Tuesday, 18 August 2026]

No 135—2026] THIRD SESSION, SEVENTH PARLIAMENT

PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

TUESDAY, 18 AUGUST 2026

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National Assembly

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1. Introduction of Bills

(1) **The Minister of Finance**

(a) **General Finance Laws Amendment Bill** [B21–2026] (National Assembly – proposed sec 75) [Explanatory summary of Bill and prior notice of its introduction published in ***Government Gazette*** No. 55193 of 14 August 2026.]

Introduction and referral to the **Standing Committee on Finance** of the National Assembly, as well as referral to the Joint Tagging Mechanism (JTM) for classification in terms of Joint Rule 202.

In terms of Joint Rule 196 written views on the classification of the Bill may be submitted to the JTM. The Bill may only be classified after the expiry of at least seven parliamentary working days since introduction.

(2) **Mr G Michalakis, MP**

(a) **Public Procurement Amendment Bill** [B22–2026] (National Assembly – proposed sec 76) [Explanatory summary of Bill and prior notice of its introduction published in ***Government Gazette*** No. 55152 of 7 August 2026.]

Introduction and referral to the **Standing Committee on Finance** of the National Assembly, as well as referral to the Joint Tagging Mechanism (JTM) for classification in terms of Joint Rule 202.

In terms of Joint Rule 196 written views on the classification of the Bill may be submitted to the JTM. The Bill may only be classified after the expiry of at least seven parliamentary working days since introduction.

(3) **The Minister of Cooperative Governance and Traditional Affairs**

(a) **Local Government: Municipal Structures Amendment Bill** [B23–2026] (National Assembly – proposed sec 76) [Explanatory summary of Bill and prior notice of its introduction published in ***Government Gazette*** No. 55164 of 7 August 2026.]

Introduction and referral to the **Portfolio Committee on Cooperative Governance and Traditional Affairs** of the National Assembly, as well as referral to the Joint Tagging Mechanism (JTM) for classification in terms of Joint Rule 202.

In terms of Joint Rule 196 written views on the classification of the Bill may be submitted to the JTM. The Bill may only be classified after the expiry of at least seven parliamentary working days since introduction.

2. Membership of Committees

(1) The following committee membership change has been made by uMkhonto weSizwe Party:

(a) **<u>Joint Committee on Ethics and Members' Interests</u>**

Discharged: Ndhlela, Mr N
Appointed: Mkhize, Ms P

National Council of Provinces

The Chairperson

1. Executive Undertakings

(1) The following Executive Undertakings are referred to the **Select Committee on Public Petitions and Executive Undertakings** for consideration and report.

(a) **Minister of Basic Education: During the Sitting of 17 May 2026, the Minister made the following undertakings:**

(i) *"At the same time, we are bolstering South Africa's national security through immigration system reforms at a scale not seen before. And we continue to reposition this ecosystem as a key economic enabler, unlocking the power of Home Affairs to drive growth and job creation"*.

(ii) "*We are now turning this model on its head. Instead of you going far away to a limited number of Home Affairs, we are expanding the number of locations where you can access our services*".

(iii) "*Over the coming months we will add first-time ID applications, passport applications and doorstep delivery to this new system. This means that, for the first time ever, South Africans will be able to securely courier their enabling documents to their own homes without the need to visit a physical location just to do a collection*".

(iv) "*Over the coming weeks, we will be scaling up the ETA to cover tourists from many more countries. This will be followed by the continuous addition of more visa categories to the ETA, turning it into the single,* *digitalised and biometrically-secured entry point for all visa applications to South Africa*".

(v) "*The BMA recently announced the selected bidders for a R12,5 billion public-private partnership that will demolish and rebuild our six busiest land ports of entry. These six ports account for 80% of all traffic through our border posts".*

(b) **Minister of Electricity: During the Sitting of 3 June 2026, the Minister made the following undertakings:**

(i) *"The department will focus on five priority areas in the year ahead namely: Risk adjusted energy planning through the Integrated Resource Plan, Gas Master Plan, and Integrated Energy Plan; accelerated grid expansion and transmission unlock; a sequenced SA Wholesale Electricity Market implementation roadmap; and firm capacity acceleration, including coal fleet planning, gas storage and nuclear; and finalisation of electricity pricing and distribution sector transformation to strengthen affordability, social protection and municipal service delivery*".

(ii) "*The department will therefore develop a programmatic twenty-year outlook for the coal fleet. This will move the country away from the narrow station by station decisions and toward an integrated national framework for retirement, repowering, repurposing, minimum emissions standards compliance, cost-recovery and community revitalisation*".

(iii) "*The department will advance the nuclear programme with prudence and discipline. This includes the Nuclear Industrialisation Plan, the implementation of the 5 200 mega wards of nuclear new build programme, the nuclear fuel cycle strategy to support energy sovereignty…………….*"

(iv) "*The department will secure confidence in grid capacity delivery through an integrated transmission expansion plan, bringing together the Transmission Development Plan, Independent Transmission Projects, collector grids, self-build models, shared transmission works, system resilience requirements and the Integrated Resource Plan*".

(v) "*The department will therefore finalise and launched a sequenced SA Wholesale Electricity Market implementation roadmap*".

(vi) "*The department is processing the Electricity Pricing Policy through to Cabinet, after which public consultation will open. This policy provides the basis for a revised framework on tariff setting, cost reflectivity, wholesale pricing*……"

(vii) "*The department will review the Free Basic Electricity policy as part of a broader social protection framework, to strengthen support to* *indigent and vulnerable households and to ensure that poor households are protected in a more competitive and complex electricity market*".

(viii) "*Building on this, the department will work to codify a transparent and carefully targeted special pricing mechanism for large power users, as an instrument to support industrial growth, preserve strategic productive capacity and ultimately protect jobs, while maintaining the financial sustainability of the electricity system*".

(ix) "*The department will drive the distribution agency and agreements as a central instrument in resetting the distribution sector, working with the National Treasury and the Department of Co-operative Governance and Traditional Affairs to prioritise municipalities where electricity services, revenue collection and network performance are under the greatest strain".*

(x) "*The department will also operationalise the Universal Access Programme Management Office to address 1,6 million household gap*".

(xi) "*At the same time, we will consolidate the Load Reduction Elimination Programme as an immediate and practical intervention to restore reliability in communities that continue to experience localised electricity insecurity*".

(xii) "*The department will align electricity investment with industrial policy, localisation, supplier development, green hydrogen, nuclear industrialisation, gas infrastructure, transmission equipment, storage technologies, smart meters, transformers, and energy linked manufacturing*".

(c) **Minister of Employment and Labour: During the Sitting of 3 June 2026, the Minister made the following undertakings:**

(i) *"In addition, the Compensation Fund's budget of R28 billion will strengthen social protection for workers and support the fund's ongoing institutional modernization".*

(ii) *"The target is to recruit 200 000 unemployed people in the current financial year alone. Of those, we will be placing 20 000 TVET students on work-integrated learning, chartered financial analysts, chartered accountants, professional technicians and engineers, law students, and health inspectors".*

(iii) *"We will train 10 000 youth on digital skills and 10 000 of driving licences. Importantly, 70% of all opportunities will be directed towards the youth, reflecting a deliberate commitment to address the plight of unemployed young people".*

(iv) "*We are also embarking on the recruitment of 10 000 permanent labour inspectors announced during this year's state of the nation address*".

(v) "*We plan to modernize labour inspection systems through hybrid inspection that leverages digitization and smart technology to improve and strengthen compliance and monitoring across workplaces*".

(vi) "*During the 2026-27 financial year, the department targets to register more than a million work stickers as part of advancing more coherent and impactful Public Employment Programmes*".

(vii) "*Three hundred and fifty million has been committed to the government and business partnership working with The Presidency and the National Pathway Management Network to place 130 000 young people into learning opportunities, work exposure programmes, and employment interventions. In addition, R95 million has been committed to the Industrial Development Corporation, IDC, to support youth employment innovation projects aimed at placing 7 000 young people into productive economic activity*".

(viii) "*In the current financial year, Productivity SA aims to support more than 1 300 enterprises, capacitate 2 500 workers and managers, develop 350 productivity champions, and save approximately 4 000 jobs through turnaround interventions*".

(d) **Minister of Police: During the Sitting of 13 May 2025, the Minister made the following undertakings:**

(i) Responding to supplementary questions by Hon. N Gotsell to written question 458 dealing with Gang/gang-related murders/attempted murders in the Western Cape, the Minister made the following undertaking:

"In such circumstances, we require extraordinary measures. Those measures are coming. We will interact with the NCOP once those measures are in place and we hope to curb these particular kinds of ugly incidents of stray bullets substantially."

COMMITTEE REPORTS

National Assembly and National Council of Provinces

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REPORT OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS ON THE ALLEGED CONTRAVENTION OF THE CODE OF ETHICAL CONDUCT AND DISCLOSURE OF MEMBERS' INTERESTS: HONOURABLE MARLON DANIELS, MP

The Joint Committee on Ethics and Members' Interests ("the Committee") having considered the complaint against the Honourable Marlon Daniles, MP, reports as follows.

INTRODUCTION

Mr Clive Killian, the President of the Norther Areas Football Association ("NAFA") ("the Complainant"), lodged a complaint against Honourable Marlon Daniels, MP ("the Member"). The Office of the Registrar of Members' Interests received the complaint on 21 April 2026 for an alleged breach of the Code on Ethical Conduct and Members' Interests ("the Code").

SUMMARY OF THE COMPLAINT

The Complainant states that he notes with concern the baseless, reckless and defamatory allegations made by the Member during a video clip that was posted on social media. That the Member made personal and factually incorrect statements. That the Member states that he was instrumental in the reason why the Municipality stopped its approximately R480 000 (four hundred and eighty thousand rand) funding to NAFA to host the Easter Football Festival. The Complainant states that this comment placed the community that the Member claims to represent at a huge disadvantage.

The Complainant states that the money would have helped to develop young football players, arrange coaching courses, referee courses, first-aid courses and administration courses, but this was stopped. That the courses would have helped in a community that is riddled with gangsterism and drugs. The Complainant states that members of the community expect Members of Parliament to exercise their responsibility in line with the position that they hold. In this regard the Complainant states that ethical standard of Members of Parliament is of a high standard and therefore Members of Parliament should display a genuine concern for societal issues. That Members of Parliament should not be allowed to weaponize public platforms and social media with the intention to spread misinformation and defame members of the public.

The Complainant states that the correct manner to address the matter was to call a meeting with the NAFA and its regional structure which is the Nelson Mandela Bay Football Association during which time the concerns could have been addressed.

The Complainant states that a letter by the City Manager: Gqueberha proves in no uncertain terms that the NAFA had no other alternative but to seek another venue to accommodate the number of spectators expected. The Complainant states that the Member abused his position as a Member of Parliament.

The Complainant states that the statements by the Member on social media amount to-
1. unproven allegations of corruption and maladministration;
2. a personal attack directed at the Complainant;
3. abuse of the parliamentary privilege and social media platforms, to vilify members of the public, which bring Parliament into disrepute.

The Complainant states that an unsigned letter by the Member from his parliamentary office (dated 7 April 2026) is being used to bully, threaten and to direct the outcomes of the community football association. That the Member's conduct creates the impression with he has executive power over NAFA. That the Member deliberately interfered with the affairs of a democratically elected executive of the sport organisation. This has caused reputational harm to NAFA, Mr Killian and the many volunteers who serve their community through sport. The Complainant states that the Member's conduct has brought Parliament into disrepute.

The Complainant alleges that the Member breached items 5 and 9 of the Code.

SUMMARY OF RESPONSE BY THE MEMBER

The Member was given an opportunity to respond and did so on 13 May 2026.

The Member states he was born in Galvandale and grew up in the area. That the Galvandale Sports stadium has been the home of the annual Easter soccer tournament for the past 53 years. Further, that the tournament is not merely a sporting event but the cornerstone of social cohesion.

In 2026 the NAFA decided, without prior meaningful consultation with the community, to move the Easter Soccer tournament to the Fairview Sport Ground which is approximately 10km's away from the community of Galvandale and the northern areas. This had an impact on the community as residents had to walk 10km to get to the event. Because of this, there was an outcry from the community to address the issue and the Member states that he brought the matter to the attention of SAFA and addressed it on social media. The Member further states that he followed the correct governance processes.

The Member states that he addressed a letter to SAFA and that prior to a response to his letter, he engaged in the parliamentary oversight process and advised SAFA that they would be required to respond to this matter when they appeared before the Portfolio Committee. However, when SAFA did eventually respond, they advised that the matter should be addressed by their regional branch in Nelson Mandela Bay and it was referred to the NAFA. Also, the SAFA tendered an apology for the Portfolio Committee which clashed with international engagements of the SAFA. The Member states that it was unsatisfactory that the SAFA washed their hands of the matter. The Member states that the referral to the regional branch of the SAFA was problematic because the Complainant is the President of the SAFA regional branch and the President of the NAFA.

The Member states that he questioned the Deputy President of the NAFA, on why the opening ceremony will be scheduled to be held at Fairview Sport Ground and he was told that it is because the Galvandale Stadium is structurally condemned. He found this puzzling because a first division premier league team plays at Galvandale Stadium. He questioned how a first division premier team could play at a condemned stadium and that such an arrangement would be against the SAFA regulations. He was then told that only the opening ceremony will be held at Fairview Sport Ground and that the soccer fixtures will be held at Galvandale Stadium.

The Member states that while he understands the “safety” aspect of the stadium, the community was not engaged about the status of the stadium. Also, that the NAFA issued threatening letters to the soccer clubs instructing them to attend at Fairview Sport Ground. The relocation of the tournament to Fairview Sport Ground would have resulted in additional expenditure for clubs and spectators. In the light of the frustration by the community, which the Member says he shared, he made a conscious decision to broadcast a live video on Facebook. He did this to give a voice to the voiceless. The social media platform allowed for the direct concerns of the community to be raised in an unfiltered manner. The Member then wrote an open letter on social media on why he was not going to attend the tournament. He did this to show solidarity with the community and not from a position of hatred or malice. He states that the Complainant states that he was malicious and then referred him to the ethics committee. The Member states that his intent was to help and not to harm or deceive. Also, that he did not spread false information.

The Member states that he did not use profane language, incite violence or call for unlawful action. He states that he exercised his constitutional right of freedom of expression. He states that what the community wanted was to continue to have the tournament at a stadium that is accessible to the community and which forms part of the history of the community.

THE PROVISIONS OF THE CODE

Item 5(1) of the Code provides as follows:

Item 5(1) of the Code provides as follows:

“(1) A Member must-

(a) abide by the principles, rules and obligations of this Code;

(b) uphold the oath or affirmation take by the Member in terms of Schedule 2, item 4 of the Constitution;

(c) act on all occasions in accordance with the public trust placed in her or him;

(d) place the public interests above her or his own interests when discharging her or his obligations in terms of the Constitution, to Parliament and the public at large;

(e) maintain public confidence and trust in the integrity of Parliament an thereby engender respect and confidence that society needs to have in Parliament as a representative institution; and

(f) in the performance of her or his duties and responsibilities, be committed to the eradication of all forms of discrimination.”

Item 9 of the Code provides as follows:

“(1) A Member must not bring Parliament into disrepute when using, engaging in or communicating content on social media platforms.

(2) A Member who is addressing another Member or a member of the public on social media platforms must not use derogatory, racist or sexist language or content that is derogatory, racist, sexist.

(3) A Member, when using social media platforms may not incite violence or promote hate speech.

(4) When engaging in content on social media platforms, a Member may not, like, share, or comment on content that is derogatory, racist, sexist or promotes violence or hate speech in order to promote such content.”

COMMITTEE DELIBERATIONS

The Committee deliberated on the complaint and the response affidavit and noted that the Member was acting in solidarity with the position of the community. That he shared their plight because he hails from the same community of Galvandale. His intention was to get the Easter soccer tournament to be held at the Galvandale stadium and not at the Fairview Sports Ground. It is clear from the affidavit and the supporting documents that his focus was always on the “interest of the community”.

The Committee also noted that the Member tried to get accountability from the SAFA and the NAFA before the Portfolio Committee on Sport, Arts and Culture for the change in venue for the tournament from the Galvandal stadium to the Fairview Sports Ground. That based on the above, the Member was acting on all occasions with the public trust placed in him as a Member of Parliament.

In relation to the issue of the withdrawal of the funding by the Municipality of approximately R480 000 to the NAFA the Committee noted that this was in consequence of the stance taken by the community. The Community wanted the Easter Soccer tournament relocated from the Fairview Sports Grounds to the Galvandale stadium, which was supported by the Member. In the Members own words, he held the Facebook Live to allow a voice to be given to the voiceless and to allow community concerns to be raised in an unfiltered manner.

FINDING

In the light of the above, the Committee found that the Member did not breach the Code.

REPORTED FOR INFORMATION

MS. N.Q. MVANA, MP **MR. J.H.P. BRITZ, MP**

THE CO-CHAIRPERSONS OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS’ INTERESTS

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REPORT OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS ON THE ALLEGED CONTRAVENTION OF THE CODE OF ETHICAL CONDUCT AND DISCLOSURE OF MEMBERS' INTERESTS: HONOURABLE SHARON WINONA DAVIDS, MP

The Joint Committee on Ethics and Members' Interests ("the Committee") having considered the complaint against the Honourable Sharon Winona Davids, MP, reports as follows:

INTRODUCTION

Ms Veronica Leonie Maralack-Boonzaaier ("the Complainant"), the Ward Councillor of Ward 27 in the Drakenstein Local Municipality (Western Cape) and a member of the Patriotic Alliance (PA) lodged a complaint against the Honourable Sharan Winona Davids, MP of the African National Congress (ANC) ("the Member"). The Office of the Registrar of Members' Interests received the complaint on 31 March 2026 for an alleged breach of the Code on Ethical Conduct and Members' Interests ("the Code").

SUMMARY OF THE COMPLAINT

The Complainant submitted a complaint against the Member, as well as her sister who is a Councillor for allegedly breaching the Code, as well as the Code of Conduct for Councillors.

The main concern raised by the Complainant is that the Member and her sister disrespected and defamed her during engagements on 21 March 2026 (at the location of an illegal eviction) and on 24 March 2026 (at a public Ward meeting).

With relation to the events of 21 March 2026, the Complainant noted that the location of an alleged illegal eviction was central to events. She explained that it took place at a private property and that the victim opened a case. The Complainant alleges that that the Member shouted at her in front of the community members, demanding that she find shelter for the victim ("the destitute mother"). She further holds that the Member called her stupid and defamed her character, because the Member was speaking to the Extension of Security of Tenure Act, 1997 (Act No. 62 of 1997) ("ESTA"), while the Complainant was trying to explain that the Prevention of Illegal Eviction from and Unlawful Occupation of Land, 1998 (Act No. 19 of 1998) ("PIE") was applicable.

The events of 21 March 2026 were followed by a general public Ward meeting on 24 March 2026. At that meeting, the Complainant holds that the Member came into the hall, walked straight to the front, and addressed the audience regardless of the fact that the Complainant was chairing the meeting. She recalls that the Member demanded to know how they were going to assist the destitute mother, while disregarding her as chairperson, and said that she could speak when she pleased as she was a Member of Parliament. It is alleged that the Member called her *"stupid"* and *"skinderbek"* in front of the community members in attendance. It is noted that regardless of attempted intervention by community members and the neighbourhood watch, the Member continued to abuse her power. It is at this stage that the Complainant noted that her sister the Councillor entered the hall. Apparently, she also walked towards the front and used derogatory language towards a community member. The Complainant recalls that at that point the community decided that they had had enough and left the hall, thereby ending the meeting. The crux of the Complainant's unhappiness regarding events at this meeting is as follows: *"M.P. Sharon Davids as well as her sister felt that they have the powers to decide for me as Ward Councillor how to do my job. My meeting was disrupted and these two public representatives continue to defame my name. Neither of them reside in my ward, but they want to do as they please. No oversight is done by M.P. Davids but rather interference."* The Complainant further alleges that the exchange impacted on the wellbeing of her children: "*My 6(six) year old twins were so traumatized of this situation that they found it difficult to sleep Tuesday evening 2026.03.24."*

The Complainant proceeds to reference another gathering of 27 March 2026 which apparently included herself, the Member, and the Councillor, amongst others. The meeting is said to have been with municipal representatives of the housing department. According to the Complainant, the Member instead of doing oversight proceeded to instruct municipal officials what process to follow in doing their jobs. This the Complainant holds was a *"total breach of ethics"* and an *"abuse of powers"*.

Accordingly, the Complainant indicated that she feels aggrieved, as she will not tolerate the Member and her sister, the Councillor defaming her name *"for their political agenda"*.

The following confirmatory affidavits were provided:

- Priscilla Adams: Confirmed she was present at the public Ward meeting of 24 March 2026. She told the Member that it was not the right time to raise her issue, because the meeting was focussed on something else. She holds that the Member responded that she could do as she pleases because no one tells her what to do. Proclaims that at the meeting she also observed that the children were nervous, so she took them out of the venue. As she was walking out with the children, she says she saw the Councillor enter the venue, at which point the Councillor asked her if the meeting was still going on. In response she said *'die mense skel oor en weer".* The deponent professes that the Councillor told her she should keep her mouth shut.

- Matthew Thomas: Confirmed he was at the meeting of 24 March 2026 where the Member was also present. Holds the view that the Member disrupted the proceedings without recognising the Councillor.
- Isaac Farmer: Confirmed he was present at the events of 21 March 2026 as the neighbourhood watch was called to respond to an alleged illegal eviction happening. He holds that they rushed to the place in question and was later joined by the Complainant. The Complainant explained that in terms of PIE no eviction could legally take place. With reference to these events the deponent holds that the Member was accusatory towards the Complainant, saying that she wasn't doing her job. According to the deponent the Member acted in an unethical manner towards the Councillor. He indicates that he was also present at the public Ward meeting of 24 March 2026. According to his version, the Member disrupted the meeting without recognising the Counsellor. He told the Member that her actions were wrong, in response to which it is alleged that the Counsellor called him a *"loafer"*. He says that the Complainant then stopped the meeting.

SUMMARY OF RESPONSE BY THE MEMBER

The Member was given an opportunity to responded and did so on 27 April 2026. The Member denies any breach of the Code.

The Member in her answering affidavit contextualised that the issue that played out in March 2026 has its origin in events of three years ago and that it related to a single mother facing housing uncertainties. She holds that the protection of the rights of this destitute mother is the reason for her engagements with the Complainant in the case under consideration.

The Member indicated that the destitute mother approached her on 21 March 2026 seeking her help, as the landlord's daughter and two men were in the process of breaking down her shack. The Member recalls that she called the Police of Paarl-East Police Station as the eviction was illegal. The Police said that they would come through and that the Member and the destitute mother should go and wait at the address of the alleged eviction. The Member notes that she also called the PR Councillor of the ANC for Ward 27. They then went to the address, along with other supportive members of the community: Jolene Magier, Sarie Botha, Moniek Laeveldt, Abigail Willams and Sanay Brown. The Police arrived at 04:30 and addressed the landlord's daughter on the fact that their eviction actions were illegal, following which the Police told the Member that she should take the destitute mother to the police station to open a case against the three offending people. It is at that stage that the Member recalls the Complainant arriving, who then entered the house to speak to the offending parties. The Member holds that when the Councillor came out of the house the community members wanted to fight with her, but that she stopped them as it would make things worse for the destitute mother. The Member says she spoke to the application of ESTA, explaining that the farmers were abusing the people by evicting them from the farms. She noted that in response the Complainant spoke to the application of PIE. The Member apparently attempted to explain that they were not talking about the same things.

On 24 March 2026, the Member was alerted by the destitute mother that her furniture was left outside in a park. Knowing that there was a public Ward meeting in progress, she then proceeded to that meeting at Amstelhof Private School to address this issue. Upon arrival she notes that the lights were bad in the venue, so she walked towards the front to sit next to community member, Zaskia van Rooyen. At that point, the Member raised her hands to be acknowledged by the Complainant who was chairing the meeting; she asked permission to speak. The Member proceeded to introduce herself as *"Member Sharon Davids"*. She asked who the Ward Committee Members present were. The Secretary of the Meeting, Nadia Mayekiso, introduced the four members in response. Following the introductions, the Member proceeded to ask how they would be assisting the destitute mother, as her furniture was currently out in a park. This, in the Member's version, is when the Complainant started swearing at her, demanding that she leave the meeting. She refused, saying that as a community member she is allowed to be at a community meeting, especially as she was representing the interests of another community member who needed assistance. In response, the Complainant apparently said *"Hou jou bek and leave my meeting"*, following which she closed the meeting when she saw the Member was not leaving. The Member notes that the Complainant kept going with the verbal attacks, which caused Nadia Mayekiso to stand between them. An exchange regarding allegations of gossip followed. The Member denies that any children were present at the meeting of 24 March 2026.

The Member also referred to a meeting of 27 March 2026. At that meeting regarding housing, she is said to have addressed one question only to Municipal Officer, Cupido Jacobs as to the process they were going to follow regarding two shacks at the Chester Williams Kamp.

The following confirmatory affidavits were provided:

- Zaskia van Rooyen: Confirmed that the Member sat next to her at the public Ward meeting of 24 March 2026. The Member asked the Complainant if she could speak. Her recollection is that the Councillor allowed the Member to speak following which the Member introduced herself as a Member of Parliament. The Member then asked who the Committee Members and the Secretary of the Meeting was, following which Nadia Mayekiso introduced the Committee Members. According to Van Rooyen, the Member then asked what they were going to do about the illegal eviction case. It was also declared that there were no children at the public Ward meeting.

- Nadia Mayekso: Confirmed that she as a Member of the Ward Committee was the Secretary to the Meeting of 24 March 2026. She confirmed the Member entered towards the end of the public Ward meeting and that no children were present.
- Claire Davids: Confirmed that on 21 March 2026 she went with the Member and the destitute mother to the SAPS. She also explained that she arrived at the public Ward meeting of 24 March 2026 after the meeting had adjourned, and that she attended the meeting of 27 March 2026, but did not speak.

THE PROVISION OF THE CODE

Although the Complainant did not specifically identify an item of the Code which the Member is said to be in breach of, a reading of the complaint makes it clear that item 5(1) of the Code is in question. A consideration of her response also reveals that the Member in turn argues that she did not breach the Code.

Item 5(1) reads as follows:

"(1) A Member must-

(a) abide by the principles, rules and obligations of this Code;

(b) uphold the oath or affirmation take by the Member in terms of Schedule 2, item 4 of the Constitution;

(c) act on all occasions in accordance with the public trust placed in her or him;

(d) place the public interests above her or his own interests when discharging her or his obligations in terms of the Constitution, to Parliament and the public at large;

(e) maintain public confidence and trust in the integrity of Parliament and thereby engender respect and confidence that society needs to have in Parliament as a representative institution; and

(f) in the performance of her or his duties and responsibilities, be committed to the eradication of all forms of discrimination."

Furthermore, item 4(1) of the Code, speaks to its scope of application is also relevant, and reads as follows:

"(1) The Code applies to—

(a) Members;

(b) Members who are Members of the Executive; and

(c) Members who are Deputy Ministers".

COMMITTEE DELIBERATIONS

1. The Complainant submitted that she is not only aggrieved by the alleged unethical conduct of the Member, but also that of her sister, the Councillor. She appealed to the Committee to give this matter its urgent attention. Given that item 4(1) of the Code makes it clear that the Committee only has jurisdiction over Members, the Committee (as per item 18(2)(a) of the Code) lacked jurisdiction to make any finding on the conduct of the Councillor.

2. Considering the Complainant's affidavit (along with confirmatory affidavits) and the Member's answering affidavit (along with confirmatory affidavits), the Committee makes the following observations:

   2.1. The Member's affidavit is more detailed than that of the Complainant:

      2.1.1. The Complainant briefly mentions that she attended to a call regarding an illegal eviction on 21 March 2026, while the Member indicates which member of the community she was assisting, gives history contexts, talks to the extent she consulted with SAPS for assistance, as well as references specific community members who arrived in support of the destitute mother.

      2.1.2. The Complainant in her version briefly sets out that at the public Ward meeting on 24 March 2026, holding that the Member ignored her as the chairperson of the meeting, defamed her character in front of the community (allegedly calling her "stupid" and "skinderbek") and abused her power as a Member of Parliament by attempting to take over the Complainant's Ward meeting. The Member in answering to this aspect of the complaint provides more details in reflecting who she engaged with, exactly where she sat, which conversations on the night took place while the meeting was in session (as opposed to after the meeting was adjourned), as well as the reason for her attendance, given that she was in person approached by the destitute mother for further assistance after her furniture was left in a park.

2.1.3. The Complainant indicates that her children were traumatised by the events at the public Ward meeting on 24 March 2026, while the Member in her answering affidavits states that no children were in attendance. Both versions are supported by confirmatory affidavits.

2.2. In addition to the differing version of the degree of their interactions, and who insulted who first, there is also a difference of opinion as to the applicable legislation regarding the eviction of the destitute mother, namely ETSA versus PIE.

2.3. There is a significant difference of opinion in the version of events proffered by the Complainant and the Member. Given the two conflicting versions the Committee holds that there is no clear and irrefutable version on which to base a finding of breach in the circumstances.

FINDING

The Committee accordingly holds that the complaint and investigation (as per the evidence, i.e. all the affidavits) are inconclusive.

REPORTED FOR INFORMATION

MS. N.Q. MVANA **MR. J.H.P. BRITZ**

THE CO-CHAIRPERSONS OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS

National Assembly

1. Report of the Portfolio Committee on Water and Sanitation on the 4th Quarter Expenditure Report for Vote 41 Water and Sanitation 2025/26 Financial Year, dated 18 August 2026

The Portfolio Committee on Water and Sanitation (the Committee), having considered the Department of Water and Sanitation (the Department)'s 4th Quarter Expenditure Report for 2025/26, reports as follows:

1. Introduction

The Committee considered the Department of Water and Sanitation's Fourth Quarter Expenditure and Performance Report for the 2025/26 financial year and noted both notable institutional achievements and persistent weaknesses in service delivery performance.

The Department reported progress in key reforms and infrastructure development, including the establishment of the National Water Resource Infrastructure Agency (NWRIA), institutional restructuring, improved technical capacity through reduced vacancies for engineers and scientists, and progress on strategic infrastructure projects such as the Clanwilliam Dam, Tzaneen Dam and Mzimvubu Water Project. Improvements were also reported in regulatory oversight, water-use licence processing, and the completion of several delayed infrastructure projects across provinces.

Financially, the Department spent R22.9 billion of its adjusted budget of R23.4 billion, achieving expenditure of 98.9%. However, this strong expenditure performance was not matched by corresponding non-financial performance. Overall achievement of planned targets declined to 56%, compared to 62% in the previous financial year, with Programme 3: Water Services Management recording only 40% achievement despite spending 96.8% of its allocation. The Committee expressed concern that high levels of expenditure are not translating into improved service delivery outcomes.

The Committee further noted a recurring trend of deferred targets, many of which have been moved to the 2026/27 financial year without additional funding. This practice raises concerns about the credibility of planning processes and increases the risk of future underperformance. Persistent delays in infrastructure projects, procurement bottlenecks, contractor underperformance, funding constraints, community disruptions, and technical challenges continue to undermine implementation and delay benefits to communities.

Additional concerns were raised regarding inconsistencies in reporting, weaknesses in performance management, deteriorating municipal capacity to operate and maintain infrastructure, and a significant increase in debtor days from 132 to 451 days due mainly to municipal non-payment. The Committee highlighted the threat this poses to the financial sustainability of water boards and the broader water sector. While historical irregular, fruitless, wasteful and unauthorised expenditure remains substantial at R5.7 billion, the Department reported a reduction compared to the previous financial year.

The Committee concluded that, despite progress in institutional reforms and infrastructure development, systemic weaknesses in planning, execution, accountability, reporting and project management continue to hinder the Department's ability to deliver sustainable improvements in water and sanitation services. The Committee therefore emphasised the need for stronger alignment between planning, budgeting and implementation; improved reporting accuracy; accelerated completion of existing projects; enhanced municipal support; improved debt recovery; and decisive interventions to address project delays and service delivery failures. It further recommended that the Department submit detailed reports on delayed projects, Programme 3 performance, debtor management, strategic infrastructure projects, municipal interventions and implementation challenges to strengthen oversight and accountability.

2. Briefing on the 4th Quarterly Expenditure Report for the 2025/26 Financial Year

The comparative analysis of the Department 4th quarterly performance over the last 5-year period shows a steady performance in budget expenditure and while regress in the achievement of planned targets mainly in Programme 3 Water Services Management, refer to Table 1.

Table 1 Comparative Analysis of the 4th Quarterly Reports					
Expenditure					
Programme	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Administration	88	98,3	99,1	99,2	100
Water Resources Management	97	99,1	99,7	99,9	100

Water Services Management	82	93,8	99,9	99,9	96,8
Overall Average	**89**	**97,1**	**99,6**	**99,9**	**98,9**
Targets achieved					
Programme	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Administration	80	75	69	50	65
Water Resources Management	59	75	71	65	64
Water Services Management	65	70	69	70	40
Overall Average	**68**	**73**	**70**	**62**	**56**

The presentation outlined key achievements, areas of underperformance, and the related corrective actions to address targets that were not met during the quarter under review.

The total expenditure for the fourth quarter amounted to R22.9 billion, representing 98.9% of the final adjusted budget of R23.4 billion. This resulted in unspent funds of R489.8 million. However, it is important to note that this under-expenditure exceeds the R58.5 million reported by the National Treasury in its fourth-quarter report tabled in Parliament.

The economic classification of expenditure provides insight into the key drivers of expenditure during the fourth quarter. Spending on Compensation of Employees (CoE) amounted to R1.98 billion, which is fully aligned with the final allocation of R1.98 billion, indicating that expenditure was in line with the approved budget. For Goods and Services, the Department fully utilised the allocated budget of R2 billion, reflecting expenditure in line with the final allocation. Expenditure on Transfers and Subsidies amounted to R14.5 billion against a final allocation of R14.9 billion, resulting in underspending of R431.5 million. This underspending is primarily attributed to the non-approval by the National Treasury of requests to stop and reallocate conditional grants. Payments for Capital Assets amounted to R4.4 billion against a final allocation of R4.5 billion, indicating underspending of R58.3 million. This variance is largely due to challenges experienced by implementing agents, including procurement delays, community unrest that disrupted project implementation, and delays associated with contracts currently under investigation by the Special Investigating Unit (SIU). The Department indicated that it utilised indirect grants (allocations in kind) and implemented budget reallocations to mitigate the risk of material underspending, escalating project costs, and potential negative impacts on service delivery.

The Water Trading Entity's preliminary spending was reported at 78% with a caveat that it is subject to change as the Entity is reporting on accrual basis of accounting and incorporates related transactions from the Trans-Caledon Tunnel Authority (TCTA) and Lesotho Highlands Development Authority (LHDA).

The Department reported that it continues to implement the financial recovery plan, and the budget is monitored regularly to ensure compliance and spending within the approved budget.

Table 2 shows a performance summary with a list of targets that were not achieved together with strategies to address under performance. It is worth noting that majority of targets were deferred to 2026/27 financial year mainly in Programme 2. For example, appointment and induction of the governing board of the NWRIA; Transformation of the irrigation boards into Water User Association; Water economic regulator gazetted for establishment; Dam safety rehabilitation projects under construction; 5-year water and sanitation reliability plans developed for metropolitan municipalities; Bulk infrastructure projects phases funded through Budget Facility for Infrastructure (BFI) completed; Identified non-compliant water supply systems monitored against the Regulatory requirements; and Bulk sewer projects under construction and completed.

Table 2 Overview of the Financial and Non-Financial Performance

Programme	4th Quarter		Areas of underperformance and strategies to overcome areas of under performance
	% actual achievement	% budget spent	
Administration (P1)	65	100	• Compliance with the implementation of risk management plan: As the Strategic Risk Assessment was not conducted this activity has been deferred to the 2026/27 financial year. • Safety and security assessments for facilities and installations conducted: These have been deferred to the 2026/27 financial year as the financial resources become available to augment the human resources. • Targeted procurement budget spent on qualifying small enterprises (QSE): The service providers in the QSE will be encouraged to respond to the requests. • Financial recovery plan and number of debtor days: The Department has appointed service providers who are participating in the National Treasury Transversal Contract on debt collection to assist Department with recovery of outstanding debts. • National Water Resources Infrastructure Agency (NWRIA) establishment: As the NWRIA governing board was appointed

			after the end of the financial year, the induction will be conducted during the 2026/27 financial year • Irrigation boards transformed into Water User Associations: The transformation of the irrigation boards has been deferred to the 2026/27 financial year to allow for stakeholder engagements.
Water Resources Management (P2)	64	100	• Completed Record of Implementation Decisions (RID) for bulk raw water planning projects: As the acceleration processes are underway, these are deferred to the subsequent financial year. • River systems with water resources classes and determined resource quality objectives: The processes to finalise the Keiskamma close-out report is deferred to the subsequent financial year • Bulk raw water projects in preparation for implementation: the acceleration processes are underway, for these projects to be on track during the subsequent financial year. • Bulk raw water projects under construction and completed: To deal with procurement related delays, the Department adopted a new Infrastructure Procurement Strategy which will accelerate the implementation of water resource infrastructure projects. There is also collaboration with the private sector to jointly implement large projects with the objective of enhancing efficiency and bringing some fiscal relief. Various implementation models are being explored concurrently i.e., using different implementing agents, collaborating with the private sector with joint project implementation control, using internal capacity, etc. • Dam safety rehabilitation projects under construction: As the designs are being finalised, these projects are deferred to the subsequent financial year. • Kilometres of conveyance systems rehabilitated: the acceleration processes are underway, for these projects to be on track during the subsequent financial year. • Dams where recreational areas for tourism will be initiated: these have been deferred to the subsequent financial year. • River systems monitored for the implementation of resource directed measures: this part of the monitoring activities deferred to the newly established catchment management agencies. • Water economic regulator gazetted for establishment: this has been deferred to the 2026/27 financial year. • Catchments in which compulsory licensing is conducted: this has been deferred to the 2026/27 financial year. • Oversight assessments conducted in CMAs: this has been deferred to the 2026/27 financial year. • Wastewater systems monitored against the Regulatory Requirements: these have deferred to the 2026/27 financial year.

Water Services Management (P3)	40	96.8	• 5-year water and sanitation reliability plans developed for metropolitan municipalities: This has been deferred to the 2026/27 financial year. • Feasibility and implementation readiness studies for water and wastewater services projects (RBIG): This has been deferred to the 2026/27 financial year. • Regional bulk infrastructure project phases under construction and completed: For the 2026/27 financial year, the Department will intensify monitoring and constant engagement with various stakeholders that form part of projects implementation and completion to ensure that the necessary appointments and replacement of contractors go according to plan and funding is available. • Bulk infrastructure projects phases funded through Budget Facility for Infrastructure (BFI) completed: these have been deferred to the 2026/27 financial year. • Identified non-compliant water supply systems monitored against the Regulatory requirements: these have been deferred to the 2026/27 financial year. • Water Services Infrastructure Grant projects under construction and completed: The contractors are receiving increased resources to make up for lost time, procurement processes and appointment of contractors is fast tracked process are fast-tracked. Utilisation of the internal construction unit is used by some implementing agents to fast-track implementation. • Bulk sewer projects under construction and completed: these have been deferred to the 2026/27 financial year.
Total	**56**	**98.9**	

Report on the implementation of preferential procurement regulations demonstrate improved performance. The annual procurement from designated groups shows varying levels of achievement against set targets. Procurement from black-owned companies with at least 50% ownership performed strongly, reaching 58% of total expenditure, which amounts to R3.6 billion out of an annual procurement budget of R6 billion. Similarly, women-owned companies with 50% or more ownership accounted for 32% of procurement, amounting to R2 billion, although this falls short of the 40% target. Procurement from youth-owned companies reached only 14%, amounting to R847 million, which is significantly below the 30% target. Notably, there was no procurement recorded for companies owned by people with disabilities, representing 0% against a target of 7%, with an expected value of R25 million. Overall, while progress has been made in certain categories, notable gaps remain in meeting procurement targets for women, youth, and people with disabilities.

Programme 1 and 2 reported 100% expenditure respectively, despite having several targets deferred to 2026/27. Programme 3 reported 96.8% expenditure with a meagre 40% achievement of planned targets. It is also worth noting that the expenditure percentage is contrary to the National Treasury reported expenditure for programme 3 which is 99.6%. An analysis of the under-expenditure in programme 3 reveals that it is almost entirely due to delays in the finalisation of contracts for indirect WSIG (Water Services Infrastructure Grant) projects. While direct allocations to municipalities were fully transferred and spent, projects managed centrally by the Department lagged in schedule, as procurement and implementation bottlenecks persisted.

Department further highlighted and acknowledged unacceptable delays in some of the key infrastructure projects. Progress on bulk raw water projects and dam safety rehabilitation initiatives was reportedly constrained by a range of procurement and technical challenges. Of the seven bulk raw water projects scheduled for preparatory activities, progress was reported in the Clanwilliam Dam, Mzimvubu Water Project (Ntabelanga Dam), and Hazelmere Dam. In contrast, other projects, including the Limpopo North Water Supply Scheme, Olifants River Water Resources Development Project, Umkhomazi Water Project, and Lower Thukela Bulk Water Supply Scheme saw limited progress, primarily due to delays associated with feasibility studies, procurement processes, and finalisation of technical designs.

The Department is strengthening its role as the regulator of water services, by developing more comprehensive and stringent norms and standards for water services and standardising its regulatory processes. These include the amendments to the Water Services Act to more clearly separate the roles of Water Services Authorities (ensure that water services are provided to required standards) and Water Services Providers (provide the services) and to enable the Minister to intervene more effectively as the Regulator. The Water Services Amendment Bill is currently being processed by Parliament.

In as far as the Irregular, Fruitless and Wasteful and Unauthorised (IFWU) expenditure is concerned, the Department reported historical unauthorised, irregular, fruitless and wasteful expenditure incurred mainly between 2016/17 and 2018/19. The unauthorised expenditure emanates from the Bucket Eradication Programme (R292 million) and the War on Leaks (WoL) Programme (R349 million). The unauthorised expenditure is currently under consideration by Parliament (Standing Committee on Public Accounts).

The IFWU expenditure is summarised in Table 3. The total IFWU expenditure stood at a total of R5.7 billion as at the end of 4th quarter 2025/26, a slight improvement from R6.7 billion reported in 4th quarter 2024/25.

Table 3 Irregular, Fruitless and Wasteful and Unauthorised (IFWU) expenditure

Expenditure Variables	Main Account	Water Trading Entity	TOTAL
	Q4-2025/26 R'000	Q4-2025/26 R'000	Q4-2025/26 R'000
Unauthorised expenditure	641,109	-	641,109
Fruitless and wasteful expenditure	-	24,660	24,660
Irregular expenditure	4,792,733	260,825	5,053,558
Total	**5,433,842**	**285,485**	**5,719,327**

Irregular expenditure cases are currently under investigation by the Department, South African Police Service (SAPS) and Special Investigating Unit (SIU) while some of the cases are before the courts of law. The Internal Audit is also investigating some of the reported irregular, fruitless and wasteful expenditure while Human Resource Management is conducting disciplinary hearings on some of these matters.

The Department has not incurred any unauthorised beyond the 2017/18 financial year owing to the following preventative measures: All mandates and projects are properly budgeted and approved before they commence; Stronger financial controls and oversight mechanisms by ensuring that all spendings are line with the approved budgets and mandates; Regular audits and reviews of financial processes and systems to identify and address any weaknesses or gaps through relevant approved oversight structures; Regular staff training on financial management and reporting to ensure that all employees understand their roles and responsibilities with respect to budgeting and spending; Clear policies and procedures for managing unexpected or unbudgeted mandates, including protocols for obtaining additional funding or reallocating existing budgets; and Standard Operating Procedures, and Circulars, which are continuously updated and exercised.

3. Committee Observations and the Department Responses

The observations and questions from the Committee are categorized into several key themes relating to both financial and non-financial indicators of the Department of Water and Sanitation. The observations are immediately followed by a response where applicable.

3.1. Irregular Expenditure

The Committee acknowledged the historical nature of irregular and unauthorised expenditure but raised concerns regarding the delays in finalising condonation processes and the overall impact on financial performance and recovery plans. Members questioned why pending parliamentary processes linked to unauthorised expenditure were affecting the Department's ability to fully implement the Financial Recovery Plan.

The Department responded that the condonation of irregular and unauthorised expenditure is a complex process involving multiple stakeholders, including National Treasury and Parliament. While some processes are still awaiting finalisation, the Department has significantly reduced irregular and unauthorised expenditure over time. The Department further indicated that investigations, disciplinary actions, and corrective measures have been undertaken, and that progress on financial recovery remains ongoing despite these challenges.

3.2.Relationship between Financial Performance and Non-Financial Performance

The Committee expressed concern over the mismatch between high expenditure levels (up to 97.9%) and declining performance outcomes, particularly the regression from 62% to 56% overall performance and from 48% to 40% in Programme 3 (Water Services Management). Members noted that this disconnect undermines service delivery in the context of a national water crisis.

The Department clarified that the apparent mismatch arises from the performance reporting framework prescribed by the Department of Planning, Monitoring and Evaluation (DPME), where indicators and targets are not directly correlated with expenditure. Performance is measured against predefined indicators rather than proportional spending. The Department emphasised that while expenditure may be high, project completion timelines and technical challenges influence reported performance outcomes.

3.3.Project Delays and Infrastructure Delivery

The Committee raised significant concerns about persistent delays in infrastructure projects, including stalled or slow-moving bulk water and sanitation projects, some of which have been ongoing for over a decade. Members highlighted issues such as shifting completion dates, lack of progress (e.g., projects moving marginally between quarters), and incomplete bulk sewer and water infrastructure projects.

The Department attributed delays to multiple factors, including contractor underperformance, cash flow challenges, poor quality of work requiring rework, supply chain disruptions, community disruptions (including construction mafias), servitude issues, and technical complications during implementation. The Department also indicated that some delays arise from necessary quality assurance processes to ensure infrastructure meets required standards.

3.4. Reporting Inconsistencies and Data Integrity

The Committee identified numerous inconsistencies in the quarterly report, including conflicting figures on the number of projects under construction and completed. Members noted that discrepancies across sections of the report undermine confidence and make effective oversight difficult.

The Department acknowledged the inconsistencies and attributed them to the cumulative nature of reporting and the structure of the performance framework. It undertook to improve the quality, clarity, and user-friendliness of reports, including providing detailed reconciliations, inclusion of footnotes and engaging further with Members to clarify technical discrepancies.

3.5.Municipal Capacity and Service Delivery Failures

The Committee emphasised that the most acute challenges in the water crisis occur at the municipal level, including failing wastewater treatment works, dry taps, and unreliable service delivery. Concerns were raised about municipalities' inability to implement projects, maintain infrastructure, and meet contractual obligations.

The Department confirmed that municipal capacity constraints are a major challenge, noting weaknesses in project management, procurement, and operations and maintenance. It highlighted its reliance on municipalities as implementing agents as a shortcoming and indicated increased use of alternative delivery models such as appointing water boards (Schedule 6B indirect grant allocation approach) and internal construction units to improve implementation outcomes.

3.6. Debt Management and Deteriorating Debtor Days

The Committee expressed strong concern regarding the significant increase in debtor days from 132 days in Quarter 3 to 451 days in Quarter 4. Members viewed this deterioration as a serious financial risk and requested explanations, including identification of key defaulting municipalities and credit control measures in place.

The Department explained that the increase is primarily due to weak revenue collection by municipalities and the impact of impairment calculations at year-end. It noted that high levels of non-payment and non-revenue water contribute significantly to the problem. Measures implemented include debt collection through contracted agencies, debt relief programmes, and engagement with National Treasury and municipalities to enforce payment agreements.

3.7. Planning, Sequencing and Infrastructure Alignment

The Committee highlighted poor planning and misalignment between bulk infrastructure development and downstream systems such as reticulation and treatment capacity. Members noted cases where infrastructure is constructed but remains underutilised due to incomplete complementary components.

The Department acknowledged these planning challenges and emphasised the importance of integrated planning across the water value chain. It indicated that future projects would prioritise alignment between bulk infrastructure, treatment works, and reticulation to ensure functionality and improved service delivery outcomes.

3.8. Project Backlogs and Historical Projects

The Committee raised concerns about long-standing projects (some exceeding 10 years), including escalating costs, scope changes, and incomplete delivery. Members emphasised the need to prioritise completion of existing projects over initiating new ones.

The Department confirmed that a moratorium has been placed on new projects in certain cases to prioritise completion of existing projects. It also indicated that cost escalations are often due to inflation in construction materials and scope adjustments over time.

3.9. Risk Management and Financial Recovery Plan Implementation

The Committee noted that only 89% (target 100%) of the risk management plan and 81% (target 91%) of the financial recovery plan were implemented, and questioned why full compliance was not achieved, including the lack of consequence management.

The Department responded that most risk management activities were implemented, with only a small number deferred due to dependencies and unforeseen circumstances. It also noted oversight by audit and risk committees and reiterated its commitment to improving performance and achieving full implementation in future cycles.

3.10. Operations and Maintenance (through Grants)

The Committee raised concerns that the inability to use grants for operations and maintenance contributes to infrastructure failure, particularly at the municipal level. Members questioned whether grant frameworks could be adjusted to support maintenance where necessary.

The Department explained that current grant conditions, as determined by National Treasury under the Division of Revenue Act (DORA), restrict funding primarily to capital expenditure. While limited rehabilitation-related maintenance may be allowed under certain grants, routine maintenance must be funded through municipal revenue. The Department cautioned that expanding grant use for maintenance could create perverse incentives and weaken municipal accountability.

4. Recommendations

Having considered the 4th Quarter Expenditure and Performance Report 2025/26 by the Department of Water and Sanitation, the Committee makes the following recommendations to the Minister of Water and Sanitation:

4.1. That the Department should provide a consolidated, detailed report on all infrastructure projects (including stalled and delayed projects) reflecting progress, revised completion dates, challenges, and interventions within 14 days.

4.2. That the Department should provide a comprehensive report on Programme 3 (Water Services Management), detailing causes of regression in performance, corrective measures, and timelines for improvement within 14 days.

4.3. That the Department should submit a detailed report on projects from previous quarters that were not completed, including reasons for non-completion and status, within 14 days.

4.4. That the Department should provide a report on debtor days deterioration, including contributing municipalities or entities, actions taken on credit control, and measures to reduce outstanding debt within 14 days.

4.5. That the Department should provide a detailed breakdown of strategic water infrastructure projects (including mega projects and regional bulk infrastructure projects), indicating scope, budget, expenditure to date, delays, and expected completion timelines within 14 days.

4.6. That the Department should provide updated information on the status of Service Level Agreements (SLAs) between Vaal Central Water and Matjhabeng municipality, including reasons on why this SLA remains unsigned despite numerous assurances that its conclusion is imminent, and steps being taken to enforce compliance within 14 days.

4.7. The Department should provide a progress report on the Vaal River intervention and wastewater treatment works upgrades, including timelines, funding allocations, and remaining work within 14 days.

4.8. That the Department should provide a detailed report on challenges affecting project implementation, including contractor performance, community disruptions, procurement delays, and funding constraints and implications on cost escalations (downtime charges etc.), together with proposed mitigation measures within 14 days.

4.9. That the Department should provide additional information on the Giyani Water Project Phase 2, including funding status, implementation progress, and timelines for completion within 14 days.

Report to be considered.

2. Report of the Portfolio Committee on Water and Sanitation on the First Quarterly Expenditure Report: Vote 41 Water and Sanitation 2026/27 Financial Year, dated 18 August 2026

The Portfolio Committee on Water and Sanitation (the Committee), having considered the Department of Water and Sanitation (the Department)'s First Quarterly Expenditure Report for 2026/27, reports as follows:

1. Introduction

The Portfolio Committee on Water and Sanitation (the Committee), in exercising its constitutional oversight responsibility over the Department of Water and Sanitation (the Department), considered the Department's First Quarterly Expenditure and Performance Report for the 2026/27 financial year on 4 August 2026. The engagement took place against a backdrop of persistent water and sanitation service delivery challenges, delays in infrastructure implementation, escalating municipal debt owed to Water Boards, and ongoing concerns regarding the Department's expenditure performance and ability to meet its planned targets.

The Committee noted with concern that the Department achieved only 64% of its planned performance targets during the first quarter and spent only 13.4% of its annual budget against a planned expenditure target of 22%. Of particular concern was Programme 3: Water Services Management, which accounts for the largest share of the Department's budget, but spent only 4.6% of its allocated funds during the quarter. Members expressed concern that continued under-expenditure and delays in infrastructure implementation could adversely affect service delivery and the Department's ability to achieve its annual performance commitments.

During deliberations, Members raised concerns regarding the slow pace of infrastructure delivery, persistent delays in strategic bulk water projects, backlogs in water use licence applications, escalating municipal debt to Water Boards, inadequate progress in reducing non-revenue water losses, and the continued existence of significant irregular, fruitless and wasteful expenditure balances. Members further questioned the adequacy of consequence management measures for poor performance and called for stronger accountability mechanisms to ensure that underperformance is addressed proactively.

While acknowledging progress in certain areas, including the implementation of the National Water Access Acceleration Programme, the appointment of Water Boards as implementing agents, and the advancement of selected infrastructure projects, the Committee remained concerned that these achievements were outweighed by systemic challenges that continue to impede the Department's ability to deliver water and sanitation services efficiently and sustainably. This report therefore sets out the Department's first quarter performance and expenditure outcomes, records the concerns raised by Members, captures the Department's responses, and presents the Committee's observations and recommendations aimed at improving performance, strengthening accountability, and accelerating service delivery.

2. Briefing on First Quarterly Expenditure Report for the 2026/27 Financial Year

2.1. Overview of the First Quarterly Expenditure and Performance Report

The Department reported several strategic achievements during the first quarter of the 2026/27 financial year. The Department continued implementing the National Water Access Acceleration Programme for Unserved Communities, which forms part of the National Water Action Plan established by the President-led National Water Crisis Committee (WATERCOM). During the period under review, over 500 technical assessments were completed to verify sites, scope solutions and develop business plans aimed at accelerating access to water services.

The Department expanded the use of Water Boards as implementing agents to expedite delivery of water infrastructure projects and support municipalities with limited technical capacity. However, municipal debt owed to Water Boards continued to increase, reaching approximately R24 billion as of 31 May 2026, excluding current accounts. The Department continued implementing debt recovery measures, including equitable share withholdings against defaulting municipalities where all other recovery options had been exhausted.

In its regulatory role, the Department expanded the Clear Rivers Campaign in partnership with municipalities, civil society organisations and communities to improve river health and combat water pollution. Following Green Drop, Blue Drop and No Drop assessments, 107 municipalities were identified for intervention and support to improve water quality management, wastewater treatment, infrastructure maintenance and governance.

Other key milestones achieved during the quarter included but not limited to the following: Cabinet approval and appointment of the National Water Resources Infrastructure Agency (NWRIA) Board; Appointment of new Boards for the Breede-Olifants Catchment Management Agency and Lepelle Northern Water; Completion of staff transfers from the Department to newly established Catchment Management Agencies; Completion of emergency works at Clanwilliam Dam; Commencement of detailed design work for Foxwood Dam in the Eastern Cape; Commencement of construction on strategic water infrastructure projects, including the Nandoni Water Treatment Works Upgrade and Morokweng Bulk Water Supply Scheme; and Completion of 50 Water Services Infrastructure Grant (WSIG) funded projects.

The Department achieved 64% of its planned targets during the first quarter of 2026/27, refer to Table 1. Water Resources Management recorded the highest achievement rate at 71%, followed by Water Services Management at 65% and Administration at 55%. Key non-financial achievements included Completion of 774 training interventions; Reduction of engineer and scientist vacancy rate to 5%; Achievement of 62% targeted procurement from SMMEs; Monitoring of 131 critical wastewater systems and 151 critical water supply systems; Construction of 65 Regional Bulk Infrastructure Grant project phases; Completion of 48 WSIG projects and construction of 218 WSIG projects; and Completion of 352 maintenance projects and nine dam safety evaluations.

Table 1. First Quarter Performance			
Programme **Planned Target (%)**	**Actual Achievement (%)**	**Budget (%)**	**Budget Spent (%)**
Administration (P1)	55	2.6	2.4
Water Resources Management (P2)	71	10.6	8.0
Water Services Management (P3)	65	9	3.1
Total (Average)	**64**	**22**	**13.5**

The Department spent R2.949 billion, representing 13.5% of the total appropriation of R21.957 billion, against a planned expenditure target of 22%. The under expenditure is R1.9 billion.

Expenditure by economic classification was as follows:

Table 2. Economic Classification of Expenditure			
Economic Classification	**Budget (R billion)**	**Expenditure (R billion)**	**% Spent**
Compensation of Employees	2.195	0.508	23.1
Goods and Services	1.964	0.270	13.7
Transfers and Subsidies	12.992	1.577	12.1
Payments for Capital Assets	4.806	0.594	12.4
Total (Average)	**21.957**	**2.949**	**(13.4)**

Underspending was mainly attributed to, among others, Delays in infrastructure project implementation; Outstanding compliance requirements before transfers could be effected; Delays in appointment of contractors and professional service providers; Verification of invoices from service providers; and Delayed commencement of some grant-funded infrastructure projects.

The Department reported that project-specific recovery plans are being implemented with various implementing agents to improve expenditure performance during subsequent quarters.

The Department reported the following procurement performance for designated groups during the first quarter of 2026/27: *Black-owned companies (50% or more ownership):* 68% of total procurement expenditure, amounting to approximately R1.044 billion out of total procurement expenditure of R1.536 billion; *Women-owned companies (50% or more ownership):* 43%, exceeding the annual target of 40%, amounting to R407 million; *Youth-owned companies (50% or more ownership)*: 14%, below the annual target of 30%, amounting to R132 million; and *Companies owned by persons with disabilities (50% or more ownership):* 2%, below the annual target of 7%, amounting to R19 million.

The Department indicated that procurement processes provide preference points for designated groups; however, achievement of targets remains dependent on the responsiveness, competitiveness and availability of qualifying suppliers during bidding processes.

In addition, targeted procurement from Small, Medium and Micro Enterprises (SMMEs) amounted to 62% against a target of 30%, comprising of 42% Exempted Micro Enterprises (EMEs); and 20% Qualifying Small Enterprises (QSEs).

Table 2 provides strategies to address areas of poor performance per programme.

Table 3. Areas of Underperformance and Strategies to Address Performance Gaps		
Programme	**Areas of Underperformance**	**Strategies to Address Underperformance**
(P1)	Internal audit plan implementation; Communication and Public Participation Programme; implementation of the financial recovery plan; expenditure of annual budget; reduction of debtor days; NWRIA establishment; transformation of irrigation boards into Water User Associations.	Fill vacant internal audit positions and finalise pending audit reports; defer communication activities to Quarter 2; continue implementation of the financial recovery and turnaround plan; strengthen debt collection measures; engage CIPC to finalise NWRIA registration; continue stakeholder engagements regarding Water User Associations.
(P2)	Record of Implementation Decisions (RID) for bulk water projects; resource quality objectives for river systems; bulk water projects under preparation; rehabilitation of conveyance systems; water economic regulator legislation; National Water Amendment Bill; water use licence applications.	Accelerate procurement and planning processes; conclude translation and gazetting processes; address project delays relating to land claims and procurement; recruit and capacitate additional resources in CMAs; use internal legal resources and Operation Vulindlela support to advance legislative work.
(P3)	Regional bulk infrastructure projects under construction and planned for completion; Budget Facility for Infrastructure projects; Water Services Amendment Bill; WSIG projects under construction and completion.	Finalise land and procurement matters; appoint replacement contractors where contracts were terminated; resolve community disruptions and contractor performance issues; continue engagement with Parliament regarding legislative processes; implement project recovery plans and strengthen monitoring.

2.2. Irregular, Fruitless and Wasteful and Unauthorised Expenditure (IFWUE)

Table 4 shows the status of IFWUE as of the end of first Quarter 2026/27. The cumulative unauthorised expenditure of R641.109 million relates to historical overspending incurred during: The Bucket Eradication Programme in 2016/17, which resulted in overspending of R292 million. The War on Leaks Programme in 2017/18, which resulted in expenditure of R349 million without an approved budget allocation. The matter remains under consideration by the Standing Committee on Public Accounts (SCOPA).

Table 4. Irregular, Fruitless and Wasteful and Unauthorised Expenditure			
Expenditure Category	**Main Account (R000)**	**WTE (R000)**	**Total (R000)**
Unauthorised Expenditure	641 109	-	641 109

Fruitless and Wasteful Expenditure	-	24 660	24 660
Irregular Expenditure	4 792 733	259 040	5 051 773
Total	**5 433 842**	**283 700**	**5 717 542**

Fruitless and wasteful expenditure amounts to R24.660 million, all of which relates to the Water Trading Entity. The expenditure mainly comprises unrecovered construction unit costs and unauthorised plant hire rate adjustments associated with infrastructure projects. The Department reported that legal processes and recovery actions are underway.

Total irregular expenditure stands at R5.052 billion, comprising of Main Account: R4.793 billion and Water Trading Entity: R259 million. The largest components of irregular expenditure relate to Lepelle Northern Water / Giyani Water Project: R3.3 billion; War on Leaks Programme: R1.048 billion; Richards Bay Desalination Plant: R311 million; and various infrastructure and emergency procurement contracts under the WTE.

The Department reported that R3.622 billion is subject to pending court proceedings while R1.163 billion has been submitted to National Treasury for condonation. And approximately R239 million remains subject to disciplinary processes and investigations.

The Department further indicated that all historical irregular expenditure cases have been reviewed and that only matters subject to court proceedings, SIU investigations, disciplinary actions and National Treasury condonation processes remain outstanding. Remedial measures strengthened controls and monitoring systems continue to be implemented to prevent recurrence.

3. Committee Observations and Responses by the Department

3.1. Water Boards acting as Implementing Agents across Municipalities

The Committee welcomed the Department's decision to utilise water boards as implementing agents in failing municipalities, noting that this intervention had previously been advocated by the Committee. It proposed that water boards implementing projects in municipalities should provide progress reports and presentations to the Committee at every meeting. The Committee

further proposed consideration of a joint meeting with the Portfolio Committee on Cooperative Governance and Traditional Affairs (COGTA) to strengthen oversight over these interventions.
The Minister confirmed that funds are traditionally transferred to municipalities through direct grant allocations. However, due to persistent delays in project implementation by municipalities, particularly relating to procurement and tender processes, the Department has increasingly converted direct grant allocations (Schedule 5B) into indirect grant allocations (Schedule 6B), allowing water boards to act as implementing agents. The Department acknowledged the value of enhanced oversight and confirmed that progress reports on water board interventions can be provided.

3.2. Poor Expenditure and Performance in Programme 3: Water Services Management

The Committee expressed serious concern regarding the Department's first-quarter performance, particularly the expenditure of only 13.4 per cent against a planned expenditure of 22 per cent. Specific concern was raised regarding Programme 3: Water Services Management, which received approximately R15 billion but spent only 4.6 per cent during the quarter. Members questioned whether accountability measures had been instituted where expenditure and performance targets were not achieved.
The Department explained that expenditure patterns are influenced by the timing of grant transfers to municipalities. Direct transfers under Schedule 5B are typically made later in the financial year, which affects expenditure reporting during the first quarter. The Department further noted that the first quarter of the national financial year coincides with the final quarter of municipal financial years, resulting in timing differences when expenditure is consolidated. Officials stated that expenditure levels would improve following grant transfers to municipalities.
Regarding consequence management, the Department indicated that disciplinary action cannot be taken against municipal officials who are not employees of the Department. However, the Department confirmed that disciplinary processes have been instituted against certain Departmental supply chain management officials where procurement processes were not properly managed.

3.3. Consequence Management for Poor Performance in the Department

The Committee sought clarity on consequence management relating to Departmental officials responsible for failing to achieve expenditure and performance targets reported in the quarter. Members argued that failure to address underperformance early in the financial year could result in institutionalised poor performance.

The Director-General clarified that consequence management exists within the Department where employee misconduct or negligence is identified. Disciplinary actions are currently underway against officials implicated in procurement-related failures. However, achievement of infrastructure targets may be affected by external factors such as contractor insolvency, adverse weather conditions, technical challenges and community disruptions. The Department maintained that project performance should be assessed on an annual basis rather than solely on quarterly expenditure patterns.

3.4. Non-Revenue Water and Water Losses

The Committee noted that national non-revenue water losses remain extremely high, averaging approximately 50 per cent nationally and reaching 65 per cent in some municipalities. Members argued that water losses represent a significant threat to the sustainability of the water sector and questioned the Department's role in addressing this challenge.

The Minister emphasised that water losses primarily occur within municipal distribution networks, which are operated and maintained by municipalities. The Department stated that it continuously monitors municipal performance, identifies high-loss municipalities and provides support through regulatory interventions and technical assistance. The Deputy Minister (Hon. Mahlobo) added that meaningful improvements would require collaboration across all spheres of government and broader reforms aimed at strengthening municipal governance and infrastructure management.

3.5. Matjhabeng Wastewater Infrastructure, Operations and Municipal Debt

The Committee raised concerns regarding the handover of newly refurbished wastewater infrastructure in Matjhabeng Local Municipality, including more than 20 pump stations and *the rehabilitated 12-megalitre wastewater treatment plant. The Committee questioned the implications should the municipality lack the capacity to operate and maintain these facilities and sought clarity on why the Department proceeded with the handover despite concerns about municipal capacity. The Committee also requested an update on the Matjhabeng intervention, including whether the municipality had assumed responsibility for the operation and maintenance of the infrastructure, the status of the Service Level Agreement (SLA) between Matjhabeng Municipality and Vaal Central Water, and the municipality's efforts to address its outstanding debt to the water board.*

The Minister explained that the Department's intervention in Matjhabeng was prompted by the municipality's failure to meet its financial obligations to Vaal Central Water, having previously paid only approximately R12 million per month and doing so inconsistently. Following engagements by the Department, Matjhabeng agreed to increase its monthly payments to approximately R30 million while improving its revenue collection and metering systems. The municipality had indicated that paying the full amount of approximately R68 million per month would place severe strain on its finances and compromise its ability to pay salaries and deliver other services. A review was scheduled after six months to assess revenue collection improvements and determine whether payments could be increased.

With regard to the infrastructure handover, the Minister stated that once projects are completed and handed over, the assets become municipal assets and responsibility for their operation and maintenance rests with the municipality. The Department cannot continue managing municipal infrastructure indefinitely as it does not have a budget mandate for municipal operations, and doing so could amount to unauthorised expenditure.

The Department further confirmed that the infrastructure had been officially handed over to Matjhabeng Municipality. Prior to the handover, contractors provided training to municipal personnel and support to ensure operational readiness. The municipality had also begun appointing the necessary personnel to manage and operate the facilities. To support the transition, the Department, Vaal Central Water and the municipality continue to hold weekly and bi-weekly monitoring meetings, while independent inspections are conducted to assess operations and maintenance. The Department remains involved in an oversight and support role as the municipality builds its institutional capacity.

Regarding the Service Level Agreement, the Minister confirmed that the SLA between Matjhabeng Municipality and Vaal Central Water had not yet been signed, despite previous commitments. The matter had been referred to the municipality's legal team for finalisation, but the agreement remained outstanding. The Department indicated that it continues to engage the municipality to ensure that the agreement is concluded as a matter of urgency.

3.6. Delayed Water Infrastructure Projects in the Northwest Province

The Committee expressed concern regarding the prolonged delays affecting major projects in the Northwest Province which are implemented by Magalies Water, namely the Brits Water Treatment Works delayed since March 2018; Mafikeng South bulk Water Supply (June 2020); and Setlakgole Bulk Water Supply (February 2018). These projects have experienced multiple revised completion dates extending over several years some as far back as 2016.

The Department attributed delays to contractor failures, contractor insolvency, scope changes, project stoppages, community disruptions and procurement challenges. It was confirmed that several projects are now expected to be completed during the 2026/27 financial year (with Mafikeng scheduled for completion, September 2026 and Brits set for completion in December 2026), subject to the appointment of replacement contractors and successful completion of remaining works.

3.7. Resignation of Internal Audit Officials

The Committee requested information regarding the resignation of eight Internal Audit officials and sought clarity on whether exit interviews had been conducted.

The Department confirmed that exit interviews were conducted. Officials resigned primarily due to promotional opportunities elsewhere or transfers to the Water Trading Entity. Recruitment processes to fill the vacancies have commenced, interviews were conducted, and the Department expects all positions to be filled by the end of August 2026 following vetting processes. In addition, one of the resigned officials accepted a counteroffer to remain in the Department.

3.8. Contractor Performance and Blacklisting

The Committee raised concerns regarding contractors who abandon projects, become insolvent or fail to complete assigned work, only to be appointed elsewhere under different company names.

The Minister confirmed that the Department reports non-performing contractors for blacklisting and encourages water boards and municipalities to do the same. However, challenges arise when contractors register under different entities and continue operating under new legal names.

3.9. Water Use Licence Backlogs

The Committee raised concerns regarding the achievement of only 68 per cent against an 85 per cent target relating to water use licence processing, highlighting the adverse impact on economic development, investment and agriculture.

The Department explained that the transfer of licensing responsibilities to Catchment Management Agencies (CMAs) has created transitional challenges and capacity constraints. To address the backlog, the Department is implementing a "roving intervention team" of specialists to support struggling CMAs and is monitoring all strategic and high-impact licence applications to prevent delays.

3.10. Municipal Debt Owed to Water Boards

The Committee expressed concern regarding escalating municipal debt owed to water boards and the Water Trading Entity, questioning whether debt recovery interventions have yielded tangible results.

The Deputy Minister stated that interventions involving National Treasury, provincial governments and municipalities have led to improved payment levels in several municipalities. Examples cited included Johannesburg, Merafong and Victor Khanye. The Department indicated that debt settlement agreements, equitable share withholding mechanisms and structured payment arrangements continue to be utilised.

3.11. Update on Foxwood Dam Project (Eastern Cape) Nandoni Water Treatment Works (Limpopo)

The Committee sought clarity on achievement of key milestones on the Foxwood Dam project in the Eastern Cape; What population will eventually benefit from the project? And what progress has been made since design work commenced?

The Acting DDG for Infrastructure responded that the detailed design work has commenced following completion of feasibility studies. Geotechnical investigations are currently underway to determine foundation requirements; Design work is expected to take approximately 18 months which will be followed by the preparation of the construction tender documents. Construction is expected to take approximately four years. Water delivery benefits are currently anticipated around 2029-2030. Additional downstream irrigation, treatment, and distribution projects are being planned in consultation with the Department of Agriculture and affected communities.

The Committee requested an update on the Nandoni Water Treatment Works project including progress, milestones and expected completion timelines.
The Department responded that DBSA has been appointed as the implementing agent. The plant is being upgraded from 60 megalitres to 120 megalitres per day. Construction is underway and the contractor is already on site. Completion of the expansion is expected in approximately 18 months. Interim optimisation measures are being implemented to ensure no disruption to current water production while construction proceeds.
Considering these responses' members remained dissatisfied with the delay in finalising the Matjhabeng SLA. Noting that the challenge in Matjhabeng is primarily one of leadership rather than resources. Further emphasised that the wastewater treatment plant is critical for the health and wellbeing of residents. Municipalities should prioritise maintenance and operational funding for water and sanitation infrastructure. The department should communicate infrastructure project milestones proactively to combat misinformation and manage public expectations. A whole-of-government and whole-of-society approach is required to address water challenges effectively.

4. Recommendations

Having considered the first quarterly expenditure and performance report of the Department of Water and Sanitation the Committee recommends to the Minister:

4.1. That, within 14 days of the adoption of this report, submit a written report to the Committee detailing municipalities that have improved their payments to Water Boards following the withholding of equitable share allocations, as well as municipalities that have failed to respond or improve compliance, to enable the Committee to consider summoning such municipalities to appear before Parliament.

4.2. That, within 14 days of the adoption of this report, submit a written report to the Committee profiling all projects that have been delayed, unblocked, and completed during the reporting period, including the reasons for delays, interventions undertaken, and revised completion timelines where applicable.

4.3. That, within 14 days of the adoption of this report, provide the Committee with a geographical landscape analysis of the backlog of water use licence applications, identifying provinces, catchment management areas, and regions where backlogs are most severe, and indicating priority areas for intervention by the roving support team.

4.4. That, within 14 days of the adoption of this report, provide the Committee with a written report on its response to the judgment in Khetshemiya and Others v Minister of Water and Sanitation and Others (Case No. 4018/21) [2026] ZAECM (15 May 2026), including the implications of the judgment, actions taken to comply with the court order, and measures being implemented to address the issues raised by the Court.

4.5. That, within 14 days of the adoption of this report, an update be provided on the six-month R30 million payment arrangement between Matjhabeng Local Municipality and Vaal Central Water, including the anticipated end date of the arrangement, whether Matjhabeng Local Municipality has complied with its obligations, and when the arrangement will be reviewed to ensure that the monthly payment is increased to the required amount of R68 million.

Report to be considered.