SWELLENDAM MUNICIPALITY

2024-25

ANNUAL PERFORMANCE REPORT

"WORKING & GROWING TOGETHER!"

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EXECUTIVE SUMMARY

1.1 EXECUTIVE MAYOR'S OVERVIEW

The Swellendam Municipality's Integrated Development Plan (IDP) for 2022–2027, reviewed and adopted by Council on 30 May 2024, reaffirms our commitment to achieving our strategic objectives in alignment with both Provincial and National strategies.

Our priorities remain clear: to ensure a safe and healthy environment, empower and capacitate our people, build integrated and sustainable settlements, maintain and improve basic services, grow our local economy, promote good governance, and safeguard financial sustainability. To measure our progress, Council has set key performance indicators that guide and monitor the implementation of these objectives.

Through robust public participation and open communication channels, including community meetings, consultation processes, and social media platforms, we report transparently on our progress, corrective measures, and challenges. This ensures accountability to our residents and stakeholders while encouraging meaningful participation.

Despite the many challenges we have faced, Swellendam Municipality has again been recognised nationally for its strong governance and financial discipline. For the second consecutive year, Ratings Afrika has named us one of the **Top 3 municipalities in South Africa**. This recognition reflects our collective commitment to sound financial management, responsible leadership, and quality service delivery, even under challenging circumstances. It is an achievement that belongs to all of us, the Council, the administration, and the community we serve.

These commitments and achievements form the backbone of our ongoing efforts to improve service delivery and pursue our higher purpose: to reduce poverty and inequality across our communities. The Annual Report provides a comprehensive account of the Municipality's decisions, actions, and achievements during the 2024/2025 financial year. It demonstrates how our performance aligns with our stated goals and strategic direction.

In closing, I express my sincere gratitude to the residents of Swellendam, the Council, the Speaker, the Mayoral Committee, the Executive Management Team, and every municipal employee. Your dedication, resilience, and partnership in service delivery have carried us through a demanding year, and together, we continue to build a stronger, more inclusive municipality.

Yours in service delivery

Francois du Rand
Executive Mayor

1.2 MUNICIPAL MANAGER'S OVERVIEW

The 2024/25 financial year stands as a defining chapter in the history of Swellendam Municipality—marked by turbulence, introspection, and ultimately, resilience. It was a year in which the undercurrents of political instability from the preceding period surged to the surface, disrupting governance and service delivery, and testing the trust between the Municipality and its community.

Allegations of tender irregularities and the unlawful suspension of the Municipal Manager cast a long shadow over the Administration. The resulting forensic investigations and procedural delays in procurement not only hindered progress but also eroded public confidence. With capital expenditure reaching a concerning low of 79%, the impact of these challenges was felt across every facet of municipal operations.

Yet, amid adversity, the Municipality demonstrated its enduring commitment to its people. Infrastructure upgrades in Rietkuil, Barrydale, and Swellendam, the continuation of the Railton housing project, and the development of the Railton walkway are just a few examples of progress achieved despite the odds. The emergence of new residential and commercial developments, along with the transformative Windfarm initiative, signal a community that continues to grow and invest in its future.

The stabilization of political leadership, marked by the election of a new Speaker, has brought renewed hope and direction. As we look ahead, both Council and Administration recognize the imperative to rebuild trust, strengthen governance, and reaffirm our shared values.

This report is not merely a reflection of the past year—it is a testament to the perseverance of our officials, the dedication of our staff, and the unwavering support of our community. As Accounting Officer, I extend my deepest gratitude to the Senior Management team and all municipal employees who stood firm in the face of unprecedented challenges. Your commitment to service delivery is the cornerstone of our recovery.

To the residents of Swellendam Municipality: thank you for your patience, your engagement, and your belief in the potential of this institution. Let us move forward together, guided by integrity, transparency, and a collective vision to leave our community stronger than we found it.

A Vorster
Municipal Manager

1.3 MUNICIPAL OVERVIEW

The Swellendam Municipality, located in the Western Cape, is committed to fulfilling its core legislative responsibilities by fostering a participatory governance framework. This framework strengthens the relationship between elected officials and the communities they serve. In line with these obligations, the Municipal Council ensures consistent and transparent reporting on both institutional performance and the overall state of municipal affairs.

The 2024/25 Annual Report presents a comprehensive review of the Municipality's performance for the financial year spanning 1 July 2024 to 30 June 2025. This report is compiled in accordance with Section 121(1) of the Municipal Finance Management Act (MFMA), which mandates the preparation of an annual report for each financial year.

1.3.1 Vision

The Swellendam Municipality Committed itself to "*A visionary Municipality that strives towards prosperity for all through cooperative participation and high-quality services delivery*".

1.3.2 Mission

It is envisaged that the municipal vision will be achieved through:

- Providing a transparent and accountable government by rendering affordable and sustainable services and encouraging economic and social development through community participation
- Transparent institutional and infrastructure development
- Sustainable local economic development and the establishment of public/private partnerships
- Governance for the people by the people
- Service delivery through integrity

1.3.3 Strategic Objectives

The Strategic Objectives of the municipality are as follows:

- To create a capacitated people centred institution;
- To create a safe and healthy living environment;
- To develop integrated and sustainable settlements with the view to correcting spatial imbalances;
- To enhance access to basic services and address maintenance backlogs;
- To enhance economic development with a focus on both first and second economies;
- To improve financial viability and management;
- To promote good governance and community participation;

1.3.4 Geographical Information

The Swellendam Municipality has been classified as a Category B municipality and was proclaimed as a local municipality with a mayoral executive system combined with a ward participatory system. The Swellendam Municipality is deemed to be a low-capacity Municipality and shares executive and legislative authority with the Overberg District Municipality according to the functional divide prescribed within Chapters 5 and 6 of the 1996 South African Constitution.

The town of Swellendam Is the largest in the municipality followed by the town of Barrydale to the North. Suurbraak, Buffeljagsrivier, Malgas and Cape Infanta make up the smaller towns in the East and the South of the municipality. The N2 National Road runs through the municipality from East to West and the famous tourist route 62 runs through the town of Barrydale. The municipality is predominantly rural and has a large agricultural and tourism sector.

1.3.5 Wards

The municipal area is divided into six words, reflected in the table below.

Ward	Areas
1	Swellendam and rural areas of Stormsvlei and Nooitgedacht
2	Barrydale, Smitsville, part of Suurbraak, Vleiplaas and surrounding rural areas
3	Buffeljagsrivier, the largest part of Suurbraak, Mullersrus and Malgas/Infanta
4	Part of the town of Swellendam and part of Railton
5	Railton, including the informal area
6	Railton

1.3.6 Demographical Information

For the purposes of this Annual Report the Demographic information of the 2022 Census was used. There is a significant discrepancy between the 2022 Census statistics and the information that the Western Cape Government utilized in their Municipal Economic Review and Outlook (MERO) for the 2024/25 financial year.

According to the 2022 Census conducted by Statistic South Africa the Swellendam population is estimated at 47 114 inhabitants. Post Covid 19 saw an increase of individuals moving to rural towns such as Swellendam for remote work opportunities, which in turn has spurred real estate and financial services growth. Swellendam holds 12.5% of the Overberg region's population according to the 2024/25 Western Cape Government Municipal Economic Review and Outlook, with a projected growth of 0.8%.

Swellendam Municipality's slow growth rate is indicative of a gradual developmental growth trajectory, that is based on careful spatial economic, social and environmental planning.

The high levels of urbanization within the Swellendam municipal area, underscores the successful merging of the benefits of urban living with the appeal or rural environments, promoting a unique blend of lifestyle choices to its residents.

The gender division according to the 2022 Census is reflected as 23 436 people classified as male and 23 678 as female. Both the Census 2022 statistics and the 2024/25 MERO agrees on a basically even gender distribution.

The stable gender ratio suggests an evenly distributed community, without major migration trends affecting one gender more than the other.

The Swellendam municipal population is reflected below according to the 2022 Census statistics.

Population by Race

- Black African: 6,396
- Coloured: 31,842
- Indian/Asian: 134
- White: 7,827
- Other/Unspecified: 915

Coloured residents form the largest group (31,842 people, or ~68%), followed by White (7,827, ~17%), and Black African (6,396, ~14%).

The Indian/Asian and Other/Unspecified groups are much smaller (~2%).

This demographic distribution reflects historical settlement patterns in the Overberg region, where Coloured communities have traditionally been the largest group.
Understanding these demographics is essential for municipal planning, particularly in housing, education, and economic development.

Based on Census 2022 the age distribution is reflected below:

Age Distribution

- Largest age groups:
- 0–4 years: 3,547
- 5–9 years: 3,275
- 10–14 years: 3,441
- 25–29 years: 4,249
- Smallest age groups:
- 75–79 years: 665
- 80–84 years: 404
- 85+ years: 268

- The town has a relatively young workforce, which could drive economic activity if enough jobs exist.
- The Windfarm project near Swellendam is an exciting new opportunity, creating new job- and upskilling opportunities for the youth.

• Lower numbers of elderly residents suggest either migration to other areas or a population that is not yet ageing significantly.

• Investing in youth employment and skills development could benefit the local economy. The Municipality took up this baton, by providing practical upskilling within the community by partnering with the private sector such as COBRA and Project Hope.

The area's educational levels is reflected below:

Education Levels

- No schooling: 886
- Some primary: 3,674
- Completed primary: 2,068
- Some secondary: 10,854
- Grade 12/Std 10: 8,801
- Higher education: 3,340

Only 3,340 people have higher education qualifications, which is less than 10% of the population.

A significant portion (10,854 people) have some secondary schooling but didn't complete Grade 12. 886 people have no schooling at all.

A relatively low higher education rate might limit the availability of skilled professionals and higher-paying jobs. Education initiatives focusing on vocational training and business development could benefit the community. The Municipality hope to facilitate further training by developing a skills centre within the bridging corridor at the foot of Railton.

The Employment status of the area is reflected below:

Employment Status

- Employed: 8,374
- Unemployed/not in labour force: 5,293
- Total workforce: 13,667

13,667 people are part of the workforce, but only 8,374 are employed, unemployment rate of around 39%.

Job creation is a major challenge. Encouraging entrepreneurship and small businesses could be key solutions. A circular economy approach (e.g., recycling initiatives, sustainable agriculture) could create jobs while improving environmental outcomes.

Affordable accommodation is a big challenge within the growing communities.

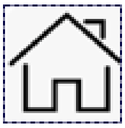
The Municipality is in the final phase of a 950 subsidized housing project in Railton.

The Municipality is strategically releasing municipal land for future residential development to increase the tax base and facilitate more affordable housing options within the communities.

The following table reflects the housing types within the Municipal area:

Housing Types

- Formal dwellings: 14,064
- Traditional dwellings: 100
- Informal dwellings: 1,281
- Other: 31
- **Total households:** 15,477



Among the 15 477 households (stated in the 2023 Socio-Economic Profile, MYPE 2023) households residing in the Swellendam area, about 90.00 per cent enjoyed access to formal housing, surpassing the rate observed in the broader Overberg District, which stood at 86.1 per cent.

The municipal area demonstrated a lower incidence of informal dwellings, accounting for 9.8 per cent of the total, in contrast to the district's higher prevalence of 13.7 per cent.

These figures are changing fast as the informal settlement in Swellendam is growing at an alarming rate. The Municipality procured planning funding to formalise the informal settlement in Swellendam whose uncontrolled expansion poses a significant threat to the adjacent Bontebok National Park.

According to the 2024/25 MERO, Swellendam has a GDPR per capita of R58 308, which measures average economic output per person.

Swellendam has a median income of R6 567, suggesting a slightly 6 higher economic status than Theewaterskloof. This is attributed to a mix of agriculture, tourism, and small-scale manufacturing.

An increase in real Gross Domestic Product (GDP) per person, or GDP per capita, indicates that the economy is growing at a faster pace than the population. This is likely to show positive results in a number of social and economic indicators, as well the overall wellbeing.

1.4 SERVICE DELIVIERY OVERVIEW

The Mayoral Committee at one of the handovers of the 950-housing project in Swellendam.

Service delivery is the core business of a municipality. In Swellendam Municipality, service delivery remains a priority.

Within the Swellendam municipal area 90 per cent of the population have access to piped water; 85.8% have access to flush toilets connected to a sewerage system; 85.6 % have access to refuse removal at least once a week by the private or public sector and 93% have access to electricity.

Eskom's inability to increase the maximum demand to the Swellendam municipal area, remains a concern.

1.4.1 Basic Service Delivery Highlights

The table below specifies the basic service delivery highlights for the year:

Highlights	Description
Railton 950 Project – Handed over	479 Top Structured was handed over.
Improvement in Waste Management Compliance	Audit results improved from 60.27% to 80.29%. Please see attached **Annexure A – Implementation of the Municipality's Integrated Waste Management Plan (IWMP)**
Ongoing capital and maintenance projects are completed	Please refer to SDBIP Report for expenditure results.

1.4.2 Basic Service Delivery Challenges

The table below specifies the basic service delivery challenges for the year:

Challenge	Action Plan
Lack of funding	Ongoing applications of grant funding.
Ageing infrastructure	Capital and operational projects based on Council priorities.
Increase compliance	Legislation and regulations requirements are increasing and sometimes complicates processes.

These challenges are also supplemented and manage as part of the Municipality's risk management processes.

1.5 IDP/ BUDGET PROCESS

The table below describes the process followed in the compilation of the 2024/25 IDP and Budget process:

Council Item	Activity	Date
Pre-Budgeting Processes/ Tasks		
A128	Integrated Development Process (IDP) Plan	28 August 2024
Community Participation Process		
Please see section 2.4 for public meetings		
Budget Preparatory Process		
A54	Asset Management Policy	31 March 2025
	Bad Debt Write-off Policy	
	Banking Cash Management and Investment Policy	
	Restriction Policy	
	Borrowing Policy	
	Budget Policy	
	Cost Containment Policy	
	Customer Care, Credit Control and Debt Collection Policy	
	Funding and Reserve Policy	
	Indigent Support Policy	
	Petty Cash Policy	
	Property Rates Policy	
	Tariff Policy	
	Supply Chain Management Policy	
	Preferential Procurement Policy	
	Tariff Policy	
	UIFW Expenditure Reduction Policy	
	Revenue by-law	
	SCM Policy for Infrastructure Procurement	
Tabling of Budget		
A54	The tabling of the draft annual budget	31 March 2025
	The tabling of draft 2024/2025 Review IDP, 3rd Review of the 2022-2027 IDP	
Approval of Budget and Policies		
A106	Approval of amended annual budget	29 May 2025
	Approval of Policies	
A104	The approval of 2024/2025 3rd Review of the 2022-2027 IDP	
Finalising		
Submission of the final annual budget and related schedules to relevant government departments and MEC		

These key processes are governed by the governance structures as outlined in Chapter 2 below.

02

MUNICIPAL GOVERNANCE

2.1 GOVERNANCE STRUCTURE

Photo of Swellendam Council. FLTR: Executive Mayor F du Rand, Speaker T Laubscher, Mayco member Cllr E Lambrecht, Cllr F Kees, Cllr A Bokwana, Cllr D Julius, Cllr A Swart, Cllr J Matthyssen, Cllr D Julies, Cllr G Libazi and Cllr I Ferguson.

2.1.1 Political Governance Structure

Made up of elected representatives, the Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated the executive function to the Executive Mayor and the Mayoral Committee. Being the legislative body, their primary function is to pass by-laws, approve budgets and IDP's and set policies. They are also actively involved in community work and the various social programmes in the municipal area.

a) Council

The Swellendam Local Municipal Council comprises of 11 elected councillors, made up of 6 ward councillors and 5 proportional representative councillors. The portfolio committees are made up of councillors drawn from all political parties.

Swellendam Council experienced significant political turmoil during the reporting year, that led to political instability, negatively impacting service delivery. The political turmoil resulted in the Executive Mayor being suspended for about three weeks, a break-down in the governing alliance which was only restored after the Speaker resigned from Council and a new councillor was nominated by his party to Council, subsequently being elected as Speaker.

Below is a table that categorises the councillors within their specific portfolios, political parties and wards for the 2024/25 financial year:

Name of Councilor	Capacity	Political Party	Ward representing/ proportional
F du Rand	Executive Mayor, Infrastructure Portfolio Chair	DA	Ward 4
F Kees	Member of Mayco, Finance and Governance Portfolio Chair	DA	Proportional
E Lamprecht	Member of Mayco, Community Services and Housing Chair	DA	Ward 1
A Bokwana	Member	DA	Proportional
D Julius	Representative to ODM	DA	Proportional
J van Schalkwyk	Speaker until 3 February 2025	FF	Proportional

Name of Councilor	Capacity	Political Party	Ward representing/ proportional
J du T Loubser	Speaker from 13 February 2025	FF	Proportional
A Swart	Member	ANC	Proportional
I Ferguson	Member	ANC	Ward 2
DJ Julius	Member	ANC	Ward 3
J Matthysen	MPAC Chair	ANC	Ward 6
G Libazi	Member	ANC	Ward 5

Below is a table which indicates the Council meeting attendance for the 2024/25 financial year:

Meeting Dates	Council Meeting Attendance	Apologies for Non-Attendance
31 July 2024	11	0
28 August 2024	11	0
30 September 2024	11	0
23 October 2024	11	0
28 October 2024	11	0
30 October 2024	11	0
04 November 2024	11	0
08 November 2024	5	6
11 November 2024	5	6
14 November 2024	5	6
20 November 2024	11	0
28 November 2024	11	0
04 December 2024	10	1
18 December 2024	11	0
18 December 2024	11	0
27 January 2025	11	0
30 January 2025	11	0
03 February 2025	11	0
10 February 2025	5	6
13 February 2025	11	0
19 February 2025	11	0
27 February 2025	6	5
26 March 2025	10	1
31 March 2025	11	0
22 April 2025	8	3
30 April 2025	11	0
29 May 2025	10	1
23 June 2025	11	0
30 June 2025	11	0

b) Mayoral Committee

The Executive Mayor of the Municipality, Cllr H. F du Rand assisted by the Mayoral Committee, heads the executive arm of the Municipality. The mayor is at the centre of the of governance since executive powers are vested in him to manage the day-to-day affairs. He has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Mayoral Committee, delegated by the Council, as well as the powers assigned by legislation.

Although accountable for the strategic direction and performance of the

Municipality, the Mayor operates in concert with the Mayoral Committee.

The name of each member of the Mayoral Committee is listed in the table below for the period 1 July 2024 to 30 June 2025. Council has no deputy mayor.

Name of Member	Capacity	Number of Meetings
Cllr. H.F. Du Rand	Chairperson	22 July 2024 19 August 2024 18 September 2024 23 October 2024 18 November 2024 22 January 2025 20 March 2025 22 April 2025 21 May 2025 23 June 2025
Cllr. E.J. Lamprecht	Member	
Cllr. F. Kees	Member	

c) Portfolio Committees

Section 80 Committees are established under Section 80 of the Local Government Structures Act, 117 of 1998. The Chairpersons are appointed by the Executive Mayor and their primary function is to support the executive.

The portfolio committees for the 2024/25 period and their chairpersons are as follows:

Community and Housing Portfolio Committee	
Members	**Number of Meetings**
EJ Lamprecht (Chairperson) A Bokwana G Libazi	07 August 2024 09 September 2024 14 October 2024 13 November 2024 12 March 2025 16 April 2025 15 May 2025 11 June 2025
Finance & Governance Portfolio Committee	
Members	**Number of Meetings**
F Kees (Chairperson) MTA Swart D Julius	14 August 2024 12 September 2024 14 October 2024 13 November 2024 12 March 2025 16 April 2025 14 May 2025 11 June 2025
Infrastructure & Planning Services Portfolio Committee	
Number of Meetings	**Number of Meetings**
HF Du Rand (Chairperson) EJ Lamprecht JA Matthysen	14 August 2024 11 September 2024 14 October 2024 13 November 2024 12 March 2025 16 April 2025 13 May 2025 13 June 2025

c) Political Decision-making

Section 53 of the MSA stipulates inter alia that the respective roles and areas of responsibility of each political structure and political once bearer of the Municipality and the Municipal Manager must be defined. The section below is based on the Section 53 role clarification:

Municipal Council

- Governs by making and administrating laws, raising taxes and taking decisions that affect people's rights;
- Is a tax authority that may raise property taxes and service levies;
- Is the primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures,

political once bearers, individual councillors or officials;

- Can delegate responsibilities and duties for the purposes of fast and effective decision-making;
- Must strive towards the constitutional objects of local government;
- Must consult the community with respect to local government matters;
- Is the only decision maker on non-delegated matters such as the approval of the Integrated Development Plan (IDP) and budget.

Executive Mayor

- Is the executive and political leader of the Municipality and is in this capacity supported by the Mayoral Committee;
- Is the social and ceremonial head of the Municipality;
- must identify the needs of the Municipality and must evaluate progress against key performance indicators;
- Is the defender of the public's right to be heard;
- Has many responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters;
- Perform the duties and exercise the responsibilities that were delegated to him by the Council;

Mayoral Committee

- Its members are elected by the Executive Mayor from the ranks of councillors;
- Its functional responsibility area is linked to that of the Executive Mayor to the extent that he must operate together with the members of the Mayoral Committee;
- Its primary task is to assist the Executive Mayor in the execution of his powers - it is an "extension of the office of Mayor";
- The committee has no powers of its own – decision-making remains that of the Executive Mayor.

Ward Committees

Ward Committees are the main public engagement tool of a council. The ward committees consist of a maximum of ten members under the chairmanship of the ward councillor. Swellendam Municipality have six wards, with six ward committees that were elected and established within the prescribed 120 days after the establishment of Council on 11 November 2021. The ward committee members perform their functions advising their respective ward councillors, partaking in the Integrated Development and budgetary preparations.

2.1.2 Administrative Governance Structure

The Municipal Manager is the Chief Accounting Officer of the Municipality. She is the head of the administration and primarily serves as chief custodian of service delivery and implementation of Council priorities. She is supported by a team of senior management officials which assist her with the management of the administration. The Municipal Manager for the reporting year was Ms Anneleen Vorster.

The administrative governance structure reflecting the Municipal Manager and her directors are reflected in the table below:

Name of Official	Directorate	Agreement Signed
A Vorster	Municipal Manager	Yes
Vacant	Director Infrastructure and Planning Services	NA
K Stuurman	Director Community Services	Yes
E Wassermann	Director Financial Services	Yes

2.2 INTERGOVERNMENTAL RELATIONS

A GBV strategic training session was held on 24 April 2025.

To adhere to the principles of the Constitution as mentioned above the Municipality participates in the following intergovernmental structures:

Name of Structure and Members	Outcomes of Engagements/ Topic Discussed
Municipal Managers Forum **Members** Municipal Managers, SALGA, PGWC	The consultative forum aimed at increasing communication and coordination through information sharing, capacity building and consultation on matters of mutual interest including: • The implementation of national policy and legislation affecting local government; • Matters arising in the PCF and other intergovernmental forums affecting local government; • Draft national and provincial policies and legislation related to such matters. Any other matter that affects local government.
Premiers Coordinating Forum (PCF) **Members** The plenary session of the PCF is composed of the Premier (the chair) and all MEC's, the Director-General and Head of Departments, Mayors and Municipal Managers of all 30 municipalities (including Metro). The composition of the PCF cluster session is similar to the PCF plenary except that the Premier is not part of the cluster sessions and the sessions are chaired by relevant MEC's and co-chaired by the host District Mayor.	The objective of the PCF is to promote and facilitate intergovernmental relations and cooperative government between provincial government and municipalities to ensure integrated, effective and efficient service delivery. The PCF is the primary consultative forum for the Premier of the Western Cape and municipalities within the province to discuss and consult on matters of mutual interest. Existing provincial and municipal IGR engagements and national IGR engagements feed into the PCF and vice versa. The PCF consists of the PCF plenary and PCF cluster sessions. i.e., Social, Economic, Governance and administration. Resolutions or referrals from the cluster sessions feed into the PCF Plenary session for final resolution and adoption.

Name of Structure and Members	Outcomes of Engagements/ Topic Discussed
SALGA Working Groups **Members** SALGA, Municipal Managers, Senior Managers, Councillors and division heads of municipalities.	SALGA's programs are driven through its working groups. The working groups act as the policy and strategic engine of the organisation and serve as an important platform for the communication and coordination between SALGA national, provinces and municipalities. The main purpose of working groups is to encourage, ensure and promote local government matters which, include: • Cooperative governance; • Consultation and coordination; • Participative decision-making. The working groups, within their derived mandate, must develop policies, strategies and programmes to address critical local government issues.
District Coordinating Forum (DCF) **Members** Mayors, Councillors, Municipal Managers, SALGA and PGWC.	The objective of the DCF is to promote and facilitate intergovernmental relations and cooperative government between the district municipality and the local municipalities in the area of jurisdiction. It is to ensure integrated, effective and efficient service delivery and is a primary consultative forum for the municipalities to
	liaise on matters of mutual interest.
Municipal Governance Review & Outlook (MGRO) Strategic engagement **Members** Provincial Treasury, PGWC, Senior Managers of Municipalities.	The Western Cape Government aims to continuously improve the level of municipal governance and audit outcomes within Western Cape municipalities. The MGRO process has since 2012 assisted municipalities to improve their state of governance and the partnership between provincial and local government has been strengthened. It is evident that the objective of the MGRO process to drive a single-minded focus on clean governance has had a concomitant impact in terms of the improvement of municipal audit outcomes over the past three years.
Back to Basics **Members** PGWC, Department of Cooperative Government and Traditional Affairs, Senior Managers of Municipalities	The Swellendam Municipality is part of the Back-to-Basics programme, previously known as the Local Government Turn Around Strategy. Back-to-Basics aims to ensure that all municipalities throughout the country deliver quality services to all South Africans The back-to-basics programme is a high-level

Name of Structure and Members	Outcomes of Engagements/ Topic Discussed
	engagement to understand the challenges and to decide on support needed from the sectoral departments within the province.
IDP Managers Forum **Members** All Government Departments	TheI IDP Forums focus on the extent to which municipalities have been able to reflect alignment between municipal and sector planning in the IDP, which Province facilitates quarterly. The IDP Manager Forums at a district level should provide a platform for sharing good practices and where peer support can be provided. This raises the question as to how effective the intergovernmental planning structures are in ensuring the sharing of best practices and the provision of peers. Possible areas of collaboration and co-ordination by the district include the development of Coastal Management Plans, Air Quality Management Plans and Water Management Plans as an example.
LED Managers Forum **Members**	Swellendam Municipality currently has limited capacity in respect of local economic development and tourism

Name of Structure and Members	Outcomes of Engagements/ Topic Discussed
All Government Departments	
SCM Forum **Members** SCM Managers	Provide additional support to municipalities in the implementation of the provisions of the MFMA and other applicable legislation relating to supply chain management.
IDP Indaba's / Working Group **Members** All government departments	The purpose of the IDP Indaba is to: • To discuss the implementation of IDP projects in the municipality; • To discuss sector departmental projects that will be implemented in a specific locality in the municipality; • To provide a physical location for the implementation of these projects in a space in the municipal area where this is possible; • To agree on time frames, support needs, and resource allocation.
Provincial Public Participation and Communication Forum (PPPCOM) **Members** All Government Departments	The Public Participation Practitioner chairs the meetings. They are responsible for: • Advising and updating committees and municipalities on issues pertaining to community/public participation; • Co-ordination and alignment of district

Name of Structure and Members	Outcomes of Engagements/ Topic Discussed
	strategic objectives, initiatives and priorities; The Public Participation Practitioner chairs the meetings. They are responsible for: • Advising and updating committees and municipalities on issues pertaining to community/public participation; • Co-ordination and alignment of district strategic objectives, initiatives and priorities; • Identification and sourcing of resources for implementation in ensuring effective and efficient utilization of such resources; • Promote effective decision-making on issues relating to community/public participation; • Co-ordination and monitoring of the establishment and functioning of ward committees; • Information and knowledge sharing among stakeholders; • Identify key intervention areas; and • To ensure the coordinated and coherent implementation and establishment of the ward participatory process to
	encourage the involvement of communities and organizations in matters of local government. The Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance and must for this purpose.
Provincial Skills Development Forum **Members** SDF's, LGSETA, MISA, Provincial Treasury, Provincial Training Committee	The purpose of this forum is to give the SDF's from Western Cape municipalities a platform to share information, get feedback from LGSETA and other training authorities on possible funding and the status of approved projects and submit quarterly reports. SDF's from different municipalities liaise with LGSETA concerning the Sector Skills Plan, WSP and discretionary grant application and processing matters. New software is tested to improve processes and municipalities identify and arrange for regional and national training projects Monitor trends in the training sector and liaise with other SETA's or training bodies if and when necessary.

Name of Structure and Members	Outcomes of Engagements/ Topic Discussed
	Equity-related matters are also prominent on the agenda of this forum.
Human Resources (HR) Practitioner's Forum **Members** HR Practitioners from all the municipalities in the Western Cape meet.	The topics discussed at the forum are: • Discuss collective bargaining matters and ensure that proper mandates are obtained before and during negotiations; • Grey areas in social legislation are identified and draft policies are developed to give guidance; • TASK-job evaluation is coordinated, and problem areas are discussed; • The agenda for the HR Working and Development –group is formulated, and inputs are discussed for decision–making; • HR Practitioners share information and develop best practice formulas for many complex HR issues in local government; • Professionalization of the standing of the HR practitioner is also high on the agenda; • Municipalities are guided and supported with labour disputes, strikes and implementation of agreements and policies;

Name of Structure and Members	Outcomes of Engagements/ Topic Discussed
	• This forum monitors labour trends, changes in court or CCMA rulings and outcomes of collective bargaining in other state/public sectors;
Overberg Air Quality Forum (AQF) **Members** Dedicated officials (Air Quality Officers) of Municipalities within the Overberg and officials from DEA&P.	The objective of the AQF is to ensure proper communication between the ODM and other local municipalities, provincial government, business and industry as well as interested and affected parties with regard to current institutional capacity, air pollution sources, air quality monitoring and issues relating to air quality law enforcement.
OPF (Overberg Planning Forum) **Members** Spatial Planners, land surveyors and environmental practitioners in the government as well as private sector	Quarterly meetings take place between the Provincial Government, Municipalities and the private sector to ensure proper spatial planning. Agenda points in general would include: • Progress with the implementation of new planning legislation; • Lessons to be shared with regard to certain requirements of new legislation such as the establishment and functioning of tribunals, planning bylaws, examples of application types, etc.;

Name of Structure and Members	Outcomes of Engagements/ Topic Discussed
	• Alignment of current SDF's and zoning schemes with new planning legislation.
OPF (Overberg Planning Forum) **Members** **Spatial Planners,** land surveyors and environmental practitioners in the government as well as private sector	Quarterly meetings take place between the Provincial Government, Municipalities and the private sector to ensure proper spatial planning. Agenda points in general would include: • Progress with the implementation of new planning legislation; • Lessons to be shared with regard to certain requirements of new legislation such as the establishment and functioning of tribunals, planning bylaws, examples of application types, etc.; • Alignment of current SDF's and zoning schemes with new planning legislation
Provincial Planning Heads Forum **Members** Planning Heads of all Municipalities within the Western Cape. The Forum is hosted and chaired by the Provincial Department of	The Forum is held every quarter. The objective is to discuss issues of common concern relating to the implementation of new Land Use Legislation (SPLUMA. LUPA), Spatial Planning, Standard Operating Procedures, the National Building Regulations, and Property Registration.

Name of Structure and Members	Outcomes of Engagements/ Topic Discussed
Environmental Affairs & Development Planning (Director: Spatial Planning). Representatives from the Surveyor-General & the Register of Deeds also attend.	
COMMTECH (Communication Forum) **Members** Communications officials of Municipalities within the Western Cape. The forum is hosted by the Western Cape Provincial Government and chaired by the Department of Communication. Representatives from all Communications departments are present.	The forum is being held throughout the Western Cape every quarter. The objective is to ensure that all spheres of government go forth with the same communications theme, legislation is discussed, best practice ideas are exchanged, current trends, complaints management systems, social media platforms, news and the importance of good, accurate and credible communication is promoted.
District Energy Council **Members**	To engage on energy security in the Overberg and identify possible collaboration and projects

Name of Structure and Members	Outcomes of Engagements/ Topic Discussed
Mayors, Municipal Managers and Technical staff in the Overberg District	for implementation in the respective municipalities.
Chief Audit Executive (CAE's) Forums **Members** All CAE's, Provincial and National Treasury	The Forum is held every quarter. The objective is to discuss issues of common concern relating to the internal audit function.
Chief Risk Officers (CRO's) Forums **Members** All CRO's, Provincial and National Treasury	The Forum is held every quarter. The objective is to discuss issues of common concern relating to the risk management function.

Swellendam Municipality views strategic partnering as an essential tool in delivering its constitutional objectives and thus continuously liaise with a diverse number of stakeholders such as:

- with the Department of Economics. Development and Tourism (DEDAT) and the Overberg District Municipality with regards to the establishment of informal business hub in Barrydale which is still in process.
- The cooperation between the Provincial Department of Local Government and Department of Cooperative Governance and Traditional Affairs regarding new legislation implementation.
- Cooperation with Stellenbosch University regarding the design of a new kind of education facility.

Gender Based Violence Forum (GBVF)
The Swellendam Municipality established a GBVF Ambassadorship Programme in line with the Provincial and Local Department of Social Services (DSD).

A strategic planning session, hosted by the local DSD in Swellendam was facilitated by Western Cape DSD & POCS and was held on 09 April 2025 where SwellMun, GBVF champions and various role-players stakeholders participated in the planning session.

Swellendam's Professional Network in support of any GBVF Ambassador endeavours (consisting of the following professionals, guaranteeing proper inter-professional and governmental as well as excellent co-operation amongst various NGO'S too):

- Medical Doctors, Nurses (from Hosp or Clinics).
- Psychologists & Specialist Counsellors.
- Social Workers.
- SAPS Officials (including CPF & VEP).
- Officials from TRAFFIC Department.
- Desmund Tutu Library (Librarians as local mini–Mental Health Hub in support of sustainable healing).
- NPA & local Magistrates Court Officials.
- Swellendam Health & Safety Forum.

- ODMSF – Overberg District Municipality Safety Forum.

Swellendam Municipality prioritises the mental well-being of their community and employees. The municipal policies and practices priortises gender mainstreaming. The Municipality recognizes that women and men experience policies differently due to social, economic, and cultural factors and adjusted their policies so that both genders benefit equally from public services, laws, and development programs. Policies and practices prevent unintentional discrimination or inequality.

The Swellendam Municipality is working with ASLA Foundation and other stakeholders to establish a Safehouse in Swellendam. This will be the first safehouse in the municipal area and it is hoped that it will be completed in 2026.

2.3 PUBLIC MEETINGS

An IDP / Budgetary engagement in Swellendam

Public participation is the heartbeat of local democracy in South Africa. It transforms governance from something done to people into something done with them.

Swellendam Municipality places a high priority on public engagement to ensure that the public's voices are heard and included in Council's policies and practices.

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

a) The preparation, implementation and review of the IDP;

b) Establishment, implementation and review of the performance management system;

c) Monitoring and review of the performance, including the outcomes and impact of such performance;

d) Preparation of the municipal budget;

e) The preparation of its budget; and

f) Strategic decisions relating to the provision of municipal services;

g) Contribute to building the capacity;

h) The local community to enable it to participate in the affairs of the municipality; and

i) Councillors and staff to foster community participation.

2.3.1 3rd Review Process Plan Activities as Follows:

First Round		
1	Approved 2024/2025 IDP/SDF/SDBIP and Budget Time Schedule	28 August 2024: Item A128/28/08/2024
2	Reviewing IDP Process: Inform National-Provincial Government and the Overberg District Municipality	02 September 2024: Minister Bredell's Office 04 September 2024: Dept. Local Government
3	Public Consultation: Review the priorities per ward	From 9 September 2024 – 6 February 2025

4	District IDP Engagement	24-25 October 2024
5	Internal Departmental Sessions to review municipal strategies, goals, KPI's and targets (to incorporate the new inputs	October - November 2024
6	Budget Steering Committee Meeting	October and November 2024
7	Budget Steering and review budget-related policies;	December 2024
8	Review the sector plans and determine draft tariffs	January 2024
9	Mayoral Committee and Management Strategic Session	February 2025
10	Budget Steering Committee to assess progress in terms of identified programmes, strategies, goals, objectives and KPIs	March 2025
11	Adoption of the Draft Review 2025-2026 IDP / Budget / SDF	31 March 2025: Item A53/31/03/2025
12	Approved Draft Review 2025-2026 IDP/Budget/SDF Notice: Local Newspaper and National, Provincial and District	03 April 2025
13	2025-2026 Draft IDP Review: Electronic submission to National-Provincial Government and the Overberg District Municipality	01 April 2025
14	2nd Round - Public Consultation: Review the priorities per ward and sector groups	02 April – 16 May 2025

Second Round		
15	Public Consultation: Review the priorities per ward	From 2 April 2025 – 16 April 2025
16	Budget Steering Committee to assess progress in terms of identified programmes, strategies, goals, objectives and KPIs	April 2025
17	Municipal SIME 2 Engagement	08 May 2025
18	Strategic Budget Summit (SBS): Final inputs	15 May 2025: Attendance: 31
19	Budget Steering Committee to assess progress in terms of identified programmes, strategies, goals, objectives and KPIs	May 2025
20	Adoption of the Final Review 2025-2026 IDP/Budget/SDF	29 May 2025
21	Approved Final Review 2025-2026 IDP/Budget Notice: Local Newspaper and National, Provincial and District	06 June 2025

The reviewed list of stakeholders within the municipal area for the financial year to date: Ward Committees

- Strategic Budget Summit (SBS) Meeting
- IDP-Budget Consultation Meetings
- Internal Departmental Awareness
  - Housing
  - Waste
  - Law Enforcement
  - Building regulations
  - Thusong Services/Programs

- Financial Policies / Supply Chain Management

- External Sector Group Engagement
  - Transport
  - Rate Payers Association
  - Religious Groups/ Schools/ Early Childhood Development
  - Business & Environmental Forums
  - Small Scale Farmer
  - Social Development Entities / NGO's / CBO's

2.3.2 2024/25 Public Participation Report

Date	Meeting	Meeting Purpose	Number of Meetings
05 January 2024	Spaza shop meeting with owners/SAPS	Closing hours of the spaza shops to prevent robberies	7
05 January 2024	Public meeting	Public Launch Sites discussion	45
15 – 19 January 2024	Basic Plumbing Training	Skills transfer, local economic development, GBV support, water loss prevention	88
17 January 2024	CPF – Swellendam Sector 3	Monthly Sector meeting – Kids at Risk	10
18 January 2024	CPF – Railton – Sector 2	Discussion regarding Ta Jack's / Illegal Structures	9
22 January 2024	CPF – Malgas – Sector 1	Crime in area	3
23 January 2024	CSF – Community Safety Forum – Suurbraak	Steering Committee meeting	5
25 January 2024	Ward Committee meeting: Ward 2	Community information sharing	6
30 January 2024	CPF – Barrydale	Establishment of more NHW structures and farm watches	25
31 January 2024	Ward Committee meeting: Ward 6	Community information sharing	9
01 Febru	First Thursday	Public engagement	20

Date	Meeting	Meeting Purpose	Number of Meetings
ary 2024		with the Executive Mayor and Senior Management on water management and upgrades	
6 February 2024	Ward Committee meeting: Ward 4	Community information sharing	8
6 February 2024	CPF Community meeting	CPF meeting to indicate to the community what CPF is, how it works, what it can do and how it influences the community.	+/-15
7 February 2024	CPF – Malagas/Infanta – Sector 1	Crime / illegal immigrants	3

Date	Meeting	Meeting Purpose	Number of Meetings
08 February	CPF – Swellendam – Sector 3	Monthly scheduled meeting – Kids at risk, complaints, etc.	14
13 February 2024	Township and Rural Entrepreneurship Programmes (TREP)	Skills transfer, local economic development	23
13 February 2024	CPF Community meeting	CPF meeting to indicate to the community what CPF is, how it works, what it can do and how it influences the community.	47
15 February 2024	Imbizo – Community Hall	Crime and illegal activities	11

Date	Meeting	Meeting Purpose	Number of Meetings
19 February 2024	CPF – Malgas Sector 1	Drug houses, illegal immigrants, traffic issues, signage	5
19 February 2024	Swellendam IDP / Service Delivery Open Day: Ward 2, Fortshaven Hall	Community interface	49
20 February 2024	Ward Committee meeting: Ward 5	Community information sharing	10
20 February 2024	Swellendam IDP/Service Delivery Open Day: Ward 3, Suurbraak Community Hall	Community interface	40
23 February 2024	Community Participation /	Support for Ward Committees	2
26 February 2024	Swellendam IDP/Service Delivery Open Day: Ward 3, Buffeljagsrivier	Community interface	33
27 February 2024	Swellendam IDP/Service Delivery Open Day: Ward 3, Infanta	Community interface	28

Date	Meeting	Meeting Purpose	Number of Meetings
27 February 2024	Swellendam IDP/Service Delivery Open Day, Malagas Hotel	Community interface	10
27 February 2024	Ward Committee meeting: Ward 1	Community information sharing	7
28 February 2024	Ward Committee meeting: Ward 3	Community information sharing	8
29 February 2024	Ward Feedback meeting: Ward 2	Community information sharing	28
04 March 2024	Swellendam – Spaza shop meeting	Spaza shops with shop owners	7
05 March 2024	Construction Information Session	Skills development, local economic development	30
06 March 2024	CPF – Railton – Sector 2	Complaints regarding kids at risk, DSD to come on board	8

Date	Meeting	Meeting Purpose	Number of Meetings
06 March 2024	Swellendam IDP/Service Delivery Open Day: Ward 1	Community interface	12
07 March 2024	First Thursday	Engagement with Executive Mayor and Senior Management on water management and upgrades.	10
12 March 2024	Imbizo – Swellendam	Complaints re: Loud music, Drug houses, Ta Jack's	50
12 March 2024	CPF – Swellendam – Sector 3	Kids at risk, housebreaking, drinking in public	19
13 March 2024	CSF – Community Safety Forum meeting	Steering committee meeting – Discussion on	3

Date	Meeting	Meeting Purpose	Number of Meetings
		TPA's projects	
13 March 2024	Ward Feedback meeting: Ward 3	Community information sharing	52
13 March 2024	Jobs Workshop – Project Hope	Skills development, local economic development	+/- 105
14 March 2024	Swellendam IDP/Service Delivery Open Day: Ward 4, 5, 6, Railton Swellendam Community Hall	Community interface	27
20 March 2024	CSF – Stakeholders meeting	Meeting: New Steercom election, resignation of the CSF Chairperson, current projects, poor attendance of	11

Date	Meeting	Meeting Purpose	Number of Meetings
		stakeholders	
25 March 2024	Suurbraak Housing meeting, Suurbraak	Housing delivery	203
3 April 2024	Civic Education, Public Participation, Barrydale: Ward 2	Civic education	21
3 April 2024	Barrydale Roaming Kids meeting	Community safety	16
3 April 2024	Container Park meeting, Barrydale Library	Local economic development, support to SMME	9
4 April 2024	Civic Education on Public Participation: Suurbraak	Civic education	55
5 April 2024	Housing PSC Meeting	Housing	13
8 April 2024	CPF – Railton – Sector 2	Monthly scheduled meeting	9
9 April 2024	Domestic Workers Outreach	Skills development,	23

Date	Meeting	Meeting Purpose	Number of Meetings
		local economic development	
9 April 2024	CPF – Swellendam – Sector 3	Kids at risk, housebreaking, drinking in public	13
12 April 2024	Suurbraak Community Committee	Housing engagement	34
13 April 2024	Imbizo - Barrydale	Community Imbizo – Drug houses, illegal immigrants, spaza shops	50
13 April 2024	Civic Education on Public Participation, Ward 1,4,5,6, Railton Swellendam	Civic education	51
16 April 2024	IDP/Budget meeting: Ward 3, Infanta	Community information sharing/ procuring input on budget and IDP	12

Date	Meeting	Meeting Purpose	Number of Meetings
16 April 2024	IDP/Budget meeting: Ward 3, Malagas	Community information sharing/ procuring input on budget and IDP	10
20 April 2024	Imbizo – Swellendam	Community Imbizo – Drug houses, illegal foreigners, spaza shops	60
22 April 2024	IDP/Budget meeting: Ward 5, Railton, Swellendam	Community information sharing/ procuring input on budget and IDP	8
23 April 2024	Blue, Green Drop meeting	IGR engagement on green and blue drop compliance	7
23 April 2024	IDB, Budget meeting: Ward 2, Barrydale	Community information	30

Date	Meeting	Meeting Purpose	Number of Meetings
		sharing/ procuring input on budget and IDP	
24 April 2024	IDP/Budget meeting: Ward 3, Buffeljagsrivier	Community information sharing/ procuring input on budget and IDP	26
25 April 2024	SPARC meeting	Community information sharing/ procuring input on budget and IDP	12
26 April 2024	Small Town Regeneration Survey by SALGA and provincial departments – administrative focus	Local economic development	14
2 and 3 May 2024	Security tender workers engagement with MM	Dispute resolution and support for unpaid workers of a	12

Date	Meeting	Meeting Purpose	Number of Meetings
		Service Provider	
03 May 2024	Meeting with Swellendam Cricket Club	Cricket facilities	9
06 May 2024	Ward 1 IDP, Budget meeting	Budget and IDP Discussion	30
06 May 2024	CPF – Railton – Sector 2	Kids at risk, Matjoks, illegal structures, increase in crime	6
6 May 2024	Malgas Ratepayers management committee representatives	Community information sharing/ procuring input on budget and IDP	4
07 May 2024	IDP Budget Public meeting	IDP, Budget discussion	21
08 May 2024	Imbizo – Swellendam	Street Imbizo – Community's inputs	60

Date	Meeting	Meeting Purpose	Number of Meetings
09 May 2024	CSF – Community Safety Forum	Gender Based Violence (GBV) project	40
09 May 2024	Meeting with small farmers	Dispute resolution	8
09 May 2024	Meeting with small farmers	Dispute resolution	5
13 May 2024	Meeting with small farmers	Dispute resolution, support for emerging farmers	20
13 May 2024	Spaza shop meeting	Illegal shops	6
13 May 2024	IDP, Budget Public meeting	IDP, Budget discussion	11
14 May 2024	Ward 5 IDP/budget meeting	Community information sharing/ procuring input on budget and IDP	67
15 May 2024	Infanta Budget Summit	Community information	31

Date	Meeting	Meeting Purpose	Number of Meetings
		sharing/ procuring input on budget and IDP	
15 May 2024	Joint OPS – SAPS / Law Enforcement / Immigration	Illegal immigrants, illegal drug houses	36
16 May 2024	LBRCT meeting on proposed extended contract	Engagement on possible service delivery extension on the Breede River	28
16 May 2024	Meeting with Railton Foundation	Property tax Erf 8530, Railton	3
20 May 2024	Meeting with Swellendam Cricket Club	Cricket facilities	7
10 June 2024	"Kersspel Amfi-teater" style presentation – Peter Davids	Presentation by Mr. Peter John Davids	1
10 June 2024	Huis A.A. Tomlinson Management meeting	General Management meeting	7
13 June 2024	Swellendam Community Safety Forum (CSF) –	Community Safety	20

Date	Meeting	Meeting Purpose	Number of Meetings
	Stakeholders meeting		
16 June 2024	Meeting with Ebenhaezer Old Age Home, Barrydale	General	6
16 June 2024	Meeting with Langeberg Bulletin	Meeting regarding the future of printed media	1
11 July 2024	Meeting with Cooper Street residents	Keeping of cattle on properties	16
16 July 2024	Housing Project meeting	Meeting with beneficiaries in Railton. Electricity control discussion.	206
16 July 2024	Ebenhaezer Old Age Club	Service agreement expiring in 2025 as well as maintenance of building	6

Date	Meeting	Meeting Purpose	Number of Meetings
16 July 2024	Langeberg Bulletin	Think Tank regarding future of printed media	1
17 July 2024	Ward Committee meeting of Ward 6	Meeting with Ward Committee members in respect of Ward 6 inputs	9
18 July 2024	Meeting with Suurbraak CPA	Rietkuil refuse removal, Area across the river, Vatmaar	8
18 July 2024	Thornlands	Land Project – Project C	1
18 July 2024	Correctional Services	Planning for a community cleaning action in Rondomskrik for Mandela Day	1

Date	Meeting	Meeting Purpose	Number of Meetings
18 July 2024	Ward Feedback meeting for Ward 2	Public engagement regarding ward 2 issues and matters	29
19 July 2024	Evolution Media House	Think Tank for website in order to promote tourism	1
22 July 2024	Tangelo Citrus Estate	Fence	3
22 July 2024	Sport forum	Sportsforum and management	3
22 July 2024	Kriminiloog	Researches and project to address shortcomings in the community.	1
22 July 2024	Langeberg Bulletin	Think Tank on the future of printed media.	1
23 July 2024	Langeberg Dienssentrum – Suurbraak Elderly Club	Ad-hoc application /	2

Date	Meeting	Meeting Purpose	Number of Meetings
		Building / Tree	
23 July 2024	Womans day – Charmaine Slingers	Meeting to arrange function for women in Railton for women day	1
24 July 2024	Ward Committee meeting in respect of Ward 5	Meeting with Ward Committee members in respect of Ward 5 issues	7
25 July 2024	Mandela day with Correctional Services	Community cleaning project in Rondomskrik	40
26 July 2024	Phizako	Electrical Dispute Discussion	3
26 July 2024	Community Safety Meeting	Safety in community and neighbourhood watch.	1

Date	Meeting	Meeting Purpose	Number of Meetings
29 July 2024	Meeting with showground council	Fundraising project for SPCA and Boxing.	5
30 July 2024	Euros – Swellendam Primary School	Mayor visited Swellendam Primary for Euros program. This activity motivates children to do sports, studying and help with their mental health.	150

Date	Meeting	Meeting Purpose	Number of Meetings
30 July 2024	Road patrol	Meeting in respect of road patrolling at schools. Traffic department provided help by providing the necessary training.	1
31 July 2024	Premier's Opening Address	Livestreaming of Premier's Opening Address at Railton Community Hall.	19
1 August 2024	Meeting with SAPS	Spaza Shop Owner meeting	6

Date	Meeting	Meeting Purpose	Number of Meetings
1 August 2024	First Thursdays	Recycling presentation and opportunity for public participation with Mayor, MM and Directors.	4
5 August 2024	Ward Committee meeting of Ward 4	Meeting with Ward Committee members regarding Ward 4 inputs	4
13 August 2024	Tourism Meeting	Discussion of tourism project	1
13 August 2024	Meeting with Hospice	Vandalism to bathrooms, stormwater, etc.	2
14 August 2024	Ward Feedback meeting of Ward 6	Public engagement regarding Ward 6 issues and matters	12

Date	Meeting	Meeting Purpose	Number of Meetings
15 August 2024	Tangelo Estate meeting	Damage to fence, Litter in dam	4
15 August 2024	Meeting with Transnet	Railton Links Walkway	8
26 August 2024	CPA Meeting	Suurbraak CPA, etc. Current status	6
27 August 2024	950 Housing project	Handing over of houses with Minister Tertius Simmers	+/- 30
27 August 2024	Railton Foundation Meeting	Railton Foundation Projects	11
29 August 2024	Ward Committee meeting of Ward 1	Ward Committee inputs	6
02 September 2024	Ward Committee meeting Ward 4	Ward Committee matters	5
04 September 2024	GPF meeting	Sector 2 meeting	8
04 September 2024	Skills School Site Visit	Site Visit	3

Date	Meeting	Meeting Purpose	Number of Meetings
09 September 2024	Ward 1 IDP SDF Public meeting	Public Engagements	21
11 September 2024	Ward 6 Feedback meeting	Public Engagement regarding Ward 6 issues	18
12 September 2024	Ward 3, IDP meeting	Public Engagement	21
16 September 2024	Ward 3, IDP meeting	Public Engagement	26
18 September 2024	Our Town Project	Discussion of project	3
19 September 2024	Meeting with Huis AA Tomlinson	General Annual meeting	122
19 September 2024	Ward 4, IDP SDF Public meeting	Public Engagements	19
23 September 2024	Ward Committee meeting of Ward 3	Ward Committee inputs in respect of Ward 3	7
26 Septe	Ward 6 IDP meeting	Public Engagement	17

Date	Meeting	Meeting Purpose	Number of Meetings
mber 2024			
30 September 2024	Ward Committee meeting of Ward 2	Meeting with Ward Committee members regarding Ward 2 issues	9
02 October 2024	Swellendam Ratepayers Association	Public Engagement	27
03 October 2024	Mayors First Thursdays	Recycling	15
03 October 2024	IDP meeting – Suurbraak CPA	Public Engagement	12
10 October 2024	Swellendam Small Scale Farmers	Issues with regards to small scale farmers	6
14 October 2024	Signing of MOU	MOU – Gerhard Swanepoel, Local Drug Action Committee (LDAC) &	11

Date	Meeting	Meeting Purpose	Number of Meetings
		Child Protection Unit (CPU)	
17 October 2024	Ward 5 IDP meeting	Public engagement in respect of IDP inputs	37
21 October 2024	Malagas meeting	Malagas Store units	2
24 October 2024	Western Cape Steering Committee meeting	Western Cape Steercom	17
24 October 2024	Meeting with member of the public	Meeting with boy struggling with drug misuse	2
24 October 2024	Ward Feedback meeting Ward 2	Ward 2 issues and matters	11
28 October 2024	LDAC Western Cape meeting	LDAC Meeting	3
29 October 2024	Ward Committee meeting of Ward 5	Ward Committee meeting	7
30 October 2024	Ward Feedback meeting Ward 3	Ward 3 issues and matters	17

Date	Meeting	Meeting Purpose	Number of Meetings
12 November 2024	Ward Committee meeting of Ward 1	Meeting with Ward Committee members of Ward 1	3
14 November 2024	Ward Committee feedback meeting of Ward 5	Ward 5 issues and matters	30
21 November 2024	Ward Feedback meeting of Ward 3	Ward 3 issues and matters	34
27 January 2025	Meeting in respect of CPA Commonage	Discussion of issues	6
30 January 2025	Meeting with Mrs. C. Le Roux	Leiwater issue (insurance claim)	4
4 February 2025	Meeting with Monique Mulder (Malagas Ratepayers Association)	Malagas issues	3
10 February 2025	Meeting with Element Consulting Engineers	Tender irregularities	7
13 February 2025	Meeting with Mr. Herbst	Annual Report discussion and inputs.	4

Date	Meeting	Meeting Purpose	Number of Meetings
13 February 2025	Meeting with Redrocket Energy	Introduction of FE Overberg Windfarm to be constructed.	12
17 February 2025	Meeting with small scale farmers	Contract discussion	9
18 February 2025	A & F Farming	Erf 9880 building plans	8
18 February 2025	Shoprite project	To discuss the way forward on the development of a Shoprite in Railton	10
24 February 2025	Meeting with Johan Reynecke	Wheeling Agreement	9
25 February 2025	Meeting with Small Scale Farmers	Contract discussion	8
27 February 2025	Strategic Budget (SBS) Summit Meeting	Ward Committees to verify ward priorities to the chairpers	23

Date	Meeting	Meeting Purpose	Number of Meetings
		on, Executive Mayor	
6 March 2025	Meeting with ASLA	Development of a Safehouse	5
10 March 2025	Meeting in respect of LBRCT	LBRCT Contract	4
13 March 2025	Meeting with CPA nd the Department of Agriculture, Land Reform and Rural Development	Registration of Suurbraak CPA and various other matters	11
1 April 2025	Meeting with Department of Agriculture:	Swellendam Industrial Roads Upgrade	10
2 April 2025	Meeting with Mrs. Louise Pharo	Barrydale Complaints	8
2 April 2025	Langeberg Bulletin	Notices in newspaper	4
3 April 2025	Sport forum meeting	Sport forum matters / issues	7
4 April 2025	Meeting with Red Rocket	Regarding the development of a windfarm in	8

Date	Meeting	Meeting Purpose	Number of Meetings
		Swellendam Municipal Area.	
8 April 2025	Meeting with Small Scale Farmers	Small Scale Farmer issues	6
8 April 2025	Meeting with Swellendam Secondary School	Sun panels on roof	4
15 April 2025	Taxi Association of Bonnievale/Swellendam	Taxi Association matters	8
17 April 2025	Meeting i.e. SALGA Women's Commission	Salga Women's Commission matters	4
5 May 2025	Meeting with Boland Rugby	Rugby matters	10
7 May 2025	Meeting with ASLA/SOIL, Thornlands and Lidia Avramov (Checkers)	Establishment of a Safehouse in Swellendam	6

2.3.3 Challenges

The table below specifies the challenges for the year:

Challenge	Action Plan
Attendance at IDP Public meetings were declining. The IDP Division continues to face the challenge of limited funds and capacity. Required provincial and ward committee in this regard. The Ward 6 Ward Committee proposed their support to assist with the notice of meetings.	The municipality proceeded with the below methods of advertising public meeting as follow: • Loud hailing • Notice boards • Public newsletters • Brochures, pamphlets, flyers, posters, email, letters, external newsletter • Municipal Website • Customer care • Facebook, • Response on queries, regularly website updates, client service charter • Mayoral 1st Thursdays, Coffee Break Sessions.

2.3.4 Ward Committees

The Ward Committees support the Ward Councillor who receives reports on development, participates in development planning processes, and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all Ward Committees function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

The Municipality is revisiting their ward committee policy to ensure more effective and transparent operations.

The following ward committee meetings took place in the reporting year:

(a) Ward 1: Swellendam and Rural areas of Stormsvlei and Nooitgedacht

Name of Representative	Capacity Representing	Dates of Meeting
Gerda Uren	Business	Committee Meetings: 29 August 2024 9 April 2025 29 May 2025 12 November 2024 Feedback Meetings: 26 June 2025
Gerhardus Swanepoel	Social Development	
Lestine Abrahams	Geographical	
Pieter Hopkins Uys	Business Agriculture	
Ross Soller	Environmental	
Mari-Louise van der Merwe	Tourism/Heritage	
Linique Strydom	Convent	
Jannie Oosthuizen	Safety	
Debra-leigh Mohle	Tourism	

(b) Ward 2: Barrydale, Smitsville, part of Suurbraak, Vleiplaas and surrounding rural areas

Name of Representative	Capacity Representing	Dates of Meeting
Renaldo Claassen	Education/ Geographical	Committee meetings:

Name of Representative	Capacity Representing	Dates of Meeting
Conroy Williams	Smitsville	30 September 2024 23 April 2025 13 May 2025 Ward feedback: 24 October 2024 18 June 2025
Joggom Tallies	Elderly	
George Pokwas	Sport	
Marika Bron	Vroue	
Kaile Jonas	Churches	
Felix Benn	Small Scale Farmers	
Johan Majola	Safety	
Ruanda van Rooyen	Geographical	

(c) Ward 3: Buffeljagsrivier, the largest part of Suurbraak, Mullersrus and Malgas/Infanta

Name of Representative	Capacity Representing	Dates of Meeting
Alan Thompson	Geographical	Committee Meetings: September 2024 21 November 2024 11 June 2025 Feedback Meetings: 30 October 2024
Naomi v/d Kolff	Malgas NCIS Security	
Hendrik Bruwer	Infanta	
Karina Sauls	Health & Education	
Ferdio Kestoor	Agriculture	
Marlene Classen	CPA & Landbou	
Audrey Titus	Geographical	
Alan Thompson	Geographical	
Naomi v/d Kolff	Malgas NCIS Security	

(d) Ward 4: Part of town of Swellendam and part of Railton

Name of Representative	Capacity Representing	Dates of Meeting
Andy Harmse	Geographical	Committee Meeting: 6 November 2024 22 April 2025 Ward feedback: 2 September 2024 12 June 2025
Elsie Oosthuizen	Geographical	
Lucreshia Pietersen	Rondomskrik	
Mio Langenhoven	Hamba Phambile NGO	
Nandipha Lungiso	Individual	
Lanville Cupido	Racnet geographic NGO	
Riaan Jonas	AFM	
Hilton R. I. Hartnick	Business	

(e) Ward 5: Railton, including the informal area

Name of Representative	Capacity Representing	Dates of Meeting
Francina Maneval	Geographical	Committee Meetings: 24 July 2024 29 Oct 2024 27 March 2025 1 April 2025
Monwabisi Mtyanga	Disabled Community CPF	
Enrico Adams	Apostolic C V Church	

Name of Representative	Capacity Representing	Dates of Meeting
Felicia Joseph	Aandblom Street	23 June 2025 Feedback Meetings: 17 September 2024 14 Nov 2024 23 June 2025
Jeffrey Matthysen	S/dam Sakekamer	
Mantombi Badella	Asla Area	
Jerome van Staden	Rose Joseph Drive	
Erna Sabo	Church of Christ	

(f) Ward 6: Railton

Name of Representative	Capacity Representing	Dates of Meeting
Edgar Gertse	Sport	Committee Meetings: 17 July 2024 10 March 2025 2 June 2025 Feedback meetings: 14 Aug 2024 11 Sept 2024 24 June 2025
Leslie Swarts	Smartie Town Area	
Bertie Pekeur	Geographic	
Kilene Lewis	Health	
Johannes Michaels	Avondson Dienssentrum	
Dawid Markus	Geographic	
Barbara Witbooi	Godsdiens	
Hendrik Jamboe	Geographic	
Linda De Vie	Women	

Functionality of Ward Committee

The purpose of a ward committee is:

- To get better participation from the community to inform council decisions;
- To make sure that there is more effective communication between the Council and the community; and
- To assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the administration. These committees play a very important role in the development and annual revision of the Integrated Development Plan of the area. To ensure the optimum effectivity of the ward committees, the ward committee members received training on their legislative roles and responsibilities. Senior municipal staff attend ward committee meetings on request of the ward councillors.

The table below provides information on the establishment of ward committees and their functionality:

Ward	Committee Established	Committee Functionality Effectively
1	Yes	Yes
2	Yes	Yes
3	Yes	Yes
4	Yes	Yes

Ward	Committee Established	Committee Functionality Effectively
5	Yes	Yes
6	Yes	Yes
1	Yes	Yes
2	Yes	Yes

Representative Labour Forum

The Local Labour Forum is tasked to ensure sound labour relations and to ensure consultation on local labour matters that are not reserved for national negotiation. The Local Labour Forum at Swellendam is compiled as follows:

- N Olivier: Chairperson (IMATU)
- D Murphy: Vice Chairperson (IMATU)
- S Evertson: Member (IMATU)
- J Kapp: Employer Representative
- A Bokwana: Member (Employer)
- E Lamprecht: Member (Employer)
- P Le Roux: Member (HR)
- E Wasserman: Member (Employer)
- K Stuurman: LLF Vice Chairperson (Employer Member)
- B De Silva: Member (SAMWU)
- E Dolf: LLF Chairperson (SAMWU)

As work relationships is seen as essential to the success of the Municipality, the Municipal Manager also has an arrangement with the unions to meet on a regular basis to address emerging concerns.

The two representative unions at Swellendam Municipality are IMATU and SAMWU.

2.4 RISK MANAGEMENT

In terms of Section 62(1)(c)(i) of the MFMA "the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control;

The Swellendam Municipal Risk Management Unit (RMU) forms part of the office of the Municipal Manager, led by the Senior Performance and Compliance Officer.

The following activities and actions were performed by the RMU during 2024/25:

- Risk assessment workshops conducted and facilitated;
- Periodic risk assessment and quarterly monitoring of the status of the risk register, as well as quarterly reporting and recommendations to various statutory and non-statutory committees;
- Annual review of risk management strategic documents;
- Compilation and monitoring of the risk management implementation plan;
- Continuous aim of building a sufficient municipal risk profile to constantly improve risk maturity;
- Streamlining risk-related documents and processes with National Treasury's Public Sector Risk Management Framework, King Code of Governance for South Africa, Committee of Sponsoring Organisations of the Treadway Commission (COSO), International Organisation for Standardisation (ISO 31000), etc;
- Adding value to "best practice" developments to the Fraud and Risk Management Committee (FARMCO) by reviewing the risk register, incident and emerging risks and corrupt, fraudulent, and unethical incidents are also standard agenda items for Risk Management Committee meetings;
- FARMCO performance evaluation through individual assessments in the form of a questionnaire and the assessment in terms of the approved risk management strategies;
- Regular communication and updates from various professional bodies;
- Regular communication between the Provincial Treasury (Co-operative Governance) and the internal audit function on risk-related matters;
- Recommendations for improvement of software being utilised;
- Risk universe and risk maturity initiatives through comparison reporting and benchmarking;
- Exploiting opportunities and strategies through the identification of emerging and incident risks;
- Progressive application of compliance-related documents and processes;

- Participation in the Risk Management and Internal Audit Provincial and District Forums;
- Exploring opportunities through meaningful integration of the functions of ethics, anti-corruption and fraud prevention, occupational health and safety, long-term planning, business continuity, and disaster management into the risk management objectives and processes;
- Business continuity engagements with management to implement the Business Continuity Framework;
- Participating in strategic planning sessions to conduct strategic risk assessments and emphasise the importance of risk-based decision-making;
- Continuous emphasis on fraud and corruption risks and the related risk action plans;
- Quarterly compilation of the Combined Assurance Model based on the Combined Assurance Policy Framework adopted by the Council;
- Risk Management Maturity Assessment to determine the Municipality's maturity level utilising the Western Cape Provincial Government Assessment tool;
- Improved cooperation between the RMU and Internal Audit Services (IAS), reducing duplication and increasing the sharing of risk information while respecting IAS's independence;
- Assist with cyber security and ICT control awareness;
- Review of year-end procedures and demand management process relating to performance, risk and compliance management activities.

The table below includes the strategic risks of the Municipality:

Nr	Risk Description	Inherent Risk Rating
1	Protest action / Community unrest	High (90)
2	Ageing infrastructure and inadequate capacity of water and waste water networks	
3	Inability to manage Land Invasions & Erection of Illegal Structures	
4	Grant funding being withheld, stopped or reduced (The WSIG funded programme is currently behind schedule)	
5	Increased strain on Financial Viability and Sustainability of the Municipality	

The table below includes the operational risks of the Municipality:

Nr	Risk Description	Inherent Risk Rating
1	Occupational Health and Safety (OHS) Hazards in the workplace	High (90)
2	Pollution caused by Industrial effluent discharge	
3	Employee Wellness	High (80)
4	The risk of public liability and possible claims against the Municipality	High (70)

Nr	Risk Description	Inherent Risk Rating
5	Failure to provide effective ICT network, systems, software (ageing software) and effective controls	

2.4.1 Risk Assessment Process

Quarterly risk assessments were performed during the financial year where risks were identified and assessed in accordance with the Risk Management Policy to determine the inherent (before considering controls) and residual risks (after considering existing control measures). Additional actions to mitigate these risks were subsequently formulated. Risk identification and assessment are ongoing processes and part of management's monitoring responsibilities.

2.4.2 Fraud and Risk Management Committee (FARMCO)

The role of the FARMCO is to provide a timely and useful integrated risk management reports to the Audit and Performance Audit Committee. The report contains the current top risks of the Municipality, which include:

- key strategic risks facing the Municipality
- key operational risks

Further details on the roles of the FARMCO are included in the approved FARMCO Charter.

The table below details the FARMCO members and the dates of the meetings held:

Dates of Meeting Attended	Members Attended and Capacity
30 September 2024	A Vorster (Chairperson) E Wasserman (Member) K Stuurman (Member) J Bester (Acting Member) Z Wiese (Risk Officer) A Petersen (Internal Audit)
3 December 2024	A Vorster (Chairperson) E Wasserman (Member) K Stuurman (Member) J Bester (Acting Member) Z Wiese (Risk Officer) A Petersen (Internal Audit)
17 March 2025	A Vorster (Chairperson) E Wasserman (Member) K Stuurman (Member) W Treurnicht (Acting Member) J Bester (Acting Member) Z Wiese (Risk Officer) A Petersen (Internal Audit)
13 & 25 May 2025 - Special Risk Meeting with the Audit & Performance Audit Committee (APAC)	A Vorster (Chairperson) E Wasserman (Member) W Treurnicht (Acting Member) J Bester (Acting Member) W Rabbets (Manager: Governance, Legal Services & Compliance) Z Wiese (Risk Officer) A Petersen (Internal Audit) P Silbernagl (APAC) K Talmakkies (APAC) Prof. N Olivier (APAC)

Dates of Meeting Attended	Members Attended and Capacity
17 June 2025	A Vorster (Chairperson) E Wasserman (Member) K Stuurman (Member) W Treurnicht (Acting Member) J Bester (Acting Member) Z Wiese (Risk Officer) A Petersen (Internal Audit)

2.4.3 Combined Assurance

Combined Assurance ensures that a co-ordinated (combined) approach is applied in receiving assurance on whether key risks are being managed appropriately within the municipality. Principle 15 of King IV also highlights the role of the governing body (Council).

For the reported financial year, FARMCO is of the opinion that more assurance should be provided with regards to the business continuity, relating environmental risks (e.g. pollution), occupational health and safety (OHS), legal, employee wellness and Information and Communication Technology risks and mitigation processes.

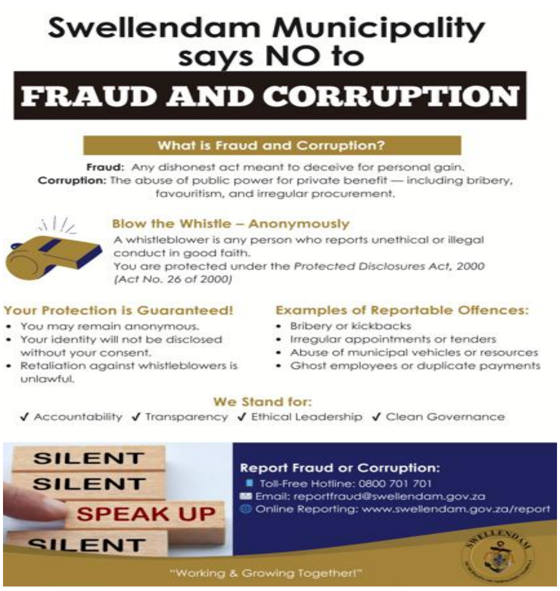
Progress have been made in terms providing assurance on the OHS risk within the Municipality, subsequent to an Occupational Health and Safety internal audit.

2.4.4 Review of Risk Management Strategic Documentation

The following revised policies were adopted by Council on 30 June 2025:

- Risk Management Policy
- Risk Management Strategy;
- Risk Management Implementation Plan
- Fraud and Risk Management Committee Charter
- Integrated Business Continuity Management Policy, Strategy & Plan.

2.5 ANTI-CORRUPTION & ANTI-FRAUD



Swellendam Municipality views good governance, accountability and transparency as a non-negotiable pillar to their operations.

Section 6(2)(c) of the MSA states that the municipality must take measures to prevent corruption.
Section 83(1)(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1)(m)(i) obligates the municipality to institute supply chain measures to combat fraud and corruption, favouritism and unfair and irregular practices. The Prevention and Combating of Corrupt Activities Act defines corruption and specific corrupt activities and imposes a reporting obligation on the Accounting Officer.

The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 regulates the reporting, investigation, and disciplinary proceedings regarding allegations of financial misconduct, including fraud and corruption.

One of the main purposes of Anti-Corruption and Fraud Prevention Policies is to ensure that the Municipality is in compliance with the MSA and MFMA, which requires the Municipality to develop and adopt appropriate systems and procedures that contribute to the effective and efficient management of its resources. The following revised policies were adopted by Council on 30 June 2025:

- Anti-Corruption and Fraud Prevention Policy;
- Anti-Corruption and Fraud Prevention Strategy;
- Anti-Corruption and Fraud Prevention Plan.

The Municipality has established a Financial Misconduct Disciplinary Board and reporting procedures in terms of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 read with Section 21(1)(a) and (b) of the MSA.

A summary of the reporting procedures is as follows:

• Fraud, corruption, maladministration, or any other unethical activities of a similar nature will not be tolerated. Such activities will be investigated and actions instituted against those found responsible.

Such actions may include the laying of criminal charges, civil and administrative/ disciplinary actions, and the recoveries by the Municipality where applicable;

• Prevention-, detection-, response, and investigative strategies will be designed and implemented (as and when applicable);

• It is the responsibility of all employees to report all incidents of fraud and corruption that may come to his/her attention;

• All reports received will be treated with the requisite confidentiality;

• All managers are responsible for the detection and prevention of fraud and corruption within their areas of responsibility;

• Any person can report allegations of fraud or corruption anonymously. They can also contact or write to any member of management, the Municipal Manager, the Executive Mayor, the Speaker, or Internal Audit or use the national fraud hotline (0800 701 701). The public is called upon to report any allegations or real incidents of fraud and corruption;

• Whistle-blowers will be protected. A whistle-blower who reports suspected fraud and/or corruption may remain anonymous should he/she so desire. The Municipality will do its best to protect an individual's identity when he/she raises a concern and does not want their identity to be disclosed;

• No person will suffer any penalty or retribution for good faith reporting of any suspected or actual incident of fraud and corruption which occurred within Swellendam Municipality. The Municipality will not tolerate harassment or victimisation.

2.5.1 Implementation Plan

The following table provides an overview of Swellendam Municipality's plan to combat fraud and corruption:

(a) Anti-Corruption and Fraud Prevention Policy

An Anti-Corruption and Fraud Prevention Policy is a key defence mechanism because it emphasises that the Municipality has a formal framework in place to deal with fraud and corruption. It answers key questions such as:

• What are fraud and corruption?

• How do we deal with it when it arises?

• What are the roles and responsibilities?

• What are the sanctions?

(b) Institutional arrangements

The creation of specific structures and the definition of roles and responsibilities facilitate the coordination and management of program implementation. At a municipal level, these would include structures such as the Risk Management Unit, Internal Audit, Fraud and Risk Management Committee, and the Audit and Performance Audit Committee.

(c) System and Controls

With well-structured and documented systems and controls in place, gaps, and loopholes are nullified that are often used to perpetrate fraud and corruption. These systems and controls also enable monitoring and management mechanisms that will facilitate detection where there are attempts to override or circumvent such systems and controls. Importantly, systems and controls will ensure compliance with policies and regulations.

Supply chain management is a good example of where systems and controls are crucial in preventing fraud and corruption.

(d) Fraud and Corruption Risk Management

All organisations have systems and controls in place with varying levels of structure and detail. Despite this, the Municipality is still vulnerable to fraud and corruption because systems and controls are not properly implemented or their inherent gaps and weaknesses can be exploited. Conducting fraud and corruption risk assessments enables the Municipality to test the integrity and completeness of its systems and controls to implement measures that strengthen areas of weaknesses and close gaps. This approach proactively allows the Municipality to prevent fraud and corruption.

(e) Training, Awareness and Communication

Making managers, staff, suppliers, and customers aware of the risks of fraud and corruption, how to deal with it, what the consequences are, and why it is important to prevent and combat it are key weapons in building up an organisational culture that opposes fraud and corruption. Training will make managers and staff aware of what to look out for so that they do not willingly or unwillingly participate in acts of fraud and corruption.

Communicating successes in dealing with fraud and corruption serves as a deterrent to others and builds the corporate image of the Municipality.

(f) Forensic investigations

As indicated above Swellendam Municipality have a whistleblowing register.

Subsequent to whistleblowing tip-offs, Swellendam Municipality initiated one forensic investigation into alleged tender irregularities. A preliminary report was issued by Adv E Vermaak on the allegations.

A second forensic investigation organisation was appointed to finalise the report. The final report is expected in October.

It should be mentioned that a forensic investigation team was also appointed in July 2025 to investigate alleged corruption and wrongdoing within the Traffic Department. This report is expected mid-September 2025.

2.6 AUDIT AND PERFORMANCE AUDIT COMMITTEE

Fltr: Mr Silbernagl, prof N Olivier, Ms Talmakkies and Mr A Dippenaar (chairperson)

In terms of MFMA Section 166, "(1) Each municipality and each municipal entity must have an audit committee, subject to subsection (6). (2) An audit committee is an independent advisory body that must— (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to:

- Internal financial control and internal audits
- (ii) Risk management
- (iii) Accounting policies
- (iv) The adequacy, reliability, and accuracy of financial reporting and information
- (v) Performance management
- (vi) Effective governance
- (vii) Compliance with this Act, the annual Division of Revenue Act, and any other applicable legislation
- (viii) Performance evaluation
- (ix) Any other issues referred to it by the municipality or municipal entity"

Swellendam Municipality's audit committee is combined with the Performance Committee.

Experience has shown that a properly constituted Audit Committee can make an effective and valuable contribution to the process by which an organization is directed and controlled. The overall objectives of the Audit and Performance Audit Committee are to ensure that management has created and maintained an effective control environment in the organization and that management demonstrates and stimulates the necessary respect for the Swellendam Municipality's systems, policies, and procedures and the internal control structure. The Swellendam Audit and Performance Audit Committee is well-established and functioning as required. A revised Audit and Performance Audit Committee Charter has also been developed and approved by the Council. All the members of the Audit Committee are also members of the Performance Audit Committee. The Audit and Performance Audit Committee meets quarterly.

Members of the Audit and Performance Audit Committee (APAC) of Swellendam Municipality

The following table indicates the members of the APAC and the meetings that were attended:

Members	Capacity	Dates of Meetings Attended
Mr. A. Dippenaar	Chairperson	30 August 2024

Members	Capacity	Dates of Meetings Attended
		16 September 2024 11 November 2024 28 November 2024 09 October 2024 10 December 2024 28 January 2025 26 March 2025 25 June 2025
Mr. P Silbernagl	Member	09 October 2024 10 December 2024 28 January 2025 26 March 2025 25 June 2025
Prof. N. Olivier	Member	30 August 2024 09 October 2024 10 December 2024 26 March 2025 25 June 2025
Ms. K. Talmakkies	Member	30 August 2024 09 October 2024 28 January 2025 26 March 2025 25 June 2025

The APAC executed all their delegated functions for the 2024/25 financial year as follows:

Duties of the APAC as per Approved APAC Charter	Achieved: Yes/No	Comments
To consider the annual financial statements	Yes	2024/25 AFS was tabled to the APAC in August 2025
To consider and review the audit plans of the internal auditors to ensure that they	Yes	The 2024/25 Risk-Based Internal Audit Plan was approved on

Duties of the APAC as per Approved APAC Charter	Achieved: Yes/No	Comments
address the critical risk areas of the business of the Council and to formulate instructions to the internal auditors		25 June 2025 by APAC
To ensure that no restrictions are placed on the rights, obligations, and responsibilities of any internal and external auditors of the Council	Yes	As and when needed
To evaluate all internal and external audit reports and the replies thereto	Yes	APAC meets quarterly to review all Internal Audit reports
To consider problems, of whatever nature, that may be experienced by internal or external audit while conducting an audit	Yes	All concerning areas are highlighted to the APAC regularly and discussed during the quarterly meetings
To consider any recommendation pertaining to the audit of the Municipality or the amendment/rescindment of any approved recommendation	Yes	All concerning areas are highlighted to the Audit and Performance Audit Committee regularly and

Duties of the APAC as per Approved APAC Charter	Achieved: Yes/No	Comments
		discussed during the quarterly meetings. Recommendations and considered and implemented as proposed by the APAC
To facilitate proper communication and co-ordination between the internal and external auditors of the Council	Yes	The APAC strives to enhance the coordination between the Internal and External Auditors. The APAC Chairperson has a standing invite to attend all steering committee meetings with external auditors (AGSA)
To evaluate the effectiveness of auditing functions of the Council	Yes	The APAC reviews the Internal Audit function performance reports quarterly and comments on the

Duties of the APAC as per Approved APAC Charter	Achieved: Yes/No	Comments
		effectiveness of the function in the APAC Chairperson Quarterly Report which is submitted to Council
To evaluate the cost of the external auditing function in terms of value-for-money	Yes	The APAC commented on the fees of the Auditor-General South Africa (AGSA) and has a standing invite to attend all steering committee meetings with AGSA
To report to the Council on the activities of the Committee	Yes	The APAC Chairperson reports are quarterly submitted to the Council, together with the minutes of the meetings attended and held
To review the Auditor-General's report on the financial statements and	Yes	The 2024/25 Management notification letter and final

Duties of the APAC as per Approved APAC Charter	Achieved: Yes/No	Comments
the Council's and management's responses thereto to ensure satisfactory responses and corrective action, where necessary		management report were submitted to the Audit and Performance Audit Committee for review and input
To review measures for safeguarding council assets	Yes	The internal Audit function reviews the measures implemented by the municipality to safeguard Council assets together with the Auditor-General South Africa who also conducts verifications on an annual basis
To review any proposals for improving efficiency, effectiveness, and economy	Yes	The APAC reviews ongoing all Internal Audit reports submitted
To review the effectiveness of the Council's internal checking and control measures	Yes	The APAC reviews on an ongoing all Internal Audit follow-up reports and

Duties of the APAC as per Approved APAC Charter	Achieved: Yes/No	Comments
identified during internal and external audits and the Municipal Manager's follow-up action		provides recommendations and input
To receive and consider quarterly reports from the Chief Audit Executive	Yes	The Senior Internal Auditor *(on behalf of the Chief Audit Executive due to the vacancy)* submits quarterly progress reports to the APAC for review, input, and recommendations
To ensure compliance with relevant legal requirements	Yes	The APAC provides input and recommendations on the compliance component to the municipality quarterly during the meetings
To ensure that proper accounting records are kept	Yes	The APAC reviews on an ongoing all the Financial and Accounting

Duties of the APAC as per Approved APAC Charter	Achieved: Yes/No	Comments
		Information such as Sections 52 and 71, Supply Chain Management quarterly reports as well as the Annual Financial Statements
To review the role and position of risk management in a corporate context, to critically appraise it	Yes	The APAC annually reviews the Risk Management strategic documents. In addition, quarterly the APAC provides input and recommendations on the Risk Management processes adopted by the municipality
To summon annually members of management to present themselves before the committee to provide explanations (written or oral) as	Yes	As and when needed. Quarterly feedback is provided to the APAC on any irregular behaviours by members

Duties of the APAC as per Approved APAC Charter	Achieved: Yes/No	Comments
may be deemed necessary		of the municipality
Review compliance within-year reporting	Yes	The APAC reviews ongoing all the Financial and Accounting Information such as Sections 52 and 71, Supply Chain Management quarterly reports as well as the Annual Financial Statements
Review the quarterly performance reports submitted by the internal audit	Yes	The APAC reviews quarterly performance management reports submitted by the Internal Audit function and provides input and makes recommendation
Review and comment on the Municipality's annual reports within the	Yes	The APAC reviews the annual report during a special

Duties of the APAC as per Approved APAC Charter	Achieved: Yes/No	Comments
stipulated time frame		meeting. The 2024/25 annual report was tabled to the APAC for review, input, and recommendation
The APAC assesses its performance and achievements against its charter on an annual basis	Yes	On an annual basis, the APAC assesses its performance and achievements against the approved charter
The findings of the self-assessment are presented by the Chairperson to the Accounting Officer and Council	Yes	This self-assessment was conducted during the 2024/25 financial year and was discussed during the APAC meeting
Review and comment on compliance with statutory requirements and performance management best practices and standards	Yes	The APAC provides input and recommendations on the compliance component to the municipality quarterly

Duties of the APAC as per Approved APAC Charter	Achieved: Yes/No	Comments
		during the meetings
Review and comments on the alignment IDP, Budget, SDBIP, and performance agreements	Yes	The APAC reviewed the IDP, Budget, SDBIP, and Performance Agreements and provided input, and made recommendations
Review and comment on the relevance of indicators to ensure it is measurable and related to services performed by the Municipality	Yes	The APAC reviews quarterly performance management reports submitted by the Internal Audit function and provides input and make recommendation
Review and comment on the Municipality's performance management system and make recommendations for its improvement	Yes	The APAC reviews quarterly performance management reports submitted by the Internal Audit function and provides input and

Duties of the APAC as per Approved APAC Charter	Achieved: Yes/No	Comments
		make recommendation
Ensure compliance with legislation in terms of the Council's policies and standing orders	Yes	The APAC provides input and recommendations on the compliance component to the municipality quarterly during the meetings
The Chairperson of the Committee should report to the responsible Committee and the Council	Yes	The APAC Chairperson reports are quarterly submitted to the Council, together with the minutes of the meetings attended and held
The findings of the self-assessment are presented by the Chairperson to the Accounting Officer and Council	Yes	This self-assessment was conducted during the 2024/25 financial year and was discussed during the APAC meeting

Duties of the APAC as per Approved APAC Charter	Achieved: Yes/No	Comments
Review and comment on compliance with statutory requirements and performance management best practices and standards	Yes	The APAC provides input and recommendations on the compliance component to the municipality quarterly during the meetings
Review and comments on the alignment IDP, Budget, SDBIP, and performance agreements	Yes	The APAC reviewed the IDP, Budget, SDBIP, and Performance Agreements and provide input, and made recommendations
Review and comment on the relevance of indicators to ensure it is measurable and related to services performed by the Municipality	Yes	The APAC reviews quarterly performance management reports submitted by the Internal Audit function and provides input and make recommendation
Review and comment on the Municipality's	Yes	The APAC reviews quarterly

Duties of the APAC as per Approved APAC Charter	Achieved: Yes/No	Comments
performance management system and make recommendations for its improvement		performance management reports submitted by the Internal Audit function and provides input and make recommendation
Ensure compliance with legislation in terms of the Council's policies and standing orders	Yes	The APAC provides input and recommendations on the compliance component to the municipality quarterly during the meetings
The Chairperson of the Committee should report to the responsible Committee and the Council	Yes	The APAC Chairperson reports are quarterly submitted to the Council, together with the minutes of the meetings attended and held

2.7 INTERNAL AUDIT

Internal Audit Awareness month in May 2025.

In terms of Section 165 (1) of the MFMA, each municipality must have an Internal Audit function. Section 165 (2) of the Act, gives guidance on what is expected of the internal audit unit with regard to responsibility, functions, and reporting requirements.

Section 165 (1) of the MFMA states that:

(1) Each municipality and each municipal entity must have an Internal Audit function.

(2) The internal audit unit of a municipality or municipal entity must:

(a) Prepare a Risk-Based Audit Plan and an internal audit program for each financial year

(b) Advise the accounting officer and report to the audit committee on the implication of the internal audit plan and matters relating to

(i) internal control

(ii) internal audit

(iii) accounting procedures and practices

(iv) risk and risk management

(v) performance management

(vi) loss control

(vii) compliance with this Act, the Division of Revenue Act, and any other applicable legislation

(c) perform such other duties as may be assigned to it by the accounting officer.

The Swellendam Municipality's Internal Audit function is capacitated to provide independent, objective assurance and consulting services. Independence is maintained by being accountable to the Accounting Officer administratively and by functionally reporting to the Audit Committee. These reporting lines are clearly stated in the Swellendam Internal Audit Charter. The Internal Audit function strives to provide value-added service to the Municipality by providing workable and sustainable solutions. The Swellendam Municipality has an in-house Internal Audit function. During the period under review, the department has made significant strides in improving and maintaining a functional Internal Audit function. The department also reviewed various strategic Internal Audit documents during the year under review. Internal Audit engagements are conducted as stated in the Internal Audit methodology. Furthermore, progress in terms of the Risk-Based Internal Audit Plan was duly reported to the Audit and Performance Audit Committee on 26 June 2024 for input, comments, and approval.

The structure of the Internal Audit function makes provision for the following posts, namely: Chief Audit Executive (1 post), Senior Internal Auditor (1 post) and Internal Auditor (1 post). The position of the Chief Audit Executive (CAE) for Swellendam Municipality is currently co-sourced. For

2024/25 the Internal Audit function consisted of the following officials:

Mr F Coetzee (Outsourced CAE)

Mr. A Petersen (Senior Internal Auditor)

Mr. H Swart (Internal Auditor)

Mr. X Mahlaba (Intern: Internal Audit)

Highlights

The table below specifies the highlights for the year:

Highlights	Description
Ad Hoc Requests	The Internal Audit function accommodates all of the ad hoc management requests received with the capacity staff constraints encountered by the function
Training	Attended various training courses to foster continued professional development (CPD) of our Internal Audit staff. Attend Provincial and District Internal Audit and Risk Management Forums

The 2024/25 Revised Risk-Based Internal Audit Plan was presented to and approved by the Audit and Performance Audit Committee on 25 June 2025. An overview of the status of the internal audit work performed in terms of the approved internal audit plan for the fourth quarter of the 2024/25 financial year is presented below:

Audit Activity	Status
2023/2024 Compliance Reviews: MFMA; MSA & DORA	Completed
Performance Management and SDBIP (Quarterly)	Completed
High-Level AFS Review *(inclusive of Ratio Analysis)*	Completed
Employee Verification	Completed
Asset Verification	Completed
Follow-up Audit Engagement	Completed
Performance Management and SDBIP (Quarterly)	Completed
Occupational Health and Safety	Completed
Follow-up Audit Engagement	Completed
Performance Management and SDBIP (Quarterly)	Completed
Follow-up Audit Engagement	Completed
SCM Compliance and Contract Management Review	Completed
Performance Management and SDBIP (Quarterly)	Completed
Internal Quality Assurance and Improvement	Completed
Follow-up Audit Engagement	Completed
ICT: Security and General Control	Completed
Annual Stock Count	Completed

Consulting Engagements:

- Ongoing Risk Management Support
- Ongoing Management Support
- Advisory Services Council portfolio committees

Ad Hoc Activities:

- Logbooks/Vehicle Registers
- MPAC 10/2024: *Irregular Expenditure SCM Contract Management*
- MPAC 13/2024: *Unforeseen and Unavoidable Expenditure: Russel Street*
- MPAC 08/2024: *Application of Piggyback Contract Review*
- SCM Minor Breach
- Bid Evaluation and Compliance for SMT06/24/25

2.8 BY-LAWS AND POLICIES

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies. No by-law was developed and reviewed during the financial year.

The political instability severely hampered the timeous approval of policies, hampering the effective functioning of the governance structure of the Municipality. The draft ward committee policy, retirement policy, notch increase policy and several other were held back for several months. The reviewed Rules of Order by law was later changed into a policy, and its approval was held back for more than 12 months.

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to the adoption of policy Yes/No
Property Rates Policy	29 May 2025	Yes
Customer Care, Credit Control and Debt Collection Policy	29 May 2025	Yes
Bad Debt Write-off Policy	29 May 2025	Yes
UIF Expenditure Reduction Policy	29 May 2025	Yes
Tariff Policy	29 May 2025	Yes
Finance and Reserve Policy	29 May 2025	Yes
Budget Implementation on Monitoring Policy	29 May 2025	Yes
Banking, Cash Management and Investment Policy	29 May 2025	Yes
Supply Chain Management Policy	29 May 2025	Yes
Preferential Procurement Policy	29 May 2025	Yes
Asset Management Policy	29 May 2025	Yes
Petty Cash Policy	29 May 2025	Yes
Indigent Support Policy	29 May 2025	Yes
Borrowing Policy	29 May 2025	Yes
Restriction Policy	29 May 2025	Yes
Cost Containment Policy	29 May 2025	Yes
Audit- and Performance Audit Committee Charter	30 June 2025	No

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to the adoption of policy Yes/No
Combined Assurance Policy Framework	30 June 2025	No
Risk Management Policy	30 June 2025	No
Risk Management Strategy	30 June 2025	No
Risk Management Implementation Plan	30 June 2025	No
Fraud & Risk Management Committee Charter	30 June 2025	No
Anti-Corruption and Fraud Prevention Plan	30 June 2025	No
Anti-Corruption and Fraud Prevention Policy	30 June 2025	No
Anti-Corruption and Fraud Prevention Strategy	30 June 2025	No
Prevention and Elimination of Harassment in the Workplace Policy	31 July 2024	No
Policy on membership of Medical Schemes and Registration of Dependents on Accredited Schemes	28 November 2024	No

2.9 COMMUNICATIONS

Local government has both a responsibility and legal obligation to ensure regular and effective communication with its communities. The Constitution of the Republic of South Africa, 1996, and other statutory enactments all impose this obligation on local government as well as require high standards of transparency, accountability, openness, participatory democracy and direct communication with its communities, to improve the lives of all.

Good customer care is of fundamental importance to any organisation and a successful communication strategy links the people to the municipality's programmes for the financial year.

Below is a communication checklist of compliance with regard to necessary communication requirements:

Communication Activities	Yes/No	Date Approved
Communication Strategy	Yes	Compiled in 2016 – Must be reviewed
Communication Policy	No	To be reviewed with Strategy
Functional and sufficient distribution of notices, legal and financial information of concern to communities	Yes	Not Applicable

Communication Channels Utilised:

Channel	Yes/ No
SMS system	Yes
Call system and WhatsApp	Yes
Facebook	Yes
Newspapers	Yes
Public meetings	Yes
Sectoral meetings	Yes
Rate payers' meetings	Yes
Business Chamber meetings	Yes
Ward committee meetings	Yes
IDP public meetings	Yes
Press releases	Yes
Walk in meetings / in person meetings	Yes
Intergovernmental meetings	Yes

Swellendam Municipality do not have a sufficiently capacitated communications division. The Municipality only have one junior official within the Communications division. This negatively impacts on the effective operations of the Municipality.

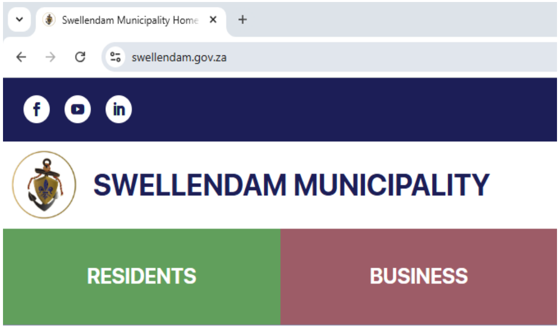
There is currently no sufficient funding to add to this position.

The Municipality used the free LinkApp for customer complaints during the year. Whilst free, the LinkApp was not well-received within the communities and the host company indicated that they will cease the operation of the Application at the end of June 2025.

The Municipality is currently operating whattsapp lines and after-hours service numbers to tend to complaints.

The Municipality will implement a new Collab Citizen application in September 2025.

2.10 WEBSITE



Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and S21A and B of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication tool in terms of service offering, information distribution and public participation. It is a communication tool that allows for easy and convenient access to relevant information. The municipal website serves as an integral part of the municipality's communication strategy.

A new municipal website was developed and is in full operation. The website is well-maintained and administrated by the Office of the Municipal Manager.

The table below indicates the information and documents that are published on the municipality's website.

Description of Information and / or document	Yes/ No
Municipal Contact Details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the Director: Financial Services (CFO)	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (MFMA Sections 53, 75 and 81)	
Draft Budget	Yes
Adjusted Budget	Yes
Asset Management Policy	Yes
Customer Care, Credit Control & Debt Collection Policy	Yes
Indigent Policy	Yes
Investment & Cash Management Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
Virement Policy	Yes
Travel and Subsistence Policy	Yes
SDBIP	Yes
Budget and Treasury Office Structure	Yes
IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP	Yes
IDP Process Plan	Yes
SCM (Sections 14(2), 33, 37 &75(1)(e) &(f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	Yes
Long-term borrowing contracts	Yes
SCM contracts above R30 000	Yes
Section 37 of the MFMA (Unsolicited Bids/Contracts)	Yes
Public invitations for formal price quotations	Yes
Local Economic Development (Section 26(c) of the MSA)	

Description of Information and / or document	Yes/ No
Local Economic Development Strategy	No
LED Policy Framework	No
Economic Profile	No
LED Projects	No
Performance Management (Section 75(1)(d) of the MFMA)	
Performance Agreements for MSA Section 57 Employees	Yes

BBEE Reporting Information

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The Broad-Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003; as amended by Act 46 of 2013) read in conjunction with the B-BEE Regulations of 2016 states in Section 13G (1) that all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their Annual Financial Statements and Annual Reports. In accordance with the explanatory notice (Notice 1 of 2018) issued by the B-BBEE.

Commission the following tables provide details on the municipality's compliance with regard to broad-based black economic empowerment:

Category	Number	Race Classification	Gender	Disability
Senior Management	3	1 Coloured 2 White	2 Female 1 Male	0

03

ORGANISATIONAL PERFORMANCE

3.1 STRATEGIC PERFORMANCE OVERVIEW

This chapter provides an overview of the key service delivery achievements of the Municipality during 2024/25 in terms of the planned objectives and indicators that were set in the Integrated Development Plan (IDP).

3.1.1 Overview of Performance within the Organisation

Performance Management is a planned process of directing, supporting, aligning and improving individual and team performance in enabling the sustained achievement of the municipality's objectives. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At the local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government.

3.1.2 Legislative Requirements

The Constitution of the RSA, Section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of Section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources
- accountable public administration
- to be transparent by providing information
- to be responsive to the needs of the community
- to facilitate a culture of public service and accountability among staff

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the IDP to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation but also to the individuals employed in the organisation as well as the external service providers and the

Municipal Entities. The aspect of individual performance management is highlighted in the Local Government Municipal Staff Regulations and is detailed in the municipal Performance Management and Development policy.

In terms of Section 46(1)(a) of the MSA a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with the performance of the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

3.1.3 Organisational Performance

Strategic performance indicates how well the Municipality is meeting its objectives and whether policies and processes are working effectively. All government institutions must measure and report on their strategic performance to ensure that service delivery is done in an efficient, effective and economical manner. Municipalities must therefore develop strategic plans and allocate resources for the implementation. The implementation of the plans must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality's Top Layer SDBIP and performance on the National Key Performance Indicators as prescribed in terms of Section 43 of the MSA.

3.1.4 Performance Management System

Council adopted a Performance Management Framework that drives performance management within the organisation. Performance management is the setting and measurement of desired outcomes and activities of the Municipality, the municipality's individual components and the staff who contribute to the achievement of its strategic vision. It is a multi-level process that starts with an overall strategy and cascades into individual performance management and appraisal. The framework has been reviewed to align with the new municipal staff regulations.

The Performance Management processes are both web-based and manually and provides for the assessment of performance to the lowest level. Senior Managers sign annual performance contracts and will be evaluated accordingly. The municipality aims to adhere to the staff regulations which state every employee is required to enter into a performance agreement, which is reviewed and signed annually.

Senior Manager's performance bonuses are linked to their performance agreements. Other staff members are not being additionally remunerated for their performance as it is a tool to measure service delivery.

The IDP and the Budget

The IDP and the budget for 2024/25 were approved by Council.

The IDP fulfils the planning stage of performance management. Performance management, in turn, fulfils the implementation management, monitoring and evaluation of the IDP, hence the IDP process and the performance management process are integrated.

In compliance with the policy and legislation, the service delivery and budget implementation plan (SDBIP) were approved by Council (including the Municipal Manager and Mayor). The SDBIP indicators are aligned with the budget, which was prepared in terms of the reviewed IDP. The indicators in the Top Layer SDBIP include indicators prescribed by legislation, indicators that will help to achieve the objectives adopted in the IDP and indicators that measure service delivery-related responsibilities. The actual performance achieved in terms of the Key Performance Indicators (KPIs) was reported quarterly. The indicators and targets were adjusted after the finalisation of the previous year's budget and mid-year budget assessment. The Top Layer SDBIP was revised with the Adjustments Budget in terms of Section 26 (2)(c) of the Municipal Budget and Reporting Regulations and an amended Top Layer SDBIP was approved by the Council with each round of adjustments.

The performance agreements of the senior managers were compiled and revised in terms of the SDBIP indicators, as well as the portfolio of evidence that supports the actual target reported.

Actual Performance

The Municipality utilise an electronic web-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set.
- All performance comments and corrective actions.
- Actions to improve the performance in alignment with the designated target, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results.

Monitoring of the Service Delivery Budget Implementation Plan

Municipal performance was measured in the following way:

- Quarterly reports were submitted to the Council concerning the actual performance in terms of the Top Layer SDBIP
- The mid-year assessment was completed along with the submission of the mid-year report to the mayor in terms of Sections 72(1)(a) and 52(d) of the MFMA to assess the performance of

the Municipality during the first half of the financial year.

Organisational Performance

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- Council and the mayor approved the Top Layer SDBIP and the information was loaded on the electronic web-based system and municipal website.
- The web-based system routinely sends automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against KPIs targets by the 15th of every month for the previous month's performance.
- The performance agreements of the senior managers are aligned with the approved Top Layer SDBIP.

Municipal Manager and Manager Directly Accountable to the Municipal Manager

The MSA prescribes that the municipality must enter into performance-based agreements with all Section 57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the Municipal Manager and applicable directors for the 2024/25 financial year were signed within the timeframes.

The formal appraisal of the actual performance for 2024/25 still need to be scheduled, after the approval of the Annual Report.

The appraisals were done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

Panel for the Municipal Manager	Panel for all Managers Directly Accountable to the Municipal Manager
Executive Mayor	Municipal Manager
Deputy Mayor (No Deputy Mayor)	Portfolio Councillor
Chairperson of the Audit Committee	Chairperson of the Audit Committee
External Municipal Manager	External Municipal Manager
Ward Committee Member	

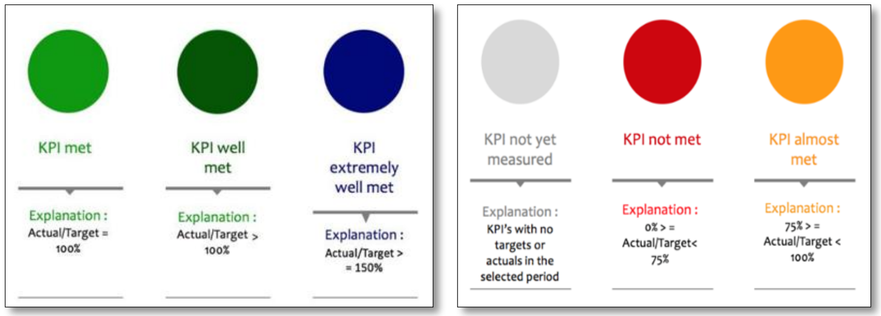
3.2 Introduction to Strategic Municipal Performance

This section provides an overview of the key services achievements of the Municipality that came to fruition during 2024/25 in terms of the deliverables achieved against the strategic objectives of the IDP.

Strategic Service Delivery & Budget Implementation Plan (Top-Layer)

This section provides an overview on the achievement of the municipality in terms of the strategic intent and deliverables achieved. The Top Layer SDBIP assists with documenting and monitoring of the Municipality's strategic plan and shows the strategic alignment between the IDP, Budget and Performance plans. In the section below the performance achievements are illustrated against the Top Layer SDBIP KPI's applicable to 2024/25 in terms of the IDP strategic objectives.

The figure below explains the method by which the overall assessment of the actual performance against the targets set for the key performance indicators (KPI's) per strategic objective and definition of performance ratings:



Service Delivery and Budget Implementation Summary Per Strategic Objective

	To create a capacitated, people centred institution	To create a safe and healthy living environment	To develop integrated and sustainable settlements with the view to correct spatial imbalances	To enhance access to basic services and address maintenance backlogs	To enhance economic development with focus on both first and second economies	To improve financial viability and management	To promote good governance and community participation	Total
KPI Not Yet Measured								
KPI Not Met	2			1				3
KPI Almost Met				3		1	1	5
KPI Met	2	2	1	2		3	4	14
KPI Well Met				13	1	2		16
KPI Extremely Well Met						2		2
	4	2	1	19	1	8	5	40

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25							
					Target					Actual	R	1. Performance Comment and 2. Corrective Measures
					Q1	Q2	Q3	Q4	Target			
Strategic Objective: To promote good governance and communityparticipation												
TL1	Compile the Risk Based Audit Plan (RBAP) and submit to the Audit Committee by 30 June	RBAP submitted to the Audit Committee by 30 June	All	**1**	0	0	0	1	**1**	**1**	G	
TL2	90% of the RBAP for 2024/25 implemented by 30 June {(Number of audits and tasks completed for the period /Number of audits and tasks identified in the RBAP) x 100}	% of the RBAP implemented by 30 June	All	**94%**	15%	40%	60%	90%	**90%**	**88%**	O	1. Only two (2) audits were outstanding as per the RBAP. 2. The two audits were completed in July 2025.
TL3	Compile and submit the 3rd review of the final IDP for the 2025/26 financial year to Council by 31 May	Final IDP compiled and submitted to Council	All	1	0	0	0	1	**1**	**1**	G	
TL4	Submit the draft Annual Report for 2023/24 in terms of the MFMA to Council by 31 January	Draft report submitted to Council by 31 January 2024	All	1	0	0	1	0	**1**	**1**	G	

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25							
					Target					Actual	R	1. Performance Comment and 2. Corrective Measures
					Q1	Q2	Q3	Q4	Target			
TL5	Approve the Annual Report in terms of MFMA within two months after submission of draft	Annual Report approval within 2 months of draft submission	All	1	0	0	1	0	**1**	**1**	G	
Strategic Objective: To create a capacitated, people-centred institution												
TL6	Complete the annual risk assessment and submit to the Audit Committee by 30 June	Completed risk assessment submitted to the Audit Committee	All	1	0	0	0	1	**1**	**1**	G	
Strategic Objective: To enhance access to basic services and address maintenance backlogs												
TL7	Number of residential properties that receive piped water that is connected to the municipal water infrastructure network as at 30 June	Number of residential properties which are billed for water or have pre-paid meters as at 30 June	All	6 425	0	6 629	0	6 629	**6 629**	**6 970**	**G2**	
TL8	Number of residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical	Number of residential properties which are billed for electricity or have pre-paid meters	All	6 812	0	6 598	0	6 598	**6 598**	**7 545**	**G2**	

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25								
					Target					Actual	R	1. Performance Comment and 2. Corrective Measures
					Q1	Q2	Q3	Q4	Target			
	metering and excluding Eskom areas) as at 30 June	(Excluding Eskom areas) as at 30 June										
TL9	Number of residential properties connected which have access to a sewerage network or septic tank irrespective of the number of water closets (toilets) as at 30 June	Number of residential properties which are billed for sewerage as at 30 June	All	6 575	0	6 560	0	6 560	**6 560**	**6 751**	G2	
TL10	Number of residential properties for which refuse is removed once per week as at 30 June	Number of residential properties which are billed for refuse removal as at 30 June	All	6 555	0	6 200	0	6 200	**6 200**	**7 101**	G2	
TL11	Provide free basic water services to indigent and poor households in terms of the approved indigent policy as at 30 June	Number of registered indigent and poor households receiving free basic water services	All	2228	0	2 291	0	2 291	**2 291**	**2 742**	G2	
Strategic Objective: To improve financial viability and management												

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25							
					Target					Actual	R	1. Performance Comment and 2. Corrective Measures
					Q1	Q2	Q3	Q4	Target			
TL12	Spend 90% of the municipality's capital budget actually spent by 30 June {(Amount actually spent on capital projects/ Amount budgeted for capital projects) x100}	% of capital budget spent by 30 June	All	69.83%	0%	20%	40%	90%	**90%**	**79.65%**	O	1. There were various delays experienced in capital projects that can all be linked to challenges in the procurement processes. 2. Procurement workshops were rolled out to ensure training of relevant legislation and regulations. Standard Operating Procedures to be developed and strict implementation of procurement plan. The appointment of Manager: Governance, Compliance and Legal Services is critical to improve procurement oversight.
TL13	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June {(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant) x 100	Debt to revenue as at 30 June	All	7.96%	0%	0%	0%	25.30 %	**25.30%**	**6.21%**	B	

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25								
					Target					Actual	R	1. Performance Comment and 2. Corrective Measures
					Q1	Q2	Q3	Q4	Target			
TL14	Financial viability measured in terms of the outstanding service debtors as at 30 June {(Total outstanding service debtors/ revenue received for services) x 100}	Service debtors to revenue as at 30 June	All	9.03%	0%	0%	0%	18%	**18%**	**17.89%**	G2	
TL15	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June {(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Cost coverage as at 30 June	All	3.43	0	0	0	1.8	**1.8**	**5.18**	B	

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25							1. Performance Comment and 2. Corrective Measures
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Target			
TL16	Achieve a debtors payment percentage of 95% by 30 June {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100}	Debtors' payment percentage as at 30 June	All	97.10%	95%	95%	95%	95%	**95%**	**97.34%**	G2	
TL17	Approve an action plan to address all the issues raised in the management letter of the Auditor-General two months after the Management Report was issued	Action plan approved by the MM	All	1	**0**	**0**	**1**	**0**	**1**	**1**	G	
TL18	Achieve an Unqualified Audit Opinion for the 2023/24 financial year	Unqualified Audit Opinion Achieved	All	1	0	0	1	0	**1**	**1**	G	

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25							1. Performance Comment and 2. Corrective Measures
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Target			
TL19	Submit annual financial budget by 31 May 2024 to Council	Submission of annual financial budget to Council by 31 May 2024	All	1	0	0	0	1	**1**	**1**	G	
Strategic Objective: To create a capacitated, people-centred institution												
TL20	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the equity plan by 30 June	Number of people employed from equity target groups in the three highest levels of management	All	0	0	0	0	1	**1**	**0**	**R**	1. The Director: Infrastructure Services position was vacant for the financial year. 2. Recruitment still in progress. A suitable candidate was identified in August 2025, aligning to the EE targets.
TL21	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June {(Actual amount spent on training/total personnel budget) x100}	% of the personnel budget spent on implementing the workplace skills plan	All	0.19%	0%	0%	0%	0.50%	**0.50%**	**0.15%**	**R**	1. Most training provided was free. 2. More employees will be encouraged to apply for further studies and Personal Development Plans for staff to be developed.

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25							1. Performance Comment and 2. Corrective Measures
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Target			
TL22	Limit quarterly vacancy rate to less than 10% of funded posts {(Number of funded posts vacant / number of funded posts) x100}	% quarterly vacancy rate	All	10.08%	10%	10%	10%	10%	**10%**	**10.19%**	G	
Strategic Objectives: To enhance economic development with focus on both first and second economies												
TL23	Create temporary work opportunities in terms of EPWP by 30 June	Number of temporary work opportunities created	All	292	45	55	55	55	**210**	**253**	**G2**	
Strategic Objective: To create a safe and healthy living environment												
TL24	Review the Spatial Development Framework and submit to Council for consideration by 31 May	SDF review and submitted to Council for consideration	All	1	0	0	0	1	**1**	**1**	G	
Strategic Objective: To enhance access to basic services and address maintenance backlogs												

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25							1. Performance Comment and 2. Corrective Measures
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Target			
TL25	Spend 90% of the roads and stormwater maintenance (excluding general vehicles-streets) budget by 30 June {(Actual expenditure on maintenance divided by the total approved maintenance budget) x100}	% of the maintenance budget spent	All	90.30%	10%	30%	60%	90%	**90%**	**93.31%**	G2	
TL26	Spend 90% of the electricity maintenance (excluding general vehicles-electricity) budget by 30 June {(Actual expenditure on maintenance divided by the total approved maintenance budget) x100}	% of the maintenance budget spent on the electricity maintenance votes	All	93.90%	10%	30%	60%	90%	**90%**	**85.66%**	O	1. Preventative maintenance projects were not adequately implemented. 2. Preventative maintenance plans will be revised and strictly monitored by Management.

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25							
					Target					Actual	R	1. Performance Comment and 2. Corrective Measures
					Q1	Q2	Q3	Q4	Target			
TL27	Spend 90% of the waste water maintenance (excluding general vehicles-sewerage network & general vehicles sewerage administration) budget by 30 June {(Actual expenditure on maintenance divided by the total approved maintenance budget) x100}	% of the maintenance budget spent on the waste water maintenance votes	All	34.46%	10%	30%	60%	90%	**90%**	**82.78%**	O	The Performance Comment and Corrective Action at TL 12 above holds reference.
TL28	Spend 90% of the water maintenance (excluding general vehicles-water purification, general vehicles-irrigation water & vehicle costs-water dams) budget by 30 June {(Actual expenditure on maintenance divided by the total approved maintenance budget) x100	% of the maintenance budget spent on the water maintenance votes	All	73.67%	10%	30%	60%	90%	**90%**	**103.55%**	G2	

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25								
					Target					Actual	R	1. Performance Comment and 2. Corrective Measures
					Q1	Q2	Q3	Q4	Target			
TL29	Spend 95% of the MIG funding allocated for completion of projects by 30 June {(Actual expenditure on MIG funding received divided by the total MIG funding received) x100}	% of MIG funding received spent	All	100%	0%	40%	60%	95%	**95%**	**98.72%**	G2	
TL30	Achieve 95% microbiological quality level achieved for water as per SANS 241 as at 30 June	% microbiological water quality level achieved as per SANS 241 criteria for the 2024/25 financial year	All	**92.62%**	95%	95%	95%	95%	**95%**	**96.70%**	G2	

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25							
					Target					Actual	R	1. Performance Comment and 2. Corrective Measures
					Q1	Q2	Q3	Q4	Target			
TL33	Limit unaccounted for water to less than 25% by 30 June {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100}	% unaccounted for water by 30 June	All	29.10%	0%	25%	0%	25%	**25%**	**36.39%**	O	1. Severe operational challenges and severe water losses were experienced at Railton Water Treatment Works. 2. New water meters at Water Treatment works will be installed to ensure more accurate capturing and monitoring of water losses.
TL34	Limit unaccounted for electricity to less than 12% by 30 June {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or generated) x100}	% unaccounted for electricity by 30 June	All	9.08%	0%	12%	0%	12%	**12%**	**9.38%**	G2	

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25							1. Performance Comment and 2. Corrective Measures
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Target			
TL35	Provide free basic electricity services to indigent and poor households in terms of the approved indigent policy as at 30 June	Number of registered indigent and poor households receiving free basic electricity services	All	2 228 KPI – Added by Council A37 dated 27 February 2025	0	2 291	0	2 291	**2 291**	**2 742**	G2	
TL36	Provide free basic sanitation services to indigent and poor households in terms of the approved indigent policy as at 30 June	Number of registered indigent and poor households receiving free basic sanitation services	All	2 228 KPI – Added by Council A37 dated 27 February 2025	0	2 291	0	2 291	**2 291**	**2 742**	G2	
TL37	Provide free basic refuse removal services to indigent and poor households in terms of the approved indigent policy as at 30 June	Number of registered indigent and poor households receiving free basic refuse removal services	All	2 228 KPI – Added by Council A37 dated 27 February 2025	0	2 291	0	2 291	**2 291**	**2 742**	G2	

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25							
					Target					Actual	R	1. Performance Comment and 2. Corrective Measures
					Q1	Q2	Q3	Q4	Target			
TL38	Provide 10 000 kl free basic water to informal settlements as at 30 June	Kilolitre water provided to informal settlements	All	New KPI – Added by Council A37 dated 27 February 2025	2 500	2 500	2 500	2 500	10 000	**5 418.1**	**R**	1. The underlying cause of the underperformance is the inadequate number of water meters at strategic points, which hinders accurate consumption measurement. 2. Two water meters have been installed at the informal settlement to facilitate more precise monitoring of water usage. Additional meters are planned for the new informal settlement block development to improve the measurement of actual consumption further and to meet the target.
TL39	Provide free basic sanitation facilities/ Toilets to informal settlements as at 30 June	Number of sanitation facilities/ toilet connections provided to informal settlements	All	New KPI – Added by Council A37 dated 27 February 2025	0	255	0	255	**255**	**255**	G	

Ref	KPI Name [R]	Unit of Measurement	Ward	Actual Performance for 2023/24 (Baseline)	Overall Performance 2024/25							1. Performance Comment and 2. Corrective Measures
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Target			
TL40	Provide free refuse removal services/ skips to informal settlements as at 30 June	Number of skips provided to the informal settlements	All	New KPI – Added by Council A37 dated 27 February 2025	3	3	3	3	**3**	**3**	G	
Strategic Objective: To create a safe and healthy living environment												
TL31	Review the Disaster Management Plan and submit to Council by 30 May	Disaster Management Plan reviewed and submitted to Council	All	1	0	0	0	1	**1**	**1**	G	
Strategic Objective: To develop integrated and sustainable settlements with the view to correct spatial imbalances												
TL32	Review the Human Settlements Pipeline and submit to Council by 30 June	Human Settlements Plan reviewed and submitted to Council	All	0	0	0	0	1	**1**	**1**	G	

3.2 FUNCTIONAL PERFORMANCE OVERVIEW

3.2.1 Service Providers Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. A service provider:

• means a person or institution or any combination of persons and institutions which provide a municipal service to or for the benefit of the local community.

• means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality.

• service delivery agreement means an agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

During the year under review, the Municipality did not appoint any service providers who provided a municipal service to or for the benefit of the local community on behalf of the Municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured, that the requirements of the contract are complied with.

3.2.2 Swellendam Municipal Function Analysis

The following table indicates the functional areas that the Municipality are responsible for in terms of the Constitution:

Function	Yes/No
Constitution Schedule 4, Part B functions:	
Building regulations	Yes
Local tourism	Yes
Municipal planning	Yes
Municipal public transport	Yes
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services are limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Fencing and fences	Yes
Licensing of dogs	Yes
Local amenities	Yes
Local sport facilities	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Other key departmental highlights and challenges are explained under the sections that follow.

3.3 WATER SERVICES

Water provision remains one of the most critical basic services rendered by the Swellendam Municipality. The municipality is committed by ensuring that all residents across its geographic footprint have access to reliable, safe, and sustainable water. The provision of water infrastructure has progressed steadily during the 2024/2025 financial year, with targeted upgrades, maintenance, and strategic planning ensuring the continuity of the service.

The status of water infrastructure provision across the towns, villages, hamlets, and rural areas within the municipal boundaries are:

• **Swellendam:** The town is fully serviced with a well-maintained water reticulation network sourced from the Grootkloof 3 Dam, which derives its water from the Klipperivier.

• The Klippe River water source feeding from surface drainage from the mountain are the main water source for the town of Swellendam.

• Water is extracted from the source via a small informal weir into a 600 mm diameter pipe and then into an open furrow to the Grootkloof Dams. This furrow was partially upgrade during the financial year.

• Swellendam raw water surplus from the catchment that cannot immediately be treated, is routed to three conservancy storage dams, namely Grootkloof 1, 2 and 3.

• An additional conservancy storage dam will be needed to be constructed in the near future to accommodate future growth and increasing consumption, or an alternative source.

• Investigations were conducted by consulting engineers into alternative sources of water for Swellendam town. Buffeljags Dam and the Breede River are some of the possibilities that was investigated.

• Seven reservoirs are available in Swellendam to provide storage capacity for potable water. These storage capacities are inadequate for the planned sub economical housing in Railton and the growth and the development of Swellendam.

•On the 5th of December 2022, a Consultant was appointed for another section of this pipeline, which included the main Raw water Pumpstation in the Hermitage, North of Swellendam. This pump station and the pipeline have been completed.

This project has since expanded and the extensions and enlargement of the pipeline from the Swellendam WTW through the town to Railton reservoir has been phased in to be completed in the next 2 financial years. Short sections of this pipeline have been completed.

• **Barrydale:** Water supply is sourced from the Huisrivier and channelled to the storage dam. Water security risks were mitigated through the installation of telemetry systems and the upgrades to water pumpstations during the financial year. The Huis River is the main water source for both potable, domestic irrigation and agricultural water for the town of Barrydale via the catchment channel. This channel was upgraded last as Phase 1 of the upgrading of the Water Works in Barrydale.

• Purified water is stored in two separate reservoirs.

• Two dams are reserved for the overflow water for domestic irrigation water.

• The use of boreholes as another sources of drinking water were investigated, but is not feasible at this stage.

• Phase 2 of the Upgrade of the Barrydale waterworks was initiated, a project is funded by WSIG. The municipality received project funding for the project to an amount of R 13 644 000 (including VAT) over the 2021/22 and 2022/23 financial years. An amount of R 3 237 733.00 (included VAT) is committed to the Indirect Costs and R 9 785 298.07 (Including VAT & 2% Contingencies) for the Direct Costs. The surplus to the grant funding is R 620 968.93 (including VAT). The municipality to commit the surplus to the Direct Costs in terms of Contingencies.

• Barrydale Water Phase 2A includes for the construction of the water treatment plant office and plant building as well as the Witdam pump station. It also includes the internal water pumps and dosing pumps, was completed.

• The original contract (Barrydale Water Phase 2A) was signed on the 22 April 2022. The site was handed over to the contractor on 18th May 2022.

• This contract was completed and the next phase in upgrading the Water treatment plant was implemented. It is a resumption of the same Contract awarded was for construction of Phase 2. The work being carried out under this Phase / portion essentially comprises the construction of the Clearwell and Filters. This is a concrete structure being built between the pre-existing Clarifier and the recently constructed Plant building, that was built under Phase 2 Portion 1 of the Contract, are completed.

• The next project Phase 2 Portion 3 will commence in the 2025/2026 financial year.

• **Suurbraak:** River water from the Buffeljagsrivier is the primary source, with treatment conducted at the local Water Treatment Works. Challenges remain with water quality due to high turbidity and acidity of raw water during rainy seasons. The water source for Suurbraak is located at the origin of a tributary of the Buffeljags River up in the Langeberg Mountain.

• No storage facility for raw water, before treatment, is available.

• The purified water is pumped to four small reservoirs in the reticulation system for Suurbraak. This reservoir capacity was supplemented with an additional 150 kilolitres of steel water tank on a water tower.

• The water reticulation system could not be extended to erven north of the Buffeljags River as no funding is available for such infrastructure.

• The raw water pumpstation was upgraded as well as the roads leading to the station in the pass and the future challenge is to upgrade the raw water pipeline from the source to the raw water pump station. The scope of works covers the replacement of the existing raw water pipeline running from the weir in the mountain to the raw water pump station in Suurbraak, Western Cape (34° 1' 0'' South, 20° 39' 0'' East). The objective is to ensure the reliable conveyance of raw water to the pump station while improving system efficiency, durability, and operational integrity.

• A consultant has been appointed in May 2025 to address this upgrade.

• **Rietkuil:** Rietkuil – the small holding area known as Rietkuil, is an agricultural farming area where the owners informally reticulate water amongst themselves. The potable water is supply come from the Overberg Water Board.

• The Overberg Water Board for the 2020/21 financial year included Duivenhoks replacement of Asbestos pipes on central mains at Duivenhoks, replacement/upgrade of rising main at Ruensveld East, replacing blowers and buoy additional standby blowers and additional standby pump sets. This is completed

• The Swellendam Municipality applied for funding from the Municipal Water Resilience Grant for the establishment and upgrading of drinking water infrastructure at Rietkuil.

• Swellendam Municipality have completed the following at Rietkuil during the reporting year;
- Design and construction of new reservoir(s).
- Installation of new bulk supply line between reservoirs.
- Installed 10 x 10 000 ℓ at the entrance to the property and thereby increasing the existing storage sufficiently. The platform was supplied with for two new solar booster pumps and valve chamber as well as new solar panels.
- The existing pipe system was replaced by a new more efficient system
- The project was completed in the financial year.

• **Buffeljagsrivier:** Receives raw water via an irrigation channel system from the Buffeljagsdam. Infrastructure remained stable with minimal outages. Demand growth due to new developments prompted minor upgraders to the water treatment plant and a new telemetry system.

• The water is treated (only for the village) in the Water Treatment Plant at Buffeljagsrivier, is then stored in two reservoirs for distribution; the reservoir capacity is adequate for the current households.

• Water Treatment Works has been upgraded 2016 and a second reservoir has been constructed in 2015. Several minor upgrades were done to the Water Treatment plant, during the current year to ensure good water quality.

• The treated water and reticulation water samples were sampled monthly and analysed according to SANS 241-1:2015.

- Significant challenges with water quality – especially turbidity – was experienced in Buffeljagsirivier, that required direct intervention by the Senior Technical Manager on numerous occasions.
- On occasions where turbidity was extreme, Swellendam Municipality provided water trucks to the community.
- Training of water process controllers must be seen as a priority intervention in the coming financial year.

• **Cape Infanta:** Water provision is reliant on groundwater extraction and harvesting of rain water. Water supply for domestic and other uses is provided by the residents themselves, either by means of rainwater collection or from boreholes.

• Water treatment is done individually by the owners for domestic consumption.

• No municipal water provision service is currently rendered to the area.

• A borehole water supply is used for municipal ablution facility in Infanta.

• The lack of bulk and bulk link water infrastructure for domestic consumption is restricting the further development of the village.

• Malgas and "Nuwe Dorp": No municipal water provision service is rendered to the village of Malgas.

• Water services are provided via tanker trucks from Swellendam. Some of the properties in the village have access to potable water supplied by the Overberg Water Board, while others make use of water sources such as rainwater collection, ground water from boreholes or water pumped directly from the Breede River.

• Long term solutions for the supply of potable water are not classified as a priority. The lack of available water supply for domestic consumption is restricting the further development of the village.

• Swellendam Municipality supply purified drinking water to (SANS 241 quality standards) to Nuwedorp Malgas (a private property), as well as water (non-potable) for flushing purposes in ablution facilities at the Moddergat Infanta, Kabeljou bank and Aasbank.

• Stormsvlei: Water provision is minimal and supplemented via water tankers. Water in this area are primarily provided by Overberg Water. The area is under assessment for potential borehole development in 2025/2026.

• Other Rural Areas: Rural households are largely dependent on rainwater harvesting, boreholes, or are supplied via tankers. The Rural Water Support Programme continued during the year, ensuring emergency delivery in droughtprone areas.

3.3.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Improved telemetry systems	Installed in Barrydale, Buffeljagsrivier and Swellendam to allow for remote monitoring of reservoir levels and flow rates.
Barrydale WTW-upgrade	Phase 2 of the Upgrade of the Barrydale waterworks
Rietkuil	Please see the Rietkuil narrative above

3.3.2 Challenges

The table below specifies the challenges for the year:

Challenge	Action Plan
Aging infrastructure in Suurbraak and Barrydale	Multi-year pipe replacement programme initiated; funding sourced through MIG.
Limited water availability in Rietkuil and Stormsvlei	Hydrogeological surveys conducted; borehole drilling to be funded in the future.
Staff shortages at key water treatment works	Reviewed staff establishment and proposed filling of key technical vacancies in 2025/2026.
Lack of expertise in operations	Over dependence on Snr Manager Technical Services. Operators lack operational expertise with poor oversight – consequence management to be instituted

3.3.3 Employees

The table below specifies the staff composition for the year:

Job Level	Post	Employee	Vacancies
0 – 3	7	4	3
4 – 6	14	10	4
7 – 9	18	10	8
10 - 12	2	0	2
13 – 15	4	3	1
16 – 18	-	-	-
19 – 20	-	-	-
P.T. I	1	1	0
Total	46	28	18

3.3.5 Capital: Water Services

The following table indicates the capital expenditure for this division:

Financial Performance: Water Services					
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
Light Delivery Vehicle	Capital Replacement Reserve	300	580	562	3,2%
Swellendam WTW Access control automation	Capital Replacement Reserve	22	22	22	0,0%
WTW Telemetry upgrade	Capital Replacement Reserve	60	70	70	0,5%
Suurbraak WTW Phase 2 Professional Fees	Capital Replacement Reserve	319	319	–	100,0%
Diesel Trailor 500l x1	Capital Replacement Reserve	–	17	–	100,0%
Steps and channel grids with railings for Swellend	Capital Replacement Reserve	–	120	36	70,3%
Installation of chlorination system WTW	Borrowing	–	667	588	11,8%
New MCC with magflow for Swellendam waterworks fil	Capital Replacement Reserve	–	275	97	64,8%
Water Supply Infrastructure:Distribution	Developers Contribution	–	–	279	–
Railton Informal Settlements - Water Services	Informal Settlement Grant	2 900	–	–	–
Railton 32 Erven - Water Services	Informal Settlement Grant	3 400	–	–	–
Upgrading of Gravity Main from Grootkloof Dam	Water Resiliance Grant	870	870	–	100,0%
Swellendam (Railton): Bulk Water Reticulation	Municipal Infrastructure Grant	161	139	–	100,0%
Swellendam (Railton): Upgrade of Bakenskop and Rai	Water Services Infrastructure Grant	8 696	8 696	713	91,8%
Glen Barry Avenue water pipe line replacement	Borrowing	300	300	–	100,0%
Water Reticulation erf 8241 - Industrial Erven	Capital Replacement Reserve	150	150	17	89,0%
Water Machinery and Equipment 2023_2024	Capital Replacement Reserve	80	105	80	23,9%
Swellendam (Railton): Bulk Water Reticulation and	Borrowing	–	–	–	–
Swellendam (Railton): Bulk Water Reticulation and	Capital Replacement Reserve	–	506	–	100,0%
Upgrade of Irrigation pump station Suurbraak	Capital Replacement Reserve	–	300	207	31,0%
Barrydale mid reservoir booster pumpstation	Capital Replacement Reserve	–	179	123	31,3%
Rietkuil new reservoir and supply link	Water Resiliance Grant	–	1 604	–	100,0%
Grootkloof 1 raw water inlet erosion	Capital Replacement Reserve	–	151	–	100,0%
Repairs to earth channel (Primary raw water storag	Capital Replacement Reserve	–	522	–	100,0%
		–	–	–	–
	Total	17 257	16 847	2 792	83,4%
Total project value represents the estimated cost of the project on approval by Council					

3.4 WASTE WATER (SANITATION)

The status of the provision of sanitation infrastructure as key municipal service for each of the involved towns and villages in the municipal area are as follows:

• **Swellendam** – The Klippe River Waste Water Treatment Works and the N2 main pump station and the Silo pump station (from the industrial area) are the main facilities in operation for the town of Swellendam. The existing Klippe River Waste Water Treatment Works (WWTW), located on the north-west urban edge of the town, is the latest activated sludge aerating system that replaced the original N2 Waste Water Treatment Works. The upgrade of the Klippe River Waste Water Treatment Works also allows for the creation of capacity for the future growth of the town of Swellendam for the next 10-years. The construction of the Swellendam Klipperivier Waste Water Works was completed in 2013, to the sum of R64,0 million rand. The control is from a control centre by means of telemetry communication. The grant funding was obtained from different government grant fund sources.

• The Silo pump station was upgrade as phase 1 of a bigger project

• The Scope of Works included the following: Concrete construction work on the building, pipe work and pipe specials on the manifold, mechanical installations (new pumps and electrical installations, design, supply and install). Repair and upgrade work on sump, emergency dam and erecting a new fence. The upgrades are to continue in the 2025-26 financial year.

The existing Swellendam sewerage works are fast progressing towards exceeding its capacity and the upgrade of sewerage disposal capacity is a very high priority. The sewerage reticulation system for the town is more than 50-year-old and the pipe network need to be replaced and upgraded to provide for sufficient level of service for new developments resulting from the densification of the urban area.

• **Barrydale:** The older part of Barrydale is serviced by conservancy sewerage tanks, while the newer residential area of Smitsville has a waterborne sewerage system. The planning for this project has already started and an application for RBIC funding was launched in 2016. It is considered a priority. Oxidation Pond system reticulation upgrades underway.

- A consultant was appointed to build a new Waste Water Treatment Works in Barrydale in 2026/27, after appointment the consultant prepared a concept & upgrade report in March 2025.
- The EIA for this project is completed.
- The existing Waste Water Treatment Works is also lacking capacity and need to be expanded significantly to comply to

purification standards and to serve the entire urban area. -

- The Smitsville booster pump station has been upgraded, with the replacement of one of a pump in 2020 and in the 2024/25 financial year an additional pump was purchased, but the pipeline to the sewerage purification Works needs to be enlarged to suite the ever-growing demand for more housing in Smitsville. Upgrades of the fence of this pump station was done and the pump and electric motor was serviced.

• **Suurbraak** – Nearly all houses (750 units) on the south side of the Buffeljags River have waterborne sewerage. All sewerage gravitates to a pump station on the north-eastern edge of the town, from where it is pumped to as Waste Water Treatment Works located on the western edge of the town. The pumping system used, require maximum maintenance. The rising main pipeline connecting the pump station and Waste Water Treatment Works. This Sewerage Purification facility, Station and rinsing main has been upgraded with co-funding from the Department Rural Development, Municipal Infrastructure Grant and own funding. The purified water can be used to the benefit of small farmers, as an irrigation scheme and pump station was constructed as an additional feature to the project. The capacity and quality of the Waste Water Treatment Works is now adequate to accommodate future growth.

- The erven to the north of Suurbraak have not yet been provided with waterborne sewerage and are making use of conservancy sewerage tanks.

• **Buffeljagsrivier** – All houses in the village of Buffeljagsrivier have waterborne sewerage connections. The capacity of the present Waste Water Treatment Works is sufficient to serve 400 houses. The location of the treatment plant is limiting future development possibilities. The main challenge in Buffeljags is that there is no sewerage reticulation amongst the Agri Industries such as the cheese factory, the fruit packaging stores, the BP filling station as a tourist destination and all the schools.

- An upgrade of the Electrical Distribution Board of the Sewer pumpstation in Buffeljagsrivier was completed 2024/2025 financial year.

• **Infanta** – No waterborne sewerage system is used in the village. Sewerage is dealt with by means of in-situ conservancy and septic sewerage tanks. The waste from septic sewerage tanks is transported by trucks to Swellendam to be disposed.

• **Malgas** – No waterborne sewerage system is used in the village. Sewerage is dealt with by means of in-situ conservancy sewerage tanks, septic sewerage tanks and soak-away sanitation facilities. A sewerage suction service is rendered by the Municipality. Serious concerns have been expressed on the negative impact that the older sewerage soakaway system might have on the Breede River, ecology.

3.4.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Klipperivier Waste Water Purification	Installation of chlorination system was completed in 2024/2025 financial year.
Klipperivier Waste Water Purification Plant - maintenance	Maintenance to pumps and electrical motors.
N2 Pumpstation	Installation of 3rd T10 Gorman Rupp pump set and maintenance to pumps and electrical motors.
Railton Old Town sewerage line replacement	Installation of pipelines and concrete manhole rings as part of the reconstruction of old and delipidated sewer network in Railton and purchase of manhole rings for internal connections.
Silo Waste Water pump station	New Security Fence for Silo sewer pump station and upgrades to pumps and motors
Buffeljagsrivier Waste water pump station	Service of pumps and electrical motors- upgrade to be done in 2024/2025 financial year

3.4.2 Challenges

The table below specifies the challenges for the year:

Challenge	Action Plan
Availability of chemicals	Availability of chemicals for the treatment of waste water. The Municipality appointed a service provider and installed chlorination systems to do complete disinfection on the water and waste water treatment works at Swellendam. The systems need to make use of a salt chlorination process to generate a chemical able of disinfecting the water and waste water effluent.
Aging distribution networks	Funding needs to be secured to replace aging networks, while preventative maintenance should be implemented, together with the upskilling of operational staff.
Over dependence on Snr Manager Technical Services	Operations need to be reviewed. Staff need to be upskilled and consequence management needs to be instituted.

Challenge	Action Plan
Maintenance cost of Sewerage Purification Plants and pump stations	The normal maintenance cost of Purification Treatment plant is increasing and the availability of parts and the rising cost of imports- report Department of Water & Sanitation to become additional funding.
Protecting the Environment and Communities	Several sewerage spillages occurred within the Municipal area during the reporting year, with most originating from the N2 Pump Station in Swellendam. Each incident is reported in terms of NEMA and several upgrades at the N2 pump station took place to mitigate the risk. It is not possible to prevent all spillages, but SOP's were put in place to contain spillages and to prevent damage to the environment. Over dependence on the Snr Manager: Technical Services in these instances has become critical.

3.4.3 Employees

The table below specifies the staff composition for the year:

Job Level	Post	Employee	Vacancies
0 – 3	1	1	0
4 – 6	7	5	2
7 – 9	7	3	4
10 - 12	1	1	0
13 – 15	-	-	-
16 – 18	-	-	-
19 – 20	-	-	-
P.T. I	1	1	0
Total	17	11	6

3.4.4 Capital: Waste Water (Sanitation) Provision

The following table indicates the capital expenditure for this division:

Financial Performance: Sewerage Services					
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
Sanitation Infrastructure:Reticulation	Developers Contribution	-	-	302	#DIV/0!
Railton 32 Erven - Sewerage Services	HUMAN SETTLEMENT DEVELOPMENT GRANT	3 400	-	-	#DIV/0!
Railton Informal Settlements - Sewerage Services	HUMAN SETTLEMENT DEVELOPMENT GRANT	2 900	-	-	#DIV/0!
Klipperivier Tractor 65kw 4x4	Capital Replacement Reserve	650	650	545	16,2%
Sewer Reticulation Erf 8241 - Industrial Erven	Capital Replacement Reserve	150	150	30	80,0%
Upgrade of Buffeljags Sewer pumpstation	Borrowing	600	600	454	24,4%
Railton sanitation upgrade, street front sewers 20	Capital Replacement Reserve	100	100	64	36,4%
Upgrade Barrydale sewer pump station	Borrowing	400	664	661	0,5%
Design and installation of scum baffles on Klipper	Borrowing	600	600	-	100,0%
Machinery and Equipment - Waste Water Services	Capital Replacement Reserve	30	60	19	68,6%
3rd pump at N2 sewer pumpstation	Capital Replacement Reserve	-	186	99	46,8%
Barrydale Sewer Manholes (82 Houses)	Housing Acceleration Grant	-	737	252	65,9%
New Silo wastewater Pump station	Capital Replacement Reserve	-	2 775	2 649	4,5%
Installation of chlorination system WWTW 2023/24	Borrowing	-	298	9	96,9%
		-	-	-	#DIV/0!
	Total	**8 830**	**6 820**	**5 083**	**25,5%**
Total project value represents the estimated cost of the project on approval by Council					

3.5 ELECTRICAL SERVICES

Local Government holds executive authority over electricity reticulation in accordance with the Constitution. Furthermore, the Electricity Regulating Act makes provision for the establishment of the National Energy Regulator that sets specific standards and guidelines concerning the distribution of Electricity Distribution Licences. This places a responsibility on municipalities to ensure the provision of electricity services to communities in a sustainable manner for economic and social support.

Eskom provides grid electricity for further distribution in Swellendam, Barrydale and Suurbraak. Eskom undertakes electrical distribution for all other communities such as Buffeljagsrivier and the rural areas, which include Malgas and Infanta – all of which are under the municipal area.

The status of the provision of electrical infrastructure as a key municipal service in Swellendam, Barrydale and Suurbraak is as follows:

Swellendam:

The current and projected growth of Swellendam is placing enormous strain on the current electricity supply capacity provided by Eskom. Considerable upgrades of Eskom supply points and the bulk electrical infrastructure must be prioritized as a matter of urgency. Eskom need to upgrade their electrical infrastructure so that Swellendam town can increase their Nominal Maximum Demand (NMD). Eskom need to build a new substation at Kleitjieskraal to provide capacity for the Overberg District. The estimated completion date for the project 2028.

The electrical master plan needs to be updated. Various projects are in progress to address the electrical infrastructural and supply constraints. The projects as per the Electricity Master Plan must be implemented to replace old, unsafe switchgear and old low and high voltage (LV and HV) Lines. Railton electrification projects successfully completed within the budget and time frames.

Barrydale:

The Eskom substation is operational for consistent supply to Barrydale with its own dedicated feeder and has significantly improved the electrical supply to Barrydale consumers. The electrical distribution infrastructure needs to be upgraded and capital to fund the electrical infrastructure is of the essence. The electrical Master Plan need to be updated.

Suurbraak:

The electrical distribution network capacity is not sufficient for any further development in this area. The Nominal Maximum Demand from Eskom need to be upgrade for future development. The increase cannot be done because Eskom need to upgrade their electrical infrastructure for the future demand. Suurbraak also depend on the Kleitjieskraal project at Eskom, estimated completion 2028. Suurbraak town is feeding from a rural line that run to Heidelberg and there are a lot of dips and trip on the line. Suurbraak need a dedicated feeder from Buffeljags Eskom substation to reduce the possibility of dips and trip. The overhead 11 kV distribution network in Suurbraak needs an upgrade. Master planning for the supply of electricity in Suurbraak needs to updated. Provision must be made in future capital budgets to attend to these matters.

Eskom's inability to increase the Maximum Demand to Swellendam/Suurbraak severely hampers future economic development. In practical terms it is also a big hindrance in the implementing of the Suurbraak subsidised housing project.

Swellendam Municipality has a full SSEG policy, that lightens the burden on the electricity demand within the municipal area. Though the SSEG policy allows for a lessening on the municipal electricity demand – especially during peak hours – it also has a negative impact on municipal income. The Municipality is currently investigating wheeling over the municipal network, but are not yet ready to implement.

Several operational electrical maintenance projects were conducted during the financial year.

3.5.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Electrification of 481 Houses	Railton Electrification Project successfully completed at Die Boord
EEDSM Project Replacement of Street Lights	Replacement of 720 normal HPS streetlights with LED streetlights
SSEG implementation	The SSEG policy is fully in operation.
Electrical meter change over	All electrical meters within the municipality has been successfully changed within the due time frame
Electrical training	Staff members were trained on the electrical network and operations
EEDSM School Awareness Project	School Competition to create awareness of energy efficient measures.
Electrification of 481 Houses	Railton Electrification Project successfully completed at Die Boord

3.5.2 Challenges

The table below specifies the challenges for the year:

Challenge	Action Plan
An old oil-type HV switchgear requires replacement	Inspections and first-line Maintenance on the old HV switchgear will be done.
Ageing fleet	Maintenance on vehicles
Electrical losses	Monitoring and reporting of electrical losses
Load shedding	Generators installed at critical sites

Challenge	Action Plan
Master Plans for Electrical Infrastructure	Need to apply for funding to update the Electrical Master Plans for Swellendam, Suurbraak and Barrydale that include alternative energy.

3.5.3 Employees

The table below specifies the staff composition for the year:

Job Level	Post	Employee	Vacancies
0 – 3	1	1	0
4 – 6	8	8	0
7 – 9	4	3	2
10 - 12	6	4	1
13 – 15	2	2	0
16 – 18	-	-	-
19 – 20	-	-	-
Total	**21**	**18**	**3**

3.5.4 Capital Spending

The following table indicates the capital expenditure for this division:

Financial Performance: Electricity					
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
Swellendam Railton 950 erven - Elec Infrastructure	PROVINCIAL CONTRIBUTION TOWARDS THE ACCELERATION OF HOUSING DELIVERY	–	7 304	7 124	2,5%
Electrical Infrastructure:MV Networks	Developers Contribution	–	–	1 449	–
Electrical Infrastructure:LV Networks	Developers Contribution	–	–	55	–
Installation of new relays in Swellendam Substatio	Capital Replacement Reserve	160	160	120	25,3%
Replacement of street lights in Swellendam Municip	Energy Efficiency Demand management Grant	2 609	2 114	2 189	-3,5%
Swellendam Railton 950 erven - Elec Infrastructure	National Integrated Electricity Programme	4 326	4 326	536	87,6%
Electricity network erf 8241 - Industrial Erven	Capital Replacement Reserve	500	600	465	22,5%
Machinery and Equipment - ELECTRICITY	Capital Replacement Reserve	60	60	40	33,4%
Electrical Infrastructure:LV Networks	Developers Contribution	–	–	73	–
Total		**7 655**	**14 565**	**12 052**	**17,3%**
Total project value represents the estimated cost of the project on approval by Council					

3.6 WASTE MANAGEMENT

Solid waste management covers the collection, transport, processing, recycling or disposal and monitoring of waste materials. Swellendam Municipality's new mandate is to build environmental awareness around solid waste and drive minimisation towards zero waste to landfill. We believe lasting behaviour change unlocks economic as well as ecological benefits and the method of achieving this is through a circular economy approach.

Facilities under Swellendam Municipality

- **Bontebok** – main waste disposal facility and accepts general, building rubble & green waste.
- **Barrydale** – building rubble & green waste only (Site will be decommissioned in the next 4 years and changed to a drop off facility)
- **Suurbraak** – building rubble & green waste only (Site will be decommissioned in the next 4 years and changed to a drop off facility)
- **Infanta** – building rubble & green waste only
- **Malgas** – building rubble & green waste only (Site currently closed and being surrendered)

Swellendam sits within the Overberg District Municipality, alongside Cape Agulhas, Overstrand and Theewaterskloof. Provincial policy now centralises waste disposal at district level, and no new or expanded local landfills will be permitted. The regional facility at Karwyderskraal (Hermanus) already receives waste from our neighbouring municipalities. We are investigating the most cost-effective, low-carbon ways of dealing with our waste through circular systems like recycling, composting and waste to energy. Our backup plan is transportation to Karwyderskraal as this option is not financially or environmentally viable.

As our main Bontebok landfill site is nearing its licensed capacity with 6.5 years airspace remaining (JPCE Audit of 2025). To extend its lifespan we have updated our IWMP as well as our OWDP and have a waste minimization and diversion plan. As part of that plan the main projects are:

- recycling and reuse
- waste-intrepreneurship & incentives through buy-back centres
- composting (including a new municipal compost facility in 2026)
- education & outreach awareness campaigns
- waste-to-energy feasibility
- improved on-site compaction
- mandatory source separation

The 2024–2029 Integrated Waste Management Plan (IWMP) lays out a phased, district-aligned strategy to move Swellendam from a linear "bury-and-forget" model to a circular-economy system. It begins with finalising the IWMP and Organic Waste Diversion Plan (endorsed by Council on 29 May 2025), updating by-laws to mandate source separation, and renewing all facility licences. Over Years 1 to 3 it rolls out the "Circular Swellendam" campaign, piloting pop-up recycling points, clear-bags for households and large generators, establishing a local Material Recovery Facility and a municipal compost site. In Years 4 to 5 it scales up by-law enforcement, decommissions under-performing landfills, explores small-scale waste-to-energy at Bontebok, and fully registers public and private facilities on IPWIS. Throughout, delivery relies on partnerships with NPOs for outreach, private processors for sorting and beneficiation, and funding PROs (producer-responsibility organisations), with all progress tracked via monthly diversion metrics and audit reports.

The Organic Waste Diversion Plan (OWDP) provides a clear roadmap to achieve 100 percent diversion of organic waste from landfill by 2027. A waste characterisation study estimates at least 339 tons of organics per month (food, garden waste, compostable paper, ash, tissues), which the OWDP tackles through overlapping interventions aligned with the Provincial Organic Waste Strategy (POWS 2020). Under **Goal 1** (waste prevention), it mandates surplus-food waste. **Goal 2** (resource recovery) deploys source-separation systems, adapts transport, establishes composting sites, supports pig-farmer feed and introduces container-based sanitation and animal-mortality composting; **Goal 3** fortifies infrastructure by supplying bins, trailers, chippers and composting plants; **Goal 4** promotes home composting and continuous generator engagement; and **Goal 5** strengthens data by weighing all separated organics and reporting monthly volumes into IPWIS. Together, these initiatives, customised for each town, form a cohesive, multi-year push toward closing the loop on organics in Swellendam.

Strong partnerships and targeted funding instruments will be the backbone of our waste-minimisation drive. By working hand-in-hand with local NPOs, like POLYCO and PETCO who will lead community outreach and hands-on training, and private recyclers and composters, who will process, market and add value to separated materials. We leverage specialist expertise while sharing costs and risks. Grants from producer-responsibility schemes will underwrite start-up expenses for compost infrastructure and material-recovery facilities, while our tariff model and future chipping fees will generate recurrent revenue to cover operating costs. This combination of collaborative delivery and diversified funding not only ensures financial sustainability but also embeds circular-economy principles right across Swellendam's homes, businesses and public spaces, turning waste from a liability into a community asset.

3.6.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Improved compliance	The management and operation of the Bontebok WDF were improved and all legal requirements continue to be met. The audit compliance rating has increased to 80.29% as of May 2025.
Waste minimisation	Waste minimisation has been prioritised by the new waste Manager and is supported by the municipal manager. Organic waste is being diverted for chipping and composting, some of the builders' rubble is being diverted to a local quarry for crushing and reuse and recycling centres are getting as much support as possible through PRO funding
Composting	Home composting is being prioritised. A municipal compost facility is being planned to divert organics from landfill
Illegal dumping	The municipality has set up an illegal dumping task team that will respond to residence complaints and do general clean-ups around town

3.6.2 Challenges

The table below specifies the challenges for the year:

Challenge	Action Plan
Illegal dumping	Illegal dumping is prevalent in Swellendam and its surrounding towns. The monetisation of waste project is the most realistic solution
IWMP (Integrated waste management plan)	Our 2024-2029 IWMP and OWDP has been endorsed by the MEC (19/2/1/2/4/BS4) and accepted by council by Council.
New Waste Management Policy	An updated Waste Management Policy will be drafted when the new By-Laws have been adopted.
Illegal waste picking and infrastructure vandalism	Illegal waste picking is being addressed with PRO assistance, the adoption of waste pickers project has begun.
Infrastructure vandalism	Security measures were put in place and notice boards have been placed at sites
Waste Facility licences	Three of out five licences are in the process of being surrendered or decommissioned
Audits	Internal Audits as well as External Audits are up to date for Bontebok Landfill but our other 4 sites need our internal auditors to audit the sites and funding is needed for the external sites
Illegal dumping	Illegal dumping is prevalent in Swellendam and its surrounding towns. The monetisation of waste project is the most realistic solution

3.6.3 Employees

The table below specifies the staff composition for the year:

Job Level	Post	Employee	Vacancies
0 – 3	16	12	4
4 – 6	3	0	3
7 – 9	6	5	1
10 - 12	2	1	1
13 – 15	2	1	1
16 – 18	-	-	-
19 – 20	-	-	-
Total	**29**	**19**	**10**

3.6.4 Capital Spending

The following table indicates the capital expenditure for this division:

Financial Performance: Refuse Removal						
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
21m2 Refuse compactor including lifter	Borrowing	3 200	3 200	3 200	0,0%
Machinery and equipment - REFUSE	Capital Replacement Reserve	30	30	4	85,7%
Tamperd Proof Recycling Bins for Swellendam	Capital Replacement Reserve	155	155	19	88,0%
White paper shredder Industrial	Capital Replacement Reserve	75	53	53	0,0%
Drilling and Installation of Boreholes	DEDAT	–	240	21	91,4%
	Total	3 460	3 678	3 297	10,4%
Total project value represents the estimated cost of the project on approval by Council					

3.7 HUMAN SETTLEMENTS/ HOUSING

Housing is a concurrent national and provincial mandate, as outlined in Part A of Schedule 4 of the Constitution of South Africa. Section 10 of the Housing Act (Act 107 of 1997) further defines the responsibilities of municipalities in relation to housing delivery.

The Human Settlements Department of the Swellendam Municipality is committed to upholding the constitutional right of all residents to access adequate housing. Our objective extends beyond simply providing homes—we aim to foster inclusive, sustainable communities across the greater Swellendam Municipal Area.

The Municipality's approach is centred on implementing various national housing programmes, with a particular focus on the following:

- Integrated Residential Development Programme (IRDP)
- Informal Settlement Upgrading Programme (ISSP)
- GAP Market Housing, targeting households earning between R3,501 and R22,000 per month through the Finance Linked Individual Subsidy Programme (FLISP).

In response to increasing demand, we are prioritizing the densification of available land and the delivery of serviced sites to maximize the reach and impact of housing developments.

A key strategic focus is placed on housing consumer education. This initiative aims to empower beneficiaries with knowledge of available housing subsidies, ensuring they are informed participants rather than passive applicants on a waiting list. The vision of the Human Settlements Unit is not only to provide housing but to facilitate the development of resilient, integrated communities.

Our efforts are aligned with the national shift in policy—from a focus solely on constructing housing units to building sustainable human settlements. This includes ensuring spatial integration of previously disadvantaged communities, promoting social cohesion, and creating economic opportunities within these settlements.

The need for housing:

A growing need has been identified for an integrated residential development model that addresses the full spectrum of income categories, namely:

- **Subsidized housing:** Households earning below R3,500/month (through IRDP and provision of serviced sites)

- **GAP housing:** Households earning between R3,501 and R22,000/month

In a letter dated 30 September 2020, the National Department of Human Settlements (NDHS) highlighted the fiscal unsustainability of delivering top structures at scale. As such, the Department has shifted its focus to prioritizing the delivery of serviced sites, with top structures to be delivered only under specific conditions.

Top structure projects will be supported only if they:

- Prioritize vulnerable groups such as the elderly, military veterans, persons with disabilities, and child-headed households. The Western Cape Province has additionally prioritized backyard dwellers and individuals who have been on the waiting list the longest.
- Promote medium- to high-density development (e.g., BNG walk-ups) and integrated human settlements.

In line with the NDHS directive, top structure subsidies are now intended only for households within defined priority categories, as outlined below:

- **Elderly-headed households** (60 years and older)
  Refer to Framework Policy for Beneficiary Selection (2012), Circular C10 of 2015, and updates via 2016 letter and Circular C2 of 2019.
- **Households affected by permanent disability**
  See Circulars C6 of 2017 and C6 of 2018.
- **Military veterans eligible under the Military Veterans Housing Programme**
  Refer to Circular C6 of 2015 and C7 of 2017.

Given the strategic decision to focus on subsidy and gap housing, the needs can be summarized as follows:

Site	Property	Units
	Subsidy: Priority 1	
Railton CBD	Mixed-use	32
Swellendam	Mixed-use	950
Transnet land	Social Facilities	N/A
Suurbraak	Mixed-use	184 (phase 1)

3.7.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Railton 950 Project - Completed	549 Top Structured Completed
Railton 950 Project – Handed over	479 Top Structured was handed over
Suurbraak 500 Project	Project Feasibility Report was approved for 184 sites.
Barrydale 84 Infill Project	58 Houses as been register at the deeds office

3.7.2 Challenges

The table below specifies the challenges for the year:

Challenge	Action Plan
Shortage of bulk infrastructure for the development of human settlements throughout the municipal area	Municipal Infrastructure Grant (MIG) Funding applications must be formulated and submitted.
The erection of illegal dwellings increases	National interventions are required to ensure a better juridical process is set in place. Assistance to be requested.
Shortage of housing staff	Provincial Intervention are required to assist via the capacity building programme. Make use of the EPWP programme.

3.7.3 Employees

The table below specifies the staff composition for the year:

Job Level	Post	Employees	Vacancies
0 – 3	0	0	0
4 – 6	0	0	0
7 – 9	1	0	1
10 - 12	1	1	0
13 – 15	-	-	-
16 – 18	1	1	0
19 – 20	-	-	-
Total	**3**	**2**	**1**

3.7.4 Capital Spending

No capital spending for 2024/25.

3.8 FREE BASIC SERVICES

The Municipal Council must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the Municipality have access to at least the minimum level of basic municipal services in terms of Section 152(1)(b) and 153(b) of the Constitution.

Basic services are generally regarded to be access to electricity, access to clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads.

The Constitution recognises Local Government as a distinct sphere of Government and as such also entitles Local Government to a share of nationally raised revenue, which will enable it to perform its basic function of providing essential services to the community within its boundaries.

The key purpose of an Indigent Policy is to ensure that households with no or lower income are not denied a reasonable service, and on the contrary, the Municipality is not financially burdened with non-payment of services. Provided that grants are received and funds are available, the Indigent Policy should remain intact.

The following support are provided to indigent households for the 2024/2025 financial year:

2024/25 COST TO MUNICIPALITY		
Services Delivered	2023/24	2024/25
	Actual	Actual
	R'000	
Water	3 748	4 738
Electricity	1 798	2 274
Sanitation	7 203	9 111
Refuse Removal	5 208	6 882
Total	**17 957**	**23 005**

3.9 ROADS MANAGEMENT

The Swellendam Municipal area has a total road system of 129 km, which comprises of 96 km surfaced and 33 km of unpaved roads. The estimated replacement value for surfaced roads is R 400,000,000 + inflation of construction costs annually and the average condition can be rated as fair as per the Rural Road Asset Management System. The estimated rehabilitation backlog is R82,000,000 assuming a rate of R 550/m², times the area of roads which are in very poor condition, which equals to 212 000 m². Current replacement value, or rebuilding cost per kilometre comprise of R 9,25 m/km and was measured against two recent road construction projects.

It is clear that the priority is general maintenance, including pothole repair, general resealing, crack sealing and addressing base and surface failure. Routine maintenance was carried out during the 2024/25 year through the operating budget, with minor capital projects which were implemented during this year.

The department's overall strategy is to eliminate the backlog that currently exists. This can only be achieved by attending to the necessary rehabilitation and resealing of backlogs. The greatest concern is, however, the lack of a sustainable funding source. The current operating funds available for roads is insignificant compared to the replacement value.

Some gravel roads were upgraded to paved standards and conducted via the MIG program – these roads are situated in an existing low-cost housing development in Smitsville, Barrydale and comprise of three phases. Surfaced roads were constructed during the establishment of the new housing development, situated in Railton, Swellendam.

The roads operating budget for the 2024/25 financial year was R 13,365,117.00 with an expenditure of R 12,398,541, which equals to a 92,77 % expenditure percentage. Capital budget vs. expenditure was R 18,292,121 and R 17,722,836, which equals to 96,89 % expenditure.

The shortage of staff was partially addressed by the EPWP program, but vacancies should still be filled to optimise the departments' operations. Pothole repairs and other maintenance programmes were short-lived since pipe bursts were the primary activity for maintenance teams during the 2024/25 financial year. All of these were backfilled and repaired by the roads department, interfering with planned maintenance works. The department's top 3 priorities are:

- The maintenance of existing streets: This has created a partial impact, since several streets were resealed with an ultra-thin asphalt layer during the 2024/25 year, expanding the lifespan of these roads by at least 10 years.

- The provision of proper access for every resident: This has created an average impact, as a small number of complaints have been received.
- The rehabilitation of old infrastructure: This initiative has achieved partial impact since four sections of the road were rehabilitated. Several streets were upgraded to paved standards in Smitsville via the MIG program – another project was registered at MIG for a three-year period for the upgrading of gravel roads to paved standards in the 7de Laan housing development in Railton, Swellendam. The value of this project is R 27 m. Phase I of portion 3 was successfully completed in the 2024/25 financial year – Phase II (phase II and III combined) will be completed in the 2025/26 year.

3.9.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Upgrade of roads and relevant stormwater in Railton, Phase 3, portion I	Upgraded gravel roads to paved standards, along with related stormwater drainage. 60 mm Interlocking pavers with related layer works. Technical report and application submitted and approved by MIG to the value of R 27,000,000. Portion I was to the value of R 8 m.
Reseal programme	The following street sections were resealed with a warm ultra-thin asphalt layer (12 – 15 mm avg.) Delaport Street Faure Street Berg Cres 1 Heyns Street Rhenius Street De Mist Street Nelson Street Van Oudtshoorn Avenue Tilney Street Uitsig Street Bergsig Street Van Rhyneveld Street Peckham Street Shand Street Gelderblom Street Fairbain Street
Railton Road Maintenance (MIG)	The following street sections were rehabilitated with a warm asphalt continuous graded wearing course, isolated bitumen-treated base layers and ultra-thin asphalt overlay: Soufietjie Street Street Boslelie Street Sneeuvlokkie Street Roos Street Ring Street Nerina Street Alwyn Street Meyer Street Sneeuvlokkie Street Vollenhoven Street Pekeur Street Angelier Street September Street Palm Street True Street Soufietjie Street Vollenhoven Street William Street Siegelaar Street Meyer Street

3.9.2 Challenges

The table below specifies the challenges for the year:

Challenge	Action Plan
Lack of funding	Investigate alternative funding models by the Financial Services Department. Application submitted to the Department of Agriculture and Land Reform to the value of R 24,000,076.80 inclusive of VAT, for the rehabilitation of all the roads in Swellendam Industria North.

Challenge	Action Plan
Deterioration of road infrastructure	Implement continuous, consistent and predictable reseal and rehabilitation programmes each year, in order to minimise backlogs.
Abnormal vehicle weight in the industrial area of Swellendam	Specific funding submissions to be drafted and funding sources. Private partnerships are to be investigated. Application submitted to the Department of Agriculture and Land Reform to the value of R 27 m inclusive of VAT, for the rehabilitation of all the roads in Swellendam Industria North.

3.9.3 Service Delivery Levels: Roads

The table below specifies the service delivery levels for the year:

Gravel Roads Infrastructure: Kilometres				
Year	Total Gravel roads	New Gravel roads	Upgraded Gravel roads	Maintained Gravel roads
2023/24	34,22	0,1	0	18
2024/25	33	0	0	16

Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-tarred	Maintained tar-roads
2023/24	94.87	0	0	5,821	90
2024/25	96	1.13	0	5,7	all

The abovementioned planned maintenance was conducted in accordance with the Rural Road Asset Management System.

Due to unforeseen deterioration and ageing infrastructure, maintenance was done in accordance with a planned inspection schedule. Maintenance of roads has been prioritised within the reporting year, with an infrastructure levy identified during the 2021/22 budgetary process to help secure additional funding for the aged infrastructure. This continued in the 2024/25 financial year and comprise of approximately R 1,2 m.

3.9.4 Employees

The table below specifies the staff composition for the year:

Job Level	Post	Employees	Vacancies
0 – 3	11	7	4
4 – 6	9	7	2
7 – 9	6	6	0
10 - 12	2	2	0
13 – 15	2	2	0
16 – 18	-	-	-
19 – 20	-	-	-
Total	**30**	**24**	**6**

3.9.5 Capital Spending

The following table indicates the capital expenditure for this division:

Financial Performance: Roads & Stormwater					
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
Roads Infrastructure:Road Structures	Developers Contribution	–	–	2 045	–
Roads Infrastructure:Road Furniture	Developers Contribution	–	–	11	–
Railton Informal Settlements - Roads	Housing Acceleration Grant	2 838	–	–	–
Railton 32 Erven - Roads	Human Settlement Grant	3 275	–	–	
Digger loader	Borrowing	1 300	1 300	1 273	
Rammer Compactor	Capital Replacement Reserve	45	22	22	
Machinery and Equipment - Roads and Stormwater	Capital Replacement Reserve	20	43	5	
Rehabilitation of section of Van Riebeeck Street,	Capital Replacement Reserve	950	1 786	1 719	
Rehabilitation of section of Van Riebeeck Street,	Borrowing	1 400	1 400	1 092	
Access Road Gravel erf 8241 - Industrial Erven	Capital Replacement Reserve	100	100	99	
Raised intersection Berg and Swellengrebel street	Capital Replacement Reserve	170	170	146	
Railton Upgrading of Gravel Roads and Stormwater P	Capital Replacement Reserve	1 174	2 479	2 449	
Speed Calming measures - Ward 1	Capital Replacement Reserve	15	15	10	
Railton Upgrading of Gravel Roads and Stormwater P	Municipal Infrastructure Grant	5 060	6 240	6 240	
Speed Calming measures - Ward 3	Capital Replacement Reserve	30	30	20	
Rehabilitation of roads (RRAMS priority list)	Capital Replacement Reserve	–	3 020	3 020	
Upgrade of Russel Street	Capital Replacement Reserve	–	1 342	1 342	
Oewerlust Stormwater - DC	Developers Contribution	–	–	793	
Damage to gabion retainer Kerk Street bridge appro	Capital Replacement Reserve	–	97	79	19,0%
Erosion damage to culvert/outfall, Trichardt Stree	Capital Replacement Reserve	–	248	196	21,0%
	Total	16 377	18 292	20 560	-12,4%
Total project value represents the estimated cost of the project on approval by Council					

3.10 STORMWATER

Stormwater systems exist in most of the residential areas. In informal and low-cost housing areas, provisions are made by creating open channels and side drains with an underground pipe network. Some basic, sub-surface stormwater pipes were provided alongside the newly constructed roads to reduce the risk of stormwater ingress in the houses that were built in the latest low-cost housing project.

Stormwater master- and management planning were compiled for Swellendam, Railton, Barrydale and Buffeljagsrivier – plans are still required in Smitsville and Suurbraak in order to rectify issues since little to no systems exist there due to no installation years ago.

Daily maintenance consists of opening and cleaning catch pits, manholes, side drains and open channels.

This still seems to be challenging due to capacity constraints, vandalism and continuous illegal dumping. Isolated problematic areas where flooding occurred, were resolved due to innovative intervention actions. These areas are closely monitored with the relevant maintenance and aftercare.

Various stormwater systems were redirected to municipal and private storage dams. Not only were additional capacities created in these systems, but our services were supplemented.

3.10.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Upgrade of roads and relevant stormwater in Railton, Phase 3, Portion 1	Upgraded gravel roads to paved standards, along with related stormwater drainage. 60 mm Interlocking pavers with related layer works. Technical report and application submitted and approved by MIG to the value of R 27,000,000 for three portions.
No serious flooding occurred during 2024/25	Stormwater systems are operational and weather-related issues and complaints system were maintained.
Proactive maintenance was conducted	Stormwater catch pits were maintained per the approved maintenance schedule
Storm water control	A new stormwater system with retarding attenuation dams was constructed to control flash flooding from the new housing project (950 erven), Swellendam.
NDMC funds of R 3,5 m were received for storm damaged sites	Five sites that got damaged during the floods of 2022 commenced with repairs and were completed during the 2024/25 financial year: 1) Hermitage re-gravelling 2) Gabion retainer, Kerk Street 3) Culvert repairs, Trichardt Street 4) Grootkloof 1 Dam inlet repairs 5) Grootkloof 3 Dam earth channel repairs
Updating of Buffeljagsrivier storm water management plan	The storm water management plan for Buffeljagsrivier was updated, along with a technical report, business plan and application for project registration to MIG. Should

Highlights	Description
	this project be approved, it will be phased over three financial years.

3.10.2 Challenges

The table below specifies the challenges for the year:

Description	Action Plan
Lack of funding to address upgrades	Investigate alternative funding models by the Financial Services Departments. Application submitted to the Department of Agriculture and Land Reform to the value of R 27,000,000 inclusive of VAT, for the rehabilitation of all the roads and related storm water systems in Swellendam Industria North. This will greatly assist with stormwater challenges in the industrial area of Swellendam if approved.
Illegal dumping in stormwater systems	Ward councillors to launch awareness campaigns.
Unable to implement Stormwater Master Plan recommendations	Systematically avail budget in accordance with Master Plan
Vandalism of structures and manhole cover theft	Report to SAPD and replace covers with irremovable concrete slabs

Description	Action Plan
River Management Plan	No River Management Plan is currently available for the Koornlands, Huis and Buffeljags Rivers. Such a plan will greatly assist with future emergency repairs and periodic maintenance.

3.10.3 Employees

The table below specifies the staff composition for the year:

Job Level	Post	Employees	Vacancies
0 – 3	1	1	0
4 – 6	7	5	2
7 – 9	7	3	4
10 - 12	1	1	0
13 – 15	-	-	-
16 – 18	-	-	-
19 – 20	-	-	-
P.T.I*	**1**	**1**	**0**
Total	**17**	**11**	**6**

3.10.4 Capital Spending

Please see paragraph 3.10.3 above

3.11 PLANNING

Swellendam Municipality provides a full spectrum of town planning and building control services within its administrative area, which includes a comprehensive Geographic Information System (GiS). The Sub-Directorate Land Use (Town Planning and Building Control) is also responsible for compliance and enforcement of the related by-laws and regulations, as well as environmental issues in general, including air quality and noise control.

The Sub-Directorate works within the prescripts of the Municipal Systems Act (MSA), the Spatial Planning Land Use and Management Act (SPLUMA) and the Western Cape Land Use Planning Act (LUPA), read together with the By-Law on Municipal Land Use Planning and the National Building Regulations and Building Standards Act (NBR's). This suite of legislation exists as the broad legislative framework for all land use planning applications and building plans submitted within the Municipality.

Land use planning and decision-making within the Municipality is guided by the Provincial, District and Municipal Spatial Development Frameworks (MSDF) in the first instance. The MSDF exists as a core component of the Municipal Integrated Development Plan (IDP) in terms of the Municipal Systems Act. The MSDF guides where and when monies should be spent within the municipal area. The MSDF is adopted at the start of each 5-year IDP Planning Term and is reviewed annually as part of the IDP review process. The MSDF may be amended as changing circumstances require. An amendment to the MSDF implies a change to the IDP and by implication Council policy.

The specific land use and development parameters applicable to individual erven within the Municipality are set out in the Swellendam Integrated Zoning Scheme By-Law (IZS) and are applied accordingly. The IZS is consulted for each and every new application for development, whilst each building plan application is considered in terms of the NBRs, in consultation with the Sub-Directorate Infrastructure Services. For larger development initiatives, particularly in rural areas, input is also requested from the relevant district and provincial authorities [Department of Health, Cape Nature, Department of Agriculture, Department of Environmental Affairs and Development Planning (DEADP), Department of Water Affairs, Department of Transport and Public Works, Heritage Western Cape] before decisions are made. The Sub-Directorate works closely with the Swellendam Aesthetics and Conservation Committee when considering applications for the redevelopment of heritage-listed buildings and in the conservation areas, as well as for guidance for the overall management of conservation areas and signage within municipal boundaries.

Land use planning applications are advertised in the local press and on the municipal website for public consideration and input. It is noted that in terms of the National Constitution, municipal planning is a local government competency, including the appeal process.

The Sub-Directorate Land Use (Town Planning and Building Control) has built up a comprehensive Geographic Information System over the past years, which together with other digital platforms and data resources, is put to good daily use when considering the merits of applications and new development initiatives. The Sub-Directorate utilises drone technology (finance permitted) to supplement existing imagery sources, particularly in areas where land uses change on a very regular basis, such as in informal settlements.

The calculation and application of Development Charges, in terms of Council's approved policy and annual tariff structure, also vests within the Sub-Directorate and is managed in close consultation with senior engineering and technical staff within the Sub-Directorate Infrastructure Services.

Organisationally the Sub-Directorate forms part of the Directorate Infrastructure and Planning Services, since July 2024.

3.11.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Construction of Phase 1 (of 3) of the Railton Links Community Walkway (between Theunissen St and Station St) has commenced, and additional RSEP monies has been received for part of Phase 2. Transnet to assist with the funding of Phase 3 - underpass	The walkway will go a long way in improving the dignity, safety and security of pedestrians currently using the alignment of this walkway between their homes and the core business sector of the town.
Legislation enforcement	Public compliance is being managed more effectively with the active assistance of the law enforcement unit. A dedicated Environmental Monitoring and Compliance Officer commenced duties in March 2025.
New opportunities have been created for industrial and residential development.	Through the effective use of in-house resources, 11 new subdivisions of industrial land and 8 new subdivisions of previously commonage land for smallholdings (Hermitage Valley) are in process to be made available to the market.
Portfolio of Municipal Land	Potential investors now have access to a comprehensive portfolio of available municipal erven that can be purchased out-of-hand.

Highlights	Description
New Agri-Industrial and Residential Development	The AH Marais Builders Market and Lifestyle Development has been completed, whilst construction has commenced at Oewerslust Estate (66 units), with another 48 units planned.
Portfolio of Municipal Land	Potential investors now have access to a comprehensive portfolio of available municipal erven that can be purchased out-of-hand.

3.11.2 Challenges

The table below specifies the challenges for the year:

Challenge	Action Plan
Land use compliance, particularly in the traditional rural areas	▪ Pro-active response and follow-up on complaints and transgressions. Due process i.to. compliance and law enforcement
Illegal building works, particularly on erven along the Breede River Estuary, on municipal land and in previously disadvantaged areas	▪ More regular procurement of imagery. ▪ Due process i.to. compliance and law enforcement Dissemination of applicable information
Proliferation of informal settlement, particularly in areas not identified or considered suitable for residential purposes	▪ Due process i.to. compliance and law enforcement Delineation of a Temporary Relocation Area
Uncontrolled influx in the informal settlement areas: impacts negatively on the environment, basic service delivery and social tensions	▪ Farmers to be approached (collectively) to take responsibility for accommodating seasonal workers WCG to demonstrate how it is dealing with migration and better assisting municipalities with mitigation measures

3.11.3 Statistics

Detail	Applications for Land Use Development					
	Subdivisions		Rezoning		Consent Use	
	23/24	24/25	23/24	24/25	23/24	23/24
Planning Applica-tions receive d	16	29	17	15	16	44
Determi-Nation made in the year of receipt	14	31	16	09	14	37
Applica-tions withdra wn	2	0	1	0	2	11
Applica-tions out-standing at year-end	0	0	0	0	0	0
Awaiting DEADP decision	0	0	0	0	0	0

Type of Services	2023/24	2024/25
Building plans application processed	211	249
Total surface (m2)	36 134.59	45 971.28
Approximate value (Rand)	477 225 010	548 579 530
Land use applications processed	49	88

3.11.4 Employee Information

The table below specifies the staff composition for the year:

Job Level	Posts	Employees	Vacancies
0 – 3	-	-	-
4 – 6	-	-	-
7 – 9	1	1	0
10 - 12	2	2	0
13 – 15	2	2	0
16 – 18	1	1	0
19 – 20	-	-	-
Total	**6**	**6**	**0**

3.11.5 Capital Spending

The following table indicates the capital expenditure for this division:

Financial Performance: Town Planning					
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
Railton Walkway Project	REGIONAL SOCIO ECONOMIC PROJECT PROGRAMME	609	754	378	49,8%
Railton Walkway Project	Capital Replacement Reserve	–	135	124	8,1%
	Total	609	889	503	43,4%
Total project value represents the estimated cost of the project on approval by Council					

3.12 LOCAL ECONOMIC DEVELOPMENT

FE Overberg Wind Farm

Project Information Pack

Construction Phase

Local government must promote social and economic development, and structure its administration, budgeting and planning processes to promote social and economic development of the community (Constitution of South Africa, 1996).

The function of strategic facilitation services currently resides in the office of the Municipal Manager. These functions include economic development, land release and town planning, tourism and events and coordination of strategic developments. The Swellendam Tourism Growth and Development Strategy 2019 to 2025 was adopted by Council on the 31 October 2019. Ongoing partnerships with the local private sector, NGO's, government entities (sector focused meetings) strengthen the support regarding procurement planning and an economically sustainable delivery model. The new tourism strategy also represents the plan for Swellendam's integrated programme of work for the next six years (July 2019 – June 2025). The programme embraces destination marketing alongside visitor services and industry services with a revamped visitor strategy and membership programme.

The Swellendam municipal area realised an average GDPR growth rate of 2.5 per cent between 2014 and 2018. The tertiary sector had the highest average growth rate (3.2 per cent), which was 0.7 percentage points higher than the municipal average, followed by the secondary sector, which realised an average growth rate of 2.5 per cent. The main drivers of economic growth during this period include the finance, insurance, real estate and business services (4.9 per cent) and manufacturing (3.6 per cent) sectors. The construction; wholesale and retail trade, catering and accommodation; and community, social and personal services sectors also made significant contributions to the municipal area's GDPR growth (2.6 per cent each). Conversely, the primary sector's GDPR contracted by an average of 1.1 per cent per annum during the same period. Estimates for 2019 indicate that this trend persisted – the municipal area's reduced economic growth can largely be attributed to the 10.1 per cent contraction in the agriculture, forestry and fishing sector. The finance, insurance, real estate and business services sector continued to be the main driver of GDPR growth in the municipal area, realising an estimated GDPR growth rate of 4.7 per cent, which was 4.0 percentage points higher than the municipal average.

3.12.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Economic growth and projects	A memorandum was concluded between the Department Electricity and Energy and the Municipality to initiate energy management projects.
	Overberg Wind Farm Project
Land releasing	Land released for private development.
Job opportunities created via EPWP	A number of EPWP appointments were made. Please see SDBIP for performance information.
Events Marketing	Ongoing marketing takes place.

3.12.2 Challenges

The table below specifies the highlights for the year:

Description	Action Plan
Staff constraints	Appointment of additional personnel to be done when funds are made available in the budget.
National legislative challenges	The national changes to procurement legislation and other legislation/ regulations that sometimes restrict effective

3.12.3 Employee Information

Currently the Municipality have no dedicated Local Development Officer but the function resides under the Office of the Municipal Manager.

3.13 LIBRARY SERVICES

The Swellendam Municipality is proud to have 5 public libraries, 1 Wheelie Wagon and 1 Satellite library. Library Services expanded its services with the opening of the South African Library for the Blind at the Desmond Tutu Library. The Western Cape Public Libraries develop and deliver relevant, easy-to-use, and high-quality services delivery model, which will be serve as a reference document. The model marks a pivotal step towards enhancing public library services. It will outline how the libraries deliver value to its clients. The pillars of the service delivery model are centred around Access to Information, Community and information hub, Digital Services, Intellectual Recreation, Literacy and Education, Safe spaces.

Library Service further expanded services with Libby App, is used by millions of library patrons all over the world to enjoy eBooks & audiobooks from their public libraries. You can borrow library material for free at local library and you can access Libby app through your smart phone.

All the libraries are equipped with free access to the internet, and rural connectivity computers for public use. The libraries have broadband coverage and public Wi-Fi service was expanded to all the libraries in the Swellendam Municipal Area.

3.13.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Libby App	Local libraries offer millions of eBooks and audio books. Anyone with a library card can access eBooks for free through Western Cape Library Service.
Library Partners	Libraries build partnerships to strengthen ties and share resources. The partners are as follow: Railton Foundation, CAP, Drostdy ATKV Tak, Drostdy Museum, Light for Africa, Correctional services, social development, schools and all Senior Citizens clubs.
Year Beyond	Reading Champions & ICT Cadets at the libraries provide support services.
Library for the Blind	The South African Library for the blind, creates accessible reading opportunities for blind and visually impaired people. It is a free audiobook and braille library service for people with temporary or permanent low vision, blindness or physical disability at the Desmond Tutu Library.

3.13.2 Challenges

The table below specifies the challenge for the year:

Highlights	Description
Reduction of contract staff	Due to our current financial position, we could not budget for our contract staff. We will

Highlights	Description
	apply for EPWP's where there was staff reduction.
VAT	The VAT impacted Library Services financial position, due to this, the grant funds did not cover 100% Library Services Operational cost. If the new Assignment Agreement are being sign by the Swellendam Municipality, there will be no VAT implication on the grants.
Railton Library	Security services are needed just to control sometimes volumes of children coming in and out, as well the premises to guard against vandalism.
Roof leakages	Railton & Suurbraak had struggled with roof leakages, it was repair, reseal and repaint. Desmond Tutu Library still struggling with roof leakages in their activity hall that needs attention from the building contractor.

3.13.3 Service Statistics for Library Services

The table below specifies the service statistics for the year:

	2023/24	2024/25
Library members	101206	91091
Book Circulated	82 918	83790
Exhibitions held	518	522
Internet users	9 299	8608
Literacy & Reading programs (Children's programmes)	1464	1768
Outreach Library activity (Visits by school groups)	654	928
Old age home visits	109	126
Wheelie wagon visits	5	7

3.13.4 Employees

The following table indicates the staff composition for this division:

Job Level	Post	Employee	Vacancies
0 – 3	-	-	-
4 – 6	7	7	0
7 – 9	3	3	0
10 - 12	1	1	0
13 – 15	1	1	0
16 – 18	-	-	-
19 – 20	-	-	-
P.T. I	3	3	0
CG	2	2	0
Total	**17**	**17**	**0**

3.13.5 Capital Spending

The following table indicates the capital expenditure for this division:

Financial Performance: Library Services					
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
People Counter Sensor	MUNICIPAL REPLACEMENT FUND	–	15	15	0,4%
Paving at Desmond Tutu Library (Back entrance)	MUNICIPAL REPLACEMENT FUND	–	25	25	0,4%
Gate Motor back entrance	MUNICIPAL REPLACEMENT FUND	–	21	21	0,0%
Furniture and Office Equipment	MUNICIPAL REPLACEMENT FUND	–	73	50	31,4%
		–	–	–	–
Total		–	134	111	17,2%
Total project value represents the estimated cost of the project on approval by Council					

3.14 CEMETERIES

The Municipality is responsible for 9 cemeteries of which 5 are full to capacity. There are currently 4 in use, which are situated in Swellendam (2), Barrydale (1) and in Suurbraak (1). All cemeteries are maintained continuously and are generally in good condition.

Vandalism remains a high risk to the Railton Cemetery and N2. The Railton Cemetery was recently extended, and there is subsequently just enough space probably for the next year. The Swellendam, Barrydale and Suurbraak cemeteries are also running out of space and new land for extensions was identified. All cemeteries identified for extensions were communicated with town planning for assistance with EIA process.

3.14.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Maintenance programme	Maintenance is being performed on a monthly basis for open and closed cemeteries.
Buffeljagsrivier	Buffeljagsrivier does not have active grave yards, but have closed cemeteries that are maintained on a monthly basis.
Toilets	Two mobile toilets were purchased one need to be repaired and the other one is in use at the Railton Sports facility.

3.14.2 Challenges

The table below specifies the challenges for the year:

Challenge	Action Plan
Regressing cemeteries conditions in Swellendam, Suurbraak and Barrydale	**Barrydale:** Digging of tranches to assist families to make graves due to the soil conditions. Digging of tranches was done last year 2024. The tranches can accommodate approximately 90 burials. **Suurbraak:** Extension required to accommodate burials. The land issue needs to be resolved first. **Swellendam:** Request for extension for Railton and N2 cemetery. Discussions are ongoing with town planning more especially regarding Railton cemetery.
Ground to hard to dig graves – especially Barrydale	Digging of tranches to mitigate the soil challenges has been done in 2024.
Manpower for cemeteries	Current department structure is being reassessed to potentially be rearranged to

Challenge	Action Plan
	address the actual needs identified.
Electronic burial register	The Municipality tried to purchase a GPS device that can assist us with pin point accuracy GPS coordinates, to identify grave sites even if there is no tomb stone or cross.

3.14.3 Capital Spending

No capital spending for 2024/25.

3.15 ENVIRONMENTAL SERVICES

Although environmental services (protection and management) vests primarily with the Provincial Department of Environmental Affairs and Development Planning, certain environmental functions vest with the Municipality. These include air and noise pollution, biodiversity and landscape management, and coastal protection. The Breede River estuary, being an intertidal estuary, is considered part of the coast, and subject to the Integrated Coastal Management Act (ICMA). The Swellendam Municipality thus includes a "coastline" stretching from the sea up to Napkysmond, a distance in excess of 50km.

The National Estuarine Management Protocol (NEMP) was published in May 2013, with the overarching management over the Breede River Estuary now being a provincial function. The provincial administration has prepared a management plan for the estuary, in accordance with various legislation including NEMP, the Integrated Coastal Management Act (ICMA), the National and Western Cape Coastal Management Programme, as well as the White Paper on Sustainable Coastal Development in South Africa. The Breede River Estuary Management Plan was initiated in 2008 and was reviewed in 2009, 2011, 2014 and 2024. The current iteration of the EMP was advertised for comment in July 2025 and is currently in process to be signed off by the Premier.

In terms of the ICMA, the management of estuaries is a municipal competency, excluding those areas that reside under the authority of conservation and protected area management agencies in which the estuary is located. However, given that the Breede River Estuary falls within both the Swellendam and Hessequa Municipalities, and within both the Overberg District Council and the Eden District Council, overall coordination responsibility for the estuary lies with the provincial administration.

At an operational level, management of the lower stretches of the Breede River is being undertaken in terms of a shared services service-level agreement between the Hessequa Municipality and Swellendam Municipality and the Lower Breede River Conservancy Trust (LBRCT). Both municipalities have promulgated a By-Law on the control and management of the Breede River. The following estuarine matters are specific municipal competencies:

To institute invasive alien vegetation clearing and management, according to the Alien Invasive Species Monitoring, Control and Eradication Plan 2025-29. The Directorate Community Services of the Municipality is responsible for this function and is in the final stages of completion after which it will be submitted for council approval by August 2025. The forum addresses the challenge of Hyacinth and other aquatic weeds endangering the water resources of the Municipality.

To actively promote a better understanding, appreciation, use and conservation of the limited natural resources within the municipal area (including biodiversity, soil, water and energy) by property owners, their staff and visitors to the area, the following initiatives have been identified for potential implementation when funding becomes available:

- Strengthen environmental governance
  - Appoint dedicated environmental officers in each ward to oversee compliance with NEMA (Act 107 of 1998) and the Western Cape Environmental Management Framework.
  - Develop an online dashboard for tracking environmental incidents, permits and remediation actions.
- Boost community stewardship
  - Roll out "Adopt-a-Patch" programmes for schools and informal groups to restore riparian corridors (e.g. Koornlands River).
  - Partner with experts to deliver hands-on workshops in circular-economy practices (composting, up-cycling, recycling).
  - Launch biannual "Green Saturdays" where residents join alien-invasive clearing (e.g. Port Jackson willow) under expert supervision.
- Integrate climate-smart planning
  - Embed climate-change adaptation into town planning: implying "no-net-loss" biodiversity offsets for new developments.
  - Upgrade visitor facilities (trails, signage) using solar-LED lighting and water-wise landscaping (greywater irrigation)
  - Map climate-vulnerable zones (flood lines, fire risk) and revise emergency response protocol.
- Enhance sustainable resource use
  - Introduce a rebate for property owners who install rainwater-harvesting tanks and micro-hydro pumps on small holdings.
  - Micro-grid of solar street lights has been implemented, with real-time energy-use monitoring.
  - Promote "waste container" separation at source through clear-bag collections and on-site composting at central locations
- Elevate visitor experience and local economy
  - Promote seasonal festivals to draw off-peak tourism
- Manage urban-wildlife interface

- Formalise a baboon-management task team: train community monitors, install "smart bins" that resist break-ins and roll out early-warning signage at hotspots through municipal partners.
- Publish clear-language guidelines for residents on key environmental issues.

• Monitor, review and report
  - Use citizen-science apps (iNaturalist) to crowd-source flora and fauna sightings, feeding into municipal decision-making

The key municipal challenge in this regard is to generate sustainable funding for environmental management and for all of the above functions.

3.15.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Data gathering and measurement task for the Estuary Management Plan (EMP) continues	A variety of tasks regarding water quality and habitat protection have been assigned to the LBRCT to inform the EMP process and finalisation.
Illegal developments identified and corrective steps taken	Several Illegal or non-compliant buildings and developments were inspected and either stopped or handed to the province for action in terms of the NEMA regulations.
Rescue of several turtles, injured birds and penguins	Rescued animals are stabilized and then sent to specialist rehabilitation centres.
Groyne build	Marine groyne implemented at Infanta.
Greater interaction with the public via social media	Q&A interactions took place via more active involvement on social media.

3.15.2 Challenges

The table below specifies the challenges for the year:

Challenge	Action Plan
Illegal developments	Faster response from lead agencies where the province has jurisdiction. Additional Municipal resources to be applied to preventing illegal building activities.
Marine Living Resources Act	DAFF is to be encouraged to renew the compliance agreement to assist the Municipality to control illegal fishing and bait organism collection.
Estuary Management Plan implementation	DEA and DP are progressing with plans for implementation of key aspects of the EMP.

3.15.3 Lower Breede River Conservancy Trust (LBRCT) Environmental Activities

The following table indicates the activities of the LBRCT:

Inspections at Slipways	2023/24	2024/25
Recreational river boats	2843	3073
Recreational sea boats	-	-
Commercial sea boats	1	1

The LBRCT has four environmental law enforcement officers who are appointed to act in terms of the municipal by-laws, as well as to assist with monitoring of the Marine Living Resources Act (MLRA) and reporting of transgressions to DFFE for action. There are three public slipways which need to be checked, although the Malagas slipway is temporarily decommissioned. The majority of anglers use the estuary for fishing, as well as for access to the sea and need to be checked in terms of fish catches and compliance with the municipal by-laws. The LBRCT is tasked to record catch statistics which are then sent to the relevant Department of the Environment, Forestry and Fisheries (DFFE) scientists. Recreational boats recorded at the slipways have not been recorded as river or sea since 2021.

The table below specifies the number of patrols:

Inspections at Slipways	2023/24	2024/25
Recreational river boats	2843	3073
Recreational sea boats	-	-
Commercial sea boats	1	1

The LBRCT has four environmental law enforcement officers who are appointed to act in terms of the municipal by-laws, as well as to assist with monitoring of the Marine Living Resources Act (MLRA) and reporting of transgressions to DFFE for action. There are three public slipways which need to be checked, although the Malagas slipway is temporarily decommissioned. The majority of anglers use the estuary for fishing, as well as for access to the sea and need to be checked in terms of fish catches and compliance with the municipal by-laws. The LBRCT is tasked to record catch statistics which are then sent to the relevant Department of the Environment, Forestry and Fisheries (DFFE) scientists. Recreational boats recorded at the slipways have not been recorded as river or sea since 2021.

The table below specifies the number of patrols:

Patrols	2023/24	2024/25
Boat Patrols	513	493

There are 470 slipways and jetties located on the Swellendam side of the estuary. The best way (and sometimes only way) to check these boats is on the water by patrol boat. The LBRCT conducts boat patrols to check boats and conducts foot patrols to reach the more difficult places where bait organisms are being removed. Boat patrols are also used to check other environmental concerns such as illegal developments and contraventions in terms of NEMA. The LBRCT is expected to conduct site inspections for development applications as well as EIA's.

3.15.4 Environmental Education and Liaison Activities

Liaison Meetings	2023/24	2024/25
Number of meetings	24	24

The LBRCT/Municipality is well represented at all major local conservation initiatives, including the Municipal Coastal Committees, the Aquatic Weeds Forum, Department of Environmental Affairs and Development Planning workshops and various municipal planning forums. The Covid-19 pandemic badly disrupted the Conservancy's educational awareness programmes during the year, particularly the school visits programme.

The following table indicates the educational presentations for the year:

Educational Presentations	2023/24	2024/25
Number of education activities	6	11
Number that attended	219	400

The LBRCT attempts to keep up regular educational activities and presentations to improve the knowledge of local communities. These activities were limited by Covid-19 regulations during this reporting period. Topics of presentations are kept around local issues and have been well received.

The following table indicates the media release issued during the year:

Media Releases	2023/24	2024/25
Local information	2130	480
By-Law information	2130	1700
DFFE Do's and Don'ts	-	-
By-Law notices	-	-
Monthly newsletters	6	5
Article in news paper	0	4
Social media (Facebook, WhatsApp and Instagram)	3	-

The table below specifies the special events and workshops hosted:

Special Events & Workshops	2023/24	2024/25
Number of events	18	15

The table below specifies the angling competitions hosted:

Angling Competitions	2023/24	2024/25
Number of competitions	9	2
Number of anglers	Unknown	Unknown

The municipal by-law requires any activity such as fishing competitions, regattas and other events to be approved by the Municipality before commencement.

3.16 LAW ENFORCEMENT

Law Enforcement is a SAPS function and the municipal services in this regard are restricted to policing of municipal by-laws. The aim of the Law Enforcement Unit is to ensure obedience to municipal by-laws and to create an environment that will improve the social and economic development of the community. It is of utmost importance that the community feel safe and can participate without fear and prejudice in the affairs of the Municipality. The quality of life of the inhabitants and the visitors is dependent on a healthy and safe environment and therefore the municipal by-laws must be adhered to.

The community must feel safe to make use of and relax in public open spaces and municipal facilities. The nuisances created by culprits must be addressed efficiently and effectively. The challenges faced in this regard relate to the division of powers between the local and district municipalities and the grey areas that were created. Furthermore, unfunded mandates are enforced on municipalities to assist with provincial competencies such as environmental control. A lack of trained staff to cope with air pollution and noise control is a major challenge to overcome.

3.16.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
New tactical equipment	Dealing with riots and community uproars
Community Safety Plan	A Kids @ risk children initiative was implemented by the Municipality.
Deployment of mediation team in Overberg	The ODM's mediation team provides invaluable de-escalation services within the communities
Extra staff compliment	14 x new EPWP contract for Law Enforcement were extended. More boots on the ground. Law Enforcement divided into shift for coverage throughout the Swellendam Municipal area.
Partnerships	Law enforcement works well with SAPS. Weekly operation as well as monthly operations are being performed in partnership.

3.16.2 Challenges

The table below specifies the challenges for the year:

Challenge	Action Plan
Understaffed	Trying to address this through budget processes and subsequently filling of vacant positions.
Uniforms and training	Budget needs to be allocated in order to address this matter.
Resources	4 x 4 Bakkies are urgently needed for Law enforcements daily tasks.
Uncontrolled in migration	The uncontrolled influx of people into the municipal area, lead to an uncontrolled growth in informal settlements, an increase in social tensions, crime and vandalism

3.16.3 Employees

The following table indicates the staff composition for this division:

Job Level	Post	Employee	Vacancies
0 – 3	0	0	0
4 – 6	0	0	0
7 – 9	5	5	0
10 - 12	0	0	0
13 – 15	0	0	0
16 – 18	0	0	0
19 – 20	0	0	0
Total	**5**	**5**	**0**

3.16.4 Capital Spending

The following table indicates the capital expenditure for this division:

Financial Performance: Traffic Services					
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
Furniture and Office Equipment - Traffic Services	Capital Replacement Reserve	40	40	–	100,0%
Spray machine for Maintenance section	Capital Replacement Reserve	150	150	69	54,2%
Safety cameras inside the casher cubicles	Capital Replacement Reserve	25	25	17	30,6%
Traffic: Machinery and Equipment 2024_2025	ODM	40	40	–	100,0%
Traffic: Machinery and Equipment 2024_2025	Capital Replacement Reserve	40	40	35	12,8%
	Total	295	295	121	59,0%
Total project value represents the estimated cost of the project on approval by Council					

3.17 TRAFFIC SERVICES

The Municipality provides a comprehensive traffic service to the community, including traffic law enforcement, road markings, road traffic signs, law enforcement in general and shared disaster management in conjunction with the Overberg District Disaster Management Unit.

We endeavour to educate and create a culture of compliance and willingness to obey to traffic laws, rules and regulations and operate on the legal mandate of NRTA 93/96 and NLTA 5/2009. Operational activities inter alia include roadblocks, high visibility, random vehicle checkpoints, execution of traffic-related warrants and traffic laws and policing of municipal by-laws.

Traffic also partners with other law enforcement agencies, like the SAPS, LBRCT and Provincial Traffic Services to minimize road deaths and other crime related problems.

Several awareness campaigns regarding road safety and fire protection were conducted throughout the year. The Municipality prides itself in enforcing its by-laws diligently and ensuring that the Swellendam municipal area is a safer place for all.

3.17.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Roadshows	Several road shows were conducted.
Barrydale Driving License Testing Centre (DLTC) - CLLT	Barrydale DLTC has been registered with Provincial Administration Cape Town as a new Learners license centre. New Computerised Learners License Tests (CLLT) has been installed. No more manual learners license classes. Swellendam DLTC also received the CLLT's. WC province except for CoCT had been installed with the CLLT's.
Gene Louw Traffic Centre (GLTC)	Gene Louw Traffic Centre opened training dates again for various training opportunities. GLTC did not have training for a long-extended period.

3.17.2 Challenges

The table below specifies the challenges for the year:

Description	Action Plan
Lack of manpower	Adequate budget is required to fill vacant positions – Still a great need
Weekend and after-hour services	New appointments were made and shifts were adjusted covering the Swellendam Municipal area and standby officers also cover after hours complaints.

3.17.3 Employees

The following table indicates the staff composition for this division:

Job Level	Post	Employee	Vacancies
0 – 3	-	-	-
4 – 6	3	2	1
7 – 9	9	7	2
10 - 12	10	7	3
13 – 15	1	1	-
16 – 18	-	-	-
19 – 20	-	-	-
P.T.I	1	1	0
Total	**24**	**18**	**6**

3.17.4 Capital Spending

Please see paragraph 3.16.4

3.18 SPORT AND RECREATION

In terms of our mandate, we make facilities, such as sports fields, available to the broader community. The Municipality is responsible for the development of the facilities and the upgrade thereof whilst the sport club that leases the facilities must maintain it.

The Municipality develops and maintains community parks, halls, campsites and the caravan park. This places an enormous financial burden on the Municipality, with its limited staff capacity and finances.

The vastness of the municipal footprint demands a duplication of all services throughout the area and poses to be a well-oiled machine due to strict adherence to planning and implementation schedules.

The following infrastructure presently exists. Sports grounds for rugby, soccer and netball in Swellendam, Barrydale, Suurbraak, Buffelsjagsriver and cricket field within the municipal region. Community Halls are the Swellendam Town Hall, Railton Community Hall, Suurbraak Community Hall, Buffeljagsrivier Community Hall **out of commission** and Barrydale Community Hall.

The Municipality is also responsible for maintaining community parks throughout the area and the Swellendam Caravan Park is one of those areas.

3.18.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Maintenance programme	Maintenance programs performed on a monthly basis
Upgraded Chalets	Currently 9 chalets were upgraded out of 20 chalets and 1 chalet is out of commission (number 9)

3.18.2 Challenges

The table below specifies the challenges for the year:

Description	Action Plans
Vandalism (Railton, Barrydale, Buffeljagsrivier, Suurbraak) At **Railton sports facility** vandalism increased and **Railton netball**, need two (2) 6m containers close to the field one for Rest rooms the other for Offices. **Powell Stadium** need a 1.8m fence near the paly field and upgrading of showers (water blockages)	Railton Sports facility: Instruction from the Director was that the facility be secured first before any repairs could be done. This process has already started. Upgrading of old clubhouse and cricket pitch is in the pipeline. Railton netball: The containers are not yet purchased funds could not be secured. Powell stadium: Due to shortage of funds the fence and shower upgrades could not be done. Barrydale sports facility: The vandalised sections of the fence have been rebuilt with 140mm cement blocks. The facility was inspected for possible upgrades in the near future. Suurbraak sports facility: The facility was

Description	Action Plans
At **Barrydale sports facility** the parameter fence is being broken section by section. At **Suurbraak sports facility** there are challenges with Geysers, roof needs painting, fencing directly near the play field be erected to 2.6m high. At **Buffeljagsrivier sports facility**. The following is needed paving, painting, tiles, lighting for playing fields.	inspected for upgrades and the building of a sitting area for spectators. The fence could not be done due to shortages of funds. Buffeljagsrivier sports facility: Paving was availed but could not be laid, painting was done, lighting for playing field is in the pipeline for all facilities.

3.18.3 Statistics

The table below specifies the service delivery levels for the year:

Type of Service	2023/24	2024/25
Community Parks		
Number of parks with play park equipment	7	Play parks 3 (with equipment)
Number of wards with community parks	6	6
Sport Fields		
Number of wards with sports fields	3	3
R-value collected from the utilization of sport fields	0	0

3.18.4 Employees: Parks and Recreation

The following table indicates the staff composition for this division:

Job Level	Post	Employee	Vacancies
0 – 3	8	3	5
4 – 6	37	29	8
7 – 9	9	9	0
10 - 12	1	1	0
13 – 15	1	1	0
16 – 18	-	-	-
19 – 20	-	-	-
Total	**56**	**43**	**13**

3.18.5 Capital Spending

The following table indicates the capital expenditure for this division:

Financial Performance: Community Halls and Facilities					
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
Community halls machinery and equipment	Capital Replacement Reserve	10	10	–	100,0%
Community halls furniture and equipment	Capital Replacement Reserve	60	60	31	48,9%
Baymerine	Capital Replacement Reserve	35	22	20	6,4%
		–	–	–	
	Total	105	92	51	44,4%
Total project value represents the estimated cost of the project on approval by Council					

Financial Performance: Community Parks					
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
Diesel Trailor 500l x1	Capital Replacement Reserve	50	–	–	–
Ride on tractor	Capital Replacement Reserve	90	103	103	0,0%
Trailer Cherry picker	Capital Replacement Reserve	350	650	–	100,0%
Parks - Machinery and Equipment	Capital Replacement Reserve	40	40	35	13,1%
Furniture and Office Equipment	Capital Replacement Reserve	25	25	2	93,4%
	Total	555	818	140	82,9%
Total project value represents the estimated cost of the project on approval by Council					

Financial Performance: Sport and Recreation					
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
Furniture & equipment (Microwaves, Fridges) - Spor	Capital Replacement Reserve	10	10	8	20,9%
Water pump (BJS Sports field)	Capital Replacement Reserve	25	75	73	2,5%
Manual (hand) roller for cricket pitch	Capital Replacement Reserve	10	10	–	100,0%
Upgrading of Railton Sports Grounds Phase 3	Municipal Infrasturcture Grant	3 583	230	230	0,0%
Upgrading of Railton Sports Grounds Phase 3 (CF)	Capital Replacement Reserve	677	24	27	-15,0%
	Total	4 306	348	338	3,0%
Total project value represents the estimated cost of the project on approval by Council					

3.19 EXECUTIVE AND COUNCIL

The Council consists of 11 councillors, including the Executive Mayor and Speaker. It is a category B municipality with a mayoral executive system combined with a ward participatory system as provided for in the Western Cape Determination of Types of Municipalities Act, 2000. In terms of Section 57 of the MSA the Municipal Council elects an Executive Mayor and Deputy Executive Mayor. The Executive Mayor is entitled to receive reports from council committees and to forward them to the Council with a recommendation or dispose of the matter in terms of his delegated powers.

3.19.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Administrative authority	Administrative leadership continued to provide strategic direction albeit in the face of a period of 5 months of profound political instability. The execution of Council policy, by-laws and resolutions; service delivery; budgeting, financial reporting, expenditure control was maintained.
Legislative authority	Council maintained its legislative mandate.
Oversight	Oversight structures met regularly (MPAC and Section 32 Irregular Expenditure Committee)

3.19.2 Challenges

The table below specifies the challenges for the year:

Description	Action Plans
Political instability	The cited brief period of political instability posed an inherent risk for a good governance collapse which was countered by the executive leadership exercising its oversight role.

3.19.3 Employees: Parks and Recreation

The following table indicates the staff composition for this division:

Job Level	Post	Employee	Vacancies
0 – 3	-	-	-
4 – 6	9	6	3
7 – 9	6	5	1
10 - 12	11	9	2
13 – 15	3	3	0
16 – 18	3	2	1
MM & Directors	3	2	1
P.T. I	1	1	0
Total	36	28	8

3.19.4 Capital Spending

The following table indicates the capital expenditure for this division:

Financial Performance: Corporate Services					
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
Transnet Land	Housing Department	–	–	4 446	–
Donated Land	Private Contributions	–	–	615	–
Machinery and Equipment - OFFICE BUILDINGS	Capital Replacement Reserve	20	20	14	31,5%
Replace Airconditioners at various buildings	Capital Replacement Reserve	40	200	145	27,7%
Security systems and cameras	Capital Replacement Reserve	100	100	–	100,0%
Drone	Capital Replacement Reserve	115	115	–	100,0%
		–	–	–	
	Total	275	435	5 219	-1099,3%
Total project value represents the estimated cost of the project on approval by Council					

Financial Performance: Municpal Manager					
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
Media - Office Equipment	Capital Replacement Reserve	50	50	11	77,3%
	Total	50	50	11	77,3%
Total project value represents the estimated cost of the project on approval by Council					

3.20 FINANCIAL SERVICES

Effective financial management practices are crucial for the sustainability and efficiency of municipalities. A primary challenge faced by local governments is maintaining long-term financial stability amidst fluctuating economic conditions and increasing service demands.

The Municipal Finance Management Act (MFMA) is designed to guide municipalities toward establishing a sustainable financial environment and to modernize their financial management systems. This legislation aims to ensure that municipalities operate on a financially sound basis, fostering cooperative governance across all levels of government.

Implementing the provisions of the MFMA effectively can significantly enhance the capacity of municipalities to deliver quality services to residents, businesses, and other stakeholders. It emphasizes the importance of prudent financial planning, transparent revenue collection, and efficient expenditure management. By adhering to these principles, municipalities can improve their financial health and service delivery outcomes.

Overall, a strategic approach to financial management, guided by the MFMA, is vital for municipalities to achieve financial sustainability, enhance service delivery, and foster trust among residents and stakeholders. Continuous review and improvement of financial practices are necessary to adapt to changing circumstances and to meet the evolving needs of communities.

Key Areas on Financial Management Achieved During the Fiscal Year are:

- **Value for Money: The Finance Department** regularly review the expenditure trends to ensure that resources areed efficiently and effectively. This involves identifying and eliminating unnecessary costs, streamlining operations, and enhancing service delivery to meet community needs more effectively.

- **Enhancing Revenue Management:** Systems for revenue collection and management was continuously monitored and improved to ensure accuracy, compliance, and maximized income.

- **Ensuring Timely Creditor Payments: The t**imely and full payments to creditors, including bulk service providers, are essential to maintain good relationships and ensure uninterrupted service provision.

3.20.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Payment percentage	The payment rate remains high at 97.3%, unaffected by fluctuations in costs and prevailing economic conditions.
Cashflow	The municipality's liquidity and cash position have been enhanced through strategic financial management, resulting in improved fiscal stability and operational efficiency.
Unqualified Audit	The municipality received an Unqualified Audit opinion without findings during the last audit.

3.20.2 Challenges

The table below specifies the challenges for the year:

Description	Action Plans
Implementation of mSCOA	Extended procurement procedures, limited capacity, and frequent objections often hinder the efficiency of the procurement process. These challenges can lead to delays, increased costs, and reduced overall effectiveness in acquiring goods and services. Addressing these issues requires streamlining procedures, enhancing resource allocation, and implementing strategies to manage and mitigate objections effectively. By doing so, organizations can improve procurement timelines, optimize resource utilization, and foster smoother stakeholder engagement, ultimately leading to more successful procurement outcomes.
Procurement	Extended procurement procedures, limited capacity, and frequent objections often hinder the efficiency of the procurement process. These challenges can lead to delays, increased costs, and reduced overall effectiveness in acquiring goods and services. Addressing these issues requires streamlining procedures, enhancing resource allocation, and implementing strategies to manage and mitigate objections effectively. By doing so, organizations can improve procurement timelines, optimize resource utilization, and foster smoother stakeholder engagement, ultimately leading to more successful procurement outcomes.
Compliance requirements	Stringent compliance requirements can impede the efficiency of service delivery. It is essential to strike an appropriate

Description	Action Plans
	balance between adhering to regulatory standards and maintaining high-quality service performance.

3.20.3 Financial Overview

The table below indicates the financial overview of the Municipality:

Details	Original Budget	Adjustment Budget	Actual
Income:	R'000		
Grants	205 737	120 339	88 286
Taxes, Levies and tariffs	63 210	63 088	63 232
Other	266 575	426 236	427 245
Sub Total	**535 522**	**609 663**	**578 764**
Less: Expenditure	515 393	585 548	576 137
Net Surplus/ (Deficit)	**20 130**	**24 116**	**2 626**

3.20.4 Total Capital Expenditure

The table below indicates the total capital expenditure for the division and for the year:

Financial Performance: Financial Services						
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
Office furniture - All departments	Capital Replacement Reserve	110	117	115	1,8%
Windows server datacentre software	Capital Replacement Reserve	400	400	200	50,0%
Multi-Tier Storage Shelving	Capital Replacement Reserve	300	450	444	1,3%
	Total	810	967	759	21,5%
Total project value represents the estimated cost of the project on approval by Council					

	Total Capital Budget	
Detail	2023/24	2024/25
Original Budget	59 893	61 004
Adjustment Budget	95 854	64 899
Actual	66 654	51 689
% Spent	**69,5%**	**79,6%**

Challenges regarding the implementation of the capital projects can be seen under the Chapter 3 – Organisation Performance (TL 12).

3.21 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The Information and Communication Technology (ICT) Department operates within the Directorate of Financial Services, playing a vital role in supporting the municipality's operational efficiency through strategic planning and service delivery. Its primary responsibility is to ensure that ICT services are effectively managed and aligned with the municipality's overarching ICT Strategy and Policy.

Overall, the ICT Department is dedicated to providing robust technological support, fostering innovation, and ensuring the municipality's ICT infrastructure remains resilient, secure, and aligned with strategic objectives.

The functions of the ICT Department include:

• **Strategic Planning and Policy Development:** Formulating and implementing comprehensive ICT strategies and policies tailored to meet the municipality's needs.

• **Operational Support and Maintenance:** Providing ongoing support services to ensure the smooth functioning of ICT systems and infrastructure.

• **Research and Development:** Continuously researching emerging technologies, developing new ICT systems, and maintaining existing ones to enhance service delivery.

• **Network Connectivity:** Ensuring reliable network connectivity across all departments to facilitate seamless communication and data sharing.

• **ICT Equipment and Software Management:** Installing and maintaining ICT hardware and software, ensuring compliance with licensing agreements and availability of services.

• **Procurement and Advisory Services:** Offering expert advice on the acquisition, maintenance, and upgrade of ICT equipment and systems.

• **System Maintenance and Optimization:** Regularly maintaining ICT systems to optimize performance and prevent disruptions.

3.21.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
ICT Administrator was appointed	A dedicated ICT Administrator has been appointed to oversee the organization's information and communication technology systems, ensuring efficient management and

Highlights	Description
	support for all technological operations.
Upgrade and maintenance	Ongoing upgrades and maintenance are being carried out on the network to ensure optimal performance and security.
ICT Governance	The enhancement of the Information and Communication Technology (ICT) Governance framework is essential for ensuring that technological resources align with organizational objectives, optimize performance, and mitigate risks effectively. This improvement involves a comprehensive review of existing policies, procedures, and controls to identify gaps and areas for development.

3.21.2 Challenges

The table below specifies the challenges for the year:

Description	Action Plans
Lack of ICT Technology	The deficiency in Information and Communication Technology (ICT) infrastructure and resources significantly hampers the development and efficiency of various sectors. Addressing this issue requires strategic investments in technology, training, and infrastructure to foster digital literacy and innovation.
Inadequate Disaster Recovery Site	There is no infrastructure in place for a disaster recovery site. This might hamper business continuity during emergencies. This inadequacy can lead to prolonged downtimes, data loss, and operational disruptions, which may significantly impact organizational resilience and reputation. Strengthening the infrastructure will help minimize risks, reduce recovery time, and maintain operational stability under adverse conditions.

3.21.3 Capital Spending

The following table indicates the capital expenditure for this division:

Financial Performance: ICT Services					
Capital Projects	Funding Source	2024/2025			
		Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
		R'000			
ICT network	Capital Replacement Reserve	80	80	87	-8,9%
Computer Equipment - All departments	Capital Replacement Reserve	275	525	504	4,0%
		–	–	–	–
	Total	355	605	591	2,3%
Total project value represents the estimated cost of the project on approval by Council					

3.22 HUMAN RESOURCE SERVICES

The Human Resource Unit at Swellendam Municipality is a relatively small collection of professionals who were trained in the different functions of Human Resource Management and Organisational Development. Due to the limited number of practitioners, various functions are coordinated and performed by the same individuals. The Coordination of the EPWP, EPIP, Internship -projects and training of the "unemployed" still takes up more time and resources from the Human Resource Unit because of the lack of an LED Unit at the municipality. Also, the number of national projects to create short-term jobs and other opportunities to alleviate poverty are on the increase and have stretched the internal budgetary resources and human capacity to its limits.

HR-officials have managed their responsibility with utmost professionalism, care and compassion and everyone had to ensure that the hr- functions continue to offer quality service to all the employees and the broader public.

The major HR functions include:

• Recruitment, appointment, and retention of staff.

• Attracting and retaining new knowledge and skills into the organisation.

• Recording, storing and updating of compensation and benefits information.

• Offering staff members, a physical environment that is free from safety, health and psychological hazards.

• Review and maintain an Organisational Structure that promotes productivity and sustains high levels of morale.

• Creating a culture of discipline, equality, transparency, and fairness in the workplace and ensure the organisation is free from all forms of discrimination and prejudice.

• Training and development of staff, Interns and WIL-students.

• Support staff through appropriate "Employee Assistance" and wellbeing -interventions.

• Ensure effective Performance Management.

• Ensure that that employment equity is implemented through "Change Management" -practices.

• Ensure that EPWP, EPIP and other programmes are coordinated and managed in a manner that is transparent, fair and on a first-come-first serve basis.

• Arrange activity to ensure that Ethics -awareness is raised among all staff.

• Ensure that fraud- awareness and prevention activities are ongoing and clean governance and best management practices are promoted.

- Coordinate risk -preparedness and control activities.

Here follows an outline with more details of the main themes in the Human Resources Unit.

Organisational Efficiency and Improvement

This function endeavours to develop, implement and maintain a structure that is effective and can maintain the organisational and individual productivity required for efficient service delivery to the community. A HR strategy was drafted in previous years and updated annually to enable effective HRM practices. It provides for effectively communication with all parties concerned and routes how human resources will be managed throughout the organisation. This provides the basis for strategic plans and enables the Municipality to measure progress made and evaluate the outcomes, thereof.

The organizational structure is a living document that requires continuous reviews and amendments. It remains one of the main discussion points at the LLF meetings. Posts are continuously evaluated by the Overberg TASK Evaluation Committee and audited by the Provincial TASK Committee to ensure they are aligned to their sector norms.

The Western Cape Provincial Local Government has funded a complete review of the Organisational Structure by Agitominds in 2022. This process was completed in draft form in September /October 2023. After much deliberations between stakeholders, the Council accepted this structure in principle at a Council meeting in June 2024 and the full staff complement will be placed on the new structure in accordance with the Placement Policy. The focus of this review was to create an ideal and efficient organisational structure for Swellendam Municipality within the context of the financial and resource constraints that are facing the municipality.

Staffing Function

It is evident from the employment statistics elsewhere in this report that several new appointments were made during the past year. Human Resources reports on vacant posts and the filling thereof monthly at the relevant Portfolio Committee and the LLF. Changes to the Employment Policy caused by the Municipal Staff Regulation that became effective on 1 July 2022 brought about the following changes in the recruitment and selection -processes:

- HR prepares a shortlist from candidates who meet the advertised criteria, including academic qualification, experience, and skills, as outlined in the MSR, and TASK-job description.
- The line managers and supervisors form the selection panels that do the shortlisting and interviews.
- HR advices the selection panels on correct procedure and protocols.

• HR records and uses the outcomes of these selection panels processes to motivate appointments to the MM.

• The MM gives final approval before any appointment can become effective.

Some of the challenges that remain unresolved include:

• the scarcity of local candidates with appropriate qualifications and /or skills to fill vacant posts.

• the ever-increasing costs to appoint candidates with relevant qualifications and experience.

• the costs of advertising and the additional cost that relocation of new staff brings.

the shortage of candidates meeting the "equity profile" who apply for vacant posts.

• The high rental and property prices in Swellendam for prospective employees.

The focus of this function remains the filling of budgeted vacant posts which are crucial to efficient service delivery.

Financial Interns

The general conditions of employment of Finance-interns were set out in the MFMA and the guidelines supplied by the National Treasury. The Internship Programme is funded by the National Treasury. These contracts continue to provide much-needed capacity to the Finance Department of Swellendam Municipality while the Interns are accumulating valuable on–the–job experience.

Work-Integrated Learning Students

During the year under review, several students from TVET Colleges and CPUT were doing their Work Integrated Learning (WIL) in different departments. These students have completed their N6 –certificates or various levels of N -training at Technical and Vocational Education and Training (TVET) Colleges and must do practical work to increase their working knowledge in their respective fields and /or obtain their national diplomas. Whilst we offer these students the platform to gain practical experience, they provide the Municipality with much-needed administrative, clerical and technical skills. A summary of WIL-students and other Interns who were placed at Swellendam Municipality in the table below:

Programmes	Total of interns	Funders
WIL/Graduate Placements 2024/2025	17	LGSETA
Finance Interns	02	National Treasury
Road Construction NQF Level 3	35	CETA
Admin Support	03	CAP
Admin Support	01	Boland College
EPWP -project	05	EPWP Training Budget
Road Construction Interns	08	LGSETA (Mandatory Grant)
Mechanical Fitting	02	TVET College
Millwright	02	NARYSEC
Electrical Interns	04	Energy Efficiency Demand Side

Programmes	Total of interns	Funders
		Management (EEDSM) programme

Expanded Public Works Programme (EPWP)

The Human Resources Unit also administers the Expanded Public Works Programme (EPWP) which is funded by the national- and provincial government and other short-term job creation projects.

During the EPWP –cycle for 2024/2025 Swellendam Municipality met all the targets which were set in terms of the “number of work opportunities” to be created as well as the “full time equivalent” in the last year of the 5-year cycle. Swellendam Municipality reported an overperformance on work - opportunities and on FTEs on the national EPWP-system.

It is obvious from the above that the number of EPWP workers and those on either short-term training or project-based contract are steadily rising. This continues to add to the already heavy administrative and technical burden of the Unit. However, these projects are the biggest attempts to alleviate unemployment and poverty in our community and must therefore be supported. The HR Unit is fully committed to grow this leg of our work and to support our community in the creation of learning and work opportunities for especially the youth and women. This we will do ethically and transparently with only the interest of the Swellendam –community at heart.

The salary payments and benefits of the EPWP –employees are administered through the same software systems as that of the permanent staff and they receive similar rights and benefits to ensure that they are not in any way discriminated against or disadvantaged. This programme is a powerful mechanism to alleviate unemployment in this municipal area and offer participants short term financial relief during trying times.

The Swellendam Municipality achievement against the planned targets for 2024/2025:

Target for Work Opportunities	Opportunities Achieved	Targets for FTE’s	FTE’s Achieved
234	255	63	69

Administration of Employee Compensation and Benefits

The administration of the various types of leave and benefits is done on a financial software system. During the past financial year, further progress was made in this functional area. All leave is daily captured and stored electronically. Information or leave status reports can now be generated when required. This function meets all the legal requirements and staff members are the beneficiaries of this improved user-friendly system. Awareness sessions to explain the benefit structures of both medical aid schemes and retirement funds were held regularly and forms part of a compulsory induction session for new employees.

The "two pot" withdrawal from retirement funds happened for the first time during the year under review and brought its own pressures and administrative burdens. We can however report that these challenges were managed in a manner that ensured prompt pay-outs and satisfied clients.

Skills Development and Training

The Municipality has an obligation in terms of the Skills Development Act, 97 of 1998, to develop its employees by providing training and development opportunities for them. A workplace skills plan (WSP) which outlines the needs with regards to training and skills development was submitted before the due date of 30 April. The biggest challenges facing this function remained the same for the past number of years and include:

• LGSETA is inconsistent and functions irresponsive to the needs of municipalities

• The Western Cape office is hampered due to capacity problems and cannot manage its workload in a manner that will offer better and more support to municipalities in rural areas

• LGSETA funds are conditional to volumes of paperwork and bureaucratic processes with endless delays and uncertainties.

Name of Course	Name of Service Provider	Learners
Water & Wastewater Treatment	Josmap Training (LGSETA/GRDM Municipality)	04
Process Control Supervision NQF 4 Learnership		
Skills Audit / Enhanced Gapskill System Training	Department of Local Government / CoGTA	02
Coaching and Mentoring Short Course	Department of Local Government / Stellenbosch University	04
Change Management Training	Department of Local Government / My People Skills Training	02
Process Controllers RPL Training NQF Level 4	Department of Water and Sanitation / CSIR	03
Basic Fire Fighting Course	Ezolimo Training and Supply (Pty) Ltd	20
Operate Chainsaws (Unit Standard: 264195)	Triple-S	15
Operate Bruschcutter (Unit Standard: 264182)	Triple-S	15
Bachelor of Information Science	UNISA	01
Bachelor of Laws (LLB)	STADIO	01
Bachelor of Laws (LLB)	UNISA	01
Diploma in Policing	STADIO	01

Name of Course	Name of Service Provider	Learners
Bachelor of Public Administration Honours	MANCOSA	01
Occupational Certificate: Library Assistant NQF Level 5	UKS (Pty) Ltd	07

A number of these courses where attended on-line and it brought about a massive saving in terms of transport and accommodation costs. The academic knowledge that these qualifications offer in the fields of financial management, strategic governance, ethics and legislation as well as in various technical fields will go a long way to better equip officials to understand the challenges in local government and to offer fresh and different solutions to overcome them.

Occupational Health and Safety

The Occupational Health and Safety Act (85 of 1993) and the Compensation for Occupational Injuries and Diseases Act (130/1993) are the Acts that govern Occupational Health and Safety in the Workplace in South Africa. The first law intends to protect employees against accidents and diseases and the second set procedures in place to compensate employees who suffered injury or contracted diseases when control measures fail. Both these laws have stiff penalties and even prison sentences when it is proven that the employer was negligent or deliberately ignored his duties and responsibilities as outlined in these laws.

Occupational Health and Safety is a function of the Human Resources Section within the Office of the Municipal Manager and this function is managed by the Senior HR Practitioner and is assisted by the HR Administrator who is also responsible for Labour Relations and Employee Wellness. The Municipality made consistent efforts during the year under review to meet its legal obligations in terms of labour and other social legislation in the country.

Newly appointed staff, temporary workers, and EPWP / EPIP -workers received induction on Occupational Health and Safety as well as current staff on a continuous basis through the annual HR Roadshow. The induction programme entails the Occupational Health and Safety Policy of Swellendam Municipality, PPE Policy and Injuries on Duty Policy and the responsibilities of the different role players.

The maintenance and upgrade of the fire equipment at the municipal buildings are a continued priority. All firefighting equipment of Swellendam Municipality was serviced up to date during March to April 2025. Quarterly Health and Safety Committee Meetings are held, and the Health and Safety Representatives are actively involved in all aspects. Health and Safety "Inspection Reports" of the different departments and the" Injury on Duty Reports" are tabled at these meetings for monitoring and discussion. The number of injuries on duty and the causes thereof are monitored and the statistics are made available to the health and safety committee and the LLF. We are happy to report that we had no serious injuries on duty and must thank our Managers, Supervisors, and employees for their continuous effort in this regard.

All injuries on duty are immediately reported to Human Resources and HR complete a WCL2 form for the injured staff member to confirm that the employee is a staff member of Swellendam Municipality and to confirm that the injury took place in the workplace. All injuries are captured on the CompEasy system to obtain claim numbers and to track the status of the claims.

The minutes of the Health and Safety Committee Meetings are tabled for discussion at LLF meetings and issues raised are taken up with the relevant line-management to ensure that corrective action is taken and further reports to the Municipal Manager follow on items that need her attention and / or intervention.

Human Resources ensured that all sections in the Municipality have elected Occupational Health and Safety Representatives who assist with the monitoring and reporting of OHS activities in the workplace. Health and Safety Training was provided to OHS Representatives to ensure that they understand their role, duties, and functions.

First Aid points are available to all staff in the various municipal buildings and vehicles and Human Resources ensures that the first aid boxes and bags are filled up with the needed items on a regular basis. First Aid Training is facilitated every two years to ensure that certificates remain valid and first aiders are well trained on their responsibilities and functions.

Municipal Buildings are treated with Pest Control on a continuous basis. All reports of possible pest outbreaks are reported to Human Resources whom then arrange with the service provider for the necessary treatment.

The supply and issuing of protective clothing and other safety equipment is an important component of occupational health and safety that is monitored by the health and safety representatives and supervisors of the different departments. The Municipality through its supply chain management system ensures that all protective clothing and safety equipment complies with the required safety standards and that these items are available at the municipal stores.

The Occupational Health and Safety Act 85 of 1993 makes mention of Medical Surveillance which is a planned programme of periodic examination of employees by an Occupational Health Practitioner. This process must be done annually and Swellendam Municipality provided medical surveillance to employees who work at risk of contracting occupational injuries or diseases. Medical Surveillance includes a general medical examination, lung function test and urine analysis.

Swellendam Municipality ensures and facilitates the continuous administration of the Hepatitis B vaccination to employees who work with and are exposed to hazardous substances and agents.

Labour Relations

All labour relations administration matters are dealt with in accordance with the relevant collective agreements and applicable legislation. The section is promoting and maintaining sound labour relations by rendering appropriate advice and guidance on labour relations matters to managers, supervisors, and employees, as well as consulting with unions on matters of interest, when required.

This professional way labour relations are dealt with contributes to the building of relationships amongst all levels of employees and most importantly the trust relationship between the Municipality as employer, and the employees. Workshops with employees on the Code of Ethics, Code on Conduct and Discipline in the workplace and an Anti-Corruption Campaign were held in all towns and departments. The workshops ensure that employees are updated with all new policies, procedures and employees get the opportunity to give input in this regard. Human Resources conducts annual roadshows where all the applicable policies are discussed with employees.

The correct interpretation and application of legislation, collective agreements and policies are essential to ensure compliance therefore the municipality relies on good and effective communication with all role players in this regard, especially the labour unions. There are also matters that are not regulated by collective agreements that need to be consulted with organized labour in the LLF. The functionality of the LLF ensures continued deliberation on matters of mutual interest between the Municipality and organised labour. The forum meets monthly and parties are focused on resolving issues. The training and development of employees, occupational health and safety and the consultation of new and revised policies are standing items on the agenda of the LLF since these items have a direct impact on the organisation and the functionality of employees.

This function includes assisting and advising employees, managers, and unions on labour relations issues and by doing so, ensures sound labour relations in the workplace.

Fraud Prevention and Ethics Awareness activities have become an integrated part of this function. Regular discussions with management and staff promote awareness in these fields and contribute directly towards building clean corporate management and sound organisational practices.

Through these efforts, the municipality

aimed to strengthen mutual trust, uphold employee rights, and ensure that labour relations processes are conducted in a consistent, lawful, and procedurally fair manner.

Employee Wellness

Over the past year, there has been an increased focus on employee mental health within the municipality. This is in response to the growing awareness of the emotional and psychological challenges that staff members face, particularly in light of ongoing economic pressures, financial stress, and personal hardships. The municipality recognises the significant impact these factors can have on employee wellbeing and performance. As a result, proactive steps have been taken to support employees who come forward to report mental health concerns. Through available wellness programmes, counselling referrals, and a supportive working environment, the municipality remains committed to promoting mental wellness and ensuring that affected employees receive the necessary assistance and understanding. Employees are continuously encouraged to come forward if they are experiencing any problems in order for Human Resources to provide them assistance to the best of their ability.

The Human Resource Unit continues to coordinate support for employees in distress. Ongoing counselling sessions were done with employees whose personal circumstances affect their work performance negatively. The concerned employee's spouses and their union representatives were involved in these sessions and the outcomes are very positive.

As part of the year-end function, the Human Resources Unit hosted an Employee Wellness Day aimed at promoting the health, wellbeing, and morale of staff members. The event formed part of the municipality's ongoing commitment to employee wellness, recognising that a healthy workforce contributes directly to improved service delivery and productivity.

Various service providers were invited to participate and showcase their products and services, offering employees access to valuable information, health screenings, and lifestyle resources. This included medical, financial, fitness, and personal development services that could be accessed either at preferential rates or free of charge.

The Wellness Day also served as an opportunity to foster team spirit, strengthen relationships among employees, and encourage a culture of self-care. Feedback from staff indicated that the initiative was well-received, with many appreciating the range of wellness resources made available to them in a convenient and engaging format.

Staff members who were suspected to be alcohol and drug abusers or dependent are reported to Human Resources for further action and / or treatment as it is a huge risk to be under the influence of intoxicating substances in the workplace. Human Resources refer some cases to

Social Auxiliary Workers or support groups for assistance and further treatment, if necessary.

Human Resources Unit submitted tender requests for the hosting of a Wellness Day and the provision of professional counselling services to employees. These initiatives were intended to enhance the municipality's Employee Wellness Programme by offering structured wellness activities and accessible mental health support.

However, due to unforeseen circumstances, the tenders could not be finalised and were subsequently cancelled. The municipality remains committed to implementing these initiatives and will resubmit the tender requests to Supply Chain Management during the 2025/2026 financial year.

The municipality remains committed to prioritising the wellbeing of its employees and will continue to invest in initiatives that foster resilience, mental wellbeing, and holistic health in the workplace.

Employment Equity

The Employment Equity Plan (EEP) must be taken into consideration when posts are filled and race classification, gender and disability status must be in line with the goals set for the specific occupational level in which the vacant post falls.

A new EEP (2023 – 2026) was drafted and finalized. The formulation process was done in full consultation with all the stakeholders, including the two unions. Several awareness sessions were arranged to highlight the importance and purpose of the EEP before it was submitted to the LLF for final approval. Annual "Employment Equity Reports" will be submitted to the Department Labour in January of each year to report on progress.

The main challenges regarding the equity profile of the Municipality include:

• The low application rate of candidates meeting the equity profile

• The poor quality of applications from target groups

• High cost of living in Swellendam to attract persons in target groups

• Lack of rental properties to accommodate candidates who would like to move to Swellendam from the target groups.

• Majority of line managers in Infrastructure and at Senior Management comes from the "white" population group.

Change Management

A popular definition of change management reads as follows: "Change management is the process, tools and techniques to manage the people-side of business change to achieve the required business outcome and to realize that business change effectively within the social infrastructure of the workplace."

From the above it is clear that change management consists of efforts that aim to change or redirect human perceptions, attitudes, and actions to achieve improved organisational and/or individual performance. In many respects, Human

Resources is the best positioned to play this role to bring about new thought in the way we manage and utilize our organisational and human resources. In harmony with other departments, it continuously strives to bring about innovative and creative ways to maximize service delivery to the community whilst minimizing labour and organisational costs.

Reporting and Provision of Statistical Data

This has now become a fully-fledged function that demands dedicated time and energy from Human Resources. Monthly, quarterly, semester and annual reports to COGTA, national and provincial government and National and Provincial Treasury has become the order of the day. Often different government departments request the same information in different formats or templates. This function also put pressure on the software to provide faster and more accurate statistics more often. We can only hope that a more standardized approach will be followed in future by those seeking information from municipalities to ease the pressure on Human Resource staff and resources.

Individual Performance Management

In terms of Chapter 4 of the MSR every municipality must have a Performance Management -system in place. In the year under review, great effort has been made to create awareness and to build capacity to implement such a performance management system though which all staff will be evaluated / assessed on a continuous basis to ensure acceptable level of performance. In cases where under performance is detective, appropriate action must be taken to ensure corrective action and acceptable levels of performance. This is largely a line-management function but HR play a supporting and coordinating role.

Employees: Human Resource Services

The following table indicates the staff composition for this division:

Job Level	Post	Employee	Vacancies
0 – 3	1	0	1
4 – 6	2	2	0
7 – 9	3	2	1
10 - 12	2	2	0
13 – 15	1	1	0
16 – 18			
19 - 20	9	7	2
P.T. I	1	0	1
Total	2	2	0

3.23 PROCUREMENT SERVICES

In the 2024/25 financial year the Financial Services Department, especially the Supply Chain Management (SCM) experience a number of challenges.

3.23.1 Highlights

The table below specifies the highlights for the year:

Highlights	Description
Conducted supplier registration days in the various towns	Supplier registration and improve supplier knowledge.
Bid Committee System	Continuous system improvement is an ongoing process by ensuring stricter adherence to rules and processes.
Achieved unqualified audit previous year	Procurement done in compliance with legislative requirements.

3.23.2 Challenges

The table below specifies the challenges for the year:

Description	Action Plan
Lack of demand and procurement planning	Improve planning requirements for procurement by implementing standard operational procedures
Capacity and skill shortage	Provide training and re-visit the SCM structure
Decentralised procurement	Centralise procurement.
Contract management and administration	Further improve on contract management and Administration.
Technology	Utilise procurement technology.
Corruption and maladministration	Leaks of confidential tender information create unfair advantages.
Changing Legislation and interpretation thereof	Proper guidance and training from NT

3.23.3 Service Statistics for Procurement Services

The table below indicates a summary of procurement activities for 2024/25:

Nr.	Process Description	Total	Monthly Average	Daily Average	Value
1	No of BSC meetings	60	5	0,25	n/a
2	No of BEC meetings	89	7	0,37	n/a
3	No of BAC meetings	27	2	0,11	n/a
4	No of orders processed/placed	4292	358	17,88	R135 729 011
5	No of formal quotations awarded (R30k to R300k)	34	3	0,14	R3 695 563
6	No of tenders awarded above R300 000	42	4	0,18	R73 324 824
7	No of awards above R30 000 (CIDB)	7	1	0,03	R18 332 542
8	No of contract price increases approved	7	1	0,03	n/a
9	No of contracts extended i.t.o MFMA circular 62	11	1	0,05	R3 293 149
10	No of contracts extended i.t.o s.116(3) of MFMA	4	0	0,02	R3 981 970
11	No of Deviations	35	3	0,15	R9 617 105
12	No of objections	3	0	0,01	n/a
13	No of stock receipts	1515	126	6,31	R7 116 572
14	No of stock issued	9857	821	41,07	-R6 552 044
15	No of stock disposal	1	0	0,00	R4 940
16	No of stock take	12	1	0,05	R5 810 451

Nr.	Process Description	Total	Monthly Average	Daily Average	Value
17	No of requests received for disposal	9	1	0,04	R14 196

04

MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT

4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Municipality currently employs 289 (including fixed term contract) officials, who individually and collectively contribute to the achievement of municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.1.1 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan".

(a) Employment Equity vs. Population

The table below indicates the employment equity vs. population:
A – African, C – Coloured, I – Indian and W - White

Description	A	C	I	W	Total
Population numbers	4 455	24 716	113	6 239	35 523
% Population	-	-	-	-	**100**
Number for positions filled	34	224	0	31	289

(b) Specific Occupational Categories by Race

The table below indicates the number of employees by race within the specific occupational categories:

Categories	A	C	I	W	Total
Legislators, senior officials and managers	1	6	N/a	14	**21**
Professionals	1	15	n/a	4	**20**
Technicians & Associate Professionals	0	1	n/a	1	**2**
Clerical and Administrative Workers	5	68	n/a	9	**82**
Service and sales workers	4	8	n/a	1	**13**
Craft and related trades workers	1	31	n/a	1	**33**

Categories	A	C	I	W	Total
Plant and machine operators and assemblers	5	18	n/a	0	**23**
Elementary occupations	17	77	n/a	1	**95**
Categories	**34**	**224**	**N/A**	**31**	**289**

(c) Specific Occupational Levels by Race

The table below categories the number of employees by race within the occupational levels:

Categories	A	C	I	W	Total
Top Management	0	1	N/a	2	3
Senior management	1	5	N/a	12	18
Professionally qualified and experienced specialists and mid-management	2	17	N/a	5	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	51	N/a	7	62
Semi-skilled and discretionary decision making	14	91	N/a	4	104
Unskilled and defined decision making	13	59	N/a	1	73
Total	34	224	N/a	31	289

(d) Departments by Race

The following table categories the number of employees by race within the different departments:

Department	A	C	I	W	Total	Gender
Municipal Manager	0	5	N/a	3	30	Male
	3	13	N/a	6		Female
Financial Services	0	16	N/a	1	43	Male
	1	21	N/a	4		Female
Community Services	17	56	N/a	2	110	Male
	6	25	N/a	4		Female
Engineering Services	6	77	N/a	9	106	Male
	1	11	N/a	2		Female
Total	**34**	**227**		**31**	**289**	

4.1.2 Vacancy Rate

The draft approved organogram for the municipality had 381 posts at the end of the 2024/25 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 92 Posts were vacant at the end of 2024/25, resulting in a vacancy rate of 24.15% (funded and unfunded).

Below is a table that indicates the vacancies (as per organogram) within the municipality:

Per Post Level		
Post Level	**Filled**	**Vacant**
MM & MSA section 57 & 56	3	1
T19 - T13	26	4
T12 – T4	203	67
T3 – T1	37	17
Personal-to-incumbent	16	0
Financial Interns	2	3
Library (Conditional Grant)	2	0
Total	**289**	**92**

Per Functional Level		
Post Level	**Filled**	**Vacant**
Municipal Manager	30	12
Financial Services	43	8
Community Services	110	29
Infrastructure Services	106	43
Total	**289**	**92**

The table below indicates the number of current critical vacancies:

Per Functional Level		
Salary Level	**Number of Vacancies**	**Vacancy Job Title**
Senior / Middle Management (T14-T19)	2	Chief Audit Executive Manager: ICT Services
Highly skilled supervision (T4-T13)	3	Senior Media Relations Officer Traffic Officer Environmental Officer

4.2 MANAGING THE WORKFORCE

Managing the municipal workforce refers to analyzing and coordinating employee behavior.

4.2.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a slight **increase** for the 2024/2025 financial year to **40** employees injured against **33** employees in the 2023/24 financial year.

The table below indicates the total number of injuries within the different directorates:

Directorates	2023/24	2024/25
Municipal Manager	0	0
Financial Services	1	2
Community Services	12	13
Engineering Services	10	16
Sub-Total	**23**	**31**
Contract personnel: EPWP	10	9
Total	**33**	**40**

4.2.2 Sick Leave

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of sick leave during the 2024/2025 financial year shows a steep increase when compared to the 2023/2024 financial year. This might be the result of the new 3-year sick leave cycle that started on 1 January 2025 and will terminate on 31 December 2027.

The table below indicates the total number of sick leave days taken within the different directorates:

Directorates	2023/24	2024/25
Municipal Manager	282	463
Financial Services	299	555
Community Services	1 047	1 615
Engineering Services	892	1 120
Total	**2 520**	**3 753**

4.3 CAPACITATING THE WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.3.1 Skills Matrix

The table below indicates the number of employees that received training (skills programs, short courses, etc.) in the year under review:

Department	A	C	I	W	Total	Gender
Legislators, senior officials and managers Professionals	1	0	0	0	1	Male
	0	0	0	0		Female
Professionals	0	1	0	1	2	Male
	0	0	0	0		Female
Technicians and associate professionals	0	0	0	0	0	Male
	0	0	0	0		Female
Clerks	0	3	0	0	12	Male
	3	5	0	1		Female
Service and sales workers	0	0	0	0	0	Male
	0	0	0	0		Female
	0	3	0	0	3	Male
Craft and related trades workers	0	0	0	0		Female
Plant and machine operators and assemblers	0	2	0	0	2	Male
	0	0	0	0		Female
Plant and machine operators and assemblers	3	28	0	0	33	Male
	0	2	0	0		Female
Total	**7**	**44**	**0**	**2**	**53**	

4.3.2 Skills Development – Budget Allocation

The table below indicates that a total amount of R 290 000 was allocated to the workplace skills plan and that R210 000 (72.00%) of the total amount was spent in the 2024/25 financial year:

Year	Total Personnel Budget	Skills Levy	Total Training Budget	Total Spent	% Spend
2023/24	118 864	1 141	280	268	96%
2024/25	128 300	1 236	290	210	72%

4.3.3 Municipal Minimum Competency Course Status

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, head of supply chain and managers within the finance department of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in various Government Notices.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management.

Swellendam Municipality must send officials on the Municipal Minimum Competency (MMC) course in terms of National Treasury Regulations. The status of the process at the end of the financial year 2024/25 is as follows:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Accounting officer	1	1	1	1
Chief financial officer	1	1	1	1
Senior managers (sect.56)	1	1	1	1
Managers: Finance	2	0	2	2
Head of Supply Chain Management	1	0	1	1
Total	**6**	**3**	**6**	**6**

4.4 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the municipality is well within the national norm of between 35 to 40%:

Financial year	2023/2024	2024/2025		
	Actual Audited	Original Budget	Adjusted Budget	Actual
Description	R'000			
Councillors (Political Office Bearers Plus Other)				
All-inclusive package	5 823	6 326	6 158	5 829
Sub Total	**5 823**	**6 326**	**6 158**	**5 829**
% increase/ (decrease)	**3,8%**	**9%**	**6%**	**0%**
Senior Managers of the Municipality				
Basic Salaries	3 518	4 277	4 108	3 405
Pension Contributions	585	594	577	577
Medical Aid Contributions	53	46	46	46
Other Allowances	312	876	978	654
Sub-Total	**4 468**	**5 794**	**5 710**	**4 683**
% increase/ (decrease)	**0,0%**	**30%**	**28%**	**5%**
Other Municipal Staff				
Basic Salaries and Wages	66 520	84 250	79 931	71 638
Pension Contributions	11 303	14 071	12 815	12 186
Medical Aid Contributions	12 526	17 130	14 049	13 727
Motor vehicle allowance	6 188	6 465	6 526	6 453
Cell phone allowance	310	391	369	325
Housing allowance	476	702	565	540
Overtime	7 347	8 418	9 473	8 461
Other benefits or allowances	9 727	12 442	9 526	10 287
Sub Total	**114 396**	**143 869**	**133 254**	**123 617**
% increase/ decrease	**0,0%**	**26%**	**16%**	**8%**
Total Municipality	**124 687**	**155 990**	**145 122**	**134 129**
% increase/ decrease	**0,0%**	**25%**	**16%**	**8%**
Information subject to audit				

05

STATEMENT OF FINANCIAL PERFORMANCE

5.1 FINANCIAL SUMMARY

The Statement of Financial Performance provides an overview of the financial performance of the Municipality and focus on the financial health of the Municipality.

The table below indicates the summary of the financial performance for the 2024/25 financial year:

The table below shows a summary of performance against budget:

Financial Summary R'000						
	2023/2024	2024/2025			% Variance	
Description	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	56 641	61 767	61 645	61 757	(0,0,%)	0,2,%
Service charges	181 002	196 023	213 556	207 240	5,4,%	(3,0,%)
Rental from Fixed Assets	751	616	793	793	22,3,%	0,0,%
Interest, Dividends & Rent on Land	14 748	12 214	18 674	18 960	35,6,%	1,5,%
Sales of Goods & Rendering of Servic	59 560	3 082	129 744	135 845	97,7,%	4,5,%
Fines, Penalties and Forfeits	48 858	49 067	57 072	54 796	10,5,%	(4,2,%)
Licences and Permits	1 274	1 173	1 409	1 402	16,4,%	(0,5,%)
Agency Services	2 736	2 955	2 749	2 767	(6,8,%)	0,6,%
Transfers and Subsidies-Operational	62 263	161 071	86 913	64 829	(148,5,%)	(34,1,%)
Other Revenue	19 586	2 888	2 982	3 795	23,9,%	21,4,%
Gains	281	–	700	3 123	100,0,%	77,6,%
Total Revenue -excluding capital transfers and contributions	**447 699**	**490 857**	**576 238**	**555 308**	**11,6,%**	**(3,8,%)**
Employee related costs	118 864	149 663	138 964	128 300	(16,7,%)	(8,3,%)
Remuneration of Councillors	5 823	6 326	6 158	5 829	(8,5,%)	(5,7,%)
Impairment Losses	41 918	44 913	49 707	64 191	30,0,%	22,6,%
Depreciation and Amortisation	19 640	19 459	19 459	19 830	1,9,%	1,9,%
Finance Charges	10 072	8 156	9 462	9 903	17,6,%	4,5,%
Bulk Purchases	98 123	111 668	123 951	116 635	4,3,%	(6,3,%)
Other Materials	16 794	11 712	13 123	18 166	35,5,%	27,8,%
Contracted Services	90 022	139 643	183 438	177 508	21,3,%	(3,3,%)
Transfers and Subsidies	1 102	1 300	1 630	1 073	(21,2,%)	(51,9,%)
Operating Leases	743	1 253	1 447	795	(57,6,%)	(81,9,%)
Other Expenditure	28 157	28 524	45 432	25 517	(11,8,%)	(78,0,%)
Losses	577	(7 224)	(7 224)	8 391	186,1,%	186,1,%
Total Expenditure	**431 836**	**515 393**	**585 548**	**576 137**	**10,5,%**	**(1,6,%)**
Surplus/-Deficit	**15 863**	**(24 536)**	**(9 310)**	**(20 830)**	**(17,8,%)**	**55,3,%**
Transfers recognised - capital	40 869	44 666	33 426	17 835	(150,4,%)	(87,4,%)
Contributions recognised - capital & contributed assets	4 689	–	–	5 622	100,0,%	100,0,%
Surplus/-Deficit after capital transfers & contributions	**61 421**	**20 130**	**24 116**	**2 627**	**(666,2,%)**	**(817,9,%)**

Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	49 754	44 666	33 426	17 794	(151,0,%)	(87,9,%)
Public contributions & donations	–	–	–	5 622	100,0,%	100,0,%
Borrowing	3 229	7 800	10 286	7 277	(7,2,%)	(41,3,%)
Internally generated funds	9 611	8 538	21 188	20 996	59,3,%	(0,9,%)
Total sources of capital funds	62 594	61 004	64 899	51 689	(18,0,%)	(25,6,%)
Financial position						
Total current assets	260 180	118 522	207 071	268 460	55,9,%	22,9,%
Total non-current assets	558 907	615 756	592 848	559 901	(10,0,%)	(5,9,%)
Total current liabilities	(130 566)	(70 752)	(90 935)	(121 981)	42,0,%	25,5,%
Total non-current liabilities	(127 416)	(133 240)	(136 520)	(142 649)	6,6,%	4,3,%
Community wealth/Equity	561 104	530 285	572 464	563 731	5,9,%	(1,5,%)
Cash flows						
Net cash from -used operating	67 117	21 506	36 571	105 844	79,7,%	65,4,%
Net cash from -used investing	(64 560)	(41 932)	(74 526)	(48 009)	12,7,%	(55,2,%)
Net cash from -used financing	5 892	(35)	(35)	(1 092)	96,8,%	96,8,%
Cash/cash equivalents at the year end	**121 773**	**89 968**	**83 784**	**178 516**	**49,6,%**	**53,1,%**
Cash backing/surplus reconciliation						
Cash and investments available	121 773	89 968	83 784	178 516	49,6,%	53,1,%
Application of cash and investments	(40 361)	(15 121)	(15 121)	(41 506)	63,6,%	63,6,%
Balance - surplus -shortfall	**81 412**	**74 847**	**68 663**	**137 010**	**45,4,%**	**49,9,%**
Asset management						
Asset register summary -WDV	558 627	615 517	589 623	559 673	(10,0,%)	(5,4,%)
Depreciation & asset impairment	14 624	21 089	20 463	18 947	(11,3,%)	(8,0,%)
Renewal of Existing Assets	13 091	13 020	1 950	15 344	15,1,%	87,3,%
Repairs and Maintenance	27 442	27 949	23 796	32 734	14,6,%	27,3,%
Financial Summary						
R'000						
	2023/2024	**2024/2025**			**% Variance**	
Description	**Actual**	**Original Budget**	**Adjusted Budget**	**Actual**	**Original Budget**	**Adjustments Budget**
Free services						
Cost of Free Basic Services provided	17 957	22 158	22 335	23 005	3,7,%	2,9,%
Revenue cost of free services provided	6 221	6 062	6 761	6 949	12,8,%	2,7,%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.		Budget	Actual	Diff.	
	R'000			% of Budget	R'000			% of Budget
2023/2024	508 480	493 257	15 222	97%	483 277	430 697	52 580	89%
2024/2025	609 663	578 765	30 899	95%	585 548	576 137	9 410	98%

5.1.1 Revenue Collection by Vote:

The table below indicates the revenue collection performance by vote:

Revenue Collection by Municipal Vote						
	2023/2024	2024/2025			% Variance	
Vote Description	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Vote 1 - Municipal Manager	43 985	25 190	26 817	28 641	12,0,%	6,4,%
Vote 2 - Corporate Services	–	–	–	–	–	–
Vote 3 - Finance Service	77 052	78 147	84 677	85 356	8,4,%	0,8,%
Vote 4 - Engineers Service	216 345	227 408	275 444	244 398	7,0,%	(12,7,%)
Vote 5 - Community Services	155 875	204 778	222 726	220 370	7,1,%	(1,1,%)
Total Revenue by Vote	**493 257**	**535 522**	**609 663**	**578 765**	**7,5,%**	**(5,3,%)**

5.1.2 Revenue Collection by Source:

Revenue Collection by source						
	2023/2024	2024/2025			% Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Description	R'000				%	
Property rates	56 641	61 767	61 645	61 757	(0,0,%)	0,2,%
Service Charges - electricity revenue	117 422	128 970	141 405	134 267	3,9,%	(5,3,%)
Service Charges - water revenue	25 732	27 679	27 648	27 947	1,0,%	1,1,%
Service Charges - sanitation revenue	23 116	23 099	27 797	28 327	18,5,%	1,9,%
Service Charges - refuse revenue	14 732	16 275	16 706	16 698	2,5,%	(0,1,%)
Rentals of facilities and equipment	751	616	793	793	22,3,%	0,0,%
Interest earned - external investments	12 581	10 000	16 400	16 749	40,3,%	2,1,%
Interest earned - outstanding debtors	2 165	2 212	2 272	2 209	(0,1,%)	(2,8,%)
Dividends received	2	2	2	2	1,8,%	1,8,%
Sales of Goods & Rendering of Servic	59 560	3 082	129 744	135 845		
Fines, Penalties and Forfeits	48 858	49 067	57 072	54 796	10,5,%	(4,2,%)
Licences and permits	1 274	1 173	1 409	1 402	16,4,%	(0,5,%)
Agency services	2 736	2 955	2 749	2 767	(6,8,%)	0,6,%
Transfers recognised - operational	62 263	161 071	86 913	64 829	(148,5,%)	(34,1,%)
Other revenue	19 586	2 888	2 982	3 795	23,9,%	21,4,%
Gains on disposal of PPE	281	–	700	3 123	100,0,%	77,6,%
Total Revenue (excluding capital transfers and contributions)	**447 699**	**490 857**	**576 238**	**555 308**	**11,6,%**	**(3,8,%)**
Transfers recognised - capital	40 869	44 666	33 426	17 835	(150,4,%)	(87,4,%)
Contributions recognised - capital & contributed assets	4 689	–	–	5 622		
Total Revenue	**493 257**	**535 522**	**609 663**	**578 765**	**7,5,%**	**(5,3,%)**

5.1.3 Operational Services Performance

The table below indicates the operational services performance for the 2024/25 financial year:

Financial Performance of Operational Services						
	2023/2024	2024/2025			% Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Description	R'000				%	
Operating Cost						
Executive and council	11 212	13 769	14 684	19 013	27,6,%	22,8,%
Finance and administration	12 433	35 400	35 440	38 394	7,8,%	7,7,%
Internal audit	1 091	1 497	1 487	1 262	(18,6,%)	(17,9,%)
Sub-Total Governance and Administration	***24 737***	***50 666***	***51 612***	***58 669***	**13,6,%**	**12,0,%**
Community and social services	13 356	14 680	14 767	13 591	(8,0,%)	(8,7,%)
Sport and recreation	24 605	20 223	19 139	18 194	(11,2,%)	(5,2,%)
Public safety	43 412	53 488	57 226	48 597	(10,1,%)	(17,8,%)
Housing	60 777	103 409	133 965	133 567	22,6,%	(0,3,%)
Health	1	–	–	–	–	–
Sub-Total Community and Public Safety	**142 150**	**191 800**	**225 096**	**213 949**	**10,4,%**	**(5,2,%)**
Planning and development	9 987	10 987	11 622	10 690	(2,8,%)	(8,7,%)
Road transport	42 294	40 489	48 369	47 610	15,0,%	(1,6,%)
Environmental protection	740	–	–	–	–	–
Sub-Total Economic and Environmental Services	**53 022**	**51 475**	**59 991**	**58 300**	**11,7,%**	**(2,9,%)**
Energy sources	114 759	124 289	151 813	128 104	3,0,%	(18,5,%)
Water management	27 704	28 699	27 590	41 830	31,4,%	34,0,%
Waste water management	41 140	33 818	33 966	43 149	21,6,%	21,3,%
Waste management	26 598	32 897	33 675	31 107	(5,8,%)	(8,3,%)
Sub-Total Trading services	**210 200**	**219 704**	**247 044**	**244 190**	**10,0,%**	**(1,2,%)**
Other	588	1 748	1 805	1 030	(69,7,%)	(75,2,%)
Sub-Total Other	**588**	**1 748**	**1 805**	**1 030**	**(69,7,%)**	**(75,2,%)**
Total Expenditure	**430 697**	**515 393**	**585 548**	**576 137**	**10,5,%**	**(1,6,%)**

In this table, operational income (but not levies or tariffs) is offset ageist operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

5.2 FINANCIAL PERFORMANCE PER FUNCTION

The following tables outlines the expenditure performance for the following functions:

5.2.1 Water Services

Financial Performance: Water Services					
	R'000				
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	54 746	44 083	45 940	36 425	(26,1%)
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	27 704	28 699	27 590	41 830	31,4%
Net Surplus/ (Deficit)	27 042	15 384	18 350	(5 405)	384,6%

5.2.2 Waste Water (Sanitation) Services

Financial Performance: Waste Water (Sanitation) Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	32 202	32 332	38 029	38 750	1,9%
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	32 930	28 818	29 299	38 052	24,3%
Net Surplus/ (Deficit)	(728)	3 514	8 730	698	(403,1%)

5.2.3 Electrical Services

Financial Performance: Electricity Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120 967	139 787	176 019	150 792	(16,7%)
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	114 759	124 289	151 813	128 104	3,0%
Net Surplus/ (Deficit)	6 208	15 498	24 207	22 688	31,7%

5.2.4 Waste Management

Financial Performance: Waste Management (Refuse)					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	23 635	23 493	24 156	24 124	(0,1%)
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	26 598	32 502	33 344	31 107	(4,5%)
Net Surplus/ (Deficit)	(2 963)	(9 008)	(9 188)	(6 983)	(29,0%)

5.2.5 Housing Management

Financial Performance: Housing Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	72 535	116 684	129 938	130 240	0,2%
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	60 777	103 409	133 965	133 567	22,6%
Net Surplus/ (Deficit)	11 758	13 275	(4 027)	(3 326)	499,1%

5.2.6 Roads and Stormwater

Financial Performance: Roads Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	5 382	8 371	12 259	15 352	20,1%
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	45 167	37 743	42 914	43 002	12,2%
Net Surplus/ (Deficit)	(39 785)	(29 372)	(30 655)	(27 650)	(6,2%)

5.2.7 IDP and Local Economic Development (LED)

Financial Performance: Roads Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	5 382	8 371	12 259	15 352	20,1%
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	45 167	37 743	42 914	43 002	12,2%
Net Surplus/ (Deficit)	(39 785)	(29 372)	(30 655)	(27 650)	(6,2%)

5.2.8 Planning and Development

Financial Performance: Planning & Development					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3 049	2 835	3 196	3 079	(3,8%)
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	9 368	10 305	10 937	10 033	(2,7%)
Net Surplus/ (Deficit)	(6 319)	(7 470)	(7 740)	(6 955)	(7,4%)

5.2.9 Tourism & Events

Financial Performance: Tourism & Events					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	–
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	588	1 394	1 390	615	(126,7%)
Net Surplus/ (Deficit)	(588)	(1 394)	(1 390)	(615)	(126,7%)

5.2.10 Libraries

Financial Performance: Libraries					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	5 268	5 526	5 701	5 683	(0,3%)
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	8 441	9 311	9 276	8 406	(10,8%)
Net Surplus/ (Deficit)	(3 173)	(3 786)	(3 575)	(2 723)	(39,0%)

5.2.11 Cemeteries

Financial Performance: Cemetries					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	71	73	73	84	12,8%
Expenditure:					
Employees	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Total Operational Expenditure	790	2 249	2 337	2 292	1,9%
Net Surplus/ (Deficit)	(719)	(2 175)	(2 263)	(2 208)	1,5%

5.2.12 Traffic Services and Law Enforcement

Financial Performance: Traffic Services					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	52 788	53 236	61 270	58 787	(4,2%)
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	48 749	61 234	67 348	58 302	(5,0%)
Net Surplus/ (Deficit)	4 039	(7 998)	(6 078)	485	1 748,5%

5.2.13 License Services

Financial Performance: Licence Services					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	23	32	26	22	(18,8%)
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	–	354	415	415	14,8%
Net Surplus/ (Deficit)	23	(322)	(390)	(394)	18,2%

5.2.14 Sports and Recreation

Financial Performance: Sport & Recreation Services					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 092	5 118	1 092	1 188	8,1%
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	3 547	5 802	4 471	4 175	(39,0%)
Net Surplus/ (Deficit)	(2 454)	(683)	(3 379)	(2 987)	77,1%

5.2.15 Community Halls and Facilities Services

Financial Performance: Community Halls & Facilities Services					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	451	615	470	242	(94,4%)
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	3 089	3 120	3 154	2 894	(7,8%)
Net Surplus/ (Deficit)	(2 638)	(2 505)	(2 684)	(2 652)	5,6%

5.2.16 Community Parks

Financial Performance: Community Parks					
R'000					
Details	2023/2024 Actual	2024/2025 Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	12	-	-	-	-
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	21 058	14 422	14 668	14 019	(2,9%)
Net Surplus/ (Deficit)	(21 046)	(14 422)	(14 668)	(14 019)	(2,9%)

5.2.17 Health Services

Financial Performance: Health Services					
R'000					
Details	2023/2024 Actual	2024/2025 Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	-
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	1	-	-	-	-
Net Surplus/ (Deficit)	(1)	-	-	-	-

5.2.18 Financial Services

Financial Performance: Financial Services					
R'000					
Details	2023/2024 Actual	2024/2025 Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	76 610	78 147	84 577	85 356	0,9%
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	(2 288)	18 115	19 324	16 008	(13,2%)
Net Surplus/ (Deficit)	78 899	60 032	65 253	69 349	13,4%

5.2.19 ICT Services

Financial Performance: ICT Services					
R'000					
Details	2023/2024 Actual	2024/2025 Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	100	-	-
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	2 765	396	169	3 298	88,0%
Net Surplus/ (Deficit)	(2 765)	(396)	(69)	(3 298)	88,0%

5.2.20 Corporate Services

Financial Performance: Corporate Services					
R'000					
Details	2023/2024 Actual	2024/2025 Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 590	1 835	2 293	1 839	(24,6%)
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	3 876	10 517	8 254	13 371	21,3%
Net Surplus/ (Deficit)	(2 286)	(8 682)	(5 962)	(11 532)	24,7%

5.2.21 Governance (Intern Audit & Risk) Services

Financial Performance: Governance (Internal Audit & Risk) Services					
R'000					
Details	2023/2024 Actual	2024/2025 Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	-
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	1 091	1 497	1 487	1 262	(18,6%)
Net Surplus/ (Deficit)	(1 091)	(1 497)	(1 487)	(1 262)	(18,6%)

5.2.22 Municipal Manager

Financial Performance: Municipal Manager					
R'000					
Details	2023/2024 Actual	2024/2025 Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2 159	542	522	53	(880,3%)
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	(1 144)	5 424	4 588	3 749	(44,7%)
Net Surplus/ (Deficit)	3 303	(4 883)	(4 067)	(3 696)	(32,1%)

5.2.23 Disaster Management

Financial Performance: Disaster Management					
R'000					
Details	2023/2024 Actual	2024/2025 Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	441	-	-	-	-
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	1 044	-	-	-	-
Net Surplus/ (Deficit)	(603)	-	-	-	-

5.2.24 Fleet Management

Financial Performance: Fleet Management					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**-**	**-**	**-**	**-**	**-**
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	**3 219**	**1 844**	**1 838**	**2 090**	**11,7%**
Net Surplus/ (Deficit)	**(3 219)**	**(1 844)**	**(1 838)**	**(2 090)**	**11,7%**

5.2.25 Property Services

Financial Performance: Property Services					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**300**	**1**	**823**	**1 659**	**50,4%**
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	**4 662**	**3 482**	**5 414**	**3 203**	**(8,7%)**
Net Surplus/ (Deficit)	**(4 361)**	**(3 482)**	**(4 591)**	**(1 544)**	**(125,5%)**

5.2.26 Mayor and Council

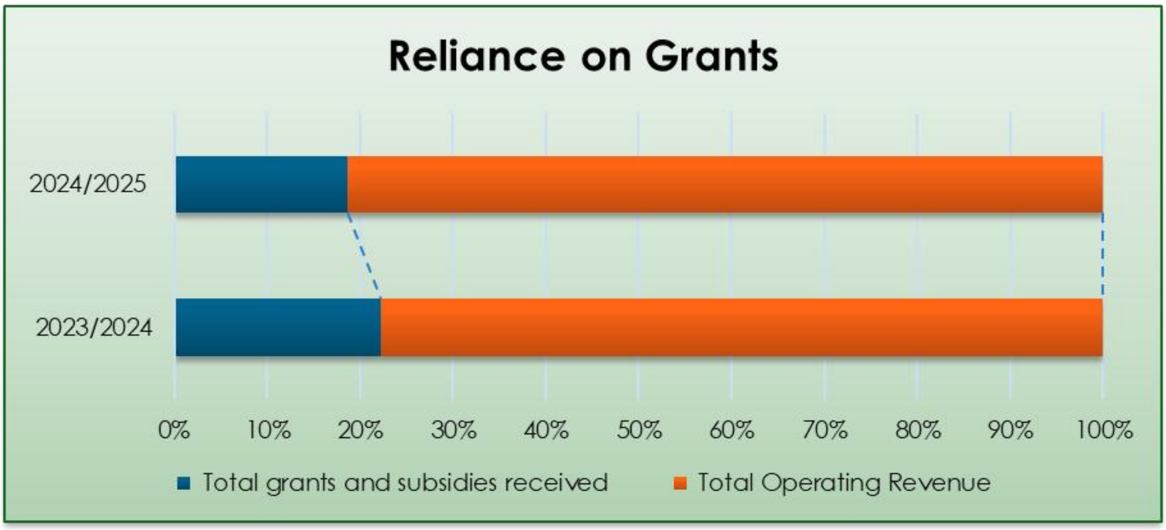
Financial Performance: Mayor & Council					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**39 936**	**22 813**	**23 180**	**25 089**	**7,6%**
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	**12 556**	**9 390**	**10 537**	**15 687**	**40,1%**
Net Surplus/ (Deficit)	**27 380**	**13 423**	**12 643**	**9 402**	**(42,8%)**

5.2.27 Biodiversity and Landscape

Financial Performance: Biodiversity and Landscape					
					R'000
Details	2023/2024	2024/2025			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**-**	**-**	**-**	**-**	**-**
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–
Other	–	–	–	–	–
Total Operational Expenditure	**740**	**-**	**-**	**-**	**-**
Net Surplus/ (Deficit)	**(740)**	**-**	**-**	**-**	**-**

5.3 GRANTS

The following graph indicates the municipality's reliance on grants as percentage of operating revenue for the last two (2) years:



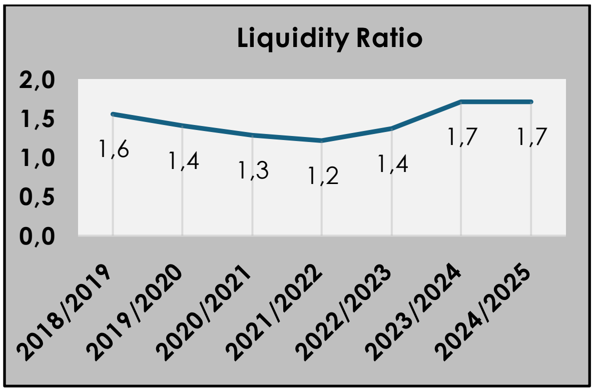
5.4 FINANCIAL RATIO'S

5.4.1 Liquidity Ratio

Description	Basis of calculation	2023/2024	2024/2025
Current Ratio	Current assets/current liabilities	1,99	2,20
Collection Rate	Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	99,38	100,92
Liquidity Ratio	Monetary Assets/Current Liabilities	1,37	1,71

The current ratio indicates a Council's ability to meet its financial obligations such as payment for goods and services supplied. A ratio of 1:1 indicates that unrestricted current assets are available on hand to meet unrestricted current liabilities. It is furthermore an indication of a Council's solvency. Swellendam's current ratio is 1.70 which is above the norm and indicates that Council has sufficient cash on hand to meet its short-term liabilities. The current and liquidity ratio slightly increased which is an improvement and will be monitored carefully to ensure it continues its upward trend.

The following graph indicates the liquidity financial ratio for 2024/2025:



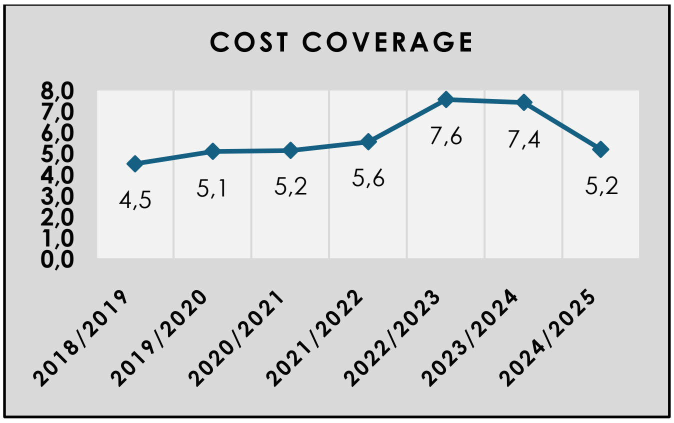
5.4.2 Financial Viability Indicators

Description	Basis of calculation	2023/2024	2024/2025
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	7,57	5,18
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services*100	19,85	17,89
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	52,04	72,74

(a) Cost Coverage

This ratio indicates the Municipality's ability to meet its short-term (monthly) expenditures. It takes into consideration all available cash at a particular time including income from investments. The ratio has to be in excess of 1:3. Strict application of the Credit Control Policy and measures implemented to collect outstanding debtors should improve the ratio. However, this ratio should be read in conjunction to other ratios.

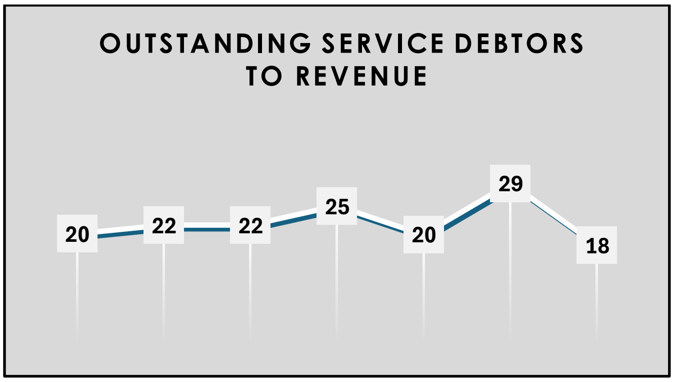
The following graph indicates the cost coverage financial viability indicator:



(b) Outstanding Service Debtors Revenue

This ratio indicates how effective revenue collection is being executed by the Municipality. The Municipality should continuously enhance revenue collection mechanisms and enforce debt collection policies. The ratio has improved from 29 in 2023/24 to 18 in 2024/25.

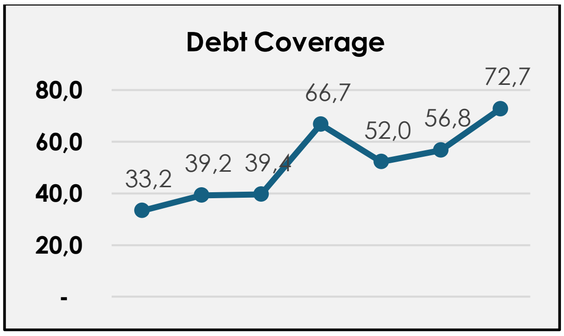
The following graph indicates the outstanding service to revenue financial viability indicator:



(b) Debt Coverage

The debt coverage ratio shows the Municipality's ability to service its debt payments. A debt coverage ratio of 2 is generally considered acceptable assuming the other tests of safety have been met. The higher the debt service ratio, the lower the risk. The Municipality's ratio increased from 56.8% in 2023/24 to 72.7% in 2024/25.

The following graph indicates the outstanding service to revenue financial viability indicator:



5.4.3 Borrowing Management

The ratio gives an indicates of the total percentage paid on external loans:

Description	Basis of calculation	2023/2024	2024/2025
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure*100	1,98	1,23

5.4.4 Employee Costs

Description	Basis of calculation	2023/2024	2024/2025
Employee costs	Employee costs/(Total Revenue - capital revenue)*100	34,01	23,91

5.4.5 Repairs and Maintenance

Description	Basis of calculation	2023/2024	2024/2025
Repairs & Maintenance	R&M / (Total Revenue excluding capital revenue)*100	8,18	9,34

5.5 SOURCES OF FINANCE

5.5.1 Capital Expenditure: Funding Sources

Capital Expenditure: Funding Sources						
	2023/2024	2024/2025			% Variance	
Details	Audited outcome	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustments Budget
Source of Finance						
Description	R'000				%	
Transfers recognised - capital	49 754	44 666	33 426	17 794	(151,0,%)	(87,9,%)
Public contributions & donations	–	–	–	5 622	100,0,%	100,0,%
Borrowing	3 229	7 800	10 286	7 277	(7,2,%)	(41,3,%)
Internally generated funds	9 611	8 538	21 188	20 996	59,3,%	(0,9,%)
Total	**62 594**	**61 004**	**64 899**	**51 689**	**(18,0,%)**	**(25,6,%)**
% Percentage of Finance						
Transfers recognised - capital	79,5%	73,2%	51,5%	34,4%		
Public contributions & donations	0,0%	0,0%	0,0%	10,9%		
Borrowing	5,2%	12,8%	15,8%	14,1%		
Internally generated funds	15,4%	14,0%	32,6%	40,6%		
Capital Expenditure						
Description	2023/2024	2024/2025			% Variance	
Water and sanitation	36 118	17 557	16 855	2 715	(546,7,%)	(520,8,%)
Electricity	9 381	13 938	24 533	12 012	(16,0,%)	(104,2,%)
Housing	11	–	–	–	–	–
Roads and Stormwater	34 544	15 012	16 582	18 192	17,5,%	8,9,%
Other	15 040	20 840	16 958	27 820	25,1,%	39,0,%
Total	**95 095**	**67 347**	**74 928**	**60 739**	**(10,9,%)**	**(23,4,%)**
% Percentage of Expenditure						
Water and sanitation	38%	26%	22%	4%		
Electricity	10%	21%	33%	20%		
Housing	0%	0%	0%	0%		
Roads and stormwater	36%	22%	22%	30%		
Other	16%	31%	23%	46%		

5.5.2 Municipal Infrastructure Grant (MIG) Expenditure on Service Backlogs

MIG Expenditure on Service Backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustment Budget
	R'000			%	%
Railton Upgrading of Gravel Roads and Stormwater P	5 060 138	6 239 540	6 239 540	18,9,%	(0,0,%)
Upgrading of Railton Sports Grounds Phase 3	3 583 391	229 565	229 565	(1 460,9,%)	0,0,%
Total	**8 643 529**	**6 469 105**	**6 469 105**	**(33,6,%)**	**0,0,%**

5.6.3 Capital on Largest Capital Projects

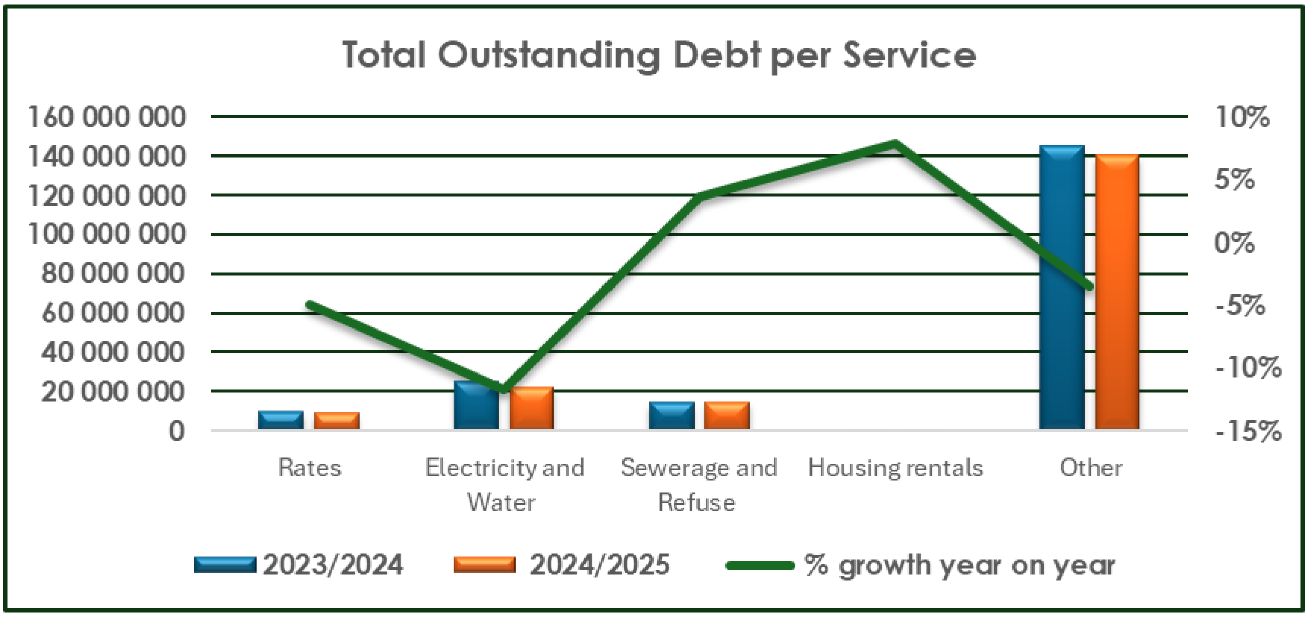
Capital on Largest Capital Projects					
	2024/2025			% Variance	
Name of Project	Original Budget	Adjustment Budget	Actual Expenditure	Original Budget	Adjustment Budget
	R'000			%	
Railton Upgrading of Gravel Roads and Stormwater P	6 234 051	8 718 453	8 688 425	28,2,%	(0,3,%)
Electrification of housing project 950 erven	-	7 304 348	7 124 379	100,0,%	(2,5,%)
Rehabilitation of roads (RRAMS priority list) Russel Street	-	3 020 069	3 020 069	100,0,%	–
New Silo wastewater Pump station	-	2 775 435	2 649 439	100,0,%	(4,8,%)
Replacement of street lights in Swellendam Municip	2 608 696	2 114 087	2 189 102	(19,2,%)	3,4,%
Name of Project – A	**Railton Upgrading of Gravel Roads and Stormwater P**				
Objective of Project	Upgrade Gravel Roads with paved roads				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Improve roadinfrastructure and stormwater				
Name of Project – B	**Electrification of housing project 950 erven**				
Objective of Project	Electrification of houses.				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Sustainable electricity supply				
Name of Project – C	**Rehabilitation of roads (RRAMS priority list) Russel Street**				
Objective of Project	Upgrade Roads in the Industrial Area				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Improve road infrastructure at Industrial Area to attract more development.				
Name of Project – D	**New Silo wastewater Pump station**				
Objective of Project	Upgrade Silo Pump Station to prevent sewerage splilage				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Improve water quality at rivers				
Name of Project - E	**Replacement of street lights in Swellendam Municip**				
Objective of Project	Energy Savings generate through replacement to led lights				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	Improve lightning and more cost effective energy				

5.6 CASHFLOW MANAGEMENT & INVESTMENTS

Cash Flow Outcomes				
R'000				
	2023/2024	2024/2025		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Description	R'000			
Ratepayers and other	236 306	252 628	250 691	327 044
Government Grants	106 731	138 088	173 713	104 717
Interest	7 183	8 864	9 015	12 495
Payments				
Suppliers and employees	(280 029)	(373 724)	(392 094)	(334 199)
Finance charges	(2 544)	(3 164)	(3 164)	(3 111)
Transfers and Grants	(530)	(1 185)	(1 590)	(1 102)
Net cash from/(used) operating activities	**67 117**	**21 506**	**36 571**	**105 844**
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	572	4 399	5	367
Decrease (increase) in non-current investments	(2 357)	–	–	(55)
Payments				
Capital assets	(62 775)	(46 330)	(74 531)	(48 321)
Net cash from/(used) investing activities	**(64 560)**	**(41 932)**	**(74 526)**	**(48 009)**
Cash flows from financing activities				
Receipts				
Increase / (Decrease) in Consumer Deposits	–	640	640	–
Borrowing long term/refinancing	9 700	3 598	3 598	3 500
Payments				
Repayment of borrowing	(3 808)	(4 273)	(4 273)	(4 592)
Net cash from/(used) financing activities	**5 892**	**(35)**	**(35)**	**(1 092)**
Net increase/ (decrease) in cash held	**8 449**	**(20 461)**	**(37 989)**	**56 743**
Cash/cash equivalents at the year begin:	**113 324**	**110 429**	**121 773**	**121 773**
Cash/cash equivalents at the yearend:	**121 773**	**89 968**	**83 784**	**178 516**

5.7 GROSS OUTSTANDING DEBTORS PER SERVICE

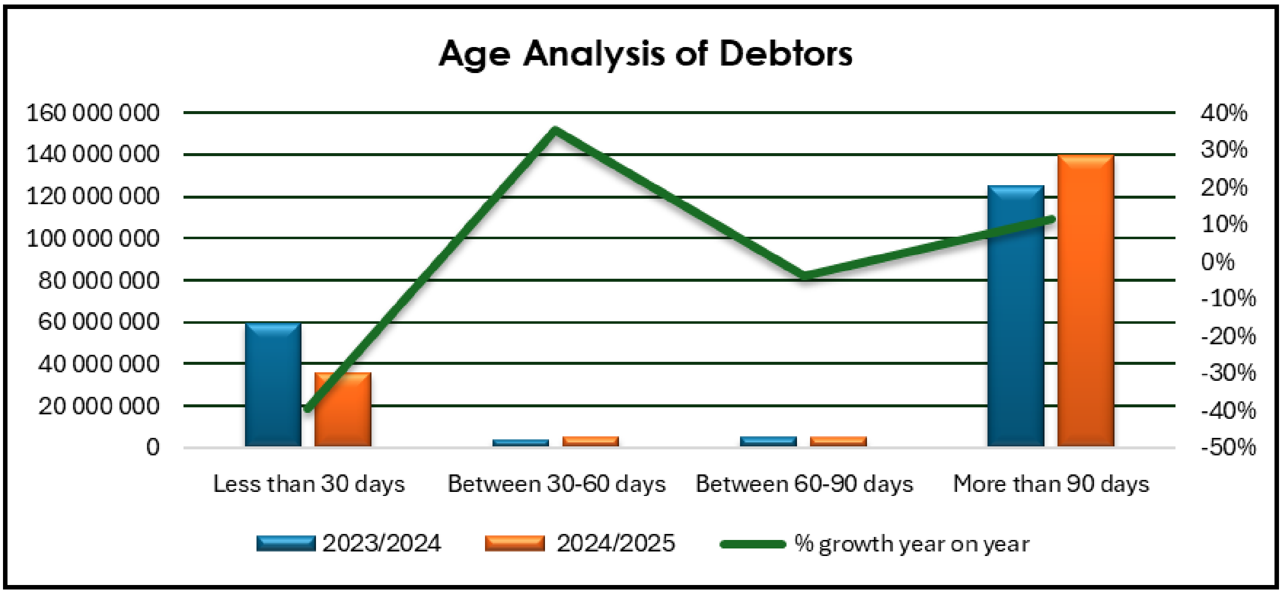
Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		Electricity and Water	Sewerage and Refuse			
	R'000					
2023/2024	9 407	24 900	14 099	116	145 386	193 909
2024/2025	8 940	21 996	14 616	126	140 367	186 045
Difference	(467)	(2 904)	517	9	(5 019)	(7 864)
% growth year on year	-5,0%	-11,7%	3,7%	7,9%	-3,5%	-4,1%
Note: Figures exclude provision for bad debt						



5.8 TOTAL AGE ANALYSIS

	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
Financial year	R'000				
2023/2024	59 711	3 922	5 000	125 276	**193 909**
2024/2025	36 144	5 308	4 816	139 778	**186 045**
Difference	(23 567)	1 386	(184)	14 502	**(7 864)**
% growth year on year	-39,5%	35,3%	-3,7%	11,6%	-4,1%

Note: Figures exclude provision for bad debt.



5.9 COST CONTAINMENT MEASURES

National Treasury first published the draft MCCR for public comment on 16 February 2018, with the closing date being 31 March 2018. Comments were received, from the Department of Cooperative Governance and Traditional Affairs, SALGA, municipalities and other stakeholders. After extensive consultation and consideration of all comments received, the MCCR were finalised and promulgated on 7 June 2019 in the Government Gazette, with the effective date being 1 July 2019.

Cost Containment			
	Budget	Total Expenditure	Savings
Cost Containment Measure	R'000	R'000	R'000
Use of consultants	3 448	2 672	776
Communication	1 531	1 424	107
Travel and subsistence	402	254	148
Domestic accommodation	193	121	72
Sponsorships, events and catering	1 704	1 069	635
Total	**7 278**	**5 539**	**1 739**

5.10 BORROWING AND INVESTMENTS

Actual Borrowings		
R'000		
	2023/2024	2024/2025
Instrument	R'000	
Long-Term Loans (annuity/reducing balance)	27 488	30 829
Instalment Credit	–	–
Financial Leases	617	214
Total	**28 104**	**31 043**

Investment Type		
R' 000		
	2023/2024	2024/2025
Instrument	R'000	
Short Term Investments	93 347	125 458
Total	**93 347**	**125 458**

All Organisation or Person in receipt of Grants provided by the municipality	Nature of project	Conditions attached to funding	2024/2025 R'000
Third party institutions	Contributions to support the community	The organisation needs to supply the municipality with their Budget and AFS	138
Social Assistance		The organisation needs to supply the municipality withtheir Budget and AFS	494
Tourism	Contribution to promote Tourism	The organisation needs to sign an agreement and supply the municipality	412

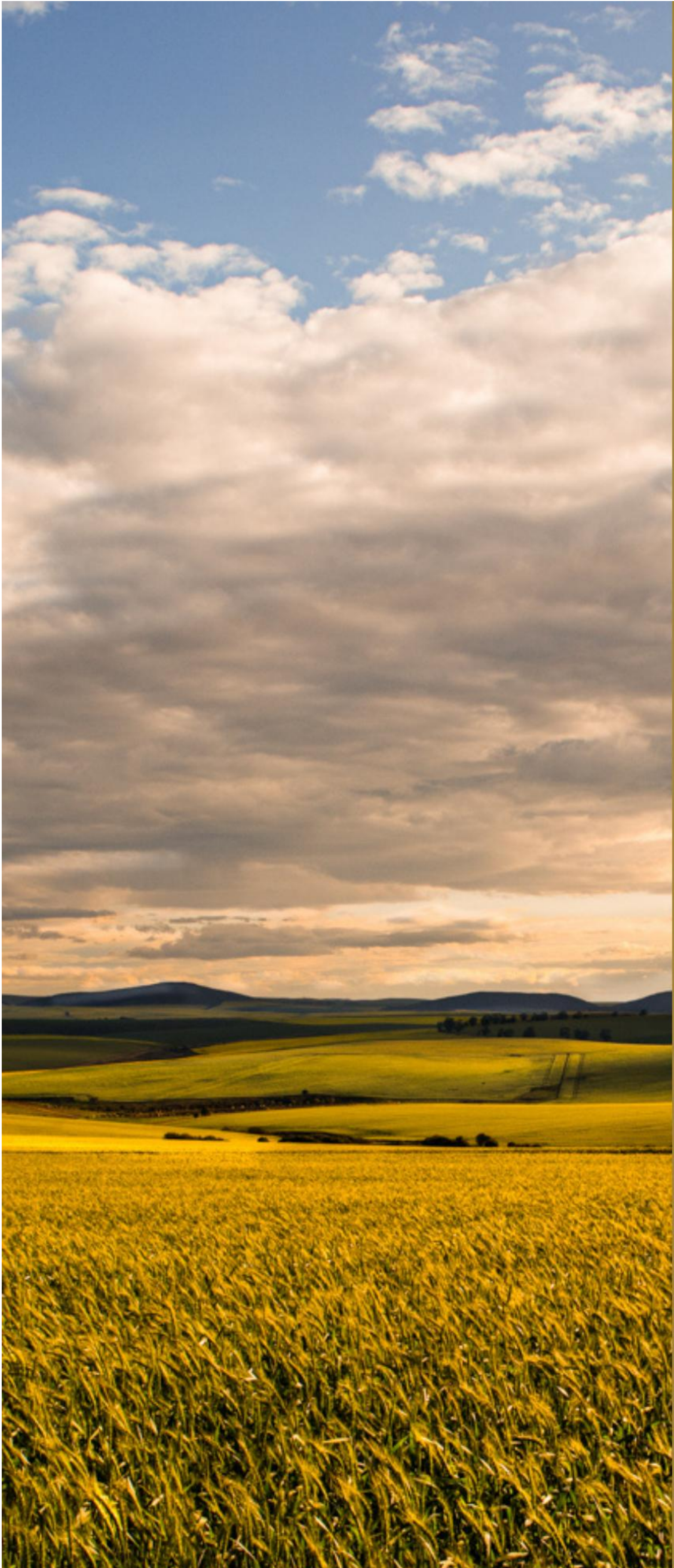
06

SUMMARY OF AUDIT OPINION OF THE AGSA

6.1 AUDITOR-GENERAL REPORT

2023-2024	
Findings	**Corrective steps implemented/ to be implemented**
Financial Statements	
Unqualified Audit Opinion without findings (Clean Audit)	Improvement of internal controls on business processes.
Annual Performance Report	
Unqualified Audit Opinion without findings (Clean Audit)	Improvement of internal controls on business processes.
Report on the audit of compliance with legislation	
Unqualified Audit Opinion without findings (Clean Audit)	Action Plan (OPCAR) was developed

2024-2025	
Findings	**Corrective steps implemented/ to be implemented**
Financial Statements	
To be included	To be included
Annual Performance Report	
To be included	To be included
Report on the audit of compliance with legislation	
To be included	To be included



07

2024-2025 EXTERNAL AUDIT REPORT

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Swellendam Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Swellendam Municipality set out on pages 7 to 136, which comprise the statement of financial position as at 30 June 2025 and statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Swellendam Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code), as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 48 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2025.

Material impairments

8. As disclosed in note 2 to the financial statements, the municipality provided for impairment of receivables from exchange transactions of R19,4 million (2023-24: R18,6 million).

9. As disclosed in note 5 to the financial statements, the municipality provided for the impairment of statutory receivables from non-exchange transactions of R116,5 million (2023-24: R104,1 million).

10. As disclosed in note 38.1 to the financial statements, material losses of R23,2 million (2023: R7,7 million) were incurred as a result of impairment of property, plant and equipment.

Material bad debts written off

11. As disclosed in note 38.2 to the financial statements, the municipality wrote off bad debts of R28,4 million (2023-24: R20,4 million).

Irregular expenditure

12. As disclosed in note 51.3 to the financial statements, the municipality incurred irregular expenditure of R133,4 million (2023-24: R63,3 million), relating to non-compliance with supply chain management regulations largely identified in prior years.

Other matter

13. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

14. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and the Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

16. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

17. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take on the basis of these financial statements.

18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 8, forms part of my auditor's report.

Report on the annual performance report

19. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

20. I selected the following material performance indicators related to strategic objective 4: to enhance access to basic services and address maintenance backlogs presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

    - TL7: Number of residential properties that receive piped water that is connected to the municipal water infrastructure network as at 30 June.
    - TL8: Number of residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering and excluding Eskom areas) as at 30 June.
    - TL9: Number of residential properties connected which have access to a sewerage network or septic tank, irrespective of the number of water closets (toilets) as at 30 June.
    - TL10: Number of residential properties for which refuse is removed once per week as at 30 June.
    - TL11: Provide free basic water to indigent and poor households in terms of the approved indigent policy as at 30 June.
    - TL30: Achieve 95% microbiological quality level for water as per the South African National Standards 241 as at 30 June.
    - TL35: Provide free basic electricity services to indigent households in terms of the approved indigent policy as at 30 June.

- TL36: Provide free basic sanitation to indigent households in terms of the approved indigent policy as at 30 June.
- TL37: Provide free basic refuse removal to indigent households in terms of the approved indigent policy as at 30 June.
- TL38: Provide 10 000 kl free basic water to informal settlements as at 30 June.
- TL39: Provide free basic sanitation facilities/ toilets to informal settlements as at 30 June.
- TL40: Provide free refuse removal services/ skips to informal settlements as at 30 June.

21. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery of its mandate and objectives.

22. I performed procedures to test whether:

    - the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable, so that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time-bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance, as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner
    - there is adequate supporting evidence for the achievements reported and for measures taken to improve performance.

23. I performed the procedures to report material findings only and not to express an assurance opinion or conclusion.

24. I did not identify any material findings on the reported performance information for the selected indicators.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

27. The tables that follow provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 78 to 79, 87 and 89 to 91.

Strategic objective 4: To enhance access to basic services and address maintenance backlogs

Targets achieved: 79% *Budget spent: 88%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
TL38: 10 000kl free basic water to informal settlements as at 30 June 2025	10 000	5 418,1

Material misstatements

28. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for strategic objective 4: to enhance access to basic services and address maintenance backlogs. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

29. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

30. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa

(AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

31. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

32. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

33. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

34. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

35. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

36. I did not receive the other information before the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

37. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

38. I did not identify any significant deficiencies in internal control.

Other reports

39. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

40. An independent consultant investigated allegations of procurement irregularities at the municipality, which covered tenders awarded during the 2017-18 to 2024-25 period. The investigation was concluded on 20 October 2025 and recommendations were tabled to the council.

Auditor-General

Cape Town

30 November 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

08

2024-2025 APAC REPORT

1. Introduction

Section 166 of the Municipal Finance Management Act No. 56 of 2003 requires every Municipality to establish and maintain an Audit Committee. The independent Audit Committee must advise the Municipal Council, the political office-bearers, the Accounting Officer, and the management staff of the municipality relating to matters stipulated under the Municipal Finance Management Act section 166.

The Audit and Performance Audit Committee (APAC) of the Swellendam Municipality (hereafter referred to as *the Committee*) is well established and functioning as required. All the members of the Audit Committee are also members of the Performance Audit Committee. The committee met six times during the 2024/2025 financial year.

2. APAC Members and Attendance:

Members	Capacity	Dates of Meetings Attended
Mr. A. Dippenaar	Chairperson	30 August 2024 16 September 2024 11 November 2024 28 November 2024 09 October 2024 10 December 2024 28 January 2025 26 March 2025 25 June 2025
Mr. P Silbernagl	Member	09 October 2024 10 December 2024 28 January 2025 26 March 2025 25 June 2025
Prof. N. Olivier	Member	30 August 2024 09 October 2024 10 December 2024 26 March 2025 25 June 2025
Ms. K. Talmakkies	Member	30 August 2024 09 October 2024 28 January 2025 26 March 2025 25 June 2025

The abovementioned meetings were well attended by the Accounting Officer and the other Executive Management team members.

3. Executive Summary

Based on the reports submitted and reviewed by the Audit and Performance Audit Committee, the following observations were made in accordance with the requirements of Section 166 of the Municipal Finance Management Act No. 56 of 2003:

1st Line of Assurance	2nd Line of Assurance	3rd Line of Assurance
Governance	Performance Management	External Audit
Internal Control	Compliance Management	Internal Audit
Finance/ Financial Information	Risk Management	
ICT Services		

Legend

Green	Provides Assurance
Amber	Provides Limited/ Some Assurance
Red	Provides No Assurance

(a) Governance

"In terms of the governance processes and structures adopted by the municipality, it was imperative to note that the municipality was undergoing organisational restructuring. However, the municipality was challenged with capacity, staffing, and funding constraints. These matters were regularly communicated to the Audit and Performance Audit Committee during the scheduled quarterly meetings.

(b) Internal Controls

Internal control refers to the system of measures and directives implemented to provide cost-effective assurance that municipal assets are safeguarded, liabilities and working capital are effectively managed, and that the municipality fulfils its mandate in accordance with applicable statutory and governance requirements.

The Audit and Performance Audit Committee diligently evaluated the internal audit engagement reports submitted by the Internal Audit Function. Based on its review, the Committee acknowledged the existence of sound internal controls while also identifying certain control deficiencies. In executing its oversight role, the Committee closely monitored the efforts made by management to strengthen the internal control environment within the municipality.

(c) Finance/ Financial Information

During the quarterly Audit and Performance Audit Committee meetings, the following Financial In-Year reports were submitted for advice and input:

- Section 71
- Section 52 and
- Supply Chain Management Quarterly Implementation Report
- Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW)

The Chief Financial Officer reported on matters concerning fraud, unauthorised, irregular, fruitless, and wasteful expenditure. Additionally, the Chief Financial Officer presented the 2023/2024 Auditor General South Africa (AGSA) Audit and Management reports to the Audit and Performance Audit Committee. Moreover, the Accounting Officer presented the 2023/2024 Annual Report and conveyed it to the Audit and Performance Audit Committee for review and comment.

The Chairperson of the Audit and Performance Audit Committee also attended meetings with the Auditor-General South Africa, alongside Internal Audit and the Executive Municipal Management Team. During these meetings, the audit progress and the findings identified during the execution process were discussed.

The committee believes that the Chief Financial Officer (CFO) possesses the appropriate qualifications and experience to perform her responsibilities effectively. The committee also found the expertise and adequacy of resources of the finance function appropriate. The committee evaluated the Annual Financial Statements of the Swellendam Municipality for the period 01 July 2023 to 30 June 2024, using various financial ratios and the high-level Internal Audit review. The committee has also reviewed and discussed the Auditor General's Management Report and final Audit Report with the Municipal Manager and Senior Management.

(d) Information and Communication Technology (ICT)

Information and Communication Technology (ICT) is a rapidly evolving discipline within the public sector, and management must allocate adequate resources to ensure the effective functioning of the ICT environment. The municipality has appointed an ICT Administrator and is making steady progress towards fully re- establishing the functionality of the ICT unit.

(e) Performance Management and Compliance Requirements

In terms of Section 14(4) (a) of the Regulations, the Audit and Performance Audit Committee has the responsibility to:

- Review the quarterly reports produced and submitted by the Internal Audit process.
- Review the municipality's performance management system and make recommendations in this regard to the Municipal Council; and
- At least twice during each financial year, submit a performance audit report to the council of the municipality.

The Audit and Performance Audit Committee attended the 2023/24 mid-year performance evaluation for senior management meeting and provided independent oversight.

(f) Risk Management

The Audit and Performance Audit Committee has assessed the risk management processes implemented by management during the financial year and was satisfied with the progress achieved in integrating risk management throughout the municipality. During the scheduled quarterly meetings, the risk and compliance officer furnished the Audit and Performance Audit Committee with a comprehensive update on the municipality's risk management activities. In addition, the Audit and Performance Audit Committee undertook a thorough review of the following documents pertaining to risk management:

- Strategic and Operational Risk Register
- Quarterly Fraud and Risk Management Committee Chairpersons Report
- Fraud and Risk Management Committee Meeting Minutes
- Combined Assurance Plan
- Risk Management Strategic documentation
- Risk Management Workshop

(g) External Audit (Auditor-General of South Africa)

The Management Report for the 2023/24 financial year was submitted to the Audit and Performance Audit Committee for review and input.

(h) Internal Audit

The Swellendam Municipality has an in-house Internal Audit function. The structure of the function makes provision for the following posts, namely: Chief Audit Executive (1 post: Vacant), Senior Internal Auditor (1 post: Filled), Internal Auditor (1 Post: Filled), and Internal Audit Intern (1 post: Filled). Currently, the structure has one vacant position, that of Chief Audit Executive.

In terms of the approved 2024/25 Internal Audit Three-Year Rolling Strategic Plan for the period from 01 July 2024 to 30 June 2027 and the annual operational plan, the following audit engagements were conducted and submitted to the Audit and Performance Audit Committee during the quarterly meetings:

Assurance Engagements:

- 2023/24 Compliance review
- 2023/24 Annual Performance Management (SDBIP) Review
- 2023/24 Annual Financial Statements (AFS) high-level Review
- Internal Audit Follow-Up Review (for every quarter)
- 2024/25 1st Quarter SDBIP Performance Review
- Occupational Health and Safety Review
- 2024/25 2nd Quarter SDBIP Performance Review
- SCM Compliance and Contract Management Review
- 2023/24 3rd Quarter SDBIP Performance Review
- ICT: Security and General Control Review
- Internal Quality Assurance Review

Other Engagements:

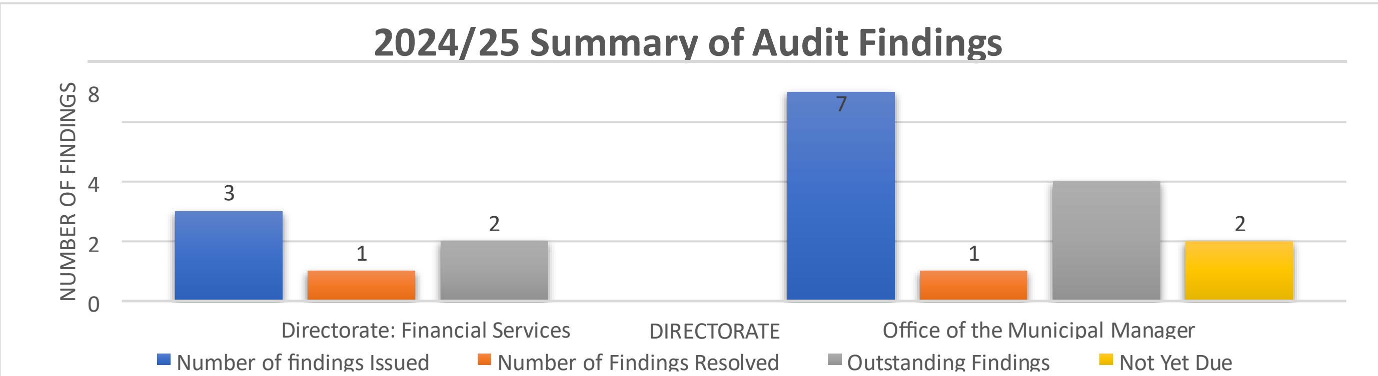
- Ongoing Risk Management Support
- Ongoing Management Support (if and when needed)
- Asset Verification (on behalf of the Auditor-General South Africa)
- Employee Verification (on behalf of the Auditor-General South Africa)
- Annual Stock Count (on behalf of the Auditor-General South Africa)

Ad Hoc Activities:

- Logbook/Vehicle Registers Review
- MPAC 10/2024: Irregular Expenditure SCM Contract Management Review
- MPAC 13/2024: Unforeseen and Unavoidable Expenditure, Russel Street Review
- MPAC 08/2024: Application of Piggyback Contract Review
- SCM Minor Breach Review
- Bid Evaluation and Compliance for Tender SMT06/24/25 Review

Follow-Up Audit Engagements:
Internal Audit conducts quarterly follow-up audit engagements and presents comprehensive follow-up reports to the Audit and Performance Audit Committee.

2024/25 Financial Year



From the graph above, it is clear that three audit reports were issued with findings within the directorates of:

- Directorate Financial Services: 2024/25 Supply Chain Management Compliance & Contract Management Review
- Office of the Municipal Manager: 2024/25 Occupational Health and Safety Review
- Directorate Financial Services: 2024/25 Supply Chain Management Compliance & Contract Management Review

In the 2024/25 financial year, a total of ten findings were issued in 2024/2025 of which 20% have been resolved. Of the 60% that is still outstanding, 20% is not due yet. The Audit and Performance Audit Committee monitors and reviews the implementation status of corrective actions quarterly.

4. Audit and Performance Audit Committee conducted an assessment on the Internal Audit function of Swellendam Municipality.

On an annual basis, the Audit and Performance Audit Committee must evaluate and assess the effectiveness of the Internal Audit function of Swellendam Municipality. The Internal Audit function was evaluated and assessed by the Audit and Performance Audit Committee on 02 July 2025. Questions were asked using a response rating **(4: Agree/Excellent; 3: Agree/Good; 2: Disagree/Fair, and 1: Strongly Disagree/Poor)**. A total of 26 questions were asked, by which each Audit and Performance Audit Committee member had to respond with an appropriate rating. The questions were structured as follows:

- Question(s) 1 – 7: Charter, Structure, and Positioning
- Question(s) 8 – 10: Internal Audit Staff
- Question(s) 11 – 13: Relationship with Management
- Question(s) 14 – 17: Relationship with the Audit and Performance Audit Committee
- Question(s) 18 – 21: Performance and Internal Audit Strategic Plan
- Question 22: Management of the Internal Audit Function
- Question(s) 23 – 25: Other Support Function(s)

The Audit and Performance Audit Committee provides oversight to the Internal Audit function during the assessment. In addition, regularly assessing the Internal Audit function aids in ensuring that issues raised are addressed and/or mitigated by appropriate leadership, thereby increasing the value added by the Internal Audit function to the Swellendam Municipality. The following comments and/or concerns were raised during the evaluation by the Audit and Performance Audit Committee members:

- The internal audit function is significantly understaffed.
- Junior staff be upskilled to effectively share responsibilities and reduce the burden on senior audit staff.
- Position of full-time CAE needs to be funded and filled on an urgent basis (this was the case before 2023/4) (in addition to the current post structure of SIA, IA and Intern). Current external part-time CAE from DM does not add any value, as all reports are drafted and finalised by SIA, and just signed off by the external part-time CAE, whilst SIA must present and explain all IA reports.
- Currently, the Internal Auditor and the internal Audit: Intern do not have the minimum internal auditing qualifications. This must be addressed on an urgent basis.
- The internal audit function requires additional staff and Chief Audit Executive.
- Consider adding additional staff member to internal audit function.

The Internal Audit Function demonstrated the following notable strengths:

- Good communication skills and work ethic.
- Commitment to excellence and continuous improvement.
- High quality of reports (content, findings and recommendations).
- Timeous submission of documentation.
- Ability to respond immediately to queries and requests for additional information.
- Accessible and approachable. 5. Strategic thinking and advice.
- The internal audit function works well with respective departments when required.
- Internal audit plays a vital role in the Municipality and does excellent work.

Despite the internal challenges encountered by the Internal Audit function, the Audit and Performance Audit Committee was satisfied with its overall performance.

5. Quarterly Reporting to Council

The Audit and Performance Audit Committee provides quarterly reports to the Municipal Council regarding matters specified in Section 166 (2) of the Municipal Finance Management Act. These reports include detailed minutes of each quarterly Audit and Performance Audit Committee Meeting held, together with a report from the Audit and Performance Audit Committee Chairperson.

Additionally, the quarterly reports and Audit and Performance Audit Committee Meeting minutes are presented to the Municipal Public Accounts Committee (MPAC) for review and discussion.

6. Concerns & Recommendations

The Audit and Performance Audit Committee has expressed concerns regarding the capacity constraints encountered by the Internal Audit function, both staffing and funding. The Audit and Performance Audit Committee recommended that the administration prioritise filling the vacant Internal Audit positions, particularly the Chief Audit Executive post, as this is a fundamental position for the function to remain sustainable and add value to the municipality. In terms of compliance requirements, the Audit and Performance Audit Committee advocates for the implementation of these recommendations to ensure full compliance by the Municipality.

Furthermore, the Audit and Performance Audit Committee has raised concerns about the effectiveness of the risk management function. The Audit and Performance Audit Committee has recommended that the municipality allocate sufficient resources to enhance the risk management framework, ensuring comprehensive oversight of risks across the municipal landscape and implementing appropriate controls to mitigate both inherent and emerging risks.

7. Conclusion

Overall, and subject to the issues raised in the report, the Audit and Performance Audit Committee is pleased with the continuous progress made by the Swellendam Municipality and its Internal Audit function in enhancing the overall governance, risk management, and control environment.

On behalf of the Audit and Performance Audit Committee.

A Dippenaar

Mr. A. Dippenaar
Audit and Performance Audit Committee Chairperson Date:
04 July 2025

09

2024-2025 ANNUAL FINANCIAL STATEMENTS (AFS)

SWELLENDAM

MUNICIPALITY / MUNISIPALITEIT / MASIPALA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

AUDITOR-GENERAL SOUTH AFRICA

30 November 2025

Auditing to build public confidence

Index

The reports and statements set out below comprise the Annual Financial Statements presented to the council:

General Information

MEMBERS OF COUNCIL AS AT 30 JUNE 2025

Executive Mayor	H.F. du Rand
Speaker	J du T Laubser
Mayoral Committee	E. Lamprecht
	F. Kees
Part Time	D. Julius
	A. Bokwana
	D.J. Julius
	G. Libazi
	I.H. Ferguson
	J.A. Matthysen
	M.T. A. Swart

AUDITORS

Auditor-General of South Africa
No. 19 Park Lane Building, Park Lane, Century City, Cape Town
Western Cape

BANKERS

ABSA Bank
67 Voortrekker Street
Swellendam, 6740

REGISTERED OFFICE

Wolvaardt Trust Building, Units B2
Corner of Somerset Street and Stasie Street
Swellendam
6740

Tel: (028) 514 8500
Fax: (023) 514 2694
Webpage: www.swellendam.gov.za
E-mail: info@swellendam.gov.za

MUNICIPAL MANAGER

Ms A Vorster

CHIEF FINANCIAL OFFICER

Miss E Wassermann

General Information (Continued)

LEGAL FORM

Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996).

Nature of Business and Principal Activities

The provision of services (electricity, water, sanitation and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.

Grading of Local Authority

B3 Local Municipality

Legislation governing the Municipality's Operations

Constitution of the Republic of South Africa (Act 108 of 1998)
Local Government: Municipal Finance Management Act (Act no.56 of 2003)
Local Government: Municipal Systems Act (Act 32 of 2000)
Local Government: Municipal Structures Act (Act 117 of 1998)
Municipal Property Rates Act (Act 6 of 2004)
Division of Revenue Act (Act 24 of 2024)

JURISDICTION

Greater Swellendam area which includes:

Barrydale, Buffeljagsrivier, Infanta, Malgas,
Ouplaas/Wydgelee, Rheenendal, Rietkuil
Stormsvlei, Suurbraak and Swellendam

Approval of Annual Financial Statements

MEMBERS OF THE SWELLENDAM MUNICIPALITY

Ward	Representative	
1	Lamprecht	E.J
2	Ferguson	I.H
3	Julius	D.J
4	Du Rand	H.F
5	Libazi	G
6	Matthysen	J.A
Proportional	Bokwana	A
Proportional	Julius	D
Proportional	Kees	F
Proportional	Swart	M.T
Proportional	Du Toit Loubser	J

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, in accordance with Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the municipality.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister for Cooperative Governance and Traditional Affairs' determination in accordance with this Act.

30 November 2025

Ms A Vorster
Municipal Manager

Date

Report of the Auditor General

- Insert Audit Report -

SWELLENDAM MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Note	Actual 2025 R	2024 Restated R
ASSETS			
Current Assets		**268,460,335**	**260,179,515**
Inventories	**1.**	6,476,673	6,080,138
Receivables from Exchange Transactions	**2.**	20,337,111	43,971,006
Statutory Receivables from VAT Transactions	**3.**	4,697,571	7,105,218
Receivables from Non-exchange Transactions	**4.**	314,674	327,085
Statutory Receivables from Non-Exchange Transactions	**5.**	27,477,376	23,811,984
Cash and Cash Equivalents	**6.**	208,800,476	178,516,124
Lease Receivables	**11.**	356,454	367,962
Non-Current Assets		**559,900,914**	**558,906,645**
Property, Plant and Equipment	**7.**	542,288,043	546,468,106
Intangible Assets	**8.**	683,956	466,149
Investment Property	**9.**	16,529,835	11,521,922
Heritage Assets	**10.**	170,979	170,979
Long-term Receivables	**12.**	228,101	279,489
Total Assets		**828,361,249**	**819,086,161**
LIABILITIES			
Current Liabilities		**121,981,286**	**130,566,485**
Consumer Deposits	**13.**	5,733,548	4,774,845
Payables from Exchange Transactions	**14.**	60,504,717	81,089,267
Unspent Conditional Grants and Receipts	**15.**	33,385,877	20,135,846
VAT Payable	**16.**	1,673,382	4,808,444
Lease Payables	**17.**	243,142	421,942
Borrowings	**18.**	4,201,905	4,161,118
Employee Benefit Liabilities	**19.**	16,238,715	15,175,022
Non-Current Liabilities		**142,648,577**	**127,415,579**
Lease Payables	**17.**	-	214,499
Borrowings	**18.**	26,626,748	23,326,683
Employee Benefit Liabilities	**19.**	44,558,000	39,082,000
Provisions	**20.**	71,463,829	64,792,398
Total Liabilities		**264,629,863**	**257,982,064**
Total Assets and Liabilities		**563,731,386**	**561,104,096**
NET ASSETS		**563,731,386**	**561,104,096**
Reserves	**21.**	30,858,100	26,403,215
Accumulated Surplus / (Deficit)	**22.**	532,873,286	534,700,881
Total Net Assets		**563,731,386**	**561,104,096**

SWELLENDAM MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Note	Actual 2025 R	Actual 2024 Restated R
REVENUE			
Revenue from Non-exchange Transactions		**204,800,051**	**212,660,484**
Property Rates	**23.**	61,757,422	56,640,567
Fines, Penalties and Forfeits	**24.**	54,795,779	48,858,074
Transfers and Subsidies	**26.**	82,613,388	102,406,410
Surcharges and Taxes	**27.**	1,475,961	960,923
Service Charges	**28.**	3,803,167	3,390,680
Interest, Dividends and Rent on Land Earned	**33.**	354,334	403,829
Revenue from Exchange Transactions		**373,964,730**	**280,570,235**
Licences and Permits	**25.**	1,402,222	1,273,576
Transfers and Subsidies	**26.**	5,673,078	5,258,674
Service Charges	**28.**	203,436,488	177,611,108
Sales of Goods and Rendering of Services	**29.**	3,771,110	3,295,720
Construction Contract Revenue	**30.**	132,073,610	56,420,187
Income from Agency Services	**31.**	2,766,959	2,735,803
Rental from Fixed Assets	**32.**	792,810	724,533
Interest, Dividends and Rent on Land Earned	**33.**	18,606,127	14,344,553
Operational Revenue	**34.**	2,319,147	18,625,001
Gains on Disposal of Capital Assets	**47.**	3,123,179	281,081
Total Revenue		**578,764,781**	**493,230,718**
EXPENDITURE		**575,782,554**	**432,256,515**
Employee Related Costs	**35.**	128,300,281	118,864,337
Remuneration of Councillors	**36.**	5,828,799	5,822,778
Depreciation and Amortisation	**37.**	19,829,801	19,640,352
Impairment Losses	**38.**	64,190,573	41,918,292
Interest, Dividends and Rent on Land	**39.**	9,902,958	10,071,519
Bulk Purchases	**40.**	116,634,825	98,123,267
Contracted Services	**41.**	177,508,253	90,022,432
Inventory Consumed	**42.**	18,165,994	16,794,086
Transfers and Subsidies Paid	**43.**	1,072,996	1,102,117
Operating Leases	**44.**	795,339	742,709
Operational Costs	**45.**	25,516,764	28,165,202
Losses on Disposal of Capital Assets	**47.**	8,035,970	989,425
Total Expenditure		**575,782,554**	**432,256,515**
OPERATING SURPLUS / (DEFICIT) FOR THE YEAR		**2,982,228**	**60,974,203**
OTHER REVENUE / EXPENDITURE INCURRED			
Gains on Other Operations	**46.**	225,670	412,412
Losses on Other Operations	**46.**	(580,608)	(262)
TOTAL OTHER REVENUE / EXPENDITURE INCURRED		**(354,938)**	**412,150**
SURPLUS / (DEFICIT) FOR THE YEAR		**2,627,290**	**61,386,353**

Refer to Budget Statement for explanation of budget variances

SWELLENDAM MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Capital Replacement Reserve	Housing Development Fund	Total Funds & Reserves	Accumulated Surplus/ (Deficit)	Total Net Assets
	R	R	R	R	R
2024					
Balance at 30 June 2023	25,072,000	-	25,072,000	463,808,188	488,880,187
Correction of Error (Note 48)	-	-	-	10,837,557	10,837,557
Restated Balance	**25,072,000**	**-**	**25,072,000**	**474,645,745**	**499,717,744**
Surplus / (Deficit) as per prior 2023/24 AFS			-	59,468,305	59,468,305
Correction of Error (Note 48)				1,918,048	1,918,048
Restated Surplus / (Deficit) for the year	-	-	-	61,386,353	61,386,353
Transfers to/from Accumulated Surplus	10,000,001	-	10,000,001	(1,331,215)	8,668,786
Purchases	(8,668,786)	-	(8,668,786)	-	(8,668,786)
Balance at 30 June 2024	**26,403,215**	**-**	**26,403,215**	**534,700,881**	**561,104,096**
2025					
Appropriations from Accumulated Surplus			-	-	-
Restated Balance	**26,403,215**	**-**	**26,403,215**	**534,700,881**	**561,104,096**
Surplus / (Deficit) for the year			-	2,627,290	2,627,290
Transfers to/from Accumulated Surplus	21,092,583	-	21,092,583	(4,454,885)	16,637,698
Proceeds	-	4,358,100	4,358,100	-	4,358,100
Purchases	(20,995,798)	-	(20,995,798)	-	(20,995,798)
Balance at 30 June 2025	**26,500,000**	**4,358,100**	**30,858,100**	**532,873,286**	**563,731,386**

Details on the movement of the Funds and Reserves are set out in Note 21.

SWELLENDAM MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Note	Actual 2025 R	2024 Restated R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		61,359,412	55,514,366
Fines, Penalties and Forfeits		15,771,595	12,883,750
Transfers and Subsidies		95,914,134	102,717,192
Service Charges		225,163,728	158,280,880
External Interest and Dividends Received		16,653,327	12,495,053
Other Receipts		127,305,201	102,365,172
VAT Received		-	3,551,999
Payments			
Employee Related Costs		(123,337,564)	(113,936,750)
Remuneration of Councillors		(5,828,799)	(5,822,778)
External Interest and Dividends Paid		(2,959,336)	(3,110,830)
Suppliers Paid		(338,598,488)	(218,754,278)
VAT Paid		(697,820)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	**50.**	**70,745,389**	**106,183,775**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	**7.**	(41,620,771)	(48,197,007)
Purchase of Intangible Assets	**8.**	-	(124,076)
Purchase of Investment Property		(4,446,000)	-
Proceeds on Disposal of Property, Plant and Equipment	**7.**	3,123,179	233,913
Proceeds on Disposal of Investment Property		-	132,800
Decrease / (Increase) in Long-term Receivables		(456,271)	(394,281)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(43,399,863)**	**(48,348,652)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in Finance Leases (Leases Redeemed)	**17.**	(402,026)	(361,517)
Increase in Borrowings (Loans Taken-on)	**18.**	7,500,000	3,500,000
Decrease in Borrowings (Loans Redeemed)	**18.**	(4,159,147)	(4,230,703)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**2,938,827**	**(1,092,220)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**30,284,352**	**56,742,904**
Cash and Cash Equivalents at Beginning of Financial Year	**6.**	178,516,124	121,773,220
Cash and Cash Equivalents at End of Financial Year	**6.**	208,800,476	178,516,124

SWELLENDAM MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Description	Original Budget	Adjustment Budget	Final Budget	Actual Outcome	Variance	Variance as % of Final Budget
	R	R	R	R	R	
FINANCIAL POSITION						
Current Assets						
Cash and Cash Equivalents	64,750,556	149,456,560	149,456,560	208,800,476	59,343,916	39.71%
Trade and Other Receivables from Exchange Transactions	22,738,956	23,327,846	23,327,846	20,337,111	(2,990,735)	-12.82%
Receivables from Non-exchange Transactions	20,233,614	20,599,746	20,599,746	27,792,051	7,192,305	34.91%
Lease Receivable	10,353	367,962	367,962	356,454	(11,508)	-3.13%
Inventory	5,335,964	6,214,138	6,214,138	6,476,673	262,535	4.22%
VAT	5,452,230	7,105,218	7,105,218	4,697,571	(2,407,647)	-33.89%
Non-Current Assets						
Investment Property	10,814,711	9,412,959	9,412,959	16,529,835	7,116,876	75.61%
Property, Plant and Equipment	604,336,649	579,761,130	579,761,130	542,288,043	(37,473,087)	-6.46%
Heritage Assets	170,979	170,979	170,979	170,979	0	0.00%
Intangible Assets	195,042	277,470	277,470	683,956	406,486	146.50%
Trade and Other Receivables from Exchange Transactions	-	2,880,671	2,880,671	3,363,719	483,048	16.77%
Non-current Receivables from Non-exchange Transactions	-	344,706	344,706	(3,135,618)	(3,480,324)	-1009.65%
Other Non-current Assets	238,415	-	-	-	-	0.00%
Total Assets	734,277,469	799,919,385	799,919,385	828,361,249	28,441,864	3.56%
Current Liabilities						
Financial Liabilities	3,879,828	4,878,088	4,878,088	4,445,047	(433,041)	-8.88%
Consumer Deposits	4,923,130	4,782,136	4,782,136	5,733,548	951,412	19.90%
Trade and Other Payables from Exchange Transactions	41,550,429	63,597,752	63,597,752	60,504,717	(3,093,035)	-4.86%
Trade and Other Payables from Non-exchange Transactions	-	103,669	103,669	33,385,877	33,282,208	32104.30%
Provision	20,054,496	17,402,700	17,402,700	16,238,715	(1,163,985)	-6.69%
VAT	344,291	171,102	171,102	1,673,382	1,502,280	878.00%
Non-Current Liabilities						
Financial Liabilities	25,112,707	26,859,878	26,859,878	26,626,748	(233,130)	-0.87%
Provisions	75,857,160	76,623,998	76,623,998	78,009,829	1,385,831	1.81%
Other Non-current Liabilities	32,270,196	33,036,000	33,036,000	38,012,000	4,976,000	15.06%
Total Liabilities	203,992,237	227,455,323	227,455,323	264,629,863	37,174,540	150.53%
Total Assets and Liabilities	**530,285,232**	**572,464,062**	**572,464,062**	**563,731,386**	**(8,732,676)**	**95.54%**
Net Assets (Equity)						
Accumulated Surplus / (Deficit)	505,213,232	557,343,012	557,343,012	532,873,286	(24,469,726)	-4.39%
Reserves and Funds	25,072,000	15,121,050	15,121,050	30,858,100	15,737,050	104.07%
Total Net Assets	**530,285,232**	**572,464,062**	**572,464,062**	**563,731,386**	**(8,732,676)**	**95.54%**

Financial Position: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% and/or in excess of R3,7 million between the Adjusted Approved Budget and the Actual Amount disclosed in the Statement of Financial Position are regarded as material and are explained below:

Current Assets

Cash and Cash Equivalents:

The Cash and Cash Equivalents are influenced by the unspent Capital Projects in the 2024/2025 financial year and the unspent Conditional Grants. Actual expenditures realized are also less than budgeted.

Trade and Other Receivables from Exchange Transactions:

Assets: Deposit cleared for Transet erven received in 2024/2025. The budget was overstated by this R4 446 000.

Receivables from Non-exchange Transactions:

The Budget for Receivables from Non-exchange had errors due to incorrectly budgeting for Insurance refunds and Service Charges. The nett impact being the R7 million variance.

Non-Current Assets

Investment Property:

Investment property exceeded expectations due to Erven received. Mainly the Transnet Erven that transferred to the Municipality amounting to R4 444 600.

Property, Plant and Equipment:

The variance is due to Capital projects that were not completed during the 2024/2025 financial year, as well as the Accumulated Depreciation and Accumulated Impairment actuals exceeding the budget estimates.

Intangible Assets:

Variance is due to Intangible assets additions being more than anticipated. Budget provision was made under PPE instead of Intangible assets.

Trade and Other Receivables from Exchange Transactions:

Actual receivables on service charges exceeded budget expectations.

Non-current Receivables from Non-exchange Transactions:

The variance and large negative amount is because there was no budget provision made for Impairment on Non-current Receivables from Non-exchange Transactions.

Other Non-current Assets:

The variance is due to the budget being split under current and non-current assets for the operating lease assets. This year a journal was processed to move the operating lease assets actuals to only reflect under current assets.

Current Liabilities

Consumer Deposits:

Increase is due to relative movement of new consumers on the database.

Trade and Other Payables from Exchange Transactions:

Outstanding creditors / payables at yearend is less than anticipated in the budget.

Trade and Other Payables from Non-exchange Transactions:

The reason for the variance is due to unspent grants. The Municipality does not budget to not spend Grants, therefore there is a variance.

VAT:

The VAT payable at yearend is higher than anticipated in the budget.

Non-Current Liabilities

Provision:

Provisions in terms of National Treasury's budget format includes the provision for restoration of the landfill site as well as Provision for Long Service Awards. In order for the actuals to be comparable with the budget, the actuals in the Budget Statement is the Provisions as per GRAP Statement of Financial Position plus Long Service Awards provision extracted from the Employee Benefits. The variance relates to the budget provision for restoration of landfill site being exceeded.

Other Non-current Liabilities:

Other Non-current Liabilities as per the National Treasury budget format consists out of employee benefit provision, excluding long service awards which is budgeted under Provisions. In order for the actuals to be comparable with the budget, the actuals in the Budget Statement is the Employee Benefits as per GRAP Statement of Financial Position less Long Service Awards provision. The variance is due to the Provision for Defined Benefit Obligations: Medical exceeding the budget provision. Each year this provision is reassessed by actuaries and actuals are accounted for as per the report provided based on current employed staff that have medical aid.

Net Assets (Equity)

Accumulated Surplus / (Deficit):

The planned budget figures was more than the net results on assets and liabilities. A larger contribution could be made to the Reserves.

SWELLENDAM MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Description	Original Budget	Adjustment Budget	Final Budget	Actual Outcome	Variance	Variance as % of Final Budget
	R	R	R	R	R	
FINANCIAL PERFORMANCE						
Exchange Revenue						
Service Charges - Electricity	127,464,614	139,916,463	139,916,463	132,763,505	(7,152,958)	-5.11%
Service Charges - Water	26,566,524	26,528,929	26,528,929	26,802,605	273,676	1.03%
Service Charges - Waste Water Management	21,963,289	26,674,828	26,674,828	27,172,690	497,862	1.87%
Service Charges - Waste Management	16,274,743	16,706,067	16,706,067	16,697,688	(8,379)	-0.05%
Sales of Goods and Rendering of Services	3,082,122	3,082,122	3,082,122	3,771,110	688,988	22.35%
Construction Contract Revenue	-	126,661,602	126,661,602	132,073,610	5,412,008	4.27%
Agency Services	2,955,192	2,749,096	2,749,096	2,766,959	17,863	0.65%
Transfer and Subsidies - Operational	-	-	-	5,673,078	5,673,078	0.00%
Interest earned from Receivables	1,801,940	1,905,940	1,905,940	1,854,833	(51,107)	-2.68%
Interest earned from Current and Non-current Assets	10,000,000	16,400,000	16,400,000	16,749,257	349,257	2.13%
Dividends	2,000	2,000	2,000	2,036	36	1.82%
Rental from Fixed Assets	615,687	792,664	792,664	792,810	146	0.02%
Licences and Permits	1,172,830	1,408,983	1,408,983	1,402,222	(6,761)	-0.48%
Operational Revenue	1,445,487	1,539,365	1,539,365	2,319,147	779,782	50.66%
Non-exchange Revenue						
Property Rates	61,767,304	61,645,068	61,645,068	61,757,422	112,354	0.18%
Surcharges and Taxes	1,442,700	1,442,700	1,442,700	1,475,961	33,261	2.31%
Fines, Penalties and Forfeits	49,067,028	57,072,088	57,072,088	54,795,779	(2,276,309)	-3.99%
Transfer and Subsidies - Operational	161,071,081	86,913,499	86,913,499	59,156,389	(27,757,110)	-31.94%
Interest	410,266	366,178	366,178	354,334	(11,844)	-3.23%
Service Charges	3,753,732	3,729,979	3,729,979	3,803,167	73,188	1.96%
Gains on Disposal of Assets	-	700,000	700,000	3,123,179	2,423,179	346.17%
Other Gains	7,223,800	7,223,800	7,223,800	225,670	(6,998,130)	-96.88%
Total Revenue	498,080,339	583,461,371	583,461,371	555,533,453	(27,927,918)	-4.79%
Expenditure						
Employee Related Costs	149,663,328	138,965,652	138,964,092	128,300,281	(10,663,811)	-7.67%
Remuneration of Councillors	6,326,489	6,158,349	6,158,349	5,828,799	(329,550)	-5.35%
Bulk Purchases - Electricity	111,668,281	123,951,011	123,951,011	116,634,825	(7,316,186)	-5.90%
Inventory Consumed	11,711,888	13,009,714	13,123,299	18,165,994	5,042,695	38.43%
Debt Impairment	16,020,567	23,164,832	23,164,832	12,594,988	(10,569,844)	-45.63%
Depreciation and Amortisation	21,088,986	21,088,986	21,088,986	43,031,395	21,942,409	104.05%
Interest	8,155,594	9,462,112	9,462,112	9,902,958	440,846	4.66%
Contracted Services	139,642,739	183,334,256	183,438,172	177,508,253	(5,929,919)	-3.23%
Transfers and Subsidies	1,300,000	1,630,000	1,630,000	1,072,996	(557,004)	-34.17%
Irrecoverable Debts Written-off	27,261,511	24,911,511	24,911,511	28,393,991	3,482,480	13.98%
Operational Costs	29,777,124	47,095,219	46,879,278	26,312,104	(20,567,174)	-43.87%
Losses on Disposal of Assets	-	-	-	8,035,970	8,035,970	0.00%
Other Losses	-	-	-	580,608	580,608	0.00%
Total Expenditure	522,616,507	592,771,642	592,771,642	576,363,161	(16,408,481)	-2.77%
Surplus / (Deficit)	(24,536,168)	(9,310,271)	(9,310,271)	(20,829,708)	(11,519,437)	123.73%
Transfers and Subsidies - Capital (Monetary Allocations)	44,665,889	33,425,842	33,425,842	17,834,636	(15,591,206)	-46.64%
Transfers and Subsidies - Capital (In-kind Allocations)		-	-	5,622,362	5,622,362	0.00%
Surplus/(Deficit for the Year	**20,129,721**	**24,115,571**	**24,115,571**	**2,627,290**	**(21,488,281)**	**-89.11%**

SWELLENDAM MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

The difference between the Adjustment Budget and Final Budget are the consequence of virement reallocations within the budget as follows:

Financial Performance	Original Budget	Adjustment Budget	Virement	Final Budget
Employee Related Cost	149,663,328	138,965,652	(1,560)	138,964,092
Inventory Consumed	11,711,888	13,009,714	113,585	13,123,299
Contracted Services	139,642,739	183,334,256	103,916	183,438,172
Operational Cost	29,777,124	47,095,219	(215,941)	46,879,278
Total	**330,795,079**	**382,404,841**	**-**	**382,404,841**

Financial Performance: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% and/or in excess of R3,7 million between the Adjusted Approved Budget and the Actual Amount disclosed in the Statement of Financial Performance are regarded as material and are explained below:

Service Charges - Electricity:

Electricity billed for "Time-of Use" and "Industrial" clients are less than anticipated with the budget

Sales of Goods and Rendering of Services:

The main reason for the variance is due Building plan fees and camping fees being more than anticipated with the budget. Also the municipality received legal fees revenue which is double than was anticipated in the budget.

Construction Contract Revenue:

The reason for the variance is due to Construction contracts (GRAP 11) revenue not anticipated with the budget.

Transfer and Subsidies - Operational (Exchange)

The Library Grant was incorrectly budgeted for under Transfer and Subsidies (Non-exchange), instead of Transfer and Subsidies (Exchange).

Operational Revenue:

The variance relates to Development charges exceeding the budget by more than double.

Transfers and Subsidies (Non-exchange):

The variance is due to under spending on grants.

Gains on Disposal of Assets:

Gains on disposal of assets was more than anticipated.

Other Gains:

This budget relates to Gains on Actuarial valuations for Long service awards and post employement medical aid. The budget far exceeded the actual gains realized as per the actuary report received.

Employee Related Costs:

The variance is mainly due to the reallocation of actual staff costs for water treatment works to water inventory as required by GRAP, as well as vacancies to be filled. The most prominant vacancy being that of the Director Infrastructure and Planning Services.

Bulk Purchases - Electricity:

The variance correlates with the variance on the Service charges - Electricity. Due to less billing / consumption / demand on "Time of Use" and "Industrial" electricty, less bulk electricity was purchased from ESKOM.

Inventory Consumed:

The variances is due to Water Inventory accounting (Water inventory consumed) which was not properly budgetd for.

Debt Impairment:

The actual provisions for impairment is less than anticipated with the budget. This is based on the impairment calculation.

Depreciation and Amortisation:

As per National Treasury's budget format this line item includes Impairment on assets. As per the updated FAR and annual assessment of assets, the Impairment on Infrastructure assets amounted to R23 million which was not budgted for.

Interest:

The variance is due to the actuarial valuations on non-current provisions.

Contracted Services:

The variance is mainly due to savings / underspending on contracted services: outsourced services.

Transfers and Subsidies:

The transfers and subsidies paid was less than anticipated.

Irrecoverable Debts Written-off:

An item was approved by the municipal council to write off old outstanding service debt as irrecoverable, and this actual write-off was more than anticipated during the budget approval.

Operational Costs:

The main reason for the variance is due to the budget for Eskom Connection fees amounting to R13 million which was not expensed.

Losses on Disposal of Assets:

Disposal of PPE more than budgeted for due to the write off of assets.

Other Losses:

There was an actuarial assessment loss for post employment medical aid which was budgeted for under gains instead of losses.

Transfers and Subsidies - Capital (Monetary Allocations):

Transfers and Subsidies recognized are less than the budgeted amount, mostly due to the unspent grants not recognized.

Transfers and Subsidies - Capital (In-kind Allocations):

The municpality received In kind donations from private enterprizes which was not planned for in the budget.

SWELLENDAM MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Description	Original Budget	Adjustment Budget	Final Budget	Actual Outcome	Variance	Variance as % of Final Budget
	R	R	R	R	R	
CAPITAL EXPENDITURE PER FUNCTION						
Executive and Council	165,000	165,000	165,000	11,355	(153,645)	-93.12%
Finance and Administration	1,390,000	1,957,208	1,957,208	6,631,440	4,674,232	238.82%
Community and Social Services	105,000	225,639	225,639	161,848	(63,791)	-28.27%
Sport and Recreation	4,860,869	1,166,627	1,166,627	477,670	(688,957)	-59.06%
Public Safety	295,000	295,000	295,000	120,971	(174,029)	-58.99%
Housing	-	-	-	-	-	0.00%
Planning and Development	608,695	888,525	888,525	502,559	(385,966)	-43.44%
Road Transport	16,377,051	17,947,027	17,947,027	19,492,358	1,545,331	8.61%
Energy Sources	7,654,783	14,564,522	14,564,522	12,051,514	(2,513,008)	-17.25%
Water Management	17,257,211	16,846,819	16,846,819	2,792,470	(14,054,349)	-83.42%
Waste Water Management	8,830,000	7,164,902	7,164,902	6,150,405	(1,014,497)	-14.16%
Waste Management	3,460,000	3,678,077	3,678,077	3,296,543	(381,534)	-10.37%
Total Capital Expenditure	**61,003,609**	**64,899,346**	**64,899,346**	**51,689,133**	**(13,210,213)**	**-20.35%**

Capital Expenditure per Function: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% and/or in excess of R3,7 million between the Adjusted Approved Budget and the Actual Amount disclosed in the Statement of Financial Position are regarded as material and are explained below:

Executive and Council:

The variance is due to "Drone" could not be procurred in this financial year, as well as unspent savings after the procurement of "media equipment".

Finance and Administration:

The variance is mainly due to the Transet Erven which was paid in 2023/2024 but the title deed transfer only occurred in 2024/2025 amounting to R4 446 000. This was raised as a Asset: Exchange Receivable: Deposits in 2023/2024 which was cleared in 2024/2025.

Community and Social Services:

The variance is due to savings on projects for "Machinery & Equipment" and Furniture & Equipment".

Sport and Recreation:

The unspent funds of the "Trailer Cherry picker" to be rolled over to 2025/2026 for procurement.

Public Safety:

The unspent funds of "Traffic: Machinery & Equipment" to be rolled over to 2025/2026 for procurement.

Planning and Development:

The unspent funds of "Railton Walkway Project" to be rolled over to 2025/2026 to complete this multi-year project.

Road Transport:

The overspending of the budget is due to Developers Contribution Assets received for the Oewerlust development that was not budgeted for.

Energy Sources:

The "Swellendam Railton 950 erven - Elec Infrastructure" project is a multi-year electrification project of which the expenditure was mainly incurred in 2023/2024, but the Budget as per the DORA was allocated in 2024/2025.

Water Management:

The unspent funds for "Upgrading of Gravity Main from Grootkloof Dam - R869 565"; "Glen Barry Avenue water pipe line replacement - R300 000"; and "Swellendam (Railton): Bulk Water Reticulation and Distribution - R2 001 294" to be rolled over to 2025/2026 for procurement.

The "Swellendam (Railton): Upgrade of Bakenskop and Railton Pumpstation, completion rising main to Railton reservoir" project amounting to R8.6 million had many challenges in 2024/2025. The first tender process was halted due to appeals and the tender was cancelled. The second tender process was delayed for months due to allegations of eligibility and disputes received, therefore by the time the tendered was provisionally awarded it was close to year-end and could not be executed. The municipality is awaiting National Government's approval to roll over the WSIG funding in order to execute the project as per the provisional award in 2025/2026.

There is also a variance due to a R1.6 million budgeted for "Rietkuil new reservoir and supply link" funded from grant funding of which the actual expense was moved to Operational Expenditure - contracted services, as the asset constructed was for the purpose to be handed over to the Rietkuil Water Committee.

Waste Water Management:

The unspent funds for "Design and installation of scum baffles on Klipper" and "New Silo wastewater Pump station" to be rolled to 2025/2026 for procurement / completion.

Waste Management:

The unspent budget for "Bins" and "Drilling and Installation of Boreholes" to be rolled to 2025/2026 for procurement.

SWELLENDAM MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Description	Original Budget	Adjustment Budget	Final Budget	Actual Outcome	Variance	Variance as % of Final Budget
	R	R	R	R	R	
CASH FLOW						
Cash Flow from Operating Activities						
Receipts						
Property Rates	61,312,243	61,150,909	61,150,909	61,359,412	208,503	0.34%
Service Charges	219,768,966	265,640,035	265,640,035	242,395,620	(23,244,415)	-8.75%
Other Revenue	41,687,371	55,160,265	55,160,265	158,681,101	103,520,836	187.67%
Transfers and Subsidies - Operational	161,898,038	179,437,677	179,437,677	78,079,498	(101,358,179)	-56.49%
Transfers and Subsidies - Capital	44,665,889	32,940,888	32,940,888	17,834,636	(15,106,252)	-45.86%
Interest	10,000,000	16,400,000	16,400,000	16,651,291	251,291	1.53%
Dividends	2,000	2,000	2,000	2,036	36	1.82%
Payments						
Suppliers and Employees	(501,036,932)	(564,589,694)	(564,589,694)	(493,439,248)	71,150,446	-12.60%
Finance Charges	(2,369,994)	(2,957,512)	(2,957,512)	(2,959,336)	(1,824)	0.06%
Transfers and Subsidies	(1,300,000)	(1,630,000)	(1,630,000)	(1,072,996)	557,004	-34.17%
Net Cash from/(used) Operating Activities	**34,627,581**	**41,554,568**	**41,554,568**	**77,532,014**	**35,977,446**	**86.58%**
Cash Flows from Investing Activities						
Receipts						
Proceeds on Disposal of Property, Plant and Equipment	-	700,000	700,000	3,123,179	2,423,179	346.17%
Decrease / (Increase) in Non-current Receivables	-	-	-	(456,271)	(456,271)	0.00%
Payments						
Capital Assets	(61,003,609)	(74,927,856)	(74,927,856)	(52,853,395)	22,074,461	-29.46%
Net Cash from/(used) Investing Activities	**(61,003,609)**	**(74,227,856)**	**(74,227,856)**	**(50,186,488)**	**24,041,368**	**-32.39%**
Cash Flows from Financing Activities						
Receipts						
Borrowing Long-term/Refinancing	7,800,000	7,500,000	7,500,000	7,500,000	-	0.00%
Increase/(Decrease) in Consumer Deposits	-	-	-	-	-	0.00%
Payments						
Repayment of Borrowing	(3,789,743)	(3,886,275)	(3,886,275)	(4,561,173)	(674,898)	17.37%
Net Cash from/(used) Financing Activities	**4,010,257**	**3,613,725**	**3,613,725**	**2,938,827**	**(674,898)**	**-18.68%**
Net Increase/(Decrease) In Cash Held	**(22,365,771)**	**(29,059,563)**	**(29,059,563)**	**30,284,352**	**59,343,916**	**-204.21%**
Cash/Cash Equivalents at the Year Begin:	88,607,419	178,516,123	178,516,123	178,516,124	-	0.00%
Cash/Cash Equivalents at the Year End:	66,241,648	149,456,560	149,456,560	208,800,476	59,343,916	39.71%

Cash Flow Statement: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% and/or in excess of R3,7 million between the Adjusted Approved Budget and the Actual Amount disclosed in the Statement of Financial Position are regarded as material and are explained below:

Service Charges:

The difference is due to the electricity service charges, which were less than budgeted, and an overstatement of water services budgeted revenue.

Other Revenue:

The main reason for the variance is Construction Contracts Revenue, funded from grants amounting to R127 million, which was incorrectly budgeted under "Transfers and Subsidies - Operational" in the cashflow instead of Other Revenue. This was correctly adjusted in the budget for the statement of financial performance, but omitted in the cashflow statement.

Transfers and Subsidies - Operational

The main reason for the variance is Construction Contracts Revenue, funded from grants amounting to R127 million, which was incorrectly budgeted under "Transfers and Subsidies - Operational" in the cashflow instead of Other Revenue. This was correctly adjusted in the budget for the statement of financial performance, but omitted in the cashflow statement.

Transfers and Subsidies - Capital

Underspending of capital grant-funded projects, mainly the Water Services infrastructure Grant.

Suppliers and Employees:

The Variance is due to a combination of underspending on expenditure such as Employee-Related costs (R12,7m), Bulk purchases (R10,1m), Contracted services (R26,6m), and Other Expenditure (R26,2m); and an over expenditure on Acquisitions of Inventory (R5m) budget. The budget was based on an assumption that alll suppliers is vatable which caused these high variance.

Transfers and Subsidies:

Less ad hoc grants were paid than provided for in the budget.

Proceeds on Disposal of Property, Plant and Equipment:

Proceeds on disposal of assets was more than anticipated.

Decrease / (Increase) in Non-current Receivables:

There was an increase in non-current receivables which was not anticipated with the budget process.

Capital Assets:

Underspending on projects relates to various Capital Programmes that were not implemented and were planned to be rolled over to the 2025/26 financial year.

Repayment of Borrowing:

The variance is due to the budget being based on indicative interest rates as well as the timing of the draw down of the loan. The actual is based on the loan agreement and actual repayments made.

Net Increase/(Decrease) In Cash Held:

Cash realized is more than budgeted due to the difference between National Treasury requirements for budgeting vs GRAP methodology, as well as unspent grants, increased revenue, and less expenditure incurred.

SWELLENDAM MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

The difference between the Budget and Actuals is due to differing methodologies used in compiling the mSCOA Budget and GRAP-compliant Actuals. Certain Budget items are VAT inclusive, making them not directly comparable to the Actuals. The table below shows the VAT discrepancies caused by these methodological differences:

Below is a reconciliation between the actual cash flow figures and the actual budgeted compatible figures.

Description	Final Budget	Actual Outcome Cash Flow Statement	Adjusted Amount	Revised Actual Outcome
	R	R	R	R
CASH FLOW				
Cash Flow from Operating Activities				
Receipts				
Property Rates	61,150,909	61,359,412	-	61,359,412
Service Charges	265,640,035	225,163,728	17,231,892	242,395,620
Other Revenue	55,160,265	143,076,795	15,604,306	158,681,101
Transfers and Subsidies - Operational	179,437,677	78,079,498	-	78,079,498
Transfers and Subsidies - Capital	32,940,888	17,834,636	-	17,834,636
Interest	16,400,000	16,651,291	-	16,651,291
Dividends	2,000	2,036	-	2,036
Payments				
Suppliers and Employees	(564,589,694)	(467,389,675)	(26,049,573)	(493,439,248)
Finance Charges	(2,957,512)	(2,959,336)	-	(2,959,336)
Transfers and Subsidies	(1,630,000)	(1,072,996)	-	(1,072,996)
Net Cash from/(used) Operating Activities	**41,554,568**	**70,745,389**	**6,786,625**	**77,532,014**
Cash Flows from Investing Activities				
Receipts				
Proceeds on Disposal of Property, Plant and Equipmer	700,000	3,123,179	-	3,123,179
Decrease / (Increase) in Non-current Receivables		(456,271)	-	(456,271)
Payments				
Capital Assets	(74,927,856)	(46,066,771)	(6,786,624)	(52,853,395)
Net Cash from/(used) Investing Activities	**(74,227,856)**	**(43,399,864)**	**(6,786,624)**	**(50,186,488)**
Cash Flows from Financing Activities				
Receipts				
Borrowing Long-term/Refinancing	7,500,000	7,500,000	-	7,500,000
Increase/(Decrease) in Consumer Deposits		-	-	-
Payments				
Repayment of Borrowing	(3,886,275)	(4,561,173)	-	(4,561,173)
Net Cash from/(used) Financing Activities	**3,613,725**	**2,938,827**	**-**	**2,938,827**
Net Increase/(Decrease) In Cash Held	**(29,059,563)**	**30,284,353**	**-**	**30,284,353**
Cash/Cash Equivalents at the Year Begin:	178,516,123	178,516,123	-	178,516,123
Cash/Cash Equivalents at the Year End:	149,456,560	208,800,476	-	208,800,476

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The Annual Financial Statements have been prepared in accordance with the historical cost convention, except where indicated otherwise.

The Statement of Financial Performance has been prepared to classify expenses by nature, whilst revenue is classified in a manner appropriate to the municipality’s operations. The Cash Flow Statement has been prepared using the Direct Method.

1.1 Presentation Currency

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

1.2 Critical Judgements, Estimations and Assumptions

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the municipality’s Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements:

1.2.1 Revenue Recognition

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (Revenue from Exchange Transactions) and GRAP 23 (Revenue from Non-exchange Transactions).
For exchange transactions, this includes assessing whether, when goods are sold, the municipality has transferred the significant risks and rewards of ownership to the buyer, and when services are rendered, whether the service has in fact been performed. For non-exchange transactions, management considered whether all the conditions of GRAP 23 have been met, particularly regarding the probability of inflows of economic benefits or service potential and whether such inflows can be reliably measured. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

- Estimation of Meter Readings:
  Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

- Estimation of unused Prepaid Metered Services:
  Estimates of unused consumption of prepaid metered services, based on the consumption history, are made at year-end. Sales for prepaid metered services are recognised as revenue upon receipt of payment for these services, except at year-end when estimates for unused consumption up to reporting date are reversed from revenue and accrued as payment for services received in advance. These accruals are reversed in the new financial year to revenue again, deemed to be consumed after 30 June. In respect of estimates of consumption between the last date of purchase and the reporting date, an accrual for payments received in advance is made based on the average pre-paid electricity sold per day during the year under review and the estimate is calculated using between 5 and 10 days’ worth of unused electricity.

- Revenue for Traffic Fines:

  There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses, the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. The full amount of traffic fines issued during the year is recognised at the initial transaction date as revenue. Where a reliable estimate cannot be made of revenue from summonses, the revenue is recognised when the public prosecutor pays the cash collected over to the municipality.

1.2.2 Water Inventory

The estimation of the Water Inventory in reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end.

1.2.3 Impairment of Financial Assets

Accounting Policy 4.4 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

- Impairment of Trade Receivables:

  The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable category across all classes of debtors.

- Impairment of Traffic Fines:

  Traffic fines are initially recognised as revenue when the receivable meets the definition of an asset in terms of GRAP 23. In accordance with GRAP 104, receivables from non-exchange transactions, including traffic fines, are assessed for impairment at the end of each reporting period.

1.2.4 Impairment of Statutory Receivables

Accounting Policy 5.3 on Impairment of Statutory Receivables describes the process followed to determine the value at which Statutory Receivables should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Statutory Receivables recorded during the year is appropriate.

1.2.5 Capitalisation of Capital Assets

Judgement by management is required to distinguish between expenditure incurred to maintain and repair capital assets, which is recognised in surplus or deficit as incurred, and expenditure that results in an increase in the future economic benefits or service potential of capital assets, which is capitalised to the carrying amount of the related asset. Expenditure is capitalised when it enhances the asset’s capacity, extends its useful life, or improves the quality of output, while routine servicing and repairs are expensed as incurred.

1.2.6 Recognition and Derecognition of Land

The municipality assesses whether it controls or does not control land by considering the principles contained in IGRAP 18.

The municipality is assessed to control land of which it is not the legal owner or the custodian and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP and the required disclosures are made in the relevant Notes to the Financial Statements. In order to assess that the municipality controls the land, the following factors are considered in applying its judgement:

- The municipality acts as the custodian of the land in terms of a binding arrangement with the legal owner of the land and has the right to direct access to the land, and to restrict or deny the access of others to the land.
- The municipality is required / granted a right to use the land in terms of a binding arrangement with the legal owner of the land and has the right to direct access to the land, and to restrict or deny the access of others to the land to meet its service delivery objectives.

The municipality is assessed to not control land of which it is the legal owner or the custodian and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP and the required disclosures are made in the relevant Notes to the Financial Statements. In order to assess that the municipality does not control the land, the following factors are considered in applying its judgement:

- Another entity acts as the custodian of the land in terms of a binding arrangement with the municipality and that entity has the right to direct access to the land, and to restrict or deny the access of others to the land.
- Another entity is required / granted a right to use the land in terms of a binding arrangement with the municipality and that entity has the right to direct access to the land, and to restrict or deny the access of others to the land to meet its service delivery objectives.

Land is derecognised when the municipality no longer controls it.

1.2.7 Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property

As described in Accounting Policies 7.3, 8.2 and 9.2, the municipality depreciates its Property, Plant & Equipment and Investment Property, and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of property, plant and equipment:

- The useful life of assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets. The municipality referred to buildings in other municipal areas to determine the useful life of buildings.

The residual values, useful lives and depreciation/amortisation methods of assets are reviewed at each reporting date and adjusted, if appropriate.

1.2.8 Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, Investment Property, and Inventories

Accounting Policy 11 on Impairment of Assets and Accounting Policy 3.2 on Inventory – Subsequent Measurement describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets, impairment testing of Investment Property and write-down of Inventories to the lowest of Cost and Net Realisable Value or Current Replacement Cost.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE, Intangible Assets and Investment Property and the Net Realisable Value for Inventories involves significant judgment by management.

1.2.9 Service Concession Arrangements

The municipality assesses whether it is a party to any service concession arrangements by considering the principles contained in GRAP 32 and IFRIC 12.

Management has assessed all arrangements in place and concluded that there are no service concession arrangements to which it was a party during this accounting period.

1.2.10 Defined Benefit and Contribution Plan Liabilities

As described in Accounting Policy 17.2, Employee Benefits – Post-employment Benefits, the municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements.

1.2.11 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.2.12 Principals and Agent Arrangements

The municipality assesses whether it is a party to any principal-agent arrangements by considering the principles contained in GRAP 109.

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a bidding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and / or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to apply the criterion relating to the absence of such power in order to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether it is acting as a principal or an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf at the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal - agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

Municipality's assessment outcomes

The municipality is assessed to be the principal and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP. In order to assess that the municipality is the principal, the following factors were considered in applying its judgement:

- The municipality acts as a principal for the service provider, Syntell, who acts as an agent for the municipality with the sale of prepaid electricity.
- The municipality acts as a principal for the service provider, TMT, who acts as an agent for the municipality with regards to the supply, delivery and administrative support of traffic fines collections and camera equipment with related operational support. within the Swellendam Municipal Area.

The municipality is assessed to be the agent and only accounts for the amounts which the agent are entitled to in terms of the principal-agent arrangement. In order to assess that the municipality is the agent, the following factors were considered in applying its judgement:

- The municipality acts as an agent for Western Cape Government: Department of Mobility for issuing licenses and permits and collects monies on their behalf.

1.2.13 Housing Arrangements

The municipality is not accredited to deliver housing under the national housing programme. However, it assesses its roles and responsibilities it undertakes for each project undertaken in terms of the national housing programme by assessing the terms and conditions agreed with the relevant Provincial Department of Infrastructure.

1.2.14 Budget Information

Deviations between budget and actual amounts are regarded as material differences when a 10% deviation exists and/or the amount exceeds R3.7 million. All material differences are explained in the relevant Notes to the Annual Financial Statements.

1.2.15 Segment Reporting

The municipality is assessed to have reportable segments as per the requirements of GRAP 18. In order to assess that the segments could be aggregated, the following factors were considered in applying its judgement:

- For management purposes the municipality is broadly organised into business units based on the nature of operations and the services they provide.
- No individually material operating segments have been aggregated to form the above reportable operating segments.
- The municipality does not monitor segments geographically.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Materiality is determined as 1% of total operating expenditure. This materiality is from the management's perspective and does not correlate with the auditor's materiality.

1.4 Going Concern Assumption

The Annual Financial Statements have been prepared on a Going Concern Assumption.

1.5 Standards, Amendments to Standards and Interpretations published but not yet Effective

The following GRAP Standards and Interpretations have been issued by the Accounting Standards Board but are not yet effective for the financial year ended 30 June 2025. The municipality has not early adopted these standards, and their impact on future financial statements is being assessed.

Additionally, these standards and interpretations are not always relevant to the municipality's operations and are indicated as such below:

Standard of GRAP / Nature of Impending Changes / Expected Impact		Effective Date	Planned Date for Application by Municipality
• **GRAP 1**	**Presentation of Financial Statements**	Not yet determined	Not yet determined
Nature of Changes:	Revised requirements on the presentation of financial statements, focusing on materiality and going concern considerations.		
Expected Impact:	Enhances clarity in financial reporting by requiring entities to tailor disclosures based on materiality, ensuring relevant information is highlighted. It also strengthens the assessment and disclosure of going concern uncertainties.		
• **GRAP 103**	**Heritage Assets**	Not yet determined	Not yet determined
Nature of Changes:	Revised guidance on accounting for heritage assets, including recognition, measurement, and disclosure.		
Expected Impact:	Promotes consistent and accurate valuation of heritage assets, reflecting their cultural, historical, or environmental significance. Improved disclosure requirements enhance transparency regarding these assets' value and management.		
• **GRAP 104**	**Financial Instruments**	01/04/2025	01/07/2025
Nature of Changes:	Updates the classification, measurement, and impairment requirements of financial instruments to align with international standards like IFRS 9. The revised GRAP 104 aligns more closely with international standards, particularly concerning the classification and measurement of financial instruments.		
Expected Impact:	Changes in classification (amortized cost, fair value) and a shift to an expected credit loss model for impairment will impact how financial assets and liabilities are recognized and measured, potentially leading to more timely recognition of credit losses. It is unlikely that there will be a material impact on the municipality's financial statements.		

Standard of GRAP / Nature of Impending Changes / Expected Impact		Effective Date	Planned Date for Application by Municipality
• **GRAP 105, 106 & 107**	**Transfers and Mergers**	Not yet determined	Not yet determined
Nature of Changes:	Provides guidance on accounting for transfers of functions between entities and mergers, both under common and not under common control.		
Expected Impact:	Affects the recognition, measurement, and disclosure of assets and liabilities transferred during organizational changes, ensuring that the financial statements accurately reflect the impact of such transfers and mergers.		
• **iGRAP 22**	**Foreign Currency Transactions**	01/04/2025	01/07/2025
Nature of Changes:	Clarifies accounting for foreign currency transactions involving advance consideration, ensuring alignment with IFRS standards. This interpretation provides guidance on how to determine the exchange rate to use on the date of a foreign currency transaction when consideration is paid or received in advance.		
Expected Impact:	This standard impacts how exchange rate differences are recognized for transactions where payment is received or made in advance, potentially leading to changes in revenue and expense recognition timing based on exchange rate movements. The municipality is currently assessing the impact of this interpretation. It is expected to clarify the treatment of foreign currency transactions involving advance payments, which may affect the timing and amount of revenue or expense recognition.		
	Improvements to Standards of GRAP, 2023	Not yet determined	Not yet determined
Nature of Changes:	Minor amendments made to align with international best practices and address stakeholder feedback.		
Expected Impact:	Aims to improve consistency and clarity in financial reporting by incorporating minor changes across various standards, ensuring alignment with global accounting practices and stakeholder expectations. Specific impacts vary depending on the nature of the amendments.		

1.6 Current year comparatives

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods.

2. BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the mSCOA classification and NT methodology. They are consistent with the annual budget adopted by the Council, and the actual figures, as prepared for these Annual Financial Statements, were adjusted to align with the mSCOA classification. The amounts are scheduled as a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the statement, giving reasons for overall growth or decline in the budget and motivations for over- or underspending on line items. The annual budget figures in the Annual Financial Statements are for the municipality and do not include budget information for subsidiaries or associates. These figures are those approved by the Council at the beginning and during the year following a period of public consultation as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification.

The approved budget covers the period from 1 July 2024 to 30 June 2025.

3. INVENTORIES

3.1 Recognition and Initial Measurement

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the Inventories to their current location and condition. Where Inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where Inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Direct costs relating to properties that will be sold as Inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Property held for sale in the ordinary course of operations is classified as inventory.

3.2 Subsequent Measurement

Inventories, consisting of consumables, land, materials and supplies and water are measured at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method or first-in-first-out method.

Water inventory is measured annually at the reporting date by way of dip readings and the calculated volume in the distribution network.

4. FINANCIAL INSTRUMENTS

The municipality has various types of Financial Instruments and these can be broadly categorised as Financial Assets, Financial Liabilities or Residual Interests in accordance with the substance of the contractual agreement.

Initial Recognition
Financial Assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exists and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.1 Financial Assets – Classification

The municipality has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Investments – Financial Instruments	Financial Assets at Amortised Cost
Long-term Receivables	Financial Assets at Amortised Cost
Receivables from Exchange Transactions	Financial Assets at Amortised Cost
Receivables from Non-exchange Transactions	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents	Financial Assets at Amortised Cost

Trade and Other Receivables exclude Value Added Taxation, Prepayments and Operating Lease Receivables, and are classified as Financial Assets at Amortised Cost.

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

4.2 Financial Liabilities – Classification

The municipality has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Borrowings	Financial Liabilities at Amortised Cost
Payables from Exchange Transactions	Financial Liabilities at Amortised Cost
Finance Lease Obligations	Financial Liabilities at Amortised Cost
Consumer Deposits	Financial liabilities at Amortised cost

4.3 Initial and Subsequent Measurement

4.3.1 Financial Assets:

Financial Assets measured at Amortised Cost
Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an Effective Yield Basis.

4.3.2 Financial Liabilities:

Financial Liabilities held at Amortised Cost

Any other Financial Liabilities are classified as Other Financial Liabilities (All Payables, Loans and Borrowings are classified as Other Liabilities) and are initially measured at fair value, net of transaction costs. Trade and Other Payables, Interest-bearing Debt including Finance Lease Liabilities, Non-interest-bearing Debt and Bank Borrowings are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in Surplus or Deficit by applying the effective interest rate.

4.4 Impairment of Financial Assets

Financial Assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised through the use of an allowance account.

4.4.1 Financial Assets at Amortised Cost

A provision for impairment of Accounts Receivable is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost with the exception of Consumer Debtors, where the carrying amount is reduced through the use of an allowance account. When a Consumer Debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in Surplus or Deficit.

4.5 Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred Financial Asset, the municipality continues to recognise the Financial Asset and also recognises a collateralised borrowing for the proceeds received.

4.6 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

The municipality recognises the difference between the carrying amount of the Financial Liability (or part of a Financial Liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in Surplus or Deficit.

5. STATUTORY RECEIVABLES

Statutory Receivables are receivables that arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset.

The municipality has the following Statutory Receivables from Exchange Transactions:
- VAT Receivable

The municipality has the following Statutory Receivables from Non-exchange Transactions:
- Assessment Rates
- Fines

5.1 Recognition and Initial Measurement

Statutory Receivables are recognised if the transaction is an exchange transaction per GRAP 9 or a non-exchange transaction per GRAP 23 or, if the transaction is not within the scope of GRAP 9 or GRAP 23, or another Standard of GRAP, and the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be reliably measured.

The municipality recognises Statutory Receivables when they arise.

Statutory Receivables are initially measured at their transaction amount. The transaction amount would be the amount that is determined on initial measurement in accordance with the relevant Standard of GRAP.

The transaction amounts of the Statutory Receivables of the municipality are determined as follows:
- VAT is levied and recovered in terms of the stipulations contained in the Value-Added Tax Act, 1991 (Act No. 89 of 1991) at rates determined by the Department of Finance and published in the Government Gazette.
- Assessment Rates are levied in terms of the stipulations contained in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) at rates determined each year by Council.
- Fines are issued in terms of the stipulations contained in the Criminal Procedures Act, 1977 (Act No. 51 of 1977) at rates published in the Government Gazette from time to time.

5.2 Subsequent Measurement

Statutory Receivables are measured after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:
- Interest or other charges that may have accrued on the receivable, where applicable;
- Impairment losses; and
- Amounts derecognised.

5.3 Impairment

Statutory Receivables are assessed for indicators of impairment at the end of each reporting period. Statutory Receivables are impaired where there is any indication of impairment of Statutory Receivables, such as the probability of insolvency or significant financial difficulties of the debtor. The impairment of Statutory Receivables is based on an assessment of the expected recoverability of each individual receivable based on the history of recoverability of such receivables

In assessing whether Statutory Receivables are impaired, the municipality assesses whether there are any indications that individually significant receivables are impaired; and/or groups of similar, individually insignificant, receivables are impaired.

The municipality groups together and assesses collectively for impairment those receivables that exhibit similar characteristics which provide information about the possible collectability of the amounts owing to the municipality. The municipality uses the following groupings:

- VAT Receivable
- Assessment Rates
- Fines

If there is such evidence the carrying amount is reduced to the estimated future cash flows, an impairment loss is recognised, directly or indirectly, through the use of an allowance account, with the amount of the impairment loss being recognised in Surplus or Deficit.

5.4 Derecognition

The municipality derecognises Statutory Receivables only when the rights to the cash flows from the receivable expires or it transfers the Statutory Receivable and substantially all the risks and rewards of ownership of the receivable to another municipality, except when council approves the write-off of the receivable due to non-recoverability.

The municipality derecognises a receivable if the municipality, despite having retained some significant risks and rewards of ownership, transfers control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality recognises separately any rights and obligations created or retained in the transfer. The carrying amount of statutory receivables transferred is allocated between the rights and obligations retained and those transferred on the basis of the relative fair values at the transfer date. The municipality assesses whether any newly created rights and obligations are within the scope of GRAP 104 or another Standards of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, is recognised in surplus or deficit in the period transferred.

6. CONSTRUCTION CONTRACTS

Construction Contracts are those contracts entered between the municipality and a customer (or third party) whereby the municipality delivers a constructed asset in terms of an agreement with such party. The construction can be done by the municipality or through the use of a sub-contractor. The benefit of the constructed item (or group) of items must be received by such party and not the municipality.

Revenue from such contracts shall comprise the agreed value in terms of the contract plus any agreed variations to such contract on the conditions that these variations will result in an inflow of economic resources that can be measured reliably.

Contract costs are costs that directly relate to the contract as well as costs that are attributable to the execution of the construction work and any additional costs as agreed between the municipality and the party obtaining the final goods. Attributable costs are only assigned to the contract costs if these can be assigned on a systematic and rational basis.

The municipality assessed all of the contracts in place and found that all of the contracts pertained to Housing Arrangements as those described in ASB's Accounting for Arrangements Undertaken in terms of the National Housing Programme. All of these contracts for the municipality are fixed price contracts. Revenue and costs are therefore recognised with reference to the stage of completion provided that the conditions for contract revenue and contract costs are met and the stage of contract completion can be measured.

In exceptional cases, if any, for a cost plus or cost based contract the outcome of a construction contract can be estimated reliably when it is probable that the economic benefits or service potential associated with the contract will flow to the entity and the contract costs can be clearly identified and measured reliably.

An expected deficit on a construction contract shall be recognised as an expense immediately based on the stage of completion. Future losses are only accounted for when these losses are incurred in terms of the stage of completion. This implies that only the proportional loss of a contract would be recognised based on the percentage of completion.

As the percentage or stage of completion is an estimate at year-end, any subsequent changes to the estimate would be accounted for as a change in estimate in terms of the relevant municipal accounting policy.

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Initial Recognition and Measurement

Property, Plant and Equipment are initially recognised at cost.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

7.2 Subsequent Measurement

Subsequently, all Property Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable service amount is estimated. The impairment charged to the Statement of Financial Performance is the difference between the carrying value and the recoverable service amount

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

Changes to the useful life of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting estimate or retrospectively as a prior period error depending on the specific circumstances.

7.3 Depreciation

Depreciation on assets other than land is calculated on cost, using the Straight-line Method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation rates are based on the following estimated useful lives:

Asset Class	Years	Asset Class	Years
Buildings		**Community**	
Improvements	5 - 100	Community Facilities	5 - 100
		Recreational Facilities	5 - 100
Infrastructure			
Electricity	15 - 80	**Other**	
Roads and Paving	7 - 80	Computer Equipment	3 - 35
Sanitation	10 - 100	Furniture and Office Equipment	2 - 40
Solid Waste	15 - 57	Information Infrastructure	3 - 30
Storm Water	20 - 100	Transport Assets	5 - 45
Water	10 - 102		

7.4 Land

Land is stated at historical cost and is not depreciated as it is deemed to have an infinite useful life.

7.5 Incomplete Construction Work

Incomplete Construction Work is stated at historical cost. Depreciation only commences when the asset is available for use.

7.6 Infrastructure Assets

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

7.7 Finance Leases

Assets capitalised under finance leases are depreciated over their expected useful lives over a period of 3-8 years or, where shorter, the term of the relevant lease if there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term.

7.8 Derecognition

The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in Surplus or Deficit when the item is derecognised.

8. INTANGIBLE ASSETS

8.1 Initial Recognition and Measurement

Identifiable non-monetary assets without physical substance are classified and recognised as Intangible Assets.

Intangible Assets are initially recognised at cost.

Where an Intangible Asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Enhancements that increase functionality/service potential are capitalised; maintenance, bug fixes, support, data conversion (unless necessary for the asset to operate), training, and annual licence/support fees are expensed

8.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged on a Straight-line Method over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists. Where Intangible Assets are deemed to have infinite useful lives, such Intangible Assets are not amortised. However, such Intangible Assets are subject to an annual impairment test.

The amortisation rates are based on the following estimated useful lives:

Asset Class	Years
Computer Software Purchased	4 - 16

Useful lives, residual values and amortisation methods are reviewed at each reporting date.

8.3 Derecognition

The gain or loss arising from the derecognition of an item of Intangible Asset is included in Surplus or Deficit when the item is derecognised.

9. INVESTMENT PROPERTY

9.1 Initial Recognition and Measurement

At initial recognition, the municipality measures Investment Property at cost. However, where an Investment Property was acquired through a non-exchange transaction (i.e. where it acquired the Investment Property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

9.2 Subsequent Measurement

Investment Property is measured using the Cost Model and is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the Straight-line Method over the useful life of the property, which is estimated at 10 - 100 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The gain or loss arising on the disposal of an Investment Property is recognised in Surplus or Deficit.

9.3 Derecognition

The gain or loss arising from the derecognition of an item of Investment Property is included in Surplus or Deficit when the item is derecognised.

10. HERITAGE ASSETS

Heritage Assets are not depreciated owing to uncertainty regarding their estimated useful lives. The municipality assesses at each reporting date if there is an indication of impairment.

10.1 Initial Recognition and Measurement

Heritage Assets are initially recognised at cost.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

A heritage asset is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

10.2 Subsequent Measurement

Subsequently all Heritage Assets are measured at cost, less accumulated impairment losses.

10.3 Derecognition

The gain or loss arising from the derecognition of an item of Heritage Assets is included in Surplus or Deficit when the item is derecognised.

11. IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as Cash Generating Assets. All other assets are classified as Non-cash Generating Assets.

11.1 Impairment of Cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

11.2 Impairment of Non-cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

The recoverable service amount of a non-cash generating asset is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

12. CONSUMER DEPOSITS

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit. Deposits are recognised as a liability as the deposit is refunded once the service is terminated. No interest is paid on deposits.

13. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Conditional grants and receipts are subject to specific conditions and can be received from both government and public. If these specific conditions are not met, the monies received are repayable.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met is transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder, it is recorded as part of the liability. If it is the municipality’s interest, it is recognised as interest earned in the Statement of Financial Performance.

Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent conditional grant is reclassified as payables.

14. PROVISIONS

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it – this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money discounted to their present value using a pre-tax discount rate. The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

14.1 Provision for Environmental Rehabilitation

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to Surplus or Deficit.

15. LEASES

15.1 The Municipality as Lessee

15.1.1 Finance Leases

Leases are classified as Finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality.

Property, plant and equipment or intangible assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are recognised at equal amounts. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments to the fair value of the asset, plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangible assets. The lease liability is reduced by the lease payments, which are allocated between the finance cost and the capital repayment using the Effective Interest Rate Method. Finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

15.1.2 Operating Leases

The municipality recognises operating lease rentals as an expense in Surplus or Deficit on a Straight-line Basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. Any lease incentives are included as part of the net consideration agreed.

15.2 The Municipality as Lessor

Amounts due from lessees under Finance Leases or instalment sale agreements are recorded as receivables at the amount of the municipality's net investment in the leases. Finance lease or instalment sale revenue is allocated to accounting periods so as to reflect a constant periodic rate of return on the municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental revenue from Operating Leases is recognised on a Straight-line Basis over the term of the relevant lease.

16. BORROWING COSTS

All borrowing costs are treated as an expense in the period in which they are incurred.

17. EMPLOYEE BENEFIT LIABILITIES

17.1 Short-term Employee Benefits

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

17.1.1 Provision for Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

17.1.2 Staff Bonuses Accrued

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year-end for each employee.

17.1.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Municipalities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

17.1.4 Paid Absences

The municipality pays employees for absence for various reasons including holidays, sickness and short-term disability, and maternity or paternity. The expected cost of short-term employee benefits in the form of paid absences for accumulating paid absences is recognised when the employees render service that increases their entitlement to future paid absences. The expected cost of non-accumulating paid absences is recognised when the absences occur.

17.2 Post-employment Benefits

The municipality provides retirement benefits for its employees and councillors, and has both defined benefit and defined contribution post-employment plans.

17.2.1 Defined Contribution Plans

The municipality’s contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in Surplus or Deficit in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

17.2.2 Defined Benefit Plans

Defined Benefit Cost is made up of the following components:

- Service Cost, comprising:
  - (a) Current Service Cost
  - (b) Settlements
  - (c) Past Service Cost, comprising:
    - Plan Amendments
    - Curtailments
- Net Interest Revenue / Expense
- Remeasurements, comprising:
  - (a) Actuarial Gains and Losses
  - (b) Return on Plan Assets, excluding amounts included in net interest on the net defined benefit liability (asset)
  - (c) Any change in the Effect of the Asset Ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Post-retirement Health Care Benefits

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the municipality is associated, provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Past-service costs are recognised immediately in Surplus or Deficit.

Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25, 30, 35, 40 and 45 years of continued service. The municipality’s liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through Surplus or Deficit.

17.3 Termination Benefits

The municipality provides termination benefits for its employees in terms of the municipality's Employee Benefit Plan.

Termination Benefits to employees is recognised as an expense in the Statement of Financial Performance and as a liability in the Statement of Financial Position when the municipality can no longer withdraw the offer of those benefits.

18. NET ASSETS

Included in the Net Assets of the municipality are the following items that are maintained in terms of specific requirements:

18.1 Accumulated Surplus

Included in the Accumulated Surplus of the municipality are the following Reserves that are maintained in terms of specific requirements.

18.1.1 Capital Replacement Reserve (CRR)

In order to finance the provision of Infrastructure and other items of Property, Plant and Equipment from internal sources, amounts are transferred from the Accumulated Surplus/(Deficit) to the CRR in terms of delegated powers.

The following provisions are set for the creation and utilisation of the CRR:

- The CRR may only be utilised for the purpose of purchasing items of Property, Plant and Equipment and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the Accumulated Surplus/(Deficit) is credited by a corresponding amount.

18.1.2 Housing Development Fund Reserve:

Sections 15(5) and 16 of the Housing Act (Act No107 of 1997), which came into operation on 1 April 1998, required that the municipality maintains a separate housing operating account. This legislated separate operating account is known as the Housing Development Fund.

The following provisions are set for the creation and utilisation of the Housing Development Fund:

- The HDF is backed by cash, receivables and assets. The cash funds in the HDF are invested in accordance with the Investment Policy of the municipality.
- The proceeds in this fund are utilised for housing development in accordance with the National Housing Policy and also for housing development projects approved.

19. REVENUE RECOGNITION

19.1 General

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

19.2 Revenue from Non-exchange Transactions

19.2.1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a Time-proportionate Basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

19.2.2 Fines

Fines constitute both spot fines and summonses.

Revenue for fines is recognised when the fine is issued at the full amount of the receivable. The municipality uses estimates to determine the amount of revenue that the municipality is entitled to collect that is subject to further legal proceedings.

19.2.3 Government Grants and Receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in Surplus or Deficit in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest, it is recognised as interest earned in Surplus or Deficit.

19.2.4 Public Contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

19.2.5 Other Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

19.2.6 Interest Earned

Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate basis that takes into account the effective yield on the investment.

19.2.7 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

19.2.8 Unclaimed Deposits

All unclaimed deposits are initially recognised as a liability until 12 months expires when all unclaimed deposits into the municipality's bank account will be treated as revenue as historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June.

Although unclaimed deposits are recognised as revenue after 12 months, the municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months.

19.2.9 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

19.3 Revenue from Exchange Transactions

19.3.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service Charges relating to electricity and water are based on consumption, together with a basic charge. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage and are levied monthly based on the recorded number of points per property.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

19.3.2 Prepaid Electricity

Revenue from the sale of prepaid electricity is recognised at the point of sale.

19.3.3 Rentals Received

Revenue from the rental of facilities and equipment is recognised on a Straight-line Basis over the term of the lease agreement.

19.3.4 Income from Agency Services

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

19.3.5 Interest Earned

Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate Basis that takes into account the effective yield on the investment.

Interest on outstanding customer receivables is calculated when the receivable is more than 30 days at prime rate plus 1%, and recognised in surplus or deficit on the time-proportionate basis.

19.3.6 Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

19.3.7 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

19.3.8 Sale of Goods (including Houses)

Revenue from the sale of goods is recognised when all the following conditions have been met:

(a) The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(c) The amount of revenue can be measured reliably;
(d) It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

20. GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

(a) Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
(b) Expect to be repaid in future; or
(c) Expect a financial return, as would be expected from an investment.

These transfers are recognised in Surplus or Deficit as expenses in the period that the events giving rise to the transfer occurred.

21. MATERIAL LOSSES

The MFMA requires the disclosure of material losses incurred during the year under review. The disclosure is provided in order to comply with the legislative requirements governing Municipalities and Municipal Entities.

Due to their significance, the complete calculation of water and electricity losses is provided, including the opening balance, purchases, sales and closing balance where applicable. The unit rate is the rate per the last purchase as inventory is measured based on the First-In-First-Out Method as defined by GRAP 12 (Inventories).

22. UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003).

All expenditure relating to Unauthorised Expenditure is accounted for as an expense in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

23. IRREGULAR EXPENDITURE

Irregular Expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998), or is in contravention of the Municipality's or Municipal Entities’ Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure.

Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

24. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to Fruitless and wasteful expenditure is accounted for as expenditure in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

25. COMMITMENTS

Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP;
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date;
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources;
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements; and
- Other commitments for contracts that are non-cancellable or only cancellable at significant cost, should relate to something other than the business of the municipality.

26. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the Councillors, Executive Mayor, Deputy Executive Mayor, Speaker, Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

27. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

28. EVENTS AFTER THE REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

The events after the reporting date that are classified as Non-adjusting Events after the Reporting Date have been disclosed in Notes to the Annual Financial Statements.

- Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date).
- Those are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the municipality discloses the nature and an estimate of the financial e

29. SEGMENT REPORTING

The mandate of the municipality is to provide basic services to the community over which it governs. In order to properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective and also considered separately for each of the towns within the municipal jurisdiction. The components listed below have been identified as individually significant segments for purposes of reporting in terms of GRAP 18 (Segment Reporting).

The method used to determine reported segment surplus of deficit was consistently applied in the current and prior financial years.

- Municipal Governance and Administration.
- Community and Public Safety.
- Economic and Environmental.
- Trading Services.
- Other.

All other sources of income and expenditure are aggregated through means of the administrative function as these services are not significant to the other services of the municipality as a whole.

The municipality only operates in a single geographical location and accordingly does not report separately on each location within its jurisdiction.

Intersegmental transfers are per the municipality's approved tariff policy. The reconciliation clearly describes the effects of all internal transfers between segments.

The accounting policies for segmental reporting in the management accounts are aligned to the requirements of GRAP as described in these accounting policies.

30. VALUE ADDED TAX

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section 15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991).

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

	2025	2024
	R	R

1. INVENTORIES

	2025 R	2024 R
Consumables	6,407,041	6,008,822
Land	7,591	7,591
Water	62,040	63,725
Total Inventories	**6,476,673**	**6,080,138**

Consumables are held for own use and measured at the lower of Cost and Current Replacement Cost. No write downs of Inventory to Current Replacement Cost were required.

Land Inventory relates to properties for sale.

Water is held for distribution and measured at the lower of Cost and Net Realisable Value.

The cost of Inventories recognised as an expense includes R18,164,746 (2024: R16,794,086), made up as follows:

	2025 R	2024 R
Consumables	1,084,414	1,614,790
Land	-	22,000
Materials and Supplies	7,497,586	6,452,794
Water	9,582,746	8,704,502
Total Inventories Expensed	**18,164,746**	**16,794,086**

Erf 30 Buffeljagsrivier is still registered as Mun Overberg District, but is under the control of Swellendam Municipality. This erf is situated in Buffeljagsriver in the residential part of the town. Council has decided to transfer this property once the legal processes are followed.

2. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross Balance	Provision for Impairment	Net Balance
	R	R	R
As at 30 June 2025			
Service Debtors:	37,253,730	19,327,330	17,926,399
Electricity	11,486,171	1,529,523	9,956,648
Refuse	6,479,115	4,774,662	1,704,452
Sewerage	7,474,204	5,438,768	2,035,436
Merchandising, Jobbing and Contracts	89,607	-	89,607
Other Service Charges	2,840,685	2,175,293	665,392
Water	8,883,949	5,409,084	3,474,864
Other Receivables:	125,586	82,423	43,163
Property Rental Debtors	125,586	82,423	43,163
Prepayments and Advances:	229,466	-	229,466
Un-used Prepaid Electricity	229,466	-	229,466
Control, Clearing and Interface Accounts	2,138,082	-	2,138,082
Deposits	-	-	-
Total Receivables from Exchange Transactions	**39,746,865**	**19,409,754**	**20,337,111**

	Gross Balance R	Provision for Impairment R	Net Balance R
As at 30 June 2024			
Service Debtors:	38,273,882	18,549,672	19,724,210
Electricity	13,694,325	1,672,885	12,021,440
Refuse	5,886,217	4,399,763	1,486,454
Sewerage	7,221,694	5,360,074	1,861,620
Merchandising, Jobbing and Contracts	89,607	-	89,607
Other Service Charges	2,574,022	1,934,179	639,843
Water	8,808,017	5,182,771	3,625,247
Other Receivables:	116,396	82,423	33,972
Property Rental Debtors	115,225	82,423	32,802
Housing Selling Scheme	1,171	-	1,171
Other Debtors:	17,666,698	-	17,666,698
Insurance Debtors	17,666,698	-	17,666,698
Prepayments and Advances:	511,714	-	511,714
Un-used Prepaid Electricity	511,714	-	511,714
Control, Clearing and Interface Accounts	1,588,411	-	1,588,411
Deposits	4,446,000	-	4,446,000
Total Receivables from Exchange Transactions	**62,603,101**	**18,632,095**	**43,971,006**

Included in Service Debtors is an amount of R5 779 669 (2024: R6 491 348) in respect of the consumption of metered services not billed as at 30 June.

Other Receivables include outstanding debtors for various other services, e.g. Arrangements, Deposits, Housing, Interest, Rentals and Sundry Services like Garden Refuse, Sanitation Bags, etc.

Receivables from Exchange Transactions are billed monthly at the end of the month. No interest is charged on Receivables until the end of the following month. Interest is charged at prime rate, determined by council, on the outstanding balance.

The municipality receives applications that it processes. Deposits are required to be paid for all electricity and water accounts opened. There are no consumers who represent more than 5% of the total balance of Receivables.

At 30 June 2025, the municipality is owed R875,445 (30 June 2024: R683,162) by National and Provincial Government.

2.1 Ageing of Receivables from Exchange Transactions

As at 30 June 2025

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Electricity:					
Gross Balances	10,985,434	32,931	28,959	438,846	11,486,171
Less: Provision for Impairment	1,045,057	20,672	24,948	438,846	1,529,523
Net Balances	**9,940,377**	**12,259**	**4,011**	**-**	**9,956,647**
Refuse:					
Gross Balances	2,119,519	191,557	162,619	4,005,420	6,479,115
Less: Provision for Impairment	567,336	146,317	139,529	3,921,480	4,774,662
Net Balances	**1,552,183**	**45,240**	**23,090**	**83,940**	**1,704,452**
Sewerage:					
Gross Balances	2,498,922	205,283	173,802	4,596,196	7,474,204
Less: Provision for Impairment	640,462	153,666	146,182	4,498,458	5,438,768
Net Balances	**1,858,460**	**51,618**	**27,620**	**97,738**	**2,035,436**

Merchandising, Jobbing and Contracts:					
Gross Balances	89,607	-	-	-	89,607
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**89,607**	**-**	**-**	**-**	**89,607**
Other Service Charges:					
Gross Balances	1,075,794	41,913	72,667	1,650,311	2,840,685
Less: Provision for Impairment	427,285	31,625	66,071	1,650,311	2,175,293
Net Balances	**648,509**	**10,287**	**6,595**	**-**	**665,392**
Water:					
Gross Balances	3,906,086	231,826	203,340	4,542,697	8,883,949
Less: Provision for Impairment	685,014	161,782	168,498	4,393,790	5,409,084
Net Balances	**3,221,071**	**70,044**	**34,842**	**148,907**	**3,474,864**
Other Receivables:					
Gross Balances	25,353	342	-	99,891	125,586
Less: Provision for Impairment	4,730	75	-	77,618	82,423
Net Balances	**20,624**	**267**	**-**	**22,272**	**43,163**
Prepayments and Advances:					
Gross Balances	229,466	-	-	-	229,466
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**229,466**	**-**	**-**	**-**	**229,466**
Control, Clearing and Interface Accounts:					
Gross Balances	2,138,082	-	-	-	2,138,082
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**2,138,082**	**-**	**-**	**-**	**2,138,082**

As at 30 June Receivables of R638,730 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	**Past Due**			**Total**
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	23,068,264	703,852	641,387	15,333,361	39,746,865
Less: Provision for Impairment	3,369,884	514,138	545,228	14,980,504	19,409,754
Net Balances	**19,698,380**	**189,715**	**96,158**	**352,857**	**20,337,111**

As at 30 June 2024	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Electricity:					
Gross Balances	13,213,767	17,715	12,891	449,952	13,694,325
Less: Provision for Impairment	1,213,519	9,377	9,934	440,055	1,672,885
Net Balances	**12,000,247**	**8,339**	**2,957**	**9,897**	**12,021,440**
Refuse:					
Gross Balances	1,837,715	174,130	196,536	3,677,836	5,886,217
Less: Provision for Impairment	468,715	128,694	167,800	3,634,554	4,399,763
Net Balances	**1,369,000**	**45,436**	**28,736**	**43,282**	**1,486,454**
Sewerage:					
Gross Balances	2,289,130	195,915	165,368	4,571,281	7,221,694
Less: Provision for Impairment	567,314	141,604	135,790	4,515,366	5,360,074
Net Balances	**1,721,816**	**54,311**	**29,578**	**55,916**	**1,861,620**
Merchandising, Jobbing and Contracts:					
Gross Balances	89,607	-	-	-	89,607
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**89,607**	**-**	**-**	**-**	**89,607**
Other Service Charges:					
Gross Balances	888,604	73,994	34,711	1,576,712	2,574,022
Less: Provision for Impairment	271,103	64,449	30,024	1,568,603	1,934,179
Net Balances	**617,501**	**9,545**	**4,687**	**8,109**	**639,843**
Water:					
Gross Balances	4,164,499	226,053	194,405	4,223,061	8,808,017
Less: Provision for Impairment	696,230	153,531	156,271	4,176,739	5,182,771
Net Balances	**3,468,269**	**72,522**	**38,133**	**46,322**	**3,625,247**
Other Receivables:					
Gross Balances	37,988	-	-	78,408	116,396
Less: Provision for Impairment	6,648	-	-	75,775	82,423
Net Balances	**31,339**	**-**	**-**	**2,633**	**33,972**
Other Debtors:					
Gross Balances	17,666,698	-	-	-	17,666,698
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**17,666,698**	**-**	**-**	**-**	**17,666,698**
Prepayments and Advances:					
Gross Balances	511,714	-	-	-	511,714
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**511,714**	**-**	**-**	**-**	**511,714**
Control, Clearing and Interface Accounts:					
Gross Balances	1,588,411	-	-	-	1,588,411
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**1,588,411**	**-**	**-**	**-**	**1,588,411**

Deposits for Land					
Gross Balances	4,446,000	-	-	-	4,446,000
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**4,446,000**	**-**	**-**	**-**	**4,446,000**

As at 30 June Receivables of R460,403 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	46,734,132	687,807	603,911	14,577,250	62,603,100
Less: Provision for Impairment	3,223,530	497,655	499,820	14,411,091	18,632,095
Net Balances	**43,510,602**	**190,153**	**104,091**	**166,159**	**43,971,005**

2.2 Reconciliation of the Provision for Impairment	**2025** **R**	**2025** **R**
Balance at beginning of year	18,632,095	13,588,920
Impairment Losses recognised	872,521	5,043,175
Impairment Losses reversed	(94,862)	-
Balance at end of year	**19,409,754**	**18,632,095**

3. STATUTORY RECEIVABLES FROM VAT TRANSACTIONS

	Gross Balance **R**	**Provision for Impairment** **R**	**Net Balance** **R**
As at 30 June 2025			
VAT Receivable	4,697,571	-	4,697,571
Total Statutory Receivables from VAT Transactions	**4,697,571**	**-**	**4,697,571**

	Gross Balance **R**	**Provision for Impairment** **R**	**Net Balance** **R**
As at 30 June 2024			
VAT Receivable	7,105,218	-	7,105,218
Total Statutory Receivables from VAT Transactions	**7,105,218**	**-**	**7,105,218**

The prior year amount for Statutory Receivables from Exchange Transactions has been adjusted. Refer to Note 48.8 on "Correction of Error" for details of the restatement.

VAT is payable on the receipts basis. The municipality however uses accrual accounting, and only once payment is received from debtors, VAT is paid over to SARS.

Furthermore, VAT is claimable on the payment basis.

VAT Receivable is not impaired nor is it discounted as the amount is expected to be receivable within 60 days.

4. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Gross Balance	Provision for Impairment	Net Balances
	R	R	R
As at 30 June 2025			
Service Charges (Availability Charges):	2,288,970	1,974,296	314,674
- Electricity	920,016	787,047	132,969
- Waste Water	663,024	570,380	92,644
- Water	705,930	616,869	89,061
Total Receivables from Non-exchange Transactions	**2,288,970**	**1,974,296**	**314,674**

	Gross Balance	Provision for Impairment	Net Balances
	R	R	R
As at 30 June 2024			
Service Charges (Availability Charges):	3,389,195	3,062,110	327,085
- Electricity	1,298,275	1,162,572	135,702
- Waste Water	991,122	891,089	100,034
- Water	1,099,798	1,008,449	91,349
Total Receivables from Non-exchange Transactions	**3,389,195**	**3,062,110**	**327,085**

Service Charges arise from availability charges levied against vacant property where the service infrastructure is available to the property. Availability Charges are levied for Electricity, Waste Removal, Waste Water and Water Services.

4.1 Ageing of Receivables from Non-exchange Transactions

As at 30 June 2025	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Service Charges:					
Gross Balances	488,907	84,165	71,711	1,644,188	2,288,970
Less: Provision for Impairment	215,364	67,784	64,433	1,626,714	1,974,296
Net Balances	**273,543**	**16,381**	**7,278**	**17,474**	**314,675**

As at 30 June Receivables of R41,132 were past due but not impaired.

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	488,907	84,165	71,711	1,644,188	2,288,970
Less: Provision for Impairment	215,364	67,784	64,433	1,626,714	1,974,296
Net Balances	**273,543**	**16,381**	**7,278**	**17,474**	**314,675**

As at 30 June 2024

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Service Charges:					
Gross Balances	434,446	89,533	87,649	2,777,567	3,389,195
Less: Provision for Impairment	177,283	65,791	70,499	2,748,537	3,062,109
Net Balances	**257,163**	**23,742**	**17,150**	**29,030**	**327,085**

As at 30 June Receivables of R69,922 were past due but not impaired.

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	434,446	89,533	87,649	2,777,567	3,389,195
Less: Provision for Impairment	177,283	65,791	70,499	2,748,537	3,062,109
Net Balances	**257,163**	**23,742**	**17,150**	**29,030**	**327,085**

4.2 Summary of Non-Exchange Debtors by Customer Classification

	Household	Industrial / Commercial	National and Provincial Government	Other
	R	R	R	R
As at 30 June 2025				
Current:				
0 - 30 days	488,907	-	-	-
Past Due:				
31 - 60 Days	84,165	-	-	-
61 - 90 Days	71,711	-	-	-
+ 90 Days	1,644,188	-	-	-
Sub-total	2,288,970	-	-	-
Less: Provision for Impairment	1,974,296	-		-
Total Non-exchange Debtors by Customer Classification	**314,675**	**-**	**-**	**-**

	Household	Industrial / Commercial	National and Provincial Government	Other
	R	R	R	R
As at 30 June 2024				
Current:				
0 - 30 days	434,446	-	-	-
Past Due:				
31 - 60 Days	89,533	-	-	-
61 - 90 Days	87,649	-	-	-
+ 90 Days	2,777,567	-	-	-
Sub-total	3,389,195	-	-	-
Less: Provision for Impairment	3,062,109	-	-	-
Total Non-exchange Debtors by Customer Classification	**327,086**	**-**	**-**	**-**

4.3 Reconciliation of Provision for Impairment: Non Exchange	**2025**	**2024**
	R	**R**
Balance at Beginning of year	3,062,110	2,615,900
Impairment Losses recognised	(1,087,814)	446,210
Balance at end of year	**1,974,296**	**3,062,110**

5. STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTION

	Gross Balance	Provision for Impairment	Net Balance
	R	R	R
As at 30 June 2025			
Property Rates	8,940,094	4,280,566	4,659,527
Traffic Fines	135,068,897	112,251,048	22,817,849
Total Statutory Receivables from Non-Exchange Transactions	**144,008,991**	**116,531,614**	**27,477,376**

	Gross Balance	Provision for Impairment	Net Balance
	R	R	R
As at 30 June 2024			
Property Rates	9,407,215	5,225,026	4,182,189
Traffic Fines	118,509,303	98,879,509	19,629,794
Total Statutory Receivables from Non-Exchange Transactions	**127,916,518**	**104,104,535**	**23,811,984**

Property Rates is a tax levied by a municipality to a property owner to enable the municipality to perform its functions. Property Rates are calculated by multiplying the market value of the property with a rate determined by the Municipal Council. The levying of this revenue stream is governed by the Municipal Property Rates Act 6 of 2004.

Traffic Fines arise from fines issued by the municipality's traffic officials as well as officials from the Provincial Traffic Department. These fines are issued in accordance with the National Road Traffic Act 93 of 1996, National Land Transport Act 5/2009 as well as the National Road Traffic Regulations of 2000. The fines issued are divided into Section 341 and Section 56 Fines.

Section 341 fines are speed control fines or spot fines. Speed control fines are issued when a motorist is caught speeding on a calibrated radar camera device. The device takes a picture of the vehicle and takes a speed reading. The speeding fine is then delivered to the registered owner of the vehicle by post. The spot fines (pink slip) are issued when the motorist is not at the vehicle and pasted to the window. A printed copy is also delivered to the registered owner of the vehicle by post.

The Section 56 fine is imposed when a motorist is stopped by the traffic officer when an offence occurred or an offence is noted with a routine check. In this case the offender must provide the traffic officer with some sort of identification.

5.1 Ageing of Statutory Receivables from Non-Exchange Transaction

As at 30 June 2025	**Current**	**Past Due**			**Total**
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Property Rates:					
Gross Balances	5,449,338	188,444	154,182	3,148,129	8,940,094
Less: Provision for Impairment	922,836	119,080	123,020	3,115,628	4,280,564
Net Balances	**4,526,503**	**69,364**	**31,162**	**32,500**	**4,659,530**
Traffic Fines:					
Gross Balances	7,137,550	4,331,060	3,948,350	119,651,938	135,068,898
Less: Provision for Impairment	5,931,762	3,599,389	3,281,332	99,438,565	112,251,048
Net Balances	**1,205,788**	**731,671**	**667,018**	**20,213,373**	**22,817,850**

As at 30 June Receivables of R21,745,089 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	**Past Due**			**Total**
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	12,586,888	4,519,504	4,102,532	122,800,067	144,008,992
Less: Provision for Impairment	6,854,598	3,718,469	3,404,352	102,554,193	116,531,612
Net Balances	**5,732,291**	**801,035**	**698,180**	**20,245,873**	**27,477,380**

As at 30 June 2024	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Property Rates:					
Gross Balances	5,535,884	176,099	129,668	3,565,564	9,407,215
Less: Provision for Impairment	1,455,933	116,245	102,506	3,550,341	5,225,026
Net Balances	**4,079,951**	**59,853**	**27,162**	**15,223**	**4,182,189**
Traffic Fines:					
Gross Balances	7,006,650	2,968,450	4,178,810	104,355,393	118,509,303
Less: Provision for Impairment	5,846,074	2,476,758	3,486,635	87,070,042	98,879,509
Net Balances	**1,160,576**	**491,692**	**692,175**	**17,285,351**	**19,629,794**

As at 30 June Receivables of R18,571,457 were past due but not impaired. The age analysis of these Receivables are as follows

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	12,542,534	3,144,549	4,308,478	107,920,958	127,916,518
Less: Provision for Impairment	7,302,007	2,593,004	3,589,141	90,620,383	104,104,534
Net Balances	**5,240,527**	**551,545**	**719,337**	**17,300,574**	**23,811,984**

5.2 Summary of Statutory Receivables Debtors by Customer Classification

	Household	Industrial / Commercial	National and Provincial Government	Other
	R	R	R	R
As at 30 June 2025				
Current:				
0 - 30 days	3,850,478	1,553,590	45,270	-
Past Due:				
31 - 60 Days	140,734	45,431	2,280	-
61 - 90 Days	115,018	37,078	2,085	-
+ 90 Days	2,286,878	538,517	322,734	-
Sub-total	6,393,109	2,174,616	372,369	-
Less: Provision for Impairment	3,072,291	837,027	371,246	-
Total Rates Debtors by Customer Classification	**3,320,818**	**1,337,589**	**1,123**	**-**

	Household	Industrial / Commercial	National and Provincial Government	Other
	R	R	R	R
As at 30 June 2024				
Current:				
0 - 30 days	3,859,535	1,627,787	48,562	-
Past Due:				
31 - 60 Days	126,147	47,326	2,626	-
61 - 90 Days	95,376	32,377	1,915	-
+ 90 Days	2,784,310	498,672	282,582	-
Sub-total	6,865,368	2,206,162	335,685	-
Less: Provision for Impairment	3,917,078	973,368	334,579	
Total Rates Debtors by Customer Classification	**2,948,290**	**1,232,794**	**1,106**	**-**

5.3 Reconciliation of Provision for Impairment

	2025	2024
	R	R
Balance at Beginning of Year:	104,104,535	95,370,319
Property Rates	5,225,026	4,139,855
Traffic Fines	98,879,509	91,230,464
Impairment Losses Recognised:	17,461,999	8,734,216
Property Rates	4,090,459	1,085,171
Traffic Fines	13,371,539	7,649,045
Impairment Losses Reversed:	(5,034,919)	-
Property Rates	(5,034,919)	-
Balance at end of year	**116,531,614**	**104,104,535**

The Provision for Impairment on Receivables exists predominantly due to the possibility that these debts will not be recovered. The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.

	2025	2024
6. CASH AND CASH EQUIVALENTS	**R**	**R**
Current Investments	125,457,664	93,346,738
Bank Accounts	83,338,161	85,164,736
Cash on Hand	4,650	4,650
Total Bank, Cash and Cash Equivalents	**208,800,476**	**178,516,124**

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments.

6.1 Current Investment Deposits

Ìnvestments (up to 6 months) & Call accounts	125,457,664	93,346,738
Total Current Investment Deposits	**125,457,664**	**93,346,738**

The Municipality has the following investment accounts:

		Bank Balances	
		30 June 2025	**30 June 2024**
FNB	Account 76209608987	12,009,824	-
ABSA Bank:	Account 2081700398	12,443,612	-
ABSA Bank:	Account 2081793856	16,510,578	-
ABSA Bank	Account 2082120018	12,010,455	-
ABSA Bank	Account 2082120979	12,010,455	-
Nedbank	Account 3788100089	12,431,145	-
Nedbank	Account 3788100091	12,010,146	-
Nedbank	Account 3788100092	12,010,146	-
Standard Bank	Account 288807995022	12,010,652	-
Standard Bank	Account 288807995023	12,010,652	-
ABSA Bank	Account 2081556939	-	12,233,556
ABSA Bank	Account 2081556947	-	12,233,556
ABSA Bank	Account 9384388907	-	20,975,495
ABSA Bank	Account 2080123404	-	5,123,056
Nedbank	Account 037881000058000083	-	9,163,672
Nedbank	Account 037881000058000084	-	9,163,672
Standard Bank	Account 288807995015	-	12,225,649
Standard Bank	Account 288807995016	-	12,228,082
		125,457,664	**93,346,738**

Investments & Call accounts are investments with a maturity period of up to 6 months and earn interest rates varying from 7.25% to 9.60% (2024: 7.25% to 9.60%) per annum.

Guarantees Granted

In favour of Eskom	2,000	2,000
In favour of Department of Minerals and Energy	20,000	20,000
In favour of Diale Mogashoa Inc Attorneys (Withdrawn in August 2024)	-	-
Total Guarantees Granted	**22,000**	**22,000**

6.2 Bank Accounts

Cash in Bank	83,338,161	85,164,736
Total Bank Accounts	**83,338,161**	**85,164,736**

The Municipality has the following operational bank accounts:

Primary Bank Account		
Cash book balance at beginning of year	78,959,775	101,097,253
Cash book balance at end of year	76,350,832	78,959,775
ABSA Bank - Swellendam Branch - Cheque Account Number: 2390560039		
Bank statement balance at beginning of year	78,558,415	100,807,809
Bank statement balance at end of year	75,597,752	78,558,415
Current Account		
Cash book balance at beginning of year	6,204,961	3,341,941
Cash book balance at end of year	6,987,329	6,204,961
First National Bank - Swellendam Branch - Cheque Account Number: 53840005730		
Bank statement balance at beginning of year	6,204,961	3,341,941
Bank statement balance at end of year	7,304,015	6,204,961

The municipality does not have any overdrawn current account facilities with its banker and therefore does not incur interest on overdrawn current accounts. Interest is earned at different rates per annum on favourable balances.

The carrying value of these assets approximates their fair value.

6.3 Cash on Hand

Cash Floats and Advances	4,650	4,650
Total Cash on hand in Cash Floats, Advances and Equivalents	**4,650**	**4,650**

7. PROPERTY, PLANT AND EQUIPMENT

30 June 2025

Reconciliation of Carrying Value

Description	Land	Buildings	Infra- structure	Community	Other	Transport Assets	Total
	R	R		R	R	R	R
Carrying values at 01 July 2024	**20,823,580**	**7,278,907**	**445,011,720**	**49,706,405**	**10,861,154**	**12,786,340**	**546,468,106**
Cost	29,546,591	10,163,349	586,928,821	59,711,478	24,154,943	23,765,987	734,271,168
- Completed Assets	29,546,591	10,163,349	581,680,212	59,711,478	24,154,943	23,765,987	729,022,560
- Under Construction	-	-	5,248,608	-	-	-	5,248,608
Accumulated Impairment Losses	(8,723,012)	(1,477,558)	(7,822,905)	(5,479,203)	(736,698)	(3,550)	(24,242,926)
Accumulated Depreciation	-	(1,406,883)	(134,094,195)	(4,525,869)	(12,557,092)	(10,976,097)	(163,560,136)
Acquisition of Assets							
- Cost	-	71,329	35,156,675	600,318	1,832,480	5,705,140	43,365,941
- Capital Under Construction	-	264,213	2,997,979	-	-	-	3,262,192
Decommisioning and other Liabilities	-	-	577,613	-	-	-	577,613
Depreciation	-	(143,412)	(14,381,855)	(787,880)	(2,590,438)	(1,784,474)	(19,688,058)
Carrying value of Disposals:	(785,601)	-	(7,199,101)	(50,000)	(251)	-	(8,034,952)
- Cost	(817,989)	(970,724)	(10,050,592)	(50,000)	(874)	-	(11,890,179)
- Accumulated Impairment Losses	32,388	825,913	306,600	-	14	-	1,164,914
- Accumulated Depreciation	-	144,811	2,544,892	-	609	-	2,690,312
Impairment Losses	-	-	(23,169,171)	-	(2,362)	(30,061)	(23,201,594)
Capital under Construction - Completed	-	-	(3,628,164)	-	-	-	(3,628,164)
Other Movements	-	(71,329)	2,681,492	663,277	18,734	(125,215)	3,166,959
- Cost	-	(71,329)	2,681,492	663,277	18,734	(125,215)	3,166,959
- Accumulated Depreciation	-	-	-	-	-	-	-
Carrying values at 30 June 2025	**20,037,979**	**7,399,709**	**438,047,188**	**50,132,120**	**10,119,317**	**16,551,730**	**542,288,043**
Cost	28,728,603	9,456,838	614,663,823	60,925,073	26,005,283	29,345,912	769,125,531
- Completed Assets	28,728,603	9,192,625	610,045,400	60,925,073	26,005,283	29,345,912	764,242,894
- Under Construction	-	264,213	4,618,423	-	-	-	4,882,636
Accumulated Impairment Losses	(8,690,624)	(651,646)	(30,685,477)	(5,479,203)	(739,045)	(33,612)	(46,279,607)
Accumulated Depreciation	-	(1,405,483)	(145,931,158)	(5,313,749)	(15,146,920)	(12,760,570)	(180,557,881)

7. PROPERTY, PLANT AND EQUIPMENT

30 June 2024

Reconciliation of Carrying Value

Description	Land	Buildings	Infra-structure	Community	Other	Transport Assets	Total
	R	R		R	R	R	R
Carrying values at 01 July 2023	**20,834,200**	**7,739,746**	**421,524,022**	**49,453,460**	**8,196,306**	**14,544,212**	**522,291,946**
Cost	29,548,112	9,625,795	542,982,421	57,929,724	21,119,107	23,825,035	685,030,194
- Completed Assets	29,548,112	9,625,795	535,913,452	57,619,581	21,119,107	23,825,035	677,651,082
- Under Construction	-	-	7,068,969	310,143	-	-	7,379,112
Accumulated Impairment Losses	(8,713,912)	(613,620)	(1,166,471)	(4,701,452)	(1,448,856)	(2,376)	(16,646,686)
Accumulated Depreciation	-	(1,272,429)	(120,291,928)	(3,774,812)	(11,473,946)	(9,278,447)	(146,091,561)
Acquisition of Assets							
- Cost	0	486,842	16,332,899	2,158,344	4,946,499	-	23,924,583
- Capital Under Construction	-	173,850	27,241,119	1,546,510	-	-	28,961,479
Decommisioning and other Liabilities	-	-	(705,834)	-	-	-	(705,834)
Depreciation	-	(134,447)	(14,445,155)	(751,212)	(2,382,705)	(1,747,448)	(19,460,968)
Carrying value of Disposals:	(67,968)	-	(277,162)	-	(555,613)	(1,605)	(902,347)
- Cost	(67,968)	-	(946,732)	-	(1,905,496)	(77,704)	(2,997,900)
- Accumulated Impairment Losses	-	-	26,703	-	76,841	(237)	103,307
- Accumulated Depreciation	-	-	642,868	-	1,273,042	76,335	1,992,245
Impairment Losses	(359,186)	(863,938)	(6,683,137)	(427,665)	635,317	(938)	(7,699,548)
Capital under Construction - Completed	-	(173,850)	(29,061,479)	(1,856,653)	-	-	(31,091,982)
Other Movements	416,533	-	31,086,448	(416,379)	-	(7,881)	31,150,776
- Cost	66,447	50,712	31,086,428	(66,447)	(5,167)	18,656	31,150,628
- Accumulated Depreciation	-	(7)	20	154	26,517	(26,537)	148
Carrying values at 30 June 2024	**20,823,580**	**7,278,907**	**445,011,720**	**49,706,405**	**10,861,154**	**12,786,340**	**546,468,106**
Cost	29,546,591	10,163,349	586,928,821	59,711,478	24,154,943	23,765,987	734,271,168
- Completed Assets	29,546,591	10,163,349	581,680,212	59,711,478	24,154,943	23,765,987	729,022,560
- Under Construction	-	-	5,248,608	-	-	-	5,248,608
Accumulated Impairment Losses	(8,723,012)	(1,477,558)	(7,822,905)	(5,479,203)	(736,698)	(3,550)	(24,242,926)
Accumulated Depreciation	-	(1,406,883)	(134,094,195)	(4,525,869)	(12,557,092)	(10,976,097)	(163,560,136)

The prior year amount for Property, Plant and Equipment has been adjusted. Refer to Note 48.8 on "Correction of Error" for details of the restatement.

		2025 R	2024 R
7. PROPERTY, PLANT AND EQUIPMENT			
Proceeds on Disposal of Property, Plant and Equipment:			
Disposals of Property, Plant and Equipment		8,034,952	902,347
(Gains) / Losses on Disposal of Property, Plant a	Note 47	(4,911,773)	(668,434)
Total Proceeds on Disposal of Property, Plant and Equipment allocated to Cash Flow		**3,123,179**	**233,913**

7.1 PPE for which the Municipality does not have the legal title, but has control:

		2025 R	2024 R
Carrying Value at year-end:			
Erf 420 - Suurbraak	Library	885,049	885,049
Erf 310 - Suurbraak	Stores	510,167	510,167
10 Erven - Swellendam	Street Corridors	10,000	10,000
		1,405,216	**1,405,216**

Key Judgements and Assumptions applied

The Provincial Government, Western Cape, transferred Erf 420 Suurbraak. However, this erf consists out of two properties that are built on the property. One is the clinic and one is the main building (other assets) with the library (community assets) and old post office (Investment property). The erf should have been subdivided before it was transferred. Swellendam Municipality is in the process to address with Province to rectify as the main building with a library and rented offices is under their control.

Erf 310 Suurbraak consists out of the municipal stores (mainly) and a building that is let out. Swellendam Municipality utilises the stores to perform their mandated functions and they receive the income of the building which is let out. They are responsible for the insurance and municipal accounts for this property. Swellendam Municipality controls Erf 310 Suurbraak and exercise the right to direct access to the property and generate future economic and service potential of the property. A process will be initiated to address the ownership of this property.

8 Erven is situated in Swellendam which consists out of streets, which is part of Swellendam Municipality mandated functions. These erven still have to be transferred to Swellendam Municipality.

7.2 PPE for which the Municipality has the legal title, but does not have the control:

		2025 R	2024 R
Valuation as reflected on the 2023 Valuation Roll:			
10 Erven (2023/24: 10 Erven) - Swellendam	Part of the N2 National Road	10,000	10,000
80 Erven (2023/24: 116 Erven) - Swellendam	Erven	6,809,000	16,370,200
		6,819,000	**16,380,200**

Key Judgements and Assumptions applied

10 Erven form part of the N2 National Road , which is not part of the Municipality's mandated function.

80 Erven still to be transferred to private owners as they control the assets, they can exercise the right to direct access to the property and generate future economic and service potential of the property. The private owners is responsible for the municipal accounts.

7.3 Assets pledged as security

The municipality’s obligations under Finance Leases (see Note 17) are secured by the lessors’ title to the leased assets. No other assets of the municipality have been pledged as security.

	2025 R	2024 R

7.4 Impairment of Property, Plant and Equipment

Impairment Losses on Property, Plant and Equipment to the amount of R23,201,594 (2024: R7,699,548) has been recognised in operating surplus and are included in Impairment Losses in the Statement of Financial Performance as indicated in Note 38.

The amount disclosed for impairment losses on Property, Plant and Equipment does not include individually material amounts of impairment losses. However, cumulative impairment losses for the following significant account balances are included therein:

	2025 R	2024 R
Land	-	359,186
Buildings	-	863,938
Community Assets	-	427,665
Infrastructure	23,169,171	6,683,137
Other Assets	2,362	(635,317)
Transport Assets	30,061	938
Total Impairment of Property, Plant and Equipment	**23,201,594**	**7,699,548**

Impairment losses on Property, Plant and Equipment exist predominantly due to technological obsolescence of information technology equipment.The remainder of impaired items of Property, Plant and Equipment have been physically damaged, stolen or have become redundant and idle.

7.5 Change in Estimate - Useful Life of Property, Plant and Equipment reviewed

A change in the estimated useful life of various assets of the municipality has resulted in the following increases (2024: increases) in depreciation for the mentioned asset classes for the financial year:

	2025 R	2024 R
Land	2,708	5,304
Infrastructure	48,709	106,567
Other Assets	297,421	198,382
Total Change in Estimate for Useful Life of Property, Plant and Equipment	**348,838**	**310,253**

The change in estimates will result in an increase of R348,838 (increase 2024: R310,253) in the depreciation expense for the municipality over the next three financial years:

	2025 R	2024 R
Financial Year 2023/24		310,253
Financial Year 2024/25	348,838	-
Total Change in Estimate for Useful Life of Property, Plant and Equipment	**348,838**	**310,253**

7.6 Work-in-Progress

The municipality has incurred expenditure on capital projects which were not completed at year-end. The details of the carrying amounts of expenditure included in each class of assets are listed below:

	2025 R	2024 R
Buildings	264,213	-
Infrastructure	4,618,423	5,248,608
Total Carrying Amounts of Work-in-Progress	**4,882,636**	**5,248,608**

7.7 Delayed Projects

Project Details	Delayed or Halted	2025 R	2024 R
Infrastructure Asset			
Barrydale Waste Water Treatment Works	Halted	769,642	769,642
Reason: The project was halted due to counter funding availability. The cost incurred was for consultancy fees. The project is in the pre-appraisal and final appraisal phases for implementation in the 2026/2027 financial year.			
Total Carrying Amounts of Delayed or Halted Projects		**769,642**	**769,642**

	2025	2024
	R	R

7.8 Expenditure incurred for Repairs and Maintenance

The following specific costs included in the amount of repairs and maintenance were incurred by municipality during the reporting period:

	2025 R	2024 R
- Contracted Services	24,149,935	15,027,971
- Inventory Consumed	5,873,149	5,190,488
- Labour	21,816,382	20,410,844
- Other Operational Costs	531,526	806,285
Total Expenditure related to Repairs and Maintenance Projects	**52,370,992**	**41,435,589**

8. INTANGIBLE ASSETS

	2025 R	2024 R
At Cost less Accumulated Amortisation and Accumulated Impairment Losses	**683,956**	**466,149**

The movement in Intangible Assets is reconciled as follows:

Software Purchased:

	2025 R	2024 R
Opening Carrying values at 01 July	**466,149**	**566,906**
Cost	924,686	1,305,560
Accumulated Amortisation	(458,536)	(738,654)
Acquisitions:	-	124,076
Purchased	-	124,076
Amortisation:	(89,673)	(127,755)
Purchased	(89,673)	(127,755)
Disposals:	-	(97,078)
Cost	-	(504,950)
Accumulated Amortisation	-	407,872
Transfers:	307,480	-
At Cost	307,480	-
At Accumulated Amortisation	-	-
Closing Carrying values at 30 June	**683,956**	**466,149**
Cost	1,232,166	924,686
Accumulated Amortisation	(548,210)	(458,536)

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (see Note 37).

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

8.1 Significant Intangible Assets

Significant Intangible Assets, that did not meet the recognition criteria for Intangible Assets as stipulated in GRAP 102 and SIC 32, are the following:

(i) Website Costs incurred during the last two financial years, if applicable, have been expensed and not recognised as Intangible Assets. The municipality cannot demonstrate how its website will generate probable future economic benefits.

8.2 Intangible Assets with Indefinite Useful Lives

The municipality amortises all its Intangible Assets and no of such assets are regarded as having indefinite useful lives.

	2025	2024
	R	R

8.3 Change in Estimate - Useful Life of Intangible Assets reviewed

A change in the estimated useful life of various assets of the municipality has resulted in the following decreases in amortisation for the mentioned asset classes for the financial year:

	2025	2024
Computer Software	49,554	49,554
Total Change in Estimate for Useful Life of Intangible Assets	**49,554**	**49,554**

The change in estimates will result in an increase of R49,554 (2024: R49,554) in the amortisation expense for the municipality over the next three financial years.

	2025	2024
Financial Year 2023/24	49,554	49,554
Total Change in Estimate for Useful Life of Intangible Assets	**49,554**	**49,554**

9. INVESTMENT PROPERTY

	2025	2024
At Cost less Accumulated Depreciation	**16,529,835**	**11,521,922**

The movement in Investment Property is reconciled as follows:

	2025	2024
Carrying values at 1 July	**11,521,922**	**11,649,766**
Cost	13,288,690	13,364,322
Accumulated Depreciation	(797,331)	(745,120)
Accumulated Impairment Losses	(969,436)	(969,436)
Acquisitions during the Year	5,061,000	-
Cost	5,061,000	-
Depreciation during the Year	(52,070)	(52,212)
Disposals during the Year:	(1,018)	(75,632)
Cost	(1,018)	(75,632)
Accumulated Depreciation	-	-
Carrying values at 30 June	**16,529,835**	**11,521,922**
Cost	18,348,673	13,288,690
Accumulated Depreciation	(849,401)	(797,331)
Accumulated Impairment	(969,436)	(969,436)

The prior year amount for Investment Property has been adjusted. Refer to Note 48.8 on "Correction of Error" for details of the restatement.

Revenue and Expenditure disclosed in the Statement of Financial Performance include the following:

	2025	2024
Rental Revenue earned from Investment Property	525,533	328,824

		2025 R	2024 R

9.1 Investment Property for which the Municipality does not have the legal title, but has control:

		2025 R	2024 R
Carrying Value at year-end:			
Erf 420 - Suurbraak	Old Post Office	278,228	278,228
		278,228	**278,228**

Key Judgements and Assumptions applied

The Provincial Government, Western Cape, transferred Erf 420 Suurbraak. However, this erf consists out of two properties that are built on the property. One is the clinic and one is the main building (other assets) with the library (community assets) and old post office (Investment property). The erf should have been subdivided before it was transferred. Swellendam Municipality is in the process to address with Province to rectify as the main building with a library and rented offices is under their control.

9.2 Expenditure incurred for Repairs and Maintenance

The following specific costs included in the amount of repairs and maintenance were incurred by municipality during the reporting period:

	2025 R	2024 R
Contracted Services	14,057	5,784
Inventory Consumed	-	1,207
	14,057	**6,992**

10. HERITAGE ASSETS

30 June 2025
Reconciliation of Carrying Value

Description	Significant Land and Buildings	Total
	R	R
Carrying values at 01 July 2024	**170,979**	**170,979**
Cost	170,979	170,979
Acquisitions	-	-
Carrying values at 30 June 2025	**170,979**	**170,979**
Cost	170,979	170,979

30 June 2024
Reconciliation of Carrying Value

Description	Significant Land and Buildings	Total
	R	R
Carrying values at 01 July 2023	**170,979**	**170,979**
Cost	170,979	170,979
Acquisitions	-	-
Carrying values at 30 June 2024	**170,979**	**170,979**
Cost	170,979	170,979

All of the municipality’s Heritage Assets are held under freehold interests and no Heritage Assets had been pledged as security for any liabilities of the municipality.

	2025	2024
	R	R

11. LEASE RECEIVABLES

	2025 R	2024 R
Current Lease Receivables	356,454	367,962
Total Lease Receivables	**356,454**	**367,962**

11.1 Lease Receivables

	2025 R	2024 R
Operating Leases	356,454	367,962
Less: Current Portion transferred to Current Lease Receivables:	356,454	367,962
Operating Leases	356,454	367,962
Non-Current Portion of Operating Lease Receivables	**-**	**-**

11.1.1 Leasing Arrangements

The Municipality entered into operating Leasing Arrangements for Municipal Land, Building, and Sport Club rentals. All leases are denominated in currency units that have a specific income condition.

11.1.2 Amounts receivable under Operating Leases

At the Reporting Date the following minimum lease payments were receivable under Non-Cancellable Operating Leases for Land and Buildings, which are receivable as follows:

	2025 R	2024 R
Up to 1 year	587,252	528,854
2 to 5 years	1,742,014	1,840,034
More than 5 years	295,523	521,082
Total Operating Lease Arrangements	**2,624,789**	**2,889,970**

12. LONG-TERM RECEIVABLES

	2025 R	2024 R
Property Rates	317,929	344,706
Trading Service Debtors	3,363,719	2,880,671
Total Long Term Receivables	3,681,648	3,225,377
Provision for Impairment: Property Rates	(271,062)	(300,457)
Provision for Impairment: Trading Service Debtors	(3,182,485)	(2,645,431)
Non-Current Portion of Long Term Receivables	**228,101**	**279,489**

12.1 Summary of Receivables

Non- Exchange Receivables with Arrangements - At Amortised Cost:

Rates	528,236	495,959
Less: Current Portion transferred to Receivables from Exchange Transactions	(141,990)	(151,254)
Less: Provision for Debt Impairment	(271,062)	(300,457)
Total Non-Current Receivables from Exchange Transactions	**115,184**	**44,248**

Exchange Receivables with Arrangements - At Amortised Cost:

Electricity	450,366	349,744
Water	1,356,032	1,239,777
Refuse	1,031,960	924,177
Sewerage	1,360,524	1,210,612
Rentals	1,422	3,850
Sundry Receivables	459,918	495,959
	4,660,222	4,224,119
Less: Current Portion transferred to Receivables from Exchange Transactions	(1,368,328)	(1,365,267)
	3,291,894	2,858,852
Less: Provision for Debt Impairment	(3,182,485)	(2,645,431)
Total Non-Current Receivables from Exchange Transactions	**109,410**	**213,421**

Trading Service Debtors
Arrear amounts on services are capitalised on completion of a formal agreement or upon being handed over to attorneys for collection. These arrear amounts are then paid to the municipality in monthly instalments over a period not exceeding 48 months. No interest is charged on these amounts where the stipulations of the agreement are adhered to.

12.2 Reconciliation of Provision for Impairment

Balance at beginning of year	2,945,888	2,606,142
Impairment Losses recognised	537,054	339,746
Impairment Losses reversed	(29,395)	-
Balance at end of year	**3,453,547**	**2,945,888**

Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

13. CONSUMER DEPOSITS

	2025 R	2024 R
Electricity	795,805	736,300
Water	1,988,098	1,561,736
Other Deposits:	2,949,644	2,476,810
- Building Plans	2,648,240	2,214,932
- Rental Properties	117,904	108,378
- Wayleave	183,500	153,500
Total Consumer Deposits	**5,733,548**	**4,774,845**

The prior year amount for Consumer Deposits has been adjusted. Refer to Note 48.8 on "Correction of Error" for details of the restatement.

Consumer Deposits - Electricity and Water
Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

Consumer Deposits - Wayleave
Deposit the municipality holds as security from contractors/third parties working on municipal land, until compliance is confirmed.

Consumer Deposits - Building Plans
Deposits for building plans are paid when such plans are submitted. These deposits are held until completion of the building and paid out when a final occupancy certificate is issued.

Consumer Deposits - Rental Properties
Deposits are paid for the rental of properties. Deposits will not be repaid in the case of outstanding rent or in the case of property being damaged.

No interest is paid on Consumer Deposits held.

14. PAYABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Other Payables:	2,123,186	19,967,420
Accrued Interest	445,849	454,256
Construction Contracts	842,769	18,281,070
Control, Clearing and Interface Accounts	675,026	1,194,427
Unallocated Deposits	159,542	37,667
Retentions	3,442,276	1,295,700
Trade Creditors:	51,852,854	57,255,168
Electricity Bulk Purchase	9,239	-
Payables and Accruals	51,843,615	57,255,168
Advance Payments	3,086,401	2,570,979
Total Payables from Exchange Transactions	**60,504,717**	**81,089,267**

The prior year amount for Payables from Exchange Transactions has been adjusted. Refer to Note 48.8 on "Correction of Error" for details of the restatement.

The average credit period on purchases is 49 days (2024: 74) days, as opposed to 30 days from the receipt of the invoice as determined by the MFMA.

No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with.

14.1 Construction Contracts in Progress at Statement of Financial Position Date	**2025** **R**	**2024** **R**
Reconciliation of Contracts for the Year		
Opening Balance	(18,281,070)	-
Construction Contracts - Transfer opening balance to Revenue	18,281,070	-
Current year receipts	(114,635,309)	(74,701,256)
Construction Contracts - Transfer current year receipts to Revenue	113,792,540	56,420,186
Unpaid Deliverables at Year-End	**(842,769)**	**(18,281,070)**
Cost and Revenue for the Year		
Contract Revenue for the Year	132,073,610	56,420,186
Contract Costs for the Year	(132,073,610)	(56,420,186)
Recognised profit/(loss)	**-**	**-**
Amounts due from/(Prepaid by) Customers		
Opening Balance of Advance Receivable	(18,281,070)	-
Progress Billings for the Period (with reference to stage of completion)	132,073,610	56,420,186
Advances Received During the Period	(114,635,309)	(74,701,256)
Amounts (Prepaid by) Customers	(842,769)	(18,281,070)
Less: Retentions Held	-	-
Total (prepaid by) Customers	**(842,769)**	**(18,281,070)**
Contracts in Progress at Year End		
Budgeted Construction Deliverables due at the Beginning of the Year	(18,281,070)	-
New Deliverables Due	(114,635,309)	(74,701,256)
Contract Deliverables Met	132,073,610	56,420,186
Total (prepaid by) customers	**(842,769)**	**(18,281,070)**
Reconciliation of construction contracts balance		
Opening Balance	(18,281,070)	-
Receipts for the Year	(114,635,309)	(74,701,256)
Deliverables met (Revenue Recognised)	132,073,610	56,420,186
Total Construction Construction Balance	**(842,769)**	**(18,281,070)**
Aggregate amounts for contracts in progress at year-end:		
Aggregate costs incurred to date	(188,493,796)	(56,420,186)
Aggregate contract revenue recognised to date	188,493,796	56,420,186
Recognised profit/(loss) to date	**-**	**-**
Costs and revenue are cumulative amounts from inception of projects to year-end		

The amounts disclosed above represent the aggregate position of all construction contracts in progress during the financial year, in accordance with GRAP 11. This total includes the Municipality’s construction contract activities relating to the Ralton Top Structures, Ralton Geysers, and Rietkuil Water Infrastructure Upgrade projects. These projects meet the requirements of GRAP 11 and have therefore been included within the construction contract disclosures presented in this note.

15. UNSPENT CONDITIONAL GRANTS AND RECEIPTS	2025 R	2024 R
Departmental Agencies and Accounts	535,360	554,610
District Municipalities	91,865	144,443
National Government	9,724,723	1,505,353
Provincial Government	23,033,928	17,931,441
Total Unspent Conditional Grants and Receipts	**33,385,877**	**20,135,846**

The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised.

The prior year amount for Unspent has been adjusted. Refer to Note 48.8 on "Correction of Error" for details of the restatement.

See Note 26 for the reconciliation of Grants from Government and other sources. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

16. VALUE ADDED TAX (VAT)

	2025	2024
VAT Receivable		
Input Tax	4,285,146	6,644,524
VAT Control	412,425	460,694
Total VAT Receivable	**4,697,571**	**7,105,218**
VAT Payable		
Output Tax	4,877,712	7,983,180
Output Tax Accrual	(3,204,331)	(3,174,735)
Total VAT Payable	**1,673,382**	**4,808,444**
Net VAT Receivable / (Payable)	**3,024,189**	**2,296,774**

The prior year amount for VAT Payable has been adjusted. Refer to Note 48.8 on "Correction of Error" for details of the restatement.

VAT is payable on the receipts basis. Only once payment is received from debtors, VAT is paid over to SARS.

16.1 Reconciliation of Provision for Impairment

	2025	2024
Balance at beginning of year	3,174,735	2,431,172
Impairment Losses recognised	29,596	743,563
Impairment Losses reversed	-	-
Balance at end of year	**3,204,331**	**3,174,735**

17. LEASE PAYABLES

	2025	2024
Current Lease Payables:	243,142	421,942
Operating Lease Payables	28,644	19,917
Finance Lease Payables	214,498	402,025
Non-current Lease Payables	-	214,499
Finance Lease Payables	0	214,499
Total Lease Payables	**243,142**	**636,441**

17.1 Operating Lease Payables

	2025	2024
Balance at beginning of year	19,917	16,437
Operating Lease Expenses recorded	468,998	434,754
Operating Lease Payments effected	(460,270)	(431,274)
Total Operating Lease Liabilities	**28,644**	**19,917**

17.1.1 Leasing Arrangements

The Municipality as Lessee:
Operating Leases relate to Land and Buildings with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

17.1.2 Amounts Payable under Operating Leases

At the Reporting Date the municipality had outstanding commitments under Non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

	2025 R	2024 R
Buildings:	386,679	830,996
Up to 1 year	268,612	455,332
2 to 5 years	118,066	375,664
More than 5 years	-	-
Total Operating Lease Arrangements	**386,679**	**830,996**

The Non-Cancellable Operating Leases for the prior year has been adjusted.

The following payments have been recognised as an expense in the Statement of Financial Performance:

Minimum lease payments	455,589	434,754
Total Operating Lease Expenses	**455,589**	**434,754**

The municipality has operating lease agreements for the following classes of assets, which are only significant collectively:
- Buildings

17.2 Finance Lease Payables

Finance Lease Liability	214,498	616,524
Total Lease Payables	214,498	616,524
Less: Current Portion transferred to Current Lease Payables:	(214,498)	(402,025)
Finance Lease Liability	(214,498)	(402,025)
Non-Current Portion of Finance Lease Payables	**-**	**214,499**

17.2.1 Obligations under Leases

The Municipality as Lessee:
The municipality does not have an option to purchase the leased Property, Plant and Equipment at the conclusion of the lease agreements. The municipality's obligations under Finance Leases are secured by the lessors' title to the leased assets.

The obligations under Finance Leases are as follows:

	Future Minimum Finance Lease Payments		Present Value of Minimum Lease Payments	
	2025	2024	2025	2024
	R	R	R	R
Amounts payable under borrowings:				
Within one year	221,733	448,718	214,498	402,026
In the second to fifth years, inclusive	-	221,733	-	214,498
Over five years	-	-	-	-
	221,733	670,451	214,498	616,524
Less: Future Finance Obligations				
Within one year	(7,236)	(46,692)	-	-
In the second to fifth years, inclusive	-	(7,236)	-	-
Over five years				
Present Value of Minimum Lease Obligations	**214,498**	**616,524**	**214,498**	**616,524**

	2025	2024
18. BORROWINGS	**R**	**R**
Long-Term Borrowings	30,828,653	27,487,801
Annuity Loans	30,828,653	27,487,801
Less: Current Portion transferred to Current Borrowings:	4,201,905	4,161,118
Annuity Loans	4,201,905	4,161,118
Non-Current Portion of Borrowings	**26,626,748**	**23,326,683**

18.1 Summary of Arrangements

Unsecured annuity loans at amortised cost consist of 3 contracts (2024: 3) contracts with DBSA, with interest rates between 8.89% and 12,20%, with maturity dates between 2025 and 2030.

Unsecured annuity loans at amortised cost consist of 5 contracts with ABSA, with interest rates between 9,17% and 10,9%, with maturity dates between 2027 and 2040.

At the Reporting Date the obligations under Annuity Loans were as follows:

	2025	2024
Up to 1 year	7,302,663	7,020,194
2 to 5 years	24,183,156	20,186,288
More than 5 years	15,026,228	14,992,007
	46,512,047	42,198,488
Less: Future Finance Obligations	(15,683,394)	(14,710,687)
Present value of Annuity Loan Obligations	**30,828,653**	**27,487,801**

Comparative figures have been reclassified to conform to the current year's disclosure of borrowings by maturity.
The reclassification has no impact on the total borrowings previously reported.

19. EMPLOYEE BENEFIT LIABILITIES	2025 R	2024 R
Employee Benefit Liabilities	**60,796,715**	**54,257,022**
Bonus	3,660,104	3,457,910
Leave	10,539,611	9,666,112
Post-retirement Health Care Benefits Liability	39,275,000	34,278,000
Long Service Awards Liability	7,322,000	6,855,000
Less: Current Portion of Employee Benefit Liabilities	**16,238,715**	**15,175,022**
Bonus	3,660,104	3,457,910
Leave	10,539,611	9,666,112
Post-retirement Health Care Benefits Liability	1,263,000	1,242,000
Long Service Awards Liability	776,000	809,000
Non-Current Portion of Employee Benefit Liabilities	**44,558,000**	**39,082,000**

19.1 Current Portion of Employee Benefit Liabilities

Bonus Provision

Opening Balance	3,457,910	3,185,989
Increases	3,660,104	3,457,910
Payments Made	(3,175,920)	(2,810,878)
Reversals	(281,990)	(375,111)
Balance at end of year	**3,660,104**	**3,457,910**

Bonus Provision: Staff bonuses accrued to employees according to the standard contract of employment. Provision is made for the full cost of accrued bonuses at reporting date. This provision will be realised when bonuses are paid during November of the next year.

Leave Provision

Opening Balance	9,666,112	8,790,935
Increases	1,156,283	1,131,554
Payments Made	(282,784)	(256,376)
Reversals	-	-
Balance at end of year	**10,539,611**	**9,666,112**

Leave Provision: Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at the reporting date. This provision will be realised as employees take leave.

Long-term Service

Opening Balance	809,000	872,000
Increases	1,290,000	-
Actual employer benefit payments	(597,330)	-
Other Reductions	(225,670)	-
Reversals	(500,000)	(63,000)
Balance at end of year	**776,000**	**809,000**

Post Retirement Health Care

Opening Balance	1,242,000	1,128,000
Interest cost	-	-
Current service cost	21,000	114,000
Actual employer benefit payments	-	-
Actuarial loss/ (gain) recognised in the year	-	-
Balance at end of year	**1,263,000**	**1,242,000**

19.1.1 Post-retirement Benefit Liabilities	**2025 R**	**2024 R**
Present Value of the Defined Benefit Obligations		
Current Liabilities	2,039,000	2,051,000
Non-current Liabilities	44,558,000	39,082,000
Defined Benefit Liability recognised in Statement of Financial Position (wholly unfunded)	**46,597,000**	**41,133,000**

The municipality does not provide any other post-retirement or long service benefits beyond these.

19.1.1.1 Post-retirement Health Care Benefits Liability

Opening Balance	34,278,000	30,590,000
Interest Cost	4,142,000	3,764,000
Current Service Cost	1,490,000	1,401,000
Actual Employer Benefit Payments	(1,211,931)	(1,113,601)
Actuarial Loss/ (Gain) recognised in the year	576,931	(363,399)
Balance at end of Year	39,275,000	34,278,000
Transfer to Current Provisions	1,263,000	1,242,000
Total Post-retirement Health Care Benefits Liability	**38,012,000**	**33,036,000**

Characteristics of the Defined Benefit Plan
The municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Eligible employees will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement. Employees employed after 20 January 2009 will only be considered for a post-employment subsidy if they have completed at least 15 years of service at retirement.

Continuation members and their eligible dependants receive a 70% subsidy.

The post-employment subsidies are not limited to any maximum subsidy.

Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. The minimum service condition mentioned above does not apply to the death in service benefit. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

Risks of the Defined Benefit Plan
Inflation Risk: The is risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.

Longevity Risk: There is a risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.

Volatility Risk: There is a risk that the DBO may be volatile which is exacerbated by its long-term nature.

Future change in legislation risk: There is a risk that changes to legislation with respect to the post-employment medical aid benefit may increase the DBO for the Municipality.

Enforcement of eligibility criteria and rules Risk: There is a risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2025 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	216	229
In-service Non-members (Employees)	51	37
Continuation Members (Retirees, widowers and orphans)	20	20
Total Members	**287**	**286**

During the current year, the municipality adjusted its estimates to account for an increased percentage of in-service non-members who might be able to afford medical aid in the future. This change reflects an acknowledgment that some employees, previously unable to afford medical aid, might now be able to do so.

The municipality anticipates that 15% of these employees, consistent with the previous year's estimate, might join a medical aid scheme before retirement. This projected joining rate of 15% was established by examining the municipality's historical data in combination with national statistics, as analysed by actuaries.

The liability in respect of past service has been estimated as follows:

	2025 R	2024 R
In-service Members	23,744,000	20,677,000
In-service Non-members	1,938,000	1,625,000
Continuation Members	13,593,000	11,976,000
Total Liability	**39,275,000**	**34,278,000**

Maturity Profile

The defined benefit obligation of the municipality's health care plan has a weighted average duration of approximately 17.8 years. This duration reflects the estimated time period over which the accrued benefits are expected to be settled.

The following is a maturity analysis of the benefit payments expected to be made under the plan:

Within 1 year	1,336,000
Between 1 - 2 years	1,843,000
Between 2 - 3 years	2,219,000
Between 3 - 4 years	2,517,000
Between 4 - 5 years	2,792,000
6 to 10 years	18,664,000
11 to 15 years	32,690,000
16 to 20 years	52,333,000
21 to 25 years	76,199,000
26 to 30 years	102,251,000
31 to 40 years	281,057,000
41 to 50 years	310,828,000
51 to 60 years	249,901,000
61 to 70 years	132,456,000
71 to 80 years	36,862,000
Total Benefit Payments	**1,303,948,000**

The benefits payments are scheduled based on the expected retirement ages of current employees and the provisions of the plan that determine the timing of benefits payments. The distribution of these payments is subject to changes in demographic factors such as retirements, mortality rates, and changes in employment within the municipality.

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- LA Health
- Keyhealth
- Samwumed

The Current-service Cost for the year ending 30 June 2025 is estimated to be R1,490,000, whereas the cost for the ensuing year is estimated to be R1 665 000 (30 June 2024: R1,401,000 and R1,490,000 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Net Effective Discount Rate - In-service Members	3.90%	4.20%
Expected Retirement Age - Females	59	59
Expected Retirement Age - Males	62	62

General:
It is assumed that the municipality's health care arrangements and subsidy policy would remain as outlined in the accounting policy, and that the level of benefits receivable and the contributions payable would remain unchanged, with the exception of allowing for inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidy from in-service members to continuation members within the medical scheme are sustainable, and will continue.

Discount Rate:
GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 11.30% per annum has been used. The corresponding index-linked yield at this term is 5.20%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 28 June 2024.

Continuation of Membership:
It has been assumed that 75% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.

Family Profile:
It has been assumed that female spouses will be four years younger than their male counterparts. Furthermore, it has been assumed that 60% of eligible employees on a health care arrangement at retirement will have a subsidised spouse dependant. For current retiree members, actual subsidised spouse dependants were used and the potential for remarriage was ignored.

		2025 R	2024 R
Movements in the present value of the Defined Benefit Obligation were as follows:			
Opening Balance		34,278,000	30,590,000
Service Cost:		1,490,000	1,401,000
Current Service Cost		1,490,000	1,401,000
Interest Expense	Refer Note 39	4,142,000	3,764,000
Payments from the Defined Benefit:		(1,211,931)	(1,113,601)
Payment of Benefits	Refer Note 35	(1,211,931)	(1,113,601)
Remeasurement of Defined Benefit:		576,931	(363,399)
Actuarial Gains / (Losses) from Changes in Financial Assumptions	Refer Note 46	576,931	(363,399)
Total Recognised Benefit Liability		**39,275,000**	**34,278,000**
The amounts recognised in the Statement of Financial Position are as follows:			
Present Value of Fund Obligations		39,275,000	34,278,000
Total Benefit Liability		**39,275,000**	**34,278,000**
The amounts recognised in the Statement of Financial Performance are as follows:			
Current service cost		4,142,000	3,764,000
Interest cost		1,490,000	1,401,000
Actuarial losses / (gains)		576,932	(363,399)
Total Post-retirement Benefit included in Employee Related Costs (Note 35.) and Gains and other operations under (Note 46)		**6,208,932**	**4,801,601**

The history of fair values are as follows:

	2025	2024	2023	2022	2021
	R	R	R	R	R
Present Value of Defined Benefit Obligation	39,275,000	34,278,000	30,590,000	30,974,000	29,654,000
Deficit	**39,275,000**	**34,278,000**	**30,590,000**	**30,974,000**	**29,654,000**
Experienced adjustments on Plan Liabilities	970,000	298,000	131,000	(1,932,000)	(472,000)

Assumed rates for health care cost trends significantly impact the figures recorded in surplus or deficit. The effect of a ±1% movement in the assumed rate of medical aid contribution inflation rate is as follows:

	2025	2024
Increase:	R	R
Effect on the aggregate of the current service cost and the interest cost	979,000	900,000
Effect on the defined benefit obligation	6,108,000	5,202,000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	(788,000)	(721,000)
Effect on the defined benefit obligation	(4,977,000)	(4,259,000)

The municipality expects to make a contribution of R1 665 000 (2024: R1,490,000) to the Defined Benefit Plans during the next financial year. This estimated contribution takes into account current salary levels, the number of participating employees, and actuarial assumptions regarding demographic and financial factors. These contributions are designed to secure sufficient assets to meet the plan's future benefits obligations as they become due.

Refer to Note 55, "Retirement Benefit Information", to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

19.1.1.2 Long Service Awards Liability

Opening Balance	6,855,000	6,465,000
Increases	571,000	517,000
Payments Made	(597,330)	(758,370)
Other Reductions	(225,670)	(48,630)
Increases (Passage of Time/Discounted Rate)	719,000	680,000
Balance at end of Year	7,322,000	6,855,000
Transfer to Current Provisions	776,000	809,000
Total Long Service Awards Liability	**6,546,000**	**6,046,000**

Characteristics of the Defined Benefit Plan

The Municipality offers employees Long Service Awards for every five years of service completed, from ten years of service to 45 years of service, inclusive.

Risks of the Defined Benefit Plan

Inflation Risk: The risk that future CPI inflation and earnings inflation are higher than assumed and present in an uncontrolled manner.

Termination of service risk: The risk that fewer eligible employees terminate their service at the Municipality i.e. more long service awards vest than expected.

Volatility of open-ended, long-term DBO risk:The risk that the DBO may be volatile which is exacerbated by its long-term nature.

Enforcement of eligibility criteria and rules risk: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.

Future changes in legislation risk: The risk that changes to legislation with respect to long service awards may increase the DBO for the Municipality.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2025 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end, 276 (2024: 273) employees were eligible for Long-service Awards.

Maturity Profile

The defined benefit obligation of the municipality's health care plan has a weighted average duration of approximately 8.25 years. This duration reflects the estimated time period over which the accrued benefits are expected to be settled.

The following is a maturity analysis of the benefit payments expected to be made under the	R
Within 1 year	849,000
Between 1 - 2 years	1,597,000
Between 2 - 3 years	1,017,000
Between 3 - 4 years	1,212,000
Between 4 - 5 years	1,019,000
6 to 10 years	6,548,000
11 to 15 years	6,295,000
16 to 20 years	5,081,000
21 to 30 years	8,044,000
31 to 40 years	1,243,000
Total Benefit Payments	**32,905,000**

The benefits payments are scheduled based on the expected retirement ages of current employees and the provisions of the plan that determine the timing of benefits payments. The distribution of these payments is subject to changes in demographic factors such as retirements, mortality rates, and changes in employment within the municipality.

The Current-service Cost for the year ending 30 June 2025 is estimated to be R571,000, whereas the cost for the ensuing year is estimated to be R517 000 (30 June 2024: R517,000 and R571,000 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	9.80%	11.13%
Cost Inflation Rate	3.80%	6.28%
Net Effective Discount Rate	4.80%	4.57%
Expected Retirement Age - Females	59	59
Expected Retirement Age - Males	62	62

General:
It is assumed that the Municipality's long service arrangements and subsidy policy would remain as outlined in the accounting policy, and that the level of benefits would remain unchanged, with the exception of inflationary adjustments.

Discount Rate:
GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the employee benefit liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 9.80% per annum has been used. The corresponding liability-weighted index-linked yield is 5.09%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 28 June 2024. These yields were obtained by calculating the duration of the total liability and then taking the fixed-interest and index-linked yields from the respective yield curves at that duration using an iterative process. The duration of the total liability was estimated to be 8.5 years.

General earnings inflation rate
Assumption: 4.8%
This rate reflects the municipality's expectations of annual salary increases due to inflation, seniority, and other relevant factors.

Promotional earnings scale
As per the Valuation report for LSA, an additional promotional earnings scale is taken into account in the escalation in addition to the above General earnings inflation rate based on the age band of qualifying employees.

Mortality Rate
Assumption: SA (85-90) mortality table
This mortality table is used to estimate the life expectancy of plan participants, based on current trends and historical data within the sector, adjusted for female lives.

		2025 R	2024 R
Movements in the present value of the Defined Benefit Obligation were as follows:			
Opening Balance		6,855,000	6,465,000
Service Cost:			
Current Service Cost	Refer Note 35	571,000	517,000
Interest Expense	Refer Note 39	719,000	680,000
Payment of Benefits	Refer Note 35	(597,330)	(735,533)
Remeasurement of Defined Benefit:			
Actuarial Gains / (Losses) from Changes in Financial Assumptions	Refer Note 46	(225,670)	(71,467)
Total Recognised Benefit Liability		**7,322,000**	**6,855,000**
The amounts recognised in the Statement of Financial Position are as follows:			
Present value of fund obligations		7,322,000	6,855,000
Total Benefit Liability		**7,322,000**	**6,855,000**
The amounts recognised in the Statement of Financial Performance are as follows:			
Current service cost		571,000	517,000
Interest cost		719,000	680,000
Actuarial losses / (gains)		(225,670)	(71,467)
Total Post-retirement Benefit included in Employee Related Costs (Note 35.) and Gains and other operations (Note 46)		**1,064,330**	**1,125,533**

The history of experienced adjustments is as follows:

	2025 R	2024 R	2023 R	2022 R	2021 R
Present Value of Defined Benefit Obligation	7,322,000	6,855,000	6,465,000	6,355,000	7,117,000
Deficit	**7,322,000**	**6,855,000**	**6,465,000**	**6,355,000**	**7,117,000**
Experienced adjustments on Plan Liabilities	(193,670)	(26,467)	(227,874)	(534,552)	(221,253)

Assumed rates for long service awards trends significantly impact the figures recorded in surplus or deficit. The effect of a ±1% movement in the assumed rate of general earnings inflation rate is as follows:

	2025 R	2024 R
Increase:		
Effect on the aggregate of the current service cost and the interest cost	85,000	79,000
Effect on the defined benefit obligation	381,000	368,000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	(76,000)	(71,000)
Effect on the defined benefit obligation	(349,000)	(338,000)
Long service awards contribution inflation rate range:	±1%	±1%

Assumed rates for long service awards trends significantly impact the figures recorded in surplus or deficit. The effect of a ±1% movement in the assumed rate of discount rate is as follows:

Increase:		
Effect on the aggregate of the current service cost and the interest cost	(15,000)	(11,000)
Effect on the defined benefit obligation	(362,000)	(350,000)
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	14,000	12,000
Effect on the defined benefit obligation	402,000	387,000
Discount rate range:	±1%	±1%

Assumed rates for long service awards significantly impact the figures recorded in surplus or deficit. The effect of a ±2 years movement in the assumed average retirement age is as follows:

Increase:		
Effect on the aggregate of the current service cost and the interest cost	770,000	700,000
Effect on the defined benefit obligation	1,318,000	1,152,000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	390,000	354,000
Effect on the defined benefit obligation	(1,019,000)	(1,022,000)
Post-employment mortality range:	±2 years	±2 years

The sensitivity analyses were prepared using the projected unit credit method, which is consistent with the method used to value the DBO in the financial statements. The analyses assume a parallel shift in the respective actuarial assumptions while holding all other assumptions constant. It is important to recognize that the use of this method does not imply that the impact of changes in actuarial assumptions is linear or follows any predictable pattern.

The municipality expects to make a contribution of R605 000 (2024: R571,000) to the Defined Benefit Plans during the next financial year. This estimated contribution takes into account current salary levels, the number of participating employees, and actuarial assumptions regarding demographic and financial factors. These contributions are designed to secure sufficient assets to meet the plan's future benefits obligations as they become due.

20. PROVISIONS	**2025 R**	**2024 R**
Non-current Provisions	71,463,829	64,792,398
Total Provisions	**71,463,829**	**64,792,398**

The prior year amount for Provisions has been adjusted. Refer to Note 48.8 on "Correction of Error" for details of the restatement.

20.1 Current Provisions

Library Services: VAT Payable	-	-
Total Provisions	**-**	**-**

The movement in Current Provisions is reconciled as follows:

Library Services: VAT Payable

Opening Balance	-	3,741,261
Increases	-	839,217
Reversals	-	(4,580,478)
Balance at end of year	**-**	**-**

Library Services - VAT Payable: The provision is for a VAT Liability based on a technical interpretation of the treatment of VAT on Library and based on the prudent application of GRAP 19 requirements. The library funding is received from the Western Cape Department of Cultural Affairs (DCAS). At the date of these financial statements, the municipality, together with most other municipalities in the Western Cape, has uncertainty on this matter and is in process of seeking further clarification. In terms of this uncertainty. The provision made is limited to the actual VAT payable on subsidies received by the municipality over the last 6 years (for 2024 provision) and 5 years (for 2023 provision). The provision excludes possible Interest and Penalties that may be owed to SARS.

As per further guidance received, a correction of error was performed and this provision was reclassified as a liability.

Please refer to Note 48.3 Reclassification and/or Corrections of Statement of Financial Position for more details.

20.2 Non-current Provisions	2025 R	2024 R
Decommissioning, Restoration and Similar Liabilities: Landfill Sites	71,463,829	64,792,398
Total Non-current Provisions	**71,463,829**	**64,792,398**

The movement in Non-current Provisions are reconciled as follows:

Decommissioning of Landfill Sites:

	2025	2024
Opening Balance	64,792,398	59,787,173
Increases (Passage of Time/Discounted Rate)	6,233,029	6,295,290
iGRAP 2 adjustments - change in estimate	438,402	(1,290,065)
	71,463,829	**64,792,398**

Decommissioning, Restoration and Similar Liabilities: Landfill Sites

Landfill site decomissioning is estimated by means of a valuation performed by a professional valuator to determine the future cost of dismantling the landfill site. The cost is then reduced to take into account the time value of money at the weighted average investing rate based on Government Bond Yield Rates of 10.530%

20.3 Rehabilitation of Landfill Sites

In terms of the licencing of the landfill refuse sites, the Municipality will incur licensing and rehabilitation costs of R71,463,829 (2024:R64,792,401) to restore the sites after the end of its useful lives. Provision has been made for the net present value of the future cost, using the average bond yield interest rate.

	End of Useful Life		
Barrydale Landfill	2023/24	11,376,070	8,907,870
Infanta Landfill	2037/38	3,666,123	2,817,470
Malagas Landfill	2023/24	14,864,741	12,210,652
Suurbraak Landfill	2023/24	5,631,961	3,476,950
Swellendam Landfill	2028/29	35,924,934	37,379,459
		71,463,829	**64,792,401**

The municipality have an estimate of five (5) years to commence with the rehabilitation of the landfill sites at the end of their useful life according to the licence agreement.

21. RESERVES

	2025 R	2024 R
Capital Replacement Reserve	26,500,000	26,403,215
Housing Development Fund	4,358,100	-
Total Reserves	**30,858,100**	**26,403,215**

21.1 Capital Replacement Reserve

The Capital Replacement Reserve arises from cash-backed accumulated surplus for the replacement of capital infrastructure/equipment.

Reconciliation of the Capital Replacement Reserve:

Opening Balance	26,403,215	25,072,000
Purchases	(20,995,798)	(8,668,786)
Transfers to/from Accumulated Surplus	21,092,583	10,000,001
Balance at end of year	**26,500,000**	**26,403,215**

21.2 Housing Development Fund Reserve

During the 2024/25 financial year, the municipality received funding from the Integrated National Electrification Programme (INEP) for the continuation of a housing project initially funded through the Housing Acceleration Grant (HAG) in 2023/24.

Reconciliation of Housing Development Fund Reserve:

Housing Operating Fund	4,358,100	-
Proceeds	4,358,100	-
Balance at end of year	**4,358,100**	**-**

The total INEP grant received in 2024/25 amounted to R4 975 000. This amount was allocated toward construction expenditure incurred on the project, which included payments to third-party contractors. The project was a continuation of commitments made in prior periods under the HAG.

22. ACCUMULATED SURPLUS

Accumulated Surplus / (Deficit) due to the results of Operations	532,873,286	534,700,881
Total Accumulated Surplus	**532,873,286**	**534,700,881**

The prior year amount for Accumulated Surplus has been adjusted. Refer to Note 48.1 on "Correction of Error" for details of the restatement.

23. PROPERTY RATES

	Actual Valuations		Actual Levies	
	June 2025	June 2024	June 2025	June 2024
Net Property Rates Levies:	11,947,691,600	11,799,888,600	61,757,422	56,640,567
Agricultural Properties	4,887,689,000	4,881,469,000	10,481,771	9,821,813
Industrial Properties	201,240,000	197,030,000	1,964,419	1,840,517
Business and Commercial Properties	709,405,000	698,475,000	6,981,632	6,464,692
Municipal Properties	184,134,100	183,665,100	-	-
Protected Areas	269,110,000	253,540,000	-	-
Public Benefit Organisations	65,999,000	65,769,000	40,807	75,410
Public Service Infrastructure Properties	7,489,600	7,687,600	-	-
Public Service Purposes Properties	223,270,000	223,410,000	2,214,838	2,033,031
Public Worship	88,782,000	88,482,000		
Residential Properties	4,978,705,000	4,854,742,000	35,653,549	32,280,818
Vacant Land	331,867,900	345,618,900	4,420,406	4,124,286
Property Rates Levies			68,705,951	62,861,566
Rates Rebates			(6,948,529)	(6,220,999)
Total Property Rates			**61,757,422**	**56,640,567**

Assessment Rates are levied on the value of land and improvements, of which the valuation is performed every 5 years. The last valuation came into effect on 1 July 2023.

Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base, due mostly to private development.

An general rate is applied as follows to property valuations to determine property rates:

Agricultural Properties	0.00216	0.00198
Business and Commercial Properties	0.00992	0.00910
Industrial Properties	0.00992	0.00910
Public Benefit Organisation	0.00216	0.00198
Public Service Purposes Infrastructure	0.00000	0.00000
Public Service Purposes Properties	0.00992	0.00910
Residential Properties	0.00862	0.00791
Vacant Properties	0.01294	0.01187

Rates are levied annually and monthly. Monthly rates are payable by the 28th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate 1% on outstanding amounts.

Rebates can be defined as any income that the municipality is entitled by law to levy, but which has subsequently been forgone by way of rebates. It also includes rebates granted on the first R15 000 impermissable exemption as per section 17 of the Municipal Property Rates Act.

24. FINES, PENALTIES AND FORFEITS

	2025 R	2024 R
Traffic Fines:	54,566,584	48,738,080
Court Fines	11,813,624	11,604,870
Municipal	42,752,960	37,133,210
Other Fines:	221,095	102,753
Illegal Connections	202,271	99,510
Overdue Books Fine	4,424	3,243
Pound Fees	14,400	-
Forfeits	8,100	17,241
Unclaimed Money	8,100	17,241
Total Fines, Penalties and Forfeits	**54,795,779**	**48,858,074**

25. LICENCES AND PERMITS

	2025 R	2024 R
Exchange Transactions		
Road and Transport:	1,380,617	1,250,867
Drivers Licence Application/Duplicate Drivers Licences	409,005	358,860
Drivers Licence Certificate	392,700	383,740
Instructor Certificate	429	1,650
Learner Licence Application	73,712	77,588
Learners Certificate	23,826	25,014
Motor Vehicle Licence	438,510	351,695
Operators and Public Drivers Permits	42,435	52,320
Trading	21,605	22,709
Total Licences and Permits	**1,402,222**	**1,273,576**

26. TRANSFERS AND SUBSIDIES

	2025	2024
Transfers and Subsidies Received: Exchange Revenue	5,673,078	5,258,674
Transfers and Subsidies Received: Non-exchange Revenue	82,613,388	102,406,410
Total Transfers and Subsidies Received	**88,286,466**	**107,665,084**
Capital Grants	23,456,998	45,422,633
Allocations In-kind	5,622,362	4,689,055
Monetary Allocations	17,834,636	40,733,578
Operational Grants	64,829,467	62,242,451
Monetary Allocations	64,829,467	62,242,451
Total Transfers and Subsidies Received	**88,286,466**	**107,665,084**

The prior year amount for Unspent has been adjusted. Refer to Note 48.6 on "Correction of Error" for details of the restatement.

26.1 Summary of Grants:

26.1.1 Capital Grants

	Allocations In-kind		Monetary Allocations	
	2025	2024	2025	2024
District Municipalities	-	-	-	457,383
National Governments	-	-	13,697,544	22,573,693
Private Enterprises	5,622,362	1,233,440	-	-
Provincial Government	-	3,455,615	4,137,092	17,702,502
Total Capital Grants Received	**5,622,362**	**4,689,055**	**17,834,636**	**40,733,578**

26.1.2 Operational Grants

	Allocations In-kind		Monetary Allocations	
	2025	2024	2025	2024
Departmental Agencies and Accounts	-	-	294,093	441,182
District Municipalities	-	-	50,000	100,752
National Governments	-	-	10,816,492	9,582,268
National Revenue Fund	-	-	46,412,000	43,486,840
Provincial Government	-	-	7,256,882	8,631,408
Total Operational Grants Received	**-**	**-**	**64,829,467**	**62,242,451**
Total Transfers and Subsidies Received	**5,622,362**	**4,689,055**	**82,664,103**	**102,976,029**

26.2 Reconciliation per Grant Source

26.2.1 Equitable Share	2025 R	2024 R
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	46,412,000	43,486,840
Conditions Met - Transferred to Revenue (Operating)	(46,412,000)	(43,487,000)
Additional Transfer to Equitable Share		160
Unspent Balance at the End of the Year	**-**	**-**

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury. This grant is used to subsidise the provision of basic services to indigent community members and to subsidise income. All registered indigents receive a monthly subsidy in accordance with the approved indigent policy as determined annually by Council. No funds have been withheld.

26.2.2 Local Government Financial Management Grant (FMG)

Unspent Balance at the Beginning of the Year	38,728	-
Current Year Receipts	1,800,000	1,770,000
Conditions Met - Transferred to Revenue (Operating)	(1,780,952)	(1,731,272)
Adjustments / Refunds	(38,728)	-
Unspent Balance at the End of the Year	**19,048**	**38,728**

The Local Government Financial Management Grant is paid by National Treasury to municipalities to implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003.

26.2.3 Expanded Public Works Programme (EPWP)

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	1,305,000	1,541,000
Conditions Met - Transferred to Revenue (Operating)	(1,305,000)	(1,541,000)
Unspent Balance at the End of the Year	**-**	**-**

The Expanded Public Works Programme (EPWP) was used for job creation projects.

26.2.4 Municipal Infrastructure Grant (MIG)

Unspent Balance at the Beginning of the Year	1,121	844,303
Current Year Receipts	13,159,000	14,792,000
Conditions Met - Transferred to Revenue (Operating)	(5,550,569)	(2,924,042)
Conditions Met - Transferred to Revenue (Capital)	(7,439,471)	(12,357,300)
Adjustments / Refunds	(1,121)	(353,840)
Unspent Balance at the End of the Year	**168,960**	**1,121**

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

26.2.5 Integrated National Electrification Programme (Municipal) Grant

Unspent Balance at the Beginning of the Year	1,352	1,352
Current Year Receipts	4,975,000	-
Conditions Met - Transferred to Revenue (Capital)	(4,975,000)	-
Adjustments (Transfer to Revenue)	(1,352)	-
Unspent Balance at the End of the Year	**-**	**1,352**

The Integrated National Electrification Programme (Municipal) Grant was used for electrical connections in previously disadvantaged areas.

26.2.6 Human Settlements Development Grant	**2025 R**	**2024 R**
Unspent Balance at the Beginning of the Year	736,813	113,332
Transfer from Payable	16,436,704	-
Current Year Receipts	533,616	5,583,286
Conditions Met - Transferred to Revenue (Operating)		-
Conditions Met - Transferred to Revenue (Capital)	(289,354)	(4,846,473)
Adjustments / Refunds		(113,332)
Construction Contracts Current Year Receipts	98,594,462	65,801,256
Construction Contracts - Transfer to Revenue (Operating)	(115,031,165)	(49,364,552)
Construction Contracts transferred to Payable	-	(16,436,704)
Unspent Balance at the End of the Year	**981,076**	**736,813**

The Human Settlements Development Grant was utilised for the development of erven and the erection of top structures.

26.2.7 Library Service Replacement Funding for most vulnerable B3 municipalities		
Unspent Balance at the Beginning of the Year	336,109	711,681
Current Year Receipts	6,340,000	6,434,000
Conditions Met - Transferred to Revenue (Operating)	(5,529,215)	(4,910,209)
Conditions Met - Transferred to Revenue (Capital)	(143,863)	(348,465)
Provision for VAT Liability	(826,957)	(839,217)
Adjustments / Refunds	(159,080)	(711,681)
Unspent Balance at the End of the Year	**16,994**	**336,109**

The Library Service Replacement Funding for most vulnerable B3 municipalities received from Provincial Government was used for the unfunded mandate of libraries.

26.2.8 Municipal Disaster Recovery Grant		
Unspent Balance at the Beginning of the Year	1,178,756	3,553,000
Conditions Met - Transferred to Revenue (Capital)	-	(2,374,244)
Adjustments / Refunds	(1,178,756)	-
Unspent Balance at the End of the Year	**-**	**1,178,756**

The Municipal Disaster Relief Grant was received from National Government , to fund expenses incurred due to flooding. No funds were withheld.

26.2.9 Local Government Public Employment Support Grant		
Unspent Balance at the Beginning of the Year	-	47,286
Adjustments / Refunds	-	(47,286)
Unspent Balance at the End of the Year	**-**	**-**

This grant was received from Local Government to coordinate and ensure the implementation of targeted, short term public employment programs. No funds have been withheld.

26.2.10 Other Grants		
Unspent Balance at the Beginning of the Year	859,653	990,347
Current Year Receipts	314,435	992,374
Conditions Met - Transferred to Revenue (Operating)	(383,684)	(473,327)
Conditions Met - Transferred to Revenue (Capital)	-	(525,990)
Adjustments / Refunds	(163,423)	(123,751)
Unspent Balance at the End of the Year	**626,981**	**859,653**

This grant was received from Provincial Treasury as well as SETA for various projects. No funds have been withheld.

26.2.11 Water Service Infrastructure Grant	2025 R	2024 R
Unspent Balance at the Beginning of the Year	284,100	6,208,203
Current Year Receipts	10,000,000	5,304,000
Conditions Met - Transferred to Revenue (Capital)	(820,237)	(11,228,103)
Adjustments / Refunds	(284,099)	-
Unspent Balance at the End of the Year	**9,179,764**	**284,100**

This grant was received for the upgrading of Bakenskop & Railton Water network as well as the upgrading of Barrydale bulk water supply. No funds have been withheld.

26.2.12 Energy Efficiency and Demand Side Management Grant		
Unspent Balance at the Beginning of the Year	1,294	1,294
Current Year Receipts	3,000,000	-
Conditions Met - Transferred to Revenue (Operating)	(240,522)	-
Conditions Met - Transferred to Revenue (Capital)	(2,402,284)	-
Adjustments (Transfer to Revenue)	(1,294)	-
Unspent Balance at the End of the Year	**357,194**	**1,294**

This grant was received for electrical projects within the Swellendam municipal area. No funds have been withheld.

26.2.13 Western Cape Financial Management Capability Grant		
Unspent Balance at the Beginning of the Year	140,000	90,000
Current Year Receipts	650,000	200,000
Conditions Met - Transferred to Revenue (Operating)	(458,722)	(150,000)
Unspent Balance at the End of the Year	**331,278**	**140,000**

This grant was received for the allocation of external bursaries. No funds have been withheld.

26.2.14 Provincial Contribution towards the Acceleration of Housing Delivery Grant		
Unspent Balance at the Beginning of the Year	15,419,546	5,226,317
Current Year Receipts	8,400,000	22,600,000
Conditions Met - Transferred to Revenue (Capital)	(3,834,936)	(11,824,835)
Conditions Met - Transferred to Revenue (Operating)	(44,990)	(581,936)
Construction Contracts Current Year Receipts	16,040,847	6,900,000
Construction Contracts - Transfer to Revenue (Operating)	(15,209,124)	(6,900,000)
Adjustments (Transfer to Revenue)	(1,482)	-
Construction Contracts transferred to Payable	(831,724)	-
Unspent Balance at the End of the Year	**19,938,137**	**15,419,546**

This grant was received for an ESKOM self-build option to increase NMD to 3MVA, electrification of a housing project as well as solar geysers. No funds have been withheld.

26.2.15 Provide Resources for the Development and/or Upgrade of SMME Infrastructure		
Unspent Balance at the Beginning of the Year	-	371,338
Adjustments / Refunds	-	(371,338)
Unspent Balance at the End of the Year	**-**	**-**

This grant was received for the construction of the Barrydale (Smitsville) container park.

26.2.16 Emergency Municipal Loadshedding Relief Grant		
Balance unspent at the beginning of the year	274	879,012
Conditions Met - Transferred to Revenue (Capital)	-	(878,738)
Adjustments Transfer to Revenue	(274)	-
Unspent Balance at the End of the Year	**-**	**274**

This grant was received to purchase generators. No funds have been withheld.

26.2.17 Informal Settlements Upgrading Partnership Grant		
Balance unspent at the beginning of the year	795,354	795,354
Adjustments / Refunds	(795,354)	-
Unspent Balance at the End of the Year	**-**	**795,354**

Funding was made available for Railton Informal Settlement Planning. No funds have been withheld.

	2025	2024
26.2.18 Municipal Library Support Grant	**R**	**R**
Balance unspent at the beginning of the year	-	16,869
Adjustments / Refunds	-	(16,869)
Unspent Balance at the End of the Year	**-**	**-**

This grant was received for maintenance work on the Railton and Buffeljagsriver libraries.

26.2.19 Community Library Service Grant		
Balance unspent at the beginning of the year	-	26,430
Adjustments / Refunds	-	(26,430)
Unspent Balance at the End of the Year	**-**	**-**

This grant was received for capital projects at the new library. No funds have been withheld.

26.2.20 Waste Management Compliance: Installation and Monitoring		
Balance unspent at the beginning of the year	-	-
Current year receipts	257,000	-
Conditions Met - Transferred to revenue (Capital)	(23,658)	-
Unspent Balance at the End of the Year	**233,342**	**-**

This grant was received from Local Government to assist to improve overall financial governance.

26.2.21 Western Cape Financial Management Support Grant		
Balance unspent at the beginning of the year	-	250,000
Adjustments / Refunds	-	(250,000)
Unspent Balance at the End of the Year	**-**	**-**

The grant was received for the upgrade of the servers of the municipality. No funds have been upheld.

26.2.22 Western Cape Municipal Interventions Grant		
Balance unspent at the beginning of the year	79,999	268,562
Conditions Met - Transferred to Revenue (Capital)	-	(170,000)
Adjustments / Refunds	(79,999)	(18,563)
Unspent Balance at the End of the Year	**-**	**79,999**

The grant was received for the purchase of skips. No funds have been withheld.

26.2.23 Municipal Service Delivery and Capacity Building Grant		
Balance unspent at the beginning of the year		
Current year receipts	600,000	778,000
Conditions Met - Transferred to Revenue (Operating)	(500,000)	-
Conditions Met - Transferred to Revenue (Capital)	-	(778,000)
Unspent Balance at the End of the Year	**100,000**	**-**

The grant was received for a high mast project in Railton. No funds have been withheld.

26.2.24 Municipal Water Resilience		
Balance unspent at the beginning of the year	1,785	-
Transfer from Payable	1,844,366	-
Current year receipts	1,000,000	938,000
Conditions Met - Transferred to Revenue (Operating)	-	(936,215)
Conditions Met - Transferred to Revenue (Capital)	-	
Construction Contracts Current Year Receipts	-	2,000,000
Construction Contracts - Transfer to Revenue (Operating)	(1,833,321)	(155,634)
Construction Contracts transferred to Payable	(11,045)	(1,844,366)
Unspent Balance at the End of the Year	**1,001,785**	**1,785**

The grant was received for the Rietkuil water infrastructure upgrades. No funds have been withheld.

26.2.25 Regional Socio Economic Projects	2025 R	2024 R
Balance unspent at the beginning of the year	260,960	-
Current year receipts	700,000	1,170,000
Conditions Met - Transferred to Revenue (Operating)	(94,405)	(175,595)
Conditions Met - Transferred to Revenue (Capital)	(435,239)	(733,445)
Unspent Balance at the End of the Year	**431,316**	**260,960**

26.2.26 Total Grants		
Balance unspent at the beginning of the year	20,135,846	20,394,682
Transfer from Payable	18,281,070	-
Current year receipts	99,446,051	105,589,500
Conditions Met - Transferred to Revenue (Operating)	(62,300,059)	(56,910,596)
Conditions Met - Transferred to Revenue (Capital)	(20,364,042)	(46,065,593)
Construction Contracts Current Year Receipts	114,635,309	74,701,256
Construction Contracts - Transfer to Revenue (Operating)	(132,073,610)	(56,420,186)
Construction Contracts transferred to Payable	(842,769)	(18,281,070)
Provision for VAT	(826,957)	(839,217)
Adjustments / Refunds	(2,704,962)	(2,033,090)
Additional Transfer: Equitable Share	-	160
Unspent Balance at the End of the Year	**33,385,877**	**20,135,846**

26.2.27 Changes in levels of Government Grants

Based on the allocations set out in the Division of Revenue Act, (Act No 2 of 2025), government grant funding is expected to not change significantly over the forthcoming three financial years.

27. SURCHARGES AND TAXES

Surcharges	1,475,961	960,923
Total Surcharges and Taxes	**1,475,961**	**960,923**

28. SERVICE CHARGES

	Exchange Transactions 2025 R	Exchange Transactions 2024 R	Non-Exchange Transactions 2025 R	Non-Exchange Transactions 2024 R
Sale of Electricity;	132,763,505	116,095,184	1,503,960	1,327,087
- Service Charges	135,037,135	117,893,591	1,503,960	1,327,087
- Revenue Foregone	(2,273,630)	(1,798,407)	-	-
Sale of Water:	26,802,605	24,718,344	1,144,798	1,013,939
- Service Charges	31,540,837	28,466,035	1,144,798	1,013,939
- Revenue Foregone	(4,738,232)	(3,747,690)	-	-
Refuse Removal:	16,697,688	14,731,601	-	-
- Service Charges	23,579,738	19,939,307	-	-
- Revenue Foregone	(6,882,050)	(5,207,706)	-	-
Sewerage and Sanitation Charges:	27,172,690	22,065,978	1,154,410	1,049,654
- Service Charges	36,283,909	29,269,324	1,154,410	1,049,654
- Revenue Foregone	(9,111,219)	(7,203,345)	-	-
Total Service Charges	**203,436,488**	**177,611,108**	**3,803,167**	**3,390,680**
- Service Charges	226,441,620	195,568,256	3,803,167	3,390,680
- Revenue Foregone	(23,005,131)	(17,957,148)	-	-

The prior year amount for Service Charges has been adjusted. Refer to Note 48.6 on "Correction of Error" for details of the restatement.

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

29. SALES OF GOODS AND RENDERING OF SERVICES	2025 R	2024 R
Advertisements	35,390	34,398
Building Plan Approval	1,374,566	984,211
Camping Fees	917,226	1,047,703
Cemetery and Burial	84,226	71,028
Cleaning and Removal	60,534	53,660
Encroachment Fees	1,174	5,281
Exempted Parking	390	450
Legal Fees	326,323	221,924
Photocopies and Faxes	5,136	5,339
Removal of Restrictions	478,776	500,283
Sale of Goods	234,151	176,654
Valuation Services	253,217	194,790
Total Sales of Goods and Rendering of Services	**3,771,110**	**3,295,720**

30. CONSTRUCTION CONTRACT REVENUE

Construction Contract Revenue	132,073,610	56,420,187
Total Income from Construction Contracts	**132,073,610**	**56,420,187**

Construction contract revenue is dependant on the infrastructure installation and needs to be reviewed with reference to each housing project's grant revenue as disclosed in Note 26.

Contract revenue is fixed based on the arrangement with the Provincial Department of Infrastructure. Revenue is determined in terms of the stage of completion which is determined by the progress payments claimed by the sub-contractors received at year end. Contracts with the Provincial Department and its beneficiaries are not subject to any retention.

The prior year amount for Construction revenue has been adjusted. Refer to Note 48.6 on "Correction of Error" for details of the restatemen

31. INCOME FROM AGENCY SERVICES

Commission on Vehicle Registration	2,766,959	2,735,803
Total Income from Agency Services	**2,766,959**	**2,735,803**

Refer to Note 60.2 for more detail on Agency Services rendered.

32. RENTAL FROM FIXED ASSETS

Straight-lined Operating Lease Revenue		
Investment Property	525,533	328,824
Other Fixed Assets:	35,615	-
Other Rental income		
Ad-hoc Rental Income from Other Fixed Assets:	231,662	395,709
Property Plant and Equipment	231,662	395,709
Total Rental of Facilities and Equipment	**792,810**	**724,533**

The prior year amount for Rental of Facilities and Equipment has been adjusted. Refer to Note 48.6 on "Correction of Error" for details of the restatement.

Rental income generated is at market related premiums. All rental income recognised is therefore market related.

	2025	2024
33. INTEREST, DIVIDENDS AND RENT ON LAND EARNED	**R**	**R**
Non-exchange Receivables:		
Outstanding Billing Debtors	354,334	403,829
Total Non-exchange Interest, Dividends and Rent on Land Earned	**354,334**	**403,829**
External Investments:		
Investments	16,749,257	12,581,344
	16,749,257	**12,581,344**
Dividends Received:		
External Investment	2,036	1,830
	2,036	**1,830**
Outstanding Exchange Receivables:		
Outstanding Billing Debtors	1,854,833	1,761,378
Property Rental Debtors	10,437	11,788
Electricity	171,752	194,987
Service Charges	150,167	142,656
Waste Management	416,500	372,021
Waste Water Management	549,522	522,564
Water	556,455	517,362
	1,854,833	**1,761,378**
Total Exchange Interest, Dividends and Rent on Land Earned	**18,606,127**	**14,344,553**
Total Interest, Dividends and Rent on Land Earned	**18,960,461**	**14,748,382**

34. OPERATIONAL REVENUE

	2025	2024
Administrative Handling Fees	40,580	26,997
Breakages and Losses Recovered	44,369	776
Commission	67,207	62,690
Development Charges	1,602,087	878,146
Incidental Cash Surpluses	7,446	180,327
Insurance Refund	410,517	15,362,346
Merchandising, Jobbing and Contracts	69,077	58,749
Recovery Infrastructure Maintenance	47,643	41,471
Sale of Property	-	1,964,437
Staff Recoveries	30,221	49,062
Total Operational Revenue	**2,319,147**	**18,625,001**

35. EMPLOYEE RELATED COSTS

		2025 R	2024 R
Salaries, Wages and Service Related Benefits:		81,438,431	75,686,071
Basic		75,043,559	70,038,239
Long Service Awards		-	-
Bonuses		255,740	124,834
Leave Payments		1,156,283	1,131,554
Overtime		4,982,850	4,391,444
Allowances:		17,075,886	15,630,841
Acting and Post Related Allowances		175,938	217,937
Bonus Allowance		5,746,653	5,336,934
Cellular and Telephone		371,200	354,150
Housing Benefits		539,848	476,283
Non-pensionable		122,666	-
Standby Allowance		3,477,957	2,955,629
Travel or Motor Vehicle		6,641,624	6,289,909
Social Contributions:		23,582,963	21,865,425
Bargaining Council		38,708	35,961
Group Life Insurance		2,094,022	2,006,793
Medical		8,141,297	7,413,607
Pension		12,762,906	11,887,458
Unemployment Insurance		546,030	521,607
Post-retirement Benefits:		6,203,000	5,682,000
Service Cost:	Refer Note 19.1.1	*1,490,000*	*1,401,000*
Interest Cost	Refer Note 19.1.1	*4,142,000*	*3,764,000*
Long Term Service Awards	Refer Note 19.1.1	*571,000*	*517,000*
Total Employee Related Costs		**128,300,281**	**118,864,337**

35.1 Remuneration of Key Management Personnel:

Remuneration of the Acting Municipal Manager - Ms R.C. Saptoe (5 November 2024 - 22 November 2024)

	2025 R	2024 R
Annual Remuneration	55,658	-
Remote Allowance	2,226	-
Company Contributions to UIF, Medical and Pension Funds	177	-
Total	**58,062**	**-**

Remuneration of the Municipal Manager - Mr A Vorster (1 July 2024 - 30 June 2025)

	2025 R	2024 R
Annual Remuneration	1,116,461	1,122,830
Remote Allowance	54,735	54,735
Performance Bonus	68,418	49,675
Cash Gratuity		20,340
Cell Phone Allowance	18,000	18,000
Company Contributions to UIF, Medical and Pension Funds	254,176	247,674
Total	**1,511,790**	**1,513,254**

35.2 Remuneration of Other Related Parties:	2025 R	2024 R
Remuneration of Director: Engineering Services - Mr. J.E. Delport (01 July 2024- 17 October 2024)		
Annual Remuneration	209,283	-
Travelling Allowance	88,461	-
Cell Phone Allowance	4,000	-
Company Contributions to UIF, Medical and Pension Funds	708	-
Total	**302,452**	**-**
Remuneration of Acting Director: Engineering Services - Mr. J Bester (November 2024)		
Acting Allowance	11,425	
	11,425	**-**
Remuneration of Acting Director: Engineering Services - Mr. W Treurnicht (December 2024- June 2025)		
Acting Allowance	68,548	
	68,548	**-**
Remuneration of Director: Engineering Services - Mr B.C. Neale (01 July 2023- 30 June 2024)		
Annual Remuneration	-	137,194
Remote Allowance	-	6,846
Cash Gratuity	-	3,390
Cell Phone Allowance	-	2,000
Other Payments (Travelling reimbursement)	-	1,642
Company Contributions to UIF, Medical and Pension Funds	-	32,673
Total	**-**	**183,745**
Remuneration of Director: Community Services - Mr K.D. Stuurman (1 July 2024 - 30 June 2025)		
Annual Remuneration	901,696	907,545
Remote Allowance	122,408	122,408
Performance Bonus	110,167	59,249
Travelling Allowance	100,104	100,104
Cell Phone Allowance	12,000	12,000
Cash gratuity	-	20,340
Company Contributions to UIF, Medical and Pension Funds	224,408	218,559
Total	**1,470,784**	**1,440,206**
Remuneration of Director: Financial Services - Ms E Wassermann (1 July 2024 - 30 June 2025)		
Annual Remuneration	940,168	945,537
Remote Allowance	44,940	44,940
Performance Bonus	101,115	97,885
Cell Phone Allowance	12,000	12,000
Cash gratuity	-	20,340
Company Contributions to UIF, Medical and Pension Funds	185,458	180,090
Total	**1,283,681**	**1,300,791**

36. REMUNERATION OF COUNCILLORS

	2025 R	2024 R
Executive Mayor	960,846	991,190
Speaker	802,025	801,593
Executive Committee Members	1,470,481	1,515,998
Total for All Other Councillors	2,595,447	2,513,997
Total Payments for Employee Related Costs	**5,828,799**	**5,822,778**
Executive Mayor	960,846	991,190
Allowances and Service Related Benefits	896,898	935,715
Social Contributions	63,948	55,475
Speaker	802,025	801,593
Allowances and Service Related Benefits	768,227	801,593
Social Contributions	33,798	-
Mayoral committee members	1,470,481	1,515,998
Allowances and Service Related Benefits	1,422,206	1,470,100
Social Contributions	48,275	45,897
Total for All Other Councillors	2,595,447	2,513,997
Allowances and Service Related Benefits	2,500,493	2,427,305
Social Contributions	94,954	86,691
Total Councillors' Remuneration	**5,828,799**	**5,822,778**

Remuneration Disclosure - Related Parties:

Designation	Incumbent 2025	Period 2025	Period 2024	2025	2024
Executive Mayor	HF Du Randt	(01 July 24- 27 Jan 25) & (13 Feb 25 - 30 June 2025	(01 July 23 - 30 June 24)	960,846	991,190
Speaker	J du T Loubser	(13 February 25 - 30 June 2025)		318,110	-
Speaker	JR Van Schalkwyk	(01 July 24 - 06 February 2025)	(01 July 23 - 30 June 24)	483,915	801,593
Member of Mayoral Committee	EJ. Lamprecht	(01 July 24- 27 Jan 25) & (13 Feb 25 - 30 June 2025	(01 July 23 - 30 June 24)	735,241	757,999
Member of Mayoral Committee	F. Kees	(01 July 24- 27 Jan 25) & (13 Feb 25 - 30 June 2025	(01 July 23 - 30 June 24)	735,241	757,999
MPAC	J.A. Matthysen	(01 July 24 - 30 June 2025)		437,896	5,092
MPAC	EJ. Lamprecht		(01 July 23 - 31 Jan 2024)		6,540
Councillor	H.F Du Randt	(28 Jan 25 -12 Feb 25)		14,190	-
Councillor	G. Libazi	(01 July 24 - 30 June 2025)	(01 July 23 - 30 June 24)	351,589	346,998
Councillor	J.A. Matthysen		(01 July 23 - 30 June 24)	-	377,328
Councillor	F. Kees	(28 Jan 25- 12 Feb 25)	(01 July 23 - 30 June 24)	14,189	
Councillor	DJ. Julius	(01 July 24 - 30 June 2025)	(01 July 23 - 30 June 24)	351,589	346,998
Councillor	M.T.A Swart	(01 July 24 - 30 June 2025)	(01 July 23 - 30 June 24)	351,589	346,998
Councillor	D. Julius	(01 July 24 - 30 June 2025)	(01 July 23 - 30 June 24)	351,589	346,998
Councillor	H.I. Ferguson	(01 July 24 - 30 June 2025)	(01 July 23 - 30 June 24)	351,589	346,998
Councillor	A. Bokwana	(01 July 24 - 30 June 2025)	(01 July 23 - 30 June 24)	351,589	390,047
Councillor	EJ. Lamprecht	(28 Jan 25- 12 Feb 25)		14,190	-
Councillor	J.D.T Loubser	(28 Jan 25- 12 Feb 25)		5,450	-
				5,828,799	**5,822,778**

The prior year amount for Councillors' Remuneration has been adjusted. Refer to Note 48.7 on "Correction of Error" for details of the restatement.

In-kind Benefits

The Executive Mayor, Executive Deputy Mayor, Speaker and Executive Committee Members are full-time Councillors.
Each is provided with an office and shared secretarial support at the cost of the municipality.

37. DEPRECIATION AND AMORTISATION

		2025 R	2024 R
Depreciation: Property, Plant and Equipment		19,688,058	19,460,385
Depreciation: Investment Property		52,070	52,212
Amortisation: Intangible Assets		89,673	127,755
Total Depreciation and Amortisation		**19,829,801**	**19,640,352**

The prior year amount for Depreciation and Amortisation has been adjusted. Refer to Note 48.7 on "Correction of Error" for details of the restatement.

38. IMPAIRMENT LOSSES

		2025	2024
Impairment Losses on Fixed Assets		23,201,594	7,699,548
Impairment Losses on Financial Assets		40,988,979	34,218,744
Total Impairment Losses		**64,190,573**	**41,918,292**

The prior year amount for Impairment Losses has been adjusted. Refer to Note 48.7 on "Correction of Error" for details of the restatement.

38.1 Impairment Losses on Fixed Assets

		2025	2024
Impairment Losses		23,253,109	8,339,223
Property, Plant and Equipment		23,253,109	8,339,223
Reversal of Impairment Losses		(51,515)	(639,675)
Property, Plant and Equipment		(51,515)	(639,675)
		23,201,594	**7,699,548**

38.2 Impairment Losses on Financial Assets

		2025	2024
Impairment Losses		13,623,402	13,819,783
Receivables from Exchange Revenue		1,196,122	3,825,515
Statutory Receivables from Exchange Revenue		29,596	743,563
Receivables from Non-exchange Revenue		(1,087,814)	389,794
Statutory Receivables from Non-exchange Revenue		13,485,498	8,860,911
Bad Debts Written Off		28,393,991	20,398,961
Reversal of Impairment Losses		(1,028,414)	-
Receivables from Exchange Revenue		(82,489)	-
Statutory Receivables from Non-exchange Revenue		(945,925)	-
		40,988,979	**34,218,744**

39. INTEREST, DIVIDENDS AND RENT ON LAND PAID

		2025	2024
Interest Paid:		9,902,958	10,071,519
Borrowings		2,905,884	3,009,028
Finance Leases		45,045	87,201
Interest costs non-current Provisions		6,233,029	6,295,290
Long Service Awards	Refer Note 19.1.1.2	719,000	680,000
Rent on Land		-	-
Total Interest, Dividends and Rent on Land Paid		**9,902,958**	**10,071,519**

40. BULK PURCHASES

	2025 R	2024 R
Electricity	116,634,825	98,123,267
Water	-	-
Total Bulk Purchases	**116,634,825**	**98,123,267**

41. CONTRACTED SERVICES

	2025 R	2024 R
Outsourced Services	13,583,220	11,590,823
Consultants and Professional Services	5,195,312	4,867,398
Contractors	158,729,721	73,564,211
Total Contracted Services	**177,508,253**	**90,022,432**

41.1 Outsourced Services

	2025 R	2024 R
Alien Vegetation Control	430,000	440,000
Burial Services	2,500	4,400
Business and Advisory	1,554,164	1,474,788
Catering Services	113,106	38,859
Clearing and Grass Cutting Services	302,876	100,459
Drivers Licence Cards	221,437	217,092
Fire Services	1,099,618	1,024,108
Illegal Dumping	343,620	328,440
Meter Management	299,663	266,884
Mini Dumping Sites	386,868	720,509
Printing Services	2,907	1,454
Removal of Structures and Illegal Signs	-	17,383
Security Services	2,906,380	2,249,129
Traffic Fines Management	5,790,030	4,496,728
Translators, Scribes and Editors	529	7,109
Transport Services	8,875	-
Water Takers	120,649	203,482
	13,583,220	**11,590,823**

41.2 Consultants and Professional Services

	2025 R	2024 R
Business and Advisory	3,177,585	3,380,346
Infrastructure and Planning	703,960	207,583
Laboratory Services	370,121	371,850
Legal Cost	943,646	907,619
	5,195,312	**4,867,398**

41.3 Contractors

	2025 R	2024 R
Aerial Photography	61,271	60,299
Building	131,969,815	56,264,552
Catering Services	6,965	21,537
Electrical	330,203	347,259
Employee Wellness	57,073	-
Event Promoters	8,300	-
Maintenance of Buildings and Facilities	458,916	1,331,734
Maintenance of Equipment	1,915,694	328,639
Maintenance of Unspecified Assets	21,503,391	13,019,637
Pest Control and Fumigation	11,996	1,579
Removal of Hazardous Waste	37,449	-
Tracing Agents and Debt Collectors	2,368,647	2,188,974
	158,729,721	**73,564,211**

42. INVENTORY CONSUMED

	2025 R	2024 R
Consumables	1,084,414	1,614,790
Land	-	22,000
Materials and Supplies	7,497,586	6,452,794
Water	9,583,994	8,704,502
Total Inventory Consumed	**18,165,994**	**16,794,086**

43. TRANSFERS AND SUBSIDIES PAID

	2025	2024
Operational Grants	1,072,996	1,102,117
Allocations In-kind	137,941	-
Monetary Allocations	935,056	1,102,117
Total Transfers and Subsidies Paid	**1,072,996**	**1,102,117**

43.1 Operational Grants

	Allocations In-kind		Monetary Allocations	
	2025	2024	2025	2024
Households	-	-	235,000	79,900
Non-profit Institutions	137,941	-	700,056	1,022,217
Total Operational Grants Paid	**137,941**	**-**	**935,056**	**1,102,117**

44. OPERATING LEASES

	2025	2024
Furniture and Office Equipment	3,995	18,771
Land	229,463	281,880
Machinery and Equipment	-	1,608
Other Assets	561,881	440,450
Total Operating Leases	**795,339**	**742,709**

44.1 Leasing Arrangements

The Municipality as Lessee:
Operating Leases relate to Land and Buildings with lease terms not longer than 5 years.

45. OPERATIONAL COSTS

Included in General Expenses are the following:

	2025 R	2024 R
Advertising, Publicity and Marketing	230,861	231,836
Assets less than the Capitalisation Threshold	2,846	21,464
Bank Charges, Facility and Card Fees	523,359	841,209
Bursaries (Employees)	210,000	150,000
Cleaning Services	113,714	114,682
Commission	1,174,364	1,079,476
Communication	1,423,949	1,689,370
Contribution to Provisions	(139,211)	(584,231)
Entertainment	5,968	81,422
Eskom Connection Fees	39,122	506,030
External Audit Fees	6,333,387	7,020,216
External Computer Service	3,323,859	3,213,962
Full Time Union Representative	18,741	83,652
Hire Charges	581,365	804,978
Indigent Relief	57,326	50,150
Insurance Underwriting	1,281,959	2,451,134
Learnerships and Internships	34,354	64,789
Licences	427,260	349,606
Management Fee	-	69,436
Municipal Services	94,196	54,400
Printing, Publications and Books	248,727	169,408
Professional Bodies, Membership and Subscription	10,773	5,993
Registration Fees	1,730,444	1,972,117
Remuneration to Ward Committees	48,200	52,097
Resettlement Cost	22,633	34,350
Roadworthy Test	5,650	6,391
Servitudes and Land Surveys	21,390	-
Signage	-	1,948
Skills Development Fund Levy	1,236,487	1,140,985
System Access and Information Fees	39,758	39,892
Travel and Subsistence	374,119	293,616
Uniform and Protective Clothing	999,747	905,403
Vehicle Tracking	101,283	106,557
Wet Fuel	4,170,136	4,461,520
Workmen's Compensation Fund	769,997	681,347
Total Operational Costs	**25,516,764**	**28,165,202**

45.1 Travel and Subsistence

Domestic	**374,119**	**293,616**
Accommodation	120,583	43,503
Daily Allowance	75,120	56,313
Incidental Cost	2,666	3,737
Transport without Operator	163,724	169,561
Transport with Operator	12,026	20,502
	374,119	**293,616**

45.2 Material Losses	**14,426,061**	**11,446,113**
Distribution Losses:		
Electricity Losses	10,935,364	8,912,541
Water Losses	3,490,697	2,533,572

The amounts disclosed above for Electricity and Water Losses are in respect of costs incurred in the general management of the municipality and not directly attributable to a specific service or class of expense (See Note 52.1.9).

No other extraordinary expenses were incurred.

46. GAINS AND LOSSES ON OTHER OPERATIONS

		2025 R	2024 R
Gains on Other Operations			
Increase in Net Realisable Value of Inventory		-	383
Fair Value Gains on Actuarial Assessments	Refer Note 19.1.1.2	225,670	412,029
Total Gains on Other Operations		**225,670**	**412,412**
Losses on Other Operations			
Decrease in Net Realisable Value of Inventory		3,677	262
Fair Value Losses on Actuarial Assessments	Refer Note 19.1.1.2	576,931	-
Total Losses on Other Operations		**580,608**	**262**
Net Gains and Losses on Other Operations		**(354,938)**	**412,150**

No other gains or losses have been recognised in respect of Loans and Receivables or Held-to-Maturity Investments, other than as disclosed in Note 14 and Impairment Losses recognised/reversed in respect of Trade Receivables (see Notes 2, 3, 4 and 5).

47. GAINS / LOSSES ON DISPOSAL OF CAPITAL ASSETS

	2025 R	2024 R
Gains on Disposal of Capital Assets		
Investment Property	-	57,168
Property, Plant and Equipment	3,123,179	223,913
Total Gains on Disposal of Capital Assets	**3,123,179**	**281,081**
Losses on Disposal of Capital Assets		
Intangible Assets	-	97,078
Investment Property	1,018	0
Property, Plant and Equipment	8,034,952	892,347
Total Losses on Disposal of Capital Assets	**8,035,970**	**989,425**
Net Gains / (Losses) on Disposal of Capital Assets	**(4,912,791)**	**(708,344)**

The prior year amount for Operational Costs has been adjusted. Refer to Note 48.7 on "Correction of Error" for details of the restatement.

48. RECLASSIFICATION, CORRECTION OF ERROR AND RESTATEMENTS OF ANNUAL FINANCIAL STATEMENTS

48.1 Accumulated Surplus

The prior year figures of Accumulated Surplus have been restated to correctly disclose the monies held by the municipality in terms of the disclosure notes indicated below.

The effect of the changes are as follows:	R	R Accumulated Surplus
Balance published as at 30 June 2023		463,808,187
Correction of Error:		
Adjustment for Capital Assets as per Revised Asset Register	10,803,770	
Adjustment for Consumer Deposits	33,787	
Restated Balance as at 30 June 2023		**474,645,744**
Transactions incurred for the Year 2023/24		58,137,089
Correction of Error:		
Adjustment for Capital Assets as per Revised Asset Register	2,011,210	
Adjustment for Consumer Deposits	(26,500)	
Adjustment for Accrual of Pre-paid Services	88,038	
Adjustment for Remuneration of Councillors	(154,700)	
Adjustment for Rounding Errors	-	1,918,048
Restated Balances as at 30 June 2024		**534,700,881**

48.2 Revenue

The prior year figures of Revenue Classes have been restated to correctly classify the nature of Revenue of the municipality.

The effect of the Restatements is as follows:

	Prior Year 2023/24 Audited	Change in Accounting Policy	Restatements	Restated Amount 2023/24
	R	R	R	R
Property Rates	56,640,567	-	-	56,640,567
Fines, Penalties and Forfeits	48,858,074	-	-	48,858,074
Transfers and Subsidies - Non-exchange	102,562,044	-	(155,634)	102,406,410
Surcharges and Taxes	960,923	-	-	960,923
Service Charges - Non-exchange	3,390,680	-	-	3,390,680
Interest, Dividends & Rent on - Land Non-Exchange	403,829	-	-	403,829
Licences and Permits - Exchange	1,273,576	-	-	1,273,576
Transfers and Subsidies - Exchange	5,258,674	-	-	5,258,674
Service Charges - Exchange	177,523,070	-	88,038	177,611,108
Sales of Goods and Rendering of Services	3,295,720	-	-	3,295,720
Construction Contract Revenue	56,264,552	-	155,634	56,420,187
Income from Agency Services	2,735,803	-	-	2,735,803
Rental from Fixed Assets	751,033	-	(26,500)	724,533
Interest, Dividends & Rent on Land - Exchange	14,344,553	-	-	14,344,553
Operational Revenue	18,625,001	-	-	18,625,001
Gains on Disposal of PPE	281,081	-	-	281,081
Gains on Other Operations	412,412	-	-	412,412
	493,581,592	**-**	**61,538**	**493,643,130**

48.3 Expenditure

The prior year figures of Expenditure Classes have been restated to correctly classify the nature of Expenditure of the municipality.

The effect of the Restatements is as follows:

	Prior Year 2023/24 Audited	Change in Accounting Policy	Restatements	Restated Amount 2023/24
	R	R	R	R
Employee Related Costs	118,864,337	-	-	118,864,337
Remuneration of Councillors	5,668,078	-	154,700	5,822,778
Depreciation and Amortisation	18,946,659	-	693,693	19,640,352
Impairment Losses	42,877,264	-	(958,972)	41,918,292
Interest, Dividends and Rent on Land	10,071,519	-	-	10,071,519
Bulk Purchases	98,123,267	-	-	98,123,267
Contracted Services	90,022,432	-	-	90,022,432
Inventory Consumed	16,852,732	-	(58,646)	16,794,086
Transfers and Subsidies Paid	1,102,117	-	-	1,102,117
Operating Leases	742,709	-	-	742,709
Operational Costs	28,165,202	-	-	28,165,202
Loss on Disposal of PPE	2,676,709	-	(1,687,284)	989,425
Losses on Other Operations	262	-	-	262
	434,113,287	**-**	**(1,856,510)**	**432,256,777**

48.4 Statement of Financial Position

The prior year figures of Classes in the Statement of Financial Position have been restated to correctly classify the nature of Assets, Liabilities and Net Assets of the municipality.

The effect of the Restatements is as follows:

	Prior Year 2023/24 Audited	Change in Accounting Policy	Restatements	Restated Amount 2023/24
	R	R	R	R
Current Assets				
Inventories	6,080,138	-	-	6,080,138
Receivables from Exchange Transactions	43,971,006	-	-	43,971,006
Statutory Receivables from VAT Transactions	6,877,252	-	227,966	7,105,218
Receivables from Non-exchange Transactions	327,085	-	-	327,085
Statutory Receivables from Non-exchange Transactions	23,811,984	-	-	23,811,984
Cash and Cash Equivalents	178,516,123	-	-	178,516,124
Lease Receivables	367,962	-	-	367,962
Non-Current Assets				
Property, Plant and Equipment	535,702,057	-	10,766,049	546,468,106
Intangible Assets	466,149	-	-	466,149
Investment Property	9,472,991	-	2,048,932	11,521,922
Heritage Assets	170,979	-	-	170,979
Lease Receivable	-	-	-	-
Long-term Receivables	279,489	-	-	279,489
Current Liabilities				
Consumer Deposits	(4,782,132)	-	7,287	(4,774,845)
Payables from Exchange Transactions	(79,178,239)	-	(1,911,028)	(81,089,267)
Unspent Conditional Grants and Receipts	(21,980,212)	-	1,844,366	(20,135,846)
VAT Payable	-	-	(4,808,444)	(4,808,444)
Lease Payables	(421,942)	-	-	(421,942)
Borrowings	(4,161,118)	-	-	(4,161,118)
Employee Benefit Liabilities	(15,175,022)	-	-	(15,175,022)
Provisions	(4,580,478)	-	4,580,478	-
Non-Current Liabilities				
Lease Payables	(214,499)	-	-	(214,499)
Borrowings	(23,326,683)	-	-	(23,326,683)
Employee Benefit Liabilities	(39,082,000)	-	-	(39,082,000)
Provisions	(64,792,398)	-	-	(64,792,398)
Net Assets				
Reserves	(26,403,215)	-	-	(26,403,215)
Accumulated Surplus / (Deficit)	(521,945,276)	-	(12,755,605)	(534,700,881)
	-	-	-	-

48.5 Cash Flow Statement

The prior year figures of the Cash Flow Statement have been restated to correctly classify the nature of cash receipts and expenditures of the municipality.

The effect of the Restatements is as follows:

	Prior Year 2023/24 Audited	Change in Accounting Policy	Restatements	Restated Amount 2023/24
	R	R	R	R
Receipts				
Property Rates	55,514,366	-	-	55,514,366
Fines, Penalties and Forfeits	12,883,750	-	-	12,883,750
Transfers and Subsidies	104,717,192	-	(2,000,000)	102,717,192
Service Charges	158,280,880	-	-	158,280,880
External Interest and Dividends Received	12,495,053	-	-	12,495,053
Other Receipts	100,365,172	-	2,000,000	102,365,172
VAT Received	-	-	3,551,999	3,551,999
Payments				
Employee Related Costs	(114,091,450)	-	154,700	(113,936,750)
Remuneration of Councillors	(5,668,078)	-	(154,700)	(5,822,778)
External Interest and Dividends Paid	(3,110,830)	-	-	(3,110,830)
Suppliers Paid	(214,513,546)	-	(4,240,732)	(218,754,278)
VAT Paid	(1,028,479)	-	1,028,479	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	**105,844,030**	**-**	**339,745**	**106,183,775**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(48,197,007)	-	-	(48,197,007)
Purchase of Intangible Assets	(124,076)	-	-	(124,076)
Proceeds on Disposal of Property, Plant and Equipment	233,913	-	-	233,913
Proceeds on Disposal of Investment Property	132,800	-	-	132,800
Decrease / (Increase) in Long-term Receivables	(54,535)	-	(339,746)	(394,281)
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(48,008,906)**	**-**	**(339,746)**	**(48,348,652)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in Finance Leases (Leases Redeemed)	(361,517)	-	-	(361,517)
Increase in Borrowings (Loans Taken-on)	3,500,000	-	-	3,500,000
Decrease in Borrowings (Loans Redeemed)	(4,230,703)	-	-	(4,230,703)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(1,092,220)**	**-**	**-**	**(1,092,220)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQ	**56,742,904**	**-**	**-**	**56,742,904**
Cash and Cash Equivalents at Beginning of Period	121,773,220	-	(0)	121,773,220
Cash and Cash Equivalents at End of Period	178,516,123	-	0	178,516,124

48.6 Reclassification and/or Corrections of Revenue

Prior year amounts of items in **Revenue** included in the Statement of Financial Performance have been restated as indicated below:

	Transfers and Subsidies - Non-exchange	Construction Contract Revenue	Service Charges - Exchange	Rental from Fixed Assets
			R	R
Balance previously reported	**102,562,044**	**56,264,552**	**177,523,070**	**751,033**
Correction of Errors:-				
Adjust Accruals for Pre-paid Services not used	-	-	88,038	-
Adjust Rental from Fixed Assets	-	-	-	(26,500)
Adjust for construction revenue correction	(155,634)	155,634	-	-
Restated Balance now reported	**102,406,410**	**56,420,187**	**177,611,108**	**724,533**

Service Charges from Exchange Transactions:
The **prior year amounts** for Service Charges and Exchange Payables have been restated to correctly disclose the revenue for Electricity Services, pre-paid sales not utilised at year-end previously incorrectly calculated.

Rental from Fixed Assets:
The **prior year amounts** for Rental from Fixed Assets and Consumer Deposits have been restated to correctly disclose the revenue for Rentals of Leased Buildings, Deposits previously recognised in revenue.

Transfers and Subsidies - Non-exchange

The **prior year amounts** for Transfers and Subsidies - Non Exchange and Construction Construction Revenue have been restated to correctly disclose the revenue for Rietkuil Water upgrade project which was previously recognised in transfers and subsidies.

Construction Contract Revenue

The **prior year amounts** for Construction Contract Revenue and Transfers and Subsidies - Non Exchange have been restated to correctly disclose the revenue for Rietkuil Water upgrade project which was previously recognised in transfers and subsidies.

48.7 Reclassification and/or Corrections of Expenditure

Prior year amounts of items in **Expenditure** included in the Statement of Financial Performance have been restated as indicated below:

	Remuneration of Councillors	Inventory Consumed
	R	R
Balance previously reported	**5,668,078**	**16,852,732**
Correction of Errors:-		
Adjust Remuneration of Councillors	154,700	-
Adjust Expenditures for Inventory Consumed	-	(58,646)
	5,822,778	**16,794,086**

Remuneration of Councillors:
The **prior year amounts** for Remuneration of Councillors have been restated to correctly disclose the expenditure for Councillor Remuneration, prior year increases not accrued for.

Inventory Consumed:
The **prior year amounts** for Inventory Consumed and Property, Plant & Equipment have been restated to correctly disclose the Inventory Cosumed, adjusted for Capital Expense not recognised previously.

	Depreciation and Amortisation	Impairment Losses	Loss on Disposal of PPE
	R	R	R
Balance previously reported	**18,946,659**	**42,877,264**	**2,676,709**
Correction of Errors:-			
Adjust Remuneration of Councillors	-	-	-
Adjust Deprecation as per Updated Asset Register	693,693	-	-
Adjust Impairment as per Updated Asset Register	-	(958,972)	-
Adjust Asset Disposals as per 2025 Asset Register	-	-	(1,687,284)
	19,640,352	**41,918,292**	**989,425**

Depreciation and Amortisation:
The **prior year amounts** for Depreciation & Amortisation and Property, Plant & Equipment have been restated to correctly disclose depreciation for assets as per Asset Register compiled for the Year 2025.

Impairment Losses:
The **prior year amounts** for Impairment Losses and Property, Plant & Equipment have been restated to correctly disclose impairment of assets as per Asset Register compiled for the Year 2025.

Loss on Disposal of Property, Plant and Equipment:
The **prior year amounts** for Loss on Disposal of PPE, Property, Plant & Equipment and Investment Property have been restated to correctly disclose disposal of assets, Land previously derecognised in error.

48.8 Reclassification and/or Corrections of Statement of Financial Position

Opening Balances and **Prior Year Amounts** of items in the Statement of Financial Position have been restated as indicated below:

	Property, Plant and Equipment	Investment Property
	R	R
Balances previously published per AFS as at 30 June 2023	**512,103,757**	**11,034,185**
Correction of Errors:-		
Adjust Asset Cost as per 2025 Asset Register	19,734,014	615,582
Adjust Depreciation as per 2025 Asset Register	(9,572,695)	-
Adjust Impairment as per 2025 Asset Register	26,870	-
Balances now published per AFS as at 30 June 2023	**522,291,946**	**11,649,766**
Transactions incurred for the Year 2023/24	23,598,300	(1,561,194)
Correction of Errors:-		
Adjust Asset Acquisitions as per 2025 Asset Register	58,646	1,637,875
Adjust Depreciation as per 2025 Asset Register	(693,693)	(204,525)
Adjust Impairment as per 2025 Asset Register	958,972	-
Adjust Asset Disposals as per 2025 Asset Register	253,934	-
Balances now published per AFS as at 30 June 2024	**546,468,106**	**11,521,922**

Property, Plant and Equipment:
The **opening balances** for Property, Plant & Equipment and Accumulated Surplus have been restated to correctly disclose the value of Capital Assets as per Register compiled for the Year, adjusted for prior year deviations detected.

The **prior year amounts** for Property, Plant & Equipment, Depreciation and Disposal of Assets have been restated to correctly disclose the value of Capital Assets as per Register compiled for the Year, adjusted for prior year deviations detected.

Investment Property:
The **opening balances** for Investment Property and Accumulated Surplus have been restated to correctly disclose the value of Capital Assets as per Register compiled for the Prior Year.

The **prior year amounts** for Investment Property and Gains & Losses on Disposal of Assets have been restated to correctly disclose the value of Capital Assets as per Asset Register compiled for the Prior Year.

	Unspent Conditional Grants and Receipts	Consumer Deposits	Payables from Exchange Transactions
		R	R
Balances previously published per AFS as at 30 June 2023	**(20,394,684)**	**(4,301,848)**	**(37,006,693)**
Correction of Errors:-			
Adjust Consumer Deposits to Creditors' Listings	-	33,787	-
Balances now published per AFS as at 30 June 2023	**(20,394,684)**	**(4,268,061)**	**(37,006,693)**
Transactions incurred for the Year 2023/24	(1,585,528)	(480,284)	(42,171,546)
Correction of Errors:-			
Adjust Consumer Deposits to Creditors' Listings	-	(26,500)	-
Adjust Payables for Pre-paid Sales Accrual	-	-	88,038
Adjust Payables for Councillors Remuneration Accrual	-	-	(154,700)
Adjust for Paybles for construction contract accrual	1,844,366	-	(1,844,366)
Balances now published per AFS as at 30 June 2024	**(20,135,846)**	**(4,774,845)**	**(81,089,267)**

Unspent Conditional Grants and Receipts

The prior year amounts for Unspent Conditional Grants have been restated to correctly disclose the liability, restated for the Rietkuil Water Upgrade project which was previously incorrectly included.

Consumer Deposits:

The **opening balances** of Payables from Consumer Deposits have been restated to correctly disclose the value of Deposits, restated to agree to Creditors' Deposit Listings.

The **prior year amounts** of Consumer Deposits have been restated to correctly disclose the value of Deposits, restated to agree to Creditors' Deposit Listings

Payables from Exchange Transactions:

The **prior year amounts** for Exchange Payables and Service Charges have been restated to correctly disclose the liability for Payments Received in Advance, restated for Pre-paid Electricity Sales not utilised at year-end previously incorrectly calculated.

Furthermore, the **prior year amounts** of Payables from Exchange Transactions have been restated to correctly disclose the value of Payables, restated for increases in Councillors Remuneration not accrued for.

Furthermore, the **prior year amounts** of Payables from Exchange Transactions have been restated to correctly disclose the value of Payables, restated for increases in Construction Contracts Liability which previously did not include the Rietkuil Water Upgrade project.

	Statutory Receivables from VAT Transactions	VAT Payable	Provisions
	R	R	R
Balances previously published per AFS as at 30 June 2023	**5,105,210**	**-**	**(3,741,261)**
Correction of Errors:-			
Adjust VAT Receivable for Receivables Accrual	2,319,953	(2,319,953)	-
Balances now published per AFS as at 30 June 2023	**7,425,163**	**(2,319,953)**	**(3,741,261)**
Transactions incurred for the Year 2023/24	1,772,042	-	(839,217)
Correction of Errors:-			
Adjust VAT Receivable for Receivables Accrual	(2,091,987)	2,091,987	-
Adjust Provisions VAT on Library Grants	-	(4,580,478)	4,580,478
Balances now published per AFS as at 30 June 2024	**7,105,218**	**(4,808,444)**	**-**

Statutory Receivables from VAT Transactions:
The **opening balances** of VAT Receivable and VAT Payable have been restated to correctly disclose the value of Receivables, VAT previously disclosed as a net amount.

The **prior year amounts** of VAT Receivable and VAT Payable have been restated to correctly disclose the value of Receivables, VAT previously disclosed as a net amount.

Furthermore, the **prior year amounts** of VAT Receivable have been restated to correctly disclose the value of Receivables, VAT on Library Grants previously accrued for in Provisions.

VAT Payable:
The **opening balances** of VAT Payable and VAT Receivable have been restated to correctly disclose the value of Payables, VAT previously disclosed as a net amount.

The **prior year amounts** of VAT Payable and VAT Receivable have been restated to correctly disclose the value of Payables, VAT previously disclosed as a net amount.

The **prior year amounts** of VAT Payable have been restated to correctly disclose the value of Payables, VAT on Library Grants previously accrued for in Provisions.

Provisions:
The **prior year amounts** of Provisions have been restated to correctly disclose the Liability for Output VAT on library grants received. Provision previously recognised for a VAT Liability based on a technical interpretation of the treatment of Output VAT on Library Grants received, now reversed.

48.9 Reclassification of Cash Flow Statement

Prior Year Amounts of Items in the Cash Flow Statement have been restated as indicated below:

Cash Flows from Operating Activities:

	Employee Related Costs R	Remuneration of Councillors R
Balance previously reported	**(114,091,450)**	**(5,668,078)**
Correction of Errors:-		
Adjust Remuneration of Councillors Accrual	154,700	(154,700)
Restated Balance now reported	**(113,936,750)**	**(5,822,778)**

Employee Related Costs:
The **prior year amounts** for Employee Related Costs have been restated to correctly disclose the cash outflow from Employee Costs, restated for increases in Councillor Remuneration not accrued for.

Remuneration of Councillors:
The **prior year amounts** for Remuneration of Councillors have been restated to correctly disclose the cash outflow from Councillor Remuneration, restated for increases not accrued for.

	VAT Received R	Suppliers Paid R	VAT Paid R
Balance previously reported	**-**	**(214,513,546)**	**(1,028,479)**
Correction of Errors:-			
Adjust Provision for VAT on Library Grants	3,551,999	(4,580,478)	1,028,479
Adjust Impairment of Receivables	-	339,746	-
Restated Balance now reported	**3,551,999**	**(218,754,278)**	**-**

VAT Received:
The **prior year amounts** for VAT Received have been restated to correctly disclose the cash flows from VAT, VAT on Library Grants previously accrued for in Provisions.

Suppliers Paid:
The **prior year amounts** for Suppliers Paid have been restated to correctly disclose the cash outflow from VAT, VAT on Library Grants previously accrued for in Provisions.

Furthermore, the **prior year amounts** for Suppliers Paid have been restated to correctly disclose the cash outflow from Service Charges, Impairment of Non-current Receivables previously allocated to Current Receivables.

VAT Paid:
The **prior year amounts** for VAT Paid have been restated to correctly disclose the cash outflow from VAT, VAT on Library Grants previously accrued for in Provisions.

Cash Flows from Investing Activities:

	Decrease / (Increase) in LT Receivables R
Balance previously reported	**(54,535)**
Correction of Errors:-	
Adjust Impairment of Receivables	(339,746)
Restated Balance now reported	**(394,281)**

Change in Long-term Receivables:
The **prior year amounts** for Long-term Receivables have been restated to correctly disclose the cash outflow from Service Charges, Impairment of Non-current Receivables previously allocated to Current Receivables.

	2025	2024
49. CHANGE IN ACCOUNTING ESTIMATES	**R**	**R**

49.1 Depreciation Expenditure:

The remaining useful lives and residual values of Capital Assets were re-assessed in the current year and affected the amount of depreciation for the 2024/25 financial year. The adjustments are as follows:

	2025	2024
Increase / (Decrease) in Depreciation due to adjustments to Useful Lives of Capital Assets	348,838	310,253
Increase / (Decrease) in Depreciation of Capital Assets	**348,838**	**310,253**
Depreciation as previously stated	19,480,963	19,330,099
Adjustment due to Change in Accounting Estimate	348,838	310,253
Depreciation as per Note 37.	**19,829,801**	**19,640,352**

50. CASH GENERATED BY OPERATIONS

		2025 R	2024 R
Surplus / (Deficit) for the Year		2,627,290	61,386,353
Adjustment for Non-cash Transactions included in Surplus / (Deficit):			
Fines, Penalties and Forfeits	Refer Note 23.1	906,701	859,930
Transfers and Subsidies Received	Refer Note 25.1	(5,622,362)	(4,689,055)
Employee Related Costs	Refer Note 33.1	10,737,397	9,896,352
Depreciation and Amortisation	Refer Note 35.2	19,829,801	19,640,352
Impairment Losses	Refer Note 36.1	64,190,573	41,918,292
Interest, Dividends and Rent on Land	Refer Note 37.1	6,952,029	6,975,290
Contracted Services	Refer Note 39.1	-	(3,741,261)
Operational Costs	Refer Note 43.1	(139,211)	(584,231)
Gains on Other Operations	Refer Note 44.1	(225,670)	(412,412)
Losses on Other Operations	Refer Note 44.1	580,608	262
Gains / Losses on Disposal of Assets	Refer Note 46.1	8,035,970	1,075,057
Adjustment for Cash Transactions not included in Surplus / (Deficit):			
Transfer of Property, Plant and Equipment	Refer Note 8.1	461,205	(58,794)
Transfer of Intangible Assets	Refer Note 8.1	(307,480)	-
Expenditure from Current Employee Benefit Liabilities	Refer Note 18.1.1	(4,056,034)	(3,067,254)
Expenditure from Non-current Employee Benefit Liabilities	Refer Note 18.1.2	(1,211,931)	(1,871,971)
Adjustment for Non-cash Transactions included in Working Capital:			
Inventories	Refer Note 1.1	(3,677)	121
Bad Debt Written-off: Exchange Receivables	Refer Note 2.1	(4,709,935)	(562,244)
Bad Debt Written-off: Statutory Non-exchange Receivables	Refer Note 5.1	(24,590,757)	(20,696,648)
Decrease/(Increase) in Impairment of Exchange Receivables	Refer Note 2.2	(777,659)	(5,043,175)
Decrease/(Increase) in Impairment of Statutory Exchange Receivables	Refer Note 16.	29,596	743,563
Decrease/(Increase) in Impairment of Non-exchange Receivables	Refer Note 4.3	1,087,814	(446,209)
Decrease/(Increase) in Impairment of Statutory Non-exchange Receivables	Refer Note 5.3	(12,427,080)	(8,734,216)
Adjustment for Transactions included in Surplus / (Deficit) directly recognised in Cash Flow:			
Gains / (Losses) on Disposal of Capital Assets	Refer Note 46.1	(3,123,179)	(366,713)
Minor Variance on Depreciation		-	582
Operating Surplus before Working Capital Changes		58,244,009	92,221,973
Decrease/(Increase) in Inventories		(396,535)	(630,455)
Decrease/(Increase) in Receivables from Exchange Transactions		23,633,895	(23,690,284)
Decrease/(Increase) in Statutory Receivables from Exchange Transactions		2,407,648	319,945
Decrease/(Increase) in Receivables from Non-exchange Transactions		12,411	112,502
Decrease/(Increase) in Statutory Receivables from Non-exchange Transactions		(3,665,393)	(8,933,421)
Decrease/(Increase) in Operating Lease Receivables		11,507	(38,977)
Increase/(Decrease) in Consumer Deposits		958,703	506,784
Increase/(Decrease) in Payables from Exchange Transactions		(20,584,550)	44,082,574
Increase/(Decrease) in Unspent Conditional Grants and Receipts		13,250,030	(258,837)
Increase/(Decrease) in VAT Payable		(3,135,063)	2,488,491
Increase/(Decrease) in Operating Lease Payables		8,727	3,480
Cash Generated by / (Utilised in) Operations		70,745,389	106,183,775

51. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

51.1 Unauthorised Expenditure	2025 R	2024 R
Reconciliation of Unauthorised Expenditure:		
Opening Balance:	10,480,359	1,018,394
Unauthorised Expenditure Current Year:	39,345,623	978,131
Approved/Condoned by Council:	(1,996,458)	-
Correction of Error Prior Year	-	8,483,834
Unauthorised Expenditure awaiting authorisation	**47,829,524**	**10,480,359**

Budgeted votes exceeded:	Reason	Disciplinary Steps / Criminal Proceedin	R	R
Capital Expenditure:				
Roads & Stormwater	Developers Contribution	To be considered by Council	2,267,647	-
Property Management	Land transfer to municpality	To be considered by Council	5,061,000	-
Finance	Donated Assets	Approved By Council - No actions taken		978,131
Finance	Donated Assets	To be considered by Council	262,843	262,843
Operational Expenditure:				
Environmental & Waste Minimization	Disposal of assets and interest provision	To be considered by Council	759,605	-
Human Resource Management	Actuarial Losses on Post employment medicial	To be considered by Council	118,203	-
Roads & Stormwater	Impairment of assets	To be considered by Council	1,708,017	-
Waste Water Services	Impairment of assets	To be considered by Council	9,751,639	-
Water Services	Impairment losses, irrecoverable debt and donated asset.	To be considered by Council	13,914,062	-
Office of the political office bearers	Disposal of Assets		5,380,690	
Fleet Management		To be considered by Council	384,760	
Health Services (2023)	Depreciation	Approved By Council - No actions taken		67
Council	Disposal of fixed assets	To be considered by Council	713,648	713,648
Road and Traffic Regulation	Traffic Fines Management Fees	To be considered by Council	1,032,442	1,032,442
Waste Water Services	Impairment of assets	To be considered by Council	3,976,431	3,976,431
Roads & Stormwater	Impairment of assets	To be considered by Council	2,090,040	2,090,040
Fleet Management	Depreciation	To be considered by Council	408,430	408,430
Waste Water Management (2023)	Landfill Site Rehablitation	Approved By Council - No actions taken	-	1,018,327
		Total	**47,829,457**	**10,217,516**

51.2 Fruitless and Wasteful Expenditure	**2025 R**	**2024 R**
Reconciliation of Fruitless and Wasteful Expenditure:		
Opening Balance	-	-
Fruitless and Wasteful Expenditure	3,470	-
- Current Year	3,470	-
- Prior Year	-	-
Expenditure investigated and approved by Council	-	-
To be Recovered – Receivables	-	-
- Current Year	-	-
- Prior Year	-	-
Fruitless and Wasteful Expenditure	**3,470**	**-**

The fruitless and wasteful expenditure has been submitted to Council. It has since been noted and referred to the Section 32 Committee and Disciplinary Committee for further investigation. The investigations is still outstanding.

Incident	**Disciplinary Steps / Criminal Proceedings**		
Adv E Vermaak	Under Investigation (refer Note 2)	2,000	
C Lottering	Under Investigation (refer Note 2)	1,470	
	Total Under Investigation	**3,470**	

51.3 Irregular Expenditure	**2025 R**	**2024 R Restated**
Reconciliation of Irregular Expenditure:		
Opening Balance:	66,262,415	2,949,732
Irregular Expenditure Current Year:	133,360,132	63,312,683
- Current Year	133,360,132	63,312,683
- Prior Year	-	-
Condoned/Written-off by Council:	(197,312,343)	-
- Current Year	(131,049,928)	-
- Prior Year	(66,262,415)	-
Irregular Expenditure awaiting condonation	**2,310,204**	**66,262,415**

The amounts disclosed for Irregular Expenditure are inclusive of VAT.

Current Year:

Incident	Deviation	Disciplinary Steps	2025	2024
Asla Construction	Non compliance with SCM regulations	None- Under Investigation Restated	133,220,151	61,682,780
Hessequa Consulting Engineers	Non compliance with SCM regulations	None- Under Investigation	-	229,519
Mubesko Africa	Non compliance with SCM regulations	None- Under Investigation	-	156,183
Macnay CC	Non compliance with SCM regulations	None- Under Investigation	-	598,000
Preferential procurement Regulation _x000A_2022 below R30 000 (Various)	Non compliance with SCM regulations	None- Under Investigation Restated	-	3,508,196
Johan Kemp	Non compliance with SCM regulations	None- Under Investigation	78,827	87,738
R Saptoe	Non-compliiance with recruitment	None-Under Investigation	61,154	
		Total Under Investigation	**133,360,132**	**66,262,416**
Asla Construction	Non compliance with SCM regulations	Current Year: Write-Off	(130,971,101)	-
Hessequa Consulting Engineers	Non compliance with SCM regulations	Current Year: Write-Off	-	-
Macnay	Non compliance with SCM regulations	Current Year: Write-Off	-	-
Johan Kemp	Non compliance with SCM regulations	Current Year: Write-Off	(78,827)	-
Mubesko Africa	Non compliance with SCM regulations	Current Year: Write-Off	-	-
Preferential procurement Regulation 2022 below R30 000 (Various)	Non compliance with SCM regulations	Current Year: Write-Off	-	-
		Total Current Year	**(131,049,928)**	-
Asla Construction	Non compliance with SCM regulations	Prior Year: Write-Off	(61,682,780)	-
Mubesko Africa	Non compliance with SCM regulations	Prior Year: Write-Off	(229,519)	-
Hessequa Consulting Engineers	Non compliance with SCM regulations	Prior Year: Write-Off	(156,183)	-
Macnay	Non compliance with SCM regulations	Prior Year: Write-Off	(598,000)	-
Johan Kemp	Non compliance with SCM regulations	Prior Year: Write-Off	(87,738)	-
Preferential procurement Regulation 2022 below R30 000 (Various)	Non compliance with SCM regulations	Prior Year: Write-Off	(3,508,196.00)	
		Total Prior Year	**(66,262,416)**	-
		Total Prior Year Restated		-

52. ADDITIONAL DISCLOSURES IN TERMS OF APPLICABLE LEGISLATION

52.1 MUNICIPAL FINANCE MANAGEMENT ACT

52.1.1 Contributions to Organised Local Government - SALGA

	2025 R	2024 R
Opening Balance	-	1,208,685
Council Subscriptions	1,368,054	1,263,246
Amount Paid - current year	(1,368,054)	(1,263,246)
Amount Paid - previous years	-	(1,208,685)
Balance Unpaid (included in Creditors)	**-**	**-**

52.1.2 Pension and Medical Aid Deductions

	2025 R	2024 R
Opening Balance	-	-
Current Year Contributions	36,203,208	33,259,132
Amount Paid - current year	(36,203,208)	(33,259,132)
Balance Unpaid (included in Creditors)	**-**	**-**

52.1.3 Audit Fees

	2025 R	2024 R
Opening Balance	-	27,040
Current year Audit Fees:	6,333,387	7,020,216
Amount Paid - current year	(6,333,387)	(7,020,216)
Amount Paid - previous years	-	(27,040)
Balance Unpaid (included in Creditors)	**-**	**-**

The prior year's amounts have been restated due to recalculations done on documentation submitted.

52.1.4 PAYE, Skills Development Levy and UIF

	2025 R	2024 R
Opening Balance	-	-
Current year Payroll Deductions	19,577,676	18,715,637
Amount Paid - current year	(19,577,676)	(18,715,637)
Balance Unpaid (included in Creditors)	**-**	**-**

52.1.5 VAT

The net of VAT input receivables and VAT output payables are shown in Note 16 Value Added Taxes.
All VAT returns have been submitted by the due date throughout the year.

52.1.6 Councillor's arrear Consumer Accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June:

30 June 2025	Total	Outstanding up to 90 days	Outstanding more than 90 days
No Councillors had arrears as at 30 June 2025.	-	-	-
Total Councillor Arrear Consumer Accounts	**-**	**-**	**-**

30 June 2024	Total	Outstanding up to 90 days	Outstanding more than 90 days
Councillor D.Julius	746	746	-
Councillor F. Du Randt	15	15	-
Total Councillor Arrear Consumer Accounts	**761**	**761**	**-**

52.1.7 Deviation from, and ratification of minor breaches of, the Procurement Processes

In terms of section 36(1) of the Municipal Supply Chain Management Policy approved by the Council, any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal Manager, noted by Council and bids where the formal procurement processes could not be followed must be noted in the Annual Financial Statements.

The following deviations from the tender stipulations in terms of the municipality's Supply Chain Management Policy were ratified by the Municipal Manager and reported to Council:

30 June 2025

Commodity	Tenderer	Reason	Amount
Goods / Services	Various (26)	Exceptional case where it is impractical or impossible to follow the official procurement processes.	6,701,008
Goods / Services	Various (6)	Emergency (*)	2,895,982
Goods / Services	Various	Goods or services are produced or available from a sole supplie	-
Goods / Services	Various (3)	To ratify any minor breach of the procurement process which are of a technical nature	20,115
		Total:	9,617,105

(*) The amount does not include 1 case in respect of services rendered where the amount is based on a rate.

30 June 2024

Commodity	Tenderer	Reason	Amount
Goods / Services	Various (17)	Exceptional case where it is impractical or impossible to follow the official procurement processes.	963,098
Goods / Services	Various (14)	Emergency (*)	2,260,472
Goods / Services	Various (8)	Goods or services are produced or available from a sole supplie	87,672
Goods / Services	Various (2)	To ratify any minor breach of the procurement process which are of a technical nature	-
		Total:	3,311,242

(*) The amount does not include 1 case in respect of services rendered where the amount is based on a rate.

52.1.8 Awards to close family members of persons in the service of the state

In terms of section 45(1) of the Municipal Supply Chain Management Policy approved by the Council, the accounting officer must ensure that particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, must be disclosed in the notes to the Annual Financial Statements.

The following awards to close family members of persons in the service of the state in terms of the municipality's Supply Chain Management Policy and declared on MBD 4 were made:

Company Name	Employee Name & Relationship	Capacity	Type of Award	2025 R Award/ Purchase for the Year	2024 R Award/ Purchase for the Year
Hein's Auto Elektries	J. de Jager (Brother)	Manager: Budget, Reporting & Exp.	Quotation	241,197	73,408
Kemanzi (PTY) LTD	J.N. du Toit (Spouse)	Teacher	Tender	2,564,587	643,860
LSL Enterprises (Pty) Ltd	Cllr G. Lebazi (Sister)	Councillor	Rates Tender & Direct Orders	-	19,935
Masakhane Training	Q. Martin (Husband)	Police Officer	Quotation	41,937	9,500
Jonathan Oktober	M. Oktober (Wife)	Cleaner	Rates Tender & Quotation	-	6,382
Parkers and Partners (PTY) LTD	K. Juries (Son)	Chief Clerk: Acquisitions	Direct Order / Quotation	64,298	31,830
AH Windvogel	MPLR Windvogel (Morther)	Member of Parliament	Direct Order	24,950	21,840
Ducharme Consulting	L.Mbekeni (Wife)	Senior Legal Officer	Tender / Direct Order	3,499,721	2,655,165
Desmond Prins	J.Francis (Daughter)	Sterilisation Officer	Direct Order	-	9,000
Agritech t/a Autozone	L. Baransky (Wife)	Admin Officer: Property Management	Direct Order / Quotation	34,644	18,429
Phillip Crafford	J. Crafford (Wife)	Snr. Administrator: Courts	Direct Order	9,976	19,026
Red Ant Security and Relocation Services	N. Lesiela (Wife)	Organisational Design Development Pract.	Direct Order	-	1,335,937
JM Carelse	W, Carelse (Son)	General Worker:Parks	Direct Order / Quotation	46,484	36,854
Ruhan Beukes	D. Beukes (Mother)	Accountant: Rates & Taxes	Direct Order / Quotation	65,467	68,142
Swellendam Bestuurskool	R. Blauw (Son)	Teacher	Direct Order	-	24,500
MG Gilomee	P. Gilomee (Wife)	Exec PA to Ald.G. Fourie	Fixed Bid Price	-	116,780
KJ Uys	R. Theodore (Uncle)	Assistant SCM Practitioner	Direct Order	28,662	-
Bazil Koopman	Bazil Koopman JNR (Son)	Teacher	Direct Order / Quotation	15,280	-
Genlux Lighting a Division of ACTOM	I.Kruger (Nel) (Son)	Head of the Transmission System Development	Direct Order	63,033	-
Ettiene Vermaak	J.M.C. Vermaak (Son)	Pharmacist	Direct Order	175,963	-
Swellendam Bestuurskool (PTY)LTD	R. Blauwe (Son)	Teacher	Direct Order	5,000	-
DJ Prins	J. Francis (Daughter)	Staralasation Offices	Direct Order	14,057	-
Hermanus Jacobus Swart	F. Swart (Brother)	Foreman Parks	Direct Order	17,257	-
Total Awards and/or Purchases				**6,912,512**	**5,090,588**

For fixed bid prices the award amount is disclosed, for direct orders the order amount is disclosed and for rates tenders the actual expenditure is disclosed.

52.1.9 Bulk Electricity and Water Losses in terms of Section 125 (2)(d)(i) of the MFMA

Material Electricity and Water Losses were as follows and are not recoverable:

Electricity:

		Lost Units	Tariff	Value
30 June 2025	Unaccounted Electricity Losses	5,339,533	2.0480	10,935,364
30 June 2024	Unaccounted Electricity Losses	4,838,250	1.8421	8,912,541

Electricity Losses occur due to inter alia, technical and non-technical losses (Technical losses - inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections). The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

Volumes in kWh/year:	2025 R	2024 R
System Input Volume	56,947,673	53,261,564
Billed Consumption	51,608,140	48,423,314
	5,339,533	4,838,250
Percentage Distribution Loss	9.38%	9.08%

Water:

		Lost Units	Tariff	Value
30 June 2025	Unaccounted Water Losses	786,193	4.440	3,490,697
30 June 2024	Unaccounted Water Losses	560,063	4.524	2,533,572

Water Losses occur due to inter alia, leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repaired as soon as they are reported.

Volumes in Kl/year:	2025 R	2024 R
System Input Volume	2,160,527	1,925,692
Billed Consumption	1,374,334	1,365,629
Distribution Loss	786,193	560,063
Percentage Distribution Loss	36.39%	29.08%

52.2 BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

Information on compliance with the B-BBEE Act is included in the Annual Report under the section titled B-BBEE Compliance Performance Information.

53. COMMITMENTS FOR EXPENDITURE

53.1 Capital Commitments

	2025 R	2024 R
Approved and Contracted for:	**17,638,266**	**20,248,422**
Infrastructure	14,141,813	19,372,665
Community	1,021,898	494,940
Office Buildings	2,474,555	380,817
Total Capital Commitments	**17,638,266**	**20,248,422**
This expenditure will be financed from:		
Capital Replacement Reserve	3,705,334	9,450,070
Government Grants	13,932,932	10,798,351
	17,638,266	**20,248,422**

The Capital Commitments are VAT inclusive.

54. FINANCIAL INSTRUMENTS

54.1 Classification

FINANCIAL ASSETS:
In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:

		2025 R	2024 R
Financial Assets at Amortised Cost:			
Non-current Long-term Receivables	Property Rates	317,929	344,706
Non-current Long-term Receivables	Trading Service Debtors	3,363,719	2,880,671
Receivables from Exchange Transactions	Electricity	9,956,648	12,021,440
Receivables from Exchange Transactions	Refuse	1,704,452	1,486,454
Receivables from Exchange Transactions	Sewerage	2,035,436	1,861,620
Receivables from Exchange Transactions	Merchandising, Jobbing and Contracts	89,607	89,607
Receivables from Exchange Transactions	Other Service Charges	665,392	639,843
Receivables from Exchange Transactions	Water	3,474,864	3,625,247
Receivables from Exchange Transactions	Property Rental Debtors	43,163	32,802
Receivables from Exchange Transactions	Housing Selling Scheme	-	1,171
Receivables from Exchange Transactions	Insurance Debtors	-	17,666,698
Receivables from Exchange Transactions	Deposits for Land	-	4,446,000
Receivables from Non-exchange Transactions	Electricity	132,969	135,702
Receivables from Non-exchange Transactions	Sewerage	92,644	100,034
Receivables from Non-exchange Transactions	Water	89,061	91,349
Cash and Cash Equivalents	Call Deposits	125,457,664	93,346,738
Cash and Cash Equivalents	Bank Balances	83,338,161	85,164,736
Cash and Cash Equivalents	Cash Floats and Advances	4,650	4,650
Total Financial Assets		**230,766,360**	**223,939,466**

		2025 R	2024 R
FINANCIAL LIABILITIES:			

In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:

		2025 R	2024 R
Financial Liabilities at Amortised Cost:			
Non-current Finance Lease Obligations	Non-current Finance Lease Obligations	-	214,499
Non-current Borrowings	Annuity Loan	26,626,748	23,326,683
Consumer Deposits	Electricity	795,805	736,300
Consumer Deposits	Water	1,988,098	1,561,736
Consumer Deposits	Other Deposits	2,949,644	2,476,810
Payables from Exchange Transactions	Other Payables	1,288,618	18,735,326
Payables from Exchange Transactions	Trade Creditors	51,852,854	57,255,168
Current Finance Lease Obligations	Current Finance Lease Obligations	214,498	402,025
Current Borrowings	Annuity Loan	4,201,905	4,161,118
Total Financial Liabilities		**89,918,171**	**108,869,664**

No Financial Instruments of the municipality have been reclassified during the year.

Gearing Ratio

The gearing ratio at the year-end was as follows:

	2025	2024
Debt	31,043,151	28,104,324
Cash and Cash Equivalents	(125,462,314)	(93,351,388)
Net Debt	(94,419,163)	(65,247,063)
Equity	563,731,386	561,104,096
Net debt to equity ratio	**-16.75%**	**-11.63%**

Debt is defined as Long-term Liabilities, together with its Short-term Portion.

Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance and Net Debt as described above.

54.2 Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality’s audit committee, an independent body that monitors the effectiveness of the internal audit function.

Further quantitative disclosures are included throughout these Annual Financial Statements.

54.3 Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in Financial Instruments:

- Credit Risk;
- Liquidity Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

Market Risk
Market Risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the municipality's income or the value of its holdings in Financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Refer to Note 54.4 below for more detail

Credit Risk
Credit Risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investments held with registered financial institutions. Refer to Note 54.5 below for more detail.

Liquidity Risk
Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

A maturity analysis for Financial Liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in Note 54.6 to the Annual Financial Statements.

54.4 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 54.6 below). No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

54.4.1 Foreign Currency Risk Management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in foreign currency.

54.4.2 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is exposed to interest rate risk as the municipality borrows funds at both fixed and floating interest rates. The risk is managed by the municipality by maintaining an appropriate mix between fixed and floating rate borrowings, such borrowing being below market related
rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis
The sensitivity analysis has been determined based on the exposure to interest rates at the Statement of Financial Position date. The analysis is prepared by averaging the amount of the investment at the beginning of the financial year and the amount of the investment at the end of the financial year. A 25 basis point increase or decrease was used, which represents management's assessment of the reasonably possible change in interest rates. The short and long-term financial instruments at year-end with variable interest rates are set out in Note 54.6 below:

Cash and Cash Equivalents:
If interest rates had been 25 basis points higher / lower and all other variables were held constant, the municipality's:

- Surplus for the year ended 30 June 2025 would have increased / decreased by R484,134 (30 June 2024: R375,350). This is mainly attributable to the municipality's exposure to interest rates on its variable rate investments.

54.5 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

Investments/Bank, Cash and Cash Equivalents
The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank and First National Bank. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables
There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

	2025 R	2024 R
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:		
Long-term Receivables	3,681,648	3,225,377
Receivables from Exchange Transactions	39,517,398	62,091,386
Receivables from Non-exchange Transactions	2,288,970	3,389,195
Bank, Cash and Cash Equivalents	208,800,476	178,516,124
Maximum Credit and Interest Risk Exposure	**254,288,492**	**247,222,081**

The major concentrations of credit risk that arise from the municipality's receivables in relation to customer classification are as follows:

	%	%
Exchange Debtors:		
- Service Debtors	89.11%	58.45%
- Other Receivables	0.30%	0.18%
- Other Debtors	0.00%	26.98%
- Other Minor Classes	5.11%	9.22%
Non-Exchange Debtors:		
- Service Debtors	5.48%	5.18%
- Other not Classified	0.00%	0.00%
Total Credit Risk	**100.00%**	**100.00%**

Bank and Cash Balances		
ABSA Bank Ltd	208,795,826	178,511,474
Cash Equivalents	4,650	4,650
Total Bank and Cash Balances	**208,800,476**	**178,516,124**

Credit quality of Financial Assets:
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Long-term Receivables		
High	-	-
Medium	317,929	344,706
Low	3,363,719	2,880,671
Total Long-term Receivables	**3,681,648**	**3,225,377**
Receivables from Exchange Transactions		
Counterparties without external credit rating:		
High	18,744,979	32,119,527
Medium	953,402	11,391,076
Total Receivables from Exchange Transactions	**19,698,380**	**43,510,602**
Receivables from Non-exchange Transactions		
High	273,543	257,163
Total Receivables from Non-exchange Transactions	**273,543**	**257,163**

Credit quality Groupings:
High - High certainty of timely payment. Liquidity factors are strong and the risk of non-payment is small.

Medium - Reasonable certainty of timely payment. Liquidity factors are sound, although ongoing funding needs may enlarge financing requirement. The risk of non-payment is small.

Low - Satisfactory liquidity factors and other factors which qualify the entity as investment grade. However, the risk factors of non-payment are larger.

The municipality holds deposits to the amount of R5,733,548 (2024: R4,774,845) as security for oustanding debt of its receivables.

None of the financial assets that are fully performing, have been renegotiated in the last year.

Refer to Note 2.1 for the analysis of the age of financial assets that are past due as at the end of the reporting period but not impaired.

54. FINANCIAL INSTRUMENTS

54.6 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and Interest Risk Tables

The municipality ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay.

Description	Note ref in AFS	Average effective Interest Rate	Total	12 Months or less	2 - 5 Years	More than 5 Years
		%	R	R	R	R
30 June 2025						
Non-interest Bearing			58,875,020	58,875,020	-	-
- Consumer Deposits			5,733,548	5,733,548	-	-
- Payables from Exchange transactions			53,141,472	53,141,472	-	-
Fixed Interest Rate Instruments			46,733,780	7,524,396	24,183,156	15,026,228
- Non-current Long-term Liabilities		11.05%	39,209,384	-	24,183,156	15,026,228
- Current Finance Lease Obligations		10.67%	221,733	221,733	-	-
- Current Portion of Long-term Liabilities		10.73%	7,302,663	7,302,663	-	-
			105,608,801	**66,399,417**	**24,183,156**	**15,026,228**
30 June 2024						
Non-interest Bearing			80,765,339	80,765,339	-	-
- Consumer Deposits			4,774,845	4,774,845	-	-
- Payables from Exchange transactions			75,990,494	75,990,494	-	-
Fixed Interest Rate Instruments			42,868,939	7,468,911	20,408,021	14,992,007
- Non-current Finance Lease Obligations		10.76%	221,733	-	221,733	-
- Non-current Long-term Liabilities		11.39%	35,178,294	-	20,186,288	14,992,007
- Current Finance Lease Obligations		10.67%	448,718	448,718	-	-
- Current Portion of Long-term Liabilities		10.50%	7,020,194	7,020,194	-	-
			123,634,279	**88,234,251**	**20,408,021**	**14,992,007**

The municipality has access to financing facilities, the total unused amount which is R0 (2024: R0), at the reporting date. The municipality expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The municipality expects to maintain current debt to equity ratio. This will be achieved through increased service tariff charges and the increased use of unsecured bank loan facilities.

55. RETIREMENT BENEFIT INFORMATION

The municipality makes provision for post-retirement benefits to eligible employees, who belong to different pension schemes. Employees belong to a variety of approved Pension and Provident Funds as described below.

Council contributes to the Consolidated Retirement Fund and the Municipal Workers Retirement Fund, which are both defined contribution funds. In terms of the schemes' rules, pension is being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

These funds are governed by the Pension Funds Act, 1956, and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R13,560,113 (2024: R12,539,795) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

55.1 DEFINED CONTRIBUTION SCHEMES

Consolidated Retirement Fund for Local Government:

The contribution rate paid by the members is between 7.5% and/or 12% and the municipality's contribution between 7.5% and 19.5%. This is sufficient to fund the benefits accruing from the fund in the future.

Municipal Workers Retirement Fund:

The contribution rate payable is 9% by the members and 18% by their councils. As from 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates.

56. RELATED PARTY TRANSACTIONS

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

56.1 Interest of Related Parties

The following Councillors and/or Management of the municipality and/or close family members of Councillors / Management have relationships with businesses as indicated below:

Designation	Businesses	Description of Related Party Relationship	
Councillor	Barrydale Training Hup	Non-Profit Organization	Director
Councillor	Nerospec Pty (ltd)	Electronic Manufacturing	HOD Marketing
Councillor	Contemporary Arts	Art Gallery	Owner
Management	Dswart Enterprises	Town House Management	Non-Executive

56.2 Services rendered to Related Parties

During the year the Municipality rendered services to the following related parties that are related to the Municipality as indicated:

30 June 2025	Rates Charges R	Service Charges R	Sundry Charges R	Outstanding Balances R
Councillors	73,929	206,820	1,949	282,698
Senior Managers - Section 57 Employees	25,731	16,146	207	42,084
Total Services	**99,659**	**222,966**	**2,156**	**324,782**

30 June 2024	Rates Charges R	Service Charges R	Sundry Charges R	Outstanding Balances R
Councillors	80,841	227,528	1,380	60,210
Senior Managers - Section 57 Employees	23,611	15,712	115	4,345
Total Services	**104,452**	**243,240**	**1,495**	**64,555**

The services rendered to Related Parties are charged at approved tariffs that were advertised to the public. No Bad Debts were written off or recognised in respect of amounts owed by Related Parties.

The amounts outstanding are unsecured and will be settled in cash. Consumer Deposits were received from Councillors, the Municipal Manager and Key Personnel. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

56.3 Loans granted to Related Parties

In terms of the MFMA, the Municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. No loans were granted to Councillors, Management, Staff and Public by the municipality.

56.4 Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Notes 35.1, 35.2 and 36 to the Annual Financial Statements.

Included in the notes of Compensation of Key Management the municipality has current employee benefit obligations and made other non-employee related cost payments towards senior management on 30 June 2025

56.5 Purchases from Related Parties

The municipality bought goods from the following companies, which are considered to be Related Parties:

Company Name	Related Person	Municipal Capacity	Nature of relationship	Purchases for the Year 2025 R	Purchases for the Year 2024 R
LSL Enterprises	Gladys Libazi	Councillor	Aunt	-	19,935
Total Purchases				**-**	**19,935**

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

57. CONTINGENT LIABILITIES	2025 R	2024 R
57.1 Bank Guarantees:	**22,000**	**22,000**
(i) In favour of Eskom	2,000	2,000
(ii) In favour of Department of Minerals and Energy	20,000	20,000
(iii) In favour of Diale Mogashoa Inc Attorneys	-	-
57.2 Court Proceedings:	**6,985,467**	**4,104,270**

Court Proceedings arose due to various claims brought against the Municipality. The attorneys suggested that the matters will be defended, due to the circumstances of each.

The likelihood of successfully defending the claims, as well as the timing and possible costs thereof, cannot be determined at this time.

	2025 R	2024 R
57.2.1 Royal Haskoning DHV (Pty) Ltd: Contract in dispute.	246,639	246,639
57.2.2 Re-Solve Consulting (Pty) Ltd: Contract in dispute.	1,744,092	1,744,092
57.2.3 Swellendam Municipality // JP Botha SWE2/0109 - Damage to vehicle due to potholes.	40,343	40,343
57.2.4 Swellendam Municipality // Rowe Iliso Joint Venture SWE2/0120 - Contractor dispute Barrydale Water Works	432,375	432,375
57.2.5 Swellendam Municipality // Guardrisk SWE2/0121 - Guardrisk dispute with broker.	197,238	197,238
57.2.6 Swellendam Municipality // De Reuk SWE2/0072 - Damage claim regarding pre-fabricated fence	38,950	-
57.2.7 Swellendam Municipality // Vorster SWE2/0132 - Claim for legal cost for illegal suspension	130,065	-
57.2.8 Swellendam Municipality // Jackle S 00032 - Damage to vehicle due to overhanging tree.	18 457	-
57.2.9 Swellendam Municipality // Spamer S 00002 - Damage to tyre due to pothole.	23,706	-
57.2.10 Swellendam Municipality // Dynarc S 00034 - Dispute developers contribution	2,155,469	-
57.7.11 VAT Output Tax - Western Cape Provincial Library Grant	1,976,590	1,443,583

The estimate for Interest and Penalties payable at 30 June 2025 is calculated as R1 976 590 (2024: R1443 583. According to Section 217(3) of the Tax Administration Act (TAA), the municipality may apply to the South African Revenue Service (SARS) for the reversal of the percentage penalty imposed in terms of section 213, if SARS is satisfied that the penalty which has been imposed in respect of a “first incidence” of non-compliance, reasonable grounds for the non-compliance exist; and the non-compliance in issue has been remedied, it may result in the total liability being reduced by R 540 743 (2024: R 458 057). Section 223 of the TAA, however, also imposes an additional understatement penalty of between 10% and 150%, with the applicable penalty based on a spectrum of behavioural criteria.

Due to the uncertainty of the penalty percentage and the criteria that will be used, this additional understatement penalty is difficult to calculate and thus cannot be estimated reliably. This penalty may be waived by SARS in the case of a voluntary disclosure relief application.

Please refer to Note 20 Provisions for more details.

58. CONTINGENT ASSETS

	2025 R	2024 R
58.1 Insurance Claims:	**7,446,492**	**7,749,689**
Fire Damages:		
Thusong Community Hall	-	303,197
Main Administration Building	7,446,492	7,446,492

Due to a fire that partially destroyed the municipality's administrative building and community hall, an insurance claim for the content of the main building to the value of R7 446 492 is still outstanding. No agreement of loss has been received from SASRIA.

The Thusong Community Hall claim was paid by the insurance company to the municipality during the 2024/2025 financial year.

59. IN-KIND DONATIONS AND ASSISTANCE

The municipality received the following in-kind donations and assistance:

Provincial Government	Fence Landfill Site	-	3,455,615
Provincial Government, Private & Municipalities	Furniture & Computer Equipment	-	1,233,440
Private Enterprises	Infrastructure	5,007,362	-
Private Enterprises / Individuals	Investment Property	615,000	-
		5,622,362	4,689,055

60. ANALYSIS OF PRINCIPAL / AGENCY ACCOUNTING

60.1 Municipality acting as the Principal

Compensation paid for Agency Activities:

Comission - Easy Pay	139,326	-
Commission - Syntell Vending	876,673	738,750
Commission - TMT	5,406,430	3,106,331
Total Compensation Paid	**6,422,429**	**3,845,081**

60.1.1 Sale of Prepaid Electricity

The municipality paid 1.4% on the rand value of pre-paid electricity sales as reflected in the Syntell Vending Gateway reports. Syntell exclusively dispense and sell pre-paid electricity on behalf of the municipality. As per the agreed terms of conditions of a contract entered between the parties for a 5 year period which is due to lapse on 30 June 2027.

An amount of R87 359 (2024: R80 267) VAT inclusive was due to Syntell at financial year-end and included under note 26, Payables from Exchange.

The resources of Syntell, remain their own and do not form part of the municipality’s Financial Statements.

No resource and/or cost implications on the municipality as no new service provider will be appointed.

60.1.2 Traffic Fines collection and equipment

An amount of R453 996 (2024: R1 158 966) VAT inclusive was due to TMT at financial year-end and included under note 26, Payables from Exchange.

The resources of TMT, remain their own and do not form part of the municipality’s Financial Statements.

No resource and/or cost implications on the municipality as no new service provider will be appointed.

60.2 Municipality acting as the Agent

60.2.1 Motor Vehicle Licensing and Registration

The municipality acts as agent for the Western Cape's Department of Mobility where it provides motor vehicle registration and licensing services on behalf of the department.

(a) Details of the Arrangement are as follows:

The Municipality undertakes to render Motor Vehicle Licensing Services on behalf of the Western Cape Department of Mobility, and collects a commission of 12% plus VAT.

(b) Resources held on behalf of the Principal, but recognised in the municipality's own Financial Statements:

The Resources regarding the Licensing Department, remain their own and do not form part of the municipality's Financial Statements.

(c) Revenue Recognised:

The aggregate amount of revenue that the municipality recognised as compensation for the transactions carried out on behalf of the principal is R2,766,959 (2024: R2,735,803).

(d) Category of Revenue received or to be received on behalf of the Principal, are:

Categories	**Additional Details**
Licensing Fees	Income collected on behalf of Department of Mobility for Motor Vehicle Registration

(e) Category(ies) of Expenses paid or accrued on behalf of the Principal, are:

The municipality does not incur any expenses on behalf of the principal.

	2025 **R**	**2024** **R**
(f) Amount of Revenue received on behalf of the Principal during the Reporting Period:		
Motor Vehicle Licence Fees & RTMC Transaction Fees	15,549,520	15,413,445

(g) Reconciliation of the Carrying Amount of Payables:

Opening Balance	212,704	195,324
Revenue Received on behalf of the Principal	15,549,520	15,413,445
Amounts Transferred to the Principal	(15,487,802)	(15,396,066)
Closing Balance	274,423	212,704

60.2.2 Department of Infrastructure: Housing Programme

Nature and Purpose of the Arrangement

The municipality acts as an agent for the Western Cape Department of Infrastructure (the Department) in respect of the housing programme. The purpose of the arrangement is for the municipality to perform administrative and beneficiary-related functions on behalf of the Department, including marketing of the project, processing of beneficiary applications, facilitating agreements with approved beneficiaries, and coordinating administrative processes required to support the Department's housing delivery mandate.

In accordance with GRAP 109, the municipality assessed its role and concluded that it acts as an agent, based on the following:

- The Department determines the eligibility criteria, approves beneficiaries, determines the number of units to be allocated, subsidy values an project scope.

- The municipality has no discretion in key decision-making and performs activities strictly within the policies, guidelines and instructions issued by the Department.

- The municipality does not control any resources arising from the programme, nor does it have exposure to variability in the outcomes of transactions with third parties.

During the reporting period, the municipality did not hold any cash, assets or other resources on behalf of the Department in respect of this administrative progress. The municipality received no compensation or administrative fee from the Department for performing these activities for the financial year.

The municipality did not incur any liabilities on behalf of the Department for which reimbursement rights would arise. The municipality does not collect revenue nor incur expenditure on behalf of the Department in relation to this process. It only performs administrative functions.

As no receivables or payables arise from the arrangement, the municipality has no opening or closing balances, nor any in-year movements to disclose.

In terms of the construction and project implementation phase of this project the municipality acts as a developer this has been accordingly treated in terms of GRAP 11. Please refer to Note 14.1

61. EVENTS AFTER THE REPORTING DATE

61.1 Sell of Erven

On the 28th of August 2025 the council resolved to dispose of certain erven classified as Investment Property and Land.

The decision occurred after the reporting date of 30 June 2025. As such, it is classified as a non-adjusting event in terms of GRAP 14.

No financial effect can be reliably estimated at this stage.

61.2 Primary Bank change

The municipality has changed its primary banking institution subsequent to year-end, this is a non-adjusting event in terms of GRAP 14.

The tender was awarded to Standard Bank on the 1st of July 2025

This has no impact on the financial position as at 30 June 2025.

62. COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of Prior Period Errors (Note 48.).

63. GOING CONCERN ASSESSMENT

Management considered the following matters in relation to the Going Concern position of Swellendam Municipality:

(i) The municipality's Budget is subjected to a very rigorous independent assessment process to assess its cash-backing status before it is ultimately approved by Council.

(ii) Strict daily cash management processes are embedded in the municipality's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the Budget. The cash management processes is complemented by monthly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.

(iii) As the municipality has the power to levy fees, tariffs and charges, this will result in an on-going inflow of revenue to support the ongoing delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.

Taking the aforementioned into account, management has prepared the Annual Financial Statements on the Going Concern Basis.

64. SEGMENT REPORTING

For management purposes the municipality is broadly organised into business units based on the nature of operations and the services they provide. The municipality has five primary reportable segments:

- **The segment for Municipal Governance and Administration Services:**
  - This segment consists of services such as executive services, support services to the executive and finance & administration services.

- **The segment for Community and Public Safety Services:**
  - This segment consists of all services for community & social development, public safety and sport & recreation.

- **The segment for Economic and Environmental Services:**
  - This segment consists of environmental services such as planning & development, environmental protection and roads & storm water.

- **The segment for Trading Services:**
  - This segment consists of the following infrastructure and consumer services delivered to the community.

- **The segment for Other Services:**
  - This segment consists of minor services rendered in the municipal jurisdiction area, e.g tourism and other licensing services.

No individually material operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on non-financial metrics and the segment’s operating surplus or deficit, measured consistently with the accounting policies applied in the Annual Financial Statements. However, the municipality's financing (including finance costs and finance income) and revenue from taxes are managed on a group basis and are not allocated to operating segments.

Inter-business unit services are set off against each other as internal charges, and are therefore eliminated and not reported in Segment Reporting. The quality of services provided internally is monitored as part of the service performance information.

The municipality does however not monitor operating results for these geographical segments, and operational results are only monitored within the business units as previously disclosed.

64.1 Segmental Analysis of Financial Performance

Year Ended 30 June 2025

Description	Governance and Administration	Community and Public Safety	Economic and Environmental	Trading Services	Other	Total for Municipality
	R	R	R	R	R	R
REVENUE						
Revenue from Non-exchange Transactions						
Property Rates	61,757,422	-	-	-	-	61,757,422
Fines, Penalties and Forfeits	8,100	54,585,408	-	202,271	-	54,795,779
Transfers and Subsidies	22,687,559	5,987,079	15,351,149	38,587,601	-	82,613,388
Surcharges and Taxes	1,475,961	-	-	-	-	1,475,961
Service Charges	-	-	-	3,803,167	-	3,803,167
Interest, Dividends and Rent on Land Earned	354,334	-	-	-	-	354,334
Revenue from Exchange Transactions						
Licences and Permits	-	1,380,617	-	-	21,605	1,402,222
Transfers and Subsidies	5,673,078	-	-	-	-	5,673,078
Service Charges	-	-	-	203,436,488	-	203,436,488
Sales of Goods and Rendering of Services	813,691	1,006,979	1,889,906	60,535	-	3,771,110
Construction Contract Revenue	-	132,073,610	-	-	-	132,073,610
Income from Agency Services	-	2,766,959	-	-	-	2,766,959
Rental from Fixed Assets	544,128	248,682	-	-	-	792,810
Interest, Dividends and Rent on Land Earned	16,911,898	-	-	1,694,229	-	18,606,127
Operational Revenue	647,810	8,313	7,111	1,655,913	-	2,319,147
Gains on Disposal of Property, Plant and Equipment	3,123,179	-	-	-	-	3,123,179
Total Revenue	**113,997,159**	**198,057,645**	**17,248,167**	**249,440,205**	**21,605**	**578,764,781**
EXPENDITURE						
Employee Related Costs	52,395,371	28,018,977	18,450,886	29,080,952	354,095	128,300,281
Remuneration of Councillors	5,828,799	-	-	-	-	5,828,799
Depreciation and Amortisation	3,239,767	1,416,913	4,195,569	10,977,553	-	19,829,801
Impairment Losses	489,352	35,836,129	1,984,232	25,880,860	-	64,190,573
Interest, Dividends and Rent on Land	766,688	185,728	824,898	8,125,644	-	9,902,958
Bulk Purchases	-	-	-	116,634,825	-	116,634,825
Contracted Services	11,243,106	131,958,613	18,581,406	15,725,128	-	177,508,253
Inventory Consumed	675,906	1,212,483	1,283,841	14,993,763	-	18,165,994
Transfers and Subsidies Paid	632,301	-	-	28,696	412,000	1,072,996
Operating Leases	565,876	-	-	229,463	-	795,339
Operational Costs	16,090,096	2,346,666	1,773,213	5,245,673	61,115	25,516,764
Loss on Disposal of Property, Plant and Equipment	6,411,407	-	-	1,624,563	-	8,035,970
Total Expenditure	**98,338,670**	**200,975,509**	**47,094,046**	**228,547,119**	**827,210**	**575,782,553**
Other Operations:						
Gains on Other Operations	225,670		-		-	225,670
Losses on Other Operations	(580,608)	-	-	-	-	(580,608)
Surplus/(Deficit) for the Year	**15,303,551**	**(2,917,864)**	**(29,845,879)**	**20,893,086**	**(805,604)**	**2,627,290**
Capital Expenditure	6,642,795	760,489	19,994,917	24,290,932	-	51,689,133

Year Ended 30 June 2024

Description	Governance and Administration	Community and Public Safety	Economic and Environmental	Trading Services	Other	Total for Municipality
	R	R	R	R	R	R
REVENUE						
Revenue from Non-exchange Transactions						
Property Rates	56,640,567	-	-	-	-	56,640,567
Fines, Penalties and Forfeits	17,241	48,741,323	-	99,510	-	48,858,074
Transfers and Subsidies	25,069,036	22,028,825	5,585,703	49,722,846	-	102,406,410
Surcharges and Taxes	-	-	960,923	-	-	960,923
Service Charges	-	-	-	3,390,680	-	3,390,680
Interest, Dividends and Rent on Land Earned	403,829	-	-	-	-	403,829
Revenue from Exchange Transactions						
Licences and Permits	-	-	1,250,867	-	22,709	1,273,576
Transfers and Subsidies	5,258,674	-	-	-	-	5,258,674
Service Charges	-	44,525	-	177,566,583	-	177,611,108
Sales of Goods and Rendering of Services	593,367	1,136,172	1,515,237	50,944	-	3,295,720
Construction Contract Revenue	-	56,420,187	-	-	-	56,420,187
Income from Agency Services	-	2,735,803	-	-	-	2,735,803
Rental from Fixed Assets	300,039	424,493	-	-	-	724,533
Interest, Dividends and Rent on Land Earned	14,344,553	-	-	-	-	14,344,553
Operational Revenue	17,687,331	5,618	155,420	776,633	-	18,625,001
Gains on Disposal of Property, Plant and Equipment	281,081	-	-	-	-	281,081
Total Revenue	**120,595,719**	**131,536,946**	**9,468,149**	**231,607,196**	**22,709**	**493,230,718**
EXPENDITURE						
Employee Related Costs	26,479,300	35,930,972	16,605,281	39,848,784	-	118,864,337
Remuneration of Councillors	5,822,778	-	-	-	-	5,822,778
Depreciation and Amortisation	3,053,914	1,438,384	4,191,527	10,956,527	-	19,640,352
Impairment Losses	2,981,722	27,070,906	3,826,006	8,039,658	-	41,918,292
Interest, Dividends and Rent on Land	785,089	219,739	956,440	8,110,251	-	10,071,519
Bulk Purchases	-	-	-	98,123,267	-	98,123,267
Contracted Services	11,275,792	58,204,616	12,494,586	8,047,437	-	90,022,432
Inventory Consumed	1,339,945	1,069,575	850,388	13,534,177	-	16,794,086
Transfers and Subsidies Paid	252,117	-	300,000	-	550,000	1,102,117
Operating Leases	427,832	5,258	-	309,619	-	742,709
Operational Costs	23,443,720	1,209,374	1,097,172	2,399,936	15,000	28,165,202
Loss on Disposal of Property, Plant and Equipment	989,425	-	-	-	-	989,425
Total Expenditure	**76,851,635**	**125,148,824**	**40,321,401**	**189,369,654**	**565,000**	**432,256,515**
Other Operations:						
Gains on Other Operations	412,412	-	-	-	-	412,412
Losses on Other Operations	(262)	-	-	-	-	(262)
Surplus/(Deficit) for the Year	**44,156,234**	**6,388,122**	**(30,853,252)**	**42,237,542**	**(542,291)**	**61,386,354**
Capital Expenditure	3,265,171	1,148,284	3,564,605	44,326,244	-	52,304,304