

# 2024/2025 ANNUAL REPORT



Draft January 2026

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## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### 1.1. MAYOR’S FOREWORD



It is my distinct honour to present the 2024/2025 Annual Report of Swartland Municipality, a testament to our unwavering commitment to excellence even in the face of challenging economic conditions and the intricacies of the contemporary social landscape within which local governance operates.

Swartland Municipality continues to make remarkable strides toward realising its vision of a brighter, more dignified life for all its residents. We firmly believe in the power of community involvement, and we have actively engaged with our local citizens through various platforms, including ward committee meetings, the Swartland Municipal Advisory Forum, and direct one-on-one engagements with stakeholders. We are dedicated to enhancing our policy performance and delivery by forging stronger partnerships with our valued citizens, communities, civil society organisations, interest groups, businesses, and other stakeholders.

Our journey has not been without challenges, particularly as municipalities often bear the brunt of public frustration, even in cases where we lack direct control over certain issues, such as insufficient National Government funding for vital human settlement projects. Swartland Municipality witnessed a substantial in-migration between 2011 and 2016, with a yearly increase of 3.3%. By 2022, we had become the second-largest municipality in the West Coast District with a population of 148 331.

During the 2024/2025 financial year, we diligently executed the previous Integrated Development Plan (IDP) and concentrated our efforts on five strategic goals:

- Goal 1 - Community Safety and Wellbeing
- Goal 2 - Economic Transformation
- Goal 3 - Quality and Reliable Services
- Goal 4 - A Healthy and Sustainable Environment
- Goal 5 - A Connected and Innovative Local Government

Each of these strategic goals were carefully mapped with key performance indicators and targets, leading to significant improvements in service delivery across the Swartland area. These indicators were closely monitored on a monthly basis throughout the year and were meticulously recorded in an electronic performance management system.

We take pride in our financial stability, as underscored by Ratings Afrika's assessment, which shows Swartland's unwavering financial strength. We've continued to align our strategic documents with Provincial and National Government policies and directives, including the National Development Plan, the Medium-Term Strategic Framework, the Integrated Urban Development Framework, the Western Cape Provincial Strategic Plan, and the Western Cape Provincial Spatial Development Framework.

Our commitment to sound financial management remains unwavering, and in the 2024/2025 fiscal year, we maintained healthy liquidity levels, ending with a positive cash balance of R677 million (Excluding the long-term investment of R300 million that will mature on 29 June 2026), excluding non-cash transactions. Basic service delivery remains a top priority, with 100% of registered urban residential properties enjoying access to minimum service delivery levels or better. While challenges persist for some informal settlements and backyard dwellers, we continue to support registered indigent and impoverished households through monthly subsidies covering sewerage (R294.75 pm), refuse removal (R182.65 pm), water (R142.98 pm), and electricity (R82.86) fees. Indigent households receive 50 kWh of free electricity (in those instances where an Electricity network charge is applicable to indigent consumers, it will be fully subsidised on their account), 6 kl of water monthly, free refuse removal, free access to sanitation, and exemption from rates if the property value is less than R105,000 (R15 000 impermissible tax excluded).

In our commitment to job creation, we've excelled in generating opportunities. The Municipality's registered Expanded Public Works Programme (EPWP) projects created 465 jobs in the 2024/2025 financial year, and an additional 194 jobs were realised through our own capital projects (contracts exceeding R200,000).

I extend my heartfelt gratitude to my fellow councillors, as well as our dedicated management team, for their tireless efforts in upholding Swartland Municipality's reputation for excellence in service delivery and management. I also express my sincere appreciation for the unwavering support and optimism of our community members. Thank you for putting your trust in us.

**Alderman Harold Cleophas**

**EXECUTIVE MAYOR**

## 1.2 EXECUTIVE SUMMARY

### 1.2.1 MUNICIPAL MANAGER'S OVERVIEW



Navigating the intricate landscape of municipal governance has presented its share of challenges in recent years, and the 2024/2025 financial year proved to be no exception. Yet, as we reflect on the year gone by, we find ourselves celebrating another year of achievements and milestones. The Swartland Municipality has once again showcased its resilience and commitment to excellence. While a comprehensive account of our performance is detailed elsewhere in this annual report, I wish to emphasise a few key highlights.

#### **GOOD GOVERNANCE AWARDS:**

Not only is Swartland Municipality the best small-town municipality in the Western Cape, but it is also the best municipality overall in South Africa. This is according to the Governance Performance Index for 2024 issued by independent research company, Good Governance Africa.

This index considered data across four (only for small town municipalities), categories, giving the most weight and consideration to the core mandate of municipalities which is service delivery.

According to the overview provided by 2024 GPI they measured all municipalities in South Africa according to:

- Service delivery – Ensuring basic service delivery which includes the delivery of piped water, sanitation and electrical services and refuse removal. The measurement for this category not only considered the availability of this service, but also the quality as well as the support municipalities provide to the most vulnerable (indigent) households in the area.
- Planning, Monitoring and Evaluation – The extent to which a municipality meet their responsibilities in annual planning, monitoring, and evaluation requirements.
- Leadership and Management – Political and administrative leadership to ensure a functional government.
- Administration and Governance – Accountability, compliance, financial management, financial soundness, and human resource management.

Swartland Municipality excelled in all these aspects, showing that we are considered, by independent opinion as the best municipality in South Africa.

**RATINGS AFRIKA:**

Ratings Afrika has been analysing and publishing information on municipal financial sustainability for more than 10 years. The Municipal Financial Sustainability Index has become the benchmark for responsible financial and fiscal management for municipalities.

At the first ever Municipal Performance Awards, hosted by SAPOA (the South African Property Owners Association), Ratings Afrika and BASA (the Banking Association of South Africa), Swartland was recognised as the top-performing municipality in South Africa, alongside Saldanha Bay Municipality.

This recognition is significant because it is based on research conducted by independent experts outside of the government and political sphere. The award is derived from Ratings Afrika’s Municipal Financial Sustainability Index.

The index benchmarks municipal fiscal health using six key financial components to assess stability, sustainability and resilience. These include:

- A comprehensive measure of fiscal health, assessing a municipality’s ability to generate an operating surplus to fund services
- Maintaining cash reserves to absorb shocks
- Practising prudent borrowing and repayment
- Applying disciplined and forward-looking budgeting
- Maintaining affordable rates and tariffs
- Investing in infrastructure to strengthen long-term, sustainable service delivery

Swartland Municipality has moved up in the rankings from last year. In 2024, the municipality scored 71 out of 100 points. This year, Swartland improved to 74 out of 100, fulfilling the commitment made by Executive Mayor Harold Cleophas that the municipality would continue to improve its score and ranking.

At a time when headlines in South Africa continue to highlight the fiscal collapse of many local governments, Swartland and a handful of other municipalities are refusing to yield to the pressures of poor governance. Strict and disciplined financial management is the cornerstone of this achievement, enabling responsible municipalities like Swartland to do more with less.

**SEVICE EXCELLENCE AWARDS:**

The Service Excellence Awards (SEA) is an annual intervention within the Western Cape Government (WCG) which promotes a citizen centric culture, entrenches professionalism, as well as recognises and rewards excellence. The purpose is to entrench the Western Cape Government value of caring by appreciating and recognising employees in exemplary cases.

Of the eight projects entered, four were shortlisted, the most of any municipality in attendance. Our SMME Development Programme achieved bronze in the Best Municipal Project category. This initiative has been a trailblazing success for the municipality, focusing on creating sustainable support and growth opportunities for small, micro, and medium enterprises (SMMEs).

Over the past three years, Swartland Municipality has worked tirelessly to establish both a community and a support network for SMMEs. In the past year alone, 160 participants benefited from six SMME training sessions, while 25 business registrations were referred to SEDA for further assistance.

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In addition, the Municipality has created a comprehensive database of 172 SMMEs, making it easier for businesses to access resources and support. In 2024, Darling became the third town to benefit from an economic business hub, following Riebeek Valley and Malmesbury. These hubs provide carefully selected entrepreneurs with their first formal business space from which to launch and grow. They are closely monitored to track challenges, successes, and long-term sustainability.

These initiatives demonstrate Swartland Municipality's continued commitment to empowering entrepreneurs, expanding access to business development resources, and promoting inclusive local economic growth.

Swartland Municipality was further honoured with silver in the Best Municipality in the Western Cape category. We remain one of the top-performing municipalities in both the Western Cape and South Africa, and we are deeply grateful for this recognition from the Western Cape Government.

These recognitions do not mean we are in any way perfect. It does however demonstrate our commitment to service delivery all our residents. Our core mandate is to ensure services and access to services to our residents, and that is what we continue to make a priority. By delivering the best services possible, we make Swartland a desirable destination for investment and residents, which in turn creates economic growth and opportunities.

### **AUDIT:**

The Municipality has achieved twelve clean audits up to the 2023/2024 financial year which confirms its reputation as one of the best managed municipalities in South Africa. This in itself speaks to and is proof of the dedication of management and personnel to meet and maintain high standards of performance at all times.

### **FINANCIAL STRENGTH:**

The Swartland Municipality has successfully concluded another year of enhanced service delivery without jeopardizing our financial stability. We have not only managed to fund our ongoing operations but have also fortified our reserves to support future capital expansion and refurbishment. Our financial sustainability led to a positive cash balance of R677.019 million (Excluding the long-term investment of R300 million that will mature on 29 June 2026) for the 2024/2025 fiscal year, demonstrating our commitment to effective and sustainable service delivery.

Our sustainable financial management is further underscored by an outstanding current ratio of 6.83:1 for the year under review, surpassing the already impressive 4.02:1 ratio achieved in 2023/2024. This reflects our ability to implement sound financial and governance principles effectively.

The 2024/2025 debtors' collection rate was 96.71% compared to an average of 96.63% for the previous four years. This achievement, taking into account written-off bad debts, serves as testament to a strong culture of payment among Swartland's ratepayers. It highlights the effectiveness of our diligent revenue management system and consistent adherence to the Debt Collection Policy.

The Municipality's Capital Replacement Reserve, a critical cash-backed reserve for future capital expenditures, stood at R359.4 million as of June 2025. This substantial figure demonstrates our unwavering commitment to securing the future of our community. Our approach in terms of sustainable financial management is further evident in the reduction of outstanding external loans, which declined to R33.3 million by the close of the 2024/2025 financial year compared to R38.8 million at 30 June 2024 and R90.9 million at 30 June 2023.

Personnel costs remained well within the national norm, amounting to 32.21% of total expenditure for 2024/2025 and 31,85% in 2023/2024. This demonstrates our ability to manage

personnel costs effectively. However, the challenge remains to sustain this balance as we meet rising expectations for improved service delivery.

Total operating income witnessed a notable increase of 17.63%, reaching R1.5 billion by June 2025, compared to R1.3 billion in 2023/2024. Importantly, operating expenditure remained under control, rising by just 8.20% to R1.1 billion during the same period, excluding Gains and Losses. These figures illustrate our commitment to responsible financial management.

#### **LOCAL ECONOMIC DEVELOPMENT:**

According to the 2024 Socio-Economic Profile (SEP) Report, the Swartland economy expanded by an estimated 0.2% in 2023, demonstrating the creation of a total of 795 new jobs.

As stated in the 2024-25 Municipal Economic Review and Outlook (MERO) for the West Coast District, the Swartland economy ranks second-largest, contributing 26.7 per cent to the total GDP in 2023. The economy of Swartland is characterised by significant diversification, with the manufacturing, agriculture, and wholesale and retail sectors collectively accounting for 60 per cent of the local economic activity. Manufacturing is a key driver of the economy accounting for the largest share of 21.9 per cent, highlighting Swartland's robust industrial base. The primary sector, particularly agriculture, forestry, and fishing, also plays a crucial role, contributing 17.9 per cent to the GDP, emphasizing the significance of agricultural activities. Furthermore, the wholesale and retail trade, alongside catering and accommodation, contributes 15.0 per cent, bolstered by a thriving retail sector centred in Malmesbury.

The economic growth outlook for 2025 indicates that overall growth will moderate to 1.4 per cent. Within this framework, the agricultural sector is expected to show robust growth at a rate of 4.2 per cent, while the mining sector is anticipated to experience growth of 5.1 per cent.

#### **SERVICES:**

Our commitment to essential services led to several significant capital projects in 2024/2025, including road resealing, water system improvements, housing development, new road construction, and recreational node development.

In terms of efficiency, electricity losses remained in line at 3.20%, and water losses at 19.66% during the rolling 12 months of 2024/2025. Moreover, 1.8 km of roads were resealed during the fiscal year, accompanied by the successful repair of 2135 potholes. Our projected spending on road resealing reflects our commitment to maintaining infrastructure to a high standard.

#### **PLANNING AND DEVELOPMENT:**

In 2024/2025, the Municipality approved 864 building plan applications, totalling R858 million. This represents a 13% decrease in total value compared to the previous year.

#### **IMPROVING ORGANIZATIONAL MANAGEMENT AND PERFORMANCE:**

Swartland Municipality demonstrated its commitment to results-oriented governance by excelling in its Performance Management System and Service Delivery and Budget Implementation Plan (SDBIP). We meticulously measured 239 indicators for the Municipal Manager and Directors throughout the year, reflecting our dedication to achieving our strategic objectives.

#### **TOP FIVE RISKS:**

Our proactive approach to risk management is evident in our identification of the top risks for which we have developed management action plans.

The top five risks according to the Integrated Development Plan are:

- In-migration, population growth and land invasion
- Ageing infrastructure
- Lack of capacity in respect of infrastructure
- Expansion in waste, pollution, road congestion and increasing pressure on existing infrastructure
- Failed state (external risk)

### **CHALLENGES OF THE 2024/2025 FINANCIAL YEAR**

The most significant challenge of the year was maintaining the high standards of service delivery for which the Municipality is renowned while ensuring affordability for our ratepayers and service users within a challenging economic environment. Our success in achieving planned targets for providing basic services to low-income households reflects our diligent budget management.

There has been growing discontent concerning housing matters, particularly considering new directives from the Department of Human Settlements. We are committed to enhancing our community's understanding of the responsibilities of various government spheres related to housing and basic services. Ward councillors and ward committee members play a vital role in this effort.

### **CONCLUSION**

I take great pleasure in reporting that the management team of Swartland Municipality is firmly established. The unwavering commitment and hard work of our personnel throughout the year have significantly contributed to the success of 2024/2025.

I extend my heartfelt appreciation to Council, and particularly to the Executive Mayor, the Executive Deputy Mayor, the Speaker, the Mayoral Committee, the chairpersons of the Portfolio Committees, and all Councillors, for their enduring support and positive leadership. Their contributions have created an environment in which my team and I have been able to maintain our focus on service delivery and overcome the challenges that came our way. We look forward to another year of progress and achievement.

**Joggie Scholtz**  
**MUNICIPAL MANAGER**



## 1.2.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### (a) Population composition and growth (2022 Census StatsSA)

| Group                  | 2011           | %             | 2016           | %             | Annual Growth<br>2011-2016 | 2022           | %             | Annual Growth<br>2011-2022 |
|------------------------|----------------|---------------|----------------|---------------|----------------------------|----------------|---------------|----------------------------|
| Black African          | 20 805         | 18.3%         | 20 965         | 15.7%         | 0.15%                      | 27 073         | 18.3%         | 2.42%                      |
| Coloured               | 73 753         | 64.8%         | 87 070         | 65.1%         | 3.38%                      | 95 106         | 64.1%         | 2.34%                      |
| Indian or Asian        | 585            | 0.5%          | 795            | 0.6%          | 6.33%                      | 530            | 0.4%          | -0.89%                     |
| White                  | 17 780         | 15.6%         | 24 932         | 18.6%         | 7.00%                      | 23 343         | 15.7%         | 2.51%                      |
| Other / Unspecified    | 838            | 0.7%          | -              | -             | -                          | 2 279          | 1.5%          | 9.42%                      |
| <b>TOTAL SWARTLAND</b> | <b>113 762</b> | <b>100.0%</b> | <b>133 762</b> | <b>100.0%</b> | <b>3.29%</b>               | <b>148 331</b> | <b>100.0%</b> | <b>2.44%</b>               |

### (b) Households and dwelling type (2022 Census StatsSA)

| Households             | 2011   |            | 2022   |            |
|------------------------|--------|------------|--------|------------|
| Total households       | 29 324 |            | 44 856 |            |
| Average household size | 3.9    |            | 3.3    |            |
|                        |        |            |        |            |
| Type of main dwelling  | 2011   | Dwelling % | 2022   | Dwelling % |
| • Formal dwelling      | 26 650 | 90.9%      | 40 133 | 89.5%      |
| • Traditional dwelling | 97     | 0.3%       | 638    | 1.4%       |
| • Informal dwelling    | 2 205  | 7.5%       | 3 864  | 8.6%       |
| • Other                | 372    | 1.3%       | 221    | 0.5%       |

### (c) Economic Performance

According to the 2024-25 Municipal Economic Review and Outlook (MERO) for the West Coast District, the Swartland municipal economy ranks second-largest, contributing 26.7 per cent to the total GDP in 2023. The economy of Swartland is characterised by significant diversification, with the manufacturing, agriculture, and wholesale and retail sectors collectively accounting for 60 per cent of the local economic activity. Manufacturing is a key driver of the economy, accounting for the largest share at 21.9 per cent, highlighting Swartland’s robust industrial base. The primary sector, particularly agriculture, forestry, and fishing, also plays a crucial role, contributing 17.9 per cent to the GDP, emphasising the significance of agricultural activities. Furthermore, the wholesale and retail trade, alongside catering and accommodation, contributes 15.0 per cent, bolstered by a thriving retail sector centred in Malmesbury. These sectors were also the leading sources of formal employment in the Swartland municipal area.

**GDPR contribution per sector - 2021**

| <b>Sector</b> |   | <b>%</b>   |
|---------------|---|------------|
| Primary       | Agriculture, forestry, and fishing                      | 18.00      |
|               | Mining and quarrying                                    | 0.00       |
| Secondary     | Manufacturing   | 22.0       |
|               | Construction  | 4.0        |
|               | Electricity, gas, and water                             | 2.0        |
| Tertiary      | Finance, insurance, real estate, and business services  | 14.0       |
|               | Wholesale and retail trade, catering, and accommodation | 15.0       |
|               | Community, social, and personal services                | 13.0       |
|               | Transport, storage, and communication                   | 12.0       |
| <b>Total</b>  |   | <b>100</b> |

Source: MERO West Coast District, 2024

**(d) Comment on background data**

None

**1.2.3 SERVICE DELIVERY OVERVIEW**

**(a) Introduction**

Basic Services were delivered as follows by 30 June 2025:

- Water - 23 672
- Electricity - 17 570
- Sanitation - 22 511
- Refuse removal - 23 175

Out of these free basic services were delivered to indigent household in the following manner:

- Electricity - 50 kWh free
- Water - 6 kl free

- Sanitation - R294.75 per month levy (VAT excl)
- Refuse removal - R182.65 per month levy for one removal per week (VAT excl)

**(b) Proportion of poor households with access to basic services (current year)**

| Service                  | Households | Percentage |
|--------------------------|------------|------------|
| Electricity Distribution | 8 011      | 93.01%     |
| Rates Services           | 7 646      | 88.77%     |
| Refuse Removal           | 8 613      | 100.00%    |
| Sewerage Services        | 8 209      | 95.31%     |
| Water Services           | 8 597      | 99.81%     |

## 1.2.4 FINANCIAL HEALTH OVERVIEW

**(a) Introduction**

The municipality is currently still in a healthy financial position but good financial management practices and the effect of cost pressures on financial resources requires a continuous evaluation of the financial position of the municipality. These cost pressures include the maintenance of the ageing infrastructure, as well as items beyond the control of the municipality, such as the effect of Eskom increases of 12.81% as well as the collective agreements on employee related costs of 5.2%. Total revenue for the year amounts to R1 519.9m while operating expenditure amounts to R 1 109.2m, with the budgeted surplus being R 410.7m.

The Municipal Finance Management Act 2003, together with the implementation of Generally Recognised Accounting Practices (GRAP) in local government, shifted the focus from the traditional "short-term balanced Income and Expenditure budgets" to sustainability over at least the medium term with emphasis on cash-funding. The municipality closed the financial year with more cash than the previous financial year and must still put controls in place to ensure that cash recourses do not deplete. The demand for infrastructure investment, and especially the replacement of ageing infrastructure, requires a significant amount of cash, and the municipality identified the preservation of its cash resources while also attending to the investment requirements, as a critical strategic area to be addressed in each future budget.

The population growth in the municipal area is amongst the highest in the Western Cape, standing on 148 331 according to the 2022 census. Naturally that requires additional capital infrastructure, as well as an increased demand for services. In terms of the Constitution, local government is entitled to its fair share of revenue raised nationally. This is being distributed in the form of an Equitable Share to all municipalities. With the population growth and increased unemployment, Swartland's Equitable Share households also increases.

A benchmarking tool was developed for municipalities, which they can use to measure itself against set benchmarks and against its peers, in order to continuously improve and to ensure financial viability. Below is a summary of the key benchmarks and the municipality's results for the financial year.

**(b) Ratios**

| Viability Information       | Indicative Benchmark | 2025      | 2024     |
|-----------------------------|----------------------|-----------|----------|
| Current Ratio               | 2 : 1                | 6.83:1    | 4.02:1   |
| Collection Rate             | >95%                 | 96.71%    | 95.83%   |
| Cost Coverage               | >4 months            | 11 Months | 5 Months |
| Debtors Turnover Days       | <75 Days             | 53 days   | 56 days  |
| Long Term Debt as % Revenue | <40%                 | 2.23%     | 3.07%    |
| Capital Cost                | 5%                   | 0.84%     | 5.92%    |
| Creditors Payment Period    | <30 Days             | 19 days   | 18 days  |
| Cash Funded Budget          | 100%                 | 100%      | 100%     |

From the above it is clear that the municipality equals or exceeds the benchmarks in nearly all areas and is on the right track in managing its financial resources. Some areas, however, indicate a decline against the previous year and will be continuously monitored and strategies developed to ensure acceptable levels.

**(c) Financial Overview - 2024/2025**

| Description               | Original Budget | Adjustment Budget | Actual         |
|---------------------------|-----------------|-------------------|----------------|
| Grants                    | R415,830,591    | R436,040,664      | R401,705,388   |
| Taxes, Levies and tariffs | R843,841,136    | R868,023,691      | R914,913,804   |
| Other                     | R199,325,167    | R180,995,849      | R203,281,140   |
| Income                    | R1,458,996,894  | R1,485,060,204    | R1,519,900,332 |
| Less Expenditure          | R1,189,045,717  | R1,210,970,777    | R1,109,208,694 |
| Net Total                 | R269,951,177    | R274,089,427      | R410,691,638   |

**(d) Operating Ratios**

| Expenditure Type      | Ratio  |
|-----------------------|--------|
| 1 Employees           | 31,58% |
| 2 Contracted Services | 5,98%  |
| 3 Other               | 62,44% |

**(d) Comment on operating ratios**

Total revenue is 2.3% over budget, mainly due to the following:

- **Service charges - sanitation revenue:** The increased sewerage due to the expansion of commercial client is more than expected
- **Operational revenue (exchange):** Development charges (non-cash) were more than expected
- **Fines, penalties and forfeits:** Fines from Provincial Fines were more than budgeted

Total expenditure is 8.4% under budget, mainly due to the following:

- **Debt impairment:** Due to a reduction in the write-offs, the impairment of fines were more than expected
- **Irrecoverable debts written off:** Due to a reduction in the write-offs, the impairment of fines were more than expected
- **Depreciation and amortisation:** Capital projects completed later in the year due to the municipality shifting focus to respond to the Riverlands disaster
- **Contracted services:** Various savings on the use of consultants
- **Inventory consumed:** The municipality received a credit note for water, resulting in a budget surplus
- **Losses on Disposal of Assets:** More new assets were created (in comparison to replacement) than expected

Employee costs (including Councillors Remuneration) represent 32.36% of total operating expenditure, which is in line with expected norms set by the National Treasury. Should depreciation and bulk purchases be excluded from expenses, the employee cost as a percentage of operating expenditure is 60.3%, which is well above the benchmark.

Repairs and Maintenance costs represents 6.40% of total operating expenditure. Should depreciation and bulk purchases be excluded from expenses, the repairs and maintenance as a percentage of operating expenditure is 11.92% which is above the National Treasury's expected norm.

Depreciation charges are well above the average as a result of the deemed cost approach as described in the financial overview above. Various discussions were held in this regard and it was decided to stay on the current method of calculating for only that portion that is affordable by the community to contribute to the CRR in cash.

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. It also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;

## Annual Report for 2024/2025

- Clear separation of capital and operating receipts from government, which also enables cash from "Ratepayers and other" to be provide for, as cash inflow based on actual performance. In other words the actual collection rate of billed revenue, and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Swartland's cash coverage increased from 5.2 months for the previous financial year to 11 months for 30 June 2025, which is well above the benchmark of between 1 to 3 months, keeping in mind that Unspent conditional grants, Depreciation and Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets are excluded.

### (e) Total Capital Expenditure

| Original Budget | Adjustment Budget | Actual Expenditure |
|-----------------|-------------------|--------------------|
| R376,477,670    | R325,809,079      | R298,168,067       |

### (f) Comment on capital expenditure

Expenditure on the capital budget was underspent by **8.48%**. The main reason were the following:

The underspent on the capital budget is due to Silvertown - Purchasing of Land, Planning and Professional Fees of around R12.4m and the Municipal Disaster Response Grant (Riverlands flood) of R7.4m. The Silvertown Purchasing of Land and the Municipal Disaster response grant makes up an enormous amount of the capital budget.

### (g) Cost containment measures

| Cost Containment In-Year Report Measures    | 2024/2025 YTD Budget | Actual Expenditure Q1 | Actual Expenditure Q2 | Actual Expenditure Q3 | Actual Expenditure Q4 | 2024/2025 Total Expenditure | Savings      |
|---|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------|--------------|
| Use of professional services                | R 15 976 264         | R 2 602 982           | R 2 134 578           | R 2 532 699           | R 4 352 331           | R 11 622 590                | R 4 353 674  |
| Travel and Subsistence                      | R 764 014            | R 151 217             | R 142 308             | R 118 278             | R 125 265             | R 537 068                   | R 226 946    |
| Domestic accommodation                      | R 437 337            | R 198 848             | R 119 980             | R 25 301              | R 23 438              | R 367 567                   | R 69 770     |
| Sponsorships, events and catering           | R 1 890 080          | R 166 643             | R 691 322             | R 344 891             | R 452 997             | R 1 655 852                 | R 234 228    |
| Overtime Pay                                | R 18 840 834         | R 4 118 870           | R 5 840 087           | R 4 983 609           | R 5 678 491           | R 20 621 056                | R -1 780 222 |
| Communication                               | R 6 603 653          | R 608 779             | R 1 086 920           | R 1 508 243           | R 1 966 996           | R 5 170 937                 | R 1 432 716  |
| Telephone cost                              | R 888 925            | R 115 215             | R 154 466             | R 146 584             | R 198 510             | R 614 775                   | R 274 150    |
| Vehicles used for political office -bearers | None                 | None                  | None                  | None                  | None                  | None                        | None         |

|                        |                     |                    |                     |                    |                     |                     |      |
|------------------------|---------------------|--------------------|---------------------|--------------------|---------------------|---------------------|------|
| Number of Credit Cards | None                | None               | None                | None               | None                | None                | None |
|                        |                     |                    |                     |                    |                     |                     |      |
| <b>Grand Total</b>     | <b>R 45 401 107</b> | <b>R 7 962 554</b> | <b>R 10 169 660</b> | <b>R 9 659 604</b> | <b>R 12 798 028</b> | <b>R 40 589 846</b> |      |

### 1.2.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

Swartland Municipality aims to ensure service delivery of the best possible quality for all the inhabitants of the Municipality. To achieve this, a prime goal of the Municipality’s Human Resource Strategy is: **To create a flexible organisation that enables optimal performance by developing and retaining a properly skilled and representative workforce.** Swartland Municipality considers its human resources as one of its most critical assets.

### 1.2.6 AUDITOR GENERAL REPORT

*Follows on the next page. The report was issued on 28 November 2025 in accordance with the requirements set in the MFMA section 126(3)(b).*

# Report of the auditor-general to Western Cape Provincial Parliament and the council of Swartland Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Swartland Municipality set out on pages 5 to 127, which comprise the statements of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, the cash flow statement and 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 Swartland Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Generally Recognised Accounting Practice 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 53 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of errors in the financial statements of the municipality at, and for the year ended 30 June 2025.



### Material impairments

8. As disclosed in note 3 and 4 to the financial statements, the municipality provided for impairment of trade and other receivables from exchange and non-exchange transactions amounting to R19,1 million (2023-24: R16 million) and R62,0 million (2023-24: R42,2 million) respectively.

### Bad debts written off

9. As disclosed in note 4 to the financial statements, the municipality has written off bad debts amounting to R19,3 million (2023-24: R34,7 million).

### Contingencies

10. With reference to note 42 of the financial statements, the municipality has increased the bank guarantee amounting to R30,1 million (2024: R0,1 million) provided to Eskom for the supply of electricity to the municipality for distribution amongst consumers.

### Other matters

11. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Unaudited supplementary schedules

12. The supplementary information set out on pages 128 to 132 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### Unaudited disclosure notes

13. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed 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

14. 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 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.
15. 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

16. 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 of users taken on the basis of these financial statements .
17. 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 at page 6(20), forms part of my auditor's report.

### Report of the audit of the annual performance report

1. 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 against predetermined objectives for the selected strategic goal presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
2. I selected the following strategic goal presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected a strategic goal that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

| Strategic goal                                  | Page numbers | Purpose  |
|---|--------------|--|
| Strategic goal 3: Quality and reliable services | 40-41        | For everyone in the community to have access to excellent and sustainable services |

3. I evaluated the reported performance information for the selected strategic objective 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 on its mandate and objectives.
4. 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 and is comparable and understandable
  - there is adequate supporting evidence for the achievements reported measures taken to improve performance.
5. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
6. I did not identify any material findings on the reported performance information for the selected strategic goal.

#### **Report on compliance with legislation**

7. 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.
8. 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.
9. 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.
10. I did not identify any material non-compliance with the selected legislative requirements.

#### **Other information in the annual report**

11. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those

selected strategic goal presented in the annual performance report that have been specifically reported on in this auditor's report.

12. 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.
13. 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 strategic goal presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
14. I have nothing to report in this regard.

#### Internal control deficiencies

15. 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.
16. I did not identify any significant deficiencies in internal control.

*Auditor - General*

Cape Town

28 November 2025



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### Auditor general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected strategic objective and on the municipality's compliance with selected requirements in key legislation.

#### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the municipality to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

| Legislation   | Sections or regulations   |
|---|---|
| Municipal Finance Management Act 56 of 2003   | Sections 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii)<br><br>Sections 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b) |
| MFMA: Municipal budget and reporting regulations, 2009  | Regulations 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)  |
| MFMA: Municipal Investment Regulations, 2005  | Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)   |
| MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 | Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)   |
| MFMA: Municipal Supply Chain Management Regulations, 2017                                     | Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)  |
| Construction Industry Development Board Act 38 of 2000  | Section 18(1)   |
| Construction Industry Development Board Regulations, 2004                                     | Regulations 17, 25(7A)  |
| Division of Revenue Act 24 of 2024  | Sections 11(6)(b), 12(5), 16(1); 16(3)  |
| Municipal Property Rates Act 6 of 2004  | Section 3(1)  |
| Municipal Systems Act 32 of 2000  | Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)   |
| MSA: Disciplinary Regulations for Senior Managers, 2011                                       | Regulations 5(2), 5(3), 5(6), 8(4)  |



| Legislation   | Sections or regulations   |
|---|---|
| MSA: Municipal Planning and Performance Management Regulations, 2001  | Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii) |
| MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 | Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)  |
| MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014                                       | Regulations 17(2), 36(1)(a)   |
| MSA: Municipal Staff Regulations, 2021  | Regulations 7(1), 19, 31, 35(1)   |
| MSA: Municipal Systems Regulations, 2001  | Regulation 43   |
| Prevention and Combating of Corrupt Activities Act 12 of 2004   | Section 34(1)   |
| Preferential Procurement Policy Framework Act 5 of 2000   | Sections 2(1)(a), 2(1)(f)   |
| Preferential Procurement Regulations, 2017  | Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)        |
| Preferential Procurement Regulations, 2022  | Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)   |



### 1.2.7 STATUTORY ANNUAL REPORT PROCESS

| No. | Activity   | Timeframe           |
|-----|--|---------------------|
| 1   | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period | August              |
| 2   | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).  |                     |
| 3   | Finalise the 4th quarter Report for previous financial year  |                     |
| 4   | Municipality submits draft Annual Performance Report including consolidated annual financial statements to Auditor General   |                     |
| 5   | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase  | October             |
| 6   | Auditor General audits Draft Annual Report excluding consolidated Annual Financial Statements , including Performance data   | November - December |
| 7   | Municipalities receive and start to address the Auditor General's comments   | January - March     |
| 8   | Mayor tables Draft Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report   |                     |
| 9   | Audited Annual Report is made public and representation is invited   |                     |
| 10  | Oversight Committee assesses Annual Report   |                     |
| 11  | Council adopts Annual Report and Oversight report  | March - April       |
| 12  | Oversight report is made public  |                     |
| 13  | Oversight report is submitted to relevant provincial councils  |                     |
| 14  | Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input  |                     |

## CHAPTER 2 – GOVERNANCE

### 2.1 INTRODUCTION

Governance is seen by Swartland Municipality as the exercise of economic, political and administrative authority to manage the municipality's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences. To ensure good governance, which is – among other things – participatory, transparent and accountable – the Municipality views the four components dealt with in this Chapter as interrelated and mutually reinforcing.

### 2.2 POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.2.1 INTRODUCTION

Section 151(3) of the Constitution states that the council of a municipality has the right to govern, on its own initiative, the local government affairs of the local community. Political governance is the process of decision-making to formulate policy, whereas administrative governance is the system of policy implementation.

Swartland Municipality strives towards achieving the following characteristics of efficient government in both the above legs of governance:

- Participation
- Rule of law
- Transparency
- Responsiveness
- Consensus orientation
- Equity
- Effectiveness and efficiency
- Accountability
- Strategic vision.

#### 2.2.2 POLITICAL GOVERNANCE

##### *(a) Introduction*

Swartland Municipality has a mayoral executive system combined with a ward participatory system, whereby executive leadership vests in the executive mayor who is assisted by a mayoral committee. In terms of delegation, all legislative powers vest in the executive mayor, except for those listed by law for exclusive decision-making by the full council.

Recommendations on their respective portfolios are made for consideration to the executive mayor by four committees, appointed in terms of section 79 of the Structures Act, 1998, i.e. committees dealing with matters relating to -

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- (1) Municipal Manager, Administration and Finance
- (2) Civil and Electrical Services
- (3) Development Services
- (4) Protection Services

Ward committees for each of the twelve wards within the municipal area contribute by advising the municipality on matters affecting the respective wards.

The Performance and Risk Audit Committee provides opinions and recommendations on the overall control environment, financial processes and performance to Council, and also provides comments to the Municipal Public Accounts Committee (MPAC) on the Annual Report.

Swartland Municipality has established a Municipal Public Accounts Committee (MPAC) as an oversight committee, comprised of non-executive councillors, with the specific purpose of providing the Council with comments and recommendations on the Annual Report.

### ***(b) Political structure***

#### **MAYOR**



Ald H Cleophas

#### **DEPUTY MAYOR**



Clr A de Beer

#### **SPEAKER**



Clr M Rangasamy

#### **MAYORAL COMMITTEE MEMBERS**



Clr A Warnick



Clr D Bess



Clr N Smit



Ald T van Essen

**(c) Councillors**

The Municipal Council of the Municipality has twenty three councillors, as determined by the Provincial Minister, of which twelve are ward councillors and eleven are proportionally elected councillors. Refer to Appendix A where a full list of councillors can be found. Also refer to Appendix B which sets out committees and committee purposes.

**(d) Political decision-taking**

Section 53 of the Municipal Systems Act (Act 32 of 2000) stipulates inter alia that the respective roles and areas of responsibility of each political structure and political office bearer of the Municipality and of the municipal manager must be defined. The section below is based on the Section 53 role clarification that was approved at the council meeting of November 2021.

- **Municipal Council**

- governs by making and administering 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 office bearers 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; and
- is the only decision maker on non-delegated matters such as the approval of the 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 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; and
- performs 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, with the exception of the Deputy Executive Mayor who is elected by the council and is an ex officio member of the mayoral committee;
- 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 in fact an "extension of the office of Executive Mayor"; and
- the committee has no powers of its own – decision making remains that of the Executive Mayor.

## 2.2.3 ADMINISTRATIVE GOVERNANCE

### (a) Introduction

By law, the Municipal Manager automatically is the head of administration as well as the accounting officer. The Municipal Manager has extensive statutory and delegated powers and duties, as well as powers and duties that can be inferred from such statutory and delegated powers and duties.

The Municipal Manager is, amongst others, responsible –

- for the formation and development of an economical, effective, efficient and accountable administration;
- to ensure that the municipal “machine” operates efficiently, that the organizational structure is able to perform the various tasks and exercise the necessary controls;
- to fulfil a leadership role in the administration; this is of utmost importance to influence the actions of staff and to inspire and persuade them to work together to realize the municipality’s goals;
- for the implementation of the municipality’s integrated development plan, and the monitoring of progress with implementation of the plan;
- for the financial responsibilities as accounting officer as determined by the MFMA.

The Municipal Manager is the chief adviser of the municipality and must advise the political structures and political office-bearers of the municipality. The Municipal Manager must see to the carrying out of the decisions of the political structures and political office-bearers of the municipality. The Municipal Manager must facilitate participation by the local community in the affairs of the municipality and must also develop and maintain a system whereby community satisfaction with municipal services is assessed.

The Swartland Municipality adopted an Integrated Development Plan for 2022-2027 with the following five strategic goals:

- Community safety and wellbeing
- Economic transformation
- Quality and reliable services
- A healthy and sustainable environment
- A connected and innovative local government

The IDP strategic goals, objectives, initiatives, key performance indicators and annual targets are clearly linked with the annual budget and the Municipality’s performance system. These linkages make it possible for the management team to work towards achieving the objectives and outcomes of the Municipality.

The Municipal Manager of a municipality is the accounting officer of the municipality and must provide guidance to political structures; political office bearers, and officials of the municipality.

**(b) Top administrative structure**

**MUNICIPAL MANAGER**



Joggie Scholtz

**DIRECTORS**

**FINANCIAL  
SERVICES**



Mark Bolton

**CORPORATE  
SERVICES**



Madelaine Terblanche

**CIVIL ENGINEERING  
SERVICES**



Louis Zikmann

**ELECTRICAL ENGINEERING  
SERVICES**



Thys Möller

**DEVELOPMENT  
SERVICES**



Jo-Ann Krieger

**PROTECTION  
SERVICES**



Philip Humphreys

## 2.3 INTERGOVERNMENTAL RELATIONS

### 2.3.1 NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on National level:

- SALGA meetings

### 2.3.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on Provincial level:

- SALGA meetings
- MinMayTech
- MinMay
- Premiers Coordinating Forum
- Municipal Managers Forum

### 2.3.3 DISTRICT INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on District level:

- DCFTech
- DCF

## 2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.4.1 PUBLIC MEETINGS

#### *(a) Communication, participation and forums*

Public participation in Swartland is done in a **structured** way. The directive from national government on how community participation should be structured is the ward committee system. Most of the liaison with communities is done through ward committee meetings.

Although ward committees provide for representation of communities on a geographical basis, there are also a number of sector interests not covered by ward committees that play a major role within the municipal area, such as education, business and agriculture. Liaison with and involvement of such sector groups is therefore also crucial in order to get a full picture of the current reality in our area. Liaison with sector groups is done mainly through the Mayoral Consultative Forum.

The Municipality also communicates through a well-structured website [www.swartland.gov.za](http://www.swartland.gov.za) as well as its Facebook Page [www.facebook.com/SwartlandMunicipality](https://www.facebook.com/SwartlandMunicipality).

| Nature and purpose of meeting   | Date of meeting   | Number of Participants |                          |                             | Dates and manner of feedback given to the community  |
|---|-------------------|------------------------|--------------------------|-----------------------------|--|
|   |                   | Municipal Councillors  | Municipal Administrators | Community members attending |  |
| GBVF 100 days challenges – services rendered toward children and families | 17 July 2024      | 0                      | 2                        | 23                          | Meeting 23 January 2025, 13 & 14 May 2025, 21 May 2025, 19 June 2025                                       |
| IDP Engagement Ward 1   | 28 October 2024   | 1                      | 4                        | 10                          | Meeting 16 April 2025  |
| IDP Engagement Ward 2   | 28 October 2024   | 1                      | 2                        | 10                          | Meeting 16 April 2025  |
| IDP Engagement Ward 3   | 29 October 2024   | 1                      | 2                        | 6                           | Meeting 16 April 2025  |
| IDP Engagement Ward 4   | 7 November 2024   | 1                      | 2                        | 5                           | Meeting 16 April 2025  |
| IDP Engagement Ward 5   | 29 October 2024   | 1                      | 2                        | 8                           | Meeting 16 April 2025  |
| IDP Engagement Ward 6   | 29 October 2024   | 1                      | 2                        | 9                           | Meeting 16 April 2025  |
| IDP Engagement Ward 7   | 7 November 2024   | 2                      | 2                        | 8                           | Meeting 16 April 2025  |
| IDP Engagement Ward 8   | 28 October 2024   | 1                      | 2                        | 7                           | Meeting 16 April 2025  |
| IDP Engagement Ward 9   | 6 November 2024   | 2                      | 2                        | 7                           | Meeting 16 April 2025  |
| IDP Engagement Ward 10  | 28 October 2024   | 1                      | 2                        | 9                           | Meeting 16 April 2025  |
| IDP Engagement Ward 11  | 29 October 2024   | 1                      | 2                        | 7                           | Meeting 16 April 2025  |
| IDP Engagement Ward 12  | 29 October 2024   | 1                      | 2                        | 7                           | Meeting 16 April 2025  |
| IGR meeting to discuss the allocation of small farmers (Tygerfontein)     | 1 November 2024   | 0                      | 3                        | 18                          | Meeting 14 February 2025, 13 March 2025, 15 April 2025   |
| Mayoral Consultative Forum  | 16 April 2025     | 10                     | 11                       | 21                          |  |
| Provincial WCSAF/LDAC & Stakeholders bi-annual Mstreams meeting           | 18 March 2025     | 0                      | 1                        | 66                          | Collaboration between role players on awareness and prevention initiatives                                 |
| Swartland Educational and Development Forum                               | 20 July 2024      | 0                      | 1                        | 74                          | Meeting 18 October 2024, 29 January 2025, 4 April 2025, 10 April 2025, 20 June 2025                        |
| Swartland Social Development Forum  | 10 September 2024 | 1                      | 2                        | 22                          | Meeting 15 October 2024, Facilitate, monitor and review programmes according to the identified focus areas |

### **(b) Ward committees**

Section 152(1)(e) of the Constitution of the Republic of South Africa, read with sections 72 to 78 of the Structures Act, gives a direct mandate to municipalities to encourage the involvement of communities and community organisations in matters of local government and to establish community participatory systems.

Sections 8(g and h), 9(f) and 72 of the Structures Act, authorise municipalities to establish ward participatory systems as mechanisms to enhance participatory democracy in local government.

A ward committee is an advisory body of the community. A ward committee serves as the official public participatory structure of the Municipality and must as such –

- (a) assist the ward councillor in identifying challenges and needs of residents;
- (b) disseminate information in the ward concerning municipal affairs such as the budget, the integrated development plan (IDP) and service delivery options;
- (c) obtain inputs from residents regarding municipal affairs such as the budget, the integrated development planning and service delivery options;



- (d) receive queries and complaints from residents concerning municipal service delivery; and
- (e) interact with other forums and organisations on matters affecting the ward.

Ward committee members had the opportunity to participate in the development of Area Plans for each ward, containing, amongst others, the five most important service delivery priorities for each ward.

## 2.4.2 IDP PARTICIPATION AND ALIGNMENT

| IDP Participation and Alignment Criteria                                       | Yes/No |
|--|--------|
| Does the municipality have impact, outcome, input, output indicators?          | Yes    |
| Does the IDP have priorities, objectives, KPIs, development strategies?        | Yes    |
| Does the IDP have multi-year targets?  | Yes    |
| Are the above aligned and can they calculate into a score?                     | Yes    |
| Does the budget align directly to the KPIs in the strategic plan?              | Yes    |
| Do the IDP KPIs align to the Section 57 Managers                               | Yes    |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP?                 | Yes    |
| Were the indicators communicated to the public?                                | Yes    |
| Were the four quarter aligned reports submitted within stipulated time frames? | Yes    |

## 2.5 CORPORATE GOVERNANCE

### 2.5.1 OVERVIEW

The King-report listed discipline, transparency, independence, accountability, responsibility, fairness and social responsibility as primary characteristics of good governance. These traits have to be evident in municipal operations from the municipal council at the top to departmental staff at the bottom.

Corporate governance is the system by which municipalities/companies are directed and controlled and is essentially for effective leadership. Leaders need to define strategy, provide direction and establish the ethics and values that will influence and guide practices and behaviour with regard to sustainability performance. The framework of rules and practices ensures accountability, fairness, and transparency in a municipality's relationship with its stakeholders (financiers, customers, suppliers, management, employees, government, and the community).

### 2.5.2 INTERNAL AUDIT

An Internal Audit Activity (IAA) exists within Swartland Municipality which reports administratively to the Municipal Manager and functionally to the Performance, Risk and Audit Committee (PRAC). The purpose of Internal Audit is to provide an independent, objective assurance and consulting services designed to add value and improve the municipality's operations. The IAA helps Swartland Municipality accomplish its objectives by bringing a systematic, risk-based, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. Furthermore, the IAA reports on matters relating to:

- Safeguarding of assets
- Internal Control
- Compliance with laws, regulations, policies, accounting practices and contractual obligations

- Reliability and integrity of information
- Risk and risk management
- Performance Management.

The Chief Audit Executive follows a risk based audit approach whereby an annual audit plan is compiled and approved by the PRAC. Included in the plan are special tasks or projects requested by Management and the PRAC. Reporting is done on a monthly basis to the Municipal Manager regarding the activities of the unit such as audits and investigations performed, audit findings not yet implemented and any other concerns. Quarterly PRAC meetings are held where risk management, performance management, audit reports issued and performance against the audit plan are discussed.

### 2.5.3 RISK MANAGEMENT

Risk Management is one of management's core responsibilities according to section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality. It is a systematic and formalised process to identify, assess, manage, monitor, report and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Swartland Municipality. When properly executed risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

Risk Assessments are conducted bi-annually by Internal Audit, as part of their consulting service to Management, through facilitating the process of identifying and assessing risk per Directorate to determine the magnitude of risk exposure by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives. The identified risks are prioritised which enables Management to focus more time, effort and resources on higher risk areas. Management informs Internal Audit immediately when business processes change and/or when the severity of a risk area change due the increase or decrease in the likelihood rating for them to update the risk registers accordingly.

To mitigate the risks it is confronted with, Management implements control activities by establishing policies and appropriate procedures such as approvals, authorisations, segregation of duties, reconciliations and physical safeguards.

In addition, Internal Audit reports quarterly to the PRAC on work performed and other operating measures that are of interest to the Committee.

The following strategic risks of the municipality have been identified by Management:

- In-migration, population growth and land invasion
- Community safety and compliance with laws and regulations
- Potential developers not investing in Swartland
- Inadequate IT management and IT systems, business continuity and disaster recovery processes
- Insufficient revenue from tax base and trading services to meet all other service demands
- Insufficient access to water resources
- Unsafe and unhealthy working conditions and environment
- Imbalance between the three pillars of sustainable development i.e. environment, economy and people
- Ineffective governance
- Ageing and non-expansion key of infrastructure.
- Failed state (External Risk)
- Global warming (External Risk)

## 2.5.4 ANTI-CORRUPTION AND FRAUD

Swartland Municipality subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent fashion. Consequently Swartland Municipality is committed to fight fraudulent behaviour at all levels within the organisation.

The Strategy is premised on the organisations core ethical values driving the business of Swartland, the development of its systems, policies and procedures, interactions with ratepayers, the public and other stakeholders, and even decision-making by individual managers representing the organisation. This means that in practice all departments and business units of Swartland and even external stakeholders must be guided by the Strategy as the point of reference for their conduct in relation to Swartland.

**The policy of Swartland is zero tolerance to fraud and corruption.** In addition, all fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of Swartland.

It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate manager. All managers are responsible for the detection, prevention and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption to the Municipal Manager. The Municipal Manager will initiate an investigation into the matter. Should employees or any member of the public wish to report allegations of fraud and corruption anonymously, they can contact the Municipal Manager and/or the Internal Audit Unit directly or the Public Service Corruption Hotline on 0800 701 701.

Any fraud or corruption committed by an employee or any other person will be pursued by thorough investigation and to the full extent of the law, including (where appropriate) consideration of:

- In case of employees, taking disciplinary action within a reasonable period of time after the incident;
- Instituting civil action to recover losses;
- Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency; and
- Any other appropriate and legal remedy available.

Managers are required to ensure that losses or damages suffered by Swartland as a result of all reported acts committed or omitted by an employee, ratepayer or any other person are recovered from such an employee, ratepayer or other person if he or she is found to be liable for such losses.

Policies, processes and systems are implemented by which the Municipality is directed, controlled and held to account with the trend towards greater corporate responsibility and the conduct of business within acceptable ethical standards. Transparency, accountability and openness are embedded in reporting and disclosure of information, both operational and financial to all stakeholders. Councillors' and Employees' work are governed by the municipality's rules, regulations and procedures and the Codes of Conduct for employees and Councillors to which they are expected to abide by, which includes guidelines on gifts, professional and personal behaviour and conflicts of interest. Segregation of duties exists within the procurement function and politicians are excluded from procurement and tender processes.

## 2.5.5 PERFORMANCE, RISK AND AUDIT COMMITTEE

A combined Performance, Risk and Audit Committee (PRAC) has been established and is functional. The overall responsibility of the committee is to assist Council members of Swartland Municipality in discharging their responsibilities relating to the safeguarding of assets, the operation of adequate and effective systems and control processes, the preparation of fairly presented financial statements in compliance with all applicable legal and regulatory requirements and accounting standards, and the oversight of the external and internal audit functions, as well as Performance- and Risk Management. The PRAC is an advisory committee and not an executive committee and as such it must not perform any managerial functions or assume any management responsibilities. The PRAC operates in accordance with their Charter which is approved by Council and is an independent function that excludes politicians and excludes officials as voting members.

## 2.5.6 SUPPLY CHAIN MANAGEMENT

The Supply Chain Policy of Swartland Municipality complies with the prescribed framework as set out in section 110-119 of the Municipal Finance Management Act, 2003. No shortfalls were identified regarding long term contracts.

## 2.5.7 BY-LAWS

### (a) *By-laws Introduced during financial year*

| Name          | Newly Developed | Revised | Public Participation Conducted Prior to Adoption of By-law? | Public Participation Date | By-law Gazetted? | Date Of Publication |
|---------------|-----------------|---------|---|---------------------------|------------------|---------------------|
| Tariff By-law |                 | Revised | No  | 2025-03-31                | Yes              | 2025-06-06          |

### (b) *Comment on by-laws*

By-laws are passed by the Council to regulate the affairs and the services it provides within its area of jurisdiction. A municipality derives the powers to pass a by-law from the Constitution of the Republic of South Africa, which gives certain specified powers and competencies to local government as set out in Part B of Schedule 4 and Part B of Schedule 5 to the Constitution.

## 2.5.8 MUNICIPAL WEBSITE - CURRENT YEAR

| Documents published on the Municipality's / Entity's Website  | Yes / No | Publishing Date                    |
|---|----------|------------------------------------|
| Current annual and adjustments budgets and all budget-related documents   | Yes      | 29 May 2025                        |
| All current budget-related policies   | Yes      | 29 May 2025                        |
| The previous year's annual report   | Yes      | 31 March 2025                      |
| The annual report published/to be published   | TBC      | 31 March 2026                      |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards                            | Yes      | 19 June 2024                       |
| All service delivery agreements   | Yes      | Various dates during year          |
| All long-term borrowing contracts   | Yes      | When applicable                    |
| All supply chain management contracts above a prescribed value (R100 000)   | Yes      | Various dates during year          |
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during fin year | N/a      | N/a: Not prescribed by legislation |
| Contracts agreed in to which subsection (1) of section 33 apply, subject to subsection (3) of that section  | N/a      | N/a                                |
| Public-private partnership agreements referred to in section 120  | N/a      | N/a                                |
| All quarterly reports tabled in the council in terms of section 52 (d)  | Yes      | Various dates during year          |

## **2.5.9 PUBLIC SATISFACTION ON MUNICIPAL SERVICES**

*No Client Satisfaction Survey was done since 2017.*



# **2024/2025**

## **ANNUAL REPORT CHAPTER 3**

### **(PERFORMANCE REPORT)**

29 August 2025

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

### 3.1 TOP LEVEL REPORTING

#### 3.1.1 KPI'S AND TARGETS FROM THE IDP FOR 2024/2025

Because Chapter 3 of the Annual Report is divided according to service and not according to IDP goals, the following table is added. It is taken from the Municipality's Integrated Development Plan (IDP) that was approved by Council on 30 May 2024 and displays the top-level indicators and targets according to the five strategic goals in Chapter 4 of the IDP. It also displays the general key performance indicators as prescribed in the Municipal Planning and Performance Management Regulations, 2001. The last column of the table refers to the sections in this chapter where the indicators are found under the relevant service.

#### (a) Strategic Goal 1: Community Safety and Wellbeing

| <i>Strategic Initiative</i>                                       | <i>Key Performance Indicator</i>   | <i>Target</i>          | <i>Actual</i>                  | <i>Notes</i>   | <i>Reference</i> |
|---|--|------------------------|--------------------------------|--|------------------|
| 1.2 Social regeneration   | Social Regeneration Strategy developed and approved by Council by June 2025                                  | 1 by June 2025         | 1                              | Social Regeneration adopted by Council on 19 February 2025.  | 3.5.1(b)         |
| 1.3 Take action against Gender-Based Violence and Femicide (GBVF) | GBVF Strategy developed and approved by Council by June 2026   | 1 by June 2026         | N/a (2025/2026 financial year) |  | 3.5.1(b)         |
| 1.4 Youth Development   | Youth Policy developed and approved by Council by June 2027  | 1 by June 2027         | N/a (2026/2027 financial year) |  | 3.5.1(b)         |
| 1.5 Improve the prosecution of law enforcement offenders          | Establishment and financial viability of a municipal court investigated and reported to Council by June 2025 | 1 by June 2025         | 1                              | Reported on 4 June 2025  | 3.7.1(c)         |
| 1.6 Animal pound for the Swartland area                           | (1) Animal bylaw developed and approved by Council by June 2025  | 1 by June 2025         | 0                              | Reason: A service provider needed to be appointed.<br>Corrective Measure: Will complete in the new financial year. | 3.7.1(c)         |
|   | (2) Available land identified and the possibility of a pound investigated by June 2026                       | 100% by June 2026      | N/a (2025/2026 financial year) |  | 3.7.1(c)         |
| 1.7 Integrated operational emergency room                         | (1) Viability and feasibility study in collaboration with all role-players conducted by June 2026            | 100% by June 2026      | N/a (2025/2026 financial year) |  | 3.7.1(c)         |
|   | (2) CCTV camera bylaw developed by June 2025   | 1 by June 2025         | 1                              | Was submitted on 25 June 2025  | 3.7.1(c)         |
| 1.8 Increase law enforcement presents in all towns                | Establishment of law enforcement offices in all Swartland towns investigated and reported to Council         | 100% by June 2028 year | N/a (2027/2028 financial year) |  | 3.7.1(c)         |

| <b>Strategic Initiative</b>                            | <b>Key Performance Indicator</b>  | <b>Target</b>     | <b>Actual</b>                  | <b>Notes</b> | <b>Reference</b> |
|--|---|-------------------|--------------------------------|--------------|------------------|
|  | by June 2028  |                   |                                |              |                  |
| 1.11 Extension of Traffic and Law Enforcement Services | Establishment of a learners licence centre for Riebeek Valley by June 2026  | 100% by June 2026 | N/a (2025/2026 financial year) |              | 3.7.1(c)         |
| 1.12 Sufficient office space for Protection Services   | Do a feasibility study in respect of new offices for Protection Services in Malmesbury and report to Council by June 2027 | 1 by June 2027    | N/a (2026/2027 financial year) |              | 3.9.7(a)         |

**(b) Strategic Goal 2: Economic Transformation**

| <b>Strategic Initiative</b>  | <b>Key Performance Indicator</b>   | <b>Target</b>     | <b>Actual</b>                  | <b>Notes</b>  | <b>Reference</b> |
|--|--|-------------------|--------------------------------|---|------------------|
| 2.1 Skills development   | Investigate the establishment of a skills development centre and submit a report to Management meeting by June 2025      | 100%              | 100%                           | Skills development report approved by MAYCO on 16 April 2025. | 3.4.2(d)         |
| 2.2 Global networks and an active participant in global knowledge exchange | Investigate global partnerships and submit a proposal to the Mayoral Committee by June 2025                              | 1 by June 2025    | 1                              | Twinning agreement concluded in May 2025                      | 3.4.2(d)         |
| 2.3 Investment Promotion / Marketing                                       | (3) Improve investment by creating an online platform by June 2026 to share information with investors                   | 100% by June 2026 | N/a (2025/2026 financial year) |   | 3.4.2(d)         |
| 2.4 Assist and support SMME  | (2) Ensure the organisation of an annual SMME summit or indaba   | 1 annually        | 1                              | SMME Indaba held on 4 April 2025.                             | 3.4.2(d)         |
|  | (3) Ensure the investigation of SMME hubs in the Swartland area and submit report to the Management meeting by June 2025 | 1 by June 2025    | 1                              | Economic hubs report to Management Team on 28 March 2025      | 3.4.2(d)         |
| 2.5 Improving the ease of doing business                                   | Create an automated one stop shop for all business enquiries by June 2026  | 100% by June 2026 | N/a (2025/2026 financial year) |   | 3.4.2(d)         |



**(c) Strategic Goal 3: Quality and Reliable Services**

| <b>Strategic Initiative</b>  | <b>Key Performance Indicator</b>   | <b>Target</b>          | <b>Actual</b>                  | <b>Notes</b>                                    | <b>Reference</b> |
|--|--|------------------------|--------------------------------|---|------------------|
| 3.2 Bulk water supply system that is fit for future  | (1) Develop a 15 year priority project list by December 2025   | 1 by December 2025     | N/a (2025/2026 financial year) |   | 3.2.1(f)         |
|  | (2) Submit report to Council by March 2025 to consider direct purchase of water for Chatsworth from City of Cape Town.                               | 1 by March 2025        | 1                              | Report submitted 12 March 2025                  | 3.2.1(f)         |
| 3.3 Extension of the Highlands landfill site   | (1) Development of cell 2 by March 2027  | 1 by March 2027        | N/a (2026/2027 financial year) |   | 3.2.4(d)         |
|  | (2) Identify measures and report to Council on organic waste diversion by June 2027  | 1 by June 2027         | N/a (2026/2027 financial year) |   | 3.2.4(d)         |
| 3.4 Ensure sufficient infrastructure that is fit for future                                    | Master plans reviewed and updated if required annually by June   | 1 annually by June     | 1 by 24 April 2025             |   | 3.2.1(f)         |
| 3.5 Maintenance and upgrading that sustain and improve the current condition of surfaced roads | Investigate and report to the Portfolio Committee annually by June on the status quo condition of surfaced roads                                     | 1 annually by June     | 1                              | Report tabled on 18 June 2025.                  | 3.3.1(g)         |
| 3.6 Wheeling framework development   | (2) Submit Wheeling Framework to Council for approval by June 2025   | 1 by June 2025         | 1                              | Wheeling Framework was submitted on 21 May 2025 | 3.2.3(d)         |
| 3.7 Ensure bulk infrastructure capacity that is adequate for future developments               | Master plans reviewed and updated if required annually by June   | 1 annually by June     | 1                              | Reviewed and signed of on 07 May 2025           | 3.2.3(d)         |
| 3.8 Optimally maintain electrical network infrastructure                                       | Submit motivated budget to the Budget Office annually by November (minimum 6% of annual electricity revenue allocation is a Nersa license condition) | 1 annually by November | 1 by 30 October 2024           |   | 3.2.3(d)         |
| 3.9 Ensure sustainable electricity tariffs   | Submit application to Nersa for approval annually by June  | 1 annually by June     | 1                              | Application submitted 29 April 2025             | 3.2.3(d)         |

**General KPI's linked to Strategic Goal 3**

| <b>Regulation</b>  | <b>Key Performance Indicator</b>   | <b>Target</b> | <b>Actual</b> | <b>Notes</b> | <b>Reference</b> |
|--|--|---------------|---------------|--------------|------------------|
| Reg 10 (a): Access to water, sanitation and refuse removal | Supplying of piped water service points to residential account holders which are connected to the municipal water infrastructure network as at 30 June | 22 124        | 23 672        |              | 3.2.1(f)         |
| Reg10 (a): Access to water, sanitation and refuse removal  | Supplying of sanitation services to municipal residential account holders as at 30 June  | 21 851        | 22 511        |              | 3.2.2(d)         |
| Reg10 (a): Access to water, sanitation and refuse removal  | Number of residential account holders receiving refuse removal services as at 30 June  | 21 635        | 23 175        |              | 3.2.4(d)         |
| Reg 10 (a): Improve access to electricity                  | Supplying of electricity services to residential account holders for electrical metering   | 16 326        | 17 570        |              | 3.2.3(d)         |

**(d) Strategic Goal 4: A Healthy and Sustainable Environment**

| <b>Strategic Initiative</b>  | <b>Key Performance Indicator</b>   | <b>Target</b>     | <b>Actual</b>                  | <b>Notes</b>  | <b>Reference</b> |
|--|--|-------------------|--------------------------------|---|------------------|
| 4.1 Maintain a balance between non-paying and paying households through the increased provision of affordable housing, Finance Linked Individual Subsidy Programme (FLISP) housing, Gap housing and social housing in the Swartland Area | (1) Investigate and report to council the advantages of Municipal housing accreditation by June 2025   | 1 by June 2025    | 1                              | Housing Accreditation report submitted to council 19 February 2025. | 3.2.5(c)         |
|  | (2) Develop a housing pipeline annually by May   | 1 annually by May | 1                              | Housing pipeline approved on 16 April 2025                          | 3.2.5(c)         |
|  | (3) Obtain land use rights for mixed housing developments annually by end of June and submit a report to the Municipal Manager               | 100% annually     | 100%                           | Email sent 5 March 2025 to MM                                       | 3.2.5(c)         |
|  | (4) Appoint credible social housing institution to build and manage social housing and submit a report to the Municipal Manager by June 2026 | 100% by June 2026 | N/a (2025/2026 financial year) |   | 3.2.5(c)         |
| 4.2 Alignment of capital expenditure   | Develop a capital expenditure  | 1 by June 2026    | N/a (2025/2026                 |   | 3.4.1(c)         |

| <b>Strategic Initiative</b>  | <b>Key Performance Indicator</b>  | <b>Target</b>  | <b>Actual</b>                  | <b>Notes</b> | <b>Reference</b> |
|--|---|----------------|--------------------------------|--------------|------------------|
| framework between spatial planning, engineering and financial services | framework in collaboration with DEADP and the Development Bank of SA and submit a report to the Management meeting by June 2026 |                | financial year)                |              |                  |
| 4.3 Climate change study   | Do a study of climate change mitigation and adaptation and report to the Management meeting by June 2026                        | 1 by June 2026 | N/a (2025/2026 financial year) |              | 3.4.1(c)         |

**(e) Strategic Goal 5: A Connected and Innovative Local Government**

| <b>Strategic Initiative</b>                       | <b>Key Performance Indicator</b>  | <b>Targets</b> | <b>Actual</b>                  | <b>Notes</b>  | <b>Reference</b> |
|---|---|----------------|--------------------------------|---|------------------|
| 5.1 Innovative local government                   | Ensure the development of an innovation policy and submit to the Mayoral Committee by June 2026   | 1 by June 2026 | N/a (2025/2026 financial year) |   | 3.9.6(a)         |
| 5.2 Inter-connected towns and Municipal buildings | Ensure the development of an ICT masterplan for connectivity and submit to the Mayoral Committee by June 2025   | 1 by June 2025 | 1                              | The ICT plan was submitted to the Mayoral Committee on 18 June 2025             | 3.10.6(b)        |
| 5.3 "Smart City" concept                          | Ensure the development of a proposal for implementing the "Smart City" concept in the Swartland and submit to the Mayoral Committee by June 2025                      | 1 by June 2025 | 1                              | Framework was submitted to EMC in May 2025. EMC meeting was held on 21 May 2025 | 3.10.6(b)        |
| 5.4 Increased use of digital technology           | Ensure the development of a proposal for the increased use of digital technology to support business and the economy and submit to the Mayoral Committee by June 2026 | 1 by June 2026 | N/a (2025/2026 financial year) |   | 3.9.6(a)         |
| 5.5 Improved corporate image and communication    | (1) Develop a proposal for innovative ways to use existing and new platforms to engage with residents and businesses and submit to the Mayoral Committee by June 2025 | 1 by June 2025 | 1                              | Item submitted to the Mayoral Committee of 21 May 2025                          | 3.9.2(a)         |
|   | (2) Investigate and submit a report to the Mayoral Committee by June 2025 on a digital people-centred   | 1 by June 2025 | 1                              | Item submitted to the Mayoral Committee of 21 May 2025                          | 3.9.2(a)         |

| <b>Strategic Initiative</b> | <b>Key Performance Indicator</b>  | <b>Targets</b> | <b>Actual</b>                  | <b>Notes</b> | <b>Reference</b> |
|-----------------------------|---|----------------|--------------------------------|--------------|------------------|
|                             | application   |                |                                |              |                  |
|                             | (3) Investigate the feasibility of a full time customer care centre and submit a report to the Mayoral Committee by June 2026 | 1 by June 2026 | N/a (2025/2026 financial year) |              | 3.9.2(a)         |

**General KPI's linked to Strategic Goal 5**

| <b>Regulation</b>   | <b>Key Performance Indicator</b>  | <b>Target</b>               | <b>Actual</b> | <b>Notes</b>   | <b>Reference</b> |
|---|---|-----------------------------|---------------|--|------------------|
| Reg 10(b): The percentage of households earning less than R1100 per month with access to free basic services  | Manage the provision of free basic service subsidies in line with council's policy annually   | 100% at 30 June             | 100%          | 100% of all indigent applications received were processed and captured on the indigent register at year-end.   | 3.9.5(a)         |
| Reg 10(c): Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan | Spent/achieved 95% of capital budget by the end of June   | 95% by end of June          | 91.52%        | The Silvertown Purchasing of Land and the Municipal Disaster response grant makes up an enourmos amount of the capital budget. If these two grants is not included in the capital budget, the total spent would have been around 96,17% for the Municipality. However due to the ongoing court issue with Silver town and the late receival of the Disaster grant funds it was just not possible to spent these funds. | 3.9.6(a)         |
| Reg 10(d): The number of jobs created through municipality's LED initiatives including capital projects   | Create 150 jobs through Municipality's capital projects (contracts > R200 000) by 30 June   | 150 jobs by 30 June         | 194           |  | 3.4.2(d)         |
| Reg 10(e): The 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       | The percentage (%) of appointments made in the three highest levels of management which comply with the Employment Equity Plan, measured by the Number of appointments in the three highest levels of management, which comply with Employment Equity targets/Total appointments made in three highest levels of management x 100 | 70% annually by end of June | N/a           | There were no appointments made during the financial year. All positions was filled  | 3.9.2(a)         |
| Reg 10(f): The percentage of a  | Spent 90% of the Municipality's   | 90% by end of June          | 99.97%        |  | 3.9.2(a)         |

| <b>Regulation</b>  | <b>Key Performance Indicator</b>   | <b>Target</b> | <b>Actual</b> | <b>Notes</b>                                 | <b>Reference</b> |
|--|--|---------------|---------------|--|------------------|
| municipality's budget actually spent on implementing its workplace skills plan | training budget on implementing its Workplace Skills Plan by end of June                   |               |               |  |                  |
| Reg 10(g): Financial viability as expressed by the following ratios:           | Measure the % of debt coverage ratio for the current financial year                        | 45%           | 4.12%         | Result is well below the norm                | 3.9.5(a)         |
|  | Measure the % of the outstanding service debtors   | 20%           | 6.37%         | The result is well below the norm of 20%     | 3.9.5(a)         |
|  | Measure financial viability in terms of cost coverage ratio for the current financial year | 3 months      | 5.3 months    | The ratio is well above the norm of 3 months | 3.9.5(a)         |

### 3.1.2 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

In terms of Section 13G of the Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013 ("the B-BBEE Act"), read with regulation 12 of the B-BBEE Regulations, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports.

A compliance report required to be included annually in terms of section 13G(1) of the Act from a sphere of government, public entity or an organ of state must reflect the state of compliance in respect of (i) ownership where applicable; (ii) management control; (iii) skills development; (iv) enterprise and supplier development; (v) socio-economic development; and (vi) any other sector specific element. The following tables contain the required information applicable to Swartland Municipality:

#### (a) Management Control

| <b>Categories</b>             | <b>Number for each category</b> | <b>Race classification (indicate number i.t.o. Africans, Coloureds &amp; Indians)</b> | <b>Gender (indicate number in terms of Female &amp; Male)</b> | <b>Age (provide number in chronological order)</b> | <b>Location (indicate number in each Province)</b> | <b>Disability (indicate number in terms of Female &amp; Male)</b> |
|-------------------------------|---------------------------------|---|---|--|--|---|
| Municipal Manager & Directors | 3                               | A=0, C=3, I=0   | CF=1, CM=2  | 58, 59, 64   | Western Cape                                       | 0   |
| Senior Management             | 5                               | A=0, C=5, I=0   | CF=3, CM=2  | 36, 40, 40, 51, 55                                 | Western Cape                                       | 1   |

**(b) Skills Development**

| <b>Total Leviabe Amount:</b>   |                                 |  |   |  |  |   |   |
|--|---------------------------------|--|---|--|--|---|---|
| <b>Categories</b>  | <b>Number for each category</b> | <b>Race classification (indicate number in terms of Africans, Coloureds &amp; Indians)</b> | <b>Gender (indicate number in terms of Female &amp; Male)</b> | <b>Age (provide number in chronological order)</b> | <b>Location (indicate number in each Province)</b> | <b>Disability (indicate number in terms of Female &amp; Male)</b> | <b>Total Amount Spent</b>   |
| Black employees  | 103                             | A=16<br>C=87   | AF=0, AM=16<br>CF=19, CM=67                                   | <35=27<br>35-55=71<br>>55=4                        | Western Cape                                       | F=4, M=13   | R1 950 043  |
| Black non-employees  | 0                               |  |   |  |  |   |   |
| Black People on - Internships  | 11                              | A=3<br>C=8   | AF=1, M=2<br>CF=5, M=3  | <35=11<br>35-55=0                                  | Western Cape                                       | 0   | Own funding, not included in the figure above                                     |
| Apprenticeship   | 2                               | C=2  | AF=0, AM=0<br>CF=0, CM=2                                      | 35-55=2  | Western Cape                                       | 0   | Included in the figure above  |
| Bursaries  | 17                              | A=2<br>C=15  | AF=0, AM=2<br>CF=9, CM=6                                      | <35=5<br>35-55=11<br>>55=1                         | Western Cape                                       | F=1, M=1  | DG grant of R225 000,00 received for 5 officials not included in the figure above |
| Learnership  | 64                              | A=9<br>C=54  | AF=0, AM=9<br>CF=8, CM=47                                     | <35=16<br>35-55=46<br>>55=2                        | Western Cape                                       | F=2, M=9  | Included in the figure above  |
| Adult Education and Training (AET)   | 20                              | A=5<br>C=15  | AF=0, M=5<br>CF=2, M=13                                       | <35=6<br>35-55=13<br>>55=1                         | Western Cape                                       | F=1, M=3  |   |
| Unemployed black people on any programme under the learning programme matrix | 45                              | A=4<br>C=41  | AF=2, M=2<br>CF=26, CM=15                                     | <35=45   | Western Cape                                       | 0   | DG grant of R 1 477 770,00 received, not included in the figure above             |
| Black people absorbed at end of learnership, internship and apprenticeship   | 1                               | C=1  | AF=0, AM=0<br>CF=1, CM=0                                      | <35=1  | Western Cape                                       | 0   |   |

**(c) Enterprise and Supplier Development**

**Note:** Swartland Municipality makes use of the National Treasury database to source suppliers. Documents submitted with tenders and quotations do not contain this information. BBBEE certificates issued do not contain all the information. Where a certificate is not mandatory, legislation requires a supplier to only confirm by affidavit whether his company is 100% black owned. Nowhere is any mention made of, for example, % Black Women Ownership.

| <b>Total Procurement Spent:</b> |                     |                          |                          |                                |
|---------------------------------|---------------------|--------------------------|--------------------------|--------------------------------|
| <b>Supplier</b>                 | <b>Total Number</b> | <b>Total Value Spend</b> |                          |                                |
| TOTAL                           |                     |                          | <b>% Black Ownership</b> | <b>% Black women ownership</b> |
| EME                             |                     |                          |                          |                                |
| QSE                             |                     |                          |                          |                                |
| Large Suppliers                 |                     |                          |                          |                                |

| <b>Total Value of 2% NPAT or 0.2% of allocated Budget:</b> |                     |                          |                          |                                |                 |               |
|--|---------------------|--------------------------|--------------------------|--------------------------------|-----------------|---------------|
| <b>Supplier</b>  | <b>Total Number</b> | <b>Total Value Spend</b> | <b>% Black Ownership</b> | <b>% Black women ownership</b> | <b>Location</b> | <b>Sector</b> |
| EMEs   |                     |                          |                          |                                |                 |               |
| QSEs   |                     |                          |                          |                                |                 |               |

| <b>Total Value of 1% NPAT or 0.1% of allocated Budget:</b> |                     |                          |                          |                                |                 |               |
|--|---------------------|--------------------------|--------------------------|--------------------------------|-----------------|---------------|
| <b>Supplier</b>  | <b>Total Number</b> | <b>Total Value Spend</b> | <b>% Black Ownership</b> | <b>% Black women ownership</b> | <b>Location</b> | <b>Sector</b> |
| EMEs   |                     |                          |                          |                                |                 |               |
| QSEs   |                     |                          |                          |                                |                 |               |

**(d) Socio-Economic Development**

| <b>Total Value of 1% NPAT or 0.1% of allocated Budget:</b> |  |   |   |
|--|--|---|---|
| <b>Number of participants</b>                              | <b>Race classification (indicate number in terms of Africans, Coloureds &amp; Indians)</b> | <b>Gender (indicate number in terms of Female &amp; Male)</b> | <b>Geographical indication (indicate nr in each Province)</b> |
| 0  |  |   |   |
| Total Value Spend: R0                                      |  |   |   |

## 3.2 BASIC SERVICES

### 3.2.1 WATER SERVICES

#### (a) Introduction

Swartland Municipality is the Water Services Authority for its service area. Water is abstracted from two bulk sources, i.e. Voëlvlei Dam and the Misverstand Dam. The West Coast District Municipality provides bulk water as well as water purification and treatment services to Swartland Municipality through the Withoogte and Swartland bulk supply schemes. The West Coast DM was also appointed by Swartland Municipality as a Water Services Provider in terms of the Water Services Act following a section 78 investigation which was concluded in 2018/2019.

All residents in urban areas in the service area of Swartland Municipality have access to water services and free basic water is provided to indigent households.

Ageing infrastructure remains one of the key focus areas for the Municipality and therefore a pipe replacement programme was developed and is in the process of implementation.

It is estimated that Swartland Municipality would require access to an increased allocation from the Western Cape Water Supply System by around 2032. The Municipality has therefore expressed interest to partake in the Department of Water Affairs Berg River-Voëlvlei Augmentation Scheme (BRVAS). The scheme will augment yield of Voëlvlei dam by about 23 million cubic meters per annum by abstracting water from the Berg River and pumping it to the existing Voëlvlei Dam. The initial allocation for Swartland Municipality was 0.66 million cubic meters per annum. The Municipality has consequently applied for a revision of the allocation given its limited access to alternative resources. The Department of Water Affairs favourably considered the application and the final allocation from the BRVAS for Swartland Municipality is 1.66 million cubic meters per annum. Council has resolved upon following a Section 33 process to enter into a Water Supply Agreement with the Department of Water Affairs for an allocation from the BRVAS.

#### (b) Total Use of Water by Sector (cubic meters)

| Agriculture | Forestry | Industrial | Domes. c  | Unaccountable Water Losses | Total     |
|-------------|----------|------------|-----------|----------------------------|-----------|
| 101,734     | 558,755  | 705,461    | 3,334,964 | 1,401,332                  | 6 102 246 |

#### (c) Comment on water use by sector

Swartland Municipality continues to implement its Water Conservation and Water Demand Management strategy through the continued implementation of, amongst others, pressure control in distribution networks, leak detection and repairs. Through these measures it was possible to maintain water losses at 19.66%.



**(d) Households - Water Service Delivery Levels - 2022 Census****Above minimum level**

| Description   | Non-Urban | Urban         | Total         |
|---|-----------|---------------|---------------|
| Piped (tap) water inside dwelling/institution   | 0         | 40,624        | 40,624        |
| Piped (tap) water inside yard   | 0         | 3,500         | 3,500         |
| Piped (tap) water on community stand: distance less than 200m from dwelling/institution | 0         | 246           | 246           |
| <b>TOTAL</b>  | <b>0</b>  | <b>44,370</b> | <b>44,370</b> |

**Below minimum level**

| Description                                    | Non-Urban | Urban      | Total      |
|--|-----------|------------|------------|
| No access to piped (tap) water                 | 0         | 324        | 324        |
| Piped (tap) water more than 200m from dwelling | 0         | 162        | 162        |
| Unspecified - Not applicable                   | 0         | 0          | 0          |
| <b>TOTAL</b>                                   | <b>0</b>  | <b>486</b> | <b>486</b> |

**(e) Households - Water Service Delivery Levels below the minimum service level - 2022 Census**

| Service        | Criteria                             | Formal Settlements:<br>Households < minimum level |            | Informal Settlements:<br>Households < minimum level |            |
|----------------|--------------------------------------|---|------------|---|------------|
|                |                                      | Number  | Percentage | Number  | Percentage |
| Water Services | Available within 200 m from dwelling | 486   | 1,08%      | 0   | 0,00%      |

**(f) Water Service performance results**

| Performance Objective                                       | Objective ID | Key Performance Indicator  | Previous Year Target | Previous Year Actual           | Previous Year Score | Target             | Actual                         | Score | Next Year Target   | Notes   |
|---|--------------|--|----------------------|--------------------------------|---------------------|--------------------|--------------------------------|-------|--------------------|---|
| <b>1 General KPI's</b>                                      |              |  |                      |                                |                     |                    |                                |       |                    |   |
| Reg 10 (a): Access to water, sanitation and refuse removal  | D36          | Supplying of piped water service points to residential account holders which are connected to the municipal water infrastructure network as at 30 June | 21 942               | 22 060                         | 5                   | 22 124             | 23 672                         | 5     | 22 124             |   |
| <b>2 Indicators from IDP</b>                                |              |  |                      |                                |                     |                    |                                |       |                    |   |
| 3.2 Bulkwater supplysystem that is fit for future           | D41          | Develop a 15 year priority project list by December 2025   | 1 by December 2025   | N/a (2025/2026 financial year) | 0                   | 1 by December 2025 | N/a (2025/2026 financial year) |       | 1 by December 2025 |   |
| 3.2 Bulk water supply system that is fit for future         | D42          | Submit report to Council by March 2025 to consider direct purchase of water for Chatsworth from City of Cape Town                                      | 1 by March 2025      | N/a (2024/2025 financial year) | 0                   | 1 by March 2025    | 1                              | 4     | 1 by March 2025    | Report submitted 12 March 2025<br>To compiled the report there were two documents (Water Service Level Agreement and Tarrifs) needed from City of Cape Town which was only received during March 2025 |
| 3.4 Ensure sufficient infrastructure that is fit for future | D45          | Master plans reviewed and updated if required annually by June   | 1 annually by June   | 1 by 28 March 2024             | 5                   | 1 annually by June | 1 by 24 April 2025             | 5     | 1 annually by June | Submitted to the Municipal Manager via email on 24 April 2025   |
| <b>3 Indicators Directors</b>                               |              |  |                      |                                |                     |                    |                                |       |                    |   |
| Improved water sustainability                               | D35          | Manage the % water losses within the National Treasury norm annually by end of June  | 21% by end of June   | 18.78%                         | 5                   | 21% by end of June | 19.66%                         | 5     | 21% by end of June |   |

**(g) Employees: Water Services**

| Job Level    | Previous Year Posts | Employees | Posts     | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|-----------|-----------|-------------------------|
| 00 - 03      | 15                  | 15        | 15        | 0         | 0,00%                   |
| 04 - 06      | 12                  | 12        | 12        | 0         | 0,00%                   |
| 07 - 09      | 6                   | 6         | 6         | 0         | 0,00%                   |
| 10 - 12      | 6                   | 6         | 6         | 0         | 0,00%                   |
| 13 - 15      | 2                   | 2         | 2         | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0         | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0         | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>41</b>           | <b>41</b> | <b>41</b> | <b>0</b>  |                         |

**(h) Financial Performance: Water Services**

| Operational Expenditure Type | Previous Year Actual | Original Budget     | Adjustment Budget   | Actual             | Original Budget Variance |
|------------------------------|----------------------|---------------------|---------------------|--------------------|--------------------------|
| 1 Employees                  | R24,571,749          | R23,706,643         | R24,538,643         | R25,341,755        | 106,90%                  |
| 2 Contracted Services        | R4,512,614           | R2,579,537          | R2,287,361          | R1,828,743         | 70,89%                   |
| 3 Other                      | R62,760,380          | R81,964,580         | R96,765,653         | R70,828,571        | 86,41%                   |
| <b>TOTAL</b>                 | <b>R91,844,743</b>   | <b>R108,250,760</b> | <b>R123,591,657</b> | <b>R97,999,069</b> | <b>90.53%</b>            |

**(i) Capital Expenditure: Water Services**

| Project  | Original Budget | Adjustment Budget | Actual     | Original Budget Variance |
|--|-----------------|-------------------|------------|--------------------------|
| 24/25 Replace Existing Water pipe: Illinge Lethu       | R3,774,921      | R3,774,921        | R3,774,921 | 100,00%                  |
| 24/25 Malmesbury Irrigation: Replace pumpsets          | R500,000        | R376,585          | R376,585   | 75,32%                   |
| 24/25 Year-end Water Meters: Gains                     | R0              | R0                | R10,154    | 0,00%                    |
| 24/25 Chatsworth/Riverlands upgrade bulk water supply  | R500,000        | R500,000          | R499,042   | 99,81%                   |
| 24/25 Mobile water pumps x 4 (replacement)             | R150,000        | R150,000          | R107,369   | 71,58%                   |
| 24/25 Compactor replacement x 3                        | R280,000        | R236,040          | R236,039   | 84,30%                   |
| 24/25 Donated PPE: Electrical Infrastructure MV (Mount | R0              | R501,000          | R0         | 0,00%                    |

|  |                    |                    |                    |          |
|--|--------------------|--------------------|--------------------|----------|
| Royal) Water   |                    |                    |                    |          |
| 24/25 Moorreesburg SMoW2.3 water network upgrade (for housing project)                               | R124,055           | R0                 | R0                 | 0,00%    |
| 24/25 Bulk water infrastructure (emergency spending)   | R500,000           | R0                 | R0                 | 0,00%    |
| 24/25 Water networks: Upgrades and Replacement   | R2,000,000         | R5,424,055         | R5,438,557         | 271,93%  |
| 24/25 Darling SDW2.4 & SDW2.5, SDW1.2 & SDW2.1 water network upgrades (for housing project) MIG      | R2,591,464         | R530,947           | R530,947           | 20,49%   |
| 24/25 Equipment : Water  | R53,000            | R52,723            | R52,280            | 98,64%   |
| 24/25 Connections: Water Meters (New/Replacements) (Materials and Supplies)                          | R930,993           | R480,993           | R358,557           | 38,51%   |
| 24/25 Connections: Water Meters (New/Replacements)(Acquisitions:Outsourced)                          | R10,000            | R460,000           | R460,000           | 4600,00% |
| 24/25 Darling SDW2.4 & SDW2.5, SDW1.2 & SDW2.1 water network upgrader (for housing project)          | R263,822           | R475,018           | R475,018           | 180,05%  |
| 24/25 Malmesbury SMW1.3 Wesbank Reservoir to Malm/Abb pipeline                                       | R500,000           | R500,000           | R499,996           | 100,00%  |
| 24/25 Moorreesburg SMoW2.3 water network upgrade (for housing project) MIG                           | R480,159           | R0                 | R0                 | 0,00%    |
| 24/25 Water:Upgrading water reticulation network: PRV's,flow control,zone metering and water augment | R200,000           | R0                 | R0                 | 0,00%    |
| 24/25 Water Reticulation and Connection: Illinge Lethu   | R2,083,221         | R2,083,221         | R2,083,221         | 100,00%  |
| <b>TOTAL</b>   | <b>R14,941,635</b> | <b>R15,545,503</b> | <b>R14,902,686</b> |          |

**(j) Comment on water services performance overall**

The IDP has five strategic goals and water provision are aligned to strategic goal three: Quality and Reliable Services.

Various actions have been developed to ensure that the strategic outcomes are achieved. These include the minimisation of distribution losses, the increase on maintenance spending and the implementation of water conservation and demand management measures.

A project to install back up power generation at critical water supply pump stations, waste water treatment works and critical sewer pump stations was implemented. The project is funded from a Provincial Government allocation to the amount of R10 945 000. Back-up (standby) generators with a total project value of R14 514 751 were successfully installed and secured for critical water and wastewater infrastructure in the Swartland Municipal District at Riverlands, Kalbaskraal, Wesbank and Rustfontein - Water Pump Stations; Darling and Abbotsdale - Sewer Pump Stations and at Darling and Moorreesburg WWTW.

The Master Plan for bulk water services has identified between the Pella reservoirs of the City of Cape Town and the Chatsworth Reservoir as a solution to augment water supply to the area of Chatsworth and Riverlands. In this regard formal discussion on a technical level was initiated with the City and consultants were appointed for preliminary investigations. The proposed augmentation include a pipeling from the COCT Pella Reservoirs to Chatsworth Reservoir and a new reservoir to increase water storage for the area.

### **3.2.2 SEWERAGE SERVICES**

**(a) Introduction**

All sewage generated in the Swartland Municipal area is treated at four activated sludge waste water treatment works and three oxidation pond systems. Sewer is conveyed to the treatment works and oxidation pond systems by either a water borne collector system consisting of gravity-, pumped mains and sewer pump stations or vacuum tanker services.

All residents in urban areas in the service area of Swartland Municipality have access to sewerage services above minimum level. It must be noted that recipients of below minimum level sewerage services, do exist. However, these consumers reside outside urban areas on farms.

Wet industries are continuously monitored using automated samplers, that collect composite or grab samples for quality monitoring and to ensure that industrial effluent charges can be raised according to the Chemical Oxygen Demand (COD) and Fat, Oil, Grease (FOG) levels.

The Municipality participated in the Green Drop audit of the Department of Water and Sanitation in 2024/2025. All the treatment works and associated sewer networks were audited and Swartland awaits the results.

**(b) Households - Sewerage services delivery levels - 2022 Census****Above minimum level**

| Description  | Non-Urban | Urban         | Total         |
|--|-----------|---------------|---------------|
| Other - Not applicable                                   | 0         | 81            | 81            |
| Chemical toilet  | 0         | 108           | 108           |
| Flush toilet (with septic tank)                          | 0         | 2,279         | 2,279         |
| Ecological toilet (e.g. urine diversion, enviroloo, etc) | 0         | 13            | 13            |
| Pit toilet with ventilation (VIP)                        | 0         | 73            | 73            |
| Flush toilet (connected to sewerage system)              | 0         | 41,152        | 41,152        |
| <b>TOTAL</b>   | <b>0</b>  | <b>43,706</b> | <b>43,706</b> |

**Below minimum level**

| Description                    | Non-Urban | Urban        | Total        |
|--------------------------------|-----------|--------------|--------------|
| None                           | 0         | 148          | 148          |
| Pit toilet without ventilation | 0         | 57           | 57           |
| Bucket toilet                  | 0         | 944          | 944          |
| <b>TOTAL</b>                   | <b>0</b>  | <b>1,149</b> | <b>1,149</b> |

**(c) Households - Sewerage services delivery levels below the minimum - 2022 Census**

| Service           | Criteria                             | Formal Settlements:<br>Households < minimum level |            | Informal Settlements:<br>Households < minimum level |            |
|-------------------|--------------------------------------|---|------------|---|------------|
|                   |                                      | Number  | Percentage | Number  | Percentage |
| Sewerage Services | Households with at least VIP service | 1,149   | 2,56%      | 0   | 0,00%      |

**(d) Sewerage Services performance results**

| Performance Objective                                      | Objective ID | Key Performance Indicator   | Previous Year Target | Previous Year Actual | Previous Year Score | Target | Actual | Score | Next Year Target | Notes |
|--|--------------|---|----------------------|----------------------|---------------------|--------|--------|-------|------------------|-------|
| <b>1 General KPI's</b>                                     |              |   |                      |                      |                     |        |        |       |                  |       |
| Reg 10 (a): Access to water, sanitation and refuse removal | D37          | Supplying of sanitation services to municipal residential account holders as at 30 June | 22 124               | 21 850               | 5                   | 21 851 | 22 511 | 5     | 21 851           |       |

**(e) Employees: Sewerage Services**

| Job Level    | Previous Year Posts | Employees | Posts     | Vacancies | Vacancies as Percentage |
|--------------|---------------------|-----------|-----------|-----------|-------------------------|
| 00 - 03      | 2                   | 2         | 2         | 0         | 0,00%                   |
| 04 - 06      | 15                  | 15        | 15        | 0         | 0,00%                   |
| 07 - 09      | 10                  | 9         | 10        | 1         | 10,00%                  |
| 10 - 12      | 4                   | 3         | 4         | 1         | 25,00%                  |
| 13 - 15      | 1                   | 1         | 1         | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0         | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0         | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>32</b>           | <b>30</b> | <b>32</b> | <b>2</b>  |                         |

**(f) Financial Performance: Sewerage Services**

| Operational Expenditure Type | Previous Year Actual | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance |
|------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|
| 1 Employees                  | R13,734,674          | R14,008,097        | R13,901,097        | R14,323,232        | 102,25%                  |
| 2 Contracted Services        | R7,328,628           | R7,156,614         | R8,434,639         | R7,667,459         | 107,14%                  |
| 3 Other                      | R44,044,681          | R46,451,337        | R50,132,320        | R43,953,357        | 94,62%                   |
| <b>TOTAL</b>                 | <b>R65,107,983</b>   | <b>R67,616,048</b> | <b>R72,468,056</b> | <b>R65,944,048</b> | 97.53%                   |

**(g) Capital Expenditure: Sewerage Services**

| Project  | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance |
|--|--------------------|--------------------|--------------------|--------------------------|
| 24/25 Donated PPE: Electrical Infrastructure LV (Mount Royal) Sewerage | R0                 | R940,000           | R0                 | 0,00%                    |
| 24/25 Equipment : Sewerage   | R34,000            | R34,000            | R33,732            | 99,21%                   |
| 24/25 Equipment : Sewerage Telemetry                                   | R40,000            | R34,942            | R0                 | 0,00%                    |
| 24/25 Malmesbury WWTW: Replace Clarifier Mechanical Equipment          | R1,500,000         | R300,000           | R300,000           | 20,00%                   |
| 24/25 Schoonspruit: Pipe Replacement                                   | R3,000,000         | R3,000,000         | R2,999,650         | 99,99%                   |
| 24/25 Sewer Reticulation and Connection: Illinge Lethu                 | R517,214           | R517,214           | R517,214           | 100,00%                  |
| 24/25 Sewerage: CK18526 Isuzu FSR750                                   | R2,510,572         | R2,322,000         | R2,323,565         | 92,55%                   |
| 24/25 Upgrading of bulk collectors: Darling                            | R2,200,000         | R1,988,804         | R1,919,629         | 87,26%                   |
| 24/25 Upgrading of bulk collectors: Darling (MIG)                      | R1,516,105         | R3,576,622         | R3,576,622         | 235,91%                  |
| 24/25 Upgrading of bulk collectors: Moorreesburg                       | R1,600,000         | R0                 | R116,778           | 7,30%                    |
| 24/25 Upgrading of bulk collectors: Moorreesburg (MIG)                 | R511,370           | R0                 | R0                 | 0,00%                    |
| <b>TOTAL</b>   | <b>R13,429,261</b> | <b>R12,713,582</b> | <b>R11,787,190</b> |                          |

**(h) Comment on sewerage services performance overall**

The IDP has five strategic goals and the provision of sewerage services are aligned to strategic goal three: Quality and reliable services.

Various actions have been developed to ensure that the strategic outcomes are achieved. These include the increase on maintenance spending and the implementation of an asset management plan.

### 3.2.3 ELECTRICITY DISTRIBUTION

**(a) Introduction**

All formal and informal households within the licensed area of electricity supply of Swartland Municipality who legally occupy a proclaimed plot has access to electricity. There are a small number of households that have recently moved on a few demarcated stands between Phase 3 and 4 in Ilengu Lethu that needs to be electrified in the 2025/26 financial year once a budget has been secured.

Top three service delivery priorities:



### **(1 Upgrading of obsolete electrical networks/infrastructure**

The annual projects for the renewal, upgrading and refurbishment of obsolete electrical networks and associated infrastructure remained in place and for the 2024/25 financial year R7.2m was spent during the year towards the upkeep of the network. Major improvement of the electricity networks enhancing safety and reliability was effected including the upgrading of obsolete and operationally hazardous mini-substations and switchgear. Upgrading of obsolete low voltage networks in Malmesbury, Moorreesburg and Darling was undertaken.

### **(2) Completion of capital projects**

For the 2024/25 financial year the department spent more than 98% of the available capital budget. The phased construction of the Municipal 2 x 20 MVA 132/11kV De Hoop substation has been completed while the design of the 4.5 km double circuit 132 kV line and 132 kV switching station for Eskom is in progress. The aim is that the new 132 kV infeed to be commissioned in the third quarter of 2026/27.

### **(3 Compliance with service delivery performance indicators and targets**

All performance targets regarding service delivery with respect to availability and reliability of electricity supply were complied with and in certain instances the required targets were exceeded. In terms of the NERSA license conditions Quality of Service specification, 30% of all power failure must be attended to within 1.5 hours. The municipality achieved a performance of more than 70% in this regard.

### **Improvement of performance and efficiencies**

As a result of the allocation of experienced, technically skilled personnel and resources towards revenue protection which includes data analysis skills, engineering and technical expertise, law enforcement certification as well as negotiation and mediation capabilities, the total of technical and non-technical electrical energy losses was maintained at nominal levels below 6% for 2023/24. Considering all the challenges faced in this regard this is an exceptional performance when compared to the NERSA benchmark of 10%.

### **Lowering the cost of electricity.**

A Power Purchase Agreement (PPA) with Darling Green Utility was signed during November 2023 based on the tender that was awarded in the previous financial year. The Darling Green Utility (DGU) 1 MVA Solar PV plant was commissioned in March 2025 and has delivered around 600 000 kWh up to 30 June 2025 to the municipality. The reduced purchase price for the energy procured from DGU instead of Eskom was factored into the tariff increase application submitted to NERSA and all customers of Swartland is benefiting from the agreement between DGU and Swartland.

In support of the municipal councils resolution to make municipal land available for the development of a solar plant outside Malmesbury we have been working with the Department of Infrastructure to prepare a RFP to call for tenders from Independent Power Producers (IPPs) for the construction of a Solar PV plant. Once again the municipality aims to enter into a power purchase agreement to purchase energy from the IPP at rates that are lower than the Eskom energy rate with the view of lower tariff increases in the future. Our aim is to issue the RFP later this year in accordance with the requirements of the MFMA.

The total number of consumers with registered SSEG (Small Scale Embedded Generation) installations in the Swartland Municipal area has increased to 682 with an installed capacity of 8682 KWp.

### **Major successes achieved and challenges**

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The municipality continued with its initiatives around revenue protection and once again our technical and non-technical losses has shown an improvement against the previous year's performance. At 3.2% total losses this is significantly better than the NERSA benchmark of 10%.

At least 98% expenditure of the capital budget was achieved despite various challenges and weather patterns during the year.

The NERSA electricity distribution license requirement is that 30% of reported electricity disruptions shall be attended to within 1.5 hours. Swartland is maintaining a level of above 70% for this particular KPI.

The following capital projects were successfully implemented:

- The Municipal 2 x 20 MVA 132/11 kV substation portion of the De Hoop project was finalised
- Replacement of oil insulated switchgear and minisubstations
- In addition to this the installation of batteries and inverters at some of the municipal service centres we also installed backup supplies to the traffic lights at the major intersections in Malmesbury and Moorreesburg.
- With the assistance of the finance department a new Online Electricity Vending system was implemented which allows prepaid electricity customers to purchase replacement tokens at the ATM, on banking Apps and various other platforms on a 24 hour basis.

The much talked about Token Identifier (TID) or Key Revision Number Project (KRN) to recode all our Standard Transfer Specification (STS) prepaid meters were successfully completed before the deadline of 24 November 2024. ea has increase to 682 with an installed capacity of 8682 KWp. **Major successes achieved and challenges**

The decrease in annual total technical and non-technical energy losses since inception of the departmental revenue protection initiatives in 2010 from 9.7% to 5.28% in 2022/23 represents a major improvement in efficiency. For the 2023/24 financial year the energy losses has been maintained below the NERSA benchmark of 10% which is exceptional.

At least 98% expenditure of the capital budget was achieved despite the severe rain that we experienced during the latter part of the year.

The NERSA electricity distribution license requirement is that 30% of reported electricity disruptions shall be attended to within 1.5 hours. Swartland is maintaining a level of above 70% for this particular KPI.

The following capital projects were successfully implemented and commissioned:

- The next phase of the multiyear De Hoop substation project has kicked off and all major civil foundations, catchment pits and transformer plinths were completed while some of the steelworks were erected. The major equipment such as the transformers, VT's, CT's and breakers will be installed in the 2024/25 financial year.
- The finalisation of the electrification of houses in the informal area of Illinge Lethu Block A&B was accomplished and a further 30 stands were electrified in earmarked area.
- The municipality managed to install a new generator at the municipal head office that is capable of supplying the full load requirement which enables municipal staff to be efficient during load shedding and providing a service to the community. In addition to this the installation of batteries and inverters at some of the service centres were also completed.

The municipality managed to start and complete an electricity cost of supply study, as one of the requirements of NERSA, to support our tariff increase application. The study also included a tariff restructuring proposal which will be shared during a public participation process during the 2024/25 financial year with the view of implementing the new tariffs in the 2025/26 financial year.

The Department of Mineral Resources and Energy issued regulations during the previous financial year that required all municipal buildings larger than 1000m<sup>2</sup> to be registered on a national database by August 2024 and that the energy performance for the particular building to be displayed at the entrance to the building by December 2025. The electricity department managed to register our buildings and do the necessary assessment and verification before the end of June and we are proud to say that we have achieved the December 2025 target in June 2024 in that the energy performance certificate (EPC) is already displayed at the entrance to the buildings that were assessed.

#### Service provision by municipal entities

*None additional*

#### (b) Households - Electricity Distribution Delivery Levels - 2022 Census

| Description                                       | Non-Urban | Urban  | Total  |
|---|-----------|--------|--------|
| Electricity from mains                            | 0         | 43,806 | 43,806 |
| Other   | 0         | 677    | 677    |
| Other source of electricity (e.g. generator etc.) | 0         | 68     | 68     |
| Solar   | 0         | 305    | 305    |

#### (c) Households - Electricity Distribution Delivery Levels below the minimum - 2022 Census

| Service                  | Criteria            | Formal Settlements:<br>Households < minimum level |            | Informal Settlements:<br>Households < minimum level |            |
|--------------------------|---------------------|---|------------|---|------------|
|                          |                     | Number  | Percentage | Number  | Percentage |
| Electricity Distribution | Service connections | 677   | 1,51%      | 0   | 0,00%      |

#### (d) Electricity Distribution performance results

| Performance Objective                       | Objective ID | Key Performance Indicator  | Previous Year Target               | Previous Year Actual | Previous Year Score | Target | Actual | Score | Next Year Target                   | Notes |
|---|--------------|--|------------------------------------|----------------------|---------------------|--------|--------|-------|------------------------------------|-------|
| <b>1 General KPI's</b>                      |              |  |                                    |                      |                     |        |        |       |                                    |       |
| Reg 10 (a) : Improved access to electricity | D109         | Supplying of electricity services to residential account holders for electrical metering | 16 326 residential account holders | 17 913               | 5                   | 16 326 | 17 570 | 5     | 16 326 residential account holders |       |

| <b>2 Indicators from IDP</b>   |      |  |                        |                                |     |                        |                      |   |                        |   |
|--|------|--|------------------------|--------------------------------|-----|------------------------|----------------------|---|------------------------|---|
| 3.6 Wheeling framework development   | D111 | (2) Submit Wheeling Framework to Council for approval by June 2025   | 1 by June 2025         | N/a (2024/2025 financial year) | 0   | 1 by June 2025         | 1                    | 4 | N/a                    | Wheeling Framework was submitted on 21 May 2025 |
| 3.7 Ensure bulk infrastructure capacity that is adequate for future developments | D112 | Master plans reviewed and updated if required annually by June   | 1 annually by June     | 1 by March 2024                | 5   | 1 annually by June     | 1                    | 4 | 1 annually by June     | Reviewed and signed of on 07 May 2025           |
| 3.8 Optimally maintain electrical network infrastructure                         | D113 | Submit motivated budget to the Budget Office annually by November (minimum 6% of annual electricity revenue allocation is a Nersa license condition) | 1 annually by November | 1 by 31 October 2023           | 4,9 | 1 annually by November | 1 by 30 October 2024 | 5 | 1 annually by November |   |
| 3.9 Ensure sustainable electricity tariffs                                       | D114 | Submit application to Nersa for approval annually by June  | 1 annually by June     | 1 on 2 March 2024              | 5   | 1 annually by June     | 1                    | 5 | 1 annually by June     | Application submitted 29 April 2025             |
| <b>3 Indicators Directors</b>  |      |  |                        |                                |     |                        |                      |   |                        |   |
| Improved energy sustainability   | D107 | Manage the % of electricity losses within the NERSA benchmark norm annually by end of June   | 10%                    | 5.62%                          | 5   | 10%                    | 3.20%                | 5 | 10%                    |   |

**(e) Employees: Electricity Distribution**

| Job Level    | Previous Year Posts | Employees | Posts     | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|-----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0         | 0         | 0,00%                   |
| 04 - 06      | 19                  | 19        | 19        | 0         | 0,00%                   |
| 07 - 09      | 6                   | 6         | 6         | 0         | 0,00%                   |
| 10 - 12      | 10                  | 8         | 10        | 2         | 20,00%                  |
| 13 - 15      | 4                   | 3         | 3         | 0         | 0,00%                   |
| 16 - 18      | 2                   | 3         | 3         | 0         | 0,00%                   |
| 19 - 20      | 0                   | 1         | 1         | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>41</b>           | <b>40</b> | <b>42</b> | <b>2</b>  |                         |

**(f) Financial Performance: Electricity Distribution**

| Operational Expenditure Type | Previous Year Actual | Original Budget     | Adjustment Budget   | Actual              | Original Budget Variance |
|------------------------------|----------------------|---------------------|---------------------|---------------------|--------------------------|
| 1 Employees                  | R23,447,639          | R24,971,887         | R24,506,887         | R24,228,390         | 97,02%                   |
| 2 Contracted Services        | R3,422,356           | R2,531,900          | R2,852,564          | R1,136,930          | 44,90%                   |
| 3 Other                      | R347,951,314         | R407,829,735        | R425,014,139        | R418,233,349        | 102,55%                  |
| <b>TOTAL</b>                 | <b>374,821,309</b>   | <b>R435,333,522</b> | <b>R452,373,590</b> | <b>R443,598,669</b> | <b>101.90%</b>           |

**(g) Capital Expenditure: Electricity Distribution**

| Project  | Original Budget | Adjustment Budget | Actual      | Original Budget Variance |
|--|-----------------|-------------------|-------------|--------------------------|
| 24/25 Connections: Electricity Meters (New/Replacements) (Materials and Supplies)                    | R880,000        | R880,000          | R698,574    | 79,38%                   |
| 24/25 Connections: Electricity Meters (New/Replacements)(Acquisitions:Outsourced)                    | R20,000         | R20,000           | R           | 0,00%                    |
| 24/25 Darling 184 IRDP erven. Electrical bulk supply, infrastructure and connections                 | R400,000        | R400,000          | R261,620    | 65,41%                   |
| 24/25 Donated PPE: Electrical Infrastructure LV (Mount Royal) Elec                                   | R               | R1,304,415        | R1,798,701  | 0,00%                    |
| 24/25 Donated PPE: Electrical Infrastructure MV (Mount Royal) Elec                                   | R               | R1,520,821        | R440,338    | 0,00%                    |
| 24/25 Emergency Power Supply   | R300,000        | R336,000          | R322,593    | 107,53%                  |
| 24/25 Illinge Lethu School Electrical Service Connection   | R               | R93,600           | R85,954     | 0,00%                    |
| 24/25 Illinge Lethu School Electrical Service Connection (Acquisitions:Outsourced)CR                 | R110,000        | R16,400           | R16,400     | 14,91%                   |
| 24/25 Illinge Lethu School Electrical Service Connection (Acquisitions:Outsourced)WC                 | R700,000        | R700,000          | R696,771    | 99,54%                   |
| 24/25 Illinge Lethu School Electrical Service Connection (Materials and Supplies)                    | R400,000        | R400,000          | R399,991    | 100,00%                  |
| 24/25 Installation of new air conditioners   | R               | R82,167           | R82,167     | 0,00%                    |
| 24/25 LV Upgrading: Swartland (Acquisitions:Outsourced)  | R100,000        | R100,000          | R           | 0,00%                    |
| 24/25 LV Upgrading: Swartland (Materials and Supplies)   | R1,100,000      | R1,100,000        | R1,099,695  | 99,97%                   |
| 24/25 Malmesbury De Hoop 132/11kV Substation, 132kV transmission line and servitudes (Compensati- CR | R50,000         | R198,975          | R199,562    | 399,12%                  |
| 24/25 Malmesbury De Hoop 132/11kV Substation, 132kV transmission line and servitudes (Compensati-Ex  | R300,000        | R                 | R           | 0,00%                    |
| 24/25 Malmesbury De Hoop 132/11kV Substation, 132kV transmission line, servitudes and 132kV Eskom    | R22,818,000     | R22,401,642       | R22,401,642 | 98,18%                   |

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|  |                    |                    |                    |         |
|--|--------------------|--------------------|--------------------|---------|
| 24/25 Malmesbury De Hoop 132/11kV Substation,132kV transmission line and servitudes (Acquisitions:CR | R5,360,560         | R1,660,709         | R1,638,402         | 30,56%  |
| 24/25 Malmesbury De Hoop 132/11kV Substation,132kV transmission line and servitudes (Acquisitions:Ex | R25,700,000        | R                  | R                  | 0,00%   |
| 24/25 Malmesbury Security Operational Centre: Communication, Monitoring and Other infrastructure equ | R200,000           | R200,000           | R194,694           | 97,35%  |
| 24/25 Moorreesburg Development 600 IRDP erven. Electrical infrastructure and connections             | R500,000           | R500,000           | R500,000           | 100,00% |
| 24/25 MV Upgrading: Swartland (Acquisitions:Outsourced)  | R100,000           | R100,000           | R69,866            | 69,87%  |
| 24/25 MV Upgrading: Swartland (Materials and Supplies)   | R1,000,000         | R1,087,000         | R1,472,269         | 147,23% |
| 24/25 Protection and Scada Upgrading: Swartland  | R350,000           | R263,000           | R255,192           | 72,91%  |
| 24/25 Relocation of section of 11 kV Cable between Darlingweg S/S to Holomisa S/S (Acquisitions:CR   | R22,500            | R22,500            | R                  | 0,00%   |
| 24/25 Relocation of section of 11 kV Cable between Darlingweg S/S to Holomisa S/S (Acquisitions:WC   | R50,000            | R50,000            | R29,075            | 58,15%  |
| 24/25 Relocation of section of 11 kV Cable between Darlingweg S/S to Holomisa S/S (Materials and Sup | R250,000           | R250,000           | R242,083           | 96,83%  |
| 24/25 Replace oil insulated switchgear and equipment (Acquisitions:Outsourced)                       | R4,500,000         | R4,500,000         | R4,424,685         | 98,33%  |
| 24/25 Replace oil insulated switchgear and equipment (Materials and Supplies)                        | R5,000,000         | R500,000           | R452,352           | 9,05%   |
| 24/25 Replacement of obsolete air conditioners   | R250,000           | R250,000           | R192,101           | 76,84%  |
| 24/25 Streetlight, kiosk and polebox replacement: Swartland  | R650,000           | R613,000           | R344,763           | 53,04%  |
| 24/25 Streetlights Eskom AOS   | R400,000           | R400,000           | R287,882           | 71,97%  |
| 24/25 Substation Fencing: Swartland (Acquisitions:Outsourced)  | R180,000           | R180,000           | R163,085           | 90,60%  |
| 24/25 Substation Fencing: Swartland (Materials and Supplies)   | R20,000            | R20,000            | R15,210            | 76,05%  |
| 24/25 Traffic Light Controlling Equipment  | R150,000           | R151,000           | R150,516           | 100,34% |
| 24/25 Year-end Electricity Meters: Gains   | R                  | R                  | R78,699            | 0,00%   |
| <b>TOTAL</b>   | <b>R71,861,060</b> | <b>R40,301,229</b> | <b>R39,014,882</b> |         |

**(h) Comment on electricity distribution performance overall****PRIORITY OF 4 LARGEST CAPITAL PROJECTS****New 132/11kV De Hoop substation**

The largest capital project with the highest priority is the establishment of the 132/11kV De Hoop substation to allow planned developments south west of Malmesbury to proceed. The project is undertaken by means of multiple phases and is incorporated into the municipal multiyear budget. Electricity capacity cannot be made available for any additional new developments in Malmesbury west of the N7 after completion of the 395 erf De Hoop Saamstaan housing project that was completed in 2022/23. Phase 1 of the De Hoop substation project was undertaken in 2021/22 and Phase 2 was done in 2022/23. Phase 3 of the project commenced in 2023/24 and will roll over into 2024/25.

The Municipal 2 x 20 MVA 132/11 kV substation work has now being completed with the remainder of the work inclusive of a 4.5 km double circuit 132 kV line and a 132 kV switching station to connect the Eskom network to the Swartland substation will be undertaken during 2025/26 and 2026/27.

**Upgrading of electrical infrastructure**

One of the largest in-house capital projects is the on-going annual replacement, upgrading and refurbishment of obsolete electrical network components and infrastructure. Sections of the electrical networks have exceeded their design lifespan of 40-50 years and in terms of NERSA license conditions all municipalities are required to allocate at least 6% of electricity revenue towards this end. The priority is to first replace network components such as obsolete switchgear where operator safety is at risk and subsequently medium voltage and low voltage networks.

The following large projects in this regard were completed in 2023/24:

- (1) Replacement of obsolete miniature substations and switchgear in all the supply areas (Malmesbury, Moorreesburg, Darling and Yzerfontein.)
- (2) The installation/replacement of oil filled Ring Main Units
- (3) Upgrading of the ICT Infrastructure to provide a back-up solution and a new Servers to the municipality which is essential for service delivery across all departments in the municipality.
- (4) To ensure continued service delivery by other departments provision was made for battery back-up and inverters at a number of the municipal buildings and the traffic lights at our major intersections were fitted with back up supplies to ensure continued operation and vehicle safety during load shedding events. The rest of the traffic lights will be done during 2025/26 financial year.

**VARIANCES BETWEEN BUDGET AND ACTUAL**

The variances between capital budget and actual expenditure achieved is less than 2.0%.

**PERFORMANCE RELATED TO ESKOM AGREEMENTS**

Swartland Municipality is in the process of constructing the new De Hoop 132/11 kV substation which will be our first supply point at 132 kV from Eskom. As part of the project the municipality will also be constructing the 132 kV line and the Eskom 132 kV switching station. Due to delays in getting the environmental approval and design approvals from Eskom (since the outstanding portion is an Eskom Self built Project) it is now anticipated that the assets will be in full operation around the third quarter of 2026/27.

The municipality also applied to Eskom for an increase in Notified Maximum Demand at Yzerfontein and at Darling as well as at Klipfontein in Malmesbury. Once the additional Capacity is made available it will allow growth and expansion in the towns of Yzerfontein where there is a lot of potential for additional housing and commercial developments. The increase in capacity at Darling will allow for additional municipal housing projects and commercial developments.

Thanks to improved performance by the Eskom Generation Fleet we have seen far less load shedding events and thus now exceedances of the maximum demand as a result of cold load startup when the power returns after load shedding.

The Darling Green Utility (DGU) 1 MVA Solar plant was successfully commissioned in March 2025 after some initial delays due to severe weather. All the energy, measured in kWh, that we purchase from DGU is to the benefit of all Swartland consumers in that we are purchasing the solar energy at a discounted rate when compared to the Eskom tariff and this reduction is factored into the price electricity increase on an annual basis.

### 3.2.4 REFUSE REMOVAL

#### *(a) Introduction*

A weekly household refuse removal service is available for all urban households in the Swartland and a limited service is provided outside urban areas. Households outside urban areas have access to various landfill sites in the Swartland as well as several waste transfer stations and skip bins. Illegal dumping remains a concern for Swartland Municipality. The clearing of illegal dumping consumes valuable resources. It's been noted that the volume of illegal dumping waste removed is substantial and originates from both business and household sources. The recycling at the Highlands Landfill remains successful and a saving of 25% air space was achieved. The site is well managed and continues with its compliance track record of more than 99%.

#### *(b) Households - Refuse Removal Delivery Levels - 2022 Census*

##### Above minimum level

| Description   | Non-Urban | Urban  | Total  |
|---|-----------|--------|--------|
| Removed by local authority/private company at least once a week | 0         | 39,195 | 39,195 |



**Below minimum level**

| Description   | Non-Urban | Urban        | Total        |
|---|-----------|--------------|--------------|
| No rubbish disposal                                   | 0         | 246          | 246          |
| Other   | 0         | 333          | 333          |
| Communal container/central collection point           | 0         | 1,382        | 1,382        |
| Own refuse dump                                       | 0         | 2,403        | 2,403        |
| Communal refuse dump                                  | 0         | 689          | 689          |
| Removed by local authority/private company less often | 0         | 607          | 607          |
| <b>TOTAL</b>  | <b>0</b>  | <b>5,660</b> | <b>5,660</b> |

**(c) Households - Refuse Removal Delivery Levels below the minimum - 2022 Census**

| Service        | Criteria                        | Formal Settlements:<br>Households < minimum level |            | Informal Settlements:<br>Households < minimum level |            |
|----------------|---------------------------------|---|------------|---|------------|
|                |                                 | Number  | Percentage | Number  | Percentage |
| Refuse Removal | Kerbside collection once a week | 5,660   | 12,62%     | 0   | 0,00%      |

**(d) Refuse Removal performance results**

| Performance Objective                                      | Objective ID | Key Performance Indicator   | Previous Year Target | Previous Year Actual     | Previous Year Score | Target          | Actual                   | Score | Next Year Target | Notes |
|--|--------------|---|----------------------|--------------------------|---------------------|-----------------|--------------------------|-------|------------------|-------|
| <b>1 General KPI's</b>                                     |              |   |                      |                          |                     |                 |                          |       |                  |       |
| Reg 10 (a): Access to water, sanitation and refuse removal | D38          | Number of residential account holders receiving refuse removal services as at 30 June | 22 265               | 21 631                   | 5                   | 21 635          | 23 175                   | 5     | 21 635           |       |
| <b>2 Indicators from IDP</b>                               |              |   |                      |                          |                     |                 |                          |       |                  |       |
| 3.3 Extension of the Highlands landfill site               | D43          | Development of cell 2 by March 2027   | 1 by March 2027      | N/a (2026/2027 financial | 0                   | 1 by March 2027 | N/a (2026/2027 financial |       |                  |       |

|  |     |   |                |                                |   |                |                                |  |  |  |
|--|-----|---|----------------|--------------------------------|---|----------------|--------------------------------|--|--|--|
|  |     |   |                | year)                          |   |                | year)                          |  |  |  |
| 3.3 Extension of the Highlands landfill site | D44 | Identify measures and report to Council on organic waste diversion by June 2027 | 1 by June 2027 | N/a (2026/2027 financial year) | 0 | 1 by June 2027 | N/a (2026/2027 financial year) |  |  |  |

**(e) Employees: Refuse Removal**

| Job Level    | Previous Year Posts | Employees | Posts     | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|-----------|-----------|-------------------------|
| 00 - 03      | 50                  | 49        | 50        | 1         | 2,00%                   |
| 04 - 06      | 10                  | 10        | 10        | 0         | 0,00%                   |
| 07 - 09      | 14                  | 14        | 14        | 0         | 0,00%                   |
| 10 - 12      | 2                   | 2         | 2         | 0         | 0,00%                   |
| 13 - 15      | 0                   | 0         | 0         | 0         | 0,00%                   |
| 16 - 18      | 1                   | 1         | 1         | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0         | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>77</b>           | <b>76</b> | <b>77</b> | <b>1</b>  |                         |

**(f) Financial Performance: Refuse Removal**

| Operational Expenditure Type | Previous Year Actual | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance |
|------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|
| 1 Employees                  | R21,233,689          | R23,121,781        | R22,806,781        | R23,168,248        | 100,20%                  |
| 2 Contracted Services        | R19,838,047          | R17,953,890        | R21,516,983        | R20,442,893        | 113,86%                  |
| 3 Other                      | R18,648,969          | R24,307,833        | R21,721,007        | R18,060,702        | 74,30%                   |
| <b>TOTAL</b>                 | <b>R59,720,705</b>   | <b>R65,383,504</b> | <b>R66,044,771</b> | <b>R61,671,843</b> | <b>94.32%</b>            |

**(g) Capital Expenditure: Refuse Removal**

| Project   | Original Budget | Adjustment Budget | Actual   | Original Budget Variance |
|---|-----------------|-------------------|----------|--------------------------|
| 24/25 Equipment : Refuse bins, traps, skips (Swartland) | R160,000        | R193,000          | R192,607 | 120,38%                  |
| 24/25 Equipment : Refuse Removal                        | R28,000         | R347,000          | R33,363  | 119,15%                  |

|   |                    |                    |                    |         |
|---|--------------------|--------------------|--------------------|---------|
| 24/25 Highlands: Development of new cell        | R1,332,000         | R8,038,370         | R8,037,563         | 603,42% |
| 24/25 Highlands: Development of new cell (Loan) | R10,950,588        | R0                 | R0                 | 0,00%   |
| 24/25 Highlands: Development of new cell (MIG)  | R17,338,000        | R15,500,000        | R15,500,000        | 89,40%  |
| 24/25 Refuse: CK21988 Nissan UD CW26 370 FC     | R3,281,276         | R3,245,319         | R3,251,744         | 99,10%  |
| <b>TOTAL</b>                                    | <b>R33,089,864</b> | <b>R27,323,689</b> | <b>R27,015,277</b> |         |

**(h) Comment on refuse removal performance overall**

Illegal dumping remains a problem throughout the Municipal area. The present mode of dealing with the problem focus only on reactive clearing. This is not sustainable as it requires an increase in resources with urban expansion. An Organic Waste Diversion Plan was compiled in order to maximise air space savings at the landfill sites, and will subsequently be implemented as feasible. To this end, a chipper was purchased and put to service. Garden refuse is now chipped and diverted from the landfill.

All refuse landfill sites of Swartland Municipality are licensed and externally audited annually, except for the Highlands Landfill site that is audited quarterly.

The construction of a new cell at Highlands landfill has commenced in the 2024/2025 financial year and will be completed in the 2025/2026 financial year. The new cell will provide increased capacity for solid waste disposal up to 2032/2033

### 3.2.5 HOUSING

**(a) Introduction**

Swartland Municipality's strategy is to promote, facilitate and develop integrated and sustainable human settlements. The Human Settlement Housing Pipeline of the Municipality is of great importance as it allows the Municipality to clearly and concretely present their municipal housing strategy in terms of specific housing projects with accompanying budgets for the short, medium and long term.

The successful completion of some projects is however subject to funding, suitable land and some bulk infrastructure upgrades.

**(b) Percentage of households with access to basic housing - 2022 Census**

| Census Year | Households In Formal Settlements | Households In Informal Settlements | Total Number Of Households |
|-------------|----------------------------------|------------------------------------|----------------------------|
| 2022        | 44,856                           | 0                                  | 44,856                     |

**(c) Housing performance results**

| Performance Objective  | Objective ID | Key Performance Indicator  | Previous Year Target | Previous Year Actual           | Previous Year Score | Target            | Actual                         | Score | Next Year Target  | Notes  |
|--|--------------|--|----------------------|--------------------------------|---------------------|-------------------|--------------------------------|-------|-------------------|--|
| <b>2 Indicators from IDP</b>   |              |  |                      |                                |                     |                   |                                |       |                   |  |
| 4.1 Maintain a balance between non-paying and paying households through the increased provision of affordable housing, Finance Linked Individual Subsidy Programme (FLISP) housing, Gap housing and social housing in the Swartland Area | D195         | (1) Investigate and report to council the advantages of Municipal housing accreditation by June 2025   | 1 by June 2025       | N/a (2024/2025 financial year) | 0                   | 1 by June 2025    | 1                              | 5     | 1 by June 2025    | Housing Accreditation report submitted to council 19 February 2025 |
| 4.1 Maintain a balance between non-paying and paying households through the increased provision of affordable housing, Finance Linked Individual Subsidy Programme (FLISP) housing, Gap housing and social housing in the Swartland Area | D196         | (2) Develop a housing pipeline annually by May   | 1 annually by May    | 1 by 9 November 2023           | 5                   | 1 annually by May | 1                              | 4     | 1 annually by May | Housing pipeline approved on 16 April 2025                         |
| 4.1 Maintain a balance between non-paying and paying households through the increased provision of affordable housing, Finance Linked Individual Subsidy Programme (FLISP) housing, Gap housing and social housing in the Swartland Area | D197         | (3) Obtain land use rights for mixed housing developments annually by end of June and submit a report to the Municipal Manager               | 100% annually        | 100% by 6 June 2024            | 5                   | 100% annually     | 100%                           | 5     | 100% annually     | Email sent 5 March 2025 to MM                                      |
| 4.1 Maintain a balance between non-paying and paying households through the increased provision of affordable housing, Finance Linked Individual Subsidy Programme (FLISP) housing, Gap housing and social housing in the Swartland      | D198         | (4) Appoint credible social housing institution to build and manage social housing and submit a report to the Municipal Manager by June 2026 | 100% by June 2025    | N/a (2024/2025 financial year) | 0                   | 100% by June 2026 | N/a (2025/2026 financial year) |       | 100% by June 2025 |  |

|      |  |  |  |  |  |  |  |  |  |  |
|------|--|--|--|--|--|--|--|--|--|--|
| Area |  |  |  |  |  |  |  |  |  |  |
|------|--|--|--|--|--|--|--|--|--|--|

**(d) Employees: Housing Services**

| Job Level    | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 07 - 09      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 10 - 12      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 13 - 15      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 16 - 18      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>3</b>            | <b>3</b>  | <b>3</b> | <b>0</b>  |                         |

**(e) Financial Performance: Housing Services**

| Operational Expenditure Type | Previous Year Actual | Original Budget    | Adjustment Budget  | Actual            | Original Budget Variance |
|------------------------------|----------------------|--------------------|--------------------|-------------------|--------------------------|
| 1 Employees                  | R2,575,495           | R3,072,186         | R2,857,186         | R2,704,522        | 88,03%                   |
| 2 Contracted Services        | R358,868             | R9,534,834         | R8,274,103         | R1,027,621        | 10,78%                   |
| 3 Other                      | R1,815,588           | R9,585,004         | R2,135,929         | R293,717          | 3,06%                    |
| <b>TOTAL</b>                 | <b>R4,749,951</b>    | <b>R22,192,024</b> | <b>R13,267,218</b> | <b>R4,025,860</b> | <b>18.14%</b>            |

**(f) Capital Expenditure: Housing Services**

| Project  | Original Budget | Adjustment Budget | Actual     | Original Budget Variance |
|--|-----------------|-------------------|------------|--------------------------|
| 24/25 Purchasing of Land: Kalbaskraal (Transnet Land)      | R2,400,000      | R0                | R0         | 0,00%                    |
| 24/25 Purchasing of Land: Silvertown                       | R6,000,000      | R8,300,000        | R0         | 0,00%                    |
| 24/25 Darling Serviced Sites (186) Phase 1 (Sewerage)      | R2,373,670      | R1,668,619        | R1,124,445 | 47,37%                   |
| 24/25 Moorreesburg Serviced Sites (645 (Sewerage)          | R8,730,947      | R8,226,882        | R5,771,501 | 66,10%                   |
| 24/25 Malmesbury De Hoop Serviced Sites (Phola Park) (Prof | R686,000        | R686,000          | R0         | 0,00%                    |

| Fees)  |                     |                     |                     |         |
|--|---------------------|---------------------|---------------------|---------|
| 24/25 Darling Serviced Sites ( 186) Phase 1 (Streets & Stormwater)     | R9,643,034          | R4,861,260          | R4,861,259          | 50,41%  |
| 24/25 Silvertown: Profesional Fees                                     | R1,200,000          | R3,368,068          | R216,969            | 18,08%  |
| 24/25 Moorreesburg Serviced Sites (645) (Roads & Stormwater)           | R35,469,474         | R34,841,436         | R34,841,436         | 98,23%  |
| 24/25 Malmesbury De Hoop Serviced Sites Phase 1 (Streets & Stormwater) | R44,445,951         | R46,475,000         | R46,475,000         | 104,57% |
| 24/25 Malmesbury De Hoop Serviced Sites (Prof Fees)                    | R7,621,614          | R4,500,000          | R4,500,000          | 59,04%  |
| 24/25 Silver Town: Bulk Services (Prof Fees/ Constrcution)             | R0                  | R1,000,000          | R0                  | 0,00%   |
| 24/25 Darling Serviced Sites ( 186) Prof Fees Phase 1                  | R1,468,564          | R1,547,527          | R989,573            | 67,38%  |
| 24/25 Moorreesburg Serviced Sites(652) Prof Fees                       | R3,897,744          | R4,205,974          | R4,051,518          | 103,95% |
| 24/25 Moorreesburg Serviced Sites (645) (Water)                        | R10,368,000         | R9,394,423          | R7,862,764          | 75,84%  |
| 24/25 Darling Serviced Sites ( 186) Phase 1 (Water)                    | R2,818,733          | R9,003,878          | R7,985,094          | 283,29% |
| 24/25 Malmesbury De Hoop Serviced Sites Phase 1 (Water)                | R10,940,542         | R11,440,000         | R11,440,000         | 104,57% |
| 24/25 Malmesbury De Hoop Serviced Sites Phase 1 (Sewerage)             | R12,991,893         | R13,585,000         | R13,046,734         | 100,42% |
| 24/25 Silvertown:IBS   | R10,800,000         | R70,742             | R0                  | 0,00%   |
| 24/25 Darling Serviced Sites ( 327) Prof Fees Phase 2                  | R1,453,000          | R1,750,503          | R1,750,503          | 120,48% |
| <b>TOTAL</b>   | <b>R173,309,166</b> | <b>R164,925,312</b> | <b>R144,916,796</b> |         |

**(g) Comment on Housing performance overall**

Please be advised that the Municipality have completed Civil Engineering Services to residential erven for the following housing projects:

De Hoop Housing Project                      1 502 residential erven

Moorreesburg Housing Project              646 residential erven

Darling Housing Project                      184 residential erven

**Also note that we will proceed with the construction of Top Structures in the 2025/2026 financial year.**

### 3.2.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### (a) Introduction

The criteria for assistance to indigent households, in terms of the 2023 Indigent Policy of Swartland Municipality (For the 2024-2025 Financial year), entail the following:

- where the property occupied by such owner is valued at R105 000 or less, or as determined by council annually, provided that the R15 000 exemption as contemplated in section 17(1)(h) of the Act shall be excluded from the R105 000 and the combined income of all the persons residing on the property does not exceed R4 515;
- where the property that is occupied by the owner is valued at more than R105 000, but the combined income of the occupants does not exceed R4515; or
- where the occupier is not the owner of the property and the combined income of the occupants does not exceed R4 515; and where it is found that a state official whether from a national, provincial or local department is resident on a property, the indigent subsidy will not be granted or cancelled as the case may be.

None of the persons residing on a property, mentioned above, may own any other immovable property.

Subject to sustainability and affordability, financial assistance to an indigent household shall be appropriated as

- 50 kWh electricity per month, which shall include the basic charge of electricity for the month where a conventional meter is still applicable;
- sanitation fees or the fees payable in respect of the pumping of a suction tank to an amount equal to the tariff determined;
- fees for waste removal;
- 6 kl water per month; which shall include the water network charge for the month; and
- rates payable to a maximum amount calculated at the tariff multiplied by R105 000 or less, provided that the R15 000 exemption as contemplated in section 17(1)(h) of the Act shall be excluded.

Sewerage blockages for indigent households will be subject to a reduced sewerage service fee as determined by the director of finance and subject to the municipality's rates and tariff policies.

#### (b) Free Basic Services To Low Income Households (current year)

| Total Number Of Households | Number Of PoorHouseholds |
|----------------------------|--------------------------|
| 44,856                     | 8,613                    |

| Service Name             | Households | Percentage |
|--------------------------|------------|------------|
| Electricity Distribution | 8 011      | 93.01%     |
| Rates Services           | 7 646      | 88.77%     |
| Refuse Removal           | 8 613      | 100.00%    |
| Sewerage Services        | 8 209      | 95.31%     |
| Water Services           | 8 597      | 99.81%     |

**(c) Financial Performance: Cost to Municipality of Free Basic Services Delivered (current year)**

| Service                  | Original Budget | Adjustment Budget | Actual      |
|--------------------------|-----------------|-------------------|-------------|
| Electricity Distribution | R10,811,556     | R10,811,556       | R8,588,443  |
| Rates Services           | R3,597,229      | R3,597,229        | R3,769,309  |
| Refuse Removal           | R19,662,694     | R19,662,694       | R19,229,392 |
| Sewerage Services        | R32,769,900     | R32,769,900       | R29,638,586 |
| Water Services           | R15,850,230     | R15,850,230       | R14,283,644 |

**(d) Comment on free basic services and indigent support**

The following services are subsidised to indigent households:

- 50 kWh electricity per month, which shall include the basic charge for electricity for the month where a conventional meter is still applicable;
- sanitation fees or the fees payable in respect of the pumping of a suction tank to an amount equal to the tariff determined;
- fees for waste removal;
- 6 kl water per month; which shall include the water network charge for the month;
- rates payable to a maximum amount calculated at the tariff multiplied by R105 000, or less, provided that the R15 000.00 exemption as contemplated in section 17(1)(h) of the Act shall be excluded;
- Sewerage blockages for indigent households will be subject to a reduced sewerage service fee as determined by the director of finance and subject to the municipality's rates and tariff policies.

All the new low-cost housing schemes have immediate access to free basic services. Swartland Municipality also assist indigent households situated in areas where Eskom is the service provider for electricity with free basic electricity in terms of a service agreement entered into between Swartland Municipality and Eskom.

Free Basic Services to indigent households have decreased from 9010 on 30 June 2024 to 8613 on 30 June 2025.



### 3.3 ROAD TRANSPORT

#### 3.3.1 PROCLAIMED ROADS, STREETS AND STORM WATER

##### *(a) Introduction*

#### ROADS

The urban road network in Swartland Municipality comprises 64km of gravel roads and 355km of permanently surfaced roads.

Securing sufficient funding for the maintenance of roads remain a challenge and therefore the municipality has taken a strategic decision to increase the spending on infrastructure maintenance. To this end, R2 268 406.90 was spent on the resurfacing of roads.

The roads Master Plan for Malmesbury has been updated and new bulk services charges has been calculated.

#### STORM WATER

The storm water drainage network in urban areas in the Swartland municipal area comprises a piped system and open drainage channels with a length of approximately 239 km. The drainage system is in a fair condition with some instances of poor conditions. There are still some areas where there are no formal drainage networks and this causes flooding during winter. The upgrading of roads however contributes to the addressing of this backlog as storm water drainage is installed together with the construction of roads.

The misuse of the storm water system remains a matter of concern. Blockages that cause flooding frequently occur due to foreign matter entering drainage pipes. Maintaining and cleaning the system is an ever increasing expense and effort.

##### *(b) Kilometres Gravel Road Infrastructure*

| Total Gravel Roads | New Gravel Roads Constructed | Gravel Roads Upgraded To Tar | Gravel Roads Graded / Maintained |
|--------------------|------------------------------|------------------------------|----------------------------------|
| 62                 | 0                            | 2                            | 62                               |

**(c) Kilometres Tarred Road Infrastructure**

| Total Tarred Roads | New Tar Roads | Existing Tar Roads Retarred | Existing Tar Roads Resheeted | Tar Roads Maintained |
|--------------------|---------------|-----------------------------|------------------------------|----------------------|
| 355                | 18            | 0                           | 2                            | 355                  |

**(d) Kilometres Storm water Infrastructure**

| Total Stormwater Measures | New Stormwater Measures | Stormwater Measures Upgraded | Stormwater Measures Maintained |
|---------------------------|-------------------------|------------------------------|--------------------------------|
| 239                       | 15                      | 0                            | 239                            |

**(e) Cost of Construction/Maintenance - Roads**

| Gravel New | Gravel - Tar | Gravel Maintained | Tar New     | Tar Re-Worked | Tar Maintained |
|------------|--------------|-------------------|-------------|---------------|----------------|
| 0          | 0            | R8,884,575        | R27,665,222 | R28,193,172   | R30,473,816    |

**(f) Cost of Construction/Maintenance – Storm water**

| New Stormwater Measures | Upgraded Stormwater Measures | Maintained Stormwater Measures |
|-------------------------|------------------------------|--------------------------------|
| 15                      | 0                            | R0                             |

**(g) Streets and Storm Water performance results**

| Performance Objective  | Objective ID | Key Performance Indicator  | Previous Year Target | Previous Year Actual | Previous Year Score | Target             | Actual | Score | Next Year Target   | Notes                         |
|--|--------------|--|----------------------|----------------------|---------------------|--------------------|--------|-------|--------------------|-------------------------------|
| <b>2 Indicators from IDP</b>   |              |  |                      |                      |                     |                    |        |       |                    |                               |
| 3.5 Maintenance and upgrading that sustain and improve the current condition of surfaced roads | D46          | Investigate and report to the Portfolio Committee annually by June on the status quo condition of surfaced roads | 1 annually by June   | 0                    | 4                   | 1 annually by June | 1      | 3     | 1 annually by June | Report tabled on 18 June 2025 |

**(h) Employees: Streets and Storm Water**

| Job Level    | Previous Year Posts | Employees | Posts     | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|-----------|-----------|-------------------------|
| 00 - 03      | 21                  | 21        | 21        | 0         | 0,00%                   |
| 04 - 06      | 26                  | 25        | 26        | 1         | 3,85%                   |
| 07 - 09      | 19                  | 18        | 18        | 0         | 0,00%                   |
| 10 - 12      | 4                   | 5         | 5         | 0         | 0,00%                   |
| 13 - 15      | 1                   | 1         | 1         | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0         | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0         | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>71</b>           | <b>70</b> | <b>71</b> | <b>1</b>  |                         |

**(i) Financial Performance: Streets and Storm Water**

| Operational Expenditure Type | Previous Year Actual | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance |
|------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|
| 1 Employees                  | R20,616,325          | R23,034,518        | R24,758,518        | R23,693,915        | 102,86%                  |
| 2 Contracted Services        | R7,475,244           | R6,497,705         | R7,271,166         | R6,693,238         | 103,01%                  |
| 3 Other                      | R41,958,761          | R58,444,877        | R59,446,194        | R37,164,412        | 63,59%                   |
| <b>TOTAL</b>                 | <b>R70,050,330</b>   | <b>R87,977,100</b> | <b>R91,475,878</b> | <b>R67,551,565</b> | <b>76.78%</b>            |

**(j) Capital Expenditure: Streets and Storm Water**

| Project   | Original Budget | Adjustment Budget | Actual     | Original Budget Variance |
|---|-----------------|-------------------|------------|--------------------------|
| 24/25 Ward Committee Projects: Roads (Materials and Supplies) | R100,000        | R100,000          | R0         | 0,00%                    |
| 24/25 Stormwater Network (Compensation of Employees)          | R30,000         | R30,000           | R30,000    | 100,00%                  |
| 24/25 Construction of New Roads: Swartland                    | R24,700,000     | R5,746,686        | R5,746,686 | 23,27%                   |
| 24/25 Equipment: Streets and Stormwater                       | R66,000         | R65,407           | R65,407    | 99,10%                   |
| 24/25 Roads Swartland: Resealing of Roads (MIG)               | R0              | R2,268,407        | R2,268,407 | 0,00%                    |
| 24/25 Stormwater Network (Materials and Supplies)             | R20,000         | R20,000           | R20,000    | 100,00%                  |
| 24/25 Stormwater Network (Acquisitions: Outsourced)           | R200,000        | R200,000          | R136,600   | 68,30%                   |

|  |                    |                    |                    |         |
|--|--------------------|--------------------|--------------------|---------|
| 24/25 Riverlands Disaster: Roads and associated earth works      | R0                 | R6,468,700         | R1,765,621         | 0,00%   |
| 24/25 Riverlands Disaster: Stormwater and associated earth works | R0                 | R2,772,300         | R0                 | 0,00%   |
| 24/25 Roads: CK274 Caterpillar                                   | R5,139,225         | R3,212,853         | R3,124,998         | 60,81%  |
| 24/25 Access road and Intersection Storm water: Illinge Lethu    | R1,508,539         | R1,508,539         | R1,508,539         | 100,00% |
| 24/25 Construction of New Roads: Swartland (MIG)                 | R1,894,902         | R2,426,024         | R2,426,024         | 128,03% |
| 24/25 Access road and Intersection Upgrading: Illinge Lethu      | R9,749,214         | R9,749,214         | R9,472,940         | 97,17%  |
| 24/25 Ward Committee Projects: Roads (Acquisitions:Outsourced)   | R1,000,000         | R1,100,000         | R1,100,000         | 110,00% |
| <b>TOTAL</b>   | <b>R44,407,880</b> | <b>R35,668,130</b> | <b>R27,665,222</b> |         |

**(k) Comment on the performance of proclaimed roads and streets overall**

The amount of R2 268 406.90 was spent on the resealing and the rehabilitation of roads.

The amount of R8 172 710 was spent on the construction of new roads with a length of 1.8km. (roads are constructed over two financial years)

The IDP has five strategic goals and proclaimed roads, streets and stormwater are aligned to the following strategic goals:

Strategic Goal 3 - Quality and Reliable Services

**(l) Comment on the performance of storm water overall**

The IDP has five strategic goals and proclaimed roads, streets and stormwater are aligned to the following strategic goals:

One: Community Safety and Wellbeing

Two: Economic Transformation

Three: Quality and Reliable Services

Various actions have been developed to ensure that the strategic goals are achieved. These include the increase on maintenance spending and the implementation of an asset management plan.

### 3.4 PLANNING AND ECONOMIC DEVELOPMENT

#### 3.4.1 BUILT ENVIRONMENT

##### (a) Introduction

This municipality has amended their Land Use Planning By-Law and implemented the new by-law from 25 March 2020.

Swartland Municipality has adopted the 2023-2027 Amendment of the Spatial Development Framework in terms of above By-Law in May 2023. Minor amendments have been adopted in May 2025.

All land use applications whereby no objections have been received within the public participation are finalised by the authorised employee and all other land use applications with comments/objections be dealt with by the Municipal Planning Tribunal.

Since January 2020 all new building plan applications are uploaded to our electronic building control Portal on our web site. The Town Planning Division assists the Building Control Division to such an extent that all town planning matters be clarified before building plans officially be submitted to the Portal.

Our new date of valuation is 1 July 2023 and the new General Valuation Role has been implemented on 1 July 2024. Since then six (6) in-time Supplementary Valuation Roles has been implemented. The supplementary valuation roles have been seamlessly integrated with the financial system..

Since May 2024 all new land use applications are uploaded electronically to the Land Use Portal on our website. The submission process has been streamlined and technical issues have been addressed.

##### (b) Applications for Built Environment

|                                       | Subdivision   |              | Rezoning      |              | Building Plans |              |
|---------------------------------------|---------------|--------------|---------------|--------------|----------------|--------------|
| Application Category                  | Previous Year | Current Year | Previous Year | Current Year | Previous Year  | Current Year |
| Determination made in following year  | 0             | 2            | 1             | 5            | 531            | 130          |
| Applications outstanding at year end  | 3             | 2            | 0             | 1            | 3              | 0            |
| Applications withdrawn                | 0             | 0            | 0             | 0            | 0              | 0            |
| Determination made in year of receipt | 34            | 41           | 23            | 19           | 386            | 734          |
| Planning application received         | 37            | 45           | 27            | 25           | 917            | 864          |

**(c) Built Environment performance results**

| Performance Objective   | Objective ID | Key Performance Indicator   | Previous Year Target | Previous Year Actual           | Previous Year Score | Target         | Actual                         | Score | Next Year Target | Notes |
|---|--------------|---|----------------------|--------------------------------|---------------------|----------------|--------------------------------|-------|------------------|-------|
| <b>2 Indicators from IDP</b>  |              |   |                      |                                |                     |                |                                |       |                  |       |
| 4.2 Alignment of capital expenditure framework between spatial planning, engineering and financial services | D199         | Develop a capital expenditure framework in collaboration with DEADP and the Development Bank of SA and submit a report to the Management meeting by June 2026 | 1 by June 2025       | N/a (2024/2025 financial year) | 0                   | 1 by June 2026 | N/a (2025/2026 financial year) |       | 1 by June 2026   |       |
| 4.3 Climate change study  | D200         | Do a study of climate change mitigation and adaptation and report to the Management meeting by June 2026  | 1 by June 2025       | N/a (2024/2025 financial year) | 0                   | 1 by June 2026 | N/a (2025/2026 financial year) |       | 1 by June 2026   |       |

**(d) Employees: Planning, Valuation**

| Job Level    | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 07 - 09      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 10 - 12      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 13 - 15      | 3                   | 2         | 3        | 1         | 33,33%                  |
| 16 - 18      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 19 - 20      | 1                   | 1         | 1        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>6</b>            | <b>5</b>  | <b>6</b> | <b>1</b>  |                         |

**(e) Employees: Building Control**

| Job Level    | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 07 - 09      | 2                   | 2         | 2        | 0         | 0,00%                   |
| 10 - 12      | 3                   | 3         | 3        | 0         | 0,00%                   |
| 13 - 15      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>6</b>            | <b>6</b>  | <b>6</b> | <b>0</b>  |                         |

**(f) Financial Performance: Planning, Valuation**

| Operational Expenditure Type | Previous Year Actual | Original Budget    | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|--------------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R6,484,442           | R6,747,229         | R6,832,229        | R6,756,927        | 100,14%                  |
| 2 Contracted Services        | R2,202,187           | R2,296,397         | R1,892,937        | R1,767,404        | 76,96%                   |
| 3 Other                      | R612,377             | R1,166,764         | R1,020,867        | R886,895          | 76,01%                   |
| <b>TOTAL</b>                 | <b>R9,299,006</b>    | <b>R10,210,390</b> | <b>R9,746,033</b> | <b>R9,411,226</b> | <b>92.17%</b>            |

**(g) Financial Performance: Building Control**

| Operational Expenditure Type | Previous Year Actual | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R3,578,119           | R3,876,982        | R3,906,982        | R4,122,828        | 106,34%                  |
| 2 Contracted Services        | R0                   | R0                | R0                | R0                | 0,00%                    |
| 3 Other                      | R69,304              | R118,827          | R127,801          | R141,899          | 119,42%                  |
| <b>TOTAL</b>                 | <b>R3,647,423</b>    | <b>R3,995,809</b> | <b>R4,034,783</b> | <b>R4,264,727</b> | <b>106.73%</b>           |

**(h) Capital Expenditure: Built Environment**

No capital projects

**(i) Comment on Built Environment overall**

The three Divisions within the Department: Development Management understand their role towards economic development in the Swartland to enhance job creation as part of the value chain.

The administration processes are streamlined in order to enhance decision-making to promote economic development and job creation in our area.

The Municipality won a Silver Award (second place) in the Category Red Tape Reduction/Ease of Doing Business of the 2024 Service Excellence Awards of the Western Cape Government. The municipality also won an award during 2025 at the Cape Chambers for Proactive Investment in Public infrastructure in Swartland.

**3.4.2 ECONOMIC DEVELOPMENT**

**(a) Introduction**

The Swartland Economic Development Plan (EDP) is a strategic initiative aimed at realising the Vision of Swartland Municipality. Approved by the Executive Mayoral Committee in May 2025, the EDP aligns with government policy direction and leverages the region's inherent economic strengths. The plan serves as a foundation for unlocking investment, implementing catalytic infrastructure, and ensuring that economic development efforts are credible, accountable, and sustainable. It prioritises vulnerable and high-potential sectors, such as agriculture, agro-processing, manufacturing, and tourism, with an emphasis on stimulating market demand through accelerated public infrastructure development to create jobs and improve access to services. Additionally, the EDP focuses on removing barriers to enterprise and innovation by reducing red tape, enhancing communication, aligning policies, and providing support mechanisms for businesses to thrive. It is designed to guide implementation planning, enhance the Municipality's ability to attract investment, and leverage strategic partnerships. Ultimately, the EDP positions Swartland Municipality as a proactive enabler of local economic development, offering a structured platform for targeted interventions, effective public-private collaboration, and inclusive, sustainable growth.

**(b) Jobs Created by LED Initiatives (Excluding EPWP projects)**

| Description                             | Jobs Created |
|---|--------------|
| Capital projects (contracts > R200 000) | 194          |

**(c) Job creation through EPWP projects**

Number Of Jobs

465



**(d) Economic Development performance results**

| Performance Objective   | Objective ID | Key Performance Indicator   | Previous Year Target | Previous Year Actual           | Previous Year Score | Target              | Actual | Score | Next Year Target    | Notes   |
|---|--------------|---|----------------------|--------------------------------|---------------------|---------------------|--------|-------|---------------------|---|
| <b>1 General KPI's</b>  |              |   |                      |                                |                     |                     |        |       |                     |   |
| Reg 10(d): The number of jobs created through municipality's LED initiatives including capital projects | D60          | Create 150 jobs through Municipality's capital projects (contracts > R200 000) by 30 June                           | 150 jobs by 30 June  | 186                            | 5                   | 150 jobs by 30 June | 194    | 5     | 150 jobs by 30 June |   |
| <b>2 Indicators from IDP</b>  |              |   |                      |                                |                     |                     |        |       |                     |   |
| 2.1 Skills development  | D61          | Investigate the establishment of a skills development centre and submit a report to Management meeting by June 2025 | 1 by June 2025       | N/a (2024/2025 financial year) | 0                   | 100%                | 100%   | 5     | N/a                 | Skills development report approved by MAYCO on 16 April 2025. |
| 2.2 Global networks and an active participant in global knowledge exchange                              | D62          | Investigate global partnerships and submit a proposal to the Mayoral Committee by June 2025                         | 1 by June 2025       | N/a (2024/2025 financial year) | 0                   | 1 by June 2025      | 1      | 4,5   | 1 by June 2025      | Twinning agreement concluded in May 2025                      |

|  |     |  |                               |                                |   |                               |   |   |                               |  |
|--|-----|--|-------------------------------|--------------------------------|---|-------------------------------|---|---|-------------------------------|--|
|  |     |  |                               |                                |   |                               |   |   |                               | to conclude the agreement during May 2025.               |
| 2.3 Investment Promotion / Marketing     | D64 | (3) Improve investment by creating an online platform by June 2026 to share information with investors                   | 100% by June 2026             | N/a (2025/2026 financial year) | 0 | 100% by June 2026             | N/a (2025/2026 financial year)          |   | 100% by June 2026             |  |
| 2.4 Assist and support SMME              | D66 | (2) Ensure the organisation of an annual SMME summit or indaba   | 1 annually                    | 1                              | 5 | 1 annually                    | 1                                       | 5 | 1 annually                    | SMME Indaba held on 4 April 2025.                        |
| 2.4 Assist and support SMME              | D67 | (3) Ensure the investigation of SMME hubs in the Swartland area and submit report to the Management meeting by June 2025 | 1 by June 2025                | N/a (2024/2025 financial year) | 0 | 1 by June 2025                | 1                                       | 5 | 1 by June 2025                | Economic hubs report to Management Team on 28 March 2025 |
| 2.5 Improving the ease of doing business | D68 | Create an automated one stop shop for all business enquiries by June 2026  | 100% by June 2025             | N/a (2024/2025 financial year) | 0 | 100% by June 2026             | N/a (2025/2026 financial year)          |   | 100% by June 2026             |  |
| <b>3 Indicators Directors</b>            |     |  |                               |                                |   |                               |   |   |                               |  |
| Liaison with business role-players       | D47 | Hold a annual event with local businesses before end of June   | 1 annually before end of June | 1                              | 5 | 1 annually before end of June | 4                                       | 5 | 1 annually before end of June |  |
| LED fund management                      | D48 | Spend 90% of the LED funds by end of June  | 90% by end of June            | 93.3%                          | 5 | 90% by end of June            | N/a (No budget for this financial year) |   | 90% by end of June            |  |

**(e) Comment on Economic Development overall**

Monitoring and evaluation of LED progress will be enhanced to speed up learning and skills in LED. The purpose of evaluation is to measure progress, reflect on what worked as planned and what did not. And then to learn from the new insights gained. Working smarter increases the scale of future results. Without evaluation, mistakes are repeated. Evaluation will be integrated with the monitoring system and will focus on the measurement of actual output, outcomes and impact resulting from economic development initiatives. To make the evaluation process easier, the LED performance framework provides a default set of performance indicators.

**3.5 COMMUNITY AND SOCIAL SERVICES****3.5.1 COMMUNITY DEVELOPMENT AND THUSONG SERVICE CENTRES****(a) Introduction**

The Community Development division consists of a manager, a principal clerk, a Community Development officer (Youth Focus) who are supported by an Administrative assistant, Senior Coordinator: Special Projects and one Thusong Service Centre Coordinator who are supported by one administrative assistant, a caretaker. The team worked hard to achieve goals and to work more integrated with the new focus on social regeneration that strengthened the Division to have more effective events/workshops/training. This was demonstrated with collaborative projects like the Thusong outreaches and GBVF Wards Based Awareness programme that have awareness on 36 days of activism campaigns. The Division reached out to the communities together with NGO's and government partners to provide integrated service delivery in the social sector. The division also made a shift towards outcome based programmes and not once off projects. Furthermore, programmes were implemented together with the beneficiaries and were focussed on establishing structures that will make it easier for communities to work in collaboration with service providers. This approach stems from the vision of the Swartland Municipal Social Development Policy and Strategy 2017 and the Social Regeneration strategy to strengthen the social fabric of the community.

**(b) Community Development performance results**

| Performance Objective   | Objective ID | Key Performance Indicator   | Previous Year Target | Previous Year Actual           | Previous Year Score | Target         | Actual                         | Score | Next Year Target | Notes   |
|---|--------------|---|----------------------|--------------------------------|---------------------|----------------|--------------------------------|-------|------------------|---|
| <b>2 Indicators from IDP</b>                                      |              |   |                      |                                |                     |                |                                |       |                  |   |
| 1.2 Social regeneration   | D192         | Social Regeneration Strategy developed and approved by Council by June 2025 | 1 by June 2025       | N/a (2024/2025 financial year) | 0                   | 1 by June 2025 | 1                              | 5     | N/a              | Social Regeneration adopted by Council on 19 February 2025. |
| 1.3 Take action against Gender-Based Violence and Femicide (GBVF) | D193         | GBVF Strategy developed and approved by Council by June 2026                | 1 by June 2026       | N/a (2025/2026 financial year) | 0                   | 1 by June 2026 | N/a (2025/2026 financial year) |       | 1 by June 2026   |   |
| 1.4 Youth Development   | D194         | Youth Policy developed and  | 1 by June            | N/a                            | 0                   | 1 by June      | N/a                            |       |                  |   |

|  |  |                                  |      |                            |  |      |                            |  |  |  |
|--|--|----------------------------------|------|----------------------------|--|------|----------------------------|--|--|--|
|  |  | approved by Council by June 2027 | 2027 | (2026/2027 financial year) |  | 2027 | (2026/2027 financial year) |  |  |  |
|--|--|----------------------------------|------|----------------------------|--|------|----------------------------|--|--|--|

**(c) Employees: Community Development**

| Job Level    | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 07 - 09      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 10 - 12      | 2                   | 2         | 2        | 0         | 0,00%                   |
| 13 - 15      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>4</b>            | <b>4</b>  | <b>4</b> | <b>0</b>  |                         |

**(d) Employees: Thusong Service Centres**

| Job Level    | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 07 - 09      | 2                   | 2         | 2        | 0         | 0,00%                   |
| 10 - 12      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 13 - 15      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>4</b>            | <b>4</b>  | <b>4</b> | <b>0</b>  |                         |

**(e) Financial Performance: Community Development**

| Operational Expenditure Type | Previous Year Actual | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R3,113,166           | R3,246,524        | R3,263,524        | R3,236,584        | 99,69%                   |
| 2 Contracted Services        | R300,116             | R537,696          | R541,626          | R360,450          | 67,04%                   |
| 3 Other                      | R144,087             | R565,638          | R567,121          | R178,907          | 31,63%                   |
| <b>TOTAL</b>                 | <b>R3,557,369</b>    | <b>R4,349,858</b> | <b>R4,372,271</b> | <b>R3,775,941</b> | <b>86.81%</b>            |

**(f) Financial Performance: Thusong Service Centres**

| Operational Expenditure Type | Previous Year Actual | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R1,381,457           | R1,492,530        | R1,494,530        | R1,495,402        | 100,19%                  |
| 2 Contracted Services        | R18,633              | R153,535          | R153,753          | R132,049          | 86,01%                   |
| 3 Other                      | R193,883             | R225,735          | R225,120          | R162,573          | 72,02%                   |
| <b>TOTAL</b>                 | <b>R1,593,973</b>    | <b>R1,871,800</b> | <b>R1,873,403</b> | <b>R1,790,024</b> | <b>95.63%</b>            |

**(g) Capital Expenditure: Community Development**

No capital projects

**(h) Comment on the performance of Community Development and Thusong service centres overall**

An extensive range of programmes and was carried out in the field of social development in 2024/2025. Programmes that was implemented was part of the SOCIAL REGENERATION initiatives to ensure that the places where people live, now and in the future, create new opportunities, promote wellbeing and reduce inequalities so that people have better lives, in stronger communities, and achieve their potential. Social and economic development are very important for sustainable development therefore entrepreneurs were given access to the economy and projects focussed on Early Childhood Development and the legalisation of child facilities, child development, youth development, co-ordination and collaboration, access to economy, vulnerable groups. Social Regeneration is incorporated within the six focus areas of the Swartland Municipal Social Development Policy and Strategy.

**SOCIAL REGENERATION PROJECTS:**

Promote the legalisation of Early Childhood facilities and Early Childhood Development;

A total of nineteen (15) capacity building sessions were organised for the Early Childhood Development Sector. The ECD forum and creches were capacitated with the seven building blocks of the Discipline starts at home programme to train local coaches in order to strengthen overall discipline of learners. Assistance to 21 ECD facilities was rendered in order to legalise and register facilities. In total three facilities obtained registration at the Department of Social Development and 18 facilities received conditional registration.

Promote Child Development:

School holiday programmes were implemented in September 2024, December 2024 and January 2025. A total of 2233 children benefited from the school holiday programme and 164 youth volunteers assisted with the programme. Towns that participated was: Koringberg, Riebeek-West, Riebeek-Kasteel, Riverlands, Chatsworth, Kalbaskraal, Malmesbury Elkana, Malmesbury Sinethemba, Moorreesburg, Abbotsdale and Darling Urban (DarlingOutreach).

Youth development

The number of youth and people from the whole of the Swartland community assisted with career guidance and information about economic opportunities was 5328 for the year. In terms of youth development a total of 1312 youth received assistance with job applications and 38 were placed in job opportunities. 1019 youth and community members were placed in learnership, internship and apprenticeships programmes with a stipend for a period of time. They are learning a new skill which makes them equipped for possible job opportunities and earn an income on a monthly basis. The target for the youth assistance in career guidance was 4000 for the year. The Annual Career Exhibition was held in February 2025 where 2392 learners were reached (Ilinglethu Secondary School, Swartland High School, Schoonspruit Secondary School, Wesbank Secondary School and Riebeek Valley Special School).

Collaboration and coordination

In terms of collaboration and co-ordination the Swartland Social Development Forum organised the 16 days to 365 day of activism against GBVF., The Ward Gender based Ambassadors were further capacitated with numerous trainings. This was done in partnership with DSD, WCDM, Foundation, SAPS, NGO's and government departments to focus on gender violence. The Local Drug Action Committee implemented various programmes, from substance abuse training, Gender Based awareness sessions and the strategic sessions held by the Western Cape Department of Social Development to draw up an action plan to address substance abuse. The LDAC is in process to draw up a referral pathway in order for people to know who is their stakeholders and steps they need to follow to report and combat social ills.

Access to economy

To provide access to the economy 520 people attended the entrepreneurial workshops which included SEDA, WCDM and service providers that capacitated entrepreneurs on how to register their business and become sustainable. The people are now aware of the local content production procedures, how to get documentation in order and regulations that are relevant to enhance and sustain their businesses.

Vulnerable groups

The Thusong programme, by means of the Thusong Mobile Outreaches were held and reached 4495 people by assisting them to access essential government services. A total of nine mobile outreaches were held for people within the Swartland Municipal area. This made essential government services accessible to the rural communities.

### 3.5.2 LIBRARIES

#### (a) Introduction

Swartland has 9 libraries in its area. All libraries' opening hours are from Monday to Friday 09:00 until 17:00. The libraries have 33 permanent library personnel. There are also 3 EPWP workers who act as cleaners at three of the libraries. Libraries are financed through the conditional grant and municipal replacement fund from the Department of Cultural Affairs and Sport.

**(b) Employees: Libraries**

| Level        | PreviousYearPosts | Employees | Posts     | Vacancies | VacanciesAsPercentage |
|--------------|-------------------|-----------|-----------|-----------|-----------------------|
| 00 - 03      | 1                 | 1         | 1         | 0         | 0,00%                 |
| 04 - 06      | 21                | 21        | 21        | 0         | 0,00%                 |
| 07 - 09      | 8                 | 8         | 8         | 0         | 0,00%                 |
| 10 - 12      | 2                 | 2         | 2         | 0         | 0,00%                 |
| 13 - 15      | 1                 | 1         | 1         | 0         | 0,00%                 |
| 16 - 18      | 0                 | 0         | 0         | 0         | 0,00%                 |
| 19 - 20      | 0                 | 0         | 0         | 0         | 0,00%                 |
| <b>TOTAL</b> | <b>33</b>         | <b>33</b> | <b>33</b> | <b>0</b>  |                       |

#### (c) Financial Performance: Libraries

| Operational Expenditure Type | Previous Year Actual | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance |
|------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|
| 1 Employees                  | R11,521,656          | R12,226,302        | R12,226,302        | R11,598,857        | 94,87%                   |
| 2 Contracted Services        | R97,282              | R133,200           | R133,200           | R93,303            | 70,05%                   |
| 3 Other                      | R1,724,059           | R1,493,876         | R1,530,760         | R1,796,516         | 120,26%                  |
| <b>TOTAL</b>                 | <b>R13,342,997</b>   | <b>R13,853,378</b> | <b>R13,890,262</b> | <b>R13,488,676</b> | <b>97.37%</b>            |

**(d) Capital Expenditure: Libraries**

| Project                    | Original Budget | Adjustment Budget | Actual  | Original Budget Variance |
|----------------------------|-----------------|-------------------|---------|--------------------------|
| 24/25 Equipment: Libraries | R50,000         | R50,000           | R46,356 | 92,71%                   |

**(e) Comment on the performance of libraries overall**

All nine libraries have free internet access available to the public through the RLCP (Rural Library Connectivity Program) / ICT project funded by the Department of Cultural Affairs and Sport.

Most libraries have young adults called "YeBoNeers" which are on an internship programme from Provincial Government and Year Beyond, where they support the literacy initiatives and promoting a culture of reading, as well as supporting and promoting the use of technology by enhancing digital literacy skills and contributing to the library's overall mission of providing accessible and innovative services to the community.

The average monthly circulation of books between the libraries are +- 13 500. Between the 9 libraries, they do an average of 125 outreach programmes per month.

Riebeeck Kasteel Library offers a programme "Library for the Blind", in collaboration with the South African Library for the Blind, whereby audio books and equipment are made available to the visually impaired.

Moorreesburg Library offers educational games sponsored by the Bill and Melinda Gates Foundation.

There is a partnership between the Swartland Municipality and UNISA where students may use the libraries for certain student activities. The libraries also act as a courier service for study material for the students.

### 3.5.3 CEMETERIES

**(a) Introduction**

Swartland Municipality operates and maintains ten cemeteries. The services provided include the timely and correct preparation of graves for use, maintaining a register of graves and the maintenance of cemeteries to an acceptable level of tidiness. EPWP projects were also implemented for the maintenance of cemeteries. Vandalism of cemeteries and the theft of fences remain a problem throughout the Swartland and the Municipality do not have the resources to effectively deal with this problem. The extension of existing cemeteries and the development of new cemeteries are also problematic due to the tedious public consultation processes and environmental authorisation processes that must be followed.

**(b) Financial Performance: Cemeteries**

| Operational Expenditure Type | Previous Year Actual | Original Budget | Adjustment Budget | Actual   | Original Budget Variance |
|------------------------------|----------------------|-----------------|-------------------|----------|--------------------------|
| 1 Employees                  | R353,643             | R337,134        | R339,434          | R383,094 | 113,63%                  |
| 2 Contracted Services        | R157,895             | R227,117        | R213,034          | R193,657 | 85,27%                   |
| 3 Other                      | R477,794             | R508,242        | R486,621          | R167,861 | 33,03%                   |



|              |                 |                   |                   |                 |               |
|--------------|-----------------|-------------------|-------------------|-----------------|---------------|
| <b>TOTAL</b> | <b>R989,332</b> | <b>R1,072,493</b> | <b>R1,039,089</b> | <b>R744,612</b> | <b>69,43%</b> |
|--------------|-----------------|-------------------|-------------------|-----------------|---------------|

**(c) Capital Expenditure: Cemeteries**

No capital projects

**(d) Comment on the performance of cemeteries overall**

The IDP has five strategic goals and the provision of cemeteries is aligned to strategic goal three: Quality and Reliable Services.

### **3.6 OCCUPATIONAL HEALTH AND SAFETY (INCLUDING POLLUTION CONTROL)**

**(a) Introduction**

**Air Quality**

Swartland Municipality's Air Quality Management Plans (AQMP) forms part of the greater West Coast District Municipality's AQMP. The AQMP forms Swartland Municipality's IDP and was approved by Council.

A public participation process took place to inform all people in the Swartland municipal area about the AQMP.

Dust and odour control forms part of the AQMP.

The Municipality also compiled a database of all Fuel burning processes that are within its area of jurisdiction.

An Air Quality Officer for Swartland Municipality have been appointed.

The Municipality also appointed a Noise Control Officer for Swartland Municipal area.

The designation of an Environmental Management Inspector (EMI), (Grade 2) has also been concluded.

**Promote a clean and healthy environment**

To address all health complaints and applying the By-Law relating to the prevention and suppression of Nuisances – and ensure that all identified erven in urban areas are compliant.

Pest control – only on municipal premises as well as a Annual Pest Control programme where we deal with crawling insects as well as rodents in the municipal sewerage / storm water drain system.

Application for Authorisation for the Installation of Fuel Burning Equipment relating to Swartland Municipal Air Quality By-Law.

**(b) Employees: Occupational Health and safety**

| Job Level    | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 07 - 09      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 10 - 12      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 13 - 15      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>2</b>            | <b>2</b>  | <b>2</b> | <b>0</b>  |                         |

**(c) Financial Performance: Occupational Health and safety**

| Operational Expenditure Type | Previous Year Actual | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R1,962,149           | R2,078,441        | R2,096,441        | R2,067,873        | 99,49%                   |
| 2 Contracted Services        | R45,770              | R65,173           | R27,596           | R12,851           | 19,72%                   |
| 3 Other                      | R51,997              | R127,164          | R153,740          | R134,901          | 106,08%                  |
| <b>TOTAL</b>                 | <b>R2,059,916</b>    | <b>R2,270,778</b> | <b>R2,277,777</b> | <b>R2,215,625</b> | <b>97.57%</b>            |

**(d) Comment on the performance of occupational health and safety overall**

Measures taken to improve performance and achievements: Performance objectives – key performance indicators and targets are set. Monthly monitoring is done by the Strategic Manager.

Support is given to those communities that are living in poverty through:

- Properly address all environmental complaints
- Ensuring that all identified erven in urban areas are complaint with standards
- Monitoring air pollution in the area
- Annual pest control programme
- Handling of noise control complaints to adhere to the Noise Control Regulations of June 2013
- Handling of dust control regulations, referring to Air Quality By-law (Swartland Municipality)
- Appointed as Environmental Management Inspector (Grade 2)

### 3.7 SECURITY AND SAFETY

### 3.7.1 TRAFFIC AND LAW ENFORCEMENT SERVICES (INCLUDING LICENCING AND REGISTRATION SERVICES)

#### (a) Introduction

Following the Swartland Municipal Council's decision to restructure the Municipal Police Service into a dedicated **Traffic and Law Enforcement Service**, effective **1 July 2013**, the Swartland Municipality has continued to operate a fully functional and effective **Traffic and Law Enforcement Division (STLES)**.

The core mandate of STLE is to:

- Proactively police and enforce compliance with **municipal by-laws**;
- Enforce the **National Road Traffic Act 93/96**
- Promote **road safety** and reduce **road accident fatalities** within the Swartland region.

During the **2023/2024 financial year**, STLE delivered impactful and efficient services in both traffic law enforcement and by-law policing across the WCO15 and the performance of the service remains directly influenced by the availability of resources, particularly in terms of **personnel and fleet capacity**.

#### Key developments and activities for the reporting period include:

- The establishment of two specialized units — the **Dog Unit** and **LEAP (Law Enforcement Advancement Plan)**— funded through grants provided by the **Western Cape Provincial Government**.
- Ongoing **crime prevention operations**, conducted in close collaboration with the **South African Police Service (SAPS)** and other **law enforcement partners** to **remove illicit contraband, illegal firearms and ammunition** from communities and out of the hands of criminals — contributing to safer neighbourhoods and a more secure environment for all residents.
- Continued partnership with the **Western Cape Liquor Authority** to identify and monitor **problematic liquor outlets**, helping reduce alcohol-related incidents and improve community safety.
- Delivery of **traffic and by-law awareness campaigns** at **schools** and to **non-governmental organizations (NGOs)** across the municipal area.
- Implementation of **road safety programs** targeting both motorists and pedestrians, aimed at encouraging **proactive behaviour** and promoting **positive road safety attitudes**.

These combined enforcement and education efforts have made a measurable contribution to reducing accident risks and criminal activity, supported by high-visibility operations and sustained public engagement.

The **Swartland Traffic and Law Enforcement Service** remains steadfast in its commitment to upholding the rule of law, enhancing public safety, and contributing to a safe, lawful, and well-governed community throughout the Swartland Municipality.

#### (b) Traffic Policing and By-law Enforcement

| Category                                | Previous Year Actual Number | Actual Number |
|---|-----------------------------|---------------|
| Number of by-law infringements attended | 1826                        | 2584          |

|   |    |    |
|---|----|----|
| Number of road traffic accidents during the year                  | 0  | 0  |
| Number of law enforcement officers in the field on an average day | 58 | 37 |
| Number of law enforcement officers on duty on an average day      | 50 | 18 |

**(c) Traffic Policing and By-law Enforcement performance results**

| Performance Objective                                    | Objective ID | Key Performance Indicator  | Previous Year Target | Previous Year Actual           | Previous Year Score | Target            | Actual                         | Score | Next Year Target  | Notes   |
|--|--------------|--|----------------------|--------------------------------|---------------------|-------------------|--------------------------------|-------|-------------------|---|
| <b>2 Indicators from IDP</b>                             |              |  |                      |                                |                     |                   |                                |       |                   |   |
| 1.5 Improve the prosecution of law enforcement offenders | D236         | Establishment and financial viability of a municipal court investigated and reported to Council by June 2025 | 1 by June 2025       | N/a (2024/2025 financial year) | 0                   | 1 by June 2025    | 1                              | 3     | 1 by June 2025    | Reported on 4 June 2025   |
| 1.6 Animal pound for the Swartland area                  | D237         | (1) Animal bylaw developed and approved by Council by June 2025  | 1 by June 2025       | N/a (2024/2025 financial year) | 0                   | 1 by June 2025    | 0                              | 0     | 1 by June 2025    | Reason: A service provider needed to be appointed. Corrective Measure: Will complete in the new financial year. |
| 1.6 Animal pound for the Swartland area                  | D238         | (2) Available land identified and the possibility of a pound investigated by June 2026                       | 100% by June 2026    | N/a (2025/2026 financial year) | 0                   | 100% by June 2026 | N/a (2025/2026 financial year) | 0     | 100% by June 2026 |   |
| 1.7 Integrated operational emergency room                | D239         | (1) Viability and feasibility study in collaboration with all role-players conducted by June 2026            | 100% by June 2026    | N/a (2025/2026)                | 0                   | 100% by June 2026 | N/a (2025/2026)                | 0     | 100% by June 2026 |   |

|  |      |   |                   |                                |   |                   |                                |   |                   |                               |
|--|------|---|-------------------|--------------------------------|---|-------------------|--------------------------------|---|-------------------|-------------------------------|
|  |      |   |                   | financial<br>year)             |   |                   | financial<br>year)             |   |                   |                               |
| 1.7 Integrated operational emergency room              | D240 | (2) CCTV camera bylaw developed by June 2025  | 1 by June 2025    | N/a (2024/2025 financial year) | 0 | 1 by June 2025    | 1                              | 3 | N/a               | Was submitted on 25 June 2025 |
| 1.8 Increase law enforcement presents in all towns     | D241 | Establishment of law enforcement offices in all Swartland towns investigated and reported to Council by June 2028 | 100% by June 2028 | N/a (2027/2028 financial year) | 0 | 100% by June 2028 | N/a (2027/2028 financial year) | 0 |                   |                               |
| 1.11 Extension of Traffic and Law Enforcement Services | D244 | Establishment of a learners licence centre for Riebeek Valley by June 2026  | 100% by June 2026 | N/a (2025/2026 financial year) | 0 | 100% by June 2026 | N/a (2025/2026 financial year) | 0 | 100% by June 2026 |                               |
| <b>3 Indicators Directors</b>                          |      |   |                   |                                |   |                   |                                |   |                   |                               |
| Effective monitoring of informal settlements           | D235 | Report monthly to the Portfolio Committee on any new informal dwellings / structures erected                      | 12 for the year   | 12                             | 5 | 12 for the year   | 12                             | 4 | 12 for the year   |                               |

**(d) Employees: Traffic Policing and By-law Enforcement**

| Job Level    | Previous Year Posts | Employees | Posts     | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|-----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0         | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0         | 0         | 0,00%                   |
| 07 - 09      | 32                  | 30        | 32        | 2         | 6,25%                   |
| 10 - 12      | 46                  | 42        | 45        | 3         | 6,67%                   |
| 13 - 15      | 2                   | 3         | 3         | 0         | 0,00%                   |
| 16 - 18      | 1                   | 1         | 1         | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0         | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>81</b>           | <b>76</b> | <b>81</b> | <b>5</b>  |                         |

**(e) Financial Performance: Traffic Policing and By-law Enforcement**

| Operational Expenditure Type | Previous Year Actual | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance |
|------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|
| 1 Employees                  | R45,744,463          | R47,743,081        | R48,544,703        | R48,339,325        | 101,25%                  |
| 2 Contracted Services        | R5,906,659           | R5,775,984         | R6,169,570         | R4,605,199         | 79,73%                   |
| 3 Other                      | R32,635,831          | R38,522,312        | R28,475,486        | R27,832,068        | 72,25%                   |
| <b>TOTAL</b>                 | <b>R84,286,953</b>   | <b>R92,041,377</b> | <b>R83,189,759</b> | <b>R80,776,592</b> | <b>87.76%</b>            |

**(f) Capital Expenditure: Traffic Policing and By-law Enforcement**

| Project                   | Original Budget | Adjustment Budget | Actual            | Original Budget Variance |
|---------------------------|-----------------|-------------------|-------------------|--------------------------|
| 24/25 New Quantam (LEAP)  | R822,500        | R995,418          | R995,418          | 121,02%                  |
| 24/25 Equipment : K9 Unit | R34,783         | R34,783           | R13,273           | 38,16%                   |
| <b>TOTAL</b>              | <b>R857,283</b> | <b>R1,030,201</b> | <b>R1,008,691</b> |                          |

**(g) Comment on the performance of Traffic Policing and By-law Enforcement overall**

The Swartland Traffic & Law Enforcement Service (STLES) **key performance areas** are traffic policing and by-law enforcement and has the following key performance indicators which is measured monthly and quarterly:

- Foot patrols
- Roadblocks
- By-law enforcement
- Vehicle check points (VCP) & visible blue light patrols
- Issuing of driving and learners licenses and roadworthiness of vehicles

A grant funded K9- Unit and LEAP Officers is also operational in the municipal area supporting the SAPS with crime prevention and addressing the usage and selling of drugs.

### 3.7.2 FIRE FIGHTING SERVICES

#### *(a) Introduction*

Swartland Municipality has a Fire Fighting Service consisting of 8 full-time fire department personnel and 20 voluntary municipal workers. The top service delivery priorities for the year under review were:

- (a) preventing the outbreak or spread of a fire
- (b) fighting or extinguishing a fire
- (c) the protection of life or property against a fire or other threatening danger
- (d) the rescue of life or property from a fire or other danger
- (e) subject to the provisions of the Health Act, 1977 (Act No. 63 of 1977), the rendering of an ambulance service as an integral part of the fire brigade service; or
- (f) the performance of any other function connected with any of the matters referred to in paragraphs (a) to (e)

During the year under review (2024/2025), the Swartland Fire Service responded to 851 fires and 303 other incidents within the average turnout time in urban areas. Efficient and effective service delivery in the rural areas is challenging due to the lack of resources. Fire safety awareness campaigns ( smoke detectors) were conducted in informal settlements, schools, and crches as an early warning system to assist with the loss of life and property.

#### *(b) Municipal Fire Service Data*

| Category   | Previous Year Actual Number | Actual Number |
|--|-----------------------------|---------------|
| Total fire appliances at year end                        | 9                           | 10            |
| Total of other incidents attended in the year            | 334                         | 303           |
| Fire fighters in post at year end                        | 6                           | 8             |
| Total fires attended in the year                         | 856                         | 851           |
| Average turnout time - rural areas                       | 18                          | 18            |
| Average number of appliance off the road during the year | 2                           | 1             |
| Average turnout time - urban areas                       | 12                          | 12            |

**(c) Fire Service Policy performance results**

*Note: No strategic KPI's for the 2024/2025 financial year.*

**(d) Employees: Fire Services**

| Job Level    | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 07 - 09      | 4                   | 6         | 6        | 0         | 0,00%                   |
| 10 - 12      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 13 - 15      | 1                   | 0         | 0        | 0         | 0,00%                   |
| 16 - 18      | 0                   | 1         | 1        | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>6</b>            | <b>8</b>  | <b>8</b> | <b>0</b>  |                         |

**(e) Financial Performance: Fire Services**

| Operational Expenditure Type | Previous Year Actual | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance |
|------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|
| 1 Employees                  | R7,816,724           | R8,523,888         | R9,271,214         | R8,783,216         | 103,04%                  |
| 2 Contracted Services        | R1,107,992           | R867,666           | R1,082,825         | R977,326           | 112,64%                  |
| 3 Other                      | R2,561,323           | R3,046,947         | R2,900,482         | R2,289,428         | 75,14%                   |
| <b>TOTAL</b>                 | <b>R11,486,039</b>   | <b>R12,438,501</b> | <b>R13,254,521</b> | <b>R12,049,970</b> | <b>96.88%</b>            |



**(f) Capital Expenditure: Fire Services**

| Project Name                               | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|--|-------------------|-------------------|-------------------|--------------------------|
| 24/25 Conversion of CK38172 (Light Pumper) | R1,704,814        | R1,769,914        | R1,769,844        | 103,81%                  |
| 24/25 Equipment : Fire Fighting            | R200,000          | R134,900          | R134,660          | 67,33%                   |
| <b>TOTAL</b>                               | <b>R1,904,814</b> | <b>R1,904,814</b> | <b>R1,904,504</b> |                          |

**(g) Comment on the performance of fire services overall**

The available resources are used to do the best we can to safeguard the community and to respond rapidly to any fire. We are privileged to have the support of **West Coast District Municipal Fire Fighting Service** who are keen to help where they can.

**3.7.3 CIVIL PROTECTION (INCLUDING DISASTER MANAGEMENT)****(a) Introduction**

Disaster management within the municipality is still a big challenge. There is no dedicated staff responsible for disaster management. The Chief Fire and Disaster Officer is taking the responsibility of disaster management. The top service delivery priorities for the Municipality are: to proactively prevent, mitigate, respond and recover from the effects of all disasters. The municipality depends heavily on the support of the West Coast Disaster Management Centre for any back-up to a disaster.

**(b) Financial Performance: Civil protection (including disaster management)**

| Operational Expenditure Type | Previous Year Actual | Original Budget | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-----------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R0                   | R0              | R0                | R0                | 0,00%                    |
| 2 Contracted Services        | R85,147              | R31,000         | R283,541          | R261,699          | 844,19%                  |
| 3 Other                      | R810,973             | R718,253        | R1,446,244        | R1,387,568        | 193,19%                  |
| <b>TOTAL</b>                 | <b>R896,120</b>      | <b>R749,253</b> | <b>R1,729,785</b> | <b>R1,649,267</b> | 220.12%                  |

**(c) Capital Expenditure: Civil protection (including disaster management)**

No capital projects

**(d) Comment on the performance of Civil protection (including disaster management) overall:**

No capital allocations are made in the budget for disaster management per se. In the operational budget an amount of R357 000 are set aside to help community members who have losses through fires destroying their living places.

Disaster Management is also taken seriously by the Civil and Development Departments as they recognise the linkage between disasters and development. The allocation of funds to address any disaster is still a great challenge.

### 3.8. SPORT AND RECREATION

#### 3.8.1 SPORT, PARKS AND RECREATIONAL AREAS AND SWIMMING POOLS

**(a) Employees: Sport, Parks and Recreational Areas and Swimming Pools**

| Job Level    | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 1                   | 0         | 0        | 0         | 0,00%                   |
| 07 - 09      | 4                   | 5         | 5        | 0         | 0,00%                   |
| 10 - 12      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 13 - 15      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>5</b>            | <b>5</b>  | <b>5</b> | <b>0</b>  |                         |

**(b) Financial Performance: Sport, Parks and Recreational Areas and Swimming Pools****Sport**

| Operational Expenditure Type | Previous Year Actual | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R3,257,057           | R3,451,415        | R2,893,015        | R3,377,762        | 97,87%                   |
| 2 Contracted Services        | R1,190,055           | R986,716          | R1,131,911        | R1,071,564        | 108,60%                  |
| 3 Other                      | R6,480,043           | R4,224,928        | R4,024,542        | R4,147,932        | 98,18%                   |
| <b>TOTAL</b>                 | <b>R10,927,155</b>   | <b>R8,663,059</b> | <b>R8,049,468</b> | <b>R8,597,258</b> | <b>99,24%</b>            |

**Parks and Recreational Areas**

| Operational Expenditure Type | Previous Year Actual | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance |
|------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|
| 1 Employees                  | R16,454,588          | R18,065,048        | R17,982,048        | R17,124,224        | 94,79%                   |
| 2 Contracted Services        | R1,266,368           | R1,126,813         | R1,596,061         | R1,515,536         | 134,50%                  |
| 3 Other                      | R2,700,499           | R4,831,371         | R4,421,545         | R2,684,378         | 55,56%                   |
| <b>TOTAL</b>                 | <b>R20,421,455</b>   | <b>R24,023,232</b> | <b>R23,999,654</b> | <b>R21,324,138</b> | <b>88,76%</b>            |

**Swimming Pools**

| Operational Expenditure Type | Previous Year Actual | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|
| 3 Other                      | R994,035             | R2,337,129        | R1,409,643        | R1,763,084        | 75,44%                   |
| 1 Employees                  | R2,790,903           | R3,161,067        | R3,434,467        | R3,363,604        | 106,41%                  |
| 2 Contracted Services        | R307,498             | R738,494          | R646,994          | R547,049          | 74,08%                   |
| <b>TOTAL</b>                 | <b>R4,092,436</b>    | <b>R6,236,690</b> | <b>R5,491,104</b> | <b>R5,673,737</b> | <b>90,97%</b>            |

**(c) Capital Expenditure: Sport, Parks and Recreational Areas and Swimming Pools**

**Sport**

| Project  | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|--|-------------------|-------------------|-------------------|--------------------------|
| 24/25 Upgrading of Ilinge Lethu Sports Fields        | R5,000,000        | R5,000,000        | R4,989,510        | 99,79%                   |
| 24/25 Rosenhof Sportgrounds: Replace Pavillion Roof  | R670,000          | R370,000          | R337,310          | 50,34%                   |
| 24/25 Gene Louw Sportgrounds: Perimeter protection   | R300,000          | R300,000          | R18,400           | 6,13%                    |
| 24/25 Koringberg Sport Field: Ablution Facilities    | R700,000          | R50,000           | R8,270            | 1,18%                    |
| 24/25 Sportgrounds: Blower Mower: sn 20134 (replace) | R54,700           | R81,700           | R80,771           | 147,66%                  |
| 24/25 Construction of Sport Facility: Riverlands     | R434,783          | R434,783          | R427,784          | 98,39%                   |
| <b>TOTAL</b>   | <b>R7,159,483</b> | <b>R6,236,483</b> | <b>R5,862,045</b> |                          |

**Parks and Recreational Areas**

| Project  | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|--|-------------------|-------------------|-------------------|--------------------------|
| 24/25 Parks: Slasher (Bossiekapper): sn 18795                  | R55,000           | R60,000           | R59,441           | 108,07%                  |
| 24/25 Equipment: Parks   | R150,000          | R150,000          | R148,083          | 98,72%                   |
| 24/25 Parks: CK30905 John Deere Tractor                        | R655,725          | R620,000          | R620,000          | 94,55%                   |
| 24/25 Ward Committee Projects: Parks (Materials and Supplies)  | R100,000          | R24,157           | R24,154           | 24,15%                   |
| 24/25 Ward Committee Projects: Parks (Acquisitions:Outsourced) | R1,000,000        | R1,285,852        | R1,243,743        | 124,37%                  |
| <b>TOTAL</b>   | <b>R1,960,725</b> | <b>R2,140,009</b> | <b>R2,095,421</b> |                          |

**Swimming Pools**

| Project  | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance |
|--|--------------------|--------------------|--------------------|--------------------------|
| 24/25 Moorreesburg Swimming Pool: Perimeter protection | R250,000           | R250,000           | R241,680           | 96,67%                   |
| 24/25 Swimming Pool: Wesbank                           | R11,060,700        | R12,218,069        | R12,218,069        | 110,46%                  |
| <b>TOTAL</b>   | <b>R11 310 700</b> | <b>R12 468 069</b> | <b>R12 459 749</b> |                          |

**(d) Comment on the performance of sport, parks and recreational areas and swimming pools overall**

The IDP has five strategic goals and the provision of sport facilities, parks and swimming pools are aligned to the following strategic goals:

One: Community Safety and Wellbeing

Three: Quality and Reliable Services

Various actions have been developed to ensure that the strategic goals are achieved.

**3.8.2 CARAVAN PARK YZERFONTEIN****(a) Introduction**

The caravan park is situated near the beach and has 127 camping sites which all have braai places and are provided with water and 10 amp electricity supply points. There are 5 ablution blocks, each with bath and shower with hot and cold running water. One of these blocks has a dedicated physically disabled ablution facility. Shops and restaurants are all within walking distance from the park. There are 4 holiday house units situated in a quiet part of the park and are all six-sleepers. They are fully equipped but bedding, towels and braai grid are not supplied.

The following amenities are available in or near the park:

1. Children's play park for up to 14 year olds.
2. Laundry with washing machines and a dryer.
3. A large community hall, tennis courts and a bowling green.

**(b) Employees: Caravan Parks**

| Job Level    | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 4                   | 4         | 4        | 0         | 0,00%                   |
| 07 - 09      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 10 - 12      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 13 - 15      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>6</b>            | <b>6</b>  | <b>6</b> | <b>0</b>  |                         |

**(c) Financial Performance: Caravan Parks**

| Operational Expenditure Type | Previous Year Actual | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R2,288,665           | R2,369,448        | R2,305,448        | R2,534,242        | 106,95%                  |
| 2 Contracted Services        | R159,982             | R220,457          | R204,763          | R177,148          | 80,35%                   |
| 3 Other                      | R830,172             | R878,359          | R892,316          | R982,460          | 111,85%                  |
| <b>TOTAL</b>                 | <b>R3,278,819</b>    | <b>R3,468,264</b> | <b>R3,402,527</b> | <b>R3,693,850</b> | 106.50%                  |

**(d) Capital Expenditure: Caravan Parks**

| Project Name                                 | Original Budget | Adjustment Budget | Actual          | Original Budget Variance |
|--|-----------------|-------------------|-----------------|--------------------------|
| 24/25 YZF Caravan Park: CK39039 Isuzu KB250D | R383,145        | R390,196          | R390,196        | 101,84%                  |
| 24/25 Equipment: YZF Caravan Park            | R105,474        | R101,974          | R105,943        | 100,44%                  |
| <b>TOTAL</b>                                 | <b>R488,619</b> | <b>R492,170</b>   | <b>R496,139</b> |                          |

**(e) Comment on the performance of Caravan Parks overall**

The Yzerfontein Caravan Park is a very popular caravan park in the West Coast and is fully booked during December holidays as well as Easter Weekend.

It has a 90% and higher booking rate for weekends of February and March as well as long weekends during the summer.

The caravan park also has a good annual customer rating.

Newly built ablution facility at the Yzerfontein Caravan Park which is a wheelchair friendly facility.

### 3.9. CORPORATE MANAGEMENT

#### 3.9.1 MANAGEMENT INFRASTRUCTURE AND CIVIL ENGINEERING SERVICES

##### (a) Infrastructure and Civil Engineering Services performance results

| PerformanceObjective                                      | Objective ID | Key Performance Indicator                               | Previous Year Target | Previous Year Actual | Previous Year Score | Target             | Actual | Score | Next Year Target   | Notes  |
|---|--------------|---|----------------------|----------------------|---------------------|--------------------|--------|-------|--------------------|--|
| <b>3 Indicators Directors</b>                             |              |   |                      |                      |                     |                    |        |       |                    |  |
| Capital expenditure in line with budget and time frames   | D01          | Spent/achieved 95% of capital budget by the end of June | 95% by end of June   | 92.85%               | 5                   | 95% by end of June | 91.13% | 5     | 95% by end of June | Budget: R 112 148 390<br>YTD Actual: R102 200 586<br>Includes R10 153.83 non-cash transactions<br>(Exc R10 153.83 non-cash transactions and retention of R116 777.95 = 91,02%)<br>Reason: R9 241 000 funds received late<br>(budget approved 31 March 2025) from the NDMC, spending was subject to EA and Escom wayleave which was only received in May 2025.<br>Corrective measure: Apply for roll-over |
| Operating expenditure in line with budget and time frames | D03          | Spend 90% of the operating budget by the end of June    | 90% by end of June   | 98.47%               | 5                   | 90% by end of June | 84.17% | 4     | 90% by end of June | Budget: R 418 919 375<br>YTD Actual: R352 598 747<br>Includes R25 424 224 non-cash transactions.<br>(Exc R25 424 224 non-cash transactions= 92.40%)  |

|  |     |   |                                 |                               |   |                                 |   |   |                                 |  |
|--|-----|---|---------------------------------|-------------------------------|---|---------------------------------|---|---|---------------------------------|--|
|  |     |   |                                 |                               |   |                                 |   |   |                                 | Reason: Underspending on non cash transactions.<br>Corrective measure: N/a |
| Council decision implementation                | D05 | Initiate/implement 100% of council decisions monthly  | 100%                            | 100% for past 12 months       | 5 | 100%                            | 100% for past 12 months                       | 5 | 100%                            |  |
| Performance and financial monitoring           | D06 | Ensure that monthly performance assessments are held  | 11 for the year                 | 12                            | 5 | 8 for the year                  | 12  | 5 | 8 for the year                  |  |
| Annual Report inputs provided by departments   | D07 | Complete departmental input to the annual report on the AR Framework annually by end of October | 100% annually by end of October | 100%                          | 5 | 100% annually by end of October | 100% by 13 August 2024                        | 5 | 100% annually by end of October |  |
| Budget inputs provided by departments          | D08 | Submit budget requests to the financial department by end of October                            | 1 by end of October             | 1 by 31 October 2023 at 15:14 | 5 | 1 by end of October             | 1 by 25 October 2024                          | 5 | 1 by end of October             |  |
| Audit issues resolved                          | D13 | % of internal audit actions implemented by 30 June  | 100% by 30 June                 | 100%                          | 5 | 100% by 30 June                 | N/a (No IA actions to implement for the year) |   | 100% by 30 June                 |  |
| Audit issues resolved                          | D15 | % of Auditor General's findings implemented by 30 June  | 100% by 30 June                 | N/a (No COMAFs)               | 0 | 100% by 30 June                 | N/a (No COMAFs)                               |   | 100% by 30 June                 |  |
| Risk identification and control implementation | D16 | Complete bi-annual departmental risk assessments  | 2 for the year                  | 2                             | 5 | 2 for the year                  | 2   | 5 | 2 for the year                  |  |
| Risk identification and control implementation | D17 | % of Risk Action Plans implemented by 30 June   | 100% by 30 June                 | 100% by 28 June 2024          | 5 | 100% by 30 June                 | 100% by 30 Sept                               | 5 | 100% by 30 June                 |  |



|                                       |     |   |                  |                   |   |                  | 2024               |   |                  |  |
|---------------------------------------|-----|---|------------------|-------------------|---|------------------|--------------------|---|------------------|--|
| Invocoms held                         | D21 | Ensure that monthly invocoms are held   | 10 for the year  | 15                | 5 | 10 for the year  | 34                 | 5 | 10 for the year  |  |
| Average duration of vacancies reduced | D22 | Fill vacancies within 6 months after decision was taken by management to fill the post  | Within 6 months  | Within 1.6 months | 5 | Within 6 months  | Within 1.55 months | 5 | Within 6 months  |  |
| Productive workforce                  | D23 | Monitor the percentage of person days lost per month due to sick leave  | 4%               | 2.48%             | 5 | 4%               | 3.09%              | 4 | 4%               |  |
| EPWP monitoring                       | D25 | Monitor the number of EPWP work opportunities created by 30 June  | 296              | 307               | 5 | 296              | 465                | 5 | 296              |  |
| Asset safeguarding                    | D26 | Complete a condition assessment and a review of the remaining useful life of all assets in the department and submit a certification in this regard to the Head Asset Management within the first week after the financial year end | 1                | 1 by 1 July 2024  | 5 | 1                | 1 by 1 July 2024   | 5 | 1                |  |
| Asset safeguarding                    | D27 | Report all moveable assets quarterly that were lost or stolen in the prescribed manner to the Head: Asset Management  | 4 for the year   | 4                 | 5 | 4 for the year   | 4                  | 5 | 4 for the year   |  |
| Communication Strategy implementation | D28 | Submit a plan of all planned communication activities for the next financial year in terms of the Communication Strategy to the Communication Officer by  | 1 by end of June | 1 by 30 May 2024  | 5 | 1 by end of June | 1 by 20 May 2025   | 5 | 1 by end of June |  |

|  |     |   |                              |                           |   |                              |                  |   |                              |  |
|--|-----|---|------------------------------|---------------------------|---|------------------------------|------------------|---|------------------------------|--|
|  |     | end of June   |                              |                           |   |                              |                  |   |                              |  |
| Communication Strategy implementation  | D29 | Submit quarterly reports on all communication activities undertaken by the directorate submitted to the Communication Officer | 4 for the year               | 4                         | 5 | 4 for the year               | 4                | 3 | 4 for the year               |  |
| Spending of grants   | D31 | Spend 100% of operational and capital grants by the end of June   | 100% by end of June          | 100%                      | 5 | 100% by end of June          | 100%             | 5 | 100% by end of June          |  |
| Ensure that accurate revenue estimates are prepared in relation to operating requirements                | D32 | Submit projected tariff increases determined for the new budget annually by end of October                                    | 1 annually by end of October | 1 by 31 Oct 2023 at 15:14 | 5 | 1 annually by end of October | 1 by 25 Oct 2024 | 5 | 1 annually by end of October |  |
| Ensure timeous submission of capital payment invoices and payment certificates to the finance department | D33 | Submit all capital unbundling packs with all outstanding invoices annually to the Finance Department by 10 July               | 100% annually by 10 July     | 100%                      | 5 | 100% annually by 10 July     | 100%             | 5 | 100% annually by 10 July     |  |

**(b) Employees: Infrastructure and Civil Engineering Services**

| Level        | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0                       |
| 04 - 06      | 0                   | 0         | 0        | 0         | 0                       |
| 07 - 09      | 2                   | 2         | 2        | 0         | 0                       |
| 10 - 12      | 0                   | 0         | 0        | 0         | 0                       |
| 13 - 15      | 0                   | 0         | 0        | 0         | 0                       |
| 16 - 18      | 3                   | 3         | 3        | 0         | 0                       |
| 19 - 20      | 1                   | 1         | 1        | 0         | 0                       |
| <b>TOTAL</b> | <b>6</b>            | <b>6</b>  | <b>6</b> | <b>0</b>  |                         |

**(c) Financial Performance: Infrastructure and Civil Engineering Services**

| Operational Expenditure Type | Previous Year Actual | Original Budget | Adjustment Budget | Actual     | Original Budget Variance |
|------------------------------|----------------------|-----------------|-------------------|------------|--------------------------|
| 1 Employees                  | R3,320,615           | R3,424,592      | R3,513,792        | R3,482,034 | 101,68%                  |
| 2 Contracted Services        | R1,723               | R1,897          | R1,897            | R1,185     | 62,47%                   |
| 3 Other                      | R721,262             | R793,498        | R835,909          | R801,708   | 101,03%                  |
| <b>TOTAL</b>                 | R4,043,600           | R4,219,987      | R4,351,598        | R4,284,927 | 101.54%                  |

**(d) Capital Expenditure: Infrastructure and Civil Engineering Services**

| Project Name            | Original Budget | Adjustment Budget | Actual  | Original Budget Variance |
|-------------------------|-----------------|-------------------|---------|--------------------------|
| 24/25 Equipment : Civil | R56,000         | R52,118           | R52,117 | 93,07%                   |

**3.9.2 MANAGEMENT CORPORATE SERVICES****(a) Corporate Services performance results**

| Performance Objective   | Objective ID | Key Performance Indicator  | Previous Year Target        | Previous Year Actual | Previous Year Score | Target                      | Actual | Score | Next Year Target            | Notes   |
|---|--------------|--|-----------------------------|----------------------|---------------------|-----------------------------|--------|-------|-----------------------------|---|
| <b>1 General KPI's</b>  |              |  |                             |                      |                     |                             |        |       |                             |   |
| Reg 10 (e) : People from employment equity target groups employed | D365         | The percentage (%) of appointments made in the three highest levels of management which comply with the Employment Equity Plan, measured by the Number of appointments in the three highest levels of management, which comply with Employment Equity targets/Total appointments made in | 90% annually by end of June | 100%                 | 5                   | 70% annually by end of June | N/a    |       | 70% annually by end of June | There were no appointments made during the financial year.All positions were filled |

|  |      |   |                    |                                |   |                    |                                |   |                    |   |
|--|------|---|--------------------|--------------------------------|---|--------------------|--------------------------------|---|--------------------|---|
|  |      | three highest level   |                    |                                |   |                    |                                |   |                    |   |
| Reg 10 (f): Budget spent on implementing the workplace skills plan | D365 | Spent 90% of the Municipality's training budget on implementing its Workplace Skills Plan by end of June  | 90% by end of June | 100%                           | 5 | 90% by end of June | 99.97%                         | 5 | 90% by end of June |   |
| <b>2 Indicators from IDP</b>                                       |      |   |                    |                                |   |                    |                                |   |                    |   |
| 5.5 Improved corporate image and communication                     | D365 | (1) Develop a proposal for innovative ways to use existing and new platforms to engage with residents and businesses and submit to the Mayoral Committee by June 2025 | 1 by June 2025     | N/a (2024/2025 financial year) | 0 | 1 by June 2025     | 1                              | 5 | 1 by June 2025     | Item submitted to the Mayoral Committee of 21 May 2025  |
| 5.5 Improved corporate image and communication                     | D365 | (2) Investigate and submit a report to the Mayoral Committee by June 2025 on a digital people-centred application   | 1 by June 2026     | N/a (2025/2026 financial year) | 0 | 1 by June 2025     | 1                              | 5 |                    | Item submitted to the Mayoral Committee of 21 May 2025  |
| 5.5 Improved corporate image and communication                     | D365 | (3) Investigate the feasibility of a full time customer care centre and submit a report to the Mayoral Committee by June 2026   | 1 by June 2025     | N/a (2024/2025 financial year) | 0 | 1 by June 2026     | N/a (2025/2026 financial year) |   | 1 by June 2026     |   |
| <b>3 Indicators Directors</b>                                      |      |   |                    |                                |   |                    |                                |   |                    |   |
| Capital expenditure in line with budget and time frames            | D365 | Spent/achieved 95% of capital budget by the end of June   | 95% by end of June | 143.17%                        | 5 | 95% by end of June | 88.61%                         | 5 | 95% by end of June | Budget: R478 000<br>YTD Actual: R423 543<br>Reason: The under expenditure is the result of a saving, and not because of funds not spent. Effectively spent 98%<br>Corrective Measure: N/a |

|   |      |   |                                 |                                     |   |                                 |                            |   |                                 |   |
|---|------|---|---------------------------------|-------------------------------------|---|---------------------------------|----------------------------|---|---------------------------------|---|
| Operating expenditure in line with budget and time frames | D365 | Spend 90% of the operating budget by the end of June  | 90% by end of June              | 95 98%                              | 5 | 90% by end of June              | 93.19%                     | 5 | 90% by end of June              | Budget: R47 581 652<br>YTD Actual: R44 343 176<br>Includes R325 099 non-cash transactions.<br>(Exc R325 099 non-cash transactions = 92,95%) |
| Council decision implementation                           | D365 | Initiate/implement 100% of council decisions monthly  | 100%                            | 100%                                | 5 | 100%                            | 100% for past 12 months    | 5 | 100%                            |   |
| Performance and financial monitoring                      | D365 | Ensure that monthly performance assessments are held  | 11 for the year                 | 12                                  | 5 | 8 for the year                  | 12                         | 5 | 8 for the year                  |   |
| Annual Report inputs provided by departments              | D365 | Complete departmental input to the annual report on the AR Framework annually by end of October | 100% annually by end of October | 100% by 20 October 2023             | 5 | 100% annually by end of October | 100% by 11 September 2024  | 5 | 100% annually by end of October |   |
| Budget inputs provided by departments                     | D365 | Submit budget requests to the financial department by end of October                            | 1 by end of October             | 1 by 25 October 2023                | 5 | 1 by end of October             | 1 by 17 October 2024       | 5 | 1 by end of October             |   |
| Audit issues resolved                                     | D365 | % of internal audit actions implemented by 30 June  | 100% by 30 June                 | 100%                                | 5 | 100% by 30 June                 | N/a (No IA findings)       |   | 100% by 30 June                 |   |
| Audit issues resolved                                     | D365 | % of Auditor General's findings implemented by 30 June  | 100% by 30 June                 | N/a (no COMAFs)                     | 0 | 100% by 30 June                 | N/a (no COMAFs)            |   | 100% by 30 June                 |   |
| Risk identification and control implementation            | D365 | Complete bi-annual departmental risk assessments  | 2 for the year                  | 2                                   | 5 | 2 for the year                  | 2                          | 5 | 2 for the year                  |   |
| Risk identification and control implementation            | D365 | % of Risk Action Plans implemented by 30 June   | 100% by 30 June                 | N/a (No action plans for 2023/2024) | 0 | 100% by 30 June                 | N/a (No risk action plans) |   | 100% by 30 June                 |   |
| Invocoms held   | D365 | Ensure that monthly invocoms are held   | 10 for the year                 | 11                                  | 4 | 10 for the year                 | 11                         | 4 | 10 for the year                 |   |
| Average duration of                                       | D365 | Fill vacancies within 6   | Within 6                        | Within 1                            | 5 | Within 6                        | Within                     | 5 | Within 6                        |   |

|                                       |      |   |                  |                  |   |                  |                  |   |                  |  |
|---------------------------------------|------|---|------------------|------------------|---|------------------|------------------|---|------------------|--|
| vacancies reduced                     |      | months after decision was taken by management to fill the post  | months           | month            |   | months           | 0.87 months      |   | months           |  |
| Productive workforce                  | D365 | Monitor the percentage of person days lost per month due to sick leave  | 4%               | 2.39%            | 5 | 4%               | 2.32%            | 5 | 4%               |  |
| Assets safeguarding                   | D365 | Complete a condition assessment and a review of the remaining useful life of all assets in the department and submit a certification in this regard to the Head Asset Management within the first week after financial year end | 1                | 1 by 6 July 2024 | 4 | 1                | 1 by 5 July 2024 | 5 | 1                |  |
| Assets safeguarding                   | D365 | Report all moveable assets quarterly that were lost or stolen in the prescribed manner to the Head: Asset Management  | 4 for the year   | 4                | 5 | 4 for the year   | 4                | 5 | 4 for the year   |  |
| Communication Strategy implementation | D365 | Submit a plan of all planned communication activities for the next financial year in terms of the Communication Strategy to the Communication Officer by end of June  | 1 by end of June | 1 by 13 May 2024 | 5 | 1 by end of June | 1 by 20 May 2025 | 5 | 1 by end of June |  |
| Communication Strategy implementation | D365 | Submit quarterly reports on all communication activities undertaken by the directorate submitted to the Communication Officer   | 4 for the year   | 4                | 5 | 4 for the year   | 4                | 3 | 4 for the year   |  |
| Spending of grants                    | D365 | Spend 100% of operational   | 100% by          | 100%             | 5 | 100% by          | 100%             | 5 | 100% by          |  |

|   |      |  |                              |                      |   |                              |                        |   |                              |  |
|---|------|--|------------------------------|----------------------|---|------------------------------|------------------------|---|------------------------------|--|
|   |      | and capital grants by the end of June  | end of June                  |                      |   | end of June                  |                        |   | end of June                  |  |
| Ensure that accurate revenue estimates are prepared in relation to operating requirements | D365 | Submit projected tariff increases determined for the new budget annually by end of October           | 1 annually by end of October | 1 on 31 October 2024 | 3 | 1 annually by end of October | 1 on 25 September 2024 | 5 | 1 annually by end of October |  |
| Auditor General's queries (comafs)  | D365 | % of Auditor General's queries (comafs) for which an action plan was submitted within 5 working days |                              |                      | 0 | 100%                         | N/a (No comafs)        |   | 100%                         |  |

**(b) Employees: Corporate Services**

| Level        | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 2                   | 2         | 2        | 0         | 0,00%                   |
| 07 - 09      | 3                   | 3         | 3        | 0         | 0,00%                   |
| 10 - 12      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 13 - 15      | 2                   | 2         | 2        | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 19 - 20      | 1                   | 1         | 1        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>8</b>            | <b>8</b>  | <b>8</b> | <b>0</b>  |                         |

**(c) Financial Performance: Corporate Services**

| Operational Expenditure Type | Previous Year Actual | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance |
|------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|
| 1 Employees                  | R8,733,469           | R10,137,724        | R10,268,724        | R10,142,979        | 100,05%                  |
| 2 Contracted Services        | R2,155,143           | R2,466,920         | R2,679,996         | R2,201,260         | 89,23%                   |
| 3 Other                      | R1,793,722           | R2,519,298         | R2,603,572         | R1,957,176         | 77,69%                   |
| <b>TOTAL</b>                 | <b>R12,682,334</b>   | <b>R15,123,942</b> | <b>R15,552,292</b> | <b>R14,301,415</b> | <b>94.56%</b>            |

**(d) Capital Expenditure: Corporate Services**

| Project Name                  | Original Budget | Adjustment Budget | Actual         | Original Budget Variance |
|-------------------------------|-----------------|-------------------|----------------|--------------------------|
| 24/25 Equipment : Corporate   | R28,000         | R30,800           | R30,093        | 107,48%                  |
| 24/25 Expropriation of splays | R300,000        | R0                | R0             | 0,00%                    |
| <b>TOTAL</b>                  | <b>R328,000</b> | <b>R30,800</b>    | <b>R30,093</b> |                          |

**3.9.3 MANAGEMENT DEVELOPMENT SERVICES****(a) Development Services performance results**

| Performance Objective                                     | Objective ID | Key Performance Indicator                               | Previous Year Target | Previous Year Actual | Previous Year Score | Target             | Actual | Score | Next Year Target   | Notes   |
|---|--------------|---|----------------------|----------------------|---------------------|--------------------|--------|-------|--------------------|---|
| <b>3 Indicators Directors</b>                             |              |   |                      |                      |                     |                    |        |       |                    |   |
| Capital expenditure in line with budget and time frames   | D157         | Spent/achieved 95% of capital budget by the end of June | 95% by end of June   | 89.49%               | 3                   | 95% by end of June | 87.96% | 5     | 95% by end of June | Budget: R166 211 808<br>YTD Actual: R146 206 659<br>Reason: The underspent on the capital budget is due to Silvertown - Purchasing of Land, Planning and Professional Fees (R8.3 mil + R4 189 296 = R12 489 296)<br>Corrective Measure: Apply for a roll-over |
| Operating expenditure in line with budget and time frames | D159         | Spend 90% of the operating budget by the end of June    | 90% by end of June   | 94.99%               | 5                   | 90% by end of June | 76.42% | 4     | 90% by end of June | Budget: R42 028 430<br>YTD Actual: R32 119 939<br>Includes R245 637 non-cash transactions.<br>(Exc R245 637 non-cash transactions = 76,80%)<br>Reason: Top structure tender was only awarded at the end   |



|  |      |  |                                 |                      |   |                                 |                             |   |                                 |  |
|--|------|--|---------------------------------|----------------------|---|---------------------------------|-----------------------------|---|---------------------------------|--|
|  |      |  |                                 |                      |   |                                 |                             |   |                                 | of May 2025 when the new MTREF budget was approved.<br>Corrective Measure: Funds to be roll over |
| Council decision implementation                | D161 | Initiate/implement 100% of council decisions monthly   | 100%                            | 99.71%               | 5 | 100%                            | 100% for the past 12 months | 5 | 100%                            |  |
| Performance and financial monitoring           | D162 | Ensure that monthly performance assessments are held   | 11 for the year                 | 12                   | 5 | 8 for the year                  | 12                          | 5 | 8 for the year                  |  |
| Annual Report inputs provided by departments   | D163 | Complete departmental input to the annual report on the AR Framework annually by end of October      | 100% annually by end of October | 100%                 | 5 | 100% annually by end of October | 100% by 19 September 2024   | 5 | 100% annually by end of October |  |
| Budget inputs provided by departments          | D164 | Submit budget requests to the financial department by end of October                                 | 1 by end of October             | 1 by 13 October 2023 | 5 | 1 by end of October             | 1 by 23 October 2024        | 5 | 1 by end of October             |  |
| Audit issues resolved                          | D169 | % of internal audit actions implemented by 30 June   | 100% by 30 June                 | 100% by 30 Apr 2024  | 5 | 100% by 30 June                 | 100% by 27 June 2025        | 5 | 100% by 30 June                 |  |
| Audit issues resolved                          | D170 | % of Auditor General's queries (comafs) for which an action plan was submitted within 5 working days | 100%                            | N/a (No COMAFs)      | 0 | 100%                            | N/a (No comafs)             |   | 100%                            |  |
| Audit issues resolved                          | D171 | % of Auditor General's findings implemented by 30 June   | 100% by 30 June                 | N/a (No COMAFs)      | 0 | 100% by 30 June                 | N/a (No comafs)             |   | 100% by 30 June                 |  |
| Risk identification and control implementation | D172 | Complete bi-annual departmental risk assessments   | 2 for the year                  | 2                    | 5 | 2 for the year                  | 2                           | 5 | 2 for the year                  |  |

|  |      |   |                 |                 |   |                 |   |     |                 |  |
|--|------|---|-----------------|-----------------|---|-----------------|---|-----|-----------------|--|
| Risk identification and control implementation | D173 | % of Risk Action Plans implemented by 30 June   | 100% by 30 June | 100%            | 5 | 100% by 30 June | N/a (No risk action plans for the financial year) |     | 100% by 30 June |  |
| Invocoms held                                  | D177 | Ensure that monthly invocoms are held   | 11 for the year | 12              | 5 | 10 for the year | 12  | 5   | 10 for the year |  |
| Average duration of vacancies reduced          | D178 | Fill vacancies within 6 months after decision was taken by management to fill the post  | Within 6 months | Within 2 months | 5 | Within 6 months | N/a (No vacancies for the financial year)         |     | Within 6 months |  |
| Productive workforce                           | D179 | Monitor the percentage of person days lost per month due to sick leave  | 4%              | 1.27%           | 5 | 4%              | 2%  | 5   | 4%              |  |
| EPWP monitoring                                | D181 | Monitor the number of EPWP work opportunities created by 30 June  | 296             | 307             | 5 | 296             | 465   | 5   | 296             |  |
| Assets safeguarding                            | D182 | Complete a condition assessment and a review of the remaining useful life of all assets in the department and submit a certification in this regard to the Head Asset Management within the first week after the financial year end | 1               | 1               | 5 | 1               | 1   | 2,5 | 1               |  |
| Assets safeguarding                            | D183 | Report all moveable assets quarterly that were lost or stolen in the prescribed manner to the Head: Asset Management  | 4 for the year  | 4               | 5 | 4 for the year  | 4   | 5   | 4 for the year  |  |
| Communication Strategy                         | D184 | Submit a plan of all  | 1 by end of     | 1 on 28         | 5 | 1 by end of     | 1 on 14   | 5   | 1 by end of     |  |

|                                       |      |   |                     |           |   |                     |          |     |                     |  |
|---------------------------------------|------|---|---------------------|-----------|---|---------------------|----------|-----|---------------------|--|
| implementation                        |      | planned communication activities for the next financial year in terms of the Communication Strategy to the Communication Officer by end of June | June                | June 2024 |   | June                | May 2025 |     | June                |  |
| Communication Strategy implementation | D185 | Submit quarterly reports on all communication activities undertaken by the directorate submitted to the Communication Officer                   | 4 for the year      | 4         | 5 | 4 for the year      | 4        | 2,9 | 4 for the year      |  |
| Spending of grants                    | D187 | Spend 100% of operational and capital grants by the end of June   | 100% by end of June | 89.4%     | 4 | 100% by end of June | 88.11%   | 5   | 100% by end of June | Reason: The underspent on the capital budget is due to Silvertown - Purchasing of Land, Planning and Professional Fees (R8.3 mil + R4 189 296 = R12 489 296) , Top structure tender was only awarded at the end of May 2025 when the new MTREF budget was approved. DOI underwent an amalamation and therefore we received funds for the appointment of an offical late and could not make an appointment. The Thusong centre grant saving occured due to two of the contractors that was not registered for VAT.<br>Corrective Measure: Apply for a roll-over |
| Ensure that accurate                  | D188 | Submit projected tariff   | 1 annually          | 1 by 11   | 5 | 1 annually          | 1 by 20  | 5   | 1 annually          |  |

|  |      |   |                          |                  |   |                          |                  |   |                          |  |
|--|------|---|--------------------------|------------------|---|--------------------------|------------------|---|--------------------------|--|
| revenue estimates are prepared in relation to operating requirements                                     |      | increases determined for the new budget annually by end of October  | by end of October        | October 2023     |   | by end of October        | September 2024   |   | by end of October        |  |
| Ensure timeous submission of capital payment invoices and payment certificates to the finance department | D189 | Submit all capital unbundling packs with all outstanding invoices annually to the Finance Department by 10 July | 100% annually by 10 July | 1 by 4 July 2023 | 5 | 100% annually by 10 July | 1 by 4 July 2024 | 5 | 100% annually by 10 July |  |

**(b) Employees: Development Services**

| Level        | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 07 - 09      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 10 - 12      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 13 - 15      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 19 - 20      | 1                   | 1         | 1        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>2</b>            | <b>2</b>  | <b>2</b> | <b>0</b>  |                         |

**(c) Financial Performance: Development Services**

| Operational Expenditure Type | Previous Year Actual | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R2,604,013           | R2,716,407        | R2,795,907        | R2,779,771        | 102,33%                  |
| 2 Contracted Services        | R0                   | R1,897            | R1,897            | R0                | 0,00%                    |
| 3 Other                      | R206,539             | R302,236          | R256,614          | R162,914          | 53,90%                   |
| <b>TOTAL</b>                 | <b>R2,810,552</b>    | <b>R3,020,540</b> | <b>R3,054,418</b> | <b>R2,942,685</b> | <b>97.42%</b>            |

**(d) Capital Expenditure: Development Services**

| Project Name                           | Original Budget   | Adjustment Budget | Actual          | Original Budget Variance |
|--|-------------------|-------------------|-----------------|--------------------------|
| 24/25 Kalbaskraal SEF (Prof. Fees)     | R980,000          | R744,891          | R744,836        | 76,00%                   |
| 24/25 Equipment : Development Services | R46,000           | R49,435           | R48,890         | 106,28%                  |
| <b>TOTAL</b>                           | <b>R1,026,000</b> | <b>R794,326</b>   | <b>R793,726</b> |                          |

**3.9.4 MANAGEMENT ELECTRICAL ENGINEERING SERVICES****(a) Electrical Engineering Services performance results**

| Performance Objective  | Objective ID | Key Performance Indicator  | Previous Year Target         | Previous Year Actual | Previous Year Score | Target                       | Actual            | Score | Next Year Target             | Notes |
|--|--------------|--|------------------------------|----------------------|---------------------|------------------------------|-------------------|-------|------------------------------|-------|
| <b>3 Indicators Directors</b>                                      |              |  |                              |                      |                     |                              |                   |       |                              |       |
| Communication Strategy implementation                              | D100         | Submit a plan of all planned communication activities for the next financial year in terms of the Communication Strategy to the Communication Officer by end of June | 1 by end of June             | 1 on 28 May 2024     | 5                   | 1 by end of June             | 1 on 8 May 2025   | 5     | 1 by end of June             |       |
| Communication Strategy implementation                              | D101         | Submit quarterly reports on all communication activities undertaken by the directorate submitted to the Communication Officer  | 4 for the year               | 4                    | 5                   | 4 for the year               | 4                 | 3     | 4 for the year               |       |
| Spending of grants   | D103         | Spend 100% of operational and capital grants by the end of June  | 100% by end of June          | 100%                 | 5                   | 100% by end of June          | 100%              | 5     | 100% by end of June          |       |
| Ensure that accurate revenue estimates are prepared in relation to | D104         | Submit projected tariff increases determined for the new budget annually   | 1 annually by end of October | 1 on 31 October 2023 | 3                   | 1 annually by end of October | 1 on 27 Sept 2024 | 5     | 1 annually by end of October |       |

|  |      |   |                                 |                         |   |                                 |                         |   |                                 |   |
|--|------|---|---------------------------------|-------------------------|---|---------------------------------|-------------------------|---|---------------------------------|---|
| operating requirements   |      | by end of October   |                                 |                         |   |                                 |                         |   |                                 |   |
| Ensure timeous submission of capital payment invoices and payment certificates to the finance department | D105 | Submit all capital unbundling packs with all outstanding invoices annually to the Finance Department by 10 July | 100% annually by 10 July        | 100% on 8 July 2023     | 5 | 100% annually by 10 July        | 100% on 8 Jul 2024      | 5 | 100% annually by 10 July        |   |
| Capital expenditure in line with budget and time frames  | D73  | Spent/achieved 95% of capital budget by the end of June   | 95% by end of June              | 105.66%                 | 5 | 95% by end of June              | 105.66 %                | 5 | 95% by end of June              | Budget: R41 911 229<br>YTD Actual: R44 284 236<br>Includes R2 317 737,65 non-cash transactions<br>(Excl R2 317 737,65 non-cash transaction and R1 472 269.48 that moved from the operating budget = 96.62%) |
| Operating expenditure in line with budget and time frames  | D75  | Spend 90% of operating budget by the end of June  | 90% by end of June              | 100.38%                 | 5 | 90% by end of June              | 97.4%                   | 5 | 90% by end of June              | Budget: R 475 645 314<br>YTD Actual: R 463 276 397<br>Includes R1 595 366 non-cash transactions.<br>(Exc R1 595 366 non-cash transactions.= 98,99%)   |
| Council decision implementation  | D77  | Initiate/Implement 100% of council decisions monthly  | 100%                            | 100% for past 12 months | 5 | 100%                            | 100% for past 12 months | 5 | 100%                            |   |
| Performance and financial monitoring   | D78  | Ensure that monthly performance assessments are held  | 11 for the year                 | 12                      | 5 | 8 for the year                  | 12                      | 5 | 8 for the year                  |   |
| Annual Report inputs provided by departments   | D79  | Complete departmental input to the annual report on the AR Framework annually by end of October                 | 100% annually by end of October | 100% by 27 Aug 2023     | 5 | 100% annually by end of October | 100% by 7 August 2024   | 5 | 100% annually by end of October |   |
| Budget inputs provided by departments  | D80  | Submit budget requests to the financial department  | 1 by end of October             | 1 by 31 October         | 5 | 1 by end of October             | 1 on 30 Oct             | 5 | 1 by end of October             |   |

|  |     |  |                 |                      |   |                 |   |   |                 |  |
|--|-----|--|-----------------|----------------------|---|-----------------|---|---|-----------------|--|
|  |     | by end of October  |                 | 2023 at 15:27        |   |                 | 2024 at 12:35                                     |   |                 |  |
| Audit issues resolved                          | D85 | % of internal audit actions implemented by 30 June                                     | 100% by 30 June | 100%                 | 5 | 100% by 30 June | 100% on 27 June 2025                              | 5 | 100% by 30 June |  |
| Audit issues resolved                          | D87 | % of Auditor General's findings implemented by 30 June                                 | 100% by 30 June | N/a (no COMAFs)      | 0 | 100% by 30 June | 100% by 14 April 2025                             | 5 | 100% by 30 June |  |
| Risk identification and control implementation | D88 | Complete bi-annual departmental risk assessments                                       | 2 for the year  | 2                    | 5 | 2 for the year  | 2   | 5 | 2 for the year  |  |
| Risk identification and control implementation | D89 | % of Risk Action Plans implemented by 30 June  | 100% by 30 June | 100% by 24 June 2024 | 5 | 100% by 30 June | N/a (No risk action plans for the financial year) |   | 100% by 30 June |  |
| Invocoms held                                  | D93 | Ensure that monthly invocoms are held  | 10 for the year | 12 by 24 June 2024   | 5 | 10 for the year | 11 for the year                                   | 4 | 10 for the year |  |
| Average duration of vacancies reduced          | D94 | Fill vacancies within 6 months after decision was taken by management to fill the post | Within 6 months | Within 1 month       | 5 | Within 6 months | Within 0.43 months                                | 5 | Within 6 months |  |
| Productive workforce                           | D95 | Monitor the percentage of person days lost per month due to sick leave                 | 4%              | 1.87%                | 5 | 4%              | 2.16%   | 5 | 4%              |  |
| EPWP monitoring                                | D97 | Monitor the number of EPWP work opportunities created by 30 June                       | 296             | 307                  | 5 | 296             | 465   | 5 | 296             |  |
| Assets safeguarding                            | D98 | Complete a condition assessment and a review of the remaining useful life              | 1               | 1 on 5 July 2023     | 5 | 1               | 1 on 5 July 2024                                  | 5 | 1               |  |

|                     |     |   |                |   |   |                |   |   |                |  |
|---------------------|-----|---|----------------|---|---|----------------|---|---|----------------|--|
|                     |     | of all assets in the department and submit a certification in this regard to the Head Asset Management within the first week after the financial year end |                |   |   |                |   |   |                |  |
| Assets safeguarding | D99 | Report all moveable assets quarterly that were lost or stolen in the prescribed manner to the Head: Asset Management                                      | 4 for the year | 4 | 5 | 4 for the year | 4 | 5 | 4 for the year |  |

**(b) Employees: Electrical Engineering Services**

The employees of the Electrical Engineering Services Department are incorporated under paragraph 3.2.3(e) Employees: Electricity Distribution.

**(c) Financial Performance: Electrical Engineering Services**

| Operational Expenditure Type | Previous Year Actual | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R1,688,721           | R2,171,704        | R2,765,704        | R2,749,220        | 126,59%                  |
| 2 Contracted Services        | R0                   | R0                | R0                | R0                | 0,00%                    |
| 3 Other                      | R50,445              | R69,106           | R102,816          | R77,675           | 112,40%                  |
| <b>TOTAL</b>                 | <b>R1,739,166</b>    | <b>R2,240,810</b> | <b>R2,868,520</b> | <b>R2,826,895</b> | <b>126.16%</b>           |

**(d) Capital Expenditure: Electrical Engineering Services**

None under this section



### 3.9.5 MANAGEMENT FINANCIAL SERVICES

#### (a) Financial Services performance results

| Performance Objective                                     | Objective ID | Key Performance Indicator   | Previous Year Target | Previous Year Actual | Previous Year Score | Target             | Actual     | Score | Next Year Target   | Notes  |
|---|--------------|---|----------------------|----------------------|---------------------|--------------------|------------|-------|--------------------|--|
| <b>1 General KPI's</b>                                    |              |   |                      |                      |                     |                    |            |       |                    |  |
| Reg 10 (g): Ensure general financial viability            | D279         | Measure the % of the outstanding service debtors  | 20%                  | 7.85%                | 5                   | 20%                | 6.37%      | 5     | 20%                | The ratio is well below the norm   |
| Reg 10 (g): Ensure general financial viability            | D280         | Measure financial viability in terms of cost coverage ratio for the current financial year  | 3 months             | 9 months             | 5                   | 3 months           | 5.3 months | 5     | 3 months           | The ratio is well above the norm of 3 months   |
| Reg 10 (g): Ensure general financial viability            | D281         | Measure the % of debt coverage ratio for the current financial year                         | 45%                  | 8.93%                | 5                   | 45%                | 4.12%      | 5     | 45%                | Ratio is well below the norm   |
| Access to free basic services                             | D282         | Manage the provision of free basic service subsidies in line with council's policy annually | 100% at 30 June      | 100%                 | 5                   | 100% at 30 June    | 100%       | 5     | 100%               | 100% of all indigent applications received were processed and captured on the indigent register at year-end.   |
| <b>3 Indicators Directors</b>                             |              |   |                      |                      |                     |                    |            |       |                    |  |
| Capital expenditure in line with budget and time frames   | D246         | Spent/achieved 95% of capital budget by the end of June                                     | 95% by end of June   | 126.82%              | 5                   | 95% by end of June | 111.33 %   | 5     | 95% by end of June | Budget: R 568 096<br>YTD Actual: R 632 466<br>Includes R31 000 non-cash transactions.<br>(Exc R31 000 non-cash transactions and overspending of R33 371.08 = 100%) |
| Operating expenditure in line with budget and time frames | D248         | Spend 90% of the operating budget by the end of June  | 90% by end of June   | 89.06%               | 4                   | 90% by end of June | 96.95%     | 5     | 90% by end of June | Budget: R 77 612 208<br>YTD Actual: R 75 248 748<br>Includes R7 344 121 non-cash transactions.<br>(Exc R7 344 121 non-cash   |

|  |      |   |                                 |                               |   |                                 |  |   |                                 |                       |
|--|------|---|---------------------------------|-------------------------------|---|---------------------------------|--|---|---------------------------------|-----------------------|
|  |      |   |                                 |                               |   |                                 |  |   |                                 | transactions= 92,39%) |
| Council decision implementation                | D250 | Initiate/implement 100% of council decisions monthly  | 100%                            | 100% for past 12 months       | 5 | 100%                            | 100% for past 12 months                              | 5 | 100%                            |                       |
| Performance and financial monitoring           | D251 | Ensure that monthly performance assessments are held  | 11 for the year                 | 12                            | 5 | 8 for the year                  | 12   | 5 | 8 for the year                  |                       |
| Annual Report inputs provided by departments   | D252 | Complete departmental input to the annual report on the AR Framework annually by end of October | 100% annually by end of October | 100% by 23 October 2023       | 5 | 100% annually by end of October | 100% by 26 September 2024                            | 5 | 100% annually by end of October |                       |
| Budget inputs provided by departments          | D253 | Submit budget requests to the financial department by the end of October                        | 1 by end of October             | 1 by 31 October 2023 at 15:56 | 5 | 1 by end of October             | 1 by 29 Oct 2024                                     | 5 | 1 by end of October             |                       |
| Audit issues resolved                          | D258 | % of internal audit actions implemented by 30 June  | 100% by 30 June                 | 100%                          | 5 | 100% by 30 June                 | N/a (No Internal Audit Action plans to be addressed) |   | 100% by 30 June                 |                       |
| Audit issues resolved                          | D260 | % of Auditor General's findings implemented by 30 June  | 100% by 30 June                 | 100% by 24 April 2024         | 5 | 100% by 30 June                 | 100% by 28 March 2025                                | 5 | 100% by 30 June                 |                       |
| Risk identification and control implementation | D261 | Complete bi-annual departmental risk assessments  | 2 for the year                  | 2                             | 5 | 2 for the year                  | 2  | 5 | 2 for the year                  |                       |
| Risk identification and control implementation | D262 | % of Risk Action Plans implemented by 30 June   | 100% by 30 June                 | 100% by 24 June 2024          | 5 | 100% by 30 June                 | N/a (No Risk Action plans to                         |   | 100% by 30 June                 |                       |

|                                       |      |   |                  |                   |   |                  |                      |   |                  |  |
|---------------------------------------|------|---|------------------|-------------------|---|------------------|----------------------|---|------------------|--|
|                                       |      |   |                  |                   |   |                  | be<br>address<br>ed) |   |                  |  |
| Invocoms held                         | D266 | Ensure that monthly invocoms are held   | 10 for the year  | 14                | 5 | 10 for the year  | 12                   | 5 | 10 for the year  |  |
| Average duration of vacancies reduced | D267 | Fill vacancies within 6 months after decision was taken by management to fill the post  | Within 6 months  | Within 2 months   | 5 | Within 6 months  | Within 0.96 months   | 5 | Within 6 months  |  |
| Productive workforce                  | D268 | Monitor the percentage of person days lost per month due to sick leave  | 4%               | 2.68%             | 5 | 4%               | 2.33%                | 5 | 4%               |  |
| Asset safeguarding                    | D269 | Complete a condition assessment and a review of the remaining useful life of all assets in the department and submit a certification in this regard to the Head Asset Management within the first week after the financial year end | 1                | 2                 | 5 | 1                | 1                    | 5 | 1                |  |
| Asset safeguarding                    | D270 | Report all moveable assets quarterly that were lost or stolen in the prescribed manner to the Head: Asset Management  | 4 for the year   | 4                 | 5 | 4 for the year   | 4                    | 5 | 4 for the year   |  |
| Communication Strategy implementation | D271 | Submit a plan of all planned communication activities for the next financial year in terms of the Communication Strategy to the Communication Officer by end of June  | 1 by end of June | 1 on 26 June 2024 | 5 | 1 by end of June | 1 on 30 May 2025     | 5 | 1 by end of June |  |
| Communication Strategy implementation | D272 | Submit quarterly reports on all communication activities undertaken by the directorate submitted to the Communication Officer   | 4 for the year   | 4                 | 5 | 4 for the year   | 4                    | 5 | 4 for the year   |  |
| Spending of grants                    | D274 | Spend 100% of operational   | 100% by end      | 100%              | 5 | 100% by          | 100%                 | 5 | 100% by          |  |

|  |      |  |                               |                               |   |                               |                       |   |                               |  |
|--|------|--|-------------------------------|-------------------------------|---|-------------------------------|-----------------------|---|-------------------------------|--|
|  |      | and capital grants by the end of June  | of June                       |                               |   | end of June                   |                       |   | end of June                   |  |
| Ensure that accurate revenue estimates are prepared in relation to operating requirements                    | D275 | Submit projected tariff increases determined for the new budget annually by end of October                 | 1 annually by end of October  | 1 on 30 October 2023 at 09:34 | 5 | 1 annually by end of October  | 1 on 22 Oct 2024      | 5 | 1 annually by end of October  |  |
| Ensure that accurate revenue estimates are prepared in relation to realistically anticipated revenue streams | D278 | Projected tariff increases determined for the budget of the new financial year annually by end of February | 1 annually by end of February | 1 on 28 February 2024         | 5 | 1 annually by end of February | 1 on 26 February 2025 | 5 | 1 annually by end of February |  |

**(b) Employees: Financial Services**

| Level        | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 07 - 09      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 10 - 12      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 13 - 15      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 19 - 20      | 1                   | 1         | 1        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>1</b>            | <b>1</b>  | <b>1</b> | <b>0</b>  |                         |

Other employees of Financial Services are incorporated under the separate Financial Services functions.

**(c) Financial Performance: Financial Services**

| Operational Expenditure Type | Previous Year Actual | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance |
|------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|
| 1 Employees                  | R31,089,564          | R35,045,670        | R34,812,670        | R34,160,095        | 97,47%                   |
| 2 Contracted Services        | R1,351,190           | R6,628,300         | R1,893,343         | R1,406,602         | 21,22%                   |
| 3 Other                      | R10,739,200          | R15,191,979        | R15,813,361        | R15,447,147        | 101,68%                  |
| <b>TOTAL</b>                 | <b>R43,179,954</b>   | <b>R56,865,949</b> | <b>R52,519,374</b> | <b>R51,013,844</b> | <b>89.71%</b>            |

**(d) Capital Expenditure: Financial Services**

| Project Name                              | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|---|-------------------|-------------------|-------------------|--------------------------|
| 24/25 Year-end Deeds                      | R0                | R0                | R31,000           | 0,00%                    |
| 24/25 Finance: CK30046 Citi Golf 310      | R275,625          | R227,974          | R3,337,108        | 1210,74%                 |
| 24/25 Meter Installation Handheld Devices | R3,000,000        | R226,065          | R226,064          | 7,54%                    |
| 24/25 Equipment : Financial               | R122,000          | R114,057          | R114,056          | 93,49%                   |
| <b>TOTAL</b>                              | <b>R3,397,625</b> | <b>R568,096</b>   | <b>R3,708,228</b> |                          |

**(e) Debt Efficiency**

| Details        | Previous Year Actual Billed | Previous Year Percentage | Billed In Year | Actual Billed | Percentage |
|----------------|-----------------------------|--------------------------|----------------|---------------|------------|
| Electricity    | R0                          | 0,00%                    | R472,747,422   | R516,000,743  | 109,15%    |
| Other          | R0                          | 0,00%                    | R0             | R0            | 0,00%      |
| Property Rates | R0                          | 0,00%                    | R201,371,451   | R200,765,307  | 99,70%     |
| Refuse         | R0                          | 0,00%                    | R38,063,559    | R38,791,037   | 101,91%    |
| Sanitation     | R0                          | 0,00%                    | R57,625,233    | R63,838,863   | 110,78%    |
| Water          | R0                          | 0,00%                    | R98,216,026    | R95,517,854   | 97,25%     |

### 3.9.6 MANAGEMENT OFFICE OF THE MUNICIPAL MANAGER

#### (a) Office of the Municipal Manager performance results

| Performance Objective   | Objective ID | Key Performance Indicator                               | Previous Year Target | Previous Year Actual | Previous Year Score | Target             | Actual | Score | Next Year Target   | Notes   |
|---|--------------|---|----------------------|----------------------|---------------------|--------------------|--------|-------|--------------------|---|
| <b>1 General KPI's</b>  |              |   |                      |                      |                     |                    |        |       |                    |   |
| Reg 10(c): Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan | D59          | Spent/achieved 95% of capital budget by the end of June | 95% by end of June   | 95.75%               | 5                   | 95% by end of June | 91.52% | 5     | 95% by end of June | Reason: The underspent on the capital budget is due to Silvertown - Purchasing of Land, Planning and Professional Fees (R8.3 mil + R4 189 296 = R12 489 296) and Municipal Disaster Response Grant (Riverlands flood) - R7 443 610 (Exc R2 358 892 non-cash transactions, R1 622 419 overspend and retention= 90.79%) The Silvertown Purchasing of Land and the Municipal Disaster response grant makes up an enormous amount of the capital budget. If these two grants is also not included in the capital budget, the total spent would have been around 96,17% for the Municipality. However due to the ongoing court issue with Silvertown and Disaster grant that were received late, it was just not possible to spend these funds.<br>Corrective Measure: Apply for a roll-over |

|   |     |   |                              |                                |   |                              |                                |   |                              |  |
|---|-----|---|------------------------------|--------------------------------|---|------------------------------|--------------------------------|---|------------------------------|--|
|   |     |   |                              |                                |   |                              |                                |   |                              |  |
| <b>2 Indicators from IDP</b>            |     |   |                              |                                |   |                              |                                |   |                              |  |
| 5.1 Innovative local government         | D69 | Ensure the development of an innovation policy and submit to the Mayoral Committee by June 2026   | 1 by June 2026               | N/a (2025/2026 financial year) | 0 | 1 by June 2026               | N/a (2025/2026 financial year) |   | 1 by June 2026               |  |
| 5.4 Increased use of digital technology | D72 | Ensure the development of a proposal for the increased use of digital technology to support business and the economy and submit to the Mayoral Committee by June 2026 | 1 by June 2026               | N/a (2025/2026 financial year) | 0 | 1 by June 2026               | N/a (2025/2026 financial year) |   | 1 by June 2026               |  |
| <b>3 Indicators Directors</b>           |     |   |                              |                                |   |                              |                                |   |                              |  |
| Sound management                        | D49 | Hold monthly management meetings  | 10 for the year              | 12                             | 5 | 8 for the year               | 11                             | 5 | 8 for the year               |  |
| Legally compliant procurement           | D50 | Monitor the number of appeals monthly against the municipality regarding the awarding of tenders  | 0                            | 0                              | 5 | 0                            | 0                              | 5 | 0                            |  |
| Performance and financial monitoring    | D51 | Ensure that monthly performance assessments are held  | 11 for the year              | 12                             | 5 | 8 for the year               | 12                             | 5 | 8 for the year               |  |
| Annual report compilation and approval  | D52 | Table the Annual Report as required by MFMA (121) to Council annually by end of January   | 1 annually by end of January | 1                              | 5 | 1 annually by end of January | 1                              | 5 | 1 annually by end of January | The Annual Report was tabled and adopted by Council on 30 January 2025, it included the AG final review report |
| Council decision implementation         | D53 | Submit the Annual Report to Council as required by section 129 of the MFMA (121) approval annually by end of March  | 1 annually by end of March   | 1                              | 5 | 1 annually by end of March   | 1                              | 5 | 1 annually by end of March   | Annual Report approved by council 31 March 2025 without reservations.  |

|  |      |   |                 |                         |   |                 |                         |   |                 |  |
|--|------|---|-----------------|-------------------------|---|-----------------|-------------------------|---|-----------------|--|
| Council decision implementation  | D54  | Initiate/Implement 100% of council decisions monthly  | 100%            | 100% for past 12 months | 5 | 100%            | 100% for past 12 months | 5 | 100%            |  |
| Functional macrostructure maintained   | D56  | Review the macro structure annually   | 1 annually      | 2                       | 5 | 1 annually      | 2                       | 5 | 1 annually      |  |
| MFMA Section 131(1): Ensure that any issues raised by the Auditor-General in an audit report are addressed | D57  | % of issues raised by the Auditor-General in an audit report addressed by 30 June   | 100% by 30 June | 100% by 12 April 2024   | 5 | 100% by 30 June | 100% by 14 April 2025   | 5 | 100% by 30 June |  |
| Performance evaluation of the Section 57 managers  | D737 | Conduct a formal performance evaluation of the Section 57 managers in terms of their signed performance agreements annually | 1 annually      | 1 on 15 September 2023  | 5 | 1 annually      | 1 on 18 September 2024  | 5 | 1 annually      |  |

**(b) Employees: Office of the Municipal Manager**

| Level        | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 07 - 09      | 1                   | 0         | 0        | 0         | 0,00%                   |
| 10 - 12      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 13 - 15      | 0                   | 1         | 1        | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 19 - 20      | 1                   | 1         | 1        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>3</b>            | <b>3</b>  | <b>3</b> | <b>0</b>  |                         |



**(c) Financial Performance: Office of the Municipal Manager**

| Operational Expenditure Type | Previous Year Actual | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R3,736,739           | R4,232,989        | R4,143,989        | R4,023,906        | 95,06%                   |
| 2 Contracted Services        | R0                   | R1,897            | R1,897            | R0                | 0,00%                    |
| 3 Other                      | R122,786             | R166,932          | R225,453          | R224,602          | 134,55%                  |
| <b>TOTAL</b>                 | <b>R3,859,525</b>    | <b>R4,401,818</b> | <b>R4,371,339</b> | <b>R4,248,508</b> |                          |

**(d) Capital Expenditure: Office of the Municipal Manager**

| Project Name  | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|---|-------------------|-------------------|-------------------|--------------------------|
| 24/25 Council: CK15265 Caravelle Kombi (Replace with 11 seater) | R865,555          | R874,524          | R874,524          | 101,04%                  |
| 24/25 Equipment : Council                                       | R12,000           | R12,000           | R3,123            | 26,03%                   |
| 24/25 Equipment : MM  | R12,000           | R20,017           | R19,060           | 158,83%                  |
| 24/25 New Website: Development and Implementation               | R400,000          | R450,000          | R450,000          | 112,50%                  |
| 24/25 Park equipment: Tosca street                              | R0                | R80,000           | R70,500           | 0,00%                    |
| <b>TOTAL</b>  | <b>R1,289,555</b> | <b>R1,436,541</b> | <b>R1,417,207</b> |                          |

**3.9.7 MANAGEMENT PROTECTION SERVICES****(a) Protection Services performance results**

| Performance Objective                                | Objective ID | Key Performance Indicator   | Previous Year Target | Previous Year Actual           | Previous Year Score | Target         | Actual                         | Score | Next Year Target | Notes |
|--|--------------|---|----------------------|--------------------------------|---------------------|----------------|--------------------------------|-------|------------------|-------|
| <b>2 Indicators from IDP</b>                         |              |   |                      |                                |                     |                |                                |       |                  |       |
| 1.12 Sufficient office space for Protection Services | D245         | Do a feasibility study in respect of new offices for Protection Services in Malmesbury and report to Council by June 2027 | 1 by June 2027       | N/a (2026/2027 financial year) | 0                   | 1 by June 2027 | N/a (2026/2027 financial year) |       | 1 by June 2027   |       |
| <b>3 Indicators Directors</b>                        |              |   |                      |                                |                     |                |                                |       |                  |       |

|   |      |  |                                 |                         |     |                                 |                                  |   |                                 |   |
|---|------|--|---------------------------------|-------------------------|-----|---------------------------------|----------------------------------|---|---------------------------------|---|
| Capital expenditure in line with budget and time frames   | D201 | Spent/achieved 95% of capital budget by the end of June  | 95% by end of June              | 98.53%                  | 5   | 95% by end of June              | 98.31%                           | 5 | 95% by end of June              | Budget: R3 055 015<br>YTD Actual: R3 003 371  |
| Operating expenditure in line with budget and time frames | D203 | Spend 90% of the operating budget by the end of June   | 90% by end of June              | 100.55%                 | 5   | 90% by end of June              | 95.28%                           | 5 | 90% by end of June              | Budget: R113 702 831<br>YTD Actual: R108 330 767<br>Includes R23 658 860 non-cash transactions.<br>(Exc R23 658 860 non-cash transactions = 93,90%) |
| Council decision implementation                           | D205 | Initiate/implement 100% of council decisions monthly   | 100%                            | 100%                    | 5   | 100%                            | 100% for the past 12 months      | 5 | 100%                            |   |
| Performance and financial monitoring                      | D206 | Ensure that monthly performance assessments are held   | 11 for the year                 | 12                      | 5   | 8 for the year                  | 12                               | 5 | 8 for the year                  |   |
| Annual Report inputs provided by departments              | D207 | Complete departmental input to the annual report on the AR Framework annually by end of October      | 100% annually by end of October | 100% by 30 October 2023 | 3,8 | 100% annually by end of October | 100% by 5 Aug 2024               | 5 | 100% annually by end of October |   |
| Budget inputs provided by departments                     | D208 | Submit budget requests to th financial department by end of October                                  | 1 by end of October             | 1 by 26 October 2023    | 5   | 1 by end of October             | 1 by 18 October 2024             | 5 | 1 by end of October             |   |
| Audit issues resolved                                     | D213 | % of internal audit actions implemented by 30 June   | 100% by 30 June                 | 100% by 24 Jun 2024     | 5   | 100% by 30 June                 | N/a (No IA actions for the year) |   | 100% by 30 June                 |   |
| Audit issues resolved                                     | D214 | % of Auditor General's queries (comafs) for which an action plan was submitted within 5 working days | 100% by 30 June                 | N/a (no COMAFs)         | 0   | 100% by 30 June                 | N/a (no comafs)                  |   | 100% by 30 June                 |   |
| Audit issues resolved                                     | D215 | % of Auditor General's   | 100% by 30                      | N/a (no                 | 0   | 100% by 30                      | N/a (no                          |   | 100% by 30                      |   |

|  |      | findings implemented by 30 June   | June            | COMAFs)          |   | June            | comafs)            |   | June            |  |
|--|------|---|-----------------|------------------|---|-----------------|--------------------|---|-----------------|--|
| Risk identification and control implementation | D216 | Complete bi-annual departmental risk assessments  | 2 for the year  | 2                | 5 | 2 for the year  | 2                  | 5 | 2 for the year  |  |
| Risk identification and control implementation | D217 | % of Risk Action Plans implemented by 30 June   | 100% by 30 June | 100%             | 5 | 100% by 30 June | 100%               | 5 | 100% by 30 June |  |
| Invocoms held                                  | D221 | Ensure that monthly invocoms are held   | 10 for the year | 11               | 4 | 10 for the year | 12                 | 5 | 10 for the year |  |
| Average duration of vacancies reduced          | D222 | Fill vacancies within 6 months after decision was taken by management to fill the post  | Within 6 months | Within 2 months  | 5 | Within 6 months | within 1.36 months | 5 | Within 6 months |  |
| Productive workforce                           | D223 | Monitor the percentage of person days lost per month due to sick leave  | 4%              | 3.01%            | 5 | 4%              | 3.68%              | 5 | 4%              | Reason: An Employee have cancer and had to undergo a lot of chemo sessions. Thus the actual is due to valid sick leave.<br>Corrective Measure: N/a |
| EPWP monitoring                                | D225 | Monitor the number of EPWP work opportunities created by 30 June  | 296             | 307              | 5 | 296             | 465                | 5 | 296             |  |
| Assets safeguarding                            | D226 | Complete a condition assessment and review of the remaining useful life of all assets in the department and submit a certification in this regard to the Head Asset Management within the first week after the financial year end | 1               | 1 on 6 July 2023 | 4 | 1               | 1 on 2 July 2024   | 5 | 1               |  |
| Assets safeguarding                            | D227 | Report all moveable assets quarterly that were lost or stolen in the prescribed   | 4 for the year  | 4                | 5 | 4 for the year  | 4                  | 5 | 4 for the year  |  |

|   |      |  |                              |                      |   |                              |                     |     |                              |   |
|---|------|--|------------------------------|----------------------|---|------------------------------|---------------------|-----|------------------------------|---|
|   |      | manner to the Head:<br>Asset Management  |                              |                      |   |                              |                     |     |                              |   |
| Communication Strategy implementation   | D228 | Submit a plan of all planned communication activities for the next financial year in terms of the Communication Strategy to the Communication Officer by end of June | 1 by end of June             | 1 on 31 May 2024     | 5 | 1 by end of June             | 1 by 21 May 2025    | 5   | 1 by end of June             |   |
| Communication Strategy implementation   | D229 | Submit quarterly reports on all communication activities undertaken by the directorate submitted to the Communication Officer  | 4 for the year               | 4                    | 4 | 4 for the year               | 4 by 14 July 2025   | 2,5 | 4 for the year               | Last report was submitted on 14 July 2025<br>Reason: Request from CO was received and stated that the documents must be submitted in July.<br>Corrective Measure: N/a |
| Spending of grants  | D231 | Spend 100% of operational and capital grants by the end of June  | 100% by end of June          | 100%                 | 5 | 100% by end of June          | 100%                | 5   | 100% by end of June          |   |
| Ensure that accurate revenue estimates are prepared in relation to operating requirements | D232 | Submit projected tariff increases determined for the new budget annually by end of October   | 1 annually by end of October | 1 on 26 October 2023 | 5 | 1 annually by end of October | 1 by 1 October 2024 | 5   | 1 annually by end of October |   |

**(b) Employees: Protection Services**

| Level   | Previous Year Posts | Employees | Posts | Vacancies | Vacancies As Percentage |
|---------|---------------------|-----------|-------|-----------|-------------------------|
| 00 - 03 | 0                   | 0         | 0     | 0         | 0,00%                   |
| 04 - 06 | 0                   | 0         | 0     | 0         | 0,00%                   |
| 07 - 09 | 1                   | 1         | 1     | 0         | 0,00%                   |
| 10 - 12 | 0                   | 0         | 0     | 0         | 0,00%                   |
| 13 - 15 | 0                   | 0         | 0     | 0         | 0,00%                   |
| 16 - 18 | 0                   | 0         | 0     | 0         | 0,00%                   |

|              |          |          |          |          |         |
|--------------|----------|----------|----------|----------|---------|
| 19 - 20      | 1        | 0        | 1        | 1        | 100,00% |
| <b>TOTAL</b> | <b>2</b> | <b>1</b> | <b>2</b> | <b>1</b> |         |

**(c) Financial Performance: Protection Services**

| Operational Expenditure Type | Previous Year Actual | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R2,641,106           | R2,792,266        | R2,876,266        | R2,851,129        | 102,11%                  |
| 2 Contracted Services        | R19,722              | R31,129           | R31,129           | R14,864           | 47,75%                   |
| 3 Other                      | R110,151             | R190,506          | R171,874          | R114,816          | 60,27%                   |
| <b>TOTAL</b>                 | <b>R2,770,979</b>    | <b>R3,013,901</b> | <b>R3,079,269</b> | <b>R2,980,809</b> | <b>98.90%</b>            |

**(d) Capital Expenditure: Protection Services**

| ProjectName                                  | OriginalBudget | AdjustmentBudget | Actual  | OriginalBudgetVariance |
|--|----------------|------------------|---------|------------------------|
| 24/25 CCTV Equipment and Radio Communication | R60,000        | R60,000          | R30,434 | 50,72%                 |
| 24/25 Equipment: Protection                  | R60,000        | R60,000          | R59,741 | 99,57%                 |

**3.10. OTHER SERVICES****3.10.1 EXPENDITURE****(a) Expenditure performance results**

| Performance Objective   | Objective ID | Key Performance Indicator   | Previous Year Target | Previous Year Actual | Previous Year Score | Target                 | Actual | Score | Next Year Target | Notes |
|---|--------------|---|----------------------|----------------------|---------------------|------------------------|--------|-------|------------------|-------|
| <b>4 Indicators Division Heads</b>  |              |   |                      |                      |                     |                        |        |       |                  |       |
| Delegated Designated South African Revenue Service (SARS) Representative for Swartland Municipality | IIA675       | Evaluate the VAT apportionment based on the accrual basis by 31 March | 1 by 31 December     | 1                    | 3                   | 1 annually by 31 March | 1      | 3     | 1 by 31 March    |       |

|   |        |   |                    |        |   |                          |        |   |                    |   |
|---|--------|---|--------------------|--------|---|--------------------------|--------|---|--------------------|---|
| Financial Planning and Reporting  | IIA676 | Compile and submit the 1st Draft Salary Budget to the Director: Financial Services by 31 October              | 1 by 31 October    | 1      | 3 | 1 annually by 31 October | 1      | 3 | 1 by 31 October    |   |
| Designated South African Revenue Service (SARS) Representative for Swartland Municipality           | IIA677 | Submit the VAT 201 to SARS by the last business day of the month  | 12 for the year    | 12     | 3 | 12 for the year          | 12     | 5 | 12 for the year    |   |
| Delegated Designated South African Revenue Service (SARS) Representative for Swartland Municipality | IIA678 | Ensure the submission of the EMP 501 biannually as determined by SARS   | 1 by 31 May        | 1      | 5 | 1                        | 1      | 5 |                    | KPI was added with the mid-year review. |
| Designated South African Revenue Service (SARS) Representative for Swartland Municipality           | IIA679 | Ensure EMP 201 is submitted on a monthly basis by the 7th day of the month to SARS                            | 12 for the year    | 12     | 3 | 12 for the year          | 12     | 5 | 12 for the year    |   |
| Manage the Expenditure and VAT Section  | IIA680 | Pay creditors within 30 days after receipt of invoice   | 97% within 30 days | 99.39% | 5 | 97% within 30 days       | 99.63% | 4 | 97% within 30 days |   |
| Procedure, Systems and Controls   | IIA681 | Review the policies the incumbent is responsible for and submit to the Senior Manager: Treasury by 25 January | 1 by 31 January    | 1      | 3 | 1 annually by 25 January | 1      | 4 | 1 by 31 January    |   |
| Financial Planning and Reporting  | IIA683 | Ensure the submission of the bank reconciliation by the 10th working day and submit to the Budget Office      | 12 for the year    | 12     | 3 | 12 for the year          | 12     | 4 | 12 for the year    |   |
| Personnel and Performance Management  | IIA684 | Limit personnel days lost per month due to sick leave by 4% per month   | 4%                 | 1.97%  | 4 | 4%                       | 2.77%  | 5 | 4%                 |   |
| Personnel and Performance Management  | IIA688 | Hold quarterly meetings with all direct reportees   | 4 for the year     | 4      | 3 | 4 for the year           | 4      | 4 | 4 for the year     |   |

|                                  |        |   |                                |      |   |                |      |   |                |  |
|----------------------------------|--------|---|--------------------------------|------|---|----------------|------|---|----------------|--|
|                                  |        | (INVOCOMS)  |                                |      |   |                |      |   |                |  |
| Financial Planning and Reporting | IIA689 | Review the operational risk register bi-annually by 31 December and 30 June                         | 2 (by 31 December and 30 June) | 2    | 3 | 2 for the year | 2    | 3 | 2 for the year |  |
| Procedure, Systems and Controls  | IIA692 | Respond to AG queries within 5 working days (or prescribed by query) after the request was received | 100%                           | 100% | 3 | 100%           | 100% | 3 | 100%           |  |

**(b) Employees: Expenditure**

| Level        | Previous Year Posts | Employees | Posts     | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|-----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0         | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0         | 0         | 0,00%                   |
| 07 - 09      | 7                   | 7         | 7         | 0         | 0,00%                   |
| 10 - 12      | 3                   | 1         | 1         | 0         | 0,00%                   |
| 13 - 15      | 1                   | 2         | 2         | 0         | 0,00%                   |
| 16 - 18      | 0                   | 1         | 1         | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0         | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>11</b>           | <b>11</b> | <b>11</b> | <b>0</b>  |                         |

**3.10.2 BUDGET OFFICE AND COSTING****(a) Budget Office and Costing performance results**

| Performance Objective              | Objective ID | Key Performance Indicator                                     | Previous Year Target | Previous Year Actual | Previous Year Score | Target | Actual                     | Score | Next Year Target | Notes |
|------------------------------------|--------------|---|----------------------|----------------------|---------------------|--------|----------------------------|-------|------------------|-------|
| <b>4 Indicators Division Heads</b> |              |   |                      |                      |                     |        |                            |       |                  |       |
| Training                           | IIA1868      | Ensure that 95% of planned training sessions according to the |                      |                      | 0                   | 95%    | N/a (No training sessions) |       | 95%              |       |

|  |         |   |                           |                   |   |                           |       |   |                          |  |
|--|---------|---|---------------------------|-------------------|---|---------------------------|-------|---|--------------------------|--|
|  |         | Workplace Skills Plan realised by the end of June   |                           |                   |   |                           |       |   |                          |  |
| Training                                   | IIA1909 | Submit training needs of staff to HR at meetings held with all departments during November annually                   |                           |                   | 0 | 1 annually by November    | 1     | 5 | 1 annually by November   |  |
| Procedures, Systems And Controls           | IIA436  | Review the Virement Policy and submit to the Director: Financial Services by 31 January                               | 1 annually by 31 January  | 1 in January 2024 | 3 | 1 annually by 31 January  | 1     | 4 | 1 annually by 31 January |  |
| Procedures, Systems And Controls           | IIA437  | Review the Budget Implementation Policy and submit to the Director: Financial Services by 31 January                  | 1 annually by 31 January  | 1 in January 2024 | 3 | 1 annually by 31 January  | 1     | 4 | 1 annually by 31 January |  |
| Budget Compilation and Financial Reporting | IIA438  | Submit the Mid-Year Adjustment Budget requests to the Director: Financial Services by 10 December                     | 1 annually by 10 December | 1                 | 3 | 1 annually by 10 December | 1     | 5 | 1 by 10 December         |  |
| Budget Compilation and Financial Reporting | IIA439  | Submit the verified multi-year draft operating and capital budgets to the Director: Financial Services by 31 December | 1 annually by 31 December | 1                 | 3 | 2 annually by 31 December | 2     | 5 | 2 by 31 December         |  |
| Personnel and Performance Management       | IIA440  | Limit personnel days lost per month due to sick leave by 4% per month   | 4%                        | 1.01%             | 5 | 4%                        | 2.37% | 5 | 4%                       |  |
| Participation and Communication            | IIA444  | Hold quarterly meetings with all direct reportees (INVOCOMS)  | 4 for the year            | 4                 | 3 | 4 for the year            | 4     | 4 |                          |  |
| Participation and Communication            | IIA445  | Review the operational risk register bi-annually by 31 December and 30 June   | 2 for the year            | 2                 | 3 | 2 for the year            | 2     | 5 | 2 for the year           |  |



**(b) Employees: Budget Office and Costing**

| Level   | Previous Year Posts | Employees | Posts | Vacancies | Vacancies As Percentage |
|---------|---------------------|-----------|-------|-----------|-------------------------|
| 00 - 03 | 0                   | 0         | 0     | 0         | 0,00%                   |
| 04 - 06 | 0                   | 0         | 0     | 0         | 0,00%                   |
| 07 - 09 | 0                   | 0         | 0     | 0         | 0,00%                   |
| 10 - 12 | 0                   | 0         | 0     | 0         | 0,00%                   |
| 13 - 15 | 1                   | 1         | 1     | 0         | 0,00%                   |
| 16 - 18 | 1                   | 1         | 1     | 0         | 0,00%                   |
| 19 - 20 | 0                   | 0         | 0     | 0         | 0,00%                   |

**3.10.3 FINANCIAL STATEMENTS AND CONTROL****(a) Financial Statements and Control performance results**

| Performance Objective   | Objective ID | Key Performance Indicator   | Previous Year Target | Previous Year Actual | Previous Year Score | Target                 | Actual                                   | Score | Next Year Target       | Notes |
|---|--------------|---|----------------------|----------------------|---------------------|------------------------|--|-------|------------------------|-------|
| <b>4 Indicators Division Heads</b>  |              |   |                      |                      |                     |                        |  |       |                        |       |
| Training  | IIA1853      | Ensure that 95% of planned training sessions according to the Workplace Skills Plan realised by the end of June |                      |                      | 0                   | 95% annually by June   | N/a (No training for the financial year) |       | 95% annually by June   |       |
| Training  | IIA1894      | Submit training needs of staff to HR at meetings held with all departments during November annually             |                      |                      | 0                   | 1 annually by November | 1  | 5     | 1 annually by November |       |
| Strategic Financial Management and Financial Planning of the Municipality's Priorities in | IIA848       | Review the Department's Budget related policies accounting policies and submit to the Director                  | 1 by 31 January      | 1                    | 3                   | 1 by 31 January        | 1  | 5     | 1 by 31 January        |       |

| line with the Municipality's Fiscal Objectives   |        | Financial Services by 31 January   |                                |       |   |                 |       |   |                 |  |
|--|--------|--|--------------------------------|-------|---|-----------------|-------|---|-----------------|--|
| Manage the Financial Statements Sub-Section of the Municipality as per Duties delegated by the CFO                                     | IIA850 | Submit AFS and audit file by 31 August to the AG   | 1 by 31 August                 | 1     | 3 | 1 by 31 August  | 1     | 5 | 1 by 31 August  |  |
| Management of the Cash/Treasury Resources of the Municipality in Support to MM and CFO's Responsibilities in terms of the MFMA and MSA | IIA851 | Submit the recommendation of investment money by the 10th working day of the month to Director: Financial Services | 12 for the year                | 12    | 3 | 12 for the year | 15    | 5 | 12 for the year |  |
| Manage Personnel Strategy and Operations as per Authority delegated by the CFO   | IIA855 | Hold monthly meetings with all direct reportees (INVOCOMS)   | 10 for the year                | 12    | 5 | 10 for the year | 13    | 5 | 10 for the year |  |
| Directly influence and lead the Mitigation of Strategic Accounting Risks as per the Municipality's Audit Strategy                      | IIA856 | Review the operational risk register bi-annually by 31 December and 30 June  | 2 (by 31 December and 30 June) | 3     | 3 | 2 for the year  | 2     | 5 | 2 for the year  |  |
| Management of Reporting and Correspondence   | IIA858 | Respond to AGSA findings within 5 working days (or prescribed by query) after the request was received             | 100%                           | 100%  | 3 | 100%            | 100%  | 5 | 100%            |  |
| Manage Personnel Strategy and Operations as per Authority delegated by the CFO   | IIA859 | Limit personnel days lost per month due to sick leave by 4% per month  | 4%                             | 4.36% | 3 | 4%              | 2.74% | 5 | 4%              |  |

**(b) Employees: Financial Statements and Control**

| Level        | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 07 - 09      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 10 - 12      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 13 - 15      | 1                   | 0         | 0        | 0         | 0,00%                   |
| 16 - 18      | 2                   | 3         | 3        | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>3</b>            | <b>3</b>  | <b>2</b> | <b>0</b>  |                         |

**3.10.4 INCOME****(a) Income performance results**

| Performance Objective                           | Objective ID | Key Performance Indicator  | Previous Year Target | Previous Year Actual | Previous Year Score | Target                    | Actual | Score | Next Year Target | Notes |
|---|--------------|--|----------------------|----------------------|---------------------|---------------------------|--------|-------|------------------|-------|
| <b>4 Indicators Division Heads</b>              |              |  |                      |                      |                     |                           |        |       |                  |       |
| Strategic planning and Reporting                | IIA463       | Submit the budget related inputs report to the Budget office by 30 November  | 1 by 30 November     | 1                    | 3                   | 1 annually by 30 November | 1      |       | 1 by 30 November |       |
| Specialised Services                            | IIA464       | Calculate the monthly distribution losses and submit the information to the Directors Civil and Electrical Services by the 10th working day of the month | 12 for the year      | 12                   | 3                   | 12 for the year           | 12     |       | 12 for the year  |       |
| Statutory Frameworks, Policies, and Procedures, | IIA465       | Review the Tariff Policy and submit to the Senior  | 1 by 15 January      | 1                    | 3                   | 1 annually by 15          | 1      |       | 1 by 15 January  |       |

|                                |        |   |                                |       |   |                 |       |  |                                |  |
|--------------------------------|--------|---|--------------------------------|-------|---|-----------------|-------|--|--------------------------------|--|
| Systems and Controls           |        | Manager by the 15th January   |                                |       |   | January         |       |  |                                |  |
| Divisional Strategic Reporting | IIA466 | Review the operational risk register bi-annually by 31 December and 30 June         | 2 (by 31 December and 30 June) | 2     | 3 | 2 for the year  | 2     |  | 2 (by 31 December and 30 June) |  |
| Debtors Control                | IIA467 | Ensure the meter readings don't exceeding a 32 day period from the previous reading | 100%                           | 100%  | 3 | 100%            | 100%  |  | 100%                           |  |
| Divisional Strategic Matters   | IIA471 | Hold monthly meetings (INVOCOMS) with all direct reportees                          | 10 for the year                | 10    | 3 | 10 for the year | 10    |  | 10 for the year                |  |
| Divisional Strategic Matters   | IIA474 | Limit personnel days lost per month due to sick leave by 4% per month               | 4%                             | 1.64% | 4 | 4%              | 1.73% |  | 4%                             |  |

**(b) Employees: Income**

| Level        | Previous Year Posts | Employees | Posts     | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|-----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0         | 0         | 0,00%                   |
| 04 - 06      | 11                  | 11        | 11        | 0         | 0,00%                   |
| 07 - 09      | 17                  | 16        | 17        | 1         | 5,88%                   |
| 10 - 12      | 3                   | 2         | 3         | 1         | 33,33%                  |
| 13 - 15      | 1                   | 1         | 1         | 0         | 0,00%                   |
| 16 - 18      | 0                   | 1         | 1         | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0         | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>32</b>           | <b>31</b> | <b>33</b> | <b>2</b>  |                         |

### 3.10.5 STRATEGIC MANAGEMENT

#### (a) Introduction

The purpose of Strategic Management is to provide an efficient and pro-active strategic service to the Council, the Municipal Manager and the Organisation which includes -

- Development and management of strategic services
- Community participation as described in chapter 4 of the Municipal Systems Act
- Integrated development planning as described in chapter 5 of the Municipal Systems Act
- Performance management as described in chapter 6 of the Municipal Systems Act
- Programme and project management
- Intergovernmental alignment

Local economic development

#### (b) Strategic Management performance results

| Performance Objective   | Objective ID | Key Performance Indicator   | Previous Year Target           | Previous Year Actual | Previous Year Score | Target         | Actual | Score | Next Year Target | Notes |
|---|--------------|---|--------------------------------|----------------------|---------------------|----------------|--------|-------|------------------|-------|
| <b>4 Indicators Division Heads</b>                            |              |   |                                |                      |                     |                |        |       |                  |       |
| Development and management of the Strategic Services function | IIA1072      | Hold 1 INVOCOM per quarter with direct reportees                            | 4 for the year                 | 4                    | 3                   | 4 for the year | 4      | 3     | 4 for the year   |       |
| Development and management of the Strategic Services function | IIA1073      | Limit personnel days lost per month due to sick leave by 4% per month       | 4%                             | 1.16%                | 4                   | 4%             | 0.43%  | 5     | 4%               |       |
| Development and management of the Strategic Services function | IIA1074      | Review the operational risk register bi-annually by 31 December and 30 June | 2 (by 31 December and 30 June) | 2                    | 3                   | 2 for the year | 2      | 5     | 2 for the year   |       |
| Development and management of the Strategic Services function | IIA1075      | Respond to requests from Internal Audit within 5 working days               | 90%                            | 95.42%               | 5                   | 90%            | 96.42% | 4     | 90%              |       |
| Community Participation                                       | IIA1076      | Consult stakeholders bi-annually on the compilation of the IDP              | 2 for the year                 | 2                    | 3                   | 2 for the year | 3      | 3     | 2 for the year   |       |
| Community Participation                                       | IIA1077      | Conduct a strategic   | 100% by 30                     | 100% on 12           | 2                   | 100% by 30     | 100%   | 3     | 100% by          |       |

|                            |         |  |                            |                     |   |                            |      |   |                            |  |
|----------------------------|---------|--|----------------------------|---------------------|---|----------------------------|------|---|----------------------------|--|
|                            |         | session with Councillors and management with the compilation and revision of the IDP by 30 November    | November                   | December 2023       |   | November                   |      |   | 30 November                |  |
| Strategic Planning         | IIA1078 | Develop a time schedule for the IDP and budget process by 31 August and submit to Council for approval | 1 by 31 August             | 1 by 24 August 2023 | 4 | 1 by 31 August             | 1    | 3 | 1 by 31 August             |  |
| Local economic development | IIA1079 | Review Local Economic Development Policy and submit to the MM by 31 May                                | 1 by 31 May                | 1                   | 3 | 1 by 31 May                | 1    | 4 | 1 by 31 May                |  |
| Strategic Planning         | IIA1080 | Review the Performance Management Policy/framework and submit to the MM by 31 May                      | 1 by 31 May                | 1 in January 2024   | 5 | 1 by 31 May                | 1    | 4 | 1 by 31 May                |  |
| Strategic Planning         | IIA1081 | Oversee the compilation and submission of the final IDP to Council by 31 May                           | 1 by 31 May                | 1                   | 3 | 1 by 31 May                | 1    | 3 | 1 by 31 May                |  |
| Performance Management     | IIA1082 | Attend performance management meetings monthly   | 10 for the year            | 10                  | 3 | 8 for the year             | 12   | 5 | 8 for the year             |  |
| Performance Management     | IIA1083 | Hold performance evaluation session for section 57 managers annually by September                      | 100% annually by September | 100%                | 3 | 100% annually by September | 100% | 3 | 100% annually by September |  |
| Performance Management     | IIA1084 | Submit the Section 72 report to the Mayor by the 25th of January                                       | 1 by the 25th of January   | 1                   | 3 | 1 by the 25th of January   | 1    | 3 | 1 by the 25th of January   |  |
| Performance Management     | IIA1085 | Submit the Section 72 report to Council by 31 January  | 1 by 31 January            | 1                   | 4 | 1 by 31 January            | 1    | 3 | 1 by 31 January            |  |

|                            |         |   |                 |                      |   |                        |                            |   |                 |  |
|----------------------------|---------|---|-----------------|----------------------|---|------------------------|----------------------------|---|-----------------|--|
| Performance Management     | IIA1086 | Review Key performance indicators of Section 57 managers and submit a report to the Mayoral Committee by 31 January   | 1 by 31 January | 1 on 24 January 2024 | 3 | 1 by 31 January        | 1                          | 3 | 1 by 31 January |  |
| Performance Management     | IIA1087 | Submit the Final Top Layer SDBIP and the draft performance agreements of the S57 managers to the Executive Mayor within 14 days after the budget has been approved by Council | 1               | 1 on 14 June 2024    | 3 | 1                      | 1                          | 3 | 1               |  |
| Local economic development | IIA1088 | Report to the MM quarterly on economic development issues   | 4 for the year  | 4                    | 3 | 4 for the year         | 4                          | 3 | 4 for the year  |  |
| Training                   | IIA1863 | Ensure that 95% of planned training sessions according to the Workplace Skills Plan realised by the end of June   |                 |                      | 0 | 95%                    | N/a (no training sessions) |   | 95%             |  |
| Training                   | IIA1904 | Submit training needs of staff to HR at meetings held with all departments during November annually   |                 |                      | 0 | 1 annually by November | 1                          | 5 | 1               |  |

**(c) Employees: Strategic Management**

Included under Administration Municipal Manager

**(d) Financial Performance: Strategic Management**

Included under Administration Municipal Manager

**(e) Comment on the performance of Strategic Management overall**

The Strategic Management Services continued to play a pivotal role in guiding Swartland Municipality's long-term planning and performance oversight during 2024/2025. The unit successfully coordinated the development, monitoring and review of the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP), ensuring alignment with Council's strategic objectives and legislative requirements. It facilitated performance reporting and compliance processes, contributing to improved governance and transparency. Notable achievements include supporting the implementation of strategic infrastructure planning for growth areas, strengthening interdepartmental coordination, and enhancing public participation in municipal planning processes. These efforts have helped position the municipality to respond proactively to community needs and development opportunities.

**3.10.6 INTERNAL AUDIT (INCLUDING RISK MANAGEMENT)**

**(a) Introduction**

**Internal Audit**

The purpose of the Internal Audit Activity (IAA) is to provide an independent, objective assurance and consulting services designed to add value and improve Swartland Municipality's operations. The IAA helps the organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The scope of work of the IAA is to determine whether the municipality's control processes, as designed and represented by management, are adequate and functioning in a manner to ensure amongst others the:

- i. Safeguarding of assets;
- ii. Compliance with laws, regulations and contractual obligations;
- iii. Reliability and integrity of information; and
- iv. Economic, efficient and effective use of resources.

The Chief Audit Executive follows a risk based audit approach whereby an annual audit plan is compiled and executed. Included in the plan are special tasks or projects requested by Management and the Performance, Risk and Audit Committee. Reporting to the Municipal Manager regarding the activities of the unit such as audits and investigations performed, audit findings not yet implemented and any other concerns is done on a monthly basis. Quarterly Performance, Risk and Audit Committee meetings are held where risk management, performance management, audit reports issued and performance against the audit plan are discussed. Audit findings raised by the Auditor-General are also discussed and the implementation thereof monitored. Minutes of these meetings are submitted to the Executive Mayoral Committee and noted at Council meetings as being received.

**Risk Management**

A fully functional Enterprise Risk Management unit has not been established within Swartland Municipality and the responsibility to assist management in compiling and updating risk registers assigned to Internal Audit. Risk Management is one of management's core responsibilities and therefore the Internal Audit unit as part of their consulting services, assists



management with the implementation of risk management. The performance of risk assessments is done by Internal Audit through facilitating the process of identifying and assessing risks per Directorate.

Each directorate in conjunction with Internal Audit has compiled operational risk assessments as well as a strategic risk assessment to determine the magnitude of risk exposure by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives. These risk assessments are reviewed regularly to identify changes in the risk exposure that will result from changes in the organisation as well as external factors. Risk Management has been implemented in a comprehensive and integrated way, throughout the municipality rather than only in selected business areas or disciplines. The identified risks are prioritised which enables management to focus more time, effort and resources on higher risk areas. Identified high risk areas form part of the IDP and the Performance Management system which ensures that it is monitored on a continuous basis. The BarnOwl system is utilised to assess risks and to compile risk registers.

**(b) Internal Audit (including Risk Management) performance results**

| Performance Objective                  | Objective ID | Key Performance Indicator   | Previous Year Target  | Previous Year Actual   | Previous Year Score | Target                | Actual                | Score | Next Year Target      | Notes |
|--|--------------|---|-----------------------|------------------------|---------------------|-----------------------|-----------------------|-------|-----------------------|-------|
| <b>4 Indicators Division Heads</b>     |              |   |                       |                        |                     |                       |                       |       |                       |       |
| Development of Policies and Procedures | IIA1096      | Review and submit Internal Audit Strategy and Work Procedures to PRAC annually by 30 June | 1 annually by 30 June | 1 by 22 August 2023    | 5                   | 1 annually by 30 June | 1 by 27 May 2025      | 5     | 1 annually by 30 June |       |
| Development of Policies and Procedures | IIA1097      | Review and submit Internal Audit Charter to the PRAC by 30 June                           | 1 annually by 30 June | 1 by 22 August 2023    | 5                   | 1 annually by 30 June | 1 by 26 November 2024 | 5     | 1 annually by 30 June |       |
| Development of Policies and Procedures | IIA1098      | Review and submit PRAC Charter to the EMC annually by 30 June                             | 1 annually by 30 June | 1 by 11 September 2023 | 5                   | 1 annually by 30 June | 1 by 11 December 2024 | 5     | 1 annually by 30 June |       |
| Development of Policies and Procedures | IIA1099      | Review and submit Risk Management Strategic Plan to the PRAC by 30 June                   | 1 annually by 30 June | 1 by 28 May 2024       | 5                   | 1 annually by 30 June | 1 by 27 May 2025      | 5     | 1 annually by 30 June |       |
| Development of Policies and Procedures | IIA1100      | Review and submit Fraud and Anti-Corruption Policy to the Mayoral Committee by 30 June    | 1 annually by 30 June | 1 by 8 December 2023   | 5                   | 1 annually by 30 June | 1 by 25 March 2025    | 5     | 1 by 30 June          |       |
| Development of Policies and Procedures | IIA1101      | Review and submit Risk Management Policy to the Mayoral Committee by 30 June              | 1 annually by 30 June | 1 by 8 December 2023   | 5                   | 1 annually by 30 June | 1 by 25 March 2025    | 5     | 1 annually by 30 June |       |

|  |         |  |                 |             |   |                 |         |   |                 |  |
|--|---------|--|-----------------|-------------|---|-----------------|---------|---|-----------------|--|
| Resource Management  | IIA1102 | Limit personnel days lost per month due to sick leave by 4% per month  | 4%              | 2.67%       | 4 | 4%              | 0.21%   | 5 | 4%              |  |
| Resource Management  | IIA1103 | Hold 1 INVOCOM per quarter with direct reportees   | 4 for the year  | 4           | 3 | 4 for the year  | 4       | 3 | 4 for the year  |  |
| Execution of Audits  | IIA1104 | Compile and submit monthly reports regarding internal audit activities to the Municipal Manager by the 10th working day    | 12 for the year | 12          | 3 | 12 for the year | 12      | 3 | 12 for the year |  |
| Execution of Audits  | IIA1105 | Prepare and submit quarterly progress reports to the PRAC on the implementation of the RBAP                                | 4 for the year  | 4           | 3 | 4 for the year  | 4       | 3 | 4 for the year  |  |
| Ensure effective liaison with the Auditor-General and coordination of the implementation of the AGs findings | IIA1106 | Obtain documents/information as per Auditor General request for information within 2 working days                          | 100%            | 100%        | 3 | 100%            | 100%    | 3 | 100%            |  |
| Ensure effective liaison with the Auditor-General and coordination of the implementation of the AGs findings | IIA1107 | Obtain comments / action plan from responsible manager within 5 days from date of issue for all COMAFS submitted by the AG | 100%            | 100%        | 3 | 100%            | 100%    | 3 | 100%            |  |
| Reporting to the Performance, Risk and Audit Committee and Senior Management                                 | IIA1108 | Submit quarterly risk report to PRAC   | 4 for the year  | 5           | 3 | 4 for the year  | 4       | 3 | 4 for the year  |  |
| Reporting to the Performance, Risk and Audit Committee and Senior Management                                 | IIA1109 | Compile and submit the minutes of PRAC to the Mayoral Committee  | 4 for the year  | 4           | 3 | 4 for the year  | 4       | 3 | 4 for the year  |  |
| Reporting to the   | IIA1110 | Develop and submit the   | 1 annually      | 1 by 28 May | 5 | 1 annually      | 1 by 27 | 5 | 1 annually      |  |

|   |         |   |            |      |   |                          |          |   |                          |  |
|---|---------|---|------------|------|---|--------------------------|----------|---|--------------------------|--|
| Performance, Risk and Audit Committee and Senior Management |         | Risk Based Audit Plan to the PRAC annually by 30 June   | by 30 June | 2024 |   | by 30 June               | May 2025 |   | by 30 June               |  |
| Training  | IIA1862 | Ensure that 95% of planned training sessions according to the Workplace Skills Plan realised by the end of June |            |      | 0 | 95% by the end of June   | 100%     | 5 | 95% by the end of June   |  |
| Training  | IIA1903 | Submit training needs of staff to HR at meetings held with all departments during November annually             |            |      | 0 | 1 annually by November   | 1        | 5 | 1 annually by November   |  |
| Execution of Audits   | IIA1926 | Complete 100% of the Risk Based Audit Plan annually by 30 June  |            |      | 0 | 100% annually by 30 June | 100%     | 3 | 100% annually by 30 June |  |

**(c) Employees: Internal Audit**

| Job Level    | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 07 - 09      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 10 - 12      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 13 - 15      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 16 - 18      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>2</b>            | <b>2</b>  | <b>2</b> | <b>0</b>  |                         |

**(d) Financial Performance: Internal Audit**

| Operational Expenditure Type | Previous Year Actual | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R1,806,730           | R2,033,504        | R2,033,504        | R2,001,531        | 98,43%                   |
| 2 Contracted Services        | R157,601             | R300,691          | R254,891          | R197,080          | 65,54%                   |
| 3 Other                      | R62,305              | R535,015          | R550,942          | R437,654          | 81,80%                   |
| <b>TOTAL</b>                 | <b>R2,026,636</b>    | <b>R2,869,210</b> | <b>R2,839,337</b> | <b>R2,636,265</b> | <b>91.88%</b>            |

**(e) Comment on the performance of Internal Audit (including Risk Management) overall**

During the financial year, the Internal Audit Unit executed various audits and investigations of which the results were directly reported to the Performance, Risk and Risk Audit Committee, Municipal Manager and relevant Directors. Included in the internal audit reports against each audit finding an agreed management action plan, person responsible for implementation as well as a due date are indicated to facilitate the follow-up thereof. The implementation of findings issued by Internal Audit and the Auditor-General are managed by means of a list indicating "Findings not yet implemented" which is updated after the execution of the relevant follow-up audits.

Quarterly Performance, Risk and Audit Committee meetings were held and administered by the Chief Audit Executive. Risk registers and performance against the approved Risk Based Internal Audit Plan and Risk Management Strategic Plan are submitted to the committee and monitored.

Combined Assurance:

The implementation of the combined assurance plan is still in progress and a draft combined assurance report was tabled to management and the PRAC during May 2025 however further improvements still need to be made before a final report will be tabled.

**3.10.7 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

**(a) Introduction**

The ICT Department of Swartland Municipality provides the following services: telephone and e-mail communication, internet access, active directory authentication, file storing services, network connectivity between offices, various applications, for example Microsoft 365 which include Office and teams, Promun and Collaborator. The Department also implements and gives support on all PC's, servers, printers, copiers, telephones, PABX-systems, Access /TA(time and attendance) control, wired, fibre and wireless networks including both hardware and software. The Department consists of 4 full time officials, who support approximately 250 users. Most of the server infrastructure is virtualised and runs on 3 physical servers, connected to a central storage device. Certain of our services were moved to the cloud. The Department is responsible for the backup and restoration of the Municipality's data and also implements and maintains the Municipality's IT Disaster Recovery site.

Furthermore, the Department also limits the Municipality's expenditure by making use of new technology. The Department has installed a number of VoIP PABX-systems at the larger satellite offices in order to utilize our wide area network and software-defined wide area network effectively. The Department distributes approximately 17 864 accounts via email to residents instead of posting printed accounts, which further results in savings on both printing and mailing costs. Some of the challenges the Department face are ageing infrastructure, increasing demand for storage space, bandwidth constraints, user training and cyber security.

The Department assist with the rollout of purchasing prepaid electricity via various other channels including banking application and other online platforms.

**(b) ICT Services performance results**

| Performance Objective                             | Objective ID | Key Performance Indicator  | Previous Year Target | Previous Year Actual           | Previous Year Score | Target         | Actual | Score | Next Year Target | Notes   |
|---|--------------|--|----------------------|--------------------------------|---------------------|----------------|--------|-------|------------------|---|
| <b>2 Indicators from IDP</b>                      |              |  |                      |                                |                     |                |        |       |                  |   |
| 5.2 Inter-connected towns and Municipal buildings | D70          | Ensure the development of an ICT masterplan for connectivity and submit to the Mayoral Committee by June 2025                                    | 1 by June 2025       | N/a (2024/2025 financial year) | 0                   | 1 by June 2025 | 1      | 3     | 1 by June 2025   | The ICT plan was submitted to the Mayoral Committee on 18 June 2025             |
| 5.3 Smart City concept                            | D71          | Ensure the development of a proposal for implementing the "Smart City" concept in the Swartland and submit to the Mayoral Committee by June 2025 | 1 by June 2025       | N/a (2024/2025 financial year) | 0                   | 1 by June 2025 | 1      | 4     | 1 by June 2025   | Framework was submitted to EMC in May 2025. EMS meeting was held on 21 May 2025 |

**(c) Employees: ICT Services**

| Job Level    | Previous Year Posts | Employees | Posts    | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 04 - 06      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 07 - 09      | 0                   | 0         | 0        | 0         | 0,00%                   |
| 10 - 12      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 13 - 15      | 1                   | 1         | 1        | 0         | 0,00%                   |
| 16 - 18      | 2                   | 2         | 2        | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0        | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>4</b>            | <b>4</b>  | <b>4</b> | <b>0</b>  |                         |

**(d) Financial Performance: ICT Services**

| Operational Expenditure Type | Previous Year Actual | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance |
|------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|
| 1 Employees                  | R4,744,968           | R5,211,940         | R5,122,940         | R4,986,672         | 95,68%                   |
| 2 Contracted Services        | R207,552             | R1,775,701         | R1,623,234         | R1,359,550         | 76,56%                   |
| 3 Other                      | R10,811,876          | R14,022,671        | R13,657,030        | R10,504,612        | 74,91%                   |
| <b>TOTAL</b>                 | <b>R15,764,396</b>   | <b>R21,010,312</b> | <b>R20,403,204</b> | <b>R16,850,834</b> | 80.20%                   |

**(e) Capital Expenditure: ICT Services**

| Project  | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|--|-------------------|-------------------|-------------------|--------------------------|
| 24/25 DeskTops                                       | R368,000          | R368,010          | R368,008          | 100,00%                  |
| 24/25 Equiping Fire Office: Darling                  | R50,000           | R49,990           | R49,990           | 99,98%                   |
| 24/25 Equipment: Information Technology              | R75,000           | R75,000           | R72,733           | 96,98%                   |
| 24/25 Equipping Law Enf Office: K9 Unit (Malmesbury) | R150,000          | R150,000          | R150,000          | 100,00%                  |
| 24/25 Notebooks                                      | R510,000          | R510,000          | R507,216          | 99,45%                   |
| 24/25 Printers                                       | R77,000           | R77,000           | R75,460           | 98,00%                   |
| <b>TOTAL</b>   | <b>R1,230,000</b> | <b>R1,230,000</b> | <b>R1,223,407</b> |                          |

**(f) Comment on the performance of ICT Services overall**

The IT strategy is aligned with the strategic objectives of Swartland Municipality's Integrated Development Plan (IDP). The IDP objectives are:

- Community safety and wellbeing
- Economic transformation
- Quality and reliable services
- A healthy and sustainable environment
- A connected and innovative local government

The ICT services aid and assist in achieving the IDP strategic objectives in the following manner.

- A stable technology environment and infrastructure to support business units and departments in achieving their objectives
- Reduced down time of systems

- Increased support and optimized application and infrastructure resulting in increased productivity within Swartland Municipality
- Secure and govern IT asset
- Reduce cost through IT without compromising support and productivity
- Bring innovation through IT when required to support economic growth
- Interconnecting all Municipal buildings via Fibre optical cable network
- Enabling ease of business via Mobile application
- Rolling out a Smart City concept and technology (smart metring, public wif hotspot, CCTV cameras)

The capital projects for 2024/25 were intended to upgrade aging infrastructure, to bring down operating and maintenance costs by making use of equipment with a longer life cycle and connecting two new offices. The department was able to spent just over 99% of the availabel Capital budget and implemented all projects resulting in a +/-1% saving.

### 3.10.8 MUNICIPAL PROPERTY MAINTENANCE

#### *(a) Introduction*

The Division : Buildings and Structures completed a total of 201 small projects for the 2024/2025 financialyear scoring 96.79% on its overall performance and meeting its annual target of 90%. One major projects namely: "New Ablution facility at Moorreesburg Municipal Store" was also completed within the same year

#### *(b) Employees: Municipal Property Maintenance*

| Job Level    | Previous Year Posts | Employees | Posts     | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|-----------|-----------|-------------------------|
| 00 - 03      | 0                   | 0         | 0         | 0         | 0,00%                   |
| 04 - 06      | 5                   | 5         | 5         | 0         | 0,00%                   |
| 07 - 09      | 4                   | 4         | 4         | 0         | 0,00%                   |
| 10 - 12      | 1                   | 1         | 1         | 0         | 0,00%                   |
| 13 - 15      | 0                   | 0         | 0         | 0         | 0,00%                   |
| 16 - 18      | 1                   | 1         | 1         | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0         | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>11</b>           | <b>11</b> | <b>11</b> | <b>0</b>  |                         |

**(c) Financial Performance: Municipal Property Maintenance**

| Operational Expenditure Type | Previous Year Actual | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance |
|------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|
| 1 Employees                  | R5,463,173           | R6,482,025         | R6,403,525         | R5,881,711         | 90,74%                   |
| 2 Contracted Services        | R4,509,047           | R3,642,075         | R3,483,683         | R3,323,408         | 91,25%                   |
| 3 Other                      | R17,423,593          | R9,866,421         | R12,059,665        | R9,154,607         | 92,79%                   |
| <b>TOTAL</b>                 | <b>R27,395,813</b>   | <b>R19,990,521</b> | <b>R21,946,873</b> | <b>R18,359,726</b> | 69.43%                   |

**(d) Capital Expenditure: Municipal Property Maintenance**

| Project Name                                      | Original Budget | Adjustment Budget | Actual          | Original Budget Variance |
|---|-----------------|-------------------|-----------------|--------------------------|
| 24/25 Equipment : Buildings & Maintenance         | R30,000         | R33,110           | R33,108         | 110,36%                  |
| 24/25 Riebeek Kasteel Stores: Ablution Facilities | R300,000        | R30,000           | R25,750         | 8,58%                    |
| 24/25 Moorreesburg Stores: Ablution Facilities    | R350,000        | R350,000          | R302,022        | 86,29%                   |
| <b>TOTAL</b>                                      | <b>R680,000</b> | <b>R413,110</b>   | <b>R360,880</b> |                          |

**(e) Comment on the performance of Municipal Property Maintenance overall**

The Division : Buildings and Structures completed a total of 201 small projects for the 2024/2025 financial year scoring 96.79% on its overall performance and meeting its annual target of 90%. One major project namely : “New Ablution facility at Moorreesburg Municipal Store” was also completed within the same year.



### 3.10.9 TOWN AND COMMUNITY HALLS (INCLUDING PROPERTY AND LEGAL)

#### (a) Introduction

The Corporate Services Directorate is responsible for the administration of the Municipality's property portfolio, including the sale and lease of immovable properties and all transactions and contracts relating to same, and to ensure that all related actions and documents are legally compliant.

Legal Services are outsourced but the Directorate assists council, executive structures and the various municipal directorates with, inter alia –

- the interpretation and application of national and provincial legislation;
- policy formulation within the applicable legal frameworks;
- the assessment of legal risks and obtaining legal opinions where necessary; and
- the administration of legal actions and claims on behalf of and against the Municipality.

#### (b) Employees: Town and community halls (including property and legal)

| Job Level    | Previous Year Posts | Employees | Posts     | Vacancies | Vacancies As Percentage |
|--------------|---------------------|-----------|-----------|-----------|-------------------------|
| 00 - 03      | 4                   | 4         | 4         | 0         | 0,00%                   |
| 04 - 06      | 12                  | 12        | 12        | 0         | 0,00%                   |
| 07 - 09      | 1                   | 1         | 1         | 0         | 0,00%                   |
| 10 - 12      | 1                   | 1         | 1         | 0         | 0,00%                   |
| 13 - 15      | 1                   | 1         | 1         | 0         | 0,00%                   |
| 16 - 18      | 0                   | 0         | 0         | 0         | 0,00%                   |
| 19 - 20      | 0                   | 0         | 0         | 0         | 0,00%                   |
| <b>TOTAL</b> | <b>19</b>           | <b>19</b> | <b>19</b> | <b>0</b>  |                         |

#### (c) Financial Performance: Town and community halls (including property and legal)

| Operational Expenditure Type | Previous Year Actual | Original Budget   | Adjustment Budget | Actual            | Original Budget Variance |
|------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|
| 1 Employees                  | R4,587,749           | R5,479,126        | R5,352,126        | R5,109,860        | 93,26%                   |
| 2 Contracted Services        | R153,650             | R277,323          | R160,918          | R118,340          | 42,67%                   |
| 3 Other                      | R1,524,376           | R1,369,770        | R1,419,505        | R1,201,790        | 87,74%                   |
| <b>TOTAL</b>                 | <b>R6,265,775</b>    | <b>R7,126,219</b> | <b>R6,932,549</b> | <b>R6,429,990</b> | <b>90.23%</b>            |

**(d) Capital Expenditure: Town and community halls (including property and legal)**

| Project  | Original Budget | Adjustment Budget | Actual         | Original Budget Variance |
|--|-----------------|-------------------|----------------|--------------------------|
| 24/25 Equipment Corporate: Buildings & Swartland Halls | R100,000        | R100,000          | R96,380        | 96,38%                   |
| <b>TOTAL</b>   | <b>R100,000</b> | <b>R100,000</b>   | <b>R96,380</b> |                          |

**(e) Comment on the performance of Town and community halls overall**

Halls are utilised on a regular basis including standing users of which the WP Blood Transfusion Services and SASSA are examples.

Cleaning of halls is done by municipal cleaning staff, while maintenance of the buildings is the function of the Building Division. Maintenance is being carried out subject to the availability of funds.

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.1 INTRODUCTION

Swartland Municipality aims to ensure service delivery of the best possible quality for all the inhabitants of the Municipality. To achieve this, a prime goal of the Municipality's Human Resource Strategy is: **To create a flexible organisation that enables optimal performance by developing and retaining a properly skilled and representative workforce.** Swartland Municipality considers its human resources as one of its most critical assets. This chapter will focus on some of the key issues relating to human resources and other organisational management issues. Issues which will be addressed includes the staffing rate of the municipality, personnel cost, the status quo of retirement funds and medical aid schemes, human resource policies and practices, as well as the remuneration of senior officials and councillors.

### 4.2 MUNICIPAL PERSONNEL

#### (a) Employees

| Service Name                                     | Posts | Employees | Vacancies | Vacancies As Percentage |
|--|-------|-----------|-----------|-------------------------|
| Asset and Fleet Management                       | 4     | 4         | 0         | 0,00%                   |
| Budget Office and Costing                        | 2     | 2         | 0         | 0,00%                   |
| Building Control                                 | 6     | 6         | 0         | 0,00%                   |
| Caravan Park Yzerfontein                         | 6     | 6         | 0         | 0,00%                   |
| Cemeteries                                       | 0     | 0         | 0         | 0,00%                   |
| Civil Protection (including Disaster Management) | 0     | 0         | 0         | 0,00%                   |
| Communication Management                         | 0     | 0         | 0         | 0,00%                   |
| Community Development                            | 4     | 4         | 0         | 0,00%                   |
| Council General Expenses                         | 3     | 3         | 0         | 0,00%                   |
| Electricity Distribution                         | 42    | 40        | 2         | 4,76%                   |
| Expenditure                                      | 11    | 11        | 0         | 0,00%                   |
| Financial Statements and Control                 | 3     | 3         | 0         | 0,00%                   |
| Financial Systems Administration                 | 1     | 1         | 0         | 0,00%                   |
| Fire Fighting Services                           | 8     | 8         | 0         | 0,00%                   |
| Grants and subsidies Council                     | 0     | 0         | 0         | 0,00%                   |
| Grants and subsidies Financial Services          | 0     | 0         | 0         | 0,00%                   |

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|  |    |    |   |         |
|--|----|----|---|---------|
| Grants and subsidies FMG                                     | 0  | 0  | 0 | 0,00%   |
| Harbour Yzerfontein  | 0  | 0  | 0 | 0,00%   |
| Housing  | 3  | 3  | 0 | 0,00%   |
| Human Resources  | 5  | 5  | 0 | 0,00%   |
| ICT Services   | 4  | 4  | 0 | 0,00%   |
| Income   | 33 | 31 | 2 | 6,06%   |
| Internal Audit (including Risk Management)                   | 2  | 2  | 0 | 0,00%   |
| Legal and Credit Control                                     | 14 | 13 | 1 | 7,14%   |
| Library and Client Services                                  | 33 | 33 | 0 | 0,00%   |
| Licencing and Registration Services                          | 26 | 24 | 2 | 7,69%   |
| Local Economic Development                                   | 0  | 0  | 0 | 0,00%   |
| Management Civil Engineering Services                        | 6  | 6  | 0 | 0,00%   |
| Management Corporate Services                                | 8  | 8  | 0 | 0,00%   |
| Management Development Services                              | 2  | 2  | 0 | 0,00%   |
| Management Electrical Engineering Services                   | 0  | 0  | 0 | 0,00%   |
| Management Financial Services                                | 1  | 1  | 0 | 0,00%   |
| Management Municipal Manager                                 | 3  | 3  | 0 | 0,00%   |
| Management Protection Services                               | 2  | 1  | 1 | 50,00%  |
| Marketing and Tourism  | 1  | 0  | 1 | 100,00% |
| Municipal Property Maintenance                               | 11 | 11 | 0 | 0,00%   |
| Occupational Health and Safety (including Pollution Control) | 2  | 2  | 0 | 0,00%   |
| Parks and Recreational Areas                                 | 56 | 54 | 2 | 3,57%   |
| Planning and Valuations                                      | 6  | 5  | 1 | 16,67%  |
| Proclaimed Roads   | 4  | 4  | 0 | 0,00%   |
| Rates Services   | 3  | 3  | 0 | 0,00%   |
| Refuse Removal   | 77 | 76 | 1 | 1,30%   |
| Secretariat and Archives                                     | 6  | 6  | 0 | 0,00%   |
| Sewerage Services  | 32 | 30 | 2 | 6,25%   |

|   |            |            |           |       |
|---|------------|------------|-----------|-------|
| Sports Grounds  | 5          | 5          | 0         | 0,00% |
| Strategic Management                                    | 3          | 3          | 0         | 0,00% |
| Streets and Stormwater                                  | 71         | 70         | 1         | 1,41% |
| Supply Chain Management                                 | 12         | 12         | 0         | 0,00% |
| Swimming Pools  | 8          | 8          | 0         | 0,00% |
| Thusong Service Centres                                 | 4          | 4          | 0         | 0,00% |
| Town and Community Halls (including Property and Legal) | 19         | 19         | 0         | 0,00% |
| Traffic and Law Enforcement Services                    | 81         | 76         | 5         | 6,17% |
| Water Services  | 41         | 41         | 0         | 0,00% |
| <b>TOTAL</b>  | <b>674</b> | <b>653</b> | <b>21</b> |       |

**(b) Vacancy rate**

| Designation   | Total Approved Posts | Vacancies | Vacancy Percentage |
|---|----------------------|-----------|--------------------|
| a Municipal Manager   | 1                    | 0         | 0,00%              |
| b Chief Financial Officer   | 1                    | 0         | 0,00%              |
| c Other S56 Managers (excluding Finance Posts)                      | 5                    | 0         | 0,00%              |
| d Other S56 Managers (Finance Posts)                                | 0                    | 0         | 0,00%              |
| e Police Officers   | 0                    | 0         | 0,00%              |
| f Fire fighters   | 8                    | 0         | 0,00%              |
| g Senior Management: Levels 13-18 (excluding Finance Posts)         | 46                   | 1         | 2,17%              |
| h Senior Management: Levels 13-18 (Finance Posts)                   | 17                   | 0         | 0,00%              |
| i Highly skilled supervision: Levels 9-12 (excluding Finance Posts) | 167                  | 11        | 6,59%              |
| j Highly skilled supervision: Levels 9-12 (Finance Posts)           | 16                   | 0         | 0,00%              |

**(c) Turn-over Rate**

| Total Appointments as of beginning of Financial Year | Terminations during the Financial Year | Turn-Over Rate |
|--|--|----------------|
| 651  | 38                                     | 5,84%          |

**(d) Comment on municipal personnel**

The stable environment of Swartland Municipality ensures that employees have stable careers and therefore there is a very low staff turnover of 5.8%.

**4.3 MANAGING THE MUNICIPAL WORKFORCE**

**4.3.1 HR POLICIES AND PLANS**

**(a) HR policies and plans as on 30 June 2025**

| Name Of Policy                              | Completed | Revised | Date Adopted | Comment  |
|---|-----------|---------|--------------|--|
| Acting Allowance                            | 100,00%   | 100,00% | 2022-10-01   | Reviewed in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021   |
| Alcohol and Drug Policy & Procedure         | 100,00%   | 100,00% | 2018-12-01   |  |
| Coaching and Mentoring Policy               | 100,00%   | 0,00%   | 2023-07-01   | New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021 |
| Code of Conduct for employees               | 100,00%   | 0,00%   |              | Part of Municipal Systems Act  |
| Delegations, Authorisation & Responsibility | 100,00%   | 100,00% | 2025-05-29   |  |
| Disability                                  | 100,00%   | 0,00%   | 2018-12-01   |  |
| Disciplinary Code and Procedures            | 100,00%   | 0,00%   |              | Collective Agreement   |
| Dress Code                                  | 100,00%   | 0,00%   | 2013-01-01   |  |
| Employee Assistance / Wellness              | 100,00%   | 0,00%   | 2018-12-01   |  |
| Employment Equity                           | 100,00%   | 100,00% | 2016-04-01   |  |
| Essential Services                          | 0,00%     | 0,00%   |              |  |
| Exit Management                             | 100,00%   | 0,00%   | 2022-10-01   | New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021 |
| External Bursary Policy                     | 100,00%   | 100,00% | 2017-04-01   |  |
| Gift Policy                                 | 100,00%   | 0,00%   | 2018-12-01   |  |
| Grievance Procedures                        | 100,00%   | 0,00%   |              | Part of Main Collective Agreement  |
| HIV/Aids                                    | 100,00%   | 0,00%   | 2016-04-01   |  |
| Induction                                   | 100,00%   | 0,00%   | 2022-10-01   | New policy in terms of Municipal Staff Regulations 890                                 |

|  |         |         |            |  |
|--|---------|---------|------------|--|
|  |         |         |            | and 891 dated 20 September 2021  |
| Information Technology                 | 100,00% | 100,00% | 2022-06-15 |  |
| Internal Staff Bursary                 | 100,00% | 100,00% | 2023-07-01 | Reviewed in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021   |
| Internship                             | 100,00% | 0,00%   | 2016-04-01 |  |
| Leave                                  | 100,00% | 100,00% | 2016-12-01 |  |
| Mentoring and Coaching Policy          | 100,00% | 0,00%   | 2023-06-13 | New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021 |
| Occupational Health and Safety         | 0,00%   | 0,00%   |            |  |
| Official Housing                       | 100,00% | 100,00% | 2009-11-01 |  |
| Official transport to attend Funerals  | 0,00%   | 0,00%   |            |  |
| Organisational Rights                  | 100,00% | 0,00%   |            | Part of Main Collective Agreement  |
| Other                                  | 0,00%   | 0,00%   |            |  |
| Overtime                               | 100,00% | 100,00% | 2022-10-01 |  |
| Payroll Deductions                     | 100,00% | 0,00%   |            | Part of Main Collective Agreement  |
| Performance Management and Development | 100,00% | 0,00%   | 2022-08-01 | New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021 |
| Privacy Policy                         | 100,00% | 0,00%   | 2021-06-28 |  |
| Private Work                           | 100,00% | 100,00% | 2018-12-01 |  |
| Probationary Period                    | 100,00% | 0,00%   | 2022-09-01 | New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021 |
| Recruitment and Selection              | 100,00% | 100,00% | 2022-09-01 | Reviewed in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021   |
| Relocation Assistance                  | 100,00% | 0,00%   | 2022-10-01 | New policy   |
| Remuneration Scales and Allowances     | 0,00%   | 0,00%   |            | Collective Agreement   |
| Retention                              | 100,00% | 0,00%   | 2022-09-01 | New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021 |
| Scarce Skills                          | 100,00% | 0,00%   | 2022-10-01 | New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021 |
| Sexual Harassment                      | 100,00% | 0,00%   | 2018-12-01 |  |

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|---------------------------------------|---------|---------|------------|--|
| Skills Development                    | 100,00% | 100,00% | 2023-05-01 | Reviewed in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021   |
| Smoking                               | 100,00% | 100,00% | 2018-12-01 |  |
| Succession Planning                   | 100,00% | 0,00%   | 2022-10-01 | Reviewed in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021   |
| Talent Management                     | 100,00% | 0,00%   | 2022-12-01 | New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021 |
| TASK Job Evaluation                   | 100,00% | 0,00%   | 2023-05-01 | New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021 |
| Telecommunications                    | 100,00% | 0,00%   | 2016-04-01 |  |
| Travel, Accommodation and Subsistence | 100,00% | 100,00% | 2023-05-01 |  |
| Uniforms and Protective Clothing      | 100,00% | 100,00% | 2023-10-20 |  |
| Work Organisation                     | 0,00%   | 0,00%   |            |  |

**(b) Comment on HR policies and plans**

Policies are not static documents and therefore have to be revised regularly. During the 2022/23 and 2023/24 periods a revision process of all policies involving all stakeholders, namely employer, councillors and unions, commenced in terms of the Local Government: Municipal Staff Regulations that was promulgated on 21 September 2021, in order to ensure that the policies are in line with the new Regulations. As part of the process, during the 2024/25 period, one existing policy was reviewed and one new policy developed in terms of the Regulations for implementation with effect from 1 July 2024.



### 4.3.2 INJURIES, SICKNESS AND SUSPENSIONS

#### (a) Number and cost of injuries on duty

| Type Of Injury                        | Injury Leave Taken | Employees Using Injury Leave | Proportion Employees Using Sick Leave | Injury Leave Per Employee | Estimated Cost |
|---------------------------------------|--------------------|------------------------------|---------------------------------------|---------------------------|----------------|
| Fatal                                 | 0                  | 0                            | 0,00%                                 | 0                         | R0             |
| Required basic medical attention only | 174                | 19                           | 10,92%                                | 9                         | R125,184       |
| Permanent disablement                 | 0                  | 0                            | 0,00%                                 | 0                         | R0             |
| Temporary total disablement           | 0                  | 0                            | 0,00%                                 | 0                         | R0             |
| <b>TOTAL</b>                          | <b>174</b>         | <b>19</b>                    |                                       |                           |                |

#### (b) Number of days and cost of sick leave (excluding injuries on duty)

| Salary Band                                  | Total Days Sick Leave | Proportion Without Medical Certification | Employees Using Sick Leave | Total Employees In Post | Average Days Per Employee | Estimated Cost |
|--|-----------------------|--|----------------------------|-------------------------|---------------------------|----------------|
| a Lower skilled (Levels 1 - 2)               | 0                     | 0,00%                                    | 0                          | 0                       | 0                         | R0             |
| b Skilled (Levels 3 - 5)                     | 1627                  | 30,90%                                   | 186                        | 213                     | 9                         | R1,004,399     |
| c Highly skilled production (Levels 6 - 8)   | 1832                  | 20,40%                                   | 167                        | 203                     | 11                        | R18,314,581    |
| d Highly skilled supervision (Levels 9 - 12) | 1339                  | 21,20%                                   | 136                        | 170                     | 10                        | R1,996,740     |
| e Senior management (Levels 13 - 18)         | 425                   | 10,90%                                   | 46                         | 62                      | 9                         | R1,273,673     |
| f MM and S56                                 | 16                    | 0,00%                                    | 3                          | 7                       | 5                         | R6,947         |

#### (c) Comment on injury and sick leave

The percentage of employees absent due to sick leave and injury on duty is monitored on a monthly basis and is also part of the performance management system. Whenever the figure exceeds 3%, measures are put in place to address problem areas. Levels of absenteeism due to these reasons are relatively low with an average absenteeism for the period 2024/25 for sick leave being 2.8% and for injury on duty 0.1%. All injuries are investigated thoroughly and if necessary, the Health and Safety Officer addresses the problem areas through training and counselling. Injuries are examined by the municipality's own doctors, and where long or regular periods of sick leave are taken, prognosis reports are requested in order to determine the employees' fitness for duty.

**(d) Comment on suspensions and cases of financial misconduct**

There were no suspension of more than 4 months and any cases of financial misconduct within Swartland Municipality.

## 4.4 CAPACITATING THE MUNICIPAL WORKFORCE

### 4.4.1 INTRODUCTION

MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Swartland Municipality recognizes the obligations placed on it by the Skills Development Act to train and develop employees. In order to empower its employees and enhance its human capital, the Municipality provides various learning and development opportunities for employees, non-employees and councillors. The Workplace Skills Plan of the Municipality has been submitted to the Local Government SETA and annual implementation reports submitted. During 2024/2025 an amount of R1 707 407 was spent on efficiency development.

Swartland Municipality adopted a Succession Plan for the development of employees in order to prepare them for future vacancies through training and exposure to the required experience for the specific succession post. Bursaries are also awarded for succession candidates who need to complete formal qualifications. Currently there are 25 employees on the Succession Plan for various future vacancies.

### 4.4.2 SKILLS DEVELOPMENT AND TRAINING

**(a) Annual Training Report: Number of employees trained as at 30 June 2025**

| Occupational Category   | No of Employees<br>in post at 30 June<br>2024 | Type of Learning Intervention |         |             |     |                     |                           |      |      |      |      | Total |
|---|---|-------------------------------|---------|-------------|-----|---------------------|---------------------------|------|------|------|------|-------|
|   |   | Apprenticeship<br>(ARPL)      | Bursary | Learnership | RPL | Skills<br>Programme | Short Cours<br>Non Credit | AET1 | AET2 | AET3 | AET4 |       |
| Legislators, Senior Officials<br>and Managers                                   | 59  | 0                             | 3       | 2           | 0   | 6                   | 1                         | 0    | 0    | 0    | 0    | 7     |
| Professionals   | 28  | 0                             | 2       | 0           | 0   | 5                   | 2                         | 0    | 0    | 0    | 0    | 9     |
| Technicians and Associate<br>Professionals                                      | 56  | 0                             | 1       | 4           | 0   | 19                  | 2                         | 0    | 0    | 0    | 0    | 26    |
| Clerks  | 112   | 0                             | 8       | 0           | 0   | 19                  | 7                         | 0    | 0    | 0    | 0    | 34    |
| Service and Sales Workers   | 109   | 0                             | 6       | 3           | 0   | 34                  | 1                         | 0    | 0    | 0    | 1    | 45    |
| Skilled Agricultural, Forestry,<br>Fishery, Craft and Related<br>Trades Workers | 13  | 0                             | 0       | 0           | 0   | 3                   | 0                         | 0    | 0    | 0    | 0    | 3     |

|  |            |          |           |           |          |            |           |          |          |          |           |            |
|--|------------|----------|-----------|-----------|----------|------------|-----------|----------|----------|----------|-----------|------------|
| Plant and Machine Operators and Assemblers | 102        | 0        | 0         | 14        | 0        | 22         | 0         | 0        | 0        | 0        | 5         | 41         |
| Elementary Occupations                     | 193        | 1        | 0         | 13        | 0        | 37         | 0         | 0        | 0        | 0        | 5         | 56         |
| <b>TOTAL PERMANENT</b>                     | <b>672</b> | <b>1</b> | <b>17</b> | <b>34</b> | <b>0</b> | <b>145</b> | <b>13</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>11</b> | <b>221</b> |

**(b) Financial Competency Development: Progress Report**

| Description                                     | A.<br>Total number of officials<br>employed by<br>municipality<br>(Regulation 14(4)(a) and<br>(c)) | B.<br>Total number of officials<br>employed by municipal<br>entities (Regulation<br>14(4)(a) and (c)) | Consolidated Total: A<br>and B | Consolidated:<br>Competency<br>assessments completed<br>for A and B (Regulation<br>14(4)(b) and (d)) | Consolidated: Total<br>number of officials<br>whose performance<br>agreements comply<br>with Regulation 16<br>(Regulation 14(4)(f)) | Consolidated: Total<br>number of officials<br>that meet prescribed<br>competency levels<br>(Regulation 14(4)(e)) |
|---|--|---|--------------------------------|--|---|--|
| a Accounting officer                            | 1  | 0   | 1                              | 1  | 1   | 1  |
| b Chief financial officer                       | 1  | 0   | 1                              | 1  | 1   | 1  |
| c Senior managers                               | 5  | 0   | 5                              | 5  | 5   | 5  |
| d Any other financial<br>officials              | 80   | 0   | 80                             | 0  | 0   | 0  |
| e Heads of supply chain<br>management units     | 3  | 0   | 3                              | 3  | 3   | 3  |
| f Supply chain<br>management senior<br>managers | 1  | 0   | 1                              | 1  | 1   | 1  |
| <b>TOTAL</b>                                    | <b>91</b>  | <b>0</b>  | <b>91</b>                      | <b>11</b>  | <b>11</b>   | <b>11</b>  |

**(c) Skills Development Expenditure as at 30 June 2025**

| Type of Learning Intervention | NQF Level | Number trained |            | Actual Amount Spent |
|-------------------------------|-----------|----------------|------------|---------------------|
|                               |           | Female         | Male       |                     |
| Apprenticeship                | 1-4       | 0              | 2          | R14 400             |
|                               | 5-7       | 0              | 0          | R0                  |
|                               | 8-10      | 0              | 0          | R0                  |
| Adult Education & Training    | 1         | 2              | 18         | R521 748            |
| Bursary                       | 1-4       | 0              | 0          | R0                  |
|                               | 5-7       | 7              | 8          | R59 528             |
|                               | 8-10      | 1              | 1          | R0                  |
| Learnership                   | 1-4       | 3              | 45         | R971 991            |
|                               | 5-7       | 5              | 11         |                     |
|                               | 8-10      | 0              | 0          | R0                  |
| RPL                           | 1-4       | 0              | 0          | R0                  |
|                               | 5-7       | 0              | 0          | R0                  |
|                               | 8-10      | 0              | 0          | R0                  |
| Skills Programme              | 1-4       | 19             | 62         | R300 757            |
|                               | 5-7       | 0              | 0          |                     |
|                               | 8-10      | 0              | 0          | R0                  |
| Short Course: Non-credit      |           | 7              | 3          | R41 979             |
| Unemployed Training           |           |                |            | R39 640             |
| <b>TOTAL</b>                  |           | <b>44</b>      | <b>150</b> | <b>R1 950 043</b>   |

**(d) Comment on skills development and related expenditure and on the financial competency regulations**

Swartland Municipality recognizes the obligations placed on it by the Skills Development Act to train and develop employees. In order to empower its employees and enhance its human capital, the Municipality provides various learning and development opportunities for employees, non-employees and councillors. The Workplace Skills Plan of the Municipality has been submitted to the Local Government SETA and annual implementation reports submitted. During 2024/2025 an amount of R1 707 407 was spent on efficiency development.

Swartland Municipality adopted a Succession Plan for the development of employees in order to prepare them for future vacancies through training and exposure to the required experience for the specific succession post. Bursaries are also awarded for succession candidates who need to complete formal qualifications. Currently there are 25 employees on the Succession Plan for various future vacancies.

## 4.5 MANAGING THE WORKFORCE EXPENDITURE

### 4.5.1 INTRODUCTION

Workforce expenditure is managed effectively, through regular (monthly) budget control meetings to discuss expenditure and rectify any overspending. No appointments are made unless the posts are funded and vacant on the post establishment. In order to obtain value for money from workforce expenditure, the mandate for appointment is to appoint the candidate on the minimum notch of the scale unless motivation exists for appointment on a higher notch. The consultation for appointment on a higher notch is done by the Senior Manager: Human Resource Management and the director concerned. Should consensus not be reached, there should be a cooling-down period of forty-eight (48) hours after which further consultation should take place to reach consensus. Consensus must be reached after the cooling-down period has elapsed.

### 4.5.2 EMPLOYEE EXPENDITURE

#### (a) Workforce Expenditure Trends

| Operational Expenditure Type | Total Operating Expenditure | Actual Workforce Expenditure | Ratio  |
|------------------------------|-----------------------------|------------------------------|--------|
| 1 Employees                  | R1,109,208,699              | R350,316,579                 | 31,58% |

#### (b) Number of employees whose salaries were increased due to their positions being upgraded

Through job evaluation 14 employees' salaries were increased due to a higher job grading result.

#### (c) Employees whose salary levels exceed the grade determined by job evaluation

| Occupation                  | Number of employees | Job evaluation level | Remuneration level | Reason for deviation                              |
|-----------------------------|---------------------|----------------------|--------------------|---|
| Cashier and Enquiries Clerk | 2                   | 6                    | 8                  | Implementation of TASK (Contractual to incumbent) |
| Operator: Loader            | 1                   | 7                    | 8                  | Implementation of TASK (Contractual to incumbent) |
| Library Assistant           | 1                   | 6                    | 8                  | Implementation of TASK (Contractual to incumbent) |
| Cashier and Enquiries Clerk | 1                   | 6                    | 9                  | Implementation of TASK (Contractual to incumbent) |
| Principal Clerk             | 2                   | 7                    | 8                  | Implementation of TASK (Contractual to incumbent) |
| Administrator               | 1                   | 9                    | 11                 | Implementation of TASK (Contractual to incumbent) |

#### (d) Employees appointed to posts not approved

None

#### (e) Comment on upgraded posts and those that are at variance with normal practice

Through job evaluation 118 posts acquired a higher grading.

## CHAPTER 5 – FINANCIAL PERFORMANCE

### 5.1 INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The municipality is being subjected to extreme external cost pressures which includes the effect of the tariff increases of Eskom, labour collective agreements which resulted in expenditure increases well above the normal inflation rate, the increased cost of fuel due to the declining currency and higher oil prices etc. The municipality is well aware of the effect of the global economic slowdown and the effect it has on the ability of the consumers to pay for services. The municipality therefore embarked on cost saving measures in its budgeting- and actual processes wherever possible.

#### ***GRAP compliance***

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The Accounting Standards Board annually issues a directive (Directive 5) indicating the relevant accounting standards which municipalities must comply with. The municipality did not deviate from any of the standards.

### 5.2 STATEMENTS OF FINANCIAL PERFORMANCE

#### 5.2.1 INTRODUCTION

The financial statements of the municipality has been audited by the Office of the Auditor-General and the paragraphs below reflects a high level summary of the financial results for the financial year. The complete set of audited Annual Financial Statements is attached to the Annual Report as an appendix (Separate document).

**5.2.2 STATEMENTS OF FINANCIAL PERFORMANCE****(a) Financial Summary**

| Description   | Previous Year Actual   | Original Budget        | Adjustment Budget      | Actual                 | Original Budget Variance | Adjustment Budget Variance |
|---|------------------------|------------------------|------------------------|------------------------|--------------------------|----------------------------|
| <b>1a Total Revenue (excluding capital transfers and contributions)</b> | <b>R1,179,043,598</b>  | <b>R1,212,934,619</b>  | <b>R1,237,783,194</b>  | <b>R1,287,865,214</b>  | <b>106,18%</b>           | <b>104,05%</b>             |
| a Property rates  | R163,174,552           | R199,371,451           | R201,371,451           | R200,765,307           | 100,70%                  | 99,70%                     |
| b Service charges   | R630,654,583           | R644,469,685           | R666,652,240           | R714,148,497           | 110,81%                  | 107,12%                    |
| c Investment revenue  | R84,764,075            | R93,728,426            | R91,790,361            | R95,898,921            | 102,32%                  | 104,48%                    |
| d Transfers recognised - operational                                    | R171,662,265           | R190,028,052           | R188,763,654           | R181,823,211           | 95,68%                   | 96,32%                     |
| e Other own revenue   | R128,788,123           | R85,337,005            | R89,205,488            | R95,229,278            | 111,59%                  | 106,75%                    |
| <b>1b Total Expenditure</b>   | <b>-R1,025,495,256</b> | <b>-R1,189,045,717</b> | <b>-R1,210,995,144</b> | <b>-R1,109,208,694</b> | <b>93,29%</b>            | <b>91,59%</b>              |
| a Employee costs  | R315,708,755           | R341,481,368           | R344,750,516           | R339,021,425           | 99,28%                   | 98,34%                     |
| b Remuneration of councillors   | R12,004,775            | R13,273,105            | R13,270,105            | R12,597,587            | 94,91%                   | 94,93%                     |
| c Depreciation and asset management                                     | R111,937,809           | R128,253,066           | R125,315,806           | R103,496,742           | 80,70%                   | 82,59%                     |
| d Finance charges   | R12,335,335            | R14,689,377            | R10,568,552            | R9,902,725             | 67,41%                   | 93,70%                     |
| e Materials and bulk purchases  | R391,243,562           | R453,835,498           | R473,807,764           | R468,420,857           | 103,21%                  | 98,86%                     |
| f Transfers and grants  | R4,424,278             | R5,902,360             | R4,263,764             | R3,486,341             | 59,07%                   | 81,77%                     |
| g Other expenditure   | R177,840,742           | R231,610,943           | R239,018,637           | R172,283,017           | 74,38%                   | 72,08%                     |
| <b>1c Capital transfers and contributions</b>                           | <b>R113,776,998</b>    | <b>R246,062,275</b>    | <b>R247,277,010</b>    | <b>R232,035,118</b>    | <b>94,30%</b>            | <b>93,84%</b>              |
| a Transfers recognised - capital  | R113,470,176           | R246,062,275           | R247,277,010           | R232,035,118           | 94,30%                   | 93,84%                     |
| b Contributions recognised - capital and contributed assets             | R0                     | R0                     | R0                     | R0                     | 0,00%                    | 0,00%                      |
| c Donated property, plant and equipment                                 | -R306,822              | R0                     | R0                     | R0                     | 0,00%                    | 0,00%                      |

| Decsription                             | Previous Year Actual | Original Budget      | Adjustment Budget    | Actual               | Original Budget Variance | Adjustment Budget Variance |
|---|----------------------|----------------------|----------------------|----------------------|--------------------------|----------------------------|
| <b>2 Total sources of capital funds</b> | <b>-R238,109,605</b> | <b>-R376,477,670</b> | <b>-R325,809,079</b> | <b>-R298,168,067</b> | <b>79,20%</b>            | <b>91,52%</b>              |
| a Transfers recognised - capital        | R112,285,469         | R226,958,732         | R227,134,411         | R199,607,817         | 87,95%                   | 87,88%                     |
| b Public contributions and donations    | R1,200,108           | R19,033,109          | R19,113,109          | R18,795,256          | 98,75%                   | 98,34%                     |
| c Borrowing                             | R0                   | R36,950,588          | R0                   | R0                   | 0,00%                    | 0,00%                      |
| d Internally generated funds            | R124,624,028         | R93,535,241          | R79,561,559          | R79,764,994          | 85,28%                   | 100,26%                    |
| <b>3 Financial position</b>             |                      |                      |                      |                      |                          |                            |
| a Total current assets                  | R668,528,985         | R669,334,494         | R751,676,377         | R1,253,709,749       | 187,31%                  | 166,79%                    |
| b Total non-current assets              | R2,683,524,285       | R2,907,286,698       | R2,861,224,921       | R2,546,131,314       | 87,58%                   | 88,99%                     |
| c Total current liabilities             | R160,162,051         | R160,288,792         | R132,113,662         | R183,635,380         | 114,57%                  | 139,00%                    |
| d Total non-current liabilities         | R180,345,015         | R219,780,971         | R195,152,004         | R199,418,514         | 90,74%                   | 102,19%                    |
| <b>4 Cash Flows</b>                     |                      |                      |                      |                      |                          |                            |
| a Net cash from (used) operating        | R306,894,276         | R470,660,548         | R432,811,135         | R481,517,281         | 102,31%                  | 111,25%                    |
| b Net cash from (used) investing        | R508,196,632         | R430,201,442         | R368,717,659         | R269,510,995         | 62,65%                   | 73,09%                     |
| c Net cash from (used) financing        | R50,223,168          | -R29,182,237         | R4,955,716           | R5,477,653           | -18,77%                  | 110,53%                    |
| d Cash/Cash Equivalents at the year end | R470,491,311         | R464,184,431         | R529,629,071         | R677,019,944         | 145,85%                  | 127,83%                    |



**(b) Financial Performance of Operational Services**

| Service  | Previous Year Actual | Original Budget | Adjustment Budget | Actual       | Variance From Original Budget | Variance From Adjustment Budget |
|--|----------------------|-----------------|-------------------|--------------|-------------------------------|---------------------------------|
| Asset and Fleet Management                       | R3,585,833           | R7,060,589      | R5,846,476        | R5,079,407   | 71,94%                        | 86,88%                          |
| Budget Office and Costing                        | R4,677,096           | R3,572,164      | R5,443,110        | R4,707,542   | 131,78%                       | 86,49%                          |
| Building Control                                 | R3,647,423           | R3,995,809      | R4,034,783        | R4,264,727   | 106,73%                       | 105,70%                         |
| Caravan Park Yzerfontein                         | R3,278,819           | R3,468,264      | R3,402,527        | R3,693,850   | 106,50%                       | 108,56%                         |
| Cemeteries                                       | R989,332             | R1,072,493      | R1,039,089        | R744,612     | 69,43%                        | 71,66%                          |
| Civil Protection (including Disaster Management) | R896,120             | R749,253        | R1,729,785        | R1,649,267   | 220,12%                       | 95,35%                          |
| Communication Management                         | R0                   | R0              | R0                | R0           | 0,00%                         | 0,00%                           |
| Community Development                            | R3,557,369           | R4,349,858      | R4,372,271        | R3,775,941   | 86,81%                        | 86,36%                          |
| Council General Expenses                         | R21,803,265          | R26,049,108     | R25,455,670       | R23,585,064  | 90,54%                        | 92,65%                          |
| Electricity Distribution                         | R374,821,309         | R435,333,522    | R452,373,590      | R443,598,669 | 101,90%                       | 98,06%                          |
| Expenditure                                      | R0                   | R0              | R0                | R0           | 0,00%                         | 0,00%                           |
| Financial Statements and Control                 | R0                   | R0              | R0                | R0           | 0,00%                         | 0,00%                           |
| Financial Systems Administration                 | R0                   | R0              | R0                | R0           | 0,00%                         | 0,00%                           |
| Fire Fighting Services                           | R11,486,039          | R12,438,501     | R13,254,521       | R12,049,970  | 96,88%                        | 90,91%                          |
| Grants and subsidies Council                     | R0                   | R0              | R0                | R0           | 0,00%                         | 0,00%                           |
| Grants and subsidies Financial Services          | R0                   | R0              | R0                | R0           | 0,00%                         | 0,00%                           |
| Grants and subsidies FMG                         | R1,551,914           | R1,476,986      | R1,477,166        | R1,477,209   | 100,02%                       | 100,00%                         |
| Harbour Yzerfontein                              | R401,146             | R499,660        | R499,660          | R415,377     | 83,13%                        | 83,13%                          |
| Housing  | R4,749,951           | R22,192,024     | R13,267,218       | R4,025,860   | 18,14%                        | 30,34%                          |
| Human Resources                                  | R8,441,395           | R8,083,616      | R8,779,877        | R7,815,682   | 96,69%                        | 89,02%                          |
| ICT Services                                     | R15,764,396          | R21,010,312     | R20,403,204       | R16,850,834  | 80,20%                        | 82,59%                          |

|  |             |             |             |             |         |         |
|--|-------------|-------------|-------------|-------------|---------|---------|
| Income   | R0          | R0          | R0          | R0          | 0,00%   | 0,00%   |
| Internal Audit (including Risk Management)                   | R2,026,636  | R2,869,210  | R2,839,337  | R2,636,265  | 91,88%  | 92,85%  |
| Legal and Credit Control                                     | R0          | R0          | R0          | R0          | 0,00%   | 0,00%   |
| Library and Client Services                                  | R13,342,997 | R13,853,378 | R13,890,262 | R13,488,676 | 97,37%  | 97,11%  |
| Licencing and Registration Services                          | R10,437,166 | R11,939,224 | R11,949,837 | R10,458,753 | 87,60%  | 87,52%  |
| Local Economic Development                                   | R0          | R0          | R0          | R0          | 0,00%   | 0,00%   |
| Management Civil Engineering Services                        | R4,043,600  | R4,219,987  | R4,351,598  | R4,284,927  | 101,54% | 98,47%  |
| Management Corporate Services                                | R12,682,334 | R15,123,942 | R15,552,292 | R14,301,415 | 94,56%  | 91,96%  |
| Management Development Services                              | R2,810,552  | R3,020,540  | R3,054,418  | R2,942,685  | 97,42%  | 96,34%  |
| Management Electrical Engineering Services                   | R1,739,166  | R2,240,810  | R2,868,520  | R2,826,895  | 126,16% | 98,55%  |
| Management Financial Services                                | R43,179,954 | R56,865,949 | R52,519,374 | R51,013,844 | 89,71%  | 97,13%  |
| Management Municipal Manager                                 | R3,859,525  | R4,401,818  | R4,371,339  | R4,248,508  | 96,52%  | 97,19%  |
| Management Protection Services                               | R2,770,979  | R3,013,901  | R3,079,269  | R2,980,809  | 98,90%  | 96,80%  |
| Marketing and Tourism  | R2,472,966  | R2,558,656  | R2,426,672  | R2,307,414  | 90,18%  | 95,09%  |
| Municipal Property Maintenance                               | R27,395,813 | R19,990,521 | R21,946,873 | R18,359,726 | 91,84%  | 83,66%  |
| Occupational Health and Safety (including Pollution Control) | R2,059,916  | R2,270,778  | R2,277,777  | R2,215,625  | 97,57%  | 97,27%  |
| Parks and Recreational Areas                                 | R20,421,455 | R24,023,232 | R23,999,654 | R21,324,138 | 88,76%  | 88,85%  |
| Planning and Valuations                                      | R9,299,006  | R10,210,390 | R9,746,033  | R9,411,226  | 92,17%  | 96,56%  |
| Proclaimed Roads   | R470,000    | R461,227    | R461,227    | R447,826    | 97,09%  | 97,09%  |
| Rates Services   | R1,812,282  | R1,866,734  | R1,562,993  | R3,105,473  | 166,36% | 198,69% |
| Refuse Removal   | R59,720,705 | R65,383,504 | R66,044,771 | R61,671,843 | 94,32%  | 93,38%  |
| Secretariat and Archives                                     | R0          | R0          | R0          | R0          | 0,00%   | 0,00%   |
| Sewerage Services  | R65,107,983 | R67,616,048 | R72,468,056 | R65,944,048 | 97,53%  | 91,00%  |
| Sports Grounds   | R10,927,155 | R8,663,059  | R8,049,468  | R8,597,258  | 99,24%  | 106,81% |
| Strategic Management   | R2,578,698  | R2,759,133  | R2,814,621  | R2,821,083  | 102,25% | 100,23% |
| Streets and Stormwater                                       | R70,050,330 | R87,977,100 | R91,475,878 | R67,551,565 | 76,78%  | 73,85%  |
| Supply Chain Management                                      | R8,550,755  | R10,837,571 | R10,763,089 | R9,865,274  | 91,03%  | 91,66%  |
| Swimming Pools   | R4,092,436  | R6,236,690  | R5,491,104  | R5,673,737  | 90,97%  | 103,33% |
| Thusong Service Centres                                      | R1,593,973  | R1,871,800  | R1,873,403  | R1,790,024  | 95,63%  | 95,55%  |

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|   |                       |                       |                       |                       |        |        |
|---|-----------------------|-----------------------|-----------------------|-----------------------|--------|--------|
| Town and Community Halls (including Property and Legal) | R6,265,775            | R7,126,219            | R6,932,549            | R6,429,990            | 90,23% | 92,75% |
| Traffic and Law Enforcement Services                    | R84,286,953           | R92,041,377           | R83,189,759           | R80,776,592           | 87,76% | 97,10% |
| Water Services  | R91,844,743           | R108,250,760          | R123,591,657          | R97,999,069           | 90,53% | 79,29% |
| <b>TOTAL</b>  | <b>R1,025,495,260</b> | <b>R1,189,045,717</b> | <b>R1,210,970,777</b> | <b>R1,109,208,699</b> |        |        |

**(c) Comment on financial performance**

Total operating expenditure amounted to R1 109 208 693 and 91.60% of the budget was spent.

Total operating revenue amounted to R1 519 900 334 which is equal to 102.3%.

### 5.2.3 GRANTS

**(a) Grants received from the Division of Revenue Act (DoRA)**

| Description   | Previous Year Actual | Original Budget    | Adjustment Budget  | Actual             | Original Budget Variance | Adjustment Budget Variance |
|---|----------------------|--------------------|--------------------|--------------------|--------------------------|----------------------------|
| <b>National Government (capital)</b>                            |                      |                    |                    |                    |                          |                            |
| Integrated National Electrification Programme (Municipal) Grant | R23,658,000          | R22,818,000        | R22,401,642        | R22,401,642        | 98,18%                   | 100,00%                    |
| Municipal Disaster Response Grant                               | R0                   | R0                 | R9,241,000         | R1,797,390         | 0,00%                    | 19,45%                     |
| Municipal Infrastructure Grant (MIG)                            | R0                   | R0                 | R0                 | R0                 | 0,00%                    | 0,00%                      |
| Municipal Infrastructure Grant (MIG)                            | R0                   | R0                 | R0                 | R0                 | 0,00%                    | 0,00%                      |
| Municipal Infrastructure Grant (MIG)                            | R23,055,000          | R29,332,000        | R29,302,000        | R29,302,000        | 99,90%                   | 100,00%                    |
| <b>TOTAL</b>  | <b>R92,823,000</b>   | <b>R52,150,000</b> | <b>R60,944,642</b> | <b>R53,501,032</b> |                          |                            |
| <b>National Government (operating)</b>                          |                      |                    |                    |                    |                          |                            |
| Expanded Public Works Programme Integrated Grant                | R1,830,000           | R1,593,000         | R1,593,000         | R1,593,000         | 100,00%                  | 100,00%                    |
| Finance Management  | R1,550,000           | R1,600,000         | R1,600,000         | R1,600,000         | 100,00%                  | 100,00%                    |
| Integrated National Electrification Programme                   | R0                   | R0                 | R416,358           | R416,358           | 0,00%                    | 100,00%                    |
| Local Government Equitable Share Grant                          | R143,235,000         | R153,764,000       | R153,764,000       | R153,764,000       | 100,00%                  | 100,00%                    |

|   |                     |                     |                     |                     |         |         |
|---|---------------------|---------------------|---------------------|---------------------|---------|---------|
| Municipal Disaster Response Grant                                 | R0                  | R0                  | R0                  | R0                  | 0,00%   | 0,00%   |
| Municipal Disaster Response Grant                                 | R0                  | R0                  | R350,000            | R350,000            | 0,00%   | 100,00% |
| <b>TOTAL</b>  | <b>R146,615,000</b> | <b>R156,957,000</b> | <b>R157,723,358</b> | <b>R157,723,358</b> |         |         |
| <b>Provincial Government (capital)</b>                            |                     |                     |                     |                     |         |         |
| Development of Sport and Recreation Facilities Grant              | R966,374            | R500,000            | R500,000            | R498,434            | 99,69%  | 99,69%  |
| Establishment of a K9 Unit (capital)                              | R40,000             | R40,000             | R40,000             | R13,273             | 33,18%  | 33,18%  |
| Human Settlements Development Grant (capital)                     | R54,097,638         | R174,289,166        | R165,670,203        | R153,180,907        | 87,89%  | 92,46%  |
| Library Service: Conditional Grant (capital)                      | R50,000             | R50,000             | R50,000             | R46,356             | 92,71%  | 92,71%  |
| <b>TOTAL</b>  | <b>R55,154,012</b>  | <b>R174,879,166</b> | <b>R166,260,203</b> | <b>R153,738,970</b> |         |         |
| <b>Provincial Government (operating)</b>                          |                     |                     |                     |                     |         |         |
| Community Development Workers Grant                               | R36,689             | R38,000             | R38,000             | R33,988             | 89,44%  | 89,44%  |
| Establishment of a K9 Unit (operating)                            | R3,305,000          | R3,732,000          | R4,132,000          | R4,158,727          | 111,43% | 100,65% |
| Establishment of a Law Enforcement Reaction Unit                  | R0                  | R5,712,000          | R5,712,000          | R5,712,000          | 100,00% | 100,00% |
| Fire Kits   | R0                  | R416,591            | R416,591            | R414,554            | 99,51%  | 99,51%  |
| Human Settlements Development Grant (operating)                   | R0                  | R9,344,834          | R8,103,103          | R0                  | 0,00%   | 0,00%   |
| Library Service: Conditional Grant (operating)                    | R12,161,393         | R12,002,000         | R12,002,000         | R12,005,644         | 100,03% | 100,03% |
| Municipal Accreditation and Capacity Building Grant               | R0                  | R249,000            | R249,000            | R165,904            | 66,63%  | 66,63%  |
| Proclaimed Roads Subsidy (operating)                              | R170,000            | R170,000            | R170,000            | R170,000            | 100,00% | 100,00% |
| Thusong Service Centres Grant (Sustainability: Operation Support) | R0                  | R150,000            | R150,000            | R134,563            | 89,71%  | 89,71%  |
| Title Restoration   | R281,980            | R30,000             | R30,000             | R0                  | 0,00%   | 0,00%   |
| WC Financial Management Capability Grant                          | R0                  | R0                  | R100,000            | R0                  | 0,00%   | 0,00%   |
| <b>TOTAL</b>  | <b>R15,955,062</b>  | <b>R31,844,425</b>  | <b>R31,102,694</b>  | <b>R22,795,380</b>  |         |         |

**(b) Comment on operating transfers and grants received from DoRA**

Government grants and subsidies: Operating was underspent by 3.68% and Government grants and subsidies: Capital was underspend by 6.16%.

**(c) Grants received from sources other than DoRA**

| Description  | Previous Year Actual | Original Budget | Adjustment Budget | Actual            | Original Budget Variance | Adjusted Budget Variance |
|--|----------------------|-----------------|-------------------|-------------------|--------------------------|--------------------------|
| Education, Training and Development Practices SETA | R2,075,717           | R0              | R0                | R1,115,668        | 0,00%                    | 0,00%                    |
| <b>TOTAL</b>                                       | <b>R2,075,717</b>    | <b>R0</b>       | <b>R0</b>         | <b>R1,115,668</b> |                          |                          |

**(d) Comment on conditional grants and grant received from other sources**

The municipality adhered to the conditions of all conditional transfers.

- Unspent Municipal Disaster Response Grant to an amount of R 350 000 were approved for roll-over.
- Unspent Western Cape Financial Management Capability Grant (Student Bursaries) to an amount of R176 807 was repaid to the Provincial Fiscus.
- Unspent Western Cape Financial Management Capability Grant (Internal Audit Software) to an amount of R418 031 was repaid to the Provincial Fiscus.
- Unspent Community Development Workers (CDW) Operational Support Grant to an amount of R1 311 was repaid to the Provincial Fiscus.
- Unspent Municipal Accreditation and Capacity Building Grant to an amount of R89 089 was repaid to the Provincial Fiscus.
- Unspent Financial Assistance for the Provision of Emergency Kits and Relocation Costs to an amount of R2 120 was repaid to the Provincial Fiscus.
- Unspent Human settlements Development Grant (Beneficiaries) to an amount of R5 947 179 were approved for roll-over and R363 379 was repaid to the Provincial Fiscus.

## 5.2.4 ASSET MANAGEMENT

**(a) Introduction**

Assets under the control of each department are being managed by the relevant departmental heads. The Chief Financial Officer is responsible for maintaining an asset register for all assets which qualify to be capitalised.

Asset management is guided by the Asset Management Policy of the municipality. The policy is reviewed on an annual basis as part of the budget policies review process to ensure it complies with the latest requirements of GRAP, audit- and treasury directives.

**(b) Comment on asset management**

The municipality designed and implemented a system whereby each capital project is measured according to the requirements of the MFMA. The Council only approves projects where the full cost of the project, the future operating costs of the project as well as the effect that the costs associated with the project will have on tax and tariffs were considered by the Council.

**(c) Repair and maintenance expenditure**

| Type                  | Operating Budget | Actual      | % of Operating Budget |
|-----------------------|------------------|-------------|-----------------------|
| Repairs & Maintenance | R1 109 208 695   | R70 941 072 | 6.40%                 |

**(d) Comment on repair and maintenance expenditure**

Expenditure on repairs and maintenance does not keep track with the increase in asset values as well as the ageing of the infrastructure. A portion of repairs and maintenance is also included in the capital budget. The norm of repairs and maintenance as a % of Property, plant and equipment and investment property (carrying value) is 8%. Swartland Municipality is currently at 2.78%.

**5.2.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS**

| Financial viability ratio's | Norms     | Criteria                                   | 2024/2025 | 2023/2024 |
|-----------------------------|-----------|--|-----------|-----------|
| Cost coverage               | >4 months | Higher than 4 months is better             | 11 Months | 5 Months  |
| Debt coverage               | 40%       | The lower the actual the better the result | 2.23%     | 3.07%     |

**(a) Comment on financial ratios**

As indicated in the financial overview in Chapter 1.4 of this report, the Municipality is in a financially healthy position. Management proactively participates in programs to ensure a financially sustainable municipality.

**5.3 SPENDING AGAINST CAPITAL BUDGET****5.3.1 INTRODUCTION**

Capital expenditures relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from Grants, Private funding, donations/contributions and Capital Replacement Reserve.

The municipality spent 91.52% of the approved budget on capital projects.

### 5.3.2 CAPITAL EXPENDITURE

The table below indicates the capital expenditure against the total budget.

| Description         | Original Budget | Adjustment Budget | Actual       |
|---------------------|-----------------|-------------------|--------------|
| Capital Expenditure | R376,477,670    | R325,809,079      | R298,168,067 |

### 5.3.3 SOURCES OF FINANCE

#### (a) Capital Expenditure - Funding Sources

| Description                       | Previous Year Actual | Original Budget | Adjustment Budget | Actual       | Original Budget Variance | Adjustment Budget Variance |
|-----------------------------------|----------------------|-----------------|-------------------|--------------|--------------------------|----------------------------|
| Capital Replacement Reserve (CRR) | R124,624,028         | R122,735,241    | R85,700,548       | R85,039,112  | 69,29%                   | 99,23%                     |
| External loans                    | R0                   | R36,950,588     | R0                | R0           | 0,00%                    | 0,00%                      |
| Grants and subsidies              | R112,285,469         | R226,958,732    | R227,134,411      | R199,607,818 | 87,95%                   | 87,88%                     |
| Other                             | R0                   | R19,033,109     | R19,033,109       | R18,724,755  | 98,38%                   | 98,38%                     |

#### (b) Comment on sources of funding

Capital sources of funding for actual expenditure consist of Transfers recognised - capital which amounted to 66.94%, Other Contributions and Public Donations was 6.30% and Internally generated funds was 26.75%.

### 5.3.4 CAPITAL SPENDING ON 5 LARGEST PROJECTS

#### (a) Capital Expenditure of 5 largest projects

| Description   | Original Budget | Adjustment Budget | Actual      | Original Budget Variance | Adjusted Budget Variance |
|---|-----------------|-------------------|-------------|--------------------------|--------------------------|
| 24/25 Highlands: Development of new cell (MIG)  | R17,338,000     | R15,500,000       | R15,500,000 | 89,40%                   | 100,00%                  |
| 24/25 Malmesbury De Hoop 132/11kV Substation, 132kV transmission line, servitudes and 132kV Eskom | R22,818,000     | R22,401,642       | R22,401,642 | 98,18%                   | 100,00%                  |
| 24/25 Malmesbury De Hoop Serviced Sites Phase 1 (Sewerage)  | R12,991,893     | R13,585,000       | R13,046,734 | 100,42%                  | 96,04%                   |
| 24/25 Malmesbury De Hoop Serviced Sites Phase 1 (Streets & Stormwater)                            | R44,445,951     | R46,475,000       | R46,475,000 | 104,57%                  | 100,00%                  |
| 24/25 Moorreesburg Serviced Sites (645) (Roads & Stormwater)                                      | R35,469,474     | R34,841,436       | R34,841,436 | 98,23%                   | 100,00%                  |

#### (b) Comment on capital projects

The expenditure on the major projects listed above is according to budget and the projects were all completed within the timeframes set.

### 5.3.5 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS OVERVIEW

#### (a) Municipal Infrastructure Grant (MIG)\* Expenditure on Service backlogs

| Service                  | Households Above Minimum Level | Percentage | Households Below Minimum Level | Percentage |
|--------------------------|--------------------------------|------------|--------------------------------|------------|
| Sewerage Services        | 44,727                         | 95,00%     | 2,291                          | 5,00%      |
| Refuse Removal           | 40,778                         | 87,00%     | 6,093                          | 12,00%     |
| Water Services           | 46,151                         | 98,00%     | 857                            | 2,00%      |
| Electricity Distribution | 0,00                           | 0,00%      | 0,00                           | 0,00%      |



**(b) Municipal Infrastructure Grant (MIG)\* Expenditure on Service backlogs**

| Service | Original Budget | Adjustment Budget | Actual      | Original Budget Variance | Adjustment Budget Variance |
|---------|-----------------|-------------------|-------------|--------------------------|----------------------------|
|         | R0              | R0                | R0          | 0,00%                    | 0,00%                      |
|         | R0              | R0                | R0          | 0,00%                    | 0,00%                      |
|         | R29,332,000     | R29,302,000       | R29,302,000 | 99,90%                   | 100,00%                    |

## 5.4 CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.4.1 INTRODUCTION

The municipality classified a positive cash balance as critical to its operations and future viability and all planning exercises take the effect of decisions on the cash position of the municipality into consideration.

The municipality utilises a Capital Replacement Reserve (CRR), established in terms of the Asset Management Policy, to fund as much of the capital expenditure as possible. The CRR is being funded by surplus cash which is mainly derived from a recovery from tariffs for depreciation charges.

In order to measure that the municipality has sufficient own cash resources, the municipality deducts any unspent grants as well as unspent loans from the available cash position, with the balance being own funds and which is allocated between the operating account and the CRR.

### 5.4.2 CASH FLOW

**(a) Cash Flow Outcomes**

| Description              | Previous Year Actual  | Original Budget        | Adjustment Budget      | Actual                | Original Budget Variance | Adjustment Budget Variance |
|--------------------------|-----------------------|------------------------|------------------------|-----------------------|--------------------------|----------------------------|
| <b>1a Receipts</b>       | <b>R1,158,232,196</b> | <b>R1,648,330,544</b>  | <b>R1,633,874,925</b>  | <b>R1,422,620,945</b> | <b>86,31%</b>            | <b>87,07%</b>              |
| a Ratepayers and other   | R797,478,556          | R1,123,242,268         | R1,127,388,437         | R966,671,926          | 86,06%                   | 85,74%                     |
| b Government - operating | R171,246,227          | R190,068,052           | R188,731,187           | R180,663,157          | 95,05%                   | 95,73%                     |
| c Government - capital   | R133,512,728          | R246,022,275           | R225,964,940           | R208,178,681          | 84,62%                   | 92,13%                     |
| d Interest               | R55,994,685           | R88,997,949            | R91,790,361            | R67,107,181           | 75,40%                   | 73,11%                     |
| <b>1b Payments</b>       | <b>-R851,337,921</b>  | <b>-R1,177,669,996</b> | <b>-R1,201,063,790</b> | <b>-R941,103,664</b>  | <b>79,91%</b>            | <b>78,36%</b>              |

|   |                      |                      |                      |                      |               |                |
|---|----------------------|----------------------|----------------------|----------------------|---------------|----------------|
| a Suppliers and employees                           | R839,716,810         | R1,163,758,039       | R1,192,911,254       | R937,232,217         | 80,53%        | 78,57%         |
| b Finance charges                                   | R6,896,832           | R8,009,597           | R3,888,772           | R3,871,447           | 48,34%        | 99,55%         |
| c Transfers and Grants                              | R4,724,279           | R5,902,360           | R4,263,764           | R0                   | 0,00%         | 0,00%          |
| <b>2a Receipts</b>                                  | <b>R301,828,939</b>  | <b>R2,453,327</b>    | <b>R2,929,640</b>    | <b>R1,213,622</b>    | <b>49,47%</b> | <b>41,43%</b>  |
| a Proceeds on disposal of PPE                       | R1,828,939           | R2,453,327           | R2,929,640           | R1,213,622           | 49,47%        | 41,43%         |
| b Decrease (Increase) in non-current debtors        | R0                   | R0                   | R0                   | R0                   | 0,00%         | 0,00%          |
| c Decrease (increase) other non-current receivables | R0                   | R0                   | R0                   | R0                   | 0,00%         | 0,00%          |
| d Decrease (increase) in non-current investments    | R300,000,000         | R0                   | R0                   | R0                   | 0,00%         | 0,00%          |
| <b>2b Payments</b>                                  | <b>-R210,025,571</b> | <b>-R432,654,769</b> | <b>-R371,647,299</b> | <b>-R270,724,617</b> | <b>62,57%</b> | <b>72,84%</b>  |
| a Capital assets                                    | R210,025,571         | R432,654,769         | R371,647,299         | R270,724,617         | 62,57%        | 72,84%         |
| <b>3a Receipts</b>                                  | <b>R1,813,857</b>    | <b>R40,500,000</b>   | <b>R500,000</b>      | <b>R0</b>            | <b>0,00%</b>  | <b>0,00%</b>   |
| a Short term loans                                  | R0                   | R0                   | R0                   | R0                   | 0,00%         | 0,00%          |
| b Borrowing long term/refinancing                   | R0                   | R40,000,000          | R0                   | R0                   | 0,00%         | 0,00%          |
| c Increase (decrease) in consumer deposits          | R1,813,857           | R500,000             | R500,000             | R0                   | 0,00%         | 0,00%          |
| <b>3b Payments</b>                                  | <b>-R52,037,024</b>  | <b>-R11,317,763</b>  | <b>-R5,455,716</b>   | <b>-R5,477,653</b>   | <b>48,40%</b> | <b>100,40%</b> |
| a Repayment of borrowing                            | R52,037,024          | R11,317,763          | R5,455,716           | R5,477,653           | 48,40%        | 100,40%        |

**(b) Comment on cash flow outcomes**

The net cash position of the municipality, as indicated above, has increased from R 470.491m to R677.019m. Unspent conditional grants and receipts grants amounted to R21.7m .

The net increase in Cash and cash equivalents amounts to R206.5m compared to the previous year's (2023/2024) decrease of R251.5m.

### 5.4.3 BORROWING AND INVESTMENTS

**(a) Introduction**

No new borrowing contracts were taken up for the 2024/2025 financial year. The Municipality does not rely on borrowed funds to fund its capital budget. The main funding source is the Capital Replacement Reserve, to which an annual contribution is made out of the operating surplus.

*Annual Report for 2024/2025*

The Municipality has current investments on hand and review these investments on a monthly basis.

**(b) Actual Borrowings**

| <b>Instrument</b>                          | <b>Previous Year Amount</b> | <b>Amount</b>      |
|--|-----------------------------|--------------------|
| Financial Leases                           | R0                          | R0                 |
| Instalment Credit                          | R0                          | R0                 |
| Long-Term Loans (annuity/reducing balance) | R38,813,954                 | R33,336,301        |
| Long-Term Loans (non-annuity)              | R0                          | R0                 |
| Marketable Bonds                           | R0                          | R0                 |
| Non-Marketable Bonds                       | R0                          | R0                 |
| <b>TOTAL</b>                               | <b>R38,813,954</b>          | <b>R33,336,301</b> |

**(c) Municipal Investments**

| <b>Investment Type</b>                     | <b>Previous Year Amount</b> | <b>Amount</b>       |
|--|-----------------------------|---------------------|
| Bankers Acceptance Certificates            | R0                          | R0                  |
| Deposits - Bank                            | R0                          | R0                  |
| Deposits - Corporation for Public Deposits | R0                          | R0                  |
| Deposits - Public Investment Commissioners | R0                          | R0                  |
| Guaranteed Endowment Policies (sinking)    | R0                          | R0                  |
| Listed Corporate Bonds                     | R0                          | R0                  |
| Municipal Bonds                            | R0                          | R0                  |
| Negotiable Certificates of Deposit - Banks | R0                          | R0                  |
| Other                                      | R677 019 944                | R470 491 311        |
| Repurchase Agreements - Banks              | R0                          | R0                  |
| Securities - National Government           | R0                          | R0                  |
| <b>TOTAL</b>                               | <b>R677 019 944</b>         | <b>R470 491 311</b> |

**5.4.4 PUBLIC PRIVATE PARTNERSHIPS**

N/a

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### 6.1 INTRODUCTION

The Constitution section 188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The responsibility of the Auditor-General is to perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement and to express an opinion based on the audit conducted in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing.

The Municipal System Act section 45 states that the results of performance measurement must be audited annually by the Auditor-General. The reported performance against predetermined objectives is evaluated against the overall criteria of usefulness and reliability. The usefulness of information relates to whether the reported performance is consistent with the planned development priorities or objectives and if indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information.

The Annual Financial Statements (AFS) for the year 2024/2025 submitted for auditing were prepared in accordance with the requirements of section 122(1) of the Municipal Finance Management Act.

### 6.2 AUDITOR-GENERAL OPINION (PREVIOUS YEAR - 2023/2024)

#### 6.2.1 AUDITOR GENERAL REPORTS

##### (a) Auditor-General Report on Financial Performance

|   |                                 |
|---|---------------------------------|
| Status of audit report:   | Unqualified- Clean Audit Report |
| Non-Compliance Issues   | Remedial Action Taken           |
| None. The financial statements present fairly, in all material respects, the financial position of the Swartland Municipality as at 30 June 2024. No material non-compliance issues with the selected legislative requirements were identified. | None                            |

**(b) Auditor-General Report on Service Delivery Performance**

|   |   |
|---|---|
| <b>Status of audit report:</b>  | <b>Unqualified - Clean Audit Report</b> |
| <b>Non-Compliance Issues</b>  | <b>Remedial Action Taken</b>            |
| None. The financial statements present fairly, in all material respects, the financial position of the Swartland Municipality as at 30 June 2024. No material non-compliance issues with the selected legislative requirements were identified. | None                                    |

**6.3 AUDITOR-GENERAL OPINION (CURRENT YEAR 2024/2025)**

*Information will be provided once the final audit report has been issued.*

**6.3.1 AUDITOR GENERAL REPORTS**

**(a) Auditor-General Report on Financial Performance**

|   |   |
|---|---|
| <b>Status of audit report:</b>  | <b>Unqualified - Clean Audit Report</b> |
| <b>Non-Compliance Issues</b>  | <b>Remedial Action Taken</b>            |
| None. The financial statements present fairly, in all material respects, the financial position of the Swartland Municipality as at 30 June 2025. No material non-compliance issues with the selected legislative requirements were identified. | None                                    |

**(b) Auditor-General Report on Service Delivery Performance**

|   |                              |
|---|------------------------------|
| <b>Status of audit report:</b>  |                              |
| <b>Non-Compliance Issues</b>  | <b>Remedial Action Taken</b> |
| None. The financial statements present fairly, in all material respects, the financial position of the Swartland Municipality as at 30 June 2025. No material non-compliance issues with the selected legislative requirements were identified. | None                         |

**(c) Auditor-General Report on the financial statements**

*See Chapter 1 paragraph 1.2.6*

**(d) Comments on Auditor-General's opinion**

Will be added once the final audit report has been received.

**(e) Comments on MFMA section 71 responsibilities**

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

A handwritten signature in dark ink, appearing to be 'H. De' followed by a wavy line.

Signed (Chief Financial Officer) 31 October 2025

## GLOSSARY

|   |  |
|---|--|
| <b>Accessibility indicators</b>           | Explore whether the intended beneficiaries are able to access services or outputs.   |
| <b>Accountability documents</b>           | Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.  |
| <b>Activities</b>                         | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.   |
| <b>Adequacy indicators</b>                | The quantity of input or output relative to the need or demand.  |
| <b>Annual Report</b>                      | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.  |
| <b>Approved Budget</b>                    | The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.   |
| <b>Baseline</b>                           | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.   |
| <b>Basic municipal service</b>            | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.   |
| <b>Budget year</b>                        | The financial year for which an annual budget is to be approved – means a year ending on 30 June.  |
| <b>Cost indicators</b>                    | The overall cost or expenditure of producing a specified quantity of outputs.  |
| <b>Distribution indicators</b>            | The distribution of capacity to deliver services.  |
| <b>Financial Statements</b>               | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.   |
| <b>General Key performance indicators</b> | After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.  |
| <b>Impact</b>                             | The results of achieving specific outcomes, such as reducing poverty and creating jobs.  |
| <b>Inputs</b>                             | All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.  |
| <b>Integrated Development Plan (IDP)</b>  | Set out municipal goals and development plans.   |
| <b>National Key performance areas</b>     | <ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>   |
| <b>Goals</b>                              | A goal is a desired end result or possible outcome that an organisation envisions, plans and commits to achieve, towards which an organisation's programmes or problem solutions are directed. It is a major step in achieving the vision of the organisation. In the strategic planning context a goal is a state where the organisation wants to be, a destination |
| <b>Objectives</b>                         | Objectives are more detailed than goals and explain how goals will be accomplished. Objectives detail the activities that must be completed to bring about the achievement of the goal. The attainment of each goal may require a number of objectives to be reached.  |



|  |  |
|--|--|
| <b>Performance Indicator</b>                       | Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)  |
| <b>Performance Information</b>                     | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.   |
| <b>Performance Standards:</b>                      | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.   |
| <b>Performance Targets:</b>                        | The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.  |
| <b>Service Delivery Budget Implementation Plan</b> | Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.  |
| <b>Vote:</b>                                       | <p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p> |

**APPENDICES****APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE**

| Council Members | Full Time (FT)/<br>Part Time (PT) | Committees Allocated  | *Ward and/ or Party<br>Represented | Percentage Council<br>Meetings Attendance | Percentage Apologies for<br>non-attendance |
|-----------------|-----------------------------------|---|------------------------------------|---|--|
|                 |                                   |   |                                    | %   | %  |
| Nel, M          | PT                                | Chairperson: PF-committee (Protection Services); PF-committee (Municipal Manager, Administration and Finances); PF-committee (Civil and Electrical Services); MPAC            | Ward 1                             | 90%                                       | 100%                                       |
| Pypers, D C     | PT                                | PF-committee (Municipal Manager, Administration and Finances); PF-committee (Development Services) ; MPAC   | Ward 2                             | 90%                                       | 100%                                       |
| Smit, N         | FT                                | Executive Mayoral Committee; PF-committee (Municipal Manager, Administration and Finances); PF-committee (Civil and Electrical Services); PF-committee (Development Services) | Ward 3                             | 90%                                       | 100%                                       |
| Jooste, R J     | PT                                | Chairperson: PF-committee (Civil and Electrical Services); PF-committee (Protection Services) ; MPAC  | Ward 4                             | 100%                                      | N/a  |
| Rangasamy, M A  | FT                                | Speaker; PF-committee (Municipal Manager, Administration and Finances); PF-committee (Development Services)   | Ward 5                             | 100%                                      | N/a  |
| Warnick, A K    | FT                                | Executive Mayoral Committee; PF-committee (Municipal Manager, Administration and Finances); PF-committee (Civil and Electrical Services); PF-committee (Protection Services)  | Ward 6                             | 90%                                       | 100%                                       |
| Williams, A M   | PT                                | PF-committee (Civil and Electrical Services); PF-committee (Development Services); PF-committee (Protection Services)   | Ward 7                             | 100%                                      | N/a  |
| De Beer, J M    | PT                                | Executive Deputy Mayor; PF-committee (Development Services); PF-committee (Protection Services)   | Ward 8                             | 100%                                      | N/a  |
| Ngosi, M        | PT                                | PF-committee (Development Services)   | Ward 9                             | 100%                                      | N/a  |

| Council Members | Full Time (FT)/<br>Part Time (PT) | Committees Allocated   | *Ward and/ or Party<br>Represented | Percentage Council<br>Meetings Attendance | Percentage Apologies for<br>non-attendance |
|-----------------|-----------------------------------|--|------------------------------------|---|--|
|                 |                                   |  |                                    | %   | %  |
| Van Essen, T    | FT                                | Executive Mayoral Committee; PF-committee (Municipal Manager, Administration and Finances); PF-committee (Civil and Electrical Services)                   | Ward 10                            | 100%                                      | N/a  |
| White, G E      | PT                                | PF-committee (Development Services); PF-committee (Protection Services) ; MPAC   | Ward 11                            | 90%                                       | 100%                                       |
| Bess, D G       | FT                                | Executive Mayoral Committee; PF-committee (Civil and Electrical Services); PF-committee (Development Services); PF-committee (Protection Services)         | Ward 12                            | 100%                                      | N/a  |
| Cleophas, H J   | FT                                | Executive Mayor  | Party Representative               | 100%                                      | N/a  |
| O'Kennedy, E C  | PT                                | Chairperson: MPAC; PF-committee (Municipal Manager, Administration and Finances); PF-committee (Civil and Electrical Services)                             | Party Representative               | 100%                                      | N/a  |
| Le Minnie, I S  | PT                                | Chairperson: PF-committee (Municipal Manager, Administration and Finances); PF-committee (Development Services); PF-committee (Protection Services) ; MPAC | Party Representative               | 63%                                       | 100%                                       |
| Penxa, B J      | PT                                | PF-committee (Municipal Manager, Administration and Finances)  | Party Representative               | 72%                                       | 90%  |
| Pieters, C      | PT                                | PF-committee (Civil and Electrical Services); PF-committee (Protection Services)   | Party Representative               | 90%                                       | 100%                                       |
| Fortuin, C      | PT                                | PF-committee (Civil and Electrical Services); PF-committee (Protection Services)   | Party Representative               | 81%                                       | 100%                                       |
| Soldaka, P E    | PT                                | PF-committee (Municipal Manager, Administration and Finances); PF-committee (Development Services) ; MPAC  | Party Representative               | 81%                                       | 100%                                       |
| Vermeulen, G    | PT                                | Chairperson: PF-committee (Development Services); PF-committee (Municipal Manager, Administration and Finances)  | Party Representative               | 90%                                       | 100%                                       |
| Booyesen, A M   | PT                                | PF-committee (Development Services) ; MPAC   | Party Representative               | 96%                                       | 100%                                       |

| Council Members   | Full Time (FT)/<br>Part Time (PT) | Committees Allocated                                | *Ward and/ or Party<br>Represented | Percentage Council<br>Meetings Attendance | Percentage Apologies for<br>non-attendance |
|---|-----------------------------------|---|------------------------------------|---|--|
|   |                                   |   |                                    | %   | %  |
| Papier, J R   | PT                                | PF-committee (Protection Services)                  | Party Representative               | 100%                                      | N/a  |
| Gaika, M F  | PT                                | PF-committee (Civil and Electrical Services) ; MPAC | Party Representative               | 81%                                       | 90%  |
| <p><i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them.</i></p> <p><i>Council meetings = 11</i></p> <p><i>EMC meetings = 13</i></p> <p><i>Portfolio meetings = 36</i></p> <p><i>MPAC = 5</i></p> <p><i>Ward Committees =4/ward</i></p> |                                   |   |                                    |   |  |

**APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES**

| <b>Municipal Committees</b>                           | <b>Purpose of Committee</b>   |
|---|---|
| Local Labour Forum / Training / Appointment Committee | To regulate HR matters  |
| Swartland Law Enforcement and Traffic Committee       | To regulate law enforcement and traffic matters                                   |
| Landfill Audit Committee                              | To regulate landfill sites  |
| Occupational Health Committee                         | To regulate occupational health   |
| Disaster Management Committee                         | To regulate disaster management   |
| Tourism Organisation                                  | To regulate tourism matters   |
| Assets and Fleet Management Committee                 | To regulate asset and fleet matters   |
| Development Services Committee                        | To regulate development services matters  |
| Budget Steering Committee                             | To perform an oversight function  |
| Municipal Public Accounts Committee (MPAC)            | To perform an oversight function  |
| Performance and Risk Audit Committee                  | To perform an oversight function  |
| Rules Committee                                       | To oversee the conduct of councillors   |
| Municipal Planning Tribunal                           | To consider land use applications   |
| Swartland Social Development forum                    | To regulate social development  |
| Appeal Committee                                      | To regulate matters iro of Section 62 appeals                                     |
| Disciplinary Board                                    | To conduct independent investigations regarding Financial Misconduct and Offences |

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

| Directorate                     | Director/Manager (State title and name)   |
|---------------------------------|---|
| Corporate Services              | Senior Manager: Human Resources Services, Ms S de Jongh   |
| Corporate Services              | Manager: Secretariat and Records Services, Ms N Brand   |
| Corporate Services              | Manager: Properties, Contracts and Legal Administration, Ms F Williams                                      |
| Corporate Services              | Manager: Tourism, Library and Client Services, Ms IH Look   |
| Financial Services              | Senior Manager: Treasury, Mr P Sheldon  |
| Financial Services              | Senior Manager: Financial Statements and Asset Management, Mr RP Alberts                                    |
| Financial Services              | Manager: Budget, Costing and Management Reporting, Ms HT Papier   |
| Financial Services              | Senior Manager: Supply Chain Management, Mr PJ Swart  |
| Protection Services             | Chief Fire Officer and Disaster Management, Mr R Harris   |
| Protection Services             | Senior Manager: Traffic and Law Enforcement Operations and Vehicle Licensing and Administration, Mr R Steyn |
| Electrical Engineering Services | Senior Manager: Information, Communication and Technology, Mr WJ Pienaar                                    |
| Electrical Engineering Services | Senior Manager: Technical Services, Mr MJ Swanepoel   |
| Electrical Engineering Services | Senior Manager: Operations, Maintenance and Construction, Mr TF Rossouw                                     |
| Development Services            | Senior Manager: Development Management, Mr AM Zaayman   |
| Development Services            | Manager: Community Development, Ms H Balie  |
| Development Services            | Manager: Human Settlements, Mr SC Arendse   |
| Development Services            | Manager: Environmental Affairs, Mr S Visagie  |
| Civil Engineering Services      | Manager: Buildings and Infrastructure Management, Mr NC Quickfall   |
| Civil Engineering Services      | Senior Manager: Solid Waste and Trade Services, Mr E De Jager   |
| Civil Engineering Services      | Senior Manager: Civil Operations and Maintenance, Mr JP Barlow  |
| Civil Engineering Services      | Senior Manager: Public Services and Project Management, Mr JMS Spies  |

## APPENDIX D – FUNCTIONS OF MUNICIPALITY

| MUNICIPAL FUNCTIONS   | Function Applicable to Municipality<br>(Yes / No)* |
|---|--|
| <b>Constitution Schedule 4, Part B functions:</b>   |  |
| Air pollution   | No   |
| Building regulations  | Yes  |
| Child care facilities   | Yes  |
| Electricity and gas reticulation  | Yes  |
| Firefighting services   | Yes (partially)                                    |
| Local tourism   | Yes  |
| Municipal airports  | No   |
| Municipal planning  | Yes  |
| Municipal health services   | No   |
| Municipal public transport  | Yes  |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law |  |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto   | Yes  |
| Stormwater management systems in built-up areas   | Yes  |
| Trading regulations   | Yes  |
| Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems  | Yes  |
| Beaches and amusement facilities  | Yes  |
| Billboards and the display of advertisements in public places   | Yes  |
| Cemeteries, funeral parlours and crematoria   | Yes  |
| Cleansing   | Yes  |
| Control of public nuisances   | Yes  |
| Control of undertakings that sell liquor to the public  | Yes  |
| Facilities for the accommodation, care and burial of animals  | No   |
| Fencing and fences  | Yes  |
| Licensing of dogs   | No   |
| Licensing and control of undertakings that sell food to the public  | No   |
| Local amenities   | Yes  |

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|   |     |
|---|-----|
| Local sport facilities                                | Yes |
| Markets   | No  |
| Municipal abattoirs                                   | No  |
| Municipal parks and recreation                        | Yes |
| Municipal roads                                       | Yes |
| Noise pollution                                       | Yes |
| Pounds  | No  |
| Public places   | Yes |
| Refuse removal, refuse dumps and solid waste disposal | Yes |
| Street trading  | Yes |
| Street lighting                                       | Yes |
| Traffic and parking                                   | Yes |



**APPENDIX E – Functionality of Ward Committees**

| <b>Ward Number</b> | <b>Name of Ward Councillor</b> | <b>Committee established (Yes / No)</b> | <b>*Number of quarterly Committee meetings held during the year</b> | <b>Number of quarterly reports submitted to Speakers Office on time</b> | <b>Number of quarterly public ward meetings held during year</b> |
|--------------------|--------------------------------|---|---|---|--|
| 1                  | M Nel                          | Yes                                     | 4   | 4   | 1  |
| 2                  | D C Pypers                     | Yes                                     | 4   | 4   | 1  |
| 3                  | N Smit                         | Yes                                     | 4   | 4   | 1  |
| 4                  | R J Jooste                     | Yes                                     | 4   | 4   | 1  |
| 5                  | M A Rangasamy                  | Yes                                     | 4   | 4   | 1  |
| 6                  | A K Warnick                    | Yes                                     | 4   | 4   | 1  |
| 7                  | A M Williams                   | Yes                                     | 4   | 4   | 1  |
| 8                  | J M de Beer                    | Yes                                     | 4   | 4   | 1  |
| 9                  | M Ngosi                        | Yes                                     | 4   | 4   | 1  |
| 10                 | T van Essen                    | Yes                                     | 4   | 4   | 1  |
| 11                 | G E White                      | Yes                                     | 4   | 4   | 1  |
| 12                 | D G Bess                       | Yes                                     | 4   | 4   | 1  |

**APPENDIX F – Largest Capital Projects PER WARD**

| Project Description  | Budget for 2024/2025 |
|--|----------------------|
| <b>WARDS 1 &amp; 2</b>   |                      |
| Moorreesburg Serviced Sites (645) (Roads & Stormwater)           | 34 841 436           |
| <b>WARDS 3 &amp; 12</b>  |                      |
| Riebeek Kasteel Stores: Ablution Facilities                      | 30 000               |
| <b>WARD 4</b>  |                      |
| Purchasing of Land: Silvertown                                   | 8 300 000            |
| <b>WARDS 5 &amp; 6</b>   |                      |
| Darling Serviced Sites ( 186) Phase 1 (Water)                    | 9 003 878            |
| <b>WARD 7</b>  |                      |
| Kalbaskraal SEF (Prof. Fees)                                     | 744 891              |
| <b>WARDS 8, 9, 10 &amp; 11</b>                                   |                      |
| Malmesbury De Hoop Serviced Sites Phase 1 (Streets & Stormwater) | 46 475 000           |
| <b>VARIOUS WARDS</b>   |                      |
| Swimming Pool: Wesbank   | 12 260 700           |
| <b>ALL WARDS</b>   |                      |
| <b>Electricity Distribution</b>                                  |                      |
| Replace oil insulated switchgear and equipment                   | 5 000 000            |
| <b>Refuse Removal</b>  |                      |
| Highlands: Development of new cell                               | 24 038 370           |
| <b>ICT Services</b>  |                      |
| IT: notebooks  | 510 000              |
| <b>Parks and recreation</b>                                      |                      |
| Ward committee projects  | 1 100 000            |
| <b>Sports Grounds</b>  |                      |
| Sportgrounds: Blower Mower: sn 20134 (replace)                   | 81 700               |
| <b>Roads and storm water</b>                                     |                      |
| Roads Swartland: New Roads                                       | 7 672 710            |
| <b>Water Distribution</b>  |                      |
| Water networks: Upgrades and Replacement                         | 5 424 055            |

| <b>Project Description</b>                         | <b>Budget for 2024/2025</b> |
|--|-----------------------------|
| <b>Financial Services</b>                          |                             |
| Meter Installation Handheld Devices                | 226 065                     |
| <b>Protection Services</b>                         |                             |
| CCTV Equipment and Radio Communication             | 60 000                      |
| <b>Corporate Services</b>                          |                             |
| Installation of fire alarm system: Registry office | 297 200                     |
| <b>MM and Council</b>                              |                             |
| New Website: Development and Implementation        | 400 000                     |

**APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL PERFORMANCE AND RISK AUDIT COMMITTEE**

***FINAL REPORT OF THE PERFORMANCE AND RISK AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2025 FOLLOWS ON THE NEXT PAGE.***

# FINAL REPORT OF THE INDEPENDENT PERFORMANCE, RISK AND AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 TO THE COUNCIL OF THE SWARTLAND MUNICIPALITY

The Performance, Risk and Audit Committee (PRAC) is pleased to present its report for the financial year ended 30 June 2025 as required by Section 166 of the Municipal Finance Management Act, 56 of 2003 (MFMA). This report is provided by the PRAC in respect of the 2024/2025 financial year of the Swartland Municipality.

## AUDIT COMMITTEE RESPONSIBILITY

Section 166 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003, as amended obliges every municipality to establish an independent Audit Committee, which must advise the Municipal Council, political office-bearers, accounting officer and management staff of the municipality on matters relating to internal financial controls and internal audits, risk management, accounting policies, adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA and any other applicable legislation and any other issues referred to it by the municipality.

Municipal Planning and Performance Management Regulations, section 14(2)(c) makes provision for the establishment of a Performance Audit Committee (the role of which can be fulfilled by the audit committee) that must include at least one person who has expertise in performance management. The performance audit committee is required to review the quarterly reports submitted by internal audit on performance management, review the municipality's performance management system and make recommendations in this regard to council. The PRAC submit audit reports to Council at least twice during a financial year.

The Committee operates in accordance with a formal terms of reference outlined in its charter, which is periodically reviewed by PRAC and approved by the Executive Mayoral Committee. The Charter was most recently reviewed by the Committee and the proposed amendments were accepted at its meeting held on 25 November 2025.

## PRAC MEMBERS AND ATTENDANCE

The Committee currently comprises of 4 independent members, who have sufficient qualifications and experience, appointed by the Council of Swartland Municipality. During the year under review, 5 Performance, Risk and Audit Committee meetings were held.

Committee members participate in meetings with commitment as is evidenced from the summary below:

| PRAC MEMBER                                     | 20 AUG<br>2024 | 27 AUG<br>2024 | 26 NOV<br>2024 | 25 FEB<br>2025 | 27 MAY<br>2025 |
|---|----------------|----------------|----------------|----------------|----------------|
| Mr. CB de Jager ( <i>outgoing Chairperson</i> ) | ✓              | ✓              |                |                |                |
| Ms. R Gani ( <i>new Chairperson</i> )           | ✓              | ✓              | ✓              | ✓              | ✓              |
| Mr. BJ Gouws                                    | ✓              | ✓              | ✓              | ✓              | ✓              |
| Ms. S Jones                                     |                |                | ✓              | ✓              | ✓              |
| Adv M Mdludlu                                   |                |                | ✓              | ✓              | ✓              |

*It should be noted that 2<sup>nd</sup> term of the Mr. CB De Jager ended on 31 October 2024. Ms. Jones and Adv. Mdludlu were appointed from 01 November 2024. Ms. Gani was unanimously elected as the new Chairlady during a meeting held on 26 November 2024.*

The tenure and qualifications of the members are as follows:

| NAME            | QUALIFICATIONS   | TENURE PERIOD  |
|-----------------|--|--|
| Mr. CB de Jager | B.Comm. and B.Comm. (Hons), CA(SA)<br>Practicing as CA (SA) and Registered Auditor   | 1 November 2021 to 31 October 2024<br>(2 <sup>nd</sup> term ended) |
| Ms. R Gani      | Baccalaureus Commercii Honores with<br>specialization Accounting Sciences<br>CA (SA)<br>Certified Director (IOD)   | 1 August 2023 to 31 July 2026 – (2 <sup>nd</sup><br>Term)          |
| Mr. BJ Gouws    | Baccalaureus Commercii Honores with<br>specialization in Industrial and Personnel<br>Psychology<br>Master Degree in Industrial Administration<br>(Intro to Business Administration and System<br>Engineering Practice) | 01 May 2024 to 30 April 2027 (2 <sup>nd</sup> term)                |
| Adv. Mdludlu M  | Bachelor of Law,<br>Bachelor of Laws (LLB),<br>Labour Law Certificate  | 1 November 2024 to 31 October 2027                                 |
| Ms. SJ Jones    | Professional Accountant (SA),<br>Independent Reviewer (SA),<br>Professional Tax Practitioner (SA)<br>Bachelor of Accounting Science  | 1 November 2024 to 31 October 2027                                 |

## DISCHARGE OF PRAC RESPONSIBILITIES

The Committee is pleased to report that it has complied with its responsibilities arising from its terms of reference, including relevant legislative requirements.

The detailed minutes of each meeting following the approval of the minutes at Committee meetings are presented to Council.

## Governance and Ethical Oversight

During the year, the Committee focused on and discussed KING IV principles during their meetings and started to focus on the Code for Ethical Leadership in Local Government 2023 in the 2025/2026 financial year. As part of their oversight duties they reviewed the municipality's governance structures, policies, auditor general reports and ethical practices through discussions with management during their meetings.

### *Internal Control*

During the year under review the Committee executed the following functions in respect of internal control:

- Considered reports of internal audit and external audit on Council's system of internal control including internal financial controls and maintenance of effective internal control systems.
- Reviewed significant issues raised by internal and external audit on internal control systems and adequacy of corrective actions in response to the findings.

The PRAC will continue to monitor implementation of corrective action and the enhancement of the control environment in the 2025/2026 financial year.

### *Internal Audit Effectiveness*

During the year under review the Committee executed the following functions in respect of Internal Audit:

- Reviewed and approved the Internal Audit Risk-based Annual Internal Audit Plan.
- Reviewed and approved the Internal Audit Three-year rolling Plan.

- Evaluated the independence and effectiveness and performance of the Internal Audit Function.
- Reviewed the work performed by Internal Audit on a quarterly basis and the implementation of internal audit recommendations.
- Review and monitor the implementation of the recommendations in respect of the 5-yearly External Quality Review of the Internal Audit Activity.

The Internal Audit activities are performed by a two-person in-house department operating in terms of an Internal Audit Charter. There appears to have been no compromise of the independence or objectivity of the function during the year of review. Internal Audit was able successfully execute the Risk-based Internal Audit Plan for the year under review. Internal Audit reports that were reviewed are as follows:

- Inventory/ Stock count 2024/2025
- Performance Management reports (Quarter 1 to 4)
- DORA expenditure for 2024/2025
- Risk Management report (executed by West Coast District Municipality)
- Revenue - Property Rates
- SCM Tenders and Payments
- Proclaim Main Roads – Letter of internal control environment
- Eunomia compliance reports
- Progress report- Mscoa Implementation
- Review of the 2024/2025 draft Annual Financial Statements
- Follow-up reports on Internal Audit recommendations
- Ad-hoc reports
  - Evaluation of Tender T09/24/25
  - Evaluation of Tender T12/24/25
  - Evaluation of Tender T 22/24/25
  - Evaluation of Tender T29/24/25

### ***Risk Management***

Internal audit is responsible for facilitating risk management, as part of its consulting services, and assisted management during the performance of risk assessments. The Enterprise Risk Management Policy was reviewed and approved by the Executive Mayoral Committee on 25 March 2025 and the Risk Management Strategic Plan approved on 27 May 2025 by the PRAC. During the year under review detail risk assessments were conducted at the different directorates. Management also presented Strategic and Operational Risk registers to the PRAC for their consideration and input.

The PRAC will continue to exercise its advisory and oversight function in respect of risk management. There was a substantial improvement in the quality of the Operational Risk Registers submitted to the PRAC.

### ***External audit***

In respect of external audit, the PRAC performed the following:

#### **Financial year 2024/2025**

- Reviewed and discussed the Auditor-General's Engagement Letter and Audit Strategy on 23 September 2025
- Received and reviewed the Final Management Report on 27 November 2025
- Received the reviewed the Final Audit Report on 05 December 2025
- Discussed the Final Audit Report with the AG on 08 December 2025

The Committee will endeavour together with the municipality to ensure that all recommendations made by Auditor-General in its Management Report will be implemented.

The PRAC is satisfied with the independence of the external auditors.

### **Combined assurance**

A combined assurance framework has been developed and approved by Council. The PRAC will continue to monitor the implementation of the combined assurance framework and make recommendations in this regard

### **Review and Evaluation of the Annual Financial Statements**

The PRAC had the opportunity to review the annual financial statements and made recommendations to management as part of its advisory role. The committee reviewed the 2024/2025 draft annual financial statements on 26 August 2025. The PRAC asked clarity seeking questions and provided input into the financial statement review process.

### **Performance Management**

The PRAC has reviewed the municipality's performance on a quarterly basis and have specifically focused on the indicators showing negative variances. Senior Management of the municipality was required to provide explanations and corrective actions for variances between planned and actual performance. The PRAC emphasised the need to maintain appropriate evidence to substantiate performance information.

The PRAC has made suggestions/input to enhance/improve the quality of the Directors' performance reports and will continue to monitor management's actions to ensure an effective Municipality Performance Management System.

### **Financial Management and Performance: Quarterly Section 52 Reports:**

The PRAC reviewed and commented on the Quarterly Section 52 Reports. The purpose of this report is to comply with the requirements of Section 52 (d) of the Municipal Finance Management Act, No. 56 of 2003, which prescribes the general responsibilities of the Mayor to table to council the financial position as well as the financial progress of the municipality, measured against the approved budget for the 1st quarter and at the end of each quarter.

The Auditor General stated in their 2024/2025 Management report that the *"We assessed the operations and impact of the audit committee and the responsiveness by leadership to its reports and recommendations. The audit committee functioned effectively during the year and operated within the prescripts of applicable legislation. The committee is adequately capacitated and suitably qualified to carry out its responsibilities"*.

Based on information and assurance obtained from internal and external auditors, management, and other assurance providers, the PRAC concludes that the municipality's governance, risk management, and internal control environment are adequate and requires minor improvements.

### **Annual Evaluation of the PRAC Performance by the Executive Mayor and Municipal Manager.**

In its annual performance evaluation of the PRAC's performance, the Executive Mayor and Municipal Manager commented that PRAC is adding value to the Swartland Municipality.

### **CONCLUSION**

The PRAC wishes to express its appreciation to management, the Auditor-General and Internal Audit who assist the Committee in performing its functions effectively. The Committee would also like to congratulate the municipality for achieving its 13<sup>th</sup> clean audit report since 2011 and the Committee is proud to be part of such an institution.



**Ms. R Gani**

**Chairperson of the Performance, Risk and Audit Committee**

**Date: 12 December 2025**



**APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS****(a) Long Term Contracts (20 Largest Contracts) Entered into**

| <b>Name of Service Provider (Entity or Municipal Department)</b> | <b>Description of Services Rendered by the Service Provider</b>   | <b>Start Date of Contract</b> | <b>Expiry date of Contract</b> | <b>Project manager</b> | <b>Contract Value</b>              |
|--|---|-------------------------------|--------------------------------|------------------------|------------------------------------|
| The Standard Bank of South Africa Ltd                            | Banking Services  | July 2022                     | June 2027                      | Mr M Dreyden           | Tariffs/Charges/<br>Interest rates |
| Tenderers on Panel   | Supply Asphaltting Services in the Swartland municipal area   | July 2022                     | June 2025                      | Mr J Spies             | Tariffs                            |
| Dogs and All CC  | The leasing of nine trained Narcotic Dogs for the K9-unit of Swartland Traffic and Law Enforcement Services                                   | July 2022                     | June 2025                      | Mr R Steyn             | Tariffs                            |
| Mubesko Africa (Pty) Ltd   | Provision of Accounting Services to Swartland Municipality, to ensure GRAP/Mscoa compliant Annual Financial Statements                        | July 2022                     | June 2025                      | Mr R Alberts           | Tariffs                            |
| Verso Financial Services   | Underwriting of the Municipality's Group Life Insurance Portfolio   | July 2022                     | June 2025                      | Ms S de Jongh          | Tariffs                            |
| HCB Valuation and Services (Pty) Ltd                             | Execution of a General and Supplementary Valuations for all properties in die area of jurisdiction of Swartland Municipality ending June 2025 | July 2023                     | June 2028                      | Mr A M Zaayman         | Tariffs                            |
| Tshayela Projects cc   | Sweeping of streets and cleansing services for the period ending 30 June 2025   | Feb 2023                      | June 2025                      | Mr P Marais            | Rates                              |
| Amandla GCF Construction   | Construction of New Sports Fields, Lighting and Ablution Facility at Ilinge Lethu Sports Ground in Holomisa Straat, Malmesbury                | Sep 2023                      | Apr 2024                       | Mr J Spies             | R9 697 435,50                      |
| VE Reticulation (Pty) Ltd  | New 132/11kV Substation in the De Hoop area, Malmesbury (Phase 3)   | Oct 2023                      | June 2025                      | Mr M J Swanepoel       | R51 304 047,22                     |
| Asla Konstruksie   | Construction of Civil Engineering Services for the development of low cost housing erven in Malmesbury and Darling                            | Oct 2023                      | June 2025                      | Mr J Spies             | R80 015 546,28                     |
| Nammic Western Cape (Pty) Ltd                                    | Construction of new Olympic size swimming pool at Wesbank Sports Ground in Alfa Street, Malmesbury  | Feb 2024                      | Oct 2024                       | Mr J Spies             | R17 961 336,75                     |
| Wastewant Waste Management                                       | Community based collection of general solid waste at Chatsworth, Riverlands and Kalbaskraal   | May 2024                      | June 2026                      | Mr P Marais            | Tariffs/Rates                      |
| F Bocks Verfkontrakteurs   | Construction of new ablution facility and upgrading of existing ablution facility at the Ilinge Lethu Sports Ground, Malmesbury               | Aug 2024                      | Jan 2025                       | Mr J Spies             | R4 224 878,35                      |
| JB's Commercial (RF)   | Supply and delivery of Hich Compaction REL Refuse Collection Truck  | Aug 2024                      | Dec 2024                       | Mr P Marais            | R3 245 318,70                      |
| JVZ Construction   | Bulk earthworks and associated infrastructure for Cell 3A at the Highlands Landfill Site  | Sep 2024                      | June 2025                      | Mr E de Jager          | R14 392 817,97                     |
| Exeo Khokela Civil Engineering Construction                      | Construction of Sarah Baartman Road and Associated Civil Works, Malmesbury  | Sep 2024                      | March 2025                     | Mr J Spies             | R17 231 615,94                     |

| Name of Service Provider (Entity or Municipal Department) | Description of Services Rendered by the Service Provider                           | Start Date of Contract | Expiry date of Contract | Project manager | Contract Value |
|---|--|------------------------|-------------------------|-----------------|----------------|
| Baseline Civil Contractores                               | Construction of Roads in various towns in the Swartland municipal area             | Feb 2025               | Jan 2026                | Mr J Spies      | Tariffs/Rates  |
| JVZ Construction (Pty) Ltd                                | Construction of new Cell 3A at the Highlands Landfill Site, Civil and Lining Works | May 2025               | Jan 2026                | Mr E de Jager   | R28 994 804,89 |
| JVZ Construction (Pty) Ltd                                | Upgrading of External Water and Sewer Services in Darling                          | Nov 2024               | June 2025               | Mr E de Jager   | R5 906 155,57  |
| Kusasa Commodities 151                                    | Supply and delivery of various vehicles  | Nov 2024               | Dec 2024                | Ms A Beneke     | R2 521 417,15  |

**(b)**      **Public Private Partnerships Entered into: None**

**APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE**

| <b>Name of Service Provider (Entity or Municipal Department)</b> | <b>Description of Services Rendered by the Service Provider</b>   | <b>Did the service provider reach all targets (Yes/No)</b> | <b>If no, provide reasons</b> | <b>Project Manager</b> |
|--|---|--|-------------------------------|------------------------|
| The Standard Bank of South Africa Ltd                            | Banking Services  | Yes  |                               | Mr M Dreyden           |
| Tenderers on Panel   | Supply Asphaltting Services in the Swartland municipal area   | Yes  |                               | Mr J Spies             |
| Dogs and All CC  | The leasing of nine trained Narcotic Dogs for the K9-unit of Swartland Traffic and Law Enforcement Services                                   | Yes  |                               | Mr R Steyn             |
| Mubesko Africa (Pty) Ltd   | Provision of Accounting Services to Swartland Municipality, to ensure GRAP/Mscoa compliant Annual Financial Statements                        | Yes  |                               | Mr R Alberts           |
| Verso Financial Services   | Underwriting of the Municipality's Group Life Insurance Portfolio   | Yes  |                               | Ms S de Jongh          |
| HCB Valuation and Services (Pty) Ltd                             | Execution of a General and Supplementary Valuations for all properties in die area of jurisdiction of Swartland Municipality ending June 2025 | Yes  |                               | Mr A M Zaayman         |
| Tshayela Projects cc   | Sweeping of streets and cleansing services for the period ending 30 June 2025   | Yes  |                               | Mr P Marais            |
| Amandla GCF Construction   | Construction of New Sports Fields, Lighting and Ablution Facility at Ilinge Lethu Sports Ground in Holomisa Straat, Malmesbury                | Yes  |                               | Mr J Spies             |
| VE Reticulation (Pty) Ltd  | New 132/11kV Substation in the De Hoop area, Malmesbury (Phase 3)   | Yes  |                               | Mr M J Swanepoel       |
| Asla Konstruksie   | Construction of Civil Engineering Services for the development of low cost housing erven in Malmesbury and Darling                            | Yes  |                               | Mr J Spies             |
| Nammic Western Cape (Pty) Ltd                                    | Construction of new Olympic size swimming pool at Wesbank Sports Ground in Alfa Street, Malmesbury  | Yes  |                               | Mr J Spies             |
| Wastewant Waste Management                                       | Community based collection of general solid waste at Chatsworth, Riverlands and Kalbaskraal   | Yes  |                               | Mr P Marais            |
| F Bocks Verfkontrakteurs   | Construction of new ablution facility and upgrading of existing ablution facility at the Ilinge Lethu Sports Ground, Malmesbury               | Yes  |                               | Mr J Spies             |
| JB's Commercial (RF)   | Supply and delivery of Hich Compaction REL Refuse Collection Truck  | Yes  |                               | Mr P Marais            |
| JVZ Construction   | Bulk earthworks and associated infrastructure for Cell 3A at the Highlands Landfill Site  | Yes  |                               | Mr E de Jager          |
| Exeo Khokela Civil Engineering Construction                      | Construction of Sarah Baartman Road and Associated Civil Works, Malmesbury  | Yes  |                               | Mr J Spies             |
| Baseline Civil Contractores                                      | Construction of Roads in various towns in the Swartland municipal area  | Yes  |                               | Mr J Spies             |

| Name of Service Provider (Entity or Municipal Department) | Description of Services Rendered by the Service Provider                           | Did the service provider reach all targets (Yes/No) | If no, provide reasons | Project Manager |
|---|--|---|------------------------|-----------------|
| JVZ Construction (Pty) Ltd                                | Construction of new Cell 3A at the Highlands Landfill Site, Civil and Lining Works | Yes   |                        | Mr E de Jager   |
| JVZ Construction (Pty) Ltd                                | Upgrading of External Water and Sewer Services in Darling                          | Yes   |                        | Mr E de Jager   |
| Kusasa Commodities 151                                    | Supply and delivery of various vehicles  | Yes   |                        | Ms A Beneke     |

**APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS**

The Municipal Manager and directors signed a disclosure of financial interest form when the performance agreements were signed in June 2025. The forms are available at the Office of the Municipal Manager. Any changes in the nature of financial interests are declared quarterly at management meetings and reported to the Speaker of the Council as required by law.

**APPENDIX K - REVENUE COLLECTION PERFORMANCE****(a) By Function**

| Revenue Collection Performance by Function |                      |                      |                      |                      |                     |                    |
|--|----------------------|----------------------|----------------------|----------------------|---------------------|--------------------|
| Function Description                       | 2023/2024            | 2024/2025            |                      |                      | 2024/2025 Variances |                    |
|  | Actual               | Original Budget      | Adjusted Budget      | Actual               | Original Budget     | Adjustments Budget |
| Executive and council                      | 153,529              | 351,690              | 402,690              | 294,998              | -16%                | -27%               |
| Finance and administration                 | 335,171,175          | 377,304,529          | 384,388,783          | 386,715,894          | 2%                  | 1%                 |
| Internal audit                             | -                    | -                    | -                    | -                    | 0%                  | 0%                 |
| Community and social services              | 14,480,157           | 14,097,759           | 13,270,650           | 15,104,414           | 7%                  | 14%                |
| Sport and recreation                       | 15,077,559           | 10,770,502           | 10,890,502           | 11,246,034           | 4%                  | 3%                 |
| Public safety                              | 49,107,857           | 48,569,692           | 41,282,352           | 46,317,944           | -5%                 | 12%                |
| Housing                                    | 54,301,540           | 184,125,773          | 173,518,875          | 154,760,009          | -16%                | -11%               |
| Planning and development                   | 5,718,293            | 5,107,177            | 5,513,862            | 6,113,517            | 20%                 | 11%                |
| Road transport                             | 31,337,578           | 25,069,249           | 35,004,369           | 29,748,702           | 19%                 | -15%               |
| Energy sources                             | 498,206,166          | 488,849,244          | 513,084,411          | 559,073,392          | 14%                 | 9%                 |
| Water management                           | 129,141,847          | 127,631,272          | 125,971,596          | 124,100,664          | -3%                 | -1%                |
| Waste water management                     | 102,316,500          | 96,862,568           | 103,312,675          | 106,952,983          | 10%                 | 4%                 |
| Waste management                           | 57,789,278           | 80,219,576           | 78,381,576           | 79,467,123           | -1%                 | 1%                 |
| Other                                      | 19,118               | 37,863               | 37,863               | 4,657                | -88%                | -88%               |
| <b>Total Revenue by Vote</b>               | <b>1,292,820,597</b> | <b>1,458,996,894</b> | <b>1,485,060,204</b> | <b>1,519,900,332</b> | <b>4,17%</b>        | <b>2,35%</b>       |

**(b) By Vote**

| Revenue Collection Performance by Vote |                      |                      |                      |                      |                     |                    |
|--|----------------------|----------------------|----------------------|----------------------|---------------------|--------------------|
| Vote Description                       | 2023/2024            | 2024/2025            |                      |                      | 2024/2025 Variances |                    |
|  | Actual               | Original Budget      | Adjusted Budget      | Actual               | Original Budget     | Adjustments Budget |
| Corporate Services                     | 15,130,417           | 13,429,802           | 12,533,255           | 14,062,028           | 5%                  | 12%                |
| Civil Services                         | 323,767,239          | 327,034,489          | 340,042,040          | 338,702,363          | 4%                  | 0%                 |
| Council                                | 153,529              | 351,690              | 402,690              | 294,998              | -16%                | -27%               |
| Electricity Services                   | 498,222,211          | 488,867,244          | 513,102,411          | 559,090,083          | 14%                 | 9%                 |
| Financial Services                     | 331,233,583          | 374,410,088          | 380,818,889          | 384,310,013          | 3%                  | 1%                 |
| Development Services                   | 64,426,390           | 193,449,141          | 183,913,819          | 165,992,754          | -14%                | -10%               |
| Municipal Manager                      | -                    | -                    | 80,000               | 130,500              | 0                   | 63%                |
| Protection Services                    | 59,887,229           | 61,454,440           | 54,167,100           | 57,317,592           | -7%                 | 6%                 |
| <b>Total Revenue by Vote</b>           | <b>1,292,820,597</b> | <b>1,458,996,894</b> | <b>1,485,060,204</b> | <b>1,519,900,332</b> | <b>4,17%</b>        | <b>2,35%</b>       |

## (c) By Source

| Revenue Collection Performance by Source     |             |                 |                    |             |                     |                    |
|--|-------------|-----------------|--------------------|-------------|---------------------|--------------------|
| Description                                  | 2023/2024   | 2024/2025       |                    |             | 2024/2025 Variances |                    |
|  | Actual      | Original Budget | Adjustments Budget | Actual      | Original Budget     | Adjustments Budget |
| <b>Revenue</b>                               |             |                 |                    |             |                     |                    |
| <b>Exchange Revenue</b>                      |             |                 |                    |             |                     |                    |
| Service charges - Electricity                | 443,249,370 | 451,420,002     | 472,747,422        | 516,000,743 | 14%                 | 9%                 |
| Service charges - Water                      | 92,981,779  | 97,940,403      | 98,216,026         | 95,517,854  | -2%                 | -3%                |
| Service charges - Waste Water Management     | 60,460,874  | 57,021,901      | 57,625,233         | 63,838,863  | 12%                 | 11%                |
| Service charges - Waste management           | 33,962,559  | 38,087,379      | 38,063,559         | 38,791,037  | 2%                  | 2%                 |
| Sale of Goods and Rendering of Services      | 14,571,306  | 13,619,164      | 14,129,365         | 15,294,773  | 12%                 | 8%                 |
| Agency services                              | 5,348,435   | 6,787,076       | 6,787,076          | 5,658,345   | -17%                | -17%               |
| Interest                                     |             |                 | -                  | -           |                     |                    |
| Interest earned from Receivables             | 3,694,797   | 3,406,877       | 4,114,765          | 4,078,102   | 20%                 | -1%                |
| Interest from Current and Non Current Assets | 84,764,075  | 88,997,949      | 91,790,361         | 95,898,921  | 8%                  | 4%                 |
| Dividends                                    |             |                 | -                  | -           |                     |                    |
| Rent on Land                                 |             |                 | -                  | -           |                     |                    |
| Rental from Fixed Assets                     | 1,382,483   | 1,929,774       | 1,929,774          | 1,883,457   | -2%                 | -2%                |
| Licence and permits                          |             |                 | -                  | -           |                     |                    |
| Operational Revenue                          | 44,525,244  | 4,028,029       | 9,640,358          | 12,085,148  | 200%                | 25%                |
| <b>Non-Exchange Revenue</b>                  |             |                 |                    |             |                     |                    |



|  |                      |                      |                      |                      |           |           |
|--|----------------------|----------------------|----------------------|----------------------|-----------|-----------|
| Property rates   | 163,174,552          | 199,371,451          | 201,371,451          | 200,765,307          | 1%        | 0%        |
| Surcharges and Taxes                                     |                      |                      | -                    | -                    |           |           |
| Fines, penalties and forfeits                            | 38,582,079           | 38,990,582           | 31,213,041           | 36,325,543           | -7%       | 16%       |
| Licence and permits                                      | 5,079,410            | 5,467,036            | 5,467,036            | 4,837,755            | -12%      | -12%      |
| Transfers and subsidies - Operational                    | 171,662,265          | 190,028,052          | 188,763,654          | 181,836,113          | -4%       | -4%       |
| Interest   | 1,547,866            | 1,323,600            | 1,670,788            | 1,783,175            | 35%       | 7%        |
| Fuel Levy  |                      |                      | -                    | -                    |           |           |
| Operational Revenue                                      | 11,093,950           | 12,062,017           | 11,323,645           | 11,580,602           | -4%       | 2%        |
| Gains on disposal of Assets                              | 2,962,555            | 2,453,327            | 2,929,640            | 1,702,378            | -31%      | -42%      |
| Transfers and subsidies - capital (monetary allocations) | 113,776,998          | 246,062,275          | 247,277,010          | 232,022,216          | -6%       | -6%       |
| <b>Total Revenue</b>                                     | <b>1,292,820,597</b> | <b>1,458,996,894</b> | <b>1,485,060,204</b> | <b>1,519,900,332</b> | <b>4%</b> | <b>2%</b> |

**APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG**

| <b>APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG</b> |                        |                           |                    |                            |                            |
|---|------------------------|---------------------------|--------------------|----------------------------|----------------------------|
|   | <b>2024/2025</b>       |                           |                    | <b>2024/2025 Variances</b> |                            |
| <b>Description</b>  | <b>Original Budget</b> | <b>Adjustments Budget</b> | <b>Actual</b>      | <b>Variance Budget</b>     | <b>Variance Adj Budget</b> |
| Finance Management  | 1,600,000              | 1,600,000                 | 1,600,000          | 0%                         | 0%                         |
| EPWP Incentive  | 1,593,000              | 1,593,000                 | 1,593,000          | 0%                         | 0%                         |
| Integrated National Electrification Programme                 | 22,818,000             | 22,818,000                | 22,818,000         | 0%                         | 0%                         |
| Municipal Disaster Response Grant                             | -                      | 9,241,000                 | 1,797,390          | 0%                         | -81%                       |
| Community Development: Workers                                | 38,000                 | 38,000                    | 33,988             | -11%                       | -11%                       |
| Human Settlements   | 183,634,000            | 173,773,306               | 153,180,907        | -17%                       | -12%                       |
| Municipal Accreditation and Capacity Building Grant           | 249,000                | 249,000                   | 165,904            | -33%                       | -33%                       |
| Libraries   | 12,052,000             | 12,052,000                | 12,052,000         | 0%                         | 0%                         |
| Proclaimed Roads Subsidy                                      | 170,000                | 170,000                   | 170,000            | 0%                         | 0%                         |
| Establishment of a K9 Unit                                    | 3,772,000              | 4,172,000                 | 4,172,000          | 11%                        | 0%                         |
| Establishment of a Law Enforcement Reaction Unit              | 5,712,000              | 5,712,000                 | 5,712,000          | 0%                         | 0%                         |
| Thusong Grant   | 150,000                | 150,000                   | 134,563            | -10%                       | -10%                       |
| Fire Kits   | 416,591                | 416,591                   | 414,554            | 0%                         | 0%                         |
| Sport Development   | 500,000                | 500,000                   | 498,434            | 0%                         | 0%                         |
|   | <b>232,704,591</b>     | <b>232,484,897</b>        | <b>204,342,740</b> | <b>0%</b>                  | <b>-14%</b>                |

## APPENDIX M: CAPITAL EXPENDITURE – NEW &amp; UPGRADE/RENEWAL PROGRAMMES

## (a) Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class

| WC015 Swartland - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class |                 |                     |                 |                |                |              |                |                    |
|--|-----------------|---------------------|-----------------|----------------|----------------|--------------|----------------|--------------------|
| Description  | 2023/24         | Budget Year 2024/25 |                 |                |                |              |                |                    |
|  | Audited Outcome | Original Budget     | Adjusted Budget | YearTD actual  | YearTD budget  | YTD variance | YTD variance % | Full Year Forecast |
| R thousands  |                 |                     |                 |                |                |              |                |                    |
| <u>Capital expenditure on new assets by Asset Class/Sub-class</u>  |                 |                     |                 |                |                |              |                |                    |
| -  |                 |                     |                 |                |                |              |                |                    |
| <b>Infrastructure</b>  | <b>148,372</b>  | <b>275,466</b>      | <b>223,254</b>  | <b>209,951</b> | <b>223,571</b> | 13,621       | 6,1%           | <b>223,254</b>     |
| Roads Infrastructure   | 60,113          | 117,253             | 101,419         | 97,216         | 101,919        | 4,703        | 4,6%           | 101,419            |
| <i>Roads</i>   | 60,113          | 117,253             | 101,419         | 97,216         | 101,919        | 4,703        | 4,6%           | 101,419            |
| Storm water Infrastructure   | 1,529           | 1,509               | 4,281           | 1,509          | 4,281          | 2,772        | 64,8%          | 4,281              |
| <i>Storm water Conveyance</i>  | 1,529           | 1,509               | 4,281           | 1,509          | 4,281          | 2,772        | 64,8%          | 4,281              |
| Electrical Infrastructure  | 58,109          | 61,979              | 34,380          | 36,362         | 34,750         | (1,613)      | -4,6%          | 34,380             |
| <i>MV Substations</i>  | 20,289          | 31,611              | 24,091          | 24,418         | 24,461         | 43           | 0,2%           | 24,091             |
| <i>MV Switching Stations</i>   | 4,830           | 5,350               | 5,263           | 5,132          | 5,263          | 131          | 2,5%           | 5,263              |
| <i>MV Networks</i>   | 32,064          | 22,818              | 1,521           | 1,961          | 1,521          | (440)        | -29,0%         | 1,521              |
| <i>LV Networks</i>   | 926             | 2,200               | 3,504           | 4,851          | 3,504          | (1,347)      | -38,4%         | 3,504              |
| <i>Capital Spares</i>  |                 |                     | –               |                |                | –            |                |                    |
| Water Supply Infrastructure  | 17,173          | 38,951              | 33,864          | 30,566         | 33,811         | 3,245        | 9,6%           | 33,864             |
| <i>Distribution</i>  | 17,173          | 38,951              | 33,864          | 30,566         | 33,811         | 3,245        | 9,6%           | 33,864             |
| Sanitation Infrastructure  | 9,351           | 26,154              | 25,273          | 20,760         | 25,273         | 4,513        | 17,9%          | 25,273             |
| <i>Pump Station</i>  | 1,212           | –                   |                 |                |                | –            |                |                    |

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|   |               |               |               |               |               |              |              |               |
|---|---------------|---------------|---------------|---------------|---------------|--------------|--------------|---------------|
| <i>Reticulation</i>                           | 8,138         | 26,154        | 25,273        | 20,760        | 25,273        | 4,513        | <b>17,9%</b> | 25,273        |
| Solid Waste Infrastructure                    | 2,098         | 29,621        | 24,038        | 23,538        | 23,538        | 1            | <b>0,0%</b>  | 24,038        |
| <i>Landfill Sites</i>                         | 2,098         | 29,621        | 24,038        | 23,538        | 23,538        | 1            | <b>0,0%</b>  | 24,038        |
|   |               |               |               |               |               |              |              |               |
| <b><u>Community Assets</u></b>                | <b>10,446</b> | <b>14,141</b> | <b>14,536</b> | <b>14,328</b> | <b>14,703</b> | <b>375</b>   | <b>2,6%</b>  | <b>14,536</b> |
| Community Facilities                          | 2,615         | 1,800         | 1,230         | 1,347         | 1,440         | 93           | <b>6,5%</b>  | 1,230         |
| <i>Cemeteries/Crematoria</i>                  | 453           | –             |               |               |               | –            |              |               |
| <i>Parks</i>                                  | 1,212         | 1,100         | 1,180         | 1,338         | 1,390         | 52           | 3,7%         | 1,180         |
| <i>Public Ablution Facilities</i>             | –             | 700           | 50            | 8             | 50            | 42           | 83,5%        | 50            |
| <i>Markets</i>                                | 950           | –             |               |               |               | –            |              |               |
| Sport and Recreation Facilities               | 7,831         | 12,341        | 13,306        | 12,981        | 13,263        | 282          | <b>2,1%</b>  | 13,306        |
| <i>Indoor Facilities</i>                      | –             | 980           | 745           | 745           | 745           | 0            | 0,0%         | 745           |
| <i>Outdoor Facilities</i>                     | 7,831         | 11,361        | 12,561        | 12,236        | 12,518        | 282          | 2,2%         | 12,561        |
|   |               |               |               |               |               | –            |              |               |
| <b><u>Investment properties</u></b>           | <b>681</b>    | <b>–</b>      | <b>–</b>      | <b>31</b>     | <b>–</b>      | <b>(31)</b>  | <b>0,0%</b>  | <b>–</b>      |
| Revenue Generating                            | 681           | –             | –             | 31            | –             | (31)         | <b>0,0%</b>  | –             |
| <i>Unimproved Property</i>                    | 681           |               |               | 31            | –             | (31)         | 0,0%         |               |
| Non-revenue Generating                        | –             | –             | –             | –             | –             | –            |              | –             |
| <b><u>Other assets</u></b>                    | <b>19,457</b> | <b>16,977</b> | <b>17,509</b> | <b>11,836</b> | <b>17,438</b> | <b>5,602</b> | <b>32,1%</b> | <b>17,509</b> |
| Operational Buildings                         | 2,955         | 650           | 380           | 328           | 380           | 52           | <b>13,7%</b> | 380           |
| <i>Municipal Offices</i>                      | 2,906         | 300           | 30            | 26            | 30            | 4            | 14,2%        | 30            |
| <i>Stores</i>                                 | 48            | 350           | 350           | 302           | 350           | 48           | 13,7%        | 350           |
| Housing                                       | 16,503        | 16,327        | 17,129        | 11,509        | 17,058        | 5,550        | <b>32,5%</b> | 17,129        |
| <i>Social Housing</i>                         | 16,503        | 16,327        | 17,129        | 11,509        | 17,058        | 5,550        | 32,5%        | 17,129        |
|   |               |               |               |               |               |              |              |               |
| <b><u>Biological or Cultivated Assets</u></b> | <b>–</b>      | <b>–</b>      | <b>–</b>      | <b>–</b>      | <b>–</b>      | <b>–</b>     |              | <b>–</b>      |

|  |                |                |                |                |                |               |              |                |
|--|----------------|----------------|----------------|----------------|----------------|---------------|--------------|----------------|
|  |                |                |                |                |                |               |              |                |
| <b>Intangible Assets</b>                       | –              | <b>400</b>     | <b>400</b>     | <b>450</b>     | <b>450</b>     | –             |              | <b>400</b>     |
| Licences and Rights                            | –              | 400            | 400            | 450            | 450            | –             |              | 400            |
| <i>Computer Software and Applications</i>      |                | 400            | 400            | 450            | 450            | –             |              | 400            |
|  |                |                |                |                |                |               |              |                |
| <b>Computer Equipment</b>                      | <b>2,306</b>   | <b>1,790</b>   | <b>1,790</b>   | <b>1,771</b>   | <b>1,826</b>   | <b>55</b>     | 3,0%         | <b>1,790</b>   |
| Computer Equipment                             | 2,306          | 1,790          | 1,790          | 1,771          | 1,826          | 55            | 3,0%         | 1,790          |
|  |                |                |                |                |                |               |              |                |
| <b>Furniture and Office Equipment</b>          | <b>1,140</b>   | <b>920</b>     | <b>935</b>     | <b>858</b>     | <b>935</b>     | <b>76</b>     | 8,2%         | <b>935</b>     |
| Furniture and Office Equipment                 | 1,140          | 920            | 935            | 858            | 935            | 76            | 8,2%         | 935            |
|  |                |                |                |                |                |               |              |                |
| <b>Machinery and Equipment</b>                 | <b>12,905</b>  | <b>2,187</b>   | <b>2,610</b>   | <b>1,852</b>   | <b>2,110</b>   | <b>257</b>    | 12,2%        | <b>2,610</b>   |
| Machinery and Equipment                        | 12,905         | 2,187          | 2,610          | 1,852          | 2,110          | 257           | 12,2%        | 2,610          |
|  |                |                |                |                |                |               |              |                |
| <b>Transport Assets</b>                        | <b>10,690</b>  | <b>15,638</b>  | <b>13,658</b>  | <b>13,612</b>  | <b>13,658</b>  | <b>47</b>     | 0,3%         | <b>13,658</b>  |
| Transport Assets                               | 10,690         | 15,638         | 13,658         | 13,612         | 13,658         | 47            | 0,3%         | 13,658         |
|  |                |                |                |                |                |               |              |                |
| <b>Land</b>                                    | <b>149</b>     | <b>8,700</b>   | <b>8,300</b>   | –              | <b>8,300</b>   | <b>8,300</b>  | 100,0%       | <b>8,300</b>   |
| Land   | 149            | 8,700          | 8,300          | –              | 8,300          | 8,300         | 100,0%       | 8,300          |
|  |                |                |                |                |                |               |              |                |
| <b>Total Capital Expenditure on new assets</b> | <b>206,147</b> | <b>336,219</b> | <b>282,991</b> | <b>254,690</b> | <b>282,991</b> | <b>28,301</b> | <b>10,0%</b> | <b>282,991</b> |

**(b) Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class**

| WC015 Swartland - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class |                 |                     |                 |               |               |              |                |                    |
|--|-----------------|---------------------|-----------------|---------------|---------------|--------------|----------------|--------------------|
| Description  | 2023/24         | Budget Year 2024/25 |                 |               |               |              |                |                    |
|  | Audited Outcome | Original Budget     | Adjusted Budget | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| <b>R thousands</b>   |                 |                     |                 |               |               |              |                |                    |
| <b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>  |                 |                     |                 |               |               |              |                |                    |
| -  |                 |                     |                 |               |               |              |                |                    |
| <b>Infrastructure</b>  | <b>13,147</b>   | <b>3,000</b>        | <b>5,268</b>    | <b>5,268</b>  | <b>5,268</b>  | <b>0</b>     | <b>0,0%</b>    | <b>5,268</b>       |
| Roads Infrastructure   | 9,251           | –                   | 2,268           | 2,268         | 2,268         | 0            | 0,0%           | 2,268              |
| <i>Roads</i>   | 9,251           |                     | 2,268           | 2,268         | 2,268         | 0            | 0,0%           | 2,268              |
| Sanitation Infrastructure  | 3,896           | 3,000               | 3,000           | 3,000         | 3,000         | 0            | 0,0%           | 3,000              |
| <i>Reticulation</i>  | 3,896           | 3,000               | 3,000           | 3,000         | 3,000         | 0            | 0,0%           | 3,000              |
| <b>Community Assets</b>  | <b>–</b>        | <b>250</b>          | <b>250</b>      | <b>242</b>    | <b>250</b>    | <b>8</b>     | <b>3,3%</b>    | <b>250</b>         |
| Community Facilities   | –               | –                   | –               | –             | –             | –            |                | –                  |
| Sport and Recreation Facilities  | –               | 250                 | 250             | 242           | 250           | 8            | 3,3%           | 250                |
| <i>Outdoor Facilities</i>  |                 | 250                 | 250             | 242           | 250           | 8            | 3,3%           | 250                |
| <b>Machinery and Equipment</b>   | <b>–</b>        | <b>160</b>          | <b>193</b>      | <b>193</b>    | <b>193</b>    | <b>0</b>     | <b>0,2%</b>    | <b>193</b>         |
| Machinery and Equipment  |                 | 160                 | 193             | 193           | 193           | 0            | 0,2%           | 193                |
| <b>Total Capital Expenditure on renewal of existing assets</b>   | <b>13,147</b>   | <b>3,410</b>        | <b>5,711</b>    | <b>5,702</b>  | <b>5,711</b>  | <b>9</b>     | <b>0,2%</b>    | <b>5,711</b>       |

(c) Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class

| WC015 Swartland - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class |                 |                     |                 |               |               |              |                |                    |
|--|-----------------|---------------------|-----------------|---------------|---------------|--------------|----------------|--------------------|
| Description  | 2023/24         | Budget Year 2024/25 |                 |               |               |              |                |                    |
|  | Audited Outcome | Original Budget     | Adjusted Budget | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands  |                 |                     |                 |               |               |              |                |                    |
| <b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>  |                 |                     |                 |               |               |              |                |                    |
| <b>Infrastructure</b>  | <b>8,060</b>    | <b>30,744</b>       | <b>31,302</b>   | <b>32,022</b> | <b>31,302</b> | (720)        | -2,3%          | <b>31,302</b>      |
| Roads Infrastructure   | 667             | 9,749               | 9,749           | 9,473         | 9,749         | 276          | 2,8%           | 9,749              |
| <i>Roads</i>   | 667             | 9,749               | 9,749           | 9,473         | 9,749         | 276          | 2,8%           | 9,749              |
| Storm water Infrastructure   | 246             | 250                 | 250             | 187           | 250           | 63           | 25,4%          | 250                |
| <i>Storm water Conveyance</i>  | 246             | 250                 | 250             | 187           | 250           | 63           | 25,4%          | 250                |
| Electrical Infrastructure  | 3,554           | 4,483               | 4,533           | 5,531         | 4,533         | (998)        | -22,0%         | 4,533              |
| <i>MV Networks</i>   | 945             | 2,633               | 2,720           | 4,086         | 2,720         | (1,367)      | -50,3%         | 2,720              |
| <i>LV Networks</i>   | 2,610           | 1,850               | 1,813           | 1,444         | 1,813         | 369          | 20,3%          | 1,813              |
| <i>Capital Spares</i>  |                 |                     |                 |               |               | –            |                |                    |
| Water Supply Infrastructure  | 1,550           | 10,434              | 11,205          | 11,218        | 11,205        | (14)         | -0,1%          | 11,205             |
| <i>Bulk Mains</i>  | 499             | 500                 | 500             | 499           | 500           | 1            | 0,2%           | 500                |
| <i>Distribution</i>  | 1,000           | 9,734               | 10,705          | 10,719        | 10,705        | (14)         | -0,1%          | 10,705             |
| <i>PRV Stations</i>  | 51              | 200                 | –               | –             | –             | –            |                | –                  |
| Sanitation Infrastructure  | 2,043           | 5,827               | 5,565           | 5,613         | 5,565         | (48)         | -0,9%          | 5,565              |
| <i>Waste Water Treatment Works</i>   | 2,043           | 5,827               | 5,565           | 5,613         | 5,565         | (48)         | -0,9%          | 5,565              |
| <b>Community Assets</b>  | <b>10,755</b>   | <b>6,105</b>        | <b>5,805</b>    | <b>5,755</b>  | <b>5,805</b>  | <b>50</b>    | <b>0,9%</b>    | <b>5,805</b>       |
| Community Facilities   | 24              | –                   | –               | –             | –             | –            |                | –                  |
| <i>Cemeteries/Crematoria</i>   | 24              | –                   | –               | –             | –             | –            |                | –                  |
| Sport and Recreation Facilities  | 10,732          | 6,105               | 5,805           | 5,755         | 5,805         | 50           | 0,9%           | 5,805              |

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|  |               |               |               |               |               |              |              |               |
|--|---------------|---------------|---------------|---------------|---------------|--------------|--------------|---------------|
| Outdoor Facilities   | 10,732        | 6,105         | 5,805         | 5,755         | 5,805         | 50           | 0,9%         | 5,805         |
| <b>Total Capital Expenditure on upgrading of existing assets</b> | <b>18,816</b> | <b>36,848</b> | <b>37,107</b> | <b>37,776</b> | <b>37,107</b> | <b>(669)</b> | <b>-1,8%</b> | <b>37,107</b> |



## APPENDIX N – CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

| 2024/2025 CAPITAL BUDGET |   |                  |                         |                      |            |                    |
|--------------------------|---|------------------|-------------------------|----------------------|------------|--------------------|
| Nr.                      | Project Description                                     | mSCOA Allocation | Original Budget 2024/25 | Final Budget 2024/25 | YTD ACTUAL | Sources of Finance |
|                          | <u>CIVIL</u>  |                  |                         |                      |            |                    |
| 1                        | Equipment : Civil                                       | 9/115-690-801    | 56,000                  | 52,118               | 52,117     | CRR                |
|                          |   |                  |                         |                      | -          |                    |
|                          | <u>SEWERAGE SERVICE</u>                                 |                  |                         |                      | -          |                    |
| 2                        | Malmesbury WWTW: Replace Clarifier Mechanical Equipment | 9/107-887-1043   | 1,500,000               | 300,000              | 300,000    | CRR                |
| 3                        | Upgrading of bulk collectors: Darling                   | 9/111-694-805    | 2,200,000               | 1,988,804            | 1,919,629  | CRR                |
| 4                        | Upgrading of bulk collectors: Darling (MIG)             | 9/111-694-806    | 1,516,105               | 3,576,622            | 3,576,622  | MIG                |
| 5                        | Upgrading of bulk collectors: Moorreesburg              | 9/111-696-808    | 1,600,000               | -                    | 116,778    | CRR                |
| 6                        | Upgrading of bulk collectors: Moorreesburg (MIG)        | 9/111-696-809    | 511,370                 | -                    | -          | MIG                |
| 7                        | Schoonspruit: Pipe Replacement                          | 9/111-699-812    | 3,000,000               | 3,000,000            | 2,999,650  | CRR                |
| 8                        | Equipment : Sewerage Telemetry                          | 9/111-701-814    | 40,000                  | 34,942               | -          | CRR                |
| 9                        | Equipment : Sewerage                                    | 9/111-702-815    | 34,000                  | 34,000               | 33,732     | CRR                |
| 10                       | Sewerage: CK18526 Isuzu FSR750                          | 9/111-704-817    | 2,510,572               | 2,322,000            | 2,323,565  | CRR                |

|    |  |                |            |            |            |      |
|----|--|----------------|------------|------------|------------|------|
| 11 | Sewer Reticulation and Connection: Illinge Lethu         | 9/111-866-1012 | 517,214    | 517,214    | 517,214    | WCED |
| 12 | Donated PPE: Electrical Infrastructure LV (Mount Royal)  | 9/111-926-1085 |            | 940,000    | -          | CRR  |
|    |  |                | 13,485,261 | 12,765,700 | 11,839,308 |      |
|    |  |                |            |            |            |      |
|    | <u>Buildings &amp; Maintenance</u>                       |                |            |            |            |      |
| 13 | Equipment : Buildings & Maintenance                      | 9/108-705-818  | 30,000     | 33,110     | 33,108     | CRR  |
| 14 | Moorreesburg Stores: Ablution Facilities                 | 9/108-707-820  | 350,000    | 350,000    | 302,022    | CRR  |
| 15 | Riebeek Kasteel Stores: Ablution Facilities              | 9/108-711-824  | 300,000    | 30,000     | 25,750     | CRR  |
|    |  |                | 680,000    | 413,110    | 360,880    |      |
|    |  |                |            |            |            |      |
|    | <u>Parks</u>   |                |            |            |            |      |
| 16 | Ward Committee Projects: Parks (Acquisitions:Outsourced) | 9/112-716-829  | 1,000,000  | 1,285,852  | 1,243,743  | CRR  |
| 17 | Ward Committee Projects: Parks (Materials and Supplies)  | 9/112-716-830  | 100,000    | 24,154     | 24,154     | CRR  |
| 18 | Equipment: Parks   | 9/112-717-831  | 150,000    | 150,000    | 148,083    | CRR  |
| 19 | Parks: CK30905 John Deere Tractor                        | 9/112-719-833  | 655,725    | 620,000    | 620,000    | CRR  |
| 20 | Parks: Slasher (Bossiekapper): sn 18795                  | 9/112-723-837  | 55,000     | 60,000     | 59,441     | CRR  |
|    |  |                | 1,960,725  | 2,140,006  | 2,095,421  |      |

|    |  |                |            |           |           |     |
|----|--|----------------|------------|-----------|-----------|-----|
|    | <u>Roads</u>   |                |            |           |           |     |
| 21 | Roads Swartland: Construction of New Roads               | 9/110-725-840  | 24,700,000 | 5,746,686 | 5,746,686 | CRR |
| 22 | Roads Swartland: Construction of New Roads (MIG)         | 9/110-725-841  | 1,894,902  | 2,426,024 | 2,426,024 | MIG |
| 23 | Ward Committee Projects: Roads (Acquisitions:Outsourced) | 9/110-728-844  | 1,000,000  | 1,100,000 | 1,100,000 | CRR |
| 24 | Ward Committee Projects: Roads (Materials and Supplies)  | 9/110-728-845  | 100,000    | -         | -         | CRR |
| 25 | Roads: CK274 Caterpillar                                 | 9/110-888-1044 | 5,139,225  | 3,212,853 | 3,124,998 | CRR |

|    |   |                |            |            |            |                    |
|----|---|----------------|------------|------------|------------|--------------------|
| 26 | Access road and Intersection Upgrading: Illinge Lethu | 9/110-867-1013 | 9,749,214  | 9,749,214  | 9,472,940  | WCED               |
| 27 | Roads Swartland: Resealing of Roads (MIG)             | 9/110-919-1078 |            | 2,268,407  | 2,268,407  | MIG                |
| 28 | Riverlands Disaster: Roads and associated earth works | 9/110-929-1087 |            | 6,468,700  | 1,765,621  | MDRG               |
|    |   |                | 42,583,341 | 30,971,884 | 25,904,676 |                    |
|    |   |                |            |            |            |                    |
|    | <u>Swimming Pools</u>                                 |                |            |            |            |                    |
| 29 | Swimming Pool: Wesbank                                | 9/113-734-851  | 11,060,700 | 12,218,069 | 12,218,069 | CRR                |
| 30 | Moorreesburg Swimming Pool: Perimeter protection      | 9/113-890-1046 | 250,000    | 250,000    | 241,680    | CRR                |
|    |   |                | 11,310,700 | 12,468,069 | 12,459,749 |                    |
|    |   |                |            |            |            |                    |
|    | <u>Sportgrounds</u>                                   |                |            |            |            |                    |
| 31 | Upgrading of Illinge Lethu Sports Fields              | 9/106-735-852  | 5,000,000  | 5,000,000  | 4,989,510  | MIG                |
| 32 | Koringberg Sport Field: Ablution Facilities           | 9/106-918-1077 | 700,000    | 50,000     | 8,270      | CRR                |
| 33 | Rosenhof Sportgrounds: Replace Pavillion Roof         | 9/106-891-1047 | 670,000    | 370,000    | 337,310    | CRR                |
| 34 | Gene Louw Sportgrounds: Perimeter protection          | 9/106-892-1048 | 300,000    | 300,000    | 18,400     | CRR                |
| 35 | Construction of Sport Facility: Riverlands            | 9/106-914-1070 | 434,783    | 434,783    | 427,784    | Dept. CA and Sport |

|    |   |                |           |           |           |      |
|----|---|----------------|-----------|-----------|-----------|------|
| 36 | Sportgrounds: Blower Mower: sn 20134 (replace)  | 9/106-736-854  | 54,700    | 81,700    | 80,771    | CRR  |
|    |   |                | 7,159,483 | 6,236,483 | 5,862,045 |      |
|    |   |                |           |           |           |      |
|    | <u>Stormwater</u>   |                |           |           |           |      |
| 37 | Stormwater Network (Acquisitions:Outsourced)  | 9/114-741-859  | 200,000   | 200,000   | 136,600   | CRR  |
| 38 | Stormwater Network (Materials and Supplies)   | 9/114-741-860  | 20,000    | 20,000    | 20,000    | CRR  |
| 39 | Stormwater Network (Compensation of Employees)  | 9/114-741-861  | 30,000    | 30,000    | 30,000    | CRR  |
| 40 | Equipment: Streets and Stormwater   | 9/114-743-863  | 66,000    | 65,407    | 65,407    | CRR  |
| 41 | Access road and Intersection Storm water: Illinge Lethu                                   | 9/114-868-1014 | 1,508,539 | 1,508,539 | 1,508,539 | WCED |
| 42 | Riverlands Disaster: Stormwater and associated earth works                                | 9/114-928-1088 |           | 2,772,300 | -         | MDRG |
|    |   |                | 1,824,539 | 4,596,246 | 1,760,546 |      |
|    |   |                |           |           |           |      |
|    | <u>Water</u>  |                |           |           |           |      |
| 43 | Water networks: Upgrades and Replacement  | 9/105-744-864  | 2,000,000 | 5,424,055 | 5,438,557 | CRR  |
| 44 | Darling SDW2.4 & SDW2.5, SDW1.2 & SDW2.1 water network upgrades (for housing project)     | 9/105-745-865  | 263,822   | 475,018   | 475,018   | CRR  |
| 45 | Darling SDW2.4 & SDW2.5, SDW1.2 & SDW2.1 water network upgrades (for housing project) MIG | 9/105-745-866  | 2,591,464 | 530,947   | 530,947   | MIG  |

|    |  |                |           |           |           |      |
|----|--|----------------|-----------|-----------|-----------|------|
| 46 | Moorreesburg SMOw2.3 water network upgrade (for housing project)                                       | 9/105-746-867  | 124,055   | -         | -         | CRR  |
| 47 | Moorreesburg SMOw2.3 water network upgrade (for housing project) MIG                                   | 9/105-746-868  | 480,159   | -         | -         | MIG  |
| 48 | Water: Upgrading water reticulation network: PRV's, flow control, zone metering and water augmentation | 9/105-747-869  | 200,000   | -         | -         | CRR  |
| 49 | Bulk water infrastructure (emergency spending)   | 9/105-749-871  | 500,000   | -         | -         | CRR  |
| 50 | Connections: Water Meters (New/Replacements)<br>(Acquisitions:Outsourced)                              | 9/105-750-872  | 10,000    | 460,000   | 460,000   | CRR  |
| 51 | Connections: Water Meters<br>(New/Replacements) (Materials and Supplies)                               | 9/105-750-873  | 930,993   | 480,993   | 358,557   | CRR  |
| 52 | Equipment : Water  | 9/105-751-874  | 53,000    | 52,723    | 52,280    | CRR  |
| 53 | Malmesbury Irrigation: Replace pumpsets  | 9/105-754-877  | 500,000   | 376,585   | 376,585   | CRR  |
| 54 | Mobile water pumps x 4 (replacement)   | 9/105-755-878  | 150,000   | 150,000   | 107,369   | CRR  |
| 55 | Compactor replacement x 3  | 9/105-756-879  | 280,000   | 236,040   | 236,039   | CRR  |
| 56 | Malmesbury SMW1.3 Wesbank Reservoir to Malm/Abb pipeline   | 9/105-758-881  | 500,000   | 500,000   | 499,996   | CRR  |
| 57 | Chatsworth/Riverlands upgrade bulk water supply  | 9/105-760-884  | 500,000   | 500,000   | 499,042   | CRR  |
| 58 | Water Reticulation and Connection: Illinge Lethu   | 9/105-869-1015 | 2,083,221 | 2,083,221 | 2,083,221 | WCED |
| 59 | Replace Existing Water pipe: Illinge Lethu   | 9/105-870-1016 | 3,774,921 | 3,774,921 | 3,774,921 | WCED |
| 60 | Donated PPE: Electrical Infrastructure MV (Mount Royal)  | 9/105-927-1086 |           | 501,000   | -         | CRR  |

|    |   |                |            |            |            |           |
|----|---|----------------|------------|------------|------------|-----------|
| 61 | Water Meters: Gains                               | 9/105-586-341  |            |            | 10,154     | CRR       |
|    |   |                | 14,941,635 | 15,545,503 | 14,902,685 |           |
|    |   |                |            |            |            |           |
|    | <u>Refuse</u>                                     |                |            |            |            |           |
| 62 | Highlands: Development of new cell                | 9/104-764-889  | 1,332,000  | 8,038,370  | 8,037,563  | CRR       |
| 63 | Highlands: Development of new cell (MIG)          | 9/104-764-890  | 17,338,000 | 15,500,000 | 15,500,000 | MIG       |
| 64 | Highlands: Development of new cell (Loan)         | 9/104-764-1003 | 10,950,588 | -          | -          | Ext Loans |
| 65 | Equipment : Refuse bins, traps, skips (Swartland) | 9/104-766-892  | 160,000    | 193,000    | 192,607    | CRR       |
| 66 | Equipment : Refuse Removal                        | 9/104-767-893  | 28,000     | 34,700     | 33,363     | CRR       |
| 67 | Refuse: CK21988 Nissan UD CW26 370 FC             | 9/104-769-895  | 3,281,276  | 3,245,319  | 3,251,744  | CRR       |
|    |   |                | 33,089,864 | 27,011,389 | 27,015,277 |           |
|    |   |                |            |            |            |           |
|    | <u>Development Services</u>                       |                |            |            |            |           |
| 68 | Equipment : Development Services                  | 9/123-775-901  | 46,000     | 49,435     | 48,890     | CRR       |
| 69 | Equipment: YZF Caravan Park                       | 9/120-778-906  | 105,474    | 101,974    | 105,943    | CRR       |
| 70 | YZF Caravan Park: CK39039 Isuzu KB250D            | 9/120-779-907  | 383,145    | 390,196    | 390,196    | CRR       |
| 71 | Kalbaskraal SEF (Prof. Fees)                      | 9/123-916-1073 | 980,000    | 744,891    | 744,836    | DHS       |

|    |  |                |            |            |            |     |
|----|--|----------------|------------|------------|------------|-----|
|    |  |                | 1,514,619  | 1,286,496  | 1,289,863  |     |
|    |  |                |            |            |            |     |
|    | <u>Housing</u>   |                |            |            |            |     |
| 72 | Malmesbury De Hoop Serviced Sites (Prof Fees)                    | 9/123-839-975  | 7,621,614  | 4,500,000  | 4,500,000  | DHS |
| 73 | Malmesbury De Hoop Serviced Sites Phase 1 (Sewerage)             | 9/123-839-976  | 12,991,893 | 13,585,000 | 13,046,734 | DHS |
| 74 | Malmesbury De Hoop Serviced Sites Phase 1 (Water)                | 9/123-853-996  | 10,940,542 | 11,440,000 | 11,440,000 | DHS |
| 75 | Malmesbury De Hoop Serviced Sites Phase 1 (Streets & Stormwater) | 9/123-854-997  | 44,445,951 | 46,475,000 | 46,475,000 | DHS |
| 76 | Malmesbury De Hoop Serviced Sites (Phola Park) (Prof Fees)       | 9/123-839-977  | 686,000    | 686,000    | -          | DHS |
| 77 | Darling Serviced Sites ( 186) Prof Fees Phase 1                  | 9/123-840-980  | 1,468,564  | 1,547,527  | 989,573    | DHS |
| 78 | Darling Serviced Sites ( 186) Phase 1 (Water)                    | 9/123-840-1030 | 2,818,733  | 9,003,878  | 7,985,094  | DHS |
| 79 | Darling Serviced Sites ( 186) Phase 1 (Sewerage)                 | 9/123-840-1024 | 2,373,670  | 1,668,619  | 1,124,445  | DHS |
| 80 | Darling Serviced Sites ( 186) Phase 1 (Streets & Stormwater)     | 9/123-840-1025 | 9,643,034  | 4,861,260  | 4,861,259  | DHS |
| 81 | Darling Serviced Sites ( 327) Prof Fees Phase 2                  | 9/123-840-982  | 1,453,000  | 1,750,503  | 1,750,503  | DHS |
| 82 | Moorreesburg Serviced Sites(652) Prof Fees                       | 9/123-841-983  | 3,897,744  | 4,205,974  | 4,051,518  | DHS |
| 83 | Moorreesburg Serviced Sites (645) (Water)                        | 9/123-841-984  | 10,368,000 | 9,394,423  | 7,862,764  | DHS |
| 84 | Moorreesburg Serviced Sites (645) (Sewerage)                     | 9/123-841-1074 | 8,730,947  | 8,226,882  | 5,771,501  | DHS |
| 85 | Moorreesburg Serviced Sites (645) (Roads & Stormwater)           | 9/123-841-1075 | 35,469,474 | 34,841,436 | 34,841,436 | DHS |



|    |  |                |             |             |             |           |
|----|--|----------------|-------------|-------------|-------------|-----------|
| 86 | Purchasing of Land: Kalbaskraal (Transnet Land)  | 9/123-917-1076 | 2,400,000   | -           | -           | DHS       |
| 87 | Silvertown: Profesional Fees   | 9/123-915-1071 | 1,200,000   | 3,368,068   | 216,969     | DHS       |
| 88 | Silvertown:IBS   | 9/123-915-1072 | 10,800,000  | 70,742      | -           | DHS       |
| 89 | Purchasing of Land: Silvertown   | 9/123-843-986  | 6,000,000   | 8,300,000   | -           | DHS       |
| 90 | Silver Town: Bulk Services (Prof Fees/ Constrction)  | 9/123-920-1079 |             | 1,000,000   | -           | DHS       |
|    |  |                | 173,309,166 | 164,925,312 | 144,916,796 |           |
|    |  |                |             |             |             |           |
|    | <u>Electrical Services</u>   |                |             |             |             |           |
| 91 | Malmesbury De Hoop 132/11kV Substation, 132kV transmission line, servitudes and 132kV Eskom connection     | 9/117-781-909  | 22,818,000  | 22,401,642  | 22,401,642  | INEP      |
| 92 | Malmesbury De Hoop 132/11kV Substation, 132kV transmission line and servitudes (Acquisitions:Outsourced)   | 9/117-782-910  | 5,360,560   | 1,660,709   | 1,638,402   | CRR       |
| 93 | Malmesbury De Hoop 132/11kV Substation, 132kV transmission line and servitudes (Compensation of Employees) | 9/117-782-911  | 50,000      | 198,975     | 199,562     | CRR       |
| 94 | Malmesbury De Hoop 132/11kV Substation, 132kV transmission line and servitudes (Acquisitions:Outsourced)   | 9/117-782-1001 | 25,700,000  | -           | -           | Ext Loans |
| 95 | Malmesbury De Hoop 132/11kV Substation, 132kV transmission line and servitudes (Compensation of Employees) | 9/117-782-1002 | 300,000     | -           | -           | Ext Loans |
| 96 | Replace oil insulated switchgear and equipment (Acquisitions:Outsourced)                                   | 9/117-787-917  | 4,500,000   | 4,500,000   | 4,424,685   | CRR       |

|     |  |               |           |           |           |     |
|-----|--|---------------|-----------|-----------|-----------|-----|
| 97  | Replace oil insulated switchgear and equipment<br>(Materials and Supplies)                           | 9/117-787-918 | 500,000   | 500,000   | 452,352   | CRR |
| 98  | LV Upgrading: Swartland (Acquisitions:Outsourced)  | 9/117-788-919 | 100,000   | 100,000   | -         | CRR |
| 99  | LV Upgrading: Swartland (Materials and Supplies)   | 9/117-788-920 | 1,100,000 | 1,100,000 | 1,099,695 | CRR |
| 100 | MV Upgrading: Swartland (Acquisitions:Outsourced)  | 9/117-789-921 | 100,000   | 100,000   | 69,866    | CRR |
| 101 | MV Upgrading: Swartland (Materials and Supplies)   | 9/117-789-922 | 1,000,000 | 1,087,000 | 2,545,940 | CRR |
| 102 | Streetlight, kiosk and polebox replacement: Swartland  | 9/117-790-923 | 650,000   | 613,000   | 344,763   | CRR |
| 103 | Protection and Scada Upgrading: Swartland  | 9/117-791-924 | 350,000   | 263,000   | 255,192   | CRR |
| 104 | Substation Fencing: Swartland (Acquisitions:Outsourced)  | 9/117-792-925 | 180,000   | 180,000   | 163,085   | CRR |
| 105 | Substation Fencing: Swartland (Materials and Supplies)   | 9/117-792-926 | 20,000    | 20,000    | 15,210    | CRR |
| 106 | Malmesbury Security Operational Centre: Communication, Monitoring and Other infrastructure equipment | 9/117-793-927 | 200,000   | 200,000   | 194,694   | CRR |
| 107 | Moorreesburg Development 600 IRDP erven. Electrical infrastructure and connections                   | 9/117-794-928 | 500,000   | 500,000   | 500,000   | CRR |
| 108 | Darling 184 IRDP erven. Electrical bulk supply, infrastructure and connections                       | 9/117-795-929 | 400,000   | 400,000   | 261,620   | CRR |
| 109 | Replacement of obsolete air conditioners   | 9/117-797-931 | 250,000   | 250,000   | 192,101   | CRR |
| 110 | Connections: Electricity Meters<br>(New/Replacements)<br>(Acquisitions:Outsourced)                   | 9/117-798-932 | 20,000    | 20,000    | -         | CRR |

|     |   |                |         |           |           |      |
|-----|---|----------------|---------|-----------|-----------|------|
| 111 | Connections: Electricity Meters<br>(New/Replacements) (Materials and Supplies)                        | 9/117-798-933  | 880,000 | 880,000   | 698,574   | CRR  |
| 112 | Emergency Power Supply  | 9/117-799-934  | 300,000 | 336,000   | 322,593   | CRR  |
| 113 | Equipment: Electric   | 9/117-800-935  | 380,000 | 380,000   | 147,040   | CRR  |
| 114 | Relocation of section of 11 kV Cable between Darlingweg S/S to Holomisa S/S (Acquisitions:Outsourced) | 9/117-871-1017 | 50,000  | 50,000    | 29,075    | WCED |
| 115 | Relocation of section of 11 kV Cable between Darlingweg S/S to Holomisa S/S (Materials and Supplies)  | 9/117-871-1018 | 250,000 | 250,000   | 242,083   | WCED |
| 116 | Relocation of section of 11 kV Cable between Darlingweg S/S to Holomisa S/S (Acquisitions:Outsourced) | 9/117-871-1040 | 22,500  | 22,500    | -         | CRR  |
| 117 | Illinge Lethu School Electrical Service Connection (Acquisitions:Outsourced)                          | 9/117-872-1019 | 700,000 | 700,000   | 696,771   | WCED |
| 118 | Illinge Lethu School Electrical Service Connection (Materials and Supplies)                           | 9/117-872-1020 | 400,000 | 400,000   | 399,991   | WCED |
| 119 | Illinge Lethu School Electrical Service Connection (Acquisitions:Outsourced)                          | 9/117-872-1041 | 110,000 | 16,400    | 16,400    | CRR  |
| 120 | Traffic Light Controlling Equipment   | 9/117-913-1069 | 150,000 | 151,000   | 150,516   | CRR  |
| 121 | Streetlights Eskom AOS  | 9/117-903-1059 | 400,000 | 400,000   | 287,882   | CRR  |
| 122 | Illinge Lethu School Electrical Service Connection  | 9/117-872-1085 |         | 93,600    | 85,954    | CRR  |
| 123 | Installation of new air conditioners  | 9/117-923-1082 |         | 82,167    | 82,167    | CRR  |
| 124 | Donated PPE: Electrical Infrastructure LV (Mount Royal)   | 9/117-924-1083 |         | 1,304,415 | 3,103,116 | CRR  |

|     |   |                |            |            |            |     |
|-----|---|----------------|------------|------------|------------|-----|
| 125 | Donated PPE: Electrical Infrastructure MV (Mount Royal) | 9/117-925-1084 |            | 1,520,821  | 1,961,159  | CRR |
| 126 | Electricity Meters: Gains                               | 9/117-595-407  |            |            | 78,699     | CRR |
|     |   |                | 67,741,060 | 40,681,229 | 43,060,831 |     |
|     |   |                |            |            |            |     |
|     | <u>Information Technology</u>                           |                |            |            |            |     |
| 127 | Equipment: Information Technology                       | 9/118-807-942  | 75,000     | 75,000     | 72,733     | CRR |
| 128 | Printers  | 9/118-808-943  | 77,000     | 77,000     | 75,460     | CRR |
| 129 | DeskTops  | 9/118-809-944  | 368,000    | 368,010    | 368,007    | CRR |
| 130 | Notebooks   | 9/118-810-945  | 510,000    | 510,000    | 507,216    | CRR |
| 131 | Equiping Fire Office: Darling                           | 9/118-905-1061 | 50,000     | 49,990     | 49,990     | CRR |
| 132 | Equipping Law Enf Office: K9 Unit (Malmesbury)          | 9/118-906-1062 | 150,000    | 150,000    | 150,000    | CRR |
|     |   |                | 1,230,000  | 1,230,000  | 1,223,406  |     |
|     |   |                |            |            |            |     |
|     | <u>Financial Services</u>                               |                |            |            |            |     |
| 133 | Equipment : Financial                                   | 9/119-813-948  | 122,000    | 114,057    | 114,056    | CRR |
| 134 | Finance: CK30046 Citi Golf 310                          | 9/119-821-956  | 275,625    | 227,974    | 261,345    | CRR |
| 135 | Meter Installation Handheld Devices                     | 9/119-907-1063 | 300,000    | 226,065    | 226,064    | CRR |

|     |  |                |           |           |           |            |
|-----|--|----------------|-----------|-----------|-----------|------------|
| 136 | Deeds                                  | 9/119-416-374  |           |           | 31,000    | CRR        |
|     |  |                | 697,625   | 568,096   | 632,466   |            |
|     |  |                |           |           |           |            |
|     | <u>Protection Services</u>             |                |           |           |           |            |
| 137 | New Quantam (LEAP)                     | 9/126-908-1064 | 822,500   | 995,418   | 995,418   | CRR        |
| 138 | Equipment: Protection                  | 9/126-829-964  | 60,000    | 60,000    | 59,741    | CRR        |
| 139 | Equipment : K9 Unit                    | 9/126-830-965  | 34,783    | 34,783    | 13,273    | Com Safety |
| 140 | CCTV Equipment and Radio Communication | 9/126-909-1065 | 60,000    | 60,000    | 30,434    | CRR        |
| 141 | Equipment : Fire Fighting              | 9/125-831-966  | 200,000   | 134,900   | 134,660   | CRR        |
| 142 | Conversion of CK38172 (Light Pumper)   | 9/125-855-998  | 1,704,814 | 1,769,914 | 1,769,844 | CRR        |
|     |  |                | 2,882,097 | 3,055,015 | 3,003,371 |            |
|     |  |                |           |           |           |            |

|     |  |                |             |             |             |                    |
|-----|--|----------------|-------------|-------------|-------------|--------------------|
|     | <u>MM and Council</u>  |                |             |             |             |                    |
| 143 | Equipment : MM   | 9/124-832-967  | 12,000      | 20,017      | 19,060      | CRR                |
| 144 | New Website: Development and Implementation                    | 9/116-910-1066 | 400,000     | 450,000     | 450,000     | CRR                |
| 145 | Equipment : Council  | 9/116-833-968  | 12,000      | 12,000      | 3,123       | CRR                |
| 146 | Council: CK15265 Caravelle Kombi (Replace with 11 seater)      | 9/116-834-969  | 865,555     | 874,524     | 874,524     | CRR                |
| 147 | Park equipment: Tosca street                                   | 9/124-922-1081 |             | 80,000      | 70,500      | CRR                |
|     |  |                | 1,289,555   | 1,436,541   | 1,417,206   |                    |
|     |  |                |             |             |             |                    |
|     | <u>Corporate Services</u>                                      |                |             |             |             |                    |
| 148 | Equipment : Corporate  | 9/101-835-970  | 28,000      | 30,800      | 30,093      | CRR                |
| 149 | Equipment: Libraries   | 9/102-836-971  | 50,000      | 50,000      | 46,356      | Dept. CA and Sport |
| 150 | Equipment Corporate: Buildings & Swartland Halls               | 9/103-837-972  | 100,000     | 100,000     | 96,380      | CRR                |
| 151 | Installation of fire alarm system: Registry office, Malmesbury | 9/103-911-1067 | 300,000     | 297,200     | 250,714     | CRR                |
| 152 | Expropriation of splays  | 9/103-912-1068 | 300,000     | -           | -           | CRR                |
|     |  |                | 778,000     | 478,000     | 423,543     |                    |
|     |  |                |             |             |             |                    |
|     | GRAND TOTAL  |                | 376,477,670 | 325,809,079 | 298,168,067 |                    |

**APPENDIX O - CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR**

| Project Description   | Budget for 2024/2025 |
|---|----------------------|
| <b>WARDS 1 &amp; 2</b>  |                      |
| Moorreesburg Stores: Ablution Facilities  | 350 000              |
| Moorreesburg Swimming Pool: Perimeter protection                                      | 250 000              |
| Koringberg Sport Field: Ablution Facilities   | 50 000               |
| Rosenhof Sportgrounds: Replace Pavillion Roof   | 370 000              |
| Gene Louw Sportgrounds: Perimeter protection  | 300 000              |
| Moorreesburg Serviced Sites(652) Prof Fees  | 4 205 974            |
| Moorreesburg Serviced Sites (645) (Water)   | 9 394 423            |
| Moorreesburg Serviced Sites (645) (Sewerage)  | 8 226 882            |
| Moorreesburg Serviced Sites (645) (Roads & Stormwater)                                | 34 841 436           |
| Moorreesburg Development 600 IRDP erven. Electrical infrastructure and connections    | 500 000              |
| <b>WARDS 3 &amp; 12</b>   |                      |
| Riebeek Kasteel Stores: Ablution Facilities   | 30 000               |
| <b>WARD 4</b>   |                      |
| Construction of Sport Facility: Riverlands  | 434 783              |
| Chatsworth/Riverlands upgrade bulk water supply                                       | 500 000              |
| Silvertown: Profesional Fees  | 3 438 810            |
| Purchasing of Land: Silvertown  | 8 300 000            |
| Silver Town: Bulk Services (Prof Fees/ Constrcution)                                  | 1 000 000            |
| Donated PPE: Electrical Infrastructure LV (MR)  | 1 304 415            |
| Donated PPE: Electrical Infrastructure MV (MR)  | 1 520 821            |
| Donated PPE: Sewerage Infrastructure (MR)   | 940 000              |
| Donated PPE: Water Infrastructure (MR)  | 501 000              |
| Roads: Riverlands Disaster: Roads and associated earth works                          | 6 468 700            |
| Stormwater: Riverlands Disaster: Stormwater and associated earth works                | 2 772 300            |
| <b>WARDS 5 &amp; 6</b>  |                      |
| Darling SDW2.4 & SDW2.5, SDW1.2 & SDW2.1 water network upgrades (for housing project) | 1 005 965            |
| Upgrading of bulk collectors: Darling   | 5 565 426            |
| Darling Serviced Sites ( 186) Prof Fees Phase 1                                       | 1 547 527            |
| Darling Serviced Sites ( 186) Phase 1 (Water)   | 9 003 878            |

| Project Description  | Budget for 2024/2025 |
|--|----------------------|
| Darling Serviced Sites ( 186) Phase 1 (Sewerage)   | 1 668 619            |
| Darling Serviced Sites ( 186) Phase 1 (Streets & Stormwater)   | 4 861 260            |
| Darling Serviced Sites ( 327) Prof Fees Phase 2  | 1 750 503            |
| Darling 184 IRDP erven. Electrical bulk supply, infrastructure and connections                             | 400 000              |
| <b>WARD 7</b>  |                      |
| Kalbaskraal SEF (Prof. Fees)   | 744 891              |
| <b>WARDS 8, 9, 10 &amp; 11</b>   |                      |
| Sewerage: Schoonspruit: Pipe Replacement   | 3 000 000            |
| Sewer Reticulation and Connection: Illinge Lethu   | 517 214              |
| Access road and Intersection Upgrading: Illinge Lethu  | 9 749 214            |
| Upgrading of Illinge Lethu Sports Fields   | 5 000 000            |
| Access road and Intersection Storm water: Illinge Lethu  | 1 508 539            |
| Malmesbury Irrigation: Replace pumpsets  | 500 000              |
| Water Reticulation and Connection: Illinge Lethu   | 2 083 221            |
| Replace Existing Water pipe: Illinge Lethu   | 3 774 921            |
| Malmesbury De Hoop Serviced Sites (Prof Fees)  | 4 500 000            |
| Malmesbury De Hoop Serviced Sites Phase 1 (Sewerage)   | 13 585 000           |
| Malmesbury De Hoop Serviced Sites Phase 1 (Water)  | 11 440 000           |
| Malmesbury De Hoop Serviced Sites Phase 1 (Streets & Stormwater)   | 46 475 000           |
| Malmesbury De Hoop Serviced Sites (Phola Park) (Prof Fees)   | 686 000              |
| Malmesbury De Hoop 132/11kV Substation, 132kV transmission line, servitudes and 132kV Eskom connection     | 22 401 642           |
| Malmesbury De Hoop 132/11kV Substation, 132kV transmission line and servitudes (Acquisitions:Outsourced)   | 1 390 709            |
| Malmesbury De Hoop 132/11kV Substation, 132kV transmission line and servitudes (Compensation of Employees) | 98 975               |
| Illinge Lethu School Electrical Service Connection   | 1 210 000            |
| Park equipment: Tosca Street   | 80 000               |
| <b>VARIOUS WARDS</b>   |                      |
| Malmesbury WWTW: Replace Clarifier Mechanical Equipment  | 300 000              |
| Swimming Pool: Wesbank   | 12 260 700           |
| Malmesbury SMW1.3 Wesbank Reservoir to Malm/Abb pipeline   | 500 000              |
| Malmesbury Security Operational Centre: Communication, Monitoring and Other infrastructure equipment       | 200 000              |
| Relocation of section of 11 kV Cable between Darlingweg S/S to Holomisa S/S                                | 322 500              |



| Project Description                                   | Budget for 2024/2025 |
|---|----------------------|
| <b>ALL WARDS</b>                                      |                      |
| <b>Electricity Distribution</b>                       |                      |
| Replace oil insulated switchgear and equipment        | 5 000 000            |
| LV Upgrading: Swartland                               | 1 200 000            |
| MV Upgrading: Swartland                               | 1 187 000            |
| Streetlight, kiosk and polebox replacement: Swartland | 613 000              |
| Protection and Scada Upgrading: Swartland             | 263 000              |
| Substation Fencing: Swartland                         | 200 000              |
| Replacement of obsolete air conditioners              | 250 000              |
| Installation of new air conditioners                  | 82 167               |
| Connections: Electricity Meters (New/Replacements)    | 900 000              |
| Emergency Power Supply                                | 300 000              |
| Traffic Light Controlling Equipment                   | 187 000              |
| Streetlights Eskom AOS                                | 400 000              |
| <b>Refuse Removal</b>                                 |                      |
| Highlands: Development of new cell                    | 24 038 370           |
| <b>ICT Services</b>                                   |                      |
| IT: printers  | 77 000               |
| IT: desktops  | 368 000              |
| IT: notebooks   | 510 000              |
| Equipping Fire Office: Darling                        | 50 000               |
| IT: Equipping Law Enf Office: K9 Unit (Malmesbury)    | 150 000              |
| <b>Parks and recreation</b>                           |                      |
| Ward committee projects                               | 1 100 000            |
| Parks: Slasher (Bossiekapper): sn 18795               | 60 000               |
| <b>Sports Grounds</b>                                 |                      |
| Sportgrounds: Blower Mower: sn 20134 (replace)        | 81 700               |
| <b>Roads and storm water</b>                          |                      |
| Roads Swartland: Resealing of Roads                   | 2 268 407            |
| Roads Swartland: New Roads                            | 7 672 710            |
| Roads: Ward committee projects                        | 1 100 000            |

| Project Description                                | Budget for 2024/2025 |
|--|----------------------|
| Stormwater Network                                 | 250 000              |
| <b>Water Distribution</b>                          |                      |
| Water networks: Upgrades and Replacement           | 5 424 055            |
| Connections: Water Meters                          | 940 993              |
| Mobile water pumps x 4 (replacement)               | 150 000              |
| Compactor replacement x 3                          | 280 000              |
| <b>Financial Services</b>                          |                      |
| Meter Installation Handheld Devices                | 226 065              |
| <b>Protection Services</b>                         |                      |
| CCTV Equipment and Radio Communication             | 60 000               |
| <b>Corporate Services</b>                          |                      |
| Installation of fire alarm system: Registry office | 297 200              |
| <b>MM and Council</b>                              |                      |
| New Website: Development and Implementation        | 400 000              |
| <b>Equipment</b>                                   |                      |
| Equipment : Civil Services                         | 52 118               |
| Equipment : Sewerage                               | 34 000               |
| Equipment : Sewerage Telemetry                     | 34 942               |
| Equipment: Buildings & Maintenance                 | 32 240               |
| Equipment: Parks                                   | 150 000              |
| Equipment: Streets and Stormwater                  | 66 000               |
| Equipment: Water                                   | 53 000               |
| Equipment: Refuse bins, traps, skips (Swartland)   | 193 000              |
| Equipment: Refuse Removal                          | 34 700               |
| Equipment: Development Services                    | 49 435               |
| Equipment: YZF Caravan Park                        | 101 974              |
| Equipment: Electricity                             | 800 000              |
| Equipment: IT                                      | 75 000               |
| Equipment: Finance                                 | 114 057              |
| Equipment: Protection                              | 60 000               |
| Equipment: K9 Unit                                 | 34 783               |

| Project Description                               | Budget for 2024/2025 |
|---|----------------------|
| Equipment: Fire Fighting                          | 134 900              |
| Equipment: Municipal Manager                      | 20 017               |
| Equipment: Council                                | 12 000               |
| Equipment: Corporate                              | 30 800               |
| Equipment: Libraries                              | 50 000               |
| Equipment: Corporate: Buildings & Swartland Halls | 100 000              |
| <b>Vehicles</b>                                   |                      |
| Vehicles Sewerage                                 | 2 322 000            |
| Vehicles Parks                                    | 620 000              |
| Vehicles Roads                                    | 3 212 853            |
| Vehicles Refuse                                   | 3 245 319            |
| Vehicles Development Services                     | 390 196              |
| Vehicles Finance                                  | 227 974              |
| Vehicles Traffic and Law Enforcement              | 995 418              |
| Vehicles Fire Services                            | 1 769 914            |
| Vehicles Municipal Manager                        | 874 524              |
| <b>Total</b>                                      | <b>325 809 079</b>   |

#### APPENDIX P - SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS:

No backlogs regarding service delivery to provincial facilities in the urban areas. Information on rural areas is not available to the Municipality.

#### APPENDIX Q - SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION:

The housing backlog in the 2024/2025 financial year was 16 981. The impact of the backlog was that it put a lot of pressure on our infrastructure, suitable land and funding for new housing projects.

**APPENDIX R – DECLARATION OF TRANSFERS AND SUBSIDIES MADE BY THE MUNICIPALITY - CURRENT YEAR**

| All Organisations or Persons in receipt of Transfers and Subsidies provided by the municipality | Nature of business     | Conditions attached to funding | Total Amount Paid for 2024/2025 |
|---|------------------------|--------------------------------|---------------------------------|
| Bergrivier Canoe Marathon   | Non-profit institution | Yes                            | R 30,000                        |
| Darling Wildflower Society  | Non-profit institution | Yes                            | R 57,881                        |
| National Sea Rescue Institute   | Non-profit institution | Yes                            | R 38,434                        |
| SPCA  | Non-profit institution | Yes                            | R 359,872                       |
| Yzerfontein Conservancy   | Non-profit institution | Yes                            | R 87,604                        |
| Darling   | Museums                | Yes                            | R 99,414                        |
| Malmesbury  | Museums                | Yes                            | R 67,188                        |
| Oude Kerk   | Museums                | Yes                            | R 67,188                        |
| Wheat Industry  | Museums                | Yes                            | R 11,198                        |
| Darling Focus   | Social Upliftment      | Yes                            | R 53,910                        |
| Elkana Childcare  | Social Upliftment      | Yes                            | R 273,894                       |
| HUB R27   | Social Upliftment      | Yes                            | R 7,680                         |
| Huis van Heerde   | Social Upliftment      | Yes                            | R 477,348                       |
| Jo Dolphin  | Social Upliftment      | Yes                            | R 67,387                        |
| Multi-Purpose Centre: Moorreesburg  | Social Upliftment      | Yes                            | R 80,865                        |
| Night Shelter   | Social Upliftment      | Yes                            | R 53,695                        |
| Old Age Homes   | Social Upliftment      | Yes                            | R 1,630,058                     |
| Student Bursaries   | Social Upliftment      | Yes                            | R 300,000                       |
| Top Achievers Award: Grade 12   | Social Upliftment      | Yes                            | R 22,725                        |
|   |                        |                                |                                 |
|   |                        |                                | <b>R 3,786,341</b>              |

**APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71**

None

**APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT**

**Note:** Information is already contained elsewhere in the Annual Report.

**APPENDIX U – 2024/2025 CERTIFIED AUDITED ANNUAL FINANCIAL STATEMENTS**

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025



Swartland Municipality  
Audited  
Annual Financial Statements for  
the year ended 30 June 2025



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## General Information

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### Nature of business and principal activities

Swartland Municipality (the municipality) is a category B, medium capacity, local government institution in Malmesbury, Western Cape. The addresses of its registered office and principal place of business are disclosed hereunder and in the introduction of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Constitution.

Swartland Municipality's mandate:

The Municipality is a medium-capacity, category B local authority established in terms of section 151 of the Constitution of the Republic of South Africa.

The principal activities of the Municipality are to:

- \* provide democratic and accountable government to the local communities;
- \* ensure sustainable service delivery to communities;
- \* promote social and economic development;
- \* promote a safe and healthy environment; and
- \* encourage the involvement of communities and community organisations in the matters of local government.

The Municipality's operations are governed by the Local Government: Municipal Finance Management Act (MFMA) (Act 56 of 2003), Municipal Structures Act (Act 117 of 1998), Municipal Systems Act (Act 32 of 2000) and various other acts and regulations.

**Executive Mayor**  
**Deputy Executive Mayor**  
**Speaker**

Alderman J H Cleophas  
Alderlady J M De Beer  
Alderman M Rangasamy

### Members of Executive Mayoral Committee

|                        |                        |
|------------------------|------------------------|
| Executive Mayor        | Alderman J H Cleophas  |
| Deputy Executive Mayor | Alderlady J M De Beer  |
| Member                 | Councillor Smit        |
| Member                 | Alderman T van Essen   |
| Member                 | Councillor A K Warnick |
| Member                 | Councillor D G Bess    |

### Chairperson of Portfolio Committees

|  |                          |
|--|--------------------------|
| Office of the Municipal Manager<br>Administration and Finances | Councillor I S le Minnie |
| Civil and Electrical Services                                  | Councillor R J Jooste    |
| Development Services   | Councillor G Vermeulen   |
| Protection Services  | Alderlady M Nel          |

### Members of the Performance Risk and Audit Committee

|             |           |
|-------------|-----------|
| Chairperson | R Gani    |
| Member      | S Jones   |
| Member      | M Mdludlu |
| Member      | B Gouws   |

### Auditors

Auditor-General of South Africa

### Bankers

Standard Bank of South Africa

### Registered office

1 Church Street  
MALMESBURY  
7300

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## General Information

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|  |   |  |
|--|---|--|
| <b>Business address</b>                              | 1 Church Street<br>MALMESBURY<br>7300   |  |
| <b>Postal address</b>                                | Private Bag X 52<br>Malmesbury<br>7299  |  |
| <b>Accounting Officer</b>                            | J J Scholtz   |  |
| <b>Chief Financial Officer</b>                       | M A C Bolton  |  |
| <b>Council members of the Swartland Municipality</b> | Bess D G<br>Booyesen A M<br>Cleophas J H<br>De Beer J M<br>Gaika M<br>Jooste R J<br>Le Minnie I S<br>Ngozi M<br>O'Kennedy E C<br>Papier J R<br>Fortuin C<br>Penxa B J | Pieters C<br>Pypers D C<br>Rangasamy M A<br>Smit N<br>Soldaka P E<br>White G E<br>Van Essen T<br>Nel M<br>Vermeulen G<br>Williams A N<br>Warnick A K |



# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Index

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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| Appendix E: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act |          |

|         |  |
|---------|--|
| COID    | Compensation for Occupational Injuries and Diseases                |
| CRR     | Capital Replacement Reserve  |
| DBSA    | Development Bank of South Africa                                   |
| SA GAAP | South African Statements of Generally Accepted Accounting Practice |
| GRAP    | Generally Recognised Accounting Practice                           |
| GAMAP   | Generally Accepted Municipal Accounting Practice                   |
| HDF     | Housing Development Fund   |
| IAS     | International Accounting Standards                                 |
| IMFO    | Institute of Municipal Finance Officers                            |
| IPSAS   | International Public Sector Accounting Standards                   |
| ME's    | Municipal Entities   |
| MEC     | Member of the Executive Council                                    |
| MFMA    | Municipal Finance Management Act                                   |
| MIG     | Municipal Infrastructure Grant (Previously CMIP)                   |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Officer's Responsibilities and Approval

---

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and must be given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2026 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

In terms of Section 13G of the Broad-Based Black Economic Empowerment Amendment Act (Act 46 of 2013), read with regulation 12 of the B-BBEE Regulations, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports. Compliance is disclosed in the annual report.

I certify that salaries, allowances and benefits of councillors as disclosed in note 29 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998, and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on pages 6 to 127, which have been prepared on the going concern basis, were approved by the accounting officer on 29 August 2025 and were signed:

  
\_\_\_\_\_  
J J Scholtz  
Accounting Officer

Friday, 29 August 2025

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Position as at 30 June 2025

| Figures in Rand                            | Note(s) | 2025                 | 2024<br>Restated*    |
|--|---------|----------------------|----------------------|
| <b>Assets</b>                              |         |                      |                      |
| <b>Current Assets</b>                      |         |                      |                      |
| Cash and cash equivalents                  | 2       | 677 019 944          | 470 491 311          |
| Receivables from exchange transactions     | 3 and 5 | 121 756 132          | 119 105 779          |
| Receivables from non-exchange transactions | 4 and 5 | 43 848 232           | 34 292 280           |
| Inventories                                | 7       | 20 100 710           | 21 602 623           |
| Other financial assets                     | 12      | 366 329 014          | -                    |
| VAT accrual receivables                    | 8.2     | 24 482 884           | 24 278 115           |
| VAT control                                | 8.1     | 11 903 400           | 9 006 270            |
|  |         | <b>1 265 440 316</b> | <b>678 776 378</b>   |
| <b>Non-Current Assets</b>                  |         |                      |                      |
| Property, plant and equipment              | 10      | 2 517 760 669        | 2 320 840 795        |
| Investment property                        | 11      | 23 402 204           | 24 940 643           |
| Intangible assets                          |         | 847 751              | 503 141              |
| Heritage assets                            |         | 4 120 691            | 4 120 691            |
| Other financial assets                     | 12      | -                    | 333 119 014          |
|  |         | <b>2 546 131 315</b> | <b>2 683 524 284</b> |
| <b>Total Assets</b>                        |         | <b>3 811 571 631</b> | <b>3 362 300 662</b> |
| <b>Liabilities</b>                         |         |                      |                      |
| <b>Current Liabilities</b>                 |         |                      |                      |
| Operating lease liability                  |         | 319 033              | 334 731              |
| Payables from exchange transactions        | 13      | 111 422 975          | 95 100 946           |
| Consumer deposits                          | 14      | 20 857 367           | 19 659 688           |
| Construction contracts payables            | 6       | 7 342 180            | -                    |
| Unspent conditional grants and receipts    | 15      | 21 703 995           | 30 493 916           |
| Other financial liabilities                | 16      | 6 044 339            | 5 455 716            |
| Long-term employee benefits                | 17      | 6 748 000            | 6 605 000            |
| Provisions                                 | 18      | 9 197 492            | 8 780 333            |
| VAT accrual payables                       | 8.3     | 11 730 567           | 9 429 791            |
|  |         | <b>195 365 948</b>   | <b>175 860 121</b>   |
| <b>Non-Current Liabilities</b>             |         |                      |                      |
| Other financial liabilities                | 16      | 27 291 962           | 33 358 238           |
| Long-term employee benefits                | 17      | 104 234 000          | 89 675 000           |
| Provisions                                 | 18      | 67 892 552           | 57 311 777           |
|  |         | <b>199 418 514</b>   | <b>180 345 015</b>   |
| <b>Total Liabilities</b>                   |         | <b>394 784 462</b>   | <b>356 205 136</b>   |
| <b>Net Assets</b>                          |         | <b>3 416 787 169</b> | <b>3 006 095 526</b> |
| <b>Reserves</b>                            |         |                      |                      |
| Reserves                                   | 19      | 359 394 889          | 299 421 237          |
| Accumulated surplus                        | 20      | 3 057 392 280        | 2 706 674 289        |
| <b>Total Net Assets</b>                    |         | <b>3 416 787 169</b> | <b>3 006 095 526</b> |

\* See Note 53

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Performance

| Figures in Rand                                     | Note(s) | 2025                 | 2024<br>Restated*    |
|---|---------|----------------------|----------------------|
| <b>Revenue</b>                                      |         |                      |                      |
| <b>Revenue from exchange transactions</b>           |         |                      |                      |
| Service charges                                     | 21      | 714 148 497          | 630 654 582          |
| Agency services                                     |         | 5 658 345            | 5 348 435            |
| Construction contracts                              | 6       | -                    | 79 520               |
| Interest received                                   | 22      | 99 536 450           | 88 032 664           |
| Operational revenue                                 | 23      | 29 323 924           | 29 490 594           |
| Rental of facilities and equipment                  |         | 1 883 457            | 1 382 483            |
| Development charges                                 | 24      | 10 208 941           | 41 767 348           |
| <b>Total revenue from exchange transactions</b>     |         | <b>860 759 614</b>   | <b>796 755 626</b>   |
| <b>Revenue from non-exchange transactions</b>       |         |                      |                      |
| <b>Taxation revenue</b>                             |         |                      |                      |
| Property rates                                      | 25      | 200 765 307          | 163 174 552          |
| Interest received on receivables                    |         | 2 223 748            | 1 974 074            |
| <b>Transfer revenue</b>                             |         |                      |                      |
| Government grants and subsidies                     | 26      | 378 826 841          | 271 713 439          |
| Donated property, plant and equipment               |         | -                    | 306 822              |
| Fines, Penalties and Forfeits                       |         | 36 325 543           | 38 582 078           |
| Licences and permits (non-exchange)                 |         | 4 837 753            | 5 079 411            |
| Public contributions and donations                  |         | 22 878 547           | 1 178 090            |
| Vesting of properties and equipment                 |         | 176 324              | 921 992              |
| Availability charges                                | 27      | 11 580 603           | 11 093 950           |
| <b>Total revenue from non-exchange transactions</b> |         | <b>657 614 666</b>   | <b>494 024 408</b>   |
| <b>Total revenue</b>                                |         | <b>1 518 374 280</b> | <b>1 290 780 034</b> |
| <b>Expenditure</b>                                  |         |                      |                      |
| Employee related costs                              | 28      | 346 367 896          | 316 536 834          |
| Remuneration of councillors                         | 29      | 12 597 587           | 12 004 775           |
| Bad debts written off                               | 4       | 19 366 692           | 34 705 031           |
| Bulk purchases - Electricity                        |         | 410 594 639          | 344 554 611          |
| Contracted services                                 | 30      | 64 955 958           | 69 008 625           |
| Depreciation and amortisation                       | 31      | 103 052 099          | 103 283 357          |
| Finance costs                                       | 32      | 10 464 303           | 12 830 517           |
| Grants and subsidies paid                           | 33      | 3 786 341            | 4 724 279            |
| Operational cost                                    | 34      | 46 350 681           | 42 971 455           |
| Other materials                                     | 35      | 57 874 190           | 53 319 903           |
| <b>Total expenditure</b>                            |         | <b>1 075 410 386</b> | <b>993 939 387</b>   |
| <b>Operating surplus</b>                            |         | <b>442 963 894</b>   | <b>296 840 647</b>   |
| Gains on sale of fixed assets                       |         | 1 213 620            | 1 828 939            |
| Gains on sale of land                               |         | 312 434              | 211 625              |
| Reversal / (impairment) of assets and receivables   | 36      | (23 006 595)         | (18 990 976)         |
| Inventory losses: Water losses                      | 7       | (7 431 649)          | (6 301 059)          |
| Loss on disposal of assets                          | 37      | (3 360 063)          | (10 486 669)         |
|   |         | <b>(32 272 253)</b>  | <b>(33 738 140)</b>  |
| <b>Surplus for the year</b>                         |         | <b>410 691 641</b>   | <b>263 102 507</b>   |

\* See Note 53

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Changes in Net Assets

| Figures in Rand                                       | Capital Replacement Reserve | Accumulated surplus  | Total net assets     |
|---|-----------------------------|----------------------|----------------------|
| Opening balance as previously reported                | 259 260 281                 | 2 484 960 586        | 2 744 220 867        |
| Adjustments   |                             |                      |                      |
| Correction of errors                                  | -                           | (1 227 848)          | (1 227 848)          |
| <b>Balance at 01 July 2023 as restated*</b>           | <b>259 260 281</b>          | <b>2 483 732 738</b> | <b>2 742 993 019</b> |
| Changes in net assets                                 |                             |                      |                      |
| Transfer to Capital Replacement Reserve               | 164 784 984                 | (164 784 984)        | -                    |
| Property, plant and equipment purchased               | (124 624 028)               | 124 624 028          | -                    |
| Net income (losses) recognised directly in net assets | 40 160 956                  | (40 160 956)         | -                    |
| Surplus for the year                                  | -                           | 263 102 507          | 263 102 507          |
| Total recognised income and expenses for the year     | 40 160 956                  | 222 941 551          | 263 102 507          |
| Total changes   | 40 160 956                  | 222 941 551          | 263 102 507          |
| <b>Restated* Balance at 01 July 2024</b>              | <b>299 421 237</b>          | <b>2 706 674 291</b> | <b>3 006 095 528</b> |
| Changes in net assets                                 |                             |                      |                      |
| Transfer to Capital Replacement Reserve               | 139 738 646                 | (139 738 646)        | -                    |
| Property, plant and equipment purchased               | (79 764 994)                | 79 764 994           | -                    |
| Net income (losses) recognised directly in net assets | 59 973 652                  | (59 973 652)         | -                    |
| Surplus for the year                                  | -                           | 410 691 641          | 410 691 641          |
| Total recognised income and expenses for the year     | 59 973 652                  | 350 717 989          | 410 691 641          |
| Total changes   | 59 973 652                  | 350 717 989          | 410 691 641          |
| <b>Balance at 30 June 2025</b>                        | <b>359 394 889</b>          | <b>3 057 392 280</b> | <b>3 416 787 169</b> |
| Note(s)   | 19                          | 20                   |                      |

Accumulated Surplus has been restated to correctly classify amounts held by the municipality. Refer to Note 53 "Restatement of prior year" for details of the restatements.

\* See Note 53

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Cash flow statement

| Figures in Rand   | Note(s) | 2025                        | 2024<br>Restated*           |
|---|---------|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>                 |         |                             |                             |
| <b>Receipts</b>   |         |                             |                             |
| Cash receipts from government grants and other grants       |         | 388 841 838                 | 304 758 955                 |
| Interest income   |         | 67 107 181                  | 55 994 685                  |
| Cash receipts from services and rate payers                 |         | 966 671 926                 | 797 478 558                 |
|   |         | <u>1 422 620 945</u>        | <u>1 158 232 198</u>        |
| <b>Payments</b>   |         |                             |                             |
| Finance costs   |         | (3 871 447)                 | (6 896 832)                 |
| Cash paid to suppliers and employees                        |         | (937 232 217)               | (842 627 234)               |
|   |         | <u>(941 103 664)</u>        | <u>(849 524 066)</u>        |
| <b>Net cash flows from operating activities</b>             | 38      | <b><u>481 517 281</u></b>   | <b><u>308 708 132</u></b>   |
| <b>Cash flows from investing activities</b>                 |         |                             |                             |
| Purchase of property, plant and equipment                   | 38      | (270 274 617)               | (210 025 571)               |
| Proceeds from sale of property, plant and equipment         |         | 1 213 622                   | 1 828 939                   |
| Purchase of other intangible assets                         |         | (450 000)                   | -                           |
| Long-term Investment  |         | -                           | (300 000 000)               |
| <b>Net cash flows from investing activities</b>             |         | <b><u>(269 510 995)</u></b> | <b><u>(508 196 632)</u></b> |
| <b>Cash flows from financing activities</b>                 |         |                             |                             |
| Repayment of other financial liabilities                    |         | (5 477 653)                 | (52 037 024)                |
| <b>Net cash flows from financing activities</b>             |         | <b><u>(5 477 653)</u></b>   | <b><u>(52 037 024)</u></b>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |         | <b><u>206 528 633</u></b>   | <b><u>(251 525 524)</u></b> |
| Cash and cash equivalents at the beginning of the year      |         | 470 491 311                 | 722 016 835                 |
| <b>Cash and cash equivalents at the end of the year</b>     | 2       | <b><u>677 019 944</u></b>   | <b><u>470 491 311</u></b>   |

\* See Note 53

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

|  | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|-----------------|-------------|--------------|------------------------------------|--|-----------|
|--|-----------------|-------------|--------------|------------------------------------|--|-----------|

Figures in Rand

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

|  |                    |          |                    |                    |                   |      |
|--|--------------------|----------|--------------------|--------------------|-------------------|------|
| Service charges - electricity revenue        | 472 747 422        | -        | 472 747 422        | 516 000 743        | 43 253 321        |      |
| Service charges - water revenue              | 98 216 026         | -        | 98 216 026         | 95 517 854         | (2 698 172)       |      |
| Service charges - sanitation revenue         | 57 625 233         | -        | 57 625 233         | 63 838 863         | 6 213 630         | 39.1 |
| Service charges - refuse revenue             | 38 063 559         | -        | 38 063 559         | 38 791 037         | 727 478           |      |
| Rendering of services                        | 14 129 365         | -        | 14 129 365         | 27 447 714         | 13 318 349        | 39.2 |
| Rental from Fixed Assets                     | 1 929 774          | -        | 1 929 774          | 1 883 457          | (46 317)          |      |
| Interest from Current and Non Current Assets | 91 790 361         | -        | 91 790 361         | 95 898 921         | 4 108 560         |      |
| Interest earned from receivables             | 4 114 765          | -        | 4 114 765          | 4 078 102          | (36 663)          |      |
| Agency services                              | 6 787 076          | -        | 6 787 076          | 5 658 345          | (1 128 731)       | 39.3 |
| Operational Revenue                          | 9 640 358          | -        | 9 640 358          | 12 085 148         | 2 444 790         | 39.4 |
| <b>Total revenue</b>                         | <b>795 043 939</b> | <b>-</b> | <b>795 043 939</b> | <b>861 200 184</b> | <b>66 156 245</b> |      |

##### Revenue from non-exchange transactions

##### Taxation revenue

|                                     |             |   |             |             |           |      |
|-------------------------------------|-------------|---|-------------|-------------|-----------|------|
| Property rates                      | 201 371 451 | - | 201 371 451 | 200 765 307 | (606 144) |      |
| Licences and Permits (Non-exchange) | 5 467 036   | - | 5 467 036   | 4 837 755   | (629 281) | 39.6 |
| Interest                            | 1 670 788   | - | 1 670 788   | 1 783 175   | 112 387   |      |

##### Transfer revenue

|   |             |   |             |             |              |      |
|---|-------------|---|-------------|-------------|--------------|------|
| Transfers & subsidies - Operational   | 188 763 654 | - | 188 763 654 | 169 670 270 | (19 093 384) | 39.2 |
| Transfers & Subsidies - Capital Monetary allocations (National/Provincial and District) | 247 277 010 | - | 247 277 010 | 232 035 118 | (15 241 892) |      |
| Fines Penalties & Forfeits  | 31 213 041  | - | 31 213 041  | 36 325 543  | 5 112 502    | 39.5 |
| Operational revenue/Availability  | 11 323 645  | - | 11 323 645  | 11 580 602  | 256 957      |      |
| Gains   | 2 929 640   | - | 2 929 640   | 1 702 378   | (1 227 262)  | 39.7 |

|   |                      |          |                      |                      |                     |  |
|---|----------------------|----------|----------------------|----------------------|---------------------|--|
| <b>Total revenue from non-exchange transactions</b> | <b>690 016 265</b>   | <b>-</b> | <b>690 016 265</b>   | <b>658 700 148</b>   | <b>(31 316 117)</b> |  |
| <b>Total revenue</b>                                | <b>1 485 060 204</b> | <b>-</b> | <b>1 485 060 204</b> | <b>1 519 900 332</b> | <b>34 840 128</b>   |  |

#### Expenditure

|                                   |               |           |               |               |              |       |
|-----------------------------------|---------------|-----------|---------------|---------------|--------------|-------|
| Employee related costs            | (344 723 149) | (27 367)  | (344 750 516) | (339 021 425) | 5 729 091    |       |
| Remuneration of councillors       | (13 273 105)  | 3 000     | (13 270 105)  | (12 597 587)  | 672 518      |       |
| Depreciation and asset impairment | (125 315 806) | -         | (125 315 806) | (103 496 742) | 21 819 064   | 39.9  |
| Finance charges                   | (10 568 552)  | -         | (10 568 552)  | (9 902 725)   | 665 827      |       |
| Debt impairment                   | (12 021 217)  | -         | (12 021 217)  | (22 561 953)  | (10 540 736) | 39.8  |
| Irrecoverable debts written off   | (43 829 132)  | -         | (43 829 132)  | (19 366 692)  | 24 462 440   | 39.13 |
| Bulk purchases - electricity      | (405 920 257) | -         | (405 920 257) | (410 594 639) | (4 674 382)  |       |
| Contracted services               | (83 319 139)  | (747 994) | (84 067 133)  | (66 353 797)  | 17 713 336   | 39.11 |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

|  | Approved<br>budget     | Adjustments | Final Budget           | Actual amounts<br>on comparable<br>basis | Difference<br>between final<br>budget and<br>actual | Reference |
|--|------------------------|-------------|------------------------|--|---|-----------|
| Figures in Rand                          |                        |             |                        |  |   |           |
| Transfers and subsidies                  | (4 263 764)            | -           | <b>(4 263 764)</b>     | (3 486 341)                              | <b>777 423</b>                                      | 39.12     |
| Inventory consumed                       | (67 887 507)           | 180 362     | <b>(67 707 145)</b>    | (57 826 218)                             | <b>9 880 927</b>                                    | 39.10     |
| Operational costs                        | (65 346 300)           | 591 999     | <b>(64 754 301)</b>    | (47 569 353)                             | <b>17 184 948</b>                                   |           |
| Losses on Disposal of Assets             | (22 792 634)           | -           | <b>(22 792 634)</b>    | (3 360 063)                              | <b>19 432 571</b>                                   | 39.14     |
| Losses                                   | (11 710 215)           | -           | <b>(11 710 215)</b>    | (13 071 159)                             | <b>(1 360 944)</b>                                  | 39.15     |
| <b>Total expenditure</b>                 | <b>(1 210 970 777)</b> | -           | <b>(1 210 970 777)</b> | <b>(1 109 208 694)</b>                   | <b>101 762 083</b>                                  |           |
| <b>Actual Amount on Comparable Basis</b> | <b>274 089 427</b>     | -           | <b>274 089 427</b>     | <b>410 691 638</b>                       | <b>136 602 211</b>                                  |           |



# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

|  | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|-----------------|-------------|--------------|------------------------------------|--|-----------|
|--|-----------------|-------------|--------------|------------------------------------|--|-----------|

Figures in Rand

### Statement of Financial Position

#### Assets

##### Current Assets

|  |                    |   |                    |                    |                    |       |
|--|--------------------|---|--------------------|--------------------|--------------------|-------|
| Cash   | 529 629 071        | - | 529 629 071        | 677 019 913        | 147 390 842        | 39.21 |
| Trade and other receivables from exchange transactions | 104 984 234        | - | 104 984 234        | 111 498 475        | 6 514 241          |       |
| Receivables from non-exchange                          | 45 794 022         | - | 45 794 022         | 42 452 589         | (3 341 433)        |       |
| Current portion of long-term receivables               | (287 217)          | - | (287 217)          | (268 134)          | 19 083             |       |
| Inventory  | 38 030 357         | - | 38 030 357         | 20 100 714         | (17 929 643)       | 39.16 |
| VAT  | 32 467 458         | - | 32 467 458         | 138 428 048        | 105 960 590        | 39.17 |
| Other current assets                                   | 1 058 452          | - | 1 058 452          | 1 614 683          | 556 231            | 39.18 |
|  | <b>751 676 377</b> | - | <b>751 676 377</b> | <b>990 846 288</b> | <b>239 169 911</b> |       |

##### Non-Current Assets

|                               |                      |   |                      |                      |                   |       |
|-------------------------------|----------------------|---|----------------------|----------------------|-------------------|-------|
| Investment property           | 24 326 728           | - | 24 326 728           | 23 402 205           | (924 523)         |       |
| Property, plant and equipment | 2 499 280 232        | - | 2 499 280 232        | 2 517 760 672        | 18 480 440        |       |
| Intangible                    | 378 256              | - | 378 256              | 847 752              | 469 496           | 39.20 |
| Heritage assets               | 4 120 691            | - | 4 120 691            | 4 120 690            | (1)               |       |
| Investments                   | 333 119 014          | - | 333 119 014          | 366 329 014          | 33 210 000        | 39.19 |
|                               | <b>2 861 224 921</b> | - | <b>2 861 224 921</b> | <b>2 912 460 333</b> | <b>51 235 412</b> |       |

#### Total Assets

|                      |   |                      |                      |                    |  |
|----------------------|---|----------------------|----------------------|--------------------|--|
| <b>3 612 901 298</b> | - | <b>3 612 901 298</b> | <b>3 903 306 621</b> | <b>290 405 323</b> |  |
|----------------------|---|----------------------|----------------------|--------------------|--|

#### Liabilities

##### Current Liabilities

|  |                    |   |                    |                    |                    |       |
|--|--------------------|---|--------------------|--------------------|--------------------|-------|
| Borrowing                                    | 6 044 339          | - | 6 044 339          | 6 044 339          | -                  |       |
| Consumer deposits                            | 20 159 689         | - | 20 159 689         | 20 857 367         | 697 678            |       |
| Trade payables from exchange transactions    | 67 129 956         | - | 67 129 956         | 93 000 785         | 25 870 829         | 39.22 |
| Trade and other payables from (non-exchange) | 8 098 642          | - | 8 098 642          | 29 046 174         | 20 947 532         | 39.23 |
| VAT  | 7 293 477          | - | 7 293 477          | 113 772 330        | 106 478 853        | 39.24 |
| Provisions                                   | 23 387 559         | - | 23 387 559         | 24 379 956         | 992 397            |       |
|  | <b>132 113 662</b> | - | <b>132 113 662</b> | <b>287 100 951</b> | <b>154 987 289</b> |       |

##### Non-Current Liabilities

|                               |                    |   |                    |                    |                  |  |
|-------------------------------|--------------------|---|--------------------|--------------------|------------------|--|
| Financial liabilities         | 27 313 899         | - | 27 313 899         | 27 291 960         | (21 939)         |  |
| Provisions                    | 76 738 557         | - | 76 738 557         | 81 973 552         | 5 234 995        |  |
| Other non-current liabilities | 91 099 548         | - | 91 099 548         | 90 153 000         | (946 548)        |  |
|                               | <b>195 152 004</b> | - | <b>195 152 004</b> | <b>199 418 512</b> | <b>4 266 508</b> |  |

#### Total Liabilities

|                    |   |                    |                    |                    |  |
|--------------------|---|--------------------|--------------------|--------------------|--|
| <b>327 265 666</b> | - | <b>327 265 666</b> | <b>486 519 463</b> | <b>159 253 797</b> |  |
|--------------------|---|--------------------|--------------------|--------------------|--|

#### Net Assets

|                      |   |                      |                      |                    |  |
|----------------------|---|----------------------|----------------------|--------------------|--|
| <b>3 285 635 632</b> | - | <b>3 285 635 632</b> | <b>3 416 787 158</b> | <b>131 151 526</b> |  |
|----------------------|---|----------------------|----------------------|--------------------|--|

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

|  | Approved<br>budget | Adjustments | Final Budget | Actual amounts<br>on comparable<br>basis | Difference<br>between final<br>budget and<br>actual | Reference |
|--|--------------------|-------------|--------------|--|---|-----------|
|--|--------------------|-------------|--------------|--|---|-----------|

Figures in Rand

### Net Assets

#### Reserves

|                         |                      |   |                      |                      |                     |  |
|-------------------------|----------------------|---|----------------------|----------------------|---------------------|--|
| Reserves                | 370 346 331          | - | <b>370 346 331</b>   | 359 394 889          | <b>(10 951 442)</b> |  |
| Accumulated surplus     | 2 915 289 301        | - | <b>2 915 289 301</b> | 3 057 392 269        | <b>142 102 968</b>  |  |
| <b>Total Net Assets</b> | <b>3 285 635 632</b> | - | <b>3 285 635 632</b> | <b>3 416 787 158</b> | <b>131 151 526</b>  |  |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

|   | Approved budget        | Adjustments | Final Budget           | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|------------------------|-------------|------------------------|------------------------------------|--|-----------|
| Figures in Rand   |                        |             |                        |                                    |  |           |
| <b>Cash Flow Statement</b>                              |                        |             |                        |                                    |  |           |
| <b>Cash flows from operating activities</b>             |                        |             |                        |                                    |  |           |
| <b>Receipts</b>   |                        |             |                        |                                    |  |           |
| Cash receipts from rate payers, government and other    | 1 127 388 437          | -           | 1 127 388 437          | 966 671 926                        | (160 716 511)                              | 39.25     |
| Grants  | 414 696 127            | -           | 414 696 127            | 388 841 838                        | (25 854 289)                               |           |
| Interest  | 91 790 361             | -           | 91 790 361             | 67 107 181                         | (24 683 180)                               | 39.26     |
|   | <b>1 633 874 925</b>   | -           | <b>1 633 874 925</b>   | <b>1 422 620 945</b>               | <b>(211 253 980)</b>                       |           |
| <b>Payments</b>   |                        |             |                        |                                    |  |           |
| Finance charges   | (3 888 772)            | -           | (3 888 772)            | (3 871 446)                        | 17 326                                     |           |
| Cash paid to suppliers and employee                     | (1 197 175 018)        | -           | (1 197 175 018)        | (938 429 896)                      | 258 745 122                                | 39.27     |
|   | <b>(1 201 063 790)</b> | -           | <b>(1 201 063 790)</b> | <b>(942 301 342)</b>               | <b>258 762 448</b>                         |           |
| <b>Net cash flows from operating activities</b>         | <b>432 811 135</b>     | -           | <b>432 811 135</b>     | <b>480 319 603</b>                 | <b>47 508 468</b>                          |           |
| <b>Cash flows from investing activities</b>             |                        |             |                        |                                    |  |           |
| Proceeds on disposal of property, plant and equipment   | 2 929 640              | -           | 2 929 640              | 1 213 620                          | (1 716 020)                                | 39.28     |
| Capital assets (Payments)                               | (371 647 299)          | -           | (371 647 299)          | (270 724 617)                      | 100 922 682                                | 39.29     |
| <b>Net cash flows from investing activities</b>         | <b>(368 717 659)</b>   | -           | <b>(368 717 659)</b>   | <b>(269 510 997)</b>               | <b>99 206 662</b>                          |           |
| <b>Cash flows from financing activities</b>             |                        |             |                        |                                    |  |           |
| Repayment of borrowing                                  | (5 455 716)            | -           | (5 455 716)            | (5 477 652)                        | (21 936)                                   |           |
| Increase (decrease) in consumer deposits                | 500 000                | -           | 500 000                | 1 197 678                          | 697 678                                    | 39.30     |
| <b>Net cash flows from financing activities</b>         | <b>(4 955 716)</b>     | -           | <b>(4 955 716)</b>     | <b>(4 279 974)</b>                 | <b>675 742</b>                             |           |
| Net increase/(decrease) in cash and cash equivalents    | 59 137 760             | -           | 59 137 760             | 206 528 632                        | 147 390 872                                |           |
| Cash and cash equivalents at the beginning of the year  | 470 491 311            | -           | 470 491 311            | 470 491 311                        | -  |           |
| <b>Cash and cash equivalents at the end of the year</b> | <b>529 629 071</b>     | -           | <b>529 629 071</b>     | <b>677 019 943</b>                 | <b>147 390 872</b>                         |           |

Budget variances are discussed in Note 39.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

| Figures in Rand | Note(s) | 2025 | 2024 |
|-----------------|---------|------|------|
|-----------------|---------|------|------|

### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

#### 1.1 Changes in accounting policies, changes in estimates and errors

Accounting Policies have been consistently applied, except where otherwise indicated. The details of any resulting changes in Accounting Policy and comparative restatements are set out below and in the relevant Notes to the Annual Financial Statements.

Standards that are not yet effective are included in policy 1.2 below.

#### 1.2 Standards, amendments to standards and interpretations issued but not yet effective

The ASB Directive 5, paragraph 8, sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors. The following standards were considered:

- Amendments to GRAP 104: Financial Instruments (effective date 1 April 2025)
- Guideline on the Application of Materiality to Financial Statements (no effective date)
- Guideline on Accounting for Landfill sites (effective date 1 April 2023)
- GRAP 1: Presentation of Financial Statements (amendments related to going concern) (no effective date)

GRAP standards that were issued but are not yet effective, have not been early adopted by the municipality.

The amendments to GRAP 104: Financial Instruments will result in significant changes in classification and impairment considerations. In terms of classification, the definitions of each designation has been enhanced which might result in changes in financial instruments at amortised cost. The impairment considerations will also be affected whereby impairment requires an expected future credit loss, rather than the current approach whereby historical data is currently the primary source for impairment methods. Some other changes are also expected and will be presented once more detailed analysis becomes available from consultations with various GRAP stakeholders.

The amendments to GRAP 1: Presentation of Financial Statements will not have any impact on Swartland municipality given the municipal assessment of going concern.

As such, no new standards, interpretation or other pronouncements were introduced during the period under review having a significant impact on the financial statements.

At this stage, management cannot determine the exact impact that the revised standard for Financial Instruments would entail. The major change in the standard is the application of expected credit losses in terms of revenue that will be reported. In terms of the revised standard, an estimation would need to be made as to which portion of revenue would not be collectable and this amount would reduce the revenue reported in Statement of Financial Performance. The amendments will therefore also affect the Receivables as well as Provision for Impairment and actual Bad Debts Written Off and Impairment Losses on Assets and Receivables as reported in the Statement of Financial Position and Statement of Financial Performance respectively. The Cashflow Statement and Statement of Net Assets as well as Budget Comparison Statements are expected to remain unaffected.

Financial instruments impairment under 104 (2019): given initial estimates no major changes in the recognition and classification of financial instruments are expected. Models have been run to compare the impairment under the previous standard compared to the new version of GRAP 104. Initial estimates resolve that a slightly higher impairment is likely given the incorporation of forecasted external indicators such as growth rates and inflation. These external factors were not included in the existing in the existing policy as per 1.5 and 1.6.

## Accounting Policies

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### 1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

In assessing whether the going concern assumption is appropriate, management considered a wide range of factors including the current and expected performance of the municipality, the likelihood of continued government funding and the preliminary budget for the ensuing years.

### 1.4 Materiality

Management has applied its judgement in terms of assessing all matters in the annual financial statements with reference to materiality. Items are reported based on aggregation and in some instances, the aggregation would result in some standards of GRAP not being applied as the items affected by these standards were assessed as not being material. Items of dissimilar nature may be aggregated provided that these items are not material and that the aggregation is based on management's procedures to allow the discharge of accountability (when the same manager is responsible for items that meets the requirement of more than one accounting standard).

Both the qualitative and quantitative characteristics of an item are considered when applying materiality. Care is taken to ensure that these annual financial statements provide users with the most suitable information in order to evaluate the performance of the municipality.

Management has applied its judgement in terms of materiality and has determined a trivial threshold of R100 000. This threshold will be used to evaluate variances such as differences in the budget comparison and movements on the impairment of Statutory Receivables. This threshold does not imply that all totals of R100 000 or less would automatically be excluded from the annual financial statements. It merely determines a cut-off value where no further disclosures or corrections would be made. Items where the balance is less than R100 000 would first need to be evaluated in terms of the origin of such an amount. If a balance is less than R100 000, but significant debits and credits are set-off in order to arrive at such a net balance, such balance should still be disclosed due to the significance of the individual items that comprise such a balance.

Prior period errors are only corrected when these are found to be material. All immaterial prior period errors are corrected in the current year and the previously reported figures will not be corrected.

Materiality is reviewed annually and only when an error in prior year's judgement is identified based on information that existed at the time of publication of the annual financial statements, would prior period immaterial errors be rolled forward and reassessed in the current year based on the revised materiality considerations.

### 1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. 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 in the future could differ from these estimates which may be material to the annual financial statements. 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 future periods as well, the revision will be recognised when the estimate is revised.

The following are the critical judgements, apart from those involving 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.

## Accounting Policies

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### 1.5 Significant judgements and sources of estimation uncertainty (continued)

#### Financial Instruments and Statutory Receivables

The classification of Financial Assets and Liabilities as well as Statutory Receivables require judgement. The accounting policy 1.6 on Financial Instruments: Classification as well as the accounting policy 1.7 on Statutory Receivables: Definitions describes the factors considered in applying management's judgement.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP 104: Financial Instruments and GRAP 108: Statutory Receivables.

Receivables are considered past due when payment is not received by the due date. If a debtor receives a statement, all amounts in the 30 days and older columns are those considered past due in terms of the municipal by-laws.

A detailed assessment was done in order to determine whether grant related items: Unspent Grants and Construction Contracts, should be classified as a Financial Instrument or not. The facts and circumstances for municipalities may differ, resulting in different conclusions as to whether unspent grants and construction contracts should be considered a financial instrument. For Swartland Municipality, the majority of revenue is recognised based on the terms agreed rather than the underlying legislation which supports the grant. The majority of grant related funds are firstly based on a contract/arrangement falling within GRAP 104 and in these arrangements reference would be made to the relevant legislated requirements.

#### 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. The recoverability of receivables is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The impairment allowance is calculated using the effective interest rate (prime +1%). The total increase in estimation of the impairment of Receivables from Exchange Transactions and that of Receivables from Non-exchange Transactions are disclosed in Notes 3, 4 and 5 to the Annual Financial Statements.

#### Impairment of Statutory receivables

The calculation in respect of 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 a receivable. Debtors are grouped into appropriate aggregated grouping levels when insufficient information is available to assess individual debtors. Aggregation is based on best practice and receivables are assessed on historic information available. Thereafter the past due (accounts in arrears, i.e. not current), but not impaired debtors are subjected to a further impairment test taking into account the effect of time resulting in a discounting of debtors being included as a further factor for impairment of statutory receivables. Outstanding receivables that are past due are charged interest at prime +1%. This is considered the appropriate discount rate as it is market based.

Significant movements on impairments are defined as those movements that exceeds 10% of the gross balance of the relevant statutory receivable type at year end or R100 000, whichever is the greatest. Qualitative factors are considered with reference to exceptions to the normal process for identification of impairment losses. This implies disclosing losses incurred due to circumstances that are unique to the specified period or unique to the municipality in comparison to other municipalities with a similar capacity.

#### Impairment and useful lives: Write down of Property, Plant and Equipment, Investment property, Intangible assets, Heritage assets and Inventories

As described in the accounting policies 1.12 and 1.13 for these asset types the municipality depreciates / amortises its property, plant and equipment, intangible assets and investment property 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 useful lives of assets are based on management's estimation. Management considered the impact of technology, availability of capital funding, service requirements, the type of asset and required return on assets in order to determine the optimum useful life expectation, where appropriate.

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.

## Accounting Policies

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### 1.5 Significant judgements and sources of estimation uncertainty (continued)

The accounting policies 1.15 and 1.16 on Impairment of assets and accounting policy 1.9 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 and write down of Inventories to Net Realisable Values (NRV). Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets and write-down of Inventories to the lower of Cost and Net Realisable Value.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21: Impairment of Cash generating Assets and GRAP 26: Impairment of non-Cash generating Assets. In particular, the calculation of the recoverable service amount for Property, plant and equipment, intangible assets and the Net Realisable Value (NRV) for inventories (in terms of GRAP 12) involves significant judgment by management.

Estimated impairments during the year to Inventory, Property, Plant and Equipment, Investment Property, Intangible Assets and Heritage Assets are disclosed in Note 36 to the annual financial statements, as applicable.

The municipality reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

### Provisions

Management judgement is required when recognising and measuring provisions and when measuring provision, contingent liabilities and contingent assets as set out in notes 18 and 42. Accounting policies pertaining to contingent assets and liabilities are disclosed under policy 1.19.

#### Staff leave and bonuses

The liability for leave pay is based on the total accrued leave days at year end and is shown as a Payable from exchange transactions in the Statement of Financial Position. The municipality recognises the accrual of a guaranteed 13th cheque benefit only when the municipality has a present legal or contractual obligation to make such payment and a reliable estimate can be made. The estimation is based on the current expected cost at the time of meeting the recognition criteria.

Leave and the guaranteed 13th cheque liabilities are estimates. However the nature of the balance is an accrual of unused benefits arising from past service and therefore this is classified as a payable from exchange transactions (excluded from the financial instruments).

#### Environmental Rehabilitation Provision

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's accounting policy (1.18), taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises.

Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site. Interest rates linked to national bonds were used to calculate the effect of the time value of money.

In terms of the Minimum Requirements for Waste Disposal by Landfill a period of up to 30 years post-closure monitoring is recommended. This 30 year period is a recommendation and the Minister of the Department of Water and Sanitation needs to instruct the municipality as to what the exact period of post-closure monitoring would be. This instruction would be communicated in terms of each site's license conditions. The period could be shortened or prolonged, depending on specific conditions that will only become known while the actual rehabilitation activities are planned and undertaken. The extent of the monitoring (frequency of monitoring) and the costs involved (whether external experts are required or whether the monitoring be done in-house) can also not yet be determined. No communication has been received from the Department of Water Affairs and Sanitation defining the responsibilities of the municipality regarding the post-closure of any landfill site on the licenses of each site. Therefore, the post closure monitoring and inspection costs of landfill sites are regarded to not exist at the reporting date.



## Accounting Policies

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### 1.5 Significant judgements and sources of estimation uncertainty (continued)

#### Long-term employee benefits

As described in the accounting policy on Employee Benefits (1.17), the municipality obtains actuarial valuations of its defined benefit plan liabilities. The long-term nature of these benefits results in significant judgements regarding the timing and value of the outflow of economic benefits. 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 Note 17 to the annual financial statements.

Management regards the total movement on the liability as the increase/decrease in expenditure for the current year. A detailed explanation of the individual expense drivers is provided in Note 17 to the annual financial statements. Where an actuarial gain is realised, the nature of the gain will be assessed with reference to the market conditions. If the gain arises from a change in estimate (i.e. key underlying assumptions are being applied in a significantly different manner than the previous reporting period), the change in estimate will be isolated from the change in market conditions and recorded separately as a gain/(loss) rather than to reduce the expense by the movement of the liability.

#### Revenue recognition

The Accounting Policy 1.21 on Revenue from Exchange Transactions and Accounting Policy 1.22 on Revenue from Non-exchange Transactions describe the conditions under which revenue will be recorded by the management of the municipality.

#### Water inventory

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, where the level indicates the depth of the water in the reservoir, which is then converted into volumes based on the total capacity of the relevant 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.

### 1.6 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. The municipality only recognises a Financial Instrument when it becomes a party to the contractual provisions of the instrument.

#### Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

#### Effective interest rate method

Outstanding receivables that are past due are charged interest at prime +1% in terms of the municipal by-laws. This is considered the appropriate effective interest rate as it is market based. For all other instruments, the contractual rate is compared to the market rate. If the rate is considered reasonable in comparison to the prevailing market rates (i.e. the rate is linked to a market rate such as the prime or repo rate), the contractual rate is considered an appropriate effective interest rate. Where a contractual rate deviates significantly from the market rate, the debtors' rate (prime + 1%) will be used as an effective interest rate.

#### Fair value method and assumptions

The fair values of Financial Instruments are determined as follows:

- The fair values of quoted investments are based on current bid prices; and
- If the market for a Financial Asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.



## Accounting Policies

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### 1.6 Financial instruments (continued)

#### Classification

A Financial Asset is any asset that is cash, a contractual right to receive cash or another financial asset from another entity.

In accordance with GRAP 104 the Financial Assets and Financial Liabilities of the municipality are classified as follows into the three categories allowed by this standard:

- *Financial assets (or financial liabilities) at amortised cost* are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. Financial assets (or financial liabilities) at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument. After initial recognition financial assets are measured at amortised cost, using the effective interest rate method less an allowance for impairment.

Included under the major classes of financial instruments below, are line items that are separately disclosed in the notes that do not meet the definition of a financial instrument (such as Prepaid expenses, Payments made in advance etc.). The balances are clearly identifiable by the naming of the line items. Such items are excluded from the balances disclosed in Notes 47 and 48. In rare instances, aggregation within a line item of a note might contain both financial instruments and balances that do not meet the definition of a financial instrument. In these cases the individual line items would be assessed with reference to its materiality. Where immaterial, non-financial instruments would be included in the aggregated line items that would normally meet the definition of a financial instrument. This disclosure aggregation was specifically selected to ensure comprehensive classification.

The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

| Class   | Category                                   |
|---|--|
| Cash and cash equivalents (see exception below) | Financial asset measured at amortised cost |
| Receivables from exchange transactions          | Financial asset measured at amortised cost |
| Receivables from non-exchange transactions      | Financial asset measured at amortised cost |
| Construction contracts and payables             | Financial asset measured at amortised cost |

Cash and cash equivalents include cash on hand (including petty cash) and cash with banks. Cash equivalents are both short-term highly liquid investments, readily convertible into known amounts of cash, and fixed term deposits that are held with registered banking institutions that are not subject to any significant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, cash with banks and call deposits held with banks.

Receivables from non-exchange transactions comprise Statutory receivables and Financial instruments. Refer to Note 4 for the classification of the balances.

In accordance with GRAP 104 the Financial Assets of the municipality are all classified as financial assets at amortised cost, except for cash floats and petty cash, which are classified as financial assets at fair value.

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

There are three main categories of Financial Liabilities, the classification determining how they are measured. Financial Liabilities may be measured at:

- Financial Liabilities measured at Fair Value;
- Financial Liabilities measured at Amortised Cost; or

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class                                   | Category                                       |
|---|--|
| Other financial liabilities             | Financial liability measured at amortised cost |
| Payables from exchange transactions     | Financial liability measured at amortised cost |
| Unspent conditional grants and receipts | Financial liability measured at amortised cost |
| Construction contracts payables         | Financial liability measured at amortised cost |
| Consumer deposits                       | Financial liability measured at fair value     |

## Accounting Policies

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### 1.6 Financial instruments (continued)

In accordance with GRAP 104 the Financial Liabilities of the municipality are all classified as financial liabilities at amortised cost, except for Consumer deposits, which are classified as financial liabilities at fair value.

#### Impairment and uncollectibility of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date (also refer to 1.5). 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 in accordance with GRAP 104.

An allowance for impairment of receivables 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 amount of the allowance 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. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

Government accounts are not provided for as such accounts are regarded as recoverable.

Annual impairment testing is conducted on all receivable balances. The effects of the annual impairment testing are accounted for against the Provision for Bad Debts Allowance. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance against the Reversal of Impairment Loss/(Impairment Loss) on Receivables. Accounts identified and written-off during the year is recognised against Bad Debts Written Off in the Statement of Financial Performance.

#### Derecognition

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire 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.

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

### 1.7 Statutory receivables

#### Definitions and measurement principles

Statutory Receivables are those receivables (settlement in cash or another financial asset) that arise from legislation as opposed to contractual deliverables. Receivables that arise due to contractual arrangements are accounted for in terms of the accounting policy on Financial Instruments (1.6).

Statutory receivables are classified and recognised as exchange or non-exchange in accordance with the relevant standards on revenue and essentially based on whether there is a supply of goods and services in exchange for economic benefits of similar value.

#### Initial Measurement

Statutory receivables are measured at their transaction amount in accordance with the relevant standards on revenue based on the classification between exchange and non-exchange (refer accounting policies 1.21 and 1.22 respectively).

#### Subsequent measurement

Statutory Receivables are measured at cost, plus accrued interest, less any impairment recognised and amounts derecognised.

Interest is calculated using the nominal interest rate as stipulated in legislation and municipal by-laws.

#### Impairment losses

## Accounting Policies

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### 1.7 Statutory receivables (continued)

Impairment is assessed on an annual basis based on objective evidence regarding expected recoverability.

Consumers are assessed based on groupings, risk profiles and payment history profiles.

Government accounts are not provided for as such accounts are regarded as recoverable.

If there is an indication that a statutory receivable may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable shall be reduced directly or through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

Refer to the Significant Judgements (refer accounting policy 1.5) for the calculation in respect of the impairment of Statutory Receivables.

### Derecognition

Statutory receivables are derecognised when the asset is extinguished, settled or through transferring of all significant risks and rewards to a third party.

Extinguishing the asset would usually be in terms of legislation or other similar means.

The difference between the consideration received and amount derecognised shall be recognised in the surplus or deficit of the period of transfer.

### 1.8 Construction contracts and payables

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 (refer accounting policy 1.21). If variations doesn't result in cash flow & revenue.

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.

All of these contracts of 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 will flow to the entity and the contract costs can clearly be 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.

### Classification of Transactions

Various transactions arise from the Housing Arrangements. Some fall within the ambit of GRAP 11: Construction Contracts, others with GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-exchange Transactions. The information below briefly outlines how transactions are recognised:

- Expenditure pertaining to the planning and civil services of a project is considered to be Grants and subsidies in terms of GRAP 23: Revenue from Non-exchange transactions.
- Expenditure on the stand (also known as top structure expenditure) include the physical building, NHRBC fees and other expenses that are directly related to construction of houses that will be transferred to the beneficiary is accounted for as construction contract revenue and construction of low cost housing (contracted service expenses).

## Accounting Policies

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### 1.8 Construction contracts and payables (continued)

- Land parcels purchased by means of receipts from the Provincial Department are assessed in terms of IGRAP 18: Recognition and Derecognition of Land. The portions of the expenditure that will remain under the control of the municipality is capitalised as Property, Plant and Equipment when the future use is determinable. When such future use cannot be determined, such land will be accounted for as Investment Property based on the municipal policy pertaining to such land. The portion of land expenditure that will be transferred to the beneficiaries are expensed once the contract is signed. The expense and receipts pertaining to land transactions are included under either Operational cost, Loss on disposal of assets and Sale of land or Gains on sale of fixed assets respectively.

### 1.9 Inventories

Inventories comprise of 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 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.

The term ordinary course of operations refers to activities that occur on a frequent basis on terms that are comparable to those of other municipalities. Once-off or occasional transactions are therefore not considered in the ordinary course of operations (such as the sale of a financial instrument).

#### Subsequent measurement

##### Consumable stores, raw materials, work-in-progress

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value (net amount that an entity expects to realise from the sale on inventory in the ordinary course of business). In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge or for consumption in the production process of goods to be distributed at no charge or for a nominal charge, they are measured at the lower of cost and current replacement cost.

##### Water inventory

Water is regarded as inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, cannot be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates. Water and purified effluent are therefore valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Water inventory is being measured by multiplying the cost per kilolitre of purified water by the amount of water in storage.

##### Unsold properties

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis.

##### Other arrangements

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction. Most inventories are distributed at no charge or for a nominal charge rather than sold. Net realisable value is therefore measured in terms of Current Replacement Cost. Differences arising on the measurement of such inventory at the lower of cost and net realisable value are recognised in the Statement of Financial Performance in the year in which they arise. 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.

## Accounting Policies

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### 1.10 Leases

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rents are expensed in the period in which they are incurred.

#### The Municipality as Lessee

Operating leases are those leases that do not fall within the scope of a finance lease receivable. Operating lease rentals are recognised as an expense in the statement of financial performance 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.

#### The Municipality as Lessor

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as revenue and the contractual payments received are recognised as an operating lease asset or liability.

#### Determining whether an Arrangement contains a Lease

At inception of an arrangement, the municipality determines whether such an arrangement is, or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the municipality the right to control the use of the underlying asset.

### 1.11 Value-added Tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payment basis, in accordance with Section 15(2) of the VAT Act No.89 of 1991.

VAT in the records of the municipality comprises main categories of VAT, namely the VAT Control (VAT declared at year-end to SARS and not yet paid or received), a VAT input accrual (VAT on expenditure incurred, but not yet paid) and VAT output accrual (VAT revenue accrued or invoiced, but not yet paid as well as the VAT on impairment of receivables).

As each VAT transaction is individually exclusive, management has elected to not offset the separate VAT categories. As all VAT transactions will eventually fall due to or by the same juristic person, all balances are presented in the same note to the AFS to permit comparison of our total VAT balance with that of the private sector. The VAT classification is as follows:

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 1.11 Value-added Tax (VAT) (continued)

| VAT Type  | Description   | Classification                            |
|---|---|---|
| VAT Control   | Balance due by/(to) SARS  | Statutory receivable or Payable (GRAP 19) |
| VAT Output Accrual                                    | VAT accrued on outstanding debtors (only payable once the debtor pays its outstanding amounts)  | Payable                                   |
| VAT Input Accrual                                     | VAT on Trade Payables not yet paid (only claimable once payment is made to the creditors (i.e. will move to Control account within 30 days from year-end) | Receivable (GRAP 19)                      |
| VAT on provision for impairment of bad debt (accrual) | VAT that could potentially be claimed if the debt is written off  | Receivable (GRAP 19)                      |

VAT accruals are estimated values of amounts that could fall due to SARS when debt is paid or written off. As the municipality does not have control over the timing and value of inflows, the accruals pertaining to debtors are subject to variability. Accruals pertaining to trade payables are likely to be converted to a statutory receivable (VAT Control) within 30 days of statement in terms of the municipal policies.

### 1.12 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for service delivery in terms of the mandated functions of the municipality and are expected to be used during more than one period.

Property, plant and equipment is recognised and measured in terms of GRAP 17: Property, plant and equipment at cost less accumulated depreciation and accumulated impairments.

#### Repairs and maintenance

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 40).

**Accounting Policies****1.12 Property, plant and equipment (continued)****Depreciation**

Depreciation only commences when the asset is available for use, unless stated otherwise.

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated on cost, using the straight line method, to allocate their cost up to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. 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 shall be depreciated separately. The depreciation rates are initially based on the following originally estimated useful lives and thereafter on the estimated remaining useful lives as at year-end:

| Item   | Depreciation method | Average useful life |
|--|---------------------|---------------------|
| Buildings  | Straight-line       | 10 - 60 years       |
| Infrastructure                                       | Straight-line       |                     |
| • Electricity  |                     | 10 - 50 years       |
| • Landfill sites                                     |                     | 10 - 50 years       |
| • Sewerage   |                     | 10 - 100 years      |
| • Stormwater   |                     | 50 years            |
| • Roads and paving                                   |                     | 10 - 100 years      |
| • Water  |                     | 10 - 100 years      |
| Community  | Straight-line       | 10 - 60 years       |
| Movable assets                                       | Straight-line       |                     |
| • Furniture and fittings                             |                     | 5 - 20 years        |
| • Machinery and equipment                            |                     | 5 - 15 years        |
| • Machinery and equipment exception: Large Skip Bins |                     | 30 years            |
| • Office equipment                                   |                     | 3 - 10 years        |
| • Specialised vehicles                               |                     | 5 - 20 years        |
| • Vehicles   |                     | 5 - 10 years        |

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate. The residual values and useful lives is deemed to be appropriate unless an event has occurred or conditions of use have changed, which may have an effect on the residual values and remaining useful lives of these assets.

**Incomplete Construction Work**

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use. The municipality assesses at each reporting date if there is an indication of impairment.

**Infrastructure Assets**

Infrastructure assets are any assets that are part of a network of similar assets. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

If cost can however not be established, then infrastructure assets will be initially measured and recognised at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market.

**Land**

The municipality assesses at each reporting date if there is an indication of impairment.

Land is recognised and derecognised based on evidence of control. Control over land is evidenced by legal ownership and/or the ability to direct access to the land and to restrict or deny the access of others to land.

In assessing the control criteria, any binding arrangements over properties will be considered. Binding agreements can be in written form, a verbal agreement or the result of best practice.



## Accounting Policies

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### 1.12 Property, plant and equipment (continued)

The loss of control will result in the derecognition of the property, despite legal title, while assets over which the municipality does not hold the legal title may be recognised as an asset if control over the property has been established.

Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. Disposals can be voluntary or involuntary of nature.

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.

### 1.13 Investment property

#### Initial recognition

Investment property comprises fixed property (land or a building, or part of a building, or both land and buildings) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- Land held for long-term capital appreciation rather than for short-term sale in the ordinary course of operations which council intends to sell at a beneficial time in the future.
- Land held for a currently undetermined future use.
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases (market rental does not need to be charged).
- A building that is currently vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties
- Property that is being constructed or developed for future use as investment property.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment or Inventory as appropriate:

- Property held for sale in the ordinary course of operations or in the process of construction or development for such sale. This property is treated as inventory.
- Property being constructed or developed on behalf of the Provincial Government: Housing Department.
- Owner-occupied property which is defined as property which is held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services or for administrative purposes as per definition criteria of GRAP 17 which includes all council buildings used for administration purposes
- Property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) are also regarded to be owner-occupied property.
- Property that is leased to another entity under a finance lease.
- Property held by council for strategic purposes or to meet service delivery objectives rather than to earn rental or for capital appreciation.
- Where council has properties that are used both for administrative and commercial purposes and part of the properties cannot be sold separately these properties will not be classified as investment properties.

#### Repairs and maintenance

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the financial statements (see note 40).



## Accounting Policies

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### 1.13 Investment property (continued)

#### Subsequent measurement - Cost model

Investment property is measured using the cost model. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is estimated at 20 - 30 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. Land is not depreciated. The municipality assesses at each reporting date if there is an indication of impairment or whether the residual values and useful lives needs to be adjusted as a change in estimate.

#### Derecognition

Investment property shall be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

#### Transfers

Transfers to, or from, investment property shall be made when, and only when, there is evidence of a change in use.

### 1.14 Living and non-living resources

Living resources are defined as any living animal or plant that undergoes biological changes naturally. The municipality has evidenced control over the living resource by means of one or more of the following:

- Our ability to intervene in the physical condition of the resource;
- Our ability to restrict the movement of the resource through fences and other security measures; and
- Our ability to decide how the resource is used.

Only those resources where management implements actions in order to use and protect the use of the living resource will such be recognised.

Management considers its intervention in physical condition of living resources as critical for the recognition as an asset. In this regard, detailed plans should be in place in order to stimulate the growth and monitor the ageing of the resource. Ad hoc, unplanned activities such as the occasional (non-routine) watering of plants and trimming of trees do not constitute intervention and as such town beautification would not meet the recognition criteria. No living resources were identified as controlled by the municipality. Therefore the considerations as to recognition and measurement is not considered relevant.

As an eventuality, management will acquire city beautification from time to time. In order to fulfil the municipality's mandate (for example maintenance of community parks, supply electricity) it would be required from time to time to do maintenance of trees and plants. The purpose however is not the manage or extent the physical condition, in order to obtain future economic benefits or services from the trees, but to preserve the area (for e.g. to prevent veld fires) or promote the area for tourism. Therefore, management does not control the trees and plants as a living resource, that requires separate recognition.

Non-living resources are those resources that occur naturally and have not been extracted. Minerals, oil, water and land are examples hereof. Non-Living resources are only disclosed when:

- Management intervenes in the processes as part of the municipal mandate in order to deliver goods or services. This intervention must be before the point before extraction while the resource is still in its natural state.
- Intervention must be preceded by either extraction or utilisation of the resource.

Management only identified water resources as no other natural resources are prevalent within our jurisdiction.

Water contained in reservoirs and pipes are considered to be extracted and is therefore accounted for as Inventory in terms of GRAP 12.

### 1.15 Impairment of cash-generating 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.

It is expected that some assets may have a dual-purpose. A dual-purpose asset is only classified as cash-generating (profit assets) if the purpose to create a profit clearly stands out and the service delivery aspect is incidental. If the purpose is not clear, the assets are presumed to be non-cash-generating (service assets).

## Accounting Policies

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### 1.15 Impairment of cash-generating assets (continued)

The designation may be done on an asset or group of assets, where a group of assets is a unit of assets operating together. In the designation process assets are first designated using a group of assets and any remaining assets are then designated on an individual asset basis. An asset could comprise a group of assets that are part of a system or network.

Assets are reviewed annually for indicators that these needs to be impaired. Only once an impairment indicator for assets is identified will the recoverable service amount be measured. Therefore, if no adverse indicators are prevalent, management would not assess the recoverable service amount.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

The recoverable service amount is the higher of the asset's value in use or its fair value less cost to sell.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

The following are examples of impairment indicators used by management:

- During routine physical inspection of the asset there was evidence of permanent physical damage (or obsolescence).
- The asset is not being used, or access to the asset is restricted, due to structural damage.
- The asset is not able to perform at the planned or required level and as a result is not meeting service delivery targets.
- During routine physical inspection of the asset it was identified that the asset deteriorated faster than expected, or was subject to damage, which will result in replacement or non-routine maintenance earlier than expected.
- Due to technological advances or environmental requirement, the asset may need to be taken out of service.

Physical damage would trigger an impairment test when it results in a permanent or significant decline in the service potential of the asset. Judgement is needed to determine whether the decline is permanent or significant. In certain circumstances evidence may be available to demonstrate that the impairment will be temporary. In such circumstances, no impairment loss will be recognised.

Where the recoverable amount is less than the carrying amount, the carrying amount will be reduced to the recoverable service amount by way of an impairment loss. The impairment loss will be recognised as an expense as part of the gains and losses disclosed in the Statement of Financial Performance.

### 1.16 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets. Refer to the policy 1.15 for the impairment indicators.

The recoverable value is the higher of the asset's value in use or its fair value less cost to sell.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. A temporary decline does not have to be accounted for as an impairment, but only if it is probable that the decline is temporary in nature.

The recoverable amount is assessed by either the Depreciated Replacement Cost, Restoration Cost or Service units approach. The selection of the approach is based on the circumstances as per management judgement of each impairment indicator of each asset.

Assets are reviewed annually for indicators that these needs to be impaired. Only once an impairment indicator for an asset or group of assets is identified will the recoverable service amount be measured. Therefore, if no adverse indicators are prevalent, management would not assess the recoverable service amount.

Where the recoverable amount is less than the carrying amount, the carrying amount will be reduced to the recoverable service amount by way of an impairment loss. The impairment loss will be recognised as an expense as part of the gains and losses disclosed in the Statement of Financial Performance.

## Accounting Policies

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### 1.17 Employee benefits

#### Short-term employee benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The municipality has opted to treat its provision for leave pay and for the 13th Cheque as an accrual.

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 on the total remuneration package of the employee at year end and is shown as an accrual in the Statement of Financial Position.

#### Long-term employee

Long-term employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Long-term employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees. The municipality has no such informal arrangements.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

#### Long Service Awards

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 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of Financial Performance (also refer significant judgements 1.5).

#### Post-retirement benefits

The municipality provides retirement benefits for its employees and has both defined benefit and defined contribution post-employment plans.

#### 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 the Statement of Financial Performance 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.

#### Defined Benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

## Accounting Policies

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### 1.17 Employee benefits (continued)

#### 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 actuarial gains and losses, reduced by 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 every year by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in the Statement of Financial Performance (also refer significant judgements 1.5) as an expense.

### 1.18 Provisions

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

The best estimate of the expenditure required to settle the present obligation is the amount that an 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.

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.

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.

When the outflow of economic benefits or service potential is no longer probable the provision will be derecognised.

#### Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

The related asset is measured using the cost model:

- Changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.15 and 1.16.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

## Accounting Policies

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### 1.19 Contingent assets, contingent liabilities and commitments

Contingencies are only disclosed in the notes to the Annual Financial Statements.

**Contingent Liabilities** represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not fully within the control of the municipality. A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

**Contingent Assets** represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not fully within the control of the municipality.

**Commitments** are future expenditure to which the municipality has committed and that will result in the outflow of resources. Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance, but are included in the disclosure notes. A distinction is made between capital and current commitments.

*Lease commitments* as defined per GRAP 13: Leases are disclosed in note 9. Operating commitments are not disclosed as the municipal annual budget is available on the municipal website.

Commitments are disclosed for:

- Items are classified as capital commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources;
- Approved and contracted capital 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; and
- Contracts to purchase, construct or develop assets or for repairs, maintenance or enhancements to assets, that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the Notes to the Annual Financial Statements.

### Understanding the classification of amounts due

Payables, provisions and contingencies are distinguished with relation to the certainty of the amount or the likelihood of payment. Payables from exchange are those amounts factually payable within the immediate future. Provisions are those amounts where either the timing of payment or the value of payment is uncertain, but the fact that an amount is due is fairly certain. Provisions are therefore subject to management estimates whereas payables are factual amounts due.

In contrast thereto, contingencies are those amounts due which are fairly uncertain. Uncertainty is determined by management's estimate of the likelihood of the potential payment or with reference to the uncertainty as to the actual amount that cannot be reliably estimated at reporting date. Where an amount can be estimated reliably, but the likelihood of payment or receipt is assessed as remote by management, the matter will be reported as a contingency.

### 1.20 Net Assets

Included in the net assets of the municipality, are the following statutory funds and reserves, apart from the Accumulated Surplus, that are maintained in terms of specific requirements:

#### Reserve: Capital Replacement (CRR)

In order to finance the provision of infrastructure and other property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR in terms of delegated powers. The following provisions are set for the creation and utilisation of the CRR:

- The cash funds that back up the CRR are invested until utilised. The cash may only be invested in accordance with the investment policy of the Municipality.
- 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 to the accumulated surplus..

## Accounting Policies

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### 1.21 Revenue from exchange transactions

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipality's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore, services rendered are recognised by reference to the stage of completion of the transaction at the reporting date, and the transaction costs can be measured reliably.

*Revenue from exchange transactions* refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

*Revenue from non-exchange transactions* refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal right to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

### Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption. Meters are normally read on a monthly basis and are recognised as revenue when invoiced. Where meters could not be read monthly, provisional estimates of consumption, based on the consumption history, are made monthly. 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 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. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month or a property is vacant.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property and are levied monthly in arrears.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

### Pre-paid electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. In respect of consumption between the last point of sale and the reporting date, an accrual is made based on the average daily consumption (for the period 1 July to 30 June) of consumers as per an internal system estimation report.

### Finance income

Interest earned on investments and outstanding debtors is recognised in the Statement of Financial Performance when the interest is earned.



## Accounting Policies

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### 1.21 Revenue from exchange transactions (continued)

#### Tariff Charges

Revenue arising from the application of the approved tariff policy is recognised when the relevant service is rendered by applying the relevant authorised tariff (e.g. Operational revenue and Development charges).

#### Income from Agency Services

Income for agency services is recognised on a monthly basis once the income collected on behalf of the principal has been quantified. The income recognised is in terms of the agency agreement.

#### Sale of goods (including houses)

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is recognised and measured in terms of GRAP 11: Construction Contracts rather than GRAP 9: Revenue from Exchange Transactions.

### 1.22 Revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction that meets the definition of an asset, is recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A present obligation arising from a non-exchange transaction that meets the definition of a liability is recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

#### Property rates

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 proportion 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.

#### Tariff charges

Transferred assets are measured at their fair value as at the date of acquisition.

These charges are recognised in terms of the tariffs determined by legislation (e.g. license fees, etc.) or tariffs approved by council (e.g. availability charges, etc.).

## Accounting Policies

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### 1.22 Revenue from non-exchange transactions (continued)

#### Debt forgiveness

All unclaimed deposits are initially recognised as a liability until 36 months expires, where after all unclaimed deposits, which were deposited into the Municipality's bank account, will be treated as revenue. This policy is in line with prescribed debt principle as enforced by the Prescribed Debt Act. Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

#### Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality. The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are embedded in the fine issued, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

#### Public contributions

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. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

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.

Assets acquired from non-exchange transactions are measured at fair value in accordance with the Standards of GRAP.

#### 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.

#### Services in-kind

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period. No services in-kind were noted that is significant to the operations of the municipality.



## Accounting Policies

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### 1.23 Government grants and receipts

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. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transfer or, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transfer or has never been enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue. Often these unspent grant liabilities are cash backed.

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 the Statement of Financial Performance in the period in which these become receivable.

Revenue is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, as the qualifying expenditure is incurred.

### 1.24 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred.

### 1.25 Grants and subsidies paid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase of sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events given raise to the transfer occurred.

### 1.26 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted or 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 the Statement of Financial Performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense.

The definition of "vote" for Swartland Municipality is set at the Functional area within the respective department based on the operating and capital budget as a combined total as per the MFMA. Functional areas can be identified based on the top level organogram of the municipality (available on the municipal website).

### 1.27 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. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance in the year that the expenditure was incurred and is classified in accordance with the nature of the expense.

### 1.28 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), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure.

## Accounting Policies

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### 1.29 Internal reserves

### 1.30 Losses

The MFMA requires the disclosure of losses incurred during the year under review. The disclosure is provided in order to comply with the legislative requirements governing Municipalities and Municipal Entities. Disclosure of losses is based on units as required by the MFMA (eg. Audit fees that are disclosed inclusive of VAT).

Accounting for water losses is discussed in the accounting policy for Inventory (1.9).

### 1.31 Service concession arrangements

#### Identification

Service concession arrangements of the municipality include the provision of mandated functions on behalf of the municipality by the operator for a specified period of time, for which the operator is compensated for its services over the period of the service concession arrangement.

#### Initial recognition and measurement

Service concession assets are measured initially at fair value except where the assets are existing assets of the municipality in which case the assets are reclassified at their carrying amounts. Service concession assets will be identified separately.

The service concession liability is recognised and initially measured at:

- the same amount as the service concession asset,
- adjusted by the amount of any other consideration (e.g. cash) from the municipality to the operator, or from the operator to the municipality.

#### Subsequent measurement and derecognition

After initial recognition, the municipality applies the measurement (including impairment) and derecognition principles to the service concession asset applicable to similar items of Property, Plant and Equipment.

The municipality accounts for the liability as a financial liability when the municipality has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset.

The municipality allocates the payments to the operator and account for them according to their substance as a reduction in the service concession liability, a finance charge, and charges for services provided by the operator.

Other liabilities, contingent liabilities, contingent assets and revenues

The municipality accounts for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the policy on Provisions, Contingent liabilities and contingent assets and Financial instruments.

The municipality accounts for revenues from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the principles of Revenue from exchange transactions.

#### Dividing the arrangement

When the municipality pays for the construction, development, acquisition, or upgrade of a service concession asset partly by incurring a financial liability and partly by the grant of a right to the operator, it accounts separately for each part of the total liability.

Refer to Note 51 for the disclosure of the service concession arrangement assets, liabilities, revenue and expenditure.

#### Recognition of the performance obligation and the right to receive a significant interest in a service concession asset

## Accounting Policies

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### 1.31 Service concession arrangements (continued)

Where the municipality controls a significant residual interest in a service concession asset at the end of the service concession arrangement through ownership, beneficial entitlement or otherwise, and the arrangement does not constitute a finance or an operating lease, the municipality recognises its right to receive the residual interest (i.e. a receivable) in the service concession asset at the commencement of the arrangement. The value of the receivable at the end of the service concession arrangement, reflects the value of the service concession asset as if it were already in the age and in the condition expected at the end of the service concession arrangement.

### 1.32 Accounting by principals and agents

A principal-agent arrangement exists where there is a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Where the municipality is the agent to the transaction, only the portion of revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recorded with unspent or moneys due being recorded in terms of GRAP 104: Financial Instruments.

#### Identification

Special consideration is given to the classification of an agreement (once the standard is triggered) to carefully consider whether the municipality is an agent. The considerations include (all of) the following:

- Does the third party determine significant terms
- Does the third party receive the benefit from the transactions
- Is the municipality exposed to the variability of the outcome

If these are not met, but the standard is applicable, the municipality would be regarded as the principal in the transaction.

#### 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. Substance over form is applied. Therefore the exact wording over contracts where the terms agent or acting on behalf are used are considered, but only to the extent that rights and obligations are substantially transferred. Where rights and obligations are not transferred, the transaction is considered a normal supplier/customer relationship and accounted for as such.

Administrative rights, such as those resulting from a collection agency agreement are not considered sufficient grounds for a principal agent relationship. The agent or principal arrangement needs to confer rights and obligations that give the counter party the ability to execute transactions as if it is acting on the other party's behalf. A collection agency only collects revenue and pays such revenue over to the municipality. It has no authority to deviate or alter on any significant terms and therefore is not considered an agent per the definition of the standard.

### 1.33 Segment reporting

The segments reported is the functional segments as per the Monthly Section 71 Management Reports. The information that will be reported is aligned to the monthly section 71 reports which are reviewed by the executive management. The key factor considered is therefore the manner in which management has chosen to organise the entity around differences in goods and/or services to the public.

None of management's segments were aggregated as each segment contains material goods or services. Activities are already aggregated for purposes of strategic review as outline in the table below.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

### 1.33 Segment reporting (continued)

The level of aggregation is summarised in the table below:

| Segment                       | Functions  | Revenue   | Unique expenditure   |
|-------------------------------|--|---|--|
| Vote 1 - Corporate Services   | Property management (rentals, sales), Legal services, Human Resources, Record Management, Public Relations, Communication, Tourism and Libraries | Grants (Library and Other), Sale of Land, Libraries, Rental income  | Communication (Operational Costs), Ward Committees   |
| Vote 2 - Civil Services       | Roads, Waste Management, Waste Water Management, Water Management, Management of facilities (buildings, parks etc.)                              | Trading Services (except electricity), various grants (e.g. MIG, Roads etc.)                                  | Water consumed and water losses, Solid Waste   |
| Vote 3 - Council              | Councillors, Speakers, Mayor   | Allocated   | Remuneration of councillors, Grants and subsidies paid   |
| Vote 4 - Electricity Services | Electricity, Information Technology  | Electricity, Grants   | Electricity bulk purchases   |
| Vote 5 - Financial Services   | Budgeting, Credit Control, Supply Chain, Financial Systems and Reporting, Revenue administration, Expenditure Management, Asset Management       | Interest received, Property rates, Gains on vesting of properties and equipment, Land Sales                   | Bad debts, Finance Costs, Impairments for receivables  |
| Vote 6 - Development Services | Community Development (Social services), Human Settlements, Health and Safety, Town Planning, Valuations, Building Inspections                   | Grants (Housing and other), Construction Contracts, Majority of Operational Revenue (Building Plans, Camping) | Low Cost Housing, Health and Safety  |
| Vote 7 - Municipal Manager    | Executive Management, Strategic Services and Internal Audit  | Allocated   | Majority of expenditure pertains to salaries and depreciation  |
| Vote 8 - Protection Services  | Traffic and Law Enforcement, Fire and Emergency Services   | Grants, Fines, Licences and Permits   | Traffic Fine Management, Bad debts and debt impairment for traffic fines. Most of the COVID-19 related expenditure |

Grant revenue is shared by all departments as these are applied for. Certain grants are directly contributable to specific votes, such as Electricity or Library (Corporate) and Housing (Development). Equitable share is however allocated to each department based on the approved budget.

All other expenditure is generic and shared by all departments: Employee Costs, Contracted Services, Operational costs, Other Materials (consumables). The administration of assets occur within Financial Services, but the losses are allocated to each department.

Details of each activity of the municipality is disclosed in the annual performance report.

The municipality manages its operational revenue and expenditure, assets and liabilities geographically as a whole. Only capital expenditure is reviewed based on the location. All other asset and liability management techniques are focused on the asset base as a whole rather than the asset and liability management for a specific area. Service delivery staff are organised in such a manner that service delivery takes place timeously in each town, but it's not a strategic principle to organise assets and liabilities in such a manner that each town is its own small economic/service delivery unit that can operate separately from the rest of the organisation. Segment reporting per geographic area is therefore not deemed relevant.

The segmental report surplus or deficit reviewed by management does not comprise all of the details as required by the standard. Management reviews the performance on an aggregated basis of total revenue and total expenditure. Management's focus is service delivery and ensuring sufficient revenue is available to ensure such. Only overall (municipal total) surplus is considered when allocating resources. The segment surplus, assets and liabilities are not reviewed on a segregated basis and therefore will not be disclosed as it is not considered relevant for purposes of measuring performance.

## Accounting Policies

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### 1.33 Segment reporting (continued)

The reporting measurement basis for the management reports is the same as that of the annual financial statements (i.e. SA GRAP). Interdepartmental services charges are already eliminated in the management reports reviewed by executive management and will therefore not be separately disclosed (deemed to not be relevant for decision making).

National Treasury has issued an instruction to municipalities to disclose the segment report in terms of the Government Finance Statistics embedded in MSCOA per the Municipal Budget and Reporting Regulations (MBRR). The disclosure has been provided in the notes as per NT's instruction. However, this information is not the primary information used by management to evaluate the performance of the municipality. The information is however useful to compare municipalities where a different organogram is in place.

### 1.34 Related parties

A related party is a person or an entity with the ability to control or jointly control the municipality, or exercise significant influence over the municipality, or vice versa, or an entity that is subject to common control.

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.

An entity is related to the reporting entity where they are members of the same economic entity or controlled by the same group of individuals or related individuals who exercise significant influence over their operational and financial decision making (such as group, associate or Joint venture).

Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other persons designated by the Municipal Manager as persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the Municipality such as:

- A person married to or live together in a relationship similar to a marriage.
- People who are separated by no more than two degrees of natural or legal consanguinity or affinity.

### 1.35 Events after reporting date

Events after the reporting date that are classified as adjusting events are accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date are disclosed in the notes to the Annual Financial Statements.

When events provide evidence of conditions that existed at year end and these conditions have an impact on the values presented, the event is considered an adjusting event. All other events are considered non-adjusting events.

### 1.36 Budget information

The annual budget figures are those approved by Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis and needs to comply with the classification as prescribed in the Municipal Budget and Reporting Regulations. Such classification is reconciled to classification in terms of financial reporting framework. The original approved budget covers the period from 1 July 2024 to 30 June 2025. During January each year, following a review of the mid-year performance, the adjustment budget is approved by council. Such adjustment budget or similar subsequent adjustment budget is considered the final budget.

## Accounting Policies

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### 1.36 Budget information (continued)

Explanatory comments are provided for overall growth or decline in the budget and motivations for over or under spending on line items. The municipality considers a variance between the actual and budget of more than 10% of the budgeted value as material, provided that such variance exceeds R100 000. All variances less than R100 000 is considered immaterial.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts. The budget information is therefore on a comparable basis to the actual amounts. This is based on paragraph 2 and 30 of GRAP 24. The presentation is a mirror image of the National Treasury Budget Submission Template and therefore classification of items differ slightly from the face of the Statement of Financial Position and Statement of Financial Performance (for example service consumers and other debtors compared to Receivables from Exchange and Non-Exchange).

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 2. Cash and cash equivalents

Cash and cash equivalents consist of:

|                     |                    |                    |
|---------------------|--------------------|--------------------|
| Petty cash advances | 18 776             | 19 758             |
| Bank balances       | 677 001 168        | 470 471 553        |
|                     | <b>677 019 944</b> | <b>470 491 311</b> |

### Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings. The management of the municipality is of the opinion that the carrying value of Current Investment Deposits, Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Current Investment Deposits, Bank Balances, Cash and Cash Equivalents was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

### The municipality had the following bank accounts

| Account number / description                    | Bank statement balances |                    |                    | Cash book balances |                    |                    |
|---|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | 30 June 2025            | 30 June 2024       | 30 June 2023       | 30 June 2025       | 30 June 2024       | 30 June 2023       |
| Standard Bank of South Africa Limited 372865100 | 673 703 697             | 466 445 064        | 719 086 786        | 677 001 168        | 470 471 553        | 721 999 911        |
| Municipal Traffic Account 372865178             | 146 467                 | (17)               | 190 653            | -                  | -                  | -                  |
| OTM Account 372865119                           | 32 129                  | 4 873              | 8 568              | -                  | -                  | -                  |
| TMT Fines Account 372865127                     | 11 345                  | 196 939            | (251)              | -                  | -                  | -                  |
| ACB 372865151                                   | -                       | (38)               | (38)               | -                  | -                  | -                  |
| Sundries 372865143                              | -                       | 3 584              | -                  | -                  | -                  | -                  |
| <b>Total</b>                                    | <b>673 893 638</b>      | <b>466 650 405</b> | <b>719 285 718</b> | <b>677 001 168</b> | <b>470 471 553</b> | <b>721 999 911</b> |

The Unspent Grants are cash-backed. The municipality complied with the conditions applicable to all grants received to the extent of revenue recognised. No grants were withheld (refer note 15).

The municipality also have the following bank accounts with Standard Bank South Africa Limited which had a zero balance at year end except as indicated below. All accounts balances are cleared to the main account on a daily basis except on weekends.

1) Web Fines Account Number 372865135

For the purposes of the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments.

The increase in Cash and cash equivalents is due to significant underspending of the operational and capital budget as per the budget comparison statement (refer cash flow statement comparison).

No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period.

Deposits of R 359 394 889 (2024: R 299 421 237) are attributable to the capital replacement reserve (Refer to Note 19).



# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand                                  | 2025               | 2024               |
|--|--------------------|--------------------|
| <b>3. Receivables from exchange transactions</b> |                    |                    |
| Prepaid expenses                                 | 4 054 345          | 4 082 895          |
| Electricity                                      | 70 076 108         | 62 045 146         |
| Water  | 19 928 364         | 23 705 770         |
| Sewerage   | 8 485 295          | 7 240 514          |
| Refuse Removal                                   | 6 804 025          | 5 705 732          |
| Housing rentals / instalments                    | 117 534            | 96 136             |
| Other  | 12 290 461         | 16 229 586         |
|  | <b>121 756 132</b> | <b>119 105 779</b> |

| 30 June 2025                  | Gross Balances     | Collective Allowance for Impairment | Net Balances       |
|-------------------------------|--------------------|-------------------------------------|--------------------|
| <b>Service Receivables</b>    |                    |                                     |                    |
| Electricity                   | 71 034 590         | (958 482)                           | 70 076 108         |
| Water                         | 29 157 693         | (9 229 329)                         | 19 928 364         |
| Sewerage                      | 12 321 895         | (3 836 600)                         | 8 485 295          |
| Refuse Removal                | 10 396 956         | (3 592 931)                         | 6 804 025          |
| Subtotal                      | 122 911 134        | (17 617 342)                        | 105 293 792        |
| <b>Other Receivables</b>      |                    |                                     |                    |
| Housing rentals / instalments | 133 055            | (15 521)                            | 117 534            |
| Other                         | 13 781 470         | (1 491 009)                         | 12 290 461         |
| Prepaid expenses              | 4 054 345          | -                                   | 4 054 345          |
|                               | <b>140 880 004</b> | <b>(19 123 872)</b>                 | <b>121 756 132</b> |

| 30 June 2024                  | Gross Balances     | Collective Allowance for Impairment | Net Balances       |
|-------------------------------|--------------------|-------------------------------------|--------------------|
| <b>Service Receivables</b>    |                    |                                     |                    |
| Electricity                   | 62 918 023         | (872 877)                           | 62 045 146         |
| Water                         | 30 948 149         | (7 242 379)                         | 23 705 770         |
| Sewerage                      | 10 801 359         | (3 560 845)                         | 7 240 514          |
| Refuse Removal                | 8 762 272          | (3 056 540)                         | 5 705 732          |
| Subtotal                      | 113 429 803        | (14 732 641)                        | 98 697 162         |
| <b>Other Receivables</b>      |                    |                                     |                    |
| Housing rentals / instalments | 103 217            | (7 081)                             | 96 136             |
| Other                         | 17 458 994         | (1 229 408)                         | 16 229 586         |
| Prepaid expenses              | 4 082 895          | -                                   | 4 082 895          |
|                               | <b>135 074 909</b> | <b>(15 969 130)</b>                 | <b>119 105 779</b> |

Receivables from Exchange Transactions are billed monthly, at the end of the month.

The average credit period for receivables from exchange transactions is 30 days. No interest is charged on receivables for the first 30 days from the date of the invoice. Thereafter interest is charged at prime plus 1 % per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of receivables from exchange transactions.

The norm for debtors days, due to billing in arrears and 30 day payment terms, is therefore 60 days or less.

Other Receivables include outstanding debtors for various other services, e.g. Chemical Oxygen Demand, Treated Waste Water, Bulk Dumping and Sundry Services like Escorting of heavy vehicles, Advertisement costs, Cleaning of stands, etc. The surplus (where applicable) recorded on the water service concession arrangement is also included under this debtor type (refer to Note 51). For 30 June 2025, there was a surplus of R 7 170 886 (2024: R 6 414 180) this is a debtor which needs to be paid by WCDM. Furthermore, a deposit of R5 500 000 to purchase land is held at an attorney as at 30 June 2024 (2025: R -).



# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 3. Receivables from exchange transactions (continued)

Of the exchange receivables balance at the end of the year, R 4 768 151 (2024: R 4 180 682) (VAT exclusive) is due from Sasko (Pty) Ltd, the municipality's largest customer. There are no other receivables that represent more than 3% of the total balance of Receivables from exchange.

The municipality receives applications for services that it provides. Deposits are required for all electricity and water accounts opened.

Management of the municipality is of the opinion that the carrying value of receivables approximate their amortised values.

No receivables from exchange transactions were pledged as security.

#### Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

#### Trade and other receivables past due but not impaired

Trade and other receivables which are less than 1 months past due are not considered to be impaired. At 30 June 2025, 21 671 079 (2024: 18 088 527) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

|                |                   |                   |
|----------------|-------------------|-------------------|
| 31 - 60 Days   | 10 675 801        | 8 958 020         |
| 61 - 90 Days   | 2 287 298         | 1 999 523         |
| 91 - 120 Days  | 1 816 917         | 1 502 937         |
| 121 - 365 days | 6 891 063         | 5 628 047         |
|                | <b>21 671 079</b> | <b>18 088 527</b> |

#### Reconciliation of bad debts written-off: Exchange Transactions

|                |                   |                   |
|----------------|-------------------|-------------------|
| Electricity    | 376 780           | 267 311           |
| Refuse Removal | 1 239 653         | 1 052 615         |
| Sewerage       | 1 612 713         | 1 459 800         |
| Water          | 8 765 803         | 7 912 438         |
| Housing        | 45 124            | 28 596            |
| Other Debtors  | 306 765           | 274 163           |
|                | <b>12 346 838</b> | <b>10 994 923</b> |

In determining the recoverability of Receivables, the municipality has placed strong emphasis on verifying the indigent status of consumers. 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.

No provision has been made in respect of government debt as these amounts are considered to be fully recoverable.

The details of the ageing of receivables are disclosed in Note 5.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 3. Receivables from exchange transactions (continued)

#### Derecognition of financial assets

No Financial Assets have been transferred to other parties during the year.

All Exchange receivables were reviewed and no terms were identified whereby receivable types would meet the definitions of a statutory instrument as defined by this standard.

Most levies charged are based on the municipal tariff by-laws. The origin of the transactions is based on contractual deliverables rather than legislation. The legislation in place therefore supports the value of recognition rather than giving rise to the occurrence of these transactions.

| Reconciliation of changes in Allowance Account | 2025 Expense     | 2025 VAT       | 2025 Total Changes | 2024 Expense     | 2024 VAT       | 2024 Total Changes |
|--|------------------|----------------|--------------------|------------------|----------------|--------------------|
| Opening Balance                                | -                | -              | 15 969 127         | -                | -              | 11 896 680         |
| Electricity                                    | 74 440           | 11 166         | 85 606             | 386 919          | 58 038         | 444 957            |
| Refuse Removal                                 | 466 425          | 69 966         | 536 391            | 651 455          | 97 717         | 749 172            |
| Sewerage                                       | 239 787          | 35 968         | 275 755            | 868 948          | 130 348        | 999 296            |
| Water  | 1 727 781        | 259 169        | 1 986 950          | 1 280 678        | 192 103        | 1 472 781          |
| Subtotal                                       | 2 508 433        | 376 269        | 18 853 829         | 3 188 000        | 478 206        | 15 562 886         |
| Housing  | 7 339            | 1 101          | 8 440              | 2 164            | 324            | 2 488              |
| Other Debtors                                  | 228 457          | 33 143         | 261 600            | 351 089          | 52 664         | 403 753            |
|  | <b>2 744 229</b> | <b>410 513</b> | <b>19 123 869</b>  | <b>3 541 253</b> | <b>531 194</b> | <b>15 969 127</b>  |

### 4. Receivables from non-exchange transactions

|                      |                   |                   |
|----------------------|-------------------|-------------------|
| Availability charges | 2 941 577         | 2 735 077         |
| Property Rates       | 27 080 720        | 21 959 870        |
| Sundry debtors       | 468 979           | 1 132 414         |
| Traffic fines - TMT  | 13 356 956        | 8 464 919         |
|                      | <b>43 848 232</b> | <b>34 292 280</b> |

#### 30 June 2025

|                      | Gross Balances     | Collective Allowance for Impairment | Net Balances      |
|----------------------|--------------------|-------------------------------------|-------------------|
| Property Rates       | 34 591 464         | (7 510 744)                         | 27 080 720        |
| Sundry Debtors       | 468 979            | -                                   | 468 979           |
| Traffic Fines        | 65 155 885         | (51 798 929)                        | 13 356 956        |
| Availability charges | 5 707 788          | (2 766 211)                         | 2 941 577         |
|                      | <b>105 924 116</b> | <b>(62 075 884)</b>                 | <b>43 848 232</b> |

#### 30 June 2024

|                      | Gross Balances    | Collective Allowance for Impairment | Net Balances      |
|----------------------|-------------------|-------------------------------------|-------------------|
| Property Rates       | 28 428 093        | (6 468 223)                         | 21 959 870        |
| Sundry Debtors       | 1 132 414         | -                                   | 1 132 414         |
| Traffic Fines        | 41 781 436        | (33 316 517)                        | 8 464 919         |
| Availability charges | 5 164 577         | (2 429 500)                         | 2 735 077         |
|                      | <b>76 506 520</b> | <b>(42 214 240)</b>                 | <b>34 292 280</b> |

Sundry Debtors include sundry deposits, unclaimed wages, accruals cash deposits made to Eskom for the supply of electricity and debits outstanding at year-end on normal business transactions entered into by the municipality, in respect of uncleared bank reconciliation items. Grant debtors (ad-hoc balances for multi-year grants) are also included under this debtor type.

Management of the municipality is of the opinion that the carrying value of receivables approximate their amortised values.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand   | 2025              | 2024              |
|---|-------------------|-------------------|
| <b>4. Receivables from non-exchange transactions (continued)</b>  |                   |                   |
| In contrast to prior years, management has increased efforts to minimise fines being written off. Consequently, the gross balance and impairment at year end increased as the payment ratio for fines remained stable from prior years. |                   |                   |
| <b>Statutory receivables included in receivables from non-exchange transactions above are as follows:</b>   |                   |                   |
| Property Rates  | 27 080 720        | 21 959 870        |
| Sundry debtors  | 468 979           | 1 132 414         |
| Traffic Fines - TMT   | 13 356 956        | 8 464 919         |
|   | <b>40 906 655</b> | <b>31 557 203</b> |
| <b>Financial instruments from Receivables from non-exchange transactions above (Availability charges)</b>   | <b>2 941 577</b>  | <b>2 735 077</b>  |
| <b>Total receivables from non-exchange transactions</b>   | <b>43 848 232</b> | <b>34 292 280</b> |

### Statutory receivables general information

| Receivable type       | Revenue type              | Legislation that give rise to the transactions                 | Rates and Interest charges                      | Impairment considerations   |
|-----------------------|---------------------------|--|---|---|
| <b>Property Rates</b> | Non-exchange              | Municipal Property Rates Act 6 of 2004                         | Municipal Tariff Policy, Interest Charged       | Individual collection rates, interest charged at discount rate  |
| <b>Traffic Fines</b>  | Non-exchange              | Administrative Adjudication of Road Traffic Offences Act, 1998 | The Act determines rates, no interest is charge | Collection rate of the balance as a whole, thereafter discounting is considered in terms of materiality |
| <b>Sundry Debtors</b> | Exchange and Non-exchange | Various different acts (aggregate amounts)                     | Municipal Tariff Policy, Interest Charged       | Individual collection rates, interest charged at discount rate  |
| <b>VAT Contol</b>     | Not applicable            | Value Added Tax Act 89 of 1991                                 | The Act determines rates and interest is charge | No impairment, balance expected to be fully recoverable   |

### Interest or other charges levied/charged

Interest was only charged on outstanding rates accounts. All other statutory receivables were within normal credit terms and therefore no other receivables generated interest income. No other levies were charged.

|   |           |           |
|---|-----------|-----------|
| Outstanding debtors: Rates and Availability Charges | 2 223 748 | 1 974 074 |
|---|-----------|-----------|

### Discount rate applied to the estimated future cash flows

Interest is calculated using the nominal interest rate as authorised by a council decision (Currently, Prime plus 1%). This rate is also considered an appropriate discount rate.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 4. Receivables from non-exchange transactions (continued)

#### Non-exchange receivables past due but not impaired

Non-exchange receivables which are less than 1 month past due are not considered to be impaired. At 30 June 2025, R26 170 305 (2024: 19 100 544) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

|                | 2025<br>Past Due  | 2024<br>Past Due  | 2025<br>Impaired    | 2024<br>Impaired    | 2025<br>Past due not<br>impaired | 2024<br>Past due not<br>impaired |
|----------------|-------------------|-------------------|---------------------|---------------------|----------------------------------|----------------------------------|
| 31 - 60 Days   | 5 214 877         | 5 129 886         | -                   | -                   | 5 214 877                        | 5 129 886                        |
| 61 - 90 Days   | 2 924 388         | 2 096 668         | -                   | -                   | 2 924 388                        | 2 096 668                        |
| 91 - 120 Days  | 3 694 568         | 1 842 387         | -                   | -                   | 3 694 568                        | 1 842 387                        |
| 121 - 365 days | 26 641 684        | 28 888 798        | (12 305 212)        | (18 857 195)        | 14 336 472                       | 10 031 603                       |
| > 365 days     | 49 770 672        | 23 357 046        | (49 770 672)        | (23 357 046)        | -                                | -                                |
|                | <b>88 246 189</b> | <b>61 314 785</b> | <b>(62 075 884)</b> | <b>(42 214 241)</b> | <b>26 170 305</b>                | <b>19 100 544</b>                |

#### Factors the entity considered in assessing statutory receivables past due but not impaired

Receivables are assessed in terms of their respective overall payment percentages. Some debtors are therefore past due, but the balances are still expected to be recoverable based on the payment percentages.

#### Reconciliation of movements for statutory receivables

#### Reconciliation of bad debts written-off: Non-Exchange Transactions

|                      |                  |                   |
|----------------------|------------------|-------------------|
| Rates                | 2 062 953        | 1 005 910         |
| Traffic Fines        | 4 728 921        | 22 408 685        |
| Availability charges | 227 980          | 295 514           |
|                      | <b>7 019 854</b> | <b>23 710 109</b> |

#### Reconciliation of changes in Allowance Account

|                      | 2025<br>Expense   | 2025 VAT      | 2025 Total<br>Changes | 2024<br>Expense  | 2024 VAT      | 2024 Total<br>Changes |
|----------------------|-------------------|---------------|-----------------------|------------------|---------------|-----------------------|
| Opening Balance      | -                 | -             | 42 214 241            | -                | -             | 35 290 310            |
| Rates                | 1 042 521         | -             | 1 042 521             | 857 239          | -             | 857 239               |
| Traffic Fines        | 18 482 412        | -             | 18 482 412            | 5 738 170        | -             | 5 738 170             |
| Availability charges | 292 792           | 43 918        | 336 710               | 285 670          | 42 852        | 328 522               |
|                      | <b>19 817 725</b> | <b>43 918</b> | <b>62 075 884</b>     | <b>6 881 079</b> | <b>42 852</b> | <b>42 214 241</b>     |
|                      | <b>19 817 725</b> | <b>43 918</b> | <b>62 075 884</b>     | <b>6 881 079</b> | <b>42 852</b> | <b>42 214 241</b>     |

#### Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables

#### Significant impairment losses recognised or reversed

**Property Rates:** Impairment Recognised: No significant movement from the prior year. In the prior year the estimate was revised to take into account the macro-economic impact of the National Lockdown.

**Traffic Fines:** Impairment Recognised: Annually the outstanding receivables are assessed in terms of the value of fines issued in comparison to the receipts generated from such fines. The remaining balance is considered recoverable based on this payment percentage. The impairment loss is similar to our expectation, but quantitatively the impairment is significant and therefore disclosed separately.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 4. Receivables from non-exchange transactions (continued)

The credit quality of receivables from non- exchange transactions that are neither past nor due nor impaired can be assessed to historical information about counterparty default rates. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's receivables.

The calculation in respect of 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 a receivable. Debtors are grouped into appropriate aggregated grouping levels when insufficient information is available to assess individual debtors. Aggregation is based on best practice and receivables are assessed on historic information available. Thereafter the past due (accounts in arrears, i.e. not current), but not impaired debtors are subjected to a further impairment test taking into account the effect of time resulting in a discounting of debtors being included as a further factor for impairment of statutory receivables.

The Allowance for impairment on Other Debtors (eg. loans and receivables and availability charges) exists predominantly due to the possibility that these debts will not be recovered. Loans and receivables were grouped together in the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment.

### Credit quality of receivables from non-exchange transactions

The credit quality of receivables from non- exchange transactions that are neither past nor due nor impaired can be assessed to historical information about counterparty default rates. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's receivables.

### Classification of Bad Debts

|                                     |                   |                   |
|-------------------------------------|-------------------|-------------------|
| Exchange recivables                 | 12 346 838        | 10 994 923        |
| Consumer debtors                    | 12 346 838        | 10 994 923        |
| Non-exchange receivables            | 7 019 854         | 23 710 109        |
| Property rates                      | 2 062 953         | 1 005 910         |
| Availability charges                | 227 980           | 295 514           |
| Traffic fines                       | 4 728 921         | 22 408 685        |
| <b>Total bad debts for the year</b> | <b>19 366 692</b> | <b>34 705 032</b> |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand                       | 2025                | 2024                |
|---------------------------------------|---------------------|---------------------|
| <b>5. Consumer debtors disclosure</b> |                     |                     |
| <b>Gross balances</b>                 |                     |                     |
| Property Rates                        | 34 591 464          | 28 428 093          |
| Electricity                           | 71 034 590          | 62 918 023          |
| Water                                 | 29 157 693          | 30 948 149          |
| Sewerage                              | 12 321 895          | 10 801 359          |
| Refuse Removal                        | 10 396 956          | 8 762 272           |
| Housing rentals / instalments         | 133 055             | 103 217             |
| Other                                 | 13 781 470          | 17 458 994          |
| Payments made in advance              | 4 054 345           | 4 082 895           |
| Sundry Debtors *                      | 468 979             | 1 132 414           |
| Traffic Fines - TMT *                 | 65 155 885          | 41 781 436          |
| Availability charges *                | 5 707 788           | 5 164 577           |
|                                       | <b>246 804 120</b>  | <b>211 581 429</b>  |
| <b>Less: Allowance for impairment</b> |                     |                     |
| Property Rates                        | (7 510 744)         | (6 468 223)         |
| Electricity                           | (958 482)           | (872 877)           |
| Water                                 | (9 229 329)         | (7 242 379)         |
| Sewerage                              | (3 836 600)         | (3 560 845)         |
| Refuse Removal                        | (3 592 931)         | (3 056 540)         |
| Housing rentals / instalments         | (15 521)            | (7 081)             |
| Other                                 | (1 491 009)         | (1 229 408)         |
| Traffic Fines - TMT *                 | (51 798 929)        | (33 316 517)        |
| Availability charges *                | (2 766 211)         | (2 429 500)         |
|                                       | <b>(81 199 756)</b> | <b>(58 183 370)</b> |
| <b>Net balance</b>                    |                     |                     |
| Property Rates                        | 27 080 720          | 21 959 870          |
| Electricity                           | 70 076 108          | 62 045 146          |
| Water                                 | 19 928 364          | 23 705 770          |
| Sewerage                              | 8 485 295           | 7 240 514           |
| Refuse Removal                        | 6 804 025           | 5 705 732           |
| Housing rentals / instalments         | 117 534             | 96 136              |
| Other                                 | 12 290 461          | 16 229 586          |
| Payments made in advance              | 4 054 345           | 4 082 895           |
| Sundry Debtors *                      | 468 979             | 1 132 414           |
| Traffic Fines - TMT *                 | 13 356 956          | 8 464 919           |
| Availability charges                  | 2 941 577           | 2 735 077           |
|                                       | <b>165 604 364</b>  | <b>153 398 059</b>  |
| <b>Rates</b>                          |                     |                     |
| Current (0 -30 days)                  | 16 151 454          | 12 468 539          |
| 31 - 60 days                          | 2 480 684           | 1 979 669           |
| 61 - 90 days                          | 397 947             | 283 808             |
| 91 - 120 days                         | 181 459             | 153 264             |
| 121 - 365 days                        | 7 584 785           | 6 706 779           |
| > 365 days                            | 7 795 135           | 6 836 034           |
| Less: Allowance for impairment        | (7 510 744)         | (6 468 223)         |
|                                       | <b>27 080 720</b>   | <b>21 959 870</b>   |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand                                   | 2025              | 2024              |
|---|-------------------|-------------------|
| <b>5. Consumer debtors disclosure (continued)</b> |                   |                   |
| <b>Electricity</b>                                |                   |                   |
| Current (0 -30 days)                              | 64 755 340        | 57 729 811        |
| 31 - 60 days                                      | 4 244 052         | 3 765 751         |
| 61 - 90 days                                      | 177 767           | 112 015           |
| 91 - 120 days                                     | 65 923            | 91 367            |
| 121 - 365 days                                    | 395 473           | 439 408           |
| > 365 days  | 1 396 035         | 779 671           |
| Less: Allowance for impairment                    | (958 482)         | (872 877)         |
|   | <b>70 076 108</b> | <b>62 045 146</b> |
| <b>Water</b>                                      |                   |                   |
| Current (0 -30 days)                              | 12 620 100        | 17 252 494        |
| 31 - 60 days                                      | 3 259 638         | 2 532 179         |
| 61 - 90 days                                      | 1 194 400         | 1 127 809         |
| 91 - 120 days                                     | 990 861           | 765 484           |
| 121 - 365 days                                    | 5 296 484         | 4 552 187         |
| > 365 days  | 5 796 210         | 4 717 996         |
| Less: Allowance for impairment                    | (9 229 329)       | (7 242 379)       |
|   | <b>19 928 364</b> | <b>23 705 770</b> |
| <b>Sewerage</b>                                   |                   |                   |
| Current (0 -30 days)                              | 4 353 282         | 4 038 994         |
| 31 - 60 days                                      | 1 605 464         | 1 332 742         |
| 61 - 90 days                                      | 450 015           | 368 556           |
| 91 - 120 days                                     | 367 824           | 313 375           |
| 121 - 365 days                                    | 3 059 504         | 3 065 522         |
| > 365 days  | 2 485 806         | 1 682 170         |
| Less: Allowance for impairment                    | (3 836 600)       | (3 560 845)       |
|   | <b>8 485 295</b>  | <b>7 240 514</b>  |
| <b>Refuse</b>                                     |                   |                   |
| Current (0 -30 days)                              | 3 517 670         | 3 149 313         |
| 31 - 60 days                                      | 1 236 343         | 978 348           |
| 61 - 90 days                                      | 370 328           | 297 036           |
| 91 - 120 days                                     | 317 337           | 256 034           |
| 121 - 365 days                                    | 2 541 130         | 2 318 346         |
| > 365 days  | 2 414 148         | 1 763 195         |
| Less: Allowance for impairment                    | (3 592 931)       | (3 056 540)       |
|   | <b>6 804 025</b>  | <b>5 705 732</b>  |
| <b>Housing</b>                                    |                   |                   |
| Current (0 -30 days)                              | 60 777            | 35 099            |
| 31 - 60 days                                      | 23 550            | 20 688            |
| 61 - 90 days                                      | 3 473             | 4 304             |
| 91 - 120 days                                     | 2 276             | 1 962             |
| 121 - 365 days                                    | 19 692            | 18 245            |
| > 365 days  | 23 287            | 22 919            |
| Less: Allowance for impairment                    | (15 521)          | (7 081)           |
|   | <b>117 534</b>    | <b>96 136</b>     |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand                                      | 2025               | 2024               |
|--|--------------------|--------------------|
| <b>5. Consumer debtors disclosure (continued)</b>    |                    |                    |
| <b>Other Exchange Debtors*</b>                       |                    |                    |
| Current (0 -30 days)                                 | 14 777 886         | 18 811 540         |
| 31 - 60 days   | 306 755            | 328 312            |
| 61 - 90 days   | 91 314             | 89 802             |
| 91 - 120 days  | 72 696             | 74 716             |
| 121 - 365 days                                       | 975 898            | 1 088 586          |
| > 365 days   | 1 611 266          | 1 148 933          |
| Less: Allowance for impairment                       | (1 491 009)        | (1 229 408)        |
|  | <b>16 344 806</b>  | <b>20 312 481</b>  |
| <b>Other Non-exchange Debtors</b>                    |                    |                    |
| Current (0 -30 days)                                 | 1 526 472          | 2 723 195          |
| 31 - 60 days   | 2 734 192          | 3 150 217          |
| 61 - 90 days   | 2 526 442          | 1 812 860          |
| 91 - 120 days  | 3 513 109          | 1 689 123          |
| 121 - 365 days                                       | 19 056 899         | 22 182 020         |
| > 365 days   | 41 975 538         | 16 521 011         |
| Less: Allowance for impairment                       | (54 565 140)       | (35 746 017)       |
|  | <b>16 767 512</b>  | <b>12 332 409</b>  |
| <b>Summary of debtors by customer classification</b> |                    |                    |
| <b>Consumers</b>                                     |                    |                    |
| Current (0 -30 days)                                 | 72 361 518         | 73 594 313         |
| 31 - 60 days   | 12 952 245         | 11 167 780         |
| 61 - 90 days   | 4 859 755          | 3 959 041          |
| 91 - 120 days  | 5 409 282          | 3 258 287          |
| 121 - 365 days                                       | 36 901 913         | 37 690 667         |
| > 365 days   | 60 925 420         | 31 707 580         |
| Subtotal   | 193 410 133        | 161 377 668        |
| Less: Allowance for impairment                       | (50 082 679)       | (56 779 899)       |
|  | <b>143 327 454</b> | <b>104 597 769</b> |
| <b>Industrial/ commercial</b>                        |                    |                    |
| Current (0 -30 days)                                 | 36 173 476         | 28 590 167         |
| 31 - 60 days   | 2 534 838          | 2 796 347          |
| 61 - 90 days   | 229 880            | 95 759             |
| 91 - 120 days  | 56 734             | 53 936             |
| 121 - 365 days                                       | 750 825            | 836 006            |
| > 365 days   | 972 154            | 1 018 720          |
| Subtotal   | 40 717 907         | 33 390 935         |
| Less: Allowance for impairment                       | (756 781)          | (1 403 471)        |
|  | <b>39 961 126</b>  | <b>31 987 464</b>  |
| <b>National and provincial government</b>            |                    |                    |
| Current (0 -30 days)                                 | 9 227 985          | 13 252 388         |
| 31 - 60 days   | 403 594            | 123 779            |
| 61 - 90 days   | 122 051            | 41 392             |
| 91 - 120 days  | 45 470             | 33 102             |
| 121 - 365 days                                       | 1 277 126          | 1 844 419          |
| > 365 days   | 1 599 851          | 1 517 747          |
|  | <b>12 676 077</b>  | <b>16 812 827</b>  |



# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand                                   | 2025               | 2024               |
|---|--------------------|--------------------|
| <b>5. Consumer debtors disclosure (continued)</b> |                    |                    |
| <b>Total</b>                                      |                    |                    |
| Current (0 -30 days)                              | 117 762 979        | 115 436 868        |
| 31 - 60 days                                      | 15 890 677         | 14 087 906         |
| 61 - 90 days                                      | 5 211 686          | 4 096 191          |
| 91 - 120 days                                     | 5 511 486          | 3 345 325          |
| 121 - 365 days                                    | 38 929 864         | 40 371 092         |
| > 365 days  | 63 497 426         | 34 244 047         |
| Subtotal  | 246 804 118        | 211 581 429        |
| Less: Allowance for impairment                    | (50 839 460)       | (58 183 370)       |
|   | <b>195 964 658</b> | <b>153 398 059</b> |

## 6. Construction contracts and payables

### Contracts in progress at statement of financial position date

|   |                    |          |
|---|--------------------|----------|
| Construction contracts and receivables/(payables)       | (7 342 180)        | -        |
| <b>Reconciliation of construction contracts balance</b> |                    |          |
| Opening Balance   | -                  | (79 520) |
| Receipts for the year                                   | (7 342 180)        | -        |
| Deliverables met (Revenue recognised)                   | -                  | 79 520   |
|   | <b>(7 342 180)</b> | <b>-</b> |

### Housing Arrangements

Construction contract revenue is dependent 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 Housing. 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.

|   |                    |                    |
|---|--------------------|--------------------|
| <b>30 June 2025</b>                     | Darling            | Sibanye            |
| Opening Balance (due to)/from customers | (2 509 895)        | (4 832 285)        |
|   | <b>(2 509 895)</b> | <b>(4 832 285)</b> |

|   |          |
|---|----------|
| <b>30 June 2024</b>                     | De Hoop  |
| Opening Balance (due to)/from customers | (79 520) |
| Transfer from Assets                    | 79 520   |
|   | <b>-</b> |

## 7. Inventories

|                                   |                   |                   |
|-----------------------------------|-------------------|-------------------|
| Consumable stores                 | 12 784 421        | 14 442 840        |
| Stationery                        | 362 851           | 285 671           |
| Unsold properties held for resale | 6 644 180         | 6 514 309         |
| Water                             | 309 258           | 359 803           |
|                                   | <b>20 100 710</b> | <b>21 602 623</b> |

The cost of water purchases is subject to the water service concession arrangement (refer to Note 51). The adjusted cost per kilolitre for the year amounted to R6.19 (2024: R 5.87).

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand   | 2025           | 2024           |
|---|----------------|----------------|
| <b>7. Inventories (continued)</b>   |                |                |
| No Inventories have been pledged as collateral for liabilities of the municipality.               |                |                |
| The cost of inventories recognised as expense and included in Other Materials (refer to Note 35). |                |                |
| <b>Water for distribution</b>   |                |                |
| Opening balance   | 359 803        | 382 269        |
| System input volume   | 37 798 824     | 33 540 669     |
| Authorised consumption  | (30 417 720)   | (27 262 076)   |
| Water losses  | (7 431 649)    | (6 301 059)    |
| <b>Closing balance</b>  | <b>309 258</b> | <b>359 803</b> |

## 8. VAT receivable

### VAT balances per classification

|  |                     |                    |
|--|---------------------|--------------------|
| <b>VAT Control (8.2)</b>                         | <b>11 903 400</b>   | <b>9 006 270</b>   |
| <b>VAT accrual receivables - VAT input (8.1)</b> | <b>24 482 884</b>   | <b>24 278 115</b>  |
| <b>VAT accrual payables (8.3)</b>                | <b>(11 730 567)</b> | <b>(9 429 791)</b> |
| Vat Output                                       | (14 635 694)        | (11 880 486)       |
| VAT on provision for bad debts                   | 2 905 127           | 2 450 695          |
| <b>Total for VAT balances (Indirect taxes)</b>   | <b>24 655 717</b>   | <b>23 854 594</b>  |

For statutory receivable information regarding VAT refer to Note 4.

The VAT control represents balances currently due by/(to) SARS.

VAT input represents accrued expenditure not yet paid. As such, the VAT will be claimed in the following month.

VAT output represents VAT on outstanding debtors. VAT on outstanding debtors will only be declared once the debt is recovered. Given the municipal recovery of debt, most of the balance due will be declared to SARS in the following month.

VAT on provision for bad debts represents the VAT that can be claimed once the debt is written off.

For the restatement of comparative figures refer to Note 53.

## 9. Non-living resources

Management only identified water resources as no other natural resources are prevalent within our jurisdiction.

The supply from Paardenberg Dam is to supplement the supply to Malmesbury, Abbotsdale, Kalbaskraal, Riverlands and Chatsworth from the Municipality's own local source. Three boreholes at Riverlands are also used as supplementary sources as needed.

No liabilities or contingent liabilities arise due to the custodianship of the Perdeberg Dam. No resources were given up that resulted in compensation from third parties. The service concession arrangement is disclosed in note 51.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

### 10. Property, plant and equipment

|                | 2025                 |   |                      | 2024                 |   |                      |
|----------------|----------------------|---|----------------------|----------------------|---|----------------------|
|                | Cost /<br>Valuation  | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value       | Cost /<br>Valuation  | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value       |
| Land           | 95 101 873           | (14 375 756)  | 80 726 117           | 95 603 810           | (14 402 501)  | 81 201 309           |
| Movable assets | 162 951 986          | (75 623 591)  | 87 328 395           | 151 561 168          | (70 707 816)  | 80 853 352           |
| Infrastructure | 4 255 548 488        | (2 072 961 674)   | 2 182 586 814        | 3 998 090 135        | (1 993 101 714)   | 2 004 988 421        |
| Community      | 295 157 425          | (164 138 685)   | 131 018 740          | 269 318 952          | (152 625 113)   | 116 693 839          |
| Other assets   | 158 840 602          | (122 739 999)   | 36 100 603           | 158 001 698          | (120 897 824)   | 37 103 874           |
| <b>Total</b>   | <b>4 967 600 374</b> | <b>(2 449 839 705)</b>  | <b>2 517 760 669</b> | <b>4 672 575 763</b> | <b>(2 351 734 968)</b>  | <b>2 320 840 795</b> |

### Reconciliation of property, plant and equipment - 2025

|                | Opening<br>balance   | Additions          | Disposals          | Transfers<br>received | Depreciation         | Impairment<br>loss | Total                |
|----------------|----------------------|--------------------|--------------------|-----------------------|----------------------|--------------------|----------------------|
| Land           | 81 201 309           | 31 000             | (4 627)            | (382 565)             | -                    | (119 000)          | 80 726 117           |
| Movable assets | 80 853 352           | 16 105 746         | (841 681)          | -                     | (8 789 022)          | -                  | 87 328 395           |
| Infrastructure | 2 004 988 421        | 265 731 896        | (2 587 174)        | (40 813)              | (85 179 874)         | (325 642)          | 2 182 586 814        |
| Community      | 116 693 839          | 19 560 017         | (14 278)           | 1 656 011             | (6 876 849)          | -                  | 131 018 740          |
| Other assets   | 37 103 874           | 838 904            | -                  | -                     | (1 842 175)          | -                  | 36 100 603           |
|                | <b>2 320 840 795</b> | <b>302 267 563</b> | <b>(3 447 760)</b> | <b>1 232 633</b>      | <b>(102 687 920)</b> | <b>(444 642)</b>   | <b>2 517 760 669</b> |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2024

|                | Opening balance      | Additions          | Disposals           | Transfers          | Other changes, movements | Depreciation         | Impairment loss    | Total                |
|----------------|----------------------|--------------------|---------------------|--------------------|--------------------------|----------------------|--------------------|----------------------|
| Land           | 87 351 972           | 830 000            | (1 462 040)         | 49 227             | -                        | -                    | (5 567 850)        | 81 201 309           |
| Movable assets | 74 051 935           | 17 843 944         | (2 351 103)         | -                  | -                        | (8 691 424)          | -                  | 80 853 352           |
| Infrastructure | 1 910 769 174        | 190 964 886        | (6 278 168)         | 164 967            | (6 395 117)              | (85 055 234)         | 817 913            | 2 004 988 421        |
| Community      | 100 918 385          | 24 546 307         | (59 656)            | 2 222 572          | -                        | (7 076 374)          | (3 857 395)        | 116 693 839          |
| Other assets   | 42 658 472           | 3 924 467          | -                   | (7 504 619)        | -                        | (1 962 894)          | (11 552)           | 37 103 874           |
|                | <b>2 215 749 938</b> | <b>238 109 604</b> | <b>(10 150 967)</b> | <b>(5 067 853)</b> | <b>(6 395 117)</b>       | <b>(102 785 926)</b> | <b>(8 618 884)</b> | <b>2 320 840 795</b> |

#### Reconciliation of Work-in-Progress 2025

|                                | Included within Infrastructure | Included within Community | Included within Other PPE | Total              |
|--------------------------------|--------------------------------|---------------------------|---------------------------|--------------------|
| Opening balance                | 120 714 502                    | 17 979 137                | 3 869 031                 | 142 562 670        |
| Additions/capital expenditure  | 258 943 410                    | 20 324 255                | 18 900 401                | 298 168 066        |
| Transferred to completed items | (256 766 490)                  | (36 900 939)              | (22 175 287)              | (315 842 716)      |
|                                | <b>122 891 422</b>             | <b>1 402 453</b>          | <b>594 145</b>            | <b>124 888 020</b> |

#### Reconciliation of Work-in-Progress 2024

|                                | Included within Infrastructure | Included within Community | Included within Other PPE | Total              |
|--------------------------------|--------------------------------|---------------------------|---------------------------|--------------------|
| Opening balance                | 227 756 117                    | 864 960                   | 506 922                   | 229 127 999        |
| Additions/capital expenditure  | 157 263 574                    | 19 775 310                | 3 759 989                 | 180 798 873        |
| Transferred to completed items | (264 305 189)                  | (2 661 133)               | (397 880)                 | (267 364 202)      |
|                                | <b>120 714 502</b>             | <b>17 979 137</b>         | <b>3 869 031</b>          | <b>142 562 670</b> |

The description: Other Assets relates to the traditional line for Buildings.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

2025

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### 10. Property, plant and equipment (continued)

No Property, Plant and Equipment were retired from active use and held for disposal during the financial year. Compensation in the amount of R 356 732 (2024: R 138 750), included in Operating Surplus, was received from the municipality's insurers for Property, Plant and Equipment lost during the year. None of the above assets are pledged as security.

As per Note 36, Impairment losses on Property, Plant and Equipment to the amount of R 444 642 (2024: R 8 618 884) have been recognised in the operating surplus and are included in Impairment Losses in the Statement of Financial Performance.

The estimation of the useful lives of assets is a matter of judgement based on the municipality's experience with similar assets.

Expenditure to repair and maintain assets is disclosed in Note 40.

No projects with expenditure have been halted or delayed significantly.

Included in the total for Property, Plant and Equipment are assets that are separately attributable to the service concession arrangement between the municipality and West Coast District Municipality which has assumed the responsibility for the water distribution on behalf of the municipality. For details of the service concession arrangement refer to Note 51.

Contractual commitments for the acquisition of Property, plant and equipment are disclosed in Note 41.

For the reclassification between infrastructure and other assets refer to Note 53.

For more detail on property, plant and equipment refer to the table below for movable assets as well as Appendix B.

| Class, Sub-class          | Cost            |            |           |                 | Accumulated Depreciation and Impairment |              |            |           |                 | Book Value |
|---------------------------|-----------------|------------|-----------|-----------------|---|--------------|------------|-----------|-----------------|------------|
|                           | Opening balance | Additions  | Disposals | Closing balance | Opening balance                         | Depreciation | Impairment | Disposals | Closing balance |            |
| Computer Equipment        | 17 911 316      | 1 193 139  | 1 039 903 | 18 064 551      | 12 252 826                              | 1 741 300    | -          | 1 028 399 | 12 965 726      | 5 098 825  |
| Furniture and Office Equi | 11 602 661      | 1 191 916  | 713 964   | 12 080 614      | 8 078 331                               | 739 805      | -          | 686 118   | 8 132 018       | 3 948 596  |
| Machinery and Equipmen    | 38 749 207      | 3 593 261  | 1 279 554 | 41 062 913      | 22 077 148                              | 2 565 474    | -          | 1 126 865 | 23 515 757      | 17 547 156 |
| Transport Assets          | 83 297 985      | 10 127 430 | 1 681 508 | 91 743 907      | 28 299 511                              | 3 742 444    | -          | 1 031 866 | 31 010 089      | 60 733 818 |
| Total                     | 151 561 169     | 16 105 745 | 4 714 929 | 162 951 985     | 70 707 816                              | 8 789 023    | -          | 3 873 248 | 75 623 591      | 87 328 395 |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

### 11. Investment property

|                     | 2025                |   |                | 2024                |   |                |
|---------------------|---------------------|---|----------------|---------------------|---|----------------|
|                     | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value |
| Investment property | 49 072 201          | (25 669 997)  | 23 402 204     | 54 941 609          | (30 000 966)  | 24 940 643     |

#### Reconciliation of investment property - 2025

|                     | Opening<br>balance | Additions | Disposals | Transfers   | Depreciation | Total      |
|---------------------|--------------------|-----------|-----------|-------------|--------------|------------|
| Investment property | 24 940 643         | 56 472    | (62 675)  | (1 273 447) | (258 789)    | 23 402 204 |

#### Reconciliation of investment property - 2024

|                     | Opening<br>balance | Disposals | Transfers | Impairments | Depreciation | Total      |
|---------------------|--------------------|-----------|-----------|-------------|--------------|------------|
| Investment property | 23 339 121         | (347 418) | 2 343 738 | (625)       | (394 173)    | 24 940 643 |

The municipality's Investment Properties are accounted for according to the cost model and therefore no fair value has been determined.

As per Note 36, impairment losses to the value of R - (2024: R 625) have been recognised on Investment Property of the municipality at the reporting date. No construction projects were entered into for Investment Property during the year.

Expenditure to repair and maintain assets is disclosed in Note 40.

All of the municipality's Investment Properties are held under freehold interests and none had been pledged as security for any liabilities of the municipality. There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal. There are no contractual obligations on Investment Property.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand  | 2025               | 2024              |
|--|--------------------|-------------------|
| <b>12. Other financial assets</b>  |                    |                   |
| <b>At amortised cost</b>   |                    |                   |
| Long term investment   | 366 329 014        | 333 119 014       |
| The investment held with ABSA Bank will mature on 29 June 2026 and accumulates interest at an effective rate of 11.07%. Interest is payable at maturity. Also refer note 53. |                    |                   |
| <b>Non-current assets</b>  |                    |                   |
| At amortised cost  | -                  | 333 119 014       |
| <b>Current assets</b>  |                    |                   |
| At amortised cost  | 366 329 014        | -                 |
| <b>13. Payables from exchange transactions</b>   |                    |                   |
| Trade payables   | 46 388 409         | 38 033 039        |
| Payments received in advanced  | 2 860 371          | 2 643 045         |
| Retentions   | 16 591 141         | 12 844 892        |
| Other payables   | 16 815 970         | 13 281 453        |
| Staff leave  | 19 019 582         | 19 246 174        |
| Other deposits   | 1 313 038          | 1 283 192         |
| 13th cheque accrual  | 8 434 464          | 7 769 151         |
|  | <b>111 422 975</b> | <b>95 100 946</b> |

No interest is charged for the first 30 days from the date of receipt of the statement. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe. The carrying value of trade and other payables approximates its fair value. Retentions are usually payable after a period of 12 months.

The municipality did not default on any payment of its Creditors. No terms for payment have been re-negotiated by the municipality. Discounting of trade and other payables on initial recognition is not deemed necessary.

### 14. Consumer deposits

|                       |            |            |
|-----------------------|------------|------------|
| Electricity and Water | 20 857 367 | 19 659 688 |
|-----------------------|------------|------------|

Guarantees amounting to R 2 485 074 (2024: R 975 490) are held in lieu of Electricity and Water Deposits.

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 Council can utilise the deposit as payment for the outstanding account. No interest is paid on consumer deposits held.

The carrying value of consumer deposits approximates their fair value.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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|--|-------------------|-------------------|
| <b>15. Unspent conditional grants and receipts</b>           |                   |                   |
| <b>Unspent conditional grants and receipts comprises of:</b> |                   |                   |
| <b>Unspent conditional grants and receipts</b>               |                   |                   |
| Community Development Workers                                | 4 012             | 1 311             |
| Thusong Centre: Refurbishment                                | 15 437            | -                 |
| Covid-19 - Food Parcels and Financial Support                | -                 | 75 000            |
| Municipal Disaster Response Grant: General                   | -                 | 350 000           |
| Emergency Fire Kits  | 2 037             | 2 120             |
| Fire Damaged Houses  | 760 922           | -                 |
| WC Financial Management Capability Grant: Internal Audit     | -                 | 418 031           |
| WC Financial Management Capability Grant: Student Bursaries  | -                 | 176 807           |
| WC Department of Education - Schools Allocation              | 308 354           | 23 000 000        |
| Housing: Darling   | -                 | 447 179           |
| Housing: Malmesbury De Hoop                                  | -                 | 363 379           |
| Municipal Disaster Response Grant: Riverlands                | 7 443 610         | -                 |
| Education, Training and Development Practices (Seta)         | 399 067           | -                 |
| Municipal Accreditation and Capacity Building                | 83 096            | 89 089            |
| Sport Development  | 1 566             | -                 |
| Swartland Business Hive (Entrepreneurial Hub)                | 9 500             | 40 000            |
| International Youth Camp                                     | 187 098           | -                 |
| Housing Project - Silvertown                                 | 12 489 296        | 5 500 000         |
| Contribution: Grade 1 project                                | -                 | 31 000            |
|  | <b>21 703 995</b> | <b>30 493 916</b> |

The Unspent Grants are cash-backed. The municipality complied with the conditions applicable to all grants received to the extent of revenue recognised. No grants were withheld.

Included above are funds received from private institutions such as, WC Department of Education, which are not unspent grants, but rather unspent in terms of the agreement with such funder.

See Note 26 for reconciliation of grants by other spheres of government and for Public Contributions (Other Receipts).



# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 16. Other financial liabilities

#### At amortised cost

|               |            |            |
|---------------|------------|------------|
| Annuity loans | 33 336 301 | 38 813 954 |
|---------------|------------|------------|

#### Summary of arrangements

Annuity Loans are repaid over periods varying from ten to twenty years (2024: ten to twenty years), and at interest rates varying from 8.61% to 10.96% (2024: 8.61% to 10.96%). Annuity Loans are not secured.

Refer to Appendix A for more detail on long-term liabilities.

#### Non-current liabilities

|                   |            |            |
|-------------------|------------|------------|
| At amortised cost | 27 291 962 | 33 358 238 |
|-------------------|------------|------------|

#### Current liabilities

|                   |           |           |
|-------------------|-----------|-----------|
| At amortised cost | 6 044 339 | 5 455 716 |
|-------------------|-----------|-----------|

### 17. Long-term Employee Benefits

The amounts recognised in the statement of financial position are as follows:

#### Carrying value

|  |                    |                   |
|--|--------------------|-------------------|
|  | 95 054 000         | 81 423 000        |
| Long Term: Post-Employment Health Care Benefit Liability       | 90 153 000         | 76 928 000        |
| Current Portion: Post-Employment Health Care Benefit Liability | 4 901 000          | 4 495 000         |
|  | 15 928 000         | 14 857 000        |
| Long Term: Long Service Awards                                 | 14 081 000         | 12 747 000        |
| Current portion: Long Service Awards                           | 1 847 000          | 2 110 000         |
|  | <b>110 982 000</b> | <b>96 280 000</b> |
| Non-current liabilities  | 104 234 000        | 89 675 000        |
| Current liabilities  | 6 748 000          | 6 605 000         |
|  | <b>110 982 000</b> | <b>96 280 000</b> |

#### Post-Employment Health Care Benefit Liability

The Municipality provides certain post-retirement medical benefits by funding the medical aid contributions of qualifying retired members of the Municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

The most recent actuarial valuations of the present value of the unfunded defined benefit obligation were carried out as at 30 June 2025 by ARCH Actuarial Consulting, 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. No other post retirement or long service benefits are provided by the municipality.

|                          |            |            |
|--------------------------|------------|------------|
| In-service members       | 337        | 341        |
| In-service (non)-members | 305        | 306        |
| Continuation members     | 80         | 72         |
|                          | <b>722</b> | <b>719</b> |

The municipality estimates that 10% (2024: 10%) of employees currently not in a position to afford medical aid, may be able to join a scheme before retirement. The potential joining rate was determined based on municipal history in conjunction with national data reviewed by the actuaries.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand  | 2025              | 2024              |
|--|-------------------|-------------------|
| <b>17. Long-term Employee Benefits (continued)</b>   |                   |                   |
| Employees appointed before 1 April 2025 will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement, subject to at least ten years of service. |                   |                   |
| The liability in respect of past service has been estimated to be as follows:  |                   |                   |
| In-service members   | 37 829 000        | 35 016 000        |
| In-service (non)-members   | 3 943 000         | 3 289 000         |
| Continuation members   | 53 282 000        | 43 118 000        |
|  | <b>95 054 000</b> | <b>81 423 000</b> |

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- Keyhealth
- LA Health
- Samwumed
- Sizwe Hosmed

The future service cost for the ensuing year is established to be R 3 247 000 , whereas the interest-cost for the next year is estimated to be R 10 272 000 (2024: R 2 753 000 and R 9 667 000 respectively).

### Key risks pertaining to the defined benefit plan:

- **Inflation:** The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.
- **Longevity:** The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.
- **Volatility of open-ended, long-term Defined benefit obligation:** The risk that the defined benefit obligation may be volatile which is exacerbated by its long-term nature.
- **Enforcement of eligibility criteria and rules:** The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.
- **Future changes in legislation:** The risk that changes to legislation with respect to the post-employment medical aid benefit, including tax legislation, may increase the defined benefit obligation for the Municipality.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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|-----------------|------|------|

### 17. Long-term Employee Benefits (continued)

Changes in the present value of the defined benefit obligation are as follows:

|  |                   |                   |
|--|-------------------|-------------------|
| Opening balance  | 81 423 000        | 74 582 000        |
| Benefits paid  | (4 428 510)       | (3 814 543)       |
| Net expense recognised in the statement of financial performance | 18 059 510        | 10 655 543        |
|  | <b>95 054 000</b> | <b>81 423 000</b> |

### Net expense recognised in the statement of financial performance

|                          |                   |                   |
|--------------------------|-------------------|-------------------|
| Current service cost     | 2 753 000         | 2 548 000         |
| Interest cost            | 9 667 000         | 9 051 000         |
| Actuarial (gains) losses | 5 639 510         | (943 457)         |
|                          | <b>18 059 510</b> | <b>10 655 543</b> |

### Calculation of actuarial gains and losses

#### Financial Assumptions

|   |           |             |
|---|-----------|-------------|
| Basis changes: Decrease / (increase) in net discount rate | 1 959 000 | (1 323 000) |
| Subsidy inflationary increases higher than assumed        | 2 034 000 | 343 000     |
| Actual benefits vested, lower/greater than expected       | (66 490)  | 62 543      |

#### Demographic assumptions

|  |                  |                  |
|--|------------------|------------------|
| Changes to membership profile different from assumed | 1 713 000        | (26 000)         |
|  | <b>5 639 510</b> | <b>(943 457)</b> |

### Key assumptions used

#### Assumptions used at the reporting date:

|  |        |        |
|--|--------|--------|
| Discount rates used                              | 11.1 % | 12.2 % |
| Expected rate of health care cost inflation rate | 6.8 %  | 7.7 %  |
| Net effective discount rate                      | 4.0 %  | 4.2 %  |
| Expected CPI inflation rate                      | 5.0 %  | 6.2 %  |
| Average retirement age                           | 62     | 62     |

### Reasons for the Movement in the Liability:

The average in-service member liability has increased by 9% since the last valuation due to:

- an increase in the average age which means members are closer to retirement (less discounting) and less likely to leave before retirement
- an increase in the average past service
- an increase in the average post-employment subsidy and
- a decrease in the net discount rate

The total in-service non-member liability has increased by 20% due to similar reasons as those described for in-service members, and because there was virtually no change to the number of in-service non-members since the last valuation.

The total continuation member liability has increased by 24% due to an increase in the average subsidy, a decrease in the average age and discount rate, combined with an increase in the number of continuation members.

### Sensitivity analysis and movements for the year

The below table summarises significant sensitivity effects on the amounts recognised in surplus or deficit.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand 2025 2024

### 17. Long-term Employee Benefits (continued)

|   | Changes in<br>overall<br>assumptions | One<br>percentage<br>point increase | One<br>percentage<br>point<br>decrease |
|---|--------------------------------------|-------------------------------------|--|
| <b>30 June 2025</b>   |                                      |                                     |  |
| <b>Key assumptions</b>  |                                      |                                     |  |
| Effect on the aggregate of the service cost and interest cost | 12 420 000                           | -                                   | -                                      |
| Effect on defined benefit obligation                          | 95 054 000                           | -                                   | -                                      |
| <b>Health care inflation rate</b>                             |                                      |                                     |  |
| Effect on the aggregate of the service cost and interest cost | -                                    | 14 400 000                          | 10 814 000                             |
| Effect on defined benefit obligation                          | -                                    | 108 329 000                         | 84 111 000                             |
| <b>Discount rate</b>  |                                      |                                     |  |
| Effect on the aggregate of the service cost and interest cost | -                                    | 11 609 000                          | 13 403 000                             |
| Effect on defined benefit obligation                          | -                                    | 84 582 000                          | 107 890 000                            |
| <b>Post-employment mortality</b>                              |                                      |                                     |  |
| Effect on the aggregate of the service cost and interest cost | -                                    | 12 074 000                          | 12 765 000                             |
| Effect on defined benefit obligation                          | -                                    | 92 348 000                          | 97 747 000                             |
| <b>Average retirement age (1 year later)</b>                  |                                      |                                     |  |
| Effect on the aggregate of the service cost and interest cost | 13 091 000                           | -                                   | -                                      |
| Effect on defined benefit obligation                          | 99 414 000                           | -                                   | -                                      |
| <b>Membership continuation (10% longer)</b>                   |                                      |                                     |  |
| Effect on the aggregate of the service cost and interest cost | 11 435 000                           | -                                   | -                                      |
| Effect on defined benefit obligation                          | 89 485 000                           | -                                   | -                                      |

### Maturity analysis of the Post-employment medical aid subsidy:

|                    | 2025        |
|--------------------|-------------|
| Within 1 year      | 5 167 000   |
| Within 2-5 years   | 25 514 000  |
| Within 6-10 years  | 47 720 000  |
| Within 11-20 years | 187 569 000 |
| Within 11-20 years | 819 894 000 |
| Beyond 40 years    | 942 237 000 |

The municipality expects to make a contribution of R 5 167 000 (2024: R 4 495 000) to the defined benefit plans during the next financial year.

Refer to Note 52 "Multi-Employer Retirement Benefit Information" to the Annual Financial Statements for more information regarding the municipality's other retirement funds that are Provincially and Nationally administered.

### Long Service Awards

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality (which includes their uninterrupted service with the former local authorities amalgamated in December 2000 to become Swartland Municipality). The said award comprises a certain number of vacation leave days which, in accordance with the option exercised by the beneficiary employee, can be converted into a cash amount based on his/her basic salary applicable at the time the award becomes due or, alternatively, credited to his/her vacation leave accrual. The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2025 may become entitled to in future, based on an actuarial valuation performed at that date.

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 JC Weiss from ARCH Actuarial Consulting, 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 95, (2024: 62) employees received Long-service Awards.

|   |     |     |
|---|-----|-----|
| Eligible employees at the beginning of the year | 647 | 641 |
| New entrants                                    | 9   | 12  |
| Members that exited                             | (4) | (6) |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand                                    | 2025       | 2024       |
|--|------------|------------|
| <b>17. Long-term Employee Benefits (continued)</b> |            |            |
| <b>Eligible employees at the end of the year</b>   | <b>652</b> | <b>647</b> |

The future service cost for the ensuing year is established to be R 1 257 000 whereas the interest-cost for the next year is estimated to be R 1 496 000 (2024: R 1 183 000 and R 1 561 000 respectively).

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 17. Long-term Employee Benefits (continued)

Changes in the present value of the defined benefit obligation are as follows:

|  |                   |                   |
|--|-------------------|-------------------|
| Opening balance  | 14 857 000        | 13 308 000        |
| Benefits paid  | (2 440 969)       | (1 203 946)       |
| Net expense recognised in the statement of financial performance | 3 511 969         | 2 752 946         |
|  | <b>15 928 000</b> | <b>14 857 000</b> |

### Net expense recognised in the statement of financial performance

|                          |                  |                  |
|--------------------------|------------------|------------------|
| Current service cost     | 1 183 000        | 1 112 000        |
| Interest cost            | 1 561 000        | 1 459 000        |
| Actuarial (gains) losses | 767 969          | 181 946          |
|                          | <b>3 511 969</b> | <b>2 752 946</b> |

### Calculation of actuarial gains and losses

#### Financial assumptions

|  |          |          |
|--|----------|----------|
| Basis changes: Increase in net discount rate | (85 000) | (79 000) |
|--|----------|----------|

#### Experience:

|  |                |                |
|--|----------------|----------------|
| Earnings increases higher than assumed             | 84 000         | 120 000        |
| Changes to employee profile different from assumed | 438 000        | 101 000        |
| Actual benefits vesting, greater than expected     | 330 969        | 39 943         |
|  | <b>767 969</b> | <b>181 943</b> |

### Key assumptions used

Assumptions used at the reporting date:

|                                   |        |        |
|-----------------------------------|--------|--------|
| Discount rates used               | 10.0 % | 11.3 % |
| Expected rate of salary increases | 5.0 %  | 6.4 %  |
| Net effective discount rate       | 4.8 %  | 4.6 %  |
| Average retirement age            | 62     | 62     |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 17. Long-term Employee Benefits (continued)

#### Sensitivity analysis and movement for the year

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed general earnings inflation rates would have the following effects:

|   | One<br>percentage<br>point<br>decrease | One<br>percentage<br>point<br>increase | One<br>percentage<br>point<br>decrease |
|---|--|--|--|
| 30 June 2025  |  |  |  |
| Key Assumptions   |  |  |  |
| Effect on the aggregate of the service cost and interest cost | 2 744 000                              | -                                      | -                                      |
| Effect on defined benefit obligation                          | 15 928 000                             | -                                      | -                                      |
| General earnings Inflation rate                               |  |  |  |
| Effect on the aggregate of the service cost and interest cost | -                                      | 2 937 000                              | 2 570 000                              |
| Effect on defined benefit obligation                          | -                                      | 16 867 000                             | 15 074 000                             |
| Discount rate   | -                                      |  |  |
| Effect on the aggregate of the service cost and interest cost | -                                      | 2 709 000                              | 2 782 000                              |
| Effect on defined benefit obligation                          | -                                      | 15 058 000                             | 16 899 000                             |
| Average retirement age (2 years later)                        | -                                      |  |  |
| Effect on the aggregate of the service cost and interest cost | -                                      | 3 104 000                              | 2 310 000                              |
| Effect on defined benefit obligation                          | -                                      | 18 183 000                             | 13 309 000                             |
| Rates of termination of service (x two)                       | -                                      |  |  |
| Effect on the aggregate of the service cost and interest cost | -                                      | 2 167 000                              | 3 160 000                              |
| Effect on defined benefit obligation                          | -                                      | 13 313 000                             | 17 718 000                             |

#### Maturity analysis of the Long service award (expected benefits vesting):

|                    | 2025       |
|--------------------|------------|
| Within 1 year      | 1 977 000  |
| Within 2-5 years   | 9 812 000  |
| Within 6-10 years  | 14 089 000 |
| Within 11-20 years | 28 001 000 |
| Within 21-40 years | 24 055 000 |

The municipality expects the benefits to vest in the ensuing year of R 1 977 000 (2024: R 2 110 000).

### 18. Provisions

#### Reconciliation of provisions - 2025

|                    | Opening<br>Balance | Additions /<br>(Reversal)<br>during the year | Change in<br>discount factor | Total             |
|--------------------|--------------------|--|------------------------------|-------------------|
| Landfill Site      | 57 311 777         | 4 549 496                                    | 6 031 279                    | 67 892 552        |
| SARS Library Grant | 8 780 333          | (144 419)                                    | 561 578                      | 9 197 492         |
|                    | <b>66 092 110</b>  | <b>4 405 077</b>                             | <b>6 592 857</b>             | <b>77 090 044</b> |

#### Reconciliation of provisions - 2024

|                    | Opening<br>Balance | Additions /<br>(Reversal)<br>during the year | Change in<br>discount factor | Total             |
|--------------------|--------------------|--|------------------------------|-------------------|
| Landfill Site      | 58 486 876         | (6 613 603)                                  | 5 438 504                    | 57 311 777        |
| SARS Library Grant | 8 192 545          | 92 607                                       | 495 181                      | 8 780 333         |
|                    | <b>66 679 421</b>  | <b>(6 520 996)</b>                           | <b>5 933 685</b>             | <b>66 092 110</b> |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand                   | 2025              | 2024              |
|-----------------------------------|-------------------|-------------------|
| <b>18. Provisions (continued)</b> |                   |                   |
| Non-current liabilities           | 67 892 552        | 57 311 777        |
| Current liabilities               | 9 197 492         | 8 780 333         |
|                                   | <b>77 090 044</b> | <b>66 092 110</b> |



# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 18. Provisions (continued)

#### Legal Proceedings:

#### SARS Library Grant

For more information on the matter refer to Note 42.

#### Environmental rehabilitation provision

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R67 892 552 (2024: R57 311 776) to restore the sites at the end of their useful lives. Provision has been made for the net present value of the future cost, using rates below as per similar Government Bond periods and the average Consumer Price Index from June to May.

| Sites 2025      | Proposed Rehabilitation Date | Size (Square Meters) | Current Costs per Square | 2025 Provision    | 2024 Provision    |
|-----------------|------------------------------|----------------------|--------------------------|-------------------|-------------------|
| Darling         | 2039/2040                    | 32 717               | 1 054                    | 15 237 560        | 12 185 533        |
| Highlands       | 2036/2037                    | 96 456               | 208                      | 10 757 623        | 8 499 413         |
| Koringberg      | 2028/2029                    | 4 500                | 1 925                    | 7 646 194         | 6 878 396         |
| Moorreesburg    | 2034/2035                    | 28 100               | 821                      | 14 351 486        | 12 254 779        |
| Riebeek Kasteel | 2031/2032                    | 22 118               | 949                      | 15 945 876        | 13 999 702        |
| Yzerfontein     | 2032/2033                    | 27 400               | 202                      | 3 953 813         | 3 493 953         |
|                 |                              | <b>211 291</b>       | <b>5 159</b>             | <b>67 892 552</b> | <b>57 311 776</b> |

Each year, the landfill sites are reviewed in terms of size, available capacity and other environmental factors. Each of the factors have an impact on the valuation at year-end. The following key factors were considered:

| Sites           | Years until rehabilitation 2025 | Years until rehabilitation 2024 | Discount rate 2025 | Discount rate 2024 |
|-----------------|---------------------------------|---------------------------------|--------------------|--------------------|
| Darling         | 15                              | 16                              | 10.72 %            | 11.70 %            |
| Highlands       | 12                              | 14                              | 10.46 %            | 11.36 %            |
| Koringberg      | 4                               | 5                               | 8.17 %             | 8.94 %             |
| Moorreesburg    | 10                              | 11                              | 9.95 %             | 10.61 %            |
| Riebeek Kasteel | 7                               | 8                               | 9.05 %             | 9.71 %             |
| Yzerfontein     | 8                               | 9                               | 9.35 %             | 9.96 %             |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand 2025 2024

### 18. Provisions (continued)

| Sites           | Size 2025<br>(Square<br>Meters) | Size 2024<br>(Square<br>Meters) | Rate per<br>Square Meter<br>2025 | Rate per<br>Square Meter<br>2024 | % Change in<br>rate/square<br>meter |
|-----------------|---------------------------------|---------------------------------|----------------------------------|----------------------------------|-------------------------------------|
| Darling         | 32 717                          | 32 717                          | 1 054                            | 998                              | 5.67 %                              |
| Highlands       | 96 456                          | 96 456                          | 208                              | 200                              | 4.27 %                              |
| Koringberg      | 4 500                           | 4 500                           | 1 925                            | 1 835                            | 4.90 %                              |
| Moorreesburg    | 28 100                          | 28 100                          | 821                              | 771                              | 6.54 %                              |
| Riebeek Kasteel | 22 118                          | 22 118                          | 949                              | 897                              | 5.82 %                              |
| Yzerfontein     | 27 400                          | 27 400                          | 202                              | 193                              | 4.81 %                              |
|                 | <b>211 291</b>                  | <b>211 291</b>                  | <b>5 159</b>                     | <b>4 894</b>                     | <b>-</b>                            |

| Sites           | Opening<br>Balance | Interest<br>Expense | Market related<br>adjustments<br>(capitalised) | Total             |
|-----------------|--------------------|---------------------|--|-------------------|
| Darling         | 12 185 533         | 1 475 235           | 1 576 792                                      | 15 237 560        |
| Highlands       | 8 499 413          | 1 018 251           | 1 239 960                                      | 10 757 624        |
| Koringberg      | 6 878 396          | 577 821             | 189 977  | 7 646 194         |
| Moorreesburg    | 12 254 779         | 1 298 747           | 797 959  | 14 351 485        |
| Riebeek Kasteel | 13 999 702         | 1 323 179           | 622 995  | 15 945 876        |
| Yzerfontein     | 3 493 953          | 338 045             | 121 815  | 3 953 813         |
|                 | <b>57 311 776</b>  | <b>6 031 278</b>    | <b>4 549 498</b>                               | <b>67 892 552</b> |

### 19. Reserves: Capital Replacement

The Capital Replacement Reserve is a reserve to finance future capital expenditure, is fully funded and invested in Financial Instruments.

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| Balance at the beginning of the year  | 299 421 237        | 259 260 281        |
| Contribution from accumulated surplus | 134 593 980        | 123 017 635        |
| Capital contributions received        | 5 144 665          | 41 767 349         |
| Funding capital projects              | (79 764 993)       | (124 624 028)      |
|                                       | <b>359 394 889</b> | <b>299 421 237</b> |

### 20. Accumulated surplus

|   |               |               |
|---|---------------|---------------|
| Accumulated surplus generated from operations | 3 057 392 280 | 2 706 674 289 |
|---|---------------|---------------|

Accumulated Surplus has been restated to correctly classify amounts held by the municipality. Refer to Note 53 "Correction of Error" for details of the restatements.

### 21. Service charges

|                                 |                    |                    |
|---------------------------------|--------------------|--------------------|
| Sale of electricity             | 516 000 743        | 443 249 370        |
| Sale of water                   | 95 517 854         | 92 981 779         |
| Sewerage and sanitation charges | 63 838 863         | 60 460 874         |
| Refuse removal                  | 38 791 037         | 33 962 559         |
|                                 | <b>714 148 497</b> | <b>630 654 582</b> |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand                                | 2025              | 2024              |
|--|-------------------|-------------------|
| <b>22. Interest received</b>                   |                   |                   |
| <b>Interest revenue</b>                        |                   |                   |
| Interest earned - Investments                  | 50 522 671        | 41 694 396        |
| Bank account                                   | 12 116 649        | 9 950 665         |
| Outstanding debtors: Exchange receivables      | 3 637 529         | 3 268 589         |
| Other financial assets                         | 33 210 000        | 33 119 014        |
| Interest earned - Land sales                   | 49 601            | -                 |
|  | <b>99 536 450</b> | <b>88 032 664</b> |
| <b>23. Operational revenue</b>                 |                   |                   |
| <b>Sale of goods and rendering of services</b> |                   |                   |
| Advertisements                                 | 418 118           | 364 777           |
| Application Fees for Land Usage                | 208 222           | 200 135           |
| Building Plan Approval                         | 3 854 765         | 3 613 332         |
| Bulk Waste Dumping                             | 1 432 231         | 1 702 383         |
| Camping Fees                                   | 4 112 063         | 3 703 373         |
| Cemetery and Burial                            | 1 011 690         | 901 942           |
| Cleaning and Removal                           | 698 818           | 726 827           |
| Clearance Certificates (Rates)                 | 547 886           | 534 974           |
| Library Services Rendered                      | 12 152 941        | 12 161 393        |
| Encroachment Fees                              | 700               | 590               |
| Entrance Fees                                  | 678 217           | 745 276           |
| Escort Fees                                    | 166 182           | 107 739           |
| Housing (Boarding Services) - Staff            | 128 887           | 126 160           |
| Occupation Certificates                        | 438 387           | 420 902           |
| Photocopies and Faxes                          | 145 839           | 135 617           |
| Removal of Restrictions                        | 355 495           | 367 707           |
| Sewerage Blockages                             | 491 996           | 408 284           |
| Rendering of Fire Services                     | 4 846             | 14                |
| Sub-division and Consolidation Fees            | 153 682           | 234 551           |
| Tender Documents                               | 63 441            | 72 793            |
| Town Planning and Servitudes                   | 24 422            | 31 639            |
| Valuation Services                             | 175 114           | 156 242           |
| <b>Other operational revenue</b>               |                   |                   |
| Administrative Handling Fees                   | 61 538            | 70 430            |
| Application: Service Connections               | 480 179           | 532 791           |
| Breakages and Losses Recovered                 | 67 437            | 58 944            |
| Bad debts recovered                            | 239 128           | 358 675           |
| Housing Selling Schemes                        | 707               | -                 |
| Sundry income and cash surpluses               | 86 690            | 48 643            |
| Insurance Refund                               | 199 556           | 423 665           |
| Merchandising, Jobbing and Contracts           | 94 745            | 144 526           |
| Other Fees                                     | 3 800             | 2 911             |
| Registration Fees - Road and Transport         | 281 752           | 267 360           |
| Transaction Handling Fees                      | 305 842           | 129 946           |
| Debt Forgiveness                               | 238 608           | 736 053           |
|  | <b>29 323 924</b> | <b>29 490 594</b> |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand   | 2025              | 2024              |
|---|-------------------|-------------------|
| <b>24. Development charges</b>                              |                   |                   |
| <b>Development charges received (cash)</b>                  |                   |                   |
| Parking Areas   | 112 772           | 54 185            |
| Water   | 1 521 843         | 2 785 079         |
| Sanitation  | 1 612 908         | 2 865 584         |
| Stormwater  | 850 236           | 1 386 758         |
| Electricity   | 1 046 907         | 1 768 178         |
| <b>Development charges received through asset donations</b> |                   |                   |
| Water   | -                 | 9 117 018         |
| Sanitation  | -                 | 578 318           |
| Stormwater  | -                 | 1 529 395         |
| Electricity   | 5 064 275         | 17 613 494        |
| Roads   | -                 | 4 069 339         |
|   | <b>10 208 941</b> | <b>41 767 348</b> |

## 25. Property rates

### Rates received

|  |                    |                    |
|--|--------------------|--------------------|
| Residential                            | 122 644 255        | 95 944 707         |
| Commercial                             | 18 150 499         | 15 077 119         |
| State                                  | 11 331 251         | 10 759 532         |
| Vacant land                            | 14 503 358         | 8 908 804          |
| Farm Properties: Agricultural Purposes | 24 668 174         | 24 200 810         |
| Industrial                             | 10 836 871         | 9 231 312          |
| Rural: Business                        | 1 626 053          | 1 955 059          |
| Less: Revenue forgone                  | (2 995 154)        | (2 902 791)        |
|  | <b>200 765 307</b> | <b>163 174 552</b> |

### Valuation of properties

| Rates Category                         | Rate 2025 | Rate 2024 | Valuation<br>2025 (R'000) | Valuation<br>2024 (R'000) |
|--|-----------|-----------|---------------------------|---------------------------|
| Residential                            | 0.005360  | 0.005956  | 24 393 470                | 17 208 324                |
| Commercial                             | 0.008769  | 0.008769  | 2 228 020                 | 2 130 608                 |
| State                                  | 0.008769  | 0.008769  | 1 999 904                 | 1 679 912                 |
| Vacant land                            | 0.008022  | 0.008022  | 2 134 911                 | 1 281 708                 |
| Farm properties: Agricultural purposes | 0.001340  | 0.001489  | 15 016 053                | 13 552 747                |
| Industrial                             | 0.008769  | 0.008769  | 1 138 400                 | 962 705                   |
|  |           |           | <b>46 910 758</b>         | <b>36 816 004</b>         |

A statutory rebate of 75% was granted on agricultural land. A statutory rebate of R 15 000 on the value of the property is granted to residential property owners. A further R 300 000 discount on the market value of the property, over and above the aforementioned R 15 000 is granted on the value of the property for residents 60 years and older on condition that they occupy the premises. Some additional relief was provided to qualifying consumers in order to assist families in need.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand   | 2025               | 2024               |
|---|--------------------|--------------------|
| <b>26. Government grants and subsidies</b>                  |                    |                    |
| <b>Unconditional grants</b>                                 |                    |                    |
| Equitable Share   | 153 764 000        | 143 235 000        |
| <b>Conditional grants</b>                                   |                    |                    |
| Community Development: Workers                              | 33 988             | 36 689             |
| Community Safety: K9 Unit                                   | 4 172 000          | 3 345 000          |
| Education, Training and Development Practices (Seta)        | 1 115 668          | 2 075 717          |
| Emergency Fire Kit  | 414 554            | 281 980            |
| WC Municipal Energy Resilience Grant                        | -                  | 680 000            |
| Extended Public Works Programme                             | 1 593 000          | 1 830 000          |
| Municipal Disaster Relief Grant - Riverlands                | 1 797 390          | -                  |
| WC Financial Management Capability Grant: Student Bursaries | -                  | 84 613             |
| Municipal Disaster Response Grant - General                 | 350 000            | -                  |
| Fire Services Capacity Building                             | -                  | 926 000            |
| Housing Project: Darling                                    | 18 831 284         | 2 850 000          |
| Housing Project: Malmesbury De Hoop                         | 76 604 508         | 48 047 638         |
| Housing Project: Kalbaskraal - Socio Economic Facility      | 744 891            | -                  |
| Housing Project: Sibanye-Moorreesburg                       | 56 661 434         | 3 200 000          |
| Housing Project: Kalbaskraal-Land                           | 2 050 231          | -                  |
| Integrated National Electrification Programme               | 22 818 000         | 23 658 000         |
| Library service   | 43 478             | 50 000             |
| Local Government Financial Management Grant                 | 1 600 000          | 1 550 000          |
| Municipal Accreditation and Capacity Building               | 165 904            | 155 911            |
| Law Enforcement Reaction Unit Grant                         | 5 712 000          | 5 509 000          |
| Municipal Infrastructure Grant                              | 29 302 000         | 23 055 000         |
| Municipal Energy Resilience Grant                           | -                  | 8 506 517          |
| Housing Project: Silvertown                                 | 249 514            | -                  |
| Proclaimed Roads Subsidies                                  | 170 000            | 170 000            |
| Non-motorised Transport Grant                               | -                  | 500 000            |
| Regional Socio-Economic Project (RSEP)                      | -                  | 500 000            |
| Service Delivery and Capacity Building Grant                | -                  | 500 000            |
| Sports Development Grant                                    | 498 434            | 966 374            |
| Thusong Centre: Refurbishment                               | 134 563            | -                  |
|   | <b>225 062 841</b> | <b>128 478 439</b> |
|   | <b>378 826 841</b> | <b>271 713 439</b> |

No funds destined for the municipality in terms of the annual Division of Revenue Act were delayed, withheld or withdrawn.

The municipality complied with the grant terms including the requirements of section 214(1) of the Constitution.

### Equitable Share

In terms of the Constitution, this grant is used amongst other to subsidise the provision of basic services to indigent community members.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 26. Government grants and subsidies (continued)

#### Community Development: Workers

|   |              |              |
|---|--------------|--------------|
| Balance unspent at beginning of year    | 1 311        | 2 501        |
| Current-year receipts                   | 38 000       | 38 000       |
| Conditions met - transferred to revenue | (33 988)     | (36 689)     |
| Repaid to funder                        | (1 311)      | (2 501)      |
|   | <b>4 012</b> | <b>1 311</b> |

Conditions still to be met - remain liabilities (see note 15).

Funds made available for sundry expenditure and stationery for workers, under the control of the Municipality but remunerated by PAWC.

#### Community Safety: K9 Units

|   |             |             |
|---|-------------|-------------|
| Current-year receipts                   | 4 172 000   | 3 345 000   |
| Conditions met - transferred to revenue | (4 172 000) | (3 345 000) |
|   | -           | -           |

Funds are for the establishment of a dog unit for detecting drugs.

#### COVID 19 - Food Parcels and Financial Support (Public contribution)

|   |          |               |
|---|----------|---------------|
| Balance unspent at beginning of year    | 75 000   | 75 000        |
| Conditions met - transferred to revenue | (15 000) | -             |
| Re-payment                              | (60 000) | -             |
|   | -        | <b>75 000</b> |

Conditions still to be met - remain liabilities (see note 15).

Special government allocations received in order to assist those in need following the Covid-19 national lockdown. The balance remaining is expected to be refunded to the public during the 2024/25 financial year.

#### Non-motorised Transport Grant

|   |   |           |
|---|---|-----------|
| Current-year receipts                   | - | 500 000   |
| Conditions met - transferred to revenue | - | (500 000) |
|   | - | -         |

Funds are utilised to build and improve the municipal pavement network.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand   | 2025           | 2024        |
|---|----------------|-------------|
| <b>26. Government grants and subsidies (continued)</b>      |                |             |
| <b>Education, Training and Development Practices (Seta)</b> |                |             |
| Balance unspent at beginning of year                        | -              | 138 559     |
| Current-year receipts                                       | 1 722 510      | 1 729 383   |
| Conditions met - transferred to revenue                     | (1 115 668)    | (2 075 717) |
| Transfer from receivables from non-exchange                 | (207 775)      | 207 775     |
|   | <b>399 067</b> | <b>-</b>    |

Conditions still to be met - remain liabilities (see note 15).

Training of officials as well as unemployed persons utilised on projects under control of the Municipality.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
|-----------------|------|------|
|-----------------|------|------|

### 26. Government grants and subsidies (continued)

#### WC Municipal Energy Resilience Grant

|   |   |           |
|---|---|-----------|
| Current-year receipts                   | - | 680 000   |
| Conditions met - transferred to revenue | - | (680 000) |
|   | - | -         |

The grant funded the Electricity Cost of Supply Study.

#### Extended Public Works Programme

|   |             |             |
|---|-------------|-------------|
| Current-year receipts                   | 1 593 000   | 1 830 000   |
| Conditions met - transferred to revenue | (1 593 000) | (1 830 000) |
|   | -           | -           |

The grant is to enable the Municipality to create jobs.

#### Thusong Centre: Refurbishment

|   |           |   |
|---|-----------|---|
| Current-year receipts                   | 150 000   | - |
| Conditions met - transferred to revenue | (134 563) | - |
|   | 15 437    | - |

Conditions still to be met - remain liabilities (see note 15).

The grant is to enable the Municipality to create jobs.

#### Municipal Disaster Relief Grant - Riverlands

|   |             |   |
|---|-------------|---|
| Current-year receipts                   | 9 241 000   | - |
| Conditions met - transferred to revenue | (1 797 390) | - |
|   | 7 443 610   | - |

Conditions still to be met - remain liabilities (see note 15).

The funds are for maintenance and replacement of roads and storm-water infrastructure following severe floods.

#### Municipal energy resilience grant

|   |   |             |
|---|---|-------------|
| Current-year receipts                   | - | 8 506 517   |
| Conditions met - transferred to revenue | - | (8 506 517) |
|   | - | -           |

Conditions still to be met - remain liabilities (see note 15).

The grant is for the Municipality to investigate and implement alternative energy solutions.



# Swartland Municipality

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| <b>26. Government grants and subsidies (continued)</b>             |           |                |
| <b>WC Financial Management Capability Grant: Student Bursaries</b> |           |                |
| Balance unspent at beginning of year                               | 176 807   | 161 420        |
| Current-year receipts  | -         | 100 000        |
| Conditions met - transferred to revenue                            | -         | (84 613)       |
| Repaid to funder   | (176 807) | -              |
|  | <b>-</b>  | <b>176 807</b> |

Conditions still to be met - remain liabilities (see note 15).

Municipal bursary programme that enable municipalities to attract top performing learners and learners with potential to succeed in Higher Education Institutions (HEI) in the areas such as finance, economics, accounting, supply chain management, internal audit, risk management, infrastructure, etc.

### WC Financial Management Capability Grant: Internal Audit

|                                      |           |                |
|--------------------------------------|-----------|----------------|
| Balance unspent at beginning of year | 418 031   | 418 031        |
| Repaid to funder                     | (418 031) | -              |
|                                      | <b>-</b>  | <b>418 031</b> |

Conditions still to be met - remain liabilities (see note 15).

The purpose of the grant is to implement a systematic and formalised process to identify, assess, manage and monitor risks by acquiring, configuring and utilising a Risk Management electronic system.

### Municipal Disaster Response Grant: General

|                                       |           |                |
|---------------------------------------|-----------|----------------|
| Current-year receipts                 | -         | 350 000        |
| Conditions met transferred to revenue | (350 000) | -              |
|                                       | <b>-</b>  | <b>350 000</b> |

Conditions still to be met - remain liabilities (see note 15).

Funding was received for infrastructure damages due to the impact of floods that occurred in December 2023 to January 2024 (Washed away Gravel Roads in Chatsworth, Kalbaskraal, Riebeek Wes/Kasteel and Moorresburg).

### Housing Project: Kalbaskraal -Socio Economic Facility

|   |           |          |
|---|-----------|----------|
| Current-year receipts                   | 744 891   | -        |
| Conditions met - transferred to revenue | (744 891) | -        |
|   | <b>-</b>  | <b>-</b> |

Funds provided to enable the establish an economic hub in the area.

### Emergency Fire Kits

|   |              |              |
|---|--------------|--------------|
| Balance unspent at beginning of year    | 2 120        | -            |
| Current-year receipts                   | 416 591      | 284 100      |
| Conditions met - transferred to revenue | (414 554)    | (281 980)    |
| Repaid to funder                        | (2 120)      | -            |
|   | <b>2 037</b> | <b>2 120</b> |

Conditions still to be met - remain liabilities (see note 15).

Financial assistance from the Department of Infrastructure for the provision of enhanced emergency kits and relocation costs.

# Swartland Municipality

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| <b>26. Government grants and subsidies (continued)</b> |              |                |
| <b>Housing Project: Darling</b>                        |              |                |
| Balance unspent at beginning of year                   | 447 179      | -              |
| Current-year receipts                                  | 18 384 105   | 3 297 179      |
| Conditions met - transferred to revenue                | (18 831 284) | (2 850 000)    |
| Construction contracts receipts                        | 2 509 895    | -              |
| Construction contracts balance at year end             | (2 509 895)  | -              |
|  | <b>-</b>     | <b>447 179</b> |

Conditions still to be met - remain liabilities (see note 15).

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Construction contracts, Operational Revenue and disclosure pertaining to Agents are disclosed in Notes 6, 23 and 50.

### Housing Project: Malmesbury De Hoop

|  |              |                |
|--|--------------|----------------|
| Balance unspent at beginning of year       | 363 379      | -              |
| Current-year receipts                      | 76 604 508   | 48 411 017     |
| Construction contracts - Collections       | (76 604 508) | (48 047 638)   |
| Construction contracts - transfer of asset | (363 379)    | 79 520         |
|  | -            | (79 520)       |
|  | <b>-</b>     | <b>363 379</b> |

Conditions still to be met - remain liabilities (see note 15).

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Construction contracts, Operational Revenue and disclosure pertaining to Agents are disclosed in Notes 6, 23 and 50.

### Fire damaged houses

|                       |         |   |
|-----------------------|---------|---|
| Current-year receipts | 760 922 | - |
|-----------------------|---------|---|

Conditions still to be met - remain liabilities (see note 15).

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

### Housing Project: Sibanye-Moorreesburg

|  |              |             |
|--|--------------|-------------|
| Current-year receipts                      | 56 661 434   | 3 200 000   |
| Conditions met - transferred to revenue    | (56 661 434) | (3 200 000) |
| Construction contracts receipts            | 4 832 285    | -           |
| Construction contracts balance at year end | (4 832 285)  | -           |
|  | <b>-</b>     | <b>-</b>    |

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

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### 26. Government grants and subsidies (continued)

#### Integrated National Electrification Programme

|   |              |              |
|---|--------------|--------------|
| Current-year receipts                             | 22 818 000   | 23 658 000   |
| Conditions met operating - transferred to revenue | (22 401 642) | (23 658 000) |
| Conditions met Capital - transferred to revenue   | (416 358)    | -            |
|   | -            | -            |

Funds made available for the electrical network to the proposed area where low cost houses are build and the electrification of these houses.

#### Library service

|   |              |              |
|---|--------------|--------------|
| Current-year receipts                           | 12 052 000   | 12 304 000   |
| Provision for VAT                               | 144 419      | (92 607)     |
| Exchange revenue: Library Services Rendered     | (12 152 941) | (12 161 393) |
| Conditions met Capital - transferred to revenue | (43 478)     | (50 000)     |
|   | -            | -            |

Grant provided for the partial funding of the operational and capital costs of libraries in the area under the jurisdiction of the Swartland Municipality.

Kindly refer to Note 23 for the Revenue.

#### Local Government Financial Management Grant

|   |             |             |
|---|-------------|-------------|
| Current-year receipts                   | 1 600 000   | 1 550 000   |
| Conditions met - transferred to revenue | (1 600 000) | (1 550 000) |
|   | -           | -           |

The purpose of the grant is to enable the Municipality to modernise and improve its financial management activities entailing, among others, capacity building, the implementation of municipal finance management legislation and regulating policies and compliance with generally accepted municipal accounting practices.

#### Municipal Accreditation and Capacity Building

|   |           |           |
|---|-----------|-----------|
| Balance unspent at beginning of year    | 89 089    | 58 350    |
| Current-year receipts                   | 249 000   | 245 000   |
| Conditions met - transferred to revenue | (165 904) | (155 911) |
| Repaid to funder                        | (89 089)  | (58 350)  |
|   | 83 096    | 89 089    |

Conditions still to be met - remain liabilities (see note 15).

Funds received for the remuneration of an intern for the Department of Community Services.

#### Municipal Infrastructure Grant

|   |              |              |
|---|--------------|--------------|
| Current-year receipts                   | 29 302 000   | 23 055 000   |
| Conditions met - transferred to revenue | (29 302 000) | (23 055 000) |
|   | -            | -            |

Funds utilised for the upgrading of existing infrastructure in its area of jurisdiction and/or the erection / construction of new amenities required for service delivery and the development of sport.

# Swartland Municipality

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| <b>26. Government grants and subsidies (continued)</b>   |              |             |
| <b>Proclaimed Roads Subsidies</b>  |              |             |
| Current-year receipts  | 170 000      | 170 000     |
| Conditions met - transferred to revenue  | (170 000)    | (170 000)   |
|  | -            | -           |
| Expenditure incurred by the Municipality in connection with the maintenance of proclaimed main roads falling under the jurisdiction of the Municipality, in accordance with a budget approved by the PAWC, which costs are partly recoverable from the Administration. |              |             |
| <b>Regional Socio-Economic Project (RSEP)</b>  |              |             |
| Current-year receipts  | -            | 500 000     |
| Conditions met - transferred to revenue  | -            | (500 000)   |
|  | -            | -           |
| Funds received from PAWC for the social upliftment in lower income areas to improve living conditions and combat crime.  |              |             |
| <b>Law Enforcement Reaction Unit Grant</b>   |              |             |
| Current-year receipts  | 5 712 000    | 5 509 000   |
| Conditions met - transferred to revenue  | (5 712 000)  | (5 509 000) |
|  | -            | -           |
| Funds received from PAWC for establishment of a law enforcement reaction unit.   |              |             |
| <b>Sports Development Grant</b>  |              |             |
| Current-year receipts  | 500 000      | 966 374     |
| Conditions met - transferred to revenue  | (498 434)    | (966 374)   |
|  | <b>1 566</b> | -           |
| Conditions still to be met - remain liabilities (see note 15).   |              |             |
| Funds received for the enhancement of existing sports grounds.   |              |             |
| <b>Housing Project: Kalbaskraal - Land</b>   |              |             |
| Current-year receipts  | 2 050 231    | -           |
| Conditions met - transferred to revenue  | (2 050 231)  | -           |
|  | -            | -           |
| Funds utilised for the purchase of land for a housing project.   |              |             |
| <b>Fire service delivery</b>   |              |             |
| Current-year receipts  | -            | 926 000     |
| Conditions met - transferred to revenue  | -            | (926 000)   |
|  | -            | -           |
| Funding received in order to build a new fire truck.   |              |             |

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Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 26. Government grants and subsidies (continued)

#### Service delivery and capacity building

|   |   |           |
|---|---|-----------|
| Current-year receipts                   | - | 500 000   |
| Conditions met - transferred to revenue | - | (500 000) |
|   | - | -         |

#### Housing Project - Silvertown

|                                       |                   |                  |
|---------------------------------------|-------------------|------------------|
| Conditional grants received           | 5 500 000         | 5 500 000        |
| Current-year receipts                 | 7 238 810         | -                |
| Conditions met transferred to revenue | (249 514)         | -                |
|                                       | <b>12 489 296</b> | <b>5 500 000</b> |

Conditions still to be met - remain liabilities (see note 15).

Funds provided to enable the Municipality to finance the purchase of land.

#### Swartland Business Hive Entrepreneurial Hub: (Public contribution)

|   |              |               |
|---|--------------|---------------|
| Balance unspent at beginning of year    | 40 000       | -             |
| Current-year receipts                   | 40 000       | 40 000        |
| Conditions met - transferred to revenue | (70 500)     | -             |
|   | <b>9 500</b> | <b>40 000</b> |

Conditions still to be met - remain liabilities (see note 15).

Public and provincial contributions (donations) for the establishment and enhancement of entrepreneurs.

This is considered a public contribution rather than a grant as the funding source is not the Division of Revenue Act.

#### Standard Contribution: Top Achievers Award (Public Contribution)

|   |          |   |
|---|----------|---|
| Current-year receipts                   | 60 000   | - |
| Conditions met - transferred to revenue | (60 000) | - |
|   | -        | - |

Funds received Standard Bank to recognise Top Academic Achievers at local schools.

#### Swartland Water Week: (Public contribution)

|   |   |         |
|---|---|---------|
| Current-year receipts                   | - | 6 000   |
| Conditions met - transferred to revenue | - | (6 000) |
|   | - | -       |

A private funder made a contribution to the prizes issued during the school visits to educate learners and their families to save water.

This is considered a public contribution rather than a grant.

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### 26. Government grants and subsidies (continued)

#### International youth camp: (Public contribution)

|   |                |          |
|---|----------------|----------|
| Current-year receipts                   | 200 000        | -        |
| Conditions met - transferred to revenue | (12 902)       | -        |
|   | <b>187 098</b> | <b>-</b> |

Conditions still to be met - remain liabilities (see note 15).

Funding was received for the sponsorship of a youth event.

This is considered a public contribution rather than a grant.

#### SANRAL (Public contribution)

|   |           |             |
|---|-----------|-------------|
| Current-year receipts   | 558 393   | 613 698     |
| Conditions met - transferred to revenue                                       | -         | (1 172 091) |
| transferred to/(from) debtors (Sundry Receivables - Non-exchange receivables) | (558 393) | 558 393     |
|   | <b>-</b>  | <b>-</b>    |

SANRAL made a contribution to the upgrading of sidewalks within the municipal jurisdiction.

This is considered a public contribution rather than a grant as the funding source is not the Division of Revenue Act.

#### Grade 1 Project (Public contribution)

|   |          |               |
|---|----------|---------------|
| Balance unspent at beginning of year    | 31 000   | 31 000        |
| Conditions met - transferred to revenue | (31 000) | -             |
|   | <b>-</b> | <b>31 000</b> |

Funds received in lieu of Social development for grade 1 learners.

Conditions still to be met - remain liabilities (see note 15).

#### WC Department of Education - Allocation for municipal services linked to new school (Public Contribution)

|   |                |                   |
|---|----------------|-------------------|
| Balance unspent at beginning of year    | 23 000 000     | -                 |
| Current-year receipts                   | -              | 23 000 000        |
| Conditions met - transferred to revenue | (22 691 646)   | -                 |
|   | <b>308 354</b> | <b>23 000 000</b> |

Conditions still to be met - remain liabilities (see note 15).

Funds made available for the development costs associated with municipal services to enable the building of a new school in Malmesbury.

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### 26. Government grants and subsidies (continued)

#### Reconciliation of grant allocation expenditure (conditions met - transferred to revenue) per vote (MFMA s123(c))

|                               |                    |                    |
|-------------------------------|--------------------|--------------------|
| Vote 1 - Corporate Services   | 1 171 248          | 2 210 331          |
| Vote 2 - Civil Services       | 32 662 724         | 35 027 891         |
| Vote 4 - Electricity Services | 23 846 858         | 24 338 000         |
| Vote 5 - Financial Services   | 1 620 259          | 1 550 000          |
| Vote 6 - Development Services | 155 463 198        | 54 869 757         |
| Vote 8 - Protection Services  | 10 298 554         | 10 561 980         |
|                               | <b>225 062 841</b> | <b>128 557 959</b> |

#### The above revenue were recognised as follows:

|                                 |                    |                    |
|---------------------------------|--------------------|--------------------|
| Construction contracts          | -                  | 79 520             |
| Government grants and subsidies | 225 062 841        | 128 478 439        |
|                                 | <b>225 062 841</b> | <b>128 557 959</b> |

### 27. Availability charges

|                                 |                   |                   |
|---------------------------------|-------------------|-------------------|
| Electricity                     | 3 988 314         | 3 712 233         |
| Water                           | 1 724 032         | 1 744 141         |
| Refuse                          | 3 364 061         | 3 177 139         |
| Sewerage and sanitation charges | 2 504 196         | 2 460 437         |
|                                 | <b>11 580 603</b> | <b>11 093 950</b> |

### 28. Employee related costs

|  |                    |                    |
|--|--------------------|--------------------|
| Employee related costs - Salaries and Wages  | 201 023 605        | 185 153 132        |
| Employee related costs - Contributions for UIF, pensions, medical aids and other contributions | 57 529 595         | 53 744 909         |
| Bonuses: 13th cheque   | 15 535 755         | 14 704 455         |
| Contribution to leave gratuity   | 1 397 460          | 3 001 938          |
| Housing benefits and allowances  | 1 319 035          | 1 316 892          |
| Overtime payments  | 20 621 056         | 19 349 446         |
| Performance bonus  | 1 790 628          | 1 155 088          |
| Travel, motor car, accommodation and other allowances  | 25 579 283         | 24 702 485         |
| Contribution to provision for post-retirement medical aid benefits                             | 18 059 510         | 10 655 543         |
| Contribution to long-service provision   | 3 511 969          | 2 752 946          |
|  | <b>346 367 896</b> | <b>316 536 834</b> |

### Remuneration of Municipal Manager

|   |                  |                  |
|---|------------------|------------------|
| Annual Remuneration                             | 1 634 283        | 1 591 125        |
| Car Allowance                                   | 177 612          | 272 826          |
| Cellphone Allowance                             | 43 200           | 42 800           |
| Contributions to UIF, Medical and Pension Funds | 417 793          | 418 611          |
| Performance Bonuses                             | 301 679          | 176 909          |
|   | <b>2 574 567</b> | <b>2 502 271</b> |

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### 28. Employee related costs (continued)

#### Remuneration of Chief Finance Officer

|   |                  |                  |
|---|------------------|------------------|
| Annual Remuneration                             | 1 475 822        | 1 379 918        |
| Car Allowance                                   | 72 000           | 72 000           |
| Cellphone Allowance                             | 43 200           | 42 800           |
| Contributions to UIF, Medical and Pension Funds | 392 638          | 368 144          |
| Leave Pay                                       | 73 448           | 70 285           |
| Performance Bonuses                             | 254 774          | 158 142          |
|   | <b>2 311 882</b> | <b>2 091 289</b> |

#### Remuneration of Director: Corporate Services

|   |                  |                  |
|---|------------------|------------------|
| Annual Remuneration                             | 1 509 693        | 1 421 972        |
| Car Allowance                                   | 60 180           | 60 180           |
| Cellphone Allowance                             | 43 200           | 42 800           |
| Contributions to UIF, Medical and Pension Funds | 366 792          | 340 686          |
| Long service bonus                              | 261 256          | -                |
| Performance Bonuses                             | 247 692          | 158 142          |
|   | <b>2 488 813</b> | <b>2 023 780</b> |

#### Remuneration of Director: Civil Engineering Services

|   |                  |                  |
|---|------------------|------------------|
| Annual Remuneration                             | 1 455 564        | 1 359 896        |
| Car Allowance                                   | 96 000           | 96 000           |
| Cellphone Allowance                             | 43 200           | 42 800           |
| Contributions to UIF, Medical and Pension Funds | 372 042          | 348 709          |
| Leave Pay                                       | 74 550           | 70 285           |
| Performance Bonuses                             | 245 642          | 158 142          |
|   | <b>2 286 998</b> | <b>2 075 832</b> |

#### Remuneration of Director: Electrical Engineering Services

|   |                  |                  |
|---|------------------|------------------|
| Annual Remuneration                             | 1 953 954        | 1 161 258        |
| Car Allowance                                   | 60 000           | 60 000           |
| Cellphone Allowance                             | 43 200           | 42 800           |
| Contributions to UIF, Medical and Pension Funds | 438 285          | 237 195          |
| Performance Bonuses                             | 251 606          | 187 468          |
|   | <b>2 747 045</b> | <b>1 688 721</b> |

During the current financial period a consultative request for a waiver from the Minister of Cooperative Governance and Traditional Affairs in respect of the total annual remuneration package payable to the Director: Electrical Engineering Services in terms of the Upper Limits Notice, subject to first seeking concurrence by the Western Cape MEC for local government was concluded. The request was approved and in February 2025 the Director received back pay from inception of his contract in August 2022. Had the new salary agreement been in place since the commencement of employment, the emoluments disclosed would have been R 2 183 492 (2024: R 2 008 955) all inclusive. The back pay amounted to R 802 512.

#### Remuneration of Director: Development Services

|   |                  |                  |
|---|------------------|------------------|
| Annual Remuneration                             | 1 424 460        | 1 328 389        |
| Car Allowance                                   | 120 000          | 120 000          |
| Cellphone Allowance                             | 43 200           | 42 800           |
| Contributions to UIF, Medical and Pension Funds | 382 646          | 357 305          |
| Performance Bonuses                             | 249 370          | 158 142          |
|   | <b>2 219 676</b> | <b>2 006 636</b> |



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### 28. Employee related costs (continued)

#### Remuneration of Director: Protection Services

|   |                  |                  |
|---|------------------|------------------|
| Annual Remuneration                             | 1 321 036        | 1 228 005        |
| Bonuses: 13th cheque                            | 74 796           | 74 796           |
| Car Allowance                                   | 228 000          | 228 000          |
| Cellphone Allowance                             | 43 200           | 42 800           |
| Contributions to UIF, Medical and Pension Funds | 347 365          | 333 204          |
| Leave Pay                                       | 256 097          | 70 285           |
| Long service bonus                              | 151 477          | -                |
| Performance Bonus                               | 239 865          | 158 142          |
|   | <b>2 661 836</b> | <b>2 135 232</b> |

#### Aggregate remuneration to management

|   |                   |                   |
|---|-------------------|-------------------|
| Annual Remuneration                                   | 10 774 811        | 9 470 563         |
| Bonuses: 13th cheque                                  | 74 796            | 74 796            |
| Car Allowance   | 813 792           | 909 006           |
| Cellphone Allowance                                   | 302 400           | 299 600           |
| Contributions to UIF, Medical, Group Life and Pension | 2 717 562         | 2 403 853         |
| Leave Pay   | 404 094           | 210 856           |
| Long service bonus                                    | 412 732           | -                 |
| Performance Bonus                                     | 1 790 628         | 1 155 088         |
|   | <b>17 290 815</b> | <b>14 523 762</b> |

Director have the option to apportion their package by structuring a non-pensionable 13th cheque from the annual remuneration to receive a 13th cheque.

### 29. Remuneration of councillors

|   |                   |                   |
|---|-------------------|-------------------|
| Executive Mayor                         | 889 987           | 843 046           |
| Deputy Executive Mayor                  | 762 953           | 731 967           |
| Mayoral Committee Members               | 2 436 970         | 2 314 658         |
| Speaker                                 | 548 886           | 519 333           |
| Councillors                             | 4 872 708         | 4 535 725         |
| Councillors' - travelling allowances    | 810 603           | 810 603           |
| Councillors' - cellular and telephone   | 1 081 092         | 1 121 691         |
| Councillors' - pension contribution     | 976 327           | 924 738           |
| Councillors' - medical aid contribution | 218 061           | 203 014           |
|   | <b>12 597 587</b> | <b>12 004 775</b> |

#### In-kind benefits

The Councillors occupying the positions of Executive Mayor, Deputy Executive Mayor, Speaker and Executive Mayoral Committee Members of the Municipality serve in a full-time capacity. They are provided with office accommodation and secretarial support at the expense of the Municipality in order to enable them to perform their official duties.

### 30. Contracted services

#### Outsourced Services

|                                     |         |         |
|-------------------------------------|---------|---------|
| Actuaries                           | 14 700  | -       |
| Alien Vegetation Control            | 128 700 | 66 999  |
| Burial services                     | 21 740  | -       |
| Business and financial management   | 196 949 | 209 954 |
| Catering services                   | 751 739 | 922 880 |
| Cleaning Services                   | 63 731  | 116 841 |
| Clearing and Grass cutting services | 63 600  | 44 604  |

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| <b>30. Contracted services (continued)</b>   |                   |                   |
| Commissions and committees                   | 17 800            | 34 200            |
| Dumping site                                 | 6 527 715         | 6 989 455         |
| Electrical                                   | 493 414           | 479 547           |
| Human resources                              | 216 264           | -                 |
| Hygiene services                             | 31 703            | 83 435            |
| Litter picking and street cleaning           | 6 899 055         | 6 418 099         |
| Sewerage                                     | 1 193 716         | 1 364 625         |
| Meter management                             | 29 938            | 46 816            |
| Mini dumping sites                           | 124 188           | 143 659           |
| Quality control                              | 196 128           | 282 883           |
| Professional staff                           | 38 877            | 42 892            |
| Refuse removal                               | 2 433 053         | 1 928 932         |
| Research and advisory                        | 2 592 012         | 2 979 711         |
| Security services                            | 2 695 483         | 2 483 538         |
| Stage and sound crew                         | 14 200            | 14 700            |
| Swimming supervision                         | 48 000            | 45 023            |
| Traffic fine management                      | 3 847 236         | 4 931 126         |
| Translators, scribes and editors             | 85 592            | 88 510            |
| Transport services                           | 315 885           | 384 559           |
| <b>Consultants and Professional Services</b> |                   |                   |
| Business and advisory                        | 330 638           | 144 000           |
| Audit committee                              | 114 240           | 60 120            |
| Business and financial management            | 3 046 607         | 2 821 538         |
| Civil engineering                            | 1 040 850         | 1 911 510         |
| Electrical engineering                       | 371 440           | 1 160 678         |
| Geodetic, control and surveys                | 660 315           | 335 815           |
| Human resources                              | 108 386           | 148 218           |
| Laboratory services                          | 194 446           | 163 113           |
| Town planner                                 | 1 101 656         | 1 110 114         |
| Valuer and assessors                         | 540 631           | 976 951           |
| <b>Contractors</b>                           |                   |                   |
| Artists and performers                       | 5 000             | 4 974             |
| Building                                     | 9 900             | -                 |
| Construction of Low Cost Housing             | 929 403           | 91 169            |
| Employee wellness                            | 92 243            | 27 130            |
| Fire Protection                              | 301 210           | 493 206           |
| Forestry                                     | 268 545           | 395 679           |
| Gardening Services                           | 57 249            | 43 522            |
| Graphic Designers                            | -                 | 8 335             |
| Harbour services                             | 312 000           | 297 600           |
| Legal costs                                  | 1 511 070         | 1 391 797         |
| Maintenance of Assets                        | 15 485 503        | 15 633 281        |
| Maintenance of Buildings and Facilities      | 3 611 298         | 4 495 906         |
| Maintenance of Equipment                     | 5 116 937         | 6 394 875         |
| Management of Informal Settlements           | -                 | 5 392             |
| Medical Services                             | 35 351            | 34 785            |
| Organic and Building Refuse Removal          | 451 400           | 575 702           |
| Pest control and fumigation                  | -                 | 33 245            |
| Removal of Sludge                            | 70 742            | -                 |
| Qualification verification                   | 19 412            | 19 971            |
| Town Beautification                          | 15 000            | 16 100            |
| Traffic and Street Lights                    | 113 068           | 108 961           |
| Transportation for asset break-downs         | -                 | 1 950             |
|  | <b>64 955 958</b> | <b>69 008 625</b> |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand                          | 2025               | 2024               |
|--|--------------------|--------------------|
| <b>31. Depreciation and amortisation</b> |                    |                    |
| Property, plant and equipment            | 102 687 920        | 102 785 926        |
| Investment property                      | 258 789            | 394 173            |
| Intangible assets                        | 105 390            | 103 258            |
|  | <b>103 052 099</b> | <b>103 283 357</b> |
| <b>32. Finance costs</b>                 |                    |                    |
| Unwinding of interest for provisions     | 6 031 279          | 5 438 504          |
| Other financial liabilities              | 3 871 446          | 6 896 832          |
| Interest on provision for VAT            | 561 578            | 495 181            |
|  | <b>10 464 303</b>  | <b>12 830 517</b>  |
| <b>33. Grants and subsidies paid</b>     |                    |                    |
| <b>Non-profit institution</b>            |                    |                    |
| Bergrivier Canoe Marathon                | 30 000             | 30 000             |
| Darling Wildflower Society               | 57 881             | 55 177             |
| National Sea Rescue Institute            | 38 434             | 36 639             |
| SPCA                                     | 359 872            | 343 062            |
| Yzerfontein Conservancy                  | 87 604             | 83 512             |
| <b>Museums</b>                           |                    |                    |
| Darling                                  | 99 414             | 94 770             |
| Malmesbury                               | 67 188             | 64 050             |
| Oude Kerk                                | 67 188             | 64 050             |
| Wheat Industry                           | 11 198             | 64 050             |
| <b>Tourism</b>                           |                    |                    |
| Swartland and Coastal Area               | -                  | 1 579 500          |
| <b>Social upliftment</b>                 |                    |                    |
| Darling Focus                            | 53 910             | 51 392             |
| Elkana Childcare                         | 273 894            | 57 817             |
| HUB R27                                  | 7 680              | 379                |
| Huis van Heerde                          | 477 348            | 113 437            |
| Jo Dolphin                               | 67 387             | 64 239             |
| Multi-Purpose Centre: Moorreesburg       | 80 865             | 77 088             |
| Night Shelter                            | 53 695             | 32 121             |
| Old Age Homes                            | 1 630 058          | 1 502 908          |
| Student Bursaries                        | 300 000            | 384 613            |
| Top Achievers Award: Grade 12            | 22 725             | 25 475             |
|  | <b>3 786 341</b>   | <b>4 724 279</b>   |

Due to the need in the Swartland Municipal area for expert services and resources to support effective domestic animal management initiatives and controls, for which the Municipality does not have the resources, it is deemed necessary, from a perspective of serving the community, for the Municipality to contribute financially towards the operational costs of the SPCA.

The National Sea Rescue Institute (NSRI) is a non-profit organisation dedicated to the preservation of all persons at sea. Their members provide their services on a voluntary basis and the organisation is dependent on donations and sponsorship from the public. The NSRI operates a base from Yzerfontein providing a rescue service to the commercial and recreational fishing boats as well as bathers in the vicinity. Financial assistance by the Municipality is intended to enable the organisation to fund some of its operations.

Museums generally do not generate sufficient income from own resources, and are therefore dependent on financial aid from the public and organisations to meet their financial needs and obligations. The Municipality, consequently regards it appropriate to contribute financially to this end.

In the prior year a financial contribution was made by the municipality to support the Swartland Tourism structure/body in a bid to facilitate and market the region as a tourism destination adding to the local economy. Similarly, a contribution is made annually to the Bergriver Canoe Marathon.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 33. Grants and subsidies paid (continued)

The aim of Social Upliftment organisations entails the social upliftment of the poor and disadvantaged section of the community. Financial aid by the Municipality to these organisations, as well as assistance in counselling and advisory services, is intended to enable them to fulfil the said aim.

### 34. Operational cost

|   |                   |                   |
|---|-------------------|-------------------|
| Advertising, publicity and marketing                      | 3 230 757         | 1 646 024         |
| Assets less than the capitalisation threshold             | 365 858           | 276 714           |
| Bank charges, facility and card fees                      | 598 782           | 1 524 426         |
| Bank charges, fleet card services                         | 1 384 655         | 1 343 110         |
| Cleaning services: Car valet and washing services         | 1 950             | 2 908             |
| Cleaning services: Laundry services                       | 2 637             | 1 045             |
| Commission: Prepaid electricity                           | 2 087 004         | 1 725 241         |
| Commission: Third party vendors                           | 667 198           | 511 957           |
| Communication: Bulk message service                       | 90 443            | 107 017           |
| Communication: Cellular contract (Subscription and calls) | 15 214            | 19 591            |
| Communication: Licences (Radio and television)            | 9 146             | 21 189            |
| Communication: Postage/stamps/franking machines           | 1 161 172         | 1 392 541         |
| Communication: Telephone, fax, telegraph and telex        | 614 775           | 668 291           |
| Community development and training                        | 701               | 12 828            |
| Conferences and seminars                                  | 4 815             | -                 |
| Deeds   | 471 747           | 58 838            |
| Entertainment: Mayor                                      | 24 818            | 38 122            |
| Entrance fees   | 66 161            | 56 143            |
| External audit fees                                       | 3 993 952         | 3 187 459         |
| External computer service                                 | 9 466 738         | 8 611 198         |
| Full time union representative                            | 170 306           | 136 188           |
| Indigent relief   | 2 216 476         | 2 086 541         |
| Insurance   | 3 323 239         | 4 494 465         |
| Levies paid - Water resource management charges           | -                 | 9 610             |
| Licences: Motor vehicle licence and registrations         | 899 303           | 850 723           |
| Licences: Performing arts                                 | 67 228            | 55 366            |
| Operating leases - Machinery, equipment and other         | 3 018 085         | 3 232 579         |
| Other   | 4 393             | 33 500            |
| Parking fees  | 91 142            | 84 375            |
| Printing, publications and books                          | 507 422           | 379 688           |
| Professional bodies, membership and subscription          | 3 394 190         | 3 194 382         |
| Registration fees   | 118 624           | 31 127            |
| Remuneration to ward committees                           | 392 394           | 402 475           |
| Rendering of services                                     | -                 | -                 |
| Resettlement cost   | 38 155            | 53 847            |
| Servitudes and land surveys                               | 313 142           | 76 713            |
| Signage   | 110 636           | 120 005           |
| Skills development fund levy                              | 2 803 510         | 2 577 916         |
| Travel - overseas   | 12 902            | -                 |
| Travel and subsistence                                    | 926 469           | 520 867           |
| Uniform and protective clothing                           | 3 445 704         | 3 193 425         |
| Vehicle tracking  | 238 838           | 233 021           |
|   | <b>46 350 681</b> | <b>42 971 455</b> |

### 35. Other materials

|                           |                   |                   |
|---------------------------|-------------------|-------------------|
| Consumables               | 8 242 088         | 6 076 362         |
| Consumables: Zero rated   | 13 505 063        | 15 494 985        |
| Inventory consumed: Water | 30 417 720        | 27 262 076        |
| Materials and supplies    | 5 709 319         | 4 486 480         |
|                           | <b>57 874 190</b> | <b>53 319 903</b> |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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| <b>36. Reversal / (impairment) of assets and receivables</b> |                     |                     |
| <b>Non-current Assets</b>                                    |                     |                     |
| Property, plant and equipment                                | (444 642)           | (8 618 884)         |
| Investment property  | -                   | (625)               |
|  | <b>(444 642)</b>    | <b>(8 619 509)</b>  |
| <b>Current Assets</b>  |                     |                     |
| Impairment recognised  | (25 971 917)        | (10 371 467)        |
| Impairment reversed  | 3 409 964           | -                   |
|  | <b>22 561 953</b>   | <b>10 371 467</b>   |
| <b>Total impairment losses recognised (reversed)</b>         | <b>(23 006 595)</b> | <b>(18 990 976)</b> |

Refer to notes 10 and 11 for the impairment on Property, Plant and Equipment. Impairments are identified by comparing assets in their current condition to external sources (e.g. the valuation roll for land) and replacement costs. The impairments reflect the instances where the replacement cost for assets in a similar condition is lower than the carrying value at year-end.

Refer to notes 3 and 4 for the gross movements on Receivables from Exchange and Non-exchange. Impairment of debt arise due to, amongst other factors, the time value of money.

In line with changes to MSCOA, as of 1 July 2024, the provision for impairment is reversed when the bad debts are written off. In prior years, the reversal was not done and therefore no comparative is presented.

### 37. Loss on disposal of assets

|   |                  |                   |
|---|------------------|-------------------|
| Carrying value of Property, plant and equipment disposed    | 3 447 760        | 10 150 967        |
| Carrying value of Investment properties disposed            | 62 675           | 347 418           |
| Carrying value of Intangible assets disposed                | -                | 1                 |
| Less disposals to Inventory (non-current to current assets) | (150 372)        | (11 717)          |
|   | <b>3 360 063</b> | <b>10 486 669</b> |

### 38. Cash generated from operations

|   |                    |                    |
|---|--------------------|--------------------|
| Surplus   | 410 691 641        | 263 102 507        |
| <b>Adjustments for:</b>                           |                    |                    |
| Depreciation and amortisation                     | 103 052 099        | 103 283 357        |
| Loss on sale of property, plant and equipment     | 3 360 062          | 10 486 669         |
| Gain on sale of assets and liabilities            | (1 213 620)        | (1 828 939)        |
| Unwinding of interest on landfill site provision  | 6 031 278          | 5 438 504          |
| Vesting of properties                             | (176 324)          | (921 992)          |
| Donated property, plant and equipment             | (5 064 275)        | (33 214 386)       |
| Water losses                                      | 7 431 647          | 6 301 059          |
| Impairment losses on non-current assets           | 444 642            | 8 619 509          |
| Accrued interest                                  | (34 653 017)       | (34 012 053)       |
| Movement on current provision                     | 417 159            | 587 788            |
| <b>Changes in working capital:</b>                |                    |                    |
| Inventories                                       | (5 758 864)        | (4 916 079)        |
| Receivables from exchange transactions            | (1 732 788)        | (27 398 519)       |
| Receivables from non-exchange transactions        | (9 555 952)        | 954 592            |
| Payables from exchange transactions               | 9 856 260          | 3 595 471          |
| VAT control and accruals (receivable and payable) | (801 123)          | (14 823 862)       |
| Unspent conditional grants and receipts           | (9 335 705)        | 21 529 599         |
| Consumer deposits                                 | 1 197 679          | 1 813 857          |
| Operating leases                                  | (15 698)           | 111 050            |
| Construction contracts and receivables            | 7 342 180          | -                  |
|   | <b>481 517 281</b> | <b>308 708 132</b> |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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| <b>38. Cash generated from operations (continued)</b>   |                    |                     |
| <b>Property, plant and equipment purchased</b>  |                    |                     |
| Additions as per note (including transfers)   | 302 267 562        | 238 109 604         |
| Non-cash transactins included in profit or loss (e.g. gains on vesting of properties and equipment) | (5 240 599)        | (34 136 377)        |
| Movement on accruals of Property plant and equipment  | (22 218 510)       | 5 782 685           |
| Non-cash movement in Provision for landfill sites (changes in market values)                        | (4 533 836)        | 269 658             |
|   | <b>270 274 617</b> | <b>210 025 570</b>  |
| <b>Payables from exchange transactions</b>  |                    |                     |
| Movement on balance from the prior year   | 16 322 033         | 14 659 676          |
| Payment of employee benefits  | 14 702 000         | (8 358 380)         |
| Unspent Grants repaid   | 1 050 737          | 108 749             |
| Movement on accruals of Property, Plant and equipment   | (22 218 510)       | (5 782 685)         |
|   | <b>9 856 260</b>   | <b>627 360</b>      |
| <b>Receivables from exchange transactions</b>   |                    |                     |
| Movement on balance from the prior year   | (2 650 354)        | (61 381 799)        |
| Public contributions received   | (504 952)          | (76 000)            |
| Profit on sale of land (cost is netted against gain)  | (20 500)           | 47 227              |
| Accrued interest  | 1 443 017          | 34 012 053          |
|   | <b>(1 732 789)</b> | <b>(27 398 519)</b> |
| <b>Receivables from non-exchange</b>  |                    |                     |
| Movement on balance from prior year   | (9 555 952)        | 396 200             |
| Unspent grants - transferred to debtors   | -                  | 558 392             |
|   | <b>(9 555 952)</b> | <b>954 592</b>      |
| <b>Inventories</b>  |                    |                     |
| Movement on balance from the prior year   | 1 501 913          | 1 420 489           |
| Water losses  | (7 431 649)        | (6 301 059)         |
| Additions of land (non-cash)  | 170 872            | (35 509)            |
|   | <b>(5 758 864)</b> | <b>(4 916 079)</b>  |
| <b>Unspent conditional grants and receipts</b>  |                    |                     |
| Movement on balance from the prior year   | (8 789 920)        | 21 133 539          |
| Public contributions  | 504 952            | 76 000              |
| Transferred to debtors  | -                  | (558 392)           |
| Unspent grants repaid   | (1 050 737)        | 60 850              |
|   | <b>(9 335 705)</b> | <b>20 711 997</b>   |
| <b>Movement on operating leases</b>   |                    |                     |
| Movement on operating lease liability   | (15 698)           | 111 050             |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 39. Budget differences

#### Material differences between budget and actual amounts

Explanation of material variances:

#### Revenue:

39.1 **Service charges - sanitation revenue:** The increased sewerage due to the expansion of commercial client is more than expected

39.2 **Rendering of services and Transfers & subsidies - Operational:** The library service was originally budgeted for as a grant.

39.3 **Agency services:** Collections were lower than expected

39.4 **Operational revenue (exchange):** Development charges (non-cash) were more than expected

39.5 **Fines, penalties and forfeits:** Fines from Provincial Fines were more than budgeted

39.6 **Licences and permits:** Less licences issued than expected

39.7 **Gains:** Land sales was lower than expected

#### Expenditure:

39.8 **Debt impairment:** Due to a reduction in the write-offs, the impairment of fines were more than expected

39.9 **Depreciation and amortisation:** Capital projects completed later in the year due to the municipality shifting focus to respond to the Riverlands disaster

39.10 **Inventory consumed:** The municipality received a credit note for water, resulting in a budget surplus

39.11 **Contracted services:** Various savings on the use of consultants

39.12 **Transfers and subsidies:** Due to NT guideline on grants-in-aid less transfers were made

39.13 **Irrecoverable debts written off:** Due to a reduction in the write-offs, the impairment of fines were more than expected

39.14 **Losses on Disposal of Assets:** More new assets were created (in comparison to replacement) than expected

39.15 **Losses:** The actuarial loss on PEMA was higher than initially expected.

#### Assets

39.16 **Inventory:** Lower inventory at year-end than previous years

39.17 **VAT:** In total the MSCOA VAT budget was R25 m and the actual is R24 m which is very comparable

39.18 **Other current assets:** Control accounts with balances, whereas the budget is based on control accounts being cleared

39.19 **Investments:** The interest accrual was budgeted for as cash

39.20 **Intangible:** The addition was not expected during budget stage

39.21 **Cash & cash equivalents:** The increase is as a result of underspending of the operating and capital budget

#### Liabilities:

39.22 **Trade and other payables from exchange transactions:** Higher capital accruals than expected

39.23 **Trade and other payables from non-exchange:** The municipality does not budget for unspent grants except when funds are received after the January adjustment budget

39.24 **VAT:** In total, the VAT budget was R25 m and the actual is R24 m which is very comparable

#### Cash flow from operating activities

39.25 **Cash receipts from rate payers, government and other:** Other revenue expected inflows of R288 million but only realised R104 million.

39.26 **Interest:** The interest rate remained higher than expected and the R33m accrual was budgeted for as a cash receipt

39.27 **Cash paid to suppliers and employee:** Significant savings noted on operational expenditure for the year

#### Cash flow from investing activities

39.28 **Proceeds on disposal of PPE:** Less cash was generated from the sale of land than expected

39.29 **Capital assets:** Capital projects were not all completed in time for the year-end as a result of resources being allocated to respond to the Riverlands floods. Accruals at year-end was also more than expected

#### Cash flow from financing activities

39.30 **Increase (decrease) in consumer deposits:** Consumer deposits increased more than expected



# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 39. Budget differences (continued)

#### Differences between budget and actual amounts basis of preparation and presentation

The National Treasury Budget Prescripts classifies items differently from the prescripts of GRAP. Significant classifications are shown below. For example, the Current portion of non-current provisions is the Operating lease liability and the Other non-current liabilities refers to the Long Term: Post-Employment Health Care Benefit Liability (R 76 928 000) as disclosed under Note 17.

For ease of reference, the electricity charges were reconciled below. The same principle would apply for all service charges.

#### Statement of Financial Performance

##### Operational revenue (exchange)

|   |                   |
|---|-------------------|
| Operational revenue                     | 29 323 924        |
| Sale of goods and rendering of services | (17 238 774)      |
| Rounding                                | (2)               |
|   | <b>12 085 148</b> |

##### Interest earned - outstanding debtors

|   |                   |
|---|-------------------|
| Interest received                         | 99 536 450        |
| Outstanding debtors: Exchange receivables | (3 637 529)       |
|   | <b>95 898 921</b> |

##### Transfers and subsidies

|  |                    |
|--|--------------------|
| Government grants & subsidies                    | 378 826 841        |
| Public contribution                              | 22 879 047         |
| Public contribution (refer to Capital Transfers) | (22 835 048)       |
| Capital grants (refer to Capital Transfers)      | (209 200 070)      |
|  | <b>169 670 770</b> |

##### Gains

|                                     |                  |
|-------------------------------------|------------------|
| Gains on sale of fixed asset        | 1 213 620        |
| Gain on sale of land                | 312 434          |
| Vesting of properties and equipment | 176 324          |
|                                     | <b>1 702 378</b> |

##### Employee related costs

|                            |                    |
|----------------------------|--------------------|
| Employee related costs     | 346 367 896        |
| Workmans compensation      | (1 706 962)        |
| Actuarial gains and losses | (5 639 510)        |
|                            | <b>339 021 424</b> |

##### Debt impairment

|   |                   |
|---|-------------------|
| (Reversal)/Impairment of assets and receivables | (444 642)         |
| Impairment of assets                            | 23 006 595        |
|   | <b>22 561 953</b> |



# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand  | 2025               | 2024 |
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| <b>39. Budget differences (continued)</b>  |                    |      |
| <b>Inventory consumed</b>  |                    |      |
| Other materials  | 57 874 190         |      |
| Reclassification for GRAP  | (47 971)           |      |
|  | <b>57 826 219</b>  |      |
| <b>Contracted services</b>   |                    |      |
| Contracted Services  | 64 955 958         |      |
| Reclassification for GRAP  | 1 397 839          |      |
|  | <b>66 353 797</b>  |      |
| <b>Other expenditure</b>   |                    |      |
| Operational costs  | 46 350 681         |      |
| Reclassification for GRAP  | (1 049 868)        |      |
| SARS interest  | 561 578            |      |
| Workmans compensation (considered other expenditure by NT)   | 1 706 962          |      |
|  | <b>47 569 353</b>  |      |
| <b>Losses</b>  |                    |      |
| Water losses   | 7 431 649          |      |
| Actuarial gains and losses (considered losses by NT)   | 5 639 510          |      |
|  | <b>13 071 159</b>  |      |
| <b>Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)</b> |                    |      |
| Public contribution  | 22 835 048         |      |
| Capital grants   | 209 200 070        |      |
|  | <b>232 035 118</b> |      |
| <b>Other revenue</b>   |                    |      |
| Operational revenue  | 29 323 924         |      |
| Less sale of goods (MSCOA)   | (17 238 774)       |      |
| Rounding   | (2)                |      |
|  | <b>12 085 148</b>  |      |
| <b>Sale of goods and rendering of services</b>   |                    |      |
| Operational revenue  | 17 238 774         |      |
| Development charges  | 10 208 940         |      |
|  | <b>27 447 714</b>  |      |
| <b>Interest earned from receivables</b>  |                    |      |
| Outstanding debtors: Exchange receivables  | 3 637 529          |      |
| Interest - Availability charges  | 440 573            |      |
|  | <b>4 078 102</b>   |      |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand  | 2025               | 2024 |
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| <b>39. Budget differences (continued)</b>                      |                    |      |
| <b>Statement of Financial Position</b>                         |                    |      |
| <b>Trade and other receivables from exchange transactions</b>  |                    |      |
| Balance per AFS  | 109 465 671        |      |
| Reallocation of control accounts and credit balance            | 2 032 804          |      |
| <b>Actual on a comparative basis</b>                           | <b>111 498 475</b> |      |
| <b>Trade payables from non-exchange transactions</b>           |                    |      |
| Balance per AFS  | 43 848 232         |      |
| Reallocation of control accounts and credit balance            | (1 395 645)        |      |
| <b>Actual on a comparative basis</b>                           | <b>42 452 587</b>  |      |
| <b>Current portion of non-current receivables</b>              |                    |      |
| Operating leases   | (319 033)          |      |
| Reallocation of control accounts and credit balance            | 50 899             |      |
| <b>Actual on a comparative basis</b>                           | <b>(268 134)</b>   |      |
| <b>VAT</b>   |                    |      |
| MSCOA input VAT accrual (Asset)                                | 24 482 883         |      |
| MSCOA VAT Control (Asset)                                      | 113 945 165        |      |
| MSCOA VAT Control (Liability)                                  | (102 041 765)      |      |
| MSCOA VAT Output (Liability)                                   | (14 635 692)       |      |
| MSCOA VAT Provision for bad debt (Liability)                   | 2 905 127          |      |
| <b>Combined total</b>  | <b>24 655 718</b>  |      |
| <b>Other current assets</b>                                    |                    |      |
| Other receivables (exchange receivables)                       | 12 290 462         |      |
| Receivables from exchange transactions (non-current)           | (10 675 777)       |      |
| <b>Actual on comparative basis</b>                             | <b>1 614 685</b>   |      |
| <b>Trade and other payables from exchange transactions</b>     |                    |      |
| Reallocation of control accounts and credit balance            | (9 987 719)        |      |
| 13th cheque accrual  | (8 434 464)        |      |
| Payables from exchange as per AFS                              | 111 422 977        |      |
| <b>Actual on comparative basis</b>                             | <b>93 000 794</b>  |      |
| <b>Trade and other payables from non-exchange transactions</b> |                    |      |
| Unspent conditional grants and receipts                        | 21 703 995         |      |
| Construction contracts payables                                | 7 342 180          |      |
| <b>Actual on comparative basis</b>                             | <b>29 046 175</b>  |      |
| <b>Current provisions</b>                                      |                    |      |
| Current portion provisions                                     | 9 197 492          |      |
| Current portion of employee benefits                           | 6 748 000          |      |
| 13th cheque accrual  | 1                  |      |
| <b>Actual on comparative basis</b>                             | <b>15 945 493</b>  |      |
| <b>Long term provisions</b>                                    |                    |      |
| Long term provisions   | 67 892 552         |      |
| Long term long service award                                   | 14 081 000         |      |
| <b>Actual on comparative basis</b>                             | <b>81 973 552</b>  |      |

# Swartland Municipality

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### 39. Budget differences (continued)

#### Changes from the approved budget to the final budget

Changes between the original and final adjustments budget are due to budget adjustments that are approved by council. Furthermore, for operational and capital expenditure, some virements were approved based on the municipal delegation of authority. No material budget or significant virements were noted.

# Swartland Municipality

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| <b>40. Repairs and maintenance expenditure</b> |                   |                   |
| <b>Movable assets</b>                          | <b>10 751 086</b> | <b>9 252 905</b>  |
| <b>Furniture and Office Equipment</b>          | <b>24 812</b>     | <b>25 098</b>     |
| - Contracted Services                          | 24 812            | 25 098            |
| <b>Machinery and Equipment</b>                 | <b>1 309 256</b>  | <b>1 307 600</b>  |
| - Contracted Services                          | 1 060 392         | 1 112 059         |
| - Other materials                              | 248 864           | 195 541           |
| <b>Transport Assets</b>                        | <b>9 090 199</b>  | <b>7 686 497</b>  |
| - Contracted Services                          | 9 011 873         | 7 686 497         |
| - Other materials                              | 78 326            | -                 |
| <b>Computer Equipment</b>                      | <b>326 819</b>    | <b>233 710</b>    |
| - Contracted Services                          | 260 283           | 182 552           |
| - Operation cost                               | 66 536            | 51 158            |
| <b>Community Assets</b>                        | <b>3 587 415</b>  | <b>3 110 946</b>  |
| - Contracted Services                          | 3 338 946         | 3 110 946         |
| - Other materials                              | 248 469           | -                 |
| <b>Other Assets</b>                            | <b>1 729 136</b>  | <b>3 199 092</b>  |
| - Contracted Services                          | 1 383 596         | 2 557 700         |
| - Other materials                              | 345 540           | 641 392           |
| <b>Intangible Assets</b>                       | <b>5 024 967</b>  | <b>4 633 461</b>  |
| - Operation cost                               | 5 024 967         | 4 633 461         |
| <b>Infrastructure Assets</b>                   | <b>49 848 469</b> | <b>46 968 982</b> |
| <b>Electrical Infrastructure</b>               | <b>3 530 922</b>  | <b>3 583 110</b>  |
| - Contracted Services                          | 329 829           | 250 029           |
| - Other materials                              | 1 714 859         | 2 045 858         |
| - Labour                                       | 1 486 234         | 1 287 223         |
| <b>Roads Infrastructure</b>                    | <b>6 192 398</b>  | <b>6 108 028</b>  |
| - Contracted Services                          | 4 666 452         | 6 108 028         |
| - Other materials                              | 1 525 947         | -                 |
| <b>Sanitation Infrastructure</b>               | <b>5 557 044</b>  | <b>5 491 495</b>  |
| - Contracted Services                          | 5 461 469         | 5 491 495         |
| - Other materials                              | 95 575            | -                 |
| <b>Solid Waste Disposal Infrastructure</b>     | <b>9 538 347</b>  | <b>9 737 676</b>  |
| - Contracted Services                          | 7 507 880         | 7 953 088         |
| - Labour                                       | 2 006 211         | 1 770 815         |
| - Operation cost                               | 24 256            | 13 773            |
| <b>Storm Water Infrastructure</b>              | <b>23 320 294</b> | <b>20 156 864</b> |
| - Contracted Services                          | 668 383           | 554 593           |
| - Inventory Consumed                           | 58 536            | 34 280            |
| - Labour                                       | 21 697 690        | 18 611 227        |
| - Other lease expenditure                      | 302 473           | 355 991           |
| - Operational costs                            | 593 212           | 600 773           |
| <b>Water Supply Infrastructure</b>             | <b>1 709 463</b>  | <b>1 891 809</b>  |
| - Contracted Services                          | 1 011 921         | 1 891 809         |
| - Inventory Consumed                           | 697 542           | -                 |
|  | <b>70 941 073</b> | <b>67 165 386</b> |

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| <b>41. Capital commitments</b>   |                    |                    |
| <b>Authorised capital expenditure</b>  |                    |                    |
| <b>Already contracted for but not provided for</b>                                       |                    |                    |
| • Property, plant and equipment - Infrastructure   | 132 036 393        | 231 186 631        |
| • Property, plant and equipment - Other assets   | -                  | 11 588 393         |
|  | <b>132 036 393</b> | <b>242 775 024</b> |
| <b>Total capital commitments</b>   |                    |                    |
| Already contracted for but not provided for  | 132 036 393        | 242 775 024        |
| Amounts are exclusive of VAT and the amount for infrastructure includes escalation cost. |                    |                    |
| <b>Total commitments</b>   |                    |                    |
| <b>Total commitments</b>   |                    |                    |
| Authorised capital expenditure   | 132 036 393        | 242 775 024        |
| <b>42. Contingencies</b>   |                    |                    |
| Guarantees in favour of Eskom  | 30 070 900         | 70 900             |
| Guarantees in favour of South African Post Office Limited                                | 200 000            | 200 000            |
|  | <b>30 270 900</b>  | <b>270 900</b>     |
| Paulus Smit N.O and others   | 1 283 000          | 1 283 000          |
| VAT on library grant receipts  | 758 713            | 726 822            |
|  | <b>2 041 713</b>   | <b>2 009 822</b>   |

Paulus Smit N.O. and others v Swartland Municipality: The case relates to a previous judgment by the High Court (Case No. 11127/2018) delivered on 23 August 2019. The applicant failed to erect the wall, and also to claim payment from the Municipality, but instead issued a summons in the High Court on 22 August 2022, following a notice given on 28 July 2022 i.t.o. section 3 of the Institution of Legal Proceedings against Certain Organs of State Act 4 of 2002 of further legal action contemplated herein, claiming payment by the Municipality of R1 283 000.

The municipality sought the expertise of a tax practitioner regarding the potential Value Added Tax consequences on the Provincial Administration of Western Cape's grant allocation for Libraries which is paid to the municipality. A technical interpretation of the Marshall NO and Others vs Commissioner for the South African Revenue Service (CCT208/17) resulted therein that the municipality could be delivering a service to the Provincial Administration. As such, there is a potential that SARS could expect the municipality to pay VAT over on the grant receipts to date. The municipality has requested the support of the Revenue Augmentation unit of SARS in order to resolve the matter. At the time of the annual financial statements, SARS has not yet appointed a representative to resolve the matter.

As such, the municipality has estimated that potential VAT penalties that could arise from a VAT audit. A provision was recognised for the receipts with interest that is expected to be incurred and contingent liability has been disclosed for the penalties, both limited to receipts dating back five (5) years as this period is quoted in the Tax Administration Act.

Bank guarantees provided to Eskom for the supply of electricity to the Municipality for distribution amongst consumers. The guarantee was increased during 2024/25 in order to increase the supply to the municipality.

A bank guarantee has been obtained from Standard Bank and issued to the SA Post Office which serves as security in respect of the payment for the monthly delivery of the municipal accounts.

### Contingent asset

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### 42. Contingencies (continued)

Swartland Municipality vs The National Energy Regulator of South Africa: Application in the high court of South Africa (Gauteng Division) for the judicial review of 2023/24 tariff approvals by the electricity regulator. The matter was still ongoing at 30 June 2025.

The municipality is also involved in various individual building & land use matters, eviction applications, etc.

### 43. Utilisation of Long-term liabilities reconciliation

|   |                  |                  |
|---|------------------|------------------|
| Long-term liabilities raised                  | 33 336 301       | 38 813 954       |
| Used to finance property, plant and equipment | (33 336 301)     | (38 813 954)     |
| Short-term portion of long-term liabilities   | 6 044 339        | 5 455 716        |
|   | <b>6 044 339</b> | <b>5 455 716</b> |

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act (Act 56 of 2003). Sufficient cash is available for the annual repayment of capital and interest until the redemption date.

### 44. Non-cash investing and financing activities

The Municipality was engaged in exchange transactions of non-monetary assets during the year. Various municipal properties were exchanged for similar assets acquired from the registered owners.

### 45. In-kind donations and assistance

The municipality received services in-kind under voluntary or non-voluntary schemes which included free training, workshops and technical assistance from government departments and entities. These services in-kind have not been recognised as they were assessed not to be significant to the municipality's operations and/or basic service delivery objectives and are not measurable.

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### 46. Related parties

#### Relationships

Accounting Officer

Refer to Accounting officers' report

Other spheres of government and municipalities

Councillors

Refer to general information

Members of key management

Refer to note 28

### Municipal services rendered to related parties

The rates, service and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses had been 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 Section 57 Personnel (managers directly accountable to the Municipal Manager). No expense has been recognised in the period for the provision for doubtful debts in respect of the amounts owed by related parties.

Services rendered to key management personnel occurred within normal supplier and customer relationships on terms and conditions no more or less favourable than those which the municipality is reasonable to expect to have adopted if dealing with the individual persons in the same circumstances. These terms and conditions are within the normal operating parameters established by the municipality's legal mandate.

No councillor was in arrears for more than 90 days.

### Related Party Loans

Loans to Councillors and senior management employees are no longer permitted since 1 July 2004.

### Purchases from Related Parties

No purchases were made from related parties that are considered to not be at arms-length. In terms of the municipal accounting policy, transactions and balances that are at arms-length will not be separately disclosed.

The water service concession arrangement would not have been entered into with any party other than a related party. The details of the water service concession arrangement are included in Note 51.

### Compensation of key personnel

The compensation of key management personnel is set out in Notes 28 and 29.

# Swartland Municipality

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### 47. Financial instruments disclosure

#### Categories of financial instruments

##### 2025

#### Financial assets

|  | At fair value | At amortised<br>cost | Total                |
|--|---------------|----------------------|----------------------|
| Cash and cash equivalents                  | 18 776        | 677 001 168          | 677 019 944          |
| Receivables from exchange transactions     | -             | 117 701 787          | 117 701 787          |
| Receivables from non-exchange transactions | -             | 2 941 577            | 2 941 577            |
| Other Financial Assets                     | -             | 366 329 014          | 366 329 014          |
|  | <b>18 776</b> | <b>1 163 973 546</b> | <b>1 163 992 322</b> |

#### Financial liabilities

|   | At fair value     | At amortised<br>cost | Total              |
|---|-------------------|----------------------|--------------------|
| Payables from exchange transactions     | -                 | 81 108 559           | 81 108 559         |
| Consumer deposits                       | 20 857 367        | -                    | 20 857 367         |
| Unspent conditional grants and receipts | -                 | 21 703 995           | 21 703 995         |
| Other financial liabilities             | -                 | 33 336 301           | 33 336 301         |
| Construction contracts                  | -                 | 7 342 180            | 7 342 180          |
|   | <b>20 857 367</b> | <b>143 491 035</b>   | <b>164 348 402</b> |

##### 2024

#### Financial assets

|  | At fair value | At amortised<br>cost | Total              |
|--|---------------|----------------------|--------------------|
| Cash and cash equivalents                  | 19 758        | 470 471 553          | 470 491 311        |
| Receivables from exchange transactions     | -             | 115 022 884          | 115 022 884        |
| Receivables from non-exchange transactions | -             | 2 735 077            | 2 735 077          |
| Other Financial Assets                     | -             | 333 311 904          | 333 311 904        |
|  | <b>19 758</b> | <b>921 541 418</b>   | <b>921 561 176</b> |

#### Financial liabilities

|   | At fair value     | At amortised<br>cost | Total              |
|---|-------------------|----------------------|--------------------|
| Payables from exchange transactions     | -                 | 65 442 573           | 65 442 573         |
| Consumer deposits                       | 19 659 688        | -                    | 19 659 688         |
| Unspent conditional grants and receipts | -                 | 30 493 915           | 30 493 915         |
| Other financial liabilities             | -                 | 38 813 953           | 38 813 953         |
|   | <b>19 659 688</b> | <b>134 750 441</b>   | <b>154 410 129</b> |

### 48. Risk management

#### Financial risk management

The municipality's activities expose it to a variety of financial risks. The main categories of risk that the municipality is exposed to is credit risk (pertaining to debtors), interest rate risks for investments and liquidity risk as it pertains to the long-term cashflow of the municipality.



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### 48. Risk management (continued)

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, implement controls and monitor adherence.

Due to the large 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 Directorate: 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. Compliance with policies and procedures is reviewed by internal auditors on a continuous basis, and by external auditors annually. 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 quarterly to the municipality's Performance Risk and Audit Committee, an independent body that monitors the effectiveness of the internal audit function.

#### 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. A maturity analysis for financial liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed below.

Consumer Deposits (\*) are disclosed at the value that could be repayable in the following year. It is unlikely that the full balance would become payable as consumer accounts are expected to remain similar year to year. By implication, if the consumer deposit is paid, a similar receipt from a different customer would be expected. The balance is however disclosed in order to indicate a conservative liquidity risk.

Previously, the Other financial liabilities' maturity analysis was disclosed inclusive of interest payable. Upon reconsideration, it was thought more prudent to disclose only the capital portion due as this balance affects the liquidity as at 30 June 2024. The balance at year end is therefore comparable to the maturity analysis. Only the capital is due as at year end, while interest only accrues in the future (future costs not taken into account).

Ultimate responsibility for liquidity risk management rests with the Council. 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.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

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### 48. Risk management (continued)

| At 30 June 2025                         | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|------------------|-----------------------|-----------------------|--------------|
| Payables from exchange transactions     | 81 108 559       | -                     | -                     | -            |
| Consumer deposits                       | 20 857 367       | -                     | -                     | -            |
| Unspent conditional grants and receipts | 21 703 995       | -                     | -                     | -            |
| Other financial liabilities             | 9 349 099        | 9 349 099             | 20 551 601            | 4 351 969    |
| Construction contracts                  | 7 342 180        | -                     | -                     | -            |
| At 30 June 2024                         | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
| Payables from exchange transactions     | 65 442 573       | -                     | -                     | -            |
| Consumer deposits                       | 19 659 688       | -                     | -                     | -            |
| Unspent conditional grants and receipts | 30 493 915       | -                     | -                     | -            |
| Other financial liabilities             | 9 349 099        | 9 349 099             | 25 548 731            | 8 703 937    |

### 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 investment securities. Maximum exposure to credit risk is not covered by collateral unless otherwise specified. Each class of financial instrument is disclosed separately.

Potential concentrations of credit risk consist mainly of fixed deposit investments, finance lease debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

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 well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by Council.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The municipality exposure to the credit risk is wide-spread, but a single significant debtor, Sasko (Pty) Ltd can be noted as disclosed in Note 3.

Financial assets exposed to credit risk at year end were as follows:

| Financial instrument                       | 2025        | 2024        |
|--|-------------|-------------|
| Cash and cash equivalents                  | 677 001 168 | 470 471 553 |
| Receivables from exchange transactions     | 117 701 787 | 115 022 884 |
| Receivables from non-exchange transactions | 2 941 577   | 2 735 077   |
| Other Financial Assets                     | 366 329 014 | 333 119 014 |

The municipality is exposed to a number of guarantees issued in favour of the creditors of the municipality. Refer to note 42 for additional details.

The gross balance from receivables has been grouped into risk groupings (Group 1-3). Group 1 are those debtors with a high certainty of timely payment. Risk of non-payment is considered to be low as these receivables maintained a payment rate of more than 70 %. Group 2 are those debtors with a reasonable certainty of timely payment. The risk of non-payment is considered to be moderate as these receivables maintained a payment rate of 50 - 70 % during the year. Group 3 are those debtors for which the risk factors of non-payment are larger as these receivables had a payment rate of below 50 % during the year.

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### 48. Risk management (continued)

Grouping include property rates debtors (Statutory Receivables) due to council's policy to allocate payments on a hierarchical basis which includes property rates. The debtor as a whole is only presented fairly by including the property rates balances in the grouping as per the table below.

| Gross balances of Consumer debtors | 2025               | 2024               |
|------------------------------------|--------------------|--------------------|
| Group 1                            | 77 679 678         | 70 901 176         |
| Group 2                            | 2 741 937          | 2 113 360          |
| Group 3                            | 47 549 936         | 39 162 354         |
|                                    | <b>127 971 551</b> | <b>112 176 890</b> |

### Property rates included above

|         |                   |                   |
|---------|-------------------|-------------------|
| Group 1 | 16 838 056        | 15 179 289        |
| Group 2 | 980 816           | 368 394           |
| Group 3 | 15 846 318        | 12 168 582        |
|         | <b>33 665 190</b> | <b>27 716 265</b> |

### Financial instruments included above

|         |                   |                   |
|---------|-------------------|-------------------|
| Group 1 | 60 841 622        | 55 721 886        |
| Group 2 | 1 761 121         | 1 744 966         |
| Group 3 | 31 703 618        | 26 993 773        |
|         | <b>94 306 361</b> | <b>84 460 625</b> |

### Market risk

#### Interest rate risk

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, finance lease debtors, consumer debtors, other debtors, and bank and cash balances.

The municipality is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates.

At 30 June 2025, if interest rates on Rand-denominated borrowings and investments had been 2% higher (200 basis points) with all other variables held constant, surplus for the year would have been 20 482 648 (2024: 16 311 122) higher, mainly as a result of higher interest income.

### 49. Segment information

#### General information

The municipal management accounts that are used to review the performance of the municipality are based on National Treasury's Budget schedules as published in the Municipal Budget Reporting Regulations. The management accounts therefore comprise the actual consolidated GRAP results which are presented two different segmental reports: 1) MSCO's Function Segment and the Municipal Standard Classification (Votes 1-8). Monthly management accounts are however only reviewed for purposes of measuring performance in terms of the municipal organogram (Municipal Votes). Therefore only this report has been presented. The monthly municipal management accounts are available on the municipal website. Details of each municipal service has been reported in the annual performance report.

All figures reported in the management accounts are based on the measurement principles of GRAP. Interdepartmental transactions are already eliminated in the published figures order to present the GRAP accounting to management when reviewing performance.

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### 49. Segment information (continued)

Management does not review segmented profit or loss as segments are reviewed based on the budget expectations for revenue and expenditure rather than the overall net-profit result. As segmented profit is not reviewed, this has not been presented. For the segment report, only total revenue and total expenditure is reviewed. The detailed breakdown of revenue and expenditure per AFS classification is not reviewed on a segment report level in the monthly management meetings. The detailed analysis is reviewed by each individual manager, but these detailed results are not presented as part of the senior management discussions.

Management does not review restated financial performance or capital expenditure. As such the comparative figures were not updated for the restatements of the prior year.

## Swartland Municipality

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#### 49. Segment information (continued)

Segment surplus or deficit, assets

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|  | Vote 1 -<br>Corporate<br>Services | Vote 2 - Civil<br>Services | Vote 3 -<br>Council | Vote 4 -<br>Electricity<br>Services | Vote 5 -<br>Financial<br>Services | Vote 6 -<br>Development<br>Services | Vote 7 -<br>Municipal<br>Manager | Vote 8 -<br>Protection<br>services | Reclassificatio<br>n to correct<br>GRAP line<br>items | Total                |
|--|-----------------------------------|----------------------------|---------------------|-------------------------------------|-----------------------------------|-------------------------------------|----------------------------------|------------------------------------|---|----------------------|
| <b>49. Segment information (continued)</b>                       |                                   |                            |                     |                                     |                                   |                                     |                                  |                                    |   |                      |
| <b>2025</b>  |                                   |                            |                     |                                     |                                   |                                     |                                  |                                    |   |                      |
|  | Vote 1 -<br>Corporate<br>Services | Vote 2 - Civil<br>Services | Vote 3 -<br>Council | Vote 4 -<br>Electricity<br>Services | Vote 5 -<br>Financial<br>Services | Vote 6 -<br>Development<br>Services | Vote 7 -<br>Municipal<br>Manager | Vote 8 -<br>Protection<br>services | Reclassificatio<br>n to correct<br>GRAP line<br>items | Total                |
| <b>Revenue</b>   |                                   |                            |                     |                                     |                                   |                                     |                                  |                                    |   |                      |
| Service charges and rates  | -                                 | 198 147 754                | -                   | 516 017 434                         | 200 765 307                       | -                                   | -                                | -                                  | (16 691)  | 914 913 804          |
| Sale of Goods and<br>Rendering of Services                       | 12 297 702                        | 4 346 773                  | 63 441              | -                                   | 470 751                           | 9 905 057                           | -                                | 363 989                            | (27 447 713)  | -                    |
| Agency services  | -                                 | -                          | -                   | -                                   | -                                 | -                                   | -                                | 5 658 345                          | -   | 5 658 345            |
| Interest Received  | -                                 | -                          | -                   | -                                   | 101 760 198                       | -                                   | -                                | -                                  | -   | 101 760 198          |
| Rental income, licence and<br>permits and operational<br>revenue | 572 674                           | 5 407 757                  | 199 556             | 6 112 273                           | 1 162 267                         | 435 528                             | -                                | 4 916 304                          | 27 447 714  | 46 254 073           |
| Fines, penalties and forfeits                                    | 19 603                            | 2 791                      | 1 000               | 58 396                              | -                                 | 173 852                             | -                                | 36 069 901                         | -   | 36 325 543           |
| Transfers and subsidies -<br>Operational                         | 1 128 570                         | 70 395 824                 | 31 000              | 8 855 406                           | 78 642 128                        | 336 455                             | -                                | 10 293 789                         | 209 143 668   | 378 826 840          |
| Non-exchange operational<br>revenue                              | -                                 | 7 592 289                  | -                   | 3 988 314                           | 16 691                            | -                                   | -                                | -                                  | (16 691)  | 11 580 603           |
| Gains on disposal of Assets                                      | -                                 | 97 626                     | -                   | 78 699                              | 1 526 054                         | -                                   | -                                | -                                  | -   | 1 702 379            |
| Transfers and subsidies -<br>capital (monetary<br>allocations)   | 43 478                            | 52 711 550                 | -                   | 23 979 562                          | -                                 | 155 141 862                         | 130 500                          | 15 264                             | (209 143 669)   | 22 878 547           |
| <b>Total segment revenue</b>                                     | <b>14 062 027</b>                 | <b>338 702 364</b>         | <b>294 997</b>      | <b>559 090 084</b>                  | <b>384 343 396</b>                | <b>165 992 754</b>                  | <b>130 500</b>                   | <b>57 317 592</b>                  | <b>(33 382)</b>                                       | <b>1 519 900 332</b> |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

### 49. Segment information (continued)

|                                      | Vote 1 -<br>Corporate<br>Services | Vote 2 - Civil<br>Services | Vote 3 -<br>Council | Vote 4 -<br>Electricity<br>Services | Vote 5 -<br>Financial<br>Services | Vote 6 -<br>Development<br>Services | Vote 7 -<br>Municipal<br>Manager | Vote 8 -<br>Protection<br>services | Reclassificatio<br>n to correct<br>GRAP line<br>items | Total       |
|--------------------------------------|-----------------------------------|----------------------------|---------------------|-------------------------------------|-----------------------------------|-------------------------------------|----------------------------------|------------------------------------|---|-------------|
| <b>Expenditure</b>                   |                                   |                            |                     |                                     |                                   |                                     |                                  |                                    |   |             |
| Employee related costs               | 31 945 326                        | 120 139 578                | 1 302 437           | 31 964 282                          | 50 030 242                        | 25 698 148                          | 8 725 265                        | 69 216 146                         | 7 346 472   | 346 367 896 |
| Remuneration of councillors          | -                                 | -                          | 12 597 587          | -                                   | -                                 | -                                   | -                                | -                                  | -   | 12 597 587  |
| Bulk purchases - electricity         | -                                 | -                          | -                   | 410 594 639                         | -                                 | -                                   | -                                | -                                  | -   | 410 594 639 |
| Inventory consumed                   | 592 821                           | 47 795 354                 | 719 516             | 3 328 791                           | 1 328 688                         | 275 914                             | 42 060                           | 3 743 074                          | 47 971  | 57 874 189  |
| Debt impairment                      | -                                 | 2 707 702                  | -                   | 93 523                              | 1 270 978                         | 7 339                               | -                                | 18 482 412                         | -   | 22 561 954  |
| Depreciation and<br>amortisation     | 995 867                           | 81 865 981                 | 212 741             | 17 567 809                          | 616 407                           | 309 755                             | 8 567                            | 1 474 974                          | -   | 103 052 101 |
| Interest                             | -                                 | 9 540 092                  | -                   | 358 809                             | -                                 | -                                   | -                                | 3 825                              | 561 578   | 10 464 304  |
| Contracted services                  | 4 718 896                         | 43 732 558                 | 365 000             | 2 496 479                           | 5 038 933                         | 3 477 523                           | 233 064                          | 6 291 343                          | (1 397 839)   | 64 955 957  |
| Transfers and subsidies              | 37 680                            | -                          | 3 448 661           | -                                   | -                                 | -                                   | -                                | -                                  | 300 000   | 3 786 341   |
| Irrecoverable debts written<br>off   | -                                 | 11 795 194                 | -                   | 427 735                             | 2 369 718                         | 45 124                              | -                                | 4 728 921                          | -   | 19 366 692  |
| Operational costs                    | 5 727 487                         | 23 981 960                 | 4 939 121           | (4 629 779)                         | 10 890 358                        | 2 112 963                           | 604 699                          | 3 942 545                          | (1 218 673)   | 46 350 681  |
| Losses on Disposal of<br>Assets      | 101 625                           | 2 304 713                  | -                   | 881 391                             | 13 930                            | 38 629                              | 20                               | 19 755                             | -   | 3 360 063   |
| Other Losses                         | 223 474                           | 8 735 614                  | -                   | 192 718                             | 3 689 495                         | 154 545                             | 92 182                           | 427 773                            | (5 639 510)   | 7 876 291   |
| <b>Total segment<br/>expenditure</b> | <b>44 343 176</b>                 | <b>352 598 746</b>         | <b>23 585 063</b>   | <b>463 276 397</b>                  | <b>75 248 749</b>                 | <b>32 119 940</b>                   | <b>9 705 857</b>                 | <b>108 330 768</b>                 | <b>(1) 1 109 208 695</b>                              |             |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## 49. Segment information (continued)

|  |                             |                           |                                  |                    |                   |                        |                    |              |   |                      |
|--|-----------------------------|---------------------------|----------------------------------|--------------------|-------------------|------------------------|--------------------|--------------|---|----------------------|
| <b>Assets</b>  |                             |                           |                                  |                    |                   |                        |                    |              |   |                      |
| Property, plant and equipment and Intangible assets        | 454 543                     | 106 750 083               | 1 327 647                        | 44 284 236         | 601 466           | 146 206 657            | 89 560             | 3 003 370    | -   | 302 717 562          |
|  |                             |                           |                                  |                    |                   |                        |                    |              |   |                      |
|  | Governance & administration | Community & Public Safety | Economic& Environmental Services | Energy Sources     | Waste Management  | Waste Water Management | Water Management   | Other        | Reclassification to correct GRAP line items | Total                |
| <b>Revenue</b>   |                             |                           |                                  |                    |                   |                        |                    |              |   |                      |
| Service charges and rates                                  | 200 765 307                 | -                         | -                                | 516 017 434        | 38 791 037        | 62 456 383             | 96 900 334         | -            | (16 691)                                    | 914 913 804          |
| Sale of Goods and Rendering of Services                    | 686 091                     | 18 431 184                | 5 707 394                        | -                  | 2 131 049         | 491 996                | -                  | -            | (27 447 714)                                | -                    |
| Agency services  | -                           | -                         | 5 658 345                        | -                  | -                 | -                      | -                  | -            | -   | 5 658 345            |
| Interest Received  | 101 760 198                 | -                         | -                                | -                  | -                 | -                      | -                  | -            | -   | 101 760 198          |
| Rental income, licence and permits and operational revenue | 2 383 072                   | 968 031                   | 5 157 862                        | 6 112 273          | 18 282            | 2 493 070              | 1 669 113          | 4 657        | 27 447 714                                  | 46 254 074           |
| Fines, penalties and forfeits                              | 1 000                       | 36 100 504                | 162 852                          | 58 396             | -                 | -                      | 2 791              | -            | -   | 36 325 543           |
| Transfers and subsidies - Operational                      | 79 801 698                  | 11 229 644                | 851 200                          | 8 855 406          | 19 662 694        | 33 101 100             | 16 181 430         | -            | 209 143 669                                 | 378 826 841          |
| Non-exchange operational revenue                           | -                           | -                         | -                                | 3 971 622          | 3 364 061         | 2 504 196              | 1 724 032          | -            | 16 691                                      | 11 580 602           |
| Gains on disposal of Assets                                | 1 613 526                   | -                         | -                                | 78 699             | -                 | -                      | 10 153             | -            | -   | 1 702 378            |
| Transfers and subsidies - capital (monetary allocations)   | -                           | 160 699 038               | 18 324 568                       | 23 979 562         | 15 500 000        | 5 906 238              | 7 612 810          | -            | (209 143 669)                               | 22 878 547           |
| <b>Total segment revenue</b>                               | <b>387 010 892</b>          | <b>227 428 401</b>        | <b>35 862 221</b>                | <b>559 073 392</b> | <b>79 467 123</b> | <b>106 952 983</b>     | <b>124 100 663</b> | <b>4 657</b> | <b>-</b>                                    | <b>1 519 900 332</b> |
| <b>Entity's revenue</b>                                    |                             |                           |                                  |                    |                   |                        |                    |              |   | <b>1 519 900 332</b> |
|  | Governance & administration | Community & Public Safety | Economic& Environmental Services | Energy Sources     | Waste Management  | Waste Water Management | Water Management   | Other        | Reclassification to correct GRAP line items | Total                |
| <b>Expenditure</b>   |                             |                           |                                  |                    |                   |                        |                    |              |   |                      |
| Employee related costs                                     | 96 854 655                  | 108 050 692               | 24 726 777                       | 24 228 390         | 23 168 248        | 36 112 428             | 25 341 755         | 538 480      | 7 346 472                                   | 346 367 897          |
| Remuneration of councillors                                | 12 597 587                  | -                         | -                                | -                  | -                 | -                      | -                  | -            | -   | 12 597 587           |
| Bulk purchases - electricity                               | -                           | -                         | -                                | 410 594 639        | -                 | -                      | -                  | -            | -   | 410 594 639          |
| Inventory consumed   | 2 754 908                   | 5 675 946                 | 4 500 511                        | 3 288 309          | 4 334 414         | 4 392 588              | 32 879 542         | -            | 47 971                                      | 57 874 189           |
| Debt impairment  | 1 270 978                   | 18 489 750                | -                                | 93 523             | 567 091           | 360 705                | 1 779 906          | -            | -   | 22 561 953           |



# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

### 49. Segment information (continued)

|                                  |                    |                    |                   |                    |                   |                   |                   |                  |             |                      |
|----------------------------------|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|------------------|-------------|----------------------|
| Depreciation and amortisation    | 7 297 708          | 6 201 229          | 26 729 383        | 15 658 203         | 3 888 355         | 26 048 216        | 17 227 074        | 1 932            | -           | 103 052 100          |
| Interest                         | 369 936            | 59 819             | 332 854           | 358 809            | 6 031 279         | 2 713 792         | 36 237            | -                | 561 578     | 10 464 304           |
| Contracted services              | 14 772 123         | 11 443 621         | 8 345 646         | 1 136 930          | 20 442 893        | 8 335 842         | 1 828 742         | 48 000           | (1 397 839) | 64 955 958           |
| Transfers and subsidies          | 3 448 661          | -                  | -                 | -                  | -                 | -                 | -                 | 37 680           | 300 000     | 3 786 341            |
| Irrecoverable debts written off  | 2 369 718          | 4 774 045          | -                 | 427 735            | 1 329 171         | 1 646 279         | 8 819 744         | -                | -           | 19 366 692           |
| Operational costs                | 28 647 273         | 5 672 362          | 1 918 950         | 4 692 657          | 1 726 576         | 2 115 486         | 1 166 106         | 1 629 943        | (1 218 673) | 46 350 680           |
| Losses on Disposal of Assets     | 90 501             | 202 182            | 608 393           | 876 037            | 3 425             | 429 911           | 1 149 599         | 15               | -           | 3 360 063            |
| Other Losses                     | 4 134 923          | 623 481            | 199 257           | 161 330            | 377 104           | 180 204           | 7 830 214         | 9 288            | (5 639 509) | 7 876 292            |
| <b>Total segment expenditure</b> | <b>174 608 971</b> | <b>161 193 127</b> | <b>67 361 771</b> | <b>461 516 562</b> | <b>61 868 556</b> | <b>82 335 451</b> | <b>98 058 919</b> | <b>2 265 338</b> | <b>-</b>    | <b>1 109 208 695</b> |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

### 49. Segment information (continued)

#### Assets

|   |           |            |             |            |            |            |            |   |             |
|---|-----------|------------|-------------|------------|------------|------------|------------|---|-------------|
| Property, plant and equipment and Intangible assets | 3 914 764 | 24 804 295 | 123 691 941 | 43 060 831 | 31 564 773 | 33 490 415 | 42 190 543 | - | 302 717 562 |
|---|-----------|------------|-------------|------------|------------|------------|------------|---|-------------|

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

### 49. Segment information (continued)

2024

|  | Vote 1 -<br>Corporate<br>Services | Vote 2 - Civil<br>Services | Vote 3 -<br>Council | Vote 4 -<br>Electricity<br>Services | Vote 5 -<br>Financial<br>Services | Vote 6 -<br>Development<br>Services | Vote 7 -<br>Municipal<br>Manager | Vote 8 -<br>Protection<br>services | Reclassificatio<br>n to correct<br>GRAP line<br>items | Total                |
|--|-----------------------------------|----------------------------|---------------------|-------------------------------------|-----------------------------------|-------------------------------------|----------------------------------|------------------------------------|---|----------------------|
| <b>Revenue</b>   |                                   |                            |                     |                                     |                                   |                                     |                                  |                                    |   |                      |
| Service charges and rates  | -                                 | 187 405 213                | -                   | 443 265 414                         | 163 174 552                       | -                                   | -                                | -                                  | (16 044)  | 793 829 135          |
| Sale of Goods and<br>Rendering of Services                       | 12 312 012                        | 4 281 687                  | 72 793              | -                                   | 439 154                           | 9 274 446                           | -                                | 352 606                            | (26 732 698)  | -                    |
| Agency services  | -                                 | -                          | -                   | -                                   | -                                 | -                                   | -                                | 5 348 435                          | -   | 5 348 435            |
| Interest Received  | -                                 | -                          | -                   | -                                   | 90 006 738                        | -                                   | -                                | -                                  | -   | 90 006 738           |
| Rental income, licence and<br>permits and operational<br>revenue | 594 978                           | 23 775 167                 | 79 432              | 19 384 065                          | 1 910 743                         | 92 368                              | -                                | 5 150 384                          | 26 732 698  | 77 719 835           |
| Fines, penalties and forfeits                                    | 13 098                            | (2 900)                    | 1 304               | 48 257                              | -                                 | 189 819                             | -                                | 38 332 501                         | -   | 38 582 079           |
| Transfers and subsidies -<br>Operational                         | 2 160 329                         | 65 785 320                 | -                   | 8 018 303                           | 73 661 377                        | 272 120                             | -                                | 9 603 423                          | 112 292 086   | 271 792 958          |
| Non-exchange operational<br>revenue                              | -                                 | 7 381 717                  | -                   | 3 712 233                           | 16 044                            | -                                   | -                                | -                                  | (16 044)  | 11 093 950           |
| Gains on disposal of Assets                                      | -                                 | 786 053                    | -                   | 135 939                             | 2 040 564                         | -                                   | -                                | -                                  | -   | 2 962 556            |
| Transfers and subsidies -<br>capital (monetary<br>allocations)   | 50 000                            | 34 205 981                 | -                   | 23 658 000                          | -                                 | 54 597 638                          | -                                | 958 557                            | (113 470 176)   | -                    |
| Transfers and subsidies -<br>capital (in-kind)                   | -                                 | 149 000                    | -                   | -                                   | 16 500                            | -                                   | -                                | 141 322                            | 1 178 090   | 1 484 912            |
| <b>Total segment revenue</b>                                     | <b>15 130 417</b>                 | <b>323 767 238</b>         | <b>153 529</b>      | <b>498 222 211</b>                  | <b>331 265 672</b>                | <b>64 426 391</b>                   | <b>-</b>                         | <b>59 887 228</b>                  | <b>(32 088)</b>                                       | <b>1 292 820 598</b> |
| <b>Entity's revenue</b>  |                                   |                            |                     |                                     |                                   |                                     |                                  |                                    |   | <b>1 292 820 598</b> |
|  | Vote 1 -<br>Corporate<br>Services | Vote 2 - Civil<br>Services | Vote 3 -<br>Council | Vote 4 -<br>Electricity<br>Services | Vote 5 -<br>Financial<br>Services | Vote 6 -<br>Development<br>Services | Vote 7 -<br>Municipal<br>Manager | Vote 8 -<br>Protection<br>services | Reclassificatio<br>n to correct<br>GRAP line<br>items | Total                |

### Expenditure

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

### 49. Segment information (continued)

|                                  |                   |                    |                   |                    |                   |                   |                  |                    |                          |             |
|----------------------------------|-------------------|--------------------|-------------------|--------------------|-------------------|-------------------|------------------|--------------------|--------------------------|-------------|
| Employee related costs           | 30 718 288        | 111 796 415        | 1 077 814         | 29 881 328         | 44 692 662        | 23 987 505        | 7 986 246        | 65 568 497         | 828 079                  | 316 536 834 |
| Remuneration of councillors      | -                 | -                  | 12 004 775        | -                  | -                 | -                 | -                | -                  | -                        | 12 004 775  |
| Bulk purchases - electricity     | -                 | -                  | -                 | 344 554 611        | -                 | -                 | -                | -                  | -                        | 344 554 611 |
| Inventory consumed               | 557 335           | 41 971 236         | 332 302           | 2 843 258          | 1 569 052         | 203 953           | 19 800           | 3 414 846          | 2 408 120                | 53 319 902  |
| Debt impairment                  | -                 | 3 011 910          | -                 | 461 760            | 1 157 462         | 2 164             | -                | 5 738 170          | -                        | 10 371 466  |
| Depreciation and amortisation    | 1 176 631         | 81 045 462         | 129 927           | 17 565 672         | 500 218           | 1 287 431         | 5 727            | 1 572 289          | -                        | 103 283 357 |
| Interest                         | -                 | 11 909 520         | -                 | 420 880            | -                 | -                 | -                | 4 936              | 495 181                  | 12 830 517  |
| Contracted services              | 4 855 364         | 47 057 119         | 632 770           | 3 629 908          | 4 645 000         | 3 055 694         | 226 250          | 7 581 126          | (2 674 608)              | 69 008 623  |
| Transfers and subsidies          | 1 694 491         | -                  | 2 729 787         | -                  | -                 | -                 | -                | -                  | 300 000                  | 4 724 278   |
| Irrecoverable debts written off  | -                 | 10 668 807         | -                 | 318 871            | 1 280 073         | 28 596            | -                | 22 408 685         | -                        | 34 705 032  |
| Operational costs                | 3 892 550         | 24 920 358         | 4 878 616         | (3 947 165)        | 9 740 744         | 1 893 719         | 242 257          | 3 650 605          | (2 300 230)              | 42 971 454  |
| Losses on Disposal of Assets     | 3 413             | 8 839 345          | -                 | 814 580            | 389 858           | 28 661            | -                | 410 811            | -                        | 10 486 668  |
| Other Losses                     | 307 394           | 13 843 378         | 17 274            | 3 999              | (617 234)         | 509 284           | (15 421)         | (71 563)           | 943 457                  | 14 920 568  |
| <b>Total segment expenditure</b> | <b>43 205 466</b> | <b>355 063 550</b> | <b>21 803 265</b> | <b>396 547 702</b> | <b>63 357 835</b> | <b>30 997 007</b> | <b>8 464 859</b> | <b>110 278 402</b> | <b>(1) 1 029 718 085</b> |             |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

|  | Vote 1 -<br>Corporate<br>Services | Vote 2 - Civil<br>Services | Vote 3 -<br>Council | Vote 4 -<br>Electricity<br>Services | Vote 5 -<br>Financial<br>Services | Vote 6 -<br>Development<br>Services | Vote 7 -<br>Municipal<br>Manager | Vote 8 -<br>Protection<br>services | Reclassificatio<br>n to correct<br>GRAP line<br>items | Total       |
|--|-----------------------------------|----------------------------|---------------------|-------------------------------------|-----------------------------------|-------------------------------------|----------------------------------|------------------------------------|---|-------------|
| <b>49. Segment information (continued)</b> |                                   |                            |                     |                                     |                                   |                                     |                                  |                                    |   |             |
| <b>Assets</b>                              |                                   |                            |                     |                                     |                                   |                                     |                                  |                                    |   |             |
| Property, plant and<br>equipment           | 237 386                           | 108 415 097                | 11 061              | 67 419 582                          | 3 219 840                         | 55 743 129                          | 20 631                           | 3 042 878                          | -   | 238 109 604 |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

### 49. Segment information (continued)

|  | Governance & Administration | Community & Public Safety | Economic & Environmental Services | Energy Sources     | Waste Management  | Waste Water Management | Water Management   | Other         | Reclassification to correct GRAP line items | Total                |
|--|-----------------------------|---------------------------|-----------------------------------|--------------------|-------------------|------------------------|--------------------|---------------|---|----------------------|
| <b>Revenue</b>   |                             |                           |                                   |                    |                   |                        |                    |               |   |                      |
| Service charges and rates                                  | 163 174 552                 | -                         | -                                 | 443 265 414        | 33 962 559        | 59 073 233             | 94 369 421         | -             | (16 044)                                    | 793 829 135          |
| Sale of Goods and Rendering of Services                    | 674 168                     | 17 734 294                | 5 486 742                         | -                  | 2 429 211         | 408 284                | -                  | -             | (26 732 699)                                | -                    |
| Agency services  | -                           | -                         | 5 348 435                         | -                  | -                 | -                      | -                  | -             | -   | 5 348 435            |
| Interest Received  | 90 006 738                  | -                         | -                                 | -                  | 1                 | -                      | -                  | -             | -   | 90 006 739           |
| Rental income, licence and permits and operational revenue | 2 759 173                   | 786 082                   | 9 448 830                         | 19 384 065         | 14 172            | 6 374 718              | 12 200 980         | 19 117        | 26 732 698                                  | 77 719 835           |
| Fines, penalties and forfeits                              | 1 304                       | 38 358 052                | 177 366                           | 48 257             | -                 | -                      | (2 900)            | -             | -   | 38 582 079           |
| Transfers and subsidies - Operational                      | 75 821 706                  | 10 832 762                | 403 439                           | 8 018 303          | 18 206 198        | 30 998 056             | 15 220 408         | -             | 112 292 086                                 | 271 792 958          |
| Non-exchange operational revenue                           | -                           | -                         | -                                 | 3 696 188          | 3 177 139         | 2 460 437              | 1 744 141          | -             | 16 044                                      | 11 093 949           |
| Gains on disposal of Assets                                | 2 721 564                   | -                         | -                                 | 135 939            | -                 | -                      | 105 053            | -             | -   | 2 962 556            |
| Transfers and subsidies - capital (monetary allocations)   | -                           | 65 114 600                | 16 191 059                        | 23 658 000         | -                 | 3 001 773              | 5 504 744          | -             | (113 470 176)                               | -                    |
| Transfers and subsidies - capital (in-kind)                | 165 500                     | 141 322                   | -                                 | -                  | -                 | -                      | -                  | -             | 1 178 090                                   | 1 484 912            |
| <b>Total segment revenue</b>                               | <b>335 324 705</b>          | <b>132 967 112</b>        | <b>37 055 871</b>                 | <b>498 206 166</b> | <b>57 789 280</b> | <b>102 316 501</b>     | <b>129 141 847</b> | <b>19 117</b> | <b>(1) 1 292 820 598</b>                    |                      |
| <b>Entity's revenue</b>                                    |                             |                           |                                   |                    |                   |                        |                    |               |   | <b>1 292 820 598</b> |
|  | Governance & Administration | Community & Public Safety | Economic & Environmental Services | Energy Sources     | Waste Management  | Waste Water Management | Water Management   | Other         | Reclassification to correct GRAP line items | Total                |
| <b>Expenditure</b>   |                             |                           |                                   |                    |                   |                        |                    |               |   |                      |
| Employee related costs                                     | 87 581 634                  | 101 885 565               | 23 773 485                        | 23 447 639         | 21 233 689        | 32 449 055             | 24 571 749         | 765 938       | 828 079                                     | 316 536 833          |
| Remuneration of councillors                                | 12 004 775                  | -                         | -                                 | -                  | -                 | -                      | -                  | -             | -   | 12 004 775           |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

### 49. Segment information (continued)

|                                  |                    |                    |                   |                    |                   |                   |                   |                  |                          |             |
|----------------------------------|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|------------------|--------------------------|-------------|
| Bulk purchases - electricity     | -                  | -                  | -                 | 344 554 611        | -                 | -                 | -                 | -                | -                        | 344 554 611 |
| Inventory consumed               | 2 321 022          | 5 168 199          | 2 734 356         | 2 797 227          | 4 815 058         | 4 733 742         | 28 342 178        | -                | 2 408 120                | 53 319 902  |
| Debt impairment                  | 1 157 462          | 5 740 335          | -                 | 461 760            | 757 686           | 916 222           | 1 338 002         | -                | -                        | 10 371 467  |
| Depreciation and amortisation    | 8 166 732          | 6 951 633          | 30 895 912        | 15 777 857         | 4 089 358         | 20 366 214        | 17 035 022        | 629              | -                        | 103 283 357 |
| Interest                         | 436 524            | 70 590             | 393 229           | 420 880            | 5 438 659         | 5 512 544         | 62 909            | -                | 495 181                  | 12 830 516  |
| Contracted services              | 14 767 756         | 11 431 733         | 9 771 643         | 3 422 356          | 19 838 047        | 7 883 222         | 4 512 614         | 55 861           | (2 674 608)              | 69 008 624  |
| Transfers and subsidies          | 2 814 400          | -                  | -                 | -                  | -                 | -                 | -                 | 1 609 879        | 300 000                  | 4 724 279   |
| Irrecoverable debts written off  | 1 280 073          | 22 437 281         | -                 | 318 871            | 1 152 174         | 1 544 502         | 7 972 131         | -                | -                        | 34 705 032  |
| Operational costs                | 27 512 278         | 5 397 093          | 1 695 568         | 3 886 081          | 1 729 101         | 3 798 764         | 1 244 117         | 8 682            | (2 300 230)              | 42 971 454  |
| Losses on Disposal of Assets     | 2 251 497          | 571 467            | 3 591 460         | 808 139            | 855 735           | 1 859 709         | 548 662           | -                | -                        | 10 486 669  |
| Other Losses                     | 5 170 683          | 3 451 363          | (25 736)          | 9 250              | (13 360)          | (848 061)         | 6 234 526         | (1 554)          | 943 457                  | 14 920 568  |
| <b>Total segment expenditure</b> | <b>165 464 836</b> | <b>163 105 259</b> | <b>72 829 917</b> | <b>395 904 671</b> | <b>59 896 147</b> | <b>78 215 913</b> | <b>91 861 910</b> | <b>2 439 435</b> | <b>(1) 1 029 718 087</b> |             |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

### 49. Segment information (continued)

#### Assets

|                               |           |            |            |            |           |            |            |   |   |             |
|-------------------------------|-----------|------------|------------|------------|-----------|------------|------------|---|---|-------------|
| Property, plant and equipment | 8 046 996 | 24 982 231 | 88 852 403 | 66 458 975 | 3 272 153 | 20 670 872 | 25 825 974 | - | - | 238 109 604 |
|-------------------------------|-----------|------------|------------|------------|-----------|------------|------------|---|---|-------------|





# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
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|-----------------|------|------|

### 50. Accounting by principals and agents

The entity is a party to principal-agent arrangements.

#### Details of the arrangements are as follows:

Licensing fees collected on behalf of the Provincial Department

The municipality collects licensing fees on behalf of the Provincial Department of Transport and Public Works. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end are included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

The municipality does not incur any additional expenses on behalf of the Provincial Department as the collection of fees are within the normal operations of the municipality. No significant risks are noted to arise from the arrangement as the municipality merely collects monies on behalf of the department as part of its existing service offering at the traffic department and municipal cashier collection points. No resources are held on behalf of the Provincial Department (other than the receipts). Monies are paid to the department every 5 days (or first business day thereafter).

#### Other Arrangements

The municipality has entered into arrangements with service providers where they provide services to the public on behalf of the municipality. The nature of these arrangements was assessed and since the municipality collects all revenues in full, the transactions are not considered to be those within the scope of GRAP 109. The types of arrangements considered for this purpose are:

- Traffic fines are issued on our behalf by a service provider. Some collections are also collected via their service level agreements with e-payment service providers.
- Various prepaid electricity vendors sell electricity on our behalf. The software used results in all transactions being recorded in our sub-system. We collect the cash receipts from the vendors daily. Prepaid vendors earn commission on the value of each transaction with a maximum limit in place.

For conditional grant receipts, kindly refer to Note 26.

Commission to Prepaid vendors and expenditure relating to services rendered by the traffic services vendor are disclosed in Note 30.

No other resources are held by these vendors on behalf of the municipality. As no resources are held, except the daily cash-ups, no significant risks have been transferred to these vendors.

#### Entity as agent

#### Additional information

#### Revenue and expenses that relate to transactions with third parties undertaken in terms of the principal-agent arrangement

#### Category(ies) of revenue received or to be received on behalf of the principal, are:

##### Categories

Licensing fees

##### Additional details

The municipality receives a commission on collection of Licensing Fees on behalf of the Provincial Department of Transport and Public Works. The municipality accounts for its portion as Income from Agency Services and the net amount due to the Provincial Department is transferred to such department.

#### Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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| <b>50. Accounting by principals and agents (continued)</b> |              |              |
| <b>Reconciliation of the carrying amount of payables</b>   |              |              |
| <b>Motor Vehicle Licenses</b>                              |              |              |
| Opening balance  | 648          | -            |
| Revenue that principal is entitled to                      | 50 538 445   | 47 773 560   |
| Cash repaid to the principal                               | (44 880 101) | (42 424 477) |
| Income from agency service                                 | (5 658 345)  | (5 348 435)  |
|  | <b>647</b>   | <b>648</b>   |

The amount due to the Department is included under Payables from Exchange Transactions (Other payables) 13.

|                                       |              |          |
|---------------------------------------|--------------|----------|
| <b>Prepaid Electricity</b>            |              |          |
| Revenue that principal is entitled to | 82 178 724   | -        |
| Cash received as the principal        | (82 179 858) | -        |
| Sundry receipts                       | 1 134        | -        |
|                                       | <b>-</b>     | <b>-</b> |

The arrangement only commenced during the 24/25 financial year. The appointment involves the online purchase of electricity vouchers.

### 51. Service Concession Arrangements

In terms of the Municipal Systems Act, Bulk Water service falls under the domain of the District Municipality which would mean that these assets would fall under West Coast District Municipality, however authority was given by way of a Government Gazette notice whereby the Local Municipalities of Bergrivier, Swartland and Saldanha Bay were given Water Service Authority Status with the responsibility for the provision of the Bulk Water Function.

This effectively meant that this function was taken over from the District Municipality. At this stage the assets should in effect have been transferred to the Local Municipalities.

In terms of the Section 78 Study dated August 2005 a decision was made to maintain the status quo, whereby West Coast District Municipality would continue to operate the water function on behalf of the three local municipalities (Swartland, Saldanha bay and Bergrivier), the agreement was for a period of 10 years and the function ultimately remains that of the Local Municipalities. Currently the agreement is cancellable by either of the parties, but it is unlikely that the agreement would be terminated in the foreseeable future. No changes to the arrangement were made during the current or previous financial periods, but minor administrative matters are constantly being addressed (e.g. procurement strategies). No breaches by either of the parties have been identified to date.

In return for operating the Bulk Water service function the District received compensation as follows:

- a) Monthly Tariff Fee
- b) Administrative fee equal to 5% of the operating costs

The Local Municipalities are thus in control of the Bulk Water assets, and as a result these assets are, measured and disclosed in our financial records.

The effect of the service concession arrangement in the financial statements of the municipality can be summarised as follows:

|   |             |             |
|---|-------------|-------------|
| <b>Property, plant and equipment</b>                          |             |             |
| Infrastructure (Water)  | 85 043 301  | 88 693 038  |
| <b>Expenditure relating to service concession arrangement</b> |             |             |
| Depreciation  | 3 649 737   | 3 200 932   |
| Total water purchased from district                           | 37 798 824  | 33 540 669  |
| Purchased at agreed rate                                      | 44 034 377  | 39 119 956  |
| Adjusted for distribution (gains)/losses                      | (6 235 553) | (5 579 287) |

No revenue is receivable by the municipality in terms of the arrangement. The municipality's water purchases are generated through this arrangement.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 51. Service Concession Arrangements (continued)

The loans are registered in the name of West Coast District Municipality, but have been entered into solely to finance the purchase or upgrade of the service concession assets. For this purpose, the loans have been apportioned to each municipality within the district in relation to the approximate value of the infrastructure assets purchased by the operator (West Coast District Municipality).

#### Service Concession Assets

Included in the total for Property, Plant and Equipment are assets that are separately attributable to the service concession arrangement between the municipality and West Coast District Municipality which has assumed the responsibility for the water distribution on behalf of the municipality. The carrying values of these assets are disclosed below:

|                       |            |            |
|-----------------------|------------|------------|
| Infrastructure: Water | 85 043 301 | 88 693 038 |
|-----------------------|------------|------------|

#### Reconciliation of Carrying Amounts of Service Concession Assets

|  |                   |                   |
|--|-------------------|-------------------|
| Opening Balance (Carrying Value)                           | 88 693 038        | 91 893 970        |
| Additions  | -                 | -                 |
| Depreciation   | (3 649 737)       | (3 200 932)       |
| <b>Total Carrying Amounts of Service Concession Assets</b> | <b>85 043 301</b> | <b>88 693 038</b> |

### 52. Multi-employer retirement benefit information

The personnel of the Swartland Municipality are members of the funds as set out below. These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below. The Local Authority Retirement Fund, The Consolidated Retirement Fund for Local Government, The National Municipal and Related Services Employee Retirement Fund and The National Fund for Municipal Workers are defined contribution plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:

- The assets of each fund are held in one portfolio; these assets are not nationally allocated to each of the participating employers
- One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- The rate of contributions is provided below under each fund.

Each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality in respect of the defined contribution plans is to make the specified contributions.

#### LOCAL AUTHORITY RETIREMENT FUND

The Local Authority Retirement Fund operates as a defined contribution scheme.

The defined contribution scheme is a multi-employer plan and the contribution rate payable is 9,00% by the members and 18,00% by Council. The last valuations performed for the year ended 30 June 2024 (30 June 2023) had an overall funding level of 106.1% (2023: 106.9%) and is in a sound financial position. The next actuarial valuation will be as at 30 June 2025.

#### CONSOLIDATED RETIREMENT FUND FOR LOCAL GOVERNMENT

The contribution rate paid by the members (9,00% by employees, 7,50% by section 57 employees and 12,00% by councillors) and by Council (18,00% for employees, 19,50% for section 57 employees and 15,00% for councillors) is sufficient to fund the benefits accruing from the fund in future. The last valuation performed for the year ended 30 June 2024 (30 June 2023) revealed that the fund had a funding level of 117.3 % (120.1%). Certified to be of a sound financial position as at 30 June 2024.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 52. Multi-employer retirement benefit information (continued)

#### MUNICIPAL WORKERS RETIREMENT FUND

The contribution rate payable is 7,50% by the members 18% by Council. Actuarial valuation on this fund is performed every three years, and the last valuation performed for the year ended 30 June 2020 (30 June 2019) certified that the fund is in a sound financial state. The funding level was 100% at valuating date (2019: 100%).

#### NATIONAL FUND FOR MUNICIPAL WORKERS

The above mentioned fund is a Defined Contribution Fund and the contribution rate paid by the members is 9,00% and 7,50% by section 57 employees and that of council 18,00% and 19,50% respectively. The latest statutory valuation was done on 30 June 2024. As at 30 June 2024 the results state that the funding level was 100% (2023: 100%).

Employers do not have any liability for any fund's performances or deficits. None of the above mentioned plans are state plans.

### 53. Restatement of prior year

Presented below are those items contained in the statement of financial performance that have been affected by prior-year adjustments:

Kindly note that the segment report has been restated.

#### Statement of financial position

##### 2024

|  | Note | As previously reported | Correction of error | Re-classification | Restated        |
|--|------|------------------------|---------------------|-------------------|-----------------|
| Other financial assets                             |      | 300 000 000            | -                   | 33 119 014        | 333 119 014     |
| Non-current receivables from exchange transactions |      | 33 119 014             | -                   | (33 119 014)      | -               |
| VAT receivable (now control)                       |      | 23 036 992             | -                   | (14 030 722)      | 9 006 270       |
| VAT accrual receivable                             |      | -                      | 817 602             | 23 460 513        | 24 278 115      |
| Payables from exchange transactions                |      | (88 832 667)           | (6 268 279)         | -                 | (95 100 946)    |
| VAT accrual payable                                |      | -                      | -                   | (9 429 791)       | (9 429 791)     |
| Surplus for the year                               |      | (2 712 124 967)        | 5 450 678           | -                 | (2 706 674 289) |

#### Statement of financial performance

##### 2024

|                                 | Note | As previously reported | Correction of error | Re-classification | Restated      |
|---------------------------------|------|------------------------|---------------------|-------------------|---------------|
| Operational revenue             |      | 17 329 201             | -                   | 12 161 393        | 29 490 594    |
| Government grants and subsidies |      | 283 874 832            | -                   | (12 161 393)      | 271 713 439   |
| Bulk Purchases                  |      | (340 331 780)          | (4 222 831)         | -                 | (344 554 611) |

#### Reclassification of revenue

The library service grant was reclassified to operational services rendered following a best practice review of similar transactions at other municipalities.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

| Figures in Rand | 2025 | 2024 |
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### 53. Restatement of prior year (continued)

#### (a) Correction of Non-current assets

During the current year unbundling, it was identified that opening balances of work-in-progress for Housing projects will eventually result in infrastructure assets. As such, the opening balance and prior year additions for Housing projects were reclassified to Infrastructure Assets which is the ultimate assets that will be unbundled once the Housing Projects are finalised.

Other movements refer to transfers, fair value adjustments, depreciation and impairment which remained unchanged.

#### Increase/(Decrease) in Property, Plant and Equipment

|   |                      |
|---|----------------------|
| Book value of infrastructure opening balance previously disclosed | 1 904 614 227        |
| Transfer of work-in-progress opening balance for other assets     | 6 154 947            |
| <b>Restated book value of infrastructure opening balance</b>      | <b>1 910 769 174</b> |
| Additions of infrastructure previously disclosed                  | 184 980 443          |
| Transfer of work-in-progress additions for other assets           | 5 984 443            |
| <b>Restated additions of infrastructure</b>                       | <b>190 964 886</b>   |
| Other movements for Infrastructure asset previously disclosed     | (96 745 639)         |
| <b>Total restated book value of infrastructure</b>                | <b>2 004 988 421</b> |

|   |                   |
|---|-------------------|
| Book value of other assets opening balance previously disclosed | 48 813 419        |
| Transfer of work-in-progress opening balance for other assets   | (6 154 947)       |
| <b>Restated book value of other assets opening balance</b>      | <b>42 658 472</b> |
| Additions of other assets previously disclosed                  | 9 908 910         |
| Transfer of work-in-progress additions for other assets         | (5 984 443)       |
| <b>Restated additions of other assets</b>                       | <b>3 924 467</b>  |
| Other movements for Other assets previously disclosed           | (9 479 065)       |
| <b>Total restated book value of other assets</b>                | <b>37 103 874</b> |

#### (b) Correction of error - payables

Invoices of Eskom at year-end is paid with a billing ending 25 June for each year. The accrual of the additional 5 days was assessed as qualitatively material given the reporting to NERSA which needs to approve the municipal tariff increases each year.

#### Increase/(Decrease) in payables

|                                |                   |
|--------------------------------|-------------------|
| Balance as previously reported | 88 832 667        |
| Eskom accrual                  | 6 268 279         |
|                                | <b>95 100 946</b> |

#### (b) Correction of error - VAT Accrual

During the year under review, the municipality considered the classification of VAT in relation to the GRAP 104 Fact sheet for VAT. Accordingly, to ensure that offsetting is not done, the VAT has been split, namely the VAT control account (money due (to)/from SARS) and the VAT accruals (Receivables and Payables). Also refer the Payables section for the Eskom accrual.

#### VAT accrual receivables

|  |                   |
|--|-------------------|
| Eskom accrual                                      | 817 602           |
| Reclassification from VAT receivable (now control) | 23 460 513        |
|  | <b>24 278 115</b> |

#### VAT accrual payables

|  |             |
|--|-------------|
| Reclassification from VAT receivable (now control) | (9 429 791) |
|--|-------------|

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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|-----------------|------|------|

### 53. Restatement of prior year (continued)

#### (c) Correction of Suppliers with an interest in State

##### Suppliers with a family member with an interest in state

Total of sub-section in MFMA note previously disclosed

57 340 880

Additional declarations identified

7 881 775

##### Restated total for sub-section of MFMA note

**65 222 655**

#### (e) Adjustment of surplus for the year

The aforementioned adjustments resulted in adjustments to the accumulated surplus for the year as follows:

##### Statement of Financial Performance

Balance as previously reported

2 444 799 629

Eskom accrual

(1 227 847)

##### Restated opening balance 1 July 2023

**2 443 571 782**

Profit for the year previously reported

267 325 338

Eskom accrual

(4 222 831)

**2 706 674 289**

### 54. Comparative figures

Certain comparative figures have been reclassified as indicated in Notes 53. These reclassifications were made in order to ensure comparability (consistency) to the current and future periods.

### 55. Additional disclosure in terms of Municipal Finance Management Act

#### Contributions to organised local government

Current year subscription / fee

3 477 096

3 240 371

Amount paid - current year

(3 477 096)

(3 240 371)

#### Balance unpaid (included in creditors)

-

#### Audit fees

Current year fee

4 593 044

3 665 578

Amount paid - current year

(4 593 044)

(3 665 578)

-

#### VAT

Opening balance

9 006 945

9 274 831

Declared during the year

14 123 891

(12 201 039)

Payments made

9 323 156

23 365 523

Receipts

(20 550 592)

(11 433 045)

**11 903 400**

**9 006 270**

VAT output payables and VAT input receivables are shown in note 8.

Kindly note that the comparative figures have been restated to reflect the VAT control account only. Refer to note 53.

All VAT returns have been submitted by the due date throughout the year.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 55. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### PAYE, UIF and SDL

|   |              |              |
|---|--------------|--------------|
| Current year fee                              | 58 202 428   | 51 151 451   |
| Amount paid - current year                    | (58 202 428) | (51 151 451) |
| <b>Balance unpaid (included in creditors)</b> | <b>-</b>     | <b>-</b>     |

#### Pension and Medical Aid Deductions

|   |              |              |
|---|--------------|--------------|
| Current year fee                              | 86 143 069   | 78 994 435   |
| Amount paid - current year                    | (86 143 069) | (78 994 435) |
| <b>Balance unpaid (included in creditors)</b> | <b>-</b>     | <b>-</b>     |

#### Councillors' arrear consumer accounts

During the financial year under review no Councillor was in arrears with the settlement of their municipal accounts.

#### Deviations in terms of section 36 of the Municipal Supply Chain Regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved by the Municipal Manager and noted by Council. The incidents were reported to council.

##### Incident

|  |                   |                   |
|--|-------------------|-------------------|
| Deviations above R30 000 due to Emergencies (occurrences: 15 (2024: 23))   | 1 096 113         | 2 677 606         |
| Deviations above R30 000 due to Sole Supplier deviations (occurrences: 19 (2024: 6))   | 1 628 131         | 677 903           |
| Deviations based on section 2(6) of Supply Chain Policy - Impractical to obtain quotes - special goods/services (occurrences: 164 (2024: 79))                                      | 6 676 469         | 6 098 509         |
| Deviations based on section 2(6) of Supply Chain Policy - Impractical to obtain quotes for repairs and services to specialised equipment or vehicles (occurrences: 715 (2024:470)) | 7 724 509         | 5 311 616         |
| Deviations below R30 000 (occurrences: 175 (2024: 398))  | 1 214 169         | 3 252 173         |
|  | <b>18 339 391</b> | <b>18 017 807</b> |

#### Bulk Electricity and Water Losses in terms of Section 125 (2)(d)(i) of the MFMA

Immaterial Electricity and Water Losses were as follows and are not recoverable:

##### Technical electricity losses

|                                     |                  |                   |
|-------------------------------------|------------------|-------------------|
| Units purchased                     | 196 359 412      | 182 168 589       |
| Units sold                          | (190 079 522)    | (171 735 306)     |
| <b>Technical electricity losses</b> | <b>6 279 890</b> | <b>10 433 283</b> |
|                                     | <b>3,20%</b>     | <b>5,73%</b>      |

Following a review of the Eskom account for 30 June 2025, it was determined that an accrual of the cut-off period between statement date and year-end was appropriate. Accordingly, the comparative purchases were restated to accurately reflect the units purchased inclusive of the accrual at year-end. The units and accrual is not material, but in order to compare year-on-year the prior year was restated. The units accrued at year-end is 525 075 (2024: 631 913).



# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 55. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Water distribution losses and non-revenue water

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Kilolitres purchased                 | 6 101 996        | 5 714 492        |
| Kilolitres sold                      | (4 700 913)      | (4 452 371)      |
| Kilolitres Lost in distribution (kl) | 1 401 083        | 1 262 121        |
| Unbilled / Unmetered Water (kl)      | (201 366)        | (188 578)        |
| <b>Actual loss in units (kl)</b>     | <b>1 199 717</b> | <b>1 073 543</b> |
| <b>Percentage loss</b>               | <b>19,66%</b>    | <b>18,78%</b>    |

Water losses occur due to inter alia evaporation, leakages, the tampering of meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing occurrence, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repared as soon as it is reported.

Disclosure of awards of more than R2 000 to a person who is a family member of a person in the service of the state in terms of section 45 of the Municipal Supply Chain Regulations:

| Service Provider   | Relation to Service Provider | Name of Relation in the Employment of the Organ of State | Organ of State                      | Position of the person in the employment of the Organ of State | Value of Transaction 2025 R | Value of Transaction 2024 R |
|--|------------------------------|--|-------------------------------------|--|-----------------------------|-----------------------------|
| Neil Lyners and Associates (RF) (OCT Potgieter)          | Daughter                     | A Potgieter  | City of Cape Town                   | Professional Officer   | -                           | 4 680 196                   |
| WJ Cotter Electrical (J Cotter)                          | Father in law                | T van Essen  | Swartland Municipality              | Councillor   | 373 390                     | 538 829                     |
| WJ Cotter Electrical (R Crawford)                        | Father in law                | T van Essen  | Swartland Municipality              | Councillor   |                             |                             |
| Euraf Agencies CC (P Fourie)                             | Spouse                       | R Fourie   | Department of Correctional Services | Financial Manager  | 259 460                     | 171 820                     |
| Golden Rewards 1873 cc t/a Futasia Caterers (S De Jager) | Spouse                       | R De Jager   | Department of Education             | Teacher  | 237 045                     | 270 460                     |
| Jonathan Wayne Lawrence t/a J Lawrence (J Lawrence)      | Son                          | B Lawrence   | Swartland Municipality              | General Worker   | 235 590                     | 228 970                     |
| JPCE (J Minnie)  | Spouse                       | J Minnie   | City of Cape Town                   | Manager  | 1 876 851                   | 3 269 291                   |
| Conlog (L Moodley)                                       | Spouse                       | N Moodley  | Department of Health                | Director   | -                           | 138 000                     |
| Zutari (Aurecon South Africa) (KP Nadasen)               | Wife                         | K Nadasen  | National Department of Public Works | Director: Key Account Management                               | 7 468 302                   | 3 419 448                   |
| Zutari (Aurecon South Africa) (RJ Ahlschlager)           | Spouse                       | HC Ahlschlager   | Special Investigating Unit          | Legal Representative   | -                           | -                           |
| Zutari (Aurecon South Africa) (I Gasant)                 | Sister                       | S Seegers  | City of Cape Town                   | Manager: Distributed Computing Operations Manager              | -                           | -                           |
| Zutari (Aurecon South Africa) (I Gasant)                 | Sister                       | N Allie  | SARS                                | Team member: Debt Collection                                   | -                           | -                           |
| Zutari (Aurecon South Africa) (I Gasant)                 | Sister                       | M Gasant   | SARS                                |  | -                           | -                           |



# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

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### 55. Additional disclosure in terms of Municipal Finance Management Act (continued)

|  |          |              |   |   |           |            |
|--|----------|--------------|---|---|-----------|------------|
| Zutari (Aurecon South Africa) (E Marques)                        | Spouse   | M Marques    | Department of Internal Affairs              | Director  | -         | -          |
| Zutari (Aurecon South Africa) (J Ndala)                          | Spouse   | TJ Ndala     | Gauteng Department of Education             | School Principal                                  | -         | -          |
| Zutari (Aurecon South Africa) (S Jugwanth)                       | Mother   | U Jugwanth   | Department of Sports, Arts and Culture      | Deputy Director: Head of Labour Relations for KZN | -         | -          |
| Zutari (Aurecon South Africa) (S Jugwanth)                       | Sibling  | N Jugwanth   | Department of Water and Sanitation          | Chief Engineer Grade A                            | -         | -          |
| Fonnies Enterprises (BA Adonis)                                  | Sister   | T Adonis     | Statistics SA                               | Data Capturer                                     | 11 360    | 61 618     |
| Fonnies Enterprises (BA Adonis)                                  | Brother  | A Adonis     | Metro EMS                                   | Rescue Technician                                 | -         | -          |
| Yolanda Petersen - Petersen Tuindienste (Y Petersen)             | Spouse   | R Petersen   | Department of Correctional Services         | Correctional Officer                              | 260 568   | 226 920    |
| Thembele Petrus Dapula t/a T P Dapula Communications (TP Dapula) | Spouse   | N Dapula     | Department of Higher Education              | Deputy Principal                                  | 80 150    | 66 950     |
| Blackbird 49 - Koos Smit (K Smit)                                | Spouse   | M Smit       | Swartland Municipality                      | Clerk   | 23 150    | 26 700     |
| Amandla GCF Construction (W Frazenburg)                          | Sister   | U Frazenburg | National Government: Deeds Office Kimberley | Registrar of Deeds                                | 5 542 581 | 29 660 419 |
| Amandla GCF Construction (W Frazenburg)                          | Brother  | E Frazenburg | Department of Education Western Cape        | Teacher   | -         | -          |
| Amandla GCF Construction (W Frazenburg)                          | Sister   | J Frazenburg | Department of Education Western Cape        | Teacher   | -         | -          |
| Amandla GCF Construction (W Frazenburg)                          | Brother  | B Frazenburg | City of Cape Town: Traffic                  | Municipal Prosecutor                              | -         | -          |
| Actom (D Lubbe)  | Spouse   | T Lubbe      | Department of Education                     |   | 2 636 353 | 1 352 517  |
| Swartland and West Coast Trading (Pty) Ltd (L Marcus)            | Spouse   | H Marcus     | Department of Labour                        | Supervisor  | 88 590    | 160 686    |
| Swartland and West Coast Trading (Pty) Ltd (L Marcus)            | Child    | K Dietrich   | Department of Health                        | Finance Clerk                                     | -         | -          |
| IX Engineers (M Mashegana)                                       | Spouse   | R Mashegana  | Department of Health                        | Nurse   | 537 260   | 689 242    |
| IQ Vision (J Meyer)  | Daughter | MD Norman    | Department of Health                        | Doctor  | 4 771 541 | 6 401 006  |
| Johan Bester Ingenieurswerke (A Jordaan)                         | Spouse   | M Jordaan    | SAPS  | Clerk   | -         | 967 231    |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

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### 55. Additional disclosure in terms of Municipal Finance Management Act (continued)

|  |          |                 |   |                                       |            |           |
|--|----------|-----------------|---|---------------------------------------|------------|-----------|
| Adapt IT (N Mbambo)                              | Spouse   | MS Mbambo       | SANRAL  | Ops Maintenance Manager               | 145 678    | 106 205   |
| Innovative Transport Solutions (L Pretorius)     | Son      | D Pretorius     | CSIR  | Engineer                              | 250 308    | 199 645   |
| Innovative Transport Solutions (C Krogscheepers) | Daughter | M van der Merwe | City of Cape Town   | Doctor                                | -          | -         |
| Innovative Transport Solutions (O Rebeiro)       | Spouse   | N Khen          | PRASA   | Chief Operating Officer               | -          | -         |
| Bubbles Household Chemicals (C Pieters)          | Spouse   | JR Pieters      | Swartland Municipality  | Chief Engineering Technician          | 489 192    | 537 116   |
| Mindspring Computing (R Hendricks)               | Spouse   | B Hendricks     | City of Cape Town   | Electrician                           | 78 700     | -         |
| Indecon (Pty) Ltd (T Barnard)                    | Spouse   | L Barnard       | Department of Education   | Teacher                               | 59 922     | 195 326   |
| Ian Dickie & Co (Pty) Ltd (M Samuels)            | Spouse   | D Samuels       | SAPS  | Warrant Officer                       | 26 478     | 135 677   |
| JVZ Construction (M Matthee)                     | Spouse   | R Matthee       | Correctional Services   | Security Guard                        | 19 994 740 | 30 492    |
| Siphakame Skills Development (N Vacu)            | Spouse   | NS Vacu         | Drakenstein Municipality  | Economic Growth Officer               | 325 020    | 404 628   |
| Meloda Project Management (LE Daniels)           | Spouse   | MN Daniels      | Swartland Municipality  | Principal Clerk: Sundries and Housing | -          | 6 169     |
| Motheo Construction (LT Mashau)                  | Brother  | M Ndhlovu       | Department of Statistics  | Statistician                          | -          | 217 723   |
| Motheo Construction (SJ Mantlhasi)               | Sister   | B Mantlhasi     | North West Department of Cooperative Governance and Traditional Affairs | PA - HR Manager                       | -          | -         |
| Motheo Construction (U Langa)                    | Mother   | DM Langa        | Department of Education   | Senior Educational Specialist         | -          | -         |
| Motheo Construction (RC Diphoko)                 | Father   | KE Monareng     | SANDF   | Warrant Officer                       | -          | -         |
| Motheo Construction (RC Diphoko)                 | Spouse   | M Diphoko       | Transnet  | Senior Construction Manager           | -          | -         |
| Motheo Construction (R Madi)                     | Father   | M Madi          | Tholomela Municipality  | Environmental Manager                 | -          | -         |
| Motheo Construction (V Singh)                    | Spouse   | R Singh         | Department of Education   | Teacher                               | -          | -         |
| Motheo Construction (FA Matsila)                 | Sister   | N Matsila       | National Prosecuting Authority  | Senior Administrator officer          | -          | -         |
| F Bocks Construction (F Bocks)                   | Spouse   | S Bocks         | Department of correctional services                                     | Warden                                | 4 914 189  | 3 164 141 |
| Spill Tech (GZ Goosen)                           | Spouse   | S Goosen        | Transnet  | Supply Chain Manager                  | 29 998     | 13 455    |
| Spill Tech (SA Ngema)                            | Spouse   | T Ngema         | SARS  | Audit Manager                         | -          | -         |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 55. Additional disclosure in terms of Municipal Finance Management Act (continued)

|  |         |             |   |                     |                    |                   |
|--|---------|-------------|---|---------------------|--------------------|-------------------|
| Bigen (H Aartsma)  | Son     | R Aartsma   | Department of Water and Sanitation Pretoria | Candidate Engineer  | 1 409 193          | 2 622 511         |
| CVW Consulting Engineers (SG Noyakaza)                     | Spouse  | A Noyakaza  | George Municipality                         | Snr OHS Officer     | 575 000            | -                 |
| Exeo Khokela Engineering Construction (EZ Treu)            | Brother | J Treu      | Western Cape Education Department           | Educator            | 126 743 126        | 5 259 265         |
| JC Architectural Design Studio (LJ Swarts)                 | Sister  | CR Swarts   | Cape Winelands District Municipality        | Admin Clerk         | 29 613             | -                 |
| JC Architectural Design Studio (LJ Swarts)                 | Sister  | DH Prinse   | Western Cape Education Department           | Teacher             | -                  | -                 |
| L and J Ability Construction and Renovations (LM Mankopan) | Spouse  | J Mankopan  | SAPS  | Officer             | 1 800              | -                 |
| Landfill Consult (SE Dube)                                 | Spouse  | M Dube      | DIRCO                                       | Director            | 479 895            | -                 |
| TMT Services and Supplies (F Du Toit)                      | Spouse  | M Du Toit   | City of Cape Town                           | Sub Councillor      | 4 559 845          | -                 |
| New Horizon Business Solutions (MJA Fourie)                | Spouse  | GV Fourie   | Western Cape Education Department           | Deputy Principal    | 10 000             | -                 |
| Gans Tours (S Ganas)                                       | Spouse  | S Ganas     | Department of Education                     | Teacher             | 15 400             | -                 |
| Munsoft (Pty) Ltd (N Nondzaba)                             | Mother  | M Nondzaba  | Bojanala Platinum District Municipality     | Executive Mayor     | 299 000            | -                 |
| Zana Manzi Services (AD Luthuli)                           | Spouse  | G Luthuli   | Desmond Tutu Child and Youth Care Centre    | Head of Institution | 91 223             | -                 |
| Agro-Smart Enterprises (Pty) Ltd (A van Stade)             | Spouse  | M van Stade | Stellenbosch Municipality                   | Councillor          | 52 302             | -                 |
|  |         |             |   |                     | <b>184 982 813</b> | <b>65 222 656</b> |

Bigen & Exeo Khokela Engineering are part of the new suppliers that have been added to the related parties list, these two suppliers led to the amendment of the prior year figure by R7 881 775 (refer Note 53).

### 56. Fruitless and wasteful expenditure

Due to the fiscal governance control environment of the municipality, paired with our commitment to pay creditors within 30-days from statement or invoice, no fruitless expenditure was incurred during the year.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 57. Irregular expenditure

|   |                   |                   |
|---|-------------------|-------------------|
| Opening balance as previously reported    | 13 347 526        | -                 |
| <b>Opening balance as restated</b>        | <b>13 347 526</b> | <b>-</b>          |
| Add: Irregular Expenditure - current      | 5 004 946         | 1 606 612         |
| Add: Irregular Expenditure - prior period | 4 843 603         | 12 263 605        |
| Less: Amount written off - current        | (5 004 946)       | (522 691)         |
| Less: Amount written off - prior period   | (18 191 129)      | -                 |
| <b>Closing balance</b>                    | <b>-</b>          | <b>13 347 526</b> |

### Current year irregular expenditure

In the prior year audit the Auditor General identified Telkom services as irregular expenditure due to a lack of a formal procurement process, after a thorough analysis council wrote off R 4 803 759 pertaining to 23/24 R 4 259 578 and R 544 181 in the current year. The reason for the write-off was that officials acted in good faith and the municipality received value for money for the services rendered despite procedural shortcomings. The Auditor General also identified fuel purchases as irregular citing fuel filled outside the duly appointed contracted provider, council wrote off R 1 056 354 pertaining to 23/24 R 711 425 and R 344 929 in the current year.

The municipality also identified potential irregular expenditure via its own controls, this include purchases from SPAR during the Riverlands disaster R 35 221 and fuel purchases in Yzerfontein R 5 346, these purchases were written off by council during June 2025.

Lastly, following guidance from National Treasury, all payments in lieu of grants in aid since the inception of the MFMA towards the SPCA was reconsidered to be in breach of the supply chain management regulations. Following an investigation, Council wrote off the R 3 947 869 in irregular expenditure during June 2025.

### Prior year expenditure

During the prior year audit, management concurred with the auditor that some deviations listed as emergencies were in fact not due to emergencies, resulting in a breach of the municipal supply management policy. As such the expenditure was considered irregular. Following an investigation by the disciplinary committee, council wrote off the R 506 377 pertaining to the prior year audit.

Furthermore, 7 other cases were investigated for current year expenditure where the requirements of the supply chain management was not followed. Each case was investigated and council wrote off the expenditure after due care was exercised (total of cases (R 30 880)). One of these cases were only written off during August 2024 (R 10 799).

Lastly, following guidance from National Treasury, all payments in lieu of grants in aid since the inception of the MFMA towards our local tourism offices was reconsidered to be in breach of the supply chain management regulations. Management acted in good faith given repealed legal requirements that stated that a local tourism office's revenue should comprise contributions from the local government. Following an investigation, Council wrote off the R 13 336 728 in irregular expenditure during August 2024.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 58. Unauthorised expenditure

|  |   |                  |
|--|---|------------------|
| Opening balance as previously reported | - | 5 556 386        |
| <b>Opening balance as restated</b>     | - | <b>5 556 386</b> |
| Less: Approved/authorised by council   | - | (5 556 386)      |
| <b>Closing balance</b>                 | - | -                |

### Current year Unauthorised Expenditure

No unauthorised expenditure were incurred during the year.

### Prior year Unauthorised Expenditure

The Department of Protection Services overspent by an amount of R 5 556 386 (2022: R Nil). The overspent amount is as a result of the traffic fines that appeared before the court to be issued for summons. Only the Department of Justice has through the local courts the authority to issue summons on a fine. However, due to the court rolls being full, the rolls were scrapped without due consideration (non-cash transaction). This resulted in a significant overspent for the department against bad debts. The over-spending could not reasonably have been foreseen at the time of the mid-year budget review as court processes fall outside of the ambit of control.

### 59. Events after the reporting date

No material events having financial implications requiring disclosure occurred subsequent to 30 June 2025.

### 60. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus of 3 057 392 280 (2024: 2 706 674 289) and that the municipality's total assets exceed its liabilities.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

In assessing whether the going concern assumption is appropriate under the current economic climate, management considered a wide range of factors including the current and expected performance of the municipality, the likelihood of continued government funding and, if necessary, potential sources of replacement funding.

### 61. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Appendix A: Schedule of External Loans

| EXTERNAL LOANS               | Redeemable | Balance at<br>2024/06/30 | Received/<br>Transferred during<br>the period | Interest<br>Capitalised<br>during the<br>period | Redeemed<br>written off<br>during the<br>period | Balance at<br>2025/06/30 |
|------------------------------|------------|--------------------------|---|---|---|--------------------------|
| <b>LONG-TERM LOANS</b>       |            |                          |   |   |   |                          |
| Development Bank             | 2029/03/31 | 17 925 297               | 0   | -9 400  | 3 349 412                                       | 14 566 485               |
| Sanlam                       | 2031/06/30 | 20 888 657               | 0   | -12 537   | 2 106 304                                       | 18 769 816               |
| <b>Total Long-Term Loans</b> |            | <b>38 813 954</b>        | <b>0</b>                                      | <b>-21 937</b>                                  | <b>5 455 716</b>                                | <b>33 336 301</b>        |
| <b>TOTAL EXTERNAL LOANS</b>  |            | <b>38 813 954</b>        | <b>0</b>                                      | <b>-21 937</b>                                  | <b>5 455 716</b>                                | <b>33 336 301</b>        |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Appendix B: Analysis of Investment Property, Intangible Assets and Heritage Assets

|                                | Cost                 |                    |                   |                      | Accumulated Depreciation and Impairment |                    |                |                  |                      |                      |
|--------------------------------|----------------------|--------------------|-------------------|----------------------|---|--------------------|----------------|------------------|----------------------|----------------------|
| Class, Sub-class               | Opening balance      | Additions          | Disposals         | Closing balance      | Opening balance                         | Depreciation       | Impairment     | Disposals        | Closing balance      | Book Value           |
| Heritage Assets                | 4 120 691            | -                  | -                 | 4 120 691            | -                                       | -                  | -              | -                | -                    | 4 120 691            |
| Intangible assets              | 4 661 407            | 450 000            | 43 465            | 5 067 942            | 4 158 266                               | 105 390            | -              | 43 465           | 4 220 191            | 847 751              |
| Investment property            | 49 134 876           | -                  | 63 300            | 49 071 576           | 25 410 584                              | 258 789            | -              | -                | 25 669 373           | 23 402 203           |
| Property, plant and equipment  | 4 678 471 012        | 302 267 563        | 13 138 203        | 4 967 600 372        | 2 356 398 210                           | 102 687 921        | 444 642        | 9 691 068        | 2 449 839 705        | 2 517 760 667        |
| Community assets               | 275 637 580          | 19 560 017         | 40 172            | 295 157 424          | 157 288 355                             | 6 876 849          | -              | 26 519           | 164 138 684          | 131 018 740          |
| Computer Equipment             | 17 911 316           | 1 193 139          | 1 039 903         | 18 064 551           | 12 252 826                              | 1 741 300          | -              | 1 028 399        | 12 965 726           | 5 098 825            |
| Furniture and Office Equipment | 11 602 660           | 1 191 916          | 713 964           | 12 080 613           | 8 078 331                               | 739 805            | -              | 686 118          | 8 132 018            | 3 948 594            |
| Infrastructure assets          | 3 998 049 322        | 265 731 896        | 8 232 730         | 4 255 548 488        | 1 993 101 715                           | 85 179 874         | 325 642        | 5 645 556        | 2 072 961 675        | 2 182 586 813        |
| Electrical infrastructure      | 743 395 857          | 42 870 364         | 3 924 979         | 782 341 242          | 325 417 368                             | 14 484 939         | 160            | 3 063 823        | 336 838 644          | 445 502 597          |
| Roads infrastructure           | 1 085 224 131        | 75 325 479         | 1 419 527         | 1 159 130 082        | 587 258 894                             | 21 566 418         | -              | 832 973          | 607 992 338          | 551 137 744          |
| Sanitation infrastructure      | 884 379 684          | 29 646 443         | -                 | 914 026 128          | 398 937 442                             | 25 648 028         | -              | -                | 424 585 470          | 489 440 658          |
| Solid waste infrastructure     | 66 251 469           | 27 539 384         | -                 | 93 790 853           | 34 616 300                              | 2 793 097          | 297 245        | -                | 37 706 642           | 56 084 211           |
| Storm-water infrastructure     | 279 282 086          | 40 140 960         | -                 | 319 423 046          | 122 331 691                             | 3 797 468          | 27 377         | -                | 126 156 535          | 193 266 511          |
| Water supply infrastructure    | 939 516 095          | 50 209 267         | 2 888 224         | 986 837 138          | 524 540 020                             | 16 889 925         | 860            | 1 748 760        | 539 682 045          | 447 155 093          |
| Land                           | 95 221 245           | 31 000             | 150 372           | 95 101 873           | 14 402 501                              | -                  | 119 000        | 145 745          | 14 375 756           | 80 726 117           |
| Machinery and Equipment        | 38 749 207           | 3 593 261          | 1 279 554         | 41 062 913           | 22 077 148                              | 2 565 474          | -              | 1 126 865        | 23 515 757           | 17 547 156           |
| Other assets                   | 158 001 698          | 838 904            | -                 | 158 840 602          | 120 897 824                             | 1 842 175          | -              | -                | 122 739 999          | 36 100 603           |
| Transport Assets               | 83 297 985           | 10 127 430         | 1 681 508         | 91 743 907           | 28 299 511                              | 3 742 444          | -              | 1 031 866        | 31 010 089           | 60 733 818           |
| <b>Total</b>                   | <b>4 736 387 987</b> | <b>302 717 563</b> | <b>13 244 968</b> | <b>5 025 860 581</b> | <b>2 385 967 060</b>                    | <b>103 052 100</b> | <b>444 642</b> | <b>9 734 533</b> | <b>2 479 729 269</b> | <b>2 546 131 312</b> |

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

## Appendix C: Segmental Analysis of Assets

|                                     | Cost            |              |            |                 | Accumulated Depreciation and Impairment |              |            |           |                 |               |
|-------------------------------------|-----------------|--------------|------------|-----------------|---|--------------|------------|-----------|-----------------|---------------|
| Department                          | Opening balance | Additions    | Disposals  | Closing balance | Opening balance                         | Depreciation | Impairment | Disposals | Closing balance | Book Value    |
| Administration Civil                | 1 274 765       | 52 117       | 32 010     | 1 294 873       | 683 621                                 | 89 330       | -          | 27 876    | 745 075         | 549 798       |
| Administration Corporate Servi      | 14 466 789      | 30 093       | 542 305    | 13 954 577      | 2 384 711                               | 24 800       | -          | 452 331   | 1 957 180       | 11 997 397    |
| Administration Development Services | 1 084 980       | 25 196       | 5 204      | 1 104 972       | 608 080                                 | 35 804       | -          | 5 198     | 638 686         | 466 286       |
| Administration Financial Services   | 8 632 501       | 662 896      | 983 668    | 8 311 728       | 5 293 746                               | 610 079      | -          | 970 241   | 4 933 584       | 3 378 144     |
| Administration Municipal Manag      | 101 409         | 19 060       | 11 925     | 108 544         | 66 692                                  | 7 377        | -          | 11 905    | 62 164          | 46 380        |
| Administration Protection Services  | 30 665          | 33 709       | 600        | 63 774          | 19 830                                  | 6 968        | -          | 596       | 26 202          | 37 573        |
| Building Control                    | 97 076          | -            | -          | 97 076          | 77 851                                  | 4 375        | -          | -         | 82 227          | 14 849        |
| Caravan Park - Yzerfontein          | 2 766 524       | 496 138      | 139 916    | 3 122 746       | 552 271                                 | 160 031      | -          | 101 520   | 610 782         | 2 511 965     |
| Cemetries                           | 6 342 233       | 6 598        | -          | 6 348 832       | 4 871 604                               | 147 801      | -          | -         | 5 019 405       | 1 329 427     |
| Community Development               | 1 261 537       | -            | 8 615      | 1 252 922       | 92 809                                  | 59 265       | -          | 8 390     | 143 685         | 1 109 238     |
| Council                             | 1 155 468       | 877 647      | -          | 2 033 115       | 372 682                                 | 212 741      | -          | -         | 585 423         | 1 447 691     |
| Electricity Distribution            | 770 924 610     | 39 785 887   | 4 357 205  | 806 353 292     | 336 873 639                             | 15 658 203   | 160        | 3 481 168 | 349 050 834     | 457 302 459   |
| Fire Fighting                       | 14 122 747      | 1 938 154    | 29 421     | 16 031 480      | 2 496 321                               | 793 495      | -          | 15 333    | 3 274 483       | 12 756 997    |
| Housing                             | 13 591 303      | (11 340 429) | -          | 2 250 874       | 930 830                                 | 37 961       | -          | -         | 968 791         | 1 282 082     |
| Human Resources                     | 52 090          | -            | 2 000      | 50 090          | 42 098                                  | 1 860        | -          | 1 181     | 42 777          | 7 312         |
| Internal Audit                      | 29 127          | -            | -          | 29 127          | 22 815                                  | 1 189        | -          | -         | 24 004          | 5 123         |
| IT Services                         | 19 498 581      | 1 971 406    | 189 715    | 21 280 272      | 12 657 366                              | 1 909 607    | -          | 184 360   | 14 382 613      | 6 897 659     |
| Libraries                           | 10 222 354      | 88 529       | 146 719    | 10 164 163      | 4 790 808                               | 307 982      | -          | 140 840   | 4 957 950       | 5 206 213     |
| Licencing and Traffic Services      | 3 231 141       | 21 994       | 118 975    | 3 134 161       | 2 122 605                               | 211 674      | -          | 118 556   | 2 215 724       | 918 437       |
| Multi Purpose Centres               | 262 138         | 744 836      | -          | 1 006 974       | 173 485                                 | 4 748        | -          | -         | 178 233         | 828 741       |
| Municipal Property                  | 416 760 033     | 2 559 293    | 508 878    | 418 810 449     | 253 719 311                             | 4 387 881    | 119 000    | 382 246   | 257 843 947     | 160 966 502   |
| Occupational Health and Safety      | 77 373          | -            | -          | 77 373          | 60 845                                  | 3 744        | -          | -         | 64 589          | 12 784        |
| Parks and Recreational Areas        | 15 759 828      | 1 186 453    | 462 586    | 16 483 694      | 6 970 905                               | 856 068      | -          | 329 684   | 7 497 289       | 8 986 405     |
| Planning and Valuation              | 89 382          | 10 070       | 1 200      | 98 252          | 79 796                                  | 3 825        | -          | 1 197     | 82 424          | 15 828        |
| Policing and Law Enforcement        | 8 510 833       | 1 051 245    | 50 736     | 9 511 342       | 4 407 647                               | 462 837      | -          | 45 492    | 4 824 993       | 4 686 349     |
| Refuse Removal                      | 87 286 593      | 30 725 217   | 43 796     | 117 968 014     | 40 976 348                              | 3 888 355    | 297 245    | 40 370    | 45 121 578      | 72 846 436    |
| Sewerage                            | 888 428 058     | 35 754 956   | 1 063 810  | 923 119 204     | 404 380 221                             | 26 048 216   | -          | 633 899   | 429 794 538     | 493 324 666   |
| Sportgrounds                        | 91 631 170      | 4 259 380    | 4 960      | 95 885 590      | 44 738 069                              | 2 707 295    | -          | 4 450     | 47 440 914      | 48 444 676    |
| Streets and Stormwater              | 1 381 468 421   | 130 955 702  | 1 598 281  | 1 510 825 841   | 724 997 111                             | 26 509 508   | 27 377     | 990 310   | 750 543 686     | 760 282 156   |
| Supply Chain Management             | 60 282          | 8 673        | 1 296      | 67 659          | 37 738                                  | 6 327        | -          | 792       | 43 273          | 24 387        |
| Swimming Pools                      | 8 035 918       | 12 569 394   | 440        | 20 604 873      | 15 380                                  | 4 453        | -          | 440       | 19 393          | 20 585 479    |
| Tourism                             | 21 134          | -            | 1 557      | 19 577          | 12 079                                  | 1 933        | -          | 1 542     | 12 470          | 7 107         |
| Town and Community Halls            | 16 128 794      | 96 380       | 12 639     | 16 212 535      | 2 365 919                               | 659 292      | -          | 7 700     | 3 017 511       | 13 195 025    |
| Unspecified                         | -               | -            | -          | -               | -                                       | -            | -          | -         | -               | -             |
| Water Services                      | 952 982 129     | 48 126 968   | 2 926 513  | 998 182 584     | 528 071 825                             | 17 227 074   | 860        | 1 776 914 | 543 522 844     | 454 659 740   |
| Grand Total                         | 4 736 387 987   | 302 717 563  | 13 244 968 | 5 025 860 581   | 2 385 967 060                           | 103 052 100  | 444 642    | 9 734 533 | 2 479 729 269   | 2 546 131 312 |



## **Appendix D: Segmental Statement of Financial Performance**

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Refer to note 49

# Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

## Appendix E: Disclosure of Grants and Subsidies in terms of Section 123 of the MFMA, 56 of 2003

| APPENDIX E<br>DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003 |                 |                               |          |             |             |             |             |                |                          |                        |  |  |   |
|--|-----------------|-------------------------------|----------|-------------|-------------|-------------|-------------|----------------|--------------------------|------------------------|--|--|---|
|  |                 |                               |          |             |             |             |             |                | Transferred to Revenue   |                        |  |  |   |
| Name of Grant  | System code     | Balance as at<br>30 June 2024 | Debtors  | Receipts Q1 | Receipts Q2 | Receipts Q3 | Receipts Q4 | Total Receipts | Operating<br>Expenditure | Capital<br>Expenditure | Paid back to<br>National<br>Revenue Fund | Construction<br>Contracts<br>balance 30 June<br>2025 | Unspent Grants<br>Balance as at 30<br>June 2025 |
| National Government Grants   |                 |                               |          |             |             |             |             |                |                          |                        |  |  |   |
| Equitable Share  | Equitable Share | 0                             |          | 64 068 000  | 51 255 000  | 38 441 000  | 0           | 153 764 000    | 153 764 000              |                        | 0  |  | -   |
| Expanded Public Works Programme  | EPWP            | 0                             |          | 399 000     | 716 000     | 478 000     | 0           | 1 593 000      | 1 593 000                | 0                      | 0  |  | -   |
| Finance Management Grant   | LG-FMG          | 0                             |          | 1 600 000   | 0           | 0           | 0           | 1 600 000      | 1 600 000                | 0                      | 0  |  | -   |
| Integrated National Electrification Grant  | INEP            | 0                             |          | 7 000 000   | 10 000 000  | 5 818 000   | -416 358    | 22 401 642     | 0                        | 22 401 642             | 0  |  | -   |
|  | INEP-OP         | 0                             |          | 0           | 0           | 0           | 416 358     | 416 358        | 416 358                  | 0                      | 0  |  | -   |
| Municipal Infrastructure Grant   | MIG             | 0                             |          | 5 491 000   | 18 553 000  | 5 258 000   | 0           | 29 302 000     | 0                        | 29 302 000             | 0  |  | -   |
| Municipal Disaster Relief Grant - General  | MDRG            | 350 000                       |          | 0           | 0           | 0           | 0           | 0              | 350 000                  | 0                      | 0  |  | -   |
| Municipal Disaster Response Grant: Riverlands  | MDRG2           | 0                             |          | 0           | 0           | 9 241 000   | 0           | 9 241 000      | 0                        | 1 797 390              | 0  |  | 7 443 610                                       |
| Total National Government Grants   |                 | 350 000                       | 0        | 78 558 000  | 80 524 000  | 59 236 000  | 0           | 218 318 000    | 157 723 358              | 53 501 032             | 0  | 0  | 7 443 610                                       |
| Provincial Government Grants   |                 |                               |          |             |             |             |             |                |                          |                        |  |  |   |
| Community Development Workers  | CDW             | 1 311                         |          | 38 000      | 0           | 0           | 0           | 38 000         | 33 988                   | 0                      | -1 311                                   |  | 4 012   |
| Human Settlements  | HP-MDH          | 363 379                       |          | 17 600 702  | 31 190 905  | 27 812 900  | 0           | 76 604 508     | 0                        | 76 604 508             | -363 379                                 |  | -   |
|  | HP-MRB          | 0                             |          | 10 357 594  | 34 158 880  | 12 144 960  | 0           | 56 661 434     | 0                        | 56 661 434             | 0  |  | -   |
|  | HP-DAR          | 447 179                       |          | 7 492 430   | 8 544 706   | 2 346 969   | 0           | 18 384 105     | 0                        | 18 831 284             | 0  |  | -   |
|  | HP-SILV         | 5 500 000                     |          | 2 800 000   | 4 438 810   | 0           | 0           | 7 238 810      | 0                        | 249 514                | 0  |  | 12 489 296                                      |
|  | HPK             | 0                             |          | 0           | 2 795 122   | 0           | 0           | 2 795 122      | 0                        | 2 795 122              | 0  |  | -   |
|  | FDH             | 0                             |          | 0           | 760 922     | 0           | 0           | 760 922        | 0                        | 0                      | 0  |  | 760 922   |
|  | HP-DAR-T        | 0                             |          | 0           | 0           | 0           | 2 509 895   | 2 509 895      | 0                        | 0                      | 0  | 2 509 895  | -   |
|  | HP-MRB-T        | 0                             |          | 0           | 0           | 0           | 4 832 285   | 4 832 285      | 0                        | 0                      | 0  | 4 832 285  | -   |
| Municipal Accreditation and Capacity Building Grant  | MACB            | 89 089                        |          | 0           | 249 000     | 0           | 0           | 249 000        | 165 904                  | 0                      | -89 089                                  |  | 83 096  |
| Title Deeds Restoration  |                 | 0                             |          | 0           | 0           | 0           | 0           | 0              | 0                        | 0                      | 0  |  | -   |
| Libraries  | LS-OP           | 0                             |          | 4 018 000   | 4 018 000   | 3 972 522   | 0           | 12 008 522     | 12 008 522               | 0                      | 0  |  | -   |
|  | LS-CAP          | 0                             |          | 0           | 0           | 43 478      | 0           | 43 478         | 0                        | 43 478                 | 0  |  | -   |
| Proclaimed Roads Subsidy   | MMR-OPEX        | 0                             |          | 0           | 0           | 170 000     | 0           | 170 000        | 170 000                  | 0                      | 0  |  | -   |
|  | MMR-C           | 0                             |          | 0           | 0           | 0           | 0           | 0              | 0                        | 0                      | 0  |  | -   |
| Thusong Grant  | TCR             | 0                             |          | 0           | 0           | 150 000     | 0           | 150 000        | 134 563                  | 0                      | 0  |  | 15 437  |
| Establishment of a K9 Unit   | K9              | -7 443                        |          | 3 732 000   | 0           | 400 000     | 0           | 4 132 000      | 4 124 557                | 0                      | 0  |  | -   |
|  | K9-Cap          | 7 443                         |          | 40 000      | 0           | 0           | 0           | 40 000         | 0                        | 47 443                 | 0  |  | -   |
| Establishment of a Rural Safety Unit   | LE-REU          | 0                             |          | 5 712 000   | 0           | 0           | 0           | 5 712 000      | 5 712 000                | 0                      | 0  |  | -   |
| Emergency Fire Kits  | EFK             | 2 120                         |          | 0           | 416 591     | 0           | 0           | 416 591        | 414 554                  | 0                      | -2 120                                   |  | 2 037   |
| WCFin Management Capability Grant (Internal Audit)   | WC-FMCG         | 418 031                       |          | 0           | 0           | 0           | 0           | 0              | 0                        | 0                      | -418 031                                 |  | -   |
| WCFin Management Capability Grant (Bursaries)  | WC-FMGSG        | 176 807                       |          | 0           | 0           | 0           | 0           | 0              | 0                        | 0                      | -176 807                                 |  | -   |
| Western Cape Education Department  | WCED            | 23 000 000                    |          | 0           | 0           | 0           | 0           | 0              | 0                        | 22 691 646             | 0  |  | 308 354   |
| Sport Development  | SD              | 0                             |          | 0           | 0           | 500 000     | 0           | 500 000        | 0                        | 498 434                | 0  |  | 1 566   |
|  |                 | 0                             |          | 0           | 0           | 0           | 0           | 0              | 0                        | 0                      | 0  |  | -   |
| Total Provincial Government Grants   |                 | 29 997 915                    | 0        | 51 790 726  | 86 572 937  | 47 540 829  | 7 342 180   | 193 246 672    | 22 764 088               | 178 422 864            | -1 050 737                               | 7 342 180  | 13 664 719                                      |
| Other Grant Providers  |                 |                               |          |             |             |             |             |                |                          |                        |  |  |   |
| Swartland Business Hive (Entrepreneurial Hub)  | CSMBH           | 40 000                        |          | 0           | 40 000      | 0           | 0           | 40 000         | 0                        | 70 500                 | 0  |  | 9 500   |
| Contribution: Grade 1 project  | Con SDA         | 31 000                        |          | 0           | 0           | 0           | 0           | 0              | 31 000                   | 0                      | 0  |  | -   |
| CHIETA   | CHIETA          | 0                             |          | 454 320     | 403 200     | 0           | 315 900     | 1 173 420      | 774 353                  | 0                      | 0  |  | 399 067   |
| SETA   | SETA            | 0                             | -207 775 | 125 302     | 81 470      | 249 399     | 92 919      | 549 090        | 341 315                  | 0                      | 0  |  | -   |
| COVID 19 - Food Parcels and Financial Support  | COVID19         | 75 000                        |          | 4 000       | 0           | -500        | 0           | 3 500          | 18 500                   | 0                      | -60 000                                  |  | -   |
| SANRAL   | ConSan          | 0                             | -558 393 | 0           | 0           | 0           | 558 393     | 558 393        | 0                        | 0                      | 0  |  | -   |
| Standard Bank  | STDB            | 0                             |          | 0           | 0           | 30 000      | 30 000      | 60 000         | 0                        | 60 000                 | 0  |  | -   |
| Contribution International Youth Camp  | ConYouth        | 0                             |          | 0           | 0           | 69 000      | 131 000     | 200 000        | 12 902                   | 0                      | 0  |  | 187 098   |
| Contribution Water Week  | ConWat          | 0                             |          | 0           | 0           | 0           | 0           | 0              | 0                        | 0                      | 0  |  | -   |
| Total Other Grant Providers  |                 | 146 000                       | -766 168 | 583 622     | 524 670     | 347 899     | 1 128 212   | 2 584 403      | 1 178 070                | 130 500                | -60 000                                  | 0  | 595 665   |
| Total Grants and Subsidies   |                 | 30 493 915                    | -766 168 | 130 932 348 | 167 621 607 | 107 124 728 | 8 470 392   | 414 149 075    | 181 665 516              | 232 054 395            | -1 110 737                               | 7 342 180  | 21 703 995                                      |