Notice is hereby given in terms of Section 29 of the Local Government: Municipal Structures Act, Act 117 of 1998, that a **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 **WEDNESDAY, 21 OCTOBER 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 RAADSVERGADERING*** *van die 2021/2026 termyn van die Garden Route Distriksmunisipaliteit gehou sal word in die CA Robertson Raadsaal en via Zoom op* ***WOENSDAG, 21 OKTOBER 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** yexesha lika 2021/2026 loMasipala Wesithili se Garden Route izakubanjelwa kwiGumbi leBhunga CA Robertson nango ngo Zoom **NGOLWESITHATHU, 21 KWEYEDWARHA 2026** ngentsimbi ye **11:00** ukuqwalasela imiba ebekwe kwi agenda.

ALD GR WOLMARANS
SPEAKER
SPEAKER
SOMLOMO

MS N RAISA-MLANDU
ACTING MUNICIPAL MANAGER
WAARNEMENDE MUNISIPALE BESTUURDER
IBAMBELA MPHATI MASIPALA

Date: 15 October 2026

AGENDA

1. OPENING AND WELCOMING / *OPENING EN VERWELKOMING* / UVULO NOLWAMKELO

C.1	**INAUGURATION OF PBI COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR M GREEF/ *INHULDIGING VAN "PBI" RAADSLID: GARDEN ROUTE DISTRIKSMUNISIPALITEIT: RDL M GREEF* / UKUFUNGISWA KOCEBA WE PBI: IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA M GREEF** *Refer Report from the Acting Municipal Manager (N Raisa-Mlandu)*	**151 - 155**
C.2	**INAUGURATION OF "ANC" COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR NM JAXA/ *INHULDIGING VAN "ANC" RAADSLID: GARDEN ROUTE DISTRIKSMUNISIPALITEIT: RDL NM JAXA* / UKUFUNGISWA KOCEBA WE "ANC": IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA NM JAXA** *Refer Report from the Acting Municipal Manager (N Raisa-Mlandu)*	**156 - 161**

2. EVACUATION PROCEDURES / *ONTRUIMINGSPROSEDURES* / 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 ACTING MUNICIPAL MANAGER / *MEDEDELINGS DEUR DIE WAARNEMENDE MUNISIPALE BESTUURDER* / UNXIBELELWANO LOMPHATI MASIPALA**

10.	**APPROVAL OF MINUTES OF COUNCIL MEETINGS / *GOEDKEURING VAN NOTULES VAN RAADSVERGADERINGS* / UKUPHUNYEZWA KWEMIZUZU YENTLANGANISO YEBHUNGA**	
10.1	Minutes of a Special Council meeting dated 25 August 2026 / N*otule van 'n Spesiale Raadsvergadering gedateer 25 Augustus 2026* / Imizuzu Yentlanganiso yeBhunga eKhethekileyo yangomhla 25 KweyeThupa 2026	**9 – 19**
10.2	Minutes of a Council meeting dated 31 August 2026/ N*otule van 'n Raadsvergadering gedateer 31 Augustus 2026* / Imizuzu Yentlanganiso yeBhunga eKhethekileyo yangomhla 31 KweyeThupa 2026	**20 – 41**
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	Minutes of Mayoral Committee Meeting: 27 July 2026/ N*otule van Uitveroende Burgemeesterskomiteevergadering: 27 Julie 2026* / Yentlanganiso Yekomiti Kasodolophu: 27 KweyeKhala 2026	**42 – 63**
12.	**STANDING ITEMS / *STAANDE ITEMS* / IMIBA EMISIWEYO**	
12.1	**STANDING REPORT ON THE ALIENATION OF PROPERTIES (3) / *STAANDE ITEM RAKENDE DIE VERVREEMDING VAN MUNISIPALE EIENDOM (3)* / INGXELO EQHUBEKAYO KUNIKEZELO LWEMIHLABA(3)** *Report from the Executive Manager Integrated Planning and Economic Development Services (L Menze) / Manager: Projects, Properties, Facilities and Resorts Management (D Mashila)*	**64 – 71**
	SECTION A **REPORTS FROM THE SPEAKER**	
A.1	**THE SPEAKER'S HAND-OVER REPORT TO THE NEW COUNCIL OF THE GARDEN ROUTE DISTRICT MUNICIPALITY / *DIE SPEAKER SE OORHANDIGINGSVERSLAG AAN DIE NUWE RAAD VAN DIE GARDEN ROUTE-DISTRIKSMUNISIPALITEIT* / INGXELO KASOMLOMO YOKUNIKEZELA KWIBHUNGA ELITSHA LOMASIPALA WESITHILI SE GARDEN ROUTE** *Refer Report from the Speaker (Ald G Wolmarans)*	**72 – 86**
	REPORT FROM THE CHAIRPERSON OF THE MPAC / *VERSLAG VANAF DIE VOORSITTER VAN DIE MPRK* /INGXELO ESUKA KUSIHLALO WE MPAC	
A.2	**MPAC REPORT ON IRREGULAR EXPENDITURE / *MPRK-VERSLAG RAKENDE ONREËLMATIGE UITGAWE* / INGXELO YE MPAC MALUNGA NENKCITHO ENGAQHELEKANGA** *Report from the Chairperson of MPAC (Cllr J Cornelius)*	**87 – 91**

SECTION B **REPORTS FROM THE EXECUTIVE MAYOR / *VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER* / IMIBA EVELA KUSODOLOPHU**		
B.1	**THE EXECUTIVE MAYOR'S HAND-OVER REPORT TO THE NEW COUNCIL OF THE GARDEN ROUTE DISTRICT MUNICIPALITY/ *DIE UITVOERENDE BURGEMEESTERS SE OORHANDIGINGSVERSLAG AAN DIE NUWE RAAD VAN DIE GARDEN ROUTE DISTRIKSMUNISIPALITEIT* / INGXELO XASODOLOPHU OLAWULOLAYO YOKUNIKEZELA KWIBHUNGA ELITSHA LOMASIPALA WESITHILI SE GARDEN ROUTE** *Refer Report from the Executive Mayor (Ald M Kruger)*	**92 – 101**
B.2	**REPORT: SECTION 52 – RESPONSIBILITIES OF MAYOR / *VERSLAG: ARTIKEL 52 VERANTWOORDELIKHEDE VAN DIE BURGEMEESTER* / INGXELO: U MHLATHI 52 - UXANDUVA LUKA SODOLOPHU** *Refer Report from the Executive Mayor (Ald M Kruger)*	**102 – 150**
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	**INAUGURATION OF PBI COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR M GREEF/ *INHULDIGING VAN "PBI" RAADSLID: GARDEN ROUTE DISTRIKSMUNISIPALITEIT: RDL M GREEF* / UKUFUNGISWA KOCEBA WE PBI: IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA M GREEF** *Refer Report from the Acting Municipal Manager (N Raisa-Mlandu)*	**151 - 155**
C.2	**INAUGURATION OF "ANC" COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR NM JAXA/ *INHULDIGING VAN "ANC" RAADSLID: GARDEN ROUTE DISTRIKSMUNISIPALITEIT: RDL NM JAXA* / UKUFUNGISWA KOCEBA WE "ANC": IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA NM JAXA** *Refer Report from the Acting Municipal Manager (N Raisa-Mlandu)*	**156 – 161**
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	**DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 AUGUST 2026 TO 31 AUGUST 2026 / *AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 AUGUSTUS 2026 TOT 31 AUGUSTUS 2026* / INGXELO YOTYESHELO:UKUMISELWA KOMGAQO0NKQUBO WOALWULO LWENCITHO KWIXESHA LOMHLA 1 KWEYETHUPA 2026 UKUYA 31 KWEYETHUPA 2026** *Refer Report from the Executive Manager Financial & Corporate Service (R Boshoff)*	**162 – 170**
D.2	**DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 SEPTEMBER 2026 TO 30 SEPTEMBER 2026 / *AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 SEPTEMBER 2026 TOT 30 SEPTEMBER 2026* / INGXELO YOTYESHELO:UKUMISELWA KOMGAQO0NKQUBO WOALWULO LWENCITHO KWIXESHA LOMHLA 1 KWEYEKHALA 2026 UKUYA 30 KWEYOMSINTSI 2026** *Refer Report from the Executive Manager Financial & Corporate Service (R Boshoff)*	**171 – 175**

D.3	**COST CONTAINMENT REPORTING – QUARTER 1 OF 2026/2027 / *KOSTE INPERKINGSVERSLAG – KWARTAAL 1 VAN 2026/2027* / INGXELO NGOKUNCIPHISA INDLEKO-IKOTA YOKUQALA KA 2026/2027** *Refer Report from the Executive Manager Financial & Corporate Service (R Boshoff)*	**176 – 180**
D.4	**ACTING IN THE MUNICIPAL MANAGER POSITION / *WAARNEMING IN DIE POS VAN MUNISIPALE BESTUURDER* / UKWANSIWA KOKUBAMBELA KWISIOKHUNDLA SOMPHATHI MASIPALA** *Refer Report from the Executive Manager Financial & Corporate Service (R Boshoff) / Manager Human Resources (M Smit)*	**181 – 184**
D.5	**REPORT: IMPLEMENTATION OF GOVERNMENT NOTICE NO. 7774: UPPER LIMITS OF TOTAL REMUNERATION PACKAGES OF MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS / *VERSLAG: IMPLEMENTERING VAN KENNISGEWING NR. 7774: BOONSTE PERKE VAN TOTALE VERGOEDINGSPAKKETTE VAN MUNISIPALE BESTUURDERS EN BESTUURDERS WAT DIREK AAN MUNISIPALE BESTUURDERS VERANTWOORDELIK IS /*** *Refer Report from the Executive Manager Financial & Corporate Service (R Boshoff) / Manager Human Resources (M Smit)*	**185 -213**
D.6	**CONSULTATION ON THE DRAFT GOVERNMENT NOTICE: UPPER LIMITS OF TOTAL REMUNERATION PACKAGES OF MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS FOR THE 2026/2027 FINANCIAL YEAR / *KONSULTASIEPROSES RAKENDE DIE KONSEPREGERINGSKENNISGEWING: BOONSTE PERKE VAN TOTALE VERGOEDINGSPAKKETTE VAN MUNISIPALE BESTUURDERS EN BESTUURDERS WAT DIREK VERANTWOORDELIK IS AAN MUNISIPALE BESTUURDERS IS VIR DIE 2026/2027-BOEKJAAR* / UTHETHWANO NGOYILO LWESAZISO SIKARHULUMENTE: IMIDA EPHEZULU YEEPAKETHI ZENTLAWULO EPHELELEYO YABALAWULI BAKAMASIPALA KUNYE NABALAWULI ABAPHENDULA NGQO KUBO, KUNYAKA-MALI KA-2026/2027** *Refer Report from the Executive Manager Financial & Corporate Service (R Boshoff) / Manager Human Resources (M Smit)*	**214 – 243**
	SECTION E **REPORTS FROM THE COMMUNITY SERVICES DEPARTMENT / *VERSLAE VANAF DIE GEMEENSKAPSDIENSTE DEPARTEMENT* / IMIBA YESEBE LENKONZO ZOLUNTU**	
E.1	**REPORT ON THE GARDEN ROUTE REGIONAL WASTE MANAGEMENT FACILITY PROJECT */VERSLAG RAKENDE DIE TUINROETE STREEK AFVALBESTUUR FASILITEIT PROJEK/* INGXELO NGEPROJEKTHI YOLAWULO LWEBALA LENKUNKUMA LENGINGQI YE GARDEN ROUTE** *Report from the Executive Manager Community Services N Raisa-Mlandu / District Waste Manager (J Gie)*	**244 – 247**
E.2	**GARDEN ROUTE DISTRICT MUNICIPALITY FIRE SERVICES SUMMER OPERATIONAL PLAN / *GARDEN ROUTE DISTRIKSMUNISIPALITEIT SE BRANDWEERDIENSTE SOMER OPERASIONELE PLAN/* ISICWANGCISO SOKUSEBENZA SASEHLOBO SEENKONZO ZOCIMA-MLILO ZIKAMASIPALA WESITHILI SASEGARDEN ROUTE** *Report from the Executive Manager Community Services N Raisa-Mlandu / Chief Fire Officer (D Stoffels)*	**248 – 268**
E.3	**ADOPTION BY COUNCIL OF THE TWO GARDEN ROUTE DISTRICT CLIMATE CHANGE ADAPTATION RESPONSE PLANS: 2025/26 – 2030/2031 / *AANNEMING DEUR DIE RAAD VAN DIE TWEE GARDEN ROUTE-DISTRIKSPLANNE VIR AANPASSING BY KLIMAATSVERANDERING: 2025/26 – 2030/2031* / UKWAMKELWA LIBHUNGA KWEZICWANGCISO EZIMBINI ZESITHILI SEGARDEN ROUTE ZOKUPHENDULA NOKUZIQHELANISA NOKUTSHINTSHA KWEMOZULU: ZIKA-2025/26 – 2030/2031.** *Report from the Executive Manager Community Services N Raisa-Mlandu / Head: Environmental Management (Dr N Viljoen)*	**269 - 272**

E.4	**ADOPTION BY COUNCIL OF THE REVIEWED GARDEN ROUTE DISTRICT COASTAL MANAGEMENT PROGRAMME (CMP), 2025/2026 – 2030/2031 /** ***AANNEMING DEUR DIE RAAD VAN DIE HERSIENE KUSBESTUURSPROGRAM (CMP) VIR DIE GARDEN ROUTE-DISTRIK, 2025/2026 – 2030/2031/*** **UKWAMKELWA LIBHUNGA LE-GRDM KWENKQUBO YOLAWULO LWENKQUBO YAMANXWEME YESITHILI SEGARDEN ROUTE (CMP) EPHONONONGIWEYO, KA-2025/2026 – 2030/2031** *Report from the Executive Manager Community Services N Raisa-Mlandu / Head: Environmental Management (Dr N Viljoen)*	**273 – 276**
SECTION F **REPORTS FROM THE INFRASTRUCTURE, TRANSPORT AND MOBILITY SERVICES DEPARTMENT /** ***VERSLAE VANAF DIE INFRASTRUKTUUR, VERVOER EN MOBILITEITSDIENSTE DEPARTEMENT*** **/ IMIBA YEZISEKOZ EZOTHUTHO NEZOHAMBO**		
F.1	None / *Geen* / Asikho	
SECTION G **REPORTS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT /** ***VERSLAE VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT*** **/ IMIBA YESEBE LEZICWANGCISO KUNYE NOPHUHLISO LOQOQOSHO**		
G.1	**REPORT ON THE PROGRESS OF THE GARDEN ROUTE GROWTH AND DEVELOPMENT STRATEGY IMPLEMENTATION /** ***VERSLAG RAKENDE DIE VORDERING MET DIE IMPLEMENTERING VAN DIE GARDEN ROUTE-GROEI- EN -ONTWIKKELINGSTRATEGIE*** **/ INGXELO NGOMSEBENZI WOKUMISELWA KWESICWANGCISO SOBUCHULE BEZOHLUMO NOPHUHLISO LWE GARDEN ROUTE** *Report from the Executive Manager Integrated Planning and Economic Development Services (L Menze) / Manager: DED, Tourism, EPWP and Job Creation (R Dyantyi)*	**277 – 284**
G.2	**PROPOSED LONG TERM LEASING OF A PORTION OF ERF 2219, GEORGE, AND A PORTION OF ERF 3332, GEORGE FOR THE TELECOMMUNICATIONS TOWER /** ***VOORGESTELDE LANGTERMYNVERHURING VAN 'N GEDEELTE VAN ERF 2219, GEORGE, EN 'N GEDEELTE VAN ERF 3332, GEORGE, VIR DIE TELEKOMMUNIKASIETORING*** **/ ISIPHAKAMISO SOKUQESHISA IXESHA ELIDE NGENXALENYE YESIZA U-ERF 2219, EGEORGE, KUNYE NENXALENYE YESIZA U-ERF 3332, EGEORGE, UKUZE KUBEKWE INQABA YONXIBELELWANO.** *Report from the Executive Manager Integrated Planning and Economic Development Services (L Menze) / Manager: Projects, Properties, Facilities and Resorts Management (D Mashila)*	**285 – 319**
G.3	**POSSIBLE TRANSFER OF THE GARDEN ROUTE DISTRICT MUNICIPALITY'S TRUSTEE PROPERTY; PORTION 11 OF THE FARM MISGUNST IN VLEESBAAI, GOURITZRIVER, MOSSEL BAY (FRANSMANSHOEK); TO THE MOSSEL BAY MUNICIPALITY /***MOONTLIKE OORDRAE VAN DIE GARDEN ROUTE-DISTRIKSMUNISIPALITEIT SE TRUSTEE-EIENDOM; GEDEELTE 11 VAN DIE PLAAS MISGUNST TE VLEESBAAI, GOURITZRIVIER, MOSSELBAAI (FRANSMANSHOEK); AAN DIE MOSSELBAAI-MUNISIPALITEIT /* **UKUDLULISELWA OKUNOKWENZEKA KOMHLABA OPHETHWENGUMASIPALA WESITHILI SE GARDEN ROUTE NJENGOMPHATHI (TRUSTEE); INXALENYE YE-11 YOMHLABA I-MISGUNST E-VLEESBAAI, EGOURITZRIVER, EMOSSEL BAY (EFRANSMANSHOEK); UDLULISELWA KUMASIPALA WASEMOSSEL BAY** *Report from the Executive Manager Integrated Planning and Economic Development Services (L Menze) / Manager: Projects, Properties, Facilities and Resorts Management (D Mashila)*	**320 - 343**

G.5	**PROPOSED LEASE OF A PORTION OF FARM 419 MOSSEL BAY FOR A PERIOD OF 25 YEARS (GOURIKWA POWER COMPANY) / *VOORGESTELDE VERHURING VAN 'N GEDEELTE VAN PLAAS 419, MOSSELBAAI, VIR 'N TYDPERK VAN 25 JAAR (GOURIKWA POWER COMPANY)/* ISIPHAKAMISO SOKUQESHISA NGENXALENYE YEFAMA 419 E-MOSSEL BAY IXESHA ELINGANGEMINYAKA ENGAMA-25 (IGOURIKWA POWER COMPANY)** *Report from the Executive Manager Integrated Planning and Economic Development Services (L Menze) / Manager: Projects, Properties, Facilities and Resorts Management (D Mashila)*	**344 – 378**
G.6	**PROPOSED ACQUISITION OF HANSMOESKRAAL AND HOEKWIL PROPERTIES AS WELL AS ERF 268223, GEORGE BY GEORGE MUNICIPALITY / *VOORGESTELDE VERKRYGING VAN EIENDOMME TE HANSMOESKRAAL EN HOEKWIL, ASOOK ERF 268223, GEORGE, DEUR GEORGE-MUNISIPALITEIT /*** *Report from the Executive Manager Integrated Planning and Economic Development Services (L Menze) / Manager: Projects, Properties, Facilities and Resorts Management (D Mashila)*	**379 – 390**
SECTION H **NOTICE OF URGENT MOTIONS / *KENNISGEWING VAN DRIGENDE MOSIES* / ISAZISO SEZIPHAKAMISO**		
H.1	None / *Geen* / Asikho	
SECTION I **NOTICES OF MOTIONS / *KENNISGEWING VAN MOSIES* / ISAZISO SEZIPHAKAMISO**		
I.1	None / *Geen* / Asikho	
SECTION J **IN CLOSED SESSION / *IN GESLOTE SESSIE* / KWI-SASHONI YASEKHUSINI**		
J.1	**WILL BE DISTRIBUTED SEPERATELY FROM THIS AGENDA**	
	CLOSURE / *SLUITING* / UQUKUNJELO	

Ald GR Wolmarans
Ald P Terblanche
Ald S De Vries
Ald CN Lichaba
Cllr / Rd*l* / Ceba NV Gungubele
Cllr / Rd*l* / 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 F September
Cllr / Rdl / Ceba S Mangxaba
Ald DJ Swart
Ald WP Meshoa
Cllr / Rdl / Ceba R Windwaai
Ald M Kruger
Cllr / Rdl / Ceba MD Jansen (as of 12 November 2025)
Cllr / Rdl / Ceba J Fry (as of 24 December 2025)
Cllr / Rdl / Ceba AJ Wildeman (as of 17 July 2026)
Cllr / Rdl / Ceba CJ Cornelius Payle (as of 30 September 2026)
Cllr / Rdl / Ceba M Greef (as of 14 October 2026)
Cllr / Rdl / Ceba NM Jaxa (as of 14 October 2026)
1 x vacant

Minutes of a **Special Council meeting of**
the 2021/2026 term of
Garden Route District Council held at the **CA Robertson Council Chambers**, and via **Zoom** on **Tuesday, 25 August 2026** at **11:00**

*Notule van 'n **Spesiale Raadsvergadering** van*
die 2021/2026 termyn
*van Garden Route Distriksraad gehou in die **CA Robertson Raadsaal** en via **Zoom** op*
Dinsdag, 25 Augustus 2026** om **11:00

Imizuzu **Yentlanganiso eKhethekileyo yeBhunga yexesha lika** 2021/2026
yoMasipala Wesithili se Garden Route
nebibanjwe **kwiGumbi leBhunga CA Robertson**, kunye **nango Zoom**,
ngoLwesinini, 25 KweyeThupa, ngo **11:00**

1. OPENING AND WELCOMING / *OPENING EN VERWELKOMING* / UVULO NOLWAMKELO

The Speaker, Ald GR Wolmarans welcomed everybody present and thanked them for their attendance.

2. EVACUATION PROCEDURES / *ONTRUIMINGSPROSEDURES* / INKQUBO YOKUFUDUSWA

The evacuation procedures were presented via audio clip that explained the evacuation procedures in case of emergency.

3. SILENT PRAYER (MEDITATION) / *STILLE GEBED (MEDITASIE)* / UMTHANDAZO

The Speaker requested that a moment of Silence be observed for the two former Councillors, Cllr Aubrey Tsengwa and Mandla Matiwane, who were former Councillors at GRDM who passed away during the course of the week.

4. ATTENDANCE OF MEMBERS / *BYWONING VAN LEDE* / AMALUNGU AKHOYO

4.1 **COUNCILLORS PRESENT / *RAADSLEDE TEENWOORDIG* /OOCEBA ABAKHOYO**

Ald GR Wolmarans	DA
Cllr / Rdl / Ceba K Malooi	DA
Cllr / *Rdl* / Ceba JG Meiring	DA
Cllr / Rdl / Ceba F September	DA
Ald NS Ndayi	DA
Cllr / Rdl / Ceba M Jansen	DA
Cllr / Rdl / Ceba D Acker	FREEDOM FRONT PLUS
Cllr / Rdl / Ceba NV Gungubele	ANC
Cllr / Rdl / Ceba JJ Cornelius	ICOSA
Cllr / Rdl / Ceba SN Bentley	GOOD
Ald M Kruger	George Municipality
Cllr J Fry	George Municipality
Cllr / Rdl / Ceba R Louw	George Municipality
Cllr / Rdl/ Ceba M Kannemeyer	Mossel Bay Municipality
Ald RH Ruiters	Mossel Bay Municipality
Cllr / Rdl / Ceba JJ Bavuma	Mossel Bay Municipality
Cllr / Rdl / Ceba J Hoogbaard	Hessequa Municipality
Ald D Swart	Bitou Municipality
Ald JC Lambaatjeen	Oudtshoorn Municipality

Ald V Donson	Oudtshoorn Municipality

OFFICIALS / AMPTENARE / AMAGOSA

Ms / Me / Nkzn N Raisa-Mlandu	Acting Municipal Manager
Mr / *Mnr* / Mnu R Boshoff	Executive Manager Financial & Corporate Services
Mr / *Mnr* / Mnu JG Daniels	Executive Manager Roads and Transport Services
Mr / Mnr / Mnu T Loliwe	Strategic Manager in the Office of the Municipal Manager
Mr / Mnr / Mnu MD Mashila	Manager: Projects, Properties, Facilities and Resort Management
Mr / Mnr/ Mnu T Mpuru	Manager: Stores, SCM, and Data
Ms / *Me*/ Nksnz L Hoek	Manager BTO, AFS & Assets
Mr / *Mnr* / Mnu C Martin	Manager Income, Bank Reconciliation, Expenditure & Remuneration
Mr / *Mnr* / Mnu K Nieuwoudt	Manager ICT
Ms / *Me* / Nksnz M Smit	Manager Human Resources
Mr / Mnr/ Mnu R Alberts	Senior ICT Professional
Mr / Mnr/ Mnu H Pieters	Manager Communication
Ms / *Me* / Nksnz N Klaas	Manager Individual Performance & Policy Development & Research
Ms / Me / Nksnz R Matthews	Head: Committee Services
Mr / Mnr / Mnu BT Desha	Senior Language Practioner/ Interpreter
Mr / *Mnr* / Mnu D Stoffels	Chief Fire Officer

4.2 **COUNCILLORS AND OFFICIALS WITH LEAVE / *RAADSLEDE EN AMPTENARE MET VERLOF* / OOCEBA NAMAGOSA ABAKWIKHEFU**

Ald S de Vries	ANC
Ald CN Lichaba	ANC
Cllr / Rdl / Ceba CP Taute	Hessequa Municipality

Cllr / Rdl / Ceba R Windwaai	George Municipality
Cllr / Rdl / Ceba DB Coeries	George Municipality
Ald WP Meshoa	Kannaland Municipality
Cllr / Rdl / Ceba HRT Stroebel	Knysna Municipality
Mr / Mnr / Mnu L Menze	Executive Manager Integrated Planning and Development
Adv S Maqekeni	Manager Integrated Support Services & Legal Compliance
Adv N Davids	Manager Legal Service

4.3 **COUNCILLORS WITHOUT LEAVE / *RAADSLEDE SONDER VERLOF / OCEBA ABANGEKHOYO***

Ald P Terblanche	DA
Cllr / Rdl / Ceba S Mangxaba	Bitou Municipality
Cllr / Rdl / Ceba SM Toto	George Municipality
Cllr / Rdl / Ceba MA Mkonto	Mossel Bay Municipality
Cllr / Rdl / Ceba L Nohana	Knysna Municipality

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 STRUKTUREWET, 2021* / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) UMTHETHO WEZOLAWULO LOMASIPALA WORHULUMENTE WASEKHAYA, 2021

The Code of conduct was noted.

6. DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / *VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE* / UKUCHAZWA KOMDLA NGOOCEBA KUNYE NAMAGOSA

NONE /*GEEN* / ALUKHO

7. COMMUNICATIONS BY THE SPEAKER / *MEDEDELINGS DEUR DIE SPEAKER* / UNXIBELELWANO LUKASOMLOMO

The Speaker, informed the Councillors that the meeting of today is a Special Council meeting and reminded Councillors that the Ordinary Council meeting is going to take place on 31 August 2026 at 11:00 and that the agendas has already been distributed.

8. COMMUNICATIONS BY THE EXECUTIVE MAYOR / *MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER* / UNXIBELELWANO LUKA SODOLOPHU

The Executive Mayor also expressed his condolences to Cllrs Aubrey Tsengwa and Mandla Matiwane, who were former Councillors at GRDM who passed away and the Provincial Minister of Infrastructure, Minister Tertius Simmers, who has lost his father during the course of the week.

9. COMMUNICATIONS BY THE ACTING MUNICIPAL MANAGER / *MEDEDELINGS DEUR DIE WAARNEMENDE MUNISIPALE BESTUURDER* / UNXIBELELWANO IBAMBELA MPHATI MASIPALA

The Acting Municipal Manager, on behalf of Administration, also expressed her condolences to the family members of Ms Sizeka Joya, who passed away on 19 August 2026. Ms Joya was one of the National Skills Fund(NSF) Generic Learners from Knysna.

10. APPROVAL OF MINUTES OF COUNCIL MEETING / *GOEDKEURING VAN NOTULES VAN RAADSVERGADERING* / UKWAMKELWA KWEMIZUZU YENTLANGANISO ZEBHUNGA

10.1 NONE /*GEEN* / ALUKHO

11. MINUTES OF MAYORAL COMMITTEE MEETING/ SECTION 79 COMMITTEES AND OTHER COMMITTEES (FOR NOTIFICATION) / *NOTULE VAN DIE BURGEMEESTERSKOMITEEVERGADERING/ ARTIKEL 79 KOMITEES EN ANDER KOMITEES (VIR KENNISNAME)* / IMIZUZUZ YEKOMITI KASODOLOPHU KUNYE NEZINYE IKOMITI ZOMHLATHI 79 (ITHATHELWE INGQALELO)

11.1 NONE /*GEEN* / ALUKHO

12. STANDING ITEMS / *STAANDE ITEMS* / IMIBA EMISIWEYO

NONE /GEEN / ALUKHO

A. REPORTS FROM THE SPEAKER / *VERSLAE VANAF DIE SPEAKER* / IMIBA EVELA KU SOMLOMO

A.1 NONE /*GEEN* / AYIKHO

B. REPORTS FROM THE EXECUTIVE MAYOR / *VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER* / IMIBA EVELA KUSODOLOPHU

B.1 **SECOND ADJUSTMENTS BUDGET 2026/2027 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) / TWEEDE A*ANSUIWERINGSBEGROTING 2026/2027 MEDIUM TERMYN EN INKOMSTE EN UITGAWE RAAMWERK (MTIUR)* / ULUNGELEWANISO LWESIBINI LOLWABIWO-MALI LUKA 2026/2027 LWENGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YENCITHO(MTREF)**

Refer report from the Executive Mayor (ALD M Kruger) (PG 5-137)

RESOLVED

1) That the Second Adjustments Budget of Garden Route District Municipality for the financial year 2026/2027 as set out in the schedules contained in Section 4 be **approved:**

   i) Table B1 Adjustments Budget Summary

   ii) Table B2 Adjustments Budget Financial Performance (by functional classification);

   iii) Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote);

   iv) Table B4 Adjustments Budget Financial Performance (revenue and expenditure); and

   v) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)

2) That Council approves the Adjustment Operating Expenditure Budget of **R371,521,420.**

3) That Council approves the Adjustment Operating Revenue Budget of **R377,575,427.**

4) That Council approves the Adjustment Capital Budget of **R69,987,388.**

5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the 2026/27 financial year be compiled and tabled to the Executive Mayor for approval.

6) That Council resolves that the implementation date of the Adjustments Budget relating to the additional funds for the Roads department shall be 1 August 2026, to ensure alignment with the Memorandum of Agreement (MOA) entered into with the Department of Infrastructure (DOI).

7) That the approval of the prior financial year unspent grants is subject to the approval from National and Provincial Treasury for the roll-over of funds.

8) That Council Approves the alignment of the GRDM Staff Establishment with the approved adjusted budget to incorporate the Roads and Transport Planning Department.

BESLUITE

1) Dat die Tweede Aangepaste Begroting van Garden Route Distriksmunisipaliteit vir die finansiële jaar 2026/2027 soos vervat in die skedules van Seksie 4 goedgekeur word:

i) Tabel B1 Aangepaste Begrotings Opsomming;

ii) Tabel B2 Aangepaste Begroting Finansiiële Prestasie (volgens funksionele klassifikasie);

iii) Tabel B3 Aangepaste Begroting Finansiële Prestasie (inkomste en uitgawes volgens pos);

iv) Tabel B4 Aangepaste Begroting Finansiiële Prestasie (volgens inkomste en uitgawes); en

v) Tabel B5 Aangepaste Kapitale Begroting (volgens pos en finansieringsbron)

2) Dat die Raad die Aangepaste Uitgawe Begroting van **R371,521,420** *goedkeur.*

3) *Dat die Raad die Aangepaste Inkomste Begroting van* **R377,575,427** *goedkeur.*

4) *Dat die Raad die Aangepaste Kapitaal Begroting van* **R69,987,388** *goedkeur.*

5) *Dat die hersiende Dienslewerings- en Begrotings Implementerings Plan vir 2026/2027 opgestel en aan die Uitvoerende Burgermeester voorgelê word vir goedkeuring.*

6) *Dat die Raad die implementeringsdatum van die Aangepaste Begroting met betrekking to die addisionele fondse vir die Paaie afdeling as 1 Augustus 2026 aanvaar, om te verseker dat dit in lyn is met die ooreenkoms wat aangegaan is met die Departement van Infrastruktuur.*

7) *Dat die goedkeuring van die vorige jaar se ongespandeerde toekennings onderhewig is aan die goedkeuring van Nasionale en Provinsiale Tesourie vir die oorrol van fondse.*

8) *Dat die Raad die belyning van die GRDM-personeeldiensstaat met die goedgekeurde aangepaste begroting goedkeur om die Paaie- en Vervoerbeplanningsdepartement in te sluit.*

ISIGQIBO

(1) Sesokuba ulwabiwo-mali olulungisiweyo lwesithathu loMasipala Wesithili se Garden Route kunyakamali ka 2026/2027 njengoko kuchaziwe kuluhlu oluqulwathwe kuMhlathi 4 luphunyezwe:

i. Table B1 Ushwankathelo loLwabiwo-Mali Olu-Lungisiweyo

ii. Table B2 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ngokwendlela ezifanelekileyo);

iii. Table B3 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ingeniso nencitho ngokwevoti yomasipala);

iv. Table B4 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ingeniso ngokovimba); kunye

v. Table B5 Ulwabiwo-Mali Olulungisiweyo Incitho Yenkunzi (ngokwevoti yomasipala kunye nenxaso yovimba)

(2) IBhunga liphumeze Ulwabiwo-Mali Olu-Lungisiweyo Lencitho Eqhubayo ye **R371,521,420.**

(3) IBhunga liphumeze uLwabiwo-Mali Oluqhubayo Lwengeniso noluyi **R377,575,427.**

(4) IBhunga liphumeze Ulwabiwo-Mali Oluyinkunzi Olu-Lungisiweyo lwe **R69,987,388.**

(5) Sesokuba ulungiso Lonikezelo Nkonzo kunye Nesicwangciso Sokumiselwa koLwabiwo-Mali(SDBIP) kunyakamali ka 2026/2027 luqulunqwe kwaye luthiwe thaca kuSodolophu obekekileyo ukuze luphunyezwe.

(6) IBhunga ligqiba kwelokuba umhla wokuqaliswa koHlahlo-lwabiwo-mali oluLungisiweyo olunxulumene nemali eyongezelelweyo yesebe lezeNdlela uza kuba ngumhla woku-1 kweyeThupha 2026, ukuqinisekisa ukuhambelana neMemorandam yeSivumelwano (MOA) engene kuyo neSebe leZiseko zoPhuhliso (DOI).

(7) Okokuba ukuvunywa kwezibonelelo ezingasetyenziswanga zonyaka-mali odlulileyo kuxhomekeke kwimvume evela kuNondyebo weSizwe nowePhondo yokudluliselwa kwemali.

(8) Ukuvunywa kwezibonelelo ezingasetyenziswanga zonyaka-mali odlulileyo kuxhomekeke kwimvume evela kuNondyebo weSizwe nowePhondo yokudluliselwa kwemali.

C. REPORTS FROM THE OFFICE OF THE MUNICIPAL MANAGER / *ITEMS VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER* / IMIBA EVELA KWI OFISI YOMPHATHI MASIPALA

C.1 NONE /*GEEN* / AYIKHO

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* / AYIKHO

E. REPORTS FROM THE COMMUNITY SERVICES DEPARTMENT / *ITEMS VANAF DIE GEMEENSKAPSDIENSTE DEPARTEMENT* / IMIBA YESEBE LENKONZO ZOLUNTU

E.1 NONE /*GEEN* / AYIKHO

F. REPORTS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT / *ITEMS VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT* / IMIBA YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO

F.1 None / *Geen* / Ayikho

G. REPORTS FROM THE INTEGRATED PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT / *ITEMS VANAF DIE GEINTREERDE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT* / IMIBA YESEBE LEZICWANGCISO KUNYE NOPHUHLISO LOQOQOSHO

G.1 NONE /*GEEN* / AYIKHO

H. NOTICE OF URGENT MOTIONS / *KENNISGEWING VAN DRIGENDE MOSIES* / ISAZISO SEZIPHAKAMISO

H.1 None / *Geen* / Azikho

I NOTICES OF MOTIONS / *KENNISGEWING VAN MOSIES* / ISAZISO SEZIPHAKAMISO

I.1 None / *Geen* / Azikho

J. IN CLOSED SESSION / *IN GESLOTE SESSIE* / KWI-SASHONI YASEKHUSINI

J.1 None / *Geen* / Azikho

CLOSURE / *SLUITING* / UQUKUNJELO

The meeting closed at 11:25 with 21 Councillors present / *Die vergadering sluit om 11:25 met 21 Raadslede teenwoordig* / Intlanganiso ivalwe ngo 11:25 iNooceba abayi 21.

…….……

SPEAKER: ALD GR WOLMARANS

……..

DATE / *DATUM* / UMHLA

BACK TO AGENDA

Minutes of a **Council meeting of**
the 2021/2026 term of
Garden Route District Council held at the **CA Robertson Council Chambers**, and via **Zoom** on **Monday, 31 August 2026** at **11:00**

*Notule van 'n **Raadsvergadering** van*
die 2021/2026 termyn
*van Garden Route Distriksraad gehou in die **CA Robertson Raadsaal** en via **Zoom** op*
Maandag, 31 Augustus 2026** om **11:00

Imizuzu **Yentlanganiso yeBhunga yexesha lika**
2021/2026 yoMasipala Wesithili se Garden Route
nebibanjwe **kwiGumbi leBhunga CA Robertson**, kunye **nango Zoom**,
NgoMvulo, 31 KweyeThupa 2026, ngo **11:00**

1. OPENING AND WELCOMING / *OPENING EN VERWELKOMING* / UVULO NOLWAMKELO

The Speaker, Ald GR Wolmarans welcomed everybody present and thanked them for their attendance.

2. EVACUATION PROCEDURES / *ONTRUIMINGSPROSEDURES* / IKNQUBO YOKUFUDUSWA

The evacuation procedures were presented via audio clip that explained the evacuation procedures in case of emergency.

3. SILENT PRAYER (MEDITATION) / *STILLE GEBED (MEDITASIE)* / UMTHANDAZO

The Speaker requested that a moment of silence be observed for the family members of the two former Councillors, Cllr Aubrey Tsengwa and Mandla Matiwane, who passed away and then requested Cllr J Hoogbaard to open the meeting with a prayer.

4. ATTENDANCE OF MEMBERS / *BYWONING VAN LEDE* / AMALUNGU AKHOYO

4.1 **COUNCILLORS PRESENT / *RAADSLEDE TEENWOORDIG* /OOCEBA ABAKHOYO**

Ald GR Wolmarans	DA
Cllr MD Jansen	DA
Cllr / Rdl / Ceba K Malooi	DA
Cllr / *Rdl* / Ceba JG Meiring	DA
Cllr / Rdl / Ceba F September	DA
Ald NS Ndayi	DA
Ald S de Vries	ANC
Cllr / Rdl / Ceba NV Gungubele	ANC
Cllr / Rdl / Ceba JJ Cornelius	ICOSA
Cllr / Rdl / Ceba AJ Wildeman	PBI
Cllr / Rdl / Ceba D Acker	FREEDOM FRONT PLUS
Ald M Kruger	George Municipality
Cllr / Rdl / Ceba R Windwaai	George Municipality
Cllr / Rdl / Ceba J Fry	George Municipality
Cllr / *Rdl* / Ceba R Louw	George Municipality
Cllr / Rdl / Ceba SM Toto	George Municipality
Cllr / Rdl / Ceba MA Mkonto	Mossel Bay Municipality
Ald RH Ruiters	Mossel Bay Municipality

Cllr / Rdl / Ceba JJ Bavuma	Mossel Bay Municipality
Cllr / Rdl / Ceba J Hoogbaard	Hessequa Municipality
Cllr / Rdl / Ceba CP Taute	Hessequa Municipality
Ald D Swart	Bitou Municipality
Cllr / Rdl / Ceba S Mangxaba	Bitou Municipality
Ald JC Lambaatjeen	Oudtshoorn Municipality

OFFICIALS / AMPTENARE / AMAGOSA

Ms / *Me* / Nkzn N Raisa-Mlandu	Acting Municipal Manager
Mr / *Mnr* / Mnu L Menze	Executive Manager Integrated Planning & Development Services
Mr / *Mnr* / Mnu R Boshoff	Executive Manager Financial & Corporate Services
Mr / Mnr / Mnu JG Daniels	Executive Manager Roads and Transport Services
Mr / Mnr / Mnu T Loliwe	Strategic Manager in the Office of the Municipal Manager
Adv S Maqekeni	Manager Integrated Support Services & Legal Compliance
Ms / *Me* / Nksnz P Lufele	Chief Audit Executive
Mr / Mnr/ Mnu H Pieters	Manager Communication
Ms / Me / Nksnz R Matthews	Head: Committee Services
Ms / Me / Nksnz C van Wyngaardt	Committee Officer
Mr/ *Mnr* / Mnu B Desha	Senior Language Practitioner
Mr / *Mnr* / Mnu T Mpuru	Manager SCM, Data and Stores
Mr / *Mnr* / Mnu C Martin	Manager Income, Bank Reconciliation, Expenditure & Renumeration
Ms / *Me* / Nkzn M Smit	Manager Human Resources
Mr / *Mnr* / Mnu K Nieuwoudt	Manager ICT
Ms / Me /Nkzn N Klaas	Manager Individual Performance and Policy Development

Mr / Mnr / Mnu D Mashila	Manager Projects, Properties, Facilities & Resort Management
Ms / *Me* / Nkzn M James	District IDP Manager
Mr / *Mnr* /Mnu J Compion	Senior Manager: Municipal Health, Waste Management, Air Quality
Mr / *Mnr* / Mnu G Otto	Manager Disaster Management
Mr / *Mnr* / Mnu D Stoffels	Chief Fire Officer
Mr / *Mnr* / Mnu A Dippenaar	Chairperson of APAC

4.2 **COUNCILLORS AND OFFICIALS WITH LEAVE / *RAADSLEDE EN AMPTENARE MET VERLOF* / OOCEBA NAMAGOSA ABAKWIKHEFU**

Ald P Terblanche	DA
Ald CN Lichaba	ANC
Cllr / Rdl / Ceba S Bentley	GOOD
Cllr / Rdl / Ceba DB Coeries	George Municipality
Ald V Donson	Oudtshoorn Municipality
Ald WP Meshoa	Kannaland Municipality
Cllr / Rdl/ Ceba M Kannemeyer	Mossel Bay Municipality
Cllr / Rdl / Ceba HRT Stroebel	Knysna Municipality
Adv N Davids	Manager Legal Service

4.3 **COUNCILLORS WITHOUT LEAVE / *RAADSLEDE SONDER VERLOF* / OCEBA ABANGEKHOYO**

Cllr Rdl / Ceba L Nohana	Knysna Municipality

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 STRUKTUREWET, 2021* / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) UMTHETHO WEZOLAWULO LOMASIPALA WORHULUMENTE WASEKHAYA, 2021

The Code of conduct was noted.

6. DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / *VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE* / UKUCHAZWA KOMDLA NGOOCEBA KUNYE NAMAGOSA

NONE / *GEEN* / AZIKHO

7. COMMUNICATIONS BY THE SPEAKER / *MEDEDELINGS DEUR DIE SPEAKER* / UNXIBELELWANO LUKASOMLOMO

The Speaker informed the Councillors that, there is a proposal for approval of recess with effect from 07 September 2026, to allow Councillors an opportunity to focus on their political work in preparation for the Local Government Elections scheduled to take place on 04 November 2026.

The Speaker then handed over to the Executive Mayor and Ald M Kruger proposed changes to the meeting schedule going forward, which is as follows:

1. The **Occupational Health and Safety (OHS) Meeting scheduled for 10 September 2026** shall not take place;
2. All **Section 80 Committee meetings scheduled for 06 and 07 October 2026** shall not take place;
3. The **Municipal Public Accounts Committee (MPAC) meeting scheduled for 22 September 2026** shall proceed, and may be conducted virtually, if deemed appropriate; and
4. The **Compliance Reports scheduled for consideration during October 2026** shall proceed before the **Mayoral Committee and Council**.

5. That the Executive Mayor, and the Municipal Manager, or their successor in title, be delegated and authorized during this time of recess being 07 September 2026 until declaration of results by IEC after the electionbs on 4 November 2026, to perform all official Council duties, responsibilities and functions with the exception of those powers and functions as set out Section 160(2) of the Constitution namely:
   a) the passing of by-laws;
   b) the approval of budgets;
   c) the imposition of rates and other taxes, levies and duties; and
   d) the raising of loans;
   e) disposal of Council properties;
   f) appointment and dismissal of the Municipal Manager and section 56 managers in terms Section 56 of the Systems Act;
   g) all functions which are according to legislation reserved for Council only.

The proposal above was seconded by Ald S de Vries.

8. COMMUNICATIONS BY THE EXECUTIVE MAYOR / *MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER* / UNXIBELELWANO LUKA SODOLOPHU

The Executive Mayor wished all women a happy Women's Month and expressed the hope that all women had been treated with special appreciation during the month of August.

The Executive Mayor noted that, at the previous Council meeting, Council had already expressed its condolences to the families of the two former Councillors, Cllr Aubrey Tsengwa and Cllr Mandla Matiwane. He further conveyed condolences to Provincial Minister of Infrastructure, Minister Tertius Simmers, following the passing of his father, whose funeral was held over the past weekend.

The Executive Mayor requested that a moment of silence be observed in honour and remembrance of the deceased and extended his condolences to their respective families. He further urged all Councillors and officials to remain safe and to take care of themselves.

The Executive Mayor informed the Councillors that Ald P. Terblanche is seriously ill and is currently hospitalised. He requested that all Councillors and officials keep him and his family in their prayers.

Under the Communications Cllr D Acker communicated the following:

Cllr D. Acker informed the Councillors that, on Saturday, 22 August 2026, the Executive Mayor, Ald M. Kruger, had received a Certificate of Honour from Outeniqua High School. Cllr Acker congratulated Ald M. Kruger on the achievement.

The Executive Mayor thanked Cllr Acker for the congratulatory message and explained that he had received the award in recognition of being the third Mayor in the District who had attended Outeniqua High School.

9. **COMMUNICATIONS BY THE ACTING MUNICIPAL MANAGER / *MEDEDELINGS DEUR WAARNEMENDE MUNISIPALE BESTUURDER* / UNXIBELELWANO IBAMBELA MPHATI MASIPALA**

The Acting Municipal Manager, Mrs N Raisa-Mlandu communicated the following:

Mrs N. Raisa-Mlandu informed the Councillors that Administration is confident that the Annual Financial Statements would be submitted today, in compliance with the applicable legislative requirements. She further advised that officials are in the process of conducting the final checks and balances on the annual financial statements.

10. **APPROVAL OF MINUTES OF COUNCIL MEETING / *GOEDKEURING VAN NOTULES VAN RAADSVERGADERING* / UKWAMKELWA KWEMIZUZU YENTLANGANISO ZEBHUNGA**

10.1 **MINUTES OF A SPECIAL COUNCIL MEETING DATED 21 JULY 2026 / *NOTULE VAN 'N SPESIALE RAADSVERGADERING GEDATEER 21 JULIE 2026* / IMIZUZU YENTLANGANISO YEBHUNGA EKHETHEKILEYO YANGOMHLA 21 KWEYEKHALA 2026 (PG 7-24)**

RESOLVED

That the minutes of the Special Council meeting dated 21 July 2026, be approved.

BESLUIT

Dat die notule van die Spesiale Raadsvergadering gedateer 21 Julie 2026, goedgekeur word.

ISIGQIBO

Imizuzu Yentlanganiso eKhethekileyo yeBhunga yangomhla 21 KweyeKhala 2026, iphunyezwe.

10.2 **MINUTES OF A COUNCIL MEETING DATED 28 JULY 2026 / *NOTULE VAN 'N RAADSVERGADERING GEDATEER 28 JULIE 2026* / IMIZUZU YENTLANGANISO YEBHUNGA EKHETHEKILEYO YANGOMHLA 28 KWEYEKHALA 2026 (PG 25-51)**

RESOLVED

That the minutes of the Council meeting dated 28 July 2026, be approved.

BESLUIT

Dat die notule van die Raadsvergadering gedateer 28 Julie 2026, goedgekeur word.

ISIGQIBO

Imizuzu Yentlanganiso eKhethekileyo yeBhunga yangomhla 28 KweyeKhala 2026, iphunyezwe.

11. **MINUTES OF MAYORAL COMMITTEE MEETING/ SECTION 79 COMMITTEES AND OTHER COMMITTEES (FOR NOTIFICATION) / *NOTULE VAN DIE BURGEMEESTERSKOMITEEVERGADERING/ ARTIKEL 79 KOMITEES EN ANDER KOMITEES (VIR KENNISNAME)* / IMIZUZUZ YEKOMITI KASODOLOPHU KUNYE NEZINYE IKOMITI ZOMHLATHI 79 (ITHATHELWE INGQALELO)**

11.1 **MINUTES OF MAYORAL COMMITTEE MEETING: 24 JUNE 2026/ *NOTULE VAN UITVEROENDE BURGEMEESTERSKOMITEEVERGADERING: 24 JUNIE 2026* / YENTLANGANISO YEKOMITI KASODOLOPHU: 24 KWEYESILIMELA 2026 (PG 52-78)**

RESOLVED

That the minutes of the Executive Mayoral Committee meeting dated 24 June 2026, be noted.

BESLUIT

Dat kennis geneem word van die notule van die Uitvoerende Burgemeesterskomitee wat plaasgevind het op 24 Junie 2026.

ISIGQIBO

Sesokuba imizuzu yentlanganiso yeKomiti kaSodolophu nenibanjwe ngomhla 24 KweyeSilimela 2026 ithathelwe ingqalelo.

12. **STANDING ITEMS / *STAANDE ITEMS* / IMIBA EMISIWEYO**

12.1 **STANDING REPORT ON THE ALIENATION OF PROPERTIES (2) / *STAANDE ITEM RAKENDE DIE VERVREEMDING VAN MUNISIPALE EIENDOM (2)* / INGXELO EQHUBEKAYO KUNIKEZELO LWEMIHLABA (2)**

Report from the Executive Manager Planning and Economic Development Services (L Menze) / Manager: Projects, Properties, Facilities and Resorts Management (D Mashila) (PG 79-86)

RESOLVED

5.1 That Council takes note that the appointment of a service provider for the provision of valuation, auctioneering and conveyancing services has been objected to and the matter is pending resolution.

5.2 That Council takes note that as a consequence of the objection, there will be an inevitable delay in the alienation of properties as approved by the Council.

5.3 That Administration is awaiting 2 additional valuation reports for Erf 1297, Wilderness (Kleinkrantz) before negotiations with SANParks are concluded.

5.4 That Council notes that Portion 39 of Farm 30 Nooitgedagt, and Portion 9 of the Farm 291De Fontein 291, are deemed non-viable properties and will be sold directly to owners of adjoining properties. 2 separate reports will be submitted to the Council in this regard.

BESLUITE

5.1. Dat die Raad kennis neem dat daar beswaar aangeteken is teen die aanstelling van 'n diensverskaffer vir die lewering van waardasie-, veilings- en oordragdienste, en dat die saak op 'n oplossing wag.

5.2. Dat die Raad kennis neem dat daar, as gevolg van die beswaar, 'n onvermydelike vertraging sal wees met die vervreemding van eiendomme soos deur die Raad goedgekeur.

5.3. Dat die Administrasie op twee bykomende waardasieverslae vir Erf 1297, Wilderness (Kleinkrantz), wag voordat onderhandelinge met SANParke afgehandel word.

5.4. Dat die Raad kennis neem dat Gedeelte 39 van Plaas 30 Nooigedagt en Gedeelte 9 van Plaas 291 De Fontein as nie-lewensvatbare eiendomme beskou word en direk aan die eienaars van aangrensende eiendomme verkoop sal word. Twee afsonderlike verslae sal in hierdie verband aan die Raad voorgelê word.

ISIGQIBO

5.1. Sesokuba iBhunga lithathele ingqalelo ukuba ukuqeshwa komboneleli weenkonzo zokubonelela ngexabiso, ukuthengisa iifandesi kunye nokudluliselwa kwempahla kuye kwaphikiswa kwaye lo mbandela usalinde ukusonjululwa.

5.2. Sesokuba iBhunga liyaqaphela ukuba ngenxa yesichaso, kuya kubakho ukulibaziseka okungenakuphepheka ekususweni komhlaba njengoko kuvunyiwe liBhunga.

5.3. Ulawulo lulindele iingxelo ezimbini ezongezelelweyo zovavanyo lweSiza 1297, eWilderness (Kleinkrantz) ngaphambi kokuba kugqitywe iingxoxo neSANParks.

5.4. IBhunga liyaqaphela ukuba iCandelo 39 leFama 30 Nooitgedagt, kunye neCandelo 9 leFama 291De Fontein 291, zithathwa njengepropati ezingasebenziyo kwaye ziya kuthengiswa ngqo kubanini beepropati ezikufutshane. Iingxelo ezimbini ezahlukeneyo ziya kungeniswa kwiBhunga malunga noku.

A. REPORTS FROM THE SPEAKER / *VERSLAE VANAF DIE SPEAKER* / IMIBA EVELA KU SOMLOMO

A.1 None / *Geen* / Ayikho

B. REPORTS FROM THE EXECUTIVE MAYOR / *VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER* / IMIBA EVELA KUSODOLOPHU OLAWULAYO

B.1 UNAUDITED ANNUAL REPORT FOR 2025/26 FINANCIAL YEAR /*ONGEOUDITEERDE JAARVERSLAG VIR 2025/26 FINANSIËLE JAAR* /INGXELO ENGAPHICOTHWANGA YONYAKA KUNYAKA MALI KA 2025/26

Refer Report from the Executive Mayor (Ald M Kruger) / Executive Manager Integrated Planning and Economic Development (L Menze) / District IDP Manager (M James)(PG 87-90)

RESOLVED

5.1 That Council note and discuss the Unaudited 2025/26 Annual Report.

5.2 That Council note that the 2025/26 Annual Financial Statements included in the Annual Report are as at 20 August 2026.

5.3 That the Unaudited Annual Report be published for public comments.

BESLUITE

5.1 *Dat die Raad kennis neem van die ongeouditeerde 2025/2026 Jaarverslag.*

5.2 *Dat die Raad kennis neem dat die 2025/26 Jaarlikse Finansiële State gebaseer is op inligting soos op 20 Augustus 2026.*

5.3 *Dat die Ongeouditeerde 2025/2026 Jaarverslag gepubliseer word vir publieke insette.*

ISIGQIBO

5.1 Sesokuba iBhunga liqaphele kwaye lixoxe ngeNgxelo yoNyaka ka-2025/26 engaphicothwanga.

5.2 Sesokuba iBhunga liqaphele ukuba iiNgxelo zezeMali zoNyaka ka-2025/26 eziqukwe kwiNgxelo yoNyaka zinikezelwe ngomhla20 kweyeThupha 2026.

5.3 Sesokuba iNgxelo yoNyaka engaphicothwanga ipapashwe ukuze uluntu luphawule.

B.2 **2027- 2028 IDP BUDGET & PMS TIME SCHEDULE/ *2027-2028 GOP BEGROTING & PBS TYDSKEDULE* / ULWABIWO-MALI IDP KUNYE NOLUHLU LWEXESHA LE PMS KU 2027-2028**

Refer Report from the Executive Mayor (Ald M Kruger) / Executive Manager Integrated Planning and Economic Development (L Menze) / District IDP Manager (M James) (PG 91-108)

RESOLVED

That Council adopts the 2027 - 2028 IDP Budget & PMS Time schedule.

BESLUIT

Dat die Raad die 2027-2028 GOP Begroting en PBS Tydskedule goedkeur.

ISIGQIBO

Sesokuba iBhunga lamkele I uLwabiwo-Mali lwe IDP luka 2027-2028 kunye noluhlu lweXesha le PMS.

C. REPORTS FROM THE OFFICE OF THE MUNICIPAL MANAGER / *ITEMS VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER* / IMIBA EVELA KWI OFISI YOMPHATHI MASIPALA

C.1 APAC BI-ANNUAL REPORT / *OPOK TWEEJAARLIKSE VERSLAG* / INGXELO YE-APAC KABINI-NGONYAKA

Refer Report from the Audit Performance & Audit Committee (Mr ABJ Dippenaar) (PG 109-120)

RESOLVED

That Council takes note of the content of the report.

BESLUIT

Dat die Raad kennis neem van die inhoud van die verslag.

ISIGQIBO

Sesokuba iBhunga lithathele ingqalelo ingxelo.

NB: Mr A Dippenaar, the Chairperson of APAC, left the meeting at 11:58.

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 **DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 JULY 2026 TO 31 JULY 2026 / *AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 JULIE 2026 TOT 31 JULIE 2026* / INGXELO YOTYESHELO:UKUMISELWA KOMGAQO0NKQUBO WOALWULO LWENCITHO KWIXESHA LOMHLA 1 KWEYEKHALA 2026 UKUYA 31 KWEYEKHALA 2026**

Refer Report from the Executive Manager Financial and Corporate Services (R Boshoff) (PG 121-126)

RESOLVED

1. That the implementation of Regulation 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 July 2026 to 31 July 2026, be noted.

2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

BESLUITE

1. *Dat kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van 1 Julie 2026 tot 31 Julie 2026.*

2. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, dat daar geen goedkeuring was van tenders wat nie aanbeveel is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

ISIGQIBO

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 KweyeKhala 2026 ukuya 31 KweyeKhala 2026, kuthathelwe ingqalelo.

2. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezenkcitho zomasipala.

D.2 **REVISED ANNUAL DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 JULY 2025 TO 30 JUNE 2026/*HERSIENDE JAARLIKSE AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 JULIE 2025 TOT 30 JUNIE 2026 / INGXELO YONYAKA EHLAZIYIWEYO YOKUPHAMBUKA: UKUSETYENZISWA KWESIXEKO SOKUNIKELA UMGAQO-NKQUBO WOLAWULO WEXESHA LOMHLA 1 KWEYEKHALA 2025 UKUYA KUMHLA WAMA-30 KWEYESILIMELA 2026***

Refer Report from the Executive Manager Financial and Corporate Services (R Boshoff) (PG 127-133)

RESOLVED

1. That the implementation of Section 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 July 2025 to 30 June 2026, be noted.

2. That the revised total annual deviations to be disclosed as a note to the Annual Financial Statements for the period, 01 July 2025 to 30 June 2026.

3. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, that there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

BESLUITE

1. *Dat kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van 1 Julie 2025 tot 30 Junie 2026.*

2. *Dat die totale jaarlikse afwykings in die finansiële state openbaar word vir die periode 01 Julie 2025 tot 30 Junie 2026.*

3. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, dat daar geen goedkeuring was van tenders wat nie aanbeveel is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

ISIGQIBO

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 ngeyeKhala 2025 ukuya 30 ngeyeSilimela 2026, kuthathelwe ingqalelo.

2. Sesokuba uhlaziyo olupheleleyo lotyeshelo lonyaka oluza kutyhilwa njengenqaku kwiNgxelo yezeMali yoNyaka kwixesha eliqala ngomhla woku-01 kweyeKhala 2025 ukuya kuma-30 kweyeSilimela 2026.

3. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezencitho zomasipala.

E. REPORTS FROM THE COMMUNITY SERVICES DEPARTMENT / *ITEMS VANAF DIE GEMEENSKAPSDIENSTE DEPARTEMENT* / IMIBA YESEBE LENKONZO ZOLUNTU

E.1 REPORT ON THE GARDEN ROUTE DISTRICT MUNICIPAL HEALTH BY-LAW/*VERSLAG RAKENDE GARDEN ROUTE DISTRIK MUNISIPALITEIT MUNISIPALE GESONDHEID VERORDENING* / INGXELO NGOMTHETHO KAMASIPALA WEZEMPILO WOMASIPALA WESITHILI SE GARDEN ROUTE

Report from the Executive Manager Community Services N Raisa-Mlandu / Senior Manager: Municipal Health, Solid Waste Management & Air Quality Control (J Compion) (PG 134-198)

RESOLVED

1. That the Council take note of the content of the report.
2. That Council approves the publishing of the draft By-law for a period of 30 days in the Provincial Government Gazette and local media for comments.
3. That public participation be facilitated within the seven local Municipal areas throughout the district as per program (Addendum 2) during the 30 days, with the following amendments:

10 September 2026 change to 18 September 2026	Pacaltsdorp
23 September 2026 change to 18 September 2026 28 September 2026	De Rust
24 September 2026 change to 21 September 2026	Toekomsrus (Oudtshoorn)
16 September 2026, be removed from the schedule and slot in with Kwa-Nonqaba on the same day	Mossel Bay

.

BESLUITE

1. *Dat die Raad kennis neem van die inhoud van die verslag.*
2. *Dat die Raad, vir 'n periode van 30 dae die publikasie van die konsepverordening in die Provinsiale Government Gazette en plaaslike media vir kommentaar adverteer.*
3. *Dat die publieke deelname proses tydens die periode van 30 dae in die sewe plaaslike munisipale areas gefasiliteer word soos per program, (Aanhangsel 2) uiteengesit, met die volgende aanwysings:*

10 September 2026verander na 18 September 2026	*Pacaltsdorp*
23 September 2026 verander na 18 September 2026 28 September 2026	*De Rust*
24 September 2026 verander na 21 September 2026	*Toekomsrus (Oudtshoorn)*
16 September 2026, verwyder word vanaf die schedule en inskakel by Kwa-Nonqaba op dieselfde dag. b	*Mossel Bay*

ISIGQIBO

1. Sesokuba iBhunga liqaphele umxholo wengxelo.
2. IBhunga livuma ukupapashwa komthetho oyilwayo kangangeentsuku ezingama-30 kwigazethi karhulumente wephondo kunye namajelo eendaba asekuhlaleni ukuze kunikelwe izimvo.

3. Sesokuba kuququzelelwe ukuthatha inxaxheba koluntu kwimimandla yoMasipala basekhaya abasixhenxe kulo mmandla wonke ngokwenkqubo (Isihlomelo 2) kwisithuba seentsuku ezingama-30, kunye nezi zilungiso zilandelayo:

10 kweyoMsintsi 2026: tshintsha ibe yi-18 kweyoMsintsi 2026	Pacaltsdorp
23 kweyoMsintsi 2026: tshintsha ibe yi-18 kweyoMsintsi 2026 okanye i-28 kweyoMsintsi 2026	De Rust
24 kweyoMsintsi 2026: tshintsha ibe yi-21 kweyoMsintsi 2026	Toekomsrus (Oudtshoorn)
16 kweyoMsintsi 2026: susa kwishedyuli uze udibanise ne-Kwa-Nonqaba ngaloo mini inye	Mossel Bay

F. REPORTS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT / *ITEMS VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT* / IMIBA YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO

F.1 UPDATE INTEGRATED TRANSPORT PLAN (OLP & TR) FOR THE GRDM / *OPDATEERDE GEÏNTEGREERDE VERVOERPLAN (OLP & TR) VIR DIE GRDM* / INGXELO ENTSHA NGESICWANGCISO SENDIBANISELWANO SEZOTHUTHO(OLP &TR) SE GRDM

Report from the Executive Manager Iinfrastructure, Transport and Mobility Services (JG Daniels) (PG 199-202

RESOLVED

That Council approves the Integrated Transport Plan: OLP and TR.

BESLUIT

Dat die Raad die Geïntegreerde Vervoerplan: LOP en TR , goedkeur.

ISIGQIBO

Sesokuba iBhunga liphumeze Isicwangciso Sendibaniselwano Sezothutho: OLP and TR.

G. REPORTS FROM THE INTEGRATED PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT / *ITEMS VANAF DIE GEINTREERDE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT* / IMIBA YESEBE LEZICWANGCISO KUNYE NOPHUHLISO LOQOQOSHO

G.1 PROPOSED ALIENATION OF PORTION 39 OF THE FARM NOOITGEDAGT NO 30 TO (SHAMMAH VALLEY FARM (PTY) LTD) / *VOORGESTELDE VERVREEMDING VAN GEDEELTE 39 VAN DIE PLAAS NOOITGEDAGT NO 30 AAN (SHAMMAH VALLEY FARM (EDMS) BPK)* / ISIPHAKAMISO SOKUNIKEZELWA KWESABELO 39 NOMBOLO 30 SE FAMA I NOOITGEDAGT KWABAKWA(SHAMMAN VALLEY FARM(PTY)LTD

Report from the Executive Manager Integrated Planning and Economic Development Services (L Menze) / Manager: Projects, Properties, Facilities and Resorts Management (D Mashila) (PG 203-214)

RESOLVED

1. That Council notes that Portion 39 of Farm Nooitgedagt No. 30 is jointly owned by GRDM and Shammah Valley Farm (Pty) Ltd, each party owning 66.66% and 33.34% respectively.

2. That Council notes that the subject property is structurally non-viable as it is surrounded by the adjoining owner's properties.

3. That Council approves the removal of Portion 39 of Farm Nooitgedagt No. 30 from the list of properties earmarked for disposal by public auction.

4. That Council approves in principle the direct alienation of the property to Shammah Valley Farm (Pty) Ltd , subject to compliance with all applicable legislation, policies and prescribed procedures.

5. That Council notes that Shammah Valley Farm (Pty) Ltd will pay a fair market related price as determined by the Council approved independent valuer.
6. That Council notes that all costs associated with the alienation, including valuation, public participation and conveyancing costs, be borne by Shammah Valley Farm (Pty) Ltd.

BESLUITE

1. *Dat die Raad kennis neem dat Gedeelte 39 van Plaas Nooitgedagt Nr. 30 gesamentlik deur GRDM en Shammah Valley Farm (Pty) Ltd besit word, met onderskeidelik 66,66% en 33,34% eienaarskap per party.*

2. *Dat die Raad kennis neem dat die betrokke eiendom struktureel nie lewensvatbaar is nie, aangesien dit deur die aangrensende eienaar se eiendomme omring word.*

3. *Dat die Raad die verwydering van Gedeelte 39 van Plaas Nooitgedagt Nr. 30 van die lys eiendomme wat vir vervreemding per openbare veiling geoormerk is, goedkeur.*

4. *Dat die Raad die direkte vervreemding van die eiendom aan Shammah Valley Farm (Pty) Ltd in beginsel goedkeur, onderworpe aan nakoming van alle toepaslike wetgewing, beleide en voorgeskrewe prosedures.*

5. *Dat die Raad kennis neem dat Shammah Valley Farm (Pty) Ltd 'n billike markverwante prys sal betaal, soos bepaal deur die onafhanklike waardeerder wat deur die Raad goedgekeur is.*

6. *Dat die Raad kennis neem dat alle koste verbonde aan die vervreemding, insluitend waardasie-, openbare deelname- en oordragkoste, deur Shammah Valley Farm (Pty) Ltd gedra sal word.*

ISIGQIBO

1. Sesokuba uBhunga liqaphela ukuba iSahlulo sama-39 seFama iNooitgedagt No. 30 siphethwe yiGRDM kunye neShammah Valley Farm (Pty) Ltd, iqela ngalinye line-66.66% kunye ne-33.34% ngokulandelelanayo.

2. IBhunga liqaphela ukuba umhlaba ekuthethwa ngawo awunakuphila njengoko ujikelezwe yimihlaba yomnini ekufutshane.

3. Ukuba iConcil liphumeze ukususwa kweSahlulo sama-39 seFama iNooitgedagt No. 30 kuluhlu lweemihlaba ebekelwe ukuchithwa kwifandesi kawonke-wonke.

4. Ukuba iBhunga liphumeze ngokomgaqo ukwahlulwa ngokuthe ngqo komhlaba kwiShammah Valley Farm (Pty) Ltd, kuxhomekeke ekuthobeleni yonke imithetho efanelekileyo, imigaqo-nkqubo kunye neenkqubo ezimiselweyo.

5. IBhunga liqaphela ukuba iShammah Valley Farm (Pty) Ltd iya kuhlawula ixabiso elifanelekileyo elinxulumene nemarike njengoko limiselwe ngumxabisi ozimeleyo ovunyiweyo yiBhunga.

6. Ukuba iBhunga liqaphela ukuba zonke iindleko ezinxulumene nokwahlulwa, kuquka ixabiso, ukuthatha inxaxheba koluntu kunye neendleko zokuthutha impahla, zithwalwa yiShammah Valley Farm (Pty) Ltd.

G.2 **PROPOSED DISPOSAL OF FARM 291 PORTION 9, RIVERSDALE (FARM DE FONTEIN) TO JIREH BOERDERY / *VOORGESTELDE VERVREEMDING VAN PLAAS 291 GEDEELTE 9, RIVERSDALE (FARM DE FONTEIN) NA JIREH BOERDERY* / ISIPHAKAMISO SOKUNIKEZELWA KWESAHLULELO SOMHLABA 9 KWI FAMA 291, E RIVERSDALE(FARM DE FONTEIN) INIKEZELWA KU JIREH BOERDERY**

Report from the Executive Manager Integrated Planning and Economic Development Services (L Menze) / Manager: Projects, Properties, Facilities and Resorts Management (D Mashila) (PG 215-220)

RESOLVED

1. That Council notes that the subject property is structurally non-viable as it is surrounded by the adjoining owner's properties.

2. That Council approves the removal of Farm 291 Portion 9, Riversdale from the list of properties earmarked for disposal by public auction.

3. That Council approves in principle the direct alienation of the property to Jireh Boerdery, subject to compliance with all applicable legislation, policies and prescribed procedures.

4. That Council notes that Jireh Boerdery will pay a fair market related price as determined by the Council approved independent valuer.

5. That Council notes that all costs associated with the alienation, including valuation, public participation and conveyancing costs, be borne by Jireh Boerdery.

BESLUITE

1. Dat die Raad kennis neem dat die betrokke eiendom struktureel nie lewensvatbaar is nie, aangesien dit deur die aangrensende eienaar se eiendomme omring word.

2. *Dat die Raad die verwydering van Gedeelte 9 van Plaas 291, Riversdal van die lys eiendomme wat vir vervreemding per openbare veiling geoormerk is, goedkeur.*
3. *Dat die Raad die direkte vervreemding van die eiendom aan Jireh Boerdery in beginsel goedkeur, onderworpe aan nakoming van alle toepaslike wetgewing, beleide en voorgeskrewe prosedures.*

4. *Dat die Raad kennis neem dat Jireh Boerdery 'n billike markverwante prys sal betaal, soos bepaal deur die onafhanklike waardeerder wat deur die Raad goedgekeur is.*

5. *Dat die Raad kennis neem dat alle koste verbonde aan die vervreemding, insluitend waardasie-, openbare deelname- en oordragkoste, deur Jireh Boerdery gedra sal word.*

ISIGQIBO

1. Sesokuba iBhunga lithathele ingqalelo ukuba umhlaba ekuthethwa ngayw awunakusebenza njengoko ijikelezwe yimihlaba yomnini ekufutshane.

2. IBhunga liphumezwe ukususwa kweFama 291 iSahlulo 9, eRiversdale kuluhlu lweemihlaba ebekelwe ukuchithwa yifandesi kawonke-wonke.

3. IBhunga liyavuma ngokomgaqo ukudluliselwa ngokuthe ngqo kwepropati kwiJireh Boerdery, kuxhomekeke ekuthobeleni yonke imithetho efanelekileyo, imigaqo-nkqubo kunye neenkqubo ezimiselweyo.

4. IBhunga liqaphela ukuba uJireh Boerdery uza kuhlawula ixabiso elifanelekileyo elinxulumene nemarike njengoko limiselwe ngumxabisi ozimeleyo ovunyiweyo liBhunga.

5. IBhunga liqaphela ukuba zonke iindleko ezinxulumene nokudluliselwa, kubandakanya ixabiso, ukuthatha inxaxheba koluntu kunye neendleko zokudluliselwa, zithwalwa nguJireh Boerdery.

H. **NOTICE OF URGENT MOTIONS / *KENNISGEWING VAN DRIGENDE MOSIES* / ISAZISO SEZIPHAKAMISO**

H.1 NONE / *GEEN* / AZIKHO

I **NOTICES OF MOTIONS / *KENNISGEWING VAN MOSIES* / ISAZISO SEZIPHAKAMISO**

I.1 NONE / *GEEN* / AZIKHO

J. **IN CLOSED SESSION / *IN GESLOTE SESSIE* / KWI-SASHONI YASEKHUSINI**

J.1 NONE / *GEEN* / AZIKHO

CLOSURE / *SLUITING* / UQUKUNJELO

The meeting closed at 12:18 with 23 Councillors present / *Die vergadering sluit om 12:18 met 23 Raadslede teenwoordig* / Intlanganiso ivalwe ngo 12:18 iNooceba abayi 23.

…….. ……..

SPEAKER: ALD GR WOLMARANS **DATE / *DATUM* / UMHLA**

BACK TO AGENDA

Minutes of a Mayoral **Committee meeting**
Held at **CA Robertson Council Chambers**, and via **Zoom**,

on **Monday, 27 July 2026** at **13:00**

Notule van 'n ***Burgemeesterskomiteevergadering***
Gehou in die ***CA Robertson Raadsaal*** *en via* ***Zoom,***

Op ***Maandag, 27 Julie 2026 om 13:00***

Imizuzu **yeKomiti Kasodolophu**
nebibanjelwe **kwiGumbi leBhunga CA Robertson**, kunye **nango Zoom**,

ngoMvulo, 27 KweyeKhala 2026 ngo **13:00**

1. OPENING AND WELCOMING / *OPENING EN VERWELKOMING* / UVULO NOLWAMKELO

The Executive Mayor, Ald M Kruger, opened the meeting and welcomed everyone present.

2. EVACUATION PROCEDURES / *ONTRUIMINGSPROSEDURES* / IKNQUBO YOKUFUDUSWA

The evacuation procedures were communicated via audio clip that explained the evacuation procedures in case of emergency.

3. SILENT PRAYER (MEDITATION) / *STILLE GEBED (MEDITASIE)* / UMTHANDAZO OTHULEYO

A moment of silence was observed.

4. ATTENDANCE OF MEMBERS / *BYWONING VAN LEDE* / AMALUNGU AKHOYO

4.1 **COUNCILLORS PRESENT / *RAADSLEDE TEENWOORDIG* /OOCEBA ABAKHOYO**

Ald M Kruger	Executive Mayor
Ald V Donson	Deputy Executive Mayor
Ald NS Ndayi	
Ald D Swart	
Ald RH Ruiters	
Cllr / *Rdl* / Ceba J Hoogbaard	
Cllr / *Rdl* / Cebe HRT Stroebel	
Ald WP Meshoa	
Cllr / *Rdl* / Ceba G Fry	

OFFICIALS / AMPTENARE / AMAGOSA

Mr / *Mnr* / Mnu MG Stratu	Municipal Manager
Mr / Mnr / Mnu R Boshoff	Executive Manager Financial & Corporate Services
Ms / Me/ Nkzn N Raisa-Mlandu	Executive Manager Community Services

Mr / *Mnr* / Mnu L Menze	Executive Manager Integrated Planning & Development
Mr / *Mnr* / Mnu JG Daniels	Executive Manager Roads & Transport Services
Mr / *Mnr* / Mnu T Loliwe	Strategic Manager in the Office of the Municipal Manager
Adv N Davids	Manager Legal Services
Mr / *Mnr* / Mnu H Pieters	Manager Communication
Ms / *Me* / Nksnz L James	Chief Risk Officer
Ms / *Me* / Nksnz P Lufele	Chief Audit Executive
Mr / *Mnr* / Mnu R Salmons	Coordinator: Skills Development
Ms / Me / Nksnz R Matthews	Head Committee Services
Mr / *Mnr* / Mnu BT Desha	Senior Language Practitioner
Mr / *Mnr* / Mnu T Mpuru	Manager SCM, Stores & Data
Mr / *Mnr* / Mnu C Martin	Manager Income, Bank Reconciliation, Expenditure & Renumeration
Ms / *Me* / Nksnz L Hoek	Manager BTO, AFS & Assets
Ms / *Me* / Nksnz M Smit	Manager Human Resources
Mr / *Mnr* / Mnu CE Scheepers	Assistant Manager Human Resources
Mr / *Mnr* / Mnu K Nieuwoudt	Manager ICT
Mr / Mnr / Mnu D Mashila	Manager Projects, Properties, Facilities & Resort Management
Mr /*Mnr* / Mnu R Dyantyi	Manager EPWP & DEDT
Mr / *Mnr* / Mnu J Compion	Senior Manager: Municipal Health, Waste Management, Air Quality

4.2 **COUNCILLORS AND OFFICIALS WITH LEAVE / *RAADSLEDE EN AMPTENARE MET VERLOF* / OOCEBA ABAKWIKHEFU**

Adv S Maqekeni Manager Integrated Support and Legal Services

4.3 **COUNCILLORS WITHOUT LEAVE / *RAADSLEDE SONDER VERLOF* / OCEBA ABANGEKHO**

None / Geen / Azikho

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 STRUKTUREWET, 2021* / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOOCEBA) UMTHETHO WEZOLAWULO LOMASIPALA WORHULUMENTE WASEKHAYA, 2021

The Code of conduct was noted.

6. DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / *VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE* / UKUCHAZWA KOMDLA NGOOCEBA KUNYE NAMAGOSA

None / Geen / Azikho

7. COMMUNICATIONS BY THE EXECUTIVE MAYOR / *MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER* / UNXIBELELWANO LUKA SODOLOPHU

The Executive Mayor, Ald M Kruger welcomed the Cllrs after the recess period and thanked Administration for the work performed to ensure the agendas were compiled and distributed and the Cllrs for availing themselves to attend the Council meetings in their recess period.

Ald M Kruger informed the Committee that various Cllrs lost family members and on behalf of the Committee, expressed his condolences to all the Cllrs.

Ald M Kruger reminded the Committee that GRDM is entering its new financial year, and thanked Administration for their hard work to ensure that the transition entering the new financial year run smoothly.

8. COMMUNICATIONS BY THE MUNICIPAL MANAGER / *MEDEDELINGS DEUR DIE MUNISIPALE BESTUURDER* / UNXIBELELWANO LOMPHATHI MASIPALA

None / Geen / Azikho

9. **CONFIRMATION OF THE MINUTES / *BEKRAGTIGING VAN NOTULE* / UKUQINISEKISWA KWEMIZUZU**

9.1 **MINUTES OF PREVIOUS MEETING: 24 JUNE 2026 / *NOTULE VAN VORIGE VERGADERING: 24 JUNIE 2026* / IMIZUZU YENTLANGANISO -YANGAPHAMBILINI 24 KWEYESILIMELA 2026 (PG 7 -33)**

RESOLVED

That the Executive Mayoral Committee approves the minutes of the Executive Mayoral Committee meeting dated 24 June 2026.

BESLUIT

Dat die Uitvoerende Burgemeesterskomitee die notule van die Uitvoerende Burgemeesterskomiteevergadering gedateer, 24 Junie 2026, goedkeur.

ISIGQIBO

Sesokuba iKomiti Kasodolophu Olawulayo iphumeze imizuzu yentlanganiso Yekomiti Kasodolophu Olawulayo yangomhla 24 KweyeSilimela 2026.

10. **MINUTES OF SECTION 80 COMMITTEES (FOR NOTIFICATION) / *NOTULES VAN ARTIKEL 80 KOMITEES (VIR KENNISNAME)* / IMIZUZU YEKOMITI ZOMHLATHI 80 (ITHATHELWE INGQALELO) (PG 34-81)**

10.1 **INFRASTRUCTURE, TRANSPORT AND MOBILITY SERVICES COMMITTEE / *INFRASTRUKTUUR, VERVOER EN MOBILITEITSKOMITEE* / YEKOMITI YEZISEKO, EZOTHUTHO NEZOHAMBO / COMMUNITY SERVICES COMMITTE / GEMEENSKAPSDIENSTE KOMITEE / YEKOMITI YENKONZO ZOLUNTU / YEKOMITI YOLAWULO LWEZEMIHLABA KUNYE NEZOPHUHLISO / DISTRICT ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE/ DISTRIK EKONOMIESE ONTWIKKELING –EN TOERISMEKOMITEE / YEKOMITI YOPHUHLISO LOQOQOSHO KUNYE NOKHENKETHO KWISITHILI / STRATEGIC SERVICES COMMITTEE / CORPORATE SERVICES COMMITTEE / *KORPORATIEWE DIENSTE KOMITEE* / YEKOMITI YENKONZO ZOLAWULO NEBIBANJWE KWIGUMBI / FINANCIAL SERVICES COMMITTEE / FINANSIËLE DIENSTE KOMITEE / IKOMITI YEENKONZO ZEZIMALI NEBIBANJWE NGOBUXHAKAXHAKA DATED : 08 & 09 APRIL / KUTSHAZIMPHUZI 2026 (PG 45-102)**

RESOLVED

That the minutes of the Infrastructure, Transport and Mobility Services, Community Services Committee; Economic Development and Tourism Committee; Financial Services Committee; Strategic Services and Corporate Services Committee meetings that took place on 08 & 09 April 2026, be noted.

BESLUIT

Dat kennis geneem word van die notules van die Infrastruktuur, Vervoer en Mobiliteitskomitee, Gemeenskapsdienste, Distrik Ekonomiese Ontwikkeling en Toerisme Komitte, Finansiële Dienste, Strategiese Dienste en Korporatiewe Dienste Komiteevergaderings wat plaasgevind het 08 & 09 April 2026.

ISIGQIBO

Sesokuba imizuzu Yekomiti Yeziseko, Ezothutho Nezohambo; Yekomiti yeNkonzo Zoluntu ; yeKomiti Yophuhliso loQoqosho kunye Nokhenketho kwiSithili; Ikomiti yeeNkonzo Zezimali nebibanjwe ngobuxhakaxhaka ; yeKomiti yoCwangciso noBuchule kunye yeKomiti Yezophuhliso noLawulo Lwemihlaba ebezibanjwe ngomhla 08 & 09 KuTshazimphuzi 2026, ithathelwe ingqalelo.

11. STANDING ITEMS / *STAANDE ITEMS* / IMIBA EMISIWEYO

11.1 **STANDING REPORT ON THE ALIENATION OF PROPERTIES / *STAANDE ITEM RAKENDE DIE VERVREEMDING VAN MUNISIPALE EIENDOM* / INGXELO EMILEYO NGOKUNIKEZELWA KWEMIHLABA**

Report from the Executive Manager Planning and Economic Development Services (L Menze) / Manager: Projects, Properties, Facilities and Resorts Management (D Mashila)(PG 82-92)

RESOLVED TO RECOMMEND TO COUNCIL

That Council takes note of the contents of the report.

BESLUIT OM BY DIE DIE RAAD AAN TE BEVEEL

Dat die Raad kennis neem van die inhoud van die verslag.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba iBhunga lithathele ingqalelo umongo wengxelo.

A. REPORTS FROM THE SPEAKER / *VERSLAE VANAF DIE SPEAKER* / IMIBA EVELA KU SOMLOMO

A.1 **RESTRUCTURING OF SECTION 79 AND 80 COMMITTEES / *HERSAMESTELLING VAN ARTIKEL 79 EN 80 KOMITEES* / ULUNGELELWANISO LWEKOMITI ZOMHLATHI 79 KUNYE 80**

Refer report from the Speaker (Ald G Wolmarans) (PG 106-112)

RESOLVED TO RECOMMEND TO COUNCIL

That the Executive Mayoral Committee takes note of this report and that it be discussed at the Council meeting.

BESLUIT OM BY DIE DIE RAAD AAN TE BEVEEL

Dat die Uitvoerende Burgemeesterskomitee kennis neem van die verslag en dat dit bespreek word by die Raadsvergadering.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba iKomiti kaSodolophu oLawulayo mayiyithathele ingqalelo le ngxelo kwaye ixoxwe ngayo kwintlanganiso yeBhunga.

B. REPORTS FROM THE EXECUTIVE MAYOR / *VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER* / IMIBA EVELA KUSODOLOPHU OLAWULAYO

B.1 **REPORT: SECTION 52 – RESPONSIBILITIES OF MAYOR / *VERSLAG: ARTIKEL 52 VERANTWOORDELIKHEDE VAN DIE BURGEMEESTER* / INGXELO: U MHLATHI 52 – UXANDUVA LUKA SODOLOPHU**

Refer Report from the Executive Mayor (Ald M Kruger)(PG 100-149)

RESOLVED TO RECOMMEND TO COUNCIL

That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 30 June 2026.

BESLUIT OM BY DIE RAAD AAN TE BEVEEL

Dat die Raad kennis neem van die kwartaalverslag rakende die implementering van die begroting en die finansiële posisie van die munisipaliteit vir die jaar tot datum en die kwartaal geëinding 30 Junie 2026.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba iBhunga lithathele ingqalelo ingxelo yarhoqo ngekota ngokumiselwa kolwabiwo-mali kunye nemicimbi yezemali zomasipala zonyaka uzakuthi ga ngoku kunye nexesha eliphela ngomhla 30 kweyeSilimela 2026.

NB: The report on the Addendum was dealt with next.

B.2 **FIRST ADJUSTMENTS BUDGET 2026/2027 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) / EERST A*ANSUIWERINGSBEGROTING 2026/20278 MEDIUM TERMYN EN INKOMSTE EN UITGAWE RAAMWERK (MTIUR)* / ULUNGELEWANISO LOKUQALA LOLWABIWO-MALI LUKA 2026/2027 LWENGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YENCITHO(MTREF)**

Refer Report from the Executive Mayor (Ald M Kruger)(PG 4-130)

RESOLVED TO RECOMMEND TO COUNCIL

That Council take the following resolutions:

(1) That the First Adjustments Budget of Garden Route District Municipality for the financial year 2026/2027 as set out in the schedules contained in Section 4 be **approved:**

i. Table B1 Adjustments Budget Summary;

ii. Table B2 Adjustments Budget Financial Performance (by functional classification);

iii. Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote);

iv. Table B4 Adjustments Budget Financial Performance (revenue and expenditure); and

v. Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)

(2) Council approves the Adjustment Operating Expenditure Budget of **R337,770,674.**

(3) Council approves the Adjustment Operating Revenue Budget of **R340,824,681.**

(4) Council approves the Adjustment Capital Budget of **R66,987,388.**

(5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the 2026/27 financial year be compiled and tabled to the Executive Mayor for approval.

(6) Council resolves that the implementation date of the Adjustments Budget shall be 1 July 2026, to ensure alignment with the Memorandum of Agreement (MOA) entered into with the Department of Infrastructure (DOI).

(7) That Council Approves the alignment of the GRDM Staff Establishment with the approved adjusted budget to incorporate the Roads and Transport Planning Department.

BESLUIT OM BY DIE RAAD AAN TE BEVEEL

Dat die Raad die volgende resolusies aanvaar:

(1) Dat die Eerste Aangepaste Begroting van Garden Route Distriksmunisipaliteit vir die finansiële jaar 2026/2027 soos vervat in die skedules van Seksie 4 goedgekeur word:

i. Tabel B1 Aangepaste Begrotings Opsomming;

ii. Tabel B2 Aangepaste Begroting Finansiiële Prestasie (volgens funksionele klassifikasie);

iii. *Tabel B3 Aangepaste Begroting Finansiële Prestasie (inkomste en uitgawes volgens pos);*

iv. *Tabel B4 Aangepaste Begroting Finansiiële Prestasie (volgens inkomste en uitgawes); en*

v. *Tabel B5 Aangepaste Kapitale Begroting (volgens pos en finansieringsbron)*

(2) Die Raad die Aangepaste Uitgawe Begroting van **R337,770,674** *goedkeur.*

(3) Die Raad die Aangepaste Inkomste Begroting van **R340,824,681** *goedkeur.*

(4) Die Raad die Aangepaste Kapitaal Begroting van **R66,987,388** *goedkeur.*

(5) Dat die hersiende Dienslewerings- en Begrotings Implementerings Plan vir 2026/2027 opgestel en aan die Uitvoerende Burgermeester voorgelê word vir goedkeuring.

(6) Dat die Raad die implementeringsdatum van die Aangepaste Begroting as 1 Julie 2026 aanvaar om te verseker dat dit in lyn is met die ooreenkoms wat aangegaan is met die Departement van Infrastruktuur.

(7) Dat die Raad die belyning van die GRDM-personeeldiensstaat met die goedgekeurde aangepaste begroting goedkeur om die Paaie- en Vervoerbeplanningsdepartement in te sluit.

ISIGQIBO SOKUNDULULA KWIBHUNGA

1. Sesokuba iBhunga lithathe ezi zigqibo zilandelayo:

2. Sesokuba ulwabiwo-mali olulungisiweyo lwesithathu loMasipala Wesithili se Garden Route kunyakamali ka 2026/2027 njengoko kuchaziwe kuluhlu oluqulwathwe kuMhlathi 4 luphunyezwe:

i. Table B1 Ushwankathelo loLwabiwo-Mali Olu-Lungisiweyo

ii. Table B2 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ngokwendlela ezifanelekileyo);

iii. Table B3 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ingeniso nencitho ngokwevoti yomasipala);

iv. Table B4 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ingeniso ngokovimba); kunye

v. Table B5 Ulwabiwo-Mali Olulungisiweyo Incitho Yenkunzi (ngokwevoti yomasipala kunye nenxaso yovimba)

3. IBhunga liphumeze uLwabiwo-Mali Oluqhubayo Lwengeniso noluyi **R340,824,681.**

4. IBhunga liphumeze Ulwabiwo-Mali Oluyinkunzi Olu-Lungisiweyo lwe **R66,987,388.**

5. Sesokuba ulungiso Lonikezelo Nkonzo kunye Nesicwangciso Sokumiselwa koLwabiwo-Mali(SDBIP) kunyakamali ka 2026/2027 luqulunqwe kwaye luthiwe theca kuSodolophu obekekileyo ukuze luphunyezwe.

6. IBhunga ligqiba kwelokuba umhla wokuphunyezwa koHlahlo-lwabiwo mali loLungiso uza kuba ngumhla woku-1 kweyeKhala 2026, ukuqinisekisa ukuhambelana neMemorandam yeSivumelwano (i-MOA) engene kuyo neSebe leZiseko zoPhuhliso (i-DOI).

7. Ukuvunywa kwezibonelelo ezingasetyenziswanga zonyaka-mali odlulileyo kuxhomekeke kwimvume evela kuNondyebo weSizwe nowePhondo yokudluliselwa kwemali.

C. <u>REPORTS FROM THE OFFICE OF THE MUNICIPAL MANAGER / *ITEMS VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER* / IMIBA EVELA KWI OFISI YOMPHATHI MASIPALA</u>

C.1 **INAUGURATION OF PBI COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR AJ WILDEMAN/ *INHULDIGING VAN "PBI" RAADSLID: GARDEN ROUTE DISTRIKSMUNISIPALITEIT: RDL AJ WILDEMAN* / UKUFUNGISWA KOCEBA WE PBI: IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA AJ WILDEMAN**

Refer report from the office the Municipal Manager (MG Stratu) (PG 150 – 154)

RESOLVED TO RECOMMEND TO COUNCIL

That the Executive Mayoral Committee takes note of this report and that it be discussed at the Council meeting.

BESLUIT OM BY DIE DIE RAAD AAN TE BEVEEL

Dat die Uitvoerende Burgemeesterskomitee kennis neem van die verslag en dat dit bespreek word by die Raadsvergadering.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba iKomiti kaSodolophu oLawulayo mayiyithathele ingqalelo le ngxelo kwaye ixoxwe ngayo kwintlanganiso yeBhunga.

D. REPORTS FROM THE FINANCIAL AND CORPORATE SERVICES DEPARTMENT / *VERSLAE VANAF DIE FINANSIËLE EN KORPORATIEWE DIENSTE DEPARTEMENT* / IMIBA YESEBE LENKONZO ZEMALI KUNYE NENKONZO YEZOLAWULO

D.1. **DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 JUNE 2026 TO 30 JUNE 2026 / *AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 JUNIE 2026 TOT 30 JUNIE 2026* / INGXELO YOTYESHELO:UKUMISELWA KOMGAQO0NKQUBO WOALWULO LWENCITHO KWIXESHA LOMHLA 1 KWEYESILIMELA 2026 UKUYA 30 KWEYESILIMELA 2026**

Refer Report from the Executive Manager Financial and Corporate Services (R Boshoff) (PG 155-160)

RESOLVED TO RECOMMEND TO COUNCIL

1. That the implementation of Regulation 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 June 2026 to 30 June 2026, be noted.

2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

BESLUIT OM BY DIE RAAD AAN TE BEVEEL

1. *Dat kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van 1 Junie 2026 tot 30 Junie 2026.*

2. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, dat daar geen goedkeuring was van tenders wat nie aanbeveel is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

ISIGQIBO SOKUNDULULA KWIBHUNGA

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 KweyeSilimela 2026 ukuya 30 KweyeSilimela 2026, kuthathelwe ingqalelo.
2. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezenkcitho zomasipala.

D.2. **ANNUAL DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 JULY 2025 TO 30 JUNE 2026 / *JAARLIKSE AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 JULIE 2025 TOT 30 JUNIE 2026* / INGXELO YONYAKA YOTYESHELO: UKUMISELWA KOMGAQO-NKQUBO WOLAWULO WENCITHO WEXESHA ELIQALA UKUSUKA KU-1 KWEYEKHALA 2025 UKUYA KU-30 KWEYESILIMELA 2026**

Refer Report from the Executive Manager Financial and Corporate Services (R Boshoff) (PG 145-184)

RESOLVED TO RECOMMEND TO COUNCIL

1. That the implementation of Section 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 July 2025 to 30 June 2026, be noted.

2. That the total annual deviations be disclosed as a note to the Annual Financial Statements for the period, 01 July 2025 to 30 June 2026.

3. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

BESLUIT OM BY DIE RAAD AAN TE BEVEEL

1. *Dat kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van 1 Julie 2025 tot 30 Junie 2026.*

2. *Dat die totale jaarlikse afwykings in die finansiële state openbaar word vir die periode 01 Julie 2025 tot 30 Junie 2026.*

3. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, dat daar geen goedkeuring was van tenders wat nie aanbeveel is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

ISIGQIBO SOKUNDULULA KWIBHUNGA

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 ngeyeKhala 2025 ukuya 30 ngeyeSilimela 2026, kuthathelwe ingqalelo.

2. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezencitho zomasipala.

3. Sesokuba kuqatshelwe ukuba ngokweCandelo 114 loMthetho woLawulo lwezeMali zoMasipala, uMthetho 56 ka-2003, bekungekho mvume yeethenda ezingacetyiswanga ngexesha eliqhelekileyo lokuphumeza umgaqo-nkqubo woLawulo lweZibonelelo zoMasipala.

D.3. **REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE YEAR 01 JULY 2025 – 30 JUNE 2026 / *VERSLAG RAKENDE DIE IMPLEMENTERING VAN DIE VOORSIENINGSKANAALBELEID VIR DIE JAAR VANAF 01 JULIE 2025 TOT 30 JUNIE 2026* / INGXELO YONYAKA YOKUMISELWA KOMTHETHO WEZOLAWULO LWENCITHO UKUSUSELA KUMHLA 01 – KWEYE-KHALA 2025 UKUYA 30 KWEYE-SILIMELA 2026**

Refer Report from the Executive Manager Financial and Corporate Services (R Boshoff) (PG 183-344)

RESOLVED TO RECOMMEND TO COUNCIL

That the Yearly report regarding the implementation of the Council's Supply Chain Policy for the period 01 July 2025 to 30 June 2026, be noted.

BESLUIT OM BY DIE RAAD AAN TE BEVEEL

Dat kennis geneem word van die Jaarlikse verslag rakende die implementering van die Raad se Voorsieningskanaalbeleid vir die periode 01 Julie 2025 tot 30 Junie 2026.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba ingxelo yonyaka malunga nokuphunyezwa koMgaqo-nkqubo weCandelo loNikezelo lweNkonzo weBhunga ukususela ngomhla woku-01 kweyeKhala 2025 ukuya kuma-30 kweyeSilimela 2026, iqatshelwe.

D.4. **AMENDMENT ON CLOSURE FOR FESTIVE SEASON AND SALARY PAYMENT DATE FOR DECEMBER 2026 / *AANPASSING OP SLUITING VIR FEESSEISOEN EN DESEMBER 2026 SALARIS BETAALDATUM* / ULUNGISO NGOKUVALWA KWIXESHA LEHOLIDE ZEHLOBO KUNYE NOMHLA WOKUHLAWULA UMVUZO KWEYOMNGA 2026**

Refer Report from the Executive Manager Financial & Corporate Service (R Boshoff) / Manager Human Resources (M Smit) (PG-345-352)

RESOLVED TO RECOMMEND TO COUNCIL

1. That the Council Resolution of 24 June 2026, D5/06/26 be amended as follow:

2. That the offices, excluding emergency staff, will be closed from 15 December 2026 @ 12:00 – 4 January 2027, opening on Tuesday, the 5th of January 2027 @ 07:30.

3. That annual leave be submitted as follow:

   3.1 15 December 2026, HOURS from 12:30 – 16:30, which is 4 Hours Annual leave (to accommodate 30 min lunch between 12:00 – 12:30);

3.2 17 Dec'2026 – 4 Jan'2027, DAYS, which is about 11.37 Annual leave days.

4. That supervisors ensure the submission of annual leave for the season period, excluding emergency staff.

5. That if an employee goes into a negative annual leave balance for the seasonal office closure only, it will be dealt with as a minus and not as a deduction from their salaries. Negative annual leave will be recovered from the accrual and the supervisors must monitor and manage leave applications in accordance with the Leave Policy.

6. That the 15th of December 2026 will be the salary payment date.

7. That the list of deadlines as set out in the table by the Finance department be adhered to.

8. That the Executive Mayor, and the Municipal Manager, Mr MG Stratu, or his successor in title, be delegated and authorized to perform all official Council duties, responsibilities and functions during the seasonal closure period 15 December 2026 until 4 January 2027 with the exception of those powers and functions as set out Section 160(2) of the Constitution namely:
   a) the passing of by-laws;
   b) the approval of budgets;
   c) the imposition of rates and other taxes, levies and duties; and
   d) the raising of loans;
   e) disposal of Council properties;
   f) appointment and dismissal of the Municipal Manager and section 56 managers in terms Section 56 of the Systems Act;
   g) all functions which are according to legislation reserved for Council only.

BESLUIT OM BY DIE RAAD AAN TE BEVEEL

1. Dat die Raadsbesluit van 24 Junie 2026, D5/06/26, as volg aangepas word:

2. Dat die kantore, nooddienste personeel uitgesluit, vanaf 15 Desember 2026 om 12:00 – 4 Januarie 2027 sluit en weer oopmaak op Dinsdag, 5 Januarie 2027 om 07:30.

3. *Dat die vakansieverlof as volg ingedien word:*

3.1 *15 Desember 2026, URE vanaf 12:30 – 16:30, wat 4 Ure vakansieverlof is (om 30 min etenstyd te akkommodeer vanaf 12:00 – 12:30);*

3.2 *17 Des'2026 – 4 Jan'2027, DAE, ongeveer 11.37 Vakansieverlofdae.*

4. *Dat toesighouers toesien dat vakansieverlof vir die seisoen periode ingedien word, nooddienste personeel uitgesluit.*

5. *Dat indien 'n werknemer in 'n negatiewe vakansieverlof balans gaan slegs gedurende die feesseisoen se kantoor sluiting, dat dit beskou sal word as 'n minus balans en nie van hy/sy se salaris verhaal word nie. Negatiewe vakansieverlofbalanse sal verhaal word vanaf die aanwas en toeisghouers moet verlof aansoeke monitor en bestuur ingevolge die verlofbeleid.*

6. *Dat die 15de Desember 2026 die salaris betaaldatum sal wees.*

7. *Dat die lys van sperdatums soos uiteengesit in die tabel deur die Finansies departement nagekom word.*

8. *Dat die Uitvoerende Burgemeester, en die Munisipale Bestuurder, Mnr MG Stratu, of sy opvolger in titel, gedelegeer en gemagtig word om die Raad se amptelike verpligtinge, verantwoordelikhede en funksies vir die seisoen sluitingsperiode van 15 Desember 2026 tot 4 Januarie 2027, uit te voer met die uitsondering van die ondergenoemdes soos in Artikel 160 (2) van die Grondwet vervat:*

   a) *die aanname van verordeninge;*

   b) *die goedkeuring van begrotings;*

   c) *die oplegging van eiendomsbelasting en ander belastings, heffings en regte en*

   d) *die verkryging van lenings.*

   e) *vervreemding van raadseiendom*

   f) *aanstelling en skorsing van die Munisipale Bestuurder en Artikel 56 bestuurders in terme van Artikel 56 van die Munisipale Stelselswet;*

   g) *alle funksies wat in terme van wetgewing slegs vir die Raad gereseveer is.*

ISIGQIBO SOKUNDULULA KWIBHUNGA

1. Sesokuba iSigqibo seBhunga somhla wama-24 kweyeSilimela 2026, D5/06/26 sihlengahlengiswe ngolu hlobo lulandelayo:
2. Sesokuba iiofisi, ngaphandle kwabasebenzi bexesha likaxakeka, ziya kuvalwa ukususela nge-15 kweyoMnga 2026 @ 12:00 – 4 kweyoMqungu 2027, zivulwa ngoLwesibini, umhla wesi-5 kweyoMqungu 2027 @ 07:30.

3. Sesokuba ikhefu lonyaka lingeniswe ngolu hlobo lulandelayo:
   3.1 15 kweyoMnga 2026, IIYURE ukususela nge-12:30 – 16:30, eliyi-4 EYURE zekhefu lonyaka (ukuze kulungiselelwe imizuzu engama-30 yesidlo sasemini phakathi kwe-12:00 – 12:30);
   3.2 17 kweyoMnga 2026 – 4 kweyoMqungu 2027, IIYURE, elimalunga ne-11.37 yeentsuku zekhefu zonyaka.
4. Sesokuba abaphathi baqinisekise ukuba ikhefu lonyaka lingeniswa ngexesha lexesha likaxakeka, ngaphandle kwabasebenzi bexesha likaxakeka.
5. Sesokuba umqeshwa ungena kwibhalansi yekhefu lonyaka elibi lokuvalwa kweofisi ngexesha lonyaka kuphela, kuya kuthathwa njengento engaphantsi kwexabiso elifunekayo, kungabi njengesaphulelo kwimivuzo yakhe. Ikhefu lonyaka elibi liya kufunyanwa kwimali eqokelelweyo kwaye abaphathi kufuneka bajonge kwaye balawule izicelo zekhefu ngokuhambelana noMgaqo-nkqubo weKhefu.
6. Sesokuba umhla we-15 kweyoMnga ka-2026 uza kuba ngumhla wokuhlawulwa komvuzo.
7. Sesokuba uluhlu lwemihla yokugqibela njengoko ichazwe kwitheyibhile lisebe lezeMali lulandelwe.
8. Sesokuba uSodolophu oLawulayo, kunye noMphathi kaMasipala, uMnu MG Stratu, okanye umlandeli wakhe kwisikhundla, banikwe igunya lokwenza yonke imisebenzi esemthethweni yeBhunga, uxanduva kunye nemisebenzi ngexesha lokuvalwa kwexesha lonyaka ukususela nge-15 kweyoMnga ka-2026 ukuya kuthi ga nge-4 kweyoMqungu ka-2027 ngaphandle kwala magunya kunye nemisebenzi njengoko ichazwe kwiCandelo 160(2) loMgaqo-siseko:
   a) ukupasiswa kwemithetho kamasipala;
   b) ukuvunywa kohlahlo-lwabiwo mali;
   c) ukumiselwa kweerhafu kunye nezinye iirhafu, iirhafu kunye neentlawulo; kunye

d) ukunyuswa kwemali mboleko;

e) ukuchithwa kwepropathi yeBhunga;

f) ukuqeshwa kunye nokugxothwa koMphathi kaMasipala kunye nabaphathi becandelo lama-56 ngokweCandelo lama-56 loMthetho weeNkqubo;

g) yonke imisebenzi ngokomthetho egcinelwe iBhunga kuphela.

D.5. **COST CONTAINMENT REPORTING – QUARTER 4 OF 2025/2026 / *KOSTE INPERKINGSVERSLAG – KWARTAAL 4 VAN 2025/2026* / INGXELO NGOKUNCIPHISA INDLEKO-IKOTA 4 KA 2025/26**

Refer Report from the Executive Manager Financial and Corporate Services (R Boshoff) (PG 353-357)

RESOLVED TO RECOMMEND TO COUNCIL

That Council notes the measures implemented and the decrease in expenditure in quarter four of the 2025/26 financial year (where applicable) through the implementation of cost containment measures when compared to quarter four of 2024/2025.

BESLUIT OM BY DIE RAAD AAN TE BEVEEL

Dat die Raad kennis neem van die koste inperkings wat ingestel is en die afname in uitgawes in kwartaal vier van die 2025/26 finansiële jaar (waar van toepassing) as gevolg van die implementering van koste inperkings in vergelyking met kwartaal vier van 2024/2025.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba ipBhunga lithathele ingqalelo imiqathango yokumiselwa kunye nemali eziye zongiwa kwikota yesibini yonyakala mali2025/26 ngokumisela indlela zokonga zokunciphisa indleko xakuthelekiswa Nekota yesine ka 2024/2025.

E. REPORTS FROM THE COMMUNITY SERVICES DEPARTMENT / *ITEMS VANAF DIE GEMEENSKAPSDIENSTE DEPARTEMENT* / IMIBA YESEBE LENKONZO ZOLUNTU

E.1 STATUS UPDATE ON THE PROGRESS WITH THE REVIEWED GARDEN ROUTE DISTRICT CLIMATE CHANGE ADAPTATION RESPONSE PLANS, 2024/25/ *OPDATERINGSVERSLAG RAKENDE DIE VORDERING VAN DIE HERSIENING VAN DIE GARDENROUTE DISTRIK-AANPASSINGSPLANNE VIR KLIMAATVERANDERING, 2024/25. / UHLAZIYO LWEMEKO NGENDLELA EQHUBEKAYO NGESICWANGCISO SOKUPHENDULA NGOKUTSHANTSHA KWEMOZULU KWISITHILI SASE GARDEN ROUTE, NGO-2024/25*

Report from the Executive Manager Community Services N Raisa-Mlandu / Head: Environmental Management (Dr N Viljoen) (PG 358-362)

RESOLVED TO RECOMMEND TO COUNCIL

That Council approves the Progress with the Reviewed Garden Route District Climate Change Adaptation Response Plans 2024/25.

BESLUIT OM BY DIE RAAD AAN TE BEVEEL

Dat die Raad Statusopdateringsverslag rakende die Vordering met die Hersiene Klimaatsveranderingsaanpassingsplanne vir die Gardenroute Distrik 2024/25, goedkeur.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba iBhunga liphumeze Ingxelo yoHlaziyo lweMeko malunga neNqubela phambili kwiZicwangciso zokuHlaziya utshintsho lweMozulu zeSithili seGarden Route eziHlaziyiweyo zowama-2024/25.

E.2 STATUS UPDATE ON THE REVIEW OF THE GARDEN ROUTE DISTRICT WETLAND STRATEGY AND ACTION PLAN, 2026 - 2031 (PREVIOUS EDEN DISTRICT MUNICIPALITY WETLAND STRATEGY AND ACTION PLAN, 2017 - 2022)/ *STATUSOPDATERING OOR DIE HERSIENING VAN DIE GARDENROUTE DISTRIK-VLEILANDSTRATEGIE EN -AKSIEPLAN, 2026 - 2031 (VORIGE EDEN-DISTRIKSMUNISIPALITEIT-VLEISLANDSTRATEGIE EN -AKSIEPLAN, 2017 - 2022)/ UHLAZIYO LWEMEKO NGOKUHLOLWA KWEQHINGA LESITHILI LWEMIFULA KWISITHILI SE GARDEN ROUTE NESICWANGCISO SOKUSEBENZA, 2026 - 2031 (ICWANGCISO SANGAPHAMBILI LWESITHILI SEMIFULA SASE-EDEN NESICWANGCISO SOKUSEBENZA, 2017 - 2022)*

Refer Report from the Executive Manager Community Services N Raisa-Mlandu / Head: Environmental Management (Dr N Viljoen) (PG 363-367)

RESOLVED TO RECOMMEND TO COUNCIL

That Council approves the draft reviewed Garden Route District Wetland Strategy and Action plan, 2026 - 2031.

BESLUIT OM BY DIE RAAD AAN TE BEVEEL

Dat die Raad hersiene Gardenroute Distrik vleilandstrategie en -aksieplan, 2026 – 2031, goedkeur.

ISIGQIBO SOKUNDULULA KWIBHUNGA

Sesokuba iBhunga liphumeze iNgxelo yoHlaziyo lweMeko kwisicwangciso esihlaziyiweyo seGarden Route District Wetland Strategy and Action plan, 2026 - 2031.

F. REPORTS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT / *ITEMS VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT* / IMIBA YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO

F.1 None/ Geen/ Azikho

G. REPORTS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT / *ITEMS VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT* / IMIBA YESEBE LEZOCWANGCISO KUNYE NOPHUHLISO LOQOQOSHO

G.1 None / *Geen* / Azikho

H. NOTICE OF URGENT MOTIONS / *KENNISGEWING VAN DRIGENDE MOSIES* / ISAZISO SEZIPHAKAMISO

H.1 None / *Geen* / Azikho

I. NOTICES OF MOTIONS / *KENNISGEWING VAN MOSIES* / ISAZISO SEZIPHAKAMISO

I.1 None / *Geen* / Asikho

J. IN CLOSED SESSION / *IN GESLOTE SESSIE* / KWI-SASHONI YASEKHUSINI

J.1 None / *Geen* / Azikho

CLOSURE / *SLUITING* / UQUKUNJELO

The meeting closed at 13:36 / *Die vergadering sluit om* 13:36 / Intlanganiso ivalwe nge 13:36.

……..... ……..

EXECUTIVE MAYOR **DATE/ *DATUM*/ UMHLA**

ALD M KRUGER

BACK TO AGENDA

1. STANDING REPORT ON THE ALIENATION OF PROPERTIES (3) / *STAANDE ITEM RAKENDE DIE VERVREEMDING VAN MUNISIPALE EIENDOM (3)* / INGXELO EQHUBEKAYO KUNIKEZELO LWEMIHLABA(3)

REPORT FROM THE EXECUTIVE MANAGER PLANNING AND ECONOMIC DEVELOPMENT SERVICES (LUSANDA MENZE) / MANAGER: PROJECTS, PROPERTIES, FACILITIES AND RESORTS MANAGEMENT (DZIVHULUWANI MASHILA)

2 PURPOSE

The purpose of this report is to provide Council with the latest update on the status of the implementation of Council Resolution No. B.1, dated 27 May 2026, concerning the alienation of certain Council properties.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

During the Council meeting that commenced on 27 May 2026, under Item B.1, Council resolved to approve the budget. One of the approved resolutions, specifically Resolution No. 7, states as follows:
"*That Council requests the Administration to submit a detailed report outlining the breakdown of the R25.2 million gains derived from properties identified for alienation. Furthermore, a comprehensive implementation plan, together with regular progress reports on the alienation of the identified properties, must be submitted to Council as a standing agenda item.*"

5. RECOMMENDATIONS

5.1. That Council takes note that the appointment of a service provider for the provisioning of valuation, auctioneering and conveyancing has been objected and counter objected to and the matter has been resolved on the 14th of October 2026.

5.2. That Council takes note that as a consequence of the objections, there was an inevitable delay in the alienation of properties and as a result, the process will be completed by the end of May 2026.

5.3. That Council takes note that negotiations with SANPARKS regarding the acquisition of erf 1297 Wilderness, are at an advanced stage.

AANBEVELINGS

5.1. Dat die Raad daarvan kennis neem dat besware en teenbesware ingedien is teen die aanstelling van 'n diensverskaffer vir die lewering van waardasie-, veilings- en oordragdienste, en dat die aangeleentheid op 14 Oktober 2026 afgehandel is.

5.2. Dat die Raad daarvan kennis neem dat die besware tot 'n onvermydelike vertraging in die vervreemding van eiendomme gelei het, en dat die proses gevolglik teen die einde van Mei 2026 voltooi sal wees.

5.3. Dat die Raad daarvan kennis neem dat onderhandelinge met SANPARKS oor die verkryging van Erf 1297 Wilderness in 'n gevorderde stadium is.

IZINDULULO

5.1. Sesokuba iBhunga lithathele ingqalelo ukuchongw akomnikezelo nkonzo ngokubonelela ngovavanyo lwentengo yasesidlangalaleni kunye nokuhlolwa okuye kwakhatywa kunye nesichaso esiye sabakhona nokuba lomba uye waqukunjelwa ngomhla 14 jkweyeDwarha 2026.

5.2. Sesokuba iBhunga lithathele ingqalelo ukuba ngenxa yezichasoi kunye kwanokulibaziseka okungenakunqandeka ekunikezelweni kwemihlaba ngenxa yoko lenkqubo izakuqukunjelwa ngenyanga ka Canzibe 2027.

5.3. Sesokuba iBhunga lithathele ingqalelo ingxoxo kunye nabakjwa SANPARKS malunga nokunikezelwa komhlaba 1297 Wilderness, sele zikwinqanaba eliphezulu.

6. DISCUSSION / CONTENTS

6.1. Background & Discussion

Below is a summary of the properties identified for alienation.

Nr	Property	Location	Extent	Coordinates
1	Farm 202, Hansmoeskraal portion 1	George	12.71Ha	34.048465°S 22.484495°E
3	Farm 202, Hansmoeskraal portion 73	George	13.85Ha	34.048554°S 22.478659°E
4	Farm 202, Hansmoeskraal portion 12	George	19.58Ha	34.050003°S 22.435969°E
5	Farm 202, Hansmoeskraal portion 83	George	0.41Ha	34.036147°S 22.464996°E
6	Kraai Bosch 195 portion 102 [pt. 18]	George	19.58 Ha	34.050003°S 22.435969°E
7	Farm Woodville 172 Portion 4	George (Hoekwil)	26.43 HA	33.936130°S 22.676327°E
8	Doornberg Outspan 32	George	125.1987H	22° 25' 22" E 33° 47' 25" S
9	Farm Schooneberg 109 portion 3	N9 between Herold and Noll	91.64 Ha	33.786179°S 22.656768°E
10	Farm De Fontein 291, Riversdale, portion 9	Riversdale	10,2782HA	21° 24' 26"E 34° 9' 38"S
11	Portion 37 of Farm 103 Buffelsdrift	Ladismith	0.33ha	33°32'04.3"S 21°09'48.4"E
12	Portion 55 of farm 103, Buffelsdrift	Ladismith	0.65ha	33°32'04.3"S 21°09'48.4"E
13	Portion 56 of farm 103, Buffelsdrift	Ladismith	2.08ha	33°32'04.3"S 21°09'48.4"E
14	Portion 0 of farm 194, Roodeberg, Outspan	Ladismith	12.04Ha	33°36'34.0"S 21°15'05.0"E
15	Erf 1185, Armoed, Oudtshoorn	Oudtshoorn	9050 m²	33°40'22.3"S 22°04'55.8"E
16	Portion 4 of Farm 78, Haazenjacht	Oudtshoorn	11.31 Ha	33°33'53.2"S 22°26'26.1"E
17	Portion 64 of Farm Moerasrivier 233	George	92.29Ha	33.978075°S 22.352735°E
18	Portion 0 of Farm 185, George	George	10.01 Ha	34.025536°S 22.774292°E
19	Erf 1297 Kleinkrantz	George	38,5439	34.001631°S 22.646404°E

One of the requirements of Council Resolution No. 7 is that a detailed breakdown of the projected gains amounting to R25.2 million from the identified properties be provided. As reflected in the table below, the projected gains of R25.2 million are based on the assumption that all the identified properties are alienated at their respective values as determined in the 2019/2020 property valuations.

To give effect to the Council resolution, the section initiated the Supply Chain Management process to appoint a service provider to facilitate the alienation of the identified properties in accordance with the GRDM SCM Policy and applicable SCM regulations.

Tender GRDM/26/25-26 was advertised to invite suitably qualified and experienced service providers to render professional services for the valuation, auctioneering, and conveyancing of redundant non-core immovable properties owned by the Garden Route District Municipality over a period of three (3) years.

It was a mandatory requirement that the appointed service provider be capable of rendering all three components of the service, namely the valuation of the properties, the auctioning thereof, and the conveyancing services required to effect the transfer of ownership to successful purchasers.
Tenderers were invited to submit proposals for the rendering of these professional services. The tender was advertised on 23 March 2026 in Die Burger, on the GRDM website, and on the National Treasury e-Tender Publication Portal. The closing date for the submission of tenders was 14 April 2026.

A non-compulsory briefing session was held on 8 April 2026 and was attended by sixteen (16) prospective tenderers.

A total of six (6) tenders were received by the closing date. The evaluation process was subsequently undertaken, and the tender evaluation report served before the Bid Evaluation Committee (BEC) on 10 June 2026. Following deliberations, the Committee resolved to refer the item back for the inclusion of additional information and updates. The revised report was resubmitted for consideration at the next meeting of the Bid Evaluation Committee which took place on the 7th of July 2026. The item was recommended to the BAC for final approval and appointment of a service provider to render the valuation, auctioneering and conveyancing services.

The preferred service provider was duly appointed. The Acting Municipal Manager has since received a written objection from an aggrieved bidder. As there is now a formal dispute, the process is stalled until the matter is resolved. The net effect of this is that the implementation timeline approved by Council in the previous meeting will be derailed as per the table below.

ITEM	ACTION	TIMELINE	STATUS	NOTES
Alienation of Council Properties	RFP advertisement - appointment of professional services for the Valuation, Auctioneering & Conveyancing of non-core properties	30-Apr-26	Completed	Closed on 14 April 2026
	Public Participation/ Public Notice - list of properties	30-Jun-26	Advertised	Closing date - 20 June 2026
	BEC and BAC processes	31-July-26	Appointment of a service provider was completed on time.	A written objection was received from an aggrieved bidder within the 14-days stipulated objection period. The objection is being attended to.
	Contracting and valuation of properties	31-August-26	Not Started	Not started. The timeline will be updated once the dispute has been resolved.
	Auctioneering of properties	30-September-26	Not Started	Not started. The timeline will be updated once the dispute has been resolved.
	Conveyancing and Close-out Report	30 November-26	Not Started	Not started. The timeline will be updated once the dispute has been resolved.

Direct Negotiation Process for non-viable properties:

The Council resolved under Item G.1 and G.2 to approve an In-principle approval of the 2 parcels of land respectively to Shammah Valley Farms (Pty) Ltd and Jireh Boedery.

1. ***Portion 39 of Farm Nooitgedagt No. 30***
2. ***Farm 291 Portion 9, Riversdale, known as Farm De Fontein***

Status report on the alienation of Erf 1297 Wilderness, Kleinkrantz to Sanparks:

At its meeting held on 25 February 2026, Council considered Item G.3: *Status Update on the Implementation of Council Resolution Number G.2 dated 30 September 2025 regarding Erf 1297 Wilderness, Kleinkrantz.* Council noted that negotiations with SANParks for an intergovernmental disposal of the property were at an advanced stage and resolved that SANParks and/or CapeNature should be afforded the first opportunity to purchase the property on terms and conditions acceptable to GRDM. Council further resolved that, should negotiations with SANParks and/or CapeNature not be successful, a report must be submitted to Council for a decision on the way forward.

On 7 April 2026, GRDM received a formal offer to purchase the remainder of Erf 1297, Wilderness (Kleinkrantz), from SANParks for incorporation into the Garden Route National Park. As part of its offer, SANParks indicated that it had appointed Garden Route Valuers to undertake an independent valuation of the property, taking current market trends into account.

Based on this valuation, SANParks offered to purchase the property for R5 000 000.00, exclusive of VAT. SANParks advised that the property would be acquired for declaration as part of the Garden Route National Park in terms of the National Environmental Management: Protected Areas Act, 2003 (NEMPAA).

GRDM subsequently appointed an independent valuer to conduct a valuation of the subject property and to enable the Municipality to obtain an independent valuation report. The valuation report was received on 30 June 2026.

Furthermore, two additional independent valuation reports were requested to ensure that the Municipality obtains sufficient assurance that the property will be alienated at an appropriate market-related value. Given the high economic value of the property, it is important to ensure that the property is disposed of at the highest value reasonably obtainable. The two independent valuations were obtained. A counteroffer letter has been written to SANParks and we are awaiting their response.

Proposed alienation of properties to George Municipality

The Garden Route District Municipality (GRDM) received correspondence dated 24 August 2026 from the George Municipality expressing its formal interest in acquiring various properties owned by GRDM. The properties identified for acquisition are listed below:

1. Farm 202, Hansmoeskraal, Portion 1, George – 12.71 ha.
2. Farm 202, Hansmoeskraal, Portion 2, George – 6.79 ha.
3. Farm 202, Hansmoeskraal, Portion 73, George – 13.85 ha.
4. Farm 202, Hansmoeskraal, Portion 12, George – 19.58 ha.
5. Farm 202, Hansmoeskraal, Portion 83, George – 0.41 ha.
6. Farm Woodville 172, Portion 4, George (Hoekwil) – 26.43 ha.
7. Erf 26823, Omega Street, George – 0.55 ha.

George Municipality has indicated that Erf 26823, situated in Omega Street, George, and measuring approximately 0.55 ha, is intended for development for social housing purposes.

It should be noted that the properties identified by George Municipality, with the exception of Erf 26823, form part of the list of properties previously approved by Council for alienation. Erf 26823 was not included in the previously approved list.

In view of the expression of interest received from George Municipality, it is proposed that the properties included in the approved alienation list be temporarily excluded from the list of properties to be handed over to the appointed auctioneer for purposes of the auction process, pending the outcome of the proposed transaction with George Municipality.

By way of formal correspondence dated 26 August 2026, GRDM responded to George Municipality, advising that the proposed transaction constitutes an intergovernmental transfer of a municipal capital asset and is accordingly subject to the provisions of Section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), as well as Chapter 3 of the Municipal Asset Transfer Regulations, 2008.

George Municipality subsequently submitted an extract of its Council resolution adopted at its Council meeting held on 3 September 2026. The resolution grants in-principle approval for the acquisition of the properties identified in its letter of intent. This resolution confirms George Municipality's intention to pursue the proposed acquisition, subject to compliance with the applicable legislative, financial and administrative requirements.

An item addressing the proposed transaction, including the necessary recommendations for Council's consideration, will be tabled at the GRDM Council meeting scheduled for the end of October 2026

6.3 Financial Implications

The projected revenue from the sale of properties may not be realised before the end of the financial year if the legal dispute regarding the appointment of a service provider to value, auction and transfer these properties is not timeously resolved.

6.4 Legal Implications

The alienation of the identified properties must be undertaken in accordance with the applicable legislative requirements, Council resolutions, and the Municipality's approved policies governing the disposal of municipal property.

6.5 Staff Implications

There are no staff implications with the alienation of certain Council properties.

6.6 Previous / Relevant Council Resolutions:

6.7 Risk Implications

There is a risk that the projected revenue may not be realized if the identified properties are not successfully alienated or if the final selling prices differ from the current valuations.

ANNEXURES

BACK TO AGENDA

1. THE SPEAKER'S HAND-OVER REPORT TO THE NEW COUNCIL OF THE GARDEN ROUTE DISTRICT MUNICIPALITY / *DIE SPEAKER SE OORDRAGVERSLAG AAN DIE NUWE RAAD VAN DIE GARDEN ROUTE-DISTRIKSMUNISIPALITEIT* / INGXELO KASOMLOMO YOKUNIKEZELA KWIBHUNGA ELITSHA LOMASIPALA WESITHILI SE GARDEN ROUTE

REPORT FROM THE SPEAKER: (ALD G WOLMARANS)

2. PURPOSE

To provide a comprehensive handover report to the incoming Speaker on the activities and overall state of the Municipal Council during the current term of office, including, but not limited to, the following:

a) The State of the Municipal Council, including an overview of its institutional, governance, administrative, and operational position;

b) Progress achieved during the term of office, together with an objective and candid assessment of the political challenges and other constraints experienced throughout the term; and

c) Areas requiring further attention and intervention, including a reflection on outstanding matters, key areas for improvement, and proposed strategic interventions to guide and support the incoming Speaker and Council in the next term.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Elected Councillors, and particularly political office-bearers, assume a leadership responsibility within the municipality for a period of five (5) years. It is therefore expected that, at the conclusion of the term of office, a formal political report be compiled to provide a comprehensive reflection on the extent to which progress has been made in addressing the needs and challenges faced by the communities served by the municipality, as well as in strengthening and organising the municipal administration to ensure that it is appropriately positioned to implement the strategic priorities and interventions adopted by Council.

This report provides an objective assessment of the progress achieved during the term of office and the effectiveness of the strategic interventions implemented by the municipality. In particular, it assesses the extent to which these interventions have contributed to addressing the socio-economic and environmental challenges that informed the strategic priorities and policy choices of the municipality.

The purpose of this report is therefore not merely to record activities undertaken during the term, but to provide a substantive assessment of the outcomes achieved, the impact of the strategic interventions, the challenges encountered, and the extent to which the municipality has advanced towards the attainment of its strategic objectives. It further identifies outstanding matters and areas requiring continued attention, thereby providing a sound basis for the incoming political leadership to build on the progress made and address areas where further intervention is required.

5. RECOMMENDATION

That Council takes note of the Handover report from the Speaker.

AANBEVELING

Dat die Raad kennis neem van die Oordragsverslag vanaf die Speaker.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo ingxelo Yonikezelo esuka kuSomlomo.

6. DISCUSSION

6.1 Background and Discussion

The legal basis for a municipality to prepare a handover report at the conclusion of a Council term is founded on a range of interconnected constitutional provisions, national legislative frameworks, and statutory obligations governing local government.

Although the term "*handover report*" may not be expressly defined or prescribed in a single provision of a primary Act, the preparation of such a report is supported by, and arises from, the broader statutory obligations imposed on municipalities. These obligations are derived, among others, from the Local Government: Municipal Systems Act, 2000, the Local Government: Municipal Structures Act, 1998, the Local Government: Municipal Finance Management Act, 2003 (MFMA), as well as relevant directives and guidance issued by provincial and national government.

The handover report serves an important governance and institutional continuity function. It ensures that newly elected office-bearers and Council members are adequately briefed, at the commencement of their term, on the prevailing socio-economic, financial, administrative, institutional, and service-delivery realities of the municipality.

Furthermore, the handover process safeguards institutional knowledge and continuity during periods of political and administrative transition. It provides incoming leadership with a consolidated record of critical matters requiring ongoing attention.

The preparation of a structured and comprehensive handover report therefore contributes to the principles of good governance, accountability, transparency, effective administration, and continuity of municipal service delivery. It reduces the risk that important municipal programmes, projects, statutory obligations, or legal proceedings may be disrupted or lost as a result of changes in political leadership and ensures that the incoming Council is positioned to exercise its oversight and governance responsibilities effectively from the commencement of its term.

6.2 Financial Implications

None

6.3 Legal Implications

Various legislative instruments, including the Local Government: Municipal Systems Act, 2000, the Local Government: Municipal Structures Act, 1998, and the Local Government: Municipal Finance Management Act, 2003 (MFMA), establish the legal and governance framework that underpins the preparation of municipal handover reports.

6.4 Staff Implications

None

6.5 Previous / Relevant Resolutions:

Previous handover report was tabled in Council on 30 September 2021

6.6 Risk Implications

There are no foreseeable risks arising from noting of this handover report.

ANNEXURE A

GARDEN ROUTE DISTRICT MUNICIPALITY

SPEAKER'S HANDOVER REPORT TO THE INCOMING SPEAKER AND COUNCIL

21 October 2026

Outgoing Speaker: Ald. Georlene Wolmarans

1. INTRODUCTION

This report provides a concise handover from the Office of the Speaker to the incoming Speaker and Council.

It records the key governance arrangements, achievements, challenges and outstanding priorities of the Office of the Speaker during the 2021–2026 Council term.

The purpose is to ensure continuity and to assist the incoming Speaker in strengthening Council's legislative, oversight and public participation functions.

The Speaker is the custodian of the legislative functions of Council. The office must promote effective oversight, accountability, public participation, ethical conduct and sound Council administration.

2. LEGISLATIVE AND GOVERNANCE MANDATE

The Office of the Speaker operates within the Constitution and applicable local government legislation, including the Municipal Structures Act, Municipal Systems Act and Municipal Finance Management Act.

The Speaker is responsible for:

- Presiding over Council meetings.
- Ensuring that Council performs its legislative functions effectively.
- Facilitating oversight and accountability.
- Promoting public participation.
- Protecting the integrity of Council.
- Upholding the Rules of Order and Code of Conduct.
- Protecting the legitimate privileges and interests of Councillors.
- Facilitating effective political management of Council.
- Promoting constructive relations between Council, the Executive and Administration.

The Speaker is accountable to Council and must exercise the office within the rules and policies adopted by Council.

3. STATE OF COUNCIL AT THE END OF THE 2021–2026 TERM

The Council remained generally stable during the term and established functioning governance and committee structures.

At the end of the term, Council consisted of **35 seats**, with vacancies arising from resignations.

The incoming Council should immediately confirm:

- The composition of Council.
- Political party representation.
- Committee membership.
- Whip structures.
- The Governance Committee.
- MPAC and other statutory committees.

4. COUNCIL AND COMMITTEE GOVERNANCE

Section 79 and Section 80 committees remained operational during the term.

The committees provided an important mechanism for:

- Oversight of the Executive and Administration.
- Scrutiny of reports.
- Monitoring implementation of Council resolutions.
- Considering service delivery matters.
- Conducting oversight visits.
- Engaging with officials and stakeholders.

The Governance Committee, comprising the Chief Whips, played an important role in coordinating Council business and preparing for Council meetings.

The predictable Council programme contributed to improved planning and continuity.

Priority for the incoming Speaker

The incoming Speaker should ensure that all committees have:

- Clear Terms of Reference.
- Approved annual programmes.
- Appropriate political representation.
- Regular attendance.
- Proper agendas and minutes.
- Clear reporting lines to Council.
- Effective monitoring of resolutions.

5. ETHICS, RULES AND COUNCILLOR CONDUCT

The Speaker is responsible for protecting the integrity of Council and ensuring compliance with the Rules of Order and Code of Conduct for Councillors.

During the term, challenges included:

- Non-attendance at Council and committee meetings.
- Inadequate notification of absences.
- Inadequate preparation for meetings.
- Failure by some Councillors to study agendas and supporting documents.
- The need for continued understanding of the Code of Conduct.

Priority for the incoming Speaker

The Speaker should implement an early-term Councillor induction programme covering:

- The Code of Conduct.
- Rules of Order.
- Council procedures.
- Oversight responsibilities.
- Public participation.
- Ethics and conflicts of interest.

- The role of committees.
- Councillor accountability.

Attendance and compliance should be monitored and reported to Council regularly.

6. OVERSIGHT AND ACCOUNTABILITY

Oversight was undertaken through Council, Section 79 and Section 80 committees, MPAC and other governance structures.

Key oversight mechanisms included:

- Scrutiny of departmental reports.
- Monitoring of budgets and service delivery.
- Monitoring implementation of Council resolutions.
- Inspections in loco.
- Review of policies and by-laws.
- Questions and debates in Council.
- Monitoring of Executive performance.

These mechanisms strengthened accountability and improved the quality of information submitted to Council.

Priority for the incoming Speaker

Oversight should become more focused and evidence-based.

The Speaker should ensure that committees:

- Track resolutions to completion.
- Follow up on identified service delivery problems.
- Conduct targeted oversight visits.
- Scrutinise departmental performance against approved plans and budgets.
- Involve communities where appropriate.
- Escalate unresolved matters to Council.

7. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE AND APAC

MPAC remained functional during the 2021–2026 term and considered matters relating to unauthorised, irregular, fruitless and wasteful expenditure.

The Audit and Performance Audit Committee continued to provide independent advice to Council in accordance with its statutory mandate.

Priority for the incoming Speaker

The Speaker should maintain a close governance relationship with these structures while preserving their required independence.

Recommendations arising from MPAC and APAC should be properly considered and followed through by Council.

8. PUBLIC PARTICIPATION

Public participation remains one of the key responsibilities of the municipal legislature.

The district model presents particular challenges because the District Municipality does not have wards in the same manner as local municipalities.

During the term, the Municipality used:

- Public meetings.
- Radio.
- Newspapers.
- Social media.
- Local municipalities and Councillors.
- Council and committee processes.

Priority for the incoming Speaker

The incoming Speaker should strengthen a "Council closer to the people" approach.

This should include:

- Holding selected Council engagements in different municipalities within the District.

- Improving communication of Council decisions.
- Expanding digital and social media platforms.
- Engaging broader demographic and sectoral groups.
- Involving communities in oversight activities where appropriate.
- Reporting back on issues raised by communities.
- Strengthening public education on municipal processes.
- Improving public participation in the IDP and policy processes.

Public participation should not end when an issue is raised. Communities should receive feedback on what was considered and what action was taken.

9. LAW-MAKING

The Office of the Speaker has supported Council in considering and adopting policies and by-laws.

The incoming Speaker should ensure that law-making processes:

- Provide sufficient time for Council consideration.
- Allow meaningful public input.
- Comply with legislative requirements.
- Include proper monitoring of implementation.
- Remain responsive to issues identified through oversight and community engagement.

10. INTERGOVERNMENTAL RELATIONS

The Office of the Speaker participated in the Speakers' Forum and other intergovernmental structures.

These relationships provide opportunities for the District to:

- Share good governance practices.
- Influence legislative and policy processes.
- Access support and expertise.

- Strengthen cooperation with other spheres of government.
- Advance the interests of the Garden Route.

Priority for the incoming Speaker

The Office should develop a **five-year IGR plan** with clear objectives, partners, responsibilities and expected benefits.

Where appropriate, formal partnerships should be supported by Council-approved Memoranda of Understanding.

11. COUNCILLOR SUPPORT AND WELFARE

Councillors were provided with tools of trade and access to training and development programmes.

Capacity-building included governance, municipal responsibilities and the Municipal Minimum Competency programme.

Priority for the incoming Speaker

The incoming Council will require an intensive induction programme, particularly because of the expected number of new Councillors.

The Speaker should prioritise:

- Induction and continuous training.
- Access to Council information.
- Appropriate tools of trade.
- Administrative support.
- Councillor health and wellbeing.
- Clear communication between Councillors and the administration.

12. OFFICE OF THE SPEAKER

The Office of the Speaker has established the basic institutional arrangements required to support the legislative function.

The office has:

- Dedicated office facilities.

- Administrative and secretariat support.
- A Personal Assistant supporting the Speaker and Councillors.
- Council committee administration.
- ICT tools and support for Councillors.

The Office of the Speaker has limited discretionary funding.

Priority for the incoming Speaker

The Speaker should develop an annual legislative programme and ensure that the budget and human resources of the Office are aligned with its priorities.

The office should also strengthen monitoring, evaluation, communication and digital systems.

13. KEY PRIORITIES FOR THE INCOMING SPEAKER

The following matters should receive early attention:

13.1 Council

- Establish effective political management structures.
- Adopt an annual Council programme.
- Strengthen the quality of Council resolutions.
- Improve the monitoring of Council resolutions.
- Promote constructive and orderly Council debates.

13.2 Committees

- Confirm committee membership and Terms of Reference.
- Approve committee programmes.
- Address non-attendance.
- Strengthen oversight capacity.
- Ensure regular reporting to Council.

13.3 Ethics and Conduct

- Conduct comprehensive Councillor induction.
- Reinforce the Code of Conduct.
- Monitor attendance and compliance.
- Deal with alleged breaches consistently and procedurally.

13.4 Oversight

- Strengthen oversight of Executive performance.
- Improve follow-up on Council resolutions.
- Use inspections in loco strategically.
- Ensure that oversight findings lead to corrective action.

13.5 Public Participation

- Take Council closer to communities.
- Improve digital communication.
- Strengthen public education.
- Provide feedback on matters raised by communities.
- Expand participation in policy, by-law and IDP processes.

13.6 Councillor Development

- Implement an early induction programme.
- Continue professional development.
- Provide appropriate administrative and technological support.
- Prioritise Councillor welfare.

13.7 Intergovernmental Relations

- Develop a five-year IGR strategy.
- Strengthen relations with provincial and national structures.
- Use IGR to secure support for District priorities.
- Report regularly on the value derived from IGR engagements.

14. IMMEDIATE ACTIONS FOR THE FIRST 100 DAYS

The incoming Speaker should consider the following immediate programme:

1. Confirm the Council and committee structures.
2. Review and adopt the Council Rules of Order where necessary.
3. Convene the Governance Committee.
4. Approve the Council and committee programme.
5. Conduct comprehensive Councillor induction.
6. Review the status of Council resolutions.
7. Review committee Terms of Reference.
8. Establish a committee attendance monitoring system.
9. Develop the Office of the Speaker's five-year strategy.
10. Develop a public participation and community engagement plan.
11. Develop a Councillor capacity-building programme.
12. Review the legislative function budget and resources.
13. Establish a structured oversight programme.
14. Strengthen communication between Council, the Executive and Administration.

15. CONCLUSION

The 2021–2026 term established a functioning legislative foundation for the Garden Route District Municipality.

The incoming Speaker inherits established Council, committee and oversight structures. The immediate task is to consolidate these foundations and improve their effectiveness.

The central priorities should be ethical leadership, effective oversight, disciplined Council administration, meaningful public participation, Councillor development and stronger accountability.

The Speaker should work closely with the Mayor, Whips, Councillors and Administration while maintaining the distinct legislative role of Council.

The success of the Office of the Speaker should ultimately be measured by the quality of Council's decisions, the effectiveness of oversight, the participation of residents and the extent to which Council holds the Executive accountable in the interests of the people of the Garden Route.

_____

ALD. GEORLENE WOLMARANS
SPEAKER
GARDEN ROUTE DISTRICT MUNICIPALITY

BACK TO AGENDA

1. MPAC REPORT ON IRREGULAR EXPENDITURE / *MPRK-VERSLAG RAKENDE ONREËLMATIGE UITGAWES* / INGXELO YE MPAC MALUNGA NENKCITHO ENGAQHELEKANGA

(4/1/2/4/1)

01 October 2026

REPORT FROM THE CHAIRPERSON OF MPAC (CLLR J CORNELIUS)

2. PURPOSE

To provide the Council with a report on Irregular Expenditure that was identified and disclosed in the 2023/2024 Annual Financial Statements.

3. DELEGATED AUTHORITY

District Council

4. EXECUTIVE SUMMARY

MPAC is an oversight committee of Council that is cautious not to interfere in the administrative processes of a municipality. The committee generally relies on reports submitted to it by the administration to execute its duties and functions. It is from these reports that it will provide its recommendations to the Council.

As part of the MPAC oversight, we probe matters relating to identified unauthorized, irregular, fruitless, and wasteful expenditure ("UIFW"). The aspect of these reports is dealt with from both a financial and a non-financial point of view.

The Annual Financial Statements for the 2023/2024 financial year reflected irregular expenditure relating to remuneration paid in excess of the upper limits to the value of R6 411 095.

Legislation requires that all UIFW expenditure be recovered unless, after investigation by a council committee and deemed irrecoverable, the expenditure be written off by Council. The committee has investigated this expenditure with the assistance of the Internal Audit Unit.

5. RECOMMENDATIONS

1. That the Council take note of the content of the report.
2. That the Council write-off the Irregular Expenditure amounting to R6 411 095.

AANBEVELINGS

1. *Dat die Raad kennis neem van die inhoud van die verslag.*
2. *Dat die Raad die onreëlmatigde Uitgawes ten bedrae van R6 411 095 afskryf.*

ISINDULULO

1. Sesokuba iBhunga lithathele ingqalelo umxholo wengxelo.
2. Sesokuba iBhunga licime iNkcitho Engahambelaniyo neNkqubo eMiselweyo exabisa i-R6 411 095.

6. DISCUSSION / CONTENTS

6.1 Background

The abovementioned types of expenditures are defined in the Local Government: Municipal Finance Management Act (MFMA) as follows:

"***irregular expenditure***" *in relation to a municipality or municipal entity means-*

1. *expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in term of section 170:*
2. *expenditure incurred by a municipality or municipal entity in Contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;*
3. *expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act 30 No. 20 of 1998): or*
4. *expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";*

In terms of **section 32 (1) (a) (b) (c)**, without limiting liability in terms of the common law or other legislation-

a) *political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure,*
b) *the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3),*

c) any political office-bearer or official of a municipality, who deliberately or negligently committed, made, or authorised an irregular expenditure, is liable for that expenditure; or

d) any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure.

*In terms of **section 32(2)**, a municipality must recover unauthorised, irregular, or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure is, after investigation by a Council committee, certified by the Council as irrecoverable and written off by the Council.*

6.2 Discussion

The Office of the Auditor General identified an irregular expenditure amounting to R6 411 095 relating to payments in excess of upper limits to the Executive Managers and the Municipal Manager for the period 2017 – 2024 as follows:

No.	Position	Amount (R)
1.	Chief Financial Officer (former)	289 744.00
2.	Exec Manager: Corporate Services (former)	637 306.00
3.	Exec Manager: Community Services (former)	524 732.67
4.	Exec Manager: Road & Transport Services	924 511.58
5.	Exec Manager: Planning & Economic Dev	393 908.50
6.	Municipal Manager (former)	3 640 892.00
TOTAL		**6 411 094.75**

It is to be noted that the municipality did not agree with the Auditor General's finding of irregular expenditure relating to payments above regarding the upper limits to Senior Managers, the municipality disclosed the irregular expenditure under protest in order to secure the release of the audit report.

When the above was disclosed, a Council resolution was taken on 01 November 2024 at a Special In-Closed Council meeting, to recover the above-mentioned monies and a civil case was opened in this regard (case no 92/2023).

On the 29th of January 2025, Council also resolved to refer the irregular expenditure to MPAC for investigation. During this time, the Court case was still in progress and MPAC resolved to await the judgement of the Court.

On 28 July 2025, the High Court upheld the three (3) exceptions raised to the particulars of claim which are relevant to this matter, being:

- *1st Ground: Section 32 of the MFMA*
  Section 32 does not create a strict liability but rather creates a personal liability. The meaning thereof is clear and unambiguous as was concluded in the Mbambisa and Others v Nelson Mandela Bay Metropolitan Municipality (SCA, 2025) matter. If one is to rely upon Section 32 then the plaintiff must show the fault on the part of the defendants.

- *4th Ground: No cause of action*
  Plaintiff fails to plead that the alleged payments to the defendants were made pursuant to fraud, misrepresentation or any unlawful conduct by the defendants, alternatively whether the defendants have been unduly enriched, to the expense of the plaintiff. No fraud, misrepresentation or any lawful conduct was pleaded to trigger Section 32 and Section 171 (section of the MFMA which creates financial misconduct) on the part of the defendants therefore there is no cause of action is disclosed.

- *5th Ground: Amounts vague and embarrassing*
  The case concerned exceeding prescribed remuneration limits. There aren't adequate submissions made of the alleged excess amounts. The Judge declined to make a ruling on the exception based on prescription and held that prescription should rather be raised in a special plea than an exception.

Upon tabling of the above judgement, Council resolved to withdraw the proceedings for recovery of monies allegedly owed by the above-mentioned individuals during a Special Council meeting held on 22 August 2025 and the same was communicated to them and other relevant stakeholders.

In light of the above, it was noted that the implication of the judgment is that the decision of Council to categorise the expenditure as irregular in the 2023/2024 annual financial statements may have been incorrect.

Furthermore, allegations of financial misconduct and financial offences against GRDM's Municipal Manager was submitted by rate payers' association and tabled during a Special In-Closed Council meeting held on 26 June 2025, whereby Council resolved to refer the matter to the Financial Misconduct Disciplinary Board (FMDB) to conduct preliminary investigation into the allegations.

Several documents were considered by FMDB including but not limited to the ff:

- *2023/2024 Annual Report,*
- *2023/2024 Auditor General's Report,*
- *2023/2024 Auditor General's Management Report,*
- *Waiver applications and approvals for the period 2017–2022 and 2022–2027,*
- *Various Council resolutions re the waiver application from 2017 to 2025,*
- *Correspondence with MEC of local government in Western Cape,*
- *Correspondence with National Minister of CoGTA,*
- *Directive issued in terms of section 139 of the constitution,*
- *Court order on section 139 Directive handed down on 28 July 2025,*
- *Minutes of a meeting between CoGTA & GRDM Officials held 10 Jan 2024,*

The FMDB, also in their findings, determined that no grounds exist to warrant a full investigation of allegations of misconduct against Municipal Manager; and concluded that the allegations against the Municipal Manager are frivolous, vexatious, speculative or obviously unfounded and the investigation must be terminated.

The report from the Disciplinary Board was submitted to Council for tabling at their Special Council meeting held on 30 September 2025; whereby Council, after reviewing the report resolved the same.

Overall Motivation for Write-Off

After thoroughly considered the above, MPAC could confirm the following:

- The remuneration paid to the concerned individuals was in excess of the upper limits; however, such is allowed by legislation through a waiver application process.
- We confirmed that Council made resolutions to apply for the waivers which were submitted to and supported by the MEC of Local Government and ultimately approved by the National Minister of CoGTA.

Although all the above processes have been followed to clarify the alleged non-compliance as reported, the outstanding leg is for the Council to write-off the expenditure in order for it to be removed in the financial statements of GRDM through the section 32(2) of MFMA.

6.3 Financial Implications

R6 411 095

6.4 Legal Implications

- Municipal Finance Management Act No. 56 of 2003
- Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings
- Municipal Structures Act

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions

Awaits the finalization and/or judgement of the civil process in order to be able to determine how best to deal with the matter.

6.7 Risk Implications

Non-compliance with the MFMA

BACK TO AGENDA

1. THE EXECUTIVE MAYOR'S HAND-OVER REPORT TO THE NEW COUNCIL OF THE GARDEN ROUTE DISTRICT MUNICIPALITY/ *DIE UITVOERENDE BURGEMEESTERS SE OORHANDIGINGSVERSLAG AAN DIE NUWE RAAD VAN DIE GARDEN ROUTE DISTRIKSMUNISIPALITEIT* / INGXELO XASODOLOPHU OLAWULOLAYO YOKUNIKEZELA KWIBHUNGA ELITSHA LOMASIPALA WESITHILI SE GARDEN ROUTE

REPORT FROM THE EXECUTIVE MAYOR: (ALD M KRUGER)

2. PURPOSE

To provide a comprehensive handover report to the incoming Executive Mayor on the activities and overall state of the municipality during the current term of office.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Elected Councillors, and particularly political office-bearers, assume a leadership responsibility within the municipality for a period of five (5) years. It is therefore expected that, at the conclusion of the term of office, a formal political report be compiled to provide a comprehensive reflection on the extent to which progress has been made in addressing the needs and challenges faced by the communities served by the municipality, as well as in strengthening and organising the municipal administration to ensure that it is appropriately positioned to implement the strategic priorities and interventions adopted by Council.

This report provides an objective assessment of the progress achieved during the term of office and the effectiveness of the strategic interventions implemented by the municipality. In particular, it assesses the extent to which these interventions have contributed to addressing the socio-economic and environmental challenges that informed the strategic priorities and policy choices of the municipality.

The purpose of this report is therefore not merely to record activities undertaken during the term, but to provide a substantive assessment of the outcomes achieved, the impact of the strategic interventions, the challenges encountered, and the extent to which the municipality has advanced towards the attainment of its strategic objectives. It further identifies outstanding matters and areas requiring continued attention, thereby providing a sound basis for the incoming political leadership to build on the progress made and address areas where further intervention is required.

5. RECOMMENDATION

That Council takes note of the Handover report from the Executive Mayor.

AANBEVELING

Dat die Raad kennis neem van die Oorhandigingsverslag vanaf die Uitvoerende Burgemeester.

ISINDULULO

Ukupheliswa komyalelo okhutshwe ngokweCandelo 139(1)(a) loMgaqo-s iseko.

6. DISCUSSION

6.1 Background and Discussion

The legal basis for a municipality to prepare a handover report at the conclusion of a Council term is founded on a range of interconnected constitutional provisions, national legislative frameworks, and statutory obligations governing local government.

Although the term "*handover report*" may not be expressly defined or prescribed in a single provision of a primary Act, the preparation of such a report is supported by, and arises from, the broader statutory obligations imposed on municipalities. These obligations are derived, among others, from the Local Government: Municipal Systems Act, 2000, the Local Government: Municipal Structures Act, 1998, the Local Government: Municipal Finance Management Act, 2003 (MFMA), as well as relevant directives and guidance issued by provincial and national government.

A comprehensive handover report serves an important governance and institutional continuity function. It ensures that newly elected office-bearers and Council members are adequately briefed, at the commencement of their term, on the prevailing socio-economic, financial, administrative, institutional, and service-delivery realities of the municipality.

Furthermore, the handover process safeguards institutional knowledge and continuity during periods of political and administrative transition. It provides incoming leadership with a consolidated record of critical matters requiring ongoing attention.

The preparation of a structured and comprehensive handover report therefore contributes to the principles of good governance, accountability, transparency, effective administration, and continuity of municipal service delivery. It reduces the risk that important municipal programmes, projects, statutory obligations, or legal proceedings may be disrupted or lost as a result of changes in political leadership and ensures that the incoming Council is positioned to exercise its oversight and governance responsibilities effectively from the commencement of its term.

6.2 Financial Implications

None

6.3 Legal Implications

Various legislative instruments, including the Local Government: Municipal Systems Act, 2000, the Local Government: Municipal Structures Act, 1998, and the Local Government: Municipal Finance Management Act, 2003 (MFMA), establish the legal and governance framework that underpins the preparation of municipal handover reports.

6.4 Staff Implications

None

6.5 Previous / Relevant Resolutions:

Previous handover report was tabled in Council on 30 September 2021.

6.6 Risk Implications

There are no foreseeable risks arising from noting of this report.

EXECUTIVE MAYOR'S HANDOVER REPORT

GARDEN ROUTE DISTRICT MUNICIPALITY

21 OCTOBER 2026

1. INTRODUCTION

1. INTRODUCTION

This report is submitted to assist the incoming Executive Mayor and Council assuming office after 4 November 2026. It provides a concise overview of the state of the Garden Route District Municipality (GRDM), key decisions taken during the current term, progress achieved, outstanding matters and priorities requiring immediate attention.

The current five-year Council term was characterised by changes in political leadership. I assumed office as Executive Mayor on 11 November 2025, during the final year of the term. I therefore acknowledge the work of my predecessors, including Executive Mayor Booysen and Executive Mayor Stroebel, whose leadership contributed to the foundation inherited by the current Council.

GRDM remains a politically and administratively stable institution, with strong governance systems and a record of consecutive clean audit outcomes. The next Council must protect these gains while addressing the financial, infrastructure, service-delivery and socio-economic pressures facing the District.

2. STATE OF GOVERNANCE

GRDM has functional governance and oversight structures, including the Audit Committee, Municipal Public Accounts Committee (MPAC), Section 79 and Section 80 committees and other statutory structures.

The Audit Committee has provided effective independent oversight. Several members are approaching the end of their permissible terms. The incoming Council must therefore ensure the timely appointment of suitably qualified and independent members to preserve institutional knowledge and audit quality.

MPAC has performed effectively and has consistently dealt with unauthorized, irregular, fruitless and wasteful expenditure and the annual report process. GRDM has historically finalized its annual report earlier than the statutory deadline by applying MFMA Circular 63. While this has advantages, the process places significant pressure on MPAC and other oversight structures. The incoming Council should review whether the current approach remains appropriate.

GRDM has 21 functional Intergovernmental Relations (IGR) forums. These structures should continue to be strengthened to improve coordination between the District, local municipalities and other spheres of government.

Public participation is supported through the IDP/Budget/PMS Representative Forum, community radio, social media and other communication platforms. These mechanisms should be maintained and expanded where necessary.

Key recommendation

The incoming Council must preserve the culture of accountability, strengthen oversight structures and ensure that public participation and intergovernmental coordination remain central to decision-making.

3. STATE OF THE ADMINISTRATION

The administration has generally remained stable, with all senior management positions filled except that of Municipal Manager.

The Municipal Manager's contract ended through a mutual separation agreement in July 2026. The appointment of a suitably qualified, experienced and independent Municipal Manager must therefore be treated as an immediate priority.

The existing senior management team provides institutional experience and continuity. The incoming political leadership should allow the administration to operate professionally, while maintaining appropriate political oversight and accountability.

4. DISTRICT FUNCTIONS AND STRATEGIC PROGRAMMES

GRDM resolved in 2017 to pursue the performance of functions provided for under Section 84 of the Municipal Structures Act. Progress has been made on several strategic initiatives.

Key projects and outstanding matters include:

- **Regional Landfill Site:** Construction is progressing and must be closely monitored until completion and commissioning. This project is strategically important for both service delivery and future revenue.
- **Fresh Produce Market:** Feasibility studies and the business plan have been completed. Suitable land remains outstanding.
- **Development Agency:** Feasibility work has been completed. The establishment of the Board and finalisation of the institutional arrangements remain outstanding.

- **Fire Training Academy/Skills Mecca:** The initiative requires funding and continued development.
- **Water Services Authority:** GRDM's application has not progressed sufficiently due to limited support from local municipalities. The incoming Council must reassess the viability and strategic value of this option.
- **Roads Function:** The Roads function is being transferred to the Department of Infrastructure. The transfer must be managed carefully, particularly regarding personnel and related support costs.

The incoming Council must distinguish between district initiatives that complement local municipal functions and those that may create duplication or unfunded mandates.

5. STRATEGIC PLANNING AND REGIONAL DEVELOPMENT

The Joint District and Metro Approach (JDMA) and One Regional Plan provide an important framework for coordinated development. The Regional Growth and Development Strategy and Regional Investment Prospectus should guide implementation.

The incoming Council must familiarize itself with these documents and focus on implementation rather than developing parallel strategies.

Priority should be given to projects that generate employment, attract investment, improve infrastructure and strengthen the District's revenue base.

6. HUMAN RESOURCES AND ORGANISATIONAL RISK

At the end of the term, GRDM had 489 permanent employees. The overall permanent staff complement has decreased during the term.

The most significant organisational risk relates to the transfer of the Roads function especially if GRDM finds itself in a position where it has to retain support personnel whose work is linked to a function that is no longer performed by the Municipality. If not addressed, this could create a substantial and unsustainable employee-related cost burden.

Key recommendation

The incoming Council must urgently align the organizational structure and staffing levels with the functions that GRDM will actually perform and ensure that the transfer of the Roads function does not leave the Municipality with unfunded personnel obligations.

7. MUNICIPAL FINANCES

GRDM has maintained strong financial governance and consistently achieved unqualified audits with no findings during the term. This is one of the most important achievements that the incoming Council must protect.

However, the Municipality remains financially constrained. GRDM is highly dependent on grants, while the RSC Replacement Grant increases by approximately 1.2% annually, below the growth in major expenditure items.

Employee-related expenditure remains a significant pressure. The incoming Council must ensure that staffing costs remain affordable and aligned with National Treasury norms and the Municipality's actual functions.

The 2026/27–2028/29 MTREF was prepared as a cash-funded budget despite these constraints. Limited own-revenue sources remain a structural challenge.

Revenue priorities

The incoming Council should immediately focus on:

1. Bringing the Regional Landfill Site into operation as soon as practicable and maximising its revenue potential.
2. Implementing turnaround strategies for municipal properties and resorts.
3. Reviewing properties that are underutilised or not required for service delivery.
4. Supporting catalytic projects capable of generating sustainable revenue.
5. Assessing the viability of additional revenue-generating functions, including water services.
6. Ensuring strict expenditure control and protecting the Municipality's clean audit record.

8. STATE OF DEVELOPMENT AND SOCIO-ECONOMIC CONDITIONS

The Garden Route remains one of the Western Cape's important economic and tourism regions, benefiting from its strategic location, transport connections, ports, airport, natural environment and tourism assets.

The District had an estimated population of approximately 673,192 people in 2025, with about 193,753 households. Population growth is projected to continue, driven partly by in-migration. This will increase pressure on housing, infrastructure, health, education and municipal services.

Despite economic growth and improvements in some development indicators, the District continues to face:

- Unemployment and poverty;
- Income inequality;
- Housing and land shortages;
- Water security challenges;
- Waste management and landfill pressures;
- Climate change and natural disasters;
- Energy and infrastructure constraints;
- Limited access to high-speed broadband in some communities;
- Skills shortages and low-skilled employment;
- Youth and teenage pregnancy challenges; and
- Pressure on health and social services.

The District's future development therefore requires sustained cooperation between GRDM, local municipalities, provincial and national government and the private sector.

9. PRIORITIES FOR THE INCOMING MAYOR AND COUNCIL

The following matters require immediate and sustained political attention during the new term:

1. **Appoint a suitably qualified Municipal Manager** and maintain a stable, professional administration.
2. **Protect the Municipality's clean audit record** through strict financial management, procurement oversight and accountability.
3. **Complete and operationalise the Regional Landfill Site** and maximise its financial and service-delivery benefits.
4. **Resolve the Roads function transfer**, including the implications for staff, organisational structure and finances.
5. **Reduce the pressure of employee-related expenditure** and ensure the organisational structure matches GRDM's actual functions.
6. **Increase own revenue** through municipal properties, resorts, catalytic projects and other viable revenue-generating initiatives.
7. **Review the Section 84 functions strategy**, particularly the Water Services Authority and Fresh Produce Market initiatives, to ensure financial and institutional viability.

8. **Drive implementation of the JDMA One Regional Plan**, Regional Growth and Development Strategy and Regional Investment Prospectus.
9. **Strengthen cooperation with local municipalities** and ensure that district initiatives complement rather than duplicate local functions.
10. **Prioritise economic development, investment, skills development and employment**, particularly for young people.
11. **Strengthen climate resilience, water security, disaster management and regional infrastructure planning.**
12. **Maintain meaningful public participation** and ensure that communities remain informed about municipal plans, finances and performance.

10. CONCLUSION

GRDM enters the new Council term from a position of institutional stability, strong governance and sound audit performance. However, these achievements must not create complacency.

The most pressing risks are financial sustainability, employee-related costs, the transfer of the Roads function, limited own revenue and the growing demand for infrastructure and services arising from population growth.

The incoming Mayor and Council should therefore focus on financial sustainability, revenue generation, completion of strategic infrastructure, effective governance, regional coordination and inclusive economic development.

The foundation is in place. The priority for the next term must be disciplined implementation, measurable results and ensuring that the benefits of the Garden Route's economic potential reach all communities.

I wish the incoming Mayor, Council and administration every success in serving the people of the Garden Route District.

_____

ALD MARAIS KRUGER

EXECUTIVE MAYOR

GARDEN ROUTE DISTRICT MUNICIPALITY

BACK TO AGENDA

1. REPORT: SECTION 52 – RESPONSIBILITIES OF MAYOR / *VERSLAG: ARTIKEL 52 VERANTWOORDELIKHEDE VAN DIE BURGEMEESTER* / INGXELO: U MHLATHI 52 - UXANDUVA LUKA SODOLOPHU

(6/18/7)

14 October 2026

REPORT FROM THE EXECUTIVE MAYOR (ALD M KRUGER)

2. PURPOSE OF THE REPORT

The report is tabled to Council in terms of Section 52(d) as required in terms of the Municipal Finance Management Act 56 of 2003 (MFMA).

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

According to the MFMA Section 52(d) the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

5. RECOMMENDATION

That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 30 September 2026.

AANBEVELING

Dat die Raad kennis neem van die kwartaalverslag rakende die implementering van die begroting en die finansiële posisie van die munisipaliteit vir die jaar tot datum en die kwartaal geëinding 30 September 2026.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo ingxelo yarhoqo ngekota ngokumiselwa kolwabiwo-mali kunye nemicimbi yezemali zomasipala zonyaka uzakuthi ga ngoku kunye nexesha eliphela ngomhla 30 kweyoMsintsi 2026.

6. DISCUSSION / CONTENTS

6.1 <u>BACKGROUND</u>

Section 52 (d)
The mayor of a municipality –
Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

6.2 FINANCIAL IMPLICATIONS

As contained in the attached report.

6.3 LEGAL IMPLICATIONS

The following legislation applies:

1. Municipal Finance Management Act, No 56 of 2003, section 52
2. Municipal Budget and Reporting Regulations, 17 April 2009

6.4 STAFF IMPLICATION

None

6.5 PREVIOUS / RELEVANT COUNCIL RESOLUTIONS

The report is tabled to Council on a quarterly basis in terms of Section 52(d) of the MFMA.

6.6 RISK IMPLICATIONS

There are no foreseen risks.

ANNEXURE

Section 52 Report

Garden Route
DISTRICT MUNICIPALITY | UMASIPALA WESITHILI | DISTRIKSMUNISIPALITEIT



2026/2027

MFMA SECTION 52 - QUARTERLY FINANCIAL AND PERFORMANCE MANAGEMENT REPORT

Garden Route District Municipality
Head Office: 54 York Street, George, 6530
Tel: 044 803 1300
www.gardenroute.gov.za
YouTube

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Glossary

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustments Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

Allocations (Transfers – see DORA) – Money received from Provincial or National Government.

Budget Related Policy (ies) – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings - for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and Wasteful Expenditure – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principal piece of legislation relating to municipal financial management.

MSCOA – Municipal Standard Chart of Accounts.

MTREF – Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also includes details of the previous and current years' financial position.

Operating Expenditure – The day-to-day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the Rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budgeted estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised Expenditure – Generally, spending without, or in excess of, an Approved Budget.

Virement – A transfer of funds.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided. In the Garden Route District this means the different Departments within the municipality.

YTDB – Year to Date Budget.

YTDA – Year to Date Actual.

Legislative Framework

This report has been prepared in terms of the following enabling legislation:

The Municipal Finance Management Act – Act No. 56 of 2003

1. Section 52: Quarterly budget statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

PART 1 – IN-YEAR REPORT

SECTION 1 – MAYOR'S REPORT

Honourable Speaker, leaders of the opposition, honourable members of the Garden Route District Council on both sides of the house, the municipal manager and his executive management team, staff members, members of the media, interest groups and the citizens of the Garden Route District. I would like to express a warm welcome to you all.

Herewith an executive summary of the performance of the Council for the first quarter ending 30 September 2026. The actual and budgeted figures reported includes the Roads Operational Budget.

These figures are presented in terms of Section 52 of the MFMA.

Revenue by source

The total revenue received by source for the first quarter amounts to **R135,444,923**, against an adjusted budget of **R377,575,427 (YTDB: R127,649,950)**. This represents **36%** recording of revenue for the first quarter.

Majority of the revenue received for the first quarter relates to Transfers and Subsidies revenue (63%), which include the first instalment of Equitable Share to the amount of R80,604,000. Majority of the Operational Revenue relates to the Roads function (23%). The other 14% of revenue received was derived from interest revenue, rental revenue and sales of goods and services.

Operating Expenditure by source

For the first quarter of the financial year, the municipality recorded expenditure performance of **R91,244,651** against an adjusted budget of **R371,521,420 (YTDB: R80,339,564)**, representing **25%** of expenditure for the first quarter. The expenditure as reflected is for both the GRDM and the Roads department.

The salary related expenditure for the first quarter was **R70,841,040** to an adjusted budget of **R222,169,252 (YTDB: R49,879,679)**, representing **32%** of the budget. **78%** of the total quarterly expenditure incurred was for employee related cost. The Roads function is performed on a month-to-month basis until the transfer to DOI is finalised. The apparent

variance is due to the method used by the financial system to calculate the Year-to-Date Budget (YTDB). While the roads budget is phased up to October 2026 (four months), the system calculates the YTDB as the total annual budget divided by 12 and multiplied by 3 months, resulting in a lower YTDB amount than the actual budget allocation for the period.

The councillor remuneration expenditure for the first quarter amounts to **R3,542,499** to an adjusted budget of **R14,627,354 (YTDB: R3,232,556)**, representing **24%** of the budget which is in line with the quarterly expectation.

Spending on contracted services was **R3,716,788** in the first quarter representing **7%** spending of an adjusted budget of **R53,584,049 (YTDB: R9,570,547)**. Majority relates to landfill site contracted services being less than anticipated to date.

Spending on operational costs was **R10,348,895** for the first quarter, representing **18%** spending of an adjusted budget of **R56,964,542 (YTDB: R12,068,633)**. Operational costs are expected to increase in the ensuing months as procurement processes are concluded.

Capital Expenditure

The approved adjusted capital budget for the 2026/27 financial year totals **R69,987,388**. The largest expenditure item on the capital budget (R63,933,388) is the construction of the regional landfill site. Construction commenced to the end of the 2022/2023 financial year.

For the first quarter, capital expenditure was **R26,733,955** with orders to the amount of **R38,040,577** issued as at the end of September 2026. The total capital expenditure (including orders) as at 30 September 2026 is **R64,774,532,** representing **93%** spending of an adjusted budget of R69,987,388.

Refer to detailed capital expenditure performance under Section 11.

SECTION 2 – RESOLUTIONS

Municipal Financial Management Act, 56 of 2003 - SECTION 52: General responsibilities of the mayor

This is the resolution being presented to Council in the quarterly report on the implementation of the budget and the financial state of affairs of the municipality as required in terms of section 52 of the Municipal Finance Management Act 56 of 2003.

RECOMMENDATION:

1. That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 30 September 2026.

SECTION 3 – EXECUTIVE SUMMARY

3.1 Introduction

These figures are presented in terms of section 52(d) of the MFMA. The information is presented for the first quarter ending 30 September 2026.

3.2 Consolidated performance

3.2.1 Against annual budget (adjusted)

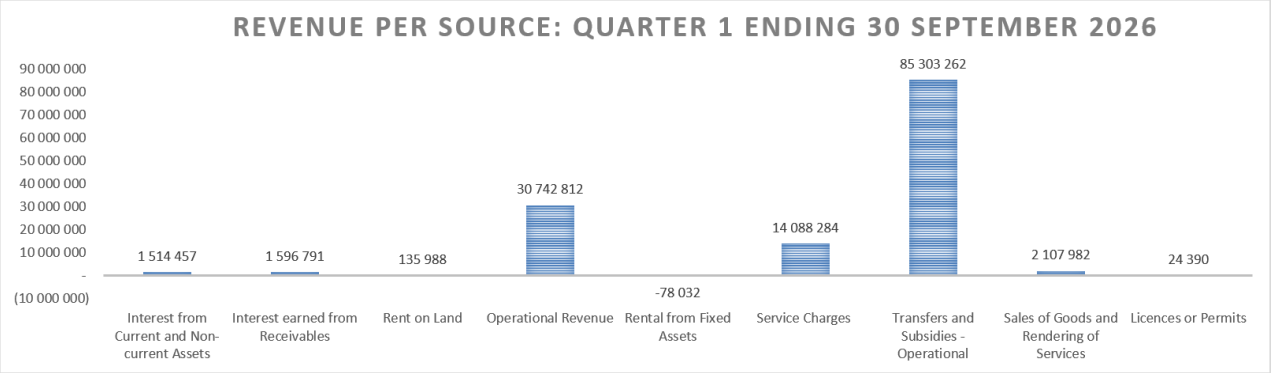
The actual and budgeted figures reported includes the Roads function.

Revenue by source

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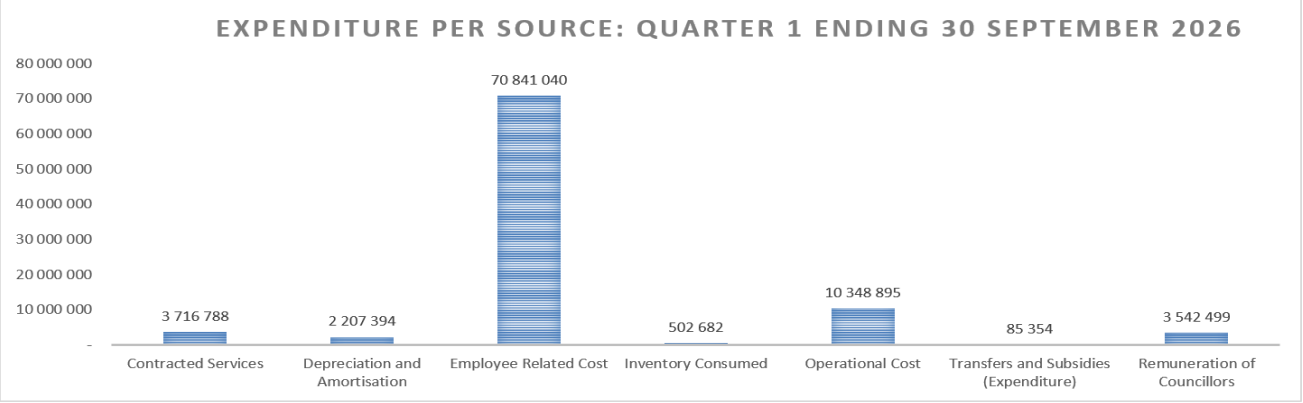
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orders) as at 30 September 2026 is **R64,774,532,** representing **93%** spending of an adjusted budget of R69,987,388.

Refer to detailed capital expenditure performance under Section 11.

CAPITAL BUDGET SPENDING AS AT 30 SEPTEMBER 2026							
Number	**Description**	**Funding source**	**Budget**	**Expenditure**	**Orders**	**Available**	**% Spent**
1	Borehole Water Pump (Calitzdorp Hot Springs)	Own revenue	21 604	21 603	-	1	100%
2	Printers	Own revenue	18 000	-	-	18 000	0%
3	Furniture / Equipment (Insurance Refunds)	Own revenue	145 000	-	-	145 000	0%
4	LDV Off Road 4x4 vehicle	Grant	1 000 000	-	735 468	264 532	74%
5	10 000 Litre Water Tanker Trailer	Grant	1 500 000	-	-	1 500 000	0%
6	Laminating Machine: MHS: Klein Karoo	Own revenue	4 000	1 449	-	2 551	36%
7	Microwaves	Own revenue	5 000	4 261	-	739	85%
8	Hard Drive Docking Station	Own revenue	1 998	-	1 998	1	100%
9	Finger Scanners	Own revenue	28 000	-	-	28 000	0%
10	Magnetic Locks	Own revenue	3 200	-	-	3 200	0%
11	No touch exit buttons	Own revenue	2 000	-	-	2 000	0%
12	Security Doors	Own revenue	27 600	-	-	27 600	0%
13	Impact Drill	Own revenue	2 095	-	2 095	-	100%
14	Laptops	Own revenue	283 865	-	62 634	221 231	22%
15	Network Switch	Own revenue	9 083	-	9 083	0	100%
16	External Hard Drive	Own revenue	2 555	-	2 554	1	100%
17	Building of Disaster Management Store	Grant	3 000 000	-	-	3 000 000	0%
18	Landfill Site: PPE	Borrowing	63 933 388	26 706 642	37 226 746	0	100%
			69 987 388	**26 733 955**	**38 040 577**	**5 212 856**	**93%**

3.3 Material variances from SDBIP

Attached to this report as Annexure is the SDBIP report for the first quarter ending 30 September 2026.

Management of the SDBIP and achievement of actuals against KPI targets are done via the Performance Management Section.

3.4 Conclusion

Detailed analysis of the municipal performance for the first quarter ending 30 September 2026 will be presented under the different sections of the report. More information regarding the municipal performance and explanations will be provided below.

SECTION 4 – IN-YEAR BUDGET STATEMENT TABLES

4.1 Monthly budget statement

4.1.1 Table C1: S71 Monthly Budget Statement Summary

DC4 Garden Route - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2025/26	Budget Year 2026/27							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	29 040	29 040	14 088	14 088	7 260	6 828	94%	29 040
Investment revenue	–	7 931	7 931	780	1 514	1 983	(468)	-24%	7 931
Transfers and subsidies - Operational	–	223 544	224 146	659	85 303	90 550	(5 247)	(0)	224 146
Other own revenue	–	62 391	110 958	4 125	34 539	27 107	7 432	27%	110 958
Total Revenue (excluding capital transfers and contributions)	**–**	**322 907**	**372 075**	**19 653**	**135 445**	**126 900**	**8 545**	**7%**	**372 075**
Employee costs	–	185 758	222 169	23 833	70 841	49 880	20 961	42%	222 169
Remuneration of Councillors	–	14 627	14 627	1 154	3 542	3 233	310	10%	14 627
Depreciation, amortisation and impairment	–	8 064	8 064	563	2 207	2 016	191	9%	8 064
Interest, Dividends and Rent on Land	–	88	88	–	–	22	(22)	-100%	88
Inventory consumed and bulk purchases	–	3 053	4 821	266	503	612	(110)	-18%	4 821
Transfers and subsidies	–	769	1 146	85	85	423	(338)	-80%	1 146
Other expenditure	–	109 992	120 606	5 174	14 066	24 154	(10 088)	-42%	120 606
Total Expenditure	**–**	**322 353**	**371 521**	**31 075**	**91 245**	**80 340**	**10 905**	**14%**	**371 521**
Surplus/(Deficit)	**–**	**554**	**554**	**(11 422)**	**44 200**	**46 560**	**(2 360)**	**-5%**	**554**
Transfers and subsidies - capital (monetary	–	2 500	5 500	–	–	750	(750)	-100%	5 500
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**–**	**3 054**	**6 054**	**(11 422)**	**44 200**	**47 310**	**(3 110)**	**-7%**	**6 054**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**–**	**3 054**	**6 054**	**(11 422)**	**44 200**	**47 310**	**(3 110)**	**-7%**	**6 054**
Capital expenditure & funds sources									
Capital expenditure	**–**	**66 987**	**69 987**	**13 841**	**26 734**	**33 582**	**(6 848)**	**-20%**	**69 987**
Capital transfers recognised	–	2 500	5 500	–	–	3 250	(3 250)	-100%	5 500
Borrowing	–	63 933	63 933	13 815	26 707	29 931	(3 224)	-11%	63 933
Internally generated funds	–	**554**	**554**	**26**	**27**	**401**	**(374)**	**-93%**	**554**
Total sources of capital funds	**–**	**66 987**	**69 987**	**13 841**	**26 734**	**33 582**	**(6 848)**	**-20%**	**69 987**
Financial position									
Total current assets	–	186 727	186 356		187 043				186 356
Total non current assets	–	352 844	356 617		411 069				356 617
Total current liabilities	–	63 197	63 393		206 595				63 393
Total non current liabilities	–	261 941	261 926		166 319				261 926
Community wealth/Equity	–	**214 433**	**217 654**		**225 197**				**217 654**
Cash flows									
Net cash from (used) operating	–	(18 375)	(14 971)	(48 538)	(70 676)	42 300	112 975	267%	(14 971)
Net cash from (used) investing	–	(1 711)	(44 711)	(15 889)	(31 293)	(27 263)	4 030	-15%	(44 711)
Net cash from (used) financing	–	14 112	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**–**	**133 195**	**14 240**	**26 938**	**(10 604)**	**88 959**	**99 563**	**112%**	**31 683**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	27 757	10 120	22 133	8 293	17 687	6 111	8 140	58 296	158 537
Creditors Age Analysis									
Total Creditors	201	77	–	–	1	–	–	813	1 093

4.1.2 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

DC4 Garden Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		–	**149 838**	**154 363**	**1 639**	**52 048**	**57 835**	(5 788)	-10%	**154 363**
Executive and council		–	67 891	68 344	808	28 827	28 468	359	1%	68 344
Finance and administration		–	81 947	86 019	831	23 221	29 368	(6 147)	-21%	86 019
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		–	**85 861**	**89 007**	**482**	**29 441**	**32 384**	(2 943)	-9%	**89 007**
Community and social services		–	12 429	15 575	23	3 981	4 776	(795)	-17%	15 575
Sport and recreation		–	8 279	8 279	296	456	1 601	(1 145)	-72%	8 279
Public safety		–	28 493	28 493	30	10 046	10 946	(900)	-8%	28 493
Housing		–	–	–	–	–	–	–		–
Health		–	36 660	36 660	132	14 958	15 061	(103)	-1%	36 660
Economic and environmental services		–	**46 343**	**90 841**	**3 444**	**37 048**	**25 935**	11 114	43%	**90 841**
Planning and development		–	42 232	42 232	597	6 881	12 718	(5 837)	-46%	42 232
Road transport		–	3 940	48 437	2 823	30 112	13 194	16 918	128%	48 437
Environmental protection		–	171	171	23	55	22	33	148%	171
Trading services		–	**41 876**	**41 876**	**14 088**	**16 288**	**10 870**	**5 417**	50%	**41 876**
Energy sources		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	41 876	41 876	14 088	16 288	10 870	5 417	50%	41 876
Other	4	–	**1 489**	**1 489**	**–**	**620**	**625**	**(5)**	**-1%**	**1 489**
Total Revenue - Functional	2	–	**325 407**	**377 575**	**19 653**	**135 445**	**127 650**	**7 795**	**6%**	**377 575**
Expenditure - Functional										
Governance and administration		–	**165 189**	**165 189**	**10 412**	**35 467**	**34 462**	1 005	3%	**165 189**
Executive and council		–	65 572	65 572	3 115	12 380	13 595	(1 215)	-9%	65 572
Finance and administration		–	95 770	95 770	6 933	22 077	19 967	2 110	11%	95 770
Internal audit		–	3 847	3 847	365	1 010	900	109	12%	3 847
Community and public safety		–	**89 462**	**89 609**	**6 386**	**18 706**	**20 609**	(1 903)	-9%	**89 609**
Community and social services		–	10 975	11 122	785	2 218	2 562	(344)	-13%	11 122
Sport and recreation		–	9 831	9 831	571	1 599	2 166	(567)	-26%	9 831
Public safety		–	27 493	27 493	1 879	5 796	6 514	(718)	-11%	27 493
Housing		–	–	–	–	–	–	–		–
Health		–	41 163	41 163	3 152	9 093	9 367	(274)	-3%	41 163
Economic and environmental services		–	**25 921**	**74 943**	**12 851**	**33 768**	**17 460**	16 308	93%	**74 943**
Planning and development		–	17 659	17 659	2 162	3 684	3 563	121	3%	17 659
Road transport		–	3 940	52 962	10 366	29 037	12 819	16 218	127%	52 962
Environmental protection		–	4 322	4 322	323	1 047	1 078	(31)	-3%	4 322
Trading services		–	**40 292**	**40 292**	**1 356**	**2 957**	**7 495**	**(4 538)**	-61%	**40 292**
Energy sources		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	40 292	40 292	1 356	2 957	7 495	(4 538)	-61%	40 292
Other		–	**1 489**	**1 489**	**69**	**347**	**313**	**34**	**11%**	**1 489**
Total Expenditure - Functional	3	–	**322 353**	**371 521**	**31 075**	**91 245**	**80 340**	**10 905**	**14%**	**371 521**
Surplus/ (Deficit) for the year		–	**3 054**	**6 054**	**(11 422)**	**44 200**	**47 310**	**(3 110)**	**-0,065739**	**6 054**

This table reflects the operating budget (Financial Performance) in the standard classifications that is the Government Finance Statistics Functions and Sub-function. The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading Services.

4.1.3 Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

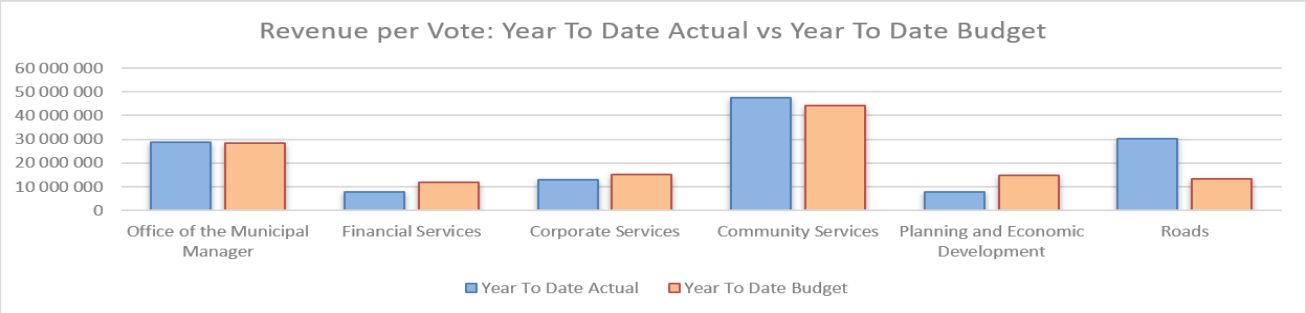
DC4 Garden Route - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter

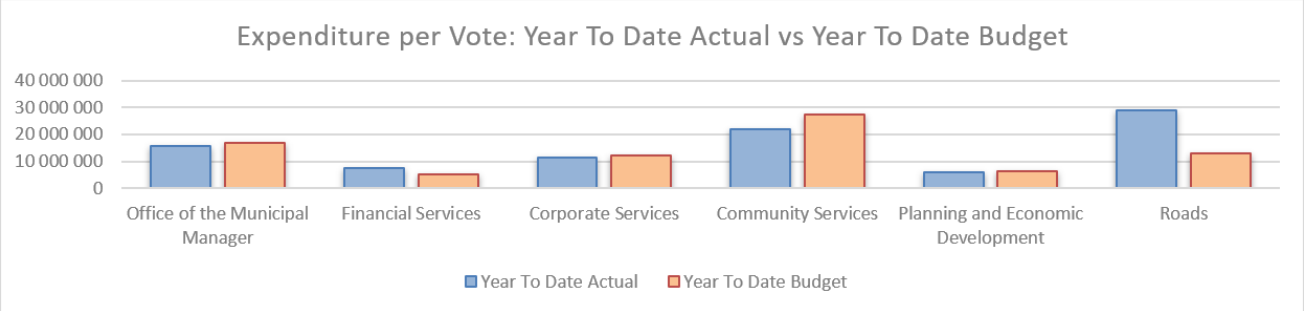
Vote Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		–	67 891	68 344	808	28 827	28 468	359	1,3%	68 344
Vote 2 - Office of the Municipal Manager (cont)		–	–	–	–	–	–	–		–
Vote 3 - Financial Services		–	31 291	33 327	505	7 806	11 837	(4 031)	-34,1%	33 327
Vote 4 - Financial Services (cont)		–	–	–	–	–	–	–		–
Vote 5 - Corporate Services		–	34 891	36 927	316	9 179	12 627	(3 448)	-27,3%	36 927
Vote 6 - Corporate Services (cont)		–	10 104	10 104	10	3 877	2 526	1 351	53,5%	10 104
Vote 7 - Community Services		–	53 520	56 520	156	21 298	22 178	(880)	-4,0%	56 520
Vote 8 - Community Services (cont)		–	71 770	71 916	14 141	26 389	21 875	4 513	20,6%	71 916
Vote 9 - Planning and Economic Development		–	1 489	1 489	–	620	625	(5)	-0,8%	1 489
Vote 10 - Planning and Economic Development (cont)		–	8 223	8 223	843	3 525	2 586	939	36,3%	8 223
Vote 11 - Planning and Economic Development(cont2)		–	42 289	42 289	50	3 811	11 733	(7 922)	-67,5%	42 289
Vote 12 - Roads		–	3 940	48 437	2 823	30 112	13 194	16 918	128,2%	48 437
Vote 13 - Roads (cont)		–	–	–	–	–	–	–		–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**–**	**325 407**	**377 575**	**19 653**	**135 445**	**127 650**	**7 795**	**6,1%**	**377 575**
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		–	70 456	70 456	3 376	13 265	14 661	(1 396)	-9,5%	70 456
Vote 2 - Office of the Municipal Manager (cont)		–	8 706	8 706	802	2 315	2 061	254	12,3%	8 706
Vote 3 - Financial Services		–	19 027	19 027	2 070	5 747	3 957	1 790	45,2%	19 027
Vote 4 - Financial Services (cont)		–	5 192	5 192	555	1 683	1 097	586	53,4%	5 192
Vote 5 - Corporate Services		–	25 499	25 499	1 209	3 445	5 894	(2 448)	-41,5%	25 499
Vote 6 - Corporate Services (cont)		–	31 105	31 105	2 826	7 870	6 153	1 717	27,9%	31 105
Vote 7 - Community Services		–	56 069	56 069	4 294	12 368	12 362	6	0,1%	56 069
Vote 8 - Community Services (cont)		–	71 980	72 127	3 452	9 495	14 944	(5 449)	-36,5%	72 127
Vote 9 - Planning and Economic Development		–	2 888	2 888	(608)	741	663	78	11,8%	2 888
Vote 10 - Planning and Economic Development (cont)		–	15 925	15 925	1 021	2 807	3 380	(572)	-16,9%	15 925
Vote 11 - Planning and Economic Development(cont2)		–	11 566	11 566	1 711	2 470	2 349	121	5,2%	11 566
Vote 12 - Roads		–	3 940	38 922	7 191	20 777	9 389	11 388	121,3%	38 922
Vote 13 - Roads (cont)		–	–	14 040	3 175	8 260	3 431	4 830	140,8%	14 040
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**–**	**322 353**	**371 521**	**31 075**	**91 245**	**80 340**	**10 905**	**13,6%**	**371 521**
Surplus/ (Deficit) for the year	2	**–**	**3 054**	**6 054**	**(11 422)**	**44 200**	**47 310**	**(3 110)**	**-6,6%**	**6 054**

Revenue and expenditure reflect the operating performance per municipal vote.

Expenditure per municipal vote is distributed to ensure that the municipal expenditure reflects the functions where expenditure is allocated. This is done to ensure implementation of the Integrated Development Plan (IDP) and for Annual Reporting.

Refer to the charts below indicating the revenue and expenditure per vote (year-to-date actual amount vs year-to-date budgeted amount):


Revenue per Vote: Year To Date Actual vs Year To Date Budget
60 000 000
50 000 000
40 000 000
30 000 000
20 000 000
10 000 000
0
Office of the Municipal Manager
Financial Services
Corporate Services
Community Services
Planning and Economic Development
Roads
Year To Date Actual
Year To Date Budget


Expenditure per Vote: Year To Date Actual vs Year To Date Budget
40 000 000
30 000 000
20 000 000
10 000 000
0
Office of the Municipal Manager
Financial Services
Corporate Services
Community Services
Planning and Economic Development
Roads
Year To Date Actual
Year To Date Budget

4.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

DC4 Garden Route - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity								–		
Service charges - Water								–		
Service charges - Waste Water Management								–		
Service charges - Waste management		–	29 040	29 040	14 088	14 088	7 260	6 828	94%	29 040
Sale of Goods and Rendering of Services		–	24 561	24 561	462	2 108	5 610	(3 502)	-62%	24 561
Agency services		–	–	4 525	–	–	1 131	(1 131)	-100%	4 525
Interest								–		
Interest earned from Receivables		–	8 033	8 033	489	1 597	1 908	(312)	-16%	8 033
Interest from Current and Non Current Assets		–	7 931	7 931	780	1 514	1 983	(468)	-24%	7 931
Dividends								–		
Rent on Land		–	736	736	37	136	184	(48)	-26%	736
Rental from Fixed Assets		–	1 739	1 739	(262)	(78)	435	(513)	-118%	1 739
Licence and permits		–	171	171	12	24	22	2	11%	171
Special rating levies								–		
Construction Contract Revenue								–		
Development Charges								–		
Operational Revenue		–	1 875	45 918	3 387	30 743	11 498	19 245	167%	45 918
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		–	–	–	–	–	–	–		–
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		–	223 544	224 146	659	85 303	90 550	(5 247)	-6%	224 146
Interest								–		
Fuel Levy								–		
Operational Revenue								–		
Gains on disposal of Fixed and Intangible Assets		–	25 276	25 276	–	9	6 319	(6 310)	-100%	25 276
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**–**	**322 907**	**372 075**	**19 653**	**135 445**	**126 900**	**8 545**	**7%**	**372 075**
Expenditure By Type										
Employee related costs		–	185 758	222 169	23 833	70 841	49 880	20 961	42%	222 169
Remuneration of councillors		–	14 627	14 627	1 154	3 542	3 233	310	10%	14 627
Bulk purchases - electricity								–		
Inventory consumed		–	3 053	4 821	266	503	612	(110)	-18%	4 821
Debt impairment		–	4 000	4 000	–	–	1 000	(1 000)	-100%	4 000
Depreciation, amortisation and impairment		–	8 064	8 064	563	2 207	2 016	191	9%	8 064
Interest, Dividends and Rent on Land		–	88	88	–	–	22	(22)	-100%	88
Contracted services		–	52 569	53 584	1 881	3 717	9 571	(5 854)	-61%	53 584
Transfers and subsidies		–	769	1 146	85	85	423	(338)	-80%	1 146
Irrecoverable debts written off		–	3 000	3 000	–	–	750	(750)	-100%	3 000
Operational costs		–	47 366	56 965	3 293	10 349	12 069	(1 720)	-14%	56 965
Disposal of Fixed and Intangible Assets		–	172	172	–	–	43	(43)	-100%	172
Other Losses		–	2 885	2 885	–	–	721	(721)	-100%	2 885
Total Expenditure		**–**	**322 353**	**371 521**	**31 075**	**91 245**	**80 340**	**10 905**	**14%**	**371 521**
Surplus/(Deficit)		**–**	**554**	**554**	**(11 422)**	**44 200**	**46 560**	**(2 360)**	**(0)**	**554**
Transfers and subsidies - capital (monetary allocations)		–	2 500	5 500	–	–	750	(750)	**(0)**	5 500
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**–**	**3 054**	**6 054**	**(11 422)**	**44 200**	**47 310**	**(3 110)**	**(0)**	**6 054**
Income Tax								–		
Surplus/(Deficit) after income tax		**–**	**3 054**	**6 054**	**(11 422)**	**44 200**	**47 310**	**(3 110)**	**(0)**	**6 054**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**–**	**3 054**	**6 054**	**(11 422)**	**44 200**	**47 310**	(3 110)	(0)	**6 054**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**–**	**3 054**	**6 054**	**(11 422)**	**44 200**	**47 310**	**(3 110)**	**(0)**	**6 054**

Revenue by Source

Revenue by source explains the types of income budgeted for and the performance of these items individually.

Refer to the below comparison of the year-to-date revenue compared to the year-to-date budget:

Revenue	Year To Date Actual (YTDA)	Year To Date Budget (YTDB)	YTDA/YTDB	Comment
Interest from Current and Non-current Assets	1 514 457	1 982 820	76%	Interest as derived from the bank balance and investments/ call accounts at maturity date. Lower cash balances available resulted in lower interest received.
Interest earned from Receivables	1 596 791	1 908 327	84%	Interest on overdue debtor accounts lower than anticipated to date.
Rent on Land	135 988	183 966	74%	Based on lease agreements entered into for the rental of the municipality's land. Properties section is in process of reviewing all lease agreements and ensuring market-related rent is received.
Operational Revenue	30 742 812	11 498 033	267%	Majority relates to the Roads reimbursive revenue allocation as received from the Department of Infrastructure. The revenue is based on actual expenditure incurred. The Roads function is performed on a month-to-month basis until the transfer to DOI is finalised. The apparent variance is due to the method used by the financial system to calculate the Year-to-Date Budget (YTDB). While the roads budget is phased up to October 2026 (four months), the system calculates the YTDB as the total annual budget divided by 12 and multiplied by 3 months, resulting in a lower YTDB amount than the actual budget allocation for the period.
Rental from Fixed Assets	(78 032)	434 658	-18%	Based on lease agreements entered into for the rental of the municipality's buildings. Properties section is in process of reviewing all lease agreements and ensuring market-related rent is received. A journal was processed which resulted in the negative revenue reflected. Further corrections will be processed to correct the year-to-date amount.
Sales of Goods and Rendering of Services	2 107 982	5 609 861	38%	Majority relates to income from Camping and Fire Services revenue being less than anticipated to date. There have not been any major fires to date and camping revenue is expected to increase during the holiday seasons.
Service Charges	14 088 284	7 260 000	194%	A correction journal will be processed to correct the revenue incorrectly allocated under Service Charges.
Licences or Permits	24 390	21 990	111%	Monetary difference is not significant.
Transfers and Subsidies - Operational	85 303 262	90 550 077	94%	Recognition of grant revenue based on the expenditure incurred as well as the equitable share grant received to date. Majority relates to the receipt of the equitable share grant.
Grand Total	**135 435 935**	**119 449 732**	**113%**	

Interest earned from Current and Non-Current Assets / External Investments:

The Interest from Current and Non-current Assets for the first quarter ended 30 September 2026 amounts to R1,514,457 (YTDB: R1,982,820). This relates to interest as derived from the bank balance and investments/ call accounts at maturity date. Lower cash balances available resulted in lower interest received.

Interest earned from Receivables / Outstanding debtors:

The interest on outstanding debtors for the first quarter ended 30 September 2026 amounts to R1,596,791 (YTDB: R1,908,327). Interest on overdue debtor accounts were lower than anticipated to date.

Rent on Land:

The income received from rental on land amounts to R135,988 for the first quarter ended 30 September 2026 (YTDB: R183,966). The revenue is based on rental agreements entered; the property and legal section are in process of reviewing all lease agreements to ensure market related revenue is received from all rental land/ properties.

Operational Revenue:

Operational revenue reflects an amount of R30,742,812 for the first quarter ended 30 September 2026 (YTDB: R11,498,033). Majority relates to the Roads revenue allocation as received from the Department of Infrastructure. The revenue is based on actual expenditure incurred.

The Roads function is performed on a month-to-month basis until the transfer to DOI is finalised. The apparent variance is due to the method used by the financial system to calculate the Year-to-Date Budget (YTDB). While the roads budget is phased up to October 2026 (four months), the system calculates the YTDB as the total annual budget divided by 12 and multiplied by 3 months, resulting in a lower YTDB amount than the actual budget allocation for the period.

Rental from Fixed Assets of facilities and equipment:

The income for rental of facilities and equipment reported for the first quarter ended 30 September 2026 amounts to -R261,888 (YTDB: R434,658). The revenue is based on rental agreements entered; the property and legal section are in process of reviewing all lease agreements to ensure market related revenue is received from all rental land/ properties.

A journal was processed which resulted in the negative revenue reflected. Further corrections will be processed to correct the year-to-date amount.

Sales of Goods and Rendering of Services:

The income for Sales of Goods and Rendering of Services reported for the first quarter ended 30 September 2026 amounts to R2,107,982 (YTDB: R5,609,861). Majority relates to income from Camping and Fire Services revenue being less than anticipated to date. There have not been any major fires to date and camping revenue is expected to increase during the holiday seasons.

Transfers recognised:

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Act's respectively; as well as allocations received from National Departmental Agencies such as SETA/ NSF funding.

For conditional grants, the revenue is recognised to the extent that expenditure is incurred in accordance with grant conditions. Unconditional grants such as the equitable share are immediately recognised as revenue on receipt.

The first tranche payment of the equitable share grant was received in July 2026 and amounts to R80,604,000.

The following conditional grant allocations have been received to date:

1. Fire Services Capacity Building Grant of R1,000,000 during July 2026.
2. Rural Roads Assets Management Systems Grant (R2,070,000); Financial Management Grant (R1,200,000) and Expanded Public Works Programme Grant (R444,000) during August 2026

Expenditure by Type

Expenditure by type reflects the operational budget per main type/ category of expenditure.

Refer to the below comparison of the year-to-date expenditure compared to the year-to-date budget:

Expenditure	Year To Date Actual (YTDA)	Year To Date Budget (YTDB)	YTDA/YTDB	Comment
Contracted Services	3 716 788	9 570 547	39%	The following Contracted Services sub-categories were less than anticipated to date: - Contractors - Outsourced Services Majority relates to landfill site contracted services less than anticipated to date.
Depreciation and Amortisation	2 207 394	2 016 096	109%	Depreciation and amortisation based on the municipality's asset base during the reporting period.
Employee Related Cost	70 841 040	49 879 679	142%	The Roads function is performed on a month-to-month basis until the transfer to DOI is finalised. The apparent variance is due to the method used by the financial system to calculate the Year-to-Date Budget (YTDB). While the roads budget is phased up to October 2026 (four months), the system calculates the YTDB as the total annual budget divided by 12 and multiplied by 3 months, resulting in a lower YTDB amount than the actual budget allocation for the period.
Inventory Consumed	502 682	612 263	82%	The following Inventory Consumed sub-category was less than anticipated to date: - Consumables
Operational Cost	10 348 895	12 068 633	86%	Majority relates to External Computer Service being less than anticipated to date.
Remuneration of Councillors	3 542 499	3 232 556	110%	YTDA and YTDB is aligned.
Transfers and Subsidies (Expenditure)	85 354	423 494	20%	Grants paid as per business plans.
Grand Total	**91 244 652**	**77 803 268**	**117%**	

Contracted services:

The contracted services for the first quarter ended 30 September 2026 amounts to R3,716,788 (YTDB: R9,570,547). The following Contracted Services sub-categories were less than anticipated to date: Contractors and Outsourced services.

Majority relates to landfill site contracted services being less than anticipated to date.

Depreciation and amortisation:

Depreciation and amortisation for the first quarter ended 30 September 2026 amounts to R2,207,394 (YTDB: R2,016,096). Depreciation and amortisation are based on the municipality's asset base during the reporting period.

These items account for non-cash budgeted items. The fixed asset register (FAR) is being implemented at Garden Route DM by the service provider of the financial system. The Asset Verification module has been implemented with the GRAP implementation testing performed for certain areas. Templates were populated for the import of the Excel FAR into the Electronic FAR. Reconciliations were performed on the data and various set-ups done to movement accounts, etc.

Employee Related cost / Remuneration of councillors:

Remuneration related expenditure (councillors and staff) for the first quarter ended 30 September 2026 amounted to R74,383,539 (YTDB: R53,112,235) and represents 82% of the total quarterly expenditure.

The Roads function is performed on a month-to-month basis until the transfer to DOI is finalised. The apparent variance is due to the method used by the financial system to calculate the Year-to-Date Budget (YTDB). While the roads budget is phased up to October 2026 (four months), the system calculates the YTDB as the total annual budget divided by 12 and multiplied by 3 months, resulting in a lower YTDB amount than the actual budget allocation for the period.

Inventory Consumed:

This item consists of all inventories consumed, purchases for materials and supplies; and amounts to R502,682 (YTDB: R612,263) for the first quarter ended 30 September 2026.

The Inventory Consumed costs is less than that of prior years as most of the expenditure was incurred by the Roads department.

Operational costs:

Operational costs for the first quarter ended 30 September 2026 amounts to R10,348,895 (YTDB: R12,068,633).

The operational costs consist of the following (among other):

1. External Audit fees
2. Travel and Subsistence
3. Operating Projects
4. Bank Charges
5. Advertisements
6. Telephone costs
7. Municipal Accounts
8. Software licenses

9. Internet fees

Transfers and subsidies:

The transfers and subsidies expenditure for the first quarter ended 30 September 2026 amounts to R85,354 (YTDB: R423,494). This relates to grants paid as per business plans.

4.1.5 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

DC4 Garden Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 First Quarter

Vote Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–		–
Vote 2 - Office of the Municipal Manager (cont)		–	–	–	–	–	–	–		–
Vote 3 - Financial Services		–	150	150	4	4	–	4	#DIV/0!	150
Vote 4 - Financial Services (cont)		–	–	–	–	–	–	–		–
Vote 5 - Corporate Services		–	–	–	–	–	–	–		–
Vote 6 - Corporate Services (cont)		–	400	400	22	22	400	(378)	-95%	400
Vote 7 - Community Services		–	1 504	4 504	–	1	2 251	(2 250)	-100%	4 504
Vote 8 - Community Services (cont)		–	64 933	64 933	13 815	26 707	30 931	(4 224)	-14%	64 933
Vote 9 - Planning and Economic Development		–	–	–	–	–	–	–		–
Vote 10 - Planning and Economic Development (cont)		–	–	–	–	–	–	–		–
Vote 11 - Planning and Economic Development(cont2)		–	–	–	–	–	–	–		–
Vote 12 - Roads		–	–	–	–	–	–	–		–
Vote 13 - Roads (cont)		–	–	–	–	–	–	–		–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**–**	**66 987**	**69 987**	**13 841**	**26 734**	**33 582**	**(6 848)**	**-20%**	**69 987**
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–		–
Vote 2 - Office of the Municipal Manager (cont)		–	–	–	–	–	–	–		–
Vote 3 - Financial Services		–	–	–	–	–	–	–		–
Vote 4 - Financial Services (cont)		–	–	–	–	–	–	–		–
Vote 5 - Corporate Services		–	–	–	–	–	–	–		–
Vote 6 - Corporate Services (cont)		–	–	–	–	–	–	–		–
Vote 7 - Community Services		–	–	–	–	–	–	–		–
Vote 8 - Community Services (cont)		–	–	–	–	–	–	–		–
Vote 9 - Planning and Economic Development		–	–	–	–	–	–	–		–
Vote 10 - Planning and Economic Development (cont)		–	–	–	–	–	–	–		–
Vote 11 - Planning and Economic Development(cont2)		–	–	–	–	–	–	–		–
Vote 12 - Roads		–	–	–	–	–	–	–		–
Vote 13 - Roads (cont)		–	–	–	–	–	–	–		–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	–	–	–	–	–	–	–		–
Total Capital Expenditure		**–**	**66 987**	**69 987**	**13 841**	**26 734**	**33 582**	**(6 848)**	**-20%**	**69 987**
Capital Expenditure - Functional Classification										
Governance and administration		**–**	**550**	**550**	**26**	**26**	**400**	(374)	-94%	**550**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		–	550	550	26	26	400	(374)	-94%	550
Internal audit								–		
Community and public safety		**–**	**2 504**	**5 504**	**–**	**1**	**3 251**	(3 250)	-100%	**5 504**
Community and social services		–	1 500	4 500	–	–	2 250	(2 250)	-100%	4 500
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	1 000	1 000	–	–	1 000	(1 000)	-100%	1 000
Housing								–		
Health		–	4	4	–	1	1	0	45%	4
Economic and environmental services		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Planning and development		–	–	–	–	–	–	–		–
Road transport								–		
Environmental protection								–		
Trading services		**–**	**63 933**	**63 933**	**13 815**	**26 707**	**29 931**	(3 224)	-11%	**63 933**
Energy sources								–		
Water management								–		
Waste water management								–		
Waste management		–	63 933	63 933	13 815	26 707	29 931	(3 224)	-11%	63 933
Other								–		
Total Capital Expenditure - Functional Classification	3	**–**	**66 987**	**69 987**	**13 841**	**26 734**	**33 582**	**(6 848)**	**-20%**	**69 987**
Funded by:										
National Government		–	–	–	–	–	–	–		–
Provincial Government		–	2 500	5 500	–	–	3 250	(3 250)	-100%	5 500
District Municipality								–		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**–**	**2 500**	**5 500**	**–**	**–**	**3 250**	**(3 250)**	**-100%**	**5 500**
Borrowing	6	–	63 933	63 933	13 815	26 707	29 931	(3 224)	-11%	63 933
Internally generated funds		–	554	554	26	27	401	(374)	-93%	554
Total Capital Funding		**–**	**66 987**	**69 987**	**13 841**	**26 734**	**33 582**	**(6 848)**	**-20%**	**69 987**

The approved adjusted capital budget for the 2026/27 financial year totals **R69,987,388**. The largest expenditure item on the capital budget (R63,933,388) is the construction of the regional landfill site. Construction commenced to the end of the 2022/2023 financial year.

For the first quarter, capital expenditure was **R26,733,955** with orders to the amount of **R38,040,577** issued as at the end of September 2026. The total capital expenditure (including orders) as at 30 September 2026 is **R64,774,532,** representing **93%** spending of an adjusted budget of R69,987,388.

Refer to detailed capital expenditure performance under Section 11.

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter

Description	Ref	2025/26	Budget Year 2026/27			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		–	139 087	139 132	64 878	139 132
Short term Investments						
Trade and other receivables from exchange transactions		–	35 924	35 924	104 954	35 924
Receivables from non-exchange transactions		–	–	–	46	–
Current portion of non-current receivables		–	–	–	4 293	–
Inventory		–	–	(0)	57	(0)
VAT Receivable		–	11 615	11 199	15 862	11 199
Other current assets		–	100	100	(3 048)	100
Total current assets		**–**	**186 727**	**186 356**	**187 043**	**186 356**
Non current assets						
Investments		–	16	16	16	16
Investment property		–	65 474	65 474	65 594	65 474
Property, plant and equipment		–	286 675	290 252	348 614	290 252
Biological assets						
Living resources						
Heritage assets						
Intangible assets		–	679	875	1 138	875
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		–	–	–	(4 293)	–
Other non-current assets						
Total non current assets		**–**	**352 844**	**356 617**	**411 069**	**356 617**
TOTAL ASSETS		**–**	**539 571**	**542 973**	**598 112**	**542 973**
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		–	14 583	14 583	6 199	14 583
Consumer deposits		–	–	–	2 095	–
Trade and other payables from exchange transactions		–	15 695	15 945	21 887	15 945
Trade and other payables from non-exchange transactions		–	1 298	1 223	6 993	1 223
Provision		–	23 600	23 622	33 315	23 622
VAT Payable		–	8 022	8 019	15 588	8 019
Other current liabilities		–	–	–	120 518	–
Total current liabilities		**–**	**63 197**	**63 393**	**206 595**	**63 393**
Non current liabilities						
Financial liabilities		–	150 441	150 441	166 213	150 441
Provision		–	111 500	111 485	106	111 485
Long term portion of trade payables						
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		**–**	**261 941**	**261 926**	**166 319**	**261 926**
TOTAL LIABILITIES		**–**	**325 138**	**325 319**	**372 914**	**325 319**
NET ASSETS	2	**–**	**214 433**	**217 654**	**225 197**	**217 654**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		–	163 903	149 688	157 635	149 688
Reserves and funds		–	50 530	67 966	67 562	67 966
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**–**	**214 433**	**217 654**	**225 197**	**217 654**

Financial ratios:

Current Ratio:	(Current Assets / Current Liabilities)		
	Norm: 1.5 - 2.1		
	30 September 2026	**30 June 2026**	
Current Assets	187 042 892	169 261 841	
Current Liabilities	86 077 014	90 277 817	
Current ratio	**2,17**	**1,87**	*times*

Comment

The purpose of the current ratio is to determine whether GRDM has the ability to pay its short term liabilities

The norm is 1.5 - 2.1 times. As at 30 September 2026, GRDM's current ratio is 2,17 times, which is above the norm.

Net debtor days:	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365		
	Norm: 30 days		
	30 September 2026	**30 June 2026**	
Debtors closing balance after bad debt prov (excl. Roads debtor)	42 263 780	13 316 901	
Billed revenue (excl. Roads claim)	17 163 912	49 645 798	
	899	98	*days*

Comment

This ratio indicates how quick (in days) the municipality is able to receive payment from bills sent out to the public on a monthly basis.

The main reason for this relates to the complexities and legal challenges associcated with billing and payment of fire fighting services in the district.

GRDM sends out letters of demand and, as applicable, hands over non-paying debtors to the legal department. Proving however where a fire originated from remains a challenge and a protracted legal process.

GRDM installed a new incident management system in the Disaster Management section, which will greatly strengthen GRDM's ability to prove fire origination, which is expected to result in an improvement regarding receiving payment from fire fighting services debtors.

Debt to Revenue Ratio:	(Total debt / Total revenue) x 100
	30 September 2026
Total debt	171 912 000
Total revenue annual budget	377 575 427
	45,53%

Comment

The purpose of this ratio is to measure GRDM's ability to repay debt. For purposes of the loan agreement with Standard Bank, the Debt to Revenue Ratio must be maintained at a level that is less than or equal to 50% (fifty percent) of revenue.

Total debt constitues 45,43% of total budgeted revenue, which is below the norm of 50% or less as per the loan agreement.

Interest Paid to Total Cost Ratio:	(Interest paid / Total expenditure) x 100
	30 September 2026
Interest paid	3 952 676
Total expenditure	91 244 651
	4,33%

Comment

The purpose of this ratio is to measure GRDM's interest paid compared to all expenses incurred. For purposes of the loan agreement with Standard Bank, the Interest paid to total costs must be maintained at a level that is less than or equal to 7,5% (seven-point five percent) of total expenditure.

The interest paid makes up 4,33% of all expenditure incurred, which is below the norm of 7,5% or less as per the loan agreement.

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								–		
Service charges		–	21 780	21 780	132	3 778	5 445	(1 667)	-31%	21 780
Other revenue		–	28 821	33 346	1 063	(1 011)	7 704	(8 715)	-113%	33 346
Transfers and Subsidies - Operational		–	223 716	268 360	257	92 557	101 604	(9 047)	-9%	268 360
Transfers and Subsidies - Capital		–	2 500	5 500	–	1 000	750	250	33%	5 500
Interest		–	7 931	7 931	780	1 514	1 983	(468)	-24%	7 931
Dividends								–		
Payments										
Suppliers and employees		–	(302 505)	(351 270)	(48 148)	(164 562)	(75 124)	89 438	-119%	(351 270)
Finance charges		–	(88)	(88)	(2 621)	(3 953)	(22)	3 931	-17892%	(88)
Transfers and Subsidies		–	(531)	(531)	–	–	(39)	(39)	100%	(531)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**(18 375)**	**(14 971)**	**(48 538)**	**(70 676)**	**42 300**	**112 975**	**267%**	**(14 971)**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	65 276	25 276	–	–	6 319	(6 319)	-100%	25 276
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments								–		
Insurance Refund - Capital								–		
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments								–		
Payments										
Capital assets		–	(66 987)	(69 987)	(15 889)	(31 293)	(33 582)	(2 289)	7%	(69 987)
Retention (Capital)								–		
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(1 711)**	**(44 711)**	**(15 889)**	**(31 293)**	**(27 263)**	**4 030**	**-15%**	**(44 711)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		–	21 000	–	–	–	–	–		–
Increase (decrease) in consumer deposits								–		
Payments										
Repayment of borrowing		–	(6 888)	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**14 112**	**–**	**–**	**–**	**–**	**–**		**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**–**	**(5 974)**	**(59 682)**	**(64 427)**	**(101 969)**	**15 037**			**(59 682)**
Cash/cash equivalents at beginning:		–	139 169	73 922	91 365	91 365	73 922			91 365
Cash/cash equivalents at month/year end:		–	133 195	14 240	26 938	(10 604)	88 959			31 683

The municipal bank balance at 30 September 2026 totals R60,331,572. The call account deposits amount to R5,161,964. Total cash available at month-end is therefore R65,493,536. No surplus funds available for investments.

Detailed information regarding commitments against the cash position is tabled below:

REPORTING MONTH:	30 SEPTEMBER 2026	
Commitments against Cash & Cash Equivalents		
ITEM	**Previous Month R'000**	**Current Month R'000**
Bank balance as at 30 September 2026	**101 923 370**	**60 331 572**
Other Cash & Cash Equivalents: Short term deposits	**-**	**-**
Other Cash & Cash Equivalents: Call accounts	**5 130 548**	**5 161 964**
Total Cash & Cash Equivalents	**107 053 918**	**65 493 536**
LESS:	**131 028 701**	**102 142 154**
Unspent Conditional Grants	7 430 303	6 993 143
Trade Payables	21 063 484	21 887 471
Consumer Deposits	1 806 260	2 094 940
YTD Unspent Capital budget	-	373 686
YTD Unspent Operational budget	-	-
Equitable share received in advance	48 362 400	32 241 600
YTD Unspent Landfill Site Borrowing	52 366 254	38 551 314
Sub total	**-23 974 783**	**-36 648 618**
PLUS:	**85 577 046**	**105 227 997**
VAT Receivable/ (Payable)	-412 520	273 870
Receivable Exchange	21 951 703	42 217 791
Department of Infrastructure	64 037 862	62 736 337
	61 602 263	**68 579 380**
LESS OTHER MATTERS:		
Capital Replacement Reserve	8 809 131	8 809 131
Employee Benefits Reserves	58 753 347	58 753 347
Sub Total	**-5 960 215**	**1 016 902**
LESS: CONTINGENT LIABILITIES	**1 820 000**	**1 820 000**
Labour disputes	1 820 000	1 820 000
Recalculated available cash balance	**-7 780 215**	**-803 098**
Total actual expenditure excluding Roads (expenditure paid and taken into account in cash balance)	**25 002 297**	**20 845 496**

The continued decline in the cash balance should be closely monitored, as it may adversely impact the municipality's ability to meet its obligations when they become due and payable.

PART 2 – SUPPORTING DOCUMENTATION

SECTION 5 – DEBTORS ANALYSIS

Supporting Table SC2

DC4 Garden Route - Supporting Table SC2 Monthly Budget Statement - aged debtors - Q1 First Quarter

Description	NT Code	Budget Year 2026/27											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	11	11	11	–	–
Interest on Arrear Debtor Accounts	1810	296	304	297	297	291	288	2 039	16 049	19 860	18 964	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	27 461	9 816	21 835	7 997	17 396	5 823	6 101	42 236	138 665	79 553	–	–
Total By Income Source	**2000**	**27 757**	**10 120**	**22 133**	**8 293**	**17 687**	**6 111**	**8 140**	**58 296**	**158 537**	**98 527**	**–**	**–**
2025/26 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	8	89	38	38	58	283	245	5 157	5 915	5 781	–	–
Commercial	2300	11 373	9 829	21 534	8 058	17 414	5 590	2 293	39 343	115 432	72 697	–	–
Households	2400	–	–	–	–	–	–	–	–	–	–	–	–
Other	2500	16 376	203	561	197	216	238	5 602	13 796	37 189	20 050	–	–
Total By Customer Group	**2600**	**27 757**	**10 120**	**22 133**	**8 293**	**17 687**	**6 111**	**8 140**	**58 296**	**158 537**	**98 527**	**–**	**–**

Long outstanding debtors which mainly consists of old sundry debt and fire accounts, remains a concern for the municipality and management will continue to report in terms of progress made.

Most of the firefighting accounts are disputed with regards to the origin of the fire and who is responsible for the payment of the account. The fire section has implemented an electronic system which will assist in the future with disputes.

The municipality is required to submit debtors age analysis data strings monthly.

Currently, the debtor section-initiated debt collection processes and will report quarterly to the financial services committee on the debt collection process.

SECTION 6 – CREDITORS ANALYSIS

Supporting Table SC4

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter

Description	NT Code	Budget Year 2026/27									Prior year totals for chart (same period)
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	201	77	–	–	1	–	–	813	1 093	–
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Medical Aid deductions	0950									–	
Total By Customer Type	**1000**	**201**	**77**	**–**	**–**	**1**	**–**	**–**	**813**	**1 093**	**–**

The municipality is required to submit creditors aged analysis data strings monthly.

The reasons for long outstanding creditors include invoices not submitted by suppliers or unresolved disputes on certain invoices.

The municipality is continuously working towards resolving outstanding disputes on invoices and obtaining outstanding invoices.

SECTION 7 – INVESTMENT PORTFOLIO ANALYSIS

7.1 Investment monitoring information

		Movements for the month					
	Balance as at 1 September 2026	Investments matured	Investments made	Interest capitalised	Balance as at 30 September 2026	Interest earned	Interest earned
						Month	Year to date
Garden Route District Municipality							
Standard Bank	-	-	-	-	-	-	-
ABSA	-	-	-	-	-	-	-
African Bank	-	-	-	-	-	-	-
BANK DEPOSITS	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The municipality invests surplus funds to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investment Policy of council. Due to the declining cash balances, no surplus funds were available for investment.

SECTION 8 – ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

8.1 Supporting Table SC18

DC4 Garden Route - Supporting Schedule SC18 Monthly Budget Statement - Transfers and Grant Receipts - Q1 First Quarter

Description R thousands	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		–	**199 381**	**199 415**	**414**	**81 018**	**84 970**	**(3 952)**	**-4,7%**	**199 415**
Local Government Equitable Share		–	193 449	193 449	–	80 604	81 249	(645)	-0,8%	193 449
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Local Government Financial Management Grant		–	1 200	1 200	51	51	1 200	(1 149)	-95,8%	1 200
Municipal Systems Improvement Grant		–	–	–	–	–	–	–		–
Expanded Public Works Programme Integrated Grant		–	1 774	1 774	108	108	443	(335)	-75,6%	1 774
Rural Road Asset Management Systems Grant		–	2 958	2 992	255	255	2 078	(1 824)	-87,7%	2 992
Provincial Government:		–	**1 230**	**1 376**	**–**	**–**	**37**	**(37)**	**-100,0%**	**1 376**
Capacity Building		–	1 230	1 376	–	–	37	(37)	-100,0%	1 376
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	–	**200 611**	**200 791**	**414**	**81 018**	**85 007**	**(3 989)**	**-4,7%**	**200 791**
Capital Transfers and Grants										
National Government:		–	–	–	–	–	–	–		–
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Provincial Government:		–	**2 500**	**5 500**	**–**	**–**	**750**	(750)	-100,0%	**5 500**
Infrastructure		–	–	–	–	–	–	–		–
Infrastructure		–	–	–	–	–	–	–		–
Capacity Building		–	**2 500**	**5 500**	**–**	**–**	**750**	(750)	-100,0%	**5 500**
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	–	**2 500**	**5 500**	**–**	**–**	**750**	**(750)**	**-100,0%**	**5 500**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	–	203 111	206 291	414	81 018	85 757	(4 739)	-5,5%	206 291

8.2 Supporting Table SC19

DC4 Garden Route - Supporting Schedule SC19 Monthly Budget Statement - Expenditure on Transfers and Grants - Q1 First Quarter

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		–	195 770	196 155	14 415	44 536	42 135	2 401	5,7%	196 155
Local Government Equitable Share		–	189 838	190 189	14 122	43 829	41 010	2 818	6,9%	190 189
Energy efficiency and demand side management grant		–	–	–	–	–	–	–		–
Local government financial management grant		–	1 200	1 200	17	69	109	(40)	-36,9%	1 200
Municipal systems improvement grant		–	–	–	–	–	–	–		–
Public transport network grant		–	–	–	–	–	–	–		–
Expanded public works programme integrated grant		–	1 774	1 774	139	247	444	(196)	-44,3%	1 774
Regional bulk infrastructure grant								–		
Rural roads assets management systems grant		–	2 958	2 992	137	392	572	(181)	-31,6%	2 992
Provincial Government:		–	2 412	51 547	10 243	28 682	12 474	16 208	129,9%	51 547
Infrastructure		–	–	48 567	10 229	28 641	12 142	16 499	135,9%	48 567
Capacity Building		–	2 412	2 980	14	41	332	(292)	-87,8%	2 980
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	21 751	21 751	1 045	2 456	3 372	(916)	-27,2%	21 751
Other Grants Received (Monetary)		–	21 751	21 751	1 045	2 456	3 372	(916)	-27,2%	21 751
Other Grants Received (In Kind)		–	–	–	–	–	–	–		–
Total operating expenditure of Transfers and Grants:		–	219 933	269 453	25 702	75 674	57 981	17 693	30,5%	269 453
Capital expenditure of Transfers and Grants										
National Government:		–	–	–	–	–	–	–		–
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Provincial Government:		–	–	–	–	–	–	–		–
Infrastructure								–		
Capacity Building		–	2 500	5 500	–	–	3 250	(3 250)		5 500
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Other Grants Received (Monetary)		–	–	–	–	–	–	–		–
Other Grants Received (In Kind)		–	–	–	–	–	–	–		–
Total capital expenditure of Transfers and Grants		–	–	–	–	–	–	–		–
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	219 933	269 453	25 702	75 674	57 981	17 693	30,5%	269 453

SECTION 9 – COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Supporting Table SC22

DC4 Garden Route - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter

Summary of Employee and Councillor remuneration	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		–	10 050	10 050	795	2 430	2 194	236	11%	10 050
Cell phone Allowance		–	1 045	1 045	80	252	264	(13)	-5%	1 045
Motor Vehicle Allowance		–	1 055	1 055	30	91	257	(167)	-65%	1 055
Travelling Allowance		–	1 742	1 742	203	628	405	223	55%	1 742
Total Allowances and Service Related Benefits		-	13 893	13 893	1 108	3 401	3 121	280	9%	13 893
Social Contributions										
Medial Aid Benefits		–	146	146	14	40	35	5	13%	146
Pension Fund Contributions		–	588	588	31	102	76	26	34%	588
Total Social Contributions		-	734	734	46	142	112	30	27%	734
Total Councillors		-	14 627	14 627	1 154	3 542	3 233	310	10%	14 627
% increase	4									
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		–	5 179	5 179	271	2 735	993	1 742	175%	5 179
Bonuses		–	1 411	1 411	–	–	167	(167)	-100%	1 411
Allowance								–		
Accommodation, Travel and Incidental								–		
Cellular and Telephone	3	–	273	273	–	34	68	(34)	-50%	273
Housing Benefits	3	–	106	106	5	15	27	(12)	-44%	106
Non-pensionable								–		
Travel or Motor Vehicle	3	–	2 923	2 923	358	1 099	416	683	164%	2 923
Voluntary Work										
Total Allowance		-	3 303	3 303	363	1 148	511	637	125%	3 303
Service Related Benefits										
Acting	3	–	114	114	5	5	28	(23)	-81%	114
Leave Pay	3	–	–	–	5	5	–	5	#DIV/0!	–
Total Service Related Benefits		-	114	114	10	10	28	(18)	-64%	114
Total Salaries and Allowances		-	10 007	10 007	644	3 893	1 700	2 193	129%	10 007
Social Contributions										
Bargaining Council		–	0	0	0	0	0	0	69%	0
Group Life Insurance		–	121	121	8	27	30	(3)	-11%	121
Medical		–	261	261	18	61	50	11	22%	261
Pension		–	452	452	49	146	86	60	69%	452
Unemployment Insurance		–	9	9	0	1	2	(1)	-69%	9
Total Social Contributions		-	843	843	75	234	168	67	40%	843
Sub Total - Senior Managers of Municipality		-	10 850	10 850	719	4 127	1 868	2 259	121%	10 850
% increase	4									
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		–	97 257	121 421	16 138	46 569	28 080	18 488	66%	121 421
Bonuses		–	9 616	9 659	60	208	311	(102)	-33%	9 659
Allowance										
Accommodation, Travel and Incidental								–		
Cellular and Telephone	3	–	95	107	11	38	20	18	88%	107
Housing Benefits	3	–	1 401	1 842	197	598	453	145	32%	1 842
Non-pensionable								–		
Travel or Motor Vehicle	3	–	10 727	11 892	1 067	3 211	2 875	337	12%	11 892
Voluntary Work								–		
Total Allowance		-	12 223	13 841	1 275	3 847	3 347	499	15%	13 841
Service Related Benefits										
Acting	3	–	424	450	136	182	147	35	24%	450
Bonus	3	–	100	100	–	–	8	(8)	-100%	100
Leave Pay	3	–	3 613	3 700	164	434	922	(488)	-53%	3 700
Long Service Award		–	745	745	–	127	186	(59)	-32%	745
Overtime		–	2 738	2 910	399	548	656	(108)	-16%	2 910
Scarcity	3							–		
Standby Allowance	3	–	1 370	1 370	80	201	257	(56)	-22%	1 370
Long Term Service Award		–	–	27	–	27	27	(0)	0%	27
Total Service Related Benefits		-	8 990	9 302	779	1 520	2 203	(684)	-31%	9 302
Total Salaries and Allowances		-	128 086	154 223	18 253	52 143	33 942	18 202	54%	154 223
Social Contributions										
Bargaining Council		–	39	82	8	22	28	(6)	-22%	82
Group Life Insurance		–	2 800	3 456	346	1 039	836	202	24%	3 456
Medical		–	17 588	21 766	1 947	5 823	5 287	536	10%	21 766
Pension		–	18 999	23 979	2 455	7 380	5 963	1 417	24%	23 979
Unemployment Insurance		–	635	1 050	106	307	265	42	16%	1 050
Total Social Contributions		-	40 061	50 335	4 862	14 571	12 380	2 191	18%	50 335
Post-retirement Benefit	6									
Medical		–	6 762	6 762	–	–	1 691	(1 691)	-100%	6 762
Total Post-retirement Benefit		-	6 762	6 762	-	-	1 691	(1 691)		6 762
Costs Capitalised to PPE								–		
Sub Total - Other Municipal Staff		-	174 909	211 320	23 114	66 714	48 012	18 702		211 320
% increase	4									
Total Parent Municipality		-	200 386	236 797	24 987	74 384	53 112	21 271	40%	236 797
TOTAL SALARY, ALLOWANCES & BENEFITS		-	200 386	236 797	24 987	74 384	53 112	21 271		236 797
% increase	4									
TOTAL MANAGERS AND STAFF	5,7	-	185 758	222 169	23 833	70 841	49 880	20 961		222 169

Remuneration related expenditure (councillors and staff) for the first quarter ending 30 September 2026 amount to R74,383,539 (YTDB: R53,112,235) (**82%** of total quarterly expenditure).

SECTION 10 – MATERIAL VARIANCES TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The measurement of performance of the Municipality in terms of the implementation of the Service Delivery and Budget Implementation plan is reported in the indicated section below.

SECTION 11 – CAPITAL PROGRAMME PERFORMANCE

The table below provides information on capital budget spending:

SCOA config	No.	Project description	Cost centre	Original Budget R'	Adjusted budget R'	YTD Expenditure R'	Status of project	Any challenges identified that is resulting in delays?
71207102307	1	Borehole Water Pump (Calitzdorp Hot Springs)		30 000	21 604	21 603	Completed	Completed
71207104168	2	External Hard Drive		-	2 555	-	Orders issued to Supplier	No Challenges anticipated
71213102466	3	Furniture / Equipment (Insurance Refunds)		150 000	145 000	-	Not Started	No Challenges anticipated
71601103310	4	LDV Off Road 4x4 vehicle		1 000 000	1 000 000	-	Orders issued to Supplier	No Challenges anticipated
71602153033	5	10 000 Litre Water Tanker Trailer		1 500 000	1 500 000	-	Not Started	No Challenges anticipated
72305230006	6	Laminating Machine: MHS: Klein Karoo		4 000	4 000	1 449	In progress	No Challenges anticipated
71213149015	7	Microwaves		-	5 000	4 261	Completed	Completed
71601103126	8	Building of Disaster Management Store		-	3 000 000		Not Started	No Challenges anticipated
71207104133	9	Printers		-	18 000	-	Not Started	No Challenges anticipated
71207104134	10	Hard Drive Docking Station		-	1 998	-	Orders issued to Supplier	No Challenges anticipated
71207104135	11	Finger Scanners		-	28 000	-	Not Started	No Challenges anticipated
71207104136	12	Magnetic Locks		-	3 200	-	Not Started	No Challenges anticipated
71207104137	13	No touch exit buttons		-	2 000	-	Not Started	No Challenges anticipated
71207104138	14	Security Doors		-	27 600	-	Not Started	No Challenges anticipated
71207104139	15	Impact Drill		-	2 095	-	Orders issued to Supplier	No Challenges anticipated
71207104166	16	Laptops		-	283 865	-	Orders issued to Supplier	No Challenges anticipated
71207104167	17	Network Switch		-	9 083	-	Orders issued to Supplier	No Challenges anticipated
71207230002	18	Replacing ICT Capital Equipment beyond economical		370 000	-	-	N/A	N/A
74402100901	19	Landfill Site: PPE		63 933 388	63 933 388	26 706 642	Orders issued to Supplier	Weekly progress provided to Management Committee.
Totals				**66 987 388**	**69 987 388**	**26 733 955**		

Commitments against capital for the month September 2026						
74402100901	18	Landfill Site: PPE				37 226 746
71207104134	10	Hard Drive Docking Station				1 998
71601103310	4	LDV Off Road 4x4 vehicle				735 468
71207104139	15	Impact Drill				2 095
71207104166	16	Laptops				62 634
71207104167	17	Network Switch				9 083
71207104168	2	External Hard Drive				2 554
	Total Commitments					**38 040 577**

SECTION 12 – WITHDRAWALS

PROVINCIAL TREASURY

Withdrawals from Municipal Bank Accounts
In accordance with Section 11, Sub-section 1 (b) to (j)

NAME OF MUNICIPALITY:	GARDEN ROUTE DISTRICT MUNICIPALITY	
MUNICIPAL DEMARCATION CODE:	DC4	
QUARTER ENDED:	30-Sep-26	
	Amount	**Reason for withdrawal**
MFMA section 11. (1) Only the *accounting officer* or the *chief financial officer* of a *municipality*, or any other senior financial *official* of the *municipality* acting on the written authority of the *accounting officer* may withdraw money or authorise the withdrawal of money from any of the *municipality*'s bank accounts, and may do so only -		
(b) to defray expenditure authorised in terms of section 26(4);	none	
(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	none	
(d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section;	none	
(e) to pay over to a person or organ of state money received by the *municipality* on behalf of that person or organ of state, including -	none	
(i) money collected by the *municipality* on behalf of that person or organ of state by agreement; or	none	
(ii) any insurance or other payments received by the *municipality* for that person or organ of state;	none	
(f) to refund money incorrectly paid into a bank account;	none	
(g) to refund guarantees, sureties and *security* deposits;	none	
(h) for cash management and *investment* purposes in accordance with section 13;	R 0,00	Investments made for Q1
(i) to defray increased expenditure in terms of section 31; or		
(j) for such other purposes as may be *prescribed*.	R 153 172 951,74	Quarter 1 Withdrawals
(4) The *accounting officer* must within 30 days after the end of each *quarter* -	**Name and Surname:**	N Raisa-Mandu
(a) table in the *municipal council* a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that *quarter*; and	**Rank/Position:**	Municipal Manager (Acting)
(b) submit a copy of the report to the relevant *provincial treasury* and the *Auditor-General*.	**Signature:**	

Tel number	**Fax number**	**Email Address**
0448031340		geraldine@grdm.gov.za

The completed form must reach Mr Edwin Nkuna at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 8662, Fax 021 483 8623, Email: enkuna@pgwc.gov.za on or before the 15th of the month following the end of each quarter.

SECTION 13 – MUNICIPAL MANAGER'S QUALITY CERTIFICATE

54 York Street,
George
Western Cape
6529

PO Box 12,
George,
Western Cape
6530

Tel: 044 803 1300
Fax: 086 555 6303
E-mail: info@gardenroute.gov.za
www.gardenroute.gov.za

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek
Reference: 6/1/1 – 26/27
Date: 07 October 2026

Provincial Treasury
Local Government Budget Analysis
Private Bag X9165
CAPE TOWN
8000

National Treasury
Local Government Budget Analysis
Private Bag X115
PRETORIA

Sir / Madam

QUALITY CERTIFICATE

I, NTHABELENG RAISA-MLANDU, the acting accounting officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**, hereby certify that the–

- ☐ The monthly budget statement
- ☐ **Quarterly report on the implementation of the budget and financial state of affairs of the municipality**
- ☐ Mid- year budget and performance assessment

for the quarter ended **30 September 2026,** has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Print Name NTHABELENG RAISA-MLANDU

Acting Accounting Officer of **GARDEN ROUTE DISTICT MUNICIPALITY (DC4).**

Signature

Date 2026/10/09

PART 3 – SERVICE DELIVERY AND BUDGET IMPLEMENTATION

PERFORMANCE MANAGEMENT

Quarter 1

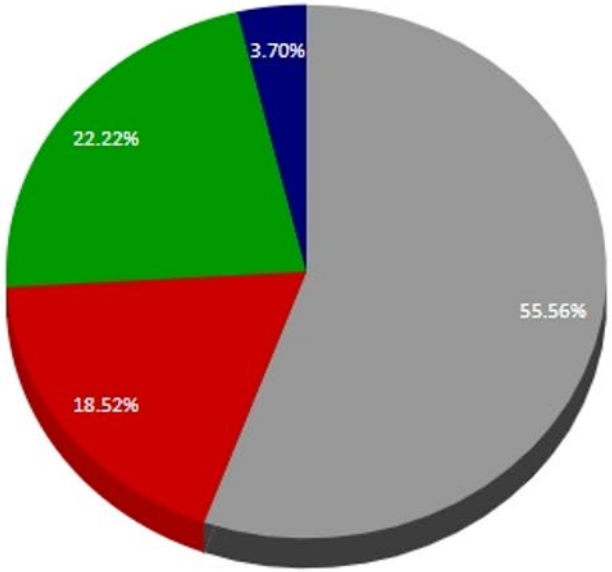
July – September 2026

Top Layer KPI Report

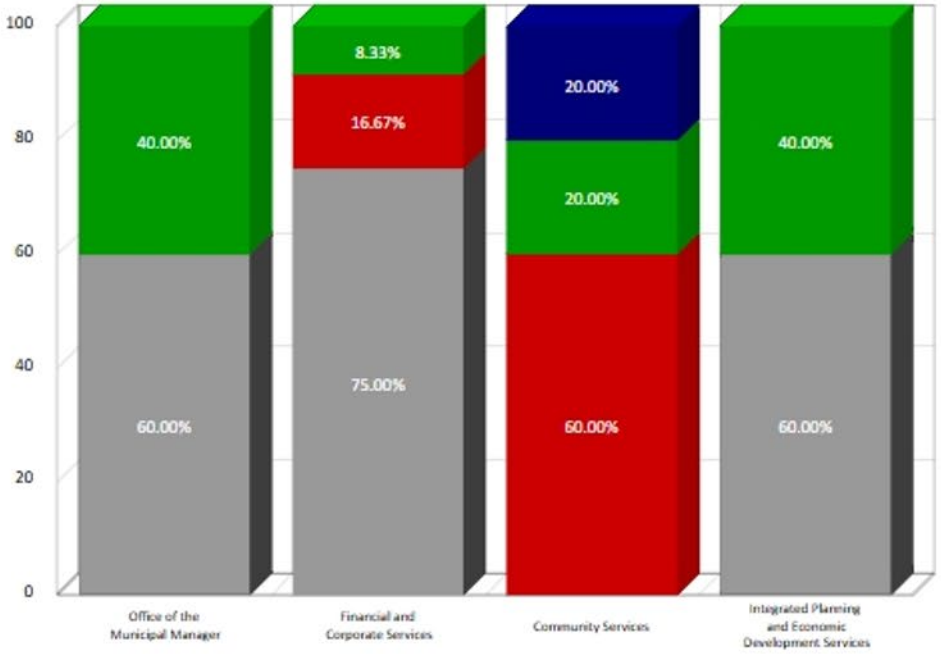
Quarter ending September 2026 - Quarter ending September 2026

Report drawn on 15 October 2026 at 13:28

Garden Route District Municipality



Responsible Directorate



	Garden Route District Municipality	Responsible Directorate					
		Office of the Municipal Manager	Financial and Corporate Services	Community Services	Integrated Planning and Economic Development Services	Roads and Transport Planning Services	[Unspecified]
Not Yet Applicable	15 (55.56%)	3 (60.00%)	9 (75.00%)	-	3 (60.00%)	-	-
Not Met	5 (18.52%)	-	2 (16.67%)	3 (60.00%)	-	-	-
Almost Met	-	-	-	-	-	-	-
Met	6 (22.22%)	2 (40.00%)	1 (8.33%)	1 (20.00%)	2 (40.00%)	-	-
Well Met	-	-	-	-	-	-	-
Extremely Well Met	1 (3.70%)	-	-	1 (20.00%)	-	-	-
Did Not Occur	-	-	-	-	-	-	-
Not Yet Updated	-	-	-	-	-	-	-
Under Review	-	-	-	-	-	-	-
Total:	27	5	12	5	5	-	-
	100%	18.52%	44.44%	18.52%	18.52%	-	-

Performance Key:

KPI not applicable = Target not set for the term under review

KPI not Met = 0 %< = Actual/Target< = 74.9%

Almost Met = 75 %< = Actual/Target < = 99.99%

Met = 100% Actual meets Target

KPI Well Met = 100.001% < = Actual/Target < = 149.9%

KPI Extremely Well Met = 150 000 %< = Actual/Target

OFFICE OF THE MUNICIPAL MANAGER										
KPI Ref	**KPI**	**Unit of Measurement**	**Strategic Objective**	**Baseline**	**Quarter ending September 2026**				**Yearly Target**	**Year to Date**
					Target	**Actual**	**R**	**Corrective Measures/ Comment**	**Target**	**Actual**
TL1	Complete 85% of the Risk Based Audit Plan (RBAP) for the 2025/26 financial year by 30 June 2027 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and planned tasks in the RBAP) x 100]	% of the Risk Based Audit Plan completed by 30 June 2027	Good Governance	0%	25%	25%	**G**	-	25%	**25%**
TL2	The percentage of the municipal capital budget spent on capital projects by 30 June 2027 [(Actual amount spent on capital projects /Total amount budgeted for capital projects) x 100]	% of capital budget spent by 30 June 2027	Financial Viability and Sustainability	0%	0	0	**N/A**	-	0%	**N/A**
TL3	Compile and submit the final Oversight Report for 2024/25 to Council by 31 December 2026	Final Oversight Report for 2025/26 submitted to Council for adoption by 31 December 2026	Good Governance	0	0	0	**N/A**	-	0	**N/A**
TL4	Submit an Operation Clean Audit Report (OPCAR) progress report to the Management Public Accounts Committee (MPAC) on a quarterly basis	Number of OPCAR reports submitted to MPAC	Good Governance	0	1	1	**G**	-	1	**1**
TL5	Award 7 external bursaries to qualifying candidates by 31 March 2027	Number of external bursaries awarded by 31 March 2027	Skilled Workforce and Community	0	0	0	**N/A**	-	0	**N/A**

FINANCIAL & CORPORATE SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending September 2026				Yearly Target	Year to Date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL6	Achieve cash coverage ratio of 3 months. Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2025[(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Number of months that available cash is sufficient to cover the monthly operating expenditure	Financial Viability & Sustainability	0	0	0	**N/A**	-	0	**N/A**
TL7	Achieve a current ratio of 1.5 (Current assets : Current liabilities) by 30 June 2027	Number of times the Municipality can pay back its short term- liabilities with its short-term assets by 30 June 2027	Financial Viability & Sustainability	0	0	0	**N/A**	-	0	**N/A**
TL8	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2025 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	% of debt coverage	Financial Viability & Sustainability	0%	0%	0%	**N/A**	-	0%	**N/A**
TL9	Compilation of the Annual Financial Statements (AFS) for the 2025/26 financial year and submit to the Auditor- General (AG) by 31 August 2026	Compilation and submission of the AFS to the AG by 31 August 2026	Financial Viability & Sustainability	0	1	1	**G**		1	**1**
TL10	Compile the Mid-year Financial Statements for the 2026/27 financial year and submit to Audit and Performance Audit Committee (APAC) by 28 February 2027	Compilation and submission of the Mid-year Financial Statements to APAC by 28 February 2027	Financial Viability & Sustainability	0	**0**	**0**	**N/A**	-	0	**N/A**

FINANCIAL & CORPORATE SERVICES										
KPI Ref	**KPI**	**Unit of Measurement**	**Strategic Objective**	**Baseline**	**Quarter ending September 2026**				**Yearly Target**	**Year to Date**
					Target	**Actual**	**R**	**Corrective Measures/ Comment**	**Target**	**Actual**
TL11	Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2026/27 financial year in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	Number of people appointed in the three highest levels of management in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	Skilled Workforce and Community	0	**0**	**0**	**N/A**	-	0	**N/A**
TL12	Spend 1% of personnel budget on training by 30 June 2027 [(Actual total training expenditure/total personnel budget) x 100]	% of the personnel budget spent on training by 30 June 2027	Skilled Workforce and Community	0%	**0%**	**0%**	**N/A**	-	0%	**N/A**
TL13	Limit vacancy rate to 10% of budgeted post by 30 June 2027[(Number of funded posts vacant/number of funded posts) x 100]	% vacancy rate	Skilled Workforce and Community	0%	**0%**	0%	**N/A**	-	0%	**N/A**
TL14	Award 9 internal bursaries to qualifying candidates by 31 March 2027	Number of internal bursaries awarded by March 2027	Skilled Workforce and Community	0	**0**	**0**	**N/A**	-	0	**N/A**
TL15	Create training opportunities for EPWP appointees by 30 June 2027	Number of training opportunities created for EPWP appointees by 30 June 2027	Skilled Workforce and Community	0	**0**	**0**	**N/A**	-	0	**N/A**
TL25	Develop and submit a comprehensive Financial Recovery Plan incorporating deficit reduction, revenue enhancement, cost containment and debt recovery measures to Council	Financial Recovery Plan submitted to Council by August 2026	Financial Viability and Sustainability	0	**1**	**0**	**R**	The Special Management Meeting dated 15 October 2026 will discuss the plan which will be	0	**R**

FINANCIAL & CORPORATE SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending September 2026				Yearly Target	Year to Date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
								submitted at the next Council Meeting		
TL26	Report to Council on the review of tariffs where applicable, that reflects the assurance on cost-effective pricing within the core district functions	Report submitted to Council by September 2026	Financial Viability and Sustainability	0%	**1%**	**0%**	**R**	The Department requested the target to be adjusted and submitted in May 2027. The request will be submitted at Council in February 2027 in line with Budget Adjustment	0%	**R**

INTEGRATED PLANNING AND ECONOMIC DEVELOPMENT SERVICES										
KPI Ref	**KPI**	**Unit of Measurement**	**Strategic Objective**	**Baseline**	**Quarter ending September 2026**				**Yearly Target**	**Year to date**
					Target	**Actual**	**R**	**Corrective Measures/Comment**	**Target**	**Actual**
TL16	Report quarterly to Council on the progress in terms of the Growth and Development Strategy initiatives within the district	Number of reports submitted	Good Governance	0	**1**	**1**	**G**	-	1	**G**
TL17	Create job opportunities through the Expanded Public Works Programme (EPWP) for the organisation by 30 June 2027	Number of job opportunities created through the Expanded Public Works Programme (EPWP) by 30 June 2027	Growing an Inclusive District Economy	0	**0**	**0**	**N/A**	-	0	**N/A**
TL18	Compile and submit the Final Annual Report 2025/26 to Council by 31 December 2026	Final Annual Report for 2025/26 submitted to Council by 31 December 2026	Good Governance	0	**0**	**0**	**N/A**	-	0	**N/A**
TL19	Submit the Integrated Development Plan (IDP) for the 2027 - 2032 period to Council by 31 May 2027	IDP Review submitted to Council by 31 May 2027	Good Governance	0	**0**	**0**	**N/A**	-	0	**N/A**
TL27	Report to Council on the review of lease agreements, enforced outstanding rentals and assessment of non-strategic assets for disposal or alternative utilisation	Report submitted to Council by September 2026	Financial Viability and Sustainability	0	**1**	**1**	**G**		1	**G**

COMMUNITY SERVICES										
KPI Ref	**KPI**	**Unit of Measurement**	**Strategic Objective**	**Baseline**	**Quarter ending September 2026**				**Yearly Target**	**Year to date**
					Target	**Actual**	**R**	**Corrective Measures/ Comment**	**Target**	**Actual**
TL20	Quarterly report on the conclusion of the MFMA Sec 33(Regional Waste Management Facility)	Number of reports submitted to Council	Sustainable Environmental Management and Public Safety	0	**1**	0	**R**	The Department will submit 2 reports in the 2nd Quarter to meet the required performance standard	0	**R**
TL21	Execute 4 emergency preparedness exercises and submit reports to the Portfolio Committee by 30 June 2027	Number of reports submitted by 30 June 2027	Sustainable Environmental Management and Public Safety	0	1	0	**R**	That the exercise will be held on 14 Oct 2026 and within the next two months the second quarter exercise will be done, this would be to prepare of the coming festive season.	0	**R**
TL22	Report to Council on the Water Service Authority as per the Section 78 process in terms of the Local Government: Municipal Systems Act, No. 32 of 2000	Number of reports submitted to Council	Sustainable Environmental Management and Public Safety	0	1	0	R	The report wil be submitted to Council in February 2027 for the Adjustment of the KPI and new Council may determine the strategic direction in relation to Water Service Authority (GRDM)	0	**R**
TL23	Execute 4 emission testing (air quality) initiatives by 30 June 2027	Number of emission testing (air quality) initiatives executed by 30 June 2027	Healthy and Socially Stable Communities	0	1	1	**G**		1	**G**
TL24	Spend 95% of the project budget for the Regional Landfill Facility by 30 June 2027 [(Actual amount spent on	% of project budget spent	Financial Viability and Sustainability	0%	25%	51%	**B**		51%	**B**

	project /Total amount budgeted for project) x 100]									

BACK TO AGENDA

1. INAUGURATION OF PBI COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR M GREEF/ *INHULDIGING VAN "PBI" RAADSLID: GARDEN ROUTE DISTRIKSMUNISIPALITEIT: RDL M GREEF* / UKUFUNGISWA KOCEBA WE PBI: IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA M GREEF

15 October 2026

REFER REPORT FROM THE ACTING MUNICIPAL MANAGER (N RAISA-MLANDU)

2 PURPOSE

To inform Council of replacement of Cllr DB Coeries who ceased to be Councillor at GRDM.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

A vacancy occurred on the Garden Route District Council as a result of the resignation of Cllr DB Coeries. GRDM has since received correspondence from IEC advising of the name of the Councillor that will be replacing Cllr DB Coeries. In terms of the Rules of order, Councillor M Greef must take the oath of office.

5. RECOMMENDATIONS

5.1 That cognizance be taken of the notice from the IEC, dated 14 October 2026.

5.2. That Cllr M Greef be inaugurated as a Councillor of Garden Route District Council with effect from 14 October 2026.

5.3. That Cllr M Greef be requested to take the Oath of Office as required in terms of the Rules of order.

AANBEVELINGS

5.1 Dat kennis geneem word van die kennisgewing van die OVK, gedateer 14 Oktober 2026.

5.2 Dat Rdl.M Greef met ingang van 14 Oktober 2026 as Raadslid van die Gardenroute Distriksmunisipaliteit ingehuldig word.

5.3 Dat Rdl M Greef versoek word om 'n eed van die kantoor te neem.

IZINDULULO

5.1 Sesokuba kuthathelwe ingqalelo isaziso se IEC, sangomhla wama 14 KweyeDwarha 2026.

5.2 Sesokuba uCeba. M Greef, afungiswe njengo Ceba weBhunga loMasipala Wesithili se Garden Route ukususela ngomhla wama 14 KweyeDwarha 2026.

5.3 Sesokuba uCeba. M Greef acengwe ukuba athathe Isifungo se Ofisi.

6. DISCUSSION / CONTENTS

6.1 Background

A vacancy occurred on the Garden Route District Council as a result of the recall of Cllr DB Coeries on 31 August 2026 (**See Annexure A).**
In terms of Item 11(1)(a) of Schedule 2 of the Municipal Structures Act, 1998 Act 117 of 1998,;
"11 Filling of vacancies

(1)(a) If a councillor elected from a party list ceases to hold office, the chief electoral officer, must subject to item 13, declare in writing the person whose name is on top of the applicable party list to be elected in the vacancy."
Item 13 of the said Act reads as follows;
"*13 Filling of vacancies and changing the order*

(1) A party may supplement, change or increase its list at any time, provided that if a councillor elected according to a party list, ceases to hold office, the party concerned may supplement, change or increase its list by not later than 21 days after the councillor has ceased to hold office.

The vacancy must be filled as soon as the party in question has supplemented, changed or increased its list, but not later than 14 days expiry of the 21-day period."

The Provincial Independent Electronic Commission was informed of the vacancy as prescribed by item 11 of Schedule 2 of the Municipal Structures Act, Act 117 of 1998.

The IEC has advised that Councillor M Greef (ID No 760226 5152 088,) being the Councillor for PBI has been declared elected to the Garden Route District Council with effect from 14 October 2026 (**see annexure B).**

6.3 Financial Implications

The positions of Councillors are budgeted in line with the notice on the determination of upper limits for Councillors.

6.4 Relevant legislation

Schedule 2 of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998).

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

None

ANNEXURE A

PBI
plaaslike besorgde inwoners
local concerned citizens
Agents of Change

30 Valk Sreet, Andersonville, Pacaltsdorp, 6534, Cell:0728908787 sumaiyalatif@yahoo.com

To: The Municipal Manager

Garden Route Municaplity

Po Box 12

Gerorge 6530

TERMINATION OF COUNCILLORS

1. **COUNCILLORS D. COURRIES,, GARDEN ROUTE DISTRICT MUNICIPALITY - PLAASLIKE BESORGDE INWONERS**

Please be informed that Mr. Darryl Courries are no longer members of the PBI. His membership has been terminated from the 24/08/2026 with immediate effect as he had joined another political party, and the PBI does not allow dual membership.

He will be replaced by Cllr Maria Greeff id number 6803030223086 with immediate effect.

We request that the Municipal Manager take the necessary administrative and statutory steps to record and give effect to the vacancy and to notify the relevant electoral authorities as required.

Warm Regards

Mr Morton Gericke 31/08/2026

Interim Chairman

PBI EXCO Member

ANNEXURE B

SOUTH AFRICA

14 October 2026

The Municipal Manager
Garden Route District Municipality
P O Box 12
George
6530

Re: **Replacement of Plaaslike Besorgde Inwoners (PBI) Councillor to District Council: WC044 – George Local Municipality to DC4 – Garden Route District Council**

Please note that **Maria Greef, ID No. 680303 0223 086,** being the councillor for the **Plaaslike Besorgde Inwoners (PBI)** in **George Local Municipality**, has been declared elected to **Garden Route District Council,** as prescribed in item 23 of Schedule 2 of the Municipal Structures Act, 1998 (Act. No. 117 of 1998).

Councillor **Greef** replaces **Darryl Brenten Coeries, ID No. 760226 5152 088**, who ceased to hold office of Councillor in the municipality.

Sincerely,

K Tshoke
Acting Manager: Electoral Registrations & Liaison

Electoral Commission

Ensuring Free and Fair Elections

Commissioners: Mr MS Moepya (Chairperson) | Ms JY Love (Vice-Chairperson) | Mr VG Mashinini | Judge D Pillay | Ms J Pitso
National Office: Election House, Riverside Office Park, 1303 Heuwel Avenue, Centurion, 0157 | P/Bag X112, Centurion, 0046
Tel (+27) 12 622 5700 | info@elections.org.za | www.elections.org.za

BACK TO AGENDA

1. INAUGURATION OF "ANC" COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR NM JAXA/ *INHULDIGING VAN "ANC" RAADSLID: GARDEN ROUTE DISTRIKSMUNISIPALITEIT: RDL NM JAXA* / UKUFUNGISWA KOCEBA WE "ANC": IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA NM JAXA

15 October 2026

REFER REPORT FROM THE ACTING MUNICIPAL MANAGER (N RAISA-MLANDU)

2 PURPOSE

To inform Council of replacement of Cllr J van der Ross who ceased to be Councillor at GRDM.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

A vacancy occurred on the Garden Route District Council as a result of the resignation of Cllr J van der Ross. GRDM has since received correspondence from IEC advising of the name of the Councillor that will be replacing Cllr J van der Ross. In terms of the Rules of order, Councillor NM Jaxa must take the oath of office.

5. RECOMMENDATIONS

5.2 That cognizance be taken of the notice from the IEC, dated 14 October 2026.

5.2. That Cllr NM Jaxa be inaugurated as a Councillor of Garden Route District Council with effect from 14 October 2026.

5.3. That Cllr NM Jaxa be requested to take the Oath of Office as required in terms of the Rules of order.

AANBEVELINGS

5.1 Dat kennis geneem word van die kennisgewing van die OVK, gedateer 14 Oktober 2026.

5.2 Dat Rdl. NM Jaxa met ingang van 14 Oktober 2026 as Raadslid van die Gardenroute Distriksmunisipaliteit ingehuldig word.

5.3 Dat Rdl NM Jaxa versoek word om 'n eed van die kantoor te neem.

IZINDULULO

5.1 Sesokuba kuthathelwe ingqalelo isaziso se IEC, sangomhla wama 14 KweyeDwarha 2026.

5.2 Sesokuba uCeba. NM Jaxa, afungiswe njengo Ceba weBhunga loMasipala Wesithili se Garden Route ukususela ngomhla wama 14 KweyeDwarha 2026.

5.3 Sesokuba uCeba. NM Jaxa acengwe ukuba athathe Isifungo se Ofisi.

6. DISCUSSION / CONTENTS

6.2 Background

A vacancy occurred on the Garden Route District Council as a result of the resignation of Cllr J van der Ross on 17 August 2026 (**See Annexure A).**
In terms of Item 11(1)(a) of Schedule 2 of the Municipal Structures Act, 1998 Act 117 of 1998,;
"11 Filling of vacancies

(1)(a) If a councillor elected from a party list ceases to hold office, the chief electoral officer, must subject to item 13, declare in writing the person whose name is on top of the applicable party list to be elected in the vacancy."
Item 13 of the said Act reads as follows;
"*13 Filling of vacancies and changing the order*
(2) A party may supplement, change or increase its list at any time, provided that if a councillor elected according to a party list, ceases to

hold office, the party concerned may supplement, change or increase its list by not later than 21 days after the councillor has ceased to hold office.

The vacancy must be filled as soon as the party in question has supplemented, changed or increased its list, but not later than 14 days expiry of the 21-day period."

The Provincial Independent Electronic Commission was informed of the vacancy as prescribed by item 11 of Schedule 2 of the Municipal Structures Act, Act 117 of 1998.

The IEC has advised that Councillor NM Jaxa (ID No 730603 0750 081,) being the Councillor for ANC has been declared elected to the Garden Route District Council with effect from 17 July 2026 (**see annexure B).**

6.3 Financial Implications

The positions of Councillors are budgeted in line with the notice on the determination of upper limits for Councillors.

6.4 Relevant legislation

Schedule 2 of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998).

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

Council resolution C.1 of the Council meeting dated 24 June 2025

ANNEXURE A

Cllr J Van Der Ross
Oudtshoorn Municipality
69 Voortrekker Road
17 August 2026

The Speaker
Garden Route District Municipality
54 York Street
George
6530

Attention: The Municipal Manager, Garden Route District Municipality

RESIGNATION AS COUNCILLOR OF THE GARDEN ROUTE DISTRICT MUNICIPALITY

Madam Speaker / Sir,

I hereby formally tender my resignation as a Councillor of the Garden Route District Municipality (GRDM), with effect from 7 August 2026.

This resignation follows my election as Executive Mayor of the Greater Oudtshoorn Municipality on 7th August 2026. Having accepted this new responsibility, I am unable to continue discharging my duties as a representative of Oudtshoorn Municipality on the Garden Route District Council, and I believe it is in the best interest of both institutions that this seat be filled without delay so that the district's business is not disrupted.

I wish to record my sincere appreciation to the Speaker, the Executive Mayor, my fellow Councillors, and the officials of the Garden Route District Municipality for the cooperation and support extended to me during my term of office. It has been a privilege to serve the residents of the Garden Route district in this capacity.

I trust that Council will, in consultation with the Independent Electoral Commission and my political party, attend to the necessary process to fill this vacancy in terms of Item 11(1)(a) of Schedule 2 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998).

I look forward to continued cooperation between the Greater Oudtshoorn Municipality and the Garden Route District Municipality in my new capacity as Executive Mayor.

Yours faithfully,

Cllr J Van Der Ross
Executive Mayor, Greater Oudtshoorn Municipality

OUDTSHOORN
Munisipaliteit • Umasipala • Municipality
VISION 2030 A TOWN TO GROW, WORK, PLAY AND PROSPER



OFFICE OF THE MUNICIPAL MANAGER

EXTRACT

MINUTES OF A SPECIAL COUNCIL MEETING OF OUDTSHOORN LOCAL MUNICIPALITY, FRIDAY, 07 AUGUST 2026, NEW COUNCIL CHAMBER, VOORTREKKER ROAD, OUDTSHOORN, 10:26

Resolution no: 63.42/08/26

ELECTION OF EXECUTIVE MAYOR

BACKGROUND

The purpose of this report is to table before Council an item for the election of the Executive Mayor.

The Speaker called for nominations.

UNANIMOUSLY RESOLVED

1. Council notes the above resignation and the subsequent vacancy that has occurred.

2. Council proceeds to elect a new Executive Mayor.

3. Councillor J van der Ross was elected as Executive Mayor of the Oudtshoorn Local Municipal Council.

PROPOSED: COUNCILLOR NM JAXA
SECONDED: COUNCILLOR J CANARY

I the undersigned hereby certify that the above is a true extract of the minutes.

Yours faithfully

MR CAS AVONTUUR
SENIOR MANAGER: LEGAL SERVICES

Date: 14 August 2026

ANNEXURE B

SOUTH AFRICA

14 October 2026

The Municipal Manager
Garden Route District Municipality
P O Box 12
George
6530

Re: **Replacement of the African National Congress (ANC) PR Councillor to District Council: WC045 – Oudtshoorn Local Municipality to DC4 – Garden Route District Council**

Please be advised that **Nomsa Miriam Jaxa, ID No. 730603 0750 081,** being the councillor for the **African National Congress (ANC) in Oudtshoorn Local Municipality,** has been declared elected to **Garden Route District Municipality,** as prescribed in item 23 of Schedule 2 of the Municipal Structures Act, 1998 (Act. No. 117 of 1998).

Councillor **Jaxa** replaces **Jan Van Der Ross, ID No. 560221 5069 087,** who ceased to hold office of Councillor in the municipality.

Sincerely,

K Tshoke
Acting Manager: Electoral Registrations & Liaison

Electoral Commission

Ensuring Free and Fair Elections

Commissioners: Mr MS Mosoya (Chairperson) | Ms JY Love (Vice-Chairperson) | Mr VG Mashinini | Judge D Pillay | Ms J Pitso
National Office: Election House, Riverside Office Park, 1303 Heuwel Avenue, Centurion, 0157 | PBag X112, Centurion, 0046
Tel (+27) 12 622 5700 | info@elections.org.za | www.elections.org.za

BACK TO AGENDA

1. DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 AUGUST 2026 TO 31 AUGUST 2026 / *AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 AUGUSTUS 2026 TOT 31 AUGUSTUS 2026* / INGXELO YOTYESHELO: UKUMISELWA KOMGAQO-NKQUBO WOLAWULO LWENCITHO KWIXESHA LOMHLA 1 KWEYETHUPHA UKUYA 31 KWEYETHUPHA 2026

REFER REPORT FROM THE EXECUTIVE MANAGER FINANCIAL & CORPORATE SERVICES: R BOSHOFF

2 PURPOSE

To inform the Council of the deviations approved for the period 1 August 2026 to 31 August 2026.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) & (b) and report them to the next meeting of council. The report is for the month of August 2026.

5. RECOMMENDATIONS

1. That the implementation of Regulation 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 August 2026 to 31 August 2026, be noted.

2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

AANBEVELINGS

1. *Dat kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van 1 Augustus 2026 tot 31 Augustus 2026.*

2. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, dat daar geen goedkeuring was van tenders wat nie aanbeveel is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

IZINDULULO

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 ngeyeThupha 2026 ukuya 31 ngeyeThupha2026, kuthathelwe ingqalelo.

2. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezencitho zomasipala

6. DISCUSSION / CONTENTS

6.1 Background

Regulation 36 of the Municipal Supply Chain Regulation states:

2) *A supply chain management policy may allow the accounting officer –*
   a) To dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
      i) In an emergency
      ii) If such goods or services are produced or available from a single provider only;
      iii) For the acquisition of special of special works of art or historical objects where specifications are difficult to compile;
      iv) Acquisition of animals for zoos; or
      v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes;
   b) To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

3) The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements."

6.2 Discussion

Section 114 of the Municipal Finance Management Act, Act 56 of 2003 states:

(1) If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality or municipal entity is approved, the accounting officer of the municipality or municipal entity must, in writing, notify the Auditor General, the relevant provincial treasury and the National Treasury and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.
(2) Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.

6.3 Financial Implications

The total deviations for the period 01 August 2026 to 31 August 2026 amount to ***R 11 237 050.59*** Refer to ***Annexure A.***

6.4 Legal Implications

None

Main Expenditure for Deviation in August 2026

- Council ICT Systems –in alignment to National Treasury guidance ERP System Total - **R 11 237 050.59**

6.5 Trend Analysis Based on Successive Period from 1 June 2026 up to 31 August 2026 Comparison

APPROVED DEVIATIONS			
DEVIATIONS AS PER REGULATION 36 OF THE SCM REGULATIONS			
Months	**Jun-26**	**Jul-26**	**Aug-26**
Department	**Amount**	**Amount**	**Amount**
Community Services	0.00	0.00	0.00
Corporate Services	0.00	1,075,679.85	11,237,050.59
Financial Services	0.00	0.00	0.00
Office of the MM	0.00	0.00	0.00
Planning and Economic Development	0.00	0.00	0.00
Roads and Transport Planning Services	0.00	0.00	0.00
Total Deviations	0.00	**1,075,679.85**	**11,237,050.59**

6.6 Staff Implications

None, failure to report to council will result in non-compliance.

6.7 Previous / Relevant Council Resolutions:

None

6.8 Risk Implications

None

Aug-26						
APPROVED DEVIATIONS						
DEVIATIONS AS PER REGULATION 36 OF THE SCM REGULATIONS						
CORPORATE SERVICES						
No	**Name**	**Req Date**	**Deviation Motivation**	**Deviation Approval Date**	**Payment Amount**	**Order Number**
1	Spinning Your Web (Pty) Ltd	Impractical Procurement Process	National Treasury is in the process to update the mSCOA regulatory framework. Until the updated regulations are finalised and promulgated, it is not prudent to procure a new ERP solution, as doing so could result in procuring a system that may not comply with the new minimum business process and system specification requirements. Please find attached the approved deviation extension for a 24-month period for all current systems.	2026-08-03	100,950.00	J0000129
No	**Name**	**Deviation Category**	**Deviation Motivation**	**2026/2027**	**2027/2028**	**Total Contract Value**
2	PhoenixERP	Impractical Procurement Process	Business continuity and service delivery a disruption or changeover of the municipality's core ERP environment without adequate regulatory certainty and procurement lead-time presents a material service delivery risk. Extending the current contract ensures stability of finance, payroll-related transactions, workflows, and reporting. Alignment with National Treasury's Current Processes, the extension provides a controlled 'bridge period' until National Treasury's regulatory process is concluded and municipalities can commence procurement based on promulgated minimum specifications. Efficiency improvements and cost containment the Municipality has undertaken streamlining and efficiency improvements in its business processes and system usage. Savings have been realized (and/or are being pursued) through better utilization of existing modules and rationalization of duplicate solutions (e.g., activating modules within the existing environment	2,221,328.50	2,387,905.50	4,609,234.00

			and cancelling overlapping services where feasible). Transversal Nature, the National Treasury process, impacts all Municipalities. The proposed approach aligns with an industry-wide practical response to a nationally driven regulatory transition.			
3	Business Engineering	Impractical Procurement Process	Business continuity and service delivery a disruption or changeover of the municipality's core ERP environment without adequate regulatory certainty and procurement lead-time presents a material service delivery risk. Extending the current contract ensures stability of finance, payroll-related transactions, workflows, and reporting. Alignment with National Treasury's Current Processes, the extension provides a controlled 'bridge period' until National Treasury's regulatory process is concluded and municipalities can commence procurement based on promulgated minimum specifications. Efficiency improvements and cost containment the Municipality has undertaken streamlining and efficiency improvements in its business processes and system usage. Savings have been realized (and/or are being pursued) through better utilization of existing modules and rationalization of duplicate solutions (e.g., activating modules within the existing environment and cancelling overlapping services where feasible). Transversal Nature, the National Treasury process, impacts all Municipalities. The proposed approach aligns with an industry-wide practical response to a nationally driven regulatory transition.	1,904,423.00	2,028,692.00	3,933,115.00
4	Ignite Advisory Services	Impractical Procurement Process	Business continuity and service delivery a disruption or changeover of the municipality's core ERP environment without adequate regulatory certainty and procurement lead-time presents a material service delivery risk. Extending the current contract ensures stability of finance, payroll-related transactions, workflows, and reporting. Alignment with National Treasury's Current Processes, the extension provides a controlled 'bridge period' until National Treasury's regulatory process is concluded and municipalities can commence procurement based on promulgated minimum specifications.	854,984.75	906,283.84	1,761,268.59

			Efficiency improvements and cost containment the Municipality has undertaken streamlining and efficiency improvements in its business processes and system usage. Savings have been realized (and/or are being pursued) through better utilization of existing modules and rationalization of duplicate solutions (e.g., activating modules within the existing environment and cancelling overlapping services where feasible). Transversal Nature, the National Treasury process, impacts all Municipalities. The proposed approach aligns with an industry-wide practical response to a nationally driven regulatory transition.			
5	IDI Technologies	Impractical Procurement Process	Business continuity and service delivery a disruption or changeover of the municipality's core ERP environment without adequate regulatory certainty and procurement lead-time presents a material service delivery risk. Extending the current contract ensures stability of finance, payroll-related transactions, workflows, and reporting. Alignment with National Treasury's Current Processes, the extension provides a controlled 'bridge period' until National Treasury's regulatory process is concluded and municipalities can commence procurement based on promulgated minimum specifications. Efficiency improvements and cost containment the Municipality has undertaken streamlining and efficiency improvements in its business processes and system usage. Savings have been realized (and/or are being pursued) through better utilization of existing modules and rationalization of duplicate solutions (e.g., activating modules within the existing environment and cancelling overlapping services where feasible). Transversal Nature, the National Treasury process, impacts all Municipalities. The proposed approach aligns with an industry-wide practical response to a nationally driven regulatory transition.	281,163.50	303,651.75	584,815.25
6	ESRI South Africa	Impractical Procurement Process	Business continuity and service delivery a disruption or changeover of the municipality's core ERP environment without adequate regulatory certainty and procurement lead-time presents a material service delivery risk. Extending the current contract ensures stability of finance, payroll-related transactions, workflows, and reporting.	449,233.61	481,457.99	930,691.60

			Alignment with National Treasury's Current Processes, the extension provides a controlled 'bridge period' until National Treasury's regulatory process is concluded and municipalities can commence procurement based on promulgated minimum specifications. Efficiency improvements and cost containment the Municipality has undertaken streamlining and efficiency improvements in its business processes and system usage. Savings have been realized (and/or are being pursued) through better utilization of existing modules and rationalization of duplicate solutions (e.g., activating modules within the existing environment and cancelling overlapping services where feasible). Transversal Nature, the National Treasury process, impacts all Municipalities. The proposed approach aligns with an industry-wide practical response to a nationally driven regulatory transition.			
7	Uber Technologies	Impractical Procurement Process	Business continuity and service delivery a disruption or changeover of the municipality's core ERP environment without adequate regulatory certainty and procurement lead-time presents a material service delivery risk. Extending the current contract ensures stability of finance, payroll-related transactions, workflows, and reporting. Alignment with National Treasury's Current Processes, the extension provides a controlled 'bridge period' until National Treasury's regulatory process is concluded and municipalities can commence procurement based on promulgated minimum specifications. Efficiency improvements and cost containment the Municipality has undertaken streamlining and efficiency improvements in its business processes and system usage. Savings have been realized (and/or are being pursued) through better utilization of existing modules and rationalization of duplicate solutions (e.g., activating modules within the existing environment and cancelling overlapping services where feasible). Transversal Nature, the National Treasury process, impacts all Municipalities. The proposed approach aligns with an industry-wide practical response to a nationally driven regulatory transition.	169,884.00	178,572.00	348,456.00

	5,881,017.36	6,286,563.08	12,167,580.44

Amounts already reported in July 2026 - As they have been invoiced already:	**-1,031,479.85**
Ignite Advisory Services (Fixed rate (all modules) - License Fee)	-565,672.35
IDI Technologies (Annual Upgrade / License Renewal Fee)	-255,288.50
IDI Technologies (Annual Support & Maintenance Fee)	-25,875.00
ESRI South Africa (Support)	-184,644.00
Value of Contract still to be invoiced over the 2-year contract period	**11,237,050.59**

BACK TO AGENDA

1. DEVIATION REPORT: IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 SEPTEMBER 2026 TO 30 SEPTEMBER 2026 / *AFWYKINGSVERSLAG: VOORSIENINGSKANAALBELEID VIR DIE PERIODE 1 SEPTEMBER 2026 TOT 30 SEPTEMBER 2026/* INGXELO YOTYESHELO: UKUMISELWA KOMGAQO-KNQUBO WOLAWULO LWENCITHO KWIXESHA ELISUSELA NGOWE-1 KWEYOMSINTSI 2026 UKUYA KOWAMA-30 KWEYOMSINTSI 2026

REFER REPORT FROM THE EXECUTIVE MANAGER FINANCIAL & CORPORATE SERVICES: R BOSHOFF

2 PURPOSE

To inform the Council of the deviations approved for the period 1 September 2026 to 30 September 2026.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The accounting officer must record the reasons for any deviations in terms of sub-regulation (1) (a) & (b) and report them to the next meeting of council. The report is for the month of September 2026.

5. RECOMMENDATIONS

1. That the implementation of Regulation 36 of the Municipal Supply Chain Regulation in terms of the deviations for the period 1 September 2026 to 30 September 2026, be noted.

2. That it be noted that in terms of Section 114 of the Municipal Finance Management Act, Act 56 of 2003, there was no approval of tenders not recommended in the normal course of implementing Supply Chain Management policy of a municipality.

AANBEVELINGS

1. *Dat kennis geneem word van die implementering van Artikel 36 van die Voorsieningskanaal beleid in terme van die afwykings vir die periode van 1 September 2026 tot 30 September 2026.*

2. *Dat kennis geneem word dat in terme van Artikel 114 van die Munisipale Finansiële Bestuurswet, Wet 56 van 2003, dat daar geen goedkeuring was van tenders wat nie aanbeveel is in die normale implementering van die Voorsieningskanaalbeleid van die munisipaliteit nie.*

IZINDULULO

1. Sesokuba ukumiselwa komhlathi 36 woMgaqo Wolawulo Lwencitho yoMasiapala ngokwemimiselo yezotyeshelo kwixesha lomhla 01 ngeyoMsintsi 2026 ukuya 30 ngeyoMsintsi 2026, kuthathelwe ingqalelo.

2. Sesokuba kuthathelwe ingqalelo ngokwemimiselo yoMhlathi 114 woMthetho Wolawulo Lwemali zoMasipala, uMthetho 56 wango 2003, akukhange kubekho ziniki maxabiso ezingandululwanga kwinkqubo eqhelekileyo yokumiselwa uMgawo Wolawulo Lwezencitho zomasipala.

6. DISCUSSION / CONTENTS

6.1 Background

Regulation 36 of the Municipal Supply Chain Regulation states:

4) *A supply chain management policy may allow the accounting officer –*
   a) To dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
      i) In an emergency
      ii) If such goods or services are produced or available from a single provider only;
      iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;
      iv) Acquisition of animals for zoos; or
      v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes;
   b) To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

5) The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements."

6.2 Discussion

Section 114 of the Municipal Finance Management Act, Act 56 of 2003 states:

(3) If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality or municipal entity is approved, the accounting officer of the municipality or municipal entity must, in writing, notify the Auditor General, the relevant provincial treasury and the National Treasury and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.

(4) Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.

6.3 Financial Implications

The total deviations for the period 01 September 2026 to 30 September 2026 amount to ***R 36 796.10*** Refer to ***Annexure A.***

6.4 Legal Implications

None

Main Expenditure for Deviation in August 2026

- None

6.5 Trend Analysis Based on Successive Period from 1 June 2026 up to 30 September 2026 Comparison

APPROVED DEVIATIONS				
DEVIATIONS AS PER REGULATION 36 OF THE SCM REGULATIONS				
Months	**Jun-26**	**Jul-26**	**Aug-26**	**Sep-26**
Department	**Amount**	**Amount**	**Amount**	**Amount**
Community Services	0.00	0.00	0.00	0.00
Corporate Services	0.00	1,075,679.85	12,268,530.44	0.00
Financial Services	0.00	0.00	0.00	0.00
Office of the MM	0.00	0.00	0.00	0.00
Planning and Economic Development	0.00	0.00	0.00	0.00
Roads and Transport Planning Services	0.00	0.00	0.00	36,796.10

Total Deviations	0.00	**1,075,679.85**	**12,268,530.44**	**36,796.10**

6.6 Staff Implications

None, failure to report to council will result in non-compliance.

6.7 Previous / Relevant Council Resolutions:

None

6.8 Risk Implications

None

Sep-26								
APPROVED DEVIATIONS								
DEVIATIONS AS PER REGULATION 36 OF THE SCM REGULATIONS								
ROADS AND TRANSPORT PLANNING SERVICES								
No	**Reference No**	**Name**	**Req Date**	**Deviation Category**	**Deviation Motivation**	**Deviation Approval Date**	**Payment Amount**	**Order Number**
1	47995671	Telkom Mobile (T00002)	2026-09-01	Impractical	Telkom Mobile is the only supplier of council cell phones. Payment for council cell phones needs to be made in order for the cell phones not to be disconnected.	2026-09-08	18,851.13	J0000270
2	48060727	Telkom Mobile (T00002)	2026-09-16	Impractical	Telkom Mobile is the only supplier of council cell phones. Payment for council cell phones needs to be made in order for the cell phones not to be disconnected.	2026-09-17	17,944.97	J0000348
						TOTAL	36,796.10	

BACK TO AGENDA

1. COST CONTAINMENT REPORTING – QUARTER 1 OF 2026/2027 / *KOSTE INPERKINGSVERSLAG – KWARTAAL 1 VAN 2026/2027* / INGXELO NGOKUNCIPHISA INDLEKO-IKOTA YOKUQALA KA 2026/2027

REFER REPORT FROM THE EXECUTIVE MANAGER: FINANCIAL AND CORPORATE SERVICES (R BOSHOFF)

2 PURPOSE

The purpose of this report is to table to Council the measures implemented and aggregate amounts saved in quarter one of the 2026/27 financial year through the implementation of cost containment measures.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

On 23 July 2019, Council approved the GRDM Cost Containment Policy. Section 17 of the policy provides for the reporting to Council on the savings identified as a result of the implementation of the above policy.

5. RECOMMENDATION

That Council notes the measures implemented and the decrease in expenditure in quarter one of the 2026/27 financial year (where applicable) through the implementation of cost containment measures when compared to quarter one of 2025/2026.

AANBEVELING

Dat die Raad kennis neem van die koste inperkings wat ingestel is en die afname in uitgawes in kwartaal een van die 2026/27 finansiële jaar (waar van toepassing) as gevolg van die implementering van koste inperkings in vergelyking met kwartaal een van 2025/2026.

ISINDULULO

Sesokuba ipBhunga lithathele ingqalelo imiqathango yokumiselwa kunye nemali eziye zongiwa kwikota yokuqala yonyakala malik ka-2026/27 ngokumisela indlela zokonga zokunciphisa indleko xakuthelekiswa Nekota yokuqala ka 2025/2026.

6. DISCUSSION / CONTENTS

6.1 Background

On 23 July 2019, Council approved the GRDM Cost Containment Policy in order to comply with the new legislation that was issued on 7 June 2019.

Section 17 of the policy stipulates the following pertaining to disclosures of cost containment measures:

17.1 Cost containment measures applied by the municipality must be included in the municipal in-year budget report and annual cost savings must be disclosed in the annual report.

17.2 The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritization of cost savings, on the implementation of the cost containment measures must be submitted to the municipal council for review and resolution. The municipal council can refer such reports to an appropriate council committee for further recommendations and actions.

17.3 Such reports must be copied to the National Treasury and relevant provincial treasuries within seven calendar days after the report is submitted to municipal council.

National Treasury further issued MFMA Circular No. 97 which prescribed a template for quarterly reporting of cost savings realised from implementation of cost containment measures.

It should be noted that various cost-cutting measures were already incorporated in the budget process for 2026/27 and therefore the issuing of the Municipal Cost Containment Regulations did not have an impact on all expenditure types addressed in the Regulations.

The most significant savings are with regards to catering and events, travel and subsistence, and domestic accommodation, as events/ travel was limited with use of technology for meetings and other engagements.

The municipality makes use of its website for communication / advertising as far as possible and does not purchase newspapers. Therefore, cost saving measures are already implemented for communication.

6.2 Discussion

It should be noted that with the budget of the financial year 2026/2027, savings were identified and where the Travel and Subsistence and Catering budget was reduced, this had an effect on the Total Year to date budget in comparison with the actual spending to date.

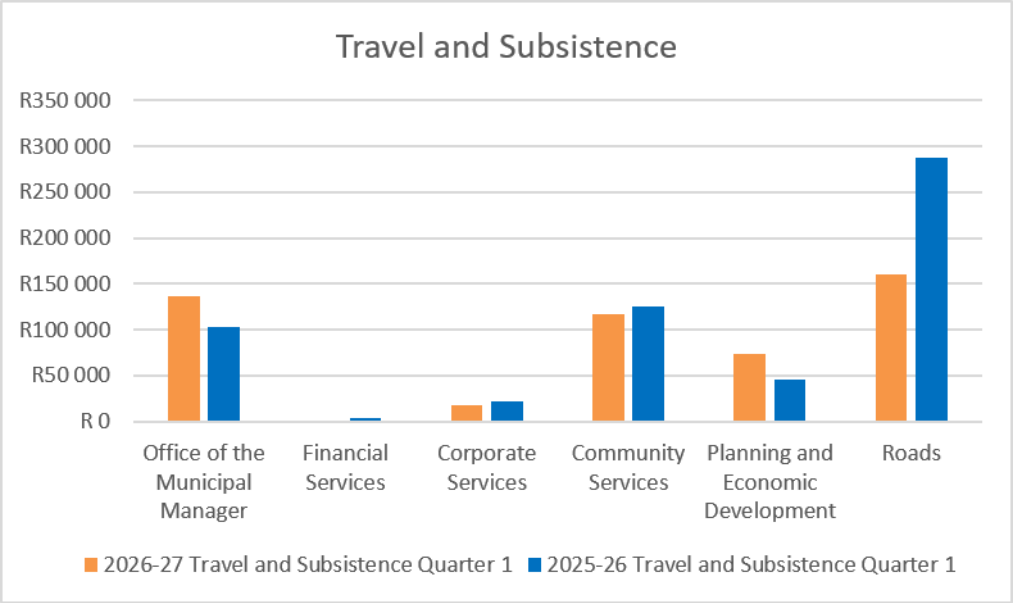
The below tables show the comparison between the current financial year (2026/27 Quarter 1) and the previous financial year (2025/2026 Quarter 1). The Garden Route District Municipality, under its management team, is making a concerted effort to reduce costs from year to year.

Travel and Subsistence

Actual expenditure for Travel and Subsistence is as follows:

1. Quarter 1 of 2026/27: R506,114
2. Quarter 1 of 2025/26: R588,371
3. Savings/ (Increase in costs): R 82,257

The below table indicates the comparison per department for the respective quarters:

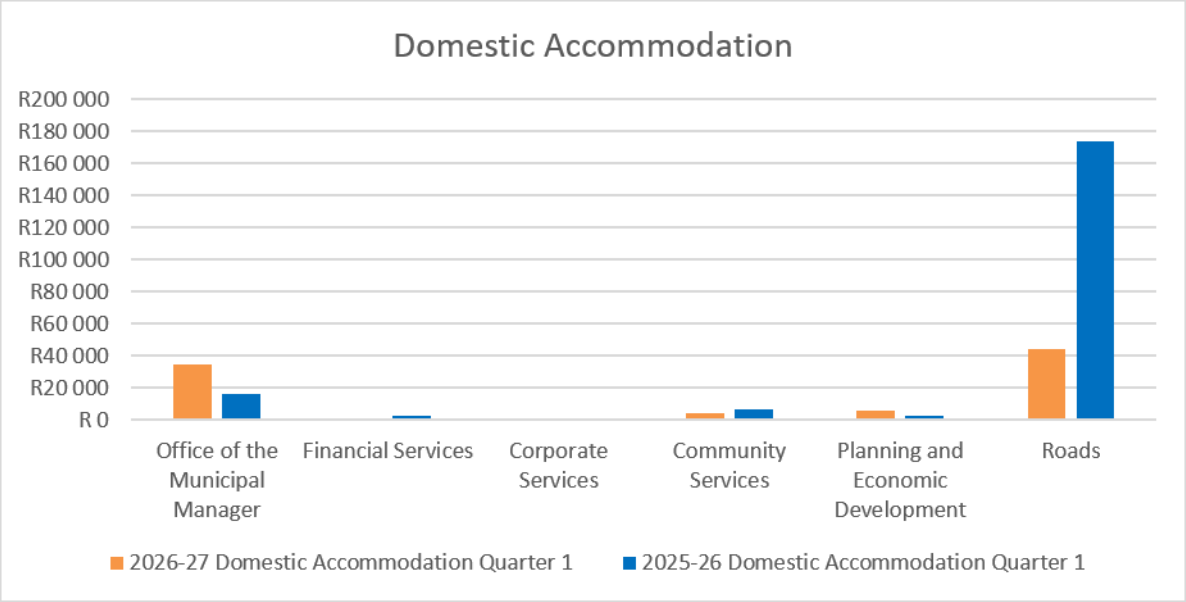


Domestic Accommodation

Actual expenditure for Domestic Accommodation is as follows:

1. Quarter 1 of 2026/27: R 89,148
2. Quarter 1 of 2025/26: R201,745
3. Savings/ (Increase in costs): R112,597

The below table indicates the comparison per department for the respective quarters:

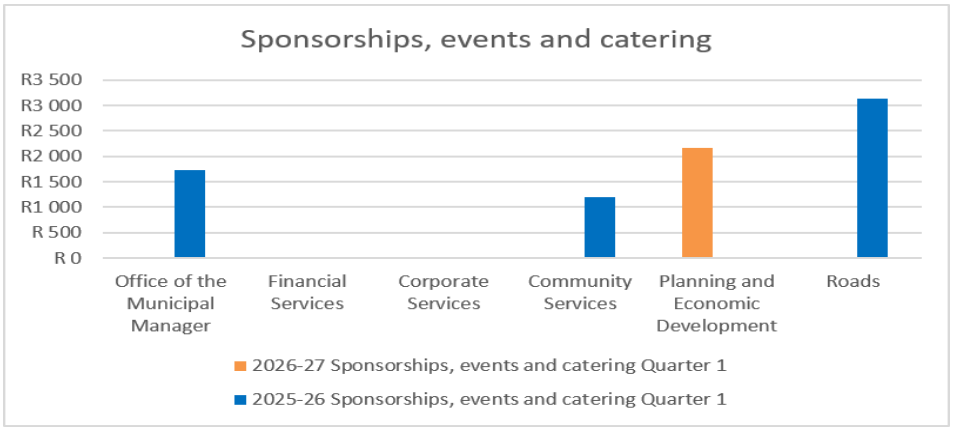


Sponsorships, events and catering

Actual expenditure for Sponsorships, events and catering is as follows:

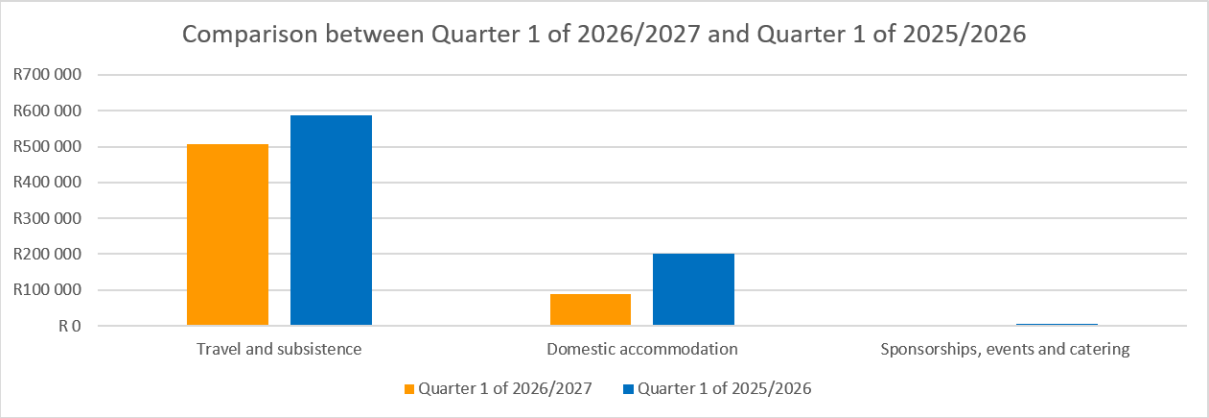
1. Quarter 1 of 2026/27: R 2,169
2. Quarter 1 of 2025/26: R 6,075
3. Savings/ (Increase in costs): R 3,906

The below table indicates the comparison per department for the respective quarters:



The comparison between Quarter 1 of 2026/27 and Quarter 1 of 2025/26 is summarised below:

Comparison between Quarter 1 of 2026/2027 and Quarter 1 of 2025/2026			
Measures	**Quarter 1 of 2026/2027**	**Quarter 1 of 2025/2026**	**Savings/ (Increase in costs)**
Travel and subsistence	R506 114	R588 371	R82 257
Domestic accommodation	R89 148	R201 745	R112 597
Sponsorships, events and catering	R2 169	R6 075	R3 906
Total	**R597 431**	**R796 192**	**R198 760**



6.3 Financial Implications

As per the tables above.

6.4 Legal Implications

None.

6.5 Staff Implications

No staff implications.

6.6 Previous / Relevant Council Resolutions:

The Cost Containment report is tabled to Council on a quarterly basis.

6.7 Risk Implications

There are no foreseen risks associated with the proposed decision for Council.

BACK TO AGENDA

1. ACTING IN THE MUNICIPAL MANAGER POSITION / *WAARNEMING IN DIE POS VAN MUNISIPALE BESTUURDER* / UKWANSIWA KOKUBAMBELA KWISIOKHUNDLA SOMPHATHI MASIPALA

REPORT FROM THE EXECUTIVE MANAGER: FINANCE AND CORPORATE SERVICES (MR R BOSHOFF) AND MANAGER: HR, (MH SMIT)

2. PURPOSE

The purpose of this report is to request Council to extend the Acting in the Municipal Manager position.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Ms. N Raisa-Mlandu, Executive Manager: Community Services has acted for a three-month period, from 1 August 2026 – 31 October 2026. It is proposed that the acting period of Ms. N Raisa-Mlandu, Executive Manager: Community Services, be extended for a further period of three (3) months. The proposed extension will facilitate a smooth transition to the new Council that will assume office following the Local Government Elections scheduled for 4 November 2026.

Once the newly elected Council has been formally declared, it will be in a position to immediately commence the process of appointing a Municipal Manager. The proposed three-month extension will therefore provide the necessary continuity and stability during the transition period, while allowing the new Council sufficient time to initiate and progress the recruitment and appointment process for a permanent Municipal Manager.

5. RECOMMENDATIONS

5.1 That, Ms. N Raisa-Mlandu, Executive Manager: Community Services, acting period be extended for a further three (3) months from 1 November 2026 to 31 January 2027.

52 That, the MEC for Local Government be notified of this Council decision within 14 days.

5.3 That the MEC of Local Government be requested to approve the extension of Ms N Raisa-Mlandu's acting appointment for a further period not exceeding three (3) months, with effect from 1 November 2026

AANBEVELINGS

5.1 Dat Mev. N Raisa-Mlandu, Senior Bestuurder: Gemeenskaps Dienste se waarnemings periode verleng word vir 'n verdere drie (3) maande, vanaf 1 November 2026 to 31 Januarie 2027.

5.2 Dat die LUR vir Plaaslike Regering in kennis gestel moet word van die Raads besluit binne 14 dae.

5.3 Dat LUR vir Plaaslike Regering versoek word om die verlenge waarneemings periode van Mev. N Raisa-Mlandu vir 'n verdere drie (3) maande goedtekeur, van af 1 November 2026.

IZINDULULO

5.1 Sesokuba ixesha lokubambela kuka kukaNkskz. N Raisa-Mlandu, uMphathi oLawulayo: iiNkonzo zoLuntu, landiswe ngezinye iinyanga ezintathu (3) ukususela ngomhla woku-1 kweyeNkanga 2026 ukuya kutsho ngomhla wama-31 kweyoMqungu 2027.

5.2 Sesokuba iuMEC yoRhulumente baseKhaya Kwiphondo aziswe ngesi sigqibo seBhunga kwisithuba seentsuku ezili-14.

5.3 Ukuba u-MEC yoRhulumente baseKhaya acelwe ukuba avumele ukwandiswa kwexesha lokusebenza kukaNkskz. N Raisa-Mlandu kwisikhundla sokubamba, ixesha elingagqithiyo kwiinyanga ezintathu (3), ukuqala ngomhla woku-1 kweyeNkanga 2026.

6. DISCUSSION / CONTENTS

6.1 Background

The Municipal Manager post became vacant after the voluntary mutual separation was accepted by the District Municipal Council on 28 July 2026. Thus, an acting Municipal Manager was appointed for a period of 3 months, from 1 August 2026 – 31 October 2026. The acting period is now coming to an end and the positions has not yet been filled. Thus, an acting Municipal Manager is required to conduct the duties and responsibilities of the Municipal Manager within the Organisaton.

6.2 Discussion

Council is approaching the end of its current term, and Ms N. Raisa-Mlandu's acting appointment is due to expire shortly before the Local Government Elections. In the interest of ensuring continuity, stability, and a smooth transition to the incoming Council, it is recommended that Ms N. Raisa-Mlandu's acting appointment be extended for a further period of three months.

The extension will facilitate an orderly handover to the newly constituted Council and ensure the retention of institutional knowledge and continuity in the position, given that Ms N. Raisa-Mlandu has been acting in the position prior to the conclusion of the current Council's term.
Council is requested to consider and approve the extension of Ms N. Raisa-Mlandu's acting appointment for a further period of three months, with effect from 1 November 2026, in accordance with Section 28(9) of the Municipal Staff Regulations.

6.3 Financial Implications

The position of the municipal Manager is budgeted in the 2026/2027 Budget.

6.4 Legal Implications

5.4.1 Regulations on Appointment and Conditions of Employment for Senior Managers

5.4.2 Municipal Staff Regulations

6.5 Staff Implications

Acting period of Ms Raisa-Mlandu.

6.6 Previous / Relevant Council Resolutions:

J1 of 28 July 2026.

6.7 Risk Implications

The Executive Manager: Community Services, Ms. Risa-Mlandu, does meet the minimum requirement of the positions of the Municipal Manager. There are no foreseen risks associated.

BACK TO AGENDA

DISTRICT COUNCIL **21 OCTOBER 2026**

1. REPORT: IMPLEMENTATION OF GOVERNMENT NOTICE NO. 7774: UPPER LIMITS OF TOTAL REMUNERATION PACKAGES OF MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS / *VERSLAG: IMPLEMENTERING VAN GOEWERMENTSKENNISGEWING NR. 7774: BO-PERKE VAN TOTALE VERGOEDINGSPAKKETTE VAN MUNISIPALE BESTUURDERS EN BESTUURDERS WAT DIREK AAN MUNISIPALE BESTUURDERS VERANTWOORDELIK IS /*

REPORT FROM THE EXECUTIVE MANAGER: CORPORATE AND FINANCIAL SERVICES (R. BOSHOFF) AND MANAGER: HUMAN RESOURCES M. SMIT)

2. PURPOSE OF THE REPORT

The purpose of this report is to inform Council of the publication of Government Notice No. 7774 issued by the Minister for Cooperative Governance and Traditional Affairs and to obtain Council approval for the implementation, verification, compliance and reporting measures required in terms of the Notice.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Government Notice No. 7774, published by the Minister for Cooperative Governance and Traditional Affairs on 5 August 2026 in terms of section 72(2A) of the Local Government: Municipal Systems Act, 2000, introduces a revised framework governing the remuneration of Municipal Managers and Managers directly accountable to Municipal Managers. The Notice takes effect retrospectively from **1 July 2025** and replaces previous upper-limit determinations.

The Notice introduces a revised municipal grading methodology based on total municipal income, population and equitable share allocations, as well as new remuneration notch structures, pay progression requirements, appointment criteria, reporting obligations and measures aimed at addressing salary creep and ensuring affordability.

The Municipality is required to assess its municipal grading, verify current remuneration arrangements, evaluate affordability implications, review applicable policies and determine whether any exemptions or corrective measures may be required. The Notice further requires the submission of prescribed information concerning senior managers to the Provincial MEC responsible for local government.

Council approval is sought to note the Notice, authorise the necessary compliance assessments be performed and direct the administration to prepare a detailed implementation assessment, including financial implications, compliance measures and any exemption considerations where applicable.

5. RECOMMENDATION

It is recommended that Council:

1. Notes the contents of Notice 7774 Upper limits for MM & Managers reporting directly to MM and the implications thereof.
2. Directs that all remuneration, cellphone allowance and related policies applicable to senior management be reviewed and aligned with the Notice.

AANBEVELINGS

Dat die Raad:

1. *Kennis neem van die inhoud van die kennisgewing en die implikasies daarvan vir die Munisipaliteit.*

2. *Dat opdrag gegee word dat alle vergoedings-, selfoontoelae- en verwante beleide wat op senior bestuur van toepassing is, hersien en met die kennisgewing belyn word.*

IZINDULULO

Kundululwe ukuba iBhunga:

1. Liqwalasele imixholo yeSaziso esingu-7774 esimalunga nemida ephezulu yemivuzo yeManejala kaMasipala (MM) kunye nabaPhathi abaxela ngqo kwi-MM, kunye neziphumo zoko.
2. Liyalele ukuba yonke imigaqo-nkqubo enxulumene nemivuzo, izibonelelo zeefowuni eziphathwayo kunye neminye imiba efanayo echaphazela abaphathi abaphezulu iphinde ihlolwe kwaye ilungelelaniswe nesi Saziso.

6. DISCUSSION / CONTENTS

6.1 BACKGROUND

The Minister for Cooperative Governance and Traditional Affairs published Government Notice No. 7774 on 5 August 2026 in terms of Section 72(2A) of the Local Government: Municipal Systems Act, 2000, determining the upper limits of total remuneration packages payable to Municipal Managers and Managers Directly Accountable to Municipal Managers. The Notice replaces previous determinations and applies retrospectively from 1 July 2025.

The Notice establishes a revised remuneration framework aimed at ensuring consistency, affordability, internal equity, regulatory compliance and alignment between remuneration and municipal performance objectives.

The determination introduces revised municipal grading criteria, remuneration scales, pay progression requirements, appointment placement criteria, exemption provisions, reporting obligations and mechanisms for addressing salary creep.

6.1.2 Municipal Categorisation

The Notice introduces a revised methodology for determining municipal grades based on:

- Total Municipal Income;

- Total Population based on Census 2022 data; and
- Municipal Equitable Share allocations.

The total points allocated against these indicators determine municipal categorisation from Grade 1 to Grade 10. Such grading directly impacts the remuneration levels applicable to Municipal Managers and Section 56 Managers.

The Municipality will therefore be required to verify its grading status and validate all supporting information used for grading purposes.

6.1.3 Remuneration Framework

The Notice establishes five remuneration notches for senior management positions, namely:

- Minimum;
- Lower;
- Midpoint;
- Upper; and
- Maximum.

Placement within the applicable remuneration range must be based on prescribed criteria including qualifications, experience, performance history, leadership capability and organisational complexity. Additional motivations and Council-approved written reasons are required where appointments are made at the upper or maximum notch levels.

6.1.4 Pay Progression

The Notice introduces a formal pay progression framework linked to:

- Years of service in the position;
- Signed performance agreements;
- Completed performance assessments; and
- A minimum performance rating of three (3) or above.

Municipalities are required to maintain fully compliant performance management processes before any pay progression may be implemented.

6.1.5 Overpayments and Irregular Expenditure

The Notice specifically provides that remuneration packages paid outside the prescribed framework may constitute irregular expenditure. Municipalities are required to recover overpayments where remuneration has been approved contrary to the legislation, regulations or guidelines contained in the Notice.

Accordingly, a detailed assessment of all existing remuneration packages is required to identify any misalignment with the new framework.

6.1.6 Transitional Arrangements

The Notice provides transitional protection for existing incumbents through the application of the personal-to-incumbent principle where current remuneration exceeds the newly determined remuneration scales. Such incumbents retain existing remuneration and benefits but will be subject to restrictions regarding further progression, except for approved cost-of-living adjustments.

6.1.7 Affordability and Exemption Applications

The Notice permits municipalities experiencing affordability constraints, unfunded budgets or potential service delivery impacts to apply to the Minister for exemption from implementation, subject to Council approval and submission of supporting financial information and motivations.

Given the ongoing fiscal pressures experienced throughout local government, municipalities are expected to assess the affordability implications arising from the implementation of the Notice.

6.1.8 Reporting Obligations

Municipal Councils are required to compile and submit prescribed information regarding all senior management positions to the Provincial MEC responsible for Local Government. Such information includes approved and filled posts, vacant posts, incumbents, remuneration packages, municipal grading information, total municipal income, population statistics and equitable share allocations.

The prescribed information must be submitted within sixty (60) days from publication of the Notice and failure to comply may expose the Municipality to governance risks, regulatory intervention, audit findings and compliance breaches.

The Municipality will therefore be required to verify all information used in determining municipal categorisation and remuneration compliance before submission to the Provincial MEC.

6.1.9 Cellphone Allowances and Related Benefits

The Notice provides that a senior manager may, in addition to the total remuneration package, receive a cellphone and data allowance not exceeding R2 500 per month, subject to an approved municipal policy. Existing

cellphone allowance arrangements, policies and contractual provisions should therefore be reviewed to ensure compliance with the prescribed limits and reporting requirements.

6.1.10 Salary Creep Assessment and Corrective Measures

The Notice introduces specific measures aimed at addressing salary creep between Municipal Managers, managers directly accountable to Municipal Managers and third-level management positions. Municipalities are required to undertake assessments based on prescribed criteria including job evaluation outcomes, affordability, funding status of the budget, employee related costs, remuneration ratios, sustainability ratios, liquidity ratios, collection rates and cash coverage ratios.

Where salary creep exists, corrective measures must be considered by Council in consultation with the Provincial MEC responsible for Local Government. Any adjustment process must be supported by appropriate job evaluation outcomes, affordability assessments and compliance with the relevant provisions contained in the Notice.

6.1.11 Transitional Placement of Existing Incumbents

The Notice provides transitional arrangements for existing incumbents. Where the remuneration package of a senior manager exceeds the remuneration levels prescribed in the Notice, the personal-to-incumbent principle shall apply. Such employees may retain their existing remuneration packages and benefits but shall not qualify for further pay progression other than approved cost-of-living adjustments determined by the Minister.

The Notice further requires that senior managers whose existing remuneration falls between prescribed remuneration notches be placed at the nearest higher applicable notch within the new remuneration framework.

6.2 FINANCIAL IMPLICATIONS

During the 2024/2025 financial year, the alignment of Senior Managers' remuneration to the prescribed Upper Limits for Municipal Managers and Managers directly accountable to Municipal Manager included the incorporation of the cost-of-living adjustment as a measure to address salary creep for the 2024/2025 and 2025/2026 Financial years, as per section 14.6 of the Upper Limits for Municipal Managers, Managers directly accountable to Municipal Manager Regulations.

This adjustment was duly implemented and approved by Council. Accordingly, there are no additional financial implications associated with the recommendations contained in this report

6.3 LEGAL IMPLICATIONS

The Notice is binding on all municipalities and has been issued under the authority of the Local Government: Municipal Systems Act, 2000. Non-compliance may result in:

- Irregular expenditure findings;
- MFMA non-compliance findings;
- Regulatory intervention;
- Recovery proceedings relating to overpayments; and
- Adverse audit findings.

6.4 STAFF IMPLICATION

The Governement Only Relates to Municipal Managers and Managers directly Accountable to the Municipal Manager.

6.5 PREVIOUS / RELEVANT COUNCIL RESOLUTIONS:

Item J.3 in the Council agenda of 12 february 2026.

6.6 RISK IMPLICATIONS

The primary risks associated with non-implementation or non-compliance with Government Notice No. 7774 include:

- Irregular expenditure findings arising from remuneration that falls outside the prescribed framework;
- Recovery proceedings relating to remuneration overpayments;
- Non-compliance with the Municipal Finance Management Act and Local Government legislative framework;
- Adverse audit findings and governance concerns;
- Failure to submit prescribed information to the Provincial MEC within the stipulated periods;

- Incorrect municipal grading resulting in inappropriate remuneration levels;
- Organisational inequity and salary creep disputes;
- Labour relations disputes arising from remuneration adjustments and implementation of corrective measures;
- Financial sustainability risks where implementation occurs without proper affordability assessments; and
- Regulatory intervention resulting from persistent non-compliance with the Notice

6.7 Comments from Executive Management:

6.7.1 Executive Manager: Roads and Transport Planning Services

None

6.7.2 Executive Manager: Planning and Economic Development
None

6.7.3 Executive Manager: Community Services
None

6.7.4 Executive Manager: Financial and Corporate Services

As indicated in the financial implications.

ANNEXURE A


Government Gazette
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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

NO. 7774 **5 August 2026**

LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 (ACT NO. 32 OF 2000)

UPPER LIMITS OF TOTAL REMUNERATION PACKAGES OF MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS

Under the powers vested in me by section 72(2A) of the *Local Government: Municipal Systems Act,* 2000 (Act No. 32 of 2000) read in conjunction with the *Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers*, issued in terms of Government Notice No. 21 as published under *Government Gazette* No. 37245 of 17 January 2014, I, Velenkosini Hlabisa, the Minister for Cooperative Governance and Traditional Affairs, hereby after –

(a) consultation with the bargaining council established for municipalities, Minister of Finance, Minister for Public Service and Administration, MECs responsible for local government, and organised local government; and
(b) taking into consideration the matters as set out in regulation 35 of the Regulations,

determine the upper limits of the total remuneration packages payable to municipal managers and managers directly accountable to municipal managers as set out in the Schedule.

MR VELENKOSINI HLABISA, MP
MINISTER FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
DATE: 04/08/2026

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SCHEDULE

Preamble

Having regard to the upper limits of salaries of senior managers as set out below, the need to prioritise service delivery to communities and to sustain viable local government and the fiscal capacity of different categories of municipalities, this Notice provides a strategic framework for remuneration of senior managers across all municipalities.

The development of this Notice took into consideration the core reward principles aimed at ensuring an appropriate remuneration mix and sought to ensure that the remuneration of senior managers is cost-effective, consistent, internally equitable, externally competitive and aligned to the achievement of the objectives of municipalities while providing a uniform remuneration framework for local government.

The upper limits constitute an integral part of the human resource value chain in building resilient administrative institutions underpinned by the intent to enable municipalities to attract, appoint and retain suitably qualified and competent senior managers necessary for effective performance of their functions.

To strengthen the capacity of municipalities, this Notice reinforces the statutory obligation binding on municipalities to appoint senior managers who meet the minimum prescribed competencies, higher education qualifications, work experience and knowledge as provided for in *Government Gazette* No. 37245.

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Definitions

1. In this Schedule, unless the context indicates otherwise, a word or phrase to which a meaning has been assigned in the *Local Government: Municipal Systems Act,* 2000 (Act No. 32 of 2000) as amended (hereafter referred to as "the Act") and *Government Gazette* No. 37245 has that meaning –

"in-job" means the number of years in-job in the same position in the same municipality;
"job evaluation" means the systematic process of assessing the job content and ranking jobs according to a consistent set of job characteristics to create a job worth hierarchy that determines and illustrates where each job fits in the municipality relative to other jobs in the municipality;
"immediately" means in this context within a period of six months after lapsing of the employment contract;
"**municipal categorisation**" or "**municipal grade**" means the grade assigned to a municipality in terms of this Notice, and both terms shall be interpreted as having the same meaning. For the avoidance of doubt, these terms do not refer to the grading or evaluation of individual posts of employees;
"notch" means an incremental point within a salary scale for a post, reflecting a predetermined remuneration amount within the same salary level or grade, and forming the basis for pay progression subject to the prescribed criteria;
"NQF" refers to the National Qualifications Framework prescribed by regulations issued in terms of the *South African Qualifications Authority Act,* 1995 (Act No. 58 of 1995);
"pay progression" means the structured movement of a senior manager from one salary notch to a higher salary notch within the same salary level or grade, in accordance with this Notice and subject to the senior manager meeting the prescribed performance and eligibility requirements;
"personal-to-incumbent" means the protection of current contractual terms and conditions applicable to an employee, including benefits, who has accepted a specific remuneration package, where that package may not conform to all aspects of the remuneration policy or any applicable determinations;
"**Regulations**" means the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers issued in terms of Government Notice No. 21 as published under *Government Gazette* No. 37245 of 17 January 2014;
"remote allowance" means a non-pensionable allowance, determined through the remoteness index, payable by a municipality to attract and retain suitably qualified and competent senior managers to a geographically remote area where the approved pay scales are not sufficient to attract such managers;
"salary level or grade" means the level determined for a post in terms of an approved job evaluation system, representing the relative value of that post within the municipality and forming the basis upon which the applicable salary scale or total remuneration package is determined;
"salary scale" means the structured range consisting of a minimum, lower, midpoint, upper, maximum and, where applicable, incremental salary notches, within which a senior manager may be remunerated in accordance with the Notice;
"senior manager" means a senior manager as defined in regulation 1 of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers issued in terms of Government Notice No. 21 as published under *Government Gazette* No. 37245 of 17 January 2014;

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"total remuneration package" means the total annual guaranteed pay of a senior manager, including the basic salary, housing, motor vehicle, pension contributions, medical aid contributions but excludes a variable pay;
"total municipal equitable share" means the equitable share of revenue that is provided to a metropolitan, district or local municipality for the 2024/25 financial year in terms of section 227(1) of the Constitution of the Republic of South Africa, 1996, to enable the municipality to provide basic services and perform the functions assigned to it, but excludes the regional services council replacement grant for district municipalities;
"total municipal income" means the gross income in respect of a metropolitan, district or local municipality based on actual income as stated in the audited financial statements of that municipality for the 2024/25 financial year. For the purpose of this meaning –

(a) The gross income for a municipality includes the following -
  (i) rates on property;
  (ii) fees for services rendered by the municipality or on its behalf by a municipal entity;
  (iii) surcharges;
  (iv) other authorised taxes;
  (v) levies and duties;
  (vi) income from fines for traffic offences and contravention of municipal by-laws or legislation assigned to the local sphere of government;
  (vii) regional services council replacement grant for district municipalities;
  (viii) interest earned on invested funds other than national and provincial conditional grants;
  (ix) rental for the use of municipal movable or immovable property; and
  (x) amounts received as agent for other spheres of government.
(b) The gross income excludes -
  (i) transfers and / or grants from the national fiscus and provincial fiscus, with the exception of the regional services council replacement grant for district municipalities; and
  (ii) all value added tax (VAT) refunds.

"total population" means the official statistics of the population residing in the area of jurisdiction of a metropolitan, district or local municipality, as determined by the Statistician-General for the 2022 Census, in terms of section 14(7) of the *Statistics Act,* 1999 (Act No. 6 of 1999); and
"upper limits" means the applicable total remuneration package values as contained in the Notice.

Allocation of number of points for total municipal income

2. The number of points allocated for the total municipal income of a municipality is as follows:

TOTAL MUNICIPAL INCOME		
FROM	**TO**	**NUMBER OF POINTS**
R0	R 16 920 357	1
R16 920 358	R 18 120 533	2
R18 120 534	R 20 423 160	3
R20 423 161	R 21 927 295	4
R21 927 296	R 25 274 864	5
R25 274 865	R 27 237 363	6
R27 237 364	R 29 222 148	7

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TOTAL MUNICIPAL INCOME		
FROM	TO	NUMBER OF POINTS
R29 222 149	R30 559 676	8
R30 559 677	R34 528 782	9
R34 528 783	R37 554 952	10
R37 554 953	R39 292 152	11
R39 292 153	R44 416 818	12
R44 416 819	R48 789 467	13
R48 789 468	R51 618 480	14
R51 618 481	R55 647 918	15
R55 647 919	R59 584 407	16
R59 584 408	R63 519 795	17
R63 519 796	R68 967 771	18
R68 967 772	R76 523 130	19
R76 523 131	R78 140 984	20
R78 140 985	R81 726 773	21
R81 726 774	R92 983 244	22
R92 983 245	R94 073 993	23
R94 073 994	R103 543 013	24
R103 543 014	R113 919 812	25
R113 919 813	R124 486 557	26
R124 486 558	R131 673 128	27
R131 673 129	R137 067 478	28
R137 067 479	R149 492 063	29
R149 492 064	R162 506 211	30
R162 506 212	R170 115 498	31
R170 115 499	R176 629 221	32
R176 629 222	R191 780 237	33
R191 780 238	R200 088 745	34
R200 088 746	R217 492 792	35
R217 492 793	R223 628 661	36
R223 628 662	R229 764 527	37
R229 764 528	R236 410 670	38
R236 410 671	R248 096 749	39
R248 096 750	R266 710 670	40
R266 710 671	R291 104 813	41
R291 104 814	R330 031 886	42
R330 031 887	R358 738 598	43
R358 738 599	R384 324 940	44
R384 324 941	R423 860 085	45
R423 860 086	R460 728 132	46
R460 728 133	R500 803 019	47
R500 803 020	R544 363 685	48
R544 363 686	R591 713 330	49
R591 713 331	R669 126 504	50
R669 126 505	R826 038 297	51
R826 038 298	R897 888 458	52
R897 888 459	R1 060 322 963	53
R1 060 322 964	R1 151 158 518	54
R1 151 158 519	R1 362 490 321	55
R1 362 490 322	R1 848 071 368	56
R1 848 071 369	R2 966 807 244	57
R2 966 807 245	R5 621 587 899	58
R5 621 587 900	R10 707 309 516	59
R10 707 309 517	Above	60

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Allocation of number of points for total population

3. The number of points allocated for the total population of a municipality is as follows:

TOTAL POPULATION		
FROM	**TO**	**NUMBER OF POINTS**
0	78 269	1
78 270	92 082	2
92 083	103 596	3
103 597	117 593	4
117 594	132 991	5
132 992	145 589	6
145 590	159 587	7
159 588	173 584	8
173 585	188 982	9
188 983	209 977	10
209 978	233 774	11
233 775	261 770	12
261 771	295 363	13
295 364	331 757	14
331 758	382 149	15
382 150	440 939	16
440 940	510 928	17
510 929	593 513	18
593 514	690 097	19
690 098	804 877	20
804 878	937 854	21
937 855	1 093 229	22
1 093 230	1 283 597	23
1 283 598	1 503 361	24
1 503 362	1 787 513	25
1 787 514	2 155 650	26
2 155 651	2 602 176	27
2 602 177	3 127 087	28
3 127 088	4 507 475	29
4 507 476	above	30

Allocation of number of points for total municipal equitable share

4. The number of points allocated for the total municipal equitable share of a municipality is as follows:

TOTAL MUNICIPAL EQUITABLE SHARE		
FROM	**TO**	**NUMBER OF POINTS**
R0	R29 965 058	1
R29 965 059	R45 104 059	2
R45 104 060	R58 962 215	3
R58 962 216	R69 199 555	4
R69 199 556	R84 830 309	5
R84 830 310	R120 032 897	6
R120 032 898	R189 844 297	7
R189 844 298	R417 123 274	8
R417 123 275	R2 710 665 981	9
R2 710 665 982	above	10

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Determination of grade of municipality

5. The total number of points allocated to a municipality in terms of items 2, 3, and 4 respectively, determines the grade of such municipality, in accordance with the following table -

GRADE OF MUNICIPALITY		
GRADE	**FROM**	**TO**
1	1	26
2	27	47
3	48	60
4	61	70
5	71	78
6	79	85
7	86	91
8	92	96
9	97	98
10	99	100

Annual total remuneration packages of municipal managers

6. The upper limits of the annual total remuneration packages for municipal managers are as follows -

GRADE	MINIMUM	LOWER	MIDPOINT	UPPER	MAXIMUM
1	R1 483 544	R1 519 149	R1 555 608	R1 592 943	R1 631 174
2	R1 631 174	R1 670 322	R1 710 409	R1 751 460	R1 793 494
3	R1 793 494	R1 836 538	R1 880 615	R1 925 750	R1 971 967
4	R1 971 967	R2 019 295	R2 067 758	R2 117 384	R2 168 202
5	R2 168 202	R2 220 238	R2 273 524	R2 328 089	R2 383 963
6	R2 383 963	R2 441 177	R2 499 766	R2 559 761	R2 621 194
7	R2 621 194	R2 684 103	R2 748 522	R2 814 486	R2 882 034
8	R2 882 034	R2 951 203	R3 022 031	R3 094 561	R3 168 830
9	R3 168 830	R3 244 882	R3 322 759	R3 402 505	R3 484 166
10	R3 484 166	R3 567 786	R3 653 412	R3 741 094	R3 830 880

Annual total remuneration packages of managers directly accountable to municipal managers

7. The upper limits of the annual total remuneration packages for managers directly accountable to municipal managers are as follows -

GRADE	MINIMUM	LOWER	MIDPOINT	UPPER	MAXIMUM
1	R1 116 064	R1 142 850	R1 170 278	R1 198 365	R1 227 126
2	R1 227 126	R1 256 577	R1 286 735	R1 317 616	R1 349 239
3	R1 349 239	R1 381 621	R1 414 780	R1 448 734	R1 483 504
4	R1 483 504	R1 519 108	R1 555 566	R1 592 900	R1 631 130
5	R1 631 130	R1 670 277	R1 710 363	R1 751 412	R1 793 446
6	R1 793 446	R1 836 488	R1 880 564	R1 925 698	R1 971 915
7	R1 971 915	R2 019 241	R2 067 703	R2 117 328	R2 168 143
8	R2 168 143	R2 220 179	R2 273 463	R2 328 026	R2 383 899
9	R2 383 899	R2 441 113	R2 499 699	R2 559 692	R2 621 124
10	R2 621 124	R2 684 031	R2 748 448	R2 814 411	R2 881 956

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Offer of remuneration on appointment

8. (1) The offer of remuneration on appointment to a senior manager will be determined by the qualifications, experience, knowledge of the candidate considered for appointment and performance track record, where applicable.

(2) A municipal council must apply the criteria as set out below to determine the offer of remuneration on appointment -

TOTAL REMUNERATION PACKAGE	CRITERIA
MINIMUM	• Meets the prescribed minimum qualifications in terms of the Regulations; • Has at least five (5) years' relevant experience as required; and • Has demonstrated exposure to strategic leadership responsibilities at a comparable municipal scale.
LOWER	• Meets the prescribed minimum qualifications; • Has between five (5) and seven (7) years' relevant experience; and • Demonstrates emerging strategic management capability with measurable performance outputs in a similar environment.
MIDPOINT	• Meets the prescribed minimum qualifications; • Has between seven (7) and ten (10) years' relevant experience; • Has demonstrable experience in managing complex institutional programmes, budgets and multidisciplinary teams; and • Has a proven record of achieving performance targets and maintained an effective individual performance at a senior management level.
UPPER	• Meets the prescribed minimum qualifications and possesses additional relevant postgraduate or specialist qualifications at NQF Level 8 or 9; • Has more than ten (10) years' relevant senior management experience; • Has demonstrated sustained institutional performance improvement, governance strengthening, or turnaround capability; • Has a proven record of achieving performance targets and maintained an effective individual performance at a senior management level; and • Has experience operating within highly complex or distressed municipal or institutional environments. The Municipal Council must record written reasons justifying placement at the upper notch.
MAXIMUM	• Meets the prescribed minimum qualifications and possesses additional postgraduate or specialist qualifications NQF Level 9 or 10; • Has senior management experience exceeding ten (10) years at comparable or higher institutional complexity; • Has demonstrated exceptional leadership, institutional reform, financial stabilisation, or service delivery turnaround achievements; • Has a proven record of achieving performance targets and maintained an effective individual performance at a senior management level; and • Provides scarce or critical skills that are demonstrably difficult to recruit within the municipal labour market and record is available to indicate such. The Municipal Council must record written reasons justifying placement at the maximum notch.

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(3) Where a senior manager, immediately following the expiry or termination of a contract, is appointed to the same position in the same municipality, or to an equivalent position in another municipality of the same municipal grade, the senior manager may be appointed at the salary notch applicable at the time of termination or departure, subject to the applicable upper limits, provided that good cause for such salary placement is demonstrated and formally recorded.

(4) For purposes of sub-item (3) above, good cause shall include demonstrated operational necessity, institutional continuity, retention of skills, recruitment constraints or other objectively justifiable reasons recorded by the municipal council.

Pay Progression

9. The following criteria apply in determining pay progression from one notch to another:

MINIMUM	LOWER	MIDPOINT	UPPER	MAXIMUM
New appointment	1-2 yrs in-job	3+ yrs in-job	4+ yrs in-job	5+yrs in-job
	Achieved performance rating of 3 and above	Achieved performance rating of 3 and above	Achieved performance rating of 3 and above	Achieved performance rating of 3 and above

Upper limits of cell phone allowance and data for senior managers

10. A senior manager may, in addition to the annual total remuneration packages provided for in terms of items 6 and 7 respectively, be paid a cell phone allowance and data not exceeding R2 500.00 per month, in accordance with the applicable municipal council policy.

Payment of remote allowance

11. (1) A senior manager may be paid a remote allowance not exceeding the percentage of the total annual remuneration package applicable to the relevant senior manager, as provided in **Annexure A** to this Notice.

(2) A senior manager who receives a market premium allowance, rural or scarce skills allowance in terms of Notice No. 225 as published in *Government Gazette* No. 37500 of 29 March 2014 or Notice No. 578 as published in *Government Gazette* No. 38946 of 1 July 2015 is not eligible for the remote allowance contemplated in sub-item (1).

(3) A remote allowance referred to in sub-item (1) terminates when –
(a) the employment contract of a senior manager lapses or is terminated; or
(b) the senior manager vacates office for any reason before the date of expiry of the employment contract, including but not limited to transfer, promotion, dismissal for misconduct, incapacity, operational requirements and retirement.

Overpayment

12. (1) A municipality must remunerate its senior managers only within the framework of the Act, Regulations and this Notice, setting out the upper limits of the total remuneration packages payable to senior managers.

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(2) Any remuneration paid to a senior manager other than in accordance with sub-item (1) or any benefit, is an irregular expenditure and the municipality must recover that remuneration and benefits from the senior manager concerned.

(3) A municipality that remunerated a senior manager in contravention of the criteria governing the offer of remuneration on appointment, and in the absence of a waiver granted by the Minister or salary creep correction in consultation with the MEC responsible for local government, must correct the total remuneration package and recover any resultant overpayment in accordance with section 32 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and other applicable legislation and legal principles governing the recovery of debts.

Furnishing of information to Minister

13. (1) A municipal council is required in terms of section 107 of the Act, to compile the following information for senior managers as at 1 July 2025 and submit same to the MEC responsible for local government in the province –

(a) Total approved posts;
(b) Total filled posts;
(c) Total vacant posts;
(d) Name of incumbent;
(e) Designation;
(f) Gender;
(g) Nature of contract (either permanent or fixed term contract);
(h) Date of appointment;
(i) Date of expiry of contract;
(j) Total remuneration packages and any allowances that are payable to senior managers and divisional managers (third level managers) for the 2025/26 municipal financial year, including the T-scale levels where applicable;
(k) Municipal grade for the 2025/26 municipal financial year;
(l) Total municipal income;
(m) Total population; and
(n) Total municipal equitable share.

(2) The information contemplated in sub-item (1) must be submitted to the MEC responsible for local government in the province within 60 days from the date of publication of this Notice on an official letterhead of the municipality, signed by the executive mayor or mayor.

(3) The MEC responsible for local government must analyse, verify and submit consolidated information for all municipalities in the province to the Minister within 90 days from the date of publication of this Notice.

Transitional provisions

14. (1) A municipal council may apply in writing to the Minister for exemption, using an application form which corresponds with **Annexure B**, after consultation with the MEC responsible for local government if the municipality cannot afford to implement item 6 and 7 as set out in this Notice. The Minister will consider each application on merit, based on circumstances and motivation provided by the municipalities.

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(2) If the remuneration of a senior manager is higher than the applicable pay scales determined in items 6 and 7, the personal-to-incumbent principle will apply. In such cases, the senior manager shall retain his or her current total remuneration package and benefits; however, the senior manager shall not be eligible for pay progression, and any adjustments to the remuneration package shall be limited to the cost-of-living adjustments determined by the Minister until the applicable salary scale is aligned through the normal determination of upper limits. The cost-of-living adjustment for the 2024/25 financial year is 3%, and for the 2025/26 financial year is 3%.

(3) A senior manager who was remunerated at the midpoint or maximum in terms of the previous Notices, or whose remuneration falls between the notches prescribed in this Notice, must be placed, for purposes of this Notice, at the closest matching notch, being the nearest higher notch. A senior manager who was remunerated at a minimum in terms of the previous Notices shall be placed at the minimum of this Notice.

(4) For a senior manager to qualify for pay progression, he/she must have completed the full cycle of the performance management system for the 2025/26 financial year, have a signed performance agreement, being assessed for the 2025/26 financial year, and complied with all requirements in terms of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.

(5) Item 10 does not affect the existing cellphone and data contract of a senior manager entered into before the date of this Notice.

(6) Despite every effort taken to address scale creep, if such an eventuality occurs where there is still a salary creep, the municipal council must in consultation with the MEC responsible for local government correct it by paying the municipal manager four salary levels or grades above the highest paid third level managers, and in the case of a manager directly accountable to a municipal manager two salary levels or grades, above the highest paid third level managers, subject to the following criteria:

CRITERIA	DESCRIPTION
Job Evaluation	The positions of the third-level manager, the manager directly accountable to the municipal manager in that department or directorate, and the municipal manager have been evaluated in accordance with the Municipal Staff Regulations, 2021 and council policy, and the job-evaluation results have been audited and approved in terms of the council's delegations.
MTREF	Determine whether the budget is funded or unfunded and affordability.
Senior Manager's costed remuneration	Assess whether the current remuneration of the senior managers complies with Notice on upper limits of the total remuneration packages payable to municipal managers and managers directly accountable to municipal managers.
Third-level Manager's costed remuneration	Assess the total costed remuneration package of the highest-paid third-level manager(s), including the basic salary, applicable allowances, pension, medical aid contributions and other employment benefits, to determine the extent of the remuneration differential and salary creep between the third-level manager(s) and the relevant senior manager, and to support an informed decision on the appropriate remuneration adjustment.
Remuneration ratio	Assess whether the employee related costs and councillors remuneration expenditure of a municipality is within the prescribed norm of 25% and 40% of the total operating budget with a view to free budget earmarked for service delivery for what it is intended for.

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CRITERIA	DESCRIPTION
Sustainability ratio	Assess whether the municipality has the ability to overcome economic and external shocks by utilising its reserves.
Liquidity - Current Ratio	Assess whether the municipality is able to pay back its short- term liabilities (debt and payables) with its short-term assets (cash, Inventory and receivables).
Collection rate	Assess whether the municipality has the ability to collect revenue owed to it, including the effectiveness of its credit control and revenue management.
Cash / Cost coverage ratio	Assess whether the municipality has the ability to meet its monthly fixed operating commitments from cash and short- term investment.

(7) The MEC responsible for local government in the province must, within 14 days notify the Minister of any determination, approval, or corrective measure made in terms of item 14(6), including the grounds on which such decision was taken and the municipality's historical compliance with previous determinations on upper limits and waiver approvals.

(8) A senior manager to whom a waiver was granted at the midpoint, or maximum must be placed at the closest matching higher notch in terms of this Notice. No waiver shall apply where a person commences a new position in the same municipality.

(9) Where a senior manager has been granted a remuneration waiver resulting in placement one or two notches above the highest-paid third-level managers, the municipal council must, in consultation with the MEC responsible for local government in the province, correct such disparity in accordance with the principle and criteria set out in sub-item 14(6).

(10) If the grade of a municipality is lower than the previous categorisation as determined in terms of this Notice, the municipality shall retain the categorisation prescribed in the previous Notice and a senior manager –

(a) who is appointed as at 30 June 2025, will be remunerated in terms of this Notice as per item 6 and 7 in accordance with the categorisation determined in terms of Government Notice No. 4897 in *Government Gazette* No. 50787 of 14 April 2026: Provided that the data used by the municipality for determination of the grade of a municipality is correct; and

(b) is entitled to the applicable cost-of-living adjustments aligned to the Minister's determination: Provided that the data used by the municipality for determination of the grade of a municipality is correct.

(11) The criteria as contained in Item 9 shall apply with effect from 1 July 2024.

(12) This Notice does not affect the existing employment contract of a senior manager appointed before 1 July 2014.

Short title and commencement

15. (1) This Notice is called the Upper Limits of Total Remuneration Packages of Municipal Managers and Managers Directly Accountable to Municipal Managers.

(2) This Notice takes effect from 1 July 2025 and replaces *Government Gazette* No. 54505, as published on 14 April 2026.

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ANNEXURE A

PROVINCE	DISTRICT CODE	MUNICIPAL CODE	MUNICIPALITY	%
Eastern Cape	DC10	EC102	Blue Crane Route	4%
Eastern Cape	DC10	EC106	Sundays River Valley	4%
Eastern Cape	DC10	EC109	Kou-Kamma	4%
Eastern Cape	DC12	EC129	Raymond Mhlaba	4%
Eastern Cape	DC13	EC131	Inxuba Yethemba	4%
Eastern Cape	DC13	EC135	Intsika Yethu	4%
Eastern Cape	DC13	EC137	Engcobo	4%
Eastern Cape	DC13	EC138	Sakhisizwe	4%
Eastern Cape	DC13	EC139	Enoch Mgijima	4%
Eastern Cape	DC14	EC141	Elundini	4%
Eastern Cape	DC15	EC153	Ingquza Hill	4%
Eastern Cape	DC44	EC443	Winnie Madikizela-Mandela	4%
Eastern Cape	DC15	EC154	Port St Johns	4%
Eastern Cape	DC44	EC442	Umzimvubu	4%
Eastern Cape	DC44	EC444	Ntabankulu	4%
Eastern Cape	DC14	DC14	Joe Gqabi	4%
Eastern Cape	DC44	DC44	Alfred Nzo	4%
Free State	DC16	FS161	Letsemeng	4%
Free State	DC16	FS162	Kopanong	4%
Free State	DC18	DC183	Tswelopele	4%
Free State	DC19	FS191	Setsoto	4%
Free State	DC19	FS196	Mantsopa	4%
Free State	DC20	FS205	Mafube	4%
Free State	DC20	FS204	Metsimaholo	4%
Free State	DC16	DC16	Xhariep	4%
Free State	DC20	DC20	Fezile Dabi	4%
KwaZulu Natal	DC21	KZN214	UMuziwabantu	4%
KwaZulu Natal	DC22	KZN224	Impendle	4%
KwaZulu Natal	DC23	KZN235	Okhahlamba	4%
KwaZulu Natal	DC24	KZN245	Umvoti	4%
KwaZulu Natal	DC24	KZN244	Msinga	4%
KwaZulu Natal	DC26	KZN261	eDumbe	4%
KwaZulu Natal	DC26	KZN262	UPhongolo	4%
KwaZulu Natal	DC26	KZN265	Nongoma	4%
KwaZulu Natal	DC26	KZN266	Ulundi	4%
KwaZulu Natal	DC27	KZN276	Big Five Hlabisa	4%
KwaZulu Natal	DC28	KZN285	Mthonjaneni	4%
KwaZulu Natal	DC28	KZN286	Nkandla	4%
KwaZulu Natal	DC43	KZN433	Greater Kokstad	4%
KwaZulu Natal	DC43	KZN434	Ubuhlebezwe	4%
KwaZulu Natal	DC43	KZN435	Umzimkhulu	4%
KwaZulu Natal	DC26	DC26	Zululand	4%
KwaZulu Natal	DC43	DC43	Harry Gwala	4%
Limpopo	DC33	LIM331	Greater Giyani	4%
Limpopo	DC34	LIM341	Musina	4%
Limpopo	DC35	LIM351	Blouberg	4%
Limpopo	DC35	LIM353	Molemole	4%
Limpopo	DC36	LIM361	Thabazimbi	4%
Limpopo	DC47	LIM473	Makhuduthamaga	4%
Limpopo	DC47	LIM476	Greater Tubatse/Fetakgomo	4%
Mpumalanga	DC30	MP301	Albert Luthuli	4%

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PROVINCE	DISTRICT CODE	MUNICIPAL CODE	MUNICIPALITY	%
Mpumalanga	DC30	MP303	Mkhondo	4%
Mpumalanga	DC30	MP304	Dr Pixley Ka Isaka Seme	4%
Mpumalanga	DC32	MP321	Thaba Chweu	4%
Mpumalanga	DC 32	MP324	Nkomazi	4%
North West	DC37	NW375	Moses Kotane	4%
North West	DC38	NW381	Ratlou	4%
North West	DC38	NW382	Tswaing	4%
North West	DC38	NW385	Ramotshere Moiloa	4%
North West	DC39	NW392	Naledi (NW)	4%
North West	DC39	NW393	Mamusa	4%
North West	DC39	NW394	Greater Taung	4%
North West	DC39	NW396	Lekwa-Teemane	4%
North West	DC40	NW404	Maquassi Hills	4%
North West	DC39	DC39	Dr Ruth Segomotsi Mompati	4%
Northern Cape	DC8	NC084	!Kheis	4%
Northern Cape	DC7	NC078	Siyancuma	4%
Northern Cape	DC7	NC076	Thembelihle	4%
Northern Cape	DC9	NC093	Magareng	4%
Northern Cape	DC9	NC094	Phokwane	4%
Western Cape	DC1	WC013	Bergrivier	4%
Western Cape	DC1	WC015	Swartland	4%
Western Cape	DC3	WC032	Overstrand	4%
Western Cape	DC3	WC034	Swellendam	4%
Western Cape	DC3	WC031	Theewaterskloof	4%
Western Cape	DC4	WC042	Hessequa	4%
Western Cape	DC4	WC041	Kannaland	4%
Western Cape	DC5	WC051	Laingsburg	4%
Western Cape	DC5	WC052	Prince Albert	4%
Western Cape	DC1	DC1	West Coast	4%
Eastern Cape	DC10	EC101	Dr Bayers Naude	7%
Eastern Cape	DC14	EC142	Senqu	7%
Eastern Cape	DC14	EC145	Walter Sisulu	7%
Eastern Cape	DC44	EC441	Matatiele	7%
Free State	DC16	FS163	Mohokare	7%
KwaZulu Natal	DC27	KZN272	Jozini	7%
KwaZulu-Natal	DC27	DC27	Umkhanyakude	7%
KwaZulu-Natal	DC43	KZN436	Dr Nkosazana Dlamini Zuma	7%
Limpopo	DC36	LIM362	Lephalale	7%
Northern Cape	DC6	NC067	Khai-Ma	7%
Northern Cape	DC7	NC072	Umsobomvu	7%
Northern Cape	DC7	NC075	Renosterberg	7%
Northern Cape	DC8	NC085	Tsantsabane	7%
Northern Cape	DC8	NCO86	Kgatelopele	7%
Northern Cape	DC45	NC453	Gamagara	7%
Northern Cape	DC45	NC452	Ga-Segonyana	7%
Northern Cape	DC45	DC45	John Taolo Gaetsewe	7%
Western Cape	DC1	WC012	Cederberg	7%
Western Cape	DC3	WC033	Cape Agulhas	7%
Western Cape	DC5	WC053	Beaufort West	7%
Western Cape	DC3	DC3	Overberg	7%
Western Cape	DC5	DC5	Central Karoo	7%
KwaZulu Natal	DC27	KZN271	Umhlabuyalingana	10%
North West	DC39	NW397	Kagisano/Molopo	10%

PROVINCE	DISTRICT CODE	MUNICIPAL CODE	MUNICIPALITY	%
Northern Cape	DC6	DC6	Namakwa	10%
Northern Cape	DC6	NC061	Richtersveld	10%
Northern Cape	DC6	NC062	Nama Khoi	10%
Northern Cape	DC6	NC064	Kamiesberg	10%
Northern Cape	DC6	NC065	Hantam	10%
Northern Cape	DC6	NC066	Karoo Hoogland	10%
Northern Cape	DC7	DC7	Pixley Ka Seme	10%
Northern Cape	DC7	NC073	Emthanjeni	10%
Northern Cape	DC7	NC071	Ubuntu	10%
Northern Cape	DC7	NC074	Kareeberg	10%
Northern Cape	DC7	NC077	Siyathemba	10%
Northern Cape	DC45	NC451	Joe Morolong	10%
Western Cape	DC1	WC011	Matzikama	10%

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ANNEXURE B

APPLICATION FOR EXEMPTION FROM THE NOTICE ON UPPER LIMITS OF TOTAL REMUNERATION PACKAGES OF MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS

This form must be completed by a municipality applying to the Minister for exemption from the implementation of the Notice on Upper Limits of Total Remuneration Packages of Municipal Managers and Managers Directly Accountable to Municipal Managers. The application must be approved by the Municipal Council and submitted by the Mayor or Executive Mayor.

PART A: SUBMISSION CHECKLIST

- ☐ Council Resolution approving the exemption application
- ☐ Municipal Budget and MTREF showing affordability constraints
- ☐ Latest Audited Annual Financial Statements
- ☐ Organisational Structure indicating senior management posts
- ☐ Current remuneration packages of affected senior managers
- ☐ Motivation report explaining financial constraints
- ☐ Any other relevant supporting documentation

PART B: MUNICIPALITY DETAILS

Name of Municipality	
Municipal Code	
Province	
District Municipality (if applicable)	
Physical Address	
Postal Address	
Telephone	
Email Address	

PART C: AUTHORISED APPLICANT (ON BEHALF OF COUNCIL)

Name	
Designation (Mayor / Executive Mayor)	
Contact Number	
Email Address	

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PART D: DETAILS OF THE EXEMPTION REQUEST

Positions for which exemption is sought:

Position	Number of Posts	Current Remuneration	Proposed Remuneration
Municipal Manager			
Manager directly accountable to Municipal Manager			

Provision(s) of the Notice for which exemption is sought:

☐ Upper limit of remuneration package
☐ Pay progression requirement
☐ Placement within salary notch framework
☐ Other (specify)

Relevant clause(s) of the Notice: _____

PART E: MUNICIPALITY CLASSIFICATION

Provide the following information used to determine the municipal grade:

Indicator	Value	Source
Total Municipal Income		
Total Population		
Municipal Equitable Share		
Total Points		
Municipal Grade		

PART F: REASONS FOR REQUESTING EXEMPTION

Explain why the municipality cannot implement the Notice:

☐ Financial constraints / affordability
☐ Unfunded budget
☐ Service delivery impact
☐ Other (specify)

Detailed motivation:

_____
_____
_____

PART G: PERIOD OF EXEMPTION REQUESTED

☐ One financial year
☐ Two financial years
☐ Other (specify)

Proposed start date: _____

Proposed end date: _____

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PART H: FINANCIAL INFORMATION

Provide summary financial indicators:

Indicator	Value
Total Operating Budget	
Employee Related Costs	
Cash Coverage Ratio	
Liquidity Ratio	
Collection Rate	
Whether Budget is Funded/Unfunded	

Attach supporting documentation where applicable.

PART I: DECLARATION

I hereby certify that:

- The information provided in this application is true and correct.
- The Municipal Council has approved the submission of this application.
- All supporting documentation has been attached.

Name: _____

Designation: _____

Signature: _____

Date: _____

PART J: MUNICIPAL COUNCIL CONFIRMATION

Council Resolution Number: _____

Date of Council Resolution: _____

Certified by:
Municipal Manager/Delegated Authority: _____

Signature: _____

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ANNEXURE B

EXTRACT FROM THE DRAFT MINUTES OF A SPECIAL IN-CLOSED COUNCIL MEETING OF GARDEN ROUTE DISTRICT MUNICIPALITY HELD IN THE CA ROBERTSON COUNCIL CHAMBERS AND VIA ZOOM ON 12 FEBRUARY 2026 AT 10:00

J. IN CLOSED SESSION / *IN GESLOTE SESSIE* / KWI-SASHONI YASEKHUSINI

J.3 **UPPER LIMITS OF TOTAL REMUNERATION PACKAGES OF MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS DATED 18 DECEMBER 2025/ *BOONSTE GRENSE VAN DIE TOTALE VERGOEDINGS SALARISPAKKETTE VAN MUNISIPALE BESTUURDERS EN BESTUURDERS VERANTWOORDBAAR AAN MUNISIPALE BESTUURDERS, GEDATEER 18 DESEMBER 2025* / AMABAKALA APHEZULU YOMVUZO OPHELELO WABAPHATHI BOMASIPALA KUNYE NABAPHATHI ABAPHENDULA NKQO KUMPHATHI MASIPALA ANGOMHLA 18 KWEYOMNGA 2025**

Refer report from the Executive Manager Financial & Corporate Services (R Boshoff) / Manager Human Resources (M Smit)(PG 24-60)

RESOLVED

1. That the publication of Government Gazette No. 53882 (18 December 2025) on Upper Limits of Remuneration Packages for Senior Managers, be noted.

2. That Council approves the alignment of Municipal Remuneration practices with the prescribed upper limits effective 1 July 2024.

Adv. S Maqekeni
Secretary of Council

Confirmed Extract

BACK TO AGENDA

1. CONSULTATION ON THE DRAFT GOVERNMENT NOTICE: UPPER LIMITS OF TOTAL REMUNERATION PACKAGES OF MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS FOR THE 2026/2027 FINANCIAL YEAR / *KONSULTASIEPROSES RAKENDE DIE KONSEPREGERINGSKENNISGEWING: BOONSTE PERKE VAN TOTALE VERGOEDINGSPAKKETTE VAN MUNISIPALE BESTUURDERS EN BESTUURDERS WAT DIREK VERANTWOORDELIK IS AAN MUNISIPALE BESTUURDERS IS VIR DIE 2026/2027-BOEKJAAR* / UTHETHWANO NGOYILO LWESAZISO SIKARHULUMENTE: IMIDA EPHEZULU YEEPAKETHI ZENTLAWULO EPHELELEYO YABALAWULI BAKAMASIPALA KUNYE NABALAWULI ABAPHENDULA NGQO KUBO, KUNYAKA-MALI KA-2026/2027

REPORT FROM THE EXECUTIVE MANAGER: FINANCE AND CORPORATE SERVICES (R BOSHOFF) MANAGER: HUMAN RESOURCES (M Smit)

2. PURPOSE

To submit the South African Local Government Association (SALGA) Circular 47 of 2026 and the Draft Government Notice on the Upper Limits of Total Remuneration Packages of Municipal Managers and Managers Directly Accountable to Municipal Managers for the 2026/2027 financial year to Council for consideration and comment as part of the national consultation process. The proposed Notice introduces an approximately 4% increase to the remuneration package tables applicable to senior managers and requests municipalities to provide input before a final recommendation is submitted to the Minister responsible for Cooperative Governance and Traditional Affairs.

3. DELEGATED AUTHORITY

The Municipal Council's powers and functions regarding matters affecting municipal administration and senior management remuneration.

4. EXECUTIVE SUMMARY

The SALGA Circular 47/2026, dated 29 September 2026, (attached as **Annexure A**) invites municipalities to participate in a consultation process regarding the Draft Government Notice on Upper Limits of Total Remuneration Packages of Municipal Managers and Managers Directly Accountable to Municipal Managers for the 2026/2027 financial year.

The Draft notice (attached as **Annexure B)** has been issued by the Minister of Cooperative Governance and Traditional Affairs in terms of Section 72(2A) of the Municipal Systems Act and proposes amendments to the remuneration framework for senior managers.

Key amendments are as follows:

- An approximate 4% increase in the Municipal Income and Equitable Share point allocation tables.
- Retention of existing provisions relating to pay progression, cell phone allowances, remote allowances and overpayments.
- A 2.5% cost-of-living adjustment for senior managers whose remuneration is protected under the personal-to-incumbent principle.

Council is required to consider the proposed amendments and determine whether any comments or representations should be submitted to SALGA for inclusion in its consolidated submission to the Minister.

5. RECOMMENDATIONS

It is recommended that Council:

1. That Council notes the contents of SALGA Circular 47 of 2026 regarding the consultation on the Draft Government Notice on Upper Limits of Total Remuneration Packages of Municipal Managers and Managers Directly Accountable to Municipal Managers for the 2026/2027 financial year.

2. That Council notes the proposed remuneration adjustments and amendments contained in the Draft Government Notice.
3. That Council authorises the Municipal Manager to submit Council's comments, if any, to SALGA within the prescribed consultation period.

AANBEVELINGS

Dit word aanbeveel dat die Raad:

1. *Kennis neem van die inhoud van SALGA-Omsendbrief 47 van 2026 rakende die konsultasie proses rakende die Konsep-staatskennisgewing rakende die boonste perke van totale vergoedingspakkette vir munisipale bestuurders en bestuurders wat direk verantwoordelik is aan munisipale bestuurders vir die 2026/2027-boekjaar.*

2. *Kennis neem van die voorgestelde vergoedingsaanpassings en -wysigings vervat in die Konsep-staatskennisgewing.*

3. *Die Munisipale Bestuurder magtig om die Raad se kommentaar, indien enige, binne die voorgeskrewe konsultasietydperk aan SALGA voor te lê.*

IZINDULULO

Kucetyiswa ukuba iBhunga:

1. Liqwalasele imixholo yeSaziso se-SALGA esinguNombolo 47 sango-2026 esimalunga nokubonisana ngoyilo lweSaziso sikaRhulumente esimalunga nemida ephezulu yeePakethi zeNtlawulo eZipheleleyo zaBaphathi boMasipala kunye naBaphathi abaphendula ngqo kuBaphathi boMasipala kunyaka-mali ka-2026/2027.

2. Liqwalasele uhlengahlengiso lwentlawulo kunye nezilungiso ezicetywayo eziqulethwe kuyilo lweSaziso sikaRhulumente.

3. Linike igunya kuMphathi kaMasipala lokuba angenise izimvo zeBhunga, ukuba zikhona, kwi-SALGA ngexesha elimiselweyo lokubonisana.

6.1 BACKGROUND

The Minister for Cooperative Governance and Traditional Affairs has published a draft notice for consultation in terms of Section 72(2A) of the Municipal Systems Act. The notice regulates the upper limits of remuneration packages payable to Municipal Managers and Managers Directly Accountable to Municipal Managers across all municipalities in South Africa.

SALGA, as the recognised organisation representing local government, has requested municipalities to provide comments on:

- The proposed salary adjustment for the 2026/2027 financial year; and
- Any additional factors that should be considered in determining the final remuneration adjustment.

The consultation forms part of the statutory process preceding the publication of the final Government Notice.

6.2 DISCUSSION

SALGA has advised that the implementation of the current remuneration framework has presented a number of challenges, including salary stagnation, salary compression, rigid remuneration bands and delayed publication of remuneration notices. These factors have impacted the morale of senior managers and created financial planning uncertainties for municipalities.

To address these concerns, a proposed cost-of-living adjustment of approximately 2.5% has been included in the draft remuneration framework for the 2026/2027 financial year. The increases are proposed across remuneration bands applicable to Municipal Managers and Managers Directly Accountable to Municipal Managers.

The draft notice further updates municipal categorisation criteria by revising the municipal income and equitable share Point tables while retaining population-based Point tables on the 2022 Census.

The notice also reinstates provisions relating to changes in municipal grading, requiring Ministerial approval where a municipality's grade increases and allowing retention of the previous grade where the revised calculations result in a lower grade.

Council's consideration of the draft notice will contribute to the organised local government consultation process before the Minister publishes the final remuneration framework for implementation.

6.3 FINANCIAL IMPLICATIONS

The proposed remuneration adjustments may result in increased personnel expenditure relating to Municipal Managers and Managers Directly Accountable to Municipal Managers from 1 July 2026 should the final notice be published in its current form.

The actual financial impact on the Municipality can only be quantified once the final Government Gazette has been published and the applicable municipal grading and remuneration levels have been confirmed.

Provision for any approved adjustments will need to be accommodated within the Municipality's approved Medium-Term Revenue and Expenditure Framework (MTREF).

6.4. LEGAL IMPLICATIONS AND RELEVANT LEGISLATION

The following legislation is applicable:

- Constitution of the Republic of South Africa, 1996.
- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
- Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014.
- Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.

- Draft Government Notice on Upper Limits of Total Remuneration Packages of Municipal Managers and Managers Directly Accountable to Municipal Managers: 2026/2027.

6.5 STAFF IMPLICATIONS

The proposed amendments affect only employees appointed as:

- Municipal Manager; and
- Managers Directly Accountable to the Municipal Manager.

Implementation of the final notice may require adjustments to remuneration packages where applicable and may influence future appointments, pay progression and remuneration administration of senior managers.

6.6. PREVIOUS COUNCIL RESOLUTIONS

None

6.7 RISK IMPLICATIONS

The following risks have been identified:

- Budgetary pressure resulting from implementation of higher remuneration packages.
- Potential non-compliance should remuneration not be aligned with the final Government Notice.
- Employee relations risks where remuneration expectations differ from the final Ministerial determination.
- Potential salary compression and affordability challenges as identified by SALGA.
- Risks associated with municipal grading changes and future remuneration obligations.

ANNEXURE A

Enquiries: Mr. Lance Joel
Tel: 082 908 3335
E-mail:ljoel@salga.org.za

SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION
SALGA
Inspiring service delivery

Physical:
Block B, Menlyn Corporate Park,
175 Corobay Ave, Waterkloof
Glen Ext II, PRETORIA 0181

Postal: PO Box 2094,
PRETORIA 0001

CIRCULAR 47/ 2026

FROM : **MR SITHOLE MBANGA**
CHIEF EXECUTIVE OFFICER

TO : **EXECUTIVE MAYORS / MAYORS/ SPEAKERS / POLITICAL HEADS OF CORPORATE SERVICES / PORTFOLIO COMMITTEES / CITY / MUNICIPAL MANAGERS / HEADS OF CORPORATE SERVICES / HUMAN RESOURCE MANAGERS**

DATE : **29 SEPTEMBER 2026**

CONSULTATION ON THE DRAFT GOVERNMENT NOTICE UPPER LIMITS OF TOTAL REMUNERATION PACKAGES OF MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS FOR 2026/2027

1. Purpose of this Circular

The purpose of this Circular is to:

- Request municipalities to submit comments on the proposed cost-of-living adjustment for the 2026/2027 financial year.
- Invite municipalities to participate in the consultative meeting scheduled as set out below.

2. Background

The table below outlines the evolution of the annual remuneration framework for senior managers from 2014 to date. In line with the mandate received from its members, SALGA has continued to play a central advocacy and lobby role in shaping policy discussions and advocating for a fair, equitable and sustainable remuneration dispensation, while supporting government's broader objectives of public accountability and fiscal prudence.

During the transition from one Notice to the next, several remedial measures were introduced to rectify unfair discriminatory remuneration patterns and practices.

The implementation of the remuneration framework has presented several complexities, including the rigidity of the capped pay structure, overlapping salary bands, and the application of zero or minimal cost-

of-living adjustments. These factors have contributed to remuneration stagnation and, in some instances, salary compression. While certain remedial measures have been welcomed, including adjustments for senior managers whose remuneration fell below the revised minimum thresholds, the cautious application of limited increases to those remunerated above the revised maximum thresholds has had an adverse impact on morale. It is acknowledged that some of these outcomes reflect systemic inefficiencies that are difficult to reverse and are further compounded by the often-delayed publication of remuneration Notices, which has resulted in municipalities bearing the risk of addressing accumulated salary-adjustment obligations.



Financial Year	Government Notice	Percentage / Offer	Comment
2014/2015	GN 37500 1st Notice	-	8 Categories As per date – reg. 35 (2), that "... determined -before 31 March of the following financial year...". Payment of Market premium allowance Waiver
2015/2016	GN 38946	15%-50%	10 Categories
2016/2017	GN 40118	5-6%	Remote Allowance
2017/2018	GN 41173	5.5%	–
2018/2019	GN 42023	5.12%	–
2019/2020	GN 43122	0%	–
2020/2021	GN 46062	0%	–
2021/2022	GN 47538	1.5%	1685 and 1818 – Gratuity. Backdated x12. Non pensionable Translation Keys
2022/2023	GN 48789	3%	1685 and 1818 – Gratuity. Backdated x12. Non pensionable
2023/2024	GN 50737	3.3%	1685 and 1818 – Gratuity. Backdated x12. Non pensionable
2024/2025	GN 53882 and GN 54505	∝	Replacement Notice and an Implementation Guiding Circular. Incumbent to holder provision, progression, 5 Notches, Salary creep corrective measure, implementation exemption & MFMA s32 recovery of unauthorized expenditure from responsible employee, clauses introduced. Exemption. Waiver discontinued
2025/2026	GN 55150	3% or 4.5%	Across the Board Cost of Living Adjustment

3. Discussion

Considering the above history, and the current economic conditions, the proposed 4% increase for 2026/2027 is now under consideration. Before a final recommendation is made through the SALGA governance structures as expected by the Minister in terms of the Municipal Systems Act, we would value your input on the following:

i. Your expectations regarding an appropriate salary adjustment for the 2026/2027 financial year;
ii. Any factors you believe should be considered and presented to the Minister in determining the final percentage in the current context.

Key Highlights of the Draft Notice

3.1 Definitions:

The definitions are largely the same, save for the data years, of total municipal equitable share and the total municipal income from 2024/25 to 2025/26 financial year.

3.2 Three Factors for Point Allocation

Municipal income and Equitable Share point-allocation tables have been updated upward, by approximately 4%. **Population** thresholds remain unchanged as the data source remains the 2022 Census.

3.3 Change of Grade of Municipality

The clause on the "Change of Grade of Municipality", previously contained in Government Notice No. 50737 of 30 May 2024, has been reinstated. Where a municipality's grade is higher than in the previous financial year, the council must, after consulting the MEC, apply in writing to the Minister for approval. In considering the application, the Minister must verify the applicable values and points and assess the sustainability of the factors underpinning the proposed grade change, including affordability, the liquidity ratio, creditor payment periods, the debtor collection rate, the remuneration ratio, and any other relevant risks. Where a municipality's grade is lower than in the previous financial year, the draft provides that the municipality must retain the previous year's grade.

3.4 The Annual Total Remuneration Packages for Municipal Managers and Manager Directly Accountable to Municipal Managers

The increases are approximately 4% across the municipal managers and managers directly accountable to municipal manager's salary table, read with the "Personal to Incumbent" clause provided for under the "Transitional Provisions" section of the Notice.

3.5 The following provisions remain similar to those in the last published Notice

- Pay Progression
- Cellphone allowance
- Remote allowance
- Overpayment
- Furnishing of information (only the applicable period)
- The exemption application form in Annexure B

3.6 Transitional provisions:

Most clauses under this section remain unchanged, save for the updating of the cycle to which the draft would pertain upon publication.

- A cost-of-living adjustment of 2.5% applies to a senior manager whose remuneration is protected under the personal-to-incumbent provision.
  Transitional grade-retention is revised to provide for when a grade becomes lower than under the previous notice. In this instance the municipality would retain the previous grade for a senior manager appointed before publication of the draft notice, provided the previous grade was based on correct data. It further provides entitlement to the applicable COLA as determined by the Minister from 1 July 2026 or date of appointment, whichever is later.

4. CONSULTATIVE MEETING

To discuss the draft and solicit input that would constitute SALGA's consolidated position to be submitted to the Minister, municipalities are cordially invited to a virtual meeting scheduled to take place as follows: -

DATE: 8th of October 2026

TIME: 12h00 - 13h30

VENUE: Virtual Platform.

Kindly click the RSVP link below to confirm your participation by no later than 6 October 2026. RSVP for the Consultative Meeting, alternatively copy and paste this link onto your browser: https://events.teams.microsoft.com/event/856fd29f-2322-4b60-b7bf-77d9c418d9e4@6365803a-d7b4-4a63-8ac5-72a4afebf12e?source=copyLinkLegacyShareLinkDialog

Written comments are also welcomed and should also be submitted within that same date, per email to: **smremuneration@salga.org.za**

5. CONCLUSION

Your feedback will be carefully considered as part of the consultation process and will assist in finalizing a fair and sustainable recommendation to the Minister.

We look forward to receiving your input. For further queries, Ms. Fikile Tshabangu can be contacted per email on ftshabangu@salga.org.za or Ms. Naledi Mosima on nmosima@salga.org.za.

Yours sincerely,

Mr. Sithole Mbanga
Chief Executive Officer

ANNEXURE B

DRAFT GOVERNMENT NOTICE

DEPARTMENT OF COOPERATIVE GOVERNANCE

LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 (ACT NO. 32 OF 2000)

UPPER LIMITS OF TOTAL REMUNERATION PACKAGES OF MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS

Under the powers vested in me by section 72(2A) of the *Local Government: Municipal Systems Act,* 2000 (Act No. 32 of 2000) read in conjunction with the *Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers*, issued in terms of Government Notice No. 21 as published under *Government Gazette* No. 37245 of 17 January 2014, I, Velenkosini Hlabisa, the Minister for Cooperative Governance and Traditional Affairs, hereby after –

(a) consultation with the bargaining council established for municipalities, Minister of Finance, Minister for Public Service and Administration, MECs responsible for local government, and organised local government; and
(b) taking into consideration the matters as set out in regulation 35 of the Regulations

determine the upper limits of the total remuneration packages payable to municipal managers and managers directly accountable to municipal managers as set out in the Schedule.

MR VELENKOSINI HLABISA, MP
MINISTER FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
DATE: 23/09/2026

SCHEDULE

Preamble

Having regard to the upper limits of salaries of senior managers as set out below, the need to prioritise service delivery to communities and to sustain viable local government and the fiscal capacity of different categories of municipalities, this Notice provides a strategic framework for remuneration of senior managers across all municipalities.

The development of this Notice took into consideration the core reward principles aimed at ensuring an appropriate remuneration mix and sought to ensure that the remuneration of senior managers is cost-effective, consistent, internally equitable, externally competitive and aligned to the achievement of the objectives of municipalities while providing a uniform remuneration framework for local government.

The upper limits constitute an integral part of the human resource value chain in building resilient administrative institutions underpinned by the intent to enable municipalities to attract, appoint and retain suitably qualified and competent senior managers necessary for effective performance of their functions.

To strengthen the capacity of municipalities, this Notice reinforces the statutory obligation binding on municipalities to appoint senior managers who meet the minimum prescribed competencies, higher education qualifications, work experience and knowledge as provided for in *Government Gazette* No. 37245.

Definitions

1. In this Schedule, unless the context indicates otherwise, a word or phrase to which a meaning has been assigned in the *Local Government: Municipal Systems Act,* 2000 (Act No. 32 of 2000) as amended (hereafter referred to as "the Act") and *Government Gazette* No. 37245 has that meaning –

"in-job" means the number of years in-job in the same position in the same municipality;
"job evaluation" means the systematic process of assessing the job content and ranking jobs according to a consistent set of job characteristics to create a job worth hierarchy that determines and illustrates where each job fits in the municipality relative to other jobs in the municipality;
"immediately" means in this context within a period of six months after lapsing of the employment contract;
"**municipal categorisation**" or "**municipal grade**" means the grade assigned to a municipality in terms of this Notice, and both terms shall be interpreted as having the same meaning. For the avoidance of doubt, these terms do not refer to the grading or evaluation of individual posts of employees;
"notch" means an incremental point within a salary scale for a post, reflecting a predetermined remuneration amount within the same salary level or grade, and forming the basis for pay progression subject to the prescribed criteria;
"NQF" refers to the National Qualifications Framework prescribed by regulations issued in terms of the *South African Qualifications Authority Act,* 1995 (Act No. 58 of 1995);
"pay progression" means the structured movement of a senior manager from one salary notch to a higher salary notch within the same salary level or grade, in accordance with this Notice and subject to the senior manager meeting the prescribed performance and eligibility requirements;
"personal-to-incumbent" means the protection of current contractual terms and conditions applicable to an employee, including benefits, who has accepted a specific remuneration package, where that package may not conform to all aspects of the remuneration policy or any applicable determinations;
"**Regulations**" means the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers issued in terms of Government Notice No. 21 as published under *Government Gazette* No. 37245 of 17 January 2014;
"remote allowance" means a non-pensionable allowance, determined through the remoteness index, payable by a municipality to attract and retain suitably qualified and competent senior managers to a geographically remote area where the approved pay scales are not sufficient to attract such managers;
"salary level or grade" means the level determined for a post in terms of an approved job evaluation system, representing the relative value of that post within the municipality and forming the basis upon which the applicable salary scale or total remuneration package is determined;
"salary scale" means the structured range consisting of a minimum, lower, midpoint, upper, maximum and, where applicable, incremental salary notches, within which a senior manager may be remunerated in accordance with the Notice;
"senior manager" means a senior manager as defined in regulation 1 of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers issued in terms of Government Notice No. 21 as published under *Government Gazette* No. 37245 of 17 January 2014;

"total remuneration package" means the total annual guaranteed pay of a senior manager, including the basic salary, housing, motor vehicle, pension contributions, medical aid contributions but excludes a variable pay;
"total municipal equitable share" means the equitable share of revenue that is provided to a metropolitan, district or local municipality for the 2025/26 financial year in terms of section 227(1) of the Constitution of the Republic of South Africa, 1996, to enable the municipality to provide basic services and perform the functions assigned to it, but excludes the regional services council replacement grant for district municipalities;
"total municipal income" means the gross income in respect of a metropolitan, district or local municipality based on actual income as stated in the audited financial statements of that municipality for the 2025/26 financial year. For the purpose of this meaning –

(a) The gross income for a municipality includes the following -
  (i) rates on property;
  (ii) fees for services rendered by the municipality or on its behalf by a municipal entity;
  (iii) surcharges;
  (iv) other authorised taxes;
  (v) levies and duties;
  (vi) income from fines for traffic offences and contravention of municipal by-laws or legislation assigned to the local sphere of government;
  (vii) regional services council replacement grant for district municipalities;
  (viii) interest earned on invested funds other than national and provincial conditional grants;
  (ix) rental for the use of municipal movable or immovable property; and
  (x) amounts received as agent for other spheres of government.
(b) The gross income excludes -
  (i) transfers and / or grants from the national fiscus and provincial fiscus, with the exception of the regional services council replacement grant for district municipalities; and
  (ii) all value added tax (VAT) refunds.

"total population" means the official statistics of the population residing in the area of jurisdiction of a metropolitan, district or local municipality, as determined by the Statistician-General for the 2022 Census, in terms of section 14(7) of the *Statistics Act,* 1999 (Act No. 6 of 1999); and
"upper limits" means the applicable total remuneration package values as contained in the Notice.

Allocation of number of points for total municipal income

2. The number of points allocated for the total municipal income of a municipality is as follows:

TOTAL MUNICIPAL INCOME		
FROM	**TO**	**NUMBER OF POINTS**
R0	R 17 597 171	1
R 17 597 172	R 18 845 354	2
R 18 845 355	R 21 240 086	3
R 21 240 087	R 22 804 387	4
R 22 804 388	R 26 285 859	5

TOTAL MUNICIPAL INCOME		
FROM	**TO**	**NUMBER OF POINTS**
R 26 285 860	R 28 326 858	6
R 28 326 859	R 30 391 034	7
R 30 391 035	R 31 782 063	8
R 31 782 064	R 35 909 933	9
R 35 909 934	R 39 057 150	10
R 39 057 151	R 40 863 838	11
R 40 863 839	R 46 193 491	12
R 46 193 492	R 50 741 046	13
R 50 741 047	R 53 683 219	14
R 53 683 220	R 57 873 835	15
R 57 873 836	R 61 967 783	16
R 61 967 784	R 66 060 587	17
R 66 060 588	R 71 726 482	18
R 71 726 483	R 79 584 055	19
R 79 584 056	R 81 266 623	20
R 81 266 624	R 84 995 844	21
R 84 995 845	R 96 702 574	22
R 96 702 575	R 97 836 953	23
R97 836 954	R 107 684 734	24
R 107 684 735	R 118 476 604	25
R 118 476 605	R 129 466 019	26
R 129 466 020	R 136 940 053	27
R 136 940 054	R 142 550 177	28
R 142 550 178	R 155 471 746	29
R 155 471 747	R 169 006 459	30
R 169 006 460	R 176 920 118	31
R 176 920 119	R 183 694 390	32
R 183 694 391	R 199 451 446	33
R 199 451 447	R 208 092 295	34
R 208 092 296	R 226 192 504	35
R 226 192 505	R 232 573 807	36
R 232 573 808	R 238 955 108	37
R 238 955 109	R 245 867 097	38
R 245 867 098	R 258 020 619	39
R 258 020 620	R 277 379 097	40
R 277 379 098	R 302 749 006	41
R 302 749 007	R 343 233 161	42
R 343 233 162	R 373 088 142	43
R 373 088 143	R 399 697 938	44
R 399 697 939	R 440 814 488	45
R 440 814 489	R 479 157 257	46
R 479 157 258	R 520 835 140	47
R520 835 141	R 566 138 232	48
R 566 138 233	R 615 381 863	49
R 615 381 864	R 695 891 564	50
R 695 891 565	R 859 079 829	51
R 859 079 830	R 933 803 996	52

TOTAL MUNICIPAL INCOME		
FROM	**TO**	**NUMBER OF POINTS**
R 933 803 997	R 1 102 735 882	53
R 1 102 735 883	R 1 197 204 859	54
R 1 197 204 860	R 1 416 989 934	55
R 1 416 989 935	R 1 921 994 223	56
R 1 921 994 224	R 3 085 479 534	57
R 3 085 479 535	R 5 846 451 415	58
R 5 846 451 416	R 11 135 601 897	59
R 11 135 601 898	Above	60

Allocation of number of points for total population

3. The number of points allocated for the total population of a municipality is as follows:

TOTAL POPULATION		
FROM	**TO**	**NUMBER OF POINTS**
0	78 269	1
78 270	92 082	2
92 083	103 596	3
103 597	117 593	4
117 594	132 991	5
132 992	145 589	6
145 590	159 587	7
159 588	173 584	8
173 585	188 982	9
188 983	209 977	10
209 978	233 774	11
233 775	261 770	12
261 771	295 363	13
295 364	331 757	14
331 758	382 149	15
382 150	440 939	16
440 940	510 928	17
510 929	593 513	18
593 514	690 097	19
690 098	804 877	20
804 878	937 854	21
937 855	1 093 229	22
1 093 230	1 283 597	23
1 283 598	1 503 361	24
1 503 362	1 787 513	25
1 787 514	2 155 650	26
2 155 651	2 602 176	27
2 602 177	3 127 087	28
3 127 088	4 507 475	29
4 507 476	above	30

Allocation of number of points for total municipal equitable share

4. The number of points allocated for the total municipal equitable share of a municipality is as follows:

TOTAL MUNICIPAL EQUITABLE SHARE		
FROM	**TO**	**NUMBER OF POINTS**
R0	R 31 163 660	1
R 31 163 661	R 46 908 221	2
R 46 908 222	R 61 320 704	3
R 61 320 705	R 71 967 537	4
R 71 967 538	R 88 223 521	5
R 88 223 522	R 124 834 213	6
R 124 834 214	R 197 438 069	7
R 197 438 070	R 433 808 205	8
R 433 808 206	R 2 819 092 620	9
R2 819 092 621	above	10

Determination of grade of municipality

5. The total number of points allocated to a municipality in terms of items 2, 3, and 4 respectively, determines the grade of such municipality, in accordance with the following table -

GRADE OF MUNICIPALITY		
GRADE	**FROM**	**TO**
1	1	26
2	27	47
3	48	60
4	61	70
5	71	78
6	79	85
7	86	91
8	92	96
9	97	98
10	99	100

Change of grade of municipality

6. (1) If the grade of a municipality determined in terms of this Notice, is higher than the grade for the previous financial year, the municipal council must apply in writing to the Minister to obtain approval, after consultation with the MEC for local government in the province.

(2) Notwithstanding sub-item (1), the Minister must –

(a) confirm the actual values and points scored by the municipality in relation to the factors in items 2, 3 and 4 of the Notice; and

(b) determine the –

(i) sustainability of the driving factors that led to the higher grade of the municipality compared to the grade of the previous financial year;
(ii) affordability of the higher grade of the municipality using the following ratios:

(aa) municipality's liquidity ratio;
(bb) creditor's payment period;
(cc) debtor's collection rate;
(dd) remuneration ratio; and

(iii) any other risks as may be identified.

(3) After confirmation of the actual values and points scored by the municipality in relation to the total municipal income, population and total municipal equitable share, including the driving factors that led to a higher grade as well as affordability (using the ratios: liquidity ratio, creditor's payment period, debtor's collection rate and remuneration ratio) and approval by the Minister, the municipal council may implement such a new grade including adjustment of the total remuneration package of senior manager to the higher grade.

(4) If the grade of a municipality determined in terms of this Notice is lower than the grade of the previous financial year, the municipality must retain the grade of the previous financial year.

Annual total remuneration packages of municipal managers

7. The upper limits of the annual total remuneration packages for municipal managers are as follows -

GRADE	MINIMUM	LOWER	MIDPOINT	UPPER	MAXIMUM
1	R1 542 886	R1 579 915	R1 617 832	R 1 656 661	R 1 696 421
2	R1 696 421	R1 737 135	R1 778 825	R 1 821 518	R 1 865 234
3	R1 865 234	R1 910 000	R1 955 840	R 2 002 780	R 2 050 846
4	R2 050 846	R2 100 067	R2 150 468	R 2 202 079	R 2 254 930
5	R2 254 930	R2 309 048	R2 364 465	R 2 421 213	R 2 479 322
6	R2 479 322	R2 538 824	R2 599 757	R 2 662 151	R 2 726 042
7	R2 726 042	R2 791 467	R2 858 463	R 2 927 065	R 2 997 315
8	R2 997 315	R3 069 251	R3 142 912	R 3 218 343	R 3 295 583
9	R3 295 583	R3 374 677	R3 455 669	R 3 538 605	R 3 623 533
10	R3 623 533	R3 710 497	R3 799 548	R 3 890 738	R 3 984 115

Annual total remuneration packages of managers directly accountable to municipal managers

8. The upper limits of the annual total remuneration packages for managers directly accountable to municipal managers are as follows -

GRADE	MINIMUM	LOWER	MIDPOINT	UPPER	MAXIMUM
1	R1 160 707	R1 188 564	R 1 217 089	R 1 246 300	R 1 276 211
2	R1 276 211	R1 306 840	R 1 338 204	R 1 370 321	R 1 403 209
3	R1 403 209	R1 436 886	R 1 471 371	R 1 506 683	R 1 542 844

GRADE	MINIMUM	LOWER	MIDPOINT	UPPER	MAXIMUM
4	R1 542 844	R1 579 872	R 1 617 789	R 1 656 616	R 1 696 375
5	R1 696 375	R1 737 088	R 1 778 778	R 1 821 468	R 1 865 184
6	R1 865 184	R1 909 948	R 1 955 787	R 2 002 726	R 2 050 792
7	R2 050 792	R2 100 011	R 2 150 411	R 2 202 021	R 2 254 869
8	R2 254 869	R2 308 986	R 2 364 402	R 2 421 147	R 2 479 255
9	R2 479 255	R2 538 758	R 2 599 687	R 2 662 080	R 2 725 969
10	R2 725 969	R2 791 392	R 2 858 386	R 2 926 987	R 2 997 234

Offer of remuneration on appointment

9. (1) The offer of remuneration on appointment to a senior manager will be determined by the qualifications, experience, knowledge of the candidate considered for appointment and performance track record, where applicable.

(2) A municipal council must apply the criteria as set out below to determine the offer of remuneration on appointment -

TOTAL REMUNERATION PACKAGE	CRITERIA
MINIMUM	• Meets the prescribed minimum qualifications in terms of the Regulations; • Has at least five (5) years' relevant experience as required; and • Has demonstrated exposure to strategic leadership responsibilities at a comparable municipal scale.
LOWER	• Meets the prescribed minimum qualifications; • Has between five (5) and seven (7) years' relevant experience; and • Demonstrates emerging strategic management capability with measurable performance outputs in a similar environment.
MIDPOINT	• Meets the prescribed minimum qualifications; • Has between seven (7) and ten (10) years' relevant experience; • Has demonstrable experience in managing complex institutional programmes, budgets and multidisciplinary teams; and • Has a proven record of achieving performance targets and maintained an effective individual performance at a senior management level.
UPPER	• Meets the prescribed minimum qualifications and possesses additional relevant postgraduate or specialist qualifications at NQF Level 8 or 9; • Has more than ten (10) years' relevant senior management experience; • Has demonstrated sustained institutional performance improvement, governance strengthening, or turnaround capability; • Has a proven record of achieving performance targets and maintained an effective individual performance at a senior management level; and • Has experience operating within highly complex or distressed municipal or institutional environments. The Municipal Council must record written reasons justifying placement at the upper notch.
MAXIMUM	• Meets the prescribed minimum qualifications and possesses additional postgraduate or specialist qualifications NQF Level 9 or 10; • Has senior management experience exceeding ten (10) years at comparable or higher institutional complexity;

TOTAL REMUNERATION PACKAGE	CRITERIA
	• Has demonstrated exceptional leadership, institutional reform, financial stabilisation, or service delivery turnaround achievements; • Has a proven record of achieving performance targets and maintained an effective individual performance at a senior management level; and • Provides scarce or critical skills that are demonstrably difficult to recruit within the municipal labour market and record is available to indicate such. The Municipal Council must record written reasons justifying placement at the maximum notch.

(3) Where a senior manager, immediately following the expiry or termination of a contract, is appointed to the same position in the same municipality, or to an equivalent position in another municipality of the same municipal grade, the senior manager may be appointed at the salary notch applicable at the time of termination or departure, subject to the applicable upper limits, provided that good cause for such salary placement is demonstrated and formally recorded.

(4) For purposes of sub-item (3) above, good cause shall include demonstrated operational necessity, institutional continuity, retention of skills, recruitment constraints or other objectively justifiable reasons recorded by the municipal council.

Pay Progression

10. The following criteria apply in determining pay progression from one notch to another:

MINIMUM	LOWER	MIDPOINT	UPPER	MAXIMUM
New appointment	1-2 yrs in-job	3+ yrs in-job	4+ yrs in-job	5+yrs in-job
	Achieved performance rating of 3 and above	Achieved performance rating of 3 and above	Achieved performance rating of 3 and above	Achieved performance rating of 3 and above

Upper limits of cell phone allowance and data for senior managers

11. A senior manager may, in addition to the annual total remuneration packages provided for in terms of items 7 and 8 respectively, be paid a cell phone allowance and data not exceeding R2 500.00 per month, in accordance with the applicable municipal council policy.

Payment of remote allowance

12. (1) A senior manager may be paid a remote allowance not exceeding the percentage of the total annual remuneration package applicable to the relevant senior manager, as provided in **Annexure A** to this Notice.

(2) A senior manager who receives a market premium allowance, rural or scarce skills allowance in terms of Notice No. 225 as published in *Government Gazette* No. 37500 of 29 March 2014 or Notice No. 578 as published in *Government Gazette* No.

38946 of 1 July 2015 is not eligible for the remote allowance contemplated in sub-item (1).

(3) A remote allowance referred to in sub-item (1) terminates when –

(a) the employment contract of a senior manager lapses or is terminated; or

(b) the senior manager vacates office for any reason before the date of expiry of the employment contract, including but not limited to transfer, promotion, dismissal for misconduct, incapacity, operational requirements and retirement.

Overpayment

13. (1) A municipality must remunerate its senior managers only within the framework of the Act, Regulations and this Notice, setting out the upper limits of the total remuneration packages payable to senior managers.

(2) Any remuneration paid to a senior manager other than in accordance with sub-item (1) or any benefit, is an irregular expenditure and the municipality must recover that remuneration and benefits from the senior manager concerned.

(3) A municipality that remunerated a senior manager in contravention of the criteria governing the offer of remuneration on appointment, and in the absence of a waiver granted by the Minister or salary creep correction in consultation with the MEC responsible for local government, must correct the total remuneration package and recover any resultant overpayment in accordance with section 32 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and other applicable legislation and legal principles governing the recovery of debts.

Furnishing of information to Minister

14. (1) A municipal council is required in terms of section 107 of the Act, to compile the following information for senior managers as at 1 July 2026 and submit same to the MEC responsible for local government in the province –

(a) Total approved posts;
(b) Total filled posts;
(c) Total vacant posts;
(d) Name of incumbent;
(e) Designation;
(f) Gender;
(g) Nature of contract (either permanent or fixed term contract);
(h) Date of appointment;
(i) Date of expiry of contract;
(j) Total remuneration packages and any allowances that are payable to senior managers and divisional managers (third level managers) for the 2026/27 municipal financial year, including the T-scale levels where applicable;
(k) Municipal grade for the 2026/27 municipal financial year;
(l) Total municipal income;
(m) Total population; and
(n) Total municipal equitable share.

(2) The information contemplated in sub-item (1) must be submitted to the MEC responsible for local government in the province within 60 days from the date of publication of this Notice on an official letterhead of the municipality, signed by the executive mayor or mayor.

(3) The MEC responsible for local government must analyse, verify and submit consolidated information for all municipalities in the province to the Minister within 90 days from the date of publication of this Notice.

Transitional provisions

15. (1) A municipal council may apply in writing to the Minister for exemption, using an application form which corresponds with **Annexure B**, after consultation with the MEC responsible for local government if the municipality cannot afford to implement item 7 and 8 as set out in this Notice. The Minister will consider each application on merit, based on circumstances and motivation provided by the municipalities.

(2) If the remuneration of a senior manager is higher than the applicable pay scales determined in items 7 and 8, the personal-to-incumbent principle will apply. In such cases, the senior manager shall retain his or her current total remuneration package and benefits; however, the senior manager shall not be eligible for pay progression, and any adjustments to the remuneration package shall be limited to the cost-of-living adjustments determined by the Minister until the applicable salary scale is aligned through the normal determination of upper limits. For the purposes of this sub-item, the cost-of-living adjustment applicable to a senior manager whose remuneration is protected on a personal-to-incumbent basis is 2.5%.

(3) A senior manager who was remunerated at the midpoint or maximum in terms of the previous Notices, or whose remuneration falls between the notches prescribed in this Notice, must be placed, for purposes of this Notice, at the closest matching notch, being the nearest higher notch. A senior manager who was remunerated at a minimum in terms of the previous Notices shall be placed at the minimum of this Notice.

(4) For a senior manager to qualify for pay progression, he/she must have completed the full cycle of the performance management system for the 2025/26 financial year, have a signed performance agreement, being assessed for the 2025/26 financial year, and complied with all requirements in terms of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.

(5) Item 11 does not affect the existing cellphone and data contract of a senior manager entered into before the date of this Notice.

(6) Despite every effort taken to address scale creep, if such an eventuality occurs where there is still a salary creep, the municipal council must in consultation with the MEC responsible for local government correct it by paying the municipal manager four salary levels or grades above the highest paid third level managers, and in the case of a manager directly accountable to a municipal manager two salary levels or grades, above the highest paid third level managers, subject to the following criteria:

CRITERIA	DESCRIPTION
Job Evaluation	The positions of the third-level manager, the manager directly accountable to the municipal manager in that department or directorate, and the municipal manager have been evaluated in accordance with the Municipal Staff Regulations, 2021 and council policy, and the job-evaluation results have been audited and approved in terms of the council's delegations.
MTREF	Determine whether the budget is funded or unfunded and affordability.
Senior Manager's costed remuneration	Assess whether the current remuneration of the senior managers complies with Notice on upper limits of the total remuneration packages payable to municipal managers and managers directly accountable to municipal managers.
Third-level Manager's costed remuneration	Assess the total costed remuneration package of the highest-paid third-level manager(s), including the basic salary, applicable allowances, pension, medical aid contributions and other employment benefits, to determine the extent of the remuneration differential and salary creep between the third-level manager(s) and the relevant senior manager, and to support an informed decision on the appropriate remuneration adjustment.
Remuneration ratio	Assess whether the employee related costs and councillors remuneration expenditure of a municipality is within the prescribed norm of 25% and 40% of the total operating budget with a view to free budget earmarked for service delivery for what it is intended for.
Sustainability ratio	Assess whether the municipality has the ability to overcome economic and external shocks by utilising its reserves.
Liquidity - Current Ratio	Assess whether the municipality is able to pay back its short- term liabilities (debt and payables) with its short-term assets (cash, Inventory and receivables).
Collection rate	Assess whether the municipality has the ability to collect revenue owed to it, including the effectiveness of its credit control and revenue management.
Cash / Cost coverage ratio	Assess whether the municipality has the ability to meet its monthly fixed operating commitments from cash and short- term investment.

(7) The MEC responsible for local government in the province must, within 14 days notify the Minister of any determination, approval, or corrective measure made in terms of item 14(6), including the grounds on which such decision was taken and the municipality's historical compliance with previous determinations on upper limits and waiver approvals.

(8) A senior manager to whom a waiver was granted at the midpoint, or maximum must be placed at the closest matching higher notch in terms of this Notice. No waiver shall apply where a person commences a new position in the same municipality.

(9) Where a senior manager has been granted a remuneration waiver resulting in placement one or two notches above the highest-paid third-level managers, the municipal council must, in consultation with the MEC responsible for local government in the province, correct such disparity in accordance with the principle and criteria set out in sub-item 14(6).

(10) If the grade of a municipality determined in terms of this Notice is lower than the categorisation applicable under the previous Notice, the municipality shall retain the categorisation prescribed under the previous Notice in respect of a senior manager appointed prior to the date of publication of this Notice, provided that the municipal grade previously applied was based on correct data. Such senior manager shall, with effect from 1 July 2026 or the date of appointment, whichever is later, be entitled to the applicable cost-of-living adjustment determined by the Minister.

(11) The criteria as contained in Item 10 shall apply with effect from 1 July 2024.

(12) This Notice does not affect the existing employment contract of a senior manager appointed before 1 July 2014.

Short title and commencement

16. (1) This Notice is called the Upper Limits of Total Remuneration Packages of Municipal Managers and Managers Directly Accountable to Municipal Managers.

(2) This Notice takes effect from 1 July 2026 and replaces *Government Gazette* No.55150, as published on 05 August 2026.

ANNEXURE A

PROVINCE	DISTRICT CODE	MUNICIPAL CODE	MUNICIPALITY	%
Eastern Cape	DC10	EC102	Blue Crane Route	4%
Eastern Cape	DC10	EC106	Sundays River Valley	4%
Eastern Cape	DC10	EC109	Kou-Kamma	4%
Eastern Cape	DC12	EC129	Raymond Mhlaba	4%
Eastern Cape	DC13	EC131	Inxuba Yethemba	4%
Eastern Cape	DC13	EC135	Intsika Yethu	4%
Eastern Cape	DC13	EC137	Engcobo	4%
Eastern Cape	DC13	EC138	Sakhisizwe	4%
Eastern Cape	DC13	EC139	Enoch Mgijima	4%
Eastern Cape	DC14	EC141	Elundini	4%
Eastern Cape	DC15	EC153	Ingquza Hill	4%
Eastern Cape	DC44	EC443	Winnie Madikizela-Mandela	4%
Eastern Cape	DC15	EC154	Port St Johns	4%
Eastern Cape	DC44	EC442	Umzimvubu	4%
Eastern Cape	DC44	EC444	Ntabankulu	4%
Eastern Cape	DC14	DC14	Joe Gqabi	4%
Eastern Cape	DC44	DC44	Alfred Nzo	4%
Free State	DC16	FS161	Letsemeng	4%
Free State	DC16	FS162	Kopanong	4%
Free State	DC18	DC183	Tswelopele	4%
Free State	DC19	FS191	Setsoto	4%
Free State	DC19	FS196	Mantsopa	4%
Free State	DC20	FS205	Mafube	4%
Free State	DC20	FS204	Metsimaholo	4%
Free State	DC16	DC16	Xhariep	4%
Free State	DC20	DC20	Fezile Dabi	4%
KwaZulu Natal	DC21	KZN214	UMuziwabantu	4%
KwaZulu Natal	DC22	KZN224	Impendle	4%
KwaZulu Natal	DC23	KZN235	Okhahlamba	4%
KwaZulu Natal	DC24	KZN245	Umvoti	4%
KwaZulu Natal	DC24	KZN244	Msinga	4%
KwaZulu Natal	DC26	KZN261	eDumbe	4%
KwaZulu Natal	DC26	KZN262	UPhongolo	4%
KwaZulu Natal	DC26	KZN265	Nongoma	4%
KwaZulu Natal	DC26	KZN266	Ulundi	4%
KwaZulu Natal	DC27	KZN276	Big Five Hlabisa	4%
KwaZulu Natal	DC28	KZN285	Mthonjaneni	4%
KwaZulu Natal	DC28	KZN286	Nkandla	4%
KwaZulu Natal	DC43	KZN433	Greater Kokstad	4%
KwaZulu Natal	DC43	KZN434	Ubuhlebezwe	4%
KwaZulu Natal	DC43	KZN435	Umzimkhulu	4%
KwaZulu Natal	DC26	DC26	Zululand	4%
KwaZulu Natal	DC43	DC43	Harry Gwala	4%
Limpopo	DC33	LIM331	Greater Giyani	4%
Limpopo	DC34	LIM341	Musina	4%
Limpopo	DC35	LIM351	Blouberg	4%
Limpopo	DC35	LIM353	Molemole	4%
Limpopo	DC36	LIM361	Thabazimbi	4%
Limpopo	DC47	LIM473	Makhuduthamaga	4%
Limpopo	DC47	LIM476	Greater Tubatse/Fetakgomo	4%
Mpumalanga	DC30	MP301	Albert Luthuli	4%

PROVINCE	DISTRICT CODE	MUNICIPAL CODE	MUNICIPALITY	%
Mpumalanga	DC30	MP303	Mkhondo	4%
Mpumalanga	DC30	MP304	Dr Pixley Ka Isaka Seme	4%
Mpumalanga	DC32	MP321	Thaba Chweu	4%
Mpumalanga	DC 32	MP324	Nkomazi	4%
North West	DC37	NW375	Moses Kotane	4%
North West	DC38	NW381	Ratlou	4%
North West	DC38	NW382	Tswaing	4%
North West	DC38	NW385	Ramotshere Moiloa	4%
North West	DC39	NW392	Naledi (NW)	4%
North West	DC39	NW393	Mamusa	4%
North West	DC39	NW394	Greater Taung	4%
North West	DC39	NW396	Lekwa-Teemane	4%
North West	DC40	NW404	Maquassi Hills	4%
North West	DC39	DC39	Dr Ruth Segomotsi Mompati	4%
Northern Cape	DC8	NC084	!Kheis	4%
Northern Cape	DC7	NC078	Siyancuma	4%
Northern Cape	DC7	NC076	Thembelihle	4%
Northern Cape	DC9	NC093	Magareng	4%
Northern Cape	DC9	NC094	Phokwane	4%
Western Cape	DC1	WC013	Bergrivier	4%
Western Cape	DC1	WC015	Swartland	4%
Western Cape	DC3	WC032	Overstrand	4%
Western Cape	DC3	WC034	Swellendam	4%
Western Cape	DC3	WC031	Theewaterskloof	4%
Western Cape	DC4	WC042	Hessequa	4%
Western Cape	DC4	WC041	Kannaland	4%
Western Cape	DC5	WC051	Laingsburg	4%
Western Cape	DC5	WC052	Prince Albert	4%
Western Cape	DC1	DC1	West Coast	4%
Eastern Cape	DC10	EC101	Dr Bayers Naude	7%
Eastern Cape	DC14	EC142	Senqu	7%
Eastern Cape	DC14	EC145	Walter Sisulu	7%
Eastern Cape	DC44	EC441	Matatiele	7%
Free State	DC16	FS163	Mohokare	7%
KwaZulu Natal	DC27	KZN272	Jozini	7%
KwaZulu-Natal	DC27	DC27	Umkhanyakude	7%
KwaZulu-Natal	DC43	KZN436	Dr Nkosazana Dlamini Zuma	7%
Limpopo	DC36	LIM362	Lephalale	7%
Northern Cape	DC6	NC067	Khai-Ma	7%
Northern Cape	DC7	NC072	Umsobomvu	7%
Northern Cape	DC7	NC075	Renosterberg	7%
Northern Cape	DC8	NC085	Tsantsabane	7%
Northern Cape	DC8	NCO86	Kgatelopele	7%
Northern Cape	DC45	NC453	Gamagara	7%
Northern Cape	DC45	NC452	Ga-Segonyana	7%
Northern Cape	DC45	DC45	John Taolo Gaetsewe	7%
Western Cape	DC1	WC012	Cederberg	7%
Western Cape	DC3	WC033	Cape Agulhas	7%
Western Cape	DC5	WC053	Beaufort West	7%
Western Cape	DC3	DC3	Overberg	7%
Western Cape	DC5	DC5	Central Karoo	7%
KwaZulu Natal	DC27	KZN271	Umhlabuyalingana	10%
North West	DC39	NW397	Kagisano/Molopo	10%

PROVINCE	DISTRICT CODE	MUNICIPAL CODE	MUNICIPALITY	%
Northern Cape	DC6	DC6	Namakwa	10%
Northern Cape	DC6	NC061	Richtersveld	10%
Northern Cape	DC6	NC062	Nama Khoi	10%
Northern Cape	DC6	NC064	Kamiesberg	10%
Northern Cape	DC6	NC065	Hantam	10%
Northern Cape	DC6	NC066	Karoo Hoogland	10%
Northern Cape	DC7	DC7	Pixley Ka Seme	10%
Northern Cape	DC7	NC073	Emthanjeni	10%
Northern Cape	DC7	NC071	Ubuntu	10%
Northern Cape	DC7	NC074	Kareeberg	10%
Northern Cape	DC7	NC077	Siyathemba	10%
Northern Cape	DC45	NC451	Joe Morolong	10%
Western Cape	DC1	WC011	Matzikama	10%

ANNEXURE B

APPLICATION FOR EXEMPTION FROM THE NOTICE ON UPPER LIMITS OF TOTAL REMUNERATION PACKAGES OF MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS

This form must be completed by a municipality applying to the Minister for exemption from the implementation of the Notice on Upper Limits of Total Remuneration Packages of Municipal Managers and Managers Directly Accountable to Municipal Managers. The application must be approved by the Municipal Council and submitted by the Mayor or Executive Mayor.

PART A: SUBMISSION CHECKLIST

- ☐ Council Resolution approving the exemption application
- ☐ Municipal Budget and MTREF showing affordability constraints
- ☐ Latest Audited Annual Financial Statements
- ☐ Organisational Structure indicating senior management posts
- ☐ Current remuneration packages of affected senior managers
- ☐ Motivation report explaining financial constraints
- ☐ Any other relevant supporting documentation

PART B: MUNICIPALITY DETAILS

Name of Municipality	
Municipal Code	
Province	
District Municipality (if applicable)	
Physical Address	
Postal Address	
Telephone	
Email Address	

PART C: AUTHORISED APPLICANT (ON BEHALF OF COUNCIL)

Name	
Designation (Mayor / Executive Mayor)	
Contact Number	
Email Address	

PART D: DETAILS OF THE EXEMPTION REQUEST

Positions for which exemption is sought:

Position	Number of Posts	Current Remuneration	Proposed Remuneration
Municipal Manager			
Manager directly accountable to Municipal Manager			

Provision(s) of the Notice for which exemption is sought:

- ☐ Upper limit of remuneration package
- ☐ Pay progression requirement
- ☐ Placement within salary notch framework
- ☐ Other (specify)

Relevant clause(s) of the Notice: _____

PART E: MUNICIPALITY CLASSIFICATION

Provide the following information used to determine the municipal grade:

Indicator	Value	Source
Total Municipal Income		
Total Population		
Municipal Equitable Share		
Total Points		
Municipal Grade		

PART F: REASONS FOR REQUESTING EXEMPTION

Explain why the municipality cannot implement the Notice:

- ☐ Financial constraints / affordability
- ☐ Unfunded budget
- ☐ Service delivery impact
- ☐ Other (specify)

Detailed motivation:

_____
_____
_____

PART G: PERIOD OF EXEMPTION REQUESTED

- ☐ One financial year
- ☐ Two financial years
- ☐ Other (specify)

Proposed start date: _____

Proposed end date: _____

PART H: FINANCIAL INFORMATION

Provide summary financial indicators:

Indicator	Value
Total Operating Budget	
Employee Related Costs	
Cash Coverage Ratio	
Liquidity Ratio	
Collection Rate	
Whether Budget is Funded/Unfunded	

Attach supporting documentation where applicable.

PART I: DECLARATION

I hereby certify that:

- The information provided in this application is true and correct.
- The Municipal Council has approved the submission of this application.
- All supporting documentation has been attached.

Name: _____

Designation: _____

Signature: _____

Date: _____

PART J: MUNICIPAL COUNCIL CONFIRMATION

Council Resolution Number: _____

Date of Council Resolution: _____

Certified by:
Municipal Manager/Delegated Authority: _____

Signature: _____

BACK TO AGENDA

1. REPORT ON THE GARDEN ROUTE REGIONAL WASTE MANAGEMENT FACILITY PROJECT /*VERSLAG RAKENDE DIE TUINROETE STREEK AFVALBESTUUR FASILITEIT PROJEK*/ INGXELO NGEPROJEKTHI YOLAWULO LWEBALA LENKUNKUMA LENGINGQI YE GARDEN ROUTE

REPORT FROM EXECUTIVE MANAGER: COMMUNITY SERVICES (N. RAISA-MLANDU) / MANAGER: DISTRICT WASTE MANAGEMENT (J. GIE)

17/5/1/1

2. PURPOSE

For Council to note the progress on the Garden Route Regional Waste Management Facility Project.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Phase 1 of the Garden, being constructed by Civils 2000 for R109 million (incl. VAT), is progressing well and remains on programme at approximately 83% complete, with completion scheduled for 24 February 2027.

The critical infrastructure—Cell 1A (99%) and the Leachate and Contaminated Water Dams (83%)—is nearing completion. Final testing and documentation are being expedited to secure the required Department of Water & Sanitation approval before waste disposal can commence.

Other infrastructure is also nearing completion, and arrangements have been confirmed to accommodate municipal waste disposal until March 2027, including additional festive-season operating days.
The proposed extension of the current contract for Cell 1B was found to constitute material irregular expenditure. GRDM will therefore proceed with a new tender for Consulting Engineers and a Contractor for Cell 1B.

5. RECOMMENDATION

That Council notes the progress on the Garden Route Regional Waste Management Facility project.

AANBEVELING

Dat die Raad kennis neem van die vordering met die Garden Route Streeksafvalbestuursfasiliteitsprojek.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo umsebenzi kwiprojekthi Yolawulo Lwenkunkuma Kwingingqi ye Garden Route.

6. DISCUSSION / CONTENTS

6.1 Background / Discussion

Civils 2000 (Pty) Ltd (Civils 2000) was appointed for the construction of Phase 1 of the Garden for a tendered amount of R109 000 000.00 (Incl. VAT).

Site establishment and construction commenced on 16 February 2026. In accordance with the approved construction programme, the due completion date is 24 February 2027. The contractor is currently still on track with the construction programme and the construction of Phase 1 of the project is approximately 83% complete.

The construction of Cell 1A is nearing completion and is currently 99% complete, only requiring a small portion of the 300mm stone drainage layer to be installed. The construction of the Leachate and Contaminated Water Dams is approximately 83%.

These dams have been fully lined with the various required liners and the final layer of geocells filled with concrete is in progress, anticipated to be completed by the end of October 2026.

The completion of Cell 1A and the Leachate and Contaminated Water Dams constitutes the remainder of the critical items required to commence with waste disposal. Before waste disposal can commence, a positive Record of Decision or approval must be obtained from the Department of Water & Sanitation. The required final testing, such as the electric leak detection tests of the liners and the compilation of the required reports and documents to accompany the application is being expedited and in progress.

All the other associated infrastructure is progressing well in accordance with the programme and is nearing completion. The access roads have been fully constructed only requiring road markings; the buildings have been constructed, and the finishing works such as electrical connections and plumbing are in progress; and other works such as the street lighting and fencing are also nearing completion at approximately 88% and 95%, respectively.

A site visit with PetroSA took place on 08 October 2026, where the progress of the construction works was well received. PetroSA is satisfied with the arrangement to accommodate waste disposal for the participating municipalities until March 2027. Arrangements have also been put in place for additional operational days, i.e., Saturdays and Public Holidays over the festive season, to assist the participating municipalities with the significant spike in waste tonnages experienced due to the influx of holidaymakers during this period.

It was previously reported that the option of an expansion of the contract with the current contractor, Civils 2000 (Pty) Ltd, to include the construction of Cell 1B, would be investigated.

However, the outcomes of this investigation indicated that this process would result in material irregular expenditure. Subsequently, GRDM will, as initially planned, go out on tender for the appointment of new Consulting Engineers and a new Contractor for the construction of Cell 1B.

6.3 Financial Implications

R109 000 000.00 (Incl. VAT) as tendered by Civils 2000 for Tender No. GRDM/27/24-25.

6.4 Legal Implications

None

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

Council Item pertaining to the Garden Route Regional Waste Management Facility that served before Council on 23 June 2026.

6.7 Risk Implications

None

BACK TO AGENDA

DISTRICT COUNCIL **21 OCTOBER 2026**

1. GARDEN ROUTE DISTRICT MUNICIPALITY FIRE SERVICES SUMMER OPERATIONAL PLAN / *GARDEN ROUTE DISTRIKSMUNISIPALITEIT SE BRANDWEERDIENSTE SOMER OPERASIONELE PLAN/* ISICWANGCISO SOKUSEBENZA SASEHLOBO SEENKONZO ZOCIMA-MLILO ZIKAMASIPALA WESITHILI SASEGARDEN ROUTE

REPORT FROM EXECUTIVE MANAGER COMMUNITY SERVICES (N RAISA-MLANDU)/ CHIEF FIRE OFFICER (D STOFFELS)

2. PURPOSE

The purpose of this report is to inform the Council of the Fire Services' Summer Operational Planning.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The Fire and Rescue Services are required to ensure operational preparedness that includes obtaining the plans, procedures, schedules and resources of various stakeholders within the District that form part of Integrated Fire Management that would ensure a comprehensive list of resources across the District are confirmed which deal with and are responsible for fire management within their respective jurisdictions and that are also available to be called upon in the event of extended emergencies. This seasonal plan sets out to confirm the available resources, procedures and schedules in preparation for the Summer Fire Season.

5. RECOMMENDATION

That Council takes note of the report.

AANBEVEELING

Dat die Raad kennis neem van die verslag.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo ingxelo.

6. BACKGROUND / DISCUSSION

1.1 BACKGROUND / DISCUSSION

The Fire Services are required to ensure operational preparedness that includes obtaining plans, procedures, schedules and resource availability of various stakeholders within the district which form part of Integrated Fire Management and which would ensure a comprehensive list of resources are confirmed across the district to ensure proactive measures and response plans are in place to deal with increased ignitions. These resources are responsible for fire management within their respective jurisdictions first and foremost however are also available to be called upon in the event of extended emergencies elsewhere. This plan sets out to confirm the available resources, procedures, systems and schedules in preparation for the Summer 'Fire' Season.

6.2 Financial Implications

Approved Operational Budget. Increased ignitions over the summer season will expand on expenditure. Seasonal firefighters are funded through the Expanded Public Works Programme.

6.3 Legal Implications

This plan sets out integrated fire management response in an effort for collaborative fire management measures to ensure fire incidents are managed sufficiently.

The District Municipality does however have a responsibility to continuously deliver on their mandate to avert any legal implications and therefore it is critical to solicit means necessary to ensure a sustained delivery of service.

6.4 Staff Implications

Operational and command staff. GRDM has an insufficient hierarchical staff compliment. 30 permanent staff and 22 seasonal firefighters are currently anticipated to operate during the summer, with two vacant permanent positions and requirement for funding of eight (8) more seasonal positions.

6.5 Previous / Relevant Council Resolutions:

Annual Summer Readiness Plans acknowledged October 2025.

6.6 Risk Implications

The Garden Route District remain one of, if not, the largest wildfire risk regions in Southern Africa, and non-compliance with statutory legislation, not delivering on mandates, insufficient staffing and insufficient planning measures is regarded as a high risk.

GARDEN ROUTE DISTRICT MUNICIPALITY

INTEGRATED FIRE MANAGEMENT

SUMMER READINESS PLAN 2026/2027

01 December 2026 - 31 March 2027

EXECUTIVE SUMMARY

The Summer Readiness Plan 2026/2027 establishes the strategic and operational framework for preparedness, response, recovery, and coordination of wildfire, urban-wildland interface, rescue, and climate-related emergencies throughout the Garden Route District Municipality (GRDM).

The period from **01 December 2026 to 31 March 2027** represents the highest wildfire risk season within the district. Increased visitor numbers, elevated temperatures, dry fuel loads, berg wind conditions, recreational activities, and expanding urban-wildland interfaces significantly increase operational risk.

This plan outlines:

- Preparedness measures
- Operational command structures
- Staffing and standby arrangements
- Resource deployment strategies
- Communication protocols
- Mutual aid agreements
- Emergency response procedures

The plan promotes an integrated, multi-agency approach to safeguard lives, property, infrastructure, and the environment.

1. SUMMER OVERVIEW

Seasonal Climate Outlook

Historical El Niño conditions have demonstrated a tendency to result in:

- Above-average temperatures
- Extended dry periods
- Reduced soil moisture levels
- Lower live fuel moisture content
- Increased wildfire intensity and spread potential
- More frequent High Fire Danger Index days
- Increased pressure on available water resources
- Elevated risk in mountainous and coastal urban-wildland interface areas

Implications for the Garden Route District

These conditions may contribute to increased wildfire activity across:

Urban-Wildland Interface Areas

- George
- Wilderness
- Sedgefield
- Knysna
- Bitou
- Mossel Bay
- Hessequa

Mountainous and Rural Areas

- Outeniqua Mountain
- Kammanassie Mountain
- Langeberg Mountain Range
- Swartberg Mountain
- Agricultural-rural interfaces susceptible to lightning-induced fires

Commercial Forestry Areas

- Witfontein
- Jonkersberg
- Ruitersbos
- Saasveld
- Bergplaas

- Buffelsnek
- Garcia
- Kruisfontein
- Lottering
- Keurbooms

These areas remain highly susceptible to fast-moving vegetation fires.

Increased Seasonal Demands

The holiday season traditionally results in increased:

- Tourist activity
- Road traffic accidents
- Recreational incidents
- Hiking and mountain rescue operations
- Coastal emergencies
- Water rescue incidents
- Informal camping and fire-related negligence

Strategic Readiness Priorities

1. Seasonal firefighter recruitment and deployment.
2. Enhanced rapid first-attack capability.
3. Early activation of aerial firefighting resources.
4. Integrated multi-agency fire response.
5. Increased patrol visibility in high-risk areas.
6. Daily weather and Fire Danger Index monitoring.
7. Immediate Incident Command System (ICS) implementation.
8. Rapid mutual aid mobilisation.
9. Continuous public awareness and fire prevention campaigns.

2. AIM

To provide a coordinated, proactive, and integrated operational framework for preventing, preparing for, responding to, and recovering from wildfires and associated summer-season emergencies throughout the Garden Route District Municipality.

3. OBJECTIVES

Operational Objectives

The objectives of this plan are to:

1. Protect life, property, infrastructure, and the environment.
2. Minimise wildfire losses through rapid intervention.
3. Maintain operational readiness throughout the summer fire season.
4. Strengthen inter-agency coordination.
5. Ensure efficient utilisation of internal and external resources.
6. Enhance public awareness and community preparedness.
7. Improve firefighter safety, health, and welfare.

4. STRATEGIC PRIORITIES

Prevention

- Public awareness campaigns.
- Community education programmes.
- Firebreak compliance advocacy.
- Risk assessments of identified high-risk areas.
- Community engagement initiatives.

Preparedness

- Staffing and standby arrangements.
- Seasonal firefighter recruitment.
- Strategic placement of aerial firefighting resources.
- Maintenance of mutual aid agreements.
- Training exercises and simulation drills.

Response

- Immediate mobilisation of resources.
- Deployment of aerial firefighting support where required.
- Full implementation of the Incident Command System.
- Escalation procedures for major incidents.
- Multi-agency integrated fire response.

Recovery

- Damage and impact assessments.
- Community support initiatives.
- Post-incident debriefings.
- Collection of lessons learned and improvement actions.

5. HIGH-RISK AREAS

Urban-Wildland Interface Areas – mountainous and coastal

- George
- Wilderness
- Sedgefield
- Knysna
- Bitou
- Mossel Bay
- Hessequa

Mountainous Areas

- Outeniqua Mountain
- Kammanassie Mountain
- Langeberg Mountain Range
- Rooiberg Mountain
- Swartberg Mountain

Forestry and Plantation Areas

- Witfontein
- Jonkersberg
- Ruitersbos
- Saasveld
- Bergplaas
- Buffelsnek
- Garcia
- Kruisfontein
- Lottering
- Geelhoutvlei
- Keurbooms

Rural Communities

- Karatara
- Farleigh

- Kransbos
- Buffelsnek
- Geelhoutboomberg
- Vermaaklikheid

Critical Infrastructure

- National Roads (N2 and Regional Routes)
- Electrical Transmission Infrastructure
- Communication Networks
- Water Supply Infrastructure
- Communication Towers
- Critical Biodiversity areas

6. RESOURCES

Command Structure

Position	Official	Contact
Chief Fire Officer	Deon Stoffels	083 941 1994
Deputy Fire Chief	Vacant (Appointment Pending)	TBC
Station Officer: Operations	Heinrich Leslie	061 443 7393

Note: A Deputy Fire Chief appointment is anticipated effective either 01 December 2026 and / or 01 January 2027.

Operational Capability

Fire Stations

- George Fire Station
- Riversdale Fire Station
- Ladismith Fire Station

Personnel

- 62 Permanent Firefighters
- 30 Seasonal Firefighters (Summer Deployment)
- 24-Hour Operational Shift System

Fleet Resources

- Fire Engines
- Water Tankers
- Strike Units
- Rescue Vehicles
- Command Vehicles
- Crew Buses
- Drone Capability

Additional Resources

- 16 Working on Fire (TEFLA) Ground Crews
- Four Aerial Firefighting Resources
- Municipal Mutual Aid Resources
- SANParks Fire Crews
- CapeNature Fire Crews
- Southern Cape Fire Protection Association
- MTO Forestry Resources
- PG Bison Forestry Resources
- Coldstream Timbers Resources
- SA Fine-Tuned - Bergplaas First Response Team
- Aerial firefighting bases are located at George, Mossel Bay, Still bay, and Rheenendal as standby bases.

7. STANDBY ARRANGEMENTS

A weekly standby roster will remain operational for the entire fire season from:

01 December 2026 to 31 March 2027

The roster shall be maintained by the Chief Fire Officer and circulated monthly.

8. INCIDENT COMMAND SYSTEM

All escalating incidents shall be managed using the Incident Command System (ICS).

Level 1 Incident

- Managed by first-arriving resources.
- Localised and controlled rapidly.

Level 2 Incident

- Requires additional resources.
- Extended operational period.

Level 3 Incident

Major incidents requiring:

- Joint Operations Centre activation.
- Mutual aid mobilisation.
- Aerial firefighting deployment.
- Provincial support.
- Multi-agency coordination.

9. COMMUNICATION

Garden Route Emergency Control Centre

Primary Number: 044 805 5071
Secondary Number: 081 709 5193

Incident Reporting Requirements

The following information shall be reported immediately:

1. Exact incident location.
2. GPS coordinates.
3. Incident type.
4. Estimated fire size.
5. Spread potential.
6. Risks and hazards present.
7. Structures threatened.
8. Injuries or casualties.
9. Additional resources required.

Incident Management WhatsApp groups remain a valuable part of communication.

10. MUTUAL AID AND EXTERNAL SUPPORT

The Garden Route District Municipality maintains operational partnerships with:

- Southern Cape Fire Protection Association
- Working on Fire (TEFLA)
- CapeNature
- SANParks
- PG Bison Forestry
- MTO Forestry
- Coldstream Timbers

- Department of Forestry, Fisheries and the Environment
- Local Municipal Fire Services
- Western Cape Provincial Disaster Management Centre

These partnerships provide access to specialist resources, trained ground crews, aviation support, and emergency management expertise.

11. KEY SEASONAL FOCUS AREAS

Festive Season Deployment Priorities

- N2 Transport Corridor
- Coastal Settlements
- Urban-Wildland Interfaces
- Informal Settlements
- Remote Rural Communities
- Hiking Trails
- Nature Reserves
- Tourist and Public Gathering Areas

Operational Readiness Requirements

- Daily weather monitoring.
- Daily Fire Danger Index assessment.
- Daily Fire Danger dissemination.
- Early fire detection measures.
- Daily radio communication checks.
- Vehicle readiness inspections.
- Weekly command briefings.
- Filled duty rosters.

12. CONCLUSION

The Summer Readiness Plan 2026/2027 provides the operational framework required to ensure effective wildfire and emergency management throughout the Garden Route District.

Through proactive preparedness, integrated incident management, strategic partnerships, and a strong commitment to firefighter and community safety, the Garden Route District Municipality is positioned to respond rapidly and effectively to summer season risks.

ANNEXURE A

COMMAND STRUCTURE AND STANDBY OFFICERS

A1. Command Staff

Position	Official	Contact Number
Chief Fire Officer	Deon Stoffels	083 941 1994
Deputy Fire Chief	Vacant (Pending Appointment)	TBC
Station Officer: Operations	Heinrich Leslie	061 443 7393

A2. Summer Standby Roster

Period	Officer	Contact
01 Dec – 07 Dec 2026	Heinrich Leslie	061 443 7393
08 Dec – 14 Dec 2026	Deon Stoffels	083 941 1994
15 Dec – 21 Dec 2026	Heinrich Leslie	061 443 7393
22 Dec – 28 Dec 2026	Deon Stoffels	083 941 1994
29 Dec 2026 – 04 Jan 2027	Heinrich Leslie	061 443 7393
05 Jan – 11 Jan 2027	Deon Stoffels	083 941 1994
12 Jan – 18 Jan 2027	Heinrich Leslie	061 443 7393
19 Jan – 25 Jan 2027	Deon Stoffels	083 941 1994
26 Jan – 01 Feb 2027	Heinrich Leslie	061 443 7393
02 Feb – 08 Feb 2027	Deon Stoffels	083 941 1994
09 Feb – 15 Feb 2027	Heinrich Leslie	061 443 7393
16 Feb – 22 Feb 2027	Deon Stoffels	083 941 1994
23 Feb – 01 Mar 2027	Heinrich Leslie	061 443 7393
02 Mar – 08 Mar 2027	Deon Stoffels	083 941 1994
09 Mar – 15 Mar 2027	Heinrich Leslie	061 443 7393
16 Mar – 22 Mar 2027	Deon Stoffels	083 941 1994
23 Mar – 31 Mar 2027	Heinrich Leslie	061 443 7393

ANNEXURE B

GRDM FIRE & RESCUE RESOURCES

B1. Personnel

George Station

Position	Contact
Shift A	071 856 5708
Shift B	067 038 1148
Shift C	067 034 9174
Shift D	060 508 7367

Platoon Commanders

Name	Rank	Contact
Emile Conrad	Acting Platoon Commander	082 559 2566
Elana Basson	Platoon Commander	082 696 8091
Mzwandile Nelani	Platoon Commander	083 723 6264
Janu Minnie	Platoon Commander	060 508 7367

Riversdale Station

Shift A: Chris Gerber	Senior Firefighter	083 941 1653
Shift B: Jean van Beulen	Senior Firefighter	083 941 1653

Ladismith Station

Shift A: Llewellyn Michaels	Senior Firefighter	083 941 2726
Shift B: Morne Stuurman	Senior Firefighter	083 941 2726

B2. Operational Strength

- 62 Permanent Firefighters
- 30 Seasonal Firefighters
- 3 Fire Stations
- 24-Hour Emergency Control Centre
- Disaster Management Team

Disaster Management (Command Staff)

Name	Rank	Contact
Gerhard Otto	Head of Disaster Management	081 469 9128
Wouter Jacobs	Disaster Management Officer	083 530 4307
Lee-Ann Joubert	Disaster Management Officer	068 591 4732
Tippie Bouwer	Control Centre Supervisor	083 941 0885
Gail Bekeer	Disaster Management Support	067 035 0643

ANNEXURE C

VEHICLE AND EQUIPMENT INVENTORY

Fire Fighting Fleet

Callsign	Vehicle Type	Station
B1	Toyota Land Cruiser	George
B3	Totyota Landcruiser	
B5	Toyota Land Cruiser	George
B6	Toyota Land Cruiser	George
RM1	Mercedes-Benz Atego	George
RM2	Ford Courier	Ladismith
T1	Iveco Tanker	Riversdale
T2	Iveco Tanker	George
T3	Iveco Tanker	George
T7	Tata Tanker	George
T9	MAN Tanker	Ladismith
TP2	Toyota Quantum	George
Command	Toyota 4x4 Command Vehicle	George

Specialist Equipment

- Drone Unit

- Hook Lift Rescue Vehicle
- Strike Units
- Aerial Firefighting Assets
- Crew Transport Vehicles
- Water Tankers
- Rescue Vehicles
- Command Vehicles

ANNEXURE D

MUTUAL AID PARTNERS

Forestry Partners

Organisation	Contact Person	Contact Number
MTO Forestry	Nico de Waal	082 939 9239
PG Bison Forestry	Jan van Scalkwyk	082 902 2098
Coldstream Timbers	Charles Witcher	076 687 0161
Geelhoutvlei Timbers	Charl Sparks	082 418 7717
Parkes & Sons Forestry	Jim Parkes	083 261 8629

Conservation Agencies

Organisation	Contact
SANParks	Len du Plessis - 082 809 1955
SANParks	Eugenia Mkhatshwa - 082 908 3226
SABParks	Chamelle Pluim – 060 467 4260
CapeNature	Barend le Roux - 082 554 1271
CapeNature	Patrick Meyer - 073 186 5997
Cape Nature	Adrian Fortuin – 076 246 0019

Working on Fire (TEFLA)

Function	Contact Number
Ground Dispatch	076 891 6429
Ground Dispatch Alternate	082 707 3033
Aerial Dispatch (West)	082 312 9413

Aerial Dispatch (South)	082 312 9461

ANNEXURE E

AERIAL FIREFIGHTING CONTACTS

Organisation	Contact	Number
Savannah Helicopters	Conrad Murray	082 787 4917
AG Aero	Richard Smit	082 784 0378
WoF OCC West	Dispatch	082 312 9413
WoF OCC South	Dispatch	082 312 9461

ANNEXURE F

MUNICIPAL MUTUAL AID DIRECTORY

Local and District Municipalities

Municipality	Contact Person	Contact
Hessequa	Daniel Dippenaar	082 838 2968
Kannaland	Hendrik Barnard	083 271 8207
Mossel Bay	Joseph Johnston	082 424 4098
George	Neels Barnard	083 233 6352
Knysna	Ian Bezuidenhout	060 998 7047
Bitou	Hedley Venter	083 433 0120
Oudtshoorn	Ralph Witbooi	079 922 3660
Overberg District	Reynard Geldenhuys	083 273 8234
Sarah Baartman District	Majokweni Kanyise	082 628 3359
Central Karoo	Kietheren Calvert	074 281 5955

A provincial Mutual Aid Agreement is in place between all District Municipalities and the City of Cape Town Metropolitan Municipality.

A Mutual Aid Agreement is in place with PetroSA for chemical related incidents.

ANNEXURE G

HIGH-RISK AREAS

Urban-Wildland Interface Areas

- George
- Wilderness
- Sedgefield
- Knysna
- Bitou
- Mossel Bay
- Hessequa

Forestry Areas

- Witfontein
- Jonkersberg
- Ruitersbos
- Saasveld
- Buffelsnek
- Bergplaas
- Garcia
- Kruisfontein
- Lottering

Mountain Areas

- Outeniqua Mountain
- Kammanassie Mountain
- Langeberg Mountain Range
- Swartberg Mountain
- Rooiberg Mountain

Rural Settlements

- Karatara
- Farleigh
- Kransbos
- Buffelsnek

ANNEXURE H

INCIDENT REPORTING CHECKLIST

The following information must be communicated to the Emergency Control Centre upon reporting an incident:

Incident Information

- Exact Location

- GPS Coordinates

- Incident Type

- Estimated Fire Size

- Fire Behaviour / Spread Potential

- Threatened Structures

- Threatened Critical Infrastructure

- Casualties or Injuries

- Access Routes

- Current Weather Conditions

- Resources on Scene

- Additional Resources Required

- Estimated Incident Level (1, 2 or 3)

- Aerial Support Required (Yes/No)

ANNEXURE I

KEY EMERGENCY CONTACTS

Garden Route Emergency Control Centre

Primary: 044 805 5071

Secondary: 081 709 5193

Western Cape Provincial Disaster Management

Official	Position	Contact
Colin Deiner	Chief Director	082 550 6770
Schalk Carstens	Director Risk Reduction	083 273 1372
Etienne du Toit	Deputy Director Fire & Rescue	073 547 2318
Marthinus Rust	Acting Deputy Director Fire & Rescue	071 481 9437
Provincial Standby	24-Hour Duty Officer	083 577 1100

ANNEXURE J

WORKING HOURS AND DEPLOYMENT MODEL

George Fire Station

- 12-hour rotating four-shift system
- Day Shift: 06:00-18:00
- Night Shift: 18:00-06:00

Riversdale and Ladismith Fire Stations

- 12-hour day-shift deployment
- Operational Shift: 06:00-18:00
- Standby: 18:00-06:00

Summer Enhancement

Additional deployment of:

- 30 Seasonal Firefighters
- Strategic festive-season vehicle placement
- High-risk area patrols
- Enhanced public visibility operations
- Rapid first-attack response capability.

BACK TO AGENDA

1. ADOPTION BY COUNCIL OF THE TWO GARDEN ROUTE DISTRICT CLIMATE CHANGE ADAPTATION RESPONSE PLANS: 2025/26 – 2030/2031 / AANNEMING DEUR DIE RAAD VAN DIE TWEE GARDEN ROUTE-DISTRIKSPLANNE VIR AANPASSING BY KLIMAATSVERANDERING: 2025/26 – 2030/2031 UKWAMKELWA LIBHUNGA KWEZICWANGCISO EZIMBINI ZESITHILI SEGARDEN ROUTE ZOKUPHENDULA NOKUZIQHELANISA NOKUTSHINTSHA KWEMOZULU: ZIKA-2025/26 – 2030/2031.

REFER REPORT FROM THE EXECUTIVE MANAGER COMMUNITY SERVICES (N RAISA-MLANDU) / HEAD: ENVIRONMENTAL MANAGEMENT (DR. N. VILJOEN)

2. PURPOSE

The purpose of this report is for the Garden Route District Municipality's (GRDM's) Council to adopt the two Garden Route District Climate Change Adaptation Response Plans, 2025/26 – 2030/2031, namely:

- The newly developed Garden Route District Climate Change Adaptation Needs and Response Assessment, 2025/26 – 2030/2031, and;
- The reviewed Garden Route District Climate Change Adaptation Response Implementation Plan, Version1, 2025/26 – 2030/2031 (previously titled the Garden Route District Climate Change Adaptation Strategy 2019).

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The current Garden Route District Climate Change Adaptation Strategy 2019 was extensively reviewed and given a new title, as per the prescriptions of the National Climate Change Act 2024 (Act 22 of 2024). A new needs and response assessment document was also developed internally by the GRDM, as per the requirements of the Act.

These two climate change documents are listed below:

1. Garden Route District Climate Change Adaptation Needs and Response Assessment 2025/26 – 2030/2031, and the;
2. Reviewed Garden Route District Climate Change Adaptation Response Implementation Plan, Version 1, 2025/26 – 2030/2031.

The development and review of the above two documents was done internally by the GRDM, and followed an extensive public participation path. The documents have been finalised and are now ready to be adopted by the GRDM's Council.

The two final documents are available for viewing on the GRDM's website, link: https://www.gardenroute.gov.za/document-category/2023-24-climate-change-2/

5. RECOMMENDATION

That Council adopts the two Garden Route District Climate Change Adaptation Response Plans 2025/26 – 2030/31.

AANBEVELING

Dat die Raad die twee aanpassingsreaksieplanne vir klimaatsverandering vir die Garden Route-distrik (2025/26 – 2030/31), aanneem.

ISINDULULO

Sesokuba iBhunga lamkele izicwangciso ezibini ze Sithili se Garden Route zoKuphendula Nokuziqhelanisa Nokutshintsha Kwemozulu zika-2025/26 – 2030/31.

6 DISCUSSION / CONTENTS

6.1 Background

The current Garden Route District Climate Change Adaptation Strategy 2019 was reviewed and updated internally, and various new sections, information and emerging issues were added, old information was amended, and the

lessons learnt or inadequacies identified were included. This document was also given a new title, as per the requirements of the National Climate Change Act 2024 (Act 22 of 2024), namely the: Reviewed Garden Route District Climate Change Adaptation Response Implementation Plan, Version 1, 2025/26 – 2030/2031. A second, new document was also developed internally by the GRDM, as per the requirements of the Act, namely the: Garden Route District Climate Change Adaptation Needs and Response Assessment 2025/26 – 2030/2031.

These two documents were subjected to an official public participation process (PPP), which stretched from 12 March 2024 to 12 April 2024, during which a number of comments were received. A draft Comments and Resonses report was also drawn up.

Progress was however delayed as communication from the Department of Environmental Affairs and Development Planning (DEA&DP): Climate Change section was received, indicating that they will be running with a support programme for District Municipalities, and would like to use the draft GRDM's Climate Change Adaptation Response Implementation Plan as a case example for other districts. They therefore requested that the process be delayed as there might also be requested changes during the DEA&DP's support programme and related workshops.

A final workshop, in collaboration with DEA&DP, was held on the 17th of March 2026 in order to obtain final local Municipal comments and inputs on the two GRDM Plans. Following this GRDM's climate change adaptation workshop with the local Municipalities, the GRDM also circulated a request to all the local Municipalities within the Garden Route District Municipality's (GRDM's) borders for their inputs on their current and planned climate change adaptation and climate disaster risk reduction implementation projects and initiatives.

We have however received limited responses from the local Municipalities, and will therefore be proceeding with the adoption of a Version 1 of the Implementation Plan, and are hoping to release a Version 2 once all the local Municipalities' current and planned climate change adaptation and climate disaster risk reduction implementation projects and initiatives have been received and incorporated within the Plan.

The two final documents are available for viewing on the GRDM's website, link: : https://www.gardenroute.gov.za/document-category/2025-26-climate-change-2/

6.3 Financial Implications

No financial implications.

6.4 Legal Implications

No legal implications.

6.5 Staff Implications

No staff implications.

6.6 Linkage to Strategic Objective(s)

Financial Viability; Good Governance; Growing an Inclusive District Economy; Healthy and Socially Stable Communities; Sustainable Environmental Management and Public Safety.

6.7 Previous / Relevant Council Resolutions

The Council resolution in 2019 to adopt the reviewed Climate Change Adaptation Strategy 2019, originally developed in 2014 (then titled the Eden District Climate Change Adaptation Plan). (Resolution Reference Number: 727756).

BACK TO AGENDA

1. ADOPTION BY COUNCIL OF THE REVIEWED GARDEN ROUTE DISTRICT COASTAL MANAGEMENT PROGRAMME (CMP), 2025/2026 – 2030/2031 / *AANNEMING DEUR DIE RAAD VAN DIE HERSIENE KUSBESTUURSPROGRAM (CMP) VIR DIE GARDEN ROUTE-DISTRIK, 2025/2026 – 2030/2031/* UKWAMKELWA LIBHUNGA LE-GRDM KWENKQUBO YOLAWULO LWENKQUBO YAMANXWEME YESITHILI SEGARDEN ROUTE (CMP) EPHONONONGIWEYO, KA-2025/2026 – 2030/2031

REFER REPORT FROM THE EXECUTIVE MANAGER COMMUNITY SERVICES (N RAISA-MLANDU) / HEAD: ENVIRONMENTAL MANAGEMENT (DR. N. VILJOEN)

2. PURPOSE

The purpose of this report is for the Garden Route District Municipality's (GRDM's) Council to adopt the reviewed Garden Route District Coastal Management Programme (CMP), 2025/26 – 2030/2031.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The current Garden Route District Coastal Management Programme was reviewed and updated internally, after which it was subjected to two public participation processes (PPP). A large number of comments were received and processed. This process included the compilation of a Comments and Responses Report (providing a response to each stakeholder's comments), and the inclusion of suggested changes and additional sections within the CMP. The document has now been finalised and is ready for adoption by the GRDM's Council.

Afterwards, and as per the requirement of the National Environmental Management: Integrated Coastal Management Act (NEM: ICMA), Act 24 of 2008, a Notice of the document's adoption by the Council will also be published in the Provincial Government Gazette.

5. RECOMMENDATION

That Council adopts the Reviewed Garden Route District Coastal Management Programme (CMP), 2025/2026 – 2030/2031.

AANBEVELING

Dat die Raad die hersiene Kusbestuursprogram (CMP) vir die Garden Route-Distrik, 2025/2026 – 2030/2031, aanvaar.

ISINDULULO

Sesokuba iBhunga lamkele iNkqubo yoLawulo lweNxweme yeSithili seGarden Route ePhononongiweyo (CMP), ka-2025/2026 – 2030/2031.

6 DISCUSSION / CONTENTS

6.1 Background

The review of the Garden Route District Coastal Management Programme was done in accordance with Chapter 6, Part 3 (Section 48) of the National Environmental Management: Integrated Coastal Management Act (NEM: ICMA), Act 24 of 2008. As part of the review, various new sections, information and emerging issues were added, old information was amended, and the lessons learnt or inadequacies identified were included.

As per the Act, any amendments that are made to the existing CMP must be subject to the public participation requirements in accordance with Chapter 4 of the Local Government Municipal Systems Act (LGMSA), Act 32 of 2000, prior to being Gazetted. The document was therefore subjected to two separate public participation processes (PPP).

6.2 Discussion

The current Garden Route District Coastal Management Programme was reviewed internally, after which it was subjected to two separate public participation processes (PPP), of which the latest period stretched from the 24 th of May to the 30th of June 2024. The PPP included public notices, website publications, workshops and public meetings, as well as the adverticement of the PPP Notice in the Provincial Government Gazette.

Comments and Responses Report

Due to the high level of public involvement, a extraordinary large number of public inputs and comments were received and processed. This process included the compilation of a Comments and Responses Report (addressing all the Interested and Affected Parties individually with a response to their comments/inputs), and the inclusion of suggested changes and additional sections within the CMP.

The finalised reviewed Garden Route District Coastal Management Programme (CMP), 2025/26 – 2030/2031, can be viewed on the GRDM'S website - link:

https://www.gardenroute.gov.za/wp-content/uploads/2026/10/Final-Reviewed-Garden-Route-District-Coastal-Management-Programme_2025_2026-to-2030_2031-Copy.pdf

6.3 Financial Implications

There will be minor Gazetting advertising costs to an approximate value to be covered as part of our OPEX budget.

6.4 Legal Implications

No legal implications.

6.5 Staff Implications

No staff implications.

6.6 Linkage to Strategic Objective(s)

Financial Viability; Good Governance; Growing an Inclusive District Economy; Healthy and Socially Stable Communities; Sustainable Environmental Management and Public Safety.

6.7 Previous / Relevant Council Resolutions

The Council resolution in 2013 to adopt the first version of the Coastal Management Programme, originally developed by Rhodes University (Enviro-Fish Africa), then titled the Eden Integrated Coastal Management Programme (File number: 4/1/2/4/16).

6.8 Risk Implications

There are no risk implications.

BACK TO AGENDA

1. REPORT ON THE PROGRESS OF THE GARDEN ROUTE GROWTH AND DEVELOPMENT STRATEGY IMPLEMENTATION / *VERSLAG RAKENDE DIE VORDERING MET DIE IMPLEMENTERING VAN DIE GARDEN ROUTE-GROEI- EN -ONTWIKKELINGSTRATEGIE* / INGXELO NGOMSEBENZI WOKUMISELWA KWESICWANGCISO SOBUCHULE BEZOHLUMO NOPHUHLISO LWE GARDEN ROUTE

REPORT FROM THE EXECUTIVE MANAGER: PLANNING AND ECONOMIC DEVELOPMENT (L. MENZE) / MANAGER: DED, TOURISM, EPWP AND JOB CREATION (R. DYANTYI)

2. PURPOSE

To inform Council on the progress of the implementation of the Garden Route Growth and Development Strategy (GRGDS) through the seven strategic priority focus area clusters:

- A Water Secure Future
- A Circular Economy
- Resilient Agriculture
- Sustainable Tourism
- Supporting Wellbeing and Resilience
- A connected economy: Transport and Rural-urban integration and ICT
- Sustainable Local Energy Transition

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

GDS CLUSTER/PROJECT IPLEMENTATION UPDATES:

The Garden Route Growth and Development Strategy (GRGDS) 2040, adopted by Council on 30 March 2021, provides a long-term, aspirational framework for the region's sustainable and social and economic development. A detailed Implementation Plan, operationalised through a partnership with the Western Cape Economic Development Partnership (WCEP), was approved by Council on 30 January 2023.

Significant progress has been made across the seven (7) key priority areas.

This report outlines key achievements, identifies ongoing challenges, and details forward planning, aligning the GRGDS with the district's Integrated Development Plan (IDP).

Implementation efforts have focused on building foundational capacity and initiating key projects across the identified strategic focus areas, however in recent months many of the identified projects came to a halt due to processes and lack of capacity to drive/champion these projects.

A water secure future:

Project for development of the Bulk Water Master Plan was put on hold due to the National Water Resilience plan consultation and data collection process, to avoid duplication and leverage data collected by National Department of Water and Sanitation, to complete the demand and supply model for the Garden Route which is required as the national process will not be including the cross-border projects.

GRDM is also in engagement with COGTA in relation to potential assistance on becoming a water authority.

Sustainable Tourism:

GR International Film Development Project

There is currently discussions underway with the Western Cape Government's Red Tape Reduction unit to investigate the Digitalisation of permitting system for the Garden Route District.

Following the introductory session by the Western Cape DEDAT Red Tape reduction unit, a follow up discussion was held with the unit to discuss and request the assistance for a Film permitting system for the Garden Route District Municipality. Although some success has been achieved by the current filming body; Garden Route Film Commission, some challenges remain to date, emphasising the need by the District to re-evaluate and establish a regional filming permit system that benefits the district, private sector and communities within the region.

National Skills Fund Tourism and Hospitality Project

The primary goal of the Skills Mecca is to create jobs and improve livelihoods across the district by offering work-based learning opportunities for unemployed

individuals, helping them develop the skills needed to secure meaningful employment. In doing so, the programme also strengthens the local economy. The NSF programme continues with the allocation of unemployed youth into job-readiness training and internships throughout the Garden Route & klein Karoo, these opportunities include the 400 hospitality and tourism allocations, the 55 COMMIS II chef positions for onboard MSC cruises and continues to source both opportunities and skills supply within the region.

Facilitate alignment of marking for the Garden Route through the District Marketing Organisation (DMO)

Garden Route District Municipality is responsible for tourism marketing and development and runs a regional tourism office Garden Route and Klein Karoo tourism from where tourism is coordinated at a district Level. The office works closely with the local tourism bureaus, provincial, national and international tourism organizations in promoting the Garden Route and Klein Karoo and driving economic growth.

The purpose of the Project is to collaborate for purposes of tourism promotion of the Garden Route and Klein Karoo region in a manner that embodies strategic cohesiveness and the efficient utilisation of resources between all relevant stakeholders. A three (3) year tender was awarded to Oudsthoorn & De Rust Tourism for the collective marketing and promotion of the region with all stakeholders for initiatives such as WTM Africa, Africa Travel Indaba, various tourism campaigns and Educationals/FamTrips etc.

Resilient Agriculture:

As part of the growing honeybush tea industry in the Western Cape, this project is vital for improving the quality and efficiency of its production process. The first phase of the project is completed and entailed the design and manufacturing of the processing retort. This phase was funded by the Western Cape Department of Local Government through the Joint Metro and District Approach (JDMA) process. The retort will enable producers outside the current value chain to streamline the extraction and fermentation process, ensuring a consistent, high-quality product while also reducing waste of the product and apply methodologies of sustainability which will protect the environment.

The funding for the next phase of the project was committed by Department of Agriculture for the construction of a dedicated structure to house the honeybush processing retort. A well-designed structure will provide the necessary protection and environmental controls required for the optimal operation of the retort, ensuring consistent product quality. This facility will not only safeguard the retort but also support the scaling of production, allowing for increased output while adhering to industry standards.

Casidra SOC Ltd initiated a tender process in December 2025, which was subsequently re-advertised in January 2026. The outcomes of both processes reached the same conclusion, namely that the available budget was insufficient. A request for additional funding was submitted to cover shortfalls and should the required funding be approved, the funds will be committed to the construction of the facility. We are awaiting the payment of the funds from DoA for the construction of the facility.

At this stage the project requires assistance for a dynamic dryer for the facility, as well as additional assistance towards the shortfall required to make a successful service provider appointment for the construction of the processing facility. Failure to construct this facility will impact negatively on direct and indirect job creation and the economic growth of the region. We are confident that with this infrastructure in place, we can help drive the growth of the honeybush industry and its contribution to the Garden Route District and Western Cape economy.

This investment will empower small producers and help position the Western Cape as a leader in the global honeybush market. The intention of this project is to disrupt the sector and respond to the GDS and G4J focus areas.

Garden Route has engaged the DoA in 2024 to assist with a regional agriculture Development Master Plan, who then appointed a service provider to compile the plan and the process was concluded in April 2026. The plan outlines the economic commodities and infrastructure initiatives which will enable the sector to take strategic decisions.

Sustainable Local Energy Transition:

The Municipality is actively pursuing green mobility initiatives, with a vision to establish fast, efficient Electric Vehicle (EV) charging hubs along the N2 corridor and urban centres. Discussions with international consulates (e.g., India) for collaboration in renewable energy and IT sectors are also underway.

Supporting Wellbeing and Resilience:

The "Garden Route Skills Mecca" initiative is being actively rolled out, with a website operational since February 2022 to provide skills development and training opportunities. Reports are submitted to council for updates as required.

The review of the Municipal Spatial Development Framework is complete.

A Connected Economy:

Progress includes the development of an IT sector with a focus on digitalization. Airports Company of South Africa declared plans to expand their airport terminal and other projects around the airport. This will have economic spin-offs for businesses in the region as presented by ACSA at their supplier workshop on 5 June 2026.

A Circular Economy: Project progress is good as it is meeting its milestones. The relevant department is updating council on a regular basis as required.

Challenges and Mitigation

Key challenges in the implementation process include:

The region continues to experience significant population growth, placing pressure on existing infrastructure and services. The strategy is addressing this through connectivity clusters and targeted job creation initiatives within the key economic sectors (tourism, agriculture) and skills development programs.

Funding and Resources: Budget constraints necessitate the optimal utilisation of existing staff and a focus on securing alternative revenue streams and external funding for projects.

Way Forward

The GRGDS implementation is a continuous process that informs the annual IDP and budget cycles.

The following are the focus areas for the ongoing period:

- **Monitoring and Evaluation:** Strengthening the mechanisms for monitoring the strategy's progress and adapting plans based on performance reviews (e.g., the Municipal Spatial Development Framework assessment).
- **Inter-governmental Collaboration:** Leveraging partnerships with local municipalities, provincial departments (e.g., Western Cape Departments of Agriculture, Local Government,), and national agencies i.e. Small Enterprise Development and Finance Agency, to ensure integrated planning and resource allocation. We continue to engage with the National Departments through various platforms i.e. meetings and written correspondence for their strategic collaboration to address the GDS.
- **Private Sector Engagement:** Continued collaboration with the business community and key community organisations to co-invest in high-impact projects, attractions and experiences.

The Municipality remains committed to achieving the long-term ambitions of the GRGDS, ensuring a resilient, inclusive, and prosperous future for the Garden Route District.

While significant progress has been made across the seven key priority areas of the Growth and Development Strategy (GRGDS 2040), several projects have stalled due to a lack of capacity. Key developments include the growth of the tourism sector as a third-largest provincial contributor and the completion of the Skills Mecca portal, while projects like the Honeybush facility face budget shortfalls for construction. The process is focused on inter-governmental collaboration and securing funding to address these delays and drive the region's socio-economic development.

We continue to implement in coordination through the JDMA/DDM structures and budget alignments.

5. RECOMMENDATION

That Council takes note of the report on the progress of the Growth and Development Strategy implementation through the seven key focus area project progress assessment.

AANBEVELING

Dat die Raad kennis neem van die verslag rakende die vordering met die implementering van die Groei- en Ontwikkelingstrategie deur middel van die vorderingsbeoordeling van projekte in die sewe sleutelfokusgebiede.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo umsebenzi wengxelo yokumiselwa koBuchule Bohlumo Nophuhliso ngokwenkalo ezingundoqo ezisixhenxe zamasebe.

6. DISCUSSION / CONTENTS

6.2 Background

The Garden Route Growth and Development Strategy (GDS) was adopted by Council on 30 March 2021 together with the Garden Route Economic Recovery Plan. Various key focus area workshops took place to develop and compile the GDS Implementation Plan which was approved by Council on 27 February 2023.

6.2 DISCUSSION

Work is being done on identified activities, and catalytic projects together with the GRDM, local B-Municipalities, national and provincial Government, agencies, and the private sector at a later stage. Relevant stakeholders per strategic priority were identified as key members of the specific Clusters that are proceeding with the ongoing workings of the cluster to achieve the objectives of the strategy and projects identified.

It is important to re-iterate that the implementation of the GRG&DS is crucial in

terms of making an impact in the region, through partnerships and collaboration with stakeholders, both inside and outside the region, inclusive of private and public sector.

6.3 Financial Implications

During the implementation of the GRGDS funding from Council, as well as from other public and private stakeholders will be needed to be able to implement programmes and projects.

6.4 Legal Implications

None.

6.5 Staff Implications

None.

6.6 Previous / Relevant Council Resolutions:

- Adoption of the Garden Route Growth and Development Strategy by Council on 30 March 2021.
- Adoption of the Garden Route Economic Recovery Plan on 30 March 2021.
- Approval of the GDS Implementation Plan on 27 February 2023.

6.7 Risk Implications

Failure to implement the strategic catalytic projects will lead to high unemployment, poor infrastructure development, lack of education and result in council failing to execute its constitutional mandate.

BACK TO AGENDA

1. PROPOSED LONG TERM LEASING OF A PORTION OF ERF 2219, GEORGE, AND A PORTION OF ERF 3332, GEORGE FOR THE TELECOMMUNICATIONS TOWER / *VOORGESTELDE LANGTERMYNVERHURING VAN 'N GEDEELTE VAN ERF 2219, GEORGE, EN 'N GEDEELTE VAN ERF 3332, GEORGE, VIR DIE TELEKOMMUNIKASIETORING* / ISIPHAKAMISO SOKUQESHISA IXESHA ELIDE NGENXALENYE YESIZA U-ERF 2219, EGEORGE, KUNYE NENXALENYE YESIZA U-ERF 3332, EGEORGE, UKUZE KUBEKWE INQABA YONXIBELELWANO.

REPORT FROM THE EXECUTIVE MANAGER PLANNING AND ECONOMIC DEVELOPMENT SERVICES (LUSANDA MENZE) / MANAGER: PROJECTS, PROPERTIES, FACILITIES AND RESORTS MANAGEMENT (DZIVHULUWANI MASHILA)

2 PURPOSE

The purpose of this item is to obtain Council approval to enter into a long-term lease agreement with MAST Services (Pty) Ltd for the leasing of a portion of Erf 2219, George, and a portion of Erf 3332, George, for the continued operation of an existing telecommunications tower.

The proposed rental period is for 9 years and 11 months with a further option to renew the lease agreement for another 9 years and 11 months.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The Garden Route District Municipality (GRDM) is the registered owner of Erven 2219, George and 3332, George, being the Head Office and the Mission Street Office respectively.

In September 2008, a lease agreement was concluded with Vodacom for the leasing of portions of the abovementioned properties for the erection of a telecommunications tower, radio mast, antennas, as well as a hut/container. The lease agreement was entered into for a period of nine (9) years and eleven (11) months, with a termination date in July 2017, and included an automatic extension for a further five (5) years. The lease agreement has since expired in 2023.

5. RECOMMENDATIONS

1) That Council notes the expiry of the lease agreement between the Garden Route District Municipality (GRDM) and Vodacom in 2023, as well as the subsequent occupation and continued use of municipal property by MAST Services Proprietary Limited.

2) That Council notes that MAST Services Proprietary Limited has settled the outstanding rental amount of R704 423.89.

3) That Council approves the acceptance of the rental payment received from MAST for the period during which no formal lease agreement was in place, acknowledging the continued use and benefit derived from the municipal property.

4) That Council approves the conclusion of a new long-term lease agreement between GRDM and MAST Services Proprietary Limited for the period of 9 years and 11 months in respect of portions of Erven 2219, George, and Erf 3332, George, subject to compliance with all applicable legislative and municipal requirements.

5) That Council Authorise the Administration to negotiate / finalise and sign the lease agreement and any related documentation necessary to give effect to Council's decision.

AANBEVELINGS

1) Dat die Raad kennis neem van die verstryking van die huurooreenkoms tussen die Garden Route-distriksmunisipaliteit (GRDM) en Vodacom in 2023, asook die daaropvolgende okkupasie en voortgesette gebruik van munisipale eiendom deur MAST Services Proprietary Limited.

2) Dat die Raad kennis neem dat MAST Services Proprietary Limited die uitstaande huurbedrag van R704 423,89 vereffen het.

3) *Dat die Raad die aanvaarding goedkeur van die huurbetaling wat van MAST ontvang is vir die tydperk waartydens geen formele huurooreenkoms van krag was nie, met erkenning van die voortgesette gebruik van en voordeel getrek uit die munisipale eiendom.*

4) *Dat die Raad die aangaan van 'n nuwe langtermynhuurooreenkoms tussen GRDM en MAST Services Proprietary Limited vir 'n tydperk van 9 jaar en 11 maande goedkeur ten opsigte van gedeeltes van Erwe 2219, George, en Erf 3332, George, onderworpe aan voldoening aan alle toepaslike wetlike en munisipale vereistes.*

5) *Dat die Raad Administrasie magtig verleen om die huurooreenkoms, asook enige verwante dokumentasie wat nodig is om uitvoering aan die Raad se besluit te gee, te onderhandel en of af te handel en te onderteken.*

IZINDULULO

1) Sesokuba iBhunga liqaphele ukuphela kwesivumelwano sokuqeshisa phakathi kukaMasipala weSithili saseGarden Route (GRDM) kunye nabakwa-Vodacom ngo-2023, kunye nokuhlala nokusetyenziswa okuqhubekekayo komhlaba kamasipala yinkampani iMAST Services Proprietary Limited.

2) Sesokuba iBhunga liqaphele ukuba iMAST Services Proprietary Limited ihlawule imali yerenti ebingekahlawulwa engama-R704 423.89.

3) Sesokuba iBhunga livume ukwamkelwa kwentlawulo yerenti evela kwiMAST ngexesha apho bekungekho sivumelwano esisesikweni sokuqeshisa, livuma ukusetyenziswa okuqhubekekayo kunye nenzuzo efunyenwe ngomhlaba kamasipala.

4) Sesokuba iBhunga livume ukugqityezelwa kwesivumelwano esitsha sokuqeshisa sexesha elide phakathi kweGRDM kunye neMAST Services Proprietary Limited esithatha iminyaka eli-9 neenyanga ezili-11 ngokumalunga neenxalenye ze-Erf 2219, eGeorge, kunye ne-Erf 3332, eGeorge, ngokuxhomekeke ekuthotyelweni kwazo zonke iimfuno zomthetho nezikamasipala ezifanelekileyo.

5) Sesokuba iBhunga liGunyazise Abalawuli ukuba bathethane/baqukumbele kwaye batyikitye isivumelwano sengqesho kunye nawaphi na amaxwebhu afanelekileyo ukumisela isigqibo seBhunga.

6. DISCUSSION / CONTENTS

6.1 Background & Discussion

Since the expiry of the lease agreement, several meetings were held between delegates from Vodacom and the Garden Route District Municipality in an attempt to renew the lease. However, the lease agreement could not be concluded at the time, as certain matters remained unresolved during the negotiations.

In the interim, the two telecommunications masts have remained on GRDM property. The Municipality continues to require the services provided by these masts, particularly the mast situated at the Head Office. This mast was historically donated to GRDM due to the presence of the Disaster Management Centre & JOC on the premises. As a result, no rental is payable for this mast, and only electricity consumption costs are charged.

In contrast, for the mast located at the Mission Street Office, both rental and electricity consumption are payable.

Due to the absence of a valid lease agreement over the past few years, GRDM has not received any rental payments from Vodacom. During this period, Vodacom also transferred its telecommunications infrastructure operations to MAST Services Proprietary Limited.

MAST Services Proprietary Limited, previously known as Vodacom Tower Company Proprietary Limited, is a owned subsidiary of Vodacom Proprietary Limited. Vodacom and MAST entered into an agreement in terms of which Vodacom transferred and ceded its telecommunications-related assets ("the Towers") to MAST. As a result of this agreement, all of Vodacom's rights and obligations arising from existing tower agreements were transferred and ceded to MAST. The relevant transfer documentation is attached hereto marked as **Annexure "A"**.

In November 2025, MAST approached GRDM with a view to entering into a long term lease agreement in respect of the abovementioned properties. At an informal meeting held in the Loerie Committee Room, representatives from MAST indicated that funds had been allocated on their books for the period during which no payments were made to GRDM. They requested that GRDM submit an invoice for the outstanding amounts and proceed with the renewal of the lease agreement.

During January 2026, MAST settled the outstanding rental amount, and a total of R 704 423.89 was paid to the Municipality.

This matter is complicated by the fact that the above-mentioned funds relate to a period during which no formal lease agreement was in place. Notwithstanding this, the telecommunications masts were not removed from GRDM property and continued to be utilised by MAST, thereby deriving benefit from the use of the municipal land. Acceptance of payment for this period may be construed as agreement to a default, month-to-month lease arrangement.

The proposed rental income for the new agreement for the Municipality amounts to R72,000.00 per annum, subject to an annual escalation based on the Consumer Price Index (CPI).

The continued presence of telecommunications infrastructure on municipal property supports improved connectivity, promotes economic activity, and enhances access to communication services for the Municipality, including its critical emergency and disaster management services.

Furthermore, entering into a long-term lease agreement will provide certainty to both the Municipality and the lessee, ensuring the uninterrupted operation, maintenance, and long-term sustainability of the existing telecommunications infrastructure.

6.2 Financial Implications

The financial implication will be annual income of R72 000.00 plus annual CPI variable escalations.

6.3 Legal Implications

None

6.4 Staff Implications

None

6.5 Previous / Relevant Council Resolutions:

None

6.6 Risk Implications

None

ANNEXURES
Annexure "A" MAST Company documents and agreements

ANNEXURE A

Delivered by Electronic Mail to: Kayleigh@gardenroute.gov.za 24 October 2025

Dear Monique Tiras,

RE: VODACOM LEASE AGREEMENT RENEWAL FOR TELECOMMUNICATIONS INFRA-STRUCTURE

Mast Services Pty Ltd is a wholly owned subsidiary of Vodacom Pty Ltd (Lessee), duly authorised to represent Vodacom in this regard. Vodacom has authorised Mast Services to be the Lessee herein-after.

We would like to request a lease agreement under the proposed lease commercial terms:

Base Station Number	Property Description	Lease Start Date	Lease End Date	First Renewal Start Date	End Date	Second Renewal Start Date	Total Duration
BS22141	Erf 2219 in George Township	**01/11/2025**	30/09/2035	**01/10/2035**	31/08/2045	**01/09/2045**	357 Months
BS3068	Erf 3332 in George Township	**01/11/2025**	30/09/2035	**01/10/2035**	31/08/2045	**01/09/2045**	357 Months

Term 1: 9 Years 11 months (119 Months)

Escalation Percentage: CPI Variable

PLEASE REFER TO RENTAL BELOW:

R 6 000 p.m. Excl. Vat **Per Lease Agreement**
(R 72 000 annually)

Should you require further clarification, please do not hesitate to contact the undersigned.

Kind Regards:

Shehzaad Yacoob
Specialist – Landlord Relations
Estate Management(EAS & KZN)

M +27 78 646 9317
E shehzaad.yacoob@mastservices.africa

Appendix 1 – Special Power of Attorney

1 Parties

1.1 This special power of attorney is granted by

Vodacom Proprietary Limited, a company incorporated in South Africa with registration number 1993/003367/07 whose registered office is at Vodacom Corporate Park, 082 Vodacom Boulevard, Midrand, 1687 ("**Vodacom**")

to

Vodacom Tower Company Proprietary Limited, a company incorporated in South Africa with registration number 2022/620785/07 whose registered office is at Vodacom Renaissance Park, 082 Vodacom Boulevard, Midrand, 1687 **("TowerCo").**

2 Appointment

2.1 Vodacom appoints TowerCo as its sole attorney with full authority, in the name of Vodacom or otherwise and on behalf of Vodacom, to undertake all actions relating to representation of Vodacom in relations with the other parties to the categories of contracts and/or relationships as referred to in Exhibit A to this Power of Attorney (the "**Contracts**") (and provided that Vodacom will always have the sole and absolute discretion to determine whether any contract or relationship falls within the ambit of the Contracts).

3 Powers

3.1 The exercise of all powers by TowerCo in terms of this special power of attorney are subject to the obligations of TowerCo in the Master Services Agreement concluded between Vodacom and TowerCo on [insert date].

3.2 TowerCo is authorised to review, negotiate, agree, enter into, amend, renew, execute, record, implement, enforce or terminate, for and on behalf of Vodacom, any and all instruments, documents and certificates in connection with the operation of the mobile telecommunications network sites to which the Contracts relate (the "**Power of Attorney Sites**"), and to otherwise act on behalf of Vodacom in dealing with the Power of Attorney Sites, including through the appointment by TowerCo of sub-contractors approved in writing by Vodacom (the "**Authorised Actions**").

3.3 In particular, TowerCo is authorised to do the following on behalf of Vodacom in connection with the Authorised Actions:

3.3.1 represent Vodacom in engaging with the other parties to the Contracts;

3.3.2 represent Vodacom before any regulator in connection with the Contracts;

3.3.3 file applications for registration of the Contracts and amendments;

3.3.4 prepare, sign, submit, send and deliver applications, notifications, approvals, refusals, requests, decisions, announcements, consents, claims and reclamations, and other documents to the other parties under the Contracts; the owners; mortgagees of, and holders of other title to, the immovable property on which the Managed Sites are located and third parties, as may be required to perform the Authorised Actions;

3.3.5 receive applications, notifications, approvals, refusals, requests, decisions, announcements, consents and claims and other documents from the other parties under the Contracts; the owners; mortgagees of, and holders of other title to, the immovable property on which the Power of Attorney Sites are located and third parties, as may be required to perform the Authorised Actions;

3.3.6 determine the terms and conditions (including price) of the Contracts;

3.3.7 sign amendment agreements, addenda, statements of disagreements, termination letters and agreements, annexes, schedules and exhibits to the Contracts;

3.3.8 obtain and provide any corporate approvals in respect of the Authorised Actions;

3.3.9 submit, receive, sign and/or execute all other documents, forms, agreements and acts in connection with the Authorised Actions, including any notifications to the owners, mortgagees of and holders of other title to the immovable property on which the Managed Sites are located;

3.3.10 pay any amounts due by Vodacom under the Contracts to landlords and any taxes owed by Vodacom, subject to first obtaining Vodacom's prior written approval for the payment of such taxes; and

3.3.11 perform any other natural or legal acts which TowerCo reasonably considers necessary in connection with the Authorised Actions.

3.4 In respect of Power of Attorney sites which are also Managed Sites, TowerCo may:

3.4.1 access the Managed Sites and grant and terminate access to the Managed Sites to third parties; and

3.4.2 install, modify, upgrade, repair, remove and otherwise deal with the Managed Sites;

4 Ratification

4.1 Vodacom ratifies and agrees to ratify all acts which TowerCo does or purports to do under this Power of Attorney.

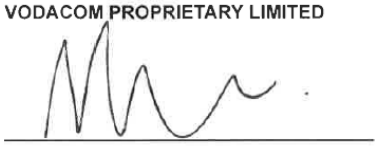
5 Termination

5.1 This Power of Attorney and all authorities granted to TowerCo in terms of this Power of Attorney will terminate on receipt by TowerCo of written notice of termination from Vodacom.

SIGNED at Midrand on 30 March 2023

For and on behalf of

VODACOM PROPRIETARY LIMITED



Signature

Sitholizwe Mdlalose

Name of Signatory

CEO: Vodacom South Africa.

Designation of Signatory

SIGNED at Midrand on 30 March 2023

For and on behalf of

VODACOM TOWER COMPANY PROPRIETARY LIMITED

Signature

Michael Magambo

Name of Signatory

Managing Director

Designation of Signatory

Exhibit A – Contract Categories and Types

1. Land Leases
2. Accounts with providers of Main Grid Electricity
3. Vodacom Co-Location Party agreements
4. Agreements with Vodacom suppliers to the extent that they relate to Physical Security Services
5. Agreements with Vodacom suppliers to the extent that they relate to Remote Monitoring and Reaction Services.
6. FFO Agreements in respect of maintenance of Passive Infrastructure on Vodacom Sites.

Certificate issued by the Commissioner of Companies & Intellectual Property Commission on Thursday, September 7, 2023 at 12:24

Companies and Intellectual Property Commission
a member of the dti group

Disclosure Certificate: Companies and Close Corporations

Registration Number: 2022 / 620785 / 07
Enterprise Name: MAST SERVICES

ENTERPRISE INFORMATION

Registration Number	2022 / 620785 / 07
Enterprise Name	MAST SERVICES (PTY) LTD
Registration Date	25/07/2022
Business Start Date	25/07/2022
Enterprise Type	Private Company
Enterprise Status	In Business
Compliance Notice Status	NONE
Financial Year End	March
TAX Number	9405887200

Addresses

POSTAL ADDRESS

PRIVATE BAG X9904
SANDTON
JOHANNESBURG
GAUTENG
2146

ADDRESS OF REGISTERED OFFICE

VODACOM CORPORATE PARK
082 VODACOM BOULEVARD
MIDRAND
GAUTENG
1685

ACTIVE MEMBERS / DIRECTORS

Surname and First Names	Type	ID Number / Date of Birth	Contrib. (R)	Interest (%)	Appoint. Date	Address
BARENDSE, ANDREW JOHN	Director	6609215267081	0.00	0.00	22/08/2022	Postal: PRIVATE BAG X9904, SANDTON, SANDTON, GAUTENG, 2146 Residential: 156 LONGDOWN ROAD, CORNWALL HILL, CENTURION, GAUTENG, 0157
VAN VUUREN, ROY	Director	7512305001080	0.00	0.00	22/08/2022	Postal: PRIVATE BAG X9904, SANDTON, SANDTON, GAUTENG, 2146 Residential: 8 LAUGHING DOVE PLACE, GLEN MARAIS, KEMPTON PARK, GAUTENG, 1619
MAGAMBO, MICHAEL KAKONGE	Director	1976-12-08	0.00	0.00	22/08/2022	Postal: PRIVATE BAG X9904, SANDTON, SANDTON, GAUTENG, 2146 Residential: VODACOM CORPORATE PARK, 082 VODACOM BOULEVARD,
MDLALOSE, SITHOLIZWE	Director	1980-05-27	0.00	0.00	22/08/2022	Postal: PRIVATE BAG X9904, SANDTON, SANDTON, GAUTENG, 2146 Residential: 701 GREENSIDE COURT, WILLOWGROVE, DAINFERN, GAUTENG, 2146

Physical Address
the dti Campus - Block F
77 Meintjies Street
Sunnyside 0001

Postal Address: Companies
P O Box 429
Pretoria
0001

Docex: 256
Web: www.cipc.co.za
Contact Centre: 086 100 2472 (CIPC)
Contact Centre (International): +27 12 394 9573

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Companies and Intellectual Property Commission
a member of the dti group

Disclosure Certificate: Companies and Close Corporations

Registration Number: **2022 / 620785 / 07**
Enterprise Name: **MAST SERVICES**

NKABINDE, REFILWE SAKGEYA	Director	7905210367085	0.00	0.00	22/08/2022	Postal: PRIVATE BAG X9904, SANDTON, SANDTON, GAUTENG, 2146 Residential: 13 WINSTON AVENUE, RIVONIA, JOHANNESBURG, GAUTENG,
MASIKU, NEO RACHEL JOYCE	Company Secretary	1979-05-21	0.00	0.00	01/11/2022	Postal: PRIVATE BAG X9904, SANDTON, JOHANNESBURG, 2146 Residential: VODACOM CORPORATE PARK, VODACOM CORPORATE PARK, MIDRAND,

AUDITOR DETAILS

Auditor Name	Type	Status	Appointment Date	Resignation Date	Email Address
ERNST and YOUNG INC	Auditor	Current	2022-11-01	ACTIVE	roger.hillen@za.ey.com
Profession Number: 918288					
ELS CORNELIUS ALWYN	Designated Auditor	Current	2022-11-01	ACTIVE	cornelius.els@za.ey.com
Profession Number: 721778					

CHANGE SUMMARY

27/07/2022	Name Change on 27/07/2022. K2022620785 (SOUTH AFRICA)
31/08/2022	Member Change on 31/08/2022. Director ROY VAN VUUREN was added
31/08/2022	Member Change on 31/08/2022. Director MICHAEL KAKONGE MAGAMBO was added
31/08/2022	Member Change on 31/08/2022. Director SITHOLIZWE MDLALOSE was added
02/07/2023	Email Notification that Annual Return is due was sent on 02/07/2023. E-Mail sent to MICHAEL KAKONGE MAGAMBO for 2023
02/07/2023	Email Notification that Annual Return is due was sent on 02/07/2023. E-Mail sent to REFILWE SAKGEYA NKABINDE for 2023
23/08/2023	Name Change on 23/08/2023. VODACOM TOWER COMPANY
25/07/2022	Registration of CC/CO on 25/07/2022. New Company Registration - Web Services : 1010 : Ref No. : 9369786479
31/08/2022	Member Change on 31/08/2022. Director REFILWE SAKGEYA NKABINDE was added
31/08/2022	Member Change on 31/08/2022. Director LEBOGANG CEDRIC NGCOBO - Change was made. - Director / member status changed from Active to Resigned. - Email Changed from lebo.ngcobo@vodacom.co.za to LEBO.NGCOBO@VODACOM.CO.ZA.
21/11/2022	Accounting Officer Change on 21/11/2022. Notice of change of auditors: ERNST and YOUNG INC appointed.

Physical Address
the dti Campus - Block F
77 Meintjies Street
Sunnyside 0001

Postal Address: Companies
P O Box 429
Pretoria
0001

Docex: 256
Web: www.cipc.co.za
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Registration Number: **2022 / 620785 / 07**
Enterprise Name: **MAST SERVICES**

23/11/2022	Member Change on 22/11/2022. Add Record Surname = MASIKU First Names = NEO RACHEL JOYCE Status = Active
02/07/2023	Email Notification that Annual Return is due was sent on 02/07/2023. E-Mail sent to ROY VAN VUUREN for 2023
02/07/2023	Email Notification that Annual Return is due was sent on 02/07/2023. E-Mail sent to SITHOLIZWE MDLALOSE for 2023
31/08/2022	Member Change on 31/08/2022. Director ANDREW JOHN BARENDSE was added
21/11/2022	Accounting Officer Change on 21/11/2022. Notice of change of auditors: ELS CORNELIUS ALWYN appointed.
02/07/2023	Email Notification that Annual Return is due was sent on 02/07/2023. E-Mail sent to ANDREW JOHN BARENDSE for 2023

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0001

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Contact Centre: 086 100 2472 (CIPC)
Contact Centre (International): +27 12 394 9573

DocuSign Envelope ID: D9E315B0-51FC-4391-8B1F-E18852644463

Further together

By e-mail

2024-02-28

Dear Sir/Madam,

MAST'S AUTHORITY TO ACT ON BEHALF OF VODACOM

1. We refer to the above matter.

2. We hereby confirm that:

2.1 MAST Services Proprietary Limited registration number 2022/620785/07 ("**MAST**"), previously known as Vodacom Tower Company Proprietary Limited, is a wholly owned subsidiary of Vodacom Proprietary Limited ("**Vodacom**"); and

2.2 Vodacom and MAST entered into an agreement ("**Agreement**") in terms of which Vodacom would transfer and cede its telecommunications-related assets ("**Towers**") to MAST.

3. As a result of the aforementioned Agreement, Vodacom's rights and obligations in terms of Tower agreements were transferred and ceded to MAST.

4. We attach the Special Power of Attorney signed by the Chief Executive Officer of Vodacom South Africa, Mr Sitholizwe Mdlalose and MAST's Managing Director, Mr Michael Magambo, confirming MAST's authority to act on behalf of Vodacom.

Yours faithfully,

DocuSigned by:
Gerard Naidoo
D968DBAF1A71423...

For and on behalf of: **Vodacom Proprietary Limited**

GERARD NAIDOOO

`

LEASE AGREEMENT

between

[LESSOR FULL NAME]

and

MAST SERVICES PROPRIETARY LIMITED

SITE NAME	
SITE NUMBER	
SITE TYPE	

Version No. 04 – May 2025

ANNEXURE 1

INFORMATION RELATING TO PROPERTY AND LEASED PREMISES	
LESSOR'S LEASE IDENTIFICATION NAME, ADDRESS AND/OR NUMBER (IF APPLICABLE)	
LESSEE'S LEASE IDENTIFICATION NAME	
LESSEE'S LEASE IDENTIFICATION NUMBER	
LESSEE'S RESPONSIBLE REGION	
SITE TYPE	

STREET ADDRESS AND, IF APPLICABLE, DESCRIPTION, OF PROPERTY	
ERF NUMBER OF PROPERTY	
SIZE IN SQUARE METRES AND, IF APPLICABLE, DESCRIPTION, OF PREMISES	

INFORMATION RELATING TO LESSOR	
FULL NAMES	
IDENTITY NUMBER / REGISTRATION NUMBER	
DOMICILIUM ADDRESS	
POSTAL ADDRESS	
E-MAIL ADDRESS	

CONTACT NAME 1			
WORK NUMBER			
EMAIL ADDRESS			
CELL NUMBER			

PLEASE INITIAL

ANNEXURE 1 (continued)

RENTAL PAYEE NAME	
POSTAL ADDRESS	
BANK NAME	
BRANCH NAME	
BRANCH CODE	
ACCOUNT TYPE	
ACCOUNT HOLDER NAME	
ACCOUNT NUMBER	
COMPANY REGISTRATION NUMBER	
VAT PAYABLE	
VAT REGISTRATION NUMBER	

LEASE DETAILS	
LEASE COMMENCEMENT DATE	
LEASE TERMINATION DATE	
INITIAL TERM	9 YEARS AND 11 MONTHS
RENEWAL TERM	9 YEARS AND 11 MONTHS X 2

INFORMATION RELATING TO ELECTRICITY SUPPLIER AND CONSUMPTION CHARGES	
SUPPLIER OF ELECTRICITY	
METER NO. / ELECTRICITY ACCOUNT NO./ ELECTRICITY REF NO.	
ELECTRICITY PAYEE NAME	
POSTAL ADDRESS	
BANK NAME	
BRANCH NAME	
BRANCH CODE	
ACCOUNT TYPE	
ACCOUNT HOLDER NAME	

PLEASE INITIAL

ACCOUNT NUMBER	
COMPANY REGISTRATION NUMBER	
VAT PAYABLE	
VAT REGISTRATION NUMBER	
NAME OF ENTITY OR PERSON RESPONSIBLE FOR GENERATION AND DELIVERY OF INVOICES	
LESSEE'S POSTAL AND E-MAIL ADDRESSES FOR DELIVERY OF INVOICES	finopsrentandelect@vodacom.co.za

RENTAL AND OTHER AMOUNTS

	MONTHLY RENTAL	ELECTRICITY CONSUMPTION	OTHER
AMOUNT			
FREQUENCY			
METHOD OF PAYMENT			

RENTAL ESCALATION RATE	THE RATE OF ESCALATION SHALL BE EQUAL TO THE PERCENTAGE INCREASE TO THE HEADLINE CONSUMER PRICE INDEX (FOR ALL URBAN AREAS) AS PUBLISHED BY STATISTICS SOUTH AFRICA THREE (3) MONTHS PRIOR TO THE DATE OF ESCALATION; PROVIDED THAT THE PERCENTAGE SHALL NOT BE GREATER THAN XX PERCENT (XX%) **OR** THE RATE OF ESCALATION SHALL BE SEVEN PERCENT (7%)
RENTAL ESCALATION COMMENCEMENT DATE	ON THE FIRST ANNIVERSARY OF THE LEASE COMMENCEMENT DATE

NOTES

LEASE AGREEMENT

1 PARTIES

The parties to this Agreement are:

1.1 **[Lessor Full Name]** with **[registration number/identity number]** further information in respect of whom is recorded in Annexure 1 (**Lessor**); and

1.2 **MAST Services Proprietary Limited**, a private company duly registered in South Africa with Company Registration Number 2022/620785/07 and VAT Number 4320307624 (**Lessee**).

2 PREAMBLE

The Lessee wishes to hire certain Leased Premises from the Lessor and the Lessor wishes to let such Leased Premises to the Lessee, further to which the parties agree the terms and conditions detailed herein.

3 DEFINITIONS AND INTERPRETATION

3.1 In this Agreement and all appendices and annexures hereto, unless inconsistent with or otherwise indicated by the context, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings –

3.1.1 **"Agreement"** means this lease agreement together with all appendices and annexures hereto (if any);

3.1.2 **"Annexure 1"** means the annexure to this Agreement that sets out the specific lease particulars, including but not limited to details such as the Leased Premises description, Equipment details, lease term, rental amount, and other key commercial terms;

3.1.3 **"Equipment"** means any or all, as the context indicates, of the structures, equipment and components provided for in clauses 9.2.1.1 to 9.2.1.7;**"Install"** means to install, erect, construct or affix and, "**Installed**", "**Installing**" and "**Installation**" shall have corresponding meanings;

3.1.4 **"Intended Purpose"** means the Lessee's intended use of the Leased Premises, being the Installation and operation of the Equipment for the purposes of transmitting and receipting of wireless communication signals including, but not limited to, voice, data and internet transmissions and for any other uses which are incidental thereto, as further detailed in this Agreement;

3.1.5 **"Lease Commencement Date"** means, notwithstanding the Signature Date, the date upon which the lease of the Premises commences, as recorded in Annexure 1;

3.1.6 **"Lease Termination Date"** means the date upon which the lease of the Premises terminates, as recorded in Annexure 1 or the expiration of the relevant Renewal Term;

3.1.7 **"Leased Premises" or "Premises"** means the portion of the Property leased by the Lessee in terms of this Agreement, further information in respect of which is recorded in Annexures 1 and 2. The standard configuration shall be 144m^2, which in certain instances may not be contiguous space;

3.1.8 **"Property"** means the property, being either a portion of land or, a building or other structure, upon or within which the Leased Premises are situated, further information in respect of which is recorded in Annexure 1;

3.1.9 **"Public Official"** means any officer (whether elected or appointed) or employee of a government department, who holds a legislative, judicial or administrative position of any kind, even on a non-permanent basis; members of the royal family; any person who performs public functions in any branch of the national, local or municipal/regional government; any person, who exercises a public function for any public agency or public enterprise, or private entity controlled by the state, such as employees of state-owned or state-controlled enterprises, or working in state-owned media; members or political parties or candidates for political office; any official or agent of a public international organisation;

3.1.10 "**Signature Date**" means the date of signature of this Agreement by the party signing last in time; and

3.1.11 "**VAT**" means Value-Added Tax as levied in terms of the Value-Added Tax Act, 1991 (Act No. 89 of 1991), as amended.

3.2 The headings of the clauses in this Agreement are for the purpose of convenience and reference only and shall not be used in its interpretation.

3.3 Unless inconsistent with or otherwise indicated by the context, words used in this Agreement importing

3.3.1 any one gender includes the other genders;

3.3.2 the singular includes the plural and *vice versa*; and

3.3.3 natural persons include created entities (incorporated or unincorporated) and *vice versa*.

3.4 Where in this Agreement

3.4.1 a reference is made to the Lessee, it shall include, unless the context indicates otherwise, the Lessee's employees, agents, contractors and/or duly authorized representatives;

3.4.2 a reference is made to the Lessor, it shall include, unless the context indicates otherwise, the Lessor's employees, agents, contractors and/or duly authorized representatives;

3.4.3 any amounts or values are referred to, same shall be exclusive of VAT;

3.4.4 any number of days is prescribed, same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the succeeding day which is not a Saturday, Sunday or public holiday; and

3.4.5 the consent or approval of either party is required for any purpose, same shall, unless otherwise indicated by the context, refer to the prior written consent of such party, which consent shall not be unreasonably withheld.

4 LEASE OF THE PREMISES

The Lessor herewith lets the Leased Premises to the Lessee, which Leased Premises the Lessee hires from the Lessor.

5 TERM OF THE LEASE

5.1 The term of this Agreement shall be for the Initial Term as recorded in Annexure 1, commencing on the Lease Commencement Date, and terminating on the Lease Termination Date (**Initial Term**).

5.2 The Lessee shall have the option to extend the term of the Agreement for two (2) separate successive renewal terms (as provided in Annexure 1) (**Renewal Term**) which shall commence

immediately upon the expiration of the Initial Term and after the expiration of the first Renewal Term on the same terms and conditions of this Agreement. The Lessee shall exercise its right to renew the Agreement by way of written notice to the Lessor given not later than thirty (30) days prior to the expiration of each Renewal Term.

5.3 In the event that this Agreement expires while the parties are negotiating entering into a new lease agreement and the Lessee continues to occupy the Leased Premises with the express or tacit consent of the Lessor, the parties agree that they shall be deemed to, in the absence of a further written agreement, have entered into a periodic lease, on the same terms and conditions provided in this Agreement, except that at least three (3) months written notice must be provided of the intention by either party to terminate.

6 USE OF THE PREMISES

6.1 The Leased Premises shall, unless otherwise approved by the Lessor, only be used for the Intended Purpose.

6.2 The Lessor agrees it shall not lease, or sublease, license or sublicense or grant rights in respect of or make available for use any portion of the Property to any person for a similar purpose to the Intended Purpose.

6.3 Subject to the foregoing limitation on usage of the Leased Premises and to the terms and conditions generally of this Agreement, the Lessee shall be entitled to allow any other communications entity to share the Leased Premises with it and to Install and operate its own Equipment thereon. Such allowance by the Lessee shall not establish any rights or obligations between the Lessor and such communications entity and shall not release the Lessee from any of its obligations in terms of this Agreement. For the avoidance of doubt, this clause is not applicable to, and notice shall not be required in instances where Equipment Installed on the Premises is being utilized by another communications entity further to a network roaming relationship existing between the sublessees.

7 RENTAL, ELECTRICITY AND OTHER PAYMENTS

7.1 The Lessee shall pay to the Lessor the rental and other amounts as set out in Annexure 1.

7.2 The rental amounts payable to the Lessor shall escalate annually on each anniversary of the Lease Commencement Date at the rate recorded in Annexure 1. If charges in respect of the consumption of electricity at the Leased Premises are payable to the Lessor in fixed amounts, same shall escalate annually together with the rental amounts; provided that further adjustments may be made if and when the supplier of the electricity increases its rates to the Lessor.

7.3 All rental and other amounts payable to the Lessor shall:

7.3.1 unless otherwise provided for herein or in Annexure 1, be paid monthly in advance on or before the fourteenth (14th) day of the start of each period; provided that, for administrative reasons and subject to the Lessor providing the Supporting Documents in Annexure 3, the first (1st) payment in respect of such amounts shall be made not later than the sixtieth (60th) day of the later of the Lease Commencement Date or the Signature Date; and

7.3.2 be paid, free of bank exchange, into a bank account that is in the Lessor's name by way of direct deposits, electronic funds transfers or any other traceable instrument,

notwithstanding anything to the contrary in this Agreement, the Lessor may amend its banking details or rental payment frequency by requesting a change of payment details form from the Lessee and submitting such completed form and supporting documents (**Change of Payment Details**). To protect the Lessor and to prevent fraud, the Lessee may request further information

or conduct further searches to confirm that it is dealing with the Lessor or a duly authorized representative of the Lessor when a Change of Payment Details is requested.

7.4 The charges in respect of the consumption of electricity at the Leased Premises shall be payable by the Lessee either directly to the supplier of the electricity (where the Lessee has its own electricity supply) or to the Lessor (until such a time that the Lessee has its own electricity supply from Eskom and/or the relevant local or other authority, thereafter, the Lessee shall no longer pay the Lessor) and, if payable to the Lessor, shall either be paid in fixed amounts monthly in advance together with the rental amounts or in varying monthly amounts based on actual metered consumption within thirty (30) days from the date of receipt of invoice by the Lessee. Invoices, which shall be based on the readings of metering equipment to be installed, shall be generated and delivered to the Lessee. Where invoices are to be generated and delivered by the Lessor, such shall:

7.4.1 specify that the invoice is for the consumption of electricity and, contain the Lessee's identification name and number of the Leased Premises as set out on the cover page of this Agreement as well as in Annexure 1;

7.4.2 be accompanied by proof of the meter readings;

7.4.3 include the MAST Services Proprietary Limited VAT number indicated on page 1;

7.4.4 not be pre-dated or post-dated; and

7.4.5 be sent to the Lessee by pre-paid post and/or e-mail to the address/es in Annexure 1.

7.5 No charges in respect of the consumption of electricity which accrued more than four (4) months prior to the date of receipt of the invoice by the Lessee may be asserted against the Lessee by the Lessor.

7.6 If the Lessor is obliged to pay VAT in respect of rental and other amounts received by it in terms of this Agreement, it shall provide the Lessee with a copy of its VAT registration certificate, further to which the rental amount and other amounts provided in this Agreement shall include the applicable standard VAT rate.

7.7 The Lessor and Lessee confirm that this Agreement complies with the South African Revenue Service Commissioner's direction under section 20(7) or 21(5) of the Value-Added Tax Act, 1991 (Act No. 89 of 1991), as amended.

7.8 The Lessor and Lessee shall retain proof of payment of each rental and other amounts received by it in terms of this Agreement.

7.9 In the event of the early termination of this Agreement through no fault of the Lessee, the Lessee shall be entitled to a *pro rata* refund of such rental and/or other amounts paid by it in advance.

7.10 No rental and/or other amounts shall be payable to the Lessor for periods prior to the Lease Commencement Date.

8 SUITABILITY OF THE PREMISES

The Lessor does not warrant that the Leased Premises or any utility services provided to it are fit and adequate for the purposes of the Lessee or, if fit and adequate at the Lease Commencement Date, that same shall remain so throughout the currency of this Agreement.

9 EQUIPMENT ON THE PREMISES

9.1 **Permissions and consents to Install and operate Equipment**

9.1.1 The Lessee shall at its own cost and expense apply for and use its reasonable endeavours to obtain all municipal, environmental, and other permissions and consents necessary for the Installation and operation of its Equipment on the Leased Premises. Should the Lessor's cooperation or approval be required in support of any such applications, the Lessor undertakes to provide such without undue delay.

9.1.2 Should any necessary permission or consent not be obtained within a reasonable period after the Lessee has applied therefor, or should any such permission or consent, having been granted, be suspended or revoked by the relevant authority, the Lessee shall be entitled to terminate this Agreement by giving the Lessor not less than thirty (30) days' written notice.

9.2 **Installation of Equipment**

9.2.1 The Lessee shall be entitled, at its own cost and expense, and without seeking any specific approvals from the Lessor, to Install and/or replace, as applicable, any or all of the following Equipment on or at the Leased Premises, to the extent required:

9.2.1.1 a communications mast or tower, the maximum height of which is indicated in Annexure 2 or, where there is no maximum height is recorded in Annexure 2, the maximum height permitted in the applicable municipal area;

9.2.1.2 fibre glass reinforced polyester or luminaire poles (including similar telecommunications poles), solar panels and renewable energy related equipment and facilities;

9.2.1.3 communications antennas and dishes, as well as all ancillary equipment required for the operation thereof;

9.2.1.4 an equipment room, being a container, room or other defined space on the Premises, in which parts of the Equipment are to be housed or situated;

9.2.1.5 foundations, flooring, paving, cabling, piping, wiring, fittings, fixtures and related accessory structures or components as may be necessary to support the Installation and/or operation of parts of the Equipment;

9.2.1.6 perimeter structures, equipment and/or warning signs, as may be necessary for security and safety purposes; and

9.2.1.7 signage identifying the Lessee and/or the communications entity sharing the Leased Premises with it.

9.2.2 The foregoing entitlement shall include the right, from time to time, to Install additional Equipment; provided that any change or upgrade which may require the Leased Premises to be increased in size, shall be increased at an agreed rate of R50 per m^2 or, if applicable, shall not in any way affect internal structural aspects of the building or other structure on which it may be located. Should any change, upgrade or addition potentially have an effect on internal structural aspects of the building or other structure, such change, upgrade or addition shall only be effected with the prior consent of the Lessor which shall not be unreasonably withheld.

9.2.3 Relevant details of the initial Equipment to be installed on the Leased Premises by the Lessee, the position of such Equipment on the Leased Premises and the location of the Leased Premises on the Property, if applicable, are provided in Annexure 2.

9.2.4 During the term of this Agreement, the Lessee shall be entitled, at its own cost and expense, to lay and/or move such cables, pipes, fibre and wires across the Property to the Leased

Premises as it may deem necessary for the operation of its Equipment Installed on the Leased Premises, subject to the Lessor's directives as to their position and/or route.

9.3 **Ownership and removal of Equipment**

9.3.1 All the Equipment Installed on the Leased Premises shall be and remain the property of the Lessee or relevant communications entity and shall at all times be regarded as movable property and the Lessor waives any and all lien and hypothec rights it may have, statutory or otherwise, in and to the Equipment or any portion thereof. The Lessee shall, at its cost and expense at the termination of this Agreement, for whatever cause, remove all such Equipment and restore the Leased Premises to the good order and condition in which they were at the Lease Commencement Date, fair wear and tear excepted.

9.3.2 Where applicable, the Lessor shall notify in writing any mortgagee or bond holder of the Property that the Equipment belongs to the Lessee and the sublessees.

9.3.3 The Lessee shall ensure that each party shall be responsible, at its own cost and expense, for servicing, maintaining and repairing its own Equipment located on the Leased Premises.

9.4 **Relocation of Equipment**

Should the Lessor at any time wish to develop the Property, including alterations or renovations to the building upon or within which the Leased Premises may be situated, and such development, alteration or renovation will negatively impact the position or operation of the Equipment Installed on the Leased Premises, it shall provide the Lessee with at least twelve (12) months' written notice in this regard. Following such notice, the parties shall meet and use their best endeavours to make suitable alternative arrangements to accommodate such Equipment during the development, alteration, or renovation, including such arrangements as may be reasonable pertaining to the cost of relocating such Equipment. Failing agreement in this regard, the Lessee shall be entitled to terminate this Agreement by giving the Lessor not less than thirty (30) days' written notice. In light of the high construction costs incurred by the Lessee in Installing its Equipment on the Leased Premises, the Lessor warrants that it shall not undertake any development, alteration or renovation that may impact the Equipment as contemplated above, for a period of three (3) years from the Lease Commencement Date.

10 ELECTRICAL AND OTHER POWER SUPPLY TO THE PREMISES

10.1 All costs in relation to the supply and consumption of electricity to or on the Leased Premises in respect of the operation of the Equipment, including the supply and Installation of metering equipment, if required, shall be paid by the Lessee.

10.2 The detail pertaining to the provision of electrical power to the Leased Premises, if applicable, shall be determined by Eskom and/or the relevant local or other authority.

10.3 As a constant supply of electrical power to the Leased Premises is critical to the operation of the Equipment Installed on the Leased Premises, the Lessor warrants that all amounts that may be due and payable by the Lessor in respect of the supply of electrical power to the Property and/or the Leased Premises shall be timeously paid by it to the relevant supplier.

10.4 In the event that charges for the consumption of electricity are payable to the Lessor by the Lessee in accordance with clause 7.4, and the supply of electricity is unavailable to the Lessee for a period of more than fourteen (14) consecutive days in a calendar month, the Lessee shall be entitled, at its sole discretion to,

10.4.1 terminate this Agreement on thirty (30) days' prior written notice; or

10.4.2 in the event that the charges in respect of the consumption of electricity are payable in fixed amounts in accordance with clause 7.4, to claim a refund of such charges for the month/s in question.

10.5 The Lessee and its contractors shall have the right to Install the necessary cables, wires and equipment for the purpose of transmitting the electricity supply from any meters to its Equipment.

10.6 The Lessee shall be entitled, if required and at its cost and expense, to upgrade the existing electricity supply to the Leased Premises and shall in all events that it alters any electrical Installation on the Property, or the Leased Premises provide the Lessor with an electrical compliance certificate.

10.7 The Lessee shall be entitled, if required and at its cost and expense, to have its own electricity supply and the Lessor consents and authorizes the Lessee and its contractors to apply for its own electricity supply on the Property or Leased Premises from Eskom and/or the relevant local or other authority and to sign on behalf of the Lessor any required documents by Eskom and/or the relevant local or other authority. Should the Lessor's cooperation or approval be required in support of any such applications, the Lessor undertakes to provide such without undue delay. The Lessee shall provide the Lessor with an electrical compliance certificate for such own electricity supply.

10.8 Should the electrical power supply to the Leased Premises for any reason become unavailable, the Lessee shall be entitled to deploy generators at the Leased Premises and to operate same for the period during which the electrical power supply remains unavailable. The Lessee shall in the deployment and operation of a generator comply with all relevant laws and by-laws, as well as safety and fire regulations, and use its best endeavours to ensure that it does not create an impediment or nuisance to other occupants of the Property.

10.9 The Lessor shall not, without the consent of the Lessee, attach any electrical or other appliance to the electrical system supplied for the purposes of the operation of the Equipment Installed on the Leased Premises, or interfere, alter, or do any repairs to such electrical system. Should the Lessor for any reason wish to attach any electrical or other appliances to such electrical system or wish to alter or do any repairs to such system, it shall give the Lessee not less than fourteen (14) days' written notice of its intention in this regard. Following such notice, the Lessee shall either arrange for the execution of such works as the Lessor wants done or make such other arrangements in connection therewith as may be reasonably acceptable to the Lessor. Should the Lessee fail to act as aforesaid, the Lessor shall be entitled to make its own arrangements in order to have the works executed.

11 ACCESS TO THE LEASED PREMISES

11.1 The Lessee, together with its sublessees, shall be allowed access to the Leased Premises on a twenty-four (24) hour basis any day of the week and the Lessor shall not unreasonably refuse or prevent such access. The Lessee shall use its best endeavours to conduct all maintenance and other activities that are required to be done at the Leased Premises during normal business hours, but equipment failures or other emergency situations may necessitate that work be done outside of such hours.

11.2 Should the Lessee be required to gain access to the Leased Premises and/or the Property via a gated or similarly controlled entrance, it shall ensure that such gate or entrance is properly secured whenever it enters or departs from the Leased Premises or the Property.

11.3 When accessing the Property, the Lessee shall respect and abide by the Lessor's security arrangements, provided that such do not seek to prevent or refuse access, and the Lessee shall not obstruct or impede any activities on the Property.

11.4 Should the Premises only be accessible via an access road across the Property, the Lessee shall:

11.4.1 if such access road exists (as maintained by the Lessor), be entitled to the use of such access road; and

11.4.2 if such access road does not exist or exists but does not extend fully to the Leased Premises, be entitled to construct an access road or part thereof along a route to be agreed with the Lessor. In such instance the Lessee shall be responsible for the maintenance of the access road or part thereof constructed by it.

12 ADDITIONS OR ALTERATIONS TO THE LEASED PREMISES BY THE LESSEE

Save as provided for in clause 9, the Lessee shall not, without the consent of the Lessor, make any additions or alterations whatsoever to the Leased Premises. Should the Lessor grant such consent, all additions or alterations shall be effected by the Lessee at its cost and expense and the Lessee shall, should it or the Lessor so require, at its cost at the termination of this Agreement, remove all additions or alterations and restore the Leased Premises to the good order and condition in which they were at the Lease Commencement Date, fair wear and tear excepted.

13 DESTRUCTION OF OR DAMAGE TO THE PREMISES

In the event of the Property or the Leased Premises being destroyed or damaged, through any cause:

13.1 to the extent that the Lessee is not able to use the Leased Premises for the Intended Purpose, this Agreement shall automatically terminate with effect from the date of such occurrence, unless the parties are able to negotiate alternative arrangements, including the temporary suspension of the Agreement, whilst the Lessor rebuilds or repairs the Property or the Leased Premises; and

13.2 to the extent that the Lessee remains able to use the Leased Premises for the Intended Purpose, this Agreement shall not terminate. If the Lessor in such circumstances decides to rebuild or repair the destroyed or damaged portion of the Property or Premises, it shall do so with reasonable expedition and the Lessee shall be entitled to a reduction of the rental payable by it *pro rata* to the extent to which it may be deprived of the beneficial occupation of the Leased Premises.

14 LIABILITY, INDEMNITY, FORCE MAJEURE AND INSURANCE

14.1 The Lessor shall not be liable for any loss, damage, injury or cost which may be suffered or incurred by the Lessee, nor shall the Lessee be entitled to withhold any rental payments, as a result of any failure, malfunctioning or interruptions in the supply of electricity, water or any other service or by reason of the Leased Premises or any part of the Property being in a defective condition or falling into disrepair, arising from any cause whatsoever, other than due to wilful misconduct, gross negligence or a breach of a term of this Agreement on the part of the Lessor.

14.2 The Lessee herewith indemnifies and holds the Lessor harmless against any loss, damage, injury, cost or liability that may be suffered or incurred by the Lessor arising from any action, proceeding or claim that may be instituted by any person against the Lessor as a result of the Lessee's lease of the Leased Premises, unless such action, proceeding or claim arose from wilful misconduct, gross negligence or a breach of a term of this Agreement on the part of the Lessor.

14.3 Any damage that may be caused to the Leased Premises or the Property as a result of any proven (in the Lessee's opinion) act or omission of the Lessee shall be made good by the Lessee at the Lessee's cost and expense.

14.4 Neither party shall be liable to the other for any inability to perform or for delayed performance in terms of this Agreement, should such inability or delay arise from any cause beyond the reasonable control of such party (hereinafter referred to as a "**force majeure event**"); provided that the existence of such force majeure event has been drawn to the attention of the other party within thirty (30) days of the occurrence thereof. If the force majeure event continues for more than six (6) months from the date of notification thereof and such event prevents the affected party from performing its obligations in terms of this Agreement, the unaffected party shall be entitled to terminate this Agreement by giving the other party not less than thirty (30) days' written notice.

14.5 Notwithstanding anything to the contrary contained in this Agreement, neither party shall, under any circumstances, be liable for any indirect, special and/or consequential damages suffered by the other party.

14.6 The Lessee shall ensure that it is at all relevant times properly insured against all public liability and other risks that may arise from or be associated with the lease of the Premises and shall not knowingly do or omit to do anything which may affect any insurances policy which the Lessor may have in place in respect of the Property or premiums payable in respect thereof. In this regard the Lessor shall notify the Lessee of any specific conditions that the Lessee should be aware of.

15 EARLY TERMINATION

Should the Lessee's or any of its sublessee's:

15.1 licence to operate a communications network or licence for electronic facilities services be suspended or terminated for whatever reason or there be a change in its business requirements;

15.2 Equipment Installed on the Leased Premises become outdated owing to technological development and not be economically replaceable or upgradable;

15.3 network or deployment requirements be rearranged, or any major changes made to it, resulting in the Leased Premises no longer being required for the Intended Purpose; or

15.4 Equipment Installed on the Leased Premises be measurably interfered with by buildings or other structures erected in close proximity to the Leased Premises, or by electronic communications equipment Installed by another communications entity at or on the Property, after the Lease Commencement Date,

the Lessee shall be entitled to terminate this Agreement by giving the Lessor not less than thirty (30) days' written notice.

16 BREACH OF THE AGREEMENT AND HOLDING-OVER BY THE LESSEE

16.1 Should the Lessee:

16.1.1 fail to pay any undisputed rental or any other amounts due by it in terms of this Agreement on the due date and thereafter fail to make payment thereof within thirty (30) days after receipt of the Lessor's written notice requiring such payment to be made;

16.1.2 breach any material term of this Agreement and fail to remedy such breach within thirty (30) days after receipt of the Lessor's written notice requiring such breach to be remedied; or

16.1.3 be liquidated (whether provisionally or finally) or placed under business rescue, or any steps be taken to accomplish any of the foregoing,

the Lessor shall be entitled, without prejudice to any other rights or remedies to which it may be entitled at law or in terms of this Agreement, to forthwith terminate this Agreement.

16.2 Should the Lessor breach any material term of this Agreement and fail to remedy such breach within thirty (30) days after receipt of the Lessee's written notice requiring such breach to be remedied, or should the Lessor be liquidated or sequestrated (whether provisionally or finally) or placed under business rescue, or any steps be taken to accomplish any of the foregoing, the Lessee shall be entitled, without prejudice to any other rights or remedies to which it may be entitled at law or in terms of this Agreement, to forthwith terminate this Agreement.

16.3 Should the Lessor terminate this Agreement and the Lessee dispute the Lessor's right to do so and remain in occupation of the Leased Premises pending the determination of such dispute, the Lessee shall continue to pay all amounts due to the Lessor in terms of this Agreement on the due dates thereof and the Lessor shall be entitled to accept and recover such payments, without prejudice to the Lessor's claim for cancellation then in dispute. Should the dispute be determined in favour of the Lessor, such payments shall be deemed to be amounts paid by the Lessee on account of damages suffered by the Lessor further to the unlawful holding over of the Leased Premises by the Lessee.

17 GENERAL OBLIGATIONS OF THE LESSEE

The Lessee shall not knowingly contravene any conditions of the title deed of the Property. In this regard the Lessor shall notify the Lessee of any specific conditions that the Lessee should be aware of.

18 GENERAL OBLIGATIONS OF THE LESSOR

18.1 Sale of the Property

18.1.1 The Lessor shall notify any prospective purchaser of the Property of the existence of this Agreement and shall, as soon as reasonably possible following the sale of the Property, furnish the Lessee with the full particulars of the purchaser.

18.1.2 In the event of the sale of the Property, the Lessor shall be obliged to transfer a *pro rata* refund of all rental and/or other amounts paid to it in advance (including prior to the Lessor notifying the Lessee of the sale of the Property) by the Lessee in accordance with clauses 7.3 and 7.4 to the new owner of the Property.

18.1.3 The Lessor agrees and consents to the Lessee providing a copy of this Agreement to the new owner of the Property.

18.1.4 The Lessor indemnifies the Lessee against any claim for rental and/or other amounts paid to the Lessor, including the amounts referred to in clause 18.1.2 that may be due to the new owner of the Property.

18.2 During any term of this Agreement, the Lessor shall, prior to granting any usufruct or other servitude to any person in respect of the Leased Premises or Property, notify the Lessee in writing and the Lessee shall have a right of first refusal to be granted such usufruct or other servitude on the same terms and conditions offered by such third party.

18.3 Should this Agreement be managed by an agent on behalf of the Lessor, the Lessor shall provide the Lessee with details of such agent and shall also update such details in the event of a change of agent.

19 DISPUTE RESOLUTION AND JURISDICTION

19.1 In the event of any dispute or difference arising between the parties relating to or arising out of this Agreement, the matter will be referred to the duly authorised representatives of the parties for consideration and attempted resolution.

19.2 Should the representatives referred to in clause 19.1 be unable to resolve the dispute within fourteen (14) days of the dispute being referred to them, the dispute shall be finally resolved in accordance with the Rules of the Arbitration Foundation of Southern Africa by an arbitrator or arbitrators appointed by the Foundation. Nothing herein contained shall, however, preclude either of the parties from approaching a court of competent jurisdiction for an interdict or for relief on an urgent basis.

19.3 The parties hereby consent in terms of section 45 of the Magistrates' Courts Act, 1944 (Act No. 32 of 1944, (or any similar section of an act replacing such Act) to the jurisdiction of the Magistrate's Court for the purpose of any proceedings in terms of or incidental to this Agreement, notwithstanding that the amount claimed or the value of the matter in dispute may exceed such jurisdiction; provided that either party shall, at its option, have the right to institute proceedings in any division of the High Court having jurisdiction.

20 DOMICILIA AND NOTICES

20.1 The parties choose as their *domicilia citandi et executandi* their respective addresses set out in this clause for all purposes arising out of or in connection with this Agreement, at which addresses all processes and notices arising out of or in connection with this Agreement may validly be served or delivered.

20.2 For purposes of this Agreement the parties' respective addresses shall be

20.2.1 as regards the Lessor, at the address recorded in Annexure 1; and

20.2.2 as regards the Lessee

Knightsbridge Office Park
33 Sloane Street
Bryanston, Sandton, 2191

For the attention of:

the Executive Head: Legal Affairs in respect of any legal process, e-mail: legal@mastservices.africa

the Executive Head: Finance in respect of all notices for billing disputes and remittance advices, e-mail: finopsrealestateinvoices@vodafone.com,

or at such other address, not being a post office box or *poste restante*, of which the party concerned may notify the other in writing.

20.3 All notices given in terms of this Agreement shall be in writing provided that any notice given by means of e-mail correspondence shall be regarded for this purpose as having been given in writing, and shall be deemed, until the contrary is proved:

20.3.1 if delivered by hand, to have been received by the addressee on the day of such delivery; and

20.3.2 if transmitted by e-mail to be deemed to have been received by the addressee within one (1) business day after dispatch.

20.4 Notwithstanding anything to the contrary contained in this Agreement, a written notice or communication actually received by one party from the other shall be adequate written notice or communication to such party.

20.5 The parties agree that operational notices and communications, inclusive of notices arising out of or in connection with this Agreement, its breach or termination, may be sent and received via e-mail. In this regard the provisions of the Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002) shall apply. For the purposes of clarity, the provisions of the aforementioned Act shall not apply in respect of service of legal processes and amendments to the Agreement.

21 CESSION AND ASSIGNMENT

21.1 Neither party shall be entitled to cede, delegate, assign, and/or transfer any part of its rights and/or obligations under the Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, either party may cede, delegate, assign, and/or transfer any part of its rights and/or obligations under the Agreement:

21.1.1 in whole or in part, without consent, to an affiliate; or

21.1.2 in whole, without consent, in the event of a change of controlling ownership of that party or in the event of a sale or transfer of the Property or the Lessee's Equipment;

21.2 Notwithstanding the foregoing, the Lessee may cede, delegate, assign, and/or transfer any part of its rights and/or obligations under the Agreement in whole, without consent, to a wholly-owned subsidiary of Vodacom Proprietary Limited. Additionally, the Lessee may mortgage or grant a security interest in the Agreement and the Equipment to any such mortgages or holders of security interests including their successors and assigns (**Secured Party**). If requested by the Lessee, the Lessor shall execute such consent to such financing as may be reasonably required by the Secured Party.

22 COMPLIANCE WITH APPLICABLE LAWS

22.1 Compliance with Applicable Laws and ABC Laws is a matter of fundamental importance. For the purposes of this clause, "**Applicable Laws**" means law, regulation, binding code of practice, rule or requirement of any relevant government or governmental agency, professional or regulatory authority, each as relevant to (i) the Lessee in the tenancy of the Leased Premises, and/or (ii) the Lessor granting of such tenancy and the carrying out of its business, and shall include the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) and the regulations issued thereunder. Applicable Law specifically include (i) The Prevention and Combating of Corrupt Practices Act, 2004 (Act No. 12 of 2004); (ii) the UK Bribery Act 2010; and (iii) the US Foreign Corrupt Practices Act and any other related and relevant economic, trade and financial sanctions laws, regulations, embargoes or restrictive measures, trade control laws and regulations (**ABC Laws**).

22.2 The Lessor shall act in accordance with all applicable laws in relation to bribery and corruption of any relevant country, including the ABC Laws. The Lessor represents that, in connection with this Agreement no improper financial or other advantage has been, will be or is agreed to be given to any person by the Lessor directly or on behalf of the Lessee. The Lessor shall notify Lessee of any actual, suspected or attempted breach of ABC Laws. Breach of this clause shall entitle Lessee to terminate this Agreement and shall entitle Lessee to suspend all payments due under this Agreement.

23 DATA PROTECTION AND CONFIDENTIALITY

23.1 The parties acknowledge that for the purposes of this Agreement they may come in contact with or have access to personal information as provided for in the Protection of Personal Information Act, 2013 (Act No. 4 of 2013) (**POPI Act**) (**Personal Information**) and other information as may be classified or deemed as private or confidential information and for which the other party is responsible. The Personal Information may also be deemed or considered as private and

confidential as it relates to any third party who may be directly or indirectly associated with this Agreement. As such, the parties in terms hereof consent to the sharing or disclosing of the Personal Information to the extent required in terms of the POPI Act and to give effect to this Agreement.

23.2 The Lessor consents to the Lessee using its Personal Information for any activities related to this Agreement and maintaining its leasing relationship with the Lessor. The parties undertake to always comply with the POPI Act and that they will only collect, use and process the Personal Information that they come into contact with pursuant to this Agreement in a lawful manner, and only to the extent required to give effect to and execute the Agreement.

23.3 Unless so required by law, the parties agree that they will not disclose any Personal Information to any third party without the prior written consent of the other party.

23.4 The Lessor shall not disclose to any third party the terms of this Agreement (including the rent or any monies payable by Lessee under this Agreement) and shall treat such information as confidential, except that Lessor may disclose such information to prospective buyers, prospective or existing lenders, the Lessor's affiliates and attorneys, or as may be required by law or as may be necessary for the enforcement of Lessor's rights under the Agreement. The Lessor acknowledges that the disclosure of such information to any other parties may cause Lessee irreparable harm, and in the event of such disclosure, as an additional remedy, the Lessee shall be entitled to urgent relief (without posting any security) and shall have the right to terminate the Agreement upon giving written notice thereof to the Lessor.

24 GENERAL

24.1 Each party warrants to the other that it has the necessary rights and authorities to enter into and perform its obligations in terms of this Agreement. In particular, the Lessor warrants to the Lessee that it is the owner or lawful lessor of the Property and that it is lawfully entitled to enter into this Agreement and grant to the Lessee the rights provided for herein, further to which it indemnifies the Lessee against any claim, damage or cost arising from any legal proceedings that may be instituted against it by any third party proving superior title to the Property.

24.2 The Lessor further warrants that there are no easements, servitudes, licences, rights of use or other encumbrances on the Leased Premises or the Property which will interfere with or constructively prohibit the Intended Purpose.

24.3 Unless otherwise agreed, no addition to or variation, consensual cancellation or novation of this Agreement and no waiver of any right arising from this Agreement, or its breach or termination shall be of any force or effect unless reduced to writing and signed by both parties. For purposes hereof "writing" shall exclude any written document that is in the form, either wholly or partially, of a data message as defined in the Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002), and "signed" shall include physical signature, and DocuSign or equivalent standard enabled, electronic signature.

24.4 If any provision of this Agreement is declared by a competent court to be unenforceable, illegal, void or contrary to public policy, such declaration shall have no effect upon the binding force or effectiveness of any of the remaining provisions of this Agreement, it being the intention and declaration of the parties that had they known of such unenforceability, illegality, invalidity or that the provision was contrary to public policy, they would nevertheless have entered into this Agreement, containing all such remaining provisions.

24.5 The parties undertake to act towards each other at all times in good faith, in a spirit of mutual co-operation, goodwill and transparency, in the exercise and discharge of their rights and obligations under this Agreement.

24.6 This Agreement shall be governed in all respects by and shall be interpreted in accordance with the laws of the Republic of South Africa.

24.7 Each party shall be responsible for its own legal and other costs incidental to the preparation and execution of this Agreement.

24.8 This Agreement constitutes the whole agreement between the parties as to the subject matter hereof and no agreements, representations or warranties between the parties regarding the subject matter, other than those set out herein, shall be binding on them.

25 SUPPORTING DOCUMENTATION

To comply with applicable laws (including the Financial Intelligence Centre Act, 2001 (Act 38 of 2001), as amended) and to enable the Lessee to pay any amounts due to the Lessor, the Lessee shall request supporting documents listed in Annexure 3 from the Lessor (**Supporting Documents**) and such Supporting Documents shall form part of this Agreement and be attached hereto. The Lessor agrees that the Lessee cannot make any payments to the Lessor without the Supporting Documents and the Lessor shall provide by the Supporting Documents by the Lease Commencement Date and any subsequent requests of Supporting Documents within seven (7) days of such request.

26 SIGNATURES

LESSOR

SIGNED AT _____ ON _____ 20___

SIGNATURE: _____

FOR AND ON BEHALF OF THE LESSOR

FULL NAME IN BLOCK LETTERS: _____

LESSEE

SIGNED AT _____ ON _____ 20___

SIGNATURE: _____

FOR AND ON BEHALF OF THE LESSEE

FULL NAME IN BLOCK LETTERS: _____

ANNEXURE 2

SKETCH PLAN INDICATING RELEVANT DETAILS OF EQUIPMENT TO BE INSTALLED ON THE PREMISES, THE POSITION OF SUCH EQUIPMENT ON THE PREMISES AND THE LOCATION OF THE PREMISES ON THE PROPERTY

ANNEXURE 3

SUPPORTING DOCUMENTS

NATURAL PERSON
Copy of identity document
Proof of tax reference number
Proof of ownership of the property or right to let the property
Complete governance questionnaire
Bank letter confirming the banking details provided by the Lessor (not older than 3 months)
COMPANY OR CLOSE CORPORATION
CIPC disclosure certificate (not older than 3 months)
VAT certificate (where applicable)
Resolution or Delegation of Authority authorizing the signatory to sign the lease agreement with Lessee
Copy of identity document of the authorized signatory
Latest B-BBEE certificate or affidavit
Proof of ownership of the property or right to let the property
Complete governance questionnaire
Bank letter confirming the banking details provided by the Lessor (not older than 3 months)
TRUST
Trust letter of authority
VAT certificate (where applicable)
Resolution authorizing signatory to sign the lease agreement with Lessee
Copy of identity document of the authorized signatory
Latest B-BBEE certificate or affidavit
Proof of ownership of the property or right to let the property
Complete governance questionnaire
Bank letter confirming the banking details provided by the Lessor (not older than 3 months)
OTHER TYPE OF LESSOR
As communicated in writing by the Lessee prior to the Signature Date

PLEASE INITIAL

BACK TO AGENDA

DISTRICT COUNCIL **OCTOBER 2026**

1. POSSIBLE TRANSFER OF THE GARDEN ROUTE DISTRICT MUNICIPALITY'S TRUSTEE PROPERTY; PORTION 11 OF THE FARM MISGUNST IN VLEESBAAI, GOURITZRIVER, MOSSEL BAY (FRANSMANSHOEK); TO THE MOSSEL BAY MUNICIPALITY / *MOONTLIKE OORDRAE VAN DIE GARDEN ROUTE-DISTRIKSMUNISIPALITEIT SE TRUSTEE-EIENDOM; GEDEELTE 11 VAN DIE PLAAS MISGUNST TE VLEESBAAI, GOURITZRIVIER, MOSSELBAAI (FRANSMANSHOEK); AAN DIE MOSSELBAAI-MUNISIPALITEIT* / UKUDLULISELWA OKUNOKWENZEKA KOMHLABA OPHETHWENGUMASIPALA WESITHILI SE GARDEN ROUTE NJENGOMPHATHI (TRUSTEE); INXALENYE YE-11 YOMHLABA I-MISGUNST E-VLEESBAAI, EGOURITZRIVER, EMOSSEL BAY (EFRANSMANSHOEK); UDLULISELWA KUMASIPALA WASEMOSSEL BAY.

REPORT FROM EXECUTIVE MANAGER: INTEGRATED PLANNING AND ECONOMIC DEVELOPMENT (L MENZE), MANAGER: PROJECTS, PROPERTIES, FACILITIES AND RESORTS MANAGEMENT (D MASHILA)

2. PURPOSE

The purpose of this report is to request Council to consider the possible transfer of the Garden Route District Municipality's Trustee property, Portion 11 of the Farm Misgunst, situated in Vleesbaai, Gouritz River, Mossel Bay, to the Mossel Bay Municipality.

The property is currently a financial liability to the GRDM and cannot be developed or disposed of, as it is a Trustee property held for the benefit of the public of South Africa.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The former Divisional Council of Mossel Bay, now the Garden Route District Municipality, was appointed as the Trustee of Portion 11 of the Farm Misgunst, situated at Gouritz River, Mossel Bay. The property was donated for the benefit of the people of South Africa in terms of a Notarial Deed of Trust concluded between Mr Charles Ernest Samuel Bull and the then Divisional Council of Mossel Bay. The Colonel Bull Notarial Deed of Trust is attached hereto marked as **Annexure B.**

Since the establishment of the Fransmanshoek Conservancy in 1994, with the assistance of CapeNature, the property has been managed and maintained in accordance with the objectives of the Trust and the required standards for public use. At its inception, the Conservancy comprised fifteen (15) landowners, including the GRDM in its capacity as Trustee of the property situated within the Conservancy.

The management and maintenance of the property have since been regulated through a Memorandum of Agreement between the GRDM and the Fransmanshoek Conservancy. In terms of the Agreement, the GRDM pays a monthly membership fee to the Conservancy, which is utilised to undertake the maintenance and upkeep of the property (excluding the cost of maintenance materials). The property forms a significant portion of the Conservancy and includes the Vleesbaai Point recreational area, which is a popular public and tourist destination. The latest MOA expired on 30 September 2026 and has not been renewed.

In addition to the membership fee, the GRDM has continued to fund the removal of waste from refuse bins located within the recreational area to ensure that the property remains clean and safe for public use. These services are essential to mitigate fire hazards, prevent health risks associated with the accumulation of waste, and maintain the area in a condition suitable for public recreation.

5. RECOMMENDATIONS

1. That Council notes that no income may be derived from this property as the property was donated for the benefit of the people of South Africa in terms of a Notarial Deed of Trust.
2. That Council notes and accepts the request for the transfer of the property by Mossel Bay Municipality.
3. That Council grants approval that this property be transferred to Mossel Bay Municipality.
4. That Council authorizes the Municipal Manager to negotiate and conclude an interim arrangement with the Mossel Bay Municipality in terms of which the Mossel Bay Municipality assumes responsibility for the maintenance, operational costs and other related expenses associated with the property, pending finalization of the transfer.
5. That Council grants approval that the property be registered in the name of the Mossel Bay Municipality.

6. That Council takes note that the Mossel Bay Municipality will bear all the costs associated with the transferring of this property.

AANBEVELINGS:

1. *Dat die Raad kennis neem daarvan dat geen inkomste uit hierdie eiendom verkry mag word nie, aangesien die eiendom kragtens 'n notariële trustakte geskenk is ten bate van die mense van Suid-Afrika.*
2. *Dat die Raad kennis neem van en instem tot die versoek om die oordrag van die eiendom deur die Mosselbaai-munisipaliteit.*
3. *Dat die Raad goedkeuring verleen dat hierdie eiendom aan die Mosselbaai Munisipaliteit oorgedra word.*
4. *Dat die Raad die Munisipale Bestuurder magtig om te onderhandel om 'n tussentydse reëling te tref met die Mosselbaai-munisipaliteit, waarvolgens die Mosselbaai-munisipaliteit verantwoordelikheid aanvaar vir die instandhouding, bedryfskoste en ander verwante uitgawes verbonde aan die eiendom, in afwagting van die finalisering van die oordrag.*
5. *Dat die Raad goedkeuring verleen dat die eiendom in die naam van die Mosselbaai-munisipaliteit geregistreer word.*
6. *Dat die Raad kennis neem dat die Mosselbaai-munisipaliteit alle koste verbonde aan die oordrag van hierdie eiendom sal dra.*

IZINDULULO

1. Sesokuba iBhunga liqaphele ukuba akukho ngeniso inokufumaneka kulomhlaba njengoko wanikelwa ukuze kuxhamle abantu baseMzantsi Afrika ngokwemiqathango ye-Notarial Deed of Trust.
2. Sesokuba iBhunga liqaphele kwaye liyasamkela isicelo sokudluliselwa kwalomhlaba kuMasipala waseMossel Bay.
3. Sesokuba iBhunga livumela ukuba lomhlaba udluliselwe kuMasipala waseMossel Bay.

4. Sesokuba iBhunga ligunyazise uMphathi kaMasipala ukuba athethathethane aze agqibe ngesivumelwano sethutyana noMasipala waseMossel Bay, apho uMasipala waseMossel Bay eya kuthatha uxanduva lokugcinwa, iindleko zokusebenza kunye nezinye iindleko ezinxulumene nalomhlaba, ngelixa kulindelwe ukugqityezelwa kokudluliselwa kwawo.
5. Sesokuba iBhunga livumela ukuba lomhlaba ubhaliswe egameni loMasipala waseMossel Bay.
6. Sesokuba iBhunga liqaphele ukuba uMasipala waseMossel Bay uya kuthwala zonke iindleko ezinxulumene nokudluliselwa kwalomhlaba.

6. DISCUSSION / CONTENTS

6.1 Background and Discussion

The continued ownership of Portion 11 of the Farm Misgunst places an ongoing financial and operational burden on the Garden Route District Municipality. As the property is held in trust for the benefit of the people of South Africa, it cannot be developed or disposed of to generate revenue and therefore does not constitute a financial asset to the Municipality. Instead, it represents a recurring financial liability in respect of its management, maintenance and upkeep.

The GRDM is currently responsible for the following contractual commitments relating to the maintenance and management of the property:

- Memorandum of Agreement (MOA): Fransmanshoek Conservancy Membership Fees:
    - Contract period: 1 October 2023 to 30 September 2026.
    - Total cost for the 2025/26 financial year: R94,597.80 (R7,883.15 per month).

- Domestic Waste Removal Services – Henque Waste:
    - Service Level Agreement (SLA) period: 1 April 2023 to 31 March 2026.
    - Total estimated cost for the 2025/26 financial year: R51,313.00 (monthly costs vary according to services rendered).

The total estimated annual expenditure relating to the property for the 2025/26 financial year amounts to R145,910.80. This amount excludes the cost of maintenance materials and repairs required to maintain the public infrastructure on the property.

The infrastructure requiring ongoing maintenance includes gravel access roads, directional and regulatory signage, seasonal access control facilities (including access control personnel and permit books), the boardwalk to the beach, pedestrian walkways and pathways, as well as the information centre/building, which requires routine maintenance such as painting and repairs.

A number of these facilities are currently in a state of disrepair and require maintenance to ensure the safety of members of the public and visitors using the recreational area. In terms of the existing Memorandum of Agreement, the Fransmanshoek Conservancy is responsible for undertaking maintenance activities, while the GRDM is responsible for providing the required maintenance materials.
However, no budget has been allocated for these materials during the 2025/26 and 26/27 financial years, creating an additional financial liability and exposing the Municipality to potential risks associated with deteriorating public infrastructure.

To date, the Fransmanshoek Conservancy membership fees, domestic waste removal costs and limited operational expenses, such as access permit books, have been funded from the budget allocated to the Environmental Management Section within the Disaster Management Centre of the Community Services Department. The continued funding of these operational costs places pressure on the Department's operational budget for a property that falls outside the GRDM's core service delivery functions and from which the Municipality derives no financial benefit.

Following discussions with the Disaster Management Section regarding the ongoing financial and maintenance obligations associated with the property, the Properties Section initiated engagements with the Mossel Bay Municipality to explore the possible transfer of the Trustee property.

A meeting between officials of the Garden Route District Municipality and the Mossel Bay Municipality was held on 31 March 2026 to discuss the potential transfer of Portion 11 of the Farm Misgunst. A subsequent meeting between the Executive Mayor of the GRDM and representatives of the Mossel Bay Municipality took place on 3 June 2026, during which the matter was discussed further.

Following these engagements, the GRDM received a formal written request from the Mossel Bay Municipality expressing its willingness to accept the transfer of the property. A copy of the request is attached as **Annexure A**.

It should further be noted that the Mossel Bay Municipality has requested the GRDM to repair the dilapidated staircases situated on the property following an incident in which a visitor sustained injuries while using the staircase. As Trustee, the GRDM remains responsible for the safety and maintenance of the infrastructure on the property. However, no budget has been provided for these repairs during the 2025/26 financial year, creating an additional unfunded financial liability and potential legal risk for the Municipality.

6.4 Financial Implications

The transfer of this Trustee property to the Mossel Bay Municipality will enable a cost saving of more than R145,910,80 per annum (plus the additional costs of maintenance materials) for the GRDM. The property can never be developed or sold.

6.5 Legal Implications

None

6.6 Staff Implications

There are no staff implications should approval be given for this property to be transferred.

6.7 Previous / Relevant Council Resolutions:

None

ANNEXURES

Annexure A – Letter received from Mossel Bay Municipality
Annexure B – Colonel Bull Notarial Deed of Trust
Annexure C – MOA & Addendum Fransmanshoek

ANNEXURE A

www.mosselbay.gov.za
admin@mosselbay.gov.za
044 606 5000 X 5011

Mossel Bay
MUNICIPALITY
MOSSEL BAY | HARTENBOS | GREAT BRAK RIVER | HERBERTSDALE

In antwoord verwys na nommer
In reply quote number 7/1/B;15/1/B;12/3/1/9/D Steyn
Xa Uphendula chaza Le Nombolo

24 June 2026

The Municipal Manager
Garden Route District Municipality
P O Box 12
GEORGE
6530

Email: info@gardenroute.gov.za
mm@gardenroute.gov.za

Dear Sir

MEETING WITH GARDEN ROUTE DISTRICT MUNICIPALITY EXECUTIVE MAYOR ON 03 JUNE 2026: TRANSFER OF ERF 3803 MOSSEL BAY AND PORTION 11 OF THE FARM MISGUNT AAN DE GOURITZ RIVER NR 257 (FRANSMANSHOEK)

The abovementioned meeting held in Mossel Bay on 03 June 2026 refers.

As discussed at the meeting, this letter serves as a formal request for the transfer of the following properties from Garden Route District Municipality to Mossel Bay Municipality:

1 Erf 3803 Mossel Bay, situated south of the Mossel Bay Fire Station, to be developed by Mossel Bay Municipality as a new Driver's Licence Testing facility; and
2 Portion 11 of the Farm Misgunt aan De Gouritz River, Nr 257, situated at Fransmanshoek for the purposes of erecting a 9m Triangular Telecommunications Mast to serve as a relay station for Community Safety related telecommunications.

Your favourable consideration and submission to your Council for a decision in this regard will be appreciated.

Yours faithfully

CB PUREN
MUNICIPAL MANAGER

ANNEXURE B

I certify that the original hereof now residing in my Protocol bears Revenue stamps to the value of Two shillings.

(Sgnd.) A.B. McGregor.

NOTARY PUBLIC.

NOTARIAL DEED OF TRUST.

BE IT HEREBY MADE KNOWN :

That on this 26th day of JANUARY, in the Year of Our Lord One Thousand Nine Hundred and Fifty Five (1955) before me :

ANDREW BURNET McGREGOR

Notary Public, residing and practising at GEORGE, in the Province of the Cape of Good Hope; personally came and appeared :

CHARLES ERNEST SAMUEL BULL
(born on the 21st April, 1884)

(hereinafter called the SETTLOR) and

JOHN ALEXANDER McGREGOR,

HE BEING DULY AUTHORISED THERETO BY VIRTUE OF A Power of Attorney (which is filed with the Minute in my Protocol) dated the 13th day of December 1954, and signed at Elandsvlei, Ladismith, Cape, granted to him by PETER NEWTON, born on the

(hereinafter called the NEWTON)

and

JOHN ALEXANDER McGREGOR,

he again being duly authorised thereto by a Power of Attorney (which is filed with the Minute in my Protocol) dated the 14th day of December 1954, and signed at Mossel Bay, C.P. granted to him by

MARTHINUS JACOBUS OLCKERS

in his capacity as Secretary for the time being of the Divisional Council of Mossel Bay,

and

VERNON FRENCH HOUZET

in his capacity as Chairman, for the time being of the Divisional Council of Mossel Bay;

(and as such hereinafter called the TRUSTEES);

AND the SETTLOR declared that whereas he, in consequence of public spirited motives, is desirous of vesting the hereinaftermentioned immovable property in the hereinafter appointed TRUSTEES to be held by them in trust for the people of South Africa;

NOW/ .....

NOW THEREFORE, the said SETTLOR has agreed with the said TRUSTEES aforesaid to donate and transfer to them the following immovable property, namely :

CERTAIN piece of abolished quitrent land being Portion 11 (a Portion of Lot B) of the farm MISGUNST AAN DE GOURITZ RIVER, situate in the Division of Mossel Bay;

MEASURING : Eleven decimal Five Six Six Seven (11.5667) morgen;

HELD by the SETTLOR under Deeds of Transfer No. 12222, dated 3rd August 1954, and No. 13392, dated 11th November 1942;

and which is valued at the sum of ONE HUNDRED AND SIXTY POUNDS (£160.-.-.) which property shall constitute the Trust property and shall be held by the said TRUSTEES for the purposes and on the terms and conditions hereinafter set out, namely :

1. The name of the Trust shall be "THE COLONEL BULL TRUST".

2. The property of the Trust shall be vested in the TRUSTEES of "THE COLONEL BULL TRUST".

3. The object of the Trust is to enable the people of South Africa to have the beneficial use of the property described above.

4. The TRUSTEES of this Trust shall be the Secretary for the time being and Chairman for the time being of the Divisional Council of Mossel Bay.

5. The TRUSTEES shall not be required to furnish security under Act 34 of 1934 or any other Law.

6. The control and management of the Trust property shall be in the hands of the Trustees who will have full power to sign all necessary documents on behalf of the Trust, to recover or sue for any debt due to the Trust and to appoint an Agent to act in their stead.

7. The said CHARLES ERNEST SAMUEL BULL, born on the 21st April 1884, and PETER NEWTON, born on the 1st June 1921, shall have full use during their lifetimes of the one-roomed cottage, together with its outside water tank built on the property abovementioned, provided that so long as they make use thereof they shall be responsible for the costs of maintenance and repair thereof.

8. That no buildings be erected save an open roofed shelter to catch rainwater and concrete water tanks.

9. The said Trustees aforementioned accept the office of Trustees, and the donation to them, in their aforesaid capacity, of the Trust Property, subject to all the conditions imposed in terms of this Trust Deed.

THUS/.....

THUS done and executed at George, C.P. on the day, month and year aforewritten in the presence of the undersigned witnesses, and of me, the Notary.

AS WITNESSES :

1. (Sgnd.) B. Stevens.
2. (Sgnd.) T.E.A. le Roux.

(Sgnd.) Charles E.S.Bull.

(Sgnd.) J.A.McGregor.

(Sgnd.) J.A.McGregor.

QUOD ATTESTOR,

(Sgnd.) A.S.McGregor.

(Notary Public).

I certify that this is a true copy of the original hereof.

NOTARY PUBLIC.

ANNEXURE C

ADDENDUM 2 (TWO) TO MEMORANDUM OF AGREEMENT ENTERED INTO BY AND BETWEEN

GARDEN ROUTE DISTRICT MUNICIPALITY

A municipality duly established in terms of Local Government Municipal Structures Act 117 of 1998

herein represented by **MONDE GIVEN STRATU** in his capacity as **Municipal Manager** duly authorised thereto

(hereinafter referred to as "**the District Municipality**")

and

FRANSMANSHOEK CONSERVANCY

herein represented by

NICOL HANEKOM in his capacity as **Chairman**

duly authorised thereto

(hereinafter referred to as "**the Conservancy**")

PREAMBLE

WHEREAS the Parties concluded a Memorandum of Agreement with each other on 20 December 2019 (hereinafter referred to as the Principal Agreement), and an Addendum on 27 September 2020 whereby the Conservancy and the District Municipality have agreed to extend the said Principal Agreement for another 3 (three) year period.

AND WHEREAS FURTHER the Parties wishes to amend certain clauses to the Principal Agreement.

NOW THEREFORE THE PARTIES AGREE TO AS FOLLOWS:

1. Ad Clause 4

Clauses 4.12 and 4.13 to be amended, to read as follows:

"4.12 To maintain and improve rehabilitation work at Fransmanshoek, i.e. erosion control and vegetation rehabilitation, **with the aid of the District Municipality's Service Providers**.

4.13 To maintain and improve tourist facilities at Fransmanshoek, i.e. ablution facilities, Information Centre and amenities, **with the aid of the District Municipality's Service Providers**."

2. Ad Clause 5

Clause 5 to be amended and added to, to read as follows:

"5.1 The District Municipality agrees to contribute the amount of R6,515.00 (Six Thousand Five Hundred and Fifteen Rand) (exclusive of VAT, not a VAT Vendor) per month, and subject to a 10% financial year annual increase, towards the maintenance and management of the Conservancy.

5.2 The contributions for the next 3 (three) years, with the 10% financial year annual increases, are as follows:

Financial Year	Contributions annually	Financial Year Annual Amount
2023/2024	R6,515.00 x 9 months (October 2023 – June 2024)	R58,635.00
2024/2025	R7,166.50 x 12 months (July 2024 – June 2025)	R85,998.00
2025/2026	R7,883.15 x 9 months (July 2025 – June 2026)	R94,597.80
2026/2027	R8,671.47 x 3 months (July 2026 – September 2026)	R26,014.41

3. Ad Clause 6

Clauses 6.1 to 6.3 to be amended, to read as follows:

"6.1 The period of this agreement is 3 (three) years, notwithstanding the date of signature of this agreement, the agreement commences on 01 October 2023 and will terminate no later than 30 September 2026.

6.2 The agreement will be reviewed by the parties on an annual basis. This review may be performed telephonically or in person.

6.3 Extension of the agreement will be discussed by the parties not later than 31 July 2026."

4. Ad Clause 8

Clause 8.2 to be amended, to read as follows:

"8.2 **FRANSMANSHOEK CONSERVANCY** shall be represented by:

Nicol Hanekom – Chairman of the Conservancy."

5. GENERAL

This addendum together with the remainder of the Principal Agreement constitutes the whole agreement between the parties as to the subject matter hereof and no agreement, representations or warranties between the parties other than those set out herein are binding on the parties.

The District Municipality

THUS DONE AND SIGNED AT GEORGE ON THIS 28TH DAY OF SEPTEMBER 2023.

AS WITNESSES:

1. _____

2. _____

_____
MONDE GIVEN STRATU
MUNICIPAL MANAGER

The Conservancy

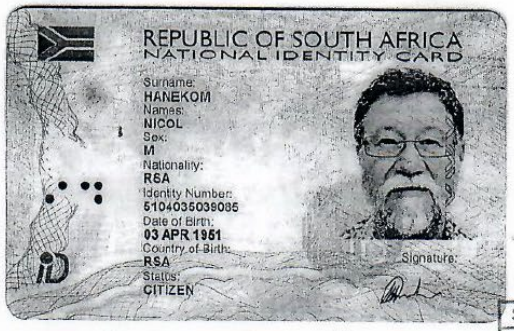
THUS DONE AND SIGNED AT ON THIS DAY OF 2023.

AS WITNESSES:

1. _____

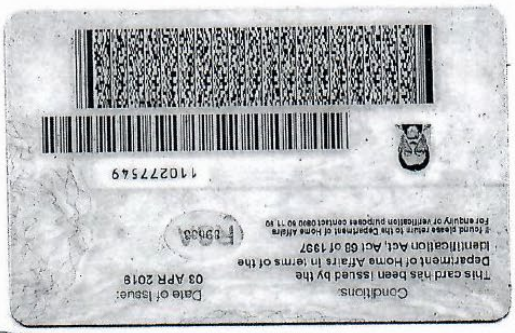
2. _____

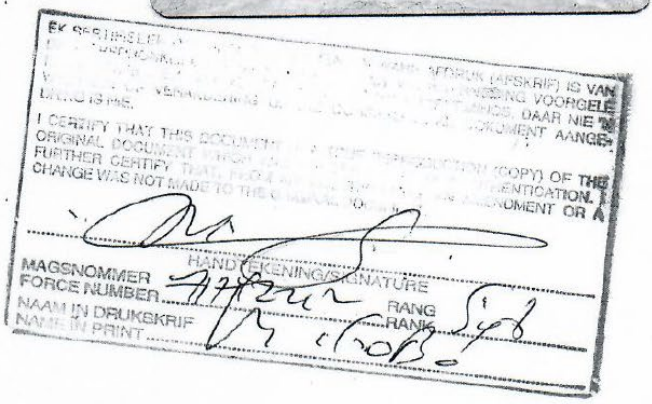
_____
NICOL HANEKOM
CHAIRMAN


REPUBLIC OF SOUTH AFRICA
NATIONAL IDENTITY CARD
Surname:
HANEKOM
Names:
NICOL
Sex:
M
Nationality:
RSA
Identity Number:
5104035039085
Date of Birth:
03 APR 1951
Country of Birth:
RSA
Status:
CITIZEN
Signature:


SOUTH AFRICAN POLICE SERVICE
GOODWOOD SAPS
19 SEP 2023
STATION COMMANDER
SOUTH AFRICAN POLICE SERVICE

N. HANEKOM


Conditions:
This card has been issued by the
Department of Home Affairs in terms of the
Identification Act, Act 63 of 1997
Date of Issue:
03 APR 2018


I CERTIFY THAT THIS
ORIGINAL DOCUMENT
FURTHER CERTIFY
CHANGE WAS NOT MADE
HAND TEKENING/SIGNATURE
MAGSNOMMER
FORCE NUMBER
RANG
RANK
NAAM IN DRUKSKRIF
NAME IN PRINT

www.avast.com



GEREGISTREERDE WOON- EN POSADRES

1. Bewaar die bewys van u GEREGISTREERDE WOON- EN POSADRES in hierdie sakkie.

2. Indien u van adres verander het, of indien besonderhede van u huidige adres, bv. straatnaam en/of -nommer, ens. verander het, moet die vorm KENNISGEWING VAN ADRESVERANDERING, wat in die sakkie agter in die identiteitsdokument is, gebruik word om die verandering aan te meld en moet dit ingedien word by of gepos word aan die naaste streek- distrikkantoor van die DEPARTEMENT VAN BINNELANDSE SAKE.

REGISTERED RESIDENTIAL AND POSTAL ADDRESS

1. Keep the proof of your REGISTERED RESIDENTIAL AND POSTAL ADDRESS in this pocket.

2. If you have changed your address, or, if particulars of your present address, e.g. name of street and or street number, etc., have been changed, the NOTICE OF CHANGE OF ADDRESS form in the pocket at the back of the identity document must be used to report the change and it must be handed in at or posted to the nearest regional/district office of the DEPARTMENT OF HOME AFFAIRS.

1

I.D.No. 580822 5056 08 5

S.A.BURGER/S.A.CITIZEN

VAN/SURNAME

HANEKOM

VOORNAME/FORENAMES

JOHANNES

GEBOORTEDISTRIK OF-LAND/
DISTRICT OR COUNTRY OF BIRTH

SUID-AFRIKA

GEBOORTEDATUM/
DATE OF BIRTH

1958-08-22

DATUM UITGEREIK
DATE ISSUED

1998-07-30

UITGEREIK OP GESAG VAN DIE
DIREKTEUR GENERAAL
BINNELANDSE SAKE

ISSUED BY AUTHORITY OF THE
DIRECTOR GENERAL
HOME AFFAIRS

2



FRANSMANSHOEK
BEWAREA / CONSERVANCY

P.O Box 518
Goodwood
7495

8 La Provence Road
Welgelegen
Parow
7500

22 September 2023

MANAGEMENT RESOLUTION FOR ENTERING INTO AN AGREEMENT

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE FRANSMANSHOEK MANAGEMENT MEETING HELD AT MISGUNST FARM VLEESBAAI ON 22 SEPTEMBER 2023 AT 13HOO

"RESOLVED THAT" the Consent of Management is hereby accorded for the execution and signing of Addendum 2 (Two) to Memorandum of Agreement to be entered into between the Garden Route Districts Municipality (GRDM) and the Fransmanshoek Conservancy.

"RESOLVED FURTHER THAT Nicol Hanekom of the Fransmanshoek Conservancy be and are hereby authorized to negotiate, finalize and execute the above mentioned agreements, and documents on behalf of the Conservancy and do all such acts, matters, deeds and things and to take all steps and do
all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Addendum 2 (Two) to Memorandum of Agreement and Power of Attorney"

"RESOLVED FURTHER THAT the aforesaid power entrusted to the said official shall be valid and effective unless revoked earlier by the Management or shall be exercisable by him so long as he is in the concerned to the Conservancy."

"RESOLVED FURTHER THAT this Resolution shall not bind the Conservancy against any third parties or before any authorities in any manner and that Management shall not be answerable in that behalf."

"RESOLVED FURTHER THAT a certified copy of the resolution be given to anyone concerned or interested in the matter."

Certified True Copy,
For **FRANSMANSHOEK CONSERVANCY**

CHAIRMAN : **NICOL HANEKOM**
ADDRESS : **P.O. BOX 518**
CITY : **GOODWOOD**
POSTAL CODE : **7459**

FRITS NORTJE
(MEMBER)

JOHANNES HANEKOM
(MEMBER)

DEPARTMENT COMMUNITY SERVICES

MEMORANDUM

		Reference:	
To:	**The Municipal Manager**	**Date:**	27 July 2023
Copies:	Records	**Office:**	Disaster Management
From:	Dr. N. Viljoen		
Subject:	Addendum to Memorandum of Agreement (MOA): Request for permission to extend Memorandum of Agreement between the Garden Route District Municipality and the Fransmanshoek Conservancy, for a further three (3) years from the date of expiry, which is 30 September 2023. New expiry date: 30 September 2026.		

PURPOSE

The purpose of this Memorandum is to seek the renewal of the Memorandum of Agreement (MOA) between the Garden Route District Municipality and the Fransmanshoek Conservancy for the next three (3) year period. The Garden Route District Municipality is the Trustee of a property donated to the people of South Africa and which takes up a large part of the Fransmanshoek Conservancy. Upon approval, this Memorandum will be attached as an Addendum to the original MOA.

BACKGROUND

The Garden Route District Municipality (GRDM) was appointed as the Trustee of a property in Fransmanshoek; Portion 11 of the Farm Misgunst of Gouritzriver; which was donated to the people of South Africa as per the attached Notarial Deed of Trust between Mr Charles Ernest Samuel Bull and the then Divisional Council of Mossel Bay (now Garden Route District Municipality). This donated property has since been managed and maintained according to required public use standards by the Fransmanshoek Conservancy.

In 1994; with the help of CapeNature; the Fransmanshoek Conservancy were established, which at that stage consisted of fifteen (15) landowners, which included the Garden Route District Municipality as the Trustee of the property which is located within the Conservancy. It was the first conservancy that was established within the Western Cape Province.

MOTIVATION

The agreement was that the GRDM is a member of the Fransmanshoek Conservancy; which for a monthly membership fee; managed and maintained the Conservancy, which includes the GRDM property, to the standards required of public use areas (maintenance work is excluding maintenance materials). The property, which consists

of pristine natural and coastal environments, has since been managed and maintained professionally by the award winning Fransmanshoek Conservancy.

A three (3) year Memorandum of Agreement (MOA) has been approved by council and signed between GRDM and the Fransmanshoek Conservancy in 2011, and since has been renewed every three (3) years. The current MOA expiry date is however on the 30th of September 2023 and would need to be renewed for the next three (3) year period, which is from 01 October 2023 to 30 September 2026.

CHANGES TO THE ORIGINAL MOA

- The Fransmanshoek Conservancy indicated an increased amount of R6 515.00 (Six Thousand Five Hundred and Fifteen Rand and Zero Cents) (Vat exclusive as the Conservancy is not VAT registered) and subject to a 10% annual increase) per month towards the maintenance and management of the Conservancy. Please refer to the Financial Implications section below for further details regarding this.

- The Chairman, which is the representative of the Fransmanshoek Conservancy within the original MOA, has changed. The Conservancy is now represented by the new Chairman, which is Mr Nicol Hanekom, in his authorized capacity to represent the Conservancy, and new signatory of the MOA (please see his signature attached, to be attached as an Addendum to the original signed MOA).

- The previous Addendum to the MOA indicated that the maintenance work as indicated within the MOA is excluding the maintenance materials, and it was therefore requested by the Conservancy to include additional wording (in bold at the end of this sentence, after the wording of the maintenance clauses within the MOA which reads: To maintain and improve ....."***with the aid of GRDM service providers***".

FINANCIAL IMPLICATIONS

The current membership fee paid by the Garden Route District Municipality is R4 192.35 (Four Thousand One Hundred and Ninety-two Rand and Thirty Five Cents) per month towards the required membership fees of the Conservancy (excluding maintenance materials).

The further extension of the MOA for the next tree (3) years was discussed with the Fransmanshoek Conservancy, as per the conditions of the MOA, who indicated an increased amount of R6 515.00 (Six Thousand Five Hundred and Fifteen Rand and Zero Cents) (Vat exclusive as the Conservancy is not VAT registered) and subject to a 10% annual increase) per month towards the maintenance and management of the Conservancy.

Please note that the GRDM's contribution for the past two consecutive three (3) year terms (2017 – 2020 and 2020 – 2023) were R4 192.35, with no annual increase in between these two terms.

The contributions for the next three years, with the 10% annual increases included, are:

Financial Year	Membership Fee	Current and Planned Budget
2023/2024	R58 635.00 (R6 515.00 X 9 months - (October 2023 – June 2024) 4	R53 710.00 (October 2023 – June 2024)
2024/2025	R85998.0 (R6515.00 +10% = R7166.50 x 12 months) July 2024 - June 2025	R55 053.00
2025/2026	R94 597.80 ((R7 166.50+10% = R7 883.15 x 12 months) July 2025 - June 2026 July 2026 - Sept 2026	R56 429.00

The vote number: 013601000064 was set aside for the Fransmanshoek Conservancy Membership Fee and is available for this purpose, upon approval of this Memorandum.

RECOMMENDATION

It is therefore recommended that the MOA be extended for a further three (3) years from the current date of expiry. The new expiry date will be the 30th of September 2026.

ANNEXURES

- Fransmanshoek Conservancy MOA
- Colonel Bull Notarial Deed of Trust

Yours sincerely,

DR. N. VILJOEN
HEAD: ENVIRONMENTAL MANAGEMENT

APPROVED ✓ **NOT APPROVED** ☐

MG STRATU
MUNICIPAL MANAGER

DATE: 16/8/2023

Reallocate Task Go

MM review comments and Sign Document

2615051, Addendum Memo to MOA with Fransmanshoek Conservancy: Extention of MOA for further 3 years

Stage	
From SBP 212	
Name	Addendum Memo to MOA with Fransmanshoek Conservancy: Extention of MOA for further 3 years
Initiator	VILJOENN
Title of Document	Addendum Memo to MOA with Fransmanshoek Conservancy: Extention of MOA for further 3 years
Document Description	Addendum Memo to Memorandum of Agreement (MOA): Request for permission to extend Memorandum of Agreement between the Garden Route District Municipality and the Fransmanshoek Conservancy, for a further three (3) years from the date of expiry, which is 30 September 2023. New expiry date: 30 September 2026.
Department	Community Services
Access Level	Public
Initiator Comment	
Additional Comments	

	Human Resources
HR Related:	No
HR UserID	
HR Section Head Outcome	
HR Section Head Comment	
HR Manager Outcome	
HR Manager Comment	
HOD UserID	
HOD Corp Serv Outcome	
HOD Corp Serv Comment	
Manager User ID	OTTOG
Manager Outcome	Recommended

Manager Comment	Approved for further processing.

Head of Department

HOD Initiator UserID	AFRICAC
HOD of Initiator Outcome	Recommended
HOD of Initiator Comment	Recommended

Financial

Fin Imp UserID	BOSHOFFC
Financial Implications	Yes
Financial Implication Outcome	Recommended
Financial Implication Comment	Supported.

Legal

Legal Manager Outcome	Recommended
Legal Manager Comment	Recommended
Legal UserID	DAVIDSN
Strategic Manager's Outcome	Recommend
Strategic Manager's Comment	Recommended
	Other
Other UserID	
Supply more info comment	
MM User ID	MOND
MM Outcome *	

MM Comment *	

File	Choose File	No file chosen	Add File

File Name	File Size	Action
Final Signed MOA_Dec 2019.pdf	3 MB	
Colonel Bull Notarial Deed of Trust.pdf	2 MB	
5_Memo - Extention of MOA - 2023_2026.doc	676 KB	

Submit Save Close

Feedback History

Feedback User	Feedback Date	% Compl	Feedback

Delegated Tasks

Ref	Task Title	% Compl	Assigned To	Date Assigned	Info

Reallocated Tasks

Prev. Allocated To	Date Reallocated	Reallocation Note

BACK TO AGENDA

1. PROPOSED LEASE OF A PORTION OF FARM 419 MOSSEL BAY FOR A PERIOD OF 25 YEARS (GOURIKWA POWER COMPANY) / *VOORGESTELDE VERHURING VAN 'N GEDEELTE VAN PLAAS 419, MOSSELBAAI, VIR 'N TYDPERK VAN 25 JAAR (GOURIKWA POWER COMPANY)* / ISIPHAKAMISO SOKUQESHISA NGENXALENYE YEFAMA 419 E-MOSSEL BAY IXESHA ELINGANGEMINYAKA ENGAMA-25 (IGOURIKWA POWER COMPANY)

REPORT FROM THE EXECUTIVE MANAGER INTEGRATED PLANNING AND ECONOMIC DEVELOPMENT SERVICES (LUSANDA MENZE) / MANAGER: PROJECTS, PROPERTIES, FACILITIES AND RESORTS MANAGEMENT (DZIVHULUWANI MASHILA)

2 PURPOSE

The purpose of this item is to provide Council with the status update regarding the proposed long-term lease of a portion of Erf 419 Mossel Bay to Gourikwa Power Development Propriety Limited.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

During the Council meeting held on 25 October 2023, a report was tabled seeking permission to lease the remaining portion of Farm 419, Mossel Bay (35,4Ha) for a period of 25 years. The applicant, Gourikwa Power Development (Pty) Ltd, proposed developing a 1.2-megawatt gas-to-energy power plant on the site.

Council resolved to grant the Municipal Manager permission to enter into negotiations for a long-term lease agreement with Gourikwa Power Development (Pty) Ltd to be concluded.

The Council resolution is set out below:

"***H.7 LEASE OF A PORTION OF FARM 419 MOSSEL BAY FOR A PERIOD OF 25 YEARS / VERHURING VAN 'N GEDEELTE VAN PLAAS 419 MOSSEL BAAI VIR 'N PERIODE VAN 25 JAAR / UKUQESHISWA KOMHATYANA KWIFAMA 419 EMOSSEL BAY IXESHA LEMINYAKA EYI 25***

Refer Report from the Executive Manager Planning and Economic Development (L Menze)/Manager Human Settlements (S Sims) (pg 597-634)

5.1 That Council grants the Municipal Manager permission to negotiate a long-term lease agreement with Gourikwa Power Development, after the conclusion of a Public Participation Process, which will lead to the registration of a Notarial Lease.

5.2 That the proposed project does not impede the construction and operation of the Regional Landfill Site.

5.3 That the cost of subdividing the erf will be borne by the applicant.

5.4 that the Gourikwa Power Development (PTY) Ltd bears the cost for advertising for comments from the public as outlined in the Asset Transfer Regulations

5.5 That a report be submitted to Council after the Public Participation Process and negotiations with the Gourikwa Power Development (PTY)Ltd.

5.6 That a due diligence process be done by Management and that the Municipal Manager submit a progress report after the due diligence process has been completed."

5. RECOMMENDATIONS

1. That Council takes note that National Treasury deems the application to lease a portion of Erf 419, Mossel Bay by Gourikwa Power Development Company as an unsolicited bid.

2. That Council notes the National Treasury's advice that the Municipality restarts the process to ensure compliance with the procurement principles outlined in section 217 of the Constitution of the Republic of South Africa, 1996.

3. That the previous Council Resolution dated 25 October 2023 via item number H.7 be rescinded.

AANBEVELINGS

1. *Dat die Raad kennis neem dat die Nasionale Tesourie die aansoek om 'n gedeelte van Erf 419, Mosselbaai deur Gourikwa Power Development Company te huur, as 'n ongevraagde bod beskou.*
2. *Dat die Raad kennis neem van die Nasionale Tesourie se advies dat die Munisipaliteit die proses herbegin om nakoming van die verkrygingsbeginsels uiteengesit in artikel 217 van die Grondwet van die Republiek van Suid-Afrika, 1996, te verseker.*
3. *Dat die vorige Raadsbesluit gedateer 25 Oktober 2023 via itemnommer H.7 herroep word.*

IZINDULULO

1. Sesokuba iBhunga liqaphele ukuba uNondyebo kaZwelonke uthathe isicelo sokuqeshisa inxenye yeSiza 419, eMossel Bay yiGourikwa Power Development Company njengesicelo esingacelwanga.

2. Sesokuba iBhunga liqaphele ingcebiso kaNodyebo aZwelonke yokuba uMasipala aqalise inkqubo ukuqinisekisa ukuthotyelwa kwemigaqo yokuthenga echazwe kwicandelo 217 loMgaqo-siseko weLizwe loMzantsi Afrika, 1996.

3. Sesokuba iSigqibo seBhunga sangaphambili somhla wama-25 kweyeDwarha 2023 nesingunombolo H.7 sirhoxiswe.

6. DISCUSSION / CONTENTS

6.1 Background and Discussion

Following the adoption of the aforementioned resolution, the administration proceeded to negotiate with Gourikwa Power Development (Pty) Ltd in accordance with item 1 of the resolution.

As part of the public participation process, a notice was published in a newspaper to advertise the proposed long-term lease. The advertisement

appeared in *Die Burger* on 16 November 2023, with a submission closing date of 05 February 2024.

Under the Municipal Asset Transfer Regulations, an information statement must form part of the notice. The abovementioned notice did not include the required information statement. Consequently, a second notice was published in *Die Burger*, with a closing date of 06 February 2026, in order to conclude the public participation process.

The notice was also submitted to the National and Provincial Treasuries and to COGTA to solicit their comments.

National Treasury responded to the correspondence requesting additional information, whereafter the requested information was duly provided for further consideration.

On the 17th of March 2026, a formal response was received from the National Treasury indicating that the abovementioned process constitutes an unsolicited bid.

In this regard, it should be noted that section 113 of the Municipal Finance Management Act (MFMA), read with regulation 37 of the Municipal Supply Chain Management Regulations, provides the legislative framework governing unsolicited bids.

In terms of regulation 37(2) of the Municipal Supply Chain Management Regulations, the following requirements must be satisfied in respect of unsolicited bids:

• Regulation 37(2)(a):
The product or service offered must constitute a proven, unique and innovative concept.

• Regulation 37(2)(b):
The product or service must be exceptionally beneficial to, or provide exceptional cost advantages for, the municipality.

• Regulation 37(2)(c):
The bidder must be the sole provider of the product or service.

• Regulation 37(2)(d):
The accounting officer must provide sound and reasonable justification for not following the prescribed competitive bidding process.

The comments received from National Treasury may be summarised as follows: the proposed lease arrangement does not comply with the requirements applicable to an unsolicited bid. National Treasury further concluded that, should the Garden Route District Municipality wish to lease the land, it is required to follow a competitive bidding process.

In addition, the application submitted by the service provider does not meet the prescribed requirements for consideration as an unsolicited bid. Accordingly, the procurement process must be undertaken in accordance with section 217 of the Constitution of the Republic of South Africa, which requires a system that is fair, equitable, transparent, competitive and cost-effective.

Further to the above, the proposed Lessee submitted a legal opinion "**Annexure C**" obtained from Karrisha Pillay SC. Adv. Gregory Solik, which focussed on the following:

Summary of Legal Opinion: Gourikwa Power Development (Pty) Ltd – Proposed Lease of Farm 419

The legal opinion dated 25 May 2026 concludes that the proposed 25-year lease of a portion of Farm 419 for the development and operation of a gas-fired power station is primarily regulated by Chapter 4 of the Municipal Asset Transfer Regulations (MATR). It finds that section 113 of the Municipal Finance Management Act (MFMA), read with Regulation 37 of the Municipal Supply Chain Management Regulations, does not apply to the lease, as it does not constitute the procurement of goods or services.
The opinion further concludes that section 33 of the MFMA is not applicable to the draft lease, as it does not impose the relevant long-term financial obligations on the Municipality. However, any future electricity purchase agreement would require separate consideration under the applicable MFMA provisions.

The opinion identifies the possibility that the Municipality's own disposal management system may require a transparent competitive process for the leasing of municipal land. As the relevant policy was not available to the legal advisers, they recommend that this aspect be clarified to reduce the risk of the transaction being challenged.

The opinion represents Gourikwa's legal position and does not conclusively resolve the Municipality's compliance obligations. The Municipality must consider its adopted policies alongside the MATR and MFMA and clarify the applicable procedural requirements with National Treasury before proceeding further with the transaction.

In light of the abovementioned legal opinion received, The Property Section therefore requested the GRDMs' legal section to draft a legal opinion (**Annexure D**) in response to the above-mentioned opinion submitted by the Gourikwa Power Company to determine the GRDM's position and way forward. The internal legal opinion obtained can be summarised as follows:

Summary of Internal Legal Opinion: Proposed Lease of Farm 419
The legal opinion obtained by Gourikwa Power Development maintains that the proposed Farm 419 lease/right-to-use transaction is primarily regulated by

Chapter 4 of the Municipal Asset Transfer Regulations (MATR). It contends that sections 113 and 33 of the Municipal Finance Management Act (MFMA) are not applicable, as the transaction constitutes a lease of municipal immovable property rather than the procurement of goods or services, and does not create the long-term financial obligations contemplated in section 33. The opinion further indicates that, subject to confirmation of the asset valuation below R10 million, the relevant MATR threshold for National Treasury consultation was not triggered.

However, the Municipality's Disposal Management Policy requires viable immovable property to be let through a competitive process and expressly links unsolicited lease proposals for development purposes to section 113 of the MFMA. The Municipality must therefore consider its adopted policy alongside the MATR, the MFMA and the Municipal Supply Chain Management Regulations.

The key issue for discussion with National Treasury on 4 September 2026 is whether an unsolicited lease proposal for municipal immovable property falls within section 113 of the MFMA and, irrespective of this interpretation, whether the Municipality is required to follow a competitive or prescribed unsolicited-bid process under its own policy.

Proposed municipal position: The Municipality should not proceed further with the transaction until National Treasury's interpretation has been clarified and compliance with all applicable legislative, regulatory and municipal policy requirements has been established. National Treasury's concerns should be treated as a material compliance issue requiring resolution.

6.5 Financial Implications

The Municipality will not realise revenue in the foreseeable future

6.6 Legal Implications

Gourikwa Power Development Company may seek a legal review of this decision.

6.5 Staff Implications

None.

6.6 Previous / Relevant Council Resolutions:

Council Resolution Number H.7 dated 25 October 2023

6.7 Risk Implications

Gourikwa Power Development Company may seek a legal review of this decision.

ANNEXURES

Annexure A: Council Resolution H.7 dated 25 October 2023
Annexure B: Letter of response received from the National Treasury
Annexure C: Legal Opinion received from the Gourikwa Power Company
Annexure D: Internal Legal Opinion received from the GRDM's legal section

ANNEXURE A

EXTRACT FROM THE CONFIRMED MINUTES OF A COUNCIL MEETING OF GARDEN ROUTE DISTRICT MUNICIPALITY HELD IN THE CA ROBERTSON AND VIA ZOOM ON 25 OCTOBER 2023 AT 10:00

H. REPORTS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT / *ITEMS VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT* / IMIBA YESEBE LEZICWANGCISO KUNYE NOPHUHLISO LOQOQOSHO

H.7 **LEASE OF A PORTION OF FARM 419 MOSSEL BAY FOR A PERIOD OF 25 YEARS / VERHURING VAN 'N GEDEELTE VAN PLAAS 419 MOSSEL BAAI VIR 'N PERIODE VAN 25 JAAR / UKUQESHISWA KOMHATYANA KWIFAMA 419 EMOSSEL BAY IXESHA LEMINYAKA EYI 25**

Refer Report from the Executive Manager Planning and Economic Development (L Menze)/Manager Human Settlements (S Sims)(pg 597-634

RESOLVED

5.1 That Council grants the Municipal Manager permission to negotiate a long-term lease agreement with Gourikwa Power Development, after the conclusion of a Public Participation Process, which will lead to the registration of a Notarial Lease.

5.2 That approval of the long term lease is granted with a condition that the proposed project does not impede the construction and operation of the Regional Waste Management Facility.

5.3 That the cost of subdividing the erf will be borne by the applicant.

5.4 that the Gourikwa Power Development (PTY) Ltd bears the cost for advertising for comments from the public as outlined in the Asset Transfer Regulations

5.5 That a report be submitted to Council after the Public Participation Process and negotiations with the Gourikwa Power Development (PTY)Ltd.

5.6 That a due diligence process be done by Management and that the Municipal Manager submit a progress report after the due diligence process has been completed.

pp

Adv. S Maqekeni
Secretary of Council

Confirmed Extract

ANNEXURE B

Jou roete na vooruitgang • Indlela yakho eya empumelelweni • Your route to prosperity

Garden Route
DISTRICT MUNICIPALITY | UMASIPALA WESITHILI | DISTRIKSMUNISIPALITEIT

54 York Street,
George
Western Cape
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PO Box 12,
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Tel: 044 803 1300
Fax: 086 555 6303
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info@gardenroute.gov.za
www.gardenroute.gov.za

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: *D Mashila*
Reference: *18/3/1/1*
Date: *15 July 2026*

Mr Wayne McComans
CD: MFMA Implementation
Department of National Treasury
40 Church Square
Pretoria
0002

E-mail: MFMA@treasury.gov.za

Dear Sir,

REQUEST FOR A MEETING: COMMENTS IN RESPECT OF THE PROPOSED LONG-TERM LEASE OF A PORTION OF ERF 419, MOSSEL BAY

The Garden Route District Municipality acknowledges receipt of the National Treasury's comments on the proposed long-term lease agreement of the above-mentioned property.

We appreciate the time and consideration given to reviewing the process and value the feedback provided. In the interest of ensuring a common understanding of the comments raised and to discuss the matters in greater detail, we kindly request a meeting with the relevant officials from the National Treasury at a mutually convenient date and time.

The purpose of the meeting would be to clarify the identified issues, discuss the Municipality's approach to the entire process, and consider any recommendations that may help strengthen the process and ensure compliance with applicable legislative and policy requirements.

Kindly advise your availability for a meeting on the following dates:

27 – 31 July 2026
03 – 07 August 2026

Thank you for your attention to this matter. We look forward to your response.

Yours sincerely

MG STRATU
MUNICIPAL MANAGER
DATE: 17/7/2026

ANNEXURE C

FINAL

- Legally privileged and confidential -

MEMORANDUM OF ADVICE

FOR

THE GOURIKWA POWER DEVELOPMENT (PTY) LTD

ABOUT

THE INTENTION TO LEASE A PORTION OF FARM 419 FROM THE GARDEN ROUTE DISTRICT MUNICIPALITY

Karrisha Pillay S.C
G Solik
Chambers, Cape Town
25 May 2026

Furnished to: Ilke Kearns
ABRAHAMS KIEWITZ INCORPORATED
Cape Town

Introduction

1. Consultant is Gourikwa Power Development (Pty) Ltd.

2. We are instructed that Consultant submitted "*an unsolicited proposal*" to the Garden Route District Municipality (the "*Municipality*") for the lease of a portion of Farm 419, situated within the district of Mossel Bay, for the express purpose of developing and operating a gas-fired power station.

3. The Municipality subsequently advertised its intention to lease the land for "THE PURPOSES OF A GAS-TO-ENERGY PLANT FOR THE PERIOD OF 25 (TWENTY-FIVE)YEARS".[1] The Municipality referred a draft lease agreement to National Treasury for comment.

4. On 17 March 2026 National Treasury provided the following written comments:

   4.1 The proposed long-term lease "*appears to be an unsolicited bid*". Section 113 of the Municipal Finance Management Act 56 of 2003 ("*MFMA*"), read with Regulation 37 of the Municipal Supply Chain Management Regulations ("*SCM Regulations*"),[2] outlines the framework for considering unsolicited bids.

   4.2 The proposed long-term lease does not meet the requirements for the Municipality to consider the bid in terms of SCM Regulation 37 because inter alia "*The bid to lease land is not a unique concept and neither is the*

---

[1] We were instructed with a copy of the advertisement on 18 May 2026.
[2] GN 868 of 30 May 2005: Municipal Supply Chain Management Regulations.

bidder a sole provider. " If the Municipality wishes to lease the land to develop a gas to energy power plant, the Municipality must follow a competitive bidding process.

4.3 In the event that the Municipality decides to lease the land to develop a gas to energy power plant, the Municipality would be required to comply with the Municipal Asset Transfer Regulations, 2008 ("*MATR*")[3] (where the land is leased) and section 33 of the MFMA (in relation to the contract for the purchase of the electricity).

5. Consultant disputes the applicability of section 113 of the MFMA, read with SCM Regulation 37, as well as section 33 of the MFMA, to the lease of land. We agree. In our view, the lease/right-to-use transaction is governed by Chapter 4 of the MATR and not section 113 of the MFMA, read with SCM Regulation 37. Further, on the facts with which we have been instructed, it does not appear that section 33 of the MFMA is presently relevant. The lease agreement does not, on its face, impose long-term financial obligations on the Municipality.

Background

6. We have been briefed with a copy of the draft notarial deed of lease which records the following –

6.1 The Lessor is the registered owner of Farm 419 ("*the Parent Property*").[4] The Lessor intends to subdivide the Parent Property to create two new

---

[3] GNR.878 of 22 August 2008: Municipal Asset Transfer Regulations (Government Gazette No. 31346).
[4] Lease Agreement, Recordal, Part A.

subdivisions described as Portion 1 and Portion 2 (together "*the Property*");

6.2 The Lessor shall lease the Property to the Lessee primarily for the purpose of constructing and operating a gas-fired power plant/s for the sale of energy. Additionally, the Lessee has the option to construct and operate a photovoltaic plant/s and battery storage system/s, contingent upon the Lessee's decision and provided that these facilities compliment the primary gas-firing power plant/s operations;[5]

6.3 The Lessor further leases to the Lessee such portions of the Parent Property as are required by the Lessee for the purposes of pipelines or power transmission lines necessary for the efficient functioning of the Facility, which shall either be parallel with and adjacent to any boundary line, or alternatively along any other route which may be agreed to between a Lessor and a Lessee;[6]

6.4 Subject to the right to renewal contained in clause 5.2, [7] the Lease shall be binding on the Lessor and the Lessee for a period of 25 years;[8]

6.5 The Lessee shall pay to the Lessor a monthly rental payment for the Property of R58,600.00 per month plus VAT. Upon subdivision, the rental payment for each of the Properties will be calculated proportionately based

---

[5] Lease Agreement, clause 4.1.
[6] Lease Agreement, clause 4.2.
[7] Lease Agreement, clause 5.2. The option to renew the Lease is for a further period of up to 5, 10 or another 25 years.
[8] Lease Agreement, clause 5.1.

on the size of each subdivision relevant to the Property;[9]

6.6 The monthly rental is set for the construction period of the Facility and thereafter, the Lessee shall pay the Lessor an increased rental of R1,000,000.00 per month plus VAT escalated in accordance with clause 8.4 of the agreement;

6.7 The Lessee shall be obliged to take out and maintain, at its own cost, public liability insurance policy;[10]

6.8 The Lessee shall be responsible for the costs of establishing any connections for utilities (water and electricity) to be used by it on the Property as well as the cost of all utilities consumed.[11]

7. The Municipality issued a public notice in terms of section 34(3)(b) of the MATR. The public notice recorded that the Property is not required in terms of section 14 of the MFMA to provide minimum basic services. It also set out the reasons for the proposal to grant a long-term right to lease the capital asset as well as the expected benefits and proceeds. This included a predictable revenue stream, improved asset management, and job creation.

8. On 17 March 2026 National Treasury provided its written comments in respect of the proposed long-term lease of Erf 419 (see summary thereof at para 4 above).

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[9] Lease Agreement, clause 8.1.
[10] Lease Agreement, clause 10.2.
[11] Lease Agreement, clause 11.1.

9. On 26 March 2026, Hosken Consolidated Investments Limited wrote to the Municipal Manager. The letter stated the following:

9.1 On the face of both the public notice and the draft lease, "*the transaction is a straightforward lease of municipal immovable property for rental and related consideration*…. " [Emphasis added.]

9.2 *"[T]he correct legal classification of the Farm 419 matter is therefore a Chapter 4 MATR lease/right-to-use transaction. It is not, on the wording of the lease, a public-private partnership agreement, nor does the lease itself establish or outsource the performance of a municipal service by a private party on behalf of [the Municipality]*. " [Emphasis added.]

9.3 The value of the relevant municipal asset for purposes of the proposed long-term right was confirmed to be below R10 million. If that valuation position is correct, then "*the threshold in regulation 34(2) read with regulation 35 of the MATR was not triggered. In those circumstances, a treasury consultation process was not a statutory precondition to the validity of the in-principal decision on the lease*". [Emphasis added.]

9.4 Section 33 of the MFMA is directed at contracts that impose financial obligations on a municipality beyond the relevant budget horizon. "*The Farm 419 lease, properly read, does not impose that type of future budgetary payment obligation on [the Municipality]*." Further, the fact that "*the lease is long-term does not, without more, convert it into a section 33 contract. Duration alone is not the trigger. The trigger is whether the municipality is assuming the relevant future financial obligations*

contemplated by the section.". [Emphasis added.]

The Legal Framework

10. Section 113 of the MFMA provides:

> *"113 Unsolicited bids*
>
> *(1) A municipality or municipal entity is not obliged to consider an unsolicited bid received outside its normal bidding process.*
>
> *(2) If a municipality or municipal entity decides to consider an unsolicited bid received outside a normal bidding process, it may do so only in accordance with a prescribed framework.*
>
> *(3) The framework must strictly regulate and limit the power of municipalities and municipal entities to approve unsolicited bids received outside their normal tendering or other bidding processes."*

11. SCM Regulation 37 makes clear that an unsolicited bid may only be considered by a Municipality if the product or service in question complies with certain attributes.

12. Turning then to the other relevant provisions:

12.1 Section 90 of the MFMA regulates the disposal of capital assets by a municipal entity through the transfer of ownership or other disposal. Section 14 does likewise in relation to a municipality.

12.2 Section 90(1) prohibits the transfer of ownership by a municipal entity as a result of a sale or other transaction or otherwise disposing of a capital asset "*needed to provide the minimum level of basic municipal services*." Section 14(1) does likewise in relation to a municipality.

12.3 Section 90(2) allows for a municipal entity to transfer ownership or otherwise dispose of a capital asset (other than an asset contemplated in section 90(1)), but only after the council of its parent municipality, in a meeting open to the public (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset. Section 14(2) does likewise in relation to a municipality.

13. Chapter 4 of the MATR regulates the granting of rights to use, control or manage municipal capital assets. Section 33 sets out its purpose. Importantly:

13.1 Its purpose is set out as being to "*regulate the granting by municipalities or municipal entities of rights to use or manage capital assets in circumstances where sections 14 and 90 of the Act and chapters 2 and 3 of these Regulations do not apply*" (section 33(1)).

13.2 The following is excluded from its purview: (a) rights to use, control or manage municipal assets in terms of public-private partnership agreements as regulated; or (b) rights on municipal land to housing for the poor to beneficiaries of such housing.

14. Section 2 sets out the application of the MATR and provides:

14.1 They apply to: (a) the transfer and disposal of capital assets by municipalities and municipal entities; and (b) the granting by municipalities and municipal entities of rights to use, control or manage

capital assets (Regulation 2(1)).

14.2 The different chapters of the Regulations apply as follows: (a) chapter 2 regulates the transfer by municipalities or municipal entities of non exempted capital assets to either private sector parties or organs of state and the permanent disposal by municipalities or municipal entities of non exempted capital assets; (b) chapter 3 regulates the transfer by municipalities or municipal entities of rights to use, control or manage capital assets in circumstances where sections 14 and 90 of the Act and chapters 2 and 3 of the Regulations do not apply; and (c) chapter 5 deals with matters of general application and provides for certain general exemptions from the Regulations.

15. Section 1 of the MATR defines "*disposal*" in relation to a capital asset to include: (a) the demolition, dismantling or destruction of the capital asset; or (b) any other process applied to a capital asset which results in loss of ownership of the capital asset otherwise than by way of transfer of ownership.

16. Section 1 of the MATR defines "*transfer*" in relation to a capital or subsidiary asset as "*transfer of ownership in the asset as a result of a sale or other transaction*".

17. Regulation 33(3) of the MATR makes clear that the granting by a municipality of a right to use, control or manage a capital asset must for the purposes of the MATR be dealt with in terms of chapter 2 or 3 as if such granting of right is a transfer within the meaning of the chapter, if the right:

17.1 is granted for an indefinite or undetermined period; or

17.2 is granted for a period which exceeds: (a) the useful life of the capital asset; or (b) the economic usefulness of the capital asset and which would require the asset, in order to remain economically useful, to be substantially upgraded, altered or replaced during the period for which the right is granted; or

17.3 confers on the person to whom the right is granted: (a) an option to buy or acquire ownership in the capital asset; or (b) the power to use, control or manage the capital asset as if that person is the beneficial (but not legal) owner of the asset.

18. It follows from the aforegoing that the following questions arise in determining the applicable legal framework:

18.1 First, whether the lease agreement entails a disposal of a capital asset. If it does, then sections 14 and 90 of the MFMA find application.

18.2 Second, whether chapters 2 or 3 of the MATR find application.

18.3 Third, whether chapter 4 of the MATR finds application, with due regard to the threshold requirements in Regulation 33(3).

Is the lease governed by Chapter 4 of the MATR?

19. As stated, the purpose of Chapter 4 of the MATR is to regulate the granting by municipalities (and municipal entities) of rights to use, control or manage capital

assets in circumstances where sections 14[12] and 90[13] of the MFMA and Chapters 2[14] and 3[15] of the Regulations do not apply.

20. First, in our view, the lease transaction does not relate to a transfer or disposal (with due regard to the definitions of "*disposal*" and "*transfer*") of a capital asset. The lease agreement concerns the lease of land for 25 years. It follows that sections 14 and 90 of the MFMA do not apply and nor do chapters 2 or 3 of the MATR.

21. Second, it seems reasonably clear that the transaction does not relate to (a) the grant of rights to use, control or manage capital assets in terms of public-private partnership agreement or (b) the rights on municipal land housing for the poor to beneficiaries of such housing. [16] It follows that these exclusionary provisions do not find application.

22. Third, the key consideration is whether transaction must, in terms of Regulation 33(3), be dealt with in terms of Chapter 2 or 3 of the MATR "*as if*" the granting of the right "*is a transfer*" of the capital asset. Given its significance to the analysis, we repeat: in terms of Regulation 33(3), that will be the case if the right:

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[12] Disposal of capital assets.
[13] Disposal of capital assets.
[14] Chapter 2 of the MATR regulates the transfer and permanent disposal of non-exempted capital assets by municipalities and municipal entities in order to facilitate the enforcement and administration of section 14(2) and 19(2) of the MFMA.
[15] Chapter 3 of the MATR defines the circumstances in which the transfer of municipal capital assets to organs of state is for the purposes of section 14(6) and section 90(6) of the MFMA exempted from the other provisions of section 14 or 90.
[16] Referred to in section 120 of the MFMA and the Municipal Public-Private Partnership Regulations published by Government Notice No. R.309 of 2005.

22.1 is granted for "*an indefinite or undetermined period*";[17] or

22.2 is granted for a period which exceeds the useful life of the capital asset or "*the economic usefulness of the capital asset and which would require the asset, in order to remain economically useful, to be substantially upgraded, altered or replaced during the period for which the right is granted*";[18] or

22.3 confers "*on the person to whom the right is granted*" on consultant (i) an option to buy or acquire ownership in the capital asset; or (ii) the power to use, control or manage the capital asset "*as if that person is the beneficial (but not legal) owner of the asset*". [19]

23. In our view the transaction is not caught by 22.1 and 22.2 above. The transaction is not for an indefinite or undetermined period or period which exceeds the useful life of the capital asset.

24. But, the remaining question is: does the transaction confer on Consultant the power to use, control or manage the capital asset "*as if that person is the beneficial (but not legal) owner of the asset*" as set out in paragraph 22.3? In answer, much will depend on the meaning and interpretation to be ascribed to the term "*beneficial (but not legal) owner*".

25. The MATR does not define the concept "*beneficial owner*". National Treasury has however produced guidelines specifically for the MATR. The National Treasury

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[17] MATR 33(3)(a).
[18] MATR 33(3)(b)(i) and (ii).
[19] MATR 33(3)(c)(i) and (ii).

Guidelines provide that whether a person can be regarded as the beneficial owner for the purposes of Chapter 4 will have to be determined on a case-by-case basis. The Treasury Guideline provides the following example as a guide:

> *"where a municipality leases a piece of land to a farmer in terms of a twenty year lease, although the municipality remains the legal owner, the farmer is for all practical purposes the beneficial owner of the land. Although on the face of the transaction the municipality retained legal ownership, the right of the farmer to use the land for such an extended period, results in the farmer benefiting from the transaction as if he / she is the "owner"."*[20]

26. It is unclear as to what the basis for the conclusion is in the aforementioned example. As a result, the example provided by the Treasury Guidelines does not provide helpful guidance. In our view, it cannot be that any lease agreement for a period of twenty years or more automatically converts a lessee into the beneficial owner of the land. Each case must depend on its own facts.

27. The absence of a statutory or regulatory definition of 'beneficial owner" makes it difficult to say, definitively, whether the transaction is caught by Regulation 33(3)(c)(ii). The Companies Act, 2008,[21] the Trust Property Control Act1988[22],

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[20] Guide to the Municipal Asset Transfer Regulations, p. 24. Availabe here https://mfma.treasury.gov.za/Guidelines/Asset%20Transfer%20Guide.pdf

[21] See section 3 of the Companies Act 71 of 2008.

[22] "beneficial owner", in respect of the provisions of a trust instrument, means inter alia "*a natural person who directly or indirectly ultimately owns the relevant trust property*"; or further a natural person "*who exercises effective control of the administration of the trust arrangements that are established pursuant to a trust instrument*".

and the Financial Intelligence Centre Act, 2001[23] have particular statutory definitions against which a set of facts may be applied.

28. The import of the statutory definitions set out above is to identify the person or entity who enjoys the ultimate benefits, profits, or use of an asset, even though the formal "legal" title is held by someone else. Put differently, the concept of beneficial ownership in our law refers to individuals who ultimately own or control a company or legal entity, regardless of whether they are listed in the official records.[24]

29. The nature of the transaction appears from the draft notarial deed of lease which makes the following clear (which we have addressed in more detail above):

29.1 The property is being leased for a specific purpose (Recordal B and clause 4).

29.2 While the Lessee is given the exclusive right of use and enjoyment of the property, if the use by the Lessee of the property of the facility results in damage to the Lessor's operations on the parent property, the Lessee will be obliged to repair same at its own expense (clause 4.3).

29.3 The lease is for a fixed term but subject to renewal of up to a further 25 years (clause 5).

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[23] "beneficial owner" means a natural person who directly or indirectly (i) ultimately owns or exercises effective control of a client of an accountable institution; or a legal person, partnership or trust that owns or exercises effective control of, as the case may be, a client of an accountable institution; or (ii) exercises control of a client of an accountable institution on whose behalf a transaction is being conducted.

[24] See https://www.cipc.co.za/?page_id=16055

29.4 The Lessee bears the duty to submit an application to the Lessor for the approval of the identified subdivisions (clause 6.2).

29.5 The Lessee shall pay a monthly rental (which is subject to escalation and a deposit) to the Lessor (clause 8).

29.6 Upon expiry of the terms of the Lease or its earlier termination, the Lessee shall be obligated to remove all plant, equipment and fixtures installed by the Lessee at its own cost (clause 9.1) and the Lessee shall return the property to the Lessor in a condition similar to that at the commencement of the Lease, subject to reasonable wear and tear (clause 9.2; see too clause 9.4).

30. In our view, it is clear from the aforegoing that Consultant is not the shadow owner or controller of the Property. The Municipality retains ownership of the Property, which ownership is recorded in its books – so too consultant's books. Likewise, Consultant's rights are carefully regulated in the agreement.

31. In the circumstances we are of the view that, notwithstanding the Treasury Guideline, the transaction does not confer on Consultant the power to use, control or manage the capital asset "*as if that person is the beneficial (but not legal) owner of the asset*". As such, the transaction is governed primarily by Regulation 34, 35, and 36 of the MATR, which sets out the decision-making processes that must be followed. This includes a public participation process if the capital asset in respect of which the proposed right is to be granted has a value in excess of R10 million.

Does Section 113 of the MFMA and SCM Regulation 37 nevertheless apply?

32. In our view, the lease transaction is not governed by section 113 of the MFMA and SCM Regulation 37. Chapter 11 of the MFMA (sections 110 – 119) regulates the procurement by a municipality of "goods and services". This includes the disposal by a municipality or municipal entity of goods no longer needed. [25] It does not include the lease of immovable property. Section 113, which regulates unsolicited bid received outside its normal bidding process, does not therefore apply.

33. That is not to say that section 113 of the MFMA and SCM Regulation 37 can never apply to municipalities.

34. A municipal SCM Policy can make section 113 applicable to the lease of land. The Kouga Municipality, for example, has developed its own leasing policy.[26] The leasing policy provides its own bidding process:[27]

> *"It is noteworthy that the MFMA does not regulate leasing of council-owned immovable property. However, leasing was later regulated by promulgation of the MATR. Although MFMA explicitly states that disposal of council-owned property must be competitive, the MATR do not make such a requirement in case of leasing. In the absence of such express*

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[25] See section 110 of the MFMA.
[26] A copy will be made available.
[27] Para 10.4.1.

requirement, it is imperative that Municipality has a lease framework that embodies a transparent bidding process under some circumstances. This is to ensure fairness and transparency in land management. Bidding may either be by public tender or auction." [Emphasis added.]

35. To this end, Regulation 41 of the MATR provides that if approval in principle has been given in terms of Regulation 34(1)(b) or 37(1)(b), the relevant municipality may grant the right only in accordance with the disposal management system of the municipality or entity, irrespective of the value of the asset or the period for which the right is to be granted.

36. We have not been instructed with a copy of the Municipality's disposal management system. We have however been instructed with an Asset Management Policy. The object of the Asset Management Policy is to ensure that assets of the Municipality are properly managed and accounted for. It does not appear to be a "disposal management system." In any event, it does not regulate the procedure for the leasing of land.

37. Presumably, if such a disposal management existed, or was relevant, the Municipality's advertisement of the transaction (in terms of Regulation 33) would have made reference to such a policy. It did not. If such a policy does however exist, it may or may not include a process by which a transparent bidding process is required. It is in the consultant's interest to clarify this aspect so as to ensure that the transaction is not later challenged on the basis of non-compliance therewith.

Does section 33 of the MFMA apply?

38. In our view, section 33 of the MFMA does not apply to the lease of land in terms of the draft notarial lease.

39. Section 33(1) of the MFMA provides that a municipality may enter into a contract which will impose financial obligations on the municipality beyond a financial year. But, if the contract will impose financial obligations on the municipality beyond the three years covered in the annual budget for that financial year, it may do so only if (a) the Municipal Manager has taken certain public participation steps in terms of section 33(1)(a) of the MFMA; and (b) the municipal council has, in terms of section 33(1)(c), adopted a resolution in which it inter alia determines that the municipality will secure a significant capital investment or will derive a significant financial economic or financial benefit from the contract.

40. Section 33 of the MFMA does not appear, on the terms of the draft lease, to be applicable. The draft lease does not impose on the Municipality the kind of future financial obligations ordinarily contemplated in section 33 of the MFMA. If we are wrong in this respect, clarification of the facts must be provided.

41. National Treasury commented that section 33 of the MFMA will apply "*in relation to the contract for the purchase of the electricity*". We have not been instructed with any facts pertaining to any future contract for the purchase of electricity. Notionally, however, we agree with National Treasury that any future purchase by the Municipality of electricity will be regulated by section 113 of the MFMA, and potentially, section 33 thereof. That will depend on the terms of any purchase agreement. But that future purchase of electricity should not be conflated with a

current lease of land in terms of the draft notarial deed of lease. They are separate contracts with distinct legal implications for both Consultant and the Municipality.

Conclusion

42. We advise accordingly.

KARRISHA PILLAY SC.
GREGORY SOLIK
Chambers, Cape Town
25 May 2026

ANNEXURE D

DISCUSSION PAPER IN PREPARATION FOR THE MEETING WITH NATIONAL TREASURY ON 4 SEPTEMBER 2026

1. PURPOSE AND BACKGROUND

The purpose of this discussion paper is to identify and contextualise the principal legal and regulatory issues arising from the proposed lease/right-to-use transaction in respect of Farm 419, and to facilitate a focused engagement with National Treasury ("NT") on 4 September 2026.

The central issue in dispute is the proper legal characterisation of the proposed transaction and, consequentially, the legislative and regulatory framework applicable thereto.

In particular, Gourikwa Power Development ("Gourikwa") disputes the applicability of section 113 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) ("MFMA"), read with regulation 37 of the Municipal Supply Chain Management Regulations, 2005 ("SCM Regulations"), to the proposed lease. Gourikwa's position is, in substance, that the transaction does not constitute an "unsolicited bid" for purposes of section 113 of the MFMA.

Gourikwa further disputes the applicability of section 33 of the MFMA on the basis that the proposed lease does not impose financial obligations upon the Municipality extending beyond the three-year period contemplated in the Municipality's annual budget.

2. GOURIKWA'S LEGAL POSITION

A legal opinion obtained on behalf of Gourikwa adopts the position that the proposed lease/right-to-use transaction is regulated principally by Chapter 4 of the Municipal Asset Transfer Regulations ("MATR"), rather than by section 113 of the MFMA read with regulation 37 of the SCM Regulations.

The opinion further concludes that, on the facts presently available, section 33 of the MFMA is not applicable to the transaction. The rationale advanced is that the draft lease, on its face, does not impose upon the Municipality the type of long-term financial obligations contemplated by section 33.

This position is based upon the characterisation of the transaction as a lease/right-to-use arrangement involving municipal immovable property, rather than as a procurement of goods or services.

3. CLASSIFICATION OF THE TRANSACTION

A material component of Gourikwa's position is that the transaction constitutes a straightforward lease of municipal immovable property for rental and related consideration.

On that basis, the legal opinion concludes that the Farm 419 transaction is properly classified as a Chapter 4 MATR lease/right-to-use transaction.

The opinion further records that:

- the proposed lease does not, on its terms, constitute a public-private partnership;
- the lease does not itself establish, or outsource to a private party, the performance of a municipal service on behalf of the Municipality; and
- the value of the relevant municipal asset, for purposes of the proposed long-term right, was determined to be below R10 million.

It is consequently contended that, assuming the valuation is correct, the applicable threshold in regulation 34(2), read with regulation 35 of the MATR, was not triggered and that there was accordingly no statutory obligation to obtain NT's comments under those provisions.

4. THE ISSUE OF SECTION 33 OF THE MFMA

Gourikwa's position is that section 33 of the MFMA is directed at contracts which impose financial obligations on a municipality extending beyond the relevant budgetary horizon.

On its interpretation of the draft lease, the transaction does not impose such future budgetary obligations upon the Municipality. Rather, the Municipality's obligations under the lease are said to be limited to those expressly arising from the lease and do not constitute the type of long-term financial commitment contemplated by section 33.

Accordingly, Gourikwa maintains that section 33 does not find application to the proposed transaction.

5. THE ISSUE OF SECTION 113 OF THE MFMA AND UNSOLICITED BIDS

The principal legal dispute concerns the applicability of section 113 of the MFMA and regulation 37 of the SCM Regulations.

Gourikwa's legal opinion proceeds from the proposition that Chapter 11 of the MFMA, comprising sections 110 to 119, regulates the procurement by municipalities of “goods and services”. Section 113 specifically regulates unsolicited bids received outside the normal bidding process.

On that basis, the opinion concludes that section 113 does not apply to the lease of immovable property because such a lease does not constitute the procurement of goods or services.

The essential proposition advanced by Gourikwa is therefore that:

the proposed lease transaction falls outside the statutory concept of "procurement" contemplated in Chapter 11 of the MFMA and, consequently, outside the ambit of section 113 and SCM Regulation 37.

This is a material issue requiring clarification with NT.

6. THE THRESHOLD LEGAL QUESTION

The dispute ultimately turns upon a relatively discrete question of statutory interpretation, namely:

Whether the leasing of municipal immovable property, particularly a lease/right-to-use transaction contemplated under the MATR, constitutes "procurement" for purposes of Chapter 11 of the MFMA.

If the answer is in the negative, the argument follows that section 113 of the MFMA cannot apply because section 113 regulates unsolicited bids within the procurement framework established by Chapter 11.

Conversely, if the transaction is properly characterised as falling within the procurement regime, the provisions regulating unsolicited bids, including section 113 of the MFMA and SCM Regulation 37, would require consideration.

The distinction is material because the MATR contains separate regulatory regimes dealing with transfers, disposals and leases/right-to-use transactions. NT's position on the proper statutory characterisation of the transaction is therefore central to determining which regulatory framework governs the proposed transaction.

7. THE MUNICIPALITY'S DISPOSAL MANAGEMENT POLICY

Notwithstanding the legal position advanced in Gourikwa's opinion, the Municipality's own Disposal Management Policy must be considered as part of the regulatory framework governing the proposed transaction.

The Municipality's policy requires the letting of viable immovable property to be undertaken through a process of public competition. This establishes a municipal policy requirement for competitive disposal/letting processes in respect of viable immovable property.

More significantly, the Disposal Management Policy expressly provides that Council may entertain unsolicited bids for the lease of viable immovable property for development purposes, subject to section 113 of the MFMA.

This provision is of particular relevance to the present dispute because it demonstrates that the Municipality's own policy framework contemplates the possibility of an unsolicited proposal in respect of the lease of viable immovable property and expressly links such circumstances to section 113 of the MFMA.

8. CONSEQUENCE OF THE MUNICIPALITY'S POLICY FRAMEWORK

The existence of the Municipality's Disposal Management Policy introduces an important consideration which does not appear to have been fully addressed in the legal opinion obtained by Gourikwa.

Had the author of the legal opinion been furnished with, and expressly considered, the Municipality's Disposal Management Policy, the legal analysis may potentially have been materially different.

The issue is not merely whether the MATR provides the primary regulatory framework for a lease/right-to-use transaction. The further question is whether, having regard to the Municipality's own duly adopted policy framework, the proposed transaction was required to be subjected to a competitive process or, alternatively, to the prescribed regime applicable to unsolicited bids.

The MFMA itself requires municipal supply chain management policies to comply with the prescribed regulatory framework and to embody principles of fairness, transparency, competitiveness and cost-effectiveness.

Moreover, where an unsolicited bid is considered under section 113, SCM Regulation 37 prescribes specific procedural safeguards, including public disclosure, an opportunity for public comment, submission of comments to NT and the relevant provincial treasury, and consideration of treasury comments before the matter is finally determined.

9. NATIONAL TREASURY'S POSITION

Against that background, NT's comments appear to proceed from a materially different legal characterisation of the transaction.

NT's position, as presently understood, is that the transaction should not be viewed solely through the lens of the lease/right-to-use provisions of the MATR, but must also be assessed against the Municipality's obligations concerning competitive processes, supply chain management and the treatment of unsolicited proposals.

This approach is consistent with the broader statutory principle that municipal transactions involving municipal assets must be undertaken in a manner that is fair, transparent and competitive, and in accordance with the Municipality's applicable policy framework.

10. RECONCILIATION OF THE TWO LEGAL POSITIONS

The apparent divergence between Gourikwa's legal opinion and NT's comments may therefore be distilled into two competing approaches.

Gourikwa's approach is essentially that:

1. the transaction is a lease/right-to-use transaction under Chapter 4 of the MATR;
2. it does not constitute procurement of goods or services;
3. section 113 of the MFMA and SCM Regulation 37 therefore do not apply;
4. the MATR threshold requiring NT consultation was not triggered, assuming the relevant valuation is below R10 million; and
5. section 33 of the MFMA does not apply because the lease does not create the requisite long-term financial obligations.

The Municipality's concern, informed by its own policy framework, is that:

1. the letting of viable municipal immovable property is subject to a competitive process;
2. the Municipality's policy allows consideration of unsolicited bids for such leases;
3. the policy expressly links such unsolicited bids to section 113 of the MFMA; and
4. the Municipality must therefore ensure that its proposed course of action is consistent not only with the MATR but also with its own adopted policy and the overarching MFMA principles governing municipal financial and supply chain management.

11. MATERIAL ISSUE FOR DETERMINATION BY NATIONAL TREASURY

The principal question for discussion with NT should accordingly be formulated as follows:

Does a lease of municipal immovable property constitute “procurement” for purposes of Chapter 11 of the MFMA, such that an unsolicited proposal for such lease falls within section 113 of the MFMA and SCM Regulation 37?

A related question is whether, irrespective of the technical characterisation of the transaction under Chapter 11, the Municipality is bound by its own Disposal Management Policy to follow a competitive process or the prescribed unsolicited-bid process where the proposal originates outside the Municipality's normal competitive process?

These questions should be answered before the Municipality proceeds further with the transaction.

12. CONCLUSION AND PROPOSED MUNICIPAL POSITION

Having considered the respective positions, it is apparent that Gourikwa's legal opinion is principally concerned with the classification of the transaction under the MATR and

with whether sections 33 and 113 of the MFMA are directly applicable as matters of statutory obligation.

The Municipality, however, is required to consider the matter from a broader compliance perspective, including the provisions of its duly adopted Disposal Management Policy.

In this regard, the following conclusions arise:

1. The Gourikwa legal opinion may not have had the benefit of the Municipality's Disposal Management Policy when its conclusions were formulated. Had the policy been expressly considered, the opinion may potentially have reached a different conclusion concerning the procedural requirements applicable to the transaction.
2. The Municipality's own policy requires a competitive process for the letting of viable immovable property. This requirement cannot simply be disregarded on the basis that the transaction is characterised as a Chapter 4 MATR lease/right-to-use transaction.
3. The Municipality must ensure consistency between the transaction, the MATR, the MFMA, the SCM Regulations and its own adopted policies. The fact that the MATR may constitute the principal regulatory framework for the lease does not, without more, resolve whether other statutory or policy requirements are concurrently applicable.
4. In the circumstances, NT's concerns cannot reasonably be dismissed as being based solely on an incorrect characterisation of the transaction. Given the Municipality's own policy requirements, NT's insistence upon compliance with the applicable competitive and/or unsolicited-bid framework is, at minimum, legally supportable and should be treated as a material compliance issue.

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Adv S Maqekeni

03 September 2026

ANNEXURES

ANNEXURE A: EDEN DISTRICT MUNICIPALITY IMMOVABLE PROPERTY MANAGEMENT POLICY This policy contains Disposal management systems from page 31)

ANNEXURE B: LEGAL OPINION OBTAINED BY GOURIKWA POWER DEVELOPMENT

BACK TO AGENDA

1. PROPOSED ACQUISITION OF HANSMOESKRAAL AND HOEKWIL PROPERTIES AS WELL AS ERF 268223, GEORGE BY GEORGE MUNICIPALITY / *VOORGESTELDE VERKRYGING VAN EIENDOMME TE HANSMOESKRAAL EN HOEKWIL, ASOOK ERF 268223, GEORGE, DEUR GEORGE-MUNISIPALITEIT /*

REPORT FROM THE EXECUTIVE MANAGER INTEGRATED PLANNING AND ECONOMIC DEVELOPMENT SERVICES (LUSANDA MENZE) / MANAGER: PROJECTS, PROPERTIES, FACILITIES AND RESORTS MANAGEMENT (DZIVHULUWANI MASHILA)

2 PURPOSE

The purpose of this report is to seek Council's In-principle provisional approval to transfer specific land parcels to George Municipality. This report responds directly to a formal Expression of Interest submitted by George Municipality.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

At the Council meeting held on 23 April 2025, under Item H.2, a report was tabled requesting Council's approval to proceed with the alienation of various properties owned by the Garden Route District Municipality. The properties proposed for alienation are listed below:

Nr	Property	Location	Extent	Coordinates
1	Farm 202, Hansmoeskraal portion 1	George	12.71Ha	34.048465°S 22.484495°E
2	Farm 202, Hansmoeskraal portion 2	George	6.79 Ha	34.047416°S 22.483551°E
3	Farm 202, Hansmoeskraal portion 73	George	13.85Ha	34.048554°S 22.478659°E
4	Farm 202, Hansmoeskraal portion 12	George	19.58Ha	34.050003°S 22.435969°E
5	Farm 202, Hansmoeskraal portion 83	George	0.41Ha	34.036147°S 22.464996°E
6	Kraai Bosch 195 portion 102 [pt. 18]	George	19.58 Ha	34.050003°S 22.435969°E
7	Farm Woodville 172 Portion 4	George (Hoekwil)	26.43 HA	33.936130°S 22.676327°E
8	Doornberg Outspan 32	George	125.1987H	22° 25' 22" E 33° 47' 25" S
9	Farm Schooneberg 109 portion 3	N9 between Herold and Noll	91.64 Ha	33.786179°S 22.656768°E
10	Farm De Fontein 291, Riversdale, portion 9	Riversdale	10,2782HA	21° 24' 26"E 34° 9' 38"S
11	Portion 37 of Farm 103 Buffelsdrift	Ladismith	0.33ha	33°32'04.3"S 21°09'48.4"E
12	Portion 55 of farm 103, Buffelsdrift	Ladismith	0.65ha	33°32'04.3"S 21°09'48.4"E
13	Portion 56 of farm 103, Buffelsdrift	Ladismith	2.08ha	33°32'04.3"S 21°09'48.4"E
14	Portion 0 of farm 194, Roodeberg, Outspan	Ladismith	12.04Ha	33°36'34.0"S 21°15'05.0"E
15	Erf 1185, Armoed, Oudtshoorn	Oudtshoorn	9050 m²	33°40'22.3"S 22°04'55.8"E
16	Portion 4 of Farm 78, Haazenjacht	Oudtshoorn	11.31 Ha	33°33'53.2"S 22°26'26.1"E
17	Portion 64 of Farm Moerasrivier 233	George	92.29Ha	33.978075°S 22.352735°E
18	Portion 0 of Farm 185, George	George	10.01 Ha	34.025536°S 22.774292°E

The council resolution is set out below.

"H.2 PROPOSED ALIENATION OF CERTAIN COUNCIL PROPERTIES / VOORGESTELDE VERVREEMDING VAN SEKERE RAADS EIENDOMME / UKWAHLUKISWA OKUCETYIWEYO KWEMIHLABA ETHILE YEBHUNGA

Refer Report from the Executive Manager Integrated Planning and Development (L Menze) / Manager Projects, Properties Facilities and Resorts Management (Mr D Mashila) (PG 665-674)

RESOLVED

1. That Council grants approval that the properties are not required to provide basic municipal services as contemplated in section 14 (1) of the Municipal Finance Management Act 56 of 2003.

2. That Council grants approval for management to proceed with the process of alienation of the listed Council Properties.
3. That Council notes the provisions as set out in the Asset Transfer Regulations, the Supply Chain Management Policy and the Immovable Property Policy will be adhered to.
4. That Council rescinds the previous council resolution H.2 dated 09 June 2023, stating that the alienation of Council Properties was put on hold.
5. That Council authorizes that management obtain new valuations of the properties before final alienation, by Council."

Administration has since issued a public notice regarding the disposal of the above-listed properties. Comments received, particularly for the Hansmoeskraal properties are overwhelmingly against the sale as proposed by GRDM.

Meanwhile, GRDM, on 24 August 2026, received an 'Expression of Interest letter from George Municipality to acquire the 5 Hansmoeskraal properties, the Hoekwil property as well as Erf 26823, George. The letter is attached as **Annexure A**. GRDM responded to the letter on 31August 2026 requesting George Municipality to submit a formal Council Resolution approving the intent to acquire the properties. The GRDM's response letter is attached as **Annexure B.** The George Council Resolution 4.5 of 03 September 2026 was subsequently submitted and is attached as **Annexure C.**

5. RECOMMENDATIONS

1. That Council notes the intent by George Municipality to acquire the 5 Hansmoeskraal properties, the Hoekwil property as well as Erf 26823 George from GRDM.

2. That Council grants provisional approval in principle for the transfer of the following land parcels to George Municipality subject to the parties adhering to all applicable statutory processes:
    - Farm 202, Hansmoeskraal, Portion 1, George – 12.71 ha
    - Farm 202, Hansmoeskraal, Portion 2, George – 6.79 ha
    - Farm 202, Hansmoeskraal, Portion 73, George – 13.85 ha
    - Farm 202, Hansmoeskraal, Portion 12, George – 19. 58 ha
    - Farm 202, Hansmoeskraal, Portion 83, George – 0.41 ha
    - Farm Woodville 172, Portion 4, George (Hoekwil) – 26.43 ha

3. That the properties referred to in recommendation 2 be removed from the list of properties to be alienated in terms of Council resolution nr H.2 dated 23 April 2025.

4. That the proposed acquisition of Erf 26823, George, situated in Omega Street, be dealt with separately and excluded from the scope of the current approval process.

5. That Council declare and approve that the properties are not required for basic service provision by GRDM.

6. That Council authorizes Administration to enter into formal negotiations regarding the proposed acquisition of the specified properties with George Municipality and that this process be concluded within 90 days of the date of this Council resolution.

7. That Council directs Administration to embark on a public participation process to invite comments and objections once the negotiations between the two parties are concluded.

8. That Council notes that a final report, including public feedback and the purchase prices, will be tabled to the Council for final approval before the Transfer Agreement is signed

AANBEVELINGS

1. *Dat die Raad kennis neem van die voorneme van George-munisipaliteit om die 5 Hansmoeskraal-eiendomme, die Hoekwil-eiendom sowel as Erf 26823 George van GRDM te verkry.*

2. *Dat die Raad voorlopige goedkeuring in beginsel verleen vir die oordrag van die volgende grondpersele aan George-munisipaliteit, onderhewig daaraan dat die partye aan alle toepaslike statutêre prosesse voldoen:*

- *Plaas 202, Hansmoeskraal, Gedeelte 1, George – 12,71 ha*
- *Plaas 202, Hansmoeskraal, Gedeelte 2, George – 6,79 ha*
- *Plaas 202, Hansmoeskraal, Gedeelte 73, George – 13,85 ha*
- *Plaas 202, Hansmoeskraal, Gedeelte 12, George – 19,58 ha*
- *Plaas 202, Hansmoeskraal, Gedeelte 83, George – 0,41 ha*
- *Plaas Woodville 172, Gedeelte 4, George (Hoekwil) – 26,43 ha*

3. *Dat die eiendomme waarna in aanbeveling 2 verwys word, verwyder word van die lys van eiendomme wat ingevolge Raadsbesluit nr. H.2 gedateer 23 April 2025 vervreem moet word.*

4. *Dat die voorgestelde verkryging van Erf 26823, George, geleë in Omegastraat, afsonderlik hanteer en uitgesluit word van die bestek van die huidige goedkeuringsproses.*

5. *Dat die Raad verklaar en goedkeur dat die eiendomme nie vir die verskaffing van basiese dienste deur die GRDM benodig word nie.*

6. *Dat die Raad die Administrasie magtig om formele onderhandelinge met die George-munisipaliteit aan te knoop rakende die voorgestelde verkryging van die gespesifiseerde eiendomme, en dat hierdie proses binne 90 dae vanaf die datum van hierdie Raadsbesluit afgehandel word.*

7. *Dat die Raad die Administrasie opdrag gee om 'n openbare deelnameproses te loods ten einde kommentaar en besware te verkry sodra die onderhandelinge tussen die twee partye afgehandel is.*

8. *Dat die Raad kennis neem dat 'n finale verslag, wat openbare terugvoer en die aankooppryse insluit, aan die Raad voorgelê sal word vir finale goedkeuring voordat die Oordragooreenkoms onderteken word.*

IZINDULULO

1. IBhunga lithathele ingqalleo injongo yoMasipala waseGeorge yokufumana imihlaba emi-5 yaseHansmoeskraal, umhlaba waseHoekwil kunye ne-Erf 26823 eGeorge zisuka kwi-GRDM.

2. IBhunga linika imvume yethutyana ngokomgaqo-siseko yokudluliselwa kwala maqhekeza omhlaba alandelayo kuMasipala waseGeorge, phantsi kwemiqathango yokuba amaqela athobele zonke iinkqubo ezisemthethweni ezifanelekileyo:
    - Ifama 202, Hansmoeskraal, Isahlulo 1, George – 12.71 ha
    - Ifama 202, Hansmoeskraal, Isahlulo 2, George – 6.79 ha
    - Ifama 202, Hansmoeskraal, Isahlulo 73, George – 13.85 ha
    - Ifama 202, Hansmoeskraal, Isahlulo 12, George – 19.58 ha
    - Ifama 202, Hansmoeskraal, Isahlulo 83, George – 0.41 ha
    - Ifama iWoodville 172, Isahlulo 4, George (Hoekwil) – 26.43 ha

3. Sesokuba imihlaba echazwe kwisindululo 2 isuswe kuluhlu lwemihlaba ekufuneka inikezelwe ngokwesigqibo seBuyunga nr H@ sangomhla 23 kuTshazimpuzi 2025.

4. . Sesokuba isiphakamiso sokunikezlewa ngomhla 26823 e George, nose Omega Street, uhoywe ngiokukodwa kwaye ungaqukwa kwinkqubo ekhoyo ephunyeziweyo.

5. Sesokuba iBhunga libhengeze kwaye liphumeze ukuba lemihlaba ayivumelekanga ukuba bionelele ngenkonzo ezingundoqo ngu GRDM>

6. Sesokuba iBhunga ligunyaziwe Abalawuli ukuba bangenelele kwingxoxo ezifanelekileyo malunga nesiphakamiso sokunikezela kwemihlala echaziweyo kunye noMasipala Wase George kwaye lenkqubo iqukunjelwe phakathi kwentsuku ezi 90 ngomhla esisigqibo seBuunga.
7. Sesokuba iBhunga liyalele Abalawuli ukuba bangenelele kwinkqubo yokuthabatho nxaxheba koluntu ukufuna izimvo kunye nezichaso emveni kwengxoxo phakathi kwalamaqela mabini ziye zaqukunjelwa.
8. Ukuba iBhunga liyaqaphela ukuba ingxelo yokugqibela, equka izimvo zoluntu kunye namaxabiso okuthenga, iza kubekwa phambi kweBhunga ukuze lifumane imvume yokugqibela phambi kokuba kutyikitywe iSivumelwano sokuDluliselwa kweMihlaba.

6. DISCUSSION / CONTENTS

6.1 Background and Discussion

The George Municipality has formally approached GRDM requesting the acquisition of the following properties:

1. Farm 202, Hansmoeskraal, Portion 1, George – 12.71 ha
2. Farm 202, Hansmoeskraal, Portion 2, George – 6.79 ha
3. Farm 202, Hansmoeskraal, Portion 73, George – 13.85 ha
4. Farm 202, Hansmoeskraal, Portion 12, George – 19.58 ha
5. Farm 202, Hansmoeskraal, Portion 83, George – 0.41 ha
6. Farm Woodville 172, Portion 4, George (Hoekwil) – 26.43 ha

In addition to the above properties, the George Municipality has expressed an interest in acquiring Erf 26823, situated in Omega Street, George, measuring approximately 0.55 ha. The property is intended for development for social housing purposes by the George Municipality. This property was not part of the initial approved alienation list and therefore will be dealt with separately.

Because the envisaged transaction is between two organs of state, it qualifies as an Exempted Capital Asset Transfer governed by Chapter 3 of the Municipal Assets Transfer Regulations (MATR). Consequently, standard public competitive processes can be legally bypassed, allowing for a direct negotiated transfer. However, the properties will still be subjected to a Fair Market Value determination by an independent registered valuer.

Council is explicitly advised properties 1 – 6 above were previously approved for public disposal via competitive bidding under Council Resolution H.2 of 23 April 2025. However, due to the formal intergovernmental request received from George Municipality, it is structurally and legally necessary to alter the disposal mechanism.

In terms of the Intergovernmental Relations Framework Act (Act 13 of 2005) and Chapter 3 MATR, organs of state must give priority to mutual development goals over commercial exploitation. Therefore, the disposal of property 1 – 6 must be temporarily removed from the list of properties to be disposed through competitive processes.

Although Chapter 3 of the Municipal Asset Transfer Regulations provides for the transfer of assets between organs of state without following a competitive bidding process, the GRDM remains obligated to comply with the applicable statutory and regulatory requirements before the proposed transfer may proceed. Consequently, the GRDM requested that the George Municipality provide a formal Council resolution confirming its intention to acquire the identified properties.

It is further important to take into consideration the concerns raised by members of the public during the public participation process relating to the proposed alienation of the Hansmoeskraal properties. Community members expressed their opposition to the alienation of these properties to private developers, citing their historical and cultural significance to the Pacaltsdorp community, as well as their importance to local fishermen. Particular concerns were raised regarding the property known as Osgat , which provides access to the coastline for local fishermen. The community requested that this accesss be preserved and not be restricted as a result of any future transfer or development of the properties. These concerns should be duly considered in assessing the proposed transaction and any applicable conditions relating to the future use and development of the properties and the transfer of these properties to George Municipality will potentially mitigate these fears.

6.2 Financial Implications

Costs will be incurred by the GRDM for the determination of the current market value of the properties. The valuations might amount to approximately R180 000.00. All other transactional and registration costs will be borne by George Municipality.
That approximate amount of R180 000.00 be paid from provisions.

6.3 Legal Implications

This transaction should comply with the Intergovernmental Relations Framework Act 13 of 2005 as well as Chapter 3 of the MATR.

6.4 Staff Implications

None.

6.5 Previous / Relevant Council Resolutions:

Council Resolution H.2 of 23 April 2025
Council Resolution B.1. 7 of 27 May 2026

6.6 Risk Implications

Legislative and Regulatory Risk: Failure to comply with Section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the Municipal Asset Transfer Regulations, 2008, and other applicable legislative requirements may result in delays or render the proposed transaction irregular.

ANNEXURES

Annexure A – Expression of Interest Letter received from George Municipality
Annexure B – Response Letter by GRDM to George Municipality
Annexure C – Extract of Council Resolution received from George Municipality

ANNEXURE A

GEORGE
THE CITY FOR ALL REASONS

Mr D Gelderbloem
Manager: Investment Properties
E-mail: Dmgelderbloem@george.gov.za
Tel: 044 801 9073
Our Ref.: Hans Moes Kraal

Office of the Municipal Manager
Kantoor van die Munisipale Bestuurder

24 August 2026

GARDEN ROUTE DISTRICT MUNICIPALITY
P.O. Box 12
GEORGE
6530

For Attention: Mrs. Nthabeleng Raisa-Mlandu

RE: PROPOSED ACQUISITION OF HANS MOES KRAAL AND HOEKWIL PROPERTIES

Our meeting held on 19 August 2026 refers.

The George Municipality herewith submits a formal expression of interest to acquire the properties listed below, subsequent to the meeting held on 19 August 2026 where the proposed alienation of the following properties was discussed:

1. Farm 202, Hansmoeskraal portion 1 George - 12.71Ha
2. Farm 202, Hansmoeskraal portion 2 George - 6.79 Ha
3. Farm 202, Hansmoeskraal portion 73 George - 13.85Ha
4. Farm 202, Hansmoeskraal portion 12 George - 19.58Ha
5. Farm 202, Hansmoeskraal portion 83 George - 0.41Ha
6. Farm Woodville 172 Portion 4 George (Hoekwil)- 26.43 Ha

The George Municipality also expresses its interest in acquiring a property in Omega Street which is to be developed for social housing purposes, namely:

7. Erf 26823, George - 055Ha

As confirmed at the meeting, full investigation on the estimated cost to acquire the properties will be done by the Garden Route District Municipality in which the restrictive conditions to develop the properties will be addressed.

We trust that the expression of interest for the transfer of the properties to the George Municipality will be favorably considered.

Yours faithfully,

DR D O'NEILL
ACTING MUNICIPAL MANAGER

https://georgemun-my.sharepoint.com/personal/dmgelderbloem_george_gov_za/Documents/Desktop/Desktop_content/A_-_STRATEGIC_ITEMS/2026/Hans_Moes_Kraal Properties/Expression of Interest - Rev 01.docx

ANNEXURE B

Jou roete na vooruitgang • Indlela yakho eya empumelelweni • Your route to prosperity

Garden Route
DISTRICT MUNICIPALITY | UMASIPALA WESITHILI | DISTRIKSMUNISIPALITEIT

54 York Street, George Western Cape 6529	PO Box 12, George, Western Cape 6530	044 803 1300 info@gardenroute.gov.za **www.gardenroute.gov.za**

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: *D Mashila*
Reference: *18/1/1/3*
Date: *26 August 2026*

Dr D O'Neill
Acting Municipal Manager: George Municipality
71 York Street
George
6530

Email: mmoffice@george.gov.za

ACKNOWLEDGEMENT AND PROCEDURAL REQUIREMENTS – EXPRESSION OF INTEREST TO ACQUIRE PROPERTIES

Sir

We hereby acknowledge receipt of your expression of interest (EIO) dated 24 August 2026, regarding the acquisition of the following properties.

1. Farm 202, Hansmoeskraal portion 1 George - 12.71Ha
2. Farm 202, Hansmoeskraal portion 2 George - 6.79 Ha
3. Farm 202, Hansmoeskraal portion 73 George - 13.85Ha
4. Farm 202, Hansmoeskraal portion 12 George - 19.58Ha
5. Farm 202, Hansmoeskraal portion 83 George - 0.41Ha
6. Farm Woodville 172 Portion 4 George (Hoekwil)- 26.43 Ha
7. Erf 26823, George - 055Ha

As this transaction constitutes an intergovernmental transfer of a municipal capital asset, it is governed by Section 14 of the Local Government Municipal Finance Management Act (Act 56 of 2003) and Chapter 3 of the Municipal Transfer Regulation (MATR),2008.

While chapter 3 of the MATR exempts transfer between organs of state from competitive bidding, GRDM must still satisfy statutory requirements before these assets can be alienated.

To enable us to prepare a formal submission to the District Council, please provide the following information:

1. Council resolution:
   A formal resolution from your Council approving the intent to acquire the assets.

Upon receipt of the document, GRDM will formally commence with the administrative process to process the request, including obtaining an in-principle approval from the Council to transfer the subject properties.

We look forward to your submission to advance this cooperative governance initiative.

Yours faithfully,

NM RAISA-MLANDU
ACTING MUNICIPAL MANAGER
DATE: 2026/08/31

ANNEXURE C

EXTRACT FROM DRAFT MINUTES: SPECIAL COUNCIL e-MEETING HELD ON 03 SEPTEMBER 2026

4.5 **PROPOSED ACQUISITION OF GARDEN ROUTE DISTRICT MUNICIPALITY PROPERTIES BY GEORGE MUNICIPALITY**

Proposed by Councillor Niehaus and seconded by Alderman Kruger, it was

RESOLVED

(a) That Council **TAKES NOTE** of the Expression of Interest submitted by the George Municipality to acquire certain properties owned by the Garden Route District Municipality;

(b) That Council **GRANTS IN-PRINCIPAL APPROVAL** for the acquisition of the following properties from the Garden Route District Municipality, subject to all statutory processes and approvals being complied with:

i. Farm 202 Portion 1, Hansmoeskraal;
ii. Farm 202 Portion 2, Hansmoeskraal;
iii. Farm 202 Portion 73, Hansmoeskraal;
iv. Farm 202 Portion 12, Hansmoeskraal;
v. Farm 202 Portion 83, Hansmoeskraal;
vi. Farm 172 Portion 4, Woodville (Hoekwil); and
vii. Erf 26823, George.

(c) That the Acting Municipal Manager be authorised to submit Council's resolution to the Garden Route District Municipality to enable the commencement of the required administrative, valuation and statutory transfer processes;

(d) That a further report be submitted to Council upon completion of the required investigations, valuations and statutory processes, setting out the final terms and conditions of acquisition together with the financial implications thereof for consideration and approval.

Date: 3/09/2026
Manager: Committee Support (Miss R Bredenkamp)

Date: 4/9/2026
Deputy Director: Corporate Services (Admin) (Mr E Ganza)

Date: 4/9/2026
Director: Corporate Services (Mr B Ellman)