

# APPENDIX 7-A

**Social and Economic Impact  
Social and Institutional Issues**

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## 1: Northern Cape Development Targets for 2030

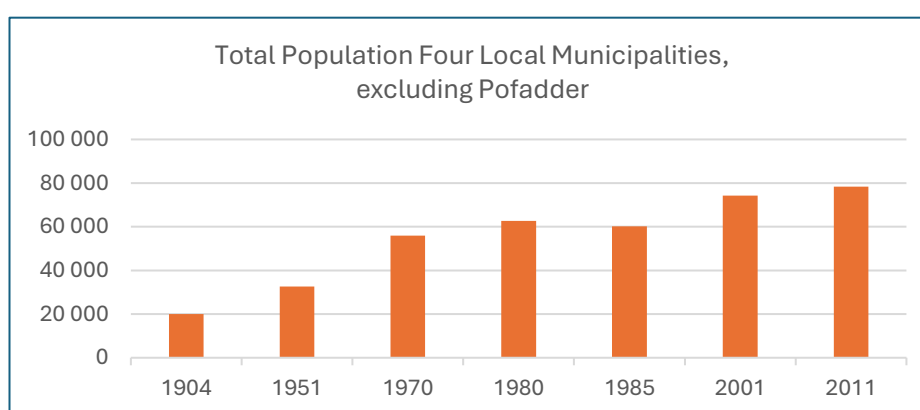
Northern Cape Provincial Growth and Development Plan, 2014  
development targets for 2030 <sup>1</sup>

National Development Plan: Vision 2030			NC Provincial Growth and Development Plan		
NDP Poverty, Inequality and Unemployment related targets: BY 2030	National Baseline 2014/2015	National Target 2030	NC Baseline 2014/2015	NC Target 2024	NC Target 2030
1. Reduce the proportion of persons living below the lower-bound poverty line from 39% (in 2009) to 0	40,0% (2015)	0%	% (40.7% - 2015)	21,4%	0%
2. Reduce poverty-induced hunger to 0%	25,2% (2015)	0%	31,3% (2015)	16%	0%
3. Reduce income inequality from 0,7 in 2010 to 0,6	0,68 (2015)	0,60	0,67 (2015)	0	0,60
4. Halve Unemployment	25,3% (2015)	12%	29% (Q1 2014)	21%	14,5%
5. GDP Growth (Average growth of 5.4% per year between 2012 and 2030)	1,8% (Q1 2014)	5.4%	3% (2014)	3,5%	5%

StatsSA: Poverty Trends in South Africa 2006-2015

## 2: Population growth in Namakwa Local municipalities

Population growth 1904-2011 in four Local Municipalities (except Pofadder)<sup>2</sup>, over a period of over a century

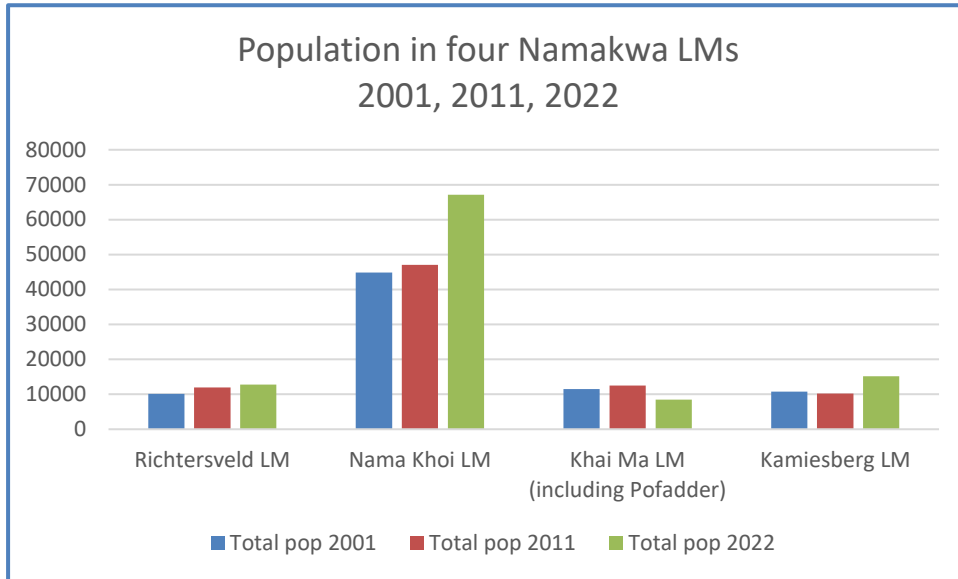


<sup>1</sup> Northern Cape (2020), Office of the Premier, *Strategic Plan 2020-2025*, p. 31.

<sup>2</sup> The earlier data excluded Pofadder, because that was demarcated as part of Bushmanland. Since 2006, Pofadder and Aggeneys have been counted as part of Namakwa DM, which has created some difficulties for comparison with pre-1990 data.

	Total pop 2001	Total pop 2011	Total pop 2022
Richtersveld LM	10125	11982	12791 <sup>3</sup>
Nama Khoi LM	44900	47041	67089
Khai Ma LM (including Pofadder)	11469	12465	8510
Kamiesberg LM	10754	10187	15130

Population shifts, 2001-2022



Over the last twenty years, population has grown in three of the four municipalities. The exception is Khai Ma LM.

Population growth rates per municipality, 2001-2022

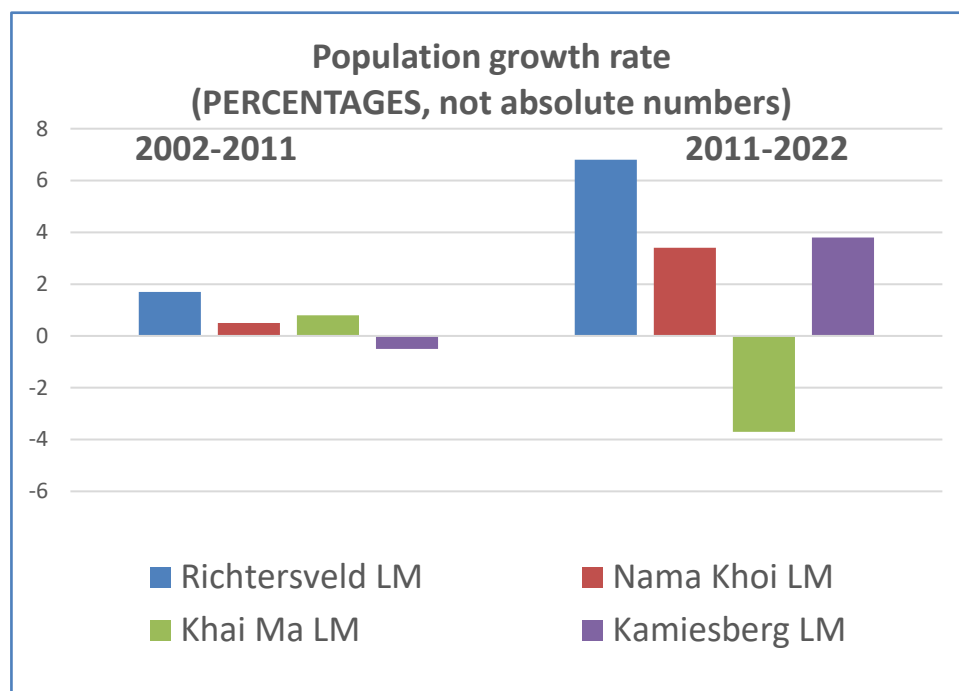
	Population growth rate <sup>4</sup>	
	2001-2011	2011-2022
	%	%
Richtersveld LM	1,7	6,8
Nama Khoi LM	0,5	3,4
Khai Ma LM	0,8	-3,7
Kamiesberg LM	-0,5	3,8

The same data is illustrated in the table below:

<sup>3</sup> The figures for Richtersveld LM are somewhat debatable. The 2022 Census figure is provided as 24 365, which is more than double the figure for 2011. The figure is clearly wrong. However, the population growth rate is provided as 6,8%, which seems realistic. With this growth rate, a more appropriate population figure for 2022 can be calculated (i.e. 12 781).

<sup>4</sup> Source: StatsSA, *Municipal Fact Sheet*, 2022. [www.statssa.gov.za](http://www.statssa.gov.za)

Population growth rate percentages



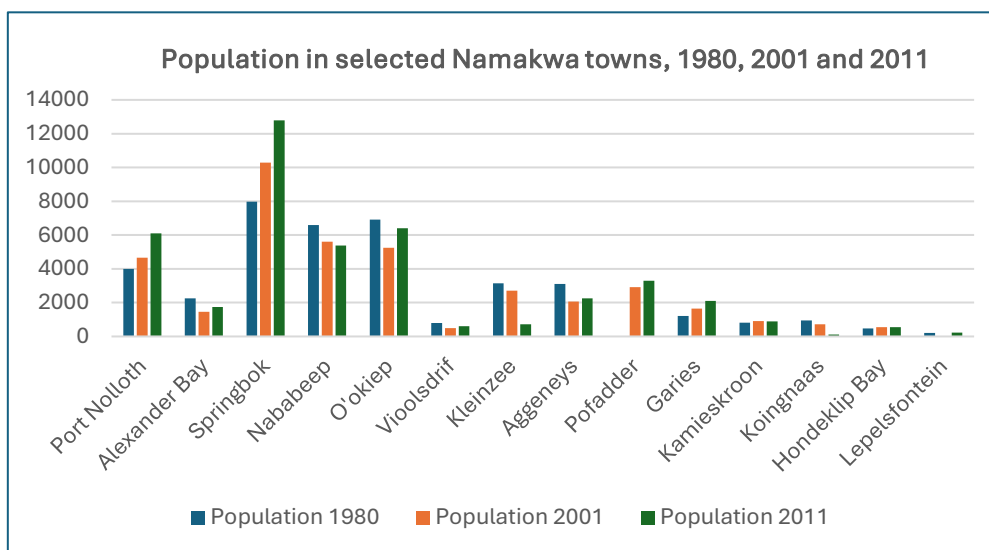
Increasing population and urbanisation in Namakwa region

Year	Notes and Calculations	Total Population	Urban population	Urban pop as % of total pop	Rural population
1904	Namaqualand excluding Pofadder <sup>5</sup>	20 041	6 717	34 %	13 324
1951	Namaqualand excluding Pofadder	32 633	19 229		22 404
1970	Namaqualand excluding Pofadder	56 009	24 436	44 %	31 573
1980	Namaqualand excluding Pofadder	62 686	26 069		36 617
1985	Namaqualand excluding Pofadder	60 234	24 811	41%	35 423
2001	Nama Khoi, Richtersveld, Kamiesberg, Khai Ma, excluding Pofadder	74 325	Not available	Not available	Not available
2011	Nama Khoi, Richtersveld, Kamiesberg, Khai Ma, excluding Pofadder	78 388	72483	92,5 <sup>6</sup>	3287

<sup>5</sup> Earlier figures are drawn from Dunne (1986),p. 86. That study focused on Namaqualand, which excluded Pofadder, which was considered to be part of Bushmanland. Consequently, we removed the Pofadder figures from the Khai-Ma population figures, to ensure general comparability. The old "Namaqualand" was also understood differently from the modern Namakwa District Municipality, which includes Karoo towns such as Calvinia, Sutherland, Fraserburg and Williston.

<sup>6</sup> All four municipalities in the study area now have an urbanisation rate higher than 90% (Northern Cape SDF, p 218).

Population shifts in key Namakwa towns, 1980-2011<sup>7</sup>



Town-based population figures

Using Dunne's figures (drawn from 1980) and Census 2011 data, we can compare the population levels of selected towns over a thirty-year period:<sup>8</sup>

Growth trends in selected Namakwa towns, 1980-1911

Municipality	Settlement	Population 1980	Population 2011	Trend
Richtersveld LM	Port Nolloth	3999	6092	Strong increase (municipal HQ)
	Alexander Bay	2263	1736	Decline (due to mining decline)
Nama Khoi LM	Springbok	7969	12790	Strong increase (municipal HQ)
	Nababeep	6584	5374	Decline
	O'okiep	6912	6394	Slight increase
	Violsdrif	803	599	Decline
	Kleinzee	3153	728	Strong decline (mining decline)
Khai-Ma LM	Aggeneys	3102	2262	Decline
	Pofadder	Not available	3287	N/A
Kamiesberg LM	Garies	1209	2106	Strong increase (municipal HQ)
	Kamieskroon	818	893	Static
	Koingnaas	942	105	Strong decline
	Hondeklip Bay	464	543	Slight increase

<sup>7</sup> Town-based figures from the 2022 census appear not to be available yet.

<sup>8</sup> This overview excludes the villages in the Coloured Rural Areas (drawn from Dunn 1986). The 2001 data is drawn from <https://census2001.adrianfrith.com>

Today, Nama Khoi LM is the most populous municipality, with a population of just more than 55 000 in 2019 and almost 58 000 in 2023. Richtersveld LM and Khâi-Ma LM have population numbers of around 15 000 in 2023, and Kamiesberg is the smallest in terms of population. The population distribution in these towns is very similar to that of Nama Khoi, although the African population in Richtersveld and Khâi-Ma now exceed 10%, due to in-migration.

Rural population in four municipalities

	Non Urban population 2011	Non-urban population as % of total population
Richtersveld LM	139	1.1%
Nama Khoi LM	2909	8.1%
Khai Ma LM (including Pofadder	2148	17.2%
Kamiesberg LM	709	6.9%
<b>TOTALS</b>	<b>5 905</b>	

**3: Social indicators in Namakwa municipalities**

Various social indicators in four Namakwa municipalities, compared to Sol Plaatje LM (Kimberley)<sup>9</sup>

	Richtersveld	Nama Khoi	Khai-Ma	Kamiesberg	Sol Plaatje (comparative purposes)	Notes
Physical size of jurisdiction	9 607 km <sup>2</sup>	17 988 km <sup>2</sup>	16628 km <sup>2</sup>	14 210 km <sup>2</sup>	3145 km <sup>2</sup>	Richtersveld smallest; Nama Khoi almost double the size
Number of people per km <sup>2</sup>	1,2	2,7	0,8	0,7	85,8	Very sparse in Khai-Ma and Kamiesberg
Sex ratio: Men to women	50%	49%	50%	49%	49%	Balanced
Children aged under 14 years	23%	23%	25%	26%	28%	% of children very low in Richtersveld – why?
Working age people: 15-65	71%	69%	69%	63%	65%	Relatively large working age population in Richtersveld
Elderly – over 65%	6%	8%	6%	15 %	7%	High proportion of young and elderly in Kamiesberg
Life expectancy: Years	63,8	64,7	63,1	64,8	59,1	Life expectancy higher than in urban area
Healthcare facilities	13	26	13	21	57	Nama Khoi is better served than the other LMs; but its jurisdiction is larger.
Mean years schooling	8,2	8,57	8,1	7,6	8,8	Levels of schooling generally low, particularly Kamiesberg. However, Namakwa DM average is even lower, at 7,8.
Adult literacy rate	76,5%	79,5%	75,6	70,9%	78,6%	At least 25% of adults illiterate
Regional GDP per capita	R165,079	R187 587	R112,801	R94,054	R113 336	High per capita GDP in Richtersveld (skewed by diamond mining?)
Average monthly household income	R528	R2 239	R420	R378	10,146	Higher in Nama Khoi, but very low compared to urban area. Very low in Kamiesberg and Khai Ma.
Income inequality 2016	0,6 (improving trend)	0,62 (improving trend)	0,59 (deteriorating trend)	0,58 (improving trend)	0,67 (deteriorating trend)	Generally improving, except Khai Ma, due to intensive commercial agriculture that does not filter to broader population?
Human Development Index 2016	0,662 (improving trend)	0,675 (improving trend)	0,652 (improving trend)	0,678 (improving trend)	0,589 (improving trend)	Stable and improving; indicates improving government services
Indigent households	1129	5332	Not provided	1239	14662	At least 7700 indigent households that could benefit from low-skilled jobs (Khai Ma not included here).

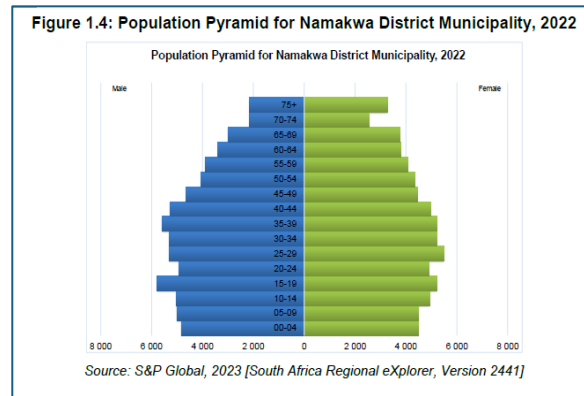
<sup>9</sup> National Treasury, MSEP reports, Richtersveld, Nama Khoi, Khai-Ma and Kamiesberg. [https://lg.treasury.gov.za/ibi\\_apps/portal/Municipal\\_Socio\\_Economic\\_Profiles](https://lg.treasury.gov.za/ibi_apps/portal/Municipal_Socio_Economic_Profiles); Quantec figures 2020.

- The **gender ratio** is fairly balanced. This may, however, change significantly if there is rapid in-migration of male workers, due to the Port and GH complex.
- The proportion of **elderly** in the communities are all in the 6-8% range, similar to Sol Plaatje LM (7%). However, Kamiesberg LM is an outlier, at 15%. This suggests that a large number of working-age people have migrated away from Kamiesberg. This is one of the several indicators showing the economic decline of Kamiesberg.
- **Life expectancy** in our four municipalities is around 63-64 years, somewhat higher than Sol Plaatje at 59%. This suggests that, while poverty is rife in our municipalities, there may be fewer other risks (such as travel accidents or epidemics).
- **Mean years of schooling** vary from a low of 7.6 in Kamiesberg to a high of 8.57 in Nama Khoi – somewhat lower (but not much) than the 8.8 years of schooling in Sol Plaatje. This is surprising, given the very small number of high schools in the Namakwa area. It suggests that school learners may migrate to access high schools.
- The **adult literacy rate** ranges from a low of 71% in Kamiesberg (again showing its relative poor performance) to a high of 79,5% in Nama Khoi. This is very similar to the 78.6% in Sol Plaatje LM. The disturbing point, however, is that almost 30% of adults are not literate, which would only make them suitable for unskilled work.
- **Average income inequality** is around 0,58-0,6 on the Gini Co-efficient scale. This is in fact better than Sol Plaatje at 0,67. However, it may indicate that a large number of people in the Namakwa municipalities are universally poor, creating a greater level of equality.
- The **Human Development Index (HDI)**<sup>10</sup> in the four Namakwa municipalities range from a low of 0,652 in Khai-Ma LM to a high of 0,678 in Kamiesberg (which is surprising; this may be due to a larger number of pension recipients in Kamiesberg). The HDI levels are improving. These figures are better than the HDI of 0,589 in Sol Plaatje LM.
- The **dependency ratio** (dependence of non-income earners on income earners) ranges from a fairly balanced 42 in Richtersveld and 43,7 in Kamiesberg, to a fairly high 56,6 in Khai-Ma. Generally, the Namakwa municipalities are better than Sol Plaatje, at 54,7.

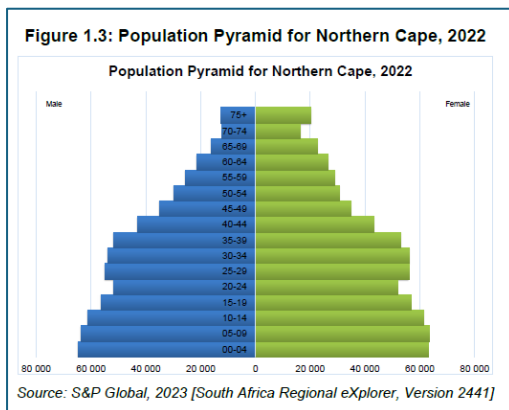
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<sup>10</sup> This measure combines a long and healthy life (health), being knowledgeable (education) and having a decent standard of living (income).

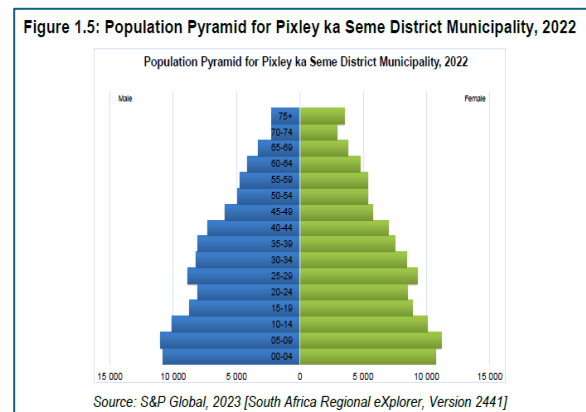
Population pyramid: Namakwa DM



Population Pyramid, Northern Cape



Population pyramid, Pixley ka Seme DM



Dependency ratio (young and elderly in relation to working-age people, 2016)

	Richtersveld	Nama Khoi	Khai Ma	Kamiesberg	Sol Plaatjie (Kimberley, for comparative purposes)
2011 census	42,5	49,4	45,7	57,9	51
Quantec 2020	42	45	43,7	56,6	54,7
2022 census	45	46,7	45,1	51,6	49,8

#### **4: Household income levels**

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The National Treasury MSEP reports compared household income levels in the four municipalities, as well as Namakwa DM and national levels:<sup>11</sup>

Household income levels: Municipalities in Namakwa district

	Average household income per month (2019)	Average trend regarding household income growth (2016-2019)	Indigent households 2019	Indigent households as % of households
Richtersveld LM	R43	0,9%	1128	33,7%
Nama Khoi LM	R186	1,96%	5327	40,3%
Khai Ma LM	R35	1,39%	Not available	Not available
Kamiesberg LM	R31	-1,39 %	1,238	40,9%
<b>Namakwa DM</b>	<b>R379</b>	<b>1,63%</b>		
<b>Republic of SA</b>	<b>R11 907<sup>12</sup></b>	<b>1,83%</b>		

#### **5: Infrastructure earmarked for the four municipalities**

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*amakwa Spatial Framework* (2023, p. 101): The projects earmarked are: “Steinkopf 1500”: R1 308 261; Town planning; O’kiep: R6 million for top structures; Pofadder: Town planning, R3,5 million; Kharkams (Kamiesberg LM), MIG funding, upgrading of sport facilities phase 2: R10 million; Kamieskroon (Kamiesberg LM), MIG funding, R8 million (sanitation); Kamieskroon (Kamiesberg LM), MIG funding, R21 million: Ground water desalination, bulk water, boreholes, reservoir: Access to water for 400 households; Rooffontein (Kamiesberg LM), MIG, R12 million: Ground water desalination, bulk water, borehole development for 190 households; Kharkams (Kamiesberg LM), MIG, R30 million: Water supply for 383 households; Pella (Khai-Ma LM), Bulk Water Infrastructure reticulation, MIG, R20 million: Water for 712 households; Komaggas (Nama Khoi LM), MIG R44 million: 847 households access to water; Okiep (Nama Khoi LM), Sewer reticulation, MIG, 272 households; Port Nolloth (Richtersveld LM), Waste water treatment works), R20 million: Sanitation improvements for 22 49 households.

*Office of the Premier, Memorandum to NCOP*. The proposed housing schemes were identified as: Khai-Ma LM: 90 houses in Onseepkans: 30 in RK Sending, 30 in Melkbosrand, and 30 in Viljoensdraai; Khai-Ma LM: 30 houses in Pella, 30 in Witbank and 30 in Pofadder; Kamiesberg LM: 30 houses in Spoegrivier, 30 in Kheis, 30 in Tweeriviere, 30 in Garies, and an additional 15; Nama Khoi LM: 105 houses in Bergsig and 29 in Concordia.

Richtersveld LM, *Spatial Development Framework*, 2024, p. 75. The projects are: Kuboes and Eksteensfontein water supply; refurbishment of MILE 8 boreholes (Port Nolloth); Lekkersing water supply; Port Nolloth bulk water supply; and oxidation ponds for Port Nolloth (MIG).

#### **6: People receiving Anti-retroviral treatment**

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The table below shows the high number of people receiving ART already, and the steady number added to this total:<sup>13</sup>

<sup>11</sup> National Treasury, MSEP reports, Richtersveld LM, Nama Khoi LM, Khai-Ma LM, Kamiesberg LM.

<sup>12</sup> The Broadcast Research Council of South Africa, The Establishment Survey, March 2019 release, [https://brcsa.org.za/wp-content/uploads/2019/04/ES\\_Mar19-release\\_26032019-v4.pdf](https://brcsa.org.za/wp-content/uploads/2019/04/ES_Mar19-release_26032019-v4.pdf).

<sup>13</sup> Nasional Treasury, MSEP Richtersveld LM, Nama Khoi LM, Khai Ma LM and Kamiesberg LM.

Number of patients receiving HIV/ART treatment

	Patients on ART		Patients starting on ARV treatment (HIV prevalence)			
	2016		2019	2016	2017	2018
Richtersveld LM	3 728	4228	64	46	45	37
Nama Khoi LM	10232	12275	166	116	134	149
Khai Ma LM	4550	6458	83	83	112	99
Kamiesberg	1940	2414	34	23	21	19
Namakwa DM	27 741	34 992	502	350	415	420

7: Proposed health expenditures for Transnet Corporate Social Investment

Proposed Transnet Health CSI funding for the Richtersveld area<sup>14</sup>

	Port Nolloth	Alexander Bay	Kuboes	Lekkering	Sanddrif
<b>Mobile clinics</b>	Currently 3, increase to 5 during construction, then decline to 4	Currently 1, then increase to 2 during construction, then decline to 1	Currently 1, remain static	0 <sup>15</sup>	Currently 1, remain constant
	<b>Proposed CSI:</b> Support the existing mobile clinic programme in the villages to provide the services more frequently and of an improved quality of service. <sup>16</sup>				
<b>Satellite clinic</b>	Currently 1, remain static	0	0	0	0
	<b>Proposed CSI:</b> Support the satellite clinic programme to provide the services more frequently and of an improved quality of service				
<b>Primary health facilities</b>	0 ( <i>this is debatable</i> )	0	0	0	0
	<b>Proposed CSI:</b> Contribute to the upgrading of the primary health clinics in Port Nolloth and Alexander Bay				
<b>Substance abuse programme</b>	<b>Proposed CSI:</b> Support the existing younger population's prevalence of substance abuse programme Facilitate the Community Awareness programmes on Foetal Alcohol Syndrome through the existing clinic structures				
<b>Global health threats</b>	<b>Proposed CSI:</b> Inform and advise communities about global health threats such as COVID-19, HIV/AIDS and Mpox by means of care-giver support and training programmes.				

<sup>14</sup> Transnet, 2024, *Boegoebaai Port Development SEB Report*, p. 63, p. 75.

<sup>15</sup> It is surprising that there is no mention of mobile clinics in future.

<sup>16</sup> The Namakwa SDF has proposed a Mobile Health Clinic at Sanddrift Cited in Richtersveld LM, *Spatial Development Framework*, 2024, p. 74.

Transnet CSI proposals for educational projects<sup>17</sup>

	Port Nolloth	Alexander Bay	Kuboes	Lekkersing	Sanddrif
<b>Creches</b>	Currently 5, increasing to 7 in 2050	Currently 2, increasing to 3 during construction; later reduce to 2	Currently none; 1 by 1950	Currently none, 1 by 2040	Currently 2, 2 by 2050
	<b>Proposed CSI:</b> Support existing local community creches and 5 newly established creches with the formulation of ECD programmes, which could be rolled out into the broader communities				
<b>Primary school</b>	Currently 4, 5 during construction, 5 by 2050	Currently 1, 2 during construction, 1 by 2040	Currently 1, remains static	0	Currently 1, remains static
	<b>Proposed CSI:</b> Support and partake in intervention programmes for educational development and improved subject performance				
<b>Secondary school</b>	Currently 1. Another built during construction, remains at that level <sup>18</sup>	0	0	0	0
	<b>Proposed CSI:</b> <ul style="list-style-type: none"> <li>• Assist learners from the villages to gain access to high school</li> <li>• Improved subject performance focusing on Maths, Science and Technology</li> <li>• Assist and facilitate in the establishment of at least one more high school</li> <li>• Excursion tours and career exposure</li> <li>• School sport facilities and equipment.</li> </ul>				
<b>Tertiary facility</b>	Currently none; one built during construction phase (agricultural training)	0	0	0	0
	<b>Proposed CSI:</b> Facilitate access to tertiary training facilities and systems				
<b>ABET</b>	Support and facilitate the introduction of Adult Basic Education and Training programmes.				
<b>Entrepreneurship &amp; skills</b>	<b>Proposed CSI:</b> Entrepreneurship and youth skills development <ul style="list-style-type: none"> <li>• Liaise with existing management, business and technical programmes, e.g. SEDA and SETAs.</li> <li>• Align with the TNPA artisan employee training programme but extended to involve external unemployed persons.</li> </ul>				

<sup>17</sup> Transnet, *Boegoebaai Port Development Socio-economic Studies*, p. 63. And 78.

<sup>18</sup> The Transnet report wrongly states that there are currently 2 high schools in Port Nolloth. In fact, there is only the Port Nolloth High School. This suggests that another secondary school will have to be built.

Skill levels, Namakwa District, 2016 and 2019

	Low-skilled workers		Semi-skilled workers		Skilled workers		TOTALS		TREND
	2016	2019	2016	2019	2016	2019	2016	2019	
Richtersveld	1069	1116	1676	1719	740	786	3487	3621	Number of workers in all categories increased
Nama Khoi	3646	3661	5932	5989	2505	2599	12083	12249	Number of workers in all categories increased
Khai Ma	1691	1668	1388	1433	434	444	3513	3545	Number of workers in all categories increased slightly
Kamiesberg	718	731	1014	1028	308	301	2040	2060	Number of workers largely static
<b>TOTALS</b>	7124	7176	10010	10169	3987	4130	21123	21475	

According to this table, the number of skilled workers had increased somewhat, although the level is still very low.

### **8: Courses available at the Springbok/Okiep TVET College**

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- Pre-matric business studies (NCV – National Vocational Certificate): Pre-vocational learning programme; hospitality; office administration; safety in society; Transport and Logistics
- Pre-matric Engineering (NCV) – National Vocational Certificate): Electrical Infrastructure Construction; Automotive; Fabrication; Fitting and Turning
- Post-matric Business Studies (NATED – National Accredited Technical Diploma): Public Management; Human Resource Management; Management Assistant; Financial Management; business Management; Tourism; Legal Secretary
- Post-matric Engineering (NATED – National Accredited Technical Diploma): Mechanic; Electrical; Fitting and Turning; Boiler Maker; Auto Electrical; Millwright; and Welding.

**9: Proposed Transnet CSI expenditure for social services**

Proposed Transnet CSI social interventions for social services<sup>19</sup>

	<b>Port Nolloth</b>	<b>Alexander Bay</b>	<b>Kuboes</b>	<b>Lekkersing</b>	<b>Sanddrif</b>
<b>Multi-purpose centre</b>	1 Currently, increase to 2 during construction until 2050	None currently, then 1 built during construction, until 2050	0	0	0
	<b>Proposed CSI:</b> Accelerate and support the provision of 10 community halls and multi-purpose centres. Facilitate the provision of basic equipment for community halls and multi-purpose centres.				
<b>Library</b>	1 currently, 2 built during construction	None currently, 1 built during construction	0	0	0
	<b>Proposed CSI:</b> Accelerate and support the provision of three libraries. Facilitate the provision of books, digital reading tools, magazines and articles to the existing and future libraries.				
<b>Community sport field</b>	None currently, 1 built during construction	None currently, 1 built during construction	0	0	0
	<b>Proposed CSI:</b> In alignment with the school sport programme, provide 3 community sport fields to the impoverished communities. Provide sport equipment in support of the community sport fields. Facilitate sport training and arrange community sport events and competitions.				
<b>Play areas</b>	3 currently, then static	1 today, remain static	0?	0?	1 currently, then static
	<b>Proposed CSI:</b> Provide and maintain 10 children's play areas within the impoverished communities.				
<b>Places of workshop</b>	Currently 6, increase to 9 during construction	Currently 2, then increase to 3 during construction	Currently 1, then static	Currently 1, then static	Currently 2, then static

<sup>19</sup> Transnet, *Boegoebaai Port Development Socio-economic Studies: SEB Report, 2024*, p. 77.

## 10: Proposed Transnet CSI expenditure for livelihoods and economic projects

Transnet SEB CSI proposals for livelihoods and economic projects<sup>20</sup>

	Port Nolloth	Alexander Bay	Kuboes	Lekkersing	Sanddrif
<b>Market garden</b>	Currently 3, increase to 4 during construction	Currently 1, then static	0	0	Currently 1, then static
	<b>Proposed CSI:</b> Establish, facilitate and provide management support to five community garden initiatives.				
<b>Community farmers' market</b>	Currently 3, increase to 4 during construction	Currently 1, then static	0	0	Currently 1, then static
	<b>Proposed CSI:</b> Establish, facilitate and provide management support to 5 off-set areas through farmers' markets for the community market gardens.				
<b>Community retail centre</b>	Currently 1, then increase to 2 during construction	Currently 0, then static	0	0	0
<b>Mini factory</b>	Currently 1, then static	0	0	0	0
	<b>Proposed CSI:</b> <ul style="list-style-type: none"> <li>Establish, facilitate, and provide management support for 4 mini-factories</li> <li>Align with the Entrepreneurship and Youth unemployment skills development.</li> </ul>				
<b>Agricultural projects</b>	<b>Proposed CSI:</b> Establish, facilitate and provide management support to an Agricultural Training Facility Project (an Agri-preneur project), localities to be determined				
<b>Tourism</b>	<b>Proposed CSI:</b> <ul style="list-style-type: none"> <li>Provide management and admin support to the tourism association</li> <li>Provide support to tourism development and marketing initiatives through the tourism association</li> <li>Training of responsible marine (fishing and angling) tour operators and guides in the Richtersveld.</li> </ul>				

## 11: Party-political dynamics in Namakwa municipalities

## 12: Municipal political profiles

Political trends in the four municipalities can have a significant impact on various sectors. Richtersveld LM is clearly the most significant, as it is the jurisdiction in which the Boegoebaai projects will be located, and Nama Khoi, which is the main economic centre and the seat of Namakwa DM. Khai-Ma, as the focal point of the Namakwa SEZ, is also important, and decision-making in the main town of Pofadder can decisively influence the progress of the SEZ. Kamiesberg is an important tourism area, which may become an important gateway to travel to the coast and Port Nolloth, thereby avoiding the potential traffic congestion around Springbok and Steinkopf.

<sup>20</sup> Transnet, *Boegoebaai Port Development Socio-economic Studies: SEB Report*, 2024, p. 78.

12.1 Richtersveld Local Municipality

Richtersveld local election, 1 November 2021							
Party	Votes				Seats		
	Ward	List	Total	%	Ward	List	Total
African National Congress	2,066	2,116	4,182	47.3%	6	0	6
Democratic Alliance	1,129	1,379	2,508	28.4%	0	3	3
Economic Freedom Fighters	324	329	653	7.4%	0	1	1
Independent candidates	522	–	522	5.9%	0	–	0
National Economic Fighters	143	293	436	4.9%	0	1	1
Namakwa Civic Movement	147	193	340	3.8%	0	0	0
Freedom Front Plus	108	94	202	2.3%	0	0	0
<b>Total</b>	<b>4,439</b>	<b>4,404</b>	<b>8,843</b>		<b>6</b>	<b>5</b>	<b>11</b>

Party-political representation on Richtersveld LM Council<sup>21</sup>

In 2021, the ANC won a majority of six seats on the council (which notably included all six wards):<sup>22</sup> However, the ANC’s proportion of the vote (47%) does not represent an absolute majority of all the votes cast. The opposition parties are fragmented, and therefore could not win any of the wards. All the PR seats were captured by opposition parties. The largest opposition party is the Democratic Alliance, which attracted just under 30% of the vote. One seat is held by the EFF, and one by the National Economic Fighters (NEF).

This is a significant shift from the municipal elections in 2016, when the ANC received an absolute majority (53%), the DA received 46%, and the EFF received 1%.<sup>23</sup> Since 2016, the ANC has dipped below 50%, the DA has declined from 46% to 28%, and the EFF has increased its share from 1% to 7%. The decline of the DA has been accompanied by the rise of the Namakwa Civic Movement (NCM) and the National Economic Fighters (NEF).

The 522 votes for Independents in Richtersveld LM may be significant. It suggests that key local leaders<sup>24</sup> have some confidence and traction with the local communities, and may be influential in future discussions about Boegoebaai projects.

<sup>21</sup> <https://en.wikipedia.org/wiki/Richtersveld>

<sup>22</sup> [https://en.wikipedia.org/wiki/Richtersveld\\_Local\\_Municipality](https://en.wikipedia.org/wiki/Richtersveld_Local_Municipality)

<sup>23</sup> <https://results.elections.org.za>

<sup>24</sup> The Independent candidates were Demetri Farmer, Dicolene Cloete, Devald Links, Johannes Moos, Gabriel Swarts, James Malgas, Arthur Ovies, and Anthony September (<https://www.elections.org.za/pw/Documents/CandidateLists/NC081021.pdf>).

**12.2 Nama Khoi Municipality**

The Nama Khoi municipality consists of nine wards, and an additional eight PR Councillors

Ward	Town/ Suburb
1	Concordia
2	Steinkopf (Violsdrift, Rooiwal)
	Steinkopf (Goodhouse, Bulletrap, Rooiwinkel)
4	Springbok (Carolusberg, Fonteintjie)
	Springbok (Bergsig)
6	Okiep (Skietbank, Kouroep)
7	Matjieskloof, Vaalwater
8	Komaggas, Buffelsrivier/ Kleinzee
9	Nababeep

During the 2021 Local Government Elections (LGE), the ANC won the largest share of the vote (42%), but did not achieve an absolute majority. Consequently, the Democratic Alliance (DA) and the Namakwa Civic Movement (NCM) formed a coalition government. On the Council, the overall party representation is as follows: ANC: 7 councillors; DA: 5; NCM: 4; FF+: 1.

This was a significant shift from the municipal elections in 2016.<sup>25</sup> Significantly, the new show in town was the Namakwa Civic Movement (NCM), with a debut performance of 21% in 2021. This suggests a strong “turn to the local”, i.e. a focus on local leaders with credible local networks and an understanding of local conditions.

Since 2016, the ANC declined, from 47% to 42%; and the DA declined from 40% to 30%. Even the Khoisan Social Revolution Party declined from 5% to 1%. The other national parties declined too: COPE from 3% to 1%, and the EFF from a miniscule 2% to 1%. The Freedom Front Plus doubled its vote, but remains marginal: 0,5% to 1,5% (although it managed to get one seat in the 2021 Council, which gives it a platform for the first time).

A remarkable shift in political culture has taken place on the Nama Khoi Council, away from “winner take all” politics, towards the politics of coalitions. The DA and NCM signed a formal agreement outlining the rotation of key leadership roles.<sup>26</sup> The July 2024 leadership transition, where the incumbents of the positions of Mayor and Speaker were rotated, aligns with this agreement. Initially, the DA held both positions, but as stipulated, the NCM assumed these roles in the second half of the term, demonstrating the coalition’s commitment to shared governance.

According to the municipality’s 2024 Annual Report, the DA/NMC coalition has remained stable, and there are no reports of instability on social media or other public platforms.

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<sup>25</sup> <https://results.elections.org.za>

<sup>26</sup> McGluwa, H. 2024. DA takes up mayoral position in Nama-Khoi coalition municipality.

### 12.3 Khai-Ma Local Municipality

There are six wards in Khai-Ma LM jurisdiction:

Ward	Town/Suburb
1	Onseepkans,
2	Blyvooruitsig
3	Pella
4	Aggeneys
5	Pella, Witbank, and Klein Pella
6	Pofadder town area, Eastern Part of Blyvooruitsig, Vrugbaar, Raap & Skraap, Dwaggasoutpanne.

The municipality consists of the following political representation: <sup>27</sup> ANC: 6 (all the wards); NCM: 2 PR seats; COPE: 1 PR seat; DA: 1 PR seat; and EFF: 1 PR seat.

The national parties did relatively poorly in 2021, compared to 2016.<sup>28</sup> The ANC dipped from 57% to a borderline absolute majority of 50%. The DA also declined, from 24% to only 12%. COPE declined from 7% to 6%. The ANC managed to achieve an absolute majority, and in fact controls all six of the wards. Of the five PR seats, two were won by the Namakwa Civic Movement, which is the largest opposition party on the Council. The DA, EFF and COPE each won one PR seat.

As in Nama Khoi Municipality, the Namakwa Civic Movement (NCM) was a big winner in its first-time election in 2021, receiving 20% of the vote and becoming the official opposition. The EFF grew from 2% to 6%, and managed to secure a PR seat. The VF+ grew from 1% to 3%, but did not qualify for a seat. Nevertheless, the VF+, with a strong base in the commercial farming community, probably wields some influence.

### 12.4 Kamiesberg Local Municipality

Ward	Town/ Suburb
1	Hondeklipbaai, Koiingnaas, Soebatsfontein and Spoegrivier
2	Garies
3	Lepelfontein, Kheis and Klipfontein
4	Kamassies, Rooifontein, Nourivier and Paulshoek
5	Kharkams and Tweerivier
6	Kamieskroon and Leliefontein

In Kamiesberg, the ANC won an absolute majority, with the Democratic Alliance in second place. The Namakwa Civic Movement achieved just over 7% of the vote, and won one PR seat.

<sup>27</sup> [https://en.wikipedia.org/wiki/Kh%C3%A2i-Ma\\_Local\\_Municipality](https://en.wikipedia.org/wiki/Kh%C3%A2i-Ma_Local_Municipality)

<sup>28</sup> <https://results.elections.org.za>

The overall party representation is as follows:<sup>29</sup> ANC: 6 councillors; DA: 3 councillors; NCM: 1 councillor; NEF: 1 councillor

This is a significant shift from the municipal elections in 2016.<sup>30</sup> The ANC declined by 10 percentage points from 62% to 52%, although it still won an absolute majority in 2021. The DA also declined, from 28% to 24%, and the EFF shrank from 7 to 5%. COPE disappeared altogether. The FF+ doubled from 1% to 2%.

These losses were captured by National Economic Fighters (NEF), who competed for the first time, and won 8% of the vote; and the other newby, the Namakwa Civic Movement which won 75%. Again, the trend seems to be away from national parties, towards local groupings that offer local solutions.

### 12.5 Namakwa District Municipality

A District Municipality is not directly elected by the residents of a jurisdiction. It is made up of delegates from the constituent local municipalities. In Namakwa, this includes the four municipalities in the study region, as well as Hantam and Karoo-Hoogland LM. The political composition of Namakwa DM is as follows: 11 ANC, 4 DA, three NCM, and one Patriotic Alliance.<sup>31</sup>

At the district level, there are 19 Councillors, of whom 9 are elected directly by the electorate, and the remaining 10 are elected by Local Municipalities. The ANC dominates this body, but there is strong minority representation from the other parties:<sup>32</sup>

- **ANC: 11 members:** Executive Mayor, plus Chief Whip and Speaker, plus 1 councillor directly elected, and then delegates from Richtersveld, Kamiesberg, Nama Khoi (2) and Khai-Ma, Karoo Hoogland, Hantam
- **DA: 4 members:** Two councillors direct elected and two delegates from Nama Khoi
- **NCM: 3 members:** One member directly elected, one delegate from Nama Khoi and one from Hantam.
- **PA: 1 member** directly elected.

## 13: Political party profiles

### 13.1 The African National Congress

ANC political representation in four Local Municipalities

The African National Congress					SEATS		
	Ward votes	PR votes	Total votes	%	Ward	Total	
Richtersveld LM	2066	2116	4186	47,3%	6	0	6
Nama Khoi LM	6625	6513	13,138	42%	7	0	7
Khai Ma LM	21992	204	4403	50,5%	6	0	6
Kamiesberg LM	2695	2712	5407	52,4%	5	1	6

<sup>29</sup> [https://en.wikipedia.org/wiki/Kamiesberg\\_Local\\_Municipality](https://en.wikipedia.org/wiki/Kamiesberg_Local_Municipality)

<sup>30</sup> <https://results.elections.org.za>

<sup>31</sup> <https://www.namakwa-dm.gov.za/council-structure/>

<sup>32</sup> <https://www.namakwa-dm.gov.za/council-structure/>.

This should be compared to the outcome of the 2024 provincial election<sup>33</sup>, in which the Northern Cape ANC secured 49.47 of the provincial vote. The Namakwa District is broadly comparable to the ANC profile in the rest of the Northern Cape Province.

**13.2 The Democratic Alliance**

DA Political representation in four municipalities

The Democratic Alliance					SEATS		
	Ward votes	PR votes	Total votes	%	Ward	Total	
Richtersveld LM	1129	1379	2508	28,4	0	3	3
Nama Khoi LM	4665	4739	9404	30,1%	1	4	5
Khai Ma LM	512	507	1019	11,7%	0	1	
Kamie+sberg LM	1208	1238	2446	23,7&	1	2	3

This should be compared to the outcome of the 2024 provincial election,<sup>34</sup> in which the DA secured 20.94% of the provincial vote. This performance is broadly comparable with that of our study area.

**13.3 The Namakwa Civic Movement**

NCM political representation in four municipalities

Namakwa Civic Movement					SEATS		
	Ward votes	List votes	Total votes	% of municipal votes	Ward	List	Total
Richtersveld LM	147	193	340	3,8%	0	0	0
Nama Khoi LM	3229	3290	6519	20,8%	1	3	4
Khai Ma LM	820	889	1709	19,6%	0	2	2
Kamiesberg LM	375	397	772	7,5%	0	1	1

<sup>33</sup> <https://results.elections.org.za/dashboards/npe/>

<sup>34</sup> <https://results.elections.org.za/dashboards/npe/>

**13.4 The National Economic Fighters**

Table: NEF political representation in four municipalities

National Economic Fighters				SEATS			
	Ward votes	List votes	Total votes	% of municipal votes	Ward	List	Total
Richtersveld LM	143	293	436	4,9%	0	1	1
Nama Khoi LM	132	0	193	0,4%	0	0	0
Khai Ma LM	52	61	113	1,3%	0	0	0
Kamiesberg LM	427	430	857	8,3%	0	1	1

**13.5 The Economic Freedom Fighters (EFF)**

Political representation of the EFF in four municipalities

The EFF				SEATS			
	Ward votes	PR votes	Total votes	%	Ward	Total	
Richtersveld LM	324	329	653	7,4%	0	1	1
Nama Khoi LM	115	1202	35	0,8%	0	0	0
Khai Ma LM	272	275	547	6,3%	0	1	1
Kamiesberg LM	271	259	530	5,1%	0	0	0

**13.6 The KhoiSan Revolution**

Table: KRP representation in four municipalities

The Khoisan Revolution Party (KRP)				SEATS			
	Ward votes	PR votes	Total votes	%			
Richtersveld LM	-						
Nama Khoi LM	213	225	438	1,4%	0	0	0
Khai Ma LM	-						
Kamiesberg LM	-						

**13.7 The Northern Cape Communities Movement (NCCM)**

In the 2024 national and provincial elections, a range of small political organisations in the Northern Cape came together as the NCCM. Led by Ronald February, the NCCM serves as an elections vehicle for constituent organisations. The local organisations remain autonomous, and their relationship with the NCCM is governed by constitutional and policy guidelines. There are six organisations currently

participating in a provincial umbrella organisation, which includes organisations in Kathu, Prieska, Barkly West, and Douglas.<sup>35</sup>

In the 2024 provincial election, the NCCM won a total of 7 016 votes, which amounted to 1.77% of the provincial vote.<sup>36</sup> It did not qualify for a seat in the provincial legislature. However, even though it is small, it will be important to assess its trajectory in future, as a new model of grassroots mobilisation and regional collaboration.

### 13.8 The Freedom Front Plus

Political representation of the FF+ in four municipalities

The Freedom Front Plus					SEATS		
	Ward votes	PR votes	Total votes	%	Ward	Total	
Richtersveld LM	108	94	202	2,3%	0	0	0
Nama Khoi LM	2232	34	457	1,5%	0	1	1
Khai Ma LM	147	143	290	3,3%	0	0	0
Kamiesberg LM	126	122	248	2,4%	0	0	0

### 13.9 Congress of the People (COPE)

Political representation of COPE in four municipalities

COPE					SEATS		
	Ward votes	PR votes	Total votes	%	Ward	Total	
Richtersveld LM	-						
Nama Khoi LM	131	143	274	0,9%	0	0	0
Khai Ma LM	255	247	502	5,8%	0	1	1
Kamiesberg LM	-						

<sup>35</sup> <https://nccm.org.za>

<sup>36</sup> <https://results.elections.org.za/dashboards/npe/>

14: Financial challenges in Nama Khoi LM

Nama-Khoi Local Municipality financial overview <sup>37</sup>

Indicator	Details
Audit reports	Qualified audit reports, and “audit outstanding” opinion
Creditor Payment Period	Average of 892 days (should be <30 days)
Unrecoverable Municipal Debt	88% of municipal debt is uncollectible
Debt Collection Period	Average of 68 days to collect debts owed
Total Liability Position	No total liability position at year-end
Bank Balance at Year-End	Positive cash balance (no overdraft)
Deficit for the Year	Spent R71.8 million more than income
Budget Spending	Over 50% of following year’s budget already spent (i.e. overspending)
Financial Sustainability Concerns	Indications of poor resource management and long-term viability risks

The municipality’s total expenditure, which includes salaries, finance charges, and other operational costs, has regularly outpaced revenue, reflecting poor fiscal discipline and inefficient resource allocation. Finance charges have increased from R3 million in 2018/19 to R6,7 million in 2022/23. (However, the political transition to a coalition council in 2021 may start to turn this situation around).

Cash flow from operating activities remains problematic, reaching a deficit of R1,4 million in 2022/23. It received capital transfers of R3,5 million in 2022/23, but the lack of internal funds to support capital expenditure illustrates a dependence on external financial aid. The municipality’s poor performance in managing unauthorised, irregular, and fruitless expenditure – which amounted to R34 million in 2021/22 – further compounds concerns about its financial oversight and creditworthiness.

The negative cash balances at year-end and the increasing liabilities, with current liabilities surpassing current assets, signal a critical liquidity position that could undermine its ability to manage future financial obligations. Strengthening financial management and improving revenue generation strategies, alongside better expenditure control and accountability, are essential for improving the municipality’s financial position and securing its long-term fiscal health.

According to the municipality’s annual report, the municipality achieved a 93% compliance rate with the National Treasury as of June 2024.<sup>38</sup>

<sup>37</sup> AGSA, 2022. *Consolidated report on local government audit outcomes, 2021-2023*. Typical factors are material misstatements in areas such as taxes, receivables, and inventory, alongside insufficient audit evidence for several financial transactions, including maintenance expenses and contracted services. Non-compliance with supply chain management regulations also contributed to understated irregular expenditure in the financial statements.

<sup>38</sup> Nama Khoi LM, 2024. *Annual Report*, p. 22.

**15: Service delivery and financial difficulties in Khai-Ma Local Municipality**

Service Delivery and Infrastructure Challenges in Khai-Ma Local Municipality<sup>39</sup>

Area	Challenges	Required Resources/Actions
Solid Waste Removal	Lack of regular waste removal, especially in Witbank. More households require expansion of services. Illegal dumpsites removed periodically with contractor support. Limited service in towns like Onseepkans, Blyvooruitsig. No officer for waste management or environmental by-law enforcement. Insufficient machinery for waste clearing.	Financial aid for vehicles, machinery, and regular waste removal. Integrated Waste Management Plan needs updating. Additional refuse trucks and timely provision of refuse bags. Appointment of an enforcement officer. Procurement of TLBs and tipper trucks.
Recycling and Transport	Green Dream project started in Pella. Lack of transport for recyclables, especially large loads.	Dedicated recycling vehicles, need suitable site for Pofadder project.
Waste Disposal Sites	Licensed sites in some areas; Pofadder site exhausted. Lack of landfill in Witbank, fencing issues, illegal dumping.	New landfill sites, rehabilitation of Pofadder, fencing, funding.
Energy & Electricity	No comprehensive energy plan. Consultant has not delivered a draft.	Expedite energy master plan development.
Human Resources & Skills	Limited trained staff for infrastructure maintenance. Temporary cleanup by Dept. of Environmental Affairs.	Training programs and permanent staff for waste management.
Road Backlogs	Gravel roads need upgrading to paved surfaces. Limited paved sections. Lack of machinery for road leveling and repairs. Existing grader needs repair. No formal maintenance plan. Ad hoc repairs made through external support.	Restart paving projects and address rocky areas. Develop a comprehensive road maintenance plan.
Stormwater Management	Basic stormwater channels, need for upgrades. Open channels, some requiring more robust lining.	Upgrade stormwater systems.
Vehicles	Insufficient funds for fleet maintenance. Rising costs of maintenance of four sewer trucks. Financial losses	The current fleet will not be sufficient to handle wastewater removal in the next five years, considering the projected increase in conservancy tanks

The municipality's total expenditure, which includes employee costs, finance charges, and other operational costs, has regularly outpaced revenue. Rising finance charges, from R3 million in 2018/19 to R6,7 million in 2022/23, could exacerbate the municipality's financial problem.

The deficit from operating activities, reached R1,4 million in 2022/23. It received capital transfers of R3,5 million in 2022/23, the lack of internal funds to support capital expenditure further illustrates a dependency on external financial aid. The municipality's poor performance in managing unauthorised, irregular, and fruitless expenditure – which amounted to R34,8 million in 2021/22 – further compounds concerns about its financial oversight and creditworthiness. Strengthening financial management and improving revenue generation strategies, alongside better expenditure control and accountability, are essential.

The Khai-Ma Local Municipality has consistently received a qualified audit opinion between 2018 to 2022.<sup>40</sup> Key challenges identified include inadequate internal controls, incomplete or unsupported

<sup>39</sup> Khai-Ma Local Municipality, 2023, *Integrated Development Plan*, pp 7, 32. 38.

<sup>40</sup> Source: Municipal Monies: Khai-Ma Local Municipality <https://municipalmoney.gov.za/profiles/municipality-NC067-khai-ma/>

## CHAPTER 7: SOCIAL AND INSTITUTIONAL ISSUES - APPENDIX 7-A

financial records, and non-compliance with regulations governing financial management and procurement processes (AGSA, 2021)<sup>41</sup>.

### Khai-Ma Local Municipality financial overview (AGSA, 2021)

Indicator	Details
Audit reports	Qualified reports, 2018-2022
Creditor Payment Period	Average of 829 days (should be <30 days)
Unrecoverable Municipal Debt	94% of municipal debt cannot be recovered
Debt Collection Period	Average of 31 days to collect debts owed
Total Liability Position	No total liability position at year-end
Bank Balance at Year-End	Positive cash balance (no overdraft)
Deficit for the Year	Spent R6.8 million more than income (i.e. overspending)
Budget Spending	Over 50% of next year's budget already spent

These issues reflect weaknesses in the municipality's ability to effectively manage public funds and adhere to necessary financial standards.

## 16: Municipal infrastructure and financial challenges in Kamiesberg LM

### Service Delivery Challenges in the Kamiesberg Local Municipality<sup>42</sup>

Service Delivery Challenges	Details
Budget Constraints and ongoing economic difficulties	Limited funds for maintaining existing infrastructure. Reduced revenue and limited ability to meet service delivery expectations.
Personnel Capacity	Insufficient training and availability of skilled personnel.
Ageing infrastructure (water, sewerage, roads, electricity)	Increased costs for maintenance and upgrades, affecting service quality and reliability.
Water Supply Issues	Inadequate surface and underground water supplies due to drought. Urgent need for an underground water survey to develop a long-term water security strategy. No Water Asset Management Plan.
Rising bulk electricity costs (Eskom tariff increases)	Increased service tariffs for residents, making services less affordable.
Water Scarcity	General low water consumption, with the first 2 kl provided free to households; reliance on drought relief funding.
Ageing fleet	Higher repair and maintenance costs due to an outdated fleet.
Housing Demand	Growing housing needs exceed the available funding resources.
Unlicensed Dumping Site	Hondeklipbaai dumping site remains unlicensed despite submitted applications.
Poor Road Conditions	Most access roads are gravel and in poor condition, except the road between Garies and Klipfontein.

<sup>41</sup> AGSA. 2021. *Consolidated general report on the local government audit outcomes 2020-2021*. Auditor-General South Africa. Available: <https://mfma-2021.agsareports.co.za/>

<sup>42</sup> Kamiesberg LM, Annual Report 2022/2023; Kamiesberg Medium Term Revenue and Expenditure Forecasts 2022/23 to 2024/25; Kamiesberg LM, 2024. 2023/24 Final Annual Budget and MTREF; Kamiesberg LM, 2024, *Integrated Development Plan*, p. 71.

Planning and Building Control	Limited capacity for effective planning and building oversight.
Vandalism of Municipal Assets	Significant increase in vandalism, leading to budget strain for repairs and replacements.
Communication Infrastructure	Some towns lack communication facilities.
Drought conditions	Strain on water resources and infrastructure, exacerbating service delivery challenges.

A deficit of R26m in 2022/23 signals ongoing financial difficulties. The municipality depends on government transfers, particularly for operational revenue, which makes up a large portion of its income, amounting to R35,6m in 2022/2023. Government transfers amounted to R35,6 million in 2022/23. The municipality's expenditure continues to exceed revenue, with total expenditure of R109,9 million in 2022/23, contributing to the sustained deficit. Rising employee costs, depreciation, and finance charges have added to the strain on the budget. Finance charges have escalated from R3,5m in 2018/19 to R10m in 2022/23.

In terms of capital expenditure, the municipality has managed to secure some funds through internally generated funds, but the overall lack of new borrowing options and declining capital expenditure will limit its ability to invest in infrastructure and service delivery. Cash flow remains a persistent challenge, with a negative cash flow of R2,4m by the end of 2022/2023. This lack of liquidity can severely affect the municipality's ability to meet its obligations and fund its operations. Compounding these issues, the municipality has faced significant unauthorised, irregular, and fruitless expenditure, with unauthorised expenditure amounting to R62,6m in 2022/23.

The Kamiesberg Local Municipality's audit outcomes have highlighted significant governance challenges, particularly regarding financial management and performance reporting. One of the key issues is the municipality's lack of reliable performance information, which makes it difficult to track the progress of development priorities and performance targets. The audit reports reveal that a substantial portion of the municipality's reported targets did not align with the planning documents, reflecting weaknesses in internal policies and monitoring systems.

The audits also revealed substantial concerns with unauthorised, irregular, and fruitless expenditure, which raises alarms about governance and compliance with financial regulations.

Between 2018 and 2024, the Kamiesberg Local Municipality faced significant challenges in its financial management, with numerous issues highlighted in audit reports. In the 2018-2019 financial year, the municipality was unable to account accurately for various revenue streams, such as grants and non-exchange revenue, due to inadequate accounting systems and record-keeping practices.<sup>43</sup> This resulted in misstatements in financial records and a lack of sufficient audit evidence for key transactions, such as overstated employee-related costs exceeding R1 million. In the 2018-2019 financial year, the municipality received a Disclaimer of Opinion, with the Auditor-General unable to form a judgment due to insufficient documentation.

Moreover, the municipality's operational and financial processes revealed serious inefficiencies, such as the incorrect accounting for irregular expenditure. These issues were compounded by underspending in critical areas like water and electricity operations, which exacerbated resource shortages.<sup>44</sup> The municipality also struggled with managing its electricity distribution system, where material losses were not adequately substantiated.

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<sup>43</sup> AGSA, 2019. *Annual audit outcomes for local municipalities*. Available at: <https://mfma-2019.agsareports.co.za/municipality/8-kamiesberg>

<sup>44</sup> AGSA, 2022. *Consolidated report on local government audit outcomes*.

Kamiesberg Local Municipality financial overview<sup>45</sup>

Indicator	Details
Audit reports	2018-2019: Disclaimer of Opinion; 2019-2020: Qualified; 2020-2021: Outstanding (presumably not submitted at all); 2021-2022: Qualified; and 2022-2023: Qualified
Going Concern Uncertainty	Municipality's continuing operation has been in doubt for more than 5 years
Creditor Payment Period	Average of 1,287 days (should be <30 days)
Unrecoverable Municipal Debt	77% of municipal debt cannot be recovered
Debt Collection Period	Average of 320 days to collect debts owed
Total Liability Position	No total liability position at year-end
Bank Balance at Year-End	Positive cash balance (no overdraft)
Budget Spending	Over 50% of next year's budget already spent (i.e. overspending)

Kamiesberg Local Municipality's reliance on external grant funding and its financial instability underscore the urgent need for enhanced governance and stricter financial controls. Failure to effectively address these systemic issues could jeopardise the municipality's capacity to manage large-scale infrastructure projects, ultimately exacerbating its financial difficulties and impairing its ability to deliver services. A sustained lack of financial oversight may hinder long-term sustainability and further erode the municipality's credibility in managing development initiatives

<sup>45</sup> Municipal Monies: Kamiesberg Local Municipality <https://municipalmoney.gov.za/profiles/municipality-NC064-kamiesberg/>