

JOINT MEDIA RELEASE

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KIDDS BEACH COMMUNITY REQUESTS ACTION FROM SANRAL, BCMM AND DWS OVER THE UNFINISHED R72 INTERCHANGE AND FAILED BULK INFRASTRUCTURE PROVISSIONING

The Kidds Beach Ratepayers and Residents Association (KBRRRA) and the Greater Kidds Beach Ratepayers Forum (GKBRF) are calling for urgent intervention and public accountability over unresolved infrastructure obligations associated with the Altivex 103 (Pty) Ltd and its holding Company the Mission Holdings Group (MHG), development at Kidds Beach.

The most visible manifestation of the problem is the unfinished R72/MR501 Kidds Beach interchange. Construction commenced but later stopped, leaving for **twenty-nine months** incomplete works at a key access point used by residents, school transport, commercial traffic and surrounding communities.

The community has repeatedly raised concerns regarding the prolonged stoppage, incomplete excavations, traffic accommodation, environmental deterioration and road-user safety. Following a prolonged business rescue process initiated for several MHG subsidiaries only Altivex was placed under liquidation effective 1 June 2026. The Joint Provisional Liquidators themselves recorded concerns that existing excavations may place people and property at risk.

CENTRAL QUESTION

How was development allowed to continue while funding securities were not in place and bulk infrastructure required to support the MHG/Altivex development remained incomplete?

SANRAL must now enforce the agreement

A Memorandum of Agreement between SANRAL and Altivex governs the upgrading of the R72/MR501 intersection, including the underpass bridge and on/off ramps. Under the MoA, completion dates, extensions, road-user safety and the consequences of non-completion are not matters of informal undertaking: they are governed by contractual provisions.

SANRAL confirmed in its 18 August 2026 correspondence that it had activated clause 14 of the MoA and notified Altivex and Liquidator of a 60-day remedy period. It also recorded a stated intention to commence works on 1 October 2026, **subject to proof** of appropriate funding and confirmation of a revised Estimated Completion Date.

KBRRRA and GKBRF welcome enforcement action, but the Altivex was already in default in February 2024, and the community and general public cannot therefore accept another cycle of conditional funding assurances and moving dates. A solution must be demonstrably funded, legally authorised, technically executable and safe and implemented as a matter of urgency.

SANRAL's enforcement notice now enables SANRAL to declare contractual non-performance by Altivex after the 60-day period should the Liquidators being unable to secure investment funding for the interchange and road construction work to proceed. In this regard SANRAL should also

indicate what fit for purpose solution and the foundation thereof will be implemented in the event of a non-performance declaration. It is the view of the community that SANRAL cannot continue to further use this delay to circumvent its obligations towards the public in relation to safe passage on the R72.

The infrastructure problem is wider than the interchange

The R72 and MR501 works form part of a broader development infrastructure problem. The community has raised longstanding concerns about wastewater treatment capacity, effluent management and the absence of adequate bulk potable-water infrastructure (bulk reservoir) to support the existing development and continuing residential growth.

The existing Kidds Beach wastewater system is under pressure, while required bulk-water storage and supply infrastructure as well as electricity supply infrastructure has not kept pace with the scale of development. These are precisely the risks that development conditions and bulk-infrastructure obligations are intended to prevent.

BCMM must account for development control and levies

Although the Eastern Cape Development Tribunal with concurrence by BCMM initially approved a low-density golf estate development in 2010, BCM later approved adjustments thereto for a high-density development (approximately 2,000 housing units), a retail complex and two private schools. As such BCM is, in line with amended legislative imperatives, also the responsible oversight authority to ensure compliance with the development authorisations and to ensure that fit for purpose bulk municipal infrastructure services are funded and provided by Altivex in the absence of such existing municipal services to “tap into”. The community therefore requires a transparent account of the development conditions imposed, amendments made, compliance achieved, enforcement action taken, development levies collected and applied and an **effective moratorium** on further development until such time fit for purpose bulk infrastructure is **operational**.

The community is particularly concerned that the financial burden of outstanding private-development bulk infrastructure must not ultimately be shifted to municipal ratepayers or taxpayers.

DWS must account for its failure to enforce issued Compliance Notices

The Kidds Beach Wastewater Treatment Ponds (KBWWP) were constructed in the 1970’s for a settlement of approximately 300 housing units. The water use authorisation for the ponds expired on 30 September 2004. The Amathole District Municipality and later its successor in title (BCMM) failed to secure an extension or the issuing of a new water use authorisation for the operations of the ponds and the disposal of effluent on nearby land. Due to the substantial increase in housing units as a result of the MHG/Altivex development, the volume of wastewater gradually exceeded the processing capacity of the ponds. During 2019 the community noticed the flow of effluent from the ponds into the Mcantsi river. Prolonged efforts to collaboratively resolve the matter in conjunction with BCM and DWS, and to obtain information under the Promotion of Access to Information Act, failed. This forced the community secure a High Court Order for the release of the requested development authorisation information and to lay offense charges against the BCM Municipal Manager at the local SAPS Offices in February 2022 [CAS21/02/2022] for not preventing the spillage of effluent into the Mcantsi river system.

DWS issued a series of notices to BCM on 30 March 2017, 30 January 2018, 30 November 2018, 20 May 2020, 30 March 2022, 30 June 2022 to comply with legislative requirements under the National Water Act, 1998.

As nothing was done by DWS to enforce the said notices issued as required by Section 151 of the National Water Act, 1998, the KBRRA requested DWS during September 2024 to explain its failure to enforce the said notices. In a response dated 14 October 2024 DWS indicated as follows:

The Department conducted the latest follow-up inspection on 05 August 2024 and the final report was forwarded to the Head Office legal services for preparation of the court interdict.

To the best of the community's knowledge no court interdict was obtained to enforce the compliance notices nor was action taken against the BCM City Manager as provided for in Section 151 of the Act.

Also to be noted is that the dossier related to the charges levelled against the City Manager in February 2022 was only forwarded to the "Green Scorpions" attached to the Department of Forestry, Fisheries and the Environment (DFFE), early in 2026. A Team of Investigators, on a site visit in May 2026, themselves witnessed further effluent spillage into the Mcantsi river system. Further spillages were reported on 15 July 2026 and 29 July 2026. To the best of the community's knowledge the investigation by the Green Scorpions is in an advanced stage and the dossier will hopefully be submitted to the National Prosecuting Authority soon.

Liquidation cannot erase infrastructure obligations

Altivex is now in liquidation. KBRRA and GKBRF do not seek to interfere with the lawful administration of the insolvent estate. The concern is that commercially valuable development rights should not survive while the corresponding infrastructure obligations are reduced, deferred or transferred to the public purse.

Any future investor or successor developer should be required to address the outstanding infrastructure obligations before additional development increases the burden on existing roads, wastewater systems, water resources and electricity infrastructure.

What the community is asking for

1. A firm, publicly disclosed SANRAL enforcement programme for the R72/MR501 interchange, with clear milestones and consequences for further default.
2. Immediate and independently verifiable measures to protect road users and the public while the site remains incomplete.
3. Verified proof that completion funding is defined, committed and sufficient before any further indulgence or revised programme is accepted.
4. A published BCMM compliance audit of the Altivex development authorisations and all material outstanding conditions.
5. Full disclosure of development levies collected, disbursed and remaining available for infrastructure.
6. Urgent action to secure water use authorisations on wastewater treatment/disposal and bulk potable-water infrastructure.
7. No additional development that materially increases pressure on infrastructure that remains inadequate.

8. Full disclosure of relevant public expenditure, subject to legitimate statutory limitations, and oversight where warranted.

Joint statement by the Chairpersons

QUOTE

“This is no longer simply a dispute with a failed developer. It is an issue of public accountability. Development conditions mean very little if they are not enforced, and contractual protections mean very little if repeated default has no consequence. Kidds Beach supports responsible development, but development must be matched by the roads, wastewater, water and electricity infrastructure required by development standards and to support it.”

KBRR and GKBRF will continue to use lawful regulatory, information-access, oversight and, where necessary, legal mechanisms to obtain a safe and accountable resolution.

ENDS

ISSUED BY:

1. **M.S Namba**
Chairperson: Greater Kidds Beach Ratepayers Forum
2. **C.L. Dreyer**
Chairperson: Kidds Beach Ratepayers and Residents Association

MEDIA PACK INFORMATION

Key milestones in the Altivex / R72-MR501 infrastructure matter

Date	Event / significance
2010 to 2016	Altivex 103 (Pty)Ltd secured a development authorisation for the development of farmland at Kidds Beach from the Eastern Cape Development Tribunal . The development was initially a low-density golf estate but later changed through BCM authorisations to a high density housing development with schools and a retail centre. The authorisation was linked to bulk infrastructure obligations for the Developer. Construction started around 2016. Note: Over the years the housing stock in Kidds Beach grew from the initial 300 units to more than 2,000 currently
2019 onwards	Community noticed effluent from the wastewater treatment ponds flowing in the Mcantsi river, engagement by the KBRRA with BCM for a year failed to address the situation. PAIA applications to secure information on the development authorisations and conditions were ignored, forcing the KBRA to secure a High Court Order for the release thereof. Undertakings made by BCM on bulk infrastructure provisioning during several meetings and correspondence thereafter were not honoured.
May 2023	As the traffic volume threshold specified in the development authorization was reached and the Developer was prevented from adding new housing units, Altivex as per a MOA with SANRAL started with the construction of the R72/MR501 interchange.
February 2024	Construction of the R72/MR501 interchange stopped. The incomplete works and excavations remained a recurring safety, environmental and cost concern. Concerns, especially in relation with scholar transport safety, were constantly raised with SANRAL. Although the developer defaulted on the MOA with SANRAL nothing was done up to August 2026 to activate the enforcement clauses. Notice was received that the Altivex and Mission Holdings Group entered business rescue processes.
January 2026	SANRAL correspondence referred to Synergyworx and intended funding arrangements, including the appointment of Pronexus as treasury intermediary for intended inbound foreign currency so that construction work at the abandoned interchange could restart in March 2026. Later correspondence suggested later starting dates.
1 June 2026	The High Court discontinued the business rescue proceedings and placed Altivex 103 into liquidation, under final winding-up.

Date	Event / significance
26 June 2026	SANRAL recorded that a representative associated with Synergyworx stated that R37 million was in a South African bank, while financial structures and guarantees still had to be settled. Construction was then proposed to resume on 1 September 2026.
10 July 2026	KBRR/GKBRF issued a notice recording repeated delays, environmental deterioration, escalation and road-safety concerns, and required documentary proof of a funded resolution by 31 July 2026.
31 July 2026	The Joint Provisional Liquidators advised that the proposed investor was reluctant to release funds without security; identified this as an immediate impediment; set a self-imposed end-September target; and expressed the intention that works recommence on 1 October 2026. Their letter also acknowledged serious concerns about the excavations and potential risk to people and property.
11 August 2026	KBRR/GKBRF formally objected to further delay based on conditional or unverified funding assurances and requested transaction, funding, programme and safety records from the liquidators and SANRAL.
18 August 2026	SANRAL confirmed that it had activated clause 14 of the MoA and notified the Developer and Liquidator of a 60-day remedy period. SANRAL also recorded the proposed 1 October recommencement, the need for proof of appropriate funding and a revised Estimated Completion Date. Note: SANRAL refused release of other requested information and the rationale for decisions taken.
19 August 2026	KBRR and GKBRF submitted a PAIA request seeking the clause 14 notices, funding proof, extension records, safety assessments, traffic information, public-expenditure records and SANRAL's operative decisions. KBRR and GKBRF submitted Section 5 PAJA application requesting SANRAL to provide information on the rationale for decisions not to invoke the penalty clauses of the MUA and the underpinning reasons to rehabilitate the work site to its status before construction started should the Developer/Liquidators not be able to secure funding for the completion of the project.
23 August 2026	KBRR communication strategy identified legal/regulatory action, government oversight, targeted media engagement and civil-society mobilisation as the four escalation levers.

MEDIA FACT SHEET

The issue, the parties and the outstanding questions

1. What is the problem?

Critical infrastructure associated with the MHG/Altivex development remains unresolved. The principal community concerns are the incomplete R72/MR501 interchange, wastewater-treatment constraints and inadequate bulk potable-water and electricity infrastructure.

2. Who is Altivex 103?

Altivex 103 (Pty) Ltd is the developer associated with substantial residential development at Kidds Beach. It is a subsidiary of the Mission Holdings Group. It entered business rescue and is now in liquidation.

3. What does the SANRAL agreement cover?

The MoA between SANRAL and Altivex concerns upgrading the R72 / MR501 intersection, including an underpass bridge and on/off ramps. The agreement contains provisions dealing with completion, extensions, safety, non-completion and termination.

4. What are the key contractual provisions?

Clause 4.5 of the MOA deals with completion by the Estimated Completion Date and extensions on prior written notice and good cause. Clause 4.6 permits SANRAL, after non-completion, to appoint a contractor to complete the works or restore the affected road and recover costs. Clauses 5.5 and 5.6 address road-user and traffic-accommodation safety. Clause 14 identifies liquidation as a termination event, subject to the contractual notice process.

5. What has SANRAL done most recently?

SANRAL confirmed on 18 August 2026 that it activated clause 14 and issued a 60-day remedy notice. It has also said proof of appropriate funding is required before recommencement and completion can proceed. The effective date of the notice was not communicated

6. What is the liquidation concern?

The community does not oppose a lawful transaction that benefits creditors. The concern is that unfinished national-road works and other bulk infrastructure must not remain in limbo while investment negotiations continue, and that a successor developer should not receive development value without the corresponding infrastructure burden.

7. Why is BCMM central to the issue?

BCM is the successor in title of the Eastern Cape Development Tribunal who initially granted the development authorization to Altivex. BCMM later approved adjustments to the residential development and is responsible for municipal development control and important bulk-service functions. The community seeks disclosure of compliance status, enforcement action and the operation of the development-levy mechanism.

8. What is the public-funds concern?

SANRAL has confirmed that its proportionate co-funding remains available. KBRRA and GKBRF have requested records showing the approved contribution, expenditure to date, remaining

commitments and conditions for further disbursement. No unsupported rand figure is asserted in this pack as SANRAL refused to provide such information.

9. What does the community want?

A safe, funded and enforceable solution; full transparency; infrastructure delivery before further material growth; and protection of ratepayers and taxpayers from assuming obligations that should remain attached to the development.

QUESTIONS SANRAL, BCM, LIQUIDATORS AND DWS MUST ANSWER

Suggested lines of inquiry for journalists.

Questions for SANRAL

1. On what date did the 60-day clause 14 remedy period start, and on what date does SANRAL regard it as expiring?
2. What specific breaches must be remedied for SANRAL to regard the clause 14 notice as satisfied?
3. Has SANRAL received an unconditional bank guarantee, irrevocable funding commitment, escrow confirmation or equivalent verified proof of funds?
4. What is SANRAL's current estimate of the full cost to complete, including remobilisation, deterioration, remediation, traffic accommodation, environmental compliance and contingency?
5. Who is the proposed contractor, and has SANRAL approved the contractor and revised construction programme?
6. What immediate safety measures are in force while construction remains suspended?
7. What is the currently approved traffic-accommodation plan, and is the site compliant with it?
8. How much has SANRAL paid or committed to the project, and what amount remains available?
9. If the breach is not remedied, will SANRAL exercise clause 4.6 to complete the works or restore the affected road to its original status?
10. If the MoA is terminated and the intersection reverts to an at-grade configuration, what traffic and road-safety studies support that decision?

Questions for BCM

1. What were the original bulk-infrastructure conditions attached to the Altivex development authorisation?
2. Which conditions were subsequently amended, and on what legal and technical basis?
3. Which development conditions remain outstanding today?
4. What enforcement action has BCM taken in response to non-compliance?
5. How much has been collected through the development-levy mechanism, how much has been spent, and what balance remains?
6. What infrastructure has been funded from those levies?
7. Why was additional residential development or transfer permitted while material bulk-infrastructure requirements remained unresolved?

8. What is BCMM's funded plan and timeframe for wastewater treatment capacity and compliance?
9. What is BCMM's plan for adequate bulk potable-water storage and supply?
10. What measures will ensure that outstanding private-development infrastructure obligations are not transferred to municipal ratepayers?

Questions for the Joint Provisional Liquidators

1. Is there a signed and binding funding agreement for completion of the R72/MR501 works?
2. Is the funding unconditional and immediately available, or dependent on security, approvals or other conditions precedent?
3. What amount is ring-fenced specifically for completion of the interchange?
4. What is the current cost-to-complete, and is the funding sufficient to meet it?
5. What authority and approvals will be relied upon to recommence construction while Altivex is in liquidation?
6. What immediate measures have been implemented to secure excavations and protect road users?

Questions for DWS

1. Is there a valid water use authorization for the Kidds Beach Wastewater Treatment Ponds and the effluent irrigation area?
2. If not, what steps were taken by DWS to enforce compliance with the National Water Act, 1998.
3. If no steps were taken to enforce compliance by BCM , what are the reasons for not doing so.

VISUAL GUIDE FOR MEDIA

PHOTO 1



Wide view of the incomplete R72/MR501 interchange

Incomplete R72/MR501 interchange serving Kidds Beach. Construction stopped before completion and the community has repeatedly raised safety and environmental concerns.

PHOTO 2



Open excavations / unfinished structures

Unfinished road works at the Kidds Beach interchange. The Joint Provisional Liquidators acknowledged concerns that the excavations may place people and property at risk.

PHOTO 3



Traffic using the intersection

Traffic at the R72/MR501 intersection, used by residents, school transport, commercial vehicles and surrounding communities. A user ignoring safety arrangements by loading a passenger. There are, apart from speed restriction signage, no effective measures to force road on the R72 to reduce speed.

PHOTO 4



Erosion / environmental deterioration

PHOTO 5



Two Vehicle Road .Accident on 28 August 2026

Since the site was abandoned accidents occur on a regular basis. Information as to whether there was any loss of life will be obtainable from the local SAPS Office

PHOTO 6



Stream of effluent flowing into the Mcantsi River and Estuary on 3 November 2019 from the Kidds Beach Wastewater Treatment Ponds

PHOTO 7



Pipe discharging effluent into the Mcantsi River/Estuary Example on 15 July 2026 .

PHOTO 8



Example of Bulk Potable Water Storage Facilities providing water to households in the Aktivex/MHG Housing Estates/Schools and Retail Centre.

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