MINUTES OF AN VIRTUAL ORDINARY COUNCIL MEETING OF KOUGA MUNICIPALITY HELD ON MONDAY, 30 MARCH 2026 AT 10:00 AM

PRESENT: Councillors	J Alexander	
	C August	
	D Benson	
	H Bornman	(Executive Mayor)
	B Dhludhlu	
	R Foley	
	W Gertenbach	
	V Gunuza	
	A Hendricks	
	F Heystek	
	T Jantjes	(Deputy Executive Mayor)
	L Maree	(Speaker)
	M Mbandana	
	E Mbuqu	
	B Moos	
	K Ndzelani	
	M Nicholls	
	N Ntengwane	
	N Ntshota	
	P Oliphant	
	W Petersen	
	S Ruth	
	G Stuurman	
	M Valgee	
	W van der Linde	
	M van Niekerk	
	V Zana	
Officials & Municipal Manager	C du Plessis	(Municipal Manager)
	L Opperman	(Acting Deputy Municipal Manager)
	R Lorgat	(CFO)
	C de Kock	(Director: Civil & Water Services)
	C Venter	(Acting Director: Community Services)
	T Madatt	(Director: Electro-Mechanical Services)
	L Ramakuwela	(Director: Planning & Development)
	B Jaftha	(Acting Manager: Public Participation)
	C Prinsloo	(Legal Officer: Office of the Speaker)
	D Klopper	(Office Administrator: Office of the Speaker)
	K Minnaar	(Manager: Special Programmes)
	M Basson	(Manager: Media & Communication)
	S Mlonyeni	(Communication Officer)
	R Klaasen	(Media Liaison Officer)
	Z Njikelana	(Media Liaison Officer)

M Rossouw	(Manager: Administration & Auxiliary Services)
R Swart	(Committee Officer)
L Cweya	(Committee Officer)
M Mitchell	(Committee Clerk)
N Dlova	(Committee Clerk)

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.

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 30 March 2026 at 10:00 a.m.

2. **OPENING AND WELCOME**

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

3. **ABSENT WITH LEAVE**

Cllr Nkilishane
Cllr Yali

D de Jager	(Deputy Municipal Manager)
Ms N Machelesi	(Director: Community Services)

4. **ABSENT WITHOUT LEAVE**

Cllr C Pietersen

5. **PRESENTATIONS**

None

6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Cllr W. Petersen extended congratulations to the Northern Cape Provincial Government for acknowledging the Khoi and Richtersveld communities in their support of the Nama people. Reference was made to the reburial of 63 Khoi slaves, attended by President Cyril Ramaphosa, as part of efforts to restore dignity lost under colonialism and apartheid. He further commended Premier

Zamani Saul for his contributions toward this restoration, noting its importance for the Khoisan people.

Cllr Mbandana acknowledged the historical significance of March, recalling youth resistance in 1986 inspired by Oliver Tambo's call against the Botha regime. Reference was made to international concerns over attacks on Iran during Ramadan and their global consequences. The councillor further reflected on the assassination of Chris Hani, noting the grief it caused and the leadership of Comrades Mbeki and Mandela in guiding South Africa toward peace. The month was recognized as a time to remember sacrifices made, particularly the blood of Annie, and to reaffirm the ANC's role in the liberation struggle.

Cllr Dhludhlu congratulated the Executive Mayor, Cllr Hattingh Borman, on being appointed as a candidate for the forthcoming 2026 local government election, commending the Executive Mayor's leadership and wishing continued success. Appreciation was also expressed for the DA-led Kouga Municipality's milestone achievement in tarring the Da Gama Road in Jeffreys Bay, noted as the first provincial road project of its kind in the area.

Cllr Heystek congratulated the Executive Mayor on his nomination, commending his leadership in taking the Municipality forward. The Councillor further praised the Water and Sewers Department for the constructive planning and execution of road resealing and tarring, particularly in the CBD and other areas, noting significant improvement compared to previous years. Appreciation was also expressed for the Democratic Alliance's (DA) leadership in driving these developments.

Cllr Stuurman congratulated the DA on its successful provincial congress and extended congratulations to the Executive Mayor on his election as mayoral candidate. He expressed confidence in the party's discipline and success ahead of the forthcoming federal congress.

Cllr Oliphant conveyed gratitude for well-wishes received during his recent operation and for condolences following the passing of his sister-in-law, a lecturer at Walter Sisulu University. Appreciation was expressed for the assistance provided by Cllr Benson during the period of bereavement. He further commended the provincial government for the completion and planned extension of the road, and he emphasized that such projects are the responsibility of the province and cautioning against attributing them incorrectly to Kouga Municipality.

Cllr van der Linde expressed appreciation for road improvements across Kouga Municipality, noting that R200 million was allocated with the support of the Democratic Alliance and Freedom Front Plus. The Councillor clarified that the section of Da Gama Road from the robot to the police station is a Municipal Road repaired by Council, not a provincial responsibility.

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

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

Good Morning

We thank the Lord for the rain that we recently received, which has been sufficient to keep our gardens green. At the same time, we encourage all residents to continue using water responsibly and sparingly. Our dams are critically low.

We also recently commemorated Human Rights Day, an important reminder of the rights, dignity and freedoms that form the foundation of our democracy.

It was encouraging to see our learners celebrating their Matric Farewell. These occasions are significant milestones for our young people and their families, and they remind us of the promise that lies in the next generation.

We are currently facing uncertain economic times, particularly with the looming fuel price increase. However, as South Africans we have repeatedly demonstrated resilience, and we remain confident that we will navigate these challenges together.

I would like to extend my sincere appreciation to the administration for the considerable effort that went into preparing such a comprehensive agenda for today's meeting. The time and dedication invested are truly appreciated. Please also convey our gratitude to the staff on the ground who work tirelessly to ensure that service delivery continues without interruption.

Thank you, Mayor, for writing to the MEC regarding the very dangerous potholes on the R330. I would also like to acknowledge and thank the residents who assisted us in raising this matter and encouraging the relevant Provincial department to act.

On a positive note, South Africa recently received the Grand Gold and Best on Show award in Shenzhen at the International Flower Show, an achievement that makes us proud as a nation.
Thank you,

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

The Executive Mayor welcomed Councillors, administration, and the public, noting progress made toward Municipal targets as the financial year draws to a close. Key highlights included road resealing projects in St Francis Bay, Humansdorp, and the Gamtoos Valley, as well as gravel-to-tar upgrades across towns. The Executive Mayor reported advances in providing legal electricity connections to communities in Thornhill, Sea Vista Phase 2, and Ocean View, thereby reducing illegal connections and improving safety. Significant improvements were noted in wastewater treatment works since the last Green Drop assessment, with expectations of a stronger score.

Attention was drawn to customer service improvements, though further work remains. The Executive Mayor expressed concern over critically low dam levels and stressed the need for water conservation, while urging stronger engagement with the Minister of Water and Sanitation regarding dam allocations and infrastructure management. Staff dedication across all departments was commended, with recognition of their role in positioning the municipality as one of the best in the province.

Finally, the Executive Mayor emphasized that the draft budget before Council is fully funded and directed toward equitable service delivery, particularly to the poorest communities. Councillors were urged to engage with the budget through workshops and IDP meetings to ensure clarity and alignment across all wards.

9. **DISCLOSURE OF INTEREST**

Cllr Oliphant recorded interest in item 26/03/R&E1.

10. **STATUTORY MATTERS**

None

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 FEBRUARY 2026**

Resolved (30 March 2026)

1. That the minutes of an Ordinary Council meeting held on 26 February 2026 be approved.

Proposed: Cllr M van Niekerk Seconded: Cllr W Gertenbach

13. **REPORTS OF COMMITTEES OF COUNCIL**

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

None

13.2 **KOUGA AUDIT COMMITTEE**

None

13.3 **RULES & ETHICS COMMITTEE**

26/03/R&E1 **DISCIPLINARY ENQUIRY HELD BY RULES AND ETHICS COMMITTEE – COUNCILLOR PHUMZILE OLIPHANT**

At 12:22 Cllr Oliphant was placed in the waiting room

Cllr Zana, on behalf of the African National Congress, stated that the caucus would not support the item concerning disciplinary findings against Cllr Oliphant.

He argued that the charges stemmed from a meeting not convened by Kouga Municipality but by another body, where Cllr Oliphant attended as an ANC deployee. He contended that it was unfounded for Cllr Oliphant to be found guilty under municipal rules and ethics for remarks made in that context.

Cllr Zana appealed to Council not to proceed with the item, noting that deductions had already been made from Cllr Oliphant's remuneration while the MEC appeal remained unresolved. He urged that Council await the outcome of the appeal before taking further action and reiterated the ANC's opposition to the item.

Cllr Mbandana stated that the African National Congress (ANC) views the Council's actions against Cllr Oliphant as punitive and reiterated longstanding objections to such measures. He expressed concern that ANC councillors are being muted when raising issues robustly and affirmed support for councillors pursuing appeals. He concluded that deductions should not continue once appeals have been lodged, both within Council and with the MEC.

The Speaker called for a vote.

In favour: 16
Not in favour: 7
Abstain: 0

Resolved (30 March 2026)

1. That Council confirms the guilty finding in respect of the three (3) charges brought against Councillor Oliphant.

2. That the following sanctions be implemented against Councillor Oliphant in respect of the charges laid against him and for which charges the Councillor was found guilty.

2.1 That in respect of –

Charge 1 – Guilty – A fine equal to **10% of one month's remuneration of a nonexecutive Councillor** to be **deducted from the Councillor Oliphant's net salary.**

Charge 2 –Guilty – A fine equal to **10% of one month's remuneration of a nonexecutive Councillor** to be **deducted from the Councillor Oliphant's net salary.**

Charge 3 – Guilty – A fine equal to 1**0% of one month's remuneration of a nonexecutive Councillor** to be **deducted from the Councillor Oliphant's net salary.**

3. That in respect of charge 1 to 3, the deductions will be implemented and processed over three (3) months from April 2026 –June 2026.
4. That the Speaker report the outcome of the investigation to the MEC for the local government in the province concerned.

13.4 **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

26/03/MPAC1 MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Cllr van der Linde noted that a Council resolution taken three months ago required MPAC to visit all sites. He indicated that these visits had not yet occurred. Administration assured that the process would be fast-tracked, with site visits scheduled for April 2026.

The Municipal Manager confirmed that the site visits referred to were indeed those under discussion. He indicated that dates had already been forwarded but clarified that the visits could not be completed in a single day. It was noted that multiple days would be required to cover all sites, and that arrangements for this process were currently underway.

Resolved (30 March 2026)

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.

13.5 **MUNICIPAL BY - LAWS AND POLICIES**

26/03/PB1 STANDING RULES AND ORDERS BY-LAW

The Executive Mayor proposed amendments to Council rules:

- Clause 25.1 should state that members may address the Chairperson in English, with unnecessary wording removed.
- The clause on vulgar language should end after "or other," removing the reference to taboo language.

Cllr Dhludhlu seconded the amended proposal put forward by the Executive Mayor.

Cllr Mbandana opposed the item, arguing that the rules restricted debate and infringed constitutional language rights. He indicated that the caucus would seek legal opinion and did not support the proposal.

Cllr Zana questioned why physical meetings had not resumed, noting that virtual meetings were lengthy and difficult to manage. He requested reasons from the Speaker in terms of clause 3.3.1, which provides for meetings to be held remotely at the Speaker's discretion.

He further raised concern about clause 3.3.12, which requires Councillors to ensure that their votes are correctly recorded. He pointed out that, in virtual meetings, councillors often could not confirm whether their votes had been registered and asked how this requirement could be practically ensured.

Lastly, Cllr Zana sought clarity on the notice period for Council meetings. He noted that Councillors were given seven days' notice, including weekends, despite receiving voluminous agendas. He contrasted this with the requirement for written questions, which must be submitted 10–12 days before a meeting, excluding weekends. He asked why weekends were counted in the notice period for meetings but excluded from the deadline for written questions.

The Acting Deputy Municipal Manager addressed concerns regarding the legality of voting and the recording of votes during virtual meetings. She explained that electronic recordings of all voting processes and outcomes were available should the matter be questioned. He stated that, on this basis, she did not foresee any legal problems with the method of voting conducted on a virtual platform.

The Speaker confirmed that it is within her mandate to determine the format of meetings and noted that the decision to hold the present meeting virtually was due to cost implications.

Cllr Oliphant argued that Municipal By-Laws cannot override constitutional language rights. He questioned how Council could act against the constitutional guarantee of expression in any of the 11 official languages and requested clarity from the Speaker on this matter. He also raised concern about the suppression of his right to ask clarity questions in a previous instance.

Ald Benson proposed an amendment to the definition of the Whip of Council, aligning it with the Municipal Structures Act. He requested legal opinion and asked that Council be updated within seven days should the legal advisors not support the amendment.

The Acting Deputy Municipal Manager confirmed that Council determines its language policy for communication and debate. She further clarified that the existing definition of the Whip of Council aligns with the Municipal Structures Act, covering elected and re-elected councillors or elected chiefs.

Cllr Van der Linde proposed that the policy be sent back for a workshop instead of being adopted immediately by Council.

Cllr Zana seconded the proposal put forward by Cllr Van der Linde.

The Speaker called for a vote on the proposal of Cllr Van der Linde:

In favour: 10
Not in favour: 16
Abstain: 0

Result: The Speaker stated that the motion does not carry.

The Speaker further called for a vote, as the standing rules required alignment with the amendments made by the Mayor:

In favour: 16
Not in favour: 8
Abstain: 0

Result: The Speaker confirmed that the motion carries with the Executive Mayor's amendments.

Resolved (30 March 2026)

1. That Council approves the amended Kouga Local Municipality Standing Rules and Orders By – Law.

2. That the approved Kouga Local Municipality Standing Rules and Orders By- Law be published in the Government Gazette for promulgation.

3. That the approved by-law shall repeal and replace all previously approved Kouga Local Municipality Standing Rules and Order By – Law.

26/03/PB2 **KOUGA LOCAL MUNICIPALITY BY-LAW ON LIQUOR TRADING HOURS**

Cllr Mbandana reported that communities continue to experience disturbances caused by music being played until the early hours of the morning. Enforcement of trading hours and noise regulations was noted as inadequate, with police disputing responsibility for addressing noise pollution. The matter was described as a serious challenge requiring urgent attention.

Cllr Zana indicated support for the concerns raised by Cllr Mbandana regarding trading hours. It was noted that the item had already been taken for public participation in February 2026, but clarity was sought on whether any objections or comments had been received from the public in support of the proposed times.

Reference was made to current practices, where wholesalers open at 09:00 and taverns at 10:00 for on-consumption. Cllr Zana suggested that both on- and off-consumption outlets should commence trading at 10:00 to reduce early morning access to alcohol, which contributes to loitering and community disturbances.

Further concern was expressed about unregulated sales of homemade alcohol in certain townships. These operations were described as illegal, harmful to health, and active around the clock. It was emphasized that law enforcement should strengthen efforts to address such practices.

The Acting Deputy Municipal Manager clarified that the Municipality is responsible for monitoring operating times in terms of the liquor By-Law. Any non-compliance must be reported to the Safety and Traffic Department, which will refer matters to law enforcement for investigation. It was noted that if organisations or institutions within townships are selling homemade products, these must also be reported for investigation, with Environmental Health Practitioners (EHP) available to assist.

The Acting Deputy Municipal Manager emphasized that nuisances should be reported under the nuisance By-Law, which provides for monitoring and policing of such matters. It was explained that the intention is to avoid conflicting provisions across different By-Laws, as existing By-Laws already cover these forms of non-compliance.
Key Points

Resolved (30 March 2026)

1. That Council approves the Kouga Local Municipality By-law on Liquor Trading Hours.

2. That the approved Kouga Local Municipality By-law on Liquor Trading Hours be advertised in the Government Gazette for promulgation.

3. That the approved by-law shall repeal and replace all previously approved Kouga Local Municipality By-law on Liquor Trading Hours.

26/03/PB3 DRAFT BY-LAWS RELATING TO THE BUILDING AESTHETICS IN THE MUNICIPAL AREA

Cllr Jantjes reiterated that building plans should not be submitted directly to Aesthetics Committees unless applicable. It was emphasized that this requirement only applies in towns where such committees exist. The point was raised with reference to page 110 and on page 7 of the By-Laws of items 9A and 9C, confirming that the matter had already been discussed and should be clearly reflected in the record.

The Executive Mayor seconded the Cllr Jantjes proposal and provided further clarification on item 8 (page 7 of 9 of the By-Law). It was noted that the Bylaw states it is designed to regulate the design and construction of buildings and advertising signage within the jurisdiction of Gauteng Municipality. The Executive Mayor proposed that the wording be amended to specify "in areas that have approved aesthetical guidelines in place."

This clarification was intended to ensure that building plans are not unnecessarily submitted to Aesthetics Committees in areas where no guidelines exist, as such submissions would be redundant and cause delays. The amendment would make clear that the requirement applies only where approved guidelines are in place.

Cllr W. Petersen raised concerns about the legal framework and municipal oversight, questioning whether committees would be subcommittees of Council or independent bodies. A follow-up question highlighted constitutional considerations and asked whether new design manuals would be formulated, or existing ones adopted, noting that such matters should be reviewed by the Planning and Development Portfolio Committee.

The Director: Planning and Development clarified that the By-Law provides only a framework. Guidelines are yet to be drafted for specific towns and will require community participation before being submitted to Portfolio and Council for approval. Committees will be area-specific, nominated (with architects expressing interest), and tasked with ensuring compliance with Council-approved guidelines before submissions are made to the Municipality. It was emphasized that committees will not police the National Building Regulations.

Resolved (30 March 2026)

1. That Council approves the Kouga By-Law Relating to the Building Aesthetics.

2. That the Kouga By-Law Relating to the Building Aesthetics be published in the Government Gazette, subject to the approval by the Minister, and from which date the by-law shall take effect.

26/03/PB4 **SUPPLY CHAIN MANAGEMENT POLICY**

Cllr Ruth welcomed the revised Supply Chain Management (SCM) policy and thanked all involved in its review. She highlighted the inclusion of targeted groups (youth-owned, women-owned, and disabled-owned EME/QSEs) in the specific goals categories, which allow for additional points. It was noted that youth had been omitted in the current iteration despite being included in the Policy Committee version, and a request was made for it to be re-added.

Cllr Ruth further emphasized the importance of new provisions enabling supply chain administrators to conduct additional vetting of companies, including assessing their ability to execute projects and restricting companies with records of wrongdoing or abandonment. This measure aims to prevent issues at the implementation stage and aligns with the forthcoming blacklisting policy.

The Executive Mayor seconded Cllr Ruth's proposal to re-include youth in the targeted groups category of the revised Supply Chain Management (SCM) policy.

Cllr Gertenbach noted that the SCM policy is not a bylaw and queried whether the municipality has the authority to amend it without higher approval. The councillor expressed concern that the policy may be discriminatory, as tenders are not always awarded to the most qualified or lowest-priced bidder.

The CFO confirmed that tenders are not necessarily awarded to the cheapest service provider. The policy is structured in line with national supply chain regulations, which incorporate BBBEE, procurement, and infrastructure regulations. Points are allocated to address historical disadvantages, and awards are made to the highest-scoring bidder.

It was emphasized that specifications must ensure functionality, and strengthened vetting provisions now allow administrators to verify competency beyond paper submissions. This ensures that recommended bidders are capable of delivering successful outcomes. The review of the policy was necessary to strengthen processes, balancing scoring with competency and accountability.

The Executive Mayor supported the SCM policy framework, noting its role in balancing cost, competency, and local empowerment.

Resolved (30 March 2026)

1. That Council approves the Supply Chain Management Policy.

2. That the Supply Chain Management Policy be uploaded on the Kouga Website.

3. That the previous version be replaced with this version.

14. **REPORT BACK: MUNIMEC**

None

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

26/03/MM1 KOUGA MUNICIPALITY: 2024/25 ANNUAL REPORT

Cllr Zana raised concern about the Municipality's operating deficit of approximately R96 million, requesting clarity on its causes and measures to reduce it. The Councillor also noted that revenue collection stands at 91.88%, below the 95% benchmark, and asked what steps are being taken to improve performance.

Further emphasis was placed on Integrated Development Plan (IDP) priorities, with a call for clearer reporting on ward Councillor highlighted the need for stronger reporting on vulnerable groups, including youth and persons with disabilities, and questioned the absence of updates on the Local Drug Action Committee and Kouga Local AIDS Council.

Cllr Mbandana expressed dissatisfaction with the Municipality's performance, noting that critical issues raised repeatedly remain stagnant year after year. He warned that communities perceive Council as failing to deliver progressive development, despite leaders being mandated to champion community priorities.

It was emphasized that local monitoring and community engagement would reveal frustration across all age groups, as development outcomes remain unchanged. Cllr Mbandana stated that leadership must take responsibility, describing the lack of progress as shameful and a failure to act in the interests of Kouga as a developing town.

The CFO responded to concerns about the collection rate, noting that after COVID the rate dropped to 86% but has steadily improved each year. The Municipality is currently close to 93% and aims to reach the 95% benchmark this year.

Government departments owe approximately R14 million, which, if settled, would raise the collection rate by about 1.5%. A focused

approach is also being applied to 2,500 long-outstanding consumers. Council has recently approved a policy change to assist the process, offering leniency provided current accounts are paid. This ensures monthly collection stability and drives the overall rate upward.

The CFO emphasized that if government departments settle their accounts, the municipality will likely achieve the 95% target.

The CFO addressed the operating deficit of R96 million (page 225), explaining that the shortfall relates to non-cash items that are not yet fully funded. These include depreciation (approximately R120 million) and substantial impairments, which together account for over R200 million in expenditure. Of this, R96 million remains unfunded.

The CFO emphasized that the municipality is working towards closing this gap annually, with the long-term goal of ensuring that all non-cash items are fully funded.

The Municipal Manager explained that the implementation of priorities depends on funding sources and availability. While some projects are high priority, they are not always easily funded, which influences sequencing. Despite these constraints, a significant number of communities-identified projects have been funded and completed.

The Municipal Manager highlighted that the top priority raised by communities was the upgrading of roads, which has been addressed through programmes for resealing, gravel-to-tar conversions, and maintenance. Electrification of areas has also been a major priority, alongside the upgrading of informal settlements. These upgrades are multi-year projects that include infrastructure such as pump stations, sewer lines, water systems, purification plants, and bulk connector services.

Currently, approximately 85 projects are running across the municipality, many of which will be completed towards the end of the five-year IDP term.

The Speaker called for a vote.

In favour 16
Not in favour 6
Abstain 1

Resolved (30 March 2026)

1. That the 2024/25 Annual Report be adopted without reservation.

2. That in terms of the provisions of Section 127 of the Local Government Municipal Finance Management Act, 56 of 2003, the 2024/25 Annual Report be made public.

3. That in terms of the provisions of Section 132 of the Local Government Municipal Finance Management Act, 56 of 2003, the 2024/25 Annual Report be submitted to the Auditor General, Provincial Treasury and the Provincial Department of Cooperative Government and Traditional Affairs.

26/03/MM2 **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: 2024/25 OVERSIGHT REPORT ON THE 2024/2025 ANNUAL REPORT**

Cllr Van Niekerk expressed appreciation to the Municipal Manager, PMS Manager, senior management, directors, and all departments for their effort in compiling the annual report. She highlighted that the coordination and oversight reflect progress in aligning the IDP, SDBIP, and budget with legislative requirements. Constructive input from MPAC committee members was also acknowledged and appreciated.

Cllr Gertenbach highlighted discrepancies in population statistics, noting that the Department of Statistics reflected Kouga's population as 107,000, whereas the previous Census recorded 212,000. This discrepancy was stressed as having serious implications for municipal operations and finances. Additionally, he noted that Council had approved restructuring of the Community Services Directorate to establish a separate unit focusing on safety and security, given the directorate's broad scope.

Resolved (30 March 2026)

1. That in accordance with the provisions of Section 129(1) of the Local Government: Municipal Finance Management Act, No. 56 of 2003, as amended, the 2024/25 Oversight Report on the 2024/25 Annual Report be adopted.

2. That the Accounting Officer, in accordance with Section 29(3) of the Local Government: Municipal Finance Management Act, No. 56 of 2003, as amended, makes public the 2024/25 Oversight Report, within seven days of its adoption.

26/03/MM3 **DRAFT 2026/27 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

Cllr Zana acknowledged that submission of the SDBIP to National Treasury is a required process and agreed that it must be followed. However, hestated that the ANC caucus would not support the SDBIP presented. Reference was made to page 742, noting the date of June 2026 and that the document was unsigned by the Executive Mayor, with the assumption it would be signed later.

Cllr Zana emphasized that the ANC views the budget, IDP, and SDBIP as interlinked documents. Since the caucus did not support the budget and IDP, it would be inconsistent to support the SDBIP. The ANC

therefore regards the documents as a package and will not support one component in isolation.

Cllr Van der Linde raised several issues in relation to the report:

- **Page 742** – A possible typing error was noted; the year should read 2026/27 instead of 2024/25.
- **Page 743** – Concern was expressed that Council is asked to approve a plan with no tariffs, increases, or project list, leaving costs unclear.
- **Page 444** – Water losses quality targets are not met: Green Drop at 19% (target 50%), Blue Drop at 64.95% (target 70%). No measurable progress was reported for Kwanazama, Hankey, and Patensie, with limited improvement expected only in the last quarter.
- **Pages 745 (T78–80)** – Capital underspending remains consistent with previous years, reflecting Kouga's history of underspending on grants. No clear improvement plan is evident in the SDBIP to reach 100% spending.
- **TL 81** – Repairs and maintenance budget is capped at 80%, raising concern as to why this cannot be lifted.
- **Page 748** – Baseline agreement is 14.79% while tariffs are 18%, setting a worse target than current performance. The councillor stressed that this must be better controlled to avoid higher costs for residents.

The Municipal Manager explained that repairs and maintenance expenditure must account for both planned and unplanned maintenance. Unplanned maintenance requires budgetary provision for unforeseen events such as major water pipe breaks or pump failures, which may occur late in the financial year. This makes it difficult to achieve 100% expenditure, as reserves must be kept for contingencies that may not materialize. The Manager emphasized that repairs and maintenance spending in recent years has been excellent, with historically high levels of investment.

The Municipal Manager further noted that the Green Drop evaluation was conducted last year, but results have not yet been released. The programme is data-driven, requiring evidence collection over time, and stricter criteria have lowered baseline scores compared to previous cycles. Despite this, continuous improvement is expected through ongoing reporting and investment. Preparations are underway for Blue Drop and No Drop evaluations, anticipated at the end of April. Major investment in wastewater treatment works remains necessary, and projects are being factored into short-, medium-, and long-term planning.

He further stated that the report under discussion is a draft, and written comments may be submitted to the Office of the Municipal Manager for consideration.

The CFO emphasized that the report under discussion is a draft, with target setting to follow the approval of the IDP and budget. Clarifications were provided on indigency policy, noting that while economic development aims to reduce indigency as household incomes rise, policy adjustments also seek to ensure indigent households can access basic services.

The draft budget proposes increasing the indigency threshold from two state pensions to R7,500 per household, which will affect the baseline and annual targets. The CFO confirmed that after draft approval, each line will be reviewed to align targets with policy intentions, the IDP, and the budget.

It was further noted that inclusion of the draft SDBIP in the agenda is a Treasury compliance requirement, with the final version to be approved by the Executive Mayor within 28 days of the final budget's adoption.

The Director: Civil and Water Services explained that the annual targets for Green Drop and Blue Drop have been set at 50% and 64% respectively, reflecting ongoing improvements from current baselines (19% and 64.95%). These targets are annual rather than quarterly, as progress requires significant capital investment and long-term planning.

It was noted that construction and maintenance plans are included in portfolio items, with continuous upgrades underway. However, achieving 100% compliance within a single year is not feasible. The municipality is exploring funding applications through SADC and other sources to address these challenges. Engagement with the Department of Water and Sanitation and appointed consultants is expected at the end of the month to advance the Blue Drop evaluation.

At 14:18 Cllr W. Petersen indicated that he is in an area with weak signal and may be offline during proceedings.

Resolved (30 March 2026)

1. That the Draft 2026/27 Service Delivery and Budget Implementation Plan be noted.

2. That in terms of the provisions of National Treasury MTREF Circular 126, the Draft 2026/27 Service Delivery and Budget Implementation Plan be submitted to National Treasury with the Draft 2026/27 Budget.

26/03/MM4 **2025/26: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: AMENDMENT**

The Speaker declared a comfort break from 14:20 – 14:29

Resolved (30 March 2026)

1. That in terms of the provisions of the Local Government Municipal Finance Management Act, 56 of 2003 Circular 129, the amended 2025/26 Service Delivery and Budget Implementation Plan be approved.

2. That in terms of the provisions of Section 54(3) of the Local Government Municipal Finance Management Act, 56 of 2003, the amended 2025/26 Service Delivery and Budget Implementation Plan be made public by publication on the Municipal Web Site.

3. That the Municipal Manager affects the required changes to the performance plans of Senior Managers to ensure that the performance plans are aligned to amended 2025/26 Service Delivery and Budget Implementation Plan targets for implementation with effect 1 April 2025.

4. That the addendum to the Performance Agreements of Senior Managers following the amendment of the 2025/26 Service Delivery and Budget Implementation Plan, be submitted to Council.

26/03/MM5 TABLING OF THE DRAFT REVIEWED 2026/2027 INTEGRATED DEVELOPMENT PLAN (IDP)

Cllr Mbandana, speaking as a resident of Patensie, expressed concern that the DA-led government had failed to implement IDP items since 2016, citing community disillusionment and poor attendance at recent IDP meetings. The Councillor highlighted neglected infrastructure, including unfenced gravesites, and accused the Municipality of falling short in addressing community needs, describing the leadership as lacking passion to improve residents' lives.

At 10:49, Cllr Dhludhlu raised a point of order in terms of Rule 32, citing relevance.

Cllr Ndzelani expressed agreement with Cllr Mbandana's concerns regarding the IDP. He described poor attendance at IDP meetings, particularly in Kwanomzamo, and criticized the lack of implementation of IDP projects in Black communities. Concerns were raised about residents living in poor conditions in informal settlements despite available land, and frustration was expressed that current leadership had not engaged communities directly. He called for a more action-oriented and inclusive IDP process.

Cllr W Petersen sought clarity regarding the Executive Mayor's statement that the budget would now be implemented across Kouga. The Councillor questioned why this approach was only being realized on the eve of elections, noting that efforts throughout his term of office had focused on ensuring budget allocations for all areas.

At 11:00, the Executive Mayor questioned how Cllr W Petersen was permitted to speak, noting that he himself had not spoken on the item and asking on what point the Councillor was addressing the matter.

Cllr Oliphant suggested that IDP public meetings be better advertised and, where necessary, divided into smaller segments to improve effectiveness. He further recommended introducing a dedicated monitoring tool to track IDP implementation across funding sources. Lastly, he emphasized the importance of Ward Councillors' involvement in strengthening the IDP process.

The Speaker acknowledged Cllr Oliphant's suggestions, agreeing that they were valuable, but directed that they be submitted via email to the office for referral to the administration. The Speaker emphasized the need to adhere to agenda points and clarity questions during the meeting.

Cllr Zana, representing the African National Congress (ANC), recorded an objection to the matter under discussion.

The Speaker called for a vote.

In Favour 16
Not in favour: 9
Abstain: 1

Resolved (30 March 2026)

1. That the Draft Reviewed 2026/2027 IDP attached as Annexure A to the Agenda be adopted as it will serve as the basis for public participation during April/May 2026.
2. That immediately after the Draft Reviewed 2026/2027 IDP is tabled in Council, the Accounting Officer of the Municipality, is authorised, in accordance with Section 21A of the Municipal Systems Act to –

2.2.1 make public the Draft Reviewed 2026/27 IDP;

2.2.2 invite the local community to submit comments and Inputs in connection with the Draft Reviewed IDP; and

2.2.3 Convene community meetings to provide further opportunity for engagement on proposals emanating from the Draft Reviewed 2026/27 IDP and the Multi-Year Budget.

16. **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).

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

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

26/03/FED1 SUPPLY CHAIN MANAGEMENT: DISPOSAL MANAGEMENT (DISPOSAL OF SLOW-MOVING STOCK, REDUNDANT STOCK AND DAMAGED STOCK ITEMS)

Cllr van der Linde enquired about the verification process followed before stock is classified as damaged or redundant. He further asked whether there was any independent control to confirm such classification, and how the Municipality ensured that stock declared damaged or redundant was not used again or written off improperly.

The CFO reported that a mid-year stock count had been introduced for the first time, in addition to the usual year-end count. Internal audit observed the process to ensure compliance. Redundant stock was identified through slow-moving reports and referred to relevant departments for confirmation of continued need. Departments advised whether items were still required, or obsolete, and internal audit verified the process before submission of the report to Council. The CFO assured Council that these measures provided proper verification, independent oversight, and safeguards against the reuse of stock classified as damaged or redundant.

Resolved (30 March 2026)

1. That the report for the Section 40 Disposal management of slow-moving stock and redundant stock and damaged stock as the end of Financial Year be noted by Council.

2. That Council approve the recommended disposal strategy by SCM section for redundant and slow-moving stock for the total

value of R 92 214.73 (Excluding Vat) which is reflected in Table 1 and 2 be put on a public auction.

3. That the total value of R101.49 (Excluding VAT), for the items as listed under Damaged Stock under Table 3 be written off and disposed of.

26/03/FED2 **SUPPLY CHAIN MANAGEMENT: S36 DEVIATIONS FOR THE MONTH: FEBRUARY 2026**

Cllr van der Linde requested information on the total cost of deviations approved during the previous month and asked why the normal procurement process had not been followed in those cases.

The CFO reported that deviations are only applied under specific circumstances, namely sole supplier situations, emergencies, or impracticality of appointing a new service provider. It was explained that the total value of deviations for the month under consideration amounted to R4.4 million, of which R3.2 million related to emergency fire services. Excluding this, deviations for February amounted to R1.2 million. The CFO advised that detailed deviation reports are submitted to Council monthly and undertook to provide the specific figures for the previous month via email.

Cllr van der Linde recorded his objection to the item.

The Speaker called for a vote.

In favour 15
Not in favour 3
Abstain 1

Resolved (30 March 2026)

1. That the Deviation report for the month of February 2026 be approved.

26/03/FED3 **HUMANSDORP MUSEUM ASSOCIATION: SHIPWRECK MUSEUM ESTABLISHMENT AND MAINTENANCE**

Resolved (30 March 2026)

1. That Council approves the reimbursement of R300,000-00 (Three hundred thousand rand), VAT inclusive for the refurbishment and maintenance of the Municipal Property in St Francis Bay, situated at 2 Diana Crescent, Erf 2291 to the Humansdorp Museum Association.

26/03/FED4 **CAPITAL ITEMS TO BE DISPOSED (CONDEMNED ASSETS)**

Cllr Van der Linde enquired about the process in place to determine the sales value of municipal assets. He further asked who determined such values and whether Council could be provided with a

breakdown of the original cost, book value, and proposed sales value for each item.

The CFO explained that an annual asset verification and conditional assessment is conducted as part of financial statement preparation. Assets identified as condemned are written down to R1 in the fixed asset register, which is subsequently audited by the Auditor-General. No findings were raised for the 2024/25 financial year, confirming satisfaction with the process.

It was noted that the Municipality can provide Council with the original purchase cost, useful life, and book value at the date of condemnation. Disposal values are determined through the supply chain process, with assets sold via an annual auction.

Cllr Gertenbach referred to recommendation 10.3, noting that the listed assets were to be disposed of either through public auction or donation. He asked whether the list could be made available to schools and institutions that might be interested in receiving such donations.

The CFO noted that Council has, in the past, requested donations of assets. In such cases, Councillors are invited to submit formal requests for donations, after which the items can be considered for allocation. The CFO explained that any remaining assets not earmarked for donation would then be disposed of through the annual auction, subject to Council's decision to open the process for donations.

Resolved (30 March 2026)

1. That the disposal of the condemned/redundant assets listed below be approved.

2. That the condemned/redundant assets listed below be removed from the Asset Register.

3. That the condemn/redundant assets listed below be disposed of in terms of the Supply Chain Management Policy through a public auction / donation.

26/03/FED5 **DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)-BUDGET FOR THE 2026/27 TO 2028/29 FINANCIAL YEARS.**

Cllr Ruth expressed appreciation to the Executive Mayor, Municipal Manger, directors, CFO, and Budget and Treasury staff for their extensive work in preparing the draft budget. Specific thanks were extended to the budget team members for their dedication. Cllr Ruth also noted a correction to the recommendations on page 523, sub-point 10.1.3(A), clarifying that the tariff years should read 2027–

2028 and 2028–2029, consistent with the table on page 532 of the agenda.

Cllr W Petersen sought clarity on the formulation of the budget, emphasizing that it should serve the entire jurisdiction without political bias. The Councillor expressed concern that the budget did not reflect recognition or support for the Khoisan community, noting a perceived prioritisation of other groups while the needs of the Khoisan people remained unaddressed.

Cllr W Petersen further questioned the draft budget, asking where it specifically addressed the needs of the Khoisan communities. He challenged the administration to identify any page in the budget that prioritised this marginalised group, stressing concern over the absence of recognition or targeted support.

The Executive Mayor referred Cllr W Petersen to pages 520–528 of the budget, noting that these sections outline service delivery across all towns and communities of Kouga, irrespective of race, language, religion, or background. The Executive Mayor emphasized that the budget is designed to serve all residents equally and cautioned that recognition of specific groups, such as the Khoisan, is a separate matter from budget allocations.

Cllr Mbandana supported Cllr W Petersen's concerns, noting that traditional leaders serve as custodians of constituencies across political lines. He argued that the absence of evidence in the budget contravenes provisions of the Municipal Systems Act (Chapter 10, Section 105). The Councillor urged engagement with the MEC through the House of Traditional Leaders to establish monitoring and evaluation processes for Kouga. He further highlighted deliberate frustrations experienced in Patensie, particularly in Ramaphosa Village, which have created tensions within the community.

At 11:18, the Executive Mayor raised a point of order, noting that Cllr Mbandana had not addressed the budget during his allocated speaking time. The Executive Mayor emphasized that Councillors must focus on the agenda item before the Council Meeting, which was the budget, and cautioned against diverting into unrelated matters. He stressed the importance of reading the agenda and speaking directly to the item under discussion.

Cllr Mbandana referred to Section 107 of the Municipal Systems Act, noting the obligation to furnish information. He supported Cllr W Petersen's call for clarity and highlighted historical injustices against the Khoisan communities, referencing past persecution and marginalisation.

The Speaker cautioned Cllr Mbandana that his remarks were out of order, reminding him to respect all members of Council and to refrain from using racial language. The Speaker directed the Councillor to continue with comments relevant to the agenda item under discussion.

Cllr Mbandana stated that he identifies as African and Black, and emphasized that the ANC would not accept being treated disrespectfully. He concluded by recording that the African National Congress does not support the budget.

Cllr Zana, speaking on behalf of the ANC caucus, argued that supporting the budget would be inconsistent given their earlier rejection of the IDP. He stressed the need for a scientific analysis showing how IDP priorities are funded by the budget and communicated back to communities. The Councillor raised concerns about limited allocations for sports facilities, questioned the absence of data on certain budget pages, and sought clarity on the number of households benefiting from Equitable Share. He further noted the lack of provisions for taxi rank infrastructure and maintenance, highlighting potholes and poor conditions as a public concern. On these grounds, the ANC caucus recorded its non-support of the budget.

The CFO clarified that operational funding for sports is linked to the Municipal Infrastructure Grant (MIG), which allows for a 5% allocation to sports projects. He noted that in the current year, approximately R5 million—equating to around 20%—was allocated to sports, with further increases planned in subsequent years.

The Executive Mayor acknowledged Cllr Zana's concern regarding taxi ranks, confirming that the matter is being addressed in consultation with taxi associations. He reported that contracts are being arranged with the associations to maintain basic facilities at the ranks. The Executive Mayor clarified that road surfacing remains the responsibility of the Municipality and would be covered under general road maintenance rather than a specific budget line item. He noted the issue as duly raised and emphasized that it should be given further attention.

Cllr Ndzelani raised a question of clarity regarding the budget, specifically enquiring whether provision had been made for the reconstruction of a demolished and vandalised community hall in Vergenoeg. He noted that the area is expanding rapidly and highlighted the inconvenience of residents having to use the KwaNomzamo Hall for public meetings. The Councillor requested confirmation on whether funding has been allocated for the restoration of the hall to serve the growing community.

The CFO responded to queries regarding household service targets. He explained that these targets are consolidated during the draft budget stage and finalised in the Service Delivery and Budget Implementation Plan (SDBIP). The CFO noted that the draft budget reflects preliminary figures, while the final budget incorporates detailed targets after consultation with relevant departments. He emphasized that the process involves aligning IDP priorities with budget allocations, followed by departmental breakdowns to ensure service delivery measurements are accurately populated.

At 11:35, Cllr Zana requested a 5-minute caucus break.

The Speaker granted the requested for a 5-minute caucus.

At 11:49, following the caucus recess, Cllr Zana requested that Council proceedings continue. He noted that he would not provide a report back to Council on the caucus discussions.

The Speaker called for a vote.

In favour: 16
Not in favour: 9
Abstain: 1

Resolved (30 March 2026)

1. That the Executive Mayor recommends 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 Section 16 of the Local Government: Municipal Finance Management Act, Act 56 of 2003:

1.1.1 Approves the 2026/27 – 2028/29 Draft Annual Budget, as set out in the"**Annexure A"** on the following tables:

a. Consolidated Budget Summary [Table A1] [Page 24]
b. Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2] [Page 26]
c. Budgeted Financial Performance (revenue and expenditure by municipal vote); [Table A3] [Page 28]
d. Budgeted Financial Performance (revenue by source and expenditure by type); [Table A4] [Page 29]
e. Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Table A5] [Page 31]

- That the budgeted financial position, budgeted cash flows, cash-backed reserves/accumulated surplus, asset

management and basic service delivery targets be noted as set out in the following tables:

- Budgeted Financial Position; [Table A6] [Page 33]
- Budgeted Cash Flows; [Table A7] [Page 35]
- Cash backed reserves and accumulated surplus reconciliation; [Table A8] [Page 36]
- Asset management; [Table A9] [Page 37]
- Basic service delivery measurement. [Table A10] [Page 40]

- That the tariffs be increased as follows, with effect from 1 July 2026:

Property rates	4.5%
Water	6.5%
Sanitation	5%
Refuse	5%
Electricity (average increase in electricity income)	9.01%
Environmental Management Fee	5%

a) Indicative tariffs for 2027/28 and 2028/29 will be increased as follows:

	2027/28	**2028/29**
Property rates	4.5%	4.5%
Water	6%	6%
Sanitation	5%	5%
Refuse	5%	5%
Electricity (average increase in electricity income)	8.83%	10%
Environmental Management Fee	5%	5%

1.1.4. That the Council approves "**Annexure B"** which regulates the format of the budget documentation as set out in Schedule A (version 7.1) of the Municipal Budget and Reporting Regulations. This includes the main Tables A1 - A10 as well as the supporting tables SA1 – SA38.

1.1.5. That the Council notes the 2026/27 Draft Capital Expenditure, **"Annexure C"**.

1.1.6. That the Council approves the Draft tariffs, as reflected in "**Annexure D"**, for public participation,

1.1.6.1. That the electricity tariffs be approved subject to NERSA approval.

1.1.6.2. That the Natis tariffs be approved subject to changes from the Provincial government.

1.1.7. That the Council approves the Draft Budget-Related Policies, as reflected in "Annexure E", for public participation.

1.1.8. That the 2026/27 Draft Procurement Plan be approved "Annexure F".

1.1.9. That the mSCOA road map be approved. "Annexure G".

2. That the Draft Annual Budget be submitted to the National Treasury in both printed and electronic format and the relevant Provincial Treasury.

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

26/03/PD1 **REVIEW OF SPATIAL DEVELOPMENT FRAMEWORK 2020: PUBLIC PARTICIPATION ON DRAFT DOCUMENT**

Resolved (30 March 2026)

1. That Council adopts the revised Draft Spatial Development Framework for public Participation.

2. That the Town & Regional Planning Department embarks on a public participation process for the Draft Spatial Development Framework.

26/03/PD2 **REQUEST FOR COUNCIL'S AUTHORISATION FOR FINAL APPROVAL FOR THE ALIENATION (SALE) OF ERF 4298, HUMANSDORP (AN UNREGISTERED PORTION OF ERF 499, HUMANSDORP)**

Cllr van der Linde enquired about the current market value of property R4298. He further asked whether the process would be opened to the public for participation and requested additional feedback, noting that his main interest was in the value of the property.

The Director: Planning and Development reported that the item and method of disposal had been advertised. It was explained that the disposal was not a competitive process, as the property was intended for a parastatal, and could therefore be sold directly to a government department. He confirmed that the valuation was conducted by an independent valuer and amounted to R270,000. It was further noted that the property currently had no land use rights or zoning, and that the relevant processes would need to be undertaken. Reference was made to recommendation 10.4, which reflected the valuation obtained.

Resolved (30 March 2026)

1. That Council **grant final approval** to alienate Erf 4298, Humansdorp (an unregistered portion of Erf 499, Humansdorp) to

Eskom for the construction of a Battery Energy Storage Systems (Bess).

2. That Council notes that no objections were received against the sale of Erf 4298, Humansdorp (an unregistered portion of Erf 499, Humansdorp) to Eskom.

3. The Council confirms that the immovable properties contemplated herein are not needed for the provision of the minimum level of basic Municipal services.

4. That Council accepts the market-related valuation of R270 000.00 in line with Section 14(2) of the Municipal Finance Management Act.
5. That Eskom be liable for all costs for subdivision, registration, rezoning and transfer of the subject property.

6. That Council grant authorisation to the Accounting Officer to enter into a Deed of Sale agreement with Eskom.

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

26/03/CWS1 APPROVAL OF THE FINAL PROJECT IMPLEMENTATION PLAN (PIP) FOR THE 26/27 FY MIG ALLOCATED GRANT FUNDING

Cllr Zana requested clarity on high-mast lights, sewer plant omission, and welcomed sports field upgrade.

The Director: Civil and Water Services acknowledged the Councillor's concerns regarding high-mast lights and stated that further consultation would be undertaken to ensure improved practices and community input before proceeding.

Regarding Umzamowethuetu, he confirmed that the design phase had constituted Phase 1 of the project.

Resolved (30 March 2026)

1. That the Final Project Implementation Plan for MIG projects for the 26/27 FY be approved by Council.

26/03/CWS2 APPROVAL OF REVISED DROUGHT MITIGATION PLAN – KOUGA LOCAL MUNICIPALITY

Cllr Zana supported the item, requested borehole contribution figures, and proposed water tank support for vulnerable groups.

Cllr van der Linde requested figures on water loss reduction and current estimated leak losses.

The Director: Civil and Water Services explained that Kouga remains reliant on supply from Nelson Mandela Bay, estimated at 48%, supplemented by boreholes, fountains, and earthen dams. Detailed figures would be shared with Cllr Zana. It was noted that Human Settlements had already engaged the municipality regarding a drought-related rollout of support, including tanks and stands, and further engagement would be prioritised.

On water losses, the Director: Civil and Water Services confirmed that a reduction plan was implemented following audit recommendations. Significant improvements were reported, with investigations into leaks and high consumption ongoing. Current non-revenue water stood at 36.02% at the end of the third quarter, against a target of 39%, with fluctuations attributed to seasonal demand and firefighting usage in January.

Resolved (30 March 2026)

1. That Council notes the risks and operational challenges, which necessitated the review of the existing Drought Mitigation Plan.

2. That Council approve the Revised Mitigation Plan as presented in the report. (Annexure B)

3. That the Municipal Manager be mandated to oversee the implementation of the revised Drought Mitigation measures through the relevant departments.

4. That progress on the implementation of the mitigation plan be monitored and reported through the appropriate oversight and governance structures.

26/03/CWS3 **REALLOCATION OF WSIG FUNDS WITHIN CIVIL AND WATER SERVICES DIRECTORATE FOR THE 25/26 FY**

Cllr van der Linde requested clarity on WSIG fund reallocation and its impact on projects and wards.

The Director: Civil and Water Services referred Council to page 1145 of the report, where the reasons for the reallocation are set out. It was explained that the Beach Sewer Pump Station in Jeffreys Bay is among the affected projects. The Director confirmed that ward-specific details could be provided to Cllr van der Linde as requested, and that the information would suffice to clarify the impact of the reallocation.

Resolved (30 March 2026)

1. That the accounting officer request the Executive Mayor to recommend to 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 Section 28 of the Local

Government: Finance Management Act, Act 56 of 2003, approves the following proposed amendments to the 2025/2026 Capital Budget:

Project Name	2025/2026 Adjusted Budget (Excl. VAT)	2025/2026 Proposed Adjustments (Excl. VAT)	Increase	Decrease
Beach Sewer Pump Station and New Sewer Bypass	R200 000,00	R0.00		-R200 000,00
St Francis Bay: Replacement of Main Waterline (Sout)	R100 000.00	R0.00		-R100 000.00
Loerie: Upgrade of Sewer Pump Station & New Sewer	R5 396 909.00	R5 096 909,00		-R300 000.00
St Francis Bay: Replacement of Waterpipe	R100 000.00	R0.00		-R100 000.00
St Francis Bay: Groundwater Supply	R2 576 130.00	R3 276 130,00	+R700 000.00	

26/03/CWS4 KOUGA LOCAL MUNICIPALITY – IMPLEMENTATION OF WATER RESTRICTIONS – MARCH 2026

Cllr Foley proposed an amendment to recommendation that a Drought Management Committee be established to proactively address the current water scarcity challenges within the municipal area.

Cllr Heystek reiterated the difficult situation facing the Municipality due to water scarcity and expressed support for Cllr Foley's proposal to establish an urgent drought management committee. It was noted that, while current measures are in place, further urgent intervention is required to secure water supply and identify additional strategies beyond tariff adjustments.

Cllr Zana supported drought mitigation plan, noting restrictions necessary due to dam levels.

Resolved (30 March 2026)

1. That the Council note the water restrictions imposed by DWS on allocations from the Kouga Dam, Churchill Dam, and Impofu Dam.

2. That an intensified public awareness campaign about Water Conservation and Demand Management be initiated.

3. That water restrictions be implemented as stipulated in attached Annexure A.

4. That Part C tariffs be implemented if the combined storage levels of the Kromme system fall below 35%.

5. That a Drought Management Committee be established to proactively address the current water scarcity challenges within the municipal area.

Proposed: Cllr Foley Seconded: Cllr Heystek

17.4 **REPORTS BY THE CHAIRPERSON: ELECTOR-MECHANICAL SERVICES**

26/03/EMS1 CONSIDERATION OF ELECTRICITY TARIFFS FOR THE PERIOD 1 JULY 2026 TO 30 JUNE 2027

The Executive Mayor raised concern over the escalating electricity tariffs imposed by Eskom and NERSA, noting the severe impact on residents already struggling with the cost of living. He emphasized the urgency for the Municipality to take ownership of its electricity supply and to prioritize budget measures that enable lower electricity costs for residents.

The Executive Mayor reported that a significant first step had been taken with the purchase of a battery energy storage facility, which is expected to be launched within the coming months. He stressed the importance of expanding the Municipality's energy footprint to reduce reliance on Eskom and avoid being compelled to implement tariff increases beyond what residents can afford.

Cllr Zana noted the item for public participation and raised two questions of clarity. He enquired how the proposed NERSA electricity tariff increases would affect residents in areas supplied directly by Eskom, such as Gamtoos Valey, Thornhill, Patensie, and Cambria, given that the municipality purchases electricity from Eskom and resells to consumers. He further asked how residents in the Gamtoos Valley would benefit from the municipality's planned battery energy storage facility and future solar energy initiative.

The Director: Electro-Mechanical clarified that NERSA had proposed tariff increases of 8.76% for Eskom-supplied consumers and 9.01% for municipalities. He explained that the municipal tariff is slightly higher due to administrative and distribution costs, as well as a margin of profit. Residents in Eskom-supplied areas such as the Gamtoos Valley will therefore face an 8.76% increase, while municipal customers will face a 9.01% increase. He confirmed that the Municipality's application had been submitted to NERSA and that the item was advertised for public participation.

Cllr W. Petersen sought clarity following the Director: Electro-Mechanical's explanation of tariff differences. He asked

whether Eskom's direct charges to consumers are cheaper than those applied by Kouga Municipality.

Cllr Zana sought clarity on the Municipality's battery storage project. He asked how residents in the Gamtoos Valley, who are supplied directly by Eskom and not through municipal electricity services, would benefit from the facility. He further queried whether the battery storage initiative would focus only on the coastal areas of the region.

The Executive Mayor responded to Cllr Zana's enquiry regarding the battery storage project. He explained that the current facility is a pilot initiative, intended to test feasibility before wider rollout. Should the pilot prove successful, similar projects will be extended to other areas, including the Gamtoos Valley, despite the municipality not administering electricity there. The Executive Mayor noted that strategies are being developed to explore solar and other options to ensure residents in all regions benefit from cheaper electricity in the future, though it remains too early to provide definitive outcomes.

Cllr Dhludhlu expressed appreciation to the Executive Mayor for the battery storage initiative, noting its significance. He sought clarity on whether progress had been made in Kouga Municipality's lobbying efforts to generate electricity through agreements with wind turbine farms. He emphasized that such generation would be a valuable incentive, particularly given the long timelines associated with nuclear power development.

The Speaker interjected during Cllr Dhludhlu question, noting that discussions regarding wind turbine agreements were not part of the current clarity questions. She advised that such matters could be raised with the Executive Mayor outside of the meeting.

Cllr van der Linde requested clarity on the battery storage project. He asked whether the facility would be charged using Eskom's normal power supply rather than solar and confirmed his understanding that the batteries would be utilised primarily during peak demand periods.

The Director: Electro-Mechanical Services clarified that Eskom's tariffs are slightly lower, as determined by NERSA, which permits municipalities to apply a marginally higher increase to cover administrative and distribution costs.

He further explained the rationale behind locating the pilot battery storage facility in St. Francis Bay. Post-COVID, electricity demand in the area nearly doubled, prompting Eskom to quote approximately R10 million for a 2 MVA capacity upgrade. Instead, the municipality opted for a battery solution as a research and development project to test cost savings and efficiency.

The Director noted that the battery will be charged during off-peak periods, when electricity costs are substantially lower, and discharged

during peak hours to avoid penalties and reduce costs. He highlighted that peak electricity costs from Eskom are around R7 per unit, while the municipality sells at an average of R2.40 per unit, underscoring the potential financial benefit. He added that limited space in St. Francis Bay ruled out solar installations, making battery storage the preferred option.

Cllr W. Petersen reiterated his objection to any measures that would increase the financial burden on the poorest residents. He emphasized that even small amounts can be significant for those with limited means and stated his commitment to opposing tariff increases that disproportionately affect vulnerable communities.

The Speaker called for a vote.

In favour:16
Not in favour: 8
Abstain: 1

Resolved (30 March 2026)

1. That the communication from NERSA be noted.

2. That Council confirms the implementation of the Public Participation Process, where the tariff increase proposal was advertised for public comment and/or objections.

3. That Council authorizes the Accounting Officer to sign the Tariff Application to National Energy Regulator of South Africa (NERSA) on behalf of the Kouga Municipality.

4. That Council approves the Electricity Tariff Application to be submitted to the National Energy Regulator of South Africa (NERSA) as per Annexure A attached hereto.

18. **CLOSURE**

The meeting closed at 15:15

L MAREE
SPEAKER

12 May 2026
DATE