



Notice is hereby given in terms of Section 29 of the Local Government: Municipal Structures Act, Act 117 of 1998, that a **SPECIAL COUNCIL MEETING** of the 2021/2026 term of the Garden Route District Municipality will be held at the CA Robertson Council Chambers and via Zoom on **TUESDAY, 21 JULY 2026** at **11:00** to consider the items as set out in the agenda.

*Kennis geskied hiermee ingevolge Artikel 29 van die Wet op Plaaslike Regering: Munisipale Strukture, 1998, Wet 117 van 1998, dat 'n **SPESIALE RAADSVERGADERING** van die 2021/2026 termyn van die Garden Route Distriksmunisipaliteit gehou sal word in die CA Robertson Raadsaal en via Zoom op **DINSDAG, 21 JULIE 2026** om **11:00** ten einde oorweging aan die items soos in die agenda uiteengesit, te skenk.*

Kukhutshwe isaziso ngokwemiqathango yoMhlathi 29 woRhulumente Basekhaya: Umthetho Wezolawulo loMasipala, 1998, uMthetho 117 wango 1998, sokuba **INTLANGANISO YEBHUNGA EKHETHEKILEYO** yexesha lika 2021/2026 loMasipala Wesithili se Garden Route izakubanjelwa kwiGumbi leBhunga CA Robertson nango ngo Zoom **NGOLWESIBINI, 21 KWEYEKHALA 2026** ngentsimbi ye **11:00** ukuqwalasela imiba ebekwe kwi agenda.

ALD GR WOLMARANS
SPEAKER
SPEAKER
SOMLOMO

MG STRATU
Municipal Manager
Munisipale Bestuurder
Mphathi Masipala

Date: 17 JULY 2026

AGENDA

1. OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO NOLWAMKELO
2. EVACUATION PROCEDURES / ONTRUIMINGSPOSEDURES / INKQUBO YOKUFUDUSWA
3. SILENT PRAYER (MEDITATION) / STILLE GEBED (MEDITASIE) / UMTHANDAZO OTHULEYO
4. ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO
 - 4.1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OOCEBA ABAKHOYO
 - 4.2 COUNCILLORS WITH LEAVE / RAADSLEDE MET VERLOF / OOCEBA ABAKWIKHEFU
 - 4.3 COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OOCEBA ABANGEKHO KWIKHEFU
5. NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES AMENDMENT ACT, 2021 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE AANGEPASTE STRUKTURE WET, 2021 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) LOMTHETHO WORHULUMENTE BASEKHAYA WESIMO SOMASIPALA OLUNGISIWEYO WANGO 2021
6. DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA NGOOCEBA KUNYE NAMAGOSA

7.	COMMUNICATIONS BY THE SPEAKER / MEDEDELINGS DEUR DIE SPEAKER / UNXIBELELWANO LUKASOMLOMO	
8.	COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU	
9.	COMMUNICATIONS BY THE MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATI MASIPALA	
10.	APPROVAL OF MINUTES OF COUNCIL MEETINGS / GOEDKEURING VAN NOTULES VAN RAADSVERGADERINGS / UKUPHUNYEZWA KWEMIZUZU YENTLANGANISO YEBHUNGA	
10.1	None / Geen / Asikho	
11.	MINUTES OF MAYORAL COMMITTEE MEETING AND SECTION 79 COMMITTEES (FOR NOTIFICATION) / NOTULES VAN BURGEMEESTERSKOMITEEVERGADERINGS EN ARTIKEL 79 A (VIR KENNISNAME) / IMIZUZU YEKOMITI KASODOLOPHU NEZINYE IKOMITI ZOMHLATHI 79 (ITHATHELWE INGQALELO)	
11.1	None / Geen / Asikho	

12.	STANDING ITEMS / STAANDE ITEMS / IMIBA EMISIWEYO	
12.1	None / Geen / Asikho	
SECTION A		
REPORTS FROM THE SPEAKER		
REPORT FROM THE CHAIRPERSON OF THE MPAC / VERSLAG VANAF DIE VOORSITTER VAN DIE MPRK /INGXELO ESUKA KUSIHLALO WE MPAC		
A.1	None / Geen / Asikho	
SECTION B		
REPORTS FROM THE EXECUTIVE MAYOR / VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER / IMIBA EVELA KUSODOLOPHU		
B.1	None / Geen / Asikho	
SECTION C		
REPORTS FROM THE OFFICE OF THE MUNICIPAL MANAGER / VERSLAE VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER / IMIBA EVELA KWI OFISI I YOMPHATI MASIPALA		
C.1	PROPOSED NEW AGENCY AGREEMENT BETWEEN DOI AND GRDM / VOORGESTELDE NUWE AGENTSKAPSOORENKOMS TUSSEN DVI EN GRDM <i>Refer report from the Municipal Manager (MG Stratu)</i>	6 - 29
SECTION D		
REPORTS FROM THE FINANCE AND CORPORATE SERVICES DEPARTMENT / VERSLAE VANAF DIE FINANSIËLE EN KORPORATIEWE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZEMALI KUNYE ZOLAWULO		
D.1	None / Geen / Asikho	
SECTION E		
REPORTS FROM THE COMMUNITY SERVICES DEPARTMENT / VERSLAE VANAF DIE GEMEENSKAPSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLUNTU		
E.1	None / Geen / Asikho	
SECTION F		
REPORTS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT / VERSLAE VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO		
F.1	None / Geen / Asikho	

SECTION G REPORTS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT / <i>VERSLAE VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE</i> DEPARTEMENT / IMIBA YESEBE LEZICWANGCISO KUNYE NOPHUHLISO LOQOQOSHO		
G.1	None / <i>Geen</i> / Asikho	
SECTION H NOTICE OF URGENT MOTIONS / <i>KENNISGEWING VAN DRIGENDE MOSIES</i> / ISAZISO SEZIPHAKAMISO		
H.1	None / <i>Geen</i> / Asikho	
SECTION I NOTICES OF MOTIONS / <i>KENNISGEWING VAN MOSIES</i> / ISAZISO SEZIPHAKAMISO		
I.1	None / <i>Geen</i> / Asikho	
SECTION J IN CLOSED SESSION / <i>IN GESLOTE SESSIE</i> / KWI-SASHONI YASEKHUSINI		
J.1	Will be distributed separately from this agenda	
	CLOSURE / <i>SLUITING</i> / UQUKUNJELO	

Ald GR Wolmarans
 Ald P Terblanche
 Ald S De Vries
 Ald CN Lichaba
 Cllr / Rdl / Ceba NV Gungubele
 Cllr / Rdl / Ceba JG Meiring
 Cllr / Rdl / Ceba K Malooi
 Cllr / Rdl / Ceba CP Taute
 Cllr / Rdl / Ceba D Acker
 Ald JC Lambaatjeen
 Cllr / Rdl / Ceba SM Toto
 Cllr / Rdl / Ceba HRT Stroebel
 Ald NS Ndayi
 Cllr / Rdl / Ceba J Hoogbaard
 Ald RH Ruiters
 Cllr / Rdl / Ceba M Kannemeyer
 Cllr / Rdl / Ceba MA Mkonto
 Cllr / Rdl / Ceba JJ Cornelius
 Cllr / Rdl / Ceba JJ Bavuma
 Cllr / Rdl / Ceba R Louw
 Cllr / Rdl / Ceba F September
 Cllr / Rdl / Ceba S Mangxaba
 Ald DJ Swart
 Ald WP Meshoa
 Cllr / Rdl / Ceba R Windwaai
 Ald M Kruger
 Cllr / Rdl / Ceba DB Coeries
 Cllr / Rdl / Ceba MD Jansen (as of
 12 November 2025)
 Cllr / Rdl / Ceba L Nohana (as of 01
 December 2025)
 Cllr / Rdl / Ceba J Fry (as of 24
 December 2025)
 Cllr / Rdl / Ceba SN Bentley (as of
 01 April 2026)
 2 X vacant

**1. PROPOSED NEW AGENCY AGREEMENT BETWEEN DOI AND GRDM /
VOORGESTELDE NUWE AGENTSKAPSOORENKOMS TUSSEN DVI EN GRDM**

REFER REPORT FROM THE MUNICIPAL MANAGER (MG STRATU)

2. PURPOSE

The purpose of this report is to present to Council the proposed new Agency Agreement between the Department of Infrastructure (DOI) and the Garden Route District Municipality (GRDM), and to seek Council's approval to authorize the Accounting Officer to sign the agreement on behalf of the Municipality.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Council, at a Special Council Meeting held on 3 July 2026, considered a request from the Department of Infrastructure (DOI) to extend the transitional addendum that regulated the relationship between the DOI and the Garden Route District Municipality (GRDM) for the period 1 April 2026 to 30 June 2026. Council was apprised of the legal and financial risks associated with extending an agreement that had already expired, as well as the foreseeable risks arising from the provisions of the proposed extension. Notwithstanding these risks, Council resolved to extend the agreement, which had expired on 30 June 2026, without any amendments. Council further instructed the Accounting Officer to sign the overarching Memorandum of Agreement and the Transfer Agreement.

The Accounting Officer determined that implementation of Council's resolution of 3 July 2026, in its existing form, would likely result in unauthorised, irregular, fruitless and wasteful expenditure. Consequently, in accordance with section 32 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), the Accounting Officer reported the foreseeable unauthorised, irregular, fruitless and wasteful expenditure to the Member of the

Executive Council (MEC) for Local Government, the Auditor-General, the Department of Cooperative Governance and Traditional Affairs (CoGTA), the Executive Mayor, and the Speaker.

Following the submission of the report in terms of section 32 of the MFMA, the Office of the Premier, through the Director-General, together with the Head of the Department (HOD) for Local Government, engaged with the Municipality and requested an opportunity to facilitate a resolution to the impasse between the DOI and GRDM.

Since then, several engagements have taken place between the Director-General in the Office of the Premier, the HOD for Local Government, and the GRDM administration. These engagements culminated in the report presented to Council today. The recommendations before Council represent the outcome of this collaborative process and propose the conclusion of a new Agency Agreement between the Department of Infrastructure and the Garden Route District Municipality.

5. RECOMMENDATIONS

5.1 That Council authorises the Municipal Manager to enter into a new Agency Agreement with the Department of Infrastructure for the initial period commencing on 1 July 2026 and ending on 31 July 2026, subject to the parties agreeing, from time to time, to renew or extend the Agreement as and when required.

5.2 That Council rescinds all resolutions adopted at the Special Council Meeting held on 3 July 2026 in respect of the three reports that were tabled and considered at that meeting. The resolutions were as follows:

“

C.1 PROPOSED INTERIM ARRANGEMENT IN THE TRANSFER OF THE ROADS FUNCTION PENDING THE FINALIZATION OF SECTION 197 PROCESS / VOORGESTELDE INTERIM REËLINGS RAKENDE DIE OORDRAG VAN DIE PAAIE FUNKSIEFUNKSIE AFHANGENDE DIE FINALISERING VAN DIE ARTIKEL 197-PROSES / ULUNGISELELO LWEXESHA ELICETYWAYO

LOKUDLULISELWA KWEMISEBENZI YEENDLELA ELILINDE

UKUGQUNJELWA KWENKQUBO YECANDELO 197

Refer report from the Municipal Manager (MG Stratu)

RESOLVED

5.1 That Council considers this report and provide guidance to the Administration on how to proceed further. – Like we have said in a few of our recent council meetings. Our guidance will be:

1) To engage with DOI to make sure this transfer takes place in a respectful and transparent manner. 2) That this transfer happens in a legal manner within the rules and regulations set out to us. 3) That we do our utmost to conclude this before the end of the month.

5.2 In line with the above, we sign the documentation given by us from DOI, that will be in effect from 00h00 since 1 July, with the allocated amount to perform this provided function in this agreement and we see that the communities of the Garden Route experience and enjoy the roads they deserve like we have always provided is service as an agent.

Thus, council approves: The agreement sent to us by DOI, like in April 2026 of the SLA IE Transitional Addendum, for the period 1- 31 July 2026. We ask the MM to sign the agreement like we did in April with the previous date was not met and the contract was signed on or after the 17th of April 2026."

“

C.2 STATUS QUO OF NEGOTIATIONS BETWEEN DOI AND GRDM RELATING TO THE ROADS FUNCTION / STATUS QUO RAKENDE

**ONDERHANDELINGE TUSSEN DVI EN GRDM MET BETREKKING TOT DIE PAAIEFUNKSIE / IMEKO YENGXOXO PHAKATHI KWE-DOI NE-GRDM
NGOKUPHATHELELE UMSEBENZI WEENDLELA**

Refer report from the Municipal Manager (MG Stratu)

RESOLVED

That Council notes the extended agreement ended on 30 June 2026 23h59 and the extension which we mandate to sign will take effect on 1 July 2026 00h00. Thus, the new date of expiry should be 31 July 2026 and we once again ask:

- 1) To engage with DOI to make sure this transfer takes place in a respectful and transparent manner.
- 2) That this transfer happens in a legal manner within the rules and regulations set out to us.
- 3) That we do our utmost to conclude this before the end of the month. We believe the 197 (6) be continued as stated in the extension point 2.2:

2.2. Duration (Clause 3)

Clause 3 is hereby amended to read:

4

"This Addendum shall commence on 1 July 2026, notwithstanding date of signature, and shall remain in force until 31 July 2026."

The rest of the recommendations should be removed because of the signed extension.

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1) Council notes the content of the draft S197(6) agreement, as shared, and agrees that engagements with the unions may now commence at the earnest. The final 197(6) agreement will be tabled in Council once all parties, including the unions, have agreed to the terms. "

"

C.3 STATUS REPORT ON THE TRANSFER PROCESS FOR THE ROADS FUNCTION / VORDERINGSVERSLAG RAKENDE DIE OORDRAG PROSES VAN DIE PAAIE FUNKISE

Refer report from the Municipal Manager (MG Stratu)

RESOLVED

5.1 That Council notes this report, which outlines the developments and activities that have taken place since the previous Council meeting held on 28 April 2026.

5.2 Council notes and approves the content of the overarching MOA. 5.3 Council mandates the Municipal Manager to conclude and sign the S197(6) agreement before close of business on Friday, 3 July 2026. We want to see this

process which started last year be concluded and finished in an honourable way. In conversations with DOI and the Unions."

AANBEVELINGS

- 5.1 Dat die Raad die Munisipale Bestuurder magtig om 'n nuwe Agentskapooreenkoms met die Departement van Infrastruktuur aan te gaan vir die aanvanklike tydperk wat op 1 Julie 2026 begin en op 31 Julie 2026 eindig, onderhewig daaraan dat die partye van tyd tot tyd ooreenkom om die Ooreenkoms te hernu of te verleng soos en wanneer nodig.
- 5.2 Dat die Raad alle besluite wat tydens die Spesiale Raadsvergadering wat op 3 Julie 2026 gehou is, aangeneem is met betrekking tot die drie verslae wat tydens daardie vergadering ter tafel gelê en oorweeg is, herroep. Die besluite was soos volg:

"C.1 PROPOSED INTERIM ARRANGEMENT IN THE TRANSFER OF THE ROADS FUNCTION PENDING THE FINALIZATION OF SECTION 197 PROCESS / VOORGESTELDE INTERIM REËLINGS RAKENDE DIE OORDRAG VAN DIE PAAIE FUNKSIEFUNKSIE AFHANGENDE DIE FINALISERING VAN DIE ARTIKEL 197-PROSES / ULUNGISELELO LWEXESHA ELICITYWAYO LOKUDLULISELWA KWEMISEBENZI YEENDLELA ELILINDE UKUGQUNJELWA KWENKQUBO YECANDELO 197

Refer report from the Municipal Manager (MG Stratu)

BESLUIE

- 5.1 Dat die Raad kennis neem van hierdie verslag en leiding aan die Administrasie verskaf rakende die wyse waarop verder met die aangeleentheid voortgegaan moet word, naamlik dat:
 1. Dat daar met die Departement van Infrastruktuur (DVI) geskakel word om te verseker dat die oordrag op 'n respektvolle en deursigtige wyse plaasvind;

2. Dat die oordrag in ooreenstemming met die toepaslike wetgewing, reëls en regulasies afgehandel word; en
3. Dat alles moontlik gedoen word om die proses teen die einde van die maand af te handel.

5.2 Dat die Raad, in ooreenstemming met bogenoemde, goedkeuring verleen dat die ooreenkoms soos deur die Departement van Infrastruktuur (DVI) voorsien, onderteken word, welke ooreenkoms met terugwerkende krag vanaf 00:00 op 1 Julie 2026 van toepassing is en voorsiening maak vir die toegewese begroting vir die uitvoering van hierdie funksie, en;

Voorts dat die Raad goedkeur dat:

2. die SLA IE Transitional Addendum vir die tydperk 1 tot 31 Julie 2026, soos deur die Departement van Infrastruktuur (DOI) aan die munisipaliteit voorsien, goedgekeur word; en
3. die Munisipale Bestuurder gemagtig word om die ooreenkoms namens die munisipaliteit te onderteken, soos ook in April 2026 gedoen is toe die aanvanklike sperdatum nie gehaal is nie en die ooreenkoms eers op of ná 17 April 2026 onderteken is.

“C.2 **STATUS QUO OF NEGOTIATIONS BETWEEN DOI AND GRDM RELATING TO THE ROADS FUNCTION / STATUS QUO RAKENDE ONDERHANDELINGE TUSSEN DVI EN GRDM MET BETREKKING TOT DIE PAAIEFUNKSIE / IMEKO YENGXOXO PHAKATHI KWE-DOI NE-GRDM NGOKUPHATHELELE UMSEBENZI WEENDLELA**

Refer report from the Municipal Manager (MG Stratu)(PG 21-33)

BESLUIT

- 5.1 Dat die Raad kennis neem dat die verlengde ooreenkoms op 30 Junie 2026 om 23:59 verstryk het en dat die verlenging waarvoor die Raad magtiging verleen om te onderteken, op 1 Julie 2026 om 00:00 in werking tree en dat die nuwe vervaldatum van die ooreenkoms sal derhalwe 31 Julie 2026 wees. Voorts versoek die Raad dat:

1. Dat daar met die Departement van Infrastruktuur (DVI) geskakel word om te verseker dat die oordrag op 'n respekvolle en deursigtige wyse plaasvind;
2. Dat die oordrag op 'n wettige wyse en in ooreenstemming met die toepaslike wetgewing, reëls en regulasies afgehandel word; en
3. Dat alles moontlik gedoen word om die proses teen die einde van die maand af te handel en dat artikel 197(6) voortgesit word soos uiteengesit in klousule 2.2 van die verlengingsooreenkoms.

2.2. Duration (Clause 3)

Clause 3 is hereby amended to read:

4

"This Addendum shall commence on 1 July 2026, notwithstanding date of signature, and shall remain in force until 31 July 2026."

- 5.2 Dat die oorblywende aanbevelings op bladsy 18 van die agenda geskrap word aangesien die verlengingsooreenkoms reeds onderteken is.
- 5.3 Dat die Raad kennis neem van die inhoud van die konsepartikel 197(6)-ooreenkoms, soos voorgelê, en instem dat die onderhandelings met die vakbonde onverwyld 'n aanvang neem. Voorts dat:
 1. die finale artikel 197(6)-ooreenkoms aan die Raad voorgelê word sodra alle partye, insluitend die vakbonde, oor die bepalings daarvan ooreengekom het.

"C.3 **STATUS REPORT ON THE TRANSFER PROCESS FOR THE ROADS FUNCTION / VORDERINGSVERSLAG RAKENDE DIE OORDRAG PROSES VAN DIE PAAIE FUNKISE/ INGXELO YESIMO NGENKQUBO YOKUDLULISELWA KOMSEBENZI WEZENDLELA**

Refer report from the Municipal Manager (MG Stratu) (PG 34-127)

BESLUIITE

- 5.1 *Dat die Raad kennis neem van hierdie verslag, waarin die verwikkelinge en aktiwiteite uiteengesit word wat sedert die vorige Raadsvergadering, gehou op 28 April 2026, plaasgevind het.*
- 5.2 *Dat die Raad kennis neem van en goedkeuring verleen aan die inhoud van die oorkoepelende Memorandum van Ooreenkoms (MOA).*
- 5.3 *Dat die Raad die Munisipale Bestuurder 'n mandaat verleen om die artikel 197(6)-ooreenkoms voor die sluiting van besigheid op Vrydag, 3 Julie 2026, te finaliseer en te onderteken, met die doel om die proses wat gedurende die vorige jaar 'n aanvang geneem het, op 'n eerbare en behoorlike wyse af te handel, in oorleg met die Departement van Infrastruktuur (DVI) en die vakbonde.*

6. DISCUSSION / CONTENTS

6.1 Background/Discussion

On 7 April 2025, the Department of Infrastructure (DOI) communicated its intention to terminate the agency agreement with the Garden Route District Municipality (GRDM). The termination was subsequently accepted by the GRDM Council, resulting in the formal termination of the agency relationship with effect from 31 March 2026.

The parties further agreed that the transfer of the Roads function to the DOI would be implemented in accordance with section 197 of the Labour Relations Act, 1995.

By 31 March 2026, however, limited progress had been made in finalising the section 197 transfer process. Consequently, the DOI requested a three-month extension of the agency agreement for the period 1 April 2026 to 30 June 2026. The extension was expressly limited to the payment of employee salaries by

GRDM, while all operational responsibilities, including maintenance, planning and procurement, reverted to the DOI with effect from 31 March 2026.

By 30 June 2026, the section 197 process had still not been concluded. Unlike the proactive steps taken by the DOI prior to the expiry of the original agreement on 31 March 2026, no action was taken before the expiry of the extended agreement to ensure its continuation. GRDM accordingly reminded the DOI that, should no further agreement be concluded by the close of business on 30 June 2026, the Roads function, together with the affected employees, would automatically transfer to the DOI by operation of law.

Despite this notification, the DOI did not take any steps to extend or replace the agreement. On 1 July 2026, GRDM formally notified the DOI that, in the absence of a further agreement and with the section 197 process remaining incomplete, the Roads function had automatically transferred to the DOI by operation of law. GRDM further advised that, with effect from 1 July 2026, the DOI had become the employer of the affected employees and was consequently responsible for the payment of their salaries and all associated employer obligations.

Later on the evening of 1 July 2026, and after receipt of GRDM's notification, the DOI submitted a request for an extension of the already expired agency agreement. This request was subsequently presented to Council on 3 July 2026 for consideration. Administration advised Council that the expired agreement could not lawfully be extended and that, as the transfer had already taken effect by operation of law, any further arrangement would require the conclusion of a new agreement. Notwithstanding this advice, Council resolved on 3 July 2026 to mandate the Accounting Officer to sign an extension of the expired agreement without incorporating amendments necessary to safeguard the legal and financial interests of GRDM. Council further instructed the Accounting Officer to sign the additional agreements associated with the section 197 process without including provisions to adequately protect the Municipality against potential legal and financial risks. The resolutions adopted by Council were the following:

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**C.1 PROPOSED INTERIM ARRANGEMENT IN THE TRANSFER OF THE ROADS
FUNCTION PENDING THE FINALIZATION OF SECTION 197 PROCESS /
VOORGESTELDE INTERIM REËLINGS RAKENDE DIE OORDRAG VAN DIE
PAAIE FUNKSIEFUNKSIE AFHANGENDE DIE FINALISERING VAN DIE
ARTIKEL 197-PROSES / ULUNGISELELO LWEXESHA ELICETYWAYO
LOKUDLULISELWA KWEMISEBENZI YEENDLELA ELILINDE
UKUGQUNJELWA KWENKQUBO YECANDELO 197**

Refer report from the Municipal Manager (MG Stratu)

RESOLVED

5.1 That Council considers this report and provide guidance to the Administration on how to proceed further. – Like we have said in a few of our recent council meetings. Our guidance will be:

1) To engage with DOI to make sure this transfer takes place in a respectful and transparent manner. 2) That this transfer happens in a legal manner within the rules and regulations set out to us. 3) That we do our utmost to conclude this before the end of the month.

5.2 In line with the above, we sign the documentation given by us from DOI, that will be in effect from 00h00 since 1 July, with the allocated amount to perform this provided function in this agreement and we see that the communities of the Garden Route experience and enjoy the roads they deserve like we have always provided is service as an agent.

Thus, council approves: The agreement sent to us by DOI, like in April 2026 of the SLA IE Transitional Addendum, for the period 1- 31 July 2026. We ask the MM to sign the agreement like we did in April with the previous date was not met and the contract was signed on or after the 17th of April 2026."

“

**C.2 STATUS QUO OF NEGOTIATIONS BETWEEN DOI AND GRDM RELATING
TO THE ROADS FUNCTION / STATUS QUO RAKENDE
ONDERHANDELINGE TUSSEN DVI EN GRDM MET BETREKKING TOT DIE
PAAIEFUNKSIE / IMEKO YENGXOXO PHAKATHI KWE-DOI NE-GRDM
NGOKUPHATHELELE UMSEBENZI WEENDLELA**

Refer report from the Municipal Manager (MG Stratu)

RESOLVED

That Council notes the extended agreement ended on 30 June 2026 23h59 and the extension which we mandate to sign will take effect on 1 July 2026 00h00. Thus, the new date of expiry should be 31 July 2026 and we once again ask:

- 1) To engage with DOI to make sure this transfer takes place in a respectful and transparent manner.*
- 2) That this transfer happens in a legal manner within the rules and regulations set out to us.*
- 3) That we do our utmost to conclude this before the end of the month. We believe the 197 (6) be continued as stated in the extension point 2.2:*

2.2. Duration (Clause 3)

Clause 3 is hereby amended to read:

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"This Addendum shall commence on 1 July 2026, notwithstanding date of signature, and shall remain in force until 31 July 2026."

The rest of the recommendations should be removed because of the signed extension.

(Page 18 of Agenda)

- 1) Council notes the content of the draft S197(6) agreement, as shared, and agrees that engagements with the unions may now commence at the earnest. The final 197(6) agreement will be tabled in Council once all parties, including the unions, have agreed to the terms. "*

“

**C.3 STATUS REPORT ON THE TRANSFER PROCESS FOR THE ROADS FUNCTION
/ VORDERINGSVERSLAG RAKENDE DIE OORDRAG PROSES VAN DIE
PAAIE FUNKISE**

Refer report from the Municipal Manager (MG Stratu)

RESOLVED

5.1 That Council notes this report, which outlines the developments and activities that have taken place since the previous Council meeting held on 28 April 2026.

5.2 Council notes and approves the content of the overarching MOA. 5.3 Council mandates the Municipal Manager to conclude and sign the S197(6) agreement before close of business on Friday, 3 July 2026. We want to see this process which started last year be concluded and finished in an honourable way. In conversations with DOI and the Unions."

Where an Accounting Officer becomes aware that the implementation of a Council resolution is likely to result in unauthorised, irregular, fruitless or wasteful expenditure, the Municipal Finance Management Act (MFMA) places a statutory obligation on the Accounting Officer to notify the relevant oversight authorities, including the Council, the Executive Mayor, the MEC responsible for Local Government, and the Auditor-General. In compliance with these statutory obligations, the Accounting Officer duly notified the relevant authorities.

Following these notifications, the Office of the Premier, through the Director-General, together with the Head of Department for Local Government, requested engagements with the GRDM administration to explore lawful mechanisms for resolving the matter. Following several meetings involving the Office of the Premier, the Department of Local Government, the DOI and GRDM, consensus was reached that a new agreement, lawfully concluded between the DOI and GRDM, should be entered into. This agreement would enable the continued payment of the affected Roads employees on 25 July

2026 while simultaneously providing a lawful framework within which the section 197 transfer process could resume and be concluded.

The proposed agreement is submitted to Council as the first of several measures required to facilitate an orderly, lawful and sustainable transfer of the Roads function. Following its approval and execution, the parties will jointly develop a structured implementation plan to conclude the section 197 process in a manner that safeguards the interests of all stakeholders, ensures legal compliance, and avoids any disruption to service delivery

6.3 Legal Implications

The conclusion of the new agreement represents a correct and legally compliant step toward ensuring that negotiations between the parties can resume.

6.4 Financial implications

It is anticipated that, following the signing of this agreement, negotiations will resume regarding matters such as payment for support staff and other costs incurred by GRDM on behalf of DOI. These costs are currently not fully covered by the allocation received from DOI.

6.5 Staff Implications

The effect of the new agreement is that the parties acknowledge and agree that the employees who automatically transferred on 30 June 2026 will, for the interim period, become employees of GRDM while the processes contemplated under section 197 are being finalised.

6.6 Previous / Relevant Council Resolutions:

Item C.1, C2 and C3 on the agenda of 3 July 2026.

6.7 Risk Implications

GRDM has communicated to DOI that the proposed timeframe for this agreement is not reasonable. Given that it has taken the employer parties (DOI and GRDM) more than a year to negotiate the agreement, all parties should recognise that negotiations with organised labour are likely to require a similar period of engagement. The timeframes proposed by DOI are therefore not practical or achievable.

The proposed month-to-month contractual arrangement further presents significant operational challenges for GRDM, as it would require the municipality to prepare and table an adjustment budget on a monthly basis. This approach would be highly disruptive, place unnecessary administrative burdens on the municipality, and result in an inefficient use of resources.

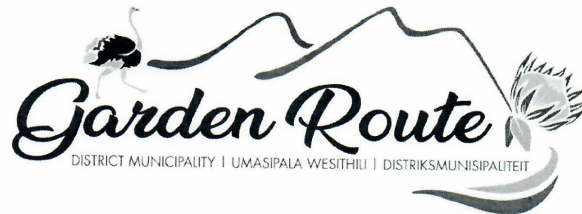
GRDM has consistently expressed its full support for the transfer of the function; however, it remains essential that the process is undertaken lawfully, in a structured and seamless manner, and without unnecessarily exposing the municipality to financial and legal risks.

ANNEXURES:

ANNEXURE A: Letter from the Accounting officer sent in terms of section 32 of the MFMA.

ANNEXURE B: New agreement between DOI and GRDM.

ANNEXURE A



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6530

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OFFICE OF THE MUNICIPAL MANAGER

Enquiries:	N Davids
Reference:	14/1
Date:	06 July 2026

The Executive Mayor
Garden Route District Municipality
54 York Street
George
Email: mayor@grdm.gov.za

And

The Speaker
Garden Route District Municipality
54 York Street
George
Email: GWolmarans@edendm.co.za

And

The Auditor-General of South Africa
Ms Tsakani Maluleke
Pretoria
Email: agsa@agsa.co.za

And

MEC AW Bredell
Ministry of Local Government, Environmental Affairs & Development Planning
Private Bag x 9076
Cape Town
Email: Azaria.Babu-Rosekrans@westerncape.gov.za

Dear Sir/Madam

**STATUTORY NOTIFICATION IN TERMS OF SECTION 32 OF THE LOCAL GOVERNMENT:
MUNICIPAL FINANCE MANAGEMENT ACT, 56 OF 2003**

1. Section 32 of the Local Government: Municipal Finance Management Act, 56 of 2003 ("the MFMA"), imposes a statutory obligation upon the Accounting Officer to notify, in writing, the Municipal Council, the Executive Mayor and such other prescribed functionaries whenever the Accounting Officer becomes aware that a decision taken by the Municipal Council or the Executive Mayor, if implemented, is likely to result in unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure.
2. On 03 July 2026, the Municipal Council convened a duly constituted meeting at which various resolutions were adopted concerning the agency agreement previously concluded between the Garden Route District Municipality ("GRDM") and the Department of Infrastructure ("DOI"), the transfer of the roads function, and the execution of agreements contemplated in section 197 of the Labour Relations Act, 66 of 1995.
3. During the meeting, Council was expressly advised by the Accounting Officer, supported by the Municipality's legal advisors, that the agency agreement concluded between GRDM and the DOI had expired by effluxion of time on 30 June 2026. Council was further advised that, as a matter of law, an agreement that has expired cannot be revived, reinstated or retrospectively extended by means of a subsequent Council resolution. Accordingly, any purported extension of the expired agreement would be unlawful, invalid and of no force or effect.
4. Council was further advised that the roads function had, by operation of section 197(2) of the Labour Relations Act, 66 of 1995, reverted to the Department of Infrastructure with effect from the expiry of the agency agreement, with the consequence that GRDM no longer possessed any lawful authority to continue exercising that function.
5. Consequent upon the above legal position, Council was advised that any continued participation by the Accounting Officer in negotiations or processes contemplated in section 197(6) of the Labour Relations Act would be legally impermissible.
6. Council was further advised that any expenditure incurred pursuant to the implementation of a resolution purporting to revive or extend the expired agency agreement would constitute irregular expenditure and, where applicable, unauthorised expenditure as contemplated in the MFMA.

7. Council was additionally advised that the proposed Memorandum of Agreement ("MoA"), intended to regulate the relationship between the DOI and GRDM in respect of the section 197(6) process, contained provisions materially prejudicial to the financial interests of GRDM. In particular, the proposed MoA effectively indemnified the DOI against any financial liability or risk arising from the transfer of the roads function while imposing the entirety of such financial exposure upon GRDM.
8. Council was specifically advised that execution of the proposed MoA, together with the related transfer agreement in the form presented by the DOI, would expose GRDM to a financial risk estimated to be not less than R140 million.
9. Council was further advised that, in accordance with MFMA Circular 68, councillors who knowingly participate in or support decisions that give rise to irregular expenditure, unauthorised expenditure or fruitless and wasteful expenditure may, subject to the applicable legal processes, incur personal liability for such expenditure.
10. Notwithstanding the aforesaid legal advice, Council resolved, inter alia, to purport to extend the agency agreement concluded between GRDM and the DOI despite the agreement having expired on 30 June 2026.
11. Council further resolved to instruct and mandate the Accounting Officer to continue participating in the section 197(6) Labour Relations Act process notwithstanding the legal advice that such participation was no longer competent in law following the reversion of the roads function to the DOI by operation of section 197(2) of the Labour Relations Act.
12. Council further resolved to instruct and mandate the Accounting Officer to execute the proposed Memorandum of Understanding in the form received from the DOI without effecting any amendments whatsoever and without negotiating or securing provisions intended to advance, safeguard or protect the legal or financial interests of GRDM.
13. Council further resolved to mandate the Accounting Officer to execute the proposed transfer agreement in the form submitted by the DOI, likewise without amendment and without the inclusion of provisions designed to protect or advance the interests of GRDM.
14. The cumulative effect of the aforesaid resolutions is that the Accounting Officer has been directed to implement decisions which, if carried into effect, are likely to expose GRDM to substantial financial prejudice and significant legal risk, including the assumption of financial liabilities estimated at not less than R140 million, whilst

simultaneously depriving GRDM of contractual protections that would ordinarily be negotiated in the Municipality's best interests.

15. Notwithstanding the legal advice furnished by the Accounting Officer and the Municipality's legal advisors regarding the unlawfulness of the proposed extension of the expired agency agreement, the legal consequences arising under section 197 of the Labour Relations Act, the significant financial risks inherent in the proposed agreements, and the potential consequences under the MFMA, Council nevertheless proceeded to adopt the aforesaid resolutions.
16. Accordingly, and in compliance with my statutory obligations as Accounting Officer in terms of section 32 of the Local Government: Municipal Finance Management Act, 56 of 2003, I hereby formally notify the Municipal Council, the Executive Mayor and all other relevant functionaries that implementation of the resolutions adopted by Council on 03 July 2026 is likely to result in unauthorised expenditure, irregular expenditure and/or fruitless and wasteful expenditure as contemplated in the MFMA.
17. This notification is furnished in fulfilment of my statutory obligations under section 32 of the MFMA and is intended to place on record that the Accounting Officer has formally advised Council of the legal and financial consequences arising from the implementation of the aforesaid resolutions and has discharged the duties imposed upon the Accounting Officer by law.
18. For ease of reference, copies of the relevant Council reports and resolutions are attached. The Special Council meeting held on 3 July 2026 is also available for viewing on YouTube.
19. For any enquiries, please contact the Manager: Legal Services, Adv. Nadiema Davids at 044 803 1408 or nadiema@gardenroute.gov.za

Yours faithfully



MONDE STRATU

MUNICIPAL MANAGER

ANNEXURE B



MEMORANDUM OF AGREEMENT PENDING CONCLUSION OF SECTION 197 PROCESS

Concluded by and between:

THE WESTERN CAPE PROVINCIAL GOVERNMENT

VIA ITS

DEPARTMENT OF INFRASTRUCTURE

(Herein represented by Adv. C Smith, in her capacity as Head of Department:

Department of Infrastructure)

(Hereinafter referred to as "the Department")

AND

THE GARDEN ROUTE DISTRICT MUNICIPALITY

(Herein represented by Mr M Stratu in his capacity as Municipal Manager of the

Garden Route District Municipality)

(Hereinafter referred to as "the District Municipality")

FOR THE MAINTENANCE AND CONSTRUCTION OF PROCLAIMED PROVINCIAL ROADS

INTRODUCTION

- A. WHEREAS the Parties previously concluded a Memorandum of Agreement ("the Agency Agreement") in terms of which the District Municipality performed maintenance and construction activities in respect of provincial roads on behalf of the Department on an agency basis,
- B. AND WHEREAS the said agreement expired by effluxion of time on 30 June 2026;
- C. AND WHEREAS the Department has resolved to discontinue the Agency Agreement and to assume direct responsibility for the execution of all components of the Roads Function effective 01 April 2026, subject to the conclusion of a section 197(6) agreement in terms of the Labour Relations Act, 66 of 1995;
- D. AND WHEREAS the section 197(6) agreement has not yet been concluded; and is subject to continued negotiation and agreement, therefore necessitating an interim arrangement to ensure continuity of service delivery and operational stability on a proper legal footing;
- E. AND WHEREAS the Parties accordingly agree that this Agreement constitutes a new transitional arrangement, in terms of which the District Municipality will, on an interim basis, continue to perform such activities as agreed to with the Department in respect of provincial roads, under the direction of the Department, pending the conclusion of the section 197 process;
- F. AND WHEREAS this Agreement shall apply for a period of one (1) month from 1 July 2026 to 31 July 2026 and may be renewed as and when necessary and by agreement between the parties.
- G. AND WHEREAS the Parties have agreed that the Department will allocate an amount of R14 103 930 (Fourteen million one hundred and three thousand nine hundred and thirty rand) or such other amount as agreed between the parties to the District Municipality for the interim arrangement;

- H. AND WHEREAS the aforesaid amount is all-inclusive, covering all costs associated with the interim period, being those costs set out in Clause (H) below, including Cost of Employment and a 12% management (agency) fee (inclusive of VAT);
- I. AND WHEREAS the total allocation in respect of current expenditure is composed as follows:

July 2026 – 31 July 2026	
Item	Amount
COE for roads organogram	R9 111 739
Travel and subsistence	R408 883
Contract employees	R419 639
Property related costs	R455 841
ICT costs	R73 650
Inventory cost	R1 363 777
Outstanding balance 25/26	R750 334
Operational expenses	R8 932
Total direct costs	R12 592 795
12% Agency fee (incl. VAT)	R1 511 135
Total Allocation	R14 103 930

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. Duration

This Agreement shall commence on 1 July 2026, notwithstanding date of signature, and shall remain in force until 31 July 2026 and may be renewed from time to time by agreement between the parties as and when required.

2. Scope of Work

The work activities and associated programme for the execution of the scope of work shall be determined and provided by the Department, and the District Municipality shall implement such work in accordance therewith.

3. Cash management

The Department must make a prepayment equivalent to one-month average estimated expenditure for the duration of this Agreement and may not fall into arrears with payments, and no debt facility shall be made by the District Municipality nor shall the District Municipality incur any expenditure that is not provided for with an upfront payment. Before making a monthly prepayment, the previous month's expenditure must be reconciled to the satisfaction of the Department.

4. Plant and Equipment

Notwithstanding that plant and equipment may be made available by the Department for use by the District Municipality for the sole purpose of the District Municipality using the plant and equipment for implementing the scope of works, all such plant and equipment shall be immediately allocated to and recorded on the Department's plant management system.

5. Materials

5.1 The Department shall procure all necessary materials for the purpose of rendering the roads function, including fuel and parts for the maintenance and repairs of the yellow fleet.

5.2 The District Municipality through its Supply Chain Management system may assist the Department in acquiring materials and services, as and when requested by the Department.

6. Entire Agreement

This Agreement, read with the Agency Agreement, which expired on 30 June 2026, the provisions are regarded as having been incorporated herein, save for where the provisions of the Agency Agreement are inconsistent with the provisions of this Agreement, constitutes the entire agreement between the Parties and no amendment thereof will be of any force and effect unless reduced to writing and signed by both Parties.

SIGNED at.....on this.....day
of.....2026 in the presence of the undersigned witnesses.

THE DEPARTMENT

(Herein represented by **Adv. C Smith**
in her capacity as Head of
Department)

AS WITNESSES:

Signature

Name also in capital letters

Signature

Name also in capital letters

SIGNED at.....on this.....day
of.....2026 in the presence of the undersigned witnesses.

THE DISTRICT MUNICIPALITY

(Herein represented by **Mr M Stratu** in
his
capacity as Municipal Manager of
the Garden Route District
Municipality)

AS WITNESSES:

Signature
letters

Signature
letters

Surname and Initials capital

Surname and Initials in capital