create a vibrant, inclusive, and engaging summer program that not only boosts local tourism and business but also enriches the lives of our community members. This event aims to bring people together and enhance the image of Kouga as a must-visit destination.

The proposed sponsorship seeks to secure financial and logistical support from Council to ensure the successful planning and execution of the 2025 event. This includes event production costs, including an entertainment stage with sound and lights, event equipment, marketing and promotion, hospitality services, security and crowd control, and essential services.

The festival aligns with the Municipality's strategic objectives to promote sustainable tourism, support local enterprises, and foster inclusive public participation.

In light of its proven impact and alignment with municipal goals, the Kouga I Summer Festival 2025 presents a valuable opportunity for Kouga Municipality to reaffirm its commitment to economic growth through strategic sponsorship.

In pursuit of fostering meaningful local impact, Kouga Municipality has, in previous years, actively collaborated with our local tourism offices to support and deliver the Summer Festival across the municipality. This strategic partnership has contributed significantly to the stimulation of the local economy by enhancing opportunities for small businesses, hospitality establishments, and informal traders.

The festival has consistently facilitated temporary employment and volunteer engagement, thereby promoting job creation and local participation. Furthermore, the inclusion of local enterprises in various festival programs has strengthened regional cohesion and generated tangible benefits for the broader community.

Further to the objectives noted above, the following benefits are intended to be achieved through the sponsorship as well –

1. Promote Regional Tourism

- Showcase Kouga's natural beauty, niche markets, and recreational offerings to attract both domestic and international visitors.
- Position Kouga as a premier summer destination in the Eastern Cape.

2. Stimulate Local Economic Growth

- Support small businesses, vendors, and entrepreneurs through festival participation and exposure.
- Drive increased revenue for hospitality, retail, and service sectors during the peak holiday season.

3. Celebrate Community Identity and Culture

- Highlight local talent, and creative arts through performances and exhibitions.
- Foster pride and unity among residents by celebrating Kouga's unique identity.

4. Enhance Public Safety and Event Management Capacity

- Implement robust safety protocols and crowd management strategies to ensure a secure and enjoyable experience.
- Strengthen municipal capacity for hosting large-scale public events.

5. Strengthen Kouga Municipality's Brand and Visibility

- Reinforce the Municipality's commitment to sustainable development, and tourism promotion.
- Leverage media coverage and partnerships to elevate Kouga's profile regionally and nationally.

This event will generate significant returns for the Kouga area by enhancing its profile as a premier holiday destination and strengthening social cohesion within the community.

"Annexure A": Media statistics 2024 – as reported in Close-out report: 25/04/FED4

"Annexure B": Kouga Mayoral Summer Festival 2025 Sponsorship Proposal

4. **Financial Implications**

Completed by BTO	
Project Description	Kouga Mayoral Summer Festival and fireworks
Ukey no.	20240710994881
Budgeted Amount	R850,000.00

BTO Signature	KOUGA MUNICIPALITY 2025-08-21 BUDGET &TREASURY
DATE	
Amount spent and committed to date	R0.00
Amount Available	R850,000.00
Comment	

5. **Applicable Legislation**

Funds transferred to external organisations or bodies must comply with section 67 of the MFMA, Act 56 of 2003:

Funds transferred to organisations and bodies outside government 67.

(1) Before transferring funds of the municipality to an organisation outside any sphere of government otherwise than in compliance with a commercial or other business transaction, the accounting officer must be satisfied that the organisation or body-

(1) has the capacity and has agreed-

(i) to comply with any agreement with the Municipality;

(ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;

(iii) to report at least monthly to the Accounting Officer on actual expenditure against such transfer; and

(iv) to submit its audited financial statements for its financial year to the Accounting Officer promptly;

(2) implements effective, efficient, and transparent financial management and internal control systems to guard against fraud. theft and financial mismanagement; and

(3) has in respect of previous similar transfers complied with all the requirements of this section.

(2) If there has been a failure by an organisation or body to comply with the requirements of subsection (1) in respect of a previous transfer, the Municipality may (1)(c) make a further transfer to that organisation or body provided that-

(1) subsection (1)(a) and (b) is complied with

(a) subsection (1)(a) and (b) is complied with the relevant provincial treasury has approved the transfer.

(b) The Accounting Officer must through contractual and other appropriate mechanisms enforce compliance with subsection (1).

6. **Legal Implications**

Should Council approve the recommendations herein, the Accounting Officer shall be authorised to enter into a written funding agreement setting out the terms and conditions to which the contracting parties shall be bound to in respect of the funding applied for and the purpose of the funding granted.

7. **Other Implications**

None

8. **Comments by Directorates:**

8.1 **Chief Financial Officer**

Recommendation supported.

8.2 **Director: Planning & Development**

Supported

8.3 **Director: Civil & Water Services**

Item noted.

8.4 **Director: Electro-Mechanical Services**

Item noted

8.5 **Director: Community Services**

Noted.

8.6 **Deputy Municipal Manager**

Noted

8.7 **Municipal Manager**

Supported.

9. **Delegated Authority**

Council.

10. **Recommendations**

10.1 That Council approves funding allocation to Jeffreys Bay tourism to host the JBay Summer Festival for the 2025/2026 FY: R850,000.00 (eight hundred and fifty thousand rand), VAT-inclusive.

10.2 That Council authorizes the Accounting Officer to conclude a Funding Agreement with Jeffreys Bay Tourism in accordance with the funding allocated in recommendation 10.1 above.

10.3 That a Close-Out Report for the Jbay Summer Festival be submitted to Council.

Item prepared by the Acting Manager EDT: A Jonck

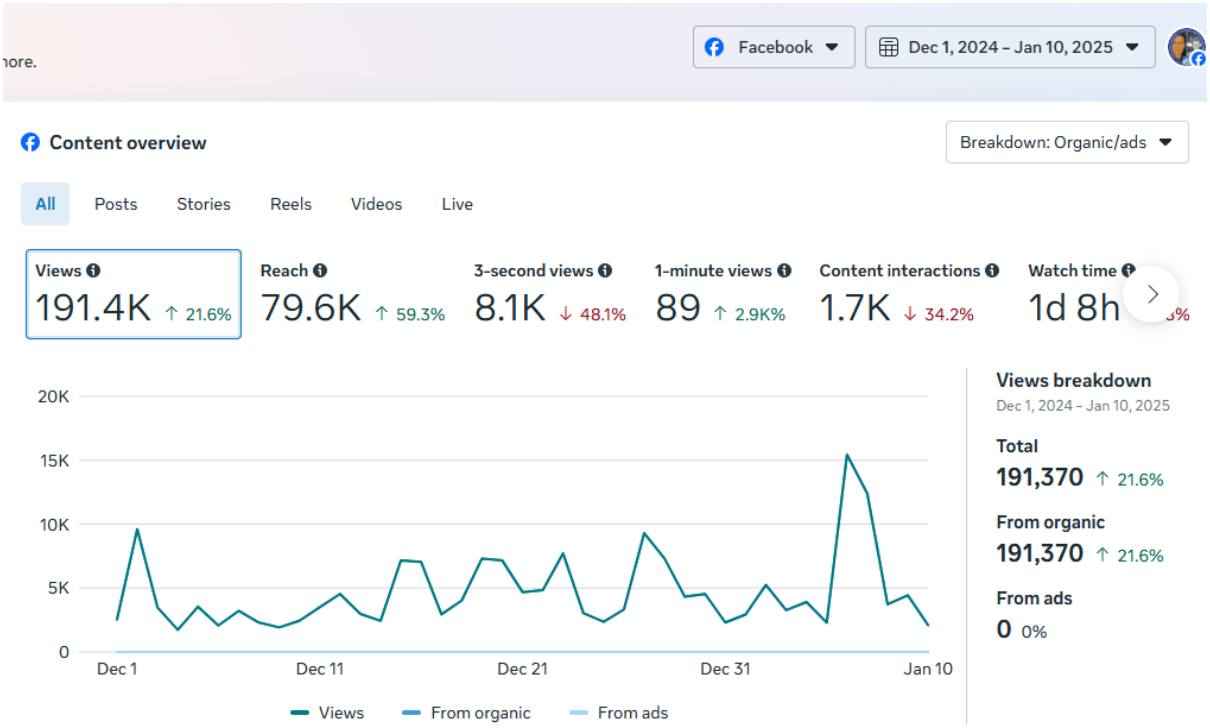
Item approved by the Chief Financial Officer:

Item endorsed by the Municipal Manager:

Item noted by Portfolio Chairperson:

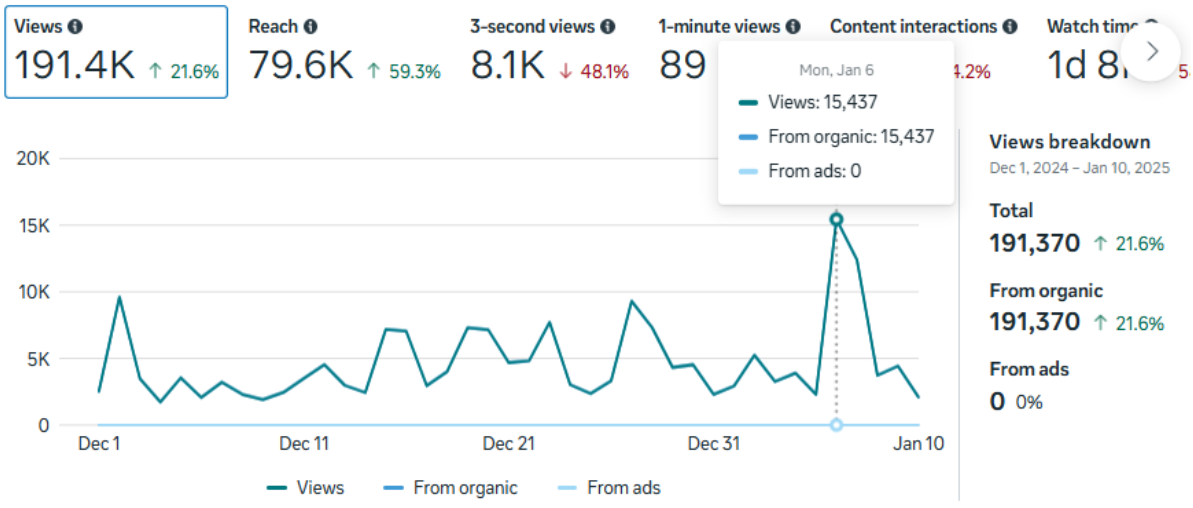
ANNEXURE A:

OVERVIEW – breakdown of each segment is outlined below:

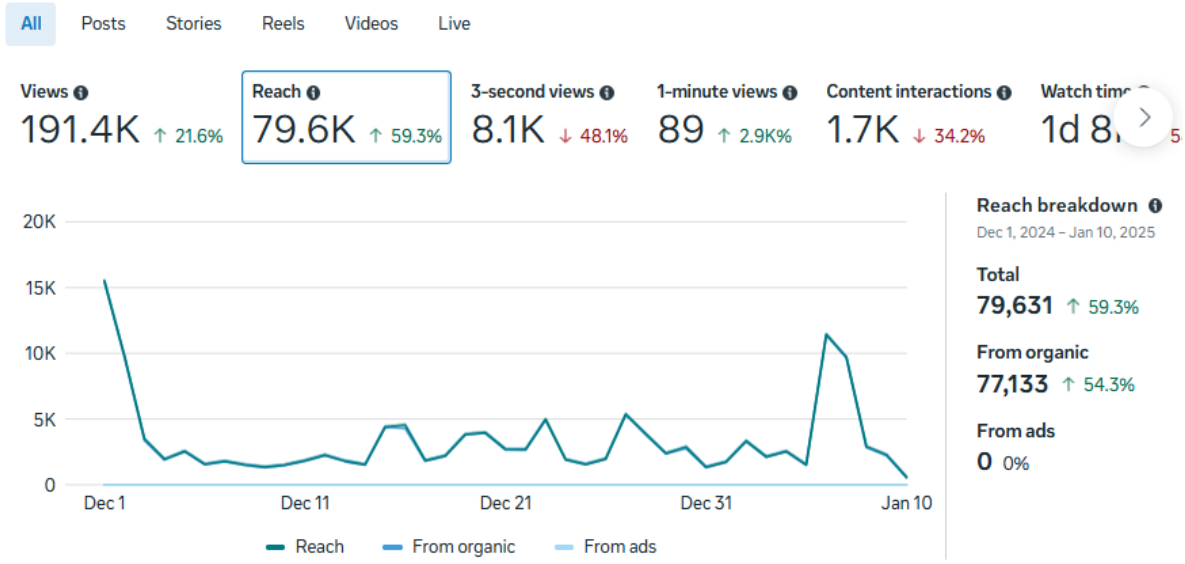


VIEWS: increased with 21.6% over the same period in 2023/2024

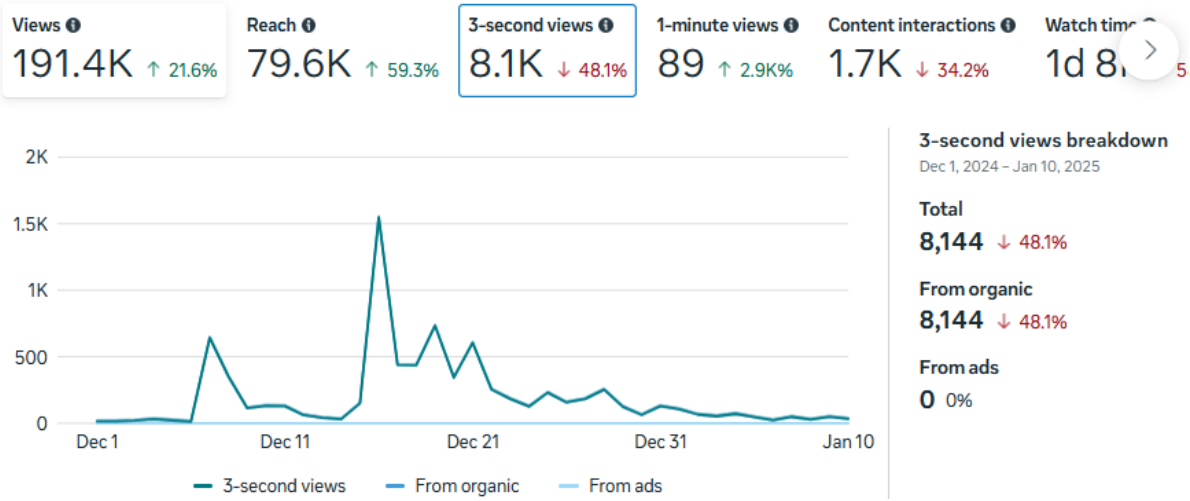
The number of times content was played or displayed. Content includes reels, posts, stories and ads.



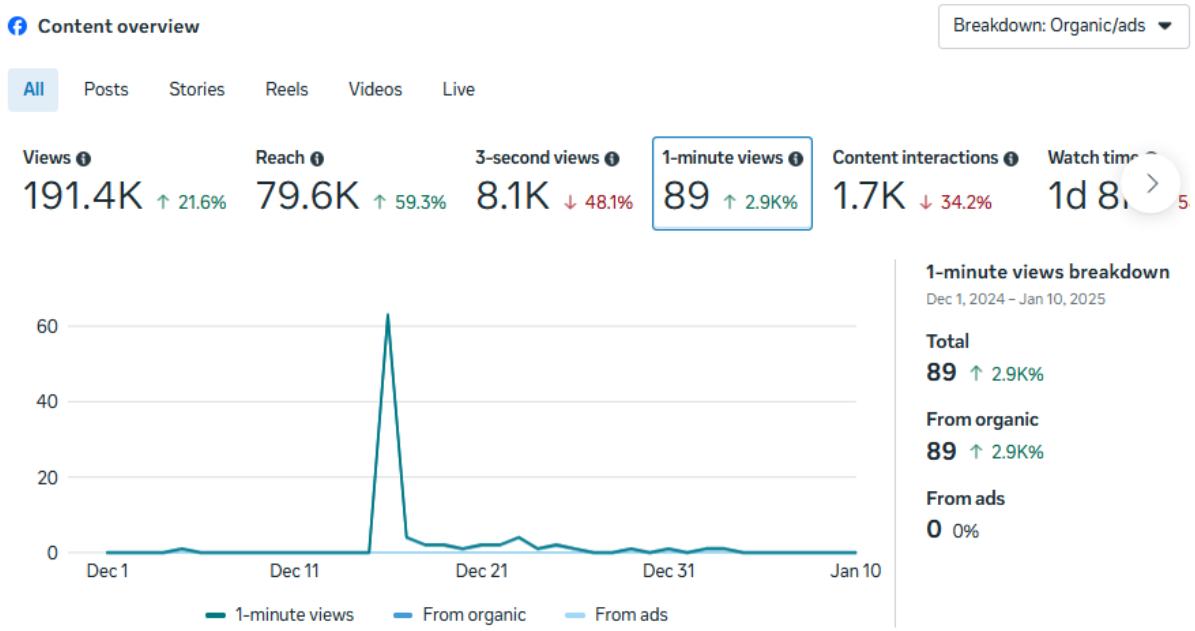
REACH: increased to 79.6K with 59.3% over the same period in 2023/2024
This metric counts reach from the organic distribution of Facebook content, including posts, stories and ads. It also includes reach from other sources, such as tags, check-ins and Page or profile visits. Reach is only counted once if it occurs from organic distribution.



REELS 3-second view: went down by 48.1% because the new META platform allowed for 1minute views to be uploaded. *see *1-minute views below*.
The number of times reels were played for at least 3 seconds, or for nearly their total length if they're shorter than 3 seconds, within the selected time range. During a single instance of a reel playing, it excludes any time spent replaying it.

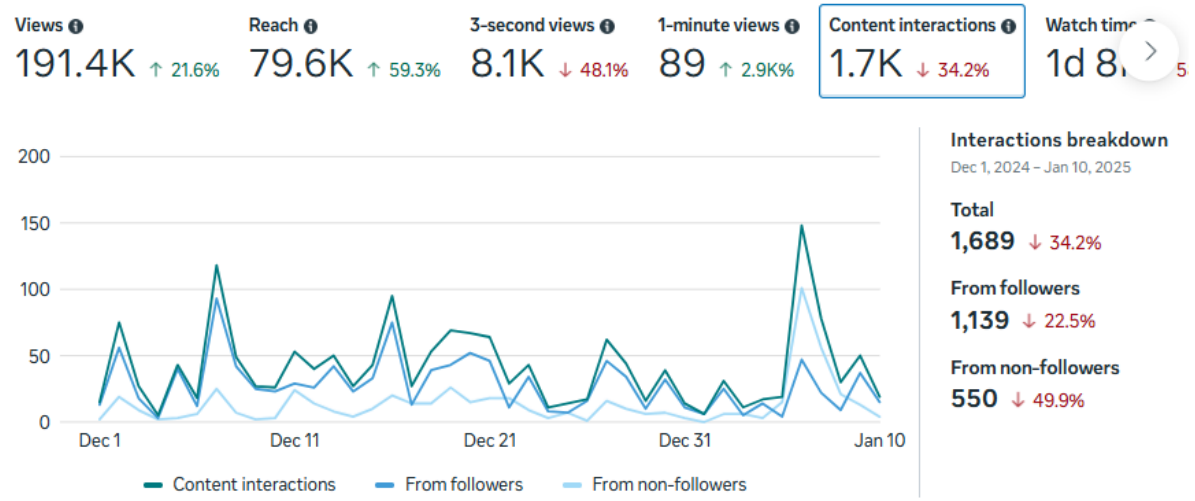


REELS 1-Minute Views: increased with 2 900% (2.9k%)
The number of times your reels played for at least 1 minute, or for nearly their total length if they're shorter than 1 minute. During a single instance of a reel playing, we'll exclude any time spent replaying it.

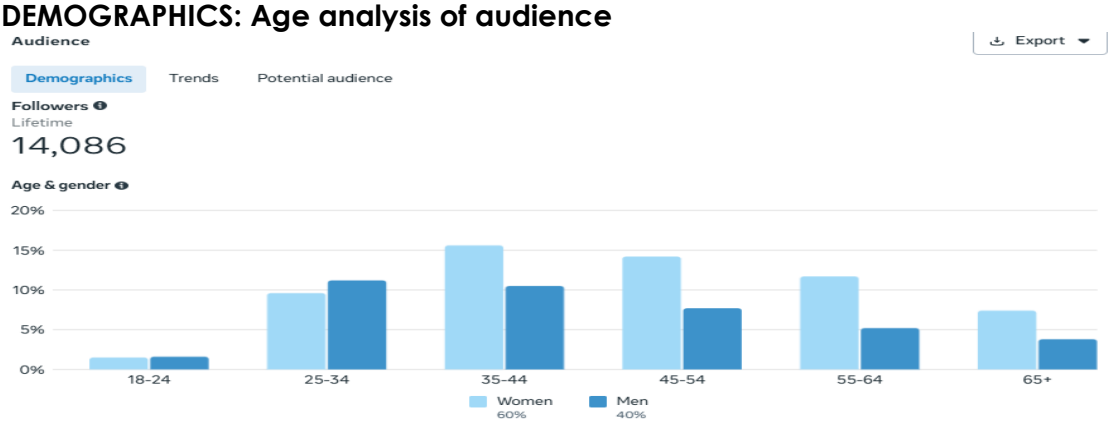


CONTENT INTERACTIONS: decreased by 34.2%. This is because of the introduction of 1minute reels to the new META Platform

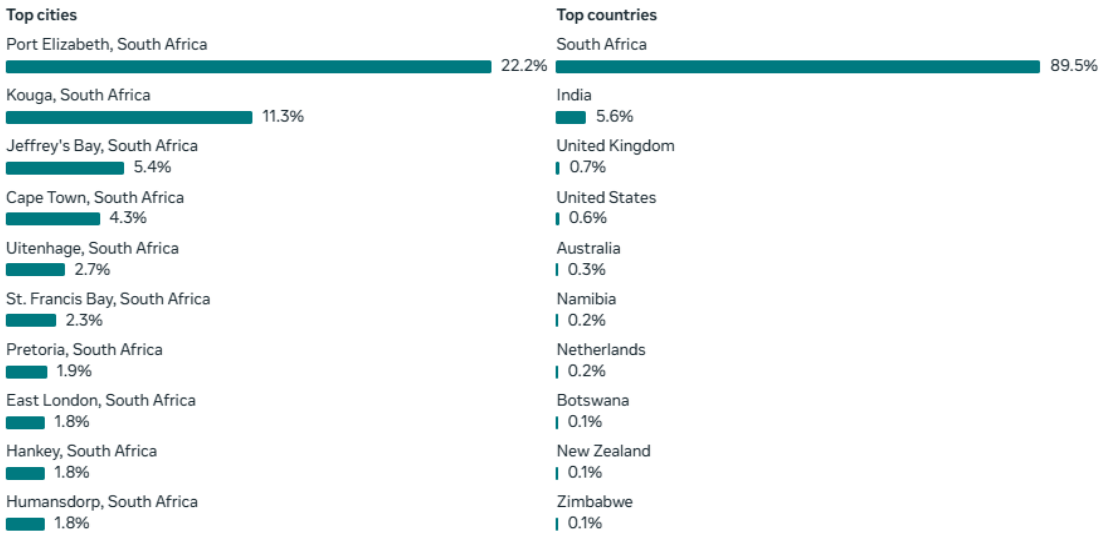
The number of likes or reactions, saves, comments, shares and replies on content, including ads. Content can include formats such as posts, stories, reels and more.



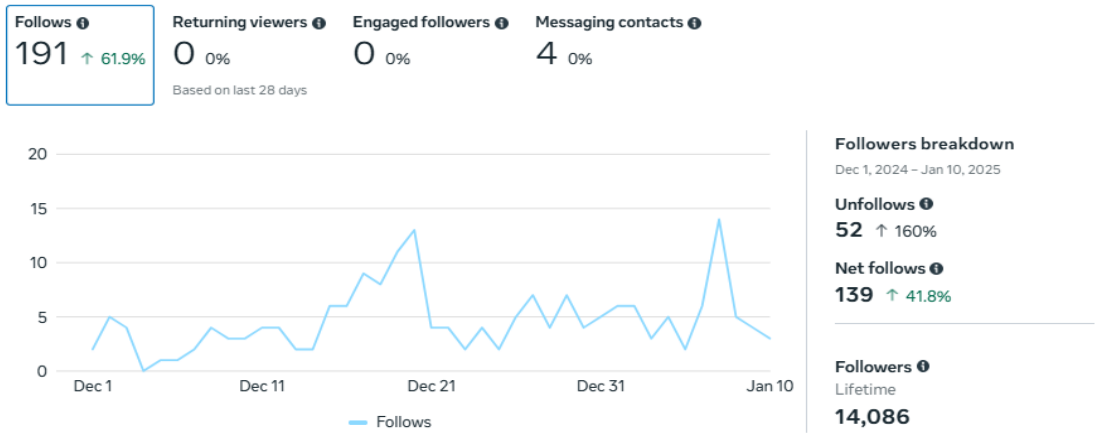
DEMOGRAPHICS: Age analysis of audience



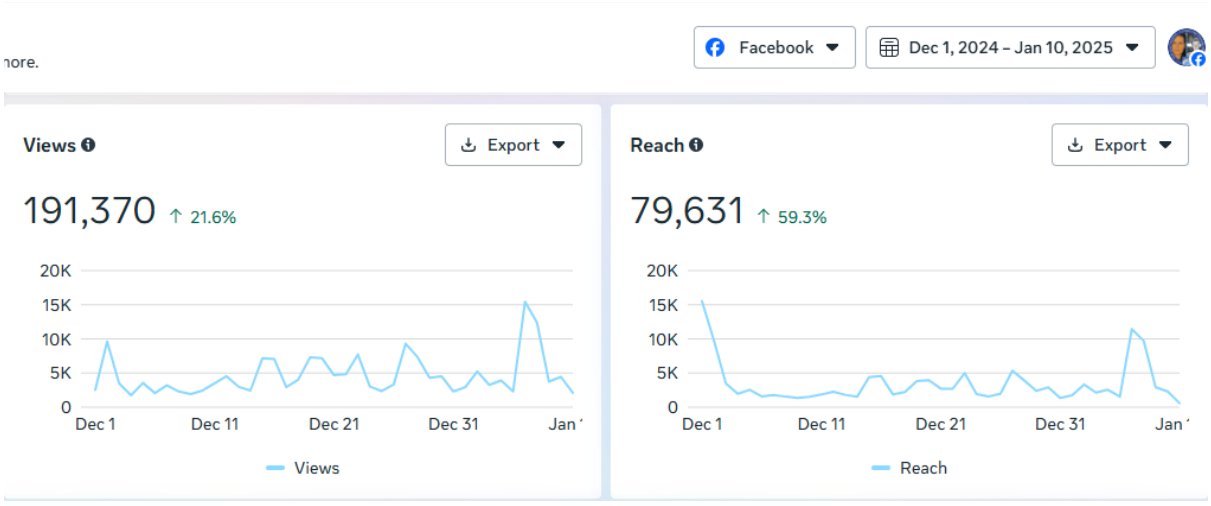
DEMOGRAPHICS: Top Cities and Countries that follow the Facebook page



AUDIENCE TRENDS: Increased with 61.9% to view what is happening in Jeffreys Bay over December 2024



DATE SERIES RESULTS

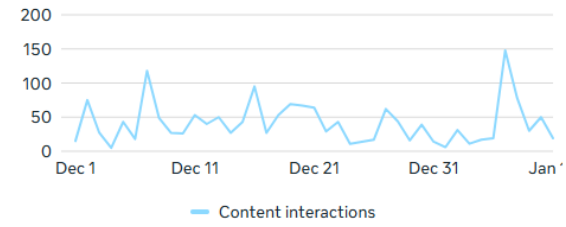


nore.

Facebook | Dec 1, 2024 – Jan 10, 2025

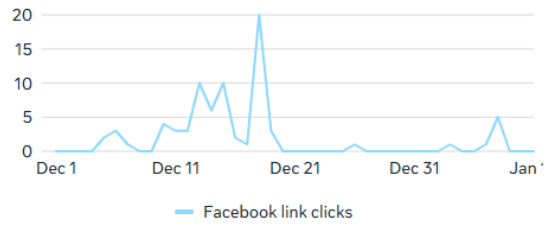
Content interactions Export

1,689 ↓ 34.2%



Link clicks Export

76 ↑ 230.4%



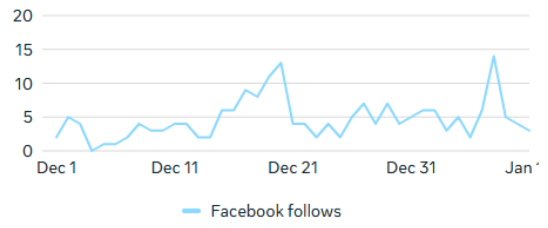
Visits Export

2,892 ↑ 30.2%



Follows Export

191 ↑ 61.9%



ANNEXURE B:

Jeffreys Bay Tourism
17 Da Gama Road
Shell Museum Complex
Jeffreys Bay, 6300
Telephone : 042 293 2923
WhatsApp : 064 966 9933
Email : info@jeffreysbaytourism.org

10 July 2025

Cllr. Hattingh Bornman
Kouga Executive Mayor
Kouga Local Municipality
33 Da Gama Road
Jeffreys Bay
6330

Dear Executive Mayor H Bornman,

Re: Proposal for the Mayoral Summer Fun Program 2025
We hope this letter finds you well. On behalf of Jeffreys Bay Tourism, we are excited to present our proposal for your consideration regarding the sponsorship of the J-Bay Summer Fun Program. We
firmly believe that our collaboration can create a positive impact on our local community, businesses, residents, and visitors alike.

1. Introduction

The J-Bay Summer Fun Program is an annual community program that aims to promote tourism, local businesses, and the spirit of togetherness in the beautiful town of Jeffreys Bay. It offers a diverse range of activities and FREE entertainment for residents and tourists during the summer season, contributing to the economic and cultural development of our region.

2. Program Overview

The J-Bay Summer Fun Program includes a variety of events and activities, such as:

Date: 15 December 2025
Event: Opening of the Season
Venue: Dolphin Beach Amphitheatre
Time: 18:00 – 22:00
18:30 – A Photo opportunity with J-Bay Santa for visitors at the main beach
19:00 – Local dance groups from Kouga will be performing

20:00 – A well-known National artist with live performance
21:00 - Executive Mayor Switching on Lights and launching the annual
Christmas lights tour
21:15 – Live DJ performance

Date: 15 – 31 December 2025
Event: J Bay Christmas lights tour
Venue: Dolphin Beach beachfront, various homes and businesses in Jeffreys Bay
Time: Daily 20:00 – 22:00
The main beach gets transformed into a wonderland of lights and various homes and businesses in Kouga light up their properties each night. A FREE virtual map is available on social media to guide families to do a private tour daily.

16 December 2025
Event: Noorsekloof trail walk
Venue: Noorsekloof nature reserve
Time: 08h00
Cancer awareness walks

18 - 23 December 2025
Event: Kouga Arts Society Arts Exhibition
Venue: Newton Hall
Time: Daily between 11:00 and 17:00
Daily arts exhibition by local artists from Kouga Arts Society. These artists are all local artists, and the exposure is great for our local talent. Artwork gets sold thus the artists earn an income with the exhibition.

20 December 2025
Event: Christmas under the stars @Die Werf
Venue: Die Werf venue @Fountains Mall
Time: 17:00 – 22:00
Night market, wine, gin, and rum tastings from local distilleries.
Food court with local stall holders.
Live music performances.
Jeffreys Bay Boot sale
Jumping castles, Jungle gym.
Fire dancing, drumming, live art.

26 December 2025
1Touch Touch Rugby
Venue: Main Beach, Jeffreys Bay
Time: 06h00 – 18h00
36 teams competing.

27 December 2025
Event: Music and Picnic in the Park
Venue: Equilibrium Park - Noorsekloof
Time: 17:00 – 22:00
Families are encouraged to bring blankets, chairs, and picnic baskets for an evening of wholesome togetherness and entertainment.

Kids' play area
Spekboom Labyrinth
Food trucks
Live musical entertainment
Live fire dancer
Marimba Band

Date: 28 December 2025
Event: Oceans Warriors
Venue: Main Beach
Time: 08h00
Championing the spirit of ocean sports and showcasing our surf athletes.

Date: 31 December 2025
Event: J-Bay New Year's Eve Bash
Venue: Dolphin Beach
Time: 08:00 – 24:00
08:00 – 10:00: Beach Fun Run – 5km route on the main beach
14:00 – 15:30: Mr. & Miss J Bay Summer fun auditions
17:00 – 18:00: J-Bay Dance – Local dance group performances
18:00 – 19:00 Local artists performing
19:00 – 20:30: Miss J- Bay Summer fun (Ace Models – Jeffreys Bay)
20:30 – 24:00: Live Stage National artists, fire dancers etc.
24:00 – Fireworks display by Kouga Municipality

3. Objective:
Our primary goal is to create a vibrant, inclusive, and engaging summer program that not only boosts local tourism and business but also enriches the lives of our community members. By offering these events, we aim to bring people together and enhance the image of Kouga as a must-visit destination.

4. Sponsorship Request:
To achieve our vision for the Mayoral Summer Fun Program, we are seeking financial support from the Kouga Local Municipality. Your sponsorship will help cover event production costs, including an entertainment stage with sound and lights, event equipment, marketing and promotion, hospitality services, security and crowd control, and essential services.

We kindly request financial assistance of **R915 000.00** to ensure the success of this program.

Below is a draft estimated budget.

Marketing	R50 000
Safety Officer	R20 000
Branding Team	R20 000
Management Fee	R20 000
Event Organizer	R35 000
SAMRO License	R20 000

Opening of the Season	R80 000
Christmas under the starts @ Die werf	R50 000
Music and Picnic in the Park	R80 000
New Years Eve Bash	R240 000
Fireworks	R300 000
TOTAL	**R915 000**

Benefits to Kouga Local Municipality:

Positive Community Impact: Your sponsorship will directly benefit our local communities by offering free and affordable activities that enhance residents' quality of life.

Economic Growth: By supporting the Mayoral Summer Fun Program, you will stimulate local tourism, increase footfall to local businesses, and boost the town's economy.

Kouga Brand Exposure: As a sponsor, the Kouga Local Municipality will receive prominent recognition through event signage, media coverage, and promotional materials and marketing Kouga as a tourist destination.

Civic Pride: Supporting such a vibrant community event will foster a sense of pride and togetherness among Kouga residents.

We believe that by joining hands, we can create an unforgettable summer experience for all.

We kindly request an opportunity to discuss this proposal with you in more detail. I have requested a meeting through your sect. to discuss the proposal as soon as possible, at your earliest convenience.

Yours sincerely

Deon Freemantle
Chairman
Jeffreys Bay Tourism

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
FINANCE & ECONOMIC DEVELOPMENT
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/FED4**

SUPPLY CHAIN MANAGEMENT: CONSOLIDATED S36 DEVIATIONS FOR THE MONTHS: AUGUST -SEPTEMBER 2025

1. **Introduction**

The purpose of this item is to inform Council of the Section 36 Deviations for the months of August and September 2025.

2. **Background**

Council plays an oversight role with regards to the implementation of the Supply Chain Management Policy as set out in Section 6 of the Policy.

Section 36 (1) (a) of the Municipality's Supply Chain Management Policy stipulates the following:

(I) The accounting officer may dispense with the official procurement processes established by this policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only -

i) In an emergency; the conditions warranting *emergency dispensation* should include the existence of one or more of the following:

a. the possibility of human injury or death;

b. the prevalence of human suffering or deprivation of rights;

c. the possibility of damage to property, or suffering and death of livestock and animals;

d. the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the KLM as a whole;

e. the possibility of serious damage occurring to the natural environment;

f. the possibility that failure to take necessary action may result in the KLM not being able to render an essential community service;

and the possibility that the security of the state could be compromised.

ii) if such goods or services are produced or available from a single or sole provider only.

iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

iv) acquisition of animals for zoos and/or nature and game reserves; or

v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1) (a)(i) to (f) and Section 36 (1) (b) of this policy and report them to the next meeting of the council and include such reasons as a note to the annual financial statements of the municipality.

3. **Discussion**

Deviations for the month starting 1 August 2025- 30 September 2025:

Refer to:
"Annexure A"- Table 1 -Deviations for month -August 2025 (current)
"Annexure A"- Table 2 -Deviations for month -August 2025 (2024-2025)
"Annexure A"- Table 3- Deviations for the month- September 2025

4. **Financial Implications**

Completed by BTO -	Not applicable
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	

5. **Applicable Legislation**

Municipal Supply Chain Regulations, Gazette No. 27636 dated 30 May 2005
Municipal Supply Chain Management Policy, as approved by Council

6. **Legal Implications**

Failure to comply to the section 36 requirements for procurement by way of a deviation may result in the expenditure being irregular as per the definition of the Local Government: Municipal Finance Management Act.

7. **Other Implications**

None

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Recommendation supported

8.2 **Director: Planning & Development**

Noted

8.3 **Director: Civil & Water Services**

Item is noted.

8.4 **Director: Electro-Mechanical Services**

Item noted.

8.5 **Director: Community Services**

Noted

8.6 **Deputy Municipal Manager**

Supported.

8.7 **Municipal Manager**

Supported.

9. **Delegated Authority**

Council

10. **Recommendations**

10.1 That the Consolidated Deviation report for the months of August 2025 and September 2025 be approved by Council.

Item prepared by the Manager SCM: 

Item approved by the Chief Financial Officer: 

Item endorsed by the Municipal Manager: 

Item noted by the Portfolio Councillor: 

"ANNEXURE A"

TABLE 1:
DEVIATIONS - AUGUST 2025

DEV NO:	DATE RECEIVED	DIRECTORATE	SECTION	SUPPLIER	SUPPLIER LOCAL	NATURE OF GOODS/ SERVICE	VALUE	DATE OF REQUEST ON FORM	DATE APPROVED BY MM	SECTION 36 REF	NOTES
25-26/ DMM3	24-Jul-25	Office of DMM	Information Technology	Online Innovations	No	Hosting of Municipal Website-Fees	R 2 277,00	23-Jul-25	01-Aug-25	S36 (1)(a)(v)	Req No: 172039 Order No: 243772
25-26/ DMM2	31-Jul-25	Office of DMM	Legal	Billett and Gouws	Yes	**Approved Deviation on Legal Services-** Papiesfontein Eviction, Papiesfontein Criminal matters, labour Investigation, R Petersen vs Phela. Lavens **SAMWU obo J Lavens: MAT1144/CNT44 (INV01-2084)**	R 17 608,00	23-Jul-25	28-Jul-25	S36 (1)(a)(v)	Req No. 169478 Order No. 243753
25-26/ DMM1	12-Aug-25	Office of DMM	Legal	CW Malan Jeffreys Bay	Yes	**Approved deviation on Legal Services** Van der Westhuizen and others, MEC CoGTA (Oliphant), MEC CoGTA (Petersen) and Freddy van Rooyen.	R 25 561,70	23-Jul-25	28-Jul-25	S36 (1)(a)(v)	Req No. 169483 Order No.243981

						(transaction value spent reported in next column					
25-26/ DMM4	26-Aug-25	Office of DMM	Administration	Bambelela Property Development	Yes	**Approved Deviation: 25-26 Fin Year**: Servicing air conditioning units on a 6 monthly basis, ad hoc repairs and maintenance of air conditioning units, including replacement if required, as per SLA. Transaction value spent reported in next column	R 47 437,50	26-Aug-25	27-Aug-25	S36 (1)(a)(v)	Req No. 169918 Order No. 244217
25-26/ CWS3	31-Jul-25	Civil & Water Engineering Services	Water Services	Sains Agencies	No	Calibration of operational monitoring of water testing equipment	R 16 339,20	28-Jul-25	05-Aug-25	S36 (1)(a)(i)d	Req No. 170390 Order No. 243810
25-26/ CWS4	12-Aug-25	Civil & Water Engineering Services	Water Services	Northfield Engineering (Pty) Ltd	No	Emergency repair and installation of a clarifier stilling drum at the Jeffreys Bay Wastewater Treatment Works	R 965 568,64	30-Jul-25	15-Aug-25	S36 (1)(a)(i)e	Req No. 170548 Order No. 244025
25-26/ CWS5	19-Aug-25	Civil & Water Engineering Services	PMU Unit	JG Afrika Pty Ltd	No	Additional site supervision and indirect cost due to delay in completion	R 592 678,18	18-Aug-25	22-Aug-25	S36 (1)(a)(v)	Req No. 176119 Order No.

						of Construction: Hankey 990 Phase 2					244537
25-26/ CWS6	21-Aug-25	Civil & Water Engineering Services	Water Services	International Metal Processing (Pty) Ltd t/a IMP	No	Emergency Repairs had to be done to Jeffreys Bay Boreholes 1 and 13 because of damaged infrastructure.	R 80 971,04	13-Aug-25	25-Aug-25	S3 (1) (a) (i) d	Req No. 170397 Order No. 244162
25-26/ CWS7	25-Aug-25	Civil & Water Engineering Services	PMU Unit	Zutari (Pty) Ltd	No	**Approved Deviation Reinstatement** of remainder of additional indirect costs for the Kwanomzamo WWTW Upgrade in the 25/26 financial year	R 415 974,96	22-Aug-25	27-Aug-25	S36 (1)(a)(v)	Req No: 176115 Order No: 244292
						TOTAL	**R 2 164 416,22**				

TABLE 2:
DEVIATIONS - AUGUST 2025 (24/25 FINANCIAL YEAR)

DEV NO:	DATE RECEIVED	DIRECTORATE	SECTION	SUPPLIER	SUPPLIER LOCAL	NATURE OF GOODS/ SERVICE	VALUE	DATE OF REQUEST ON FORM	DATE APPROVED BY MM	SECTION 36 REF	NOTES
24-25/ DMM	05-Aug-25	Office of DMM	Legal	CW Malan Jeffreys Bay	Yes	Approved Deviation: Legal Services - application against MEC CoGTA **(Invoice 24-25 FY)**	R 27 025,00	08-Apr-24	12-Apr-24	S36 (1)(a)(v)	Req No. 169435 Order No. 243824

"ANNEXURE C"

TABLE 3:
DEVIATIONS - SEPTEMBER 2025

DEV NO:	DATE RECEIVED	DIRECTORATE	SECTION	SUPPLIER	SUPPLIER LOCAL	NATURE OF GOODS/ SERVICE	VALUE	DATE OF REQUEST ON FORM	DATE APPROVED BY MM	SECTION 36 REF	NOTES
25-26/ EM 1	27-Aug-25	Electro-Mechanical	Mechanical	Flagt Electric CC t/a Flash Electrical	Yes	Emergency Repairs to 1x8.3kw DAB Pump for Seaglades Canal Road, St Francis Bay	R 32 910,13	07-Aug-25	04-Sep-25	S36 (1)(a)(i)	Req No: 162174 Order No: 244351
25-26/ EM 2	27-Aug-25	Electro-Mechanical	Mechanical	Flagt Electric CC t/a Flash Electrical	Yes	Emergency call out to Loerie Pumpstation to supply and installation of Spares	R 54 513,14	18-Aug-25	04-Sep-25	S36 (1)(a)(i)	Req No. 162176 Order No.244352

25-26/ EM 3	27-Aug-25	Electro-Mechanical	Mechanical	Flagt Electric CC t/a Flash Electrical	Yes	Emergency call out for Vergenoeg pumpstation to do a fault finding and replace timers and wiring	R 3 466,03	18-Aug-25	04-Sep-25	S36 (1)(a)(i)	Req No. 162177 Order No. 244353
25-26/ CWS 8	05-Sep-25	Civil & Water Engineering Services	Water Services	Qpoint Group (Pty) Ltd	No	**Approved Deviation- Rated Contract:** Sampling, transportation, analysis and preparing certificates of analysis of all samples taken at the Water and Wastewater Treatment works throughout Kouga Local Municipality. Transaction value spent reported in next column	R 687 599,78	30-Jun-25	09-Sep-25	S36 (1)(a)(v)	Req No. 170572 Order No. 244649
25-26/ CWS 9	08-Sep-25	Civil & Water Engineering Services	Water Services	Northfield Engineering (Pty) Ltd	No	Emergency replacement of Sea Vista water tower pumps	R 112 367,54	08-Sep-25	09-Sep-25	S3 (1) (a) (i)	Req No. 170944 Order No. 244419
23-24 /CW40	15-Sep-25	Civil & Water Engineering Services	PMU Unit	Rudcor Engineering	No	**23-24 Approved deviation:** Appointment of a contractor for the construction of internal streets and stormwater infrastructure for Hankey Housing Development (Phase 2). Total Deviation amount- R17677321,20 **Amount paid is reflected in next column**	R 2 940 108,51	01-Mar-24	14-Mar-24	S36 (1)(a)(i)	**Req No.** 176154& 176155 **Order No**.244598, 244599

25-26/ DMM2	11-Sep-25	Office of DMM	Legal	Billett and Gouws	Yes	**Legal Services- Approved deviation:** Papiesfontein Eviction, Papiesfontein Criminal matters, labour Investigation, R Petersen vs Phela. Lavens **(MAT1130/CNT44 INVO01-2119)**	R 37 007,85	23-Jul-25	28-Jul-25	S36 (1)(a)(v)	Req No. 176607 Order No. 244557
25-26/ DMM5	04-Sep-25	Office of DMM	Human Resources	Vocation Staffing Solutions (Pty) Ltd	No	Recruitment Agency: Headhunting Services for critical vacancy	R 92 000,00	27-Aug-25	11-Sep-25	S36 (1)(a)(v)	Req No. 160713 Order No. 244621
25-26/ DMM6	15-Sep-25	Office of DMM	Information Technology	Sihara Group	No	AutoCAD License annual Software on boarding. 3 quotes could not be obtained.	R 9 879,94	08-Sep-25	17-Sep-25	S36 (1)(a)(v)	Req No. 172062 Order No. 244623
25-26/ COMM1	03-Sep-25	Community Services	Traffic Services	Fulcrum Technologies	No	Calibration and Servicing of VST equipment for roadworthy testing	R 25 857,75	04-Sep-25	09-Sep-25	S36 (1)(a)(v)	Req No: 166828 Order No: 244418
						TOTAL	**R 3 995 710,67**				

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
FINANCE & ECONOMIC DEVELOPMENT
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/FED5**

BUDGET AND TREASURY: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNT FOR THE QUARTER ENDED 30 SEPTEMBER 2025

1. **Introduction**

The purpose of this report is to report on specific withdrawals from the municipal bank account in terms of the Municipal Finance Management Act, No. 56 of 2003.

2. **Background**

Section 11(4) of the MFMA**:**

"The accounting officer of a municipality must within 30 days after the end of each quarter –
a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection 1(b) to (j)during that quarter; and
b) submit a copy of the report to the relevant provincial treasury and the Auditor-General".

3. **Discussion**

The report provides specific withdrawals from the municipal back account and attached as **"Annexure A"** the withdrawals from municipal bank account for the quarter ended 30 September 2025.

The following information should be noted for the quarter ended 30 September 2025:

Section 11(1)(b): Expenditure that were authorised in terms of section 26(4) of the MFMA.

No withdrawals

Section 11(1) (c): Unforeseeable and unavoidable expenditure

No withdrawals

Section 11(1) (d): Withdrawals in respect of Trust, and so forth

No withdrawals

Section 11(1) (e): Third party payment of monies received on behalf of a person or state body.

As per attached **"Annexure A"**.

Section 11(1) (f): Monies erroneously deposited into the municipal bank account.

No withdrawals

Section 11(1) (g): Guarantees, sureties and security deposits refunded.

No withdrawals

Section 11(1) (h): Cash management and investment

As per attached "**Annexure A".**

Section 11(1) (i): Increased expenditure in terms of section 31 of MFMA
No withdrawals

Section 11(1) (j): Other purposes as prescribed

No withdrawals

4. **Financial Implications**

Completed by BTO -	As stipulated in report. Refer to "**Annexure A"**
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	
BTO Signature	

5. **Applicable Legislation**

Section 11(4) of the Municipal Finance Management Act, MFMA 56 of 2003.

6. **Legal Implications**

Compliance with Municipal Finance Management Act 56 of 2003.

7. **Other Implications**

None

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Report noted.

8.2 **Director: Planning & Development**

Noted

8.3 **Director: Civil & Water Services**

Item noted.

8.4 **Director: Electro-Mechanical Services**

Item noted.

8.5 **Director: Community Services**

Item noted

8.6 **Deputy Municipal Manager**

Noted.

8.7 **Municipal Manager**

Noted.

9. **Delegated Authority**

To be noted by Council.

10. **Recommendations**

10.1 That the Council notes the withdrawals that were made in terms of section 11(1) (b) to (j) of the MFMA for the quarter ended 30 September 2025; and

10.2 That the Council notes the submission of the report to the Provincial treasury and Auditor-General as stipulated in section 11(4) (b) of the MFMA.

Item prepared by the Manager Budget and Treasury:

Item approved by the Chief Financial Officer:

Item endorsed by the Municipal Manager:

Item noted by Portfolio Chairperson:

"Annexure A":

PROVINCIAL TREASURY Withdrawals from Municipal Bank Accounts in accordance with section 11(1)(b) to (j)		
NAME OF MUNICIPALITY:	**KOUGA LOCAL MUNICIPALITY (EC108)**	
QUARTER ENDED:	**30 SEPTEMBER 2025**	
MFMA section 11(1) Only the accounting officer or the chief financial officer of the municipality acting on the written authority of the accounting officer may withdraw money or authorize the withdrawal of money from any of the municipality's bank accounts, and may do so only-	**Amount**	**Reason for withdrawal**
(b) to defray expenditure authorized in terms of section 26(4)	R 0.00	
(c) to defray unforeseeable and unavoidable expenditure authorized in terms of section 29(1)	R 0.00	
(d) in the case of a bank account opened in terms of section 12, to make payments from the account in accordance with subsection (4) of that section	R 0.00	
(e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including – i. money collected by the municipality on behalf of that person or organ of state by agreement; ii) any insurance or other payments received by the municipality for that person or organ of state	R 5 258 375 .74	Motor registration transaction fees.
(f) to refund money incorrectly paid into a bank account	R 0.00	
(g) to refund guarantees, sureties and security deposits	R 0.00	
(h) for cash management and investment purposes in accordance with section 13	R 187 861 341.26	Transferred to investment accounts (Call Accounts).
(i) to defray increased expenditure in terms of section 31; or	R 0.00	
(j) for such other purposes as may be prescribed	R 0.00	

(4) the accounting officer must within 30 days after the end of each quarter – a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1) (b) to (j) during that quarter; and b) submit a copy of the report to the relevant provincial treasury and the Auditor-General	**Name and Surname:**	C. Du Plessis
	Municipal Manager	
	Date:	
Telephone Nr.	**Fax Nr.**	**E-mail**
042 – 200 2055	0865224251	zgongqoba@kouga.gov.za
The completed form must be submitted within 30 days after the end of each quarter to Provincial Treasury and Auditor General.		

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
FINANCE & ECONOMIC DEVELOPMENT
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/FED6**

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY TO SEPTEMBER 2025 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 SEPTEMBER 2025 (2025/26 FINANCIAL YEAR)

1. **Introduction**

The purpose of this report is to comply with Section 71 and 52(d) of the Municipal Finance Management Act (MFMA), read together with Regulation 28 of the Municipal Budget and Reporting Regulations as promulgated in the Government Gazette No 32141 of 17 April 2009, which requires that specific financial particulars be reported on and in the formats prescribed.

2. **Background**

MFMA Accountability cycle begins with the preparation and approval of the IDP, MTREF and SDBIP, which is followed by in year reporting, Annual Financial Statements, Annual Audit (Audit Report) and Annual and Oversight Reports. The MFMA legislates what must be reported on, by when, and the Municipal Budget and Reporting Regulations prescribes the format of the reports.

In accordance with Section 71(1) of the MFMA, the Accounting Officer must by no later than 10 working days after the end of each month, submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.

In accordance with Section 52(d) of the MFMA, the Executive Mayor must within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality.

In accordance with regulation 28 of the MBRR, the monthly budget statements of a municipality must be in the format specified in Schedule C and include all the required tables, charts, and explanatory information, considering any guidelines issued by the Minister in terms of section 168(1) of the Municipal Management Finance Act".

3. **Discussion**

The monthly budget statement report provides a balance and consolidated financial performance overview to assist the Executive Mayor in his oversight role.

The report complies with Schedule C of the Municipal Budget and Reporting Regulations (MBRR), the following detailed schedules are attached for the period, ending 30 September 2025:

"**Annexure A"** – Financial Overview

"Annexure A1" – Operating Revenue and Expenditure Performance

"Annexure A2" - Capital Budget Performance

"Annexure A3" - Projected Cash Flow Statement

"Annexure A4" – Municipal Monthly Budget Tables

"Annexure A5" - Analysis of Municipality's Statement of Financial Performance

i. Overview of Outstanding Consumer Debtors
ii. Overview of Creditors position
iii. Grants receipts and Expenditure
iv. Councillors & Employee benefits
v. Key performance Indicators

4. **Financial Implications**

Completed by BTO -	As stipulated in the report. Refer to **"Annexure A"**
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	
BTO Signature	

5. **Applicable Legislation**

- Section 71 and 52(d) of the Local Government: Municipal Finance Management Act No. 56 of 2003.
- Local Government: Municipal Budget and Reporting Regulations, 17 April 2009.
- Local Government: Municipal Finance Management Act: Municipal Regulations on a Standard Chart of Accounts (mSCOA), 22 April 2014.

6. **Legal Implications**

The report relates to Section 71 and 52(d) of the Municipal Finance Management Act (MFMA) and Regulation 28 of the Municipal Budget and Reporting Regulations (MBRR).

7. **Other Implications**

None.

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Report noted.

8.2 **Director: Planning & Development**

Noted

8.3 **Director: Civil & Water Services**

Item noted.

8.4 **Director: Electro and Mechanical Services**

Item noted

8.5 **Director: Community Services**

Item noted

8.6 **Deputy Municipal Manager**

Noted.

8.7 **Municipal Manager**

Supported.

9. **Delegated Authority**

To be noted by the Council.

10. **Municipal Manager's Quality Certificate**

I, Charl Du Plessis, Municipal Manager of Kouga Local Municipality hereby certify that the monthly budget statements have been prepared in accordance with the Municipal Finance Management act and regulations made under the Act, and that monthly budget statements are consistent with the Integrated Development Plan of the municipality.
Print Name _Charl Du Plessis

Municipal Manager of Kouga Local Municipal

Signature…… ……..

Date……14 October 2025……...

11. Recommendations

11.1. That the Executive Mayor notes Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

11.2. That the Executive mayor notes the submission of the monthly budget statements report to provincial treasury as stipulated in section 71(1) of the MFMA.

11.3. That the Executive Mayor's report on the implementation of the budget and the financial state of affairs of the municipality, in accordance with Section 52(d) of the MFMA be noted.

Item prepared by the: Manager Budget and Treasury:

Item approved by the Chief Financial Officer:

Item endorsed by the Municipal Manager:

Item noted by Portfolio Chairperson:

"ANNEXURE A"

1. **FINANCIAL OVERVIEW**

This report provides a balanced and consolidated financial performance overview to assist the Executive Mayor in his oversight role.

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating, and capital budget performance for the month of September 2025, to facilitate an informed assessment of the relative liquidity and financial position of the Municipality.

The financial performance highlights are as follows:

- Operating revenue amounted to R 415,124 million, whilst operating expenditure amounted to R358,804 million, resulting in an operating surplus of R 56,320 million.
- Capital expenditure constituted 4.41% of the 2025/26 Adjusted Capital Budget.
- Overdue consumer debts decreased by R 987 thousand (-0.38%) since June 2025.
- An amount of R 62,394 million is owing to creditors, 98.81% represent current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R 7,280,123 (4.03%) since June 2025, from R 180,581,218 to R187,861,341.

Below is an analysis of the Investment Portfolio as at 30 September 2025.

	Balance as at 30 June 2025	Invested	Interest	Withdrawals	Adjustments	Balance as at 30 September 2025
Standard Bank	22,335,077	8,504,899	495,587	8,504,899		22,830,664
ABSA	37,961,946	62,582,943	707,992	71,191,535	-	30,061,346
Nedbank	31,546,835	3,287,381	234,920	3,287,381		31,781,755
RMB	39,647,190	5,603,358	614,701	11,346,443		34,518,806
INVESTEC	29,600,838	8,484,648	208,689	3,719,453		34,574,722
Total	**161,091,885**	**88,463,229**	**2,261,888**	**98,049,710**	**-**	**153,767,292**
INVESTMENT	**Balance as at 30 June 2025**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 30 September 2025**
General Account	23,745,388	64,540,916	2,208,712	73,188,130		17,306,886
Cash Reserves (DBSA)	92,170,550			17,586,405		74,584,145
Unspent borrowings (DBSA)	14,500,000					14,500,000
Cash Reserves (Development Charges)	2,186,308	980,442				3,166,749
Conditional Grants	19,590,377	23,475,815		4,196,655		38,869,538
Housing Funds	8,899,262		53,176	3,612,464		5,339,974
Total	**161,091,885**	**88,997,173**	**2,261,888**	**98,583,654**	**-**	**153,767,292**
	Balance as at 30 June 2025	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 30 September 2025**
Cheque Accounts FNB 52540020791	800,205			(1,097,141)		(296,936)
Cheque Accounts FNB 52540033504	9,157,718			(5,913,666)		3,244,052
Cheque Accounts FNB 63022194441	513,734			(480,081)		33,653
Cheque Accounts ABSA 4114176482	5,899,110	15,786,533				21,685,643
Cheque Accounts ABSA 4114114771	2,052,903	5,315,318				7,368,221
Cheque Accounts ABSA 4114176474	935,410	201,650				1,137,060
Cheque Accounts ABSA 4114176490	130,253	792,103				922,356
	19,489,333	**22,095,605**	**-**	**(7,490,889)**	**-**	**34,094,049**
Total	**180,581,218**	**111,092,778**	**2,261,888**	**91,092,765**	**-**	**187,861,341**

The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves.

Bank Balances and Cash	R 34,094,049
Short-term Investment Deposits	R 153,767,292
	R 187,861,341

Application of Cash

Unspent Conditional Grants	R 34,712,900
Unspent Borrowings (DBSA)	R 74,584,145
Cash Reserves – DBSA	R 14,500,000
Cash Reserves – Developmental Charges	R 3,166,749
Operational Commitments	R 11,395,594
Internally Generated Funds (Capital Commitments)	R 2,197,568
Outstanding Creditors Liability	R 62,394,118
	R 202,951,074
Cash Shortfall	**(R 15,089,733)**

The commitments exceed cash reserves at this stage by an amount of R 15,090 million.

The following key financial ratios are monitored on an on-going basis:

Ratio	Actuals as at 30 June 2024	Actuals as at 30 June 2025	MFMA Circular 71 Norms	Actuals as at 30 September 2024	Approved Adjusted Budget 2025/26	Actuals as at 31 August 2025	Actuals as at 30 September 2025
Current Ratio	0.87:1	1.04:1	1.5:1 to 2:1	1.27:1	0.93:1	1.23:1	1.37:1
Liquidity Ratio	0.47:1	0.50:1		0.63:1	0.50:1	0.60:1	0.59:1
Cost Coverage (Excluding unspent conditional grants)	1.19 Months	0.53 Months	1 Month to 3 Months	1.41 Months	1.14 Months	0.70 Months	0.54 Months
Debtors Collection Rate	91.01%	91.38%	95%	80.85%	95%	78.62%	88.55%
Capital Expenditure	71.38%	84.49%	95%	3.41%	95%	1.25%	4.41%

"ANNEXURE A1"

1. OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO SEPTEMBER 2025.

1.1. Summary Statement of Financial Performance

Description	Budget Year 2025/26					
R thousands	Original Budget	Adjusted Budget	Monthly Actual	Year TD Actual	Year TD Budget	YTD Variance
Revenue						
Total Revenue (excluding capital transfers and contributions)	1 468 686	1 468 686	97 240	415 124	367 172	47 952
Total Expenditure	1 581 117	1 563 140	143 970	358 804	390 784	(31 980)
Surplus/(Deficit)	(112 431)	(94 454)	(46 730)	56 320	(23 612)	15 972

The statement of financial performance reflects an operating surplus of R 56,320 million for the financial year. It must be noted that the operating surplus at this stage is largely influenced by a zero recognition of debt impairment.

1.2. Revenue

Main revenue sources for 2025/26

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD actual	
R thousands			%
Revenue	-	-	-
Exchange Revenue			
Service charges - Electricity	479,524	127,844	26.66%
Service charges - Water	147,583	27,493	18.63%
Service charges - Waste Water Management	81,259	17,994	22.14%
Service charges - Waste management	52,990	18,381	34.69%
Sale of Goods and Rendering of Services	10,044	2,362	23.51%
Agency services	4,554	1,120	24.59%
Interest earned from Receivables	34,661	3,891	11.23%
Interest earned from Current and Non-Current Assets	16,273	3,388	20.82%
Rental from Fixed Assets	3,322	1,280	38.54%
Licence and permits	2,856	700	24.51%
Special rating levies	15,436	4,789	31.02%
Operational Revenue	1,955	1,550	79.32%
Non-Exchange Revenue			
Property rates	304,484	106,089	34.84%
Surcharges and Taxes	22,602	(913)	-4.04%
Fines, penalties and forfeits	45,795	526	1.15%
Licence and permits	3,139	3,816	121.56%
Transfer and subsidies - Operational	214,766	87,065	40.54%
Interest	5,841	1,016	17.39%
Operational Revenue	21,605	6,733	31.16%
Total Revenue (excluding capital transfers and contributions)	**1,468,686**	**415,124**	**28.26%**

Reasons for major over-/under-recovery per revenue source

In terms of the National Treasury norms, a variance of 10% between the budgeted and actual amounts is considered material. Below is an explanation for variances above 10% of the budgeted amount and actual amounts.

- **Interest earned from Receivables.**
  Interest earned from receivables is mainly influenced by the municipality's overdue consumer debts, which amounts to R 255,316 million.

- **Rental from fixed assets**
  This relates to the rental of municipal buildings, community halls, caravans parks and camping sites, and other municipal facilities. The revenue is influenced by the extent of rental agreements and seasonal demands.

- **Operational Revenue (Exchange Revenue)**
  The other revenue relates to various sources of operating revenue such as staff recovery, insurance refunds and skills development levy refunds.
  The operational revenue is largely influenced by Augmentation fees amounting to R 980 thousand and sale of property amounting to R 130 thousand recognized against no budget provision.

- **Surcharges and Taxes**
  The surcharges and taxes are influenced by the Environmental Management Fees amounting to R 5,230 million and the Riparian levies amounting to R 2,749 million, which are currently allocated to waste management and licenses and permits respectively. This will be corrected in the next reporting period.

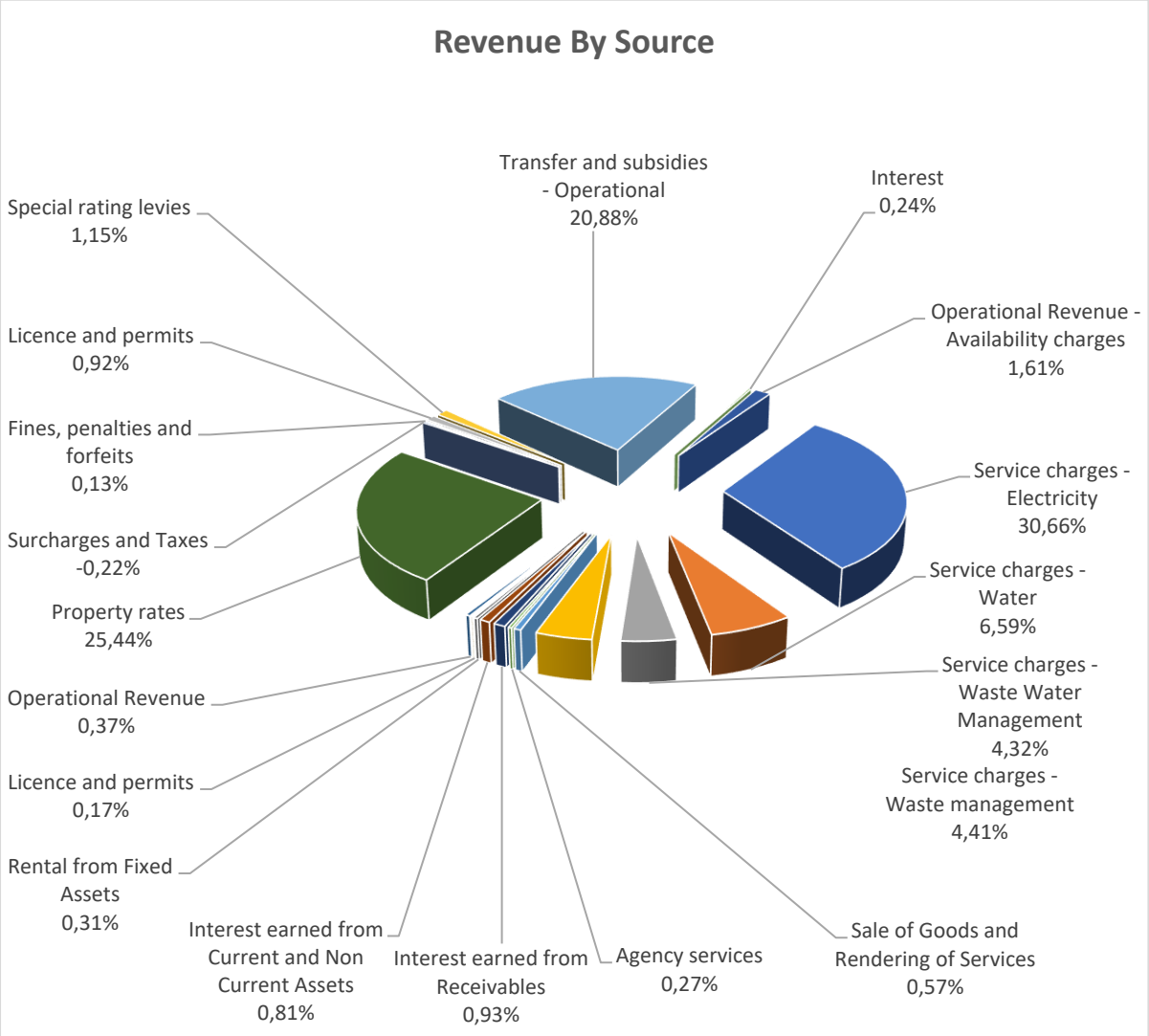
- **Fines, Penalties and Forfeits**
  The fines, penalties and forfeits budget mostly relate to speeding camera fines and the high budget is mainly due to the accounting for traffic fines issued in line with the Generally Recognised Accounting Practice (GRAP) requirements. The actual traffic fines issued revenue recognition is done on yearly basis at this stage. We are in consultation with the service provider to do it monthly.

- **License and permits (Non-Exchange Revenue)**
  This relates to the application of driver's licenses, certificates and permits. This revenue is largely influenced by the incorrect allocation of riparian levies and this will be corrected in the next reporting period.

- **Transfers and subsidies-Operational**
  Transfers and subsidies are largely influenced by the equitable share

allocation received on 7 July 2025, amounting to R 84,606 million.

- **Interest (Non-Exchange Revenue)**
  The interest relates to the property rates interest charged on the outstanding property rates' debts, and this is influenced by the overdue accounts.



1.3. Expenditure

Main expenditure types for 2025/26

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD actual	
R thousands			%
Revenue			
Expenditure By Type			
Employee Related Cost	516,784	102,755	19.88%
Remuneration of councillors	15,988	3,701	23.15%
Bulk purchases - electricity	441,010	143,490	32.54%
Inventory consumed	108,422	25,573	23.59%

Debt impairment	65,115	-	0.00%
Depreciation and amortisation	142,422	35,605	25.00%
Interest	20,106	3,935	19.57%
Contracted services	140,134	19,094	13.63%
Transfers and subsidies	950	24	2.49%
Irrecoverable debts written off	11,487	196	1.71%
Operational Cost	100,803	24,431	24.24%
Total Expenditure	**1,563,140**	**358,804**	**22.95%**

Reasons for major over-/under expenditure per type

In terms of the National Treasury norms, a variance of 10% between the budgeted and actual amounts is considered material. Below is an explanation for variances above 10% of the budgeted amount and actual amounts.

- **Bulk purchases – electricity**
  The bulk purchases – electricity reflects a 32.54 % expenditure, compared to the approved budget.
- **Inventory consumed.**
  Inventory consumed as at 30 September 2025 includes the following expenditure items:

Item Description	Adjusted Budget 2025/26	YearTD actual	%
Inventory Consumed: Consumables	4 544 808	577 122	12.70%
Inventory Consumed: Materials and Supplies	36 877 500	9 461 322	25.66%
Inventory Consumed: Fuel & Oil	22 000 000	5 264 952	23.93%
Inventory Consumed: Bulk Water Purchases	45 000 000	10 269 860	22.82%
Total	**108 422 308**	**25 573 256**	**23.59%**

- **Debt impairment**
  At this stage, the municipality recognises the debt impairment at the end of the financial year, rather than monthly.

- **Transfers and subsidies**
  Transfers and subsidies relate to grant-in-aid given by the municipality to various non-profit organisations, in line with the Council approved grant-in-aid policy.
- **Irrecoverable debts written off**
  Debts are written off upon Council approval.

Contracted services as at 30 September 2025 are broken down as follows:

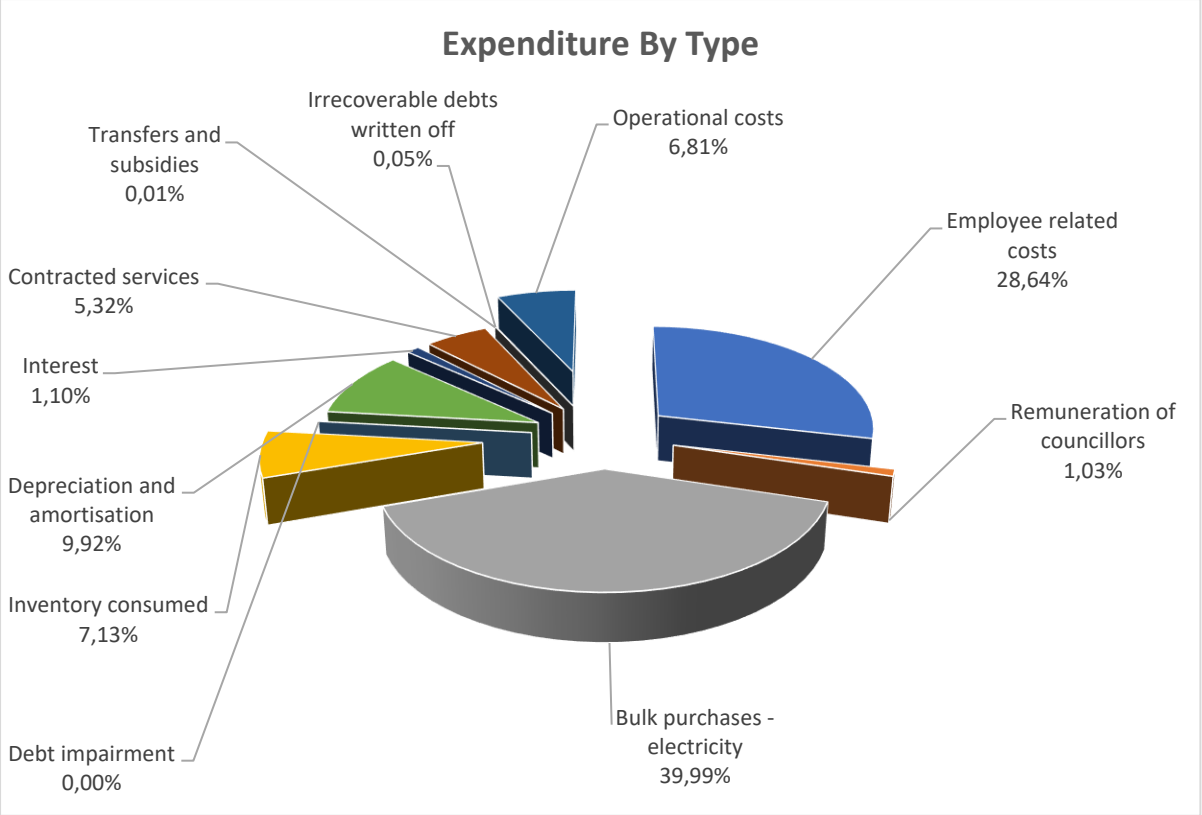
Item Description	Adjusted Budget 2025/26	YearTD Actual	%
Air quality Management	250,000	-	0.00%
Aloe Cup	80,000	-	0.00%
Animal Care	508,000	-	0.00%
Audit of Municipal Land & Properties	1,450,000	123,225	8.50%
BUILDING CONTROL	50,000	-	0.00%
Burial Services	60,000	-	0.00%
Calamari Festival	200,000	-	0.00%
Catering Services	729,500	156,484	21.45%
Clean up Operation	500,000	232,480	46.50%
Clearing and Grass Cutting Services	1,440,000	144,859	10.06%
Conducting of feasibility studies (EIA)	3,250,000	-	0.00%
Connection/Dis-connection:Electricity	550,000	-	0.00%
Consultants and Professional Services	9,452,000	1,836,526	19.43%
Destination Marketing & Promotion	450,000	17,480	3.88%
Drivers Licence Cards	500,000	79,553	15.91%
Dune Rehabilitation and Coastal Zone	2,500,000	2,790	0.11%
EC Tourism Awards	300,000	260,663	86.89%
Electricity Generation Project	500,000	-	0.00%
Environmental protection	700,000	-	0.00%
Event Promoters	20,000	3,745	18.73%
Internal Auditors	350,000	30,000	8.57%
KBF	100,000	-	0.00%
KLTO	360,000	-	0.00%
Kouga Family Fun Day	100,000	-	0.00%
Kouga Mayoral Summer Festival	850,000	-	0.00%
Laboratory Services:Water	1,200,000	-	0.00%
Legal Advice and Litigation	2,500,000	342,715	13.71%
Legal Cost:Collection	1,300,000	232,520	17.89%
Maintenance of Buildings and Facilities	9,357,000	778,640	8.32%
Maintenance of Electrical Infrastructure	10,325,000	633,261	6.13%
Maintenance of Equipment	1,657,000	64,664	3.90%
Maintenance Of Fire Equipment	112,000	4,423	3.95%

Contracted services as at 30 September 2025 continue to:

Item Description	Adjusted Budget 2025/26	YearTD Actual	%
Maintenance of Vehicles	9,373,000	1,648,975	17.59%
Maintenance STORMWATER	950,000	-	0.00%
Media Monitoring	120,000	17,390	14.49%
Mscoa Alignment	833,837	-	0.00%
New Meter Installations	2,500,000	45,026	1.80%
Occupational Health and Safety	1,500,000	338,718	22.58%
Oceans Economy Masterplan	300,000	-	0.00%
Other Contracted Services	7,920,000	1,143,149	14.43%
Personnel and Labour	17,891,000	2,890,210	16.15%
PGA Championship Sponsorship	288,750	288,750	100.00%
Pollution Control	800,000	-	0.00%
Precinct Plans Project Hankey and St Francis Bay	500,000	-	0.00%
Private Plots_Alien Vegetation Control	400,000	5,000	1.25%
Qualification Verification	300,000	10,155	3.39%
Replacement of Stormwater Headwalls along Kouga Co	100,000	-	0.00%
Resealing & Maintenance of Roads in KLM	10,400,000	1,888,321	18.16%
Restricted Water Flow	400,000	-	0.00%
Revision of SDF	200,000	-	0.00%
SA Longboard Championship	300,000	-	0.00%
SA Open water swim	175,000	-	0.00%
Security Services	10,425,000	2,028,412	19.46%
SMART City Strategy	300,000	-	0.00%
SMME Capacitation Program	200,000	-	0.00%
Special Rating Area	1,338,000	375,552	28.07%
Technical Support Services	1,000,000	243,322	24.33%
Tourism Branding	400,000	20,437	5.11%
Transport Services	71,000	4,060	5.72%
Upgrade and Repair SCADA	1,150,000	110,831	9.64%
Valuer	15,672,630	3,009,311	19.20%
Winterfest	1,785,000	-	0.00%
WSL Music Festival	210,000	69,769	33.22%
WTM Africa, Indaba, Meetings Africa, Educationals,	550,000	12,326	2.24%
	140,053,717	**19,093,740**	**13.63%**

The other expenditure as at 30 September 2025 is broken down as follows:

Item Description	Adjusted Budget 2025/26	YearTD Actual	%
Achievements and Awards	3,600,000	191,843	5.33%
Advertising, Publicity and Marketing	4,415,000	992,939	22.49%
Bank Charges	600,000	193,789	32.30%
Bargaining Council	5,245,665	4,833,408	92.14%
Cellular Contract (Subscription and Calls)	3,600,000	813,539	22.60%
Claims paid to Third Parties	500,000	72,364	14.47%
External Audit Fees	4,500,000	423,757	9.42%
External Computer Service:Internet Charge	7,730,000	1,612,420	20.86%
Hire Charges	5,751,000	548,186	9.53%
Insurance Claims	900,000	58,762	6.53%
Insurance Underwriting:Premiums	3,644,237	10,265	0.28%
Leases:Furniture and Office Equipment	2,650,000	731,490	27.60%
Leases:Other Assets	4,870,000	3,641,406	74.77%
Licences (Radio and Television)	5,000	2,915	58.30%
Licences:Licence Agency Fees	20,000	-	0.00%
Motor Vehicle Licence and Registrations	1,741,446	160,562	9.22%
Other	1,537,772	182,043	11.84%
Postage/Stamps/Franking Machines	2,659,500	414,122	15.57%
Registration Fees:Professional and Regulatory Bodies	654,500	48,412	7.40%
Registration Fees:Seminars, Conferences, Workshops	2,455,457	252,171	10.27%
Remuneration to Ward Committees	2,160,000	494,400	22.89%
Riparian Levies	8,465,273	2,585,184	0.00%
Signage	668,500	38,561	5.77%
Skills Development Fund Levy	4,696,247	1,032,684	21.99%
Software Licences	11,155,000	1,725,856	15.47%
Storage of Files (Archiving)	500,000	7,633	1.53%
Telephone, Fax, Telegraph and Telex	10,000	-	0.00%
Third Party Vendors	3,660,000	692,533	18.92%
Travel and Subsistence	4,794,957	751,439	15.67%
Uniform and Protective Clothing	4,283,996	1,045,803	24.41%
Vehicle Tracking	895,300	292,605	32.68%
Workmen's Compensation Fund	2,434,053	579,976	23.83%
	100,802,903	**24,431,068**	**24.24%**



1.4. Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure as at 30 September 2025, compared to the 2025/26 Approved Budget.

Item Description	Budget Year 2025/26		
	Adjusted Budget 2025/26	YearTD actual	%
Repairs and Maintenance by Expenditure Items			
Employee related costs	144 928 589	25 109 090	17.33%
Other materials	27 916 500	6 808 497	24.39%
Contracted Services	45 689 000	5 213 732	11.41%
Other expenditure	4 635 000	400 916	8.65%
Total	**223 169 089**	**37 532 235**	**16.82%**

1.5. Trading Services Performance

1.5.1. Electricity

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Electricity	479,524	127,844	26.66%
Interest earned from Receivables	2,496	594	23.79%
Operational Revenue	–	266	
Non-Exchange Revenue			
Transfers and subsidies - Operational	2,243	935	41.67%
Service charges - Electricity	11,390	3,472	30.48%
Total Revenue	**495,653**	**133,110**	**26.86%**
Expenditure By Type			
Employee related costs	24,169	5,318	22.00%
Bulk purchases - electricity	441,010	143,490	32.54%
Inventory consumed	8,266	3,315	40.11%
Debt impairment	14,864	–	0.00%
Depreciation and amortisation	13,139	3,619	27.54%
Interest	488	105	21.54%
Contracted services	15,455	790	5.11%
Irrecoverable debts written off	4,192	–	0.00%
Operational costs	4,295	628	14.63%
Total Expenditure	**525,879**	**157,267**	**29.91%**
Surplus/(Deficit)	**(30,226)**	**(24,157)**	

1.5.1.1 Revenue

- The electricity service charges revenue reflects 26.66% of budget as at 30 September, and this is in line with the projected budget ratio of 25% as at 30 September 2025.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.

1.5.1.2 Expenditure

- the bulk electricity reflects 32.54% of budget expenditure as at 30 September 2025.

1.5.1.3 Net surplus/deficit of electricity ratio

- Electricity reflects a deficit of R 24,157 million as at 30 September 2025 and the deficit amount equates to 18.15%, compared to the revenue. The adjusted budget deficit for the 2025/26 amount to R 30,226 million and equates to 6.10%, compared to total revenue.

1.5.2 Water

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Water	147,583	27,493	18.63%
Interest earned from Receivables	16,609	1,747	10.52%
Non-Exhange Revenue			
Transfers and subsidies - Operational	22,970	9,571	41.67%
Service charges - Water	6,790	2,240	32.99%
Total Revenue	**193,952**	**41,082**	**21.18%**
Expenditure By Type			
Employee related costs	26,264	8,961	34.12%
Inventory consumed	51,680	13,056	25.26%
Debt impairment	6,683	–	0.00%
Depreciation and amortisation	22,378	5,321	23.78%
Interest	506	112	22.14%
Contracted services	3,050	378	12.39%
Irrecoverable debts written off	1,885	78	4.15%
Operational costs	1,580	466	29.49%
Total Expenditure	**114,026**	**28,371**	**24.88%**
Surplus/(Deficit)	**79,926**	**12,711**	

1.5.2.1 Revenue

- The water service charges revenue reflects 18.63% of budget as at 30 September 2025.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.
- Operational revenue (non-exchange revenue) relates to the water availability charges.

1.5.2.2 Expenditure

- Inventory consumed includes a budget amount of R 45,000 million for the bulk water purchases and the expenditure amount of R 10,270 million (22.82% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 12,711 million as at 30 September 2025 and equates to 30.94 % of total revenue.

1.5.3 Waste Water Management

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			

Exchange Revenue			
Service charges - Waste Water Management	81,259	17,994	22.14%
Interest earned from Receivables	6,065	645	10.63%
Non-Exchange Revenue			
Transfers and subsidies - Operational	14,617	6,090	41.67%
Service charges - Waste Water Management	3,425	1,021	29.81%
Total Revenue	**105,366**	**25,750**	**24.44%**
Expenditure By Type			
Employee related costs	37,228	2,842	7.63%
Inventory consumed	13,372	2,394	17.90%
Debt impairment	3,539	–	0.00%
Depreciation and amortisation	36,895	9,193	24.92%
Interest	977	211	21.54%
Contracted services	4,530	403	8.90%
Irrecoverable debts written off	998	3	0.26%
Operational costs	6,360	653	10.27%
Total Expenditure	**103,901**	**15,699**	**15.11%**
Surplus/(Deficit)	**1,465**	**10,051**	

1.5.3.1 Revenue

- The waste water service charges revenue reflects 22.14% of budget as at 30 September, and this is in line with the projected budget ratio of 25% as at 30 September 2025.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.
- Operational revenue (non-exchange revenue) relates to the waste water availability charges.

1.5.3.2 Expenditure

- At this stage, the municipality recognises the debt impairment at the end of the financial year, rather than on the monthly basis.

1.5.3.3 Net surplus/deficit of wastewater management ratio

- The waste water management revenue reflects a surplus of R 10,051 million as at 30 September 2025 and equates to 39.03% of total revenue. Council approved a deficit budget of R 1,465 million for the 2025/26 financial year.

1.5.4. Waste Management

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD Actual	YTD Variance
R thousands			%
Revenue			
Exchange Revenue			
Service charges - Waste	52,990	18,381	34.69%
Sale of Goods and Rendering of Services	9	–	0.00%

Interest earned from Receivables	9,116	850	9.32%
Non-Exchange Revenue			
Transfers and subsidies - Operational	25,847	10,770	41.67%
Surcharges and Taxes - Waste	13,196	(1,103)	-8.36%
Total Revenue	**101,157**	**28,897**	**28.57%**
Expenditure By Type			
Employee related costs	41,812	9,985	23.88%
Inventory consumed	8,408	1,860	22.12%
Debt impairment	2,937	–	0.00%
Depreciation and amortisation	3,195	663	20.74%
Interest	831	179	21.54%
Contracted services	17,190	1,651	9.61%
Irrecoverable debts written off	828	67	8.10%
Operational costs	4,034	760	18.83%
Total Expenditure	**79,235**	**15,165**	**19.14%**
Surplus/(Deficit)	**21,923**	**13,732**	

1.5.4.1 Revenue

- The waste service charges revenue reflects 34.69% of budget as at 30 September, and this is in line with the projected budget ratio of 25% as at 30 September 2025.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.
- It must be noted that the waste management is the combination of waste services and environmental management services.

1.5.4.2 Expenditure

- At this stage, the municipality recognises the debt impairment at the end of the financial year, rather than monthly.

1.5.4.3 Net surplus/deficit of waste management ratio

- The waste management revenue reflects a surplus of R 13,732 million as at 30 September 2025 and equates to 47.52% of total revenue. Council approved a surplus budget of R 21,923 million for the 2025/26 financial year.

1.6 Cost Containment Measures

The main purpose of the Municipal Cost Containment Regulations, 2019 is to ensure that the resources of the municipality are used effectively, efficiently, and economically by the implementation of cost containment measures. Cost containment measures policy was reviewed on 03 March 2025 and approved by Council on 29 May 2025.

Description	Budget Year 2025/26			
	Adjusted Budget	YearTD Actual	YearTD Budget	YTD Variance
R Thousands				

1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners	17,891	2,890	4,473	(1,583)
2. Travel claims	4,795	751	1,199	(447)
3. Overtime	27,276	5,908	6,819	(911)
4. Catering Costs	730	156	182	(26)
5. Events, Advertising and sponsorships	5,155	1,023	1,289	(265)
6. Attendance of Conferences, Seminars & Workshops	2,455	252	614	(362)
7. Municipal Workshops, Retreats, Strategic Sessions and Internal training	1,012	13	253	(240)
9. Essential User Scheme	635	635	635	–
Total	**59,949**	**11,630**	**15,464**	**(3,834)**

A comparison of the year-to-date actuals to the adjusted budget reflects savings, amounting to R 3,834 million as at 30 September 2025.

1.7 Unauthorised Expenditure by Directorate

Below is an assessment table for the unauthorised expenditure in terms of MFMA requirements and National Treasury MFMA Circular No. 68 guidelines.

Description	Budget Year 2025/26			Actuals as at 30 September 2025			
R thousands	Approved Adjusted Budget-Operating	Approved Adjusted Budget-Capital Budget	Approved Adjusted Budget 2025/26	Operating Expenditure	Capital Actuals	Total Expenditure	Unauthorized Expenditure
Expenditure by Vote							
Civil & Water Services	336,604	225,205	561,809	70,648	7,228	77,876	–
Community Services	305,629	4,891	310,520	53,899	4	53,903	–
Electro & Mechanical Services	555,259	39,435	594,694	164,237	1,672	165,909	–
Finance and Economic Development	139,504	709	140,213	24,623	–	24,623	–
Office of the DMM	163,950	1,050	165,000	34,543	866	35,409	–
Office of the MM	18,128	–	18,128	3,006	–	3,006	–
Planning and Development	44,066	22,006	66,072	7,848	3,163	11,011	–
Total Expenditure by Vote	**1,563,140**	**293,296**	**1,856,437**	**358,804**	**12,933**	**371,737**	-

No unauthorised expenditure reported for the period ended 30 September 2025.

Annexure "A2"

1. CAPITAL BUDGET PERFORMANCE

1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 30 September 2025, constituted 4.41% of adjusted capital budget and the funding is broken down as follows:

- Grant funding is 9.68% of approved grant funding budget.
- Borrowing funding is 1.1% of approved borrowing funding budget.
- Internally generated funds are 5.69% at this stage.

Capital budget by municipal vote for 2025/26.

Vote Description	Budget Year 2025/26			
	Original Budget	Adjusted Budget	Year TD Actual	%
R thousands				
Multi-Year expenditure appropriation				
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	-	-	-	0.00%
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	1 050	1 050	866	82.50%
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	621	709	-	0.00%
Vote 4 - COMMUNITY SERVICES	4 891	4 891	4	0.08%
Vote 5 - CIVIL AND WATER SERVICES	206 142	225 205	7,228	3.21%
Vote 6 - ELECTRO/MECHANICAL SERVICES	49 509	39 435	1,672	4.24%
Vote 7 - PLANNING AND DEVELOPMENT	3 250	22 006	3,163	14.37%
Total Capital Multi-year expenditure	**265 462**	**293 296**	**12,933**	**4.41%**

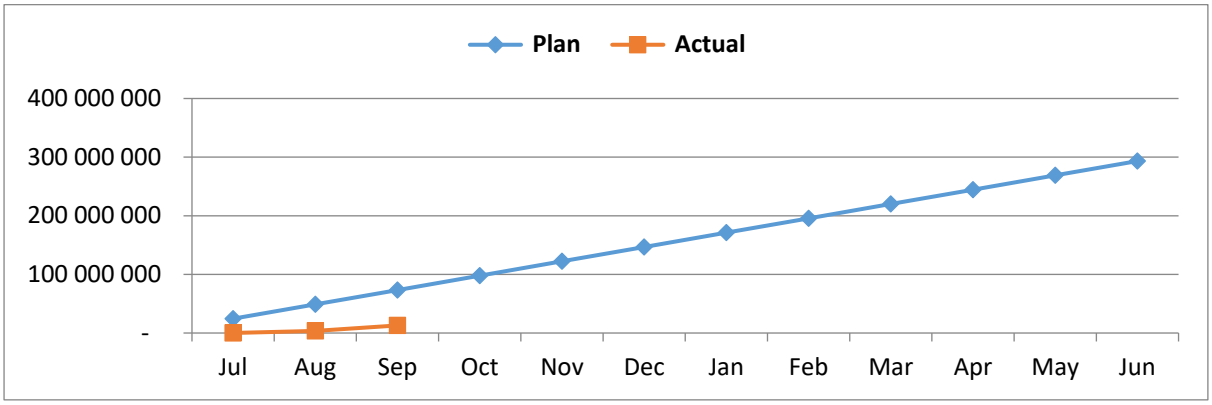
The capital expenditure as at 30 September 2025, constituted 4.41% of adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Office Of the Deputy Municipal Manager is 82.5% of R 1,050 million budget.
- Finance & Economic Development is 0% of R 0,709 million budget.
- Community Services is 0.08% of R 4,891million budget.
- Civil & Water Services 3.21% of R 225,205 million budget.
- Electro & Mechanical Services is 4.24% of R 39,435 million budget.
- Planning & Development is 14.37% of R 22,006 million budget.

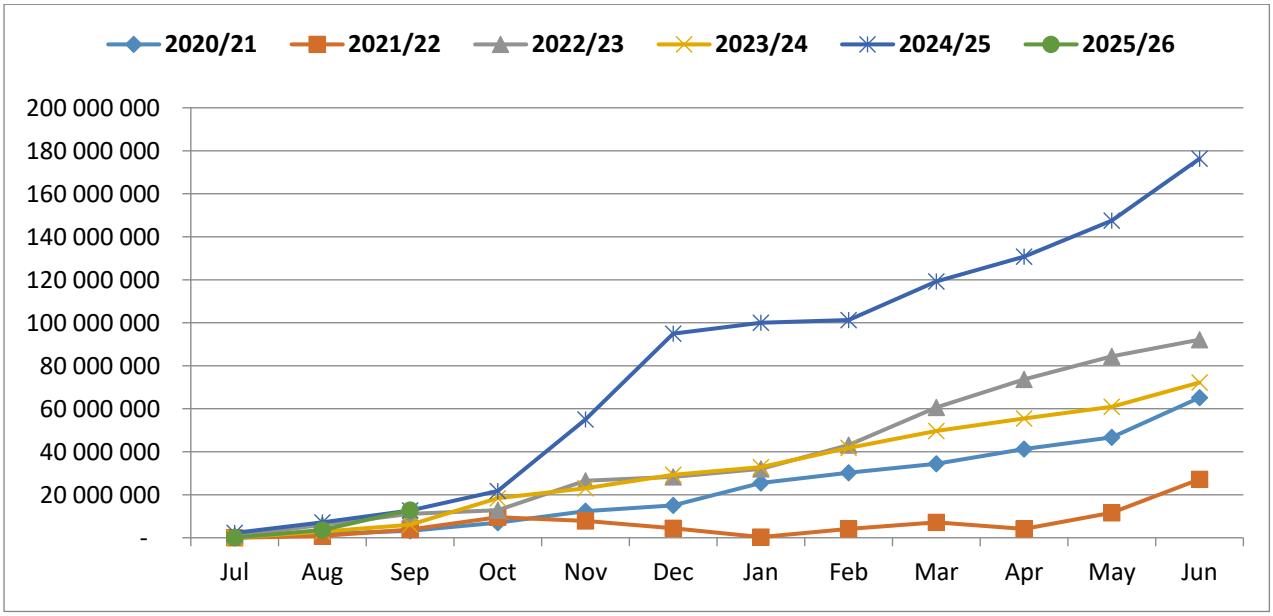
1.2. Monthly capital expenditure

The graph below reflects the municipality's monthly capital expenditure to date measured against the 2025/26 current budget.



Capital expenditure trend over the current- and past two years.

The graph below shows the municipality's capital expenditure trend for 2020/21, 2021/22, 2022/23, 2023/24, 2024/25 and 2025/26.



Status of capital programmes/projects in the Municipality as at 30 September 2025

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2025/26	YearTD actuals	%
CIVIL AND WATER SERVICES					
DEVELOPMENTAL BANK OF SOUTH AFRICA					
ROADS AND STORMWATER	DBSA-LOAN	Roads Infrastructure	153,002,755	1,190,455	0.78%
			153,002,755	**1,190,455**	**0.78%**
INTERNALLY FUNDED					
PROJECT MANAGEMENT UNIT (PMU)	INTERNAL	Upgrading/Improvement of Sport Facilities within K	595,923	-	0.00%
PROJECT MANAGEMENT UNIT (PMU)	INTERNAL	Upgrading Loerie Sports Facilities	34,894	-	0.00%
PROJECT MANAGEMENT UNIT (PMU)	INTERNAL	PAVING OF MAIN BEACH	44,030	44,029	100.00%
ROADS AND STORMWATER	INTERNAL	Sea Vista Access ring road damaged pavement layers	765,960	15,951	2.08%
ROADS AND STORMWATER	INTERNAL	George Road, Re-instatement of Embankment, Water &	673,392	15,605	2.32%
ROADS AND STORMWATER	INTERNAL	Seekoei Estuary Causeway	1,954,000	1,265,948	64.79%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Meyer Street and stormwater infr	1,002,820	18,139	1.81%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Phillip Street low level water c	630,554	34,666	5.50%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Sherley Street	1,039,319	32,076	3.09%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Nanto Street and stormwater infr	1,276,987	37,960	2.97%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Mountain Road and upgrade of sto	648,959	2,857	0.44%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Mountain Road and upgrade of sto	916,126	42,468	4.64%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Ketse Street and stormwater infr	1,138,689	23,667	2.08%
ROADS AND STORMWATER	INTERNAL	Jeffreys Bay CBD Precinct Upgrades	1,000,000	-	0.00%
SEWERAGE	INTERNAL	Design: Upgrade Weston WWTW Outfall & Reticulation	1,141,258	190,808	16.72%
SEWERAGE	INTERNAL	Apiesdraai: Sewer Pump Station	212,990	-	0.00%
SEWERAGE	INTERNAL	Hankey: Refurbishment of WWTW	2,388,083	159,000	6.66%
SEWERAGE	INTERNAL	Oyster Bay: Umzamowethu WWTW – Planning Stag	637,410	-	0.00%
SEWERAGE	INTERNAL	Pump Station	508,609	-	0.00%
SEWERAGE	INTERNAL	Fencing of Sewer Pump Station	800,000	-	0.00%
SEWERAGE	INTERNAL	LA MER NEW SEWER RISING MAIN	811,149	-	0.00%
WATER	INTERNAL	Storage Containers	200,000	-	0.00%
WATER	INTERNAL	Machinery at WTW Facilities	450,000	-	0.00%
WATER	INTERNAL	Humansdorp: Groundwater Supply	547,000	-	0.00%
WATER	INTERNAL	Humansdorp: Gill Marcus Water Supply	108,675	-	0.00%
WATER	INTERNAL	Construction of Civil Services in Donkerhoek & Hum	1,678,346	-	0.00%
			21,205,173	**1,883,174**	**8.88%**
MUNICIPAL INFRASTRUCTURE GRANT					
PROJECT MANAGEMENT UNIT (PMU)	MIG	Specialized Waste Management Vehicles	3,155,652	-	0.00%
PROJECT MANAGEMENT UNIT (PMU)	MIG	Upgrade of Phillipsville Sportsfield	173,913	-	0.00%
ROADS AND STORMWATER	MIG	Upgrading of Kouga Gravel Roads	13,478,101	-	0.00%
SEWERAGE	MIG	Arcadia Street: Refurbishment of Sewer Pump Station	57,391	-	0.00%
SEWERAGE	MIG	La Mer: Construction of New Sewer Rising Main	86,956	-	0.00%
SEWERAGE	MIG	Jeffreys Bay: Upgrade of Ocean View Sewer Pipe	69,565	69,565	100.00%
SEWERAGE	MIG	Kwanomzamo: Upgrading of WWTW	6,763,811	2,961,284	43.78%
WATER	MIG	Infrastructure Management Plan	1,662,695	-	0.00%
			25,448,084	**3,030,849**	**11.91%**

DEPARTMENT		PROJECT DESCRIPTION	Adjusted Budget 2025/26	YearTD actuals	%
UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME					
SEWERAGE	UISP	Kwanomzamo: New Sewer Pump Station & Rising Main - Bulk Sanitation	183,706	-	0.00%
SEWERAGE	UISP	Ramaphosa Sewer Pump Station Upgrade	197,333	-	0.00%
SEWERAGE	UISP	Upgrade of Thornhill Sewer Treatment Works - Phase	159,600	17,285	10.83%
WATER	UISP	Thornhill: Upgrading of Informal Settlement	482,313	-	0.00%
WATER	UISP	Humansdorp: Upgrading of informal settlements in Kwanomzamo (Bungalows, Polar Parks & Shukushukuma)	3,144,179	450,877	14.34%
WATER	UISP	Patensie: Upgrading of Informal Settlement (Cyril Ramaphosa)	1,318,063	-	0.00%
WATER	UISP	Jeffreys Bay: Upgrading of Ocean View Informal Settlement	3,365,037	419,381	12.46%
WATER	UISP	Humansdorp: Upgrading of Kruisfontein Settlement (Donkerhoek)	2,436,146	-	0.00%
WATER	UISP	Kruisfontein: Upgrade of Gill Marcus Bulk Water Reservoir & Pipeline	5,780,467	235,870	4.08%
WATER	UISP	Kwanomzamo: New Bulk Water Pipeline	109,304	-	0.00%
			17,176,148	**1,123,413**	**6.54%**
WATER SERVICES INFRASTRUCTURE GRANT					
SEWERAGE	WSIG	Beach Sewer Pump Station and New Sewer Bypass	200,000	-	0.00%
SEWERAGE	WSIG	St Francis Bay: Sewer Pump Station & Reticulation	34,782	-	0.00%
SEWERAGE	WSIG	Loerie: Upgrade of Sewer Pump Station & New Sewer	6,925,670	-	0.00%
WATER	WSIG	St Francis Bay: Replacement of Waterpipe	100,000	-	0.00%
WATER	WSIG	St Francis Bay: Groundwater Supply	1,012,590	-	0.00%
WATER	WSIG	St Francis Bay: Replacement of Main Waterline (Sout River Bridge Crossing)	100,000	-	0.00%
			8,373,042	**-**	**0.00%**
SUBTOTAL			**225,205,202**	**7,227,891**	**3.21%**

DEPARTMENT		PROJECT DESCRIPTION	Adjusted Budget 2025/26	YearTD actuals	%
COMMUNITY SERVICES					
DISTRICT					
FIRE SERVICES	DISTRICT	Fire Services - Vehicle (DISTRICT)	1,391,304	-	0.00%
			1,391,304	**-**	**0.00%**
INTERNALLY FUNDED					
FIRE SERVICES	INTERNAL	Extension of Incident Command Centre (ICC)	1,000,000	-	0.00%
LAW ENFORCEMENT	INTERNAL	Security Cameras	1,000,000	3,750	0.38%
WASTE SERVICES	INTERNAL	Fencing of Humansdorp Landfill Site	1,500,000	-	0.00%
			3,500,000	**3,750**	**0.11%**
			4,891,304	**3,750**	**0.08%**
ELECTRO AND MECHANICAL SERVICES					
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME					
METERING AND REVENUE	INEP	Electrification of 1250 houses in Kouga	4,730,434	424,520	8.97%
			4,730,434	**424,520**	**8.97%**
INTERNALLY FUNDED					
METERING AND REVENUE	INTERNAL	Shore Road Miniature Substation & Associated Switc	2,000,000	753,858	37.69%
METERING AND REVENUE	INTERNAL	Battery Storage	25,000,000	-	0.00%
METERING AND REVENUE	INTERNAL	Electrical Oil circuit breakers replacement with v	1,560,165	-	0.00%
			28,560,165	**753,858**	**2.64%**
MUNICIPAL INFRASTRUCTURE GRANT					
METERING AND REVENUE		Design of New High Mast Lights - Construction	6,086,956	-	0.00%
			6,086,956	**-**	**0.00%**
UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME					
METERING AND REVENUE	UISP	Kwanomzamo Bulk Electrical - Boskloof Secondary Feeder Line & Substation	29,703	-	0.00%
METERING AND REVENUE	UISP	Oceanview Substation Upgrade	27,939	-	0.00%
			57,642	**-**	**0.00%**
FINANCE LEASE					
FLEET AND WORKSHOP		Vehicle	**-**	493,606	
			-	**493,606**	
SUBTOTAL			**269,531,703**	**8,903,624**	**3.30%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2025/26	YearTD actuals	%
FINANCE AND ECONOMIC DEVELOPMENT					
INTERNALLY FUNDED					
REVENUE	INTERNAL	Revenue: vehicle	620,600	-	0%
REVENUE	INTERNAL	FURNITURE &EQUIPMENT REV STAFF	40,561	-	0%
REVENUE	INTERNAL	Computer Equipment	22,477	-	0%
Finance: SCM	INTERNAL	Computer Equipment	25,131	-	0%
			708,769	**-**	**0.00%**
OFICCE OF THE DMM					
INTERNALLY FUNDED					
INFORMATION COMMUNICATION TECHNOLOGY (ICT)	INTERNAL	Computer Equipment	1,000,000	866,204	87%
MEDIA LIAISON	INTERNAL	Camera Equipment	50,000	-	0%
			1,050,000	**866,204**	**82.50%**
PLANNING AND DEVELOPMENT					
INTERNALLY FUNDED					
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Acquisition of Land	3,200,000	-	0%
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Electronic Equipment	50,000	-	0%
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Procurement of Homeless Shelter Property	1,400,000	-	0%
			4,650,000	**-**	**0.00%**
DEPARTMENT OF HUMAN SETTLEMENTS					
HUMAN SETTLEMENT	DOHS	HANKEY 990-PHASE 2	6,731,297	3,163,220	47%
HUMAN SETTLEMENT	DOHS	HANKEY 990-PHASE 3	10,624,531	-	0%
SUBTOTAL			**17,355,828**	**3,163,220**	**18.23%**
TOTAL			**293,296,300**	**12,933,049**	**4.41%**

Annexure "A3"

1. PROJECTED CASH FLOW STATEMENT FOR THE 2025/26 FINANCIAL YEAR

1.1. Projected Cash Flow Statement as at 30 September 2025

The purpose of the cash flow statement is to compare the cash inflows (receipts) with the cash outflows (payments), to ascertain the adequacy of the cash inflows to cover the cash outflows.

Table C7 Monthly Budget Statement – Cash Flow – M03 September 2025

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		263,763	294,809	294,809	35,150	105,167	73,702	31,465	43%	294,809
Service charges		719,038	908,343	908,343	69,732	174,777	227,086	(52,309)	-23%	908,343
Other revenue		52,563	112,594	112,594	21,611	65,273	28,149	37,125	132%	112,594
Transfers and Subsidies - Operational		201,325	214,766	214,766	–	87,722	53,691	34,030	63%	214,766
Transfers and Subsidies - Capital		57,409	82,934	92,791	–	31,442	23,198	8,244	36%	92,791
Interest		1,659,179	16,273	16,273	645	2,500	4,068	(1,568)	-39%	16,273
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(298,661)	(1,485,124)	(1,467,268)	(141,085)	(436,265)	(366,817)	69,448	-19%	(123,760)
Interest		–	(19,267)	(19,267)	(408)	(1,210)	(4,817)	(3,607)	75%	(19,267)
Transfers and Subsidies		–	(950)	(950)	–	–	(237)	(237)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,654,615**	**124,378**	**152,091**	**(14,356)**	**29,406**	**38,023**	**8,617**	**23%**	**1,495,598**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(130,825)	(265,462)	(293,296)	(10,661)	(14,873)	73,324	88,197	120%	293,296
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(130,825)**	**(265,462)**	**(293,296)**	**(10,661)**	**(14,873)**	**73,324**	**88,197**	**120%**	**293,296**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		(120,000)	100,000	100,000	–	–	25,000	(25,000)	-100%	100,000
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	(3,355)	(7,253)	–	7,253	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(120,000)**	**100,000**	**100,000**	**(3,355)**	**(7,253)**	**25,000**	**32,253**	**129%**	**100,000**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,403,790**	**(41,084)**	**(41,206)**	**(28,372)**	**7,280**	**136,347**			**1,888,895**
Cash/cash equivalents at beginning:		297,312	194,402	194,402		180,581	194,402			180,581
Cash/cash equivalents at month/year end:		2,701,102	153,318	153,196		187,861	330,749			2,069,476

Annexure "A4"

1. MUNICIPAL MONTHLY BUDGET TABLES

1.1. MONTHLY BUDGET TABLES

The seven main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section of the report. These tables set out the Municipality's 2025/26 budget performance for the period of September 2025 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M03 September 2025

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Financial Performance									
Property rates	298,334	304,484	304,484	21,923	106,089	76,121	29,968	39%	304,484
Service charges	629,997	761,356	761,356	67,568	191,712	190,339	1,373	1%	761,356
Investment revenue	13,689	16,273	16,273	1,121	3,388	4,068	(680)	-17%	16,273
Transfers and subsidies - Operational	205,382	214,766	214,766	854	87,065	53,691	33,373	62%	214,766
Other own revenue	174,612	171,808	171,808	5,775	26,870	42,952	(16,082)	-37%	171,808
Total Revenue (excluding capital transfers and	**1,322,015**	**1,468,686**	**1,468,686**	**97,240**	**415,124**	**367,172**	**47,952**	**13%**	**1,468,686**
Employee costs	418,731	525,261	516,784	34,712	102,755	129,196	(26,440)	-20%	516,784
Remuneration of Councillors	15,443	15,988	15,988	1,229	3,701	3,997	(296)	-7%	15,988
Depreciation and amortisation	115,298	142,422	142,422	35,605	35,605	35,605	(0)	-0%	142,422
Interest	13,825	20,106	20,106	3,133	3,935	5,027	(1,092)	-22%	20,106
Inventory consumed and bulk purchases	521,483	555,432	549,432	52,792	169,064	137,358	31,706	23%	549,432
Transfers and subsidies	447	950	950	19	24	237	(214)	-90%	950
Other expenditure	333,344	320,959	317,459	16,480	43,721	79,364	(35,643)	-45%	317,459
Total Expenditure	**1,418,571**	**1,581,117**	**1,563,140**	**143,970**	**358,804**	**390,784**	**(31,980)**	**-8%**	**1,563,140**
Surplus/(Deficit)	**(96,556)**	**(112,431)**	**(94,454)**	**(46,730)**	**56,320**	**(23,612)**	**79,932**	**-339%**	**(94,454)**
Transfers and subsidies - capital (monetary allocations)	109,313	82,934	92,791	7,169	9,123	23,198	(14,075)	-61%	92,791
Transfers and subsidies - capital (in-kind)	15,000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	**27,757**	**(29,497)**	**(1,663)**	**(39,561)**	**65,442**	**(415)**	**65,857**	**-15888%**	**(1,663)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**27,757**	**(29,497)**	**(1,663)**	**(39,561)**	**65,442**	**(415)**	**65,857**	**-15888%**	**(1,663)**
Capital expenditure & funds sources									
Capital expenditure	**151,442**	**265,462**	**293,296**	**9,271**	**12,933**	**73,324**	**(60,391)**	**-82%**	**293,296**
Capital transfers recognised	103,754	72,117	81,974	6,004	7,933	20,493	(12,561)	-61%	81,974
Borrowing	69,882	152,174	153,003	464	1,684	38,251	(36,567)	-96%	153,003
Internally generated funds	44,891	41,172	58,320	2,802	3,316	14,580	(11,264)	-77%	58,320
Total sources of capital funds	**218,527**	**265,462**	**293,296**	**9,271**	**12,933**	**73,324**	**(60,391)**	**-82%**	**293,296**
Financial position									
Total current assets	378,763	266,780	266,659		431,073				266,659
Total non current assets	2,364,279	2,577,825	2,605,659		2,389,572				2,605,659
Total current liabilities	364,341	285,984	285,863		315,783				285,863
Total non current liabilities	368,452	465,849	465,849		368,452				465,849
Community wealth/Equity	2,058,459	2,092,771	2,120,605		2,136,411				2,120,605
Cash flows									
Net cash from (used) operating	2,654,615	124,378	152,091	281,112	750,693	38,023	(712,670)	-1874%	1,495,598
Net cash from (used) investing	(130,825)	(265,462)	(293,296)	(10,904)	(17,375)	73,324	90,699	124%	293,296
Net cash from (used) financing	(120,000)	100,000	100,000	(117)	(203)	25,000	25,203	101%	100,000
Cash/cash equivalents at the month/year end	**2,701,102**	**153,318**	**153,196**	**–**	**1,198,175**	**330,749**	**(867,426)**	**-262%**	**2,353,955**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	117,172	15,279	11,384	30,676	39,412	7,204	26,367	124,994	372,488
Creditors Age Analysis									
Total Creditors	62,664	632	480	25	22	(947)	50	(532)	62,394

Explanatory notes to Table C1 – Monthly Budget Summary

The aim of the Budget Summary is to provide a concise overview of the actual budget performance from all of the major financial perspective (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the actual amounts spent compared to the monthly budget projections within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance.

Table C2 Monthly Budget Statement – Financial Performance (standard classification) – M03 September 2025

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
									%	
Revenue - Functional										
Governance and administration		**551,646**	**530,621**	**530,621**	**24,835**	**174,219**	**132,655**	41,564	31%	**530,621**
Executive and council		53	142	142	–	–	35	(35)	-100%	142
Finance and administration		551,593	530,479	530,479	24,835	174,219	132,620	41,599	31%	530,479
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**68,805**	**50,121**	**59,978**	**6,275**	**9,744**	**14,995**	(5,251)	-35%	**59,978**
Community and social services		3,335	3,385	3,385	30	108	846	(738)	-87%	3,385
Sport and recreation		7,349	12,255	12,255	1,190	3,562	3,064	498	16%	12,255
Public safety		1,535	1,870	1,870	9	28	467	(440)	-94%	1,870
Housing		53,075	30,000	39,857	5,034	5,149	9,964	(4,815)	-48%	39,857
Health		3,511	2,612	2,612	12	896	653	244	37%	2,612
Economic and environmental services		**49,967**	**40,955**	**40,955**	**3,675**	**13,657**	**10,239**	3,418	33%	**40,955**
Planning and development		8,979	10,838	10,838	1,584	3,633	2,709	923	34%	10,838
Road transport		21,204	10,185	10,185	512	3,191	2,546	644	25%	10,185
Environmental protection		19,784	19,932	19,932	1,579	6,834	4,983	1,851	37%	19,932
Trading services		**775,911**	**929,924**	**929,924**	**69,625**	**226,627**	**232,481**	(5,854)	-3%	**929,924**
Energy sources		417,937	501,093	501,093	45,642	133,414	125,273	8,141	6%	501,093
Water management		165,405	203,581	203,581	11,249	41,082	50,895	(9,813)	-19%	203,581
Waste water management		121,149	141,631	141,631	8,177	29,169	35,408	(6,238)	-18%	141,631
Waste management		71,420	83,619	83,619	4,557	22,961	20,905	2,056	10%	83,619
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,446,328**	**1,551,621**	**1,561,478**	**104,409**	**424,246**	**390,369**	**33,877**	**9%**	**1,561,478**
Expenditure - Functional										
Governance and administration		**310,795**	**402,672**	**398,816**	**31,255**	**80,446**	**99,703**	(19,257)	-19%	**398,816**
Executive and council		49,885	66,561	66,512	5,130	13,294	16,628	(3,334)	-20%	66,512
Finance and administration		260,774	332,893	329,086	26,076	67,084	82,271	(15,187)	-18%	329,086
Internal audit		136	3,218	3,218	49	68	805	(736)	-91%	3,218
Community and public safety		**109,518**	**141,482**	**140,953**	**10,132**	**26,216**	**35,238**	(9,022)	-26%	**140,953**
Community and social services		12,638	12,289	12,284	988	2,940	3,071	(131)	-4%	12,284
Sport and recreation		60,815	73,671	73,301	6,139	13,973	18,325	(4,353)	-24%	73,301
Public safety		29,230	35,167	35,078	2,333	7,057	8,769	(1,712)	-20%	35,078
Housing		1,253	11,626	11,589	616	2,063	2,897	(835)	-29%	11,589
Health		5,583	8,729	8,700	56	183	2,175	(1,992)	-92%	8,700
Economic and environmental services		**207,757**	**206,880**	**206,592**	**23,332**	**37,457**	**51,648**	(14,191)	-27%	**206,592**
Planning and development		33,240	39,914	39,914	2,178	6,549	9,978	(3,429)	-34%	39,914
Road transport		162,100	158,635	158,469	19,997	27,630	39,617	(11,987)	-30%	158,469
Environmental protection		12,417	8,331	8,209	1,157	3,278	2,052	1,226	60%	8,209
Trading services		**790,138**	**830,084**	**816,779**	**79,222**	**214,597**	**204,195**	10,402	5%	**816,779**
Energy sources		467,394	527,947	527,747	50,394	157,979	131,937	26,043	20%	527,747
Water management		177,229	121,164	114,026	14,164	28,579	28,507	72	0%	114,026
Waste water management		86,800	109,169	103,901	10,338	15,699	25,975	(10,277)	-40%	103,901
Waste management		58,714	71,803	71,105	4,325	12,340	17,776	(5,436)	-31%	71,105
Other		**363**	**–**	**–**	**29**	**87**	**–**	**87**		**–**
Total Expenditure - Functional	3	**1,418,571**	**1,581,117**	**1,563,140**	**143,970**	**358,804**	**390,784**	**(31,980)**	**-8%**	**1,563,140**
Surplus/ (Deficit) for the year		**27,757**	**(29,497)**	**(1,663)**	**(39,561)**	**65,442**	**(415)**	**65,857**	**-15888%**	**(1,663)**

Explanatory notes to Table C2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

The standard classification refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities report their operations in one common format, to facilitate comparison across all municipalities.

Table C3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote – M03 September 2025

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		2,211	1,115	1,115	393	854	279	575	206.3%	1,115
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		459,109	484,342	484,342	24,423	173,150	121,086	52,065	43.0%	484,342
Vote 4 - COMMUNITY SERVICES		205,341	176,939	176,939	7,654	36,532	44,235	(7,703)	-17.4%	176,939
Vote 5 - CIVIL AND WATER SERVICES		301,230	349,202	349,202	20,255	72,257	87,300	(15,044)	-17.2%	349,202
Vote 6 - ELECTRO/MECHANICAL SERVICES		418,360	501,094	501,094	45,749	133,643	125,274	8,370	6.7%	501,094
Vote 7 - PLANNING AND DEVELOPMENT		60,017	38,929	48,786	5,935	7,810	12,196	(4,387)	-36.0%	48,786
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**1,446,269**	**1,551,621**	**1,561,478**	**104,409**	**424,245**	**390,369**	**33,876**	**8.7%**	**1,561,478**
Expenditure by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		12,834	18,128	18,128	1,271	3,006	4,532	(1,526)	-33.7%	18,128
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		117,742	165,192	161,547	10,004	34,018	40,387	(6,369)	-15.8%	161,547
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		101,376	139,445	139,504	11,207	24,623	34,876	(10,253)	-29.4%	139,504
Vote 4 - COMMUNITY SERVICES		305,104	314,436	312,912	20,402	54,386	78,228	(23,842)	-30.5%	312,912
Vote 5 - CIVIL AND WATER SERVICES		363,474	341,894	329,321	43,615	70,161	82,330	(12,169)	-14.8%	329,321
Vote 6 - ELECTRO/MECHANICAL SERVICES		483,211	555,517	555,259	54,745	164,237	138,815	25,423	18.3%	555,259
Vote 7 - PLANNING AND DEVELOPMENT		34,502	44,085	44,048	2,553	7,848	11,012	(3,164)	-28.7%	44,048
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**1,418,243**	**1,578,697**	**1,560,719**	**143,795**	**358,278**	**390,179**	**(31,900)**	**-8.2%**	**1,560,719**
Surplus/ (Deficit) for the year	2	**28,025**	**(27,076)**	**758**	**(39,386)**	**65,967**	**191**	**65,776**	**34490.8%**	**758**

Explanatory notes to Table C3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

The purpose of the format in which the monthly budget reporting table is represented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned.

Operating revenue and expenditure are thus presented by "vote". A "vote" is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table C4 Monthly Budget Statement – Financial Performance (revenue and expenditure) – M03 September 2025

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
Revenue									%	
Exchange Revenue										
Service charges - Electricity		400,468	479,524	479,524	44,348	127,844	119,881	7,963	7%	479,524
Service charges - Water		104,737	147,583	147,583	10,431	27,493	36,896	(9,403)	-25%	147,583
Service charges - Waste Water Management		66,111	81,259	81,259	6,188	17,994	20,315	(2,321)	-11%	81,259
Service charges - Waste management		58,681	52,990	52,990	6,601	18,381	13,247	5,133	39%	52,990
Sale of Goods and Rendering of Services		6,687	10,044	10,044	714	2,362	2,511	(149)	-6%	10,044
Agency services		6,045	4,554	4,554	–	1,120	1,139	(19)	-2%	4,554
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		22,366	34,661	34,661	833	3,891	8,665	(4,774)	-55%	34,661
Interest earned from Current and Non Current Assets		13,689	16,273	16,273	1,121	3,388	4,068	(680)	-17%	16,273
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		4,068	3,322	3,322	545	1,280	831	450	54%	3,322
Licence and permits		2,137	2,856	2,856	195	700	714	(14)	-2%	2,856
Special rating levies		–	15,436	15,436	987	4,789	3,859	930	24%	15,436
Operational Revenue		8,061	1,955	1,955	166	1,550	489	1,062	217%	1,955
Non-Exchange Revenue										
Property rates		298,334	304,484	304,484	21,923	106,089	76,121	29,968	39%	304,484
Surcharges and Taxes		–	22,602	22,602	(913)	(913)	5,650	(6,563)	-116%	22,602
Fines, penalties and forfeits		96,016	45,795	45,795	195	526	11,449	(10,923)	-95%	45,795
Licence and permits		6,849	3,139	3,139	1,361	3,816	785	3,031	386%	3,139
Transfer and subsidies - Operational		205,382	214,766	214,766	854	87,065	53,691	33,373	62%	214,766
Interest		3,214	5,841	5,841	294	1,016	1,460	(444)	-30%	5,841
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		19,241	21,605	21,605	1,398	6,733	5,401	1,331	25%	21,605
Gains on disposal of Assets		(689)	–	–	–	–	–	–		–
Other Gains		617	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**1,322,015**	**1,468,686**	**1,468,686**	**97,240**	**415,124**	**367,172**	**–**		**1,468,686**
Expenditure By Type										
Employee related costs		418,731	525,261	516,784	34,712	102,755	129,196	(26,440)	-20%	516,784
Remuneration of councillors		15,443	15,988	15,988	1,229	3,701	3,997	(296)	-7%	15,988
Bulk purchases - electricity		427,467	441,010	441,010	43,112	143,490	110,252	33,238	30%	441,010
Inventory consumed		94,016	114,422	108,422	9,680	25,573	27,105	(1,532)	-6%	108,422
Debt impairment		(68,470)	65,115	65,115	–	–	16,279	(16,279)	-100%	65,115
Depreciation and amortisation		115,298	142,422	142,422	35,605	35,605	35,605	(0)	0%	142,422
Interest		13,825	20,106	20,106	3,133	3,935	5,027	(1,092)	-22%	20,106
Contracted services		92,976	142,734	140,054	9,517	19,094	35,013	(15,919)	-45%	140,054
Transfers and subsidies		447	950	950	19	24	237	(214)	-90%	950
Irrecoverable debts written off		173,925	11,487	11,487	–	196	2,872	(2,676)	-93%	11,487
Operational costs		93,868	101,623	100,803	6,963	24,431	25,200	(769)	-3%	100,803
Losses on Disposal of Assets		13,672	–	–	–	–	–	–		–
Other Losses		27,372	–	–	–	–	–	–		–
Total Expenditure		**1,418,571**	**1,581,117**	**1,563,140**	**143,970**	**358,804**	**390,784**	**(31,980)**	**-8%**	**1,563,140**
Surplus/(Deficit)		**(96,556)**	**(112,431)**	**(94,454)**	**(46,730)**	**56,320**	**(23,612)**	**31,980**	**(0)**	**(94,454)**
Transfers and subsidies - capital (monetary allocations)		109,313	82,934	92,791	7,169	9,123	23,198	(14,075)	**(0)**	92,791
Transfers and subsidies - capital (in-kind)		15,000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &		**27,757**	**(29,497)**	**(1,663)**	**(39,561)**	**65,442**	**(415)**			**(1,663)**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**27,757**	**(29,497)**	**(1,663)**	**(39,561)**	**65,442**	**(415)**			**(1,663)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**27,757**	**(29,497)**	**(1,663)**	**(39,561)**	**65,442**	**(415)**			**(1,663)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**27,757**	**(29,497)**	**(1,663)**	**(39,561)**	**65,442**	**(415)**			**(1,663)**

Explanatory notes to Table C4 – Budgeted Financial Performance (revenue and expenditure)

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the monthly results, the monthly budget-to-date projections, and the original budget, so as to assess performance.

Table C5 Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding) – M03 September 2025

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		1 623	1 050	1 050	863	866	262	604	230%	1 050
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		2 001	621	709	–	–	177	(177)	-100%	709
Vote 4 - COMMUNITY SERVICES		861	4 891	4 891	4	4	1 223	(1 219)	-100%	4 891
Vote 5 - CIVIL AND WATER SERVICES		61 676	206 142	225 205	4 062	7 228	56 301	(49 073)	-87%	225 205
Vote 6 - ELECTRO/MECHANICAL SERVICES		85 369	49 509	39 435	1 178	1 672	9 859	(8 187)	-83%	39 435
Vote 7 - PLANNING AND DEVELOPMENT		(112)	3 250	22 006	3 163	3 163	5 501	(2 338)	-43%	22 006
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**151 419**	**265 462**	**293 296**	**9 271**	**12 933**	**73 324**	**(60 391)**	**-82%**	**293 296**
Single Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		23	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		–	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–		–
Vote 5 - CIVIL AND WATER SERVICES		–	–	–	–	–	–	–		–
Vote 6 - ELECTRO/MECHANICAL SERVICES		–	–	–	–	–	–	–		–
Vote 7 - PLANNING AND DEVELOPMENT		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	23	–	–	–	–	–	–		–
Total Capital Expenditure	3	**151 442**	**265 462**	**293 296**	**9 271**	**12 933**	**73 324**	**(60 391)**	**-82%**	**293 296**
Capital Expenditure - Functional Classification										
Governance and administration		**51 929**	**2 621**	**2 709**	**867**	**1 364**	**677**	686	101%	**2 709**
Executive and council		293	–	–	–	–	–	–		–
Finance and administration		51 613	2 621	2 709	867	1 364	677	686	101%	2 709
Internal audit		23	–	–	–	–	–	–		–
Community and public safety		**520**	**2 441**	**19 797**	**3 163**	**3 163**	**4 949**	(1 786)	-36%	**19 797**
Community and social services		–	50	50	–	–	12	(12)	-100%	50
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		632	2 391	2 391	–	–	598	(598)	-100%	2 391
Housing		(112)	–	17 356	3 163	3 163	4 339	(1 176)	-27%	17 356
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**20 298**	**173 232**	**186 182**	**1 998**	**2 724**	**46 545**	(43 822)	-94%	**186 182**
Planning and development		2 143	6 580	8 654	44	44	2 164	(2 120)	-98%	8 654
Road transport		18 155	166 652	177 528	1 954	2 680	44 382	(41 702)	-94%	177 528
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**78 695**	**87 169**	**84 608**	**3 243**	**5 682**	**21 152**	(15 470)	-73%	**84 608**
Energy sources		36 398	49 509	39 435	1 178	1 178	9 859	(8 680)	-88%	39 435
Water management		14 419	18 289	22 495	1 006	1 106	5 624	(4 518)	-80%	22 495
Waste water management		27 878	17 872	21 178	1 058	3 398	5 295	(1 897)	-36%	21 178
Waste management		–	1 500	1 500	–	–	375	(375)	-100%	1 500
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**151 442**	**265 462**	**293 296**	**9 271**	**12 933**	**73 324**	**(60 391)**	**-82%**	**293 296**
Funded by:										
National Government		67 436	44 639	44 639	1 627	3 455	11 160	(7 704)	-69%	44 639
Provincial Government		35 687	26 087	35 944	4 378	4 477	8 986	(4 509)	-50%	35 944
District Municipality		632	1 391	1 391	–	–	348	(348)	-100%	1 391
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**103 754**	**72 117**	**81 974**	**6 004**	**7 933**	**20 493**	**(12 561)**	**-61%**	**81 974**
Borrowing	6	69 882	152 174	153 003	464	1 684	38 251	(36 567)	-96%	153 003
Internally generated funds		44 891	41 172	58 320	2 802	3 316	14 580	(11 264)	-77%	58 320
Total Capital Funding	7	**218 527**	**265 462**	**293 296**	**9 271**	**12 933**	**73 324**	**(60 391)**	**-82%**	**293 296**

Explanatory notes to Table C5 – Budgeted Capital Expenditure by vote, standard classification and funding

Table C5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table C6 Monthly Budget Statement – Financial Position – M03 September 2025

Description R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	 Adjusted Budget	 YearTD Actual	 Full Year Forecast
ASSETS	1					
Current assets						
Cash and cash equivalents		180,582	143,991	143,870	187,861	143,870
Trade and other receivables from exchange transactions		63,211	59,899	59,899	86,757	59,899
Receivables from non-exchange transactions		79,492	26,651	26,651	71,295	26,651
Current portion of non-current receivables		–	–	–	–	–
Inventory		24,825	22,450	22,450	22,024	22,450
VAT		27,507	12,790	12,790	60,222	12,790
Other current assets		3,145	999	999	2,915	999
Total current assets		**378,763**	**266,780**	**266,659**	**431,073**	**266,659**
Non current assets						
Investments		–	–	–	–	–
Investment property		246,427	250,794	250,794	246,427	250,794
Property, plant and equipment		2,117,640	2,326,613	2,354,447	2,143,080	2,354,447
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		212	419	419	65	419
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**2,364,279**	**2,577,825**	**2,605,659**	**2,389,572**	**2,605,659**
TOTAL ASSETS		**2,743,042**	**2,844,605**	**2,872,318**	**2,820,646**	**2,872,318**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		29,869	31,944	31,944	20,533	31,944
Consumer deposits		34,505	31,660	31,660	35,480	31,660
Trade and other payables from exchange transactions		210,746	143,222	143,222	138,048	143,222
Trade and other payables from non-exchange transactions		20,944	–	–	34,713	–
Provision		39,189	64,451	64,330	39,189	64,330
VAT		29,089	14,707	14,707	47,821	14,707
Other current liabilities		–	–	–	–	–
Total current liabilities		**364,341**	**285,984**	**285,863**	**315,783**	**285,863**
Non current liabilities						
Financial liabilities		119,060	203,183	203,183	119,060	203,183
Provision		135,422	139,560	139,560	135,422	139,560
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		113,970	123,106	123,106	113,970	123,106
Total non current liabilities		**368,452**	**465,849**	**465,849**	**368,452**	**465,849**
TOTAL LIABILITIES		**732,793**	**751,834**	**751,713**	**684,235**	**751,713**
NET ASSETS	2	**2,010,249**	**2,092,771**	**2,120,605**	**2,136,411**	**2,120,605**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,056,273	2,078,271	2,106,105	2,133,244	2,106,105
Reserves and funds		2,186	14,500	14,500	3,167	14,500
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2,058,459**	**2,092,771**	**2,120,605**	**2,136,411**	**2,120,605**

Explanatory notes to Table C6 – Budgeted Financial Position

i. The table represents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity, i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.

ii. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end.

Similarly, the collection rate assumption informs the budget provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as compliance assessment is directly informed by forecasting the statement of financial position.

Table C7 Monthly Budget Statement – Cash Flow – M03 September 2025

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		263,763	294,809	294,809	35,150	105,167	73,702	31,465	43%	294,809
Service charges		719,038	908,343	908,343	69,732	174,777	227,086	(52,309)	-23%	908,343
Other revenue		52,563	112,594	112,594	21,611	65,273	28,149	37,125	132%	112,594
Transfers and Subsidies - Operational		201,325	214,766	214,766	–	87,722	53,691	34,030	63%	214,766
Transfers and Subsidies - Capital		57,409	82,934	92,791	–	31,442	23,198	8,244	36%	92,791
Interest		1,659,179	16,273	16,273	645	2,500	4,068	(1,568)	-39%	16,273
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(298,661)	(1,485,124)	(1,467,268)	(141,085)	(436,265)	(366,817)	69,448	-19%	(123,760)
Interest		–	(19,267)	(19,267)	(408)	(1,210)	(4,817)	(3,607)	75%	(19,267)
Transfers and Subsidies		–	(950)	(950)	–	–	(237)	(237)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,654,615**	**124,378**	**152,091**	**(14,356)**	**29,406**	**38,023**	**8,617**	**23%**	**1,495,598**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(130,825)	(265,462)	(293,296)	(10,661)	(14,873)	73,324	88,197	120%	293,296
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(130,825)**	**(265,462)**	**(293,296)**	**(10,661)**	**(14,873)**	**73,324**	**88,197**	**120%**	**293,296**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		(120,000)	100,000	100,000	–	–	25,000	(25,000)	-100%	100,000
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	(3,355)	(7,253)	–	7,253	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(120,000)**	**100,000**	**100,000**	**(3,355)**	**(7,253)**	**25,000**	**32,253**	**129%**	**100,000**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,403,790**	**(41,084)**	**(41,206)**	**(28,372)**	**7,280**	**136,347**			**1,888,895**
Cash/cash equivalents at beginning:		297,312	194,402	194,402		180,581	194,402			180,581
Cash/cash equivalents at month/year end:		2,701,102	153,318	153,196		187,861	330,749			2,069,476

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

i. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.

ii. It reflects the expected cash inflows versus outflows that are likely to result from the implementation of the budget.

Annexure "A5"

1. ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

In this section the Municipality's Debtors, Creditors and Investments will be analysed. These components have a significant impact on the Municipality's financial position.

1.1. Overview of outstanding Consumer Debtors (Inclusive of VAT)

Below is an analysis of the outstanding consumer debtors as at 30 September 2025, compared to the position as at 30 June 2025.

Debtors' Age Analysis (Inclusive of VAT) as at 30 September 2025

Description	Budget Year 2025/26								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	33,821	5,357	4,829	5,497	3,778	3,165	10,013	24,873	91,332
Trade and Other Receivables from Exchange Transactions - Electricity	47,833	2,552	1,390	1,119	756	615	2,645	12,258	69,167
Receivables from Non-exchange Transactions - Property Rates	30,862	3,091	1,609	1,321	1,211	998	4,818	31,765	75,675
Receivables from Exchange Transactions - Waste Water Management	15,085	1,948	1,568	1,472	1,223	1,062	3,694	8,961	35,012
Receivables from Exchange Transactions - Waste Management	12,563	1,366	1,213	1,015	936	776	2,435	9,978	30,282
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	7,588	421	432	4,678	8,404	361	1,895	26,587	50,367
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(30,581)	546	344	15,572	23,104	228	868	10,572	20,653
Total By Income Source	**117,172**	**15,279**	**11,384**	**30,676**	**39,412**	**7,204**	**26,367**	**124,994**	**372,488**
Debtors Age Analysis By Customer Group									
Organs of State	2,170	841	448	504	334	255	1,085	8,623	14,260
Commercial	15,397	497	309	779	1,373	167	714	5,553	24,789
Households	99,602	13,940	10,626	29,392	37,704	6,781	24,563	110,802	333,409
Other	4	1	1	1	1	1	6	16	30
Total By Customer Group	**117,172**	**15,279**	**11,384**	**30,676**	**39,412**	**7,204**	**26,367**	**124,994**	**372,488**

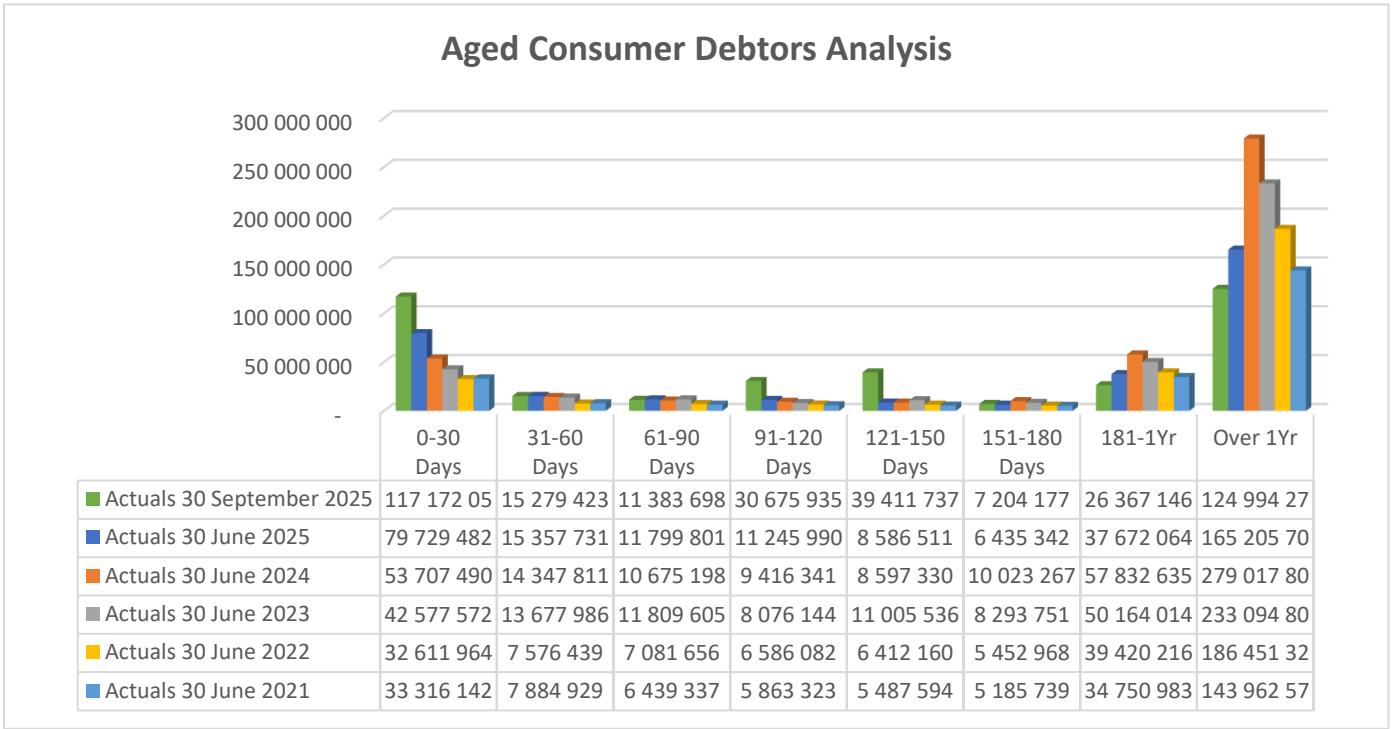
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2025

Description	Budget Year 2024/25								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	28,680	5,190	4,620	4,594	3,061	2,488	11,553	38,052	98,238
Trade and Other Receivables from Exchange Transactions - Electricity	35,660	2,601	1,789	1,437	1,179	898	4,080	12,231	59,875
Receivables from Non-exchange Transactions - Property Rates	22,917	2,601	1,859	1,593	1,365	1,265	10,636	29,366	71,601
Receivables from Exchange Transactions - Waste Water Management	12,361	1,881	1,655	1,800	1,305	778	3,775	15,177	38,732
Receivables from Exchange Transactions - Waste Management	9,817	1,360	1,194	1,107	1,008	532	2,915	19,392	37,325
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	4,827	1,351	343	406	366	317	2,848	38,902	49,359
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(34,533)	374	340	310	303	158	1,865	12,086	(19,097)
Total By Income Source	**79,729**	**15,358**	**11,800**	**11,246**	**8,587**	**6,435**	**37,672**	**165,206**	**336,033**
Debtors Age Analysis By Customer Group									
Organs of State	(46)	793	608	624	396	317	2,209	7,514	12,415
Commercial	10,797	489	415	382	289	257	1,240	7,397	21,267
Households	68,974	14,074	10,775	10,239	7,900	5,860	34,217	150,280	302,321
Other	4	1	1	1	1	1	6	15	29
Total By Customer Group	**79,729**	**15,358**	**11,800**	**11,246**	**8,587**	**6,435**	**37,672**	**165,206**	**336,033**

The analysis indicates that from 30 June 2025 to 30 September 2025, the overdue debts have decreased by R 0,987 million from R 256,303 million to R 255,316 million, as follows:

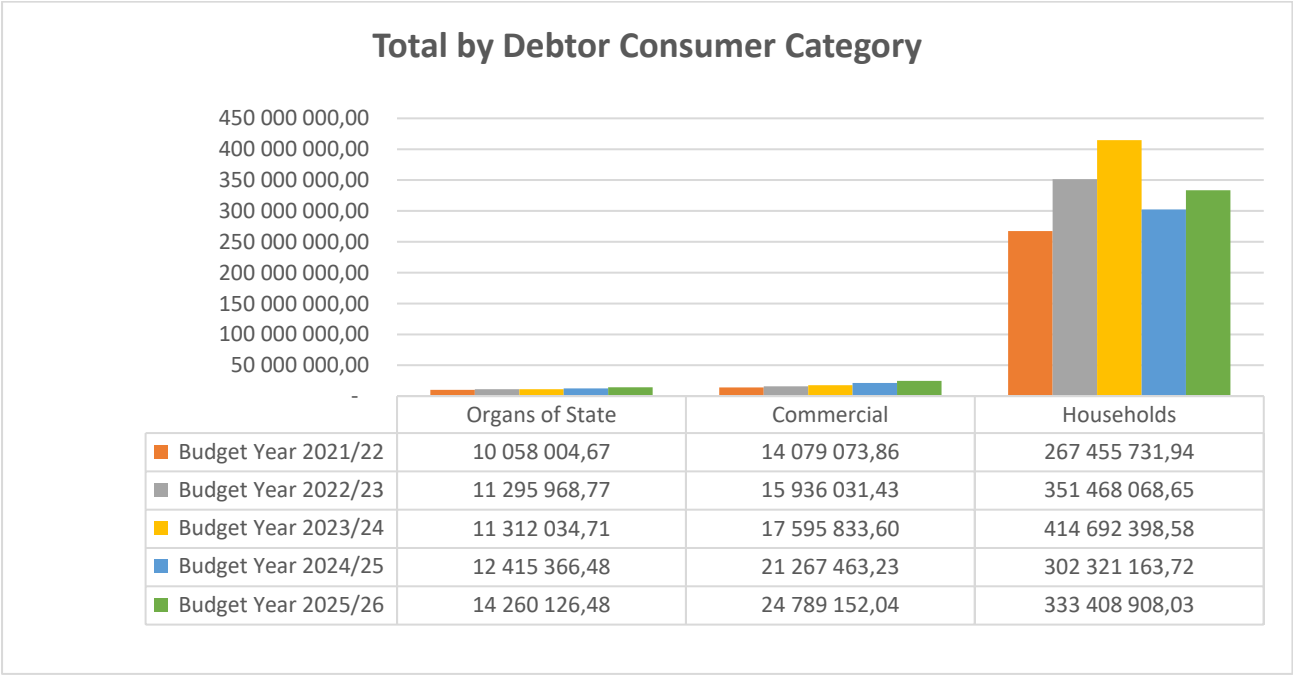
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-25**	**30-Sep-25**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	69,558	57,511	(12,047)
Trade and Other Receivables from Exchange Transactions - Electricity	24,215	21,334	(2,880)
Receivables from Non-exchange Transactions - Property Rates	48,684	44,813	(3,872)
Receivables from Exchange Transactions - Waste Water Management	26,371	19,927	(6,444)
Receivables from Exchange Transactions - Waste Management	27,508	17,719	(9,789)
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	44,532	42,779	(1,753)
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	15,436	51,234	35,798
Total By Income Source	**256,303**	**255,316**	**(987)**
Debtors Age Analysis By Customer Group			
Organs of State	12,461	12,090	(371)
Commercial	10,471	9,392	(1,078)
Households	233,347	233,807	461
Other	25	27	2
Total By Customer Group	**256,303**	**255,316**	**(987)**

Graphical Analysis of consumer debtors



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181-1Yr	Over 1Yr
Actuals 30 September 2025	117 172 05	15 279 423	11 383 698	30 675 935	39 411 737	7 204 177	26 367 146	124 994 27
Actuals 30 June 2025	79 729 482	15 357 731	11 799 801	11 245 990	8 586 511	6 435 342	37 672 064	165 205 70
Actuals 30 June 2024	53 707 490	14 347 811	10 675 198	9 416 341	8 597 330	10 023 267	57 832 635	279 017 80
Actuals 30 June 2023	42 577 572	13 677 986	11 809 605	8 076 144	11 005 536	8 293 751	50 164 014	233 094 80
Actuals 30 June 2022	32 611 964	7 576 439	7 081 656	6 586 082	6 412 160	5 452 968	39 420 216	186 451 32
Actuals 30 June 2021	33 316 142	7 884 929	6 439 337	5 863 323	5 487 594	5 185 739	34 750 983	143 962 57

Graphical Analysis of consumer debtors (total by Debtor Consumer Category)



	Organs of State	Commercial	Households
Budget Year 2021/22	10 058 004,67	14 079 073,86	267 455 731,94
Budget Year 2022/23	11 295 968,77	15 936 031,43	351 468 068,65
Budget Year 2023/24	11 312 034,71	17 595 833,60	414 692 398,58
Budget Year 2024/25	12 415 366,48	21 267 463,23	302 321 163,72
Budget Year 2025/26	14 260 126,48	24 789 152,04	333 408 908,03

1.2 Overview of Creditors position

Below is an analysis of the status of the major creditors.

Description	Budget Year 2025/26								
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	49,306	–	–	–	–	–	–	–	**49,306**
Bulk Water	1,801	276	480	20	22	(947)	50	(916)	**786**
PAYE deductions	6,479								**6,479**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repay ments									**–**
Trade Creditors	5,078	356	–	4	–	–	–	384	**5,822**
Auditor General									**–**
Other									**–**
Total By Customer Type	**62,664**	**632**	**480**	**25**	**22**	**(947)**	**50**	**(532)**	**62,394**

The above amounts represent invoices still to be paid. The major creditors as at 30 September 2025 are as follows:

Eskom	R 49,306 million
NMBM	R 0,786 million
PAYE	R 6,479 million
Other Creditors	R 5,822 million
Total	**R 62,394 million**

It must be noted that the Eskom amount of R 49,306 million, represents the current account for September 2025, which is due on 23 October 2025.

It is to be noted that the SARS amount of R 6,479 million, represents the current account for September 2025, which is due in October 2025.

1.3 Allocation and Grants receipts and expenditure for the 2025/26 financial year

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M03 September 2025.

Description	Budget Year 2025/26							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
RECEIPTS:								
Operating Transfers and Grants								
National Government:	**209,308**	**209,308**	**-**	**87,722**	**87,722**	**-**		**209,308**
Operational Revenue:General Revenue:Equitable Share	203,533	203,533	-	84,806	84,806	-		203,533
Expanded Public Works Programme Integrated Grant for Municipalities [S	2,081	2,081	-	520	520	-		2,081
Local Government Financial Management Grant [Schedule 5B]	1,785	1,785	-	1,785	1,785	-		1,785
Municipal Infrastructure Grant [Schedule 5B]	1,909	1,909	-	611	611	-		1,909
Provincial Government:	**2,955**	**2,955**	**-**	**-**	**-**	**-**	**#DIV/0!**	**2,955**
Humam Settlement Grant	-	-	-	-	-	-	#DIV/0!	-
Library grant	2,955	2,955	-	-	-	-	#DIV/0!	2,955
District Municipality:	**2,503**	**2,503**	**-**	**870**	**870**	**-**	**0.00%**	**2,503**
Environmental health subsidy	2,503	2,503	-	870	870	-	0.00%	2,503
Other grant providers:	-	-	-	-	-			-
Departmental Agencies and Accounts	-	-	-	-	-	-	**#DIV/0!**	-
Total Operating Transfers and Grants	**214,766**	**214,766**	**-**	**88,592**	**88,592**	**-**	**0.00%**	**214,766**
Capital Transfers and Grants								
National Government:	**51,334**	**51,334**	**-**	**17,752**	**17,752**			**51,334**
Municipal Disaster Relief Grant	-	-	-	-	-	-	**#DIV/0!**	-
Integrated National Electrification Programme (Municipal Grant) [Schedule	5,440	5,440	-	2,448	2,448			5,440
Municipal Infrastructure Grant [Schedule 5B]	36,265	36,265	-	11,604	11,604			36,265
Water Services Infrastructure Grant	9,629	9,629	-	3,700	3,700			9,629
Provincial Government:	**30,000**	**39,857**	**-**	**3,612**	**3,612**			**39,857**
Human Settlement Grant	30,000	39,857	-	3,612	3,612			39,857
District Municipality:	**1,391**	**1,391**	**-**	**-**	**-**			**1,391**
Fire Services Subsidy	1,391	1,391	-	-	-			1,391
Total Capital Transfers and Grants	**82,726**	**92,583**	**-**	**21,365**	**21,365**	**-**	**0%**	**92,583**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**297,491**	**307,348**	**-**	**109,956**	**109,956**	**-**	**0.00%**	**307,348**

Below is an analysis of the spending associated with the grants as at 30 September 2025:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M03 September 2025.

Note: The equitable share allocation is utilised to fund indigent household's subsidies granted to qualifying households, with the remainder being used to support the Municipality's operations.

Description	2024/25	Buget Year 2025/26						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance%	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	**209,308**	**209,308**	**854**	**86,195**	**86,250**	**55**	**0**	**85,768**
Operational Revenue:General Revenue:Equitable Share	203,533	203,533	–	84,806	84,806	–	0%	84,806
Expanded Public Works Programme Integrated Grant for Municipalities [Sched	2,081	2,081	272	545	520	(24)	-5%	347
Local Government Financial Management Grant [Schedule 5B]	1,785	1,785	58	133	446	314	70%	298
Municipal Infrastructure Grant [Schedule 5B]	1,909	1,909	523	711	477	(234)	-49%	318
Provincial Government:	**2,955**	**2,955**	**–**	**–**	**–**	**–**	#DIV/0!	**–**
Human Settlement Grant	–	–	–	–	–			–
Library grant	2,955	2,955	–	–	–	–		–
District Municipality:	**2,503**	**2,503**	**–**	**870**	**870**	**–**	**–**	**870**
Environmental health subsidy	2,503	2,503	–	870	870	–	0%	870
Other grant providers:	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Departmental Agencies and Accounts	–	–	–	–	–			–
Total operating expenditure of Transfers and Grants:	**214,766**	**214,766**	**854**	**87,065**	**87,120**	**55**	#DIV/0!	**86,638**
Capital expenditure of Transfers and Grants								
National Government:	**51,334**	**51,334**	**2,135**	**3,974**	**12,834**	**8,860**	**0.69**	**8,556**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5,440	5,440	488	488	1,360	**872**	**64%**	907
Municipal Infrastructure Grant [Schedule 5B]	36,265	36,265	1,646	3,485	9,066	**5,581**	**62%**	6,044
Water Services Infrastructure Grant	9,629	9,629	–	–	2,407	**2,407**	**100%**	1,605
Municipal Disaster Relief Grant	–	–	–	–	–	–	#DIV/0!	–
Provincial Government:	30,000	**39,857**	**5,034**	**5,149**	**9,964**	**4,815**	**48%**	**6,643**
Human Settlement	30,000	39,857	5,034	5,149	9,964	**4,815**	**48%**	6,643
District Municipality:	**1,391**	**1,391**	**–**	**–**	**348**	**348**		**232**
Fire Services Subsidy	1,391	1,391	–	–	348	**348**		232
Total capital expenditure of Transfers and Grants	**82,726**	**92,583**	**7,169**	**9,123**	**23,146**	**14,023**	**61%**	**15,430**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**297,491**	**307,348**	**8,022**	**96,187**	**110,265**	**14,078**	**13%**	**102,069**

CONDITIONAL GRANTS, SUBSIDIES AND DONATIONS RECEIVED

CONDITIONAL GRANTS, SUBSIDIES AND DONATIONS							
Reconciliation Grant Register as at 30 September 2025 (2025/26 F/Y)							
Name of Grants	Name of organ of state	Opening balances (Rollovers) as at 1 July 2025	Monthjly Receipts	YTD Receipts	YTD Expenditure	% of Spending to date	Unspent Balances
Opex grants, subsidies and donations							
Financial Management Grant	DORA	-	1,785,000	1,785,000	132,653	7.43%	1,652,347
Expanded Public Works Programme	DORA	-	520,000	520,000	544,741	104.76%	(24,741)
Municipal Infrastructure Grant	DORA	-	610,750	610,750	711,178	116.44%	(100,428)
		-	**2,915,750**	**2,915,750**	**1,388,572**		**1,527,178**
Capex grants, subsidies and donations							
Municipal Infrastructure Grant	DORA	-	11,604,250	11,604,250	3,485,476	30.04%	8,118,774
Integrated National Electrification Programme	DORA	-	2,448,000	2,448,000	488,197	19.94%	1,959,803
Water Services Infrastructure Grant	DORA	120,926	3,700,000	3,820,926	-	0.00%	3,820,926
Municipal Disaster Response Grant	DORA	11,606,728	-	11,606,728	-	0.00%	11,606,728
			-				
Housing: Human Settlements Dev. Grant (Beneficiaries)	Provincial: Department of Infrastructure	9,216,084	3,612,464	12,828,548	5,149,056	40.14%	7,679,492
		20,943,738	**21,364,714**	**42,308,452**	**9,122,730**	**21.56%**	**33,185,722**
			24,280,464	**45,224,202**	**10,511,302**	**23.24%**	**34,712,900**

1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M03 September 2025.

Summary of Employee and Councillor remuneration	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands								%	
	A	B	C						D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	10,607	10,879	10,879	833	2,507	2,720	(213)	-8%	10,879
Pension and UIF Contributions	–	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	–	–	–	–	–		–
Motor Vehicle Allowance	3,427	3,626	3,626	282	849	907	(58)	-6%	3,626
Cellphone Allowance	1,409	1,483	1,483	114	345	371	(26)	-7%	1,483
Housing Allowances	–	–	–	–	–	–	–		–
Sub Total - Councillors	**15,443**	**15,988**	**15,988**	**1,229**	**3,701**	**3,997**	**(296)**	**-7%**	**15,988**
Senior Managers of the Municipality									
Basic Salaries and Wages	10,400	9,436	9,436	681	2,043	2,359	(316)	-13%	9,436
Pension and UIF Contributions	13	11	11	1	3	3	1	20%	11
Medical Aid Contributions	–	–	–	–	–	–	–		–
Overtime	–	–	–	–	–	–	–		–
Performance Bonus	1,657	395	395	–	–	99	(99)	-100%	395
Motor Vehicle Allowance	1,024	655	655	235	705	164	541	330%	655
Cellphone Allowance	24	–	–	2	6	–	6		–
Housing Allowances	–	–	–	–	–	–	–		–
Other benefits and allowances	10	0	0	0	6	0	6	9661%	0
Sub Total - Senior Managers of Municipality	**17,381**	**10,498**	**10,498**	**919**	**2,763**	**2,624**	**138**	**5%**	**10,498**
Other Municipal Staff									
Basic Salaries and Wages	254,014	309,705	301,228	21,770	65,049	75,307	(10,258)	-14%	301,228
Pension and UIF Contributions	36,539	52,636	52,636	3,507	10,430	13,159	(2,729)	-21%	52,636
Medical Aid Contributions	16,734	28,847	28,847	1,564	4,243	7,212	(2,969)	-41%	28,847
Overtime	37,582	37,741	37,741	2,918	8,419	9,435	(1,016)	-11%	37,741
Performance Bonus	979	227	227	–	–	57	(57)	-100%	227
Motor Vehicle Allowance	10,046	13,359	13,359	882	2,640	3,340	(700)	-21%	13,359
Cellphone Allowance	103	–	–	7	19	–	19		–
Housing Allowances	677	951	951	66	191	238	(47)	-20%	951
Other benefits and allowances	32,181	45,629	45,629	1,753	5,124	11,407	(6,284)	-55%	45,629
Payments in lieu of leave	–	–	–	–	–	–	–		–
Long service awards	8,522	1,583	1,583	397	919	396	523	132%	1,583
Post-retirement benefit obligations	3,972	24,085	24,085	929	2,960	6,021	(3,061)	-51%	24,085
Sub Total - Other Municipal Staff	**401,350**	**514,763**	**506,286**	**33,793**	**99,993**	**126,571**	**(26,579)**	**-21%**	**506,286**
Total Parent Municipality	**434,173**	**541,249**	**532,772**	**35,941**	**106,456**	**133,193**	**(26,737)**	**-20%**	**532,772**
TOTAL SALARY, ALLOWANCES & BENEFITS	**434,173**	**541,249**	**532,772**	**35,941**	**106,456**	**133,193**	**(26,737)**	**-20%**	**532,772**
TOTAL MANAGERS AND STAFF	**418,731**	**525,261**	**516,784**	**34,712**	**102,755**	**129,196**	**(26,440)**	**-20%**	**516,784**

1.5. Key performance indicators

The table below reflects the key performance indicators as per the 2025/26 Budget and the associated performance to date.

Borrowing Management		**Actuals as at 30 June 2023**	**Actuals as at 30 June 2024**	**Actuals as at 30 June 2025**	**Actuals as at 30 September 2024**	**Approved Adjusted Budget 2025/26**	**Actuals as at 30 September 2025**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	0.32%	0.52%	2.23%	1.39%	2.74%	2.36%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	269.91%	0%	242.89%	50.78%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.00	0.01	0.02	0.01	0.03	0.02
Liquidity							
Current Ratio	Current assets / current liabilities	0.91	0.87	1.04	1.27:1	0.93	1.37
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.50	0.63:1	0.50	0.59
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	86.71%	91.01%	91.38%	80.85%	95%	88.55%

Other indicators		Actuals as at 30 June 2023	Actuals as at 30 June 2024	Actuals as at 30 June 2025	Actuals as at 30 Septem ber 2024	Approved Adjusted Budget 2025/26	Actuals as at 30 September 2025
Cost coverage	(Cash and cash equivalents - Unspent Conditional Grants - Overdraft) + Short term investment)/monthly fixed operational expenditure excluding (depreciation, amortisation, provision for bad debts, impairment and loss on disposal of assets)	0.98	1.19 Months	0.53 Months	1.41 Months	1.14 Months	0.54 Months
Employee Costs	Employee Costs / Total Operating Expenditure	29.47%	30.85%	29.53%	29.34%	33.22%	28.64%
Capital Expenditure	Capital Expenditure / Capital Budget	94.66%	71.38%	84.49%	3.41%	95%	4.41%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	3.86%	2.24%	2.33%	7.91%	14.65%	10.46%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.32%	1.42%	1.52%	1.22%	9.96%	1.75%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	77.74%	83.49%	84.46%	79.44%	85.38%	79.03%

The above table is discussed in detail below.

1.1. Borrowing Management

1.1.1. Capital charges to Operating Expenditure.

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

Capital charges/Total Operating Expenditure to date.

The ratio is 2.36% as at 30 September 2025, compared to the approved adjusted budget ratio of 2.74%.

Borrowed funding of capital expenditure.

This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure.

The ratio is determined as follows:

Capital expenditure funded from Borrowings/Total Capital Expenditure to date (excluding transfers and grants)

As at 30 September 2025, the ratio indicates 50.78% of borrowed funding, compared to total expenditure to date, excluding transfers and grants.

1.1.2. Debt Servicing Costs to Operating Revenue Ratio

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date.

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 30 September 2025, the ratio indicates 0.02, compared to the approved adjusted budget of 0.03.

1.1.3. Current ratio

The Ratio assesses the Municipality's ability to meet its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables etc.).

The ratio is determined as follows:

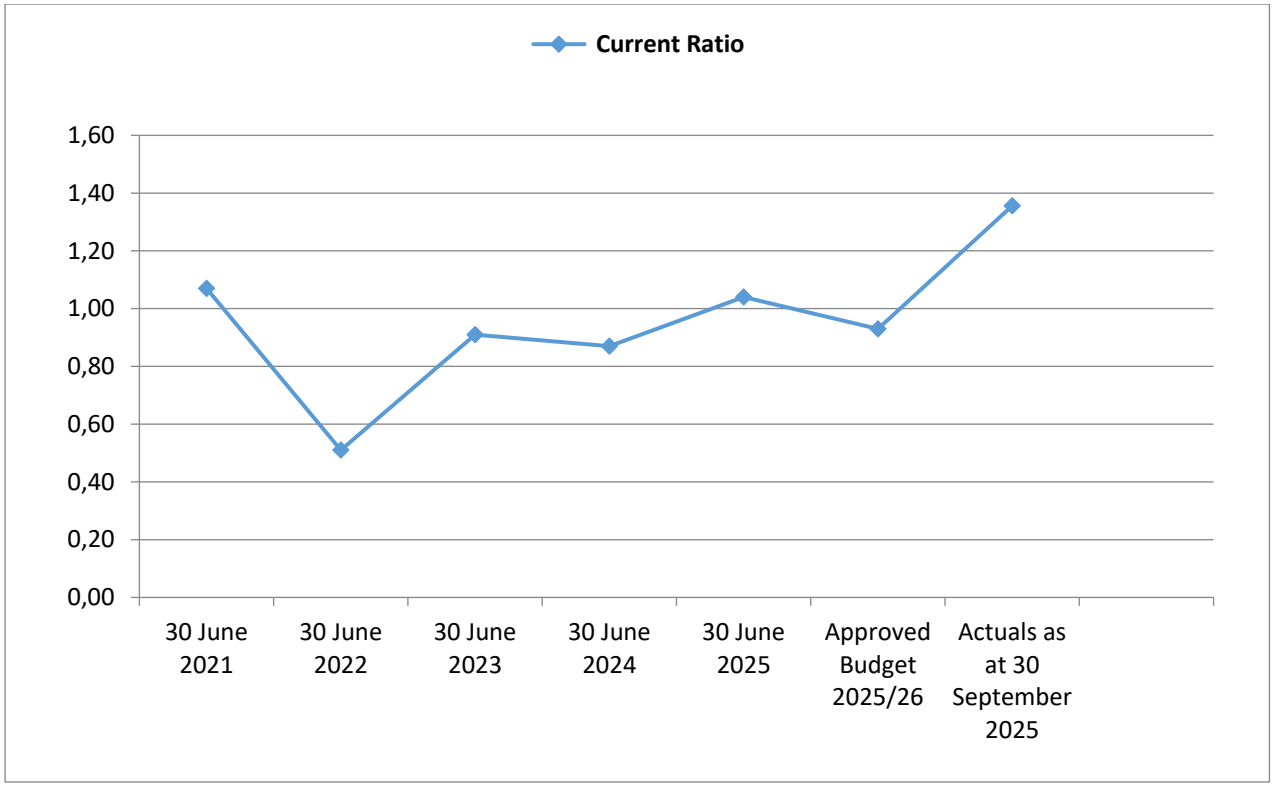
Current assets/Current liabilities

The ratio as at 30 September 2025 was 1.37:1, compared to the approved adjusted budget ratio of 0.93:1. As at 30 September 2025, cash reserves/commitments amounted to R 92,251 million, the current ratio excluding the cash reserves constitute 1.06:1.

In terms of the MFMA Circular No. 71, the norm is 1.5:1 to 2:1

The higher the current Ratio, the stronger the Municipality's financial capacity to meet its current obligations.

A ratio of below 1:1 would suggest that the Municipality would be unable to meet all of its current obligations as and when they fall due.



1.1.4. Liquidity Ratio

The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

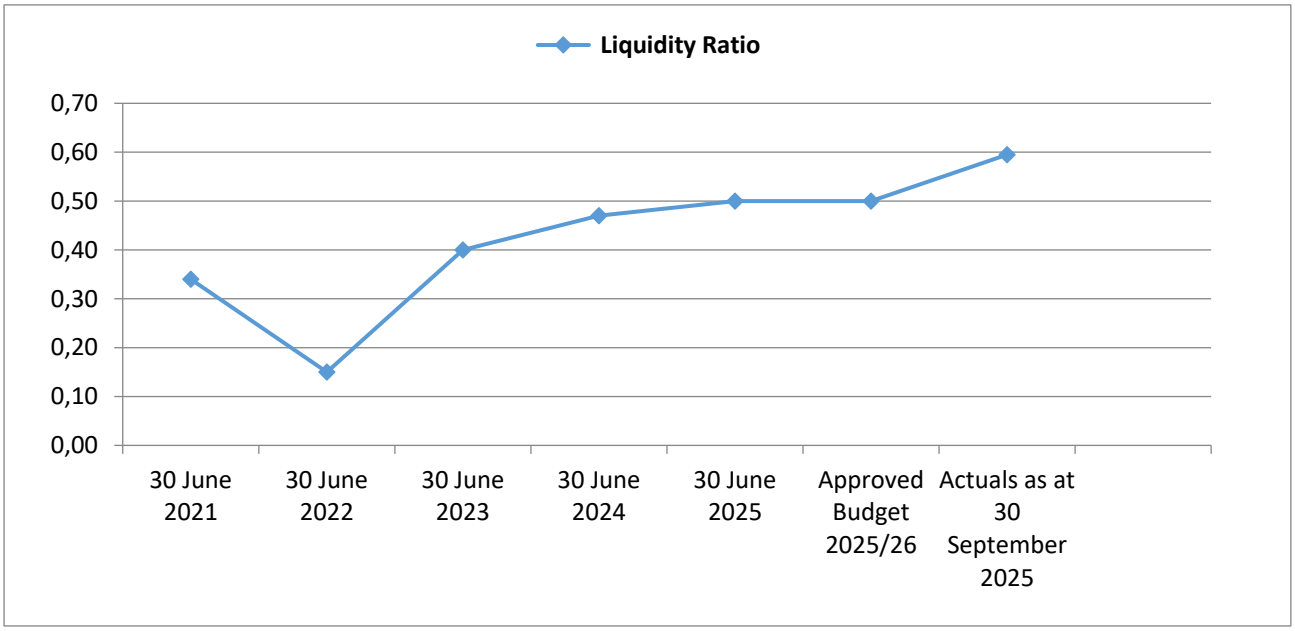
The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 30 September 2025 was 0.59:1 compared to the approved adjusted budget ratio of 0.50:1.

As at 30 September 2025, cash reserves/commitments amounted to R 92,951 million, the liquidity ratio excluding the cash reserves constitute 0.30:1.

The liquidity ratio is of the utmost importance to measure the financial liquidity and sustainability of the municipality.



1.2. Revenue Management

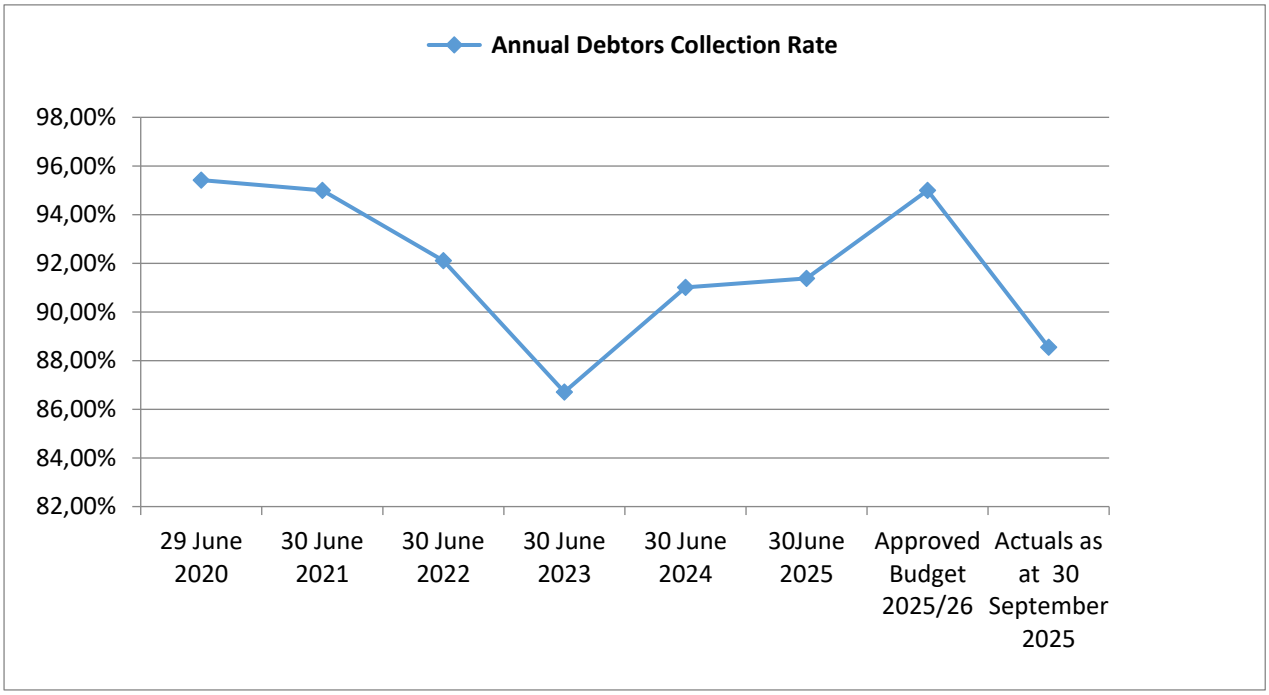
1.2.1. Annual Debtors Collection Rate

This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

The ratio to determine the percentage collection rate is as follows:

Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100

The average collection rate as at 30 September 2025 was 88.55%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for September is 112.9%.



1.3. Other indicators

1.3.1. Cost coverage

The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue, during that particular month.

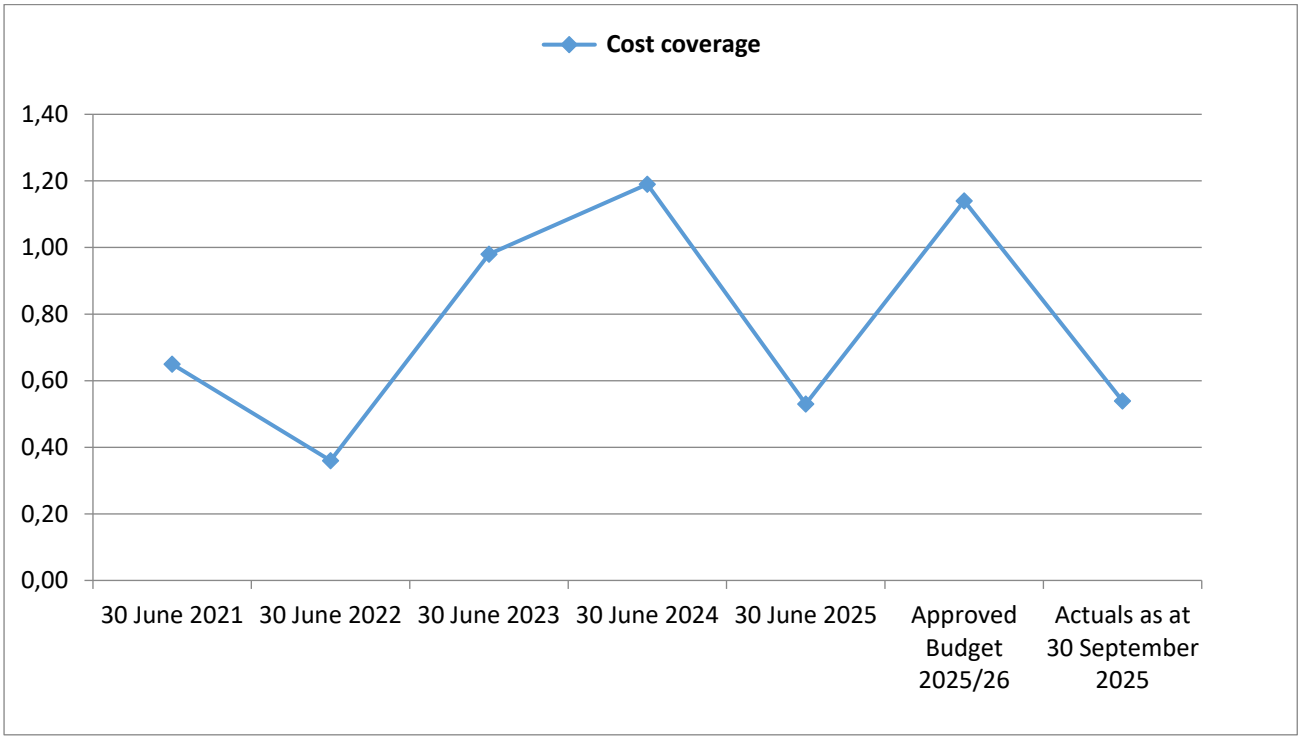
The Ratio is adjusted for Unspent Conditional Grants, Unspent borrowings and Cash Reserves provided for the Development Bank of South Africa (DBSA) and augmentation fees, as the cash is not available for normal day-to-day operational expenditure but rather reserved for Grant and Capital related expenditure.

The ratio is determined as follows:

Cash and cash equivalents – unspent conditional grants – unspent borrowings – cash reserves - overdraft + short-term investments/ monthly fixed operational expenditure excluding (depreciation, amortisation, provisions for bad debts, impairment and loss on the disposal of assets)

As at 30 September 2025, the Ratio was 0.54 months, compared to the approved adjusted budget ratio of 1.14 months.

In terms of MFMA Circular No. 71, the norm is 1 month to 3 months.



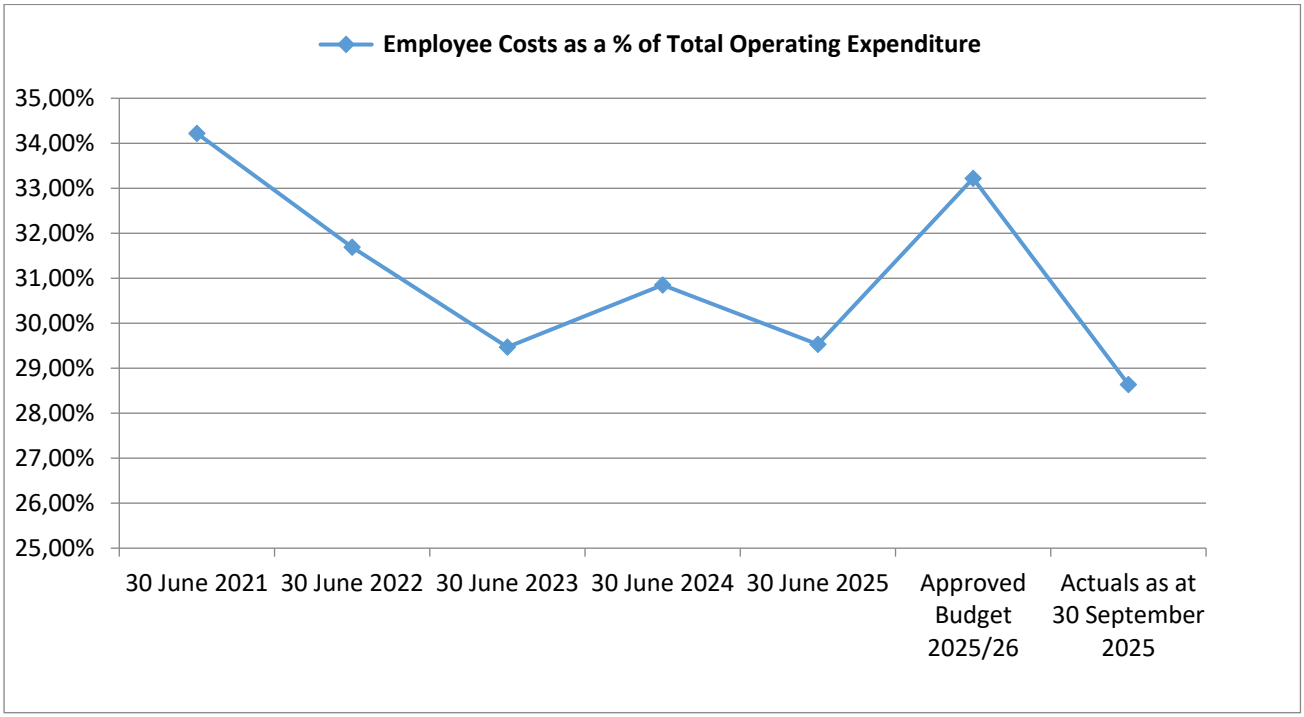
1.3.2. Employee costs as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the employment of human resources.

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 30 September 2025, Employee Related Costs constituted 28.64% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 33.22%.



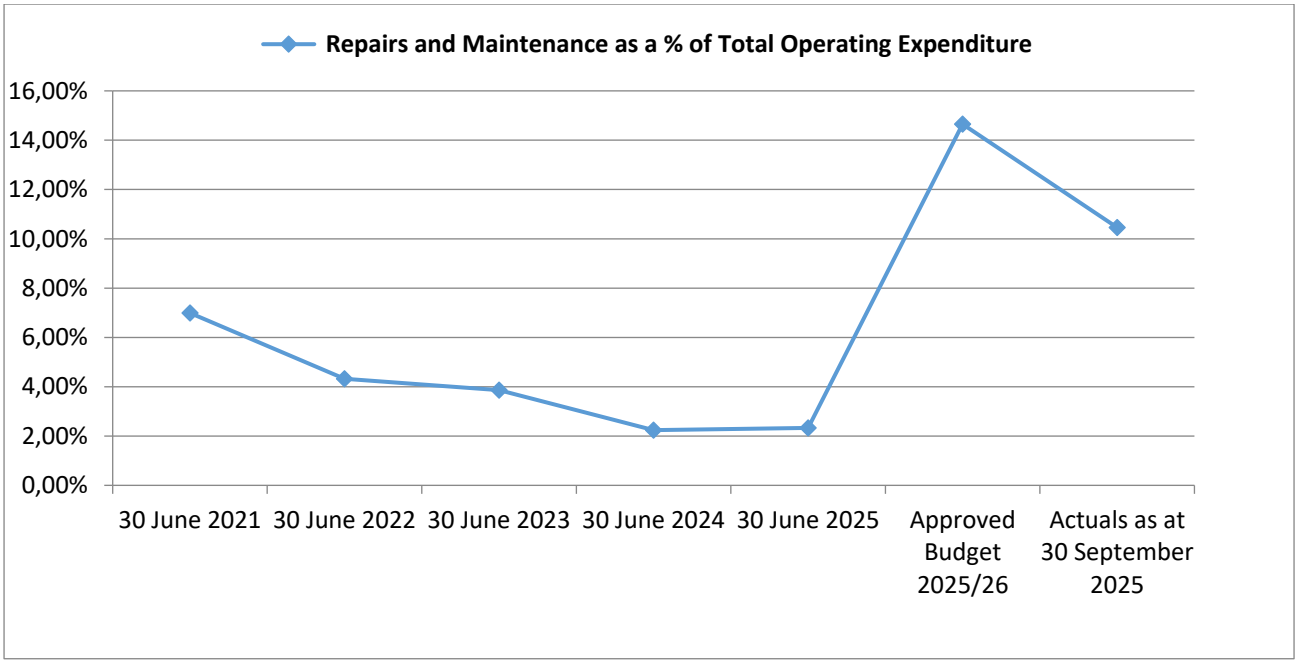
1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the repairs and maintenance of its assets.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Total Operating Expenditure to date

As at 30 September 2025, the ratio was 10.46%, compared to the approved adjusted budget ratio of 14.65%.



1.3.4. Repairs and Maintenance as a % of the book value of Property, Plant and Equipment (PPE)

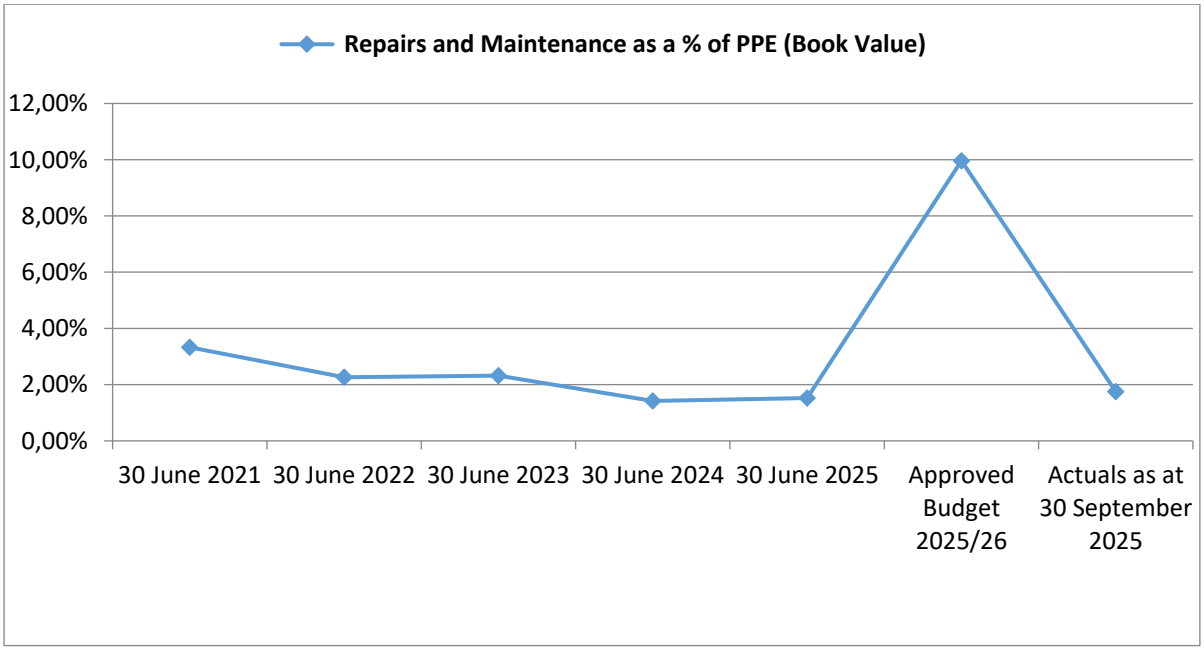
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Book value of PPE to date

As at 30 September 2025, repairs and maintenance expenditure constituted 1.75% of the book value of PPE, compared to the approved adjusted budget ratio of 9.96%.

In terms of the MFMA Circular No.71, the norm is 8%.



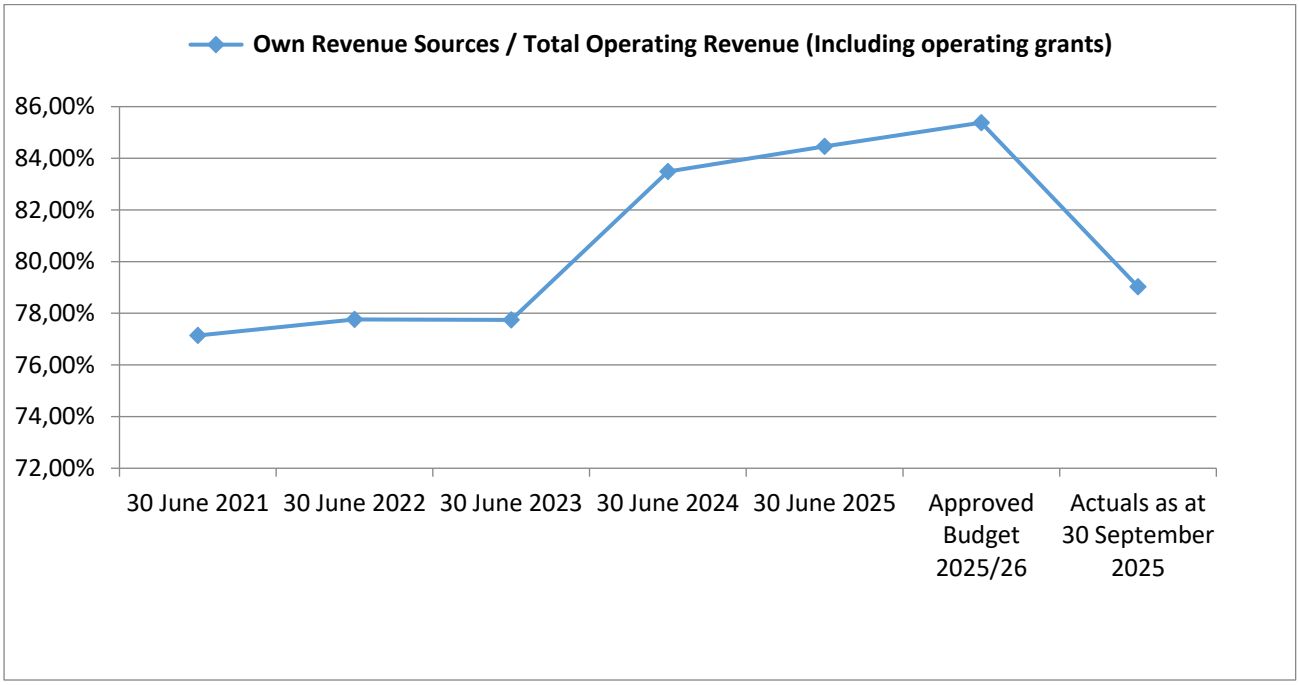
Own Revenue Generation

This ratio measures the extent to which the Municipality has control over its revenue sources, i.e., what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations.

The ratio is determined as follows:

Own Revenue Sources / Total Operating Income (includes operating grants)

As at 30 September 2025, the Municipality's own revenue sources constituted 79.03% of its total Operating Income, compared to the approved adjusted budget ratio of 85.38%.



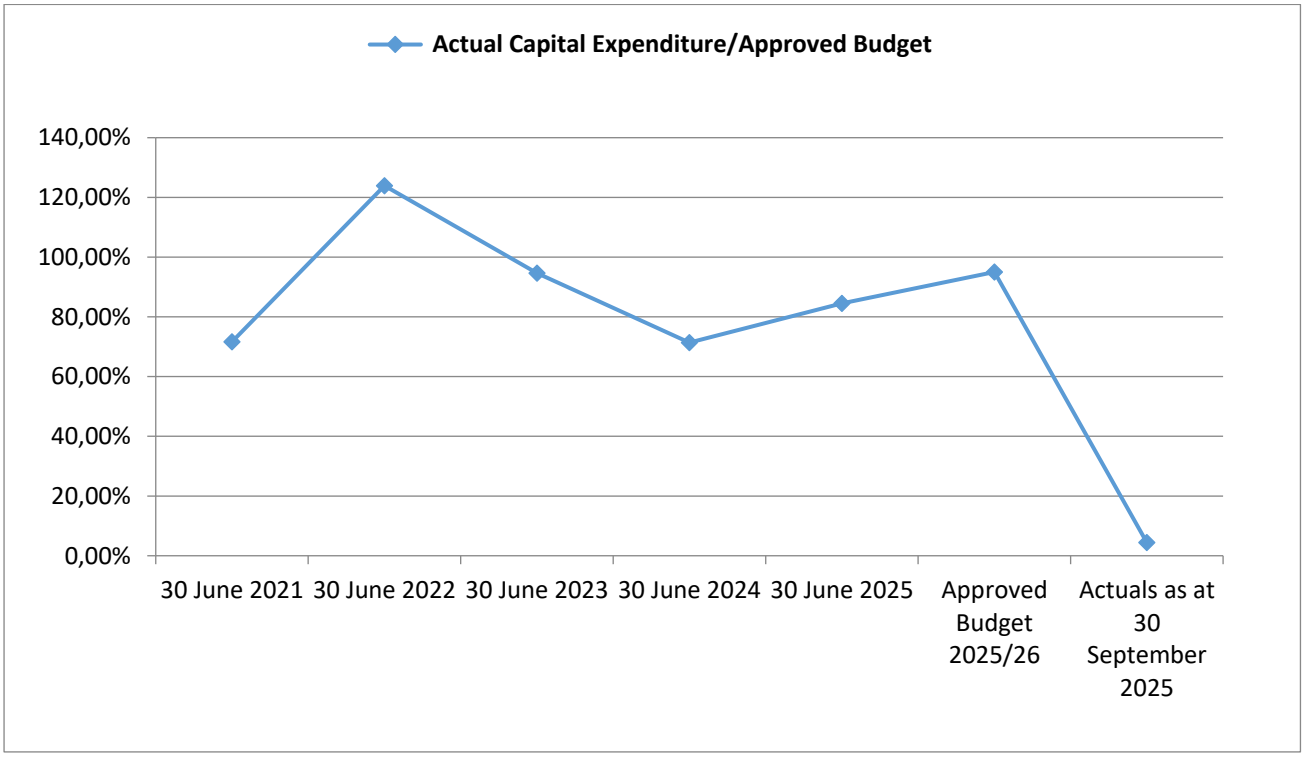
1.3.5. Capital Budget Spending

This ratio assesses the level of actual capital spending, compared to the budgeted capital expenditure.

The ratio is determined as follows:

Actual Capital spending / Approved Capital Budget

The actual spending as at 30 September 2025 amounted to 4.41%, compared to the approved adjusted budget ratio of 95%.



KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
FINANCE & ECONOMIC DEVELOPMENT
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/FED7**

SUPPLY CHAIN MANAGEMENT: QUARTERLY IMPLEMENTATION REPORT FOR THE FIRST TERM OF THE 2025-2026 FINANCIAL YEAR ENDING 30 SEPTEMBER 2025

1. **Introduction**

The purpose of this item is to report on the Supply Chain Management activities for the 1st quarter of the 2024/ 2025 Financial Year starting 01 July 2025 and ending 30 September 2025.

2. **Background**

In terms of paragraph 6 of the Supply Chain Management Policy, the Council must maintain oversight over the implementation of this policy to ensure that the Accounting Officer implements all Supply Chain Management activities in accordance therewith.

3. **Discussion**

The 1st Quarterly Supply Chain Management Report, is attached as "**Annexure A**"

4. **Financial Implications**

Completed by BTO -	Not applicable
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	
BTO Signature	

5. **Applicable Legislation**

Municipal Supply Chain Regulations, Gazette No. 27636 dated 30 May 2005
Kouga Municipality: Supply Chain Management Policy
Local Government: Municipal Finance Management Act

6. **Legal Implications**

None

7. **Other Implications**

None

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Recommendation supported.

8.2 **Director: Planning & Development**

Noted

8.3 **Director: Civil & Water Services**

Item noted.

8.4 **Director: Electro-Mechanical Services**

Item noted

8.5 **Director: Community Services**

Item noted

8.6 **Deputy Municipal Manager**

Noted.

8.7 **Municipal Manager**

Supported.

9. **Delegated Authority**

Council

10. **Recommendations**

10.1 That Council approves this report as per the reporting requirements for the first quarter of the of the 2025/2026 Financial year starting 01 July 2025 and ending 30 September 2025.

Item prepared by the Manager SCM: 

Item approved by the Chief Financial Officer: 

Item endorsed by the Municipal Manager: 

Item noted by the Portfolio Councillor: 

"Annexure A":- QUARTERLY REPORT

A. Compliance and Reporting

1. National Treasury Centralised Supplier Database

The municipality is registered on the National Treasury Centralised Supplier database, with the supplier number **MAAA0214163**. The centralised database and the Municipal Supply Chain Database are used to vet companies that are doing business with the municipality, in checking their compliance for doing business with the state.

2. Bid Committees

The committees mentioned below are established and functioning in accordance with the SCM Policy

- Bid Specification Committee (BSC)
- Bid Evaluation Committee (BEC)
- Bid Adjudication Committee (BAC)

The number of meetings held for the 4th quarter is reflected in Tables below:

Table 2a: Bid Specification Meetings:

No. of meetings held in July 2025	**Cancelled**
4 (Formal Tenders)	None
3 (Informal Tenders)	None
No. of meetings held in August 2025	**Cancelled**
6 (Formal Tenders	None
0 (Informal Tenders)	None
No. of meetings held in September 2025	**Cancelled**
10 (Formal Tenders)	None
6 (informal Tenders)	None

Table 2b: Bid Evaluation Meetings

No. of Meetings held in July 2025	**Cancelled.**
13 (Formal Tenders)	4
21 (Informal Tenders)	0
No. of Meetings held in August 2025	**Cancelled**
14(Formal Tenders)	6 (4) (Chairperson: M. Mangembe and Project manager: J du Toit not available) (2)(Chairperson: A Botha not available)
9 (Informal Tenders)	0
No. of Meetings held in September 2025	**Cancelled**
30 (Formal Tenders)	2 (Item Rep: M Els-Gerber not available) (Chairperson: S. Grootboom not available
3 (Informal Tenders)	None

Table 2c: Bid Adjudication Committee Meetings

No. of Meetings held in July 2025	**Cancelled**
3	1- Postponed due to Council Meeting
No. of Meetings held in August 2025	**Cancelled**
3	1- Cancelled- Technical advisor not present
No. of Meetings held in September 2025	**Cancelled**
4	None

2- **Training: Supply Chain/Stores Section**

There was no formal training session held during this quarter.

There was no formal training sessions held during the month of September 2025. An Introductory Awareness session was held for Strategic Procurement in East London on 10 September 2025 attended By Manager SCM and Senior Accountant: Demand Management.

3- **Monthly / Weekly Reports**

Weekly reports are submitted to the Chief Financial Officer.
Monthly Deviation reports are submitted in terms of the SCM policy for the procurement of goods and services.
Monthly reports are submitted through the Chief Financial Officer to the various committees and where required, to Council. These reports are submitted in terms of Paragraph 6 of the Supply Chain Policy.

4- SCM Policy Implementation changes

There was no policy changes implemented for the period.
Eastern Cape Provincial Treasury circulated a guideline for Panel appointments which will be adopted within the supply chain policy once approved by National Treasury. The guideline was sent to assist Municipalities due to high cases of audit findings within the province. Internal Memorandum was circulated for deviation on 12 August 2025.
Standard Operating Procedure for Requisition process with draft template memo for use of suppliers outside Kouga Municipal Boundaries and requisition checklist was circulated 16 September 2025

5- **Advertisements**

The following table reflects the thirteen (13) informal tenders (7day notice) and the twenty-eight (28) formal tenders (competitive bids) advertised for the period.

Informal tenders

Tender Notice	Tender Description	Date of Advertisement
Notice 142 of 2025	Review of Annual Financial Statements for the 2024/2025 Financial Year	4 July 2025
Notice 144 of 2025	Complete Engine Overhaul of Isuzu FTR 800 Engine on Skip Truck CMX 729 EC	11 July 2025

Notice 145 of 2025	Supply and Delivery of Two new Complete Engines, Services and Suspension Parts for Nissan NP 200 Vehicles	22 July 2025
Notice 162 of 2025	Supply, Delivery and Off-loading of various tools and equipment for roads and stormwater	1 August 2025
Notice 163 of 2025	Various Stores Requirement: Supply, Delivery and Off-loading of Pre-printed paper	4 August 2025
Notice 164 of 2025	Various Stores Requirement: Supply, Delivery and Off-loading of Consumables	4 August 2025
Notice 175 of 2025	Supply, Delivery and Off-loading of Toilet paper and toilet tissue Jumbo Rolls	8 August 2025
Notice 210 of 2025	Information Technology Maturity Assessment of Kouga Local Municipality	9 September 2025
Notice 211 of 2025	Appointment of A Service Provider for The Implementation, Operation, Support and Maintenance of an Advanced Traffic Contravention Management System	16 September 2025
Notice 215 of 2025	Supply, Delivery and Offloading of Electricity Tools for Compliance	12 September 2025
Notice 225 of 2025	Supply and Delivery of Disaster Relief Items for Kouga Fire and Disaster Management	23 September 2025
Notice 229 of 2025	Complete Engine Overhaul of a Nissan Ud 90 Engine	26 September 2025
Notice 230 of 2025	Supply, Delivery & Offloading of Festive Lights	26 September 2025

Formal tenders

Tender Notice	Tender Description	Date of Advertisement

Notice 151/2025 Contract S1	Supply, Delivery and Offloading of Disinfectant Dip for a Period of Three (3) Years	18 July 2025
Notice 151/2025 Contract S2	Supply, Delivery and Offloading of Various Electrical Meters for a Period of Three (3) Years	18 July 2025
Notice 152/2025	Supply And Delivery of One (1) New 7000l Water Tanker for the Fire Department	18 July 2025
Notice 153/2025	Appointment Of Panels of Service Providers for Body Refurbishments, Complete Engine Overhauls, Vehicle Repairs and Preparation of Vehicles for Their Annual COF Tests for A Period of One (1) Year	23 July 2025
Notice 154/2025	Appointment Of a Professional Service Provider to Develop an Environmental Management Framework for Kouga Local Municipality	23 July 2025
Notice 157/2025	Appointment of a Service Provider for a Period of 36 Months to Develop Estuarine Management Plans in Terms of the Integrated Coastal Management Act and Estuarine Protocol and an Estuary Mouth Management Plan in Terms of the EIA Regulations	30 July 2025
Notice 160 of 2025	Various Stores Requirement: Supply, Delivery and Off-loading of Road Marking Paint for a period of three (3) years	4 August 2025
Notice 168 of 2025	Appointment of Professional Service Provider to provide Security Services for a period of three years	8 August 2025
Notice 169 of 2025	Appointment of a service provider for ad hoc prevention of land invasion, informal settlement growth and illegal occupation of land within the Kouga local municipality for a period of twelve (12) months	8 August 2025
Notice 172 of 2025	Appointment of Suitably Qualified Professional Service Provider to Supply, Delivery, Construction and Commissioning of an Integrated	8 August 2025

	Energy Arbitrage & Peak Shaving 2.5 Mw/5 MWH Battery Energy Storage System at the St Francis Load Centre One 1 - 22/11kv Substation	
Notice 166 of 2025 Contract F1/2025	Supply and delivery of Sem grader cutting edges, retainer plates, digging tips for bell, bull new Holland and Komatsu TLB's and miscellaneous parts for falcon f50/150 tractor drawn bush cutters until 30th of June 2026	13 August 2025
Notice 166 of 2025 Contract F2/2025	Supply and delivery of various vacuum sewerage suction pump parts and vacuum exhauster pumps until the 30 June 2026	13 August 2025
Notice 167 of 2025	Rates tender for the Photovoltaic (PV) Generation and Battery Energy Storage System (BESS) for a period of 12 months	18 August 2025
Notice 166 of 2025 Contract F3/2025	Supply and delivery of various batteries until the 30th of June 2026	20 August 2025
Notice 166 of 2025 Contract F4/2025	Supply and delivery of Bell TLB 315SL,4X4 Parts until 30 June 2026	20 August 2025
Notice 189 of 2025	Appointment of a Service Provider to render Advertising Services in print media for a period of three years	27 August 2025
Notice 191 of 2025	Various Stores Requirement: Supply, Delivery and Off-loading of Black Refuse Bags for a period of three (3) years	27 August 2025
Notice 188 of 2025	Facilitation of Various Training Programmes for a Period of Three Years	4 September 2025
Notice 190 of 2025	Supply And Delivery of Specialized PPE For Electrical and Associated Workers Clothing and Footwear	4 September 2025
Notice 212 of 2025	Appointment Of Built Environment Professionals for The Establishment of Two Panels of Consultants for A Period of Thirty-Six (36) Months	11 September 2025

Notice 213 of 2025	Supply, Delivery and Offloading of Branded Promotional Items for a Period of One (1) Year	11 September 2025
Notice 218 of 2025 Contract C&WS1/2025	Various Civil & Water Services Requirements: Part 1 Hiring of High -Pressure Jetting Trucks	11 September 2025
Notice 218 of 2025 Contract C&WS2/2025	Various Civil & Water Services Requirements: Part 1 Hiring of Suction Tankers	11 September 2025
Notice 219 of 2025	Supply, Delivery and Offloading of Engineering Aggregate Within the Kouga Area for a Period of Three (3) Years	19 September 2025
Notice 220 of 2025	Appointment of a Contractor for the Rehabilitation and Reseal of Roads in St Francis Bay, Cape St Francis and Oyster Bay in the Kouga Local Municipal Area- Phase 2	22 September 2025
Notice 224 of 2025 Contract C&WS4/2025	Various Civil & Water Services Requirements: Part 2 Supply, Delivery and Offloading of concrete kerbs, various precast units for a period of Three (3) years	25 September 2025
Notice 224 of 2025 Contract C&WS5/2025	Various Civil & Water Services Requirements: Part 2 Supply, Delivery and Offloading of Concrete Poles and Street name plates including road signage for a period of Three (3) years	25 September 2025
Notice 221 of 2025	Appointment Of a Contractor for the Rehabilitation and Reseal of Roads in Humansdorp, Hankey, Loerie, Patensie	29 September 2025

	and Thornhill, In the Kouga Local Municipal Area- Phase 3	

6- **Tender Clarification Meetings.**

The table below reflects the clarification meetings held during this period.

Tender Notice	Tender Description	Date of Meeting
Notice 144 of 2025	RFQ: Complete Engine Overhaul of Isuzu FTR 800 Engine of a Skip Truck CMX729EC	18 July 2025 (contact)
Notice 151 of 2025	Supply, Delivery and Offloading of various electrical meters for a period of three (3) years	30 July 2025 (virtual)
Notice 154 of 2025	Appointment of professional service provider to develop Environmental Management Framework for Kouga Local Municipality	31 July 2025 (virtual)
Notice 153 of 2025	Appointment of a panel of service providers for Body Refurbishments, complete Engine Overhauls, Vehicle Repairs and Preparation of Vehicles for their annual COF tests for a period of one (1) year	1 August 2025 (virtual)
Notice 157 of 2025	Appointment of a service provider for a period of 36 months to develop estuarine management plans in terms of the integrated coastal management act and estuarine protocol and an estuary mouth management plan in terms of the EIA regulations	7 August 2025 (virtual)
Notice 168 of 2025	Appointment of Professional Service Provider to provide Security Services for a period of three years	15 August 2025 (virtual)
Notice 172 of 2025	Appointment of Suitably Qualified Professional Service Provider to Supply, Delivery, Construction and Commissioning of an Integrated Energy Arbitrage & Peak Shaving 2.5 Mw/5 MWH Battery Energy Storage	19 August 2025 (virtual)

	System at the St Francis Load Centre One 1 - 22/11kv Substation	
Notice 169 of 2025	Appointment of a service provider for ad hoc prevention of land invasion, informal settlement growth and illegal occupation of land within the Kouga local municipality for a period of twelve (12) months	20 August 2025 (virtual)
Notice 167 of 2025	Rates tender for the Photovoltaic (PV) Generation and Battery Energy Storage System (BESS) for a period of 12 months	27 August 2025 (virtual)
Notice 189 of 2025	Appointment of a Service Provider to render Advertising Services in print media for a period of three years	5 September 2025 (virtual)
Notice 188 of 2025	Facilitation of Various Training Programmes for a Period of Three Years	15 September 2025 (virtual)
Notice 190 of 2025	Supply And Delivery of Specialized PPE For Electrical and Associated Workers Clothing and Footwear	16 September 2025 (virtual)
Notice 190 of 2025 (Erratum)	Supply And Delivery of Specialized PPE For Electrical and Associated Workers Clothing and Footwear	26 September 2025 (virtual)
Notice 212 of 2025	Appointment Of Built Environment Professionals for The Establishment of Two Panels of Consultants for A Period of Thirty-Six (36) Months	22 September 2025 (virtual)
Notice 213 of 2025	Supply, Delivery and Offloading of Branded Promotional Items for a Period of One (1) Year	23 September 2025 (virtual)
Notice 218 of 2025	Various Civil & Water Services Requirements: Part 1 Contract C%WS 1/2025 Hiring of High -Pressure Jetting Trucks Contract C&WS 2/2025 Hiring of Suction Tankers	26 September 2025 (virtual)
Notice 219 of 2025	Supply, Delivery and Offloading of Engineering Aggregate Within the Kouga Area for a Period of Three (3) Years	29 September 2025 (virtual)

7- **Seven Day Notices (Price Quotations) Awarded**

The tables below reflect the Seven (7) informal notice was awarded and One notice where no bids was received for the period.

Notice & Description	**Service Provider**	**Date Of Award**	**Amount/ Cancelled**	**Workdays- Completion of Evaluation**
Notice 133/2025 Emergency Complete Engine Overhaul of an Isuzu FTR 80 Engine of a Sanitation Truck DNH 308 EC	Phakamisa Fleet Services (Pty) Ltd	03 July 2025	R162 725.00	3 Working Days
Notice 142/2025- Review of Annual Financial Statements of KLM for 2024/25 Financial Year	Altimax (Pty) Ltd	22 July 2025	R34 500.00	4 Working Days
Notice 144/2025 Complete Engine Overhaul of Isuzu FTR 800 Engine of a Skip Truck CMX 729 EC	Phakamisa Fleet Services (Pty) Ltd	1 August 2025	R145 475.00	3 Working Days
Notice 145/2025 Supply and Delivery of Two (2) New Complete Engines, Service and Suspension Parts for Nissan NP 200 Vehicles	Zamo Systems (Pty) Ltd t/a Zan Auto	14 August 2025	R208 436.52	16 Working Days

Notice & Description	Service Provider	Date Of Award	Amount/ Cancelled	Workdays- Completion of Evaluation
Notice 162/2025- Supply, Delivery and Offloading of Various Tools and Equipment for Roads and Stormwater	Premier Pipe Supply (Pty) Ltd Bay-Con (Pty) Ltd	3 Sept 2025	Various Rates	15 Working Days
Notice 163/2025- Supply, Delivery and Offloading of Preprinted Paper	Cassim ZM t/a Cassim's	21 August 2025	Various Rates	3 Working Days
Notice 164/2025- Supply, Delivery and Offloading of Consumables	Bay-Con (Pty) Ltd Cassim's Premier Pipe Supply (Pty) Ltd	2 Sept 2025	Various rates	14 Working Days
Notice 210/2025- Information Technology Maturity Assessment of Kouga Local Municipality	N/A No bids Received	N/A	N/A	N/A

8- **Competitive bids Awarded/ Cancelled for the Period**

The tables below reflect the eleven (11) competitive bids awarded and three (3) cancellations was done for the period.

Notice & Description	Service Provider	Date Of Award	Amount/ Cancelled	Workdays Completion of Evaluation
Notice 92 of 2025: Refurbishment of All Four Steel Wheels	Phakamisa Fleet Services (Pty) Ltd	10 July 2025	R 494 500.00	10 Working days

on a Landfill Compactor				
Notice 59 of 2025: Loerie Sewer Pump Station Upgrade and New Rising Main	LRC Civils CC	10 July 2025	R 4 838 929.75	25 Working days
Notice 116 of 2025: Electrification of 200 Houses (Phase 3) at Ocean View in Jeffreys Bay (DMRE WORK 2025/26): Specification No. G/10677/E	MDL George (Pty) Ltd	17 July 2025	R 4 930 184.78	14 Working days
Notice 82 of 2025: High Mast Flood Light Installations During 2025/26 to 2026/27 in Kouga Municipal Area	VE Reticulation (Pty) Ltd	17 July 2025	R 11 288 626.55	21 Working days
Notice 84 of 2025: Appoint a professional service provider to assemble a multi-disciplinary team of professionals to conduct a full feasibility study and develop a business plan together with conceptual designs for Erf 5481, 5480, 5479, 5478, 873 and 8825 Jeffreys Bay	Urban-Econ Development Economists (Pty) Ltd	25 August 2025	R598 000,00	38 Working days
Notice 1 of 2025- Panel 2 Appointment of two panels of contractors for the ad-hoc repair, replacement, upgrading and building maintenance (panel 2) in the	Cancelled	22 August 2025	n/a	n/a

Kouga area for a period of three years				
Notice 60 of 2025 Upgrading of Gravel Roads in Kouga Municipality -Phase 2	Investorex 28 Pty Ltd t/a GS Civils	2 September 2025	R24 509 204.47	51 Working days
Notice 48 of 2025 Supply and implementation of a remote automated meter reading system with meter audits and bulk meter installation for a period of three (3) years for Kouga Municipality	Cigicel (Pty) Ltd	4 September 2025	Rates based	85 Working days
Notice 120 of 2025 Appointment of a contractor for the rehabilitation and reseal of roads in Jeffreys Bay and Paradise Beach in the Kouga Local Municipal area	Scribante Construction EC (Pty) Ltd	4 September 2025	R 59 736 301.85	27 Working days
Notice 1 of 2025- Panel 1 Appointment of two panels of contractors for the ad-hoc repair, replacement, upgrading and Civil Engineering Services	-Kayalihle Trading CC -Orie Dynamic Trading t/a Miyanda Construction -Gravity Projects and Services (Pty) Ltd -Tainama Civils (Pty) Ltd -Enzel 186 cc t/a Enzel Civils -Zhemveloh Enterprise (Pty) Ltd	12 September 2025	Panel-projects to be costed on request	133 Working days

	-Aqua Transport and Plant Hire (Pty) Ltd -Imvu Construction Group (Pty) Ltd -Startime/ MMD Civils JV -NTC General Trading (Pty) Ltd -Vitsha PM Consultants CC t/a Vitsha Civils -Route 17 CVE Trading and Projects t/a CVE Civils (Pty) Ltd -Ibala Consulting (Pty) Ltd -MKJ 360 (Pty) Ltd -All Fired Up Construction and Projects CC -Vitsha Trading (Pty) Ltd			
Notice 126 of 2025 Supply, implementation, monitoring and provision of managed services for cybersecurity for a period of three (3) years to Kouga Local Municipal area	Gracol Solutions (Pty) Ltd	12 September 2025	Rates based	25 Working days
Notice 152 of 2025 Supply And Delivery of One (1) New 7000l Water Tanker for the Fire Department	Sky Metro Equipment (Pty) Ltd	19 September 2025 2025	R 1 598 126.25	8 Working days

Notice 168/2025: Appointment of a professional service provider to provide K9 security services for a period of 3 years	Cancelled	19 September 2025	n/a	4 Working days
Notice 154 of 2025: Appointment of a professional service provider to develop an Environmental Management Framework for Kouga Local Municipality	Cancelled	19 September 2025	n/a	17 Working days

9. Variations/ Awarded for the Quarter

Notice & Description	Service Provider	Date Of Award	Amount/ Cancelled
RT57 Tender Refurbishment of All Four Steel Wheels on a Landfill Compactor	Komatsu South Africa (Pty) Ltd	10 July 2025	R 3 92 358.49
Variation: Notice 79 of 2025 Design and Implementation of the Augmentation of the Replacement of the Existing Water Main in Mimosa Street	MJM Consulting Engineers	16 July 2025	R 121 077.75
Variation: Hankey 990 Contract Variation on Consultant: Amount ringfenced for project specific contract-deviation of Rudcor Engineering- refer Dev no: 23-24/ CW40	JG Afrika (Pty) Ltd	6 August 2025	R 245 140.47
Variation: Notice 110/2024: St Francis Bay Groundwater	Imvu Construction Group (Pty) Ltd	12 September 2025	R 1 057 299.59

Development of Three Boreholes.			

10. Termination of Contracts

Description	Service Provider	Project Manager	Notice of Termination	Terminated/ Cancelled	Reason for Termination	Resolution
Notice 96/2024 Construction of Civil Services in Donkerhoek, Humansdorp (202 erven)	Tainama Civils / Banoyolo JV	J du Toit/ M Els-Gerber	08-Jul-25	Terminated	Default of Contract	N/A
Notice 169/2024 Supply and Delivery of Branded Promotional Items for a Period of 12 Months	Decha Enterprise (Pty) Ltd	M. Basson	31-Jul-25	Terminated	SLA not signed	N/A
Notice 169/2024 Supply and Delivery of Branded Promotional Items for a Period of 12 Months	Vukunjonge Trading	M. Basson	31-Jul-25	Terminated	SLA not signed	N/A

11. **Section 36 Deviations in terms of SCM Policy**

The total deviation value for the first quarter amounted to **R18 720 553.17** as follows:

- July deviations amounted to **R 12 560 426.28**
- August deviations amounted to **R 2 164 416.22**
- September deviations amounted to **R 3 995 710.67**

DIRECTORATE	AMOUNT
Civil and Water Services	R 15 105 345.74
Electro- Mechanical Services	R 90 889.30
Community Services	R 25 857.75
Office of DMM	R 3 498 460.38

Finance and Economic Development	R 0.00
Planning and Development	R 0.00

REFER TO DETAILED BREAKDOWN PER MONTH:
TABLE 11A, 11B and 11C BELOW

12. Progress – Requisitions Report

Please note: that the total below excludes the purchases done through the inventory section.

Table 12a

MONTHLY SCM REQUISITIONS REPORT FOR THE MONTH ENDED 31 JULY 2025					
DIRECTORATE	**TOTAL NUMBER OF REQUISITIONS RECEIVED**	**TOTAL NUMBER OF REQUISITIONS FINALISED WITHIN 5 DAYS**	**TOTAL NUMBER OF REQUISITIONS NOT FINALISED WITHIN 5 DAYS**	**REASONS - BY SCM**	**REASONS - BY USER DEPARTMENT**
Civil and Water Services	44	42	2	0	Query not resolved (2)
Community Services	44	43	1	0	Budget Exceeded (1)
Office of DMM	82	79	3	Inclusive of Weekends (2)	Query not resolved (1)
MM & Mayor	17	17	0	0	0
Electro-Mechanical: Electrical -	5	5	0	0	0
Electro-Mechanical: Fleet Workshop	173	173	0	0	0
Finance & Economic Development	49	47	2	0	Budget (2)
Planning & Development	13	13	0	0	0
TOTALS	**427**	**419**	**8**	**2**	**6**

Table 12b

MONTHLY SCM REQUISITIONS REPORT FOR THE MONTH ENDED 31 AUGUST 2025					
DIRECTORATE	**TOTAL NUMBER OF REQUISITIONS RECEIVED**	**TOTAL NUMBER OF REQUISITIONS FINALISED WITHIN 5 DAYS**	**TOTAL NUMBER OF REQUISITIONS NOT FINALISED WITHIN 5 DAYS**	**REASONS - BY SCM**	**REASONS - BY USER DEPARTMENT**
Civil & Water Services	28	24	4	Delayed Approval CFO (1)	Rejected awaiting response from End user (3)
Community Services	62	59	3	0	Rejected awaiting response from End User (3)
Office of DMM	74	71	3	Waiting For Approval CFO (3)	0
Mm & Mayors	11	11	0	0	0
Electro - Mechanical: Electrical	30	20	10	Waiting For Approval CFO (3) Weekend Inclusive (5)	Awaiting response from End user (2)
Electro - Mechanical: Workshop	40	39	1	Inclusive Of Weekend (1)	0
Finance & Economic Development	40	34	6	Delayed By SCM Practitioner (3) Weekend Inclusive (1)	Rejected awaiting response from End user (2)
Planning & Development	12	10	2	0	Rejected awaiting response from End user (2)
Totals	**297**	**272**	**29**	**17**	**12**

Table 12c

MONTHLY SCM REQUISITIONS REPORT FOR THE MONTH ENDED 30 SEPTEMBER 2025

DIRECTORATE	TOTAL NUMBER OF REQUISITIONS RECEIVED	TOTAL NUMBER OF REQUISITIONS FINALISED WITHIN 5 DAYS	TOTAL NUMBER OF REQUISITIONS NOT FINALISED WITHIN 5 DAYS	REASONS - BY SCM	REASONS - BY USER DEPARTMENT
Civil & Water Services	77	65	12	Delayed By SCM Practitioner (2), Delayed by MM (1) Weekend Inclusive (6) Waiting for Approval (1)	Rejected awaiting response from End-user (2)
Community Services	60	52	8	Delayed Approval (1) Waiting Approval (4) Weekend Inclusive (1)	Rejected awaiting response from End user (2)
Office of DMM	106	83	23	Delayed Approval SCM Manager (3) Weekend Inclusive (5) Delayed Approval MM (1) Waiting for Approval (2)	Rejected awaiting response from End user (12)
MM & Mayors	12	12	0	0	0
Electro - Mechanical: Electrical	25	23	2	Weekend Inclusive (1) Waiting for Approval (1)	0

Electro - Mechanical: Workshop	96	91	5	Delayed By SCM Practitioner (2) Waiting for Approval (3)	0
Finance & Economic Development	53	47	6	Delayed by SCM practitioner (1) Delayed Approval MM (1) Delayed Approval (2) Weekend Inclusive (1)	rejected awaiting response from End user (1)
Planning & Development	6	6	0	0	0
Totals	**435**	**379**	**56**	**39**	**17**

13. **Report on the Balance of Stock at hand at Stores for the period.**

This tables below shows movement of stock the Stores Section has received from various suppliers as procured by Stores Section and stock issued to various directorate for the period dated 1 July 2025 to 30 September 2025.

Table 13a

STOCK BALANCING REPORT/ INVENTORY RECON JULY 2025						
DATE	**BALANCE**		**ISSUES**	**RECEIPTS**	**JNL/RETURN**	**BALANCE**
01/07/2025	24,272,005.75					24,272,005.75
02/07/2025	24,272,005.75					24,272,005.75
03/07/2025	24,272,005.75					24,272,005.75
04/07/2025	24,272,005.75					24,272,005.75
07/07/2025	24,272,005.75					24,272,005.75
08/07/2025	24,272,005.75					24,272,005.75
09/07/2025	24,272,005.75	50	447,394.84			23,824,610.91
10/07/2025	23,824,610.91	19	98,285.49		700.63	23,727,026.05
11/07/2025	23,727,026.05	6	31,755.42			23,695,270.63

14/07/2025	23,695,270.63	30	313,613.43		7,689.12	23,389,346.32
15/07/2025	23,389,346.32	16	138,364.32	94,667.65	446.99	23,346,096.64
16/07/2025	23,346,096.64	11	93,072.71			23,253,023.93
17/07/2025	23,253,023.93	9	87,020.94			23,166,002.99
18/07/2025	23,166,002.99	10	30,794.81		927.58	23,136,135.76
21/07/2025	23,136,135.76	16	192,228.42		4,100.98	22,948,008.32
22/07/2025	22,948,008.32	19	284,697.86	170,560.50	517.70	22,834,388.66
23/07/2025	22,834,388.66	7	116,201.59	242,667.74		22,960,854.81
24/07/2025	22,960,854.81	5	41,908.47		1,349.97	22,920,296.31
25/07/2025	22,920,296.31	17	201,997.86	142,330.00	254.82	22,860,883.27
28/07/2025	22,860,883.27	8	119,775.13		3,556.80	22,744,664.94
29/07/2025	22,744,664.94	13	166,187.84	117,121.50	1,619.62	22,697,218.22
30/07/2025	22,697,218.22	21	352,083.74			22,345,134.48
31/07/2025	22,345,134.48	9	71,685.55		996.58	22,274,445.51
		266	2,787,068.42	767,347.39	22,160.79	

Table 13b

	STOCK BALANCING REPORT/ INVENTORY RECON- AUGUST 2025					
DATE	**BALANCE**		**ISSUES**	**RECEIPTS**	**JNL/RETURN**	**BALANCE**
01/08/2025	22,274,445.51	9	45,149.54	273,677.36		22,502,973.33
04/08/2025	22,502,973.33	13	101,037.48			22,401,935.85
05/08/2025	22,401,935.85	0				22,401,935.85
06/08/2025	22,401,935.85	0				22,401,935.85
07/08/2025	22,401,935.85	0				22,401,935.85
08/08/2025	22,401,935.85	17	499,383.96	175,545.94	150.70	22,078,248.53
11/08/2025	22,078,248.53	12	245,218.84			21,833,029.69
12/08/2025	21,833,029.69	16	116,888.09	44,275.00	(153,869.66)	21,606,546.94
13/08/2025	21,606,546.94	11	138,283.77	129,954.23	2,038.79	21,600,256.19
14/08/2025	21,600,256.19	13	30,870.79			21,569,385.40
15/08/2025	21,569,385.40	9	111,942.88	36,298.00	12,683.12	21,506,423.64
18/08/2025	21,506,423.64	15	85,316.13		60.99	21,421,168.50
19/08/2025	21,421,168.50	11	64,368.37	4,800.00		21,361,600.13
20/08/2025	21,361,600.13	10	69,937.75			21,291,662.38
21/08/2025	21,291,662.38	14	103,443.60	173,476.80		21,361,695.58
22/08/2025	21,361,695.58	9	38,110.21		1,219.40	21,324,804.77
25/08/2025	21,324,804.77	12	67,314.66	86,118.44		21,343,608.55
26/08/2025	21,343,608.55	5	6,167.75	615,325.56	1,618.45	21,954,384.81
27/08/2025	21,954,384.81	7	77,394.05	3,200.00		21,880,190.76
28/07/2025	21,880,190.76	6	36,257.74			21,843,933.02
29/07/2025	21,843,933.02	7	66,961.28	52,959.20	6,660.21	21,836,591.15
		196	1,904,046.89	1,595,630.53	(129,438.00)	

Table 13c

STOCK BALANCING REPORT/ INVENTORY RECON- SEPTEMBER 2025						
DATE	**BALANCE**		**ISSUES**	**RECEIPTS**	**JNL/RETURN**	**BALANCE**
01/09/2025	21,836,591.15	9	105,064.88	296,359.40		22,027,885.67
02/09/2025	22,027,885.67	13	63,904.23			21,963,981.44
03/09/2025	21,963,981.44	17	159,824.75			21,804,156.69
04/09/2025	21,804,156.69	11	129,087.03	504,540.00	740.00	22,180,349.66
05/09/2025	22,180,349.66	7	34827.94	13120		22,158,641.72
08/09/2025	22,158,641.72	17	91,124.73	150,629.00	16.35	22,218,162.34
09/09/2025	22,218,162.34	12	166,081.25		246.48	22,052,327.57
10/09/2025	22,052,327.57	16	32,617.35	376,557.54	104.34	22,396,372.10
11/09/2025	22,396,372.10	11	196,447.33	35,800.00		22,235,724.77
12/09/2025	22,235,724.77	13	23,367.26		6,870.38	22,219,227.89
15/09/2025	22,219,227.89	9	55,002.92			22,164,224.97
16/09/2025	22,164,224.97	15	46,401.01	358,744.82		22,476,568.78
17/09/2025	22,476,568.78	11	169,772.46		4,956.88	22,311,753.20
18/09/2025	22,311,753.20	18	172,083.16	787,500.06		22,927,170.10
19/09/2025	22,927,170.10	14	118,424.53	11,351.14		22,820,096.71
22/09/2025	22,820,096.71	15	141,794.63	147,214.68	1,052.02	22,826,568.78
23/09/2025	22,826,568.78	12	81,743.90		7,136.60	22,751,961.48
24/09/2025	22,751,961.48	5				22,751,961.48
25/09/2025	22,751,961.48	10	18,631.78			22,733,329.70
26/09/2025	22,733,329.70	16	153,236.62			22,580,093.08
29/09/2025	22,580,093.08	9	41,888.94	615,190.00	3,084.47	23,156,478.61
30/09/2025	23,156,478.61	11	57,783.84	10,720.00		23,109,414.77
		271	2,059,110.54	3,307,726.64	24,207.52	

14. SCM Management component for 01 July 2025 – 30 September 2025.

The section operated for the 1st quarter with a total staff complement of 11 permanent staff members, 3 interns, 2 EPWP workers and 9 vacancies.

Below details depicts the detail of the officials:

- Mrs. C. Groenewald- Manager Supply Chain Management

SUPPLY CHAIN MANAGEMENT	**STORES**
Mrs. N. Goeda (Permanent)	Mr. E. Felix (Permanent)
Ms. A. Smith (Permanent)	Mr. Delaino Domingo (Permanent)
Ms. A. Gorden (Permanent)	Mr. D. Volontiya (Permanent)
Ms. N. Mandeka (Permanent)	Mr. F. Msolo (Permanent)
Ms. A. Lloyd (Permanent)	Mr. M. Cmile - EPWP Programme (started 11 September 2025)

Ms. A. Kolyt (Permanent)	Mr. K. Bulelani- EPWP Programme (started 11 September 2025)
Ms. S. Malusi (SCM Intern)	
Mr. R. Matthee (SCM Intern)	
Mrs. U. Sukata (Intern-Finance started 1 September 2025)	

TABLE 11A DEVIATIONS - JULY 2025											
DEV NO:	**DATE RECEIVED**	**DIRECTORATE**	**SECTION**	**SUPPLIER**	**SUPPLIER LOCAL**	**NATURE OF GOODS/ SERVICE**	**VALUE**	**DATE OF REQUEST ON FORM**	**DATE APPROVED BY MM**	**SECTION 36 REF**	**NOTES**
25-26/ CWS1	10-Jul-25	Civil & Water Engineering Services	PMU Unit	Lektratek	No	**Kwanomzamo Wastewater Treatment Works:** Appointment Contractor: Completion of Works	R7 362 410,04	01-Jul-25	16-Jul-25	S36 (1)(a)(i)	Req No: 170371 Order No: 243402
25-26/ CWS2	21-Jul-25	Civil & Water Engineering Services	PMU Unit	LRC Civils	No	**Seekoei Estuary Causeway Reconstruction:** Appointment of Contractor for Emergency Repairs to Seekoei Estuary using MDRG Re-instatement of full scope of work	R1 931 327,85	15-Jul-25	22-Jul-25	S36 (1)(a)(i)	Req No: 176102 Order No: 243511
24-25/ DMM1	25-Jul-25	Office of DMM	Administration	Bambelela Property Development	Yes	**Approved Deviation: 24-25 Fin Year**: Approved Rental of Office space for 3 years-(Rental-July 2025)	R466 669,77	28-Jun-24	12-Jul-24	S36 (1)(a)(v)	Req No: 174356 Order No:
24-25/ DMM1	28-Jul-25	Office of DMM	Administration	Bambelela Property Development	Yes	**Approved Deviation: 24-25 Fin Year**: Approved Rental of Office space for 3 years. Rental for 6months indicated in next column	R2 800 018,62	28-Jun-24	12-Jul-24	S36 (1)(a)(v)	Req No: 174394 Order No: 243705
25-26/ DMM1	24-Jul-25	Office of DMM	Legal	CW Malan Jeffreys Bay	Yes	Legal Services: Van der Westhuizen & Others, MEC CoGTA (Oliphant), MEC CoGTA (Petersen) and Freddie van Rooyen	R0,00	23-Jul-25	28-Jul-25	S36 (1)(a)(v)	**n/a**
25-26/ DMM2	24-Jul-25	Office of DMM	Legal	Billett and Gouws	Yes	Legal Services: Papiesfontein Evictions, Papiesfontein Criminal Matters, Labour	R0,00	23-Jul-25	28-Jul-25	S36 (1)(a)(v)	**n/a**

						investigation: R Petersen V Phelan, Laverns					
						TOTAL	**R12 560 426,28**				

TABLE 11B:
DEVIATIONS - AUGUST 2025

DEV NO:	DATE RECEIVED	DIRECTORATE	SECTION	SUPPLIER	SUPPLIER LOCAL	NATURE OF GOODS/ SERVICE	VALUE	DATE OF REQUEST ON FORM	DATE APPROVED BY MM	SECTION 36 REF	NOTES
25-26/ DMM 3	24-Jul-25	Office of DMM	Information Technology	Online Innovations	No	Hosting of Municipal Website- Fees	R 2 277,00	23-Jul-25	01-Aug-25	S36 (1)(a)(v)	Req No: 172039 Order No: 243772
25-26/ DMM 2	31-Jul-25	Office of DMM	Legal	Billett and Gouws	Yes	**Approved Deviation on Legal Services-** Papiesfontein Eviction, Papiesfontein Criminal matters, labour Investigation, R Petersen vs Phela. Lavens**: MAT1144/CNT44 (INV01-2084)**	R 17 608,00	23-Jul-25	28-Jul-25	S36 (1)(a)(v)	Req No. 169478 Order No. 243753

25-26/ DMM 1	12-Aug-25	Office of DMM	Legal	CW Malan Jeffreys Bay	Yes	**Approved deviation on Legal Services** Van der Westhuizen and others, MEC CoGTA (Oliphant), MEC CoGTA (Petersen) and Freddy van Rooyen. (Transaction value spent reported in next column	R 25 561,70	23-Jul-25	28-Jul-25	S36 (1)(a)(v)	Req No. 169483 Order No.243981
25-26/ DMM 4	26-Aug-25	Office of DMM	Administration	Bambelela Property Development	Yes	**Approved Deviation: 25-26 Fin Year**: Servicing air conditioning units on a 6 monthly basis, ad hoc repairs and maintenance of air conditioning units, including replacement if required, as per SLA. Transaction value spent reported in next column	R 47 437,50	26-Aug-25	27-Aug-25	S36 (1)(a)(v)	Req No. 169918 Order No. 244217
25-26/ CWS3	31-Jul-25	Civil & Water Engineering Services	Water Services	Sains Agencies	No	Calibration of operational monitoring of water testing equipment	R 16 339,20	28-Jul-25	05-Aug-25	S36 (1)(a)(i)d	Req No. 170390 Order No. 243810

25-26/ CWS4	12-Aug-25	Civil & Water Engineering Services	Water Services	Northfield Engineering (Pty) Ltd	No	Emergency repair and installation of a clarifier stilling drum at the Jeffreys Bay Wastewater Treatment Works	R 965 568,64	30-Jul-25	15-Aug-25	S36 (1)(a)(i) e	Req No. 170548 Order No. 244025
25-26/ CWS5	19-Aug-25	Civil & Water Engineering Services	PMU Unit	JG Afrika Pty Ltd	No	Additional site supervision and indirect cost due to delay in completion of Construction: Hankey 990 Phase 2	R 592 678,18	18-Aug-25	22-Aug-25	S36 (1)(a)(v)	Req No. 176119 Order No. 244537
25-26/ CWS6	21-Aug-25	Civil & Water Engineering Services	Water Services	International Metal Processing (Pty) Ltd t/a IMP	No	Emergency Repairs had to be done to Jeffreys Bay Boreholes 1 and 13 because of damaged infrastructure.	R 80 971,04	13-Aug-25	25-Aug-25	S3 (1) (a) (i) d	Req No. 170397 Order No. 244162
25-26/ CWS7	25-Aug-25	Civil & Water Engineering Services	PMU Unit	Zutari (Pty) Ltd	No	**Approved Deviation Reinstatement** of remainder of additional indirect costs for the Kwanomzamo WWTW Upgrade in the 25/26 financial year	R 415 974,96	22-Aug-25	27-Aug-25	S36 (1)(a)(v)	Req No: 176115 Order No: 244292
						TOTAL	**R 2 164 416,22**				

TABLE 11C:
DEVIATIONS - SEPTEMBER 2025

DEV NO:	DATE RECEIVED	DIRECTORATE	SECTION	SUPPLIER	SUPPLIER LOCAL	NATURE OF GOODS/ SERVICE	VALUE	DATE OF REQUEST ON FORM	DATE APPROVED BY MM	SECTION 36 REF	NOTES
25-26/ EM 1	27-Aug-25	Electro-Mechanical	Mechanical	Flagt Electric CC t/a Flash Electrical	Yes	Emergency Repairs to 1x8.3kw DAB Pump for Seaglades Canal Road, St Francis Bay	R 32 910,13	07-Aug-25	04-Sep-25	S36 (1)(a)(i)	Req No: 162174 Order No: 244351
25-26/ EM 2	27-Aug-25	Electro-Mechanical	Mechanical	Flagt Electric CC t/a Flash Electrical	Yes	Emergency call out to Loerie Pumpstation to supply and installation of Spares	R 54 513,14	18-Aug-25	04-Sep-25	S36 (1)(a)(i)	Req No. 162176 Order No.244352
25-26/ EM 3	27-Aug-25	Electro-Mechanical	Mechanical	Flagt Electric CC t/a Flash Electrical	Yes	Emergency call out for Vergenoeg pumpstation to do a fault finding and replace timers and wiring	R 3 466,03	18-Aug-25	04-Sep-25	S36 (1)(a)(i)	Req No. 162177 Order No. 244353

25-26/ CWS 8	05-Sep-25	Civil & Water Engineering Services	Water Services	QPoint Group (Pty) Ltd	No	**Approved Deviation- Rated Contract:** Sampling, transportation, analysis and preparing certificates of analysis of all samples taken at the Water and Waste Water Treatment works throughout Kouga Local Municipality. Transaction value spent reported in next column	R 687 599,78	30-Jun-25	09-Sep-25	S36 (1)(a)(v)	Req No. 170572 Order No. 244649
25-26/ CWS 9	08-Sep-25	Civil & Water Engineering Services	Water Services	Northfield Engineering (Pty) Ltd	No	Emergency replacement of Sea Vista water tower pumps	R 112 367,54	08-Sep-25	09-Sep-25	S3 (1) (a) (i)	Req No. 170944 Order No. 244419
23-24 /CW40	15-Sep-25	Civil & Water Engineering Services	PMU Unit	Rudcor Engineering	No	**23-24 Approved deviation:** Appointment of a contractor for the construction of internal streets and stormwater infrastructure for Hankey Housing Development (Phase 2). Total Deviation amount- R17677321,20 **Amount paid reflected in next column**	R 2 940 108,51	01-Mar-24	14-Mar-24	S36 (1)(a)(i)	**Req No.** 176154& 176155 **Order No**.244598, 244599

25-26/ DMM2	11-Sep-25	Office of DMM	Legal	Billett and Gouws	Yes	**Legal Services- Approved deviation:** Papiesfontein Eviction, Papiesfontein Criminal matters, labour Investigation, R Petersen vs Phela. Lavens **(MAT1130/CNT44 INVO01-2119)**	R 37 007,85	23-Jul-25	28-Jul-25	S36 (1)(a)(v)	Req No. 176607 Order No. 244557
25-26/ DMM5	04-Sep-25	Office of DMM	Human Resources	Vocation Staffing Solutions (Pty) Ltd	No	Recruitment Agency: Headhunting Services for critical vacancy	R 92 000,00	27-Aug-25	11-Sep-25	S36 (1)(a)(v)	Req No. 160713 Order No. 244621
25-26/ DMM6	15-Sep-25	Office of DMM	Information Technology	Sihara Group	No	AutoCAD License annual Software on boarding. 3 quotes could not be obtained.	R 9 879,94	08-Sep-25	17-Sep-25	S36 (1)(a)(v)	Req No. 172062 Order No. 244623
25-26/ COMM1	03-Sep-25	Community Services	Traffic Services	Fulcrum Technologies	No	Calibration and Servicing of VST equipment for roadworthy testing	R 25 857,75	04-Sep-25	09-Sep-25	S36 (1)(a)(v)	Req No: 166828 Order No: 244418
						TOTAL	**R 3 995 710,67**				

REPORTS BY THE PORTFOLIO CHAIRPERSON: PLANNING AND DEVELOPMENT

KOUGA
local municipality
Good Governance through Service Excellence

KOUGA local municipality
Service Excellence through Good Governance

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
PLANNING & DEVELOPMENT
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/PD1**

REQUEST FOR COUNCIL'S IN-PRINCIPLE APPROVAL FOR THE ALIENATION (LEASE) OF A PORTION OF PORTION 4 OF FARM 346, HUMANSDORP RD

1. **Introduction**

The purpose of this item is to request Council's **in-principle approval** for the Alienation (Lease)of a portion of Portion 4 of Farm 346, Humansdorp RD.

2. **Background**

An application was received from Woodlands Dairy for Industrial Development, in line with the Woodlands Dairy's business expansion plan. See **annexure "A"**.

3. **Discussion**

Council to consider leasing the portion of the Kouga municipal immovable property, as per the application herein, and for the intended business expansions as intended by the applicant, Woodlands Dairy.

Land parcel information such as zoning and aerial image of the property are attached as **Annexure "B."**

Section 14 comments were received from departments and attached as **Annexure "C".**

4. **Financial Implications**

Completed by BTO -	
Project Description	Land Valuations & Surveyor & Planning services
Ukey no.	20210710001552
Budgeted Amount	R750 000.00 KOUGA MUNICIPALITY 2025-08-13 BUDGET &TREASURY
Amount spent and committed to date	R95 925.00
Amount Available	R654 075.00
Comment	No financial implications to Council.

5. **Applicable Legislation**

Local Government: Municipal Finance Management Act No. 56 of 2003
Municipal Asset Transfer Regulations, 2008
Spatial Planning and Land Use Management Act No. 13 of 2013
Kouga, Spatial Planning and Land Use Management By-law, 2016
Policy on The Disposal and Lease of Council Owned Immovable Property, approved 26 June 2025

6. **Legal Implications**

Should the Council resolve to approve the recommendations herein, the Administration may proceed with advertising the Council's intention to alienate the immovable property by way of a lease for public comment and/or objections.

Any non-compliance with the legislative provisions may lead to adverse audit findings, and officials may be held personally liable for any financial implications resulting from such non-compliance.

7. **Other Implications**

None

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Report noted.

8.2 **Director: Planning & Development**

Recommendation supported.

8.3 **Director: Civil & Water Services**

Item noted and supported.

8.4 **Director: Electro-Mechanical Services**

Item noted.

8.5 **Director: Community Services**

Noted

8.6 **Deputy Municipal Manager**

Noted.

8.7 **Municipal Manager**

Noted

9. **Delegated Authority**

Council

10. **Recommendations**

10.1 That Council grant **in-principle approval** for the alienation (lease) of a portion, in the extent of 7 hectare of Portion 4 of Farm 346, Humansdorp RD in line with all applicable legislation.

10.2 That Council authorises the Accounting Officer to advertise the application for public participation.

10.3 That in terms of Section 14 and 90 of the MFMA and departmental inputs, Council hereby confirms that the land is not needed to provide the minimum level of basic municipal services.

10.4 That Council authorises the Accounting Officer to obtain the market related rental for the property.

Item prepared by the: The Manager Land & Property Administration 

Item approved by the: Director Planning & Development 

Item endorsed by the Municipal Manager: 

Item noted by Portfolio Chairperson: 

Annexure "A"

WOODLANDS DAIRY

Woodlands Dairy (Pty) Ltd
9 Kudu Drive, PO Box 4, Humansdorp, 6300, South Africa
Tel: +27 42 200 3400 |
www.woodlandsdairy.co.za | www.firstchoice.co.za

To: Kouga Municipal Manager
Charl Du Plessis

Dear Sir

IN RE: REQUEST FOR LONG TERM LEASE AGREEMENT FOR A PORTION OF PORTION 4 OF THE FARM RHEEBOKFONTEIN 346, WITH AN OPTION TO RENEWAL

Woodlands Dairy hereby formally submits a request to enter into a lease agreement for a portion of the vacant land identified as Portion 4 of the Farm Rheebokfontein 346, situated within the Kouga Local Municipality. The intended use of the property is for industrial development, in line with our business expansion plans.

We propose the following terms for consideration:

- **Lease Duration:** An initial period of nine (9) years, eleven (11) months
- **Renewal Option:** An option to renew the lease for an additional nine (9) years, eleven (11) months, subject to mutual agreement on revised terms and conditions at the time of renewal
- **Lease Amount:** A market-related rate to be negotiated in good faith, with annual escalations based on the Consumer Price Index (CPI)

We respectfully request the Municipality to consider entering into a long-term lease agreement with Woodlands Dairy under the above-mentioned terms. Securing such an agreement would provide us with the stability and certainty required to make substantial investments into the development of the property, which in turn would generate economic opportunities and promote growth within the greater Kouga region.

We believe that the intended business expansion plan has the potential to be mutually beneficial, contributing positively to both local development and employment.
Kindly advise on the feasibility of our request and whether any additional information or documentation is required to proceed.

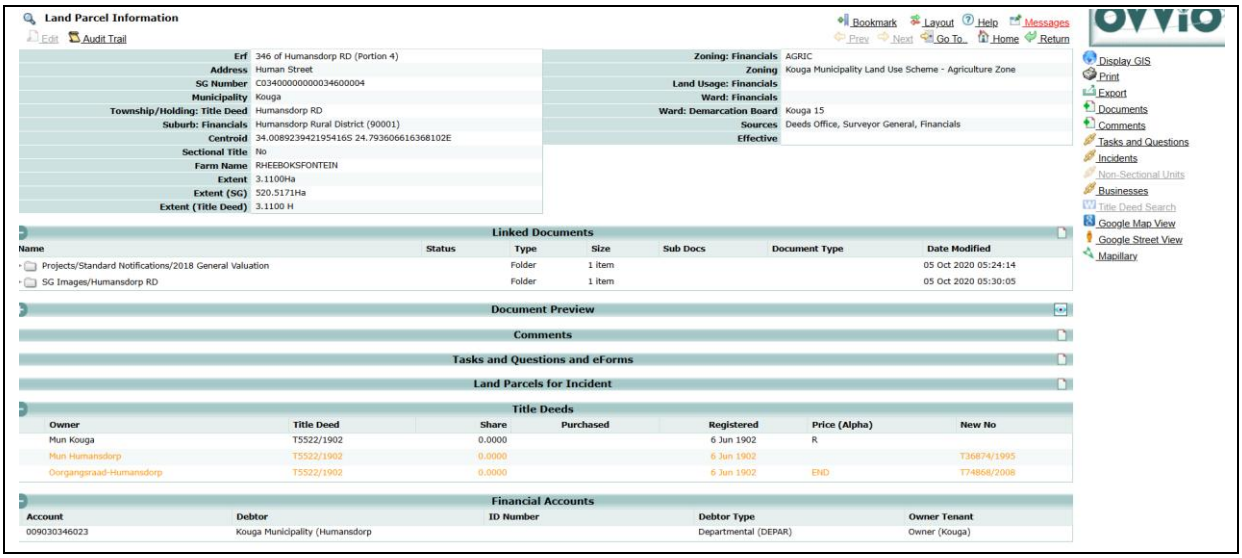
We look forward to your response and remain available to discuss the matter further at your convenience.

Yours faithfully,

CH Landman

Coenie Landman
GM: Operations

Annexure "B"



Land Parcel Information

Edit | Audit Trail

Bookmark | Layout | Help | Messages
Prev | Next | Go To | Home | Return

Erf	346 of Humansdorp RD (Portion 4)
Address	Human Street
SG Number	C0340000000034600004
Municipality	Kouga
Township/Holding: Title Deed	Humansdorp RD
Suburb: Financials	Humansdorp Rural District (90001)
Centroid	34.008923942195416S 24.793606616368102E
Sectional Title	No
Farm Name	RHEEBOKSFONTEIN
Extent	3.1100Ha
Extent (SG)	520.5171Ha
Extent (Title Deed)	3.1100 H
Zoning: Financials	AGRIC
Zoning	Kouga Municipality Land Use Scheme - Agriculture Zone
Land Usage: Financials	
Ward: Financials	
Ward: Demarcation Board	Kouga 15
Sources	Deeds Office, Surveyor General, Financials
Effective	

Display GIS | Print | Export | Documents | Comments | Tasks and Questions | Incidents | Non-Sectional Units | Businesses | Title Deed Search | Google Map View | Google Street View | Mapillary

Linked Documents

Name	Status	Type	Size	Sub Docs	Document Type	Date Modified
Projects/Standard Notifications/2018 General Valuation		Folder	1 item			05 Oct 2020 05:24:14
SG Images/Humansdorp RD		Folder	1 item			05 Oct 2020 05:30:05

Document Preview

Comments

Tasks and Questions and eForms

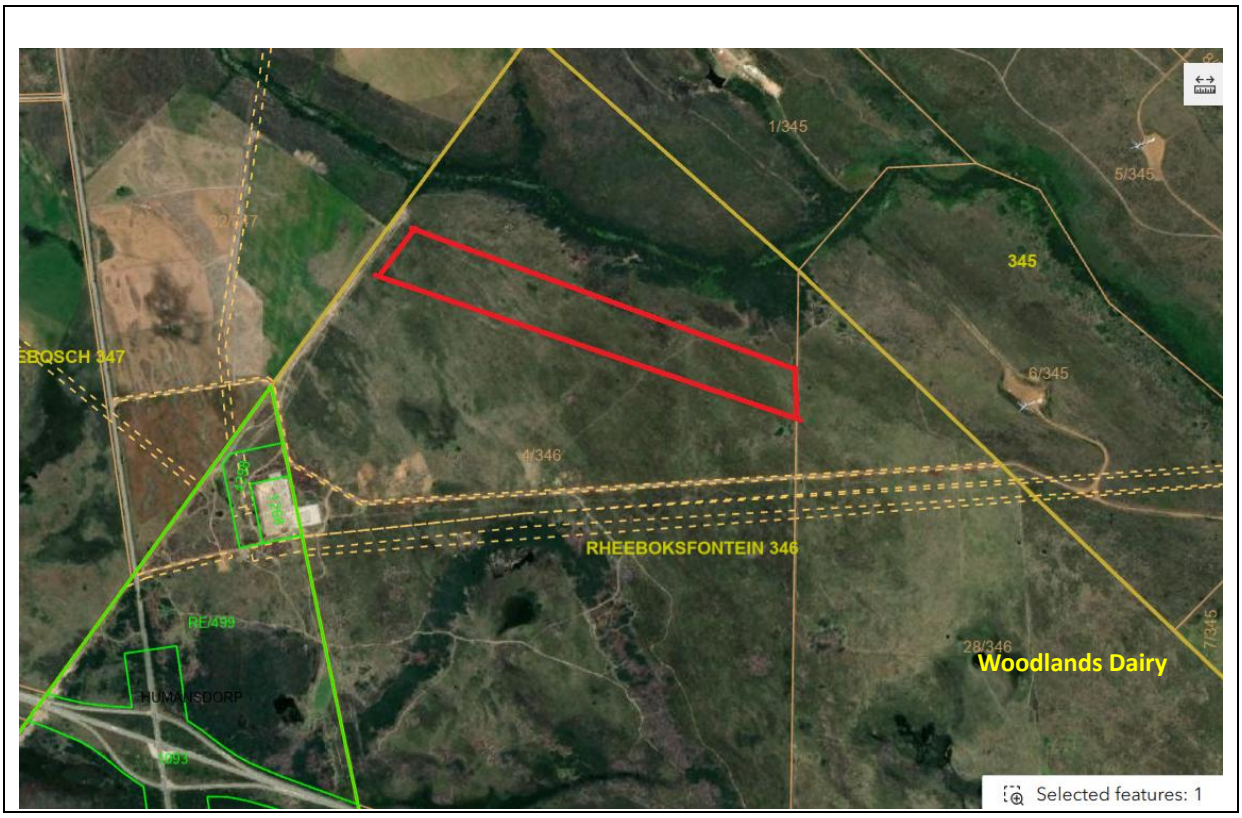
Land Parcels for Incident

Title Deeds

Owner	Title Deed	Share	Purchased	Registered	Price (Alpha)	New No
Mun Kouga	T5522/1902	0.0000		6 Jun 1902	R	
Mun Humansdorp	T5522/1902	0.0000		6 Jun 1902		T36874/1995
Oorgangsraad-Humansdorp	T5522/1902	0.0000		6 Jun 1902	END	T74868/2008

Financial Accounts

Account	Debtor	ID Number	Debtor Type	Owner Tenant
009030346023	Kouga Municipality (Humansdorp		Departmental (DEPAR)	Owner (Kouga)



Annexure "C"

Section 14 comments by the Directorates

ERF NO	ZONING	SPATIAL DEVELOPMENT FRAMEWORK	LAND USE SCHEME	BUILDING CONTROL	DEPARTMENT COMMENTS
Portion 4 of Farm 346, Humansdorp RD	Agriculture Zone	Supported	No objection on condition that the use be for renewable energy facility and that appropriate land use right be obtained by the developer.	Applicant to comply with TP and other service department requirements before submitting building plans for approval.	Supported

KOUGA local municipality
Service Excellence through Good Governance

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
PLANNING & DEVELOPMENT
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/PD2**

REQUEST FOR COUNCIL'S FINAL APPROVAL FOR ALIENATION (LEASE) OF A PORTION OF PORTION 125 OF FARM 335, HUMANSDORP RD (OCEANVIEW)

1. **Introduction**

The purpose of this report is to request the Council's final approval for the lease of a portion of portion 125 of Farm 335, Humansdorp RD (Oceanview) to Impact Centre (275-968 NPO)

2. **Background**

An application was received from Mr. Alfred Jongile to lease a portion of portion 125 of Farm 335, Humansdorp RD (Oceanview) to Impact Centre (275-968 NPO) for a community centre as there are no such facilities in the area of Oceanview for a period of 9 years 11 months with restrictive conditions in respect of the land usage for the sole purpose of social care uses. Copy of application is attached as **Annexure "A".**

The Centre will be a communicational platform for:
Leadership Development
Business Skills and youth entrepreneurship development [Villa Vy House]
Computer skills development
Mentorship and Discipleship Programs/@homes
Day & After school program
Football, Basketball, Netball programs
Home visits/ evangelism
Sunday school / children church programs

At a Council meeting held on 30 April 2025 it was resolved that an in-principle approval be granted for the long-term lease of the property described herein. **See Annexure "B"**

The application was also advertised for public participation for inputs, comments and objections; however, no objections were received. See **Annexure "C".**

A copy of the locality map is attached as **Annexure "D"**.

Section 14 (2) and 90 of the MFMA and departmental inputs have been followed, and it was confirmed on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services, **See Annexure "E"**

A valuation report has been obtained from a professional valuer and attached as **Annexure "F".**

4. **Financial Implications**

Completed by BTO -	
Project Description	Land Valuations & Surveyor & Planning services
Ukey no.	20210710001552
Budgeted Amount	R750 000.00 KOUGA MUNICIPALITY 2025-08-13 BUDGET &TREASURY
Amount spent and committed to date	R95 925.00
Amount Available	R654 075.00
Comment	No financial implications to Council.

5. **Applicable Legislation**

Local Government: Municipal Finance Management Act No. 56 of 2003
Municipal Asset Transfer Regulations, 2008
Spatial Planning and Land Use Management Act No. 13 of 2013
Kouga, Spatial Planning and Land Use Management By-law, 2016

6. **Legal Implications**

Should the Council resolve the recommendation below, the Accounting Officer will be authorized to enter into an appropriate Lease Agreement with the approved applicants.

Any non-compliance with the legislative provisions may lead to adverse audit findings, and officials may be held personally liable for any financial implications resulting from such non-compliance.

7. **Other Implications**

None

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Report noted

8.2 **Director: Planning & Development**

Recommendation supported.

8.3 **Director: Civil & Water Services**

Item noted.

8.4 **Director: Electro-Mechanical Services**

Item noted

8.5 **Director: Community Services**

Noted

8.6 **Deputy Municipal Manager**

Noted.

8.7 **Municipal Manager**

Noted.

9. **Delegated Authority**

Council

10. **Recommendations**

10.1 That Council **grant final approval** to lease of a portion of portion 125 of Farm 335, Humansdorp RD (Oceanview) for 9 years and 11 months to Impact Centre (275-968 NPO), in the extent of 5000 m²

10.2 That in terms of Section 14 (2) and 90 of the MFMA it is confirmed, on reasonable grounds, that the asset is not needed to provide the minimum level of basic municipal services.

10.3 That all required and applicable town planning activities and all other administrative processes be finalized in respect of the intended use of the premises, and that all related costs will be for the account of the applicants herein.

10.4 That Council considers the market-related rental valuation of R150.00 in line with the provisions of the approved Asset and Disposal Policy of Council for Social Care uses.

10.5 That the property be used for the purpose applied for, and for no other purpose whatsoever, unless prior written consent has been obtained from the Lessor.

10.6 That the lease be cancelled if the purpose for which the applicant applied for has not commenced within 12 months from the date of signed lease agreement.

10.7 That an annual escalation be included in the lease agreements.

10.8 That Council authorizes the Accounting Officer to enter into a long-term lease agreement of 9 years and 11 months with Impact Centre in respect of the agreed portion of the property described herein.

Item prepared by the: The Manager Land & Property Administration

Item approved by the: Director Planning & Development

Item endorsed by the Municipal Manager:

Item noted by Portfolio Chairperson:

Annexure "A"

IMPACT CENTRE SOUTH AFRICA Jeffreys Bay – VISION 2022

BACKGROUND

Young people and Kids are the future leaders of tomorrow. Their experiences in the community, at school and the community are all interconnected and require our support and investments. They require adequate investment not just finances but time, respect and leadership skills. Despite this majority of them are pulled away by substance abuse, HIV & AIDS, teenage Pregnancy, Drugs and gang groups. So what we can do to prepare them for the future?

A lot of opportunities exist in working with young people and Kids. This include providing more constructive contact with adults who can help them guide their talents into useful and satisfying paths; opportunities to participate in community activities that they and adults value, especially giving service to others; special help with particularly difficult problems ranging from disabilities, substance addiction, to adjustment in dysfunctional families; and providing learning opportunities for career development.

VISION

Reaching kids, youth and young adults in the community of Jeffrey's Bay with the Hope and Love of Jesus

MISSION

To raise a generation of young leaders and world changers, peace makers in their communities and schools.

PROGRAM

1. Leadership Development
2. Business Skills and youth entrepreneurship development [Villa Vy House]
3. Computer skills development
4. Mentorship and Discipleship Programs/@homes
5. After school program

6. Football , Basket Ball, Netball programs
7. Home visits/ evangelism
8. Sunday school / children church programs

ACTIVITIES

Youth , Kids , Young adults Camps ,

a. Youth Fest Activities
b. Funda –Fundisa programs [after school care]
c. Holiday programs for children
d. Church services
e. High school & Primary School Ministry

BENEFICIARIES

1) Youth and Young Adults
2) Kids
3) Community
4) Schools
5) Parents

CONTACT DETAILS

Director IMPACT CENTRE SOUTH AFRICA : Alfred Jongile

Email : alfredjongile2003@yahoo.com

Phone : 0711823718

Annexure "B"

25/04/PD6 **REQUEST FOR COUNCIL'S IN-PRINCIPLE APPROVAL FOR ALIENATION (LEASE) OF A PORTION OF PORTION 125 OF FARM 335, HUMANSDORP RD (OCEANVIEW)**

Resolved (30 April 2025)

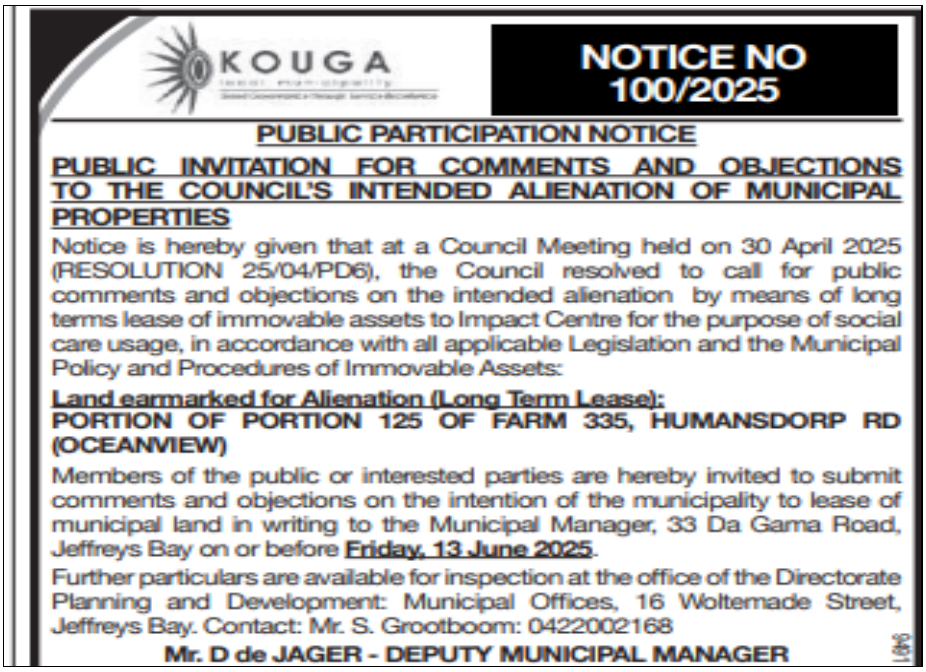
1. That Council **grant in-principle approval** for the lease of a portion of portion 125 of Farm 335, Humansdorp RD (Oceanview) for 9 years and 11 months to Impact Centre (275-968 NPO) with restrictive conditions in respect of the land usage for the sole purposes of social care uses.

2. That in terms of Section 14 and 90 of the MFMA and departmental inputs, Council hereby confirms that the property is not needed in future to provide the minimum level of basic municipal services.

3. That Council grant authorisation to the Accounting Officer to advertise the intention to alienate the subject property

4. That Council considers the market-related rental valuation in line with the provisions of the approved Asset and Disposal Policy of Council for Social Care uses.

Annexure "C"



KOUGA

NOTICE NO 100/2025

PUBLIC PARTICIPATION NOTICE

PUBLIC INVITATION FOR COMMENTS AND OBJECTIONS TO THE COUNCIL'S INTENDED ALIENATION OF MUNICIPAL PROPERTIES

Notice is hereby given that at a Council Meeting held on 30 April 2025 (RESOLUTION 25/04/PD6), the Council resolved to call for public comments and objections on the intended alienation by means of long terms lease of immovable assets to Impact Centre for the purpose of social care usage, in accordance with all applicable Legislation and the Municipal Policy and Procedures of Immovable Assets:

Land earmarked for Alienation (Long Term Lease):
PORTION OF PORTION 125 OF FARM 335, HUMANSDORP RD (OCEANVIEW)

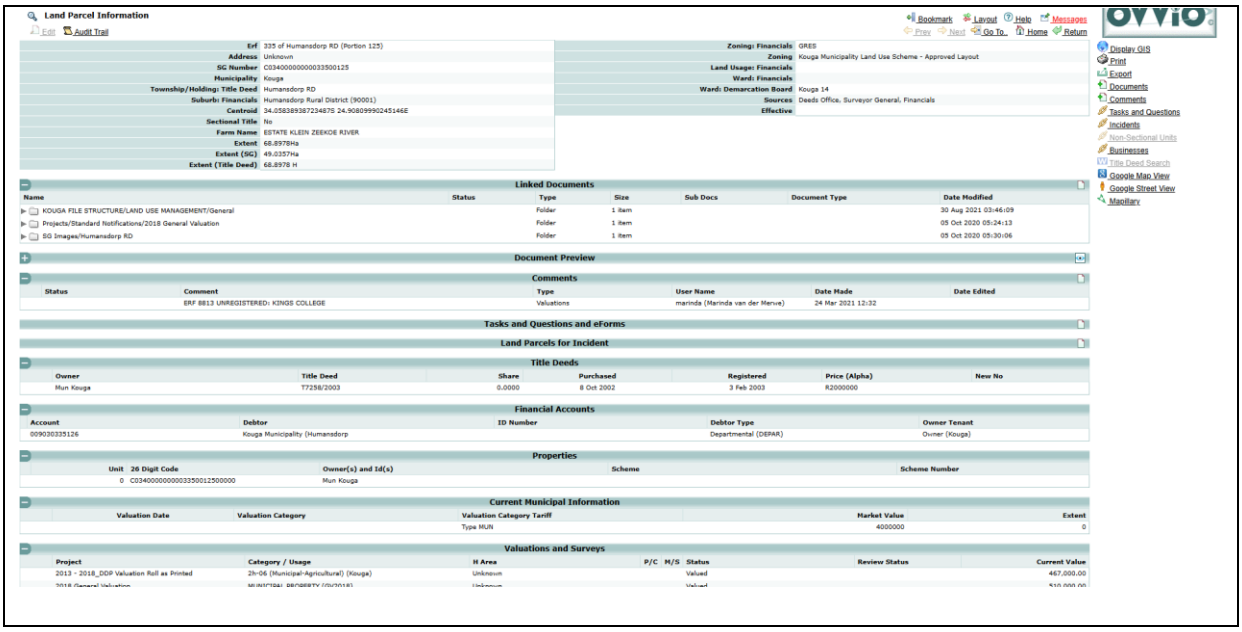
Members of the public or interested parties are hereby invited to submit comments and objections on the intention of the municipality to lease of municipal land in writing to the Municipal Manager, 33 Da Gama Road, Jeffreys Bay on or before **Friday, 13 June 2025**.

Further particulars are available for inspection at the office of the Directorate Planning and Development: Municipal Offices, 16 Woltemade Street, Jeffreys Bay. Contact: Mr. S. Grootboom: 0422002168

Mr. D de JAGER - DEPUTY MUNICIPAL MANAGER

Annexure "D"





Land Parcel Information

Edit | Audit Trail

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Erf	335 of Humansdorp RD (Portion 125)
Address	Unknown
SG Number	C0340000000003350125
Municipality	Kouga
Township/Holding/Title Deed	Humansdorp RD
Suburb: Financials	Humansdorp Rural District (90001)
Centroid	34.05838938723487S 24.90809990245146E
Sectional Title	No
Farm Name	ESTATE KLEIN ZEEKOE RIVER
Extent	68.8978Ha
Extent (SG)	49.0357Ha
Extent (Title Deed)	68.8978 H

Zoning: Financials	GRES
Zoning	Kouga Municipality Land Use Scheme - Approved Layout
Land Usage: Financials	
Ward: Financials	
Ward: Demarcation Board	Kouga 14
Sources	Deeds Office, Surveyor General, Financials
Effective	

OVVIO

Display GIS
Print
Export
Documents
Comments
Tasks and Questions
Incidents
Non-Sectional Units
Businesses
Title Deed Search
Google Map View
Google Street View
Mapillary

Linked Documents

Name	Status	Type	Size	Sub Docs	Document Type	Date Modified
KOUGA FILE STRUCTURE/LAND USE MANAGEMENT/General		Folder	1 item			30 Aug 2021 03:46:09
Projects/Standard Notifications/2018 General Valuation		Folder	1 item			05 Oct 2020 05:24:13
SG Images/Humansdorp RD		Folder	1 item			05 Oct 2020 05:30:06

Document Preview

Comments

Status	Comment	Type	User Name	Date Made	Date Edited
	ERF 8813 UNREGISTERED: KINGS COLLEGE	Valuations	marinda (Marinda van der Merwe)	24 Mar 2021 12:32	

Tasks and Questions and eForms

Land Parcels for Incident

Title Deeds

Owner	Title Deed	Share	Purchased	Registered	Price (Alpha)	New No
Mun Kouga	T7258/2003	0.0000	8 Oct 2002	3 Feb 2003	R2000000	

Financial Accounts

Account	Debtor	ID Number	Debtor Type	Owner Tenant
009030335126	Kouga Municipality (Humansdorp		Departmental (DEPAR)	Owner (Kouga)

Properties

Unit	26 Digit Code	Owner(s) and Id(s)	Scheme	Scheme Number
0	C03400000000033500125000000	Mun Kouga		

Current Municipal Information

Valuation Date	Valuation Category	Valuation Category Tariff	Market Value	Extent
		Type MUN	4000000	0

Valuations and Surveys

Project	Category / Usage	H Area	P/C	M/S	Status	Review Status	Current Value
2013 - 2018_DDP Valuation Roll as Printed	2h-06 (Municipal-Agricultural) (Kouga)	Unknown			Valued		467,000.00

Annexure "E"

ERF	AREA	LAND USE SCHEME	BUILDING CONTROL	MANAGEMENT
Erf 7263	Jeffreys Bay (Oceanview)	The developer must obtain land use rights (Consent Use) for business development under existing zoning.	Building Plans to be submitted after land use authorization	**T.P**: Supported **Assets**: Supported subject to compliance and all regulations being considered. **BC**: Submit building plan and get occupation certificate. **Tech**: supported subject to SDP being submitted (consider 5-meter boundary distances) **HS:** Supported

Annexure "F"

Clive Errol Francis T/A CEF Valuations

VALUATION CERTIFICATE

FIXED PROPERTY: PORTION OF FARM 335 PTN 125 HUMANSDORP RD, EASTERN CAPE PROVINCE (1 660 m²) – COMMUNITY USE

My client, **Cebo Buyana**, on behalf of the **Kouga Municipality**, has requested a 1-Page Certificate of the calculated **Present Market Rent** of the subject property.



Market Rent

The market rent is defined as the estimated amount for which a property should be leased on a specific date, between a willing landlord and tenant, under specific market conditions. These conditions include an arm's length transaction, appropriate lease terms, and the parties acting knowledgeably, prudently, and without compulsion. Essentially, it's the rent a property would fetch in the open market, reflecting fair value based on current market conditions. (The Royal Institution of Chartered Surveyors - RICS)

Taking into account all the aspects of the subject property the Market Rental value is concluded at:

R 150 (One Hundred and Fifty Rand) – per month (Land only)

I the undersigned, Clive Errol Francis, consider this valuation to be a true reflection and a fair assessment of the subject property as at the effective date of valuation.

.....

Clive Errol Francis (SACPVP Reg. No. 5181/3)
Professional Associated Valuer
ND: Real Estate: Property Valuation
19/07/2025

Caveats

This one-page valuation certificate has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation should have been made available to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation if any information was withheld.

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, current use or intended use, is or will be unlawful.

I, Clive Errol Francis have no interest in this property or any other properties which would affect the statements or values contained in this valuation report. All figures quoted are exclusive of Value Added Tax.

Clive Errol Francis T/A CEF Valuations – Cel: 083 663 2633 – valuerclive@outlook.com

KOUGA local municipality
Service Excellence through Good Governance

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
PLANNING & DEVELOPMENT
OPEN
DATE: 27 OCTOBER 2025
ITEM NO: **25/10/PD3**

REQUEST FOR COUNCIL'S AUTHORISATION FOR IN-PRINCIPLE APPROVAL TO ALIENATE (LEASE) OF COUNCIL PROPERTIES IN KRUISFONTEIN FOR BUSINESS PURPOSES

1. **Introduction**

The purpose of this item is to request Council's in-principle approval to alienate the following municipal properties in Kruisfontein for business purposes:

- Erf 5679, Kruisfontein – Business
- Erf 6067, Kruisfontein – Business
- Erf 6132, Kruisfontein – Rezone from Residential 1 to Business

2. **Background**

The properties forms part of the Kruisfontein 2500 housing project (RDP) in Donkerhoek/Mooiuitsig. Two of these properties are already zoned for business use. Erf 6132 Kruisfontein is situated in Donkerhoek, the new occupied area and is currently zoned for residential purpose. Due to the size and location of the property within the area, it was deemed as a suitable property for business use. There are no formal businesses within the area other than spaza shops. **See annexure "A"**

3. **Discussion**

The Planning & Development Directorate is the custodian of the Policy on the Disposal and Leasing of Municipal Owned Immovable Properties and in conjunction with the relevant Heads of Departments, responsible for the implementation of the policy as well as the monitoring of adherence thereof.

4. **Financial Implications**

Completed by BTO -	
Project Description	Land Valuations & Surveyor & Planning services
Ukey no.	20210710001552
Budgeted Amount	R750 000.00 KOUGA MUNICIPALITY 2025-08-13 BUDGET &TREASURY
Amount spent and committed to date	R95 925.00
Amount Available	R654 075.00
Comment	No financial implications to Council.

5. **Applicable Legislation**

Local Government: Municipal Finance Management Act No. 56 of 2003
Municipal Asset Transfer Regulations, 2008
Spatial Planning and Land Use Management Act No. 13 of 2013
Kouga, Spatial Planning and Land Use Management By-law, 2016
Policy and Procedures for the Disposal of Immovable Assets, 2020

6. **Legal Implications**

Should the Council resolve to approve the recommendations herein, the Administration may proceed with advertising the Council's intention to alienate the immovable property by way of a lease for public comment and/or objections.

Any non-compliance with the legislative provisions may lead to adverse audit findings, and officials may be held personally liable for any financial implications resulting from such non-compliance.

7. **Other Implications**

None

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Report noted.

8.2 **Director: Planning & Development**

Recommendation supported.

8.3 **Director: Civil & Water Services**

Noted

8.4 **Director: Electro-Mechanical Services**

Noted

8.5 **Director: Community Services**

Noted

8.6 **Deputy Municipal Manager**

Noted.

8.7 **Municipal Manager**

Noted

9. **Delegated Authority**

Council

10. **Recommendations**

10.1 That Council **grant approval** to rezone erf 6132 from Residential Zone 1 to Business Zone 1.

10.2 That Council **grant in-principle approval** to alienate (lease) the below municipal properties by calling for proposals for the lease at market related value:

- Erf 5679, Kruisfontein
- Erf 6067, Kruisfontein
- Erf 6132, Kruisfontein

10.3 That Council authorizes the Accounting Officer to obtain the market-related valuation in line with Section 14(2) of the Municipal Finance Management Act for the proposed alienation.

10.4 That Council authorises the Accounting Officer to advertise the application for public participation.

10.5 That Council authorises the Accounting Officer to obtain the market related rental for the property and that a service provider be appointed to finalize planning activities relating to the rezoning.

Item prepared by the: The Manager: Land & Property Administration

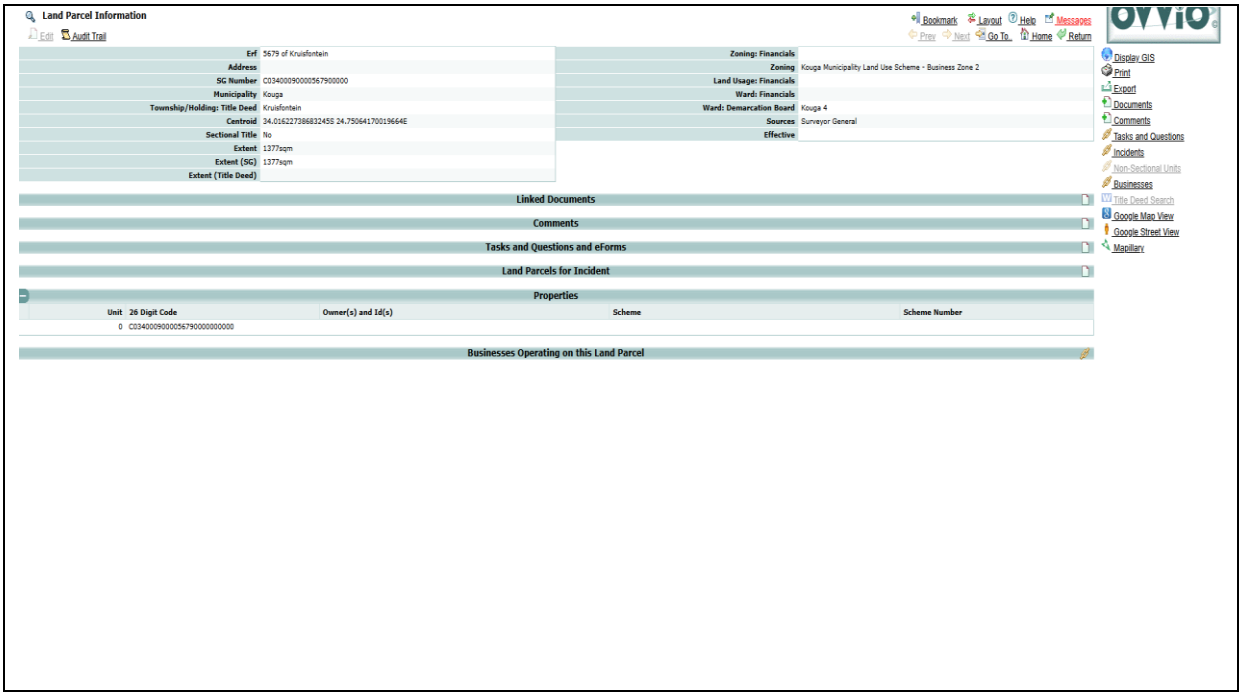
Item approved by the: Director Planning & Development

Item endorsed by the Municipal Manager:

Item noted by Portfolio Chairperson:

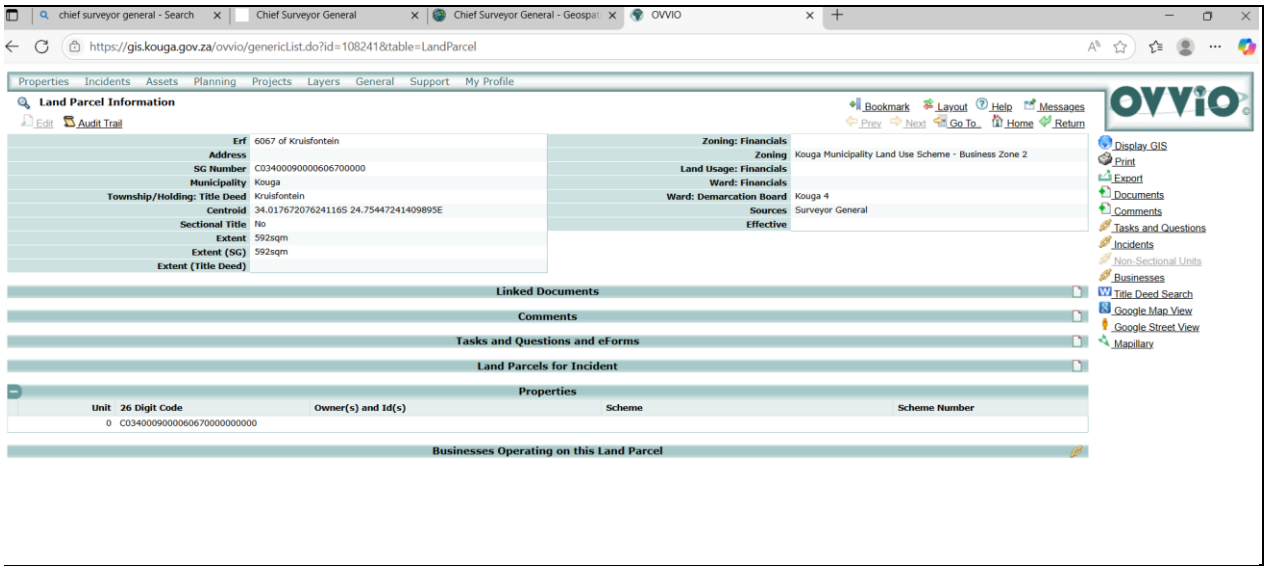
Annexure "A"

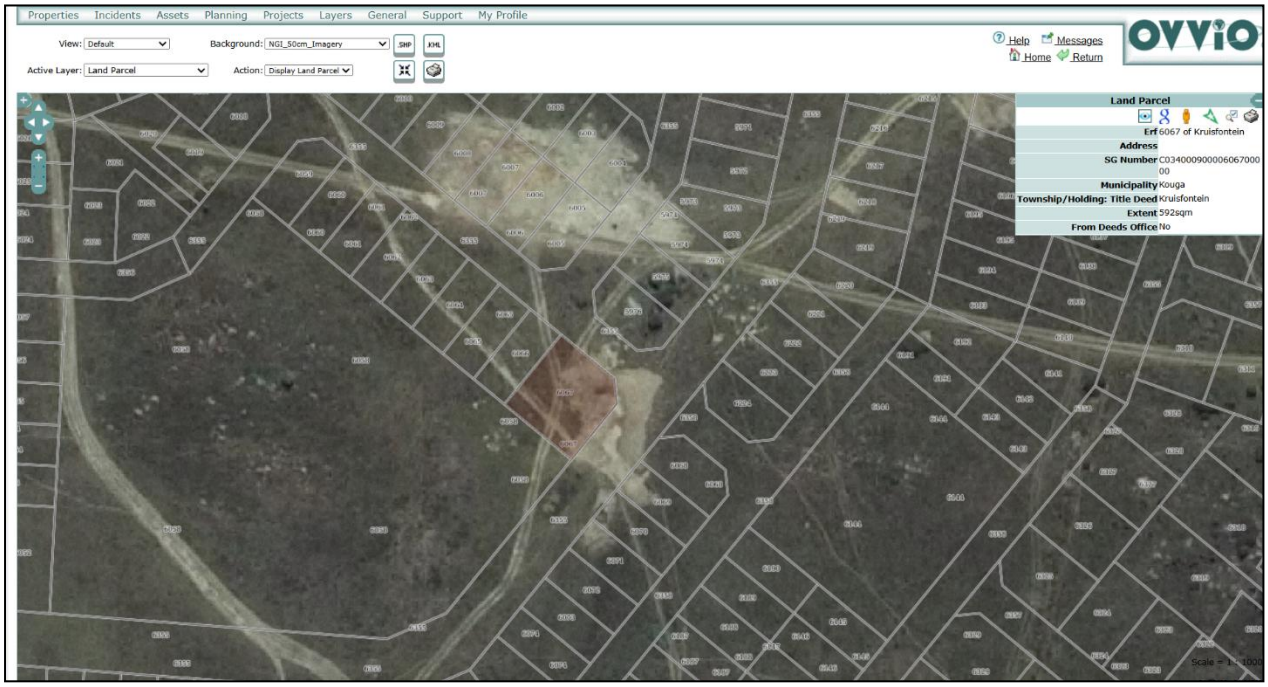
Erf 5679, Kruisfontein



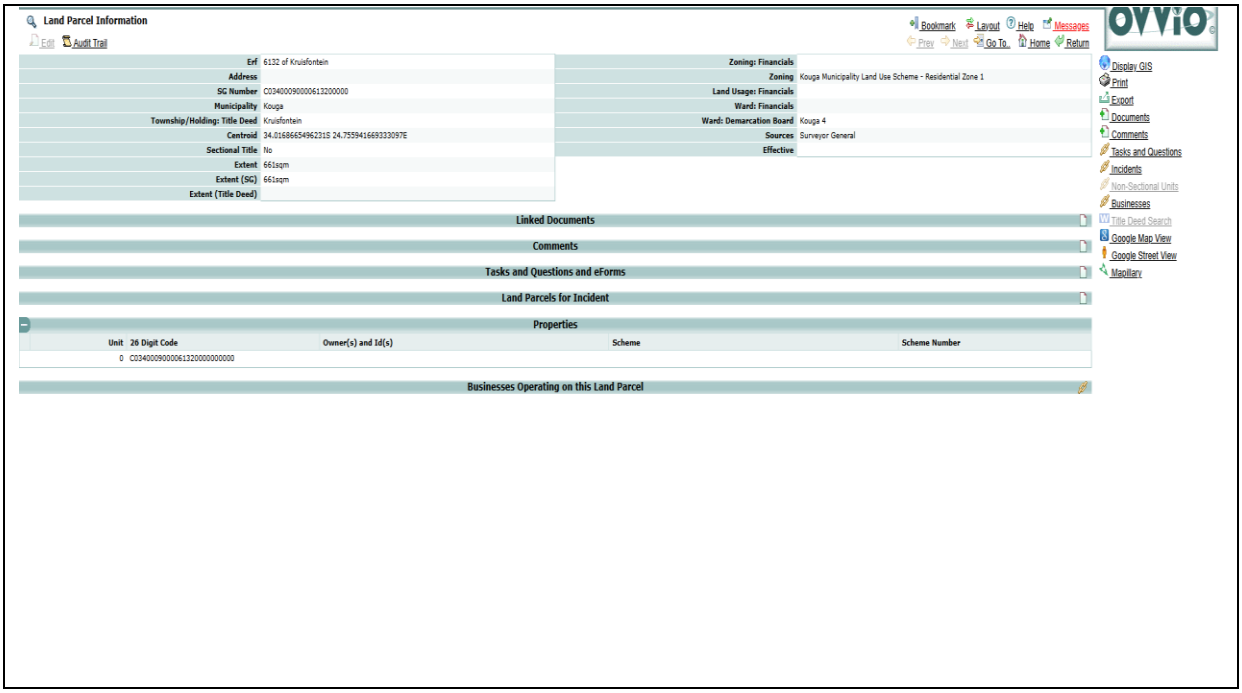


Erf 6067, Kruisfontein





Erf 6132, Kruisfontein





REPORTS BY THE PORTFOLIO CHAIRPERSON: CIVIL & WATER SERVICES

KOUGA

KOUGA local municipality
Service Excellence through Good Governance

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
CIVIL & WATER SERVICES
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/CWS1**

PROGRESS REPORT ON DoHS FUNDED PROJECTS AS AT 14 AUGUST 2025

1. **Introduction**

The purpose of this report is to inform the Council of progress on the Department of Human Settlement Funded projects at 14 August 2025.

2. **Background**

The Directorate submit reports to inform the Committee of the progress of the DoHS Funded projects.

The Department of Human Settlement has provided Kouga LM with UISP and Housing Development Grant Funding for the following three financial years as follows:

UISP Grant Bulk Projects:
24/25 FY: R 6 943 787,28
25/26 FY: R30 000 000.00
26/27 FY: R30 000 000.00
27/28 FY: R 20 000 000.00

UISP (KLM Bridging Finance) Planning & Design Projects:
25/26 FY: R10 745 750.00

Housing Development Grant:
25/26 FY: R1 610 000.00
25/26 FY: R6 364 688.00
26/27 FY: R6 415 537,64

27 May 2024:	Received signed Funding Agreement from ECDHS for R68 968 781,00 excl. 5% Management Fee. Total value of contract R72 417 220,05
9 Dec. 2024:	Received signed Funding Agreement from ECDHS for R83 803 780,00 incl. 5% Management Fee.
20 Feb 2025:	Receive letter from ECDHS confirming budget limitation on R68 million grant until 2028.
24 April 2025:	Receive letter from ECDHS confirming that the R83 million will be staggered over 2024-2028 Financial Years.

Please refer to **"Annexure A"** for copies of the above Contracts and subsequent correspondence.

3. **Discussion**

The report outlines the progress on the DoHS funded projects Please note that in the 24/25 FY the bulk of the UISP grant was spent on two Electro-Mechanical projects. Representation of the expenditure is distorted because the ECDHS 24/25 FY ended on 30 March 2025, compared to KLM FY ending on 30 June 2025.

PROJECT NAME	EXPENDITURE 24/25	% EXPENDITURE	COMMENTS
Thornhill WWTW	R138 393,37	6%	Project put on hold due to budget cuts from ECDHS. Construction phased postponed to last quarter of 2027.
Electricity Transfer from NMBM to KLM	R508 772,00	124%	Project successfully completed.
Kruisfontein: Bulk Sewer Link Line	R276 539,50	10%	Project put on hold due to budget cuts from ECDHS. Tender cancelled at BAC 28 May 2025. Construction postponed to last quarter of 2027.
Kwanomzamo: New Sewer Pump Station & Rising Main -	R547 490,20	6%	Project put onhold due to budget cuts from ECDHS. Tender cancelled at BAC 23 May 2025. Construction postponed to 2028.
Apiesdraai Pump Station	R105 774,20	3%	Project put on hold due to budget cuts from ECDHS. Construction phased postponed to last quarter of 2026.
Thornhill: New Reservoir on Pnt 2 of the Farm	R528 227,36	11%	Project put on hold due to budget cuts from ECDHS. Tender cancelled at BAC 28 May 2025. Construction postponed to last quarter of 2027.
Kruisfontein: Upgrade of Gill Marcus Bulk Water Re	R579 409,85	9%	Contractor Appointed. Site Handover 15/04/25. MKJ360 (Pty)Ltd struggling to perform in line with Construction Programme. Contractor notified of Intension to Terminate.
Kwanomzamo: New Bulk Water Pipeline	R551 174,57	9%	Project put on hold due to budget cuts from ECDHS. Tender cancelled at BAC 28 May 2025. Construction postponed to last quarter of 2026.
Ramaphosa Sewer Pump Station Upgrade	R164 850,00	3%	Project put on hold due to budget cuts from ECDHS. Construction phased postponed to last quarter of 2027.

UISP Grant: Bulk Projects (2024/25)

2024/25 FY Construction Projects' Summary

Gill Marcus Reservoir & Feeder Lines

Consultant appointed: Zutari Consulting
Contractor appointed: MKJ 360 (Pty)Ltd
Contract value: R6 189 296,49
Time of Completion: 6 months
Commencement Date: 28 April 2025

Scope of Work:
Erection of an elevated custom manufactured 217KL steel pressed tank, connected to the existing Gill Marcus Reservoir, with feeder lines towards Hopeville and Donkerhoek (1,8km pipeline).

Progress to Date:
The Basic Assessment process completed. No WULA or Environmental triggers identified. A site handover meeting contractor was held on 28 April 2025. The following documents were submitted and approved:

- Health & Safety plan.
- Works programme
- Security arrangements compliant with Clause 6.2.
- Insurance compliant with Clause 8.6.
- Letter of good standing with the Compensation Commission.
- Letter of good standing (LOGS) with BIBC, with expiry dates checked and updated to prove compliance.

The Contractor delayed commencement of site work and received a Notice of Intent to Terminate Contract on 20 June 2025. The Contractor managed to submit a Catch-Up Programme, detailing how he will apply more resources to the project to compensate for the fact that the project was running 35 days behind the contractual Project Programme.

UISP Grant: Bulk Projects (2025/26)

PROJECT NAME	BUDGET (excl. VAT)	EXPENDITURE TO DATE	% EXPENDITURE	COMMENTS
Thornhill WWTW	R183 541,07	(invoices in hand, waiting for rollovers)	0%	Construction scheduled for 2027*.
Kruisfontein: Bulk Sewer Link Line	R0,00	R0,00	0%	Construction scheduled for 2027*.
Kwanomzamo: New Sewer Pump Station & Rising Main -	R522 239,15	R0,00	0%	Construction scheduled for 2028*.
Apiesdraai Pump Station	R244 939,19	(invoices in hand, waiting for rollovers)	0%	Construction scheduled for 2026*.
Thornhill: New Reservoir on Pnt 2 of the Farm	R115 287,27	R0,00	0%	Construction Scheduled for 2027*.
Kruisfontein: Upgrade of Gill Marcus Bulk Water Re	R6 647 537,60	R99 800,00	2%	Contractor on Site.
Kwanomzamo: New Bulk Water Pipeline	R273 634,06	R0,00	0%	Construction scheduled for 2026*.

Ramaphosa Sewer Pump Station Upgrade	R301 932,50	(invoices in hand, waiting for rollovers)	0%	Construction scheduled for 2027*.

* Application has been made to funds abovementioned projects through WSIG.

2025/26 FY Construction Projects' Summary

Gill Marcus Reservoir & Feeder Lines

Consultant appointed: Zutari Consulting
Contractor appointed: MKJ 360 (Pty)Ltd
Contract value: R6 189 296,49
Time of Completion: 6 months
Commencement Date: 28 April 2025

Scope of Work:
Erection of an elevated custom manufactured 217KL steel pressed tank, connected to the existing Gill Marcus Reservoir, with feeder lines towards Hopeville and Donkerhoek (1,8km pipeline).

Progress to Date:
The Basic Assessment process completed. No WULA or Environmental triggers identified.

- Social Facilitation underway
- CLO appointed
- SMME packages advertised
- 1 200m pipe trenching completed
- Cession to secure order for ABECO manufactured tank done

The contractor is struggling to keep up with the Catch-Up Programme submitted.

UISP (KLM Bridging Finance): Planning & Design Projects (2024/25):

PROJECT NAME	BUDGET (excl. VAT & 5%)	EXPENDITURE 24/25	% EXPENDITURE	COMMENTS
Thornhill: Tjoks Informal Settlement	R3 213 548,72	R0,00	0%	Grant funding put on hold until 2028. KLM to bridge Consultant Fees in 25/26 FY up to GP approval and Final Engineering Designs.
Patensie: Ramaphosa Informal Settlement	R5 583 540,90	R0,00	0%	Grant funding put on hold until 2028. KLM to bridge Consultant Fees in 25/26 FY up to

				GP approval and Final Engineering Designs.
Jeffreys Bay: Oceanview 80ha	R26 270 760,00	R418 012,50	17%	Grant funding put on hold until 2028. KLM to bridge Consultant Fees in 25/26 FY up to GP approval and Final Engineering Designs.
Humansdorp: Donkerhoek Informal Settlement	R4 699 815,01	R0,00	0%	Grant funding put on hold until 2028. KLM to bridge Consultant Fees in 25/26 FY up to GP approval and Final Engineering Designs.
Humansdorp: Upgrading of various Kwanomzamo Informal Settlements	R20 205 187,59	R0,00	0%	Grant funding put on hold until 2028. KLM to bridge Consultant Fees in 25/26 FY up to GP approval and Final Engineering Designs.

2024/25 FY Planning & Engineering Design Projects' Summary

Oceanview 80ha

Consultant appointed: Zutari Consulting
Appointment value: R4 350 507,50
Commencement Date: 4 February 2025
Time of Completion: 12 months

Scope of Work:
Undertaking all pre-planning studies required to conclude a SLUMA township establishment application. Registration of a General Plan, Engineering Designs for Water & Sanitation as Roads & Stormwater. The appointment will conclude with Tender Document, BoQ and cost estimates of all services.
The intension at this stage is to get the project to a State of Readiness for Construction.

Progress to Date:
The following activities are complete:

- Social Facilitation
- Contour survey (for engineering design)
- SLUMA – Base Map Contours, Draft Layout plans, progress meetings, Conceptual Design of Layout plan, converting environmental data from GIS to CAD

- Environmental Scoping Report (incl. prelim impacts, progress meetings, site sensitivity verification report, Impact assessment report, PPP documents, I&AP database, review of aquatic specialist report, source Heritage and Terrestrial Specialists review previous HIA and integrate into scoping report.

Thornhill - Tjoks

Consultant appointed: LA Consult
Appointment value: R554 660,64
Commencement Date: 12 May 2025
Time of Completion: 12 months

Scope of Work:
Undertaking all pre-planning studies required to conclude a SLUMA township establishment application. Registration of a General Plan, Engineering Designs for Water & Sanitation as Roads & Stormwater. The appointment will conclude with Tender Document, BoQ and cost estimates of all services. The intension at this stage is to get the project to a State of Readiness for Construction.

Progress to date:

- Social Facilitation
- Cadastral Maps
- Draft Township Layout

Patensie – Ramaphosa Village

Consultant appointed: LA Consult
Appointment value: R662 544,64
Commencement Date: 12 May 2025
Time of Completion: 12 months

Scope of Work:
Undertaking all pre-planning studies required to conclude a SLUMA township establishment application. Registration of a General Plan, Engineering Designs for Water & Sanitation as Roads & Stormwater. The appointment will conclude with Tender Document, BoQ and cost estimates of all services. The intension at this stage is to get the project to a State of Readiness for Construction.

Progress to date:

- Environmental Basic Assessment
- Social Facilitation

Humansdorp - Donkerhoek

Consultant appointed: Thusego Consulting Eng.
Appointment value: R2 801 567,17
Commencement Date: 16 May 2025
Time of Completion: 8 months
Scope of Work:

Undertaking all pre-planning studies required to conclude a SLUMA township establishment application. Registration of a General Plan, Engineering Designs for Water & Sanitation as Roads & Stormwater. The appointment will conclude with Tender Document, BoQ and cost estimates of all services. The intension at this stage is to get the project to a State of Readiness for Construction.

Progress to date:

- Social Facilitation

Humansdorp – Kwanomzamo

Consultant appointed: Bosch Projects
Appointment value: R3 615 806,11
Commencement Date: 19 May 2025
Time of Completion: 12 months

Scope of Work:

Undertaking all pre-planning studies required to conclude SLUMA township establishment applications for Shukushukuma, Bungalows and Polar Park 254,. Registration of a General Plans, Engineering Designs for Water & Sanitation as Roads & Stormwater. The appointment will conclude with Tender Document, BoQ and cost estimates of all services.

The intension at this stage is to get the project to a State of Readiness for Construction.

Progress to date:

- Social Facilitation
- Base Maps

UISP (KLM Bridging Finance)Planning & Design Projects (2025/26)

PROJECT NAME	BUDGET (excl. VAT)	EXPENDITURE TO DATE	% EXPENDITURE	COMMENTS
Thornhill: Tjoks Informal Settlement	R482 313,60	R0,00	0%	Social Facilitation completed
Patensie: Ramaphosa Informal Settlement	R1 318 063,83	R0,00	0%	Consultant busy with EIA Assessment to determine Viability of Project.
Jeffreys Bay: Oceanview 80ha	R3 365 037,50	(Invoices in hand, waiting for rollovers)		Ready to submit SLUMA application.
Humansdorp: Donkerhoek Informal Settlement	R2 436 146,12	(Invoices in hand, waiting for rollovers)		Prelim Eng. Designs presented to KLM for approval.

Humansdorp: Upgrading of various Kwanomzamo Informal Settlements	R3 144 179,22	(Invoices in hand, waiting for rollovers)		Contour Mapping, Geotech underway, Land Use Survey completed.

Housing Development Grant Funding (2024/25):

PROJECT NAME	BUDGET (excl. VAT)	EXPENDITURE TO DATE	% EXPENDITURE	COMMENTS
Hankey 990 Phase 2 Civil Services	R16 346 963,00	R11 771 360,83	72%	Extension of Time granted. Contractual Completion date: 14 February 2025. Contractor in penalties but continuing with work.
Weston WWTW	R167 175,00	R166 305,88	99%	Project was on hold, waiting for ECHDS Funding Agreement for Construction Supervision.

2024/25 FY Construction Projects' Summary

Hankey 990 Civil Services (Phase 2)

Consultant appointed: JG Afrika
Contractor appointed: Rudcor
Construction value: R17 677 321.20
Time of Completion: 6 months
Commencement Date: 25 April 2024
Completion Date: 13 February 2025

Scope of Work:
Construction of tarred & gravel roads (3,5km), minor Water & Sewer network and erf connection work.

Progress to Date:
Construction 95% complete. Subcontractor to lay down tar & install street furniture.

Weston WWTW

Consultant appointed: Bosch Projects
Contractor appointed: IMVU (appointed by DoHS)
Construction value: R20 721 905,21
Time of Completion: 24 months
Commencement Date: 30 October 2024
Completion Date: 30 July 2027

Scope of Work:
Refurbishment of Weston WWTW, construction of Water and Sewer Network to 505 households.

Progress to Date:
Project could not commence without the Funding Agreement to cover Construction Management Fees.

Housing Development Grant Funding (2025/26):

PROJECT NAME	BUDGET (excl. VAT)	EXPENDITURE TO DATE	% EXPENDITURE	COMMENTS
Hankey 990 Phase 2 Civil Services	R4 575 602,17	(invoices in hand, waiting for rollovers)		Practical Completion 30/07/25 Completion: 30/09/25
Hankey 990 Phase 3A	R6 364 688,00	0%	0%	Tender Document in hand. Will present to Bid Spec ASAP
Weston WWTW	R1 141 257,84	R0,00	0%	Site Handover to IMVU: 30 July 2025

2025/26 FY Construction Projects' Summary

Hankey 990 Civil Services (Phase 2)

Consultant appointed: JG Afrika
Contractor appointed: Rudcor
Construction value: R17 677 321.20
Time of Completion: 6 months
Commencement Date: 25 April 2024
Completion Date: 13 February 2025
Anticipated Completion: 30 September 2025
Scope of Work Remaining:
Snags and Site Clean-Up.

Progress to Date:
Construction 99% complete.

Hankey 990 Civil Services (Phase 3A)

Consultant appointed: JG Afrika
Contractor appointed: TBC
Construction value: R 5 555 756,15 (estimate)
Time of Completion: 6 months
Commencement Date: TBC
Completion Date: TBC
Scope of Work:
Construction of tarred and gravel Roads, Stormwater features, Water & Sewer Networks with erf connections for 113 erven.

Progress to Date:

Tender Document and BoQ in hand.

Weston WWTW

Consultant appointed: Bosch Projects
Contractor appointed: IMVU (appointed by DoHS)
Construction value: R20 721 905,21
Time of Completion: 24 months
Commencement Date: 30 October 2024
Completion Date: 30 July 2027

Scope of Work:
Refurbishment of Weston WWTW, construction of Water and Sewer Network to 505 households.

Progress to Date:
Funding Agreement Signed on 21 July 2025. Reinstatement of Site Handover: 30 July 2025.

4. **Financial Implications**

Completed by BTO -	Not applicable.
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	
BTO Signature	

5. **Applicable Legislation**

Division of Revenue Act (DORA).
Housing Act No.107 of 1997
Municipal Supply Chain Management Regulations, 2005, as amended
Supply Chain Management Policy as approved by Council.
Standards for Infrastructure Procurement and Delivery Management
National Treasury Circular 77
Local Government: Municipal Finance Management Act No. 56 of 2003

6. **Legal Implications**

Failure to comply with the applicable legislation for procurement may result in related expenditure being irregular and/or unauthorized.

The implementation of projects is subject to the Funding Agreements entered into with the Department Human Settlements and the parties thereto are bound by the provisions of the Funding Agreements and non-compliance to same may result in breach of contract and which provides for legal remedies for the aggrieved party.

7. **Other Implications**

None.

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Noted

8.2 **Director: Planning & Development**

Noted

8.3 **Director: Civil & Water Services**

The committee to take note of the following chain of events as stipulated in the item and that has brought about huge unforeseen challenges:

27 May 2024:	Received signed Funding Agreement from ECDHS for R68 968 781,00 excl. 5% Management Fee. Total value of contract R72 417 220,05
9 Dec. 2024:	Received signed Funding Agreement from ECDHS for R83 803 780,00 incl. 5% Management Fee.
20 Feb 2025:	Receive letter from ECDHS confirming budget limitation on R68million grant until 2028.
24 April 2025:	Receive letter from ECDHS confirming that the R83 million will be staggered over 2024-2028 Financial Years.

The implementation of the above outcome has brought about readjustment accordingly and reported in the item as such. Further to this, the impact of not being able to follow through on the original expectation created within the various impact areas will have to be clearly explained to all the effected.

8.4 **Director: Electro-Mechanical Services**

Noted

8.5 **Director: Community Services**

Noted

8.6 **Deputy Municipal Manager**

Noted.

8.7 **Municipal Manager**

Noted.

9. **Delegated Authority**

For Council to note

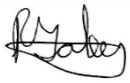
10. **Recommendations**

10.1 That the Progress Report on DoHS Funded Projects as at 14 August 2025, be noted.

Item prepared by the: PMU Manager 

Item approved by the: Director Civil and Water Services 

Item endorsed by the Municipal Manager: 

Item noted by Portfolio Chairperson: 

ANNEXURE A

FUNDING AGREEMENT

Entered into by and between

EASTERN CAPE DEPARTMENT OF HUMAN SETTLEMENTS (ECDHS), a Provincial Department in the Government of the Republic of South Africa herein represented by **MR. E.D.Q VENN** in his duly authorized capacity as ***Acting*** **HEAD OF DEPARTMENT (HOD).**

And

KOUGA LOCAL MUNICIPALITY (KLM), a local sphere of government herein represented by **MR. CHARL DU PLESSIS** in his duly authorized capacity as the **MUNICIPAL MANAGER (MM),** being the Implementing Agent.

In Re

APPOINTMENT AS AN IMPLEMENTING AGENT FOR THE UPGRADING OF 9 INFORMAL SETTLEMENTS PROGRAM (UISP) FOR PHASE 1 TO 3, MORE SPECIFICALLY THE FORMAL UPGRADING, NAMELY HUMANSDORP-BANGALOWS 103; PATENSIE-CYRIL RAMAPHOSA 278; JEFREREYS BAY-NO R10 58; JEFFREYS BAY-OCEANVIEW 1250; HUMANSDORP-SHUKUSHUKUMA 93; HUMANSDORP-POLAR PARK (KWANOMZAMO) 553; HUMANSDORP-PALOR PARK (KWANOMZAMO (KWANOMZANO) 257; HUMANSDORP-DONKERHOEK 234; THORNHILL 160 UNDER KOUGA LOCAL MUNICIPALITY.

PREAMBLE

accordance with the UISP subsidy instrument encapsulated in the National Housing Code, as amended.

1.3 The Total Project Funding for upgrading of 9 informal settlements from phase 1 to Phase 3 is reflected in **Table 1** below.

Table 1.

PROJECT NAME	UNITS	RATE/UNIT	TOTAL
1. Humansdorp-Bangalow	103		2 379 030.29
2. Patensie-Cyril Ramaphosa	278		6 421 072.04
3. Jeffreys Bay-R10	58		1 339 648.12
4. Jeffreys Bay- Oceanview	1250		28 871 726.81
5. Humansdorp-Shukushukuma	93		2 148 56.47
6. Humansdorp- Polar Park	553		12 722 851.94
7. Humansdorp-Polar Park	257		5 936 027.03
8. Humansdorp-Donkerhoek	234		3 695 581.03
9. Thornhill	160		3 695 581.03
Sub-Total	**2986**		**68 968 781.00**
ADD 5% Management Fee			**3 448 439.05**
Total Project Funds	**2986**		**72 417 220.05**

SOURCE: Appointment Letter signed by Accounting Officer dated 30 October 2023

1.4. Payment procedure for claims shall be in accordance with Progress Payment System which states that claims must be certified by ECDHS and be paid per milestone achieved and Value Creation in accordance with approved Project Implementation Plan attached herewith.

1.5. Any interest accruing to these Project Funds shall be paid back to the department on a Monthly basis and such Monthly Interest Reports to be submitted to the department as part of the Monthly and Quarterly Progress Reports.

2. INTERPRETATION.

2.1 In this agreement and unless inconsistent with the context:

2.1.1 words of one gender shall include words of the other gender.

2.1.2 words importing the singular shall be deemed to import the plural and vice *versa*.

2.1.3 headings to clauses shall not serve as a means of interpretation of such clause.

variation of whatsoever nature of the terms hereof and no consensus cancellation of this agreement shall be binding unless reduced to writing and signed by all parties.

THUS, SIGNED AT PORT ELIZABETH **ON THIS** 26th **DAY OF** FEBRUARY **2024.**

WITNESSES:

1. _____
2. _____

_____
CHARL DU PLESSIS
MUNICIPAL MANAGER
KOUGA LOCAL MUNICIPALITY

THUS, SIGNED AT E.L. **THIS** 27th **DAY OF** February **2024.**

WITNESSES:

1. _____
2. _____

_____
MR. E.D.Q VENN
Acting HEAD OF DEPARTMENT
ECDHS

FUNDING AGREEMENT

Entered into by and between

EASTERN CAPE DEPARTMENT OF HUMAN SETTLEMENTS (ECDHS), a Provincial Department in the Government of the Republic of South Africa herein represented by **MR. E.D.Q VENN** in his duly authorized capacity as ***Acting*** **HEAD OF DEPARTMENT (HOD).**

And

KOUGA LOCAL MUNICIPALITY (KLM), a local sphere of government herein represented by **MR. CHARL DU PLESSIS** in his duly authorized capacity as the **MUNICIPAL MANAGER (MM),** being the Implementing Agent.

In Re

APPOINTMENT AS AN IMPLEMENTING AGENT TO UPGRADE BULK-LINK INFRASTRUCTURE PHASE 3 FOR 9 UISP PROJECTS UNDER KOUGA LOCAL MUNICIPALITY.

1.2 The project funds quoted in Clause 1.1 above shall be utilized strictly for the upgrading of bulk-link infrastructure Phase 3 for 9 UISP projects in Kouga Local Municipality in accordance with the UISP subsidy instrument encapsulated in the National Housing Code, as amended.

1.3 The Total Project Funding for the of the upgrading bulk-link infrastructure Phase 3 for 9 UISP projects phase 3 reflected in **Table 1** below.

Table 1: PROJECT NAME	**BUDGET**	**TOTAL**
1. Kwanomzamo Bulk Electrical: Boskloof Secondary Feeder Line & Substation	20 952 380.95	22 000 000 .00
2. Kwanomzamo Bulk Sanitation & Geelhout Pump Station & Bungalow Rising main	11 123 809.52	11 680 000.00
3. Kwanomzamo Bulk Water: New Pipe Line	7 142 857.14	7 500 000.00
4. Kruisfontein – Gill Marcus Reservoir & Feeder Lines and Donkerhoek Outfall Sewer.	10 568 761.90	11 097 200
5. Oceanview Substation upgrade.	11 428 571.43	12 000 000.00
6. Apiesdraai Pump Station	4 545 714.29	4 773 000
7. New Reservoir Thornhill	5 496 933.33	5 771 780
8. Upgrade of Thornhill Sewer Treatment Works & Electricity Transfer from NMBM to KLM	2 982 666.66	3 131 800
9. New Reservoir Ramaphosa	5 000 000	5 250 000
10. Ramaphosa Sewer Pump Station upgrade	571 428.57	600 000
SUB TOTAL		**79 813 123.81**
Add 5% Management	**3 990 656.19**	
TOTAL FUNDING		**83 803 780.00**

SOURCE: **Appointment Letter signed by Accounting Officer dated 30 October 2023**

13.2 Either Party may change any of its addresses aforementioned by giving seven (7) days' written notice to that effect to the other Party.

13.3 Written notice of any change in *domicilium citandi et executandi* shall be delivered by hand or sent by pre-paid registered post to the intended recipients.

14. VARIATIONS

14.1 No variation, modification or waiver of any provision of this agreement or consent or any departure shall in any way be of any force or effect unless confirmed in writing and signed by the parties.

15. WHOLEAGREEMENT

15.1 The terms and conditions set out herein, including all annexure, constitute the entire agreement between the parties. No amendment or variation of whatsoever nature of the terms hereof and no consensus cancellation of this agreement shall be binding unless reduced to writing and signed by all parties.

THUS, SIGNED AT JEFFREYS BAY **ON THIS** 11th **DAY OF** November **2024**

WITNESSES:

1. _____

2. _____

_____

MR. CHARL DU PLESSIS
MUNICIPAL MANAGER
KOUGA LOCAL MUNICIPALITY

THUS, SIGNED AT E.L. **THIS** 25 **DAY OF** November **2024**

WITNESSES:

1. _____

2. _____

MR. E.D.Q VENN
Acting HEAD OF DEPARTMENT
ECDHS

Province of the
EASTERN CAPE
HUMAN SETTLEMENTS

REGIONAL OFFICE: SARAH BAARTMAN

Steve Tshwete House • 31-33 Phillip Frame Road • Waverly Park • Chiselhurst • East London • Eastern Cape • RSA
Office No: 041 363 0789 o: • Email: jenileev@ecdhs.gov.za

20 February 2025

THE OFFICE OF MUNICIPAL MANAGER
33 DA GAMA ROAD
PRIVATE BOX 31
JEFFREYS BAY
6330

ATTENTION MUNICIPAL MANAGER – MR. DU PLESSIS

RE: MTEF (2025 -2028) BUDGET LIMITATION ON IMPLEMENT 9 INFORMAL SETTLEMENTS.

1. Eastern Cape Department of Human Settlements commissioned Kouga Local Municipality as an Implementing Agent and entered into an Agreement on the 27th February 2024 that amount to R 68,968,781 plus additional 5% Management Fees, to undertake implementation of Upgrading of 9 Informal Settlements Projects Phase 1-3, which was diagnosed prior any procurement processes by Kouga Local Municipality as not viable due inadequate bulk challenges.

2. The proposal was submitted to Regional Office by Kouga Local Municipality that intend to reduce project scope and fund certain bulk components and amend the above-mentioned contract.

3. In the evaluation process with guidance from policy prescripts of upgrading Informal Settlements, the bulk linked approach was used to allocate funding for bulk implementation which was signed off by Accounting Officers on 25th October 2024 and amount R 83 803 780 including Management fees to programme at large.

4. The above approval was meant to activate the development to be viable without releasing the Kouga Local Municipality from its mandate to seek funding alternatives for Bulk and provision of permanent internal services.

5. All Governments Institution are financial driven by Public Finance Acts that includes MTEF for budgeting purposes.

6. It is against the above background and budgeting principles to confirm that Department has only budgeted for Bulk Component 2024- 2027 to execute the contract of **R 83 803 780.00** and this is contract are independent.

7. As indicated from paragraph 1 & 3, the Department agreed to approve funds for bulk infrastructure projects for the Municipality to be ready to implement permanent services in the future for the purpose of aligning with Departmental Readiness Budgeting Processes. Kouga Municipality is therefore requested not to use the funds of the agreement that was signed in February 2024 by the both parties Kouga LM and ECDHS or to hold on implementation activities (Phase 1- 3) and prioritize bulk contract.

8. The above-mentioned contract **(R 68 968 781.00)** included in the 25/26 Financial Year Business Plan due to budget constraints and project life cycle implementation plan prioritization that require bulk readiness first.

Yours truly,

MR M MBAMBANISI
REGIONAL DIRECTOR SARAH BAARTMAN REGION
DATE: 20/02/2025

TRANSFORMING COMMUNITIES TOGETHER

Province of the
EASTERN CAPE
HUMAN SETTLEMENTS

REGIONAL OFFICE: SARAH BAARTMAN

Steve Tshwete House • 31-33 Phillip Frame Road • Waverly Park • Chiselhurst • East London • Eastern Cape • RSA
Office No: 041 363 0789 • Email: jenileev@ecdhs.gov.za

24 APRIL 2025

THE OFFICE OF MUNICIPAL MANAGER
33 DA GAMA ROAD
PRIVATE BOX 31
JEFFREYS BAY
6330

ATTENTION MUNICIPAL MANAGER – MR. DU PLESSIS

RE: MTEF (2025 -2028) BUDGET LIMITATION ON IMPLEMENT 9 INFORMAL SETTLEMENTS.

1. This letter serves to provide accuracy on the above mentioned subject and government way forward refers: Letter dated on 20 February 2025 was sent by ECDHS to KLM, letter from KML dated 10 March 2025 and further engagement on Virtual Meeting on the 28 March 2025 with both MM's (KLM & SARAH BAARTMAN).

2. Further, Confirmation of MTEF budget available to implement the available balance on Funding Agreement - **R 83 803 780.00** for Bulk Implementation to service 9 Informal Settlements in Kouga Local Municipality as follows:

YEAR	BUDGET
2025/26	R 30 000 000.00
2026/27	R 30 000 000.00
2027/28	R 20 000 000.00
	R 80 000 000.00

3. Without repeating several communique we had with your institution in relation to internal reticulation **Funding Agreement** of **R 72 417 220.05 for 9 Informal Settlements** which has been put on hold due **prioritization** of critical project life cycle process plan and fiscal challenges and execution of this contract shall commence on 2027/28 and 2028/29 based on formal communication between Department and Kouga Local Municipality with proper guidance on budget available per financial year and non-financials to be delivered .

TRANSFORMING COMMUNITIES TOGETHER

4. Lastly, It is in the best interest of service delivery to appeal from Municipality to consult with ECDHS prior any award of contract (SP) to confirm budgetary terms and agreed on Implementation Plan of Project to avoid unpredictable litigation and Auditor General Findings.

Yours truly

MR M MBAMBANISI
REGIONAL DIRECTOR SARAH BAARTMAN REGION
DATE: 24 APRIL 2025

TRANSFORMING COMMUNITIES TOGETHER

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
CIVIL & WATER SERVICES
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/CWS2**

APPROVAL FOR THE REGISTERING OF NEW PROJECTS ON MIG

1. **Introduction**

The purpose of this Item is to obtain Council approval for the registering of new projects on MIG.

2. **Background**

Kouga LM receives MIG grant funding from DORA, which must be spent on infrastructure projects.

New projects must be registered at DAC (District Adjudication Committee) for it to be implemented as MIG funded projects. A requirement to register a new project on MIG is to have Council approval for the registration of the proposed project(s).

The purpose of this report is to request Council to approve additional projects to be registered on the Municipal Infrastructure Grant (MIG).

3. **Discussion**

Council approval to register the following projects on MIG are required:

- Oceanview Collector Sewer Construction Stage (Project Registration value R7,041,602.20);
- Johnsons Ridge Waterborne Sewer Reticulation – Construction Stage (Project Registration value: R9,399,642.37).

Both Projects have been discussed and approved for MIG registration at the KLM Project Steering Committee for the registering of new MIG projects.

The Oceanview Collector Sewer (IDP Reference No IDR-W5/05) has previously been registered on MIG as a Design Stage project, and once it is registered as a Construction Stage project, it would be ready for implementation in the 26/27 FY. The project entails the construction of a new sewer outfall that will drastically decrease the sewage spillage in the Kings College area, as well as subsequent spillage onto the Jeffreys Bay Main Beach. The existing manhole covers in the area will also be replaced with lockable lids to prevent solid objects from being inserted into the sewer pipelines. This project will benefit approximately 600 households in the Oceanview area.

The Johnsons Ridge Waterborne Sewer (IDP Reference No IDP-W14/09) project will, upon successful registration as a MIG Construction Stage project,

be implemented in the 27/28 FY. The installation of sewer reticulation and erf connections will ensure full waterborne sanitation services to all properties in Johnsons Ridge. The current reliance on septic tanks poses health and environmental risks. Providing an increased level of service by means of sewer reticulation infrastructure will improve living conditions and reduce long-term costs, as the municipality will no longer need to service and empty septic tanks. Approximately 101 households will benefit from this project.

4. **Financial Implications**

Completed by BTO -	Not applicable
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	
BTO Signature	

5. **Applicable Legislation**

Division of Revenue Act

6. **Legal Implications**

Should the council approve the recommendations, the accounting officer shall be authorized to proceed with registering the intended projects for MIG funding, in line with the Municipal Infrastructure Grant Progamme requirements for compliance.

7. **Other Implications**

None.

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Item noted

8.2 **Director: Planning & Development**

Noted

8.3 **Director: Civil & Water Services**

The registration of both the Ocean View Collector sewer and Johnson Ridge Waterborne sewer is strongly supported due to this directly speaking to the upgrades of the sewer networks in their specific Ward areas. The upgrade will contribute greatly to improving services and contribute towards cost-saving measures.

8.4 **Director: Electro-Mechanical Services**

Supported

8.5 **Director: Community Services**

Item noted

8.6 **Deputy Municipal Manager**

Noted.

8.7 **Municipal Manager**

Supported

9. **Delegated Authority**

Council.

10. **Recommendations**

10.1 That Council approve the registration of the following listed projects on the Municipal Infrastructure Grant Programme:

- Oceanview Collector Sewer Construction Stage (Project Registration value R7,041,602.20);

- Johnsons Ridge Waterborne Sewer Reticulation – Construction Stage (Project Registration value: R9,399,642.37).

Item prepared by the: PMU Manager

Item approved by the: Civil and Water Services

Item endorsed by the Municipal Manager:

Item noted by Portfolio Chairperson:

REPORTS BY THE PORTFOLIO CHAIRPERSON: ELECTRO-MECHANICAL SERVICES

KOUGA
local Municipality
Good Governance through Service Excellence

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
ELECTRO-MECHANICAL SERVICES
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/EMS1**

REQUEST FOR COUNCIL'S APPROVAL FOR THE APPOINTMENT OF MR. NDUMISO NONGCUALA GMR 2(1) AND MR. BONGA MPONGWANA AS GMR 2(7) RESPONSIBLE PERSONS

1. **Introduction**

Appointment of Mr. Ndumiso Nongcaula as GMR 2(1) for Kouga Municpality and as a substitute for Mr. Bonga Mpongawana as GMR 2(7) to stand in during instances that Mr. Nongcuala is out of office. The qualifications of Mr Nongcaula is attached hereto for ease of reference, and marked as Annexure A.

2. **Background**

Mr. Ndumiso Nongcuala has been duly appointed as the Area Engineer for Humansdorp under the jurisdiction of the Kouga Municipality. This appointment is made in accordance with the provisions of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), specifically the Electrical Installation Regulations, 2009, which mandate the designation of a competent person to oversee and ensure compliance with electrical safety standards. The purpose of this appointment is to facilitate effective oversight, regulatory compliance, and the safe operation and maintenance of municipal electrical infrastructure in accordance with national legislation.

3. **Discussion**

In accordance with General Machinery Regulation 2(1), promulgated under the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), any employer operating machinery with a combined power output exceeding 3,000 kW is legally required to designate a competent person to supervise such machinery. This appointment, commonly referred to as GMR 2.1, is a statutory obligation intended to ensure compliance with Section 8(2)(i) of the OHS Act, which mandates the supervision of machinery by a person trained to understand its hazards and empowered to enforce precautionary measures.

While the GMR 2.1 and GMR 2(7) appointees serve as custodians of electrical safety within the operational environment, the authority to approve or implement recommendations arising from technical reports remains vested in

the Accounting Officer, as defined under the Municipal Systems Act, 2000 (Act No. 32 of 2000).
The GMR 2.1 appointee's legal responsibility is limited to the identification and reporting of risks and findings. Accordingly, the appointee cannot be held accountable for any recommendations that are not implemented, as their mandate does not extend to decision-making or policy enforcement.

Furthermore, to facilitate the above appointments and responsibilities, the mandatory qualifications make Mr. Nongcaula and Mr. Mpongwana suitable candidates to oversee Kouga's general machinery requirements in terms of the OHS Act.

4. **Financial Implications**

Completed by BTO -	Not applicable
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	
Completed by BTO -	

5. **Applicable Legislation**

Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
General Machinery Regulations

6. **Legal Implications**

Failure to comply to the General Machinery Regulations (GMR) may lead to the imposition of penalties (incl. Fines and imprisonment) as provided for in Regulation 10 of the GMR.

7. **Other Implications**

This incumbent is required to report any incidents within the institution to the department of labour and register all fatalities with the department that occurred on the network.

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Noted

8.2 **Director: Planning & Development**

Noted

8.3 **Director: Civil & Water Services**

Item noted.

8.4 **Director: Electro-Mechanical Services**

The Kouga Municipality is privileged to have two employees formally appointed in terms of General Machinery Regulation 2(1) under the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993). This is a notable achievement, as many municipalities face significant challenges in recruiting even a single individual with the requisite qualifications and competencies to fulfil this statutory role.

The Electro-Mechanical Department remains committed to encourage professional development and technical capacity within its workforce. Employees who express interest in pursuing the GMR 2 qualification are actively encouraged and supported to do so, in alignment with the municipality's strategic objective to cultivate a skilled and compliant engineering environment. This initiative contributes to the broader national imperative of developing scarce technical skills within the public sector.

Kouga Municipality continues to position itself as an employer of choice, driven by a progressive vision and a commitment to excellence in service delivery and infrastructure management. Its proactive approach to regulatory compliance and human capital development reflects its ambition to prosper as a forward-looking and development-oriented local government institution.

8.5 **Director: Community Services**

Noted

8.6 **Deputy Municipal Manager**

Noted.

8.7 **Municipal Manager**

Noted.

9. **Delegated Authority**

Council

10. **Recommendations**

10.1 That Council approve the appointment of Mr. N Nonghuala as GMR 2(1).

10.2 That Council approve the appointment of Mr. B Mpongwana as an subsitute in terms of GMR 2(7) in the absence of Mr. N Nonghuala.

Item prepared by the: Director Electro-mechanical

Item approved by the: Director Electro-mechanical

Item endorsed by the Municipal Manager:

Item noted by Portfolio Chairperson:

NDUMISO NONGCAULA

A

ATTRIBUTES

I enjoy utilizing my acquired education, skills, and expertise in any organizational setup whose culture is driven by delivering quality service. Furthermore, I am grounded in the Christian faith, King IV ethics, with high level of professionalism. Finally, I always inspire excellence in all the projects that I am involved in.

EXPERIENCE

October 2019 – September 2022
AREA ENGINEER: ELECTRICAL SERVICES
Kouga Municipality | Jeffreys Bay, Eastern Cape, South Africa

- Develop overall strategies and responsibilities for the management of electricity and energy department.
- Strategically manage service delivery of electricity, operations, and network maintenance
- Management of Operational & Capital budgets
- Manage contracts of Service Providers
- Professional reporting
- Procurement & tenders
- Ensure that the department complies with all legislative requirements.
- Effective financial management controls
- Respond to all correspondences and queries.

May 2018 - September 2019
SENIOR SUPERINTENDENT: ELECTRICAL SERVICES
Breede Valey Municipality | Worcester, Western Cape, South Africa

- Plan and manage electrical day-to-day activities.
- Operational Budget Management
- Enforce Compliance to Municipal by-laws standards.

EDUCATION

University of Johannesburg
PhD in Leadership, NQF 10
2024 – 2026 (Candidate)

Durban University of Technology
Master of Business Administration MBA, NQF 9
2022 – 2023 (Completed)

Regent Business School
PGDip. in Management, NQF 8
2021 – 2021 (Completed)

Regent Business School
Advanced Diploma in Financial Management, NQF 7
2020 – 2020 (Completed)

Lukhanji TVET College
National N-Diploma in Engineering Studies, NQF 6
2014 – 2016 (Completed)

University of Western Cape
Management Development Program Certificate, NQF 5
2020 – 2020 (Completed)

Esayidi College
Senior Certificate, NQF 4
2005 (Completed)

- Management of Contractors
- Manage Electrical Staff
- Maintenance of Electrical Power System

December 2013 - April 2018

SENIOR ELECTRICIAN

Enoch Mgijima Municipality | Queenstown, Eastern Cape, South Africa

- High Voltage switching; testing, linking, isolating, and earthing.
- Cable Testing; thumper machine, spiking gun, mega tester, insulation resistance tester, multimeter, cable route tracer
- Transformer Maintenance; Tap settings, parallel connection, power factor correction, load balancing.
- Switchgear operating and maintenance; basic power protection settings, operating truck type switchgear and T-switch.
- Earthing: Creating equipotential zone earthing and issuing of work permits, earth mats for transformers
- High Voltage Testing; phase rotation testing, voltage testing

February 2011 - November 2013

APPRENTICE & ARTISAN ELECTRICIAN

Greater Kokstad Municipality | Kokstad, KwaZulu Natal, South Africa

- New electrical service installation for domestic consumers, industrial consumers, and commercial consumers (cable selection, load balancing, meter installation and commissioning of meters)
- Three-Phase transformers (Calculations and Selection, installation, maintenance, and parallel connection)
- Construction of Overhead Power Lines; planting poles and tension of power lines
- Fault Finding; Low Voltage and High voltage fault tracing and repairs, working against time.
- Meter Testing for Accuracy; pre-paid single-phase and three-phase meter testing
- Customer Care Service; attending to customer complaints and meeting customer expectations.
- Cable Joints and Terminations; Cable tracing, Thumping, Pressure testing, Insulation resistance testing (Megga tester/insulation resistance tester)
- Standby duties; working independently attending to all electrical-related faults.

Department of Labor
GCC Factories: Electrical
2022 – 2022

CHIETA
Trade Test: Electrician, NQF 4
2013 (Completed)

KEY SKILLS

- PLANNING
- COMMUNICATION
- INTERPERSONAL
- LEADING
- CONTROLLING
- ORGANIZING

AWARDS

- BEST PERFORMER AWARD
- BEST STUDENT AWARD, 2004

LANGUAGES

ISIXHOSA (READ, SPEAK, WRITE)
ENGLISH (READ, SPEAK, WRITE)

CERTIFICATES

- Electrician Trade test (2013)
- Operating Regulations for High Voltage Systems (Authorization: 11kV - 132kV)
- Municipal Revenue Collection Certificate
- Customer Care Services Management Certificate
- Government Certificate of Competency (GCC) Factories

PROJECTS

- Project manager for the relocation of the new Oceanview substation in Jeffreys bay [Value: R3.6 million]
- Site manager for the construction of 66kV double circuit overhead line between Melkhout substation (Eskom) and main Jeffreys bay main intake substation [Value: R68 million]
- Project manager for the electrification of RDP houses and Shacks in Jeffreys bay [Value: R9 million]
- Team leader and Project manager for the replacement of copper overhead conductors will aluminum conductors in Worcester, Western cape. [Value: R14.5 million]

REFERENCES

- Mr. Tendai Bere; Superintendent: (Electrical department) for Greater Kokstad Municipality
- Mr. Ayanda Gaji; Acting Director: Technical Services Department) for Enoch Mgijima Municipality
- Mr. Theo Madatt; Acting Director: (Engineering & Infrastructure) for Kouga Municipality
- Mr Henk Benecke; Senior Manager: Electrical Services for Breede Valley Municipality

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
ELECTRO-MECHANICAL SERVICES
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/EMS2**

REPORT: FATAL ELECTROCUTION INCIDENT ON MUNICIPAL ELECTRICAL INFRASTRUCTURE – ST FRANCIS BAY

1. **Introduction**

This report serves to inform the Council of a fatal electrocution incident that occurred on municipal electrical infrastructure in St Francis Bay (Sea Vista). The incident is linked to ongoing illegal electrical connections made by unauthorised individuals attempting to connect informal settlements to the Kouga municipal electricity grid. These unlawful activities have placed significant strain on the network, resulting in frequent power outages and serious safety risks to the surrounding communities.

2. **Background**

On 8 July 2025, a complaint was lodged regarding a power outage in Elf Street, Sea Vista. Upon inspection by municipal technicians, it was discovered that a live bundle conductor had detached and was laying on the ground. The fault was traced to the Kouga 22kV network and transformer, which forms part of the municipal infrastructure.

The transformer was immediately isolated, and repairs were undertaken and in addition to isolating the fuses, the technical team disconnected the 22,000-volt jumpers from the transformer to prevent further unauthorised reconnections, as it became the norm that illegal operators remove fuses from the industrial area to restore power unlawfully within the Sea Vista area.

Later that same day, a second report was received indicating that the transformer had caught fire. It was determined that an unidentified individual had re-engaged the 22,000-volt dropout fuses, which ignited the compromised conductor and caused extensive damage to the electrical infrastructure.

As a precautionary measure, the technical team proceeded to disconnect both the dropout fuses and jumpers from the overhead line. A criminal case was subsequently opened at the St Francis Bay Police station under of the Criminal Matters Amendment Act No.18 of 2015, in respect of essential infrastructure related offences. The case reference number is CAS 9/07/2025.

On the evening of 15 July 2025, the municipal standby electrician received a report from the call center indicating that an individual had been found electrocuted beneath the overhead line. Preliminary evidence suggests that the deceased attempted to reconnect the previously disconnected jumpers, confirming unauthorised interference with high-voltage infrastructure.

3. **Discussion**

The illegal connection of electrical infrastructure constitutes a criminal offense and is a severe risk to public safety, municipal assets, and service delivery. These activities are often driven by financial motives, with individuals operating unauthorised parallel systems outside the municipality's regulated framework.

While illegal connections are a national concern, the Kouga Municipality has made significant strides in mitigating such risks through its Electricity Transformation Programme (ETM). Since 2019, approximately 13 electrification projects have been successfully completed, reducing technical and non-technical losses from 22% in 2018 to 12% in 2023, with a slight increase to 14% in the current year due to ongoing challenges.

The first formal electrification initiative in Sea Vista was completed and energised on 8 July 2025, following the resolution of land ownership issues that had previously hindered infrastructure development. This project marks a critical step toward providing safe, dignified, and lawful access to electricity for affected households.

4. **Financial Implications**

Completed by BTO -	
Project Description	
Ukey no.	KOUGA MUNICIPALITY
Budgeted Amount	2025-08-21
Amount spent and committed to date	BUDGET & TREASURY
Amount Available	
Comment	No financial implication

5. **Applicable Legislation**

Electrical Regulations Act No. 4 of 2006
Criminal Matters Amendment Act No.18 of 2015

6. **Legal Implications**

Damages claim can possibly be instituted against the muncipality in respect of the loss suffered in this regard, and which claims are submitted to our Third party insurance for the insurance service provider to defend the matter.

In this instance it is important to keep record of the disconnection operations regarding illegal electricity connecetions and the continous public awareness surrounding the dangers of same.

7. **Other Implications**

None

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Noted

8.2 **Director: Planning & Development**

Noted

8.3 **Director: Civil & Water Services**

Item noted. The loss of life due to desperatness will always remain a huge challenge to accept. The increase of illegal connections also increases the limitations to KLM staff to render services due to risks – low hanging electrical connections limit trucks, graders and similar equipment from rendereing services, wires used for illegal connections not always isolated, emmergancy vehicles could enjoy limited access as well and the risk this holds to residents is horendous. It is thus suggested that another Community Awareness Campaign / Program be initiated to highlight and address the risks as indicated.

8.4 **Director: Electro-Mechanical Services**

The unauthorised informal settlements within The Kouga Municipality area has placed a substantial and uncontrolled burden on municipal infrastructure. A direct consequence of this expansion is the unlawful connection of dwellings to the nearest electrical distribution points or transformers, often without technical oversight or compliance with safety regulations.

Prior to the implementation of formal electrification projects in these areas, the municipality experienced an average loss of three transformers per year due to overload and unauthorised access. The frequency of liability claims instituted against the municipality has increased, primarily arising from incidents of electrocution involving members of the public exposed to illegally installed electrical cables.

In accordance with reporting obligations, such incidents are reported to the Department of Employment and Labour. In this instance, the South African Police Service (SAPS) has initiated an inquest into the most recent fatal incident, in line with criminal and forensic investigation procedures.

8.5 **Director: Community Services**

Noted

8.6 **Deputy Municipal Manager**

Noted.

8.7 **Municipal Manager**

Noted.

9. **Delegated Authority**

Council

10. **Recommendations**

10.1 That Council take note of the incident involving the fatal electrocution of a member of the public, which occurred as a direct result of unauthorised and unlawful interference with high-voltage Municipal electrical infrastructure.

10.2 It is recommended that Councillors be encouraged to report any incidents of unauthorised interference with Municipal infrastructure to the relevant Municipal department or to the South African Police Service (SAPS), in order to safeguard the integrity of the institution and protect municipal assets from unlawful tampering or damage.

Item prepared by the: Director Electro-mechanical

Item approved by the: Director Electro-mechanical

Item endorsed by the Municipal Manager:

Item noted by Portfolio Chairperson:

W.CI.2

labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA

COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT, 1993

Section 6(A)—Annexure 13

EMPLOYER'S REPORT OF AN ACCIDENT

(For official use only)

Claim No.: .....

Provincial Office

.....

Date .....

DIRECTIONS FOR COMPLETING OF FORM BY EMPLOYER

This form must be completed:

(1) Whenever an employee meets with an accident arising out of and in the course of his/her employment resulting a personal injury for which medical treatment is required, or death.

(2) Whenever an employee reports any personal injury to his/her employer, if in making the report the employee alleges that such injury arose out of and in the course of his/her employment.

(Where the accident has caused death, unconsciousness or amputation or where the injured employee is presumed unable to work for a period of at least 14 days, the Provincial Executive Manager of Labour must ALSO be notified by telephone or fax, without delay).

Step 1 Complete "Part A", page 1 of the form by giving full details, sign and date form where indicated.

Step 2 Detach "Part B" (an automatic copy of "Part A", page 1) by tearing it at the perforation, hand "Part B" to the employee and request him/her to hand it to the medical practitioner/chiropractor or the hospital concerned. **In serious cases "Part B" must be forwarded to the medical practitioner/chiropractor or the hospital without delay.**

Step 3 Complete "Part A", page 2 of the form by giving full details.

Step 4 **Forward the completed report of an accident together with a certified copy of the employee's ID and the First Medical Report (W.CI.4) (If available) to:**

THE COMPENSATION COMMISSIONER
COMPENSATION HOUSE
CNR. SOUTPANSBERG AND HAMILTON ROAD
P.O. BOX 955
PRETORIA
0001

Call Centre 086 010 5350
Fax (012) 323-8627
(012) 325-6686
(012) 326-7889
(012) 323-6986

e-mail • cf-info@labour.gov.za
Website • http://www.labour.gov.za

N.B.:

1) Complete a separate form in respect of each injured employee.
2) This form must be delayed in expectation of the employee resuming employment or awaiting medical reports.
3) An employer who fails to report any accident within 7 days to the Compensation Commissioner on this form, shall be guilty of an offence in terms of the Compensation for Occupational Injuries and Disease Act, 1993 and may hold liable for the full amount of compensation payable in respect of such accident.
4) An employer who fails to report accidents that have caused death, unconsciousness or amputation or cases where the injured employee is presumed unable to work for a period of at least fourteen days to the Provincial Executive Manager of Labour by telephone or fax, shall be guilty of an offence in terms of the occupational Health and Safety Act, 1993.
5) Use the appropriate form or the reporting of occupational diseases. (W.CI.1).
6) If an injured employee should leave your employ, please keep record of the address where he/she can reached so that monies which might be payable to him/her from the Compensation Fund, can be sent to him/her with your assistance.
7) Minor injuries where no medical attention was required should not be reported, however a record should be kept of such injuries.

EMPLOYER'S REPORT OF AN ACCIDENT

COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT, 1993

Section 6(A) (b) – Annexure 13

Instructions:

Complete the form in block letters and mark appropriate areas (X)

(For official use only)

Claim No.: .....

Provincial Office

.....

Date .....

DECLARATION BY EMPLOYER OR AUTHORISED PERSON

I hereby declare that the particulars, shown in items 1 to 62 of this report, of an alleged injury on duty, are to the best of my knowledge and belief true and accurate.

Signed on this 12 day of 08 year 2025 → Signature .....

EMPLOYER

1. Registered name with the Compensation Commissioner Kouga Local Municipality
2. Registered number of this business with the Compensation Commissioner
3. Contact person Ndumiso Nongcaula
4. Street address 1 Alexander Steet, Humansdorp 5. Postal code 6300
6. Postal address 33 Da Gama RD, Jeffreys bay 7. Postal code ..... 8. Tel. no. (.....) .....
9.1 Fax no. (.....) ..... 10. Situation of business/farm .....
9.2 E-mail address nnongcaula@kouga.gov.za
11. Nature of business, trade or industry Local Government (Electricity distribution)

EMPLOYEE (CERTIFIED COPY OF IDENTITY DOCUMENT TO BE ATTACHED)

12. Is the injured person a | working director | working member of a CC | owner of | partner in the business? | Not applicable ✓ |
13. Surname ..... 14. First names .....
15. ID no. ..... 16. Date of birth ...../...../..... 17. Sex | Male | Female |
18. Marital state | Married | Single | 19. Citizen of .....
20. Personnel no. ..... 21. Occupation .....
22. Street address ..... 23. Postal code .....
24. Postal address ..... 25. Postal code .....
26. Tel. No. (.....) .....
27. Period in your employ (years/months) ...../..... 28. Expected period of disablement (days) | 0-13 days | 14 & more |

ACCIDENT

29. Date of accident 2025/ 07 / 15 30. Time 19:56
31. Place of accident Sea Vista 32. District Sarah Baartman
32.2 Province Eastern Cape
33. Date employee reported accident 13/ 08 /2025 34. Time 08:30
35. What task was the employee performing at the time of the accident? N/A
36. Period of experience in the task performed (years/months) ...../.....
37. Was his action at the time of the accident in connection with your trade or business? | YES ✓ | NO |
(If "no" state reasons on reverse side Part A page 3)
38. Short description of how the accident occurred. (ALSO mark the applicable items on the reverse side of Part A Page 3 and use same for a full description) A male person with unknown identity climbed onto the municipal electricity structure in attempt to illegally connect a pole distribution transformer that had been disconnected by the municipality due to the same problem of illegal connections.
(Refer the machine/process involved, whether the injured person fell or was struck and all the factors contributing to the accident).
39. Was the accident a traffic accident on a public road? | YES | NO ✓ |
40. Nature of injury sustained (e.g. index finger of right hand crushed) .....
Mark any of the following when applicable: | Killed ✓ | Amputation | Unconsciousness |
41. Are you satisfied that the employee was injured in the manner alleged by him? | YES | NO | If not, give reasons.
(If "no" state reasons on reverse side Part A page 3)
N/A

Please complete in detail to ensure early finalisation.

W.Cl.2

PART A PAGE 2

(COMPULSORY TO COMPLETE)

Employer: Kouga Local Municipality **Date of accident:** 15 July 2025

Employee: N/A **Employee's ID No:** N/A

FURTHER PARTICULARS OF EMPLOYEE

42. Earnings of employee at the time of accident:
Attach copy of payslip as at time of accident.

	R/Week	R/Month
Gross cash earnings: (Including average payments for overtime and/or commission of a constant character)		
Allowances of a recurrent nature:	N/A	N/A
a) Bonuses (i.e. 13th cheque)		
b) Other allowances (specify nature)		
Cash value of:		
Free food		
Free quarters		
Other payment in kind (specify nature)		

43. In terms of section 47 of the Act an employer is obliged to pay an employee full compensation for the first three months of absence

44. Are you prepared to make further compensation payments after the first three months from the date of the accident? YES | NO

45. If you have already paid cash (earnings) to the employee, state the total amount R N/A

46. For what period were such payments made? From ../N/A../.. To ../N/A../..

47. Number of days per week worked by the employee N/A

48. Date on which the employee ceased work due to accident ../N/A../.. 49. Time N/A

50. Did the employee complete his shift on the day that he ceased work? YES | NO

51. Date on which the employee resumed work ../N/A../.. 52. Time N/A

(If the employee will be off duty for an extended period, an interim Resumption Report (W.Cl.6) must be submitted monthly).

53. If the employee was killed in the accident, state name and address of dependant of the employee. N/A

FURTHER PARTICULARS

54. Should the employee have any physical defect, have suffered from any serious disease prior to the accident or has previously received compensation for permanent disablement, give full particulars. N/A

55. Was first aid given in this case? YES | NO✓

56. State the name of the medical practitioner/chiropractor who treated the employee. N/A

57. If the employee received treatment at a hospital, state name of hospital. N/A

58. Was the accident caused by the employee's: a) Deliberate non-compliance with directions? YES | NO

b) Reckless disregard of the terms of any law or statutory regulation designed to ensure the safety or health of employees or the prevention of accidents? YES | NO

N/A

c) Action while under the influence of liquor or drugs? YES | NO

(N.B. If any reply is in affirmative, the employee must furnish an explanatory statement which must then be attached hereto together with your comments thereon).

59. Name and address of anybody: a) Who witnessed the accident Ashley Stuurman, St Francis bay

b) Who was aware of the accident at the time SAPS, Kouga Municipality Law enforcement, Fire brigade

60. How many other employees were injured in the same accident? None

61. If the accident was investigated by the SA Police, state name of Police Station and docket number applicable 19/07/2025
St Francis Bay Police Station

62. If motor vehicles were involved, furnish registration number/s. N/A

W.Cl.2

PART A PAGE 3

Employer: Kouga Local Municipality **Date of accident:** 15 July 2025

Employee: N/A **Employee's ID No:** N/A

38. Continuation of point 38 of the previous page. Contributing factors/causes applicable. (Mark the applicable item/s at A and B).

A)

Defective plant	
Defective machine	
Unfavourable conditions of work	
Fault of employer	
Fault of injured employee	
Fault of supervisor	

B)

Railway	
Building work	
Electricity	✓
Chemicals	
Poisoning	
Burns	

Explosions	
Rotating machine	
Press/Rollers	
Woodworking machine	
Lifting machine	
Hand tools	

Other machinery (Specify): Unathorized switching of transformer

Any other contributing factors, not mentioned above (Specify): The deceased was an intruder on the live electricity infrastructure.

The rest of this page may be used for any additional details or comments regarding the accident.

On the 15 July 2025, an uknown male person was electrocuted to death on the municipality infrastucture. The inquest docket has since been opened by SAPS to investigate the incident further with CAS No: 19/07/2025. The deceased was an intruder whose intention was to connect a transformer that was disconnected to excessive illegal connections that posed danger to people and animals. Furthermore, there was no form of authorization given by the municipality to the deceased, whatsoever.

12/07/2025

EMPLOYER'S REPORT OF AN ACCIDENT

COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT, 1993

Section 6(A) (b) – Annexure 13

Instructions:

Complete the form in block letters and mark appropriate areas (X)

(For official use only)

Claim No.: .....

Provincial Office

.....

Date .....

DECLARATION BY EMPLOYER OR AUTHORISED PERSON

I hereby declare that the particulars, shown in items 1 to 62 of this report, of an alleged injury on duty, are to the best of my knowledge and belief true and accurate.

Signed on this 13 day of August 20 25 → Signature .....

EMPLOYER

1. Registered name with the Compensation Commissioner .....
2. Registered number of this business with the Compensation Commissioner
3. Contact person .....
4. Street address ..... 5. Postal code .....
6. Postal address ..... 7. Postal code ..... 8. Tel. no. (.....) .....
9.1 Fax no. (.....) ..... 10. Situation of business/farm .....
9.2 E-mail address .....
11. Nature of business, trade or industry .....

EMPLOYEE (CERTIFIED COPY OF IDENTITY DOCUMENT TO BE ATTACHED)

12. Is the injured person a | working director | working member of a CC | owner of | partner in the business? | Not applicable ✓ |
13. Surname ..... 14. First names .....
15. ID no. ..... 16. Date of birth ...../...../..... 17. Sex | Male | Female |
18. Marital state | Married | Single | 19. Citizen of .....
20. Personnel no. ..... 21. Occupation .....
22. Street address ..... 23. Postal code .....
24. Postal address ..... 25. Postal code .....
26. Tel. No. (.....) .....
27. Period in your employ (years/months) ...../..... 28. Expected period of disablement (days) | 0-13 days | 14 & more |

ACCIDENT

29. Date of accident ...../...../..... 30. Time .....
31. Place of accident ..... 32. District .....
32.2 Province .....
33. Date employee reported accident ...../...../..... 34. Time .....
35. What task was the employee performing at the time of the accident? .....
36. Period of experience in the task performed (years/months) ...../.....
37. Was his action at the time of the accident in connection with your trade or business? | YES | NO |
(If "no" state reasons on reverse side Part A page 3)
38. Short description of how the accident occurred. (**ALSO** mark the applicable items on the reverse side of Part A Page 3 and use same for a full description) .....
(Refer the machine/process involved, whether the injured person fell or was struck and all the factors contributing to the accident).
39. Was the accident a traffic accident on a public road? | YES | NO |
40. Nature of injury sustained (e.g. index finger of right hand crushed) .....
Mark any of the following when applicable: | Killed | Amputation | Unconsciousness |
41. Are you satisfied that the employee was injured in the manner alleged by him? | YES | NO | If not, give reasons.
(If "no" state reasons on reverse side Part A page 3)
.....

Please complete in detail to ensure early finalisation.

W.Cl.2

PART B PAGE 2

DIRECTIONS TO MEDICAL PRACTITIONER/CHIROPRACTOR/HOSPITAL

(a) Only the Compensation Commissioner shall decide whether liability in respect of an accident should be accepted in terms of the provisions of the Act.

(b) If liability is not accepted by the Compensation Commissioner medical expenses cannot be paid from the Compensation Fund.

(c) The FIRST MEDICAL REPORT (W.Cl.4) must be completed in [illegible] and care must be taken to ensure that the full names of the employee and employer and the employee's ID number as shown on this form, appear thereon. The original must be sent to the employer as soon as possible whilst [illegible]

(d) The medical practitioner/chiropractor or hospital must send a specified account to the employer, if the account is still [illegible] and specified account must be sent under cover of an [illegible]:

THE COMPENSATION COMMISSIONER
COMPENSATION HOUSE
CNR. SOUTPANSBERG AND HAMILTON ROAD
P.O. BOX 955
PRETORIA
0001

Call Centre 086 010 5350
Fax (012) 323-8627
(012) 325-6686
(012) 326-7889
(012) 323-6986

e-mail • cfinfo@labour.gov.za
Website • http://www.labour.gov.za

PROVINCIAL OFFICES : DEPARTMENT OF LABOUR				
TOWN	POSTAL ADDRESS	STREET ADDRESS	TELEPHONE	FAX
Durban	PO Box 940	Salmon Grove Chambers 407 Smith Street	031 - 366 2191/00 031 - 366 2097/98	031 - 305 7560
Cape Town	PO Box 872	4th Floor Westbank House Cnr. Riebeeck and Long Street	021 - 441 8000	021 - 441 8048
Bloemfontein	PO Box 522	Laboria House 43 Maitland Street	051 - 505 6248 051 - 505 6200	051 - 447 9353
Kimberley	P/Bag X5012	Laboria House No. 43 Cnr. Compound & Pniel Roads	053 - 838 1500 053 - 838 1616	053 - 832 8167
Pretoria	PO Box 393	Concilium Building 239 Skinner Street	012 - 309 5282	012 - 309 5142
Johannesburg	PO Box 4560	Annuity House 18 Rissik Street	011 - 497 3086 011 - 497 3283 011 - 497 3136	011 - 497 3293
Mmabatho	P/Bag X2040	Provident House, 2nd Floor University Drive	018 - 387 8100	018 - 384 2597
Witbank	P/Bag X7263	Labour Building Cnr Hofmeyer & Beatty Avenue	013 - 655 8700	013 - 690 2622
Polokwane (Pietersburg)	P/Bag X9368	Boland Bank Building 42a Shoeman Street	015 - 290 1740	015 - 290 1692
East London	P/Bag X9005	Laboria Building Cnr Church & Oxford Streets	043 - 701 3297 043 - 701 3000	043 - 743 2047

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
ELECTRO-MECHANICAL SERVICES
OPEN
DATE: 29 OCTOBER 2025
ITEM NO:**25/10/EMS3**

KOUGA ELECTRICITY DEMAND SIDE MANAGEMENT PROGRAM IN ALIGNMENT WITH ESKOM DISTRIBUTION DEMAND MANAGEMENT PROGRAM.

1. Introduction

Kouga Municipality is currently facing significant electricity supply challenges driven by relatively fast growth in developments, and tourism activity. To address these issues, the municipality is implementing Electricity Demand Side Management (EDSM) initiatives aligned with Eskom's Distribution Demand Management Program (DDMP) and the national energy policy framework. These programs aim to enhance energy efficiency, lower peak electricity demand, and optimize overall consumption.

The strategic objectives include cost reduction, minimization of carbon emissions, and the assurance of consistent and reliable service delivery. This will be achieved through the integration of renewable energy sources, adoption of advanced technologies, and promotion of energy-conscious behavior among stakeholders. These efforts are fully aligned with Kouga's Integrated Development Plan (IDP) and its long-term Smart City vision.

2. Background

Eskom's Demand Side Management (DSM) programs for municipalities emphasize three core strategies, load clipping (reducing peak demand), load shifting (redistributing consumption to off-peak periods), and implementing energy efficiency enhancements. These initiatives are targeted at projects located within Southern Africa that are directly supplied by Eskom. Residential-only projects are excluded unless integrated with commercial or municipal applications.

Participating municipalities, stand to benefit from financial incentives of up to R3 million per megawatt, disbursed quarterly over a 24-month period. Additional advantages include reduced electricity tariffs for end-users, deferred capital expenditure on infrastructure, and lower carbon emissions, contributing to Eskom's holistic objective of maintaining grid stability.

Key Focus Areas of Eskom's Implementation Strategy Include:

- Prioritization of high-impact municipal projects.

- Integration of energy-efficient technologies.
- Alignment with national sustainability goals

3. Discussion

Like many municipalities, Kouga is facing significant challenges related to high internal electricity consumption, elevated technical losses, and substantial demand charges from Eskom. With annual electricity tariff increases exceeding 10%, there is a compelling financial incentive for Kouga to reduce its own energy usage. Achieving such reductions could result in considerable cost savings, which may be redirected to enhance service delivery across the municipality.

Tariff mitigation efforts are closely tied to peak demand reduction, particularly during the high-demand winter months of June, July, and August. During this period, Eskom charges up to R6.99 per unit, while the municipality bills consumers at a significantly lower rate. Table 1 illustrates the difference between Eskom's peak season tariffs and the rates charged to end-users, highlighting the extent of municipal subsidization. The red indicators reflect the financial burden absorbed by the municipality. Table 2 presents the low-season tariff comparison, which, while still subsidized only for the first 50kWhrs during peak where all electrical consumers purchase electricity, the reflection is less severe in terms of cost compared to the winter peak period.

AVARAGE COST PU	1,16	1,75	6,99	Step tariff
Block 1: 0 - 50kWh	R 0,67	R 0,08	-R 5,16	R 1,83
Block 2: 51 - 350kWh	R 1,03	R 0,44	-R 4,80	R 2,19
Block 3: 351 - 600kWh	R 2,25	R 1,66	-R 3,58	R 3,41
Block 4: > 600kWh	R 2,94	R 2,35	-R 2,89	R 4,10

Table 1: *Kouga domestic high season tariff comparison on block incline against Eskom's time of use tariff.*

AVARAGE COST PU	1,16	1,63	2,9	Step tariff
Block 1: 0 - 50kWh	R 0,67	R 0,20	-R 1,07	R 1,83
Block 2: 51 - 350kWh	R 1,23	R 0,76	-R 0,51	R 2,39
Block 3: 351 - 600kWh	R 2,25	R 1,78	R 0,51	R 3,41
Block 4: > 600kWh	R 2,94	R 2,47	R 1,20	R 4,10

Table 2: *Kouga domestic low season tariff comparison on block incline against Eskom's time of use tariff.*

A key pillar of Kouga Municipality's Electricity Demand Side Management (EDSM) strategy is the Energy Efficiency Demand Side Management (EEDSM) Programme, launched during the 2023/24 financial year. The programme is

designed to reduce peak electricity demand, lower overall consumption, and incorporate renewable energy solutions in alignment with national energy efficiency objectives.

The following initiatives form part of Kouga's EEDSM implementation plan:

- **Tender 172 of 2025:** Deployment of a 2.5 MW / 5 MWhr Battery Energy Storage System in St. Francis Bay. Mitigation of annual penalties.
- **Tender 167 of 2025:** Installation of ad-hoc photovoltaic generation systems coupled with battery energy storage.
- **Ripple relay systems:** Implementation to manage geyser usage, supported by Eskom incentives.
- **Smart metering:** Introduction of smart meters to regulate Small-Scale Embedded Generation (SSEG) battery charging.
- **Municipal SSEG installations:** Integration and management of solar generation systems across municipal buildings, residential, and industrial properties.

These projects are financed through a combination of municipal funding and support from Eskom's DSM programme.

Kouga's EEDSM efforts will align with Eskom's Standard Offer Programme for distributed energy procurement, supporting municipalities in their goal to reduce reliance on Eskom-supplied electricity by up to 40% by 2030.

4. **Financial Implications**

Completed by BTO -	Not applicable
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	No Financial implication
BTO Signature	

KOUGA MUNICIPALITY
2025-10-14
BUDGET & TREASURY

5. **Applicable Legislation**

1. The Electricity Act (No. 41 of 1987)
2. The Energy Act (No. 34 of 2008)
3. The National Electricity Regulation Act (No. 4 of 2006)
4. The Occupational Health and Safety Act (No. 85 of 1993)
5. The South African Bureau of Standards (SABS) 0142: Wiring Code.

6. **Legal Implications**

None

7. **Other Implications**

Due to the expansive initiatives, challenges may be experienced. Such as solar geyser installations and smart metering, both critical to reducing electricity consumption is often delayed due to high upfront capital costs. While these programs offer long-term savings and efficiency gains, their success depends on timely investment and execution.

Effective Demand Side Management (DSM) also centres on behavioural changes among consumers, particularly shifting electricity usage from peak to off-peak periods. Limited public awareness and reluctance among residents and businesses to adopt energy-efficient technologies continue to delay progress.

To ensure successful implementation and sustained performance of DSM projects, adequate staffing is essential. Skilled personnel are required to manage operations, monitor performance, and maintain cost control while minimizing electricity losses.

Kouga's aging electrical infrastructure and limited deployment of smart grid technologies present further challenges, restricting the municipality's ability to adopt advanced DSM solutions such as real-time metering and automated load control.

Additionally, Kouga's tourism-driven economy, especially in coastal areas like Jeffreys Bay and St. Francis Bay experiences seasonal demand surges. Climate variability, including heatwaves, intensifies air conditioning usage, complicating load-shifting strategies. These dynamics are closely tied to the municipality's broader green energy initiatives.

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Noted

8.2 **Director: Planning & Development**

Noted

8.3 **Director: Civil & Water Services**

Item noted.

8.4 **Director: Electro-Mechanical Services**

As a department, we fully support the responsible implementation of renewable energy projects, recognizing the strategic value it offers, particularly the financial incentives available through Eskom, which should be actively pursued. These incentives present a significant opportunity for Kouga Municipality to reduce operational costs and redirect savings toward critical infrastructure development.

Despite the potential, many municipalities are not leveraging these opportunities due to limited understanding and expertise of the technologies involved and a low appetite for innovation. To ensure long-term sustainability and successful project execution, it is essential to appoint suitably qualified personnel and prioritize the upskilling and re-skilling of existing staff.

8.5 **Director: Community Services**

Noted

8.6 **Deputy Municipal Manager**

Supported.

8.7 **Municipal Manager**

Supported.

9. **Delegated Authority**

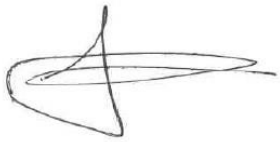
Council

10. **Recommendations**

10.1 That Council support the submission of an application to Eskom for the Distribution Demand Management Program.

10.2 That Council support all related initiatives to capitalize on in terms of renewable energy and own generation that is in line with the national energy plan and within the framework of the applicable legislative provisions

Item prepared by the: Manager: Electrical Services 

Item approved by the: Director: Electromechanical Services 

Item endorsed by the Municipal Manager: 

Item noted by Portfolio Chairperson: 

QUESTIONS SUBMITTED IN TERMS OF RULE 39 OF THE STANDING RULES & ORDERS

KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
OFFICE OF THE MUNICIPAL MANAGER
OPEN
DATE: 29 OCTOBER 2025
ITEM NO: **25/10/MM3**

QUESTION POSED BY COUNCILLOR L NKILISHANE IN TERMS OF RULE 39 OF THE STANDING RULES AND ORDERS FOR MEETINGS OF COUNCIL AND ALL ITS COMMITEES

1. **Introduction**

The purpose of the item is for Council to note the question posed by Councillor Nkilishane to the Office of the Speaker dated 13 October 2025 via email.

2. **Background**

Rule 39.1 of the Standing Rules and Orders states that any member may submit a question requiring a written reply from any political office bearer, the Municipal Manager or Senior Manager of the Municipality, concerning any matter related to the effective performance of the functions of the Municipality and the exercise of its powers, provided that a written notice of such a questions has been submitted to the Speaker or Chairperson and the Municipal Manager at least 10 (ten) days prior to Council or Committee meeting and the political office bearer and the Municipal Manager shall ensure that the member receive a written reply at the meeting.

3. **Discussion**

Question raised by Councillor Nkilishane and response thereto as follows:

1. (a) Which law firm currently represents Kouga municipality in the above matter? (F. V. Van Rooyen 2361/2024).

Response - W Langson & Associates

(b) On what date were (W. Malan attorney and Schoeman attorney 's released or withdrawn from record??

Response - Notice of withdrawal was filed 12 August 2025 by C W Malan Jeffreys Bay Inc.

(c) Has formal notice of change of representation been filed with count and opposing counsel? scope and appointment of new counsel. Was the newly appointed firm drawn from council' s approved legal - service panel under the supply chain management policy. If not, under what authority was the appointment made and by whom?
Please provide the scope of engagement letter of appointment issued to a new attorney.

Response - It is submitted that new attorneys appointed have been filed for record purposes. The current service provider is appointed from the existing panel of legal service providers. The scope is limited to defending the claim and all actions related to such instruction, in order to effectively and efficiently defend the interests of the municipality.

2. (a) Did the previous attorney 's furnish the full case file pleadings and counsel' s opinion to the new firm.?? If not, what steps has the legal service unit taken to ensure a complete record and continuity of representation?

Response - It is submitted that all previous pleadings and documents filed by the previous attorneys were uplifted from the court file for the attention of the new service provider to proceed from. There is no duplication of instructions.

3. What specific legal opinion informed the municipality 's continued defense after the withdrawal of CW Malan Attorneys? Was the council, Mayoral committee, or the accounting officer advised of the prospects of success before authorizing continuation of defense? If the recommendation of Council was not to proceed, what rationale was the contrary decision taken?

Response - The Municipality has an obligation to defend this matter as the initial claim was in the amount R7 000 000, and it would indeed have been fruitless and wasteful expenditure to pay such a copious amount based on the merits of the claim. To this end the amount has since been reduced to R3 000 000.

4(a) Please provide a full cost breakdown to date(attorney 's) counsel disbursement, experts fees and related costs.

Response - The expenditure report will be reflected in the expenditure report for legal services submitted under the Finance & Economic Development.

4(b) What are the projected additional costs of the new legal team through to finalization of the matter. Has any cost - containment directives settlement explorations been considered in the interest of ratepayers.

Response - It is our submission that the amount is uncertain.

5(a) Will the legal manager provide the council with a confidential written report outlining the reasons for the withdrawal of the previous attorney's and whether the municipal manager delegated authority was exercised correctly?

Response - A report to this effect can be availed should Council so resolve.

5(b) Given the apparent change of legal strategy will the council be furnished with an updated risk assessment and likelihood of success metrics before further public funds are expended.

Response - The new service provider has been tasked to advise on same prior

to commencement of their services.

(6) We would like to know from the legal department which law firm has been appointed for Eviction of Mr Banda at plot 7772 Harry Gwala Street in Ocean view? How far is the process now.??

Response - The correct erf refence is Erf 7222 Ocean View, and the service provider appointed in PQ Naidoo Attorneys, which is a service provider on the current panel of legal service providers.

4. **Financial Implications**

Completed by BTO -	Not applicable
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	

5. **Applicable Legislation**

Standing Rules and Orders of Meetings of Council and all its Committees, under gazette no 4134.

6. **Legal Implications**

None.

7. **Other Implications**

None.

8. **Comments by Directorates:**

Not applicable.

9. **Delegated Authority**

Council.

10. **Recommendations**

10.1 That Council notes the question posed by Councillor Nkilishane and written response in respect of the questions raised.

10.2 That the question and response must reflect in the minutes of the meeting as per Rule 39.3 of the Standing Rules and Orders for meetings of Council and all its Committees.

Item approved by the: Deputy Municipal Manager: 

Item approved by the Municipal Manager: 