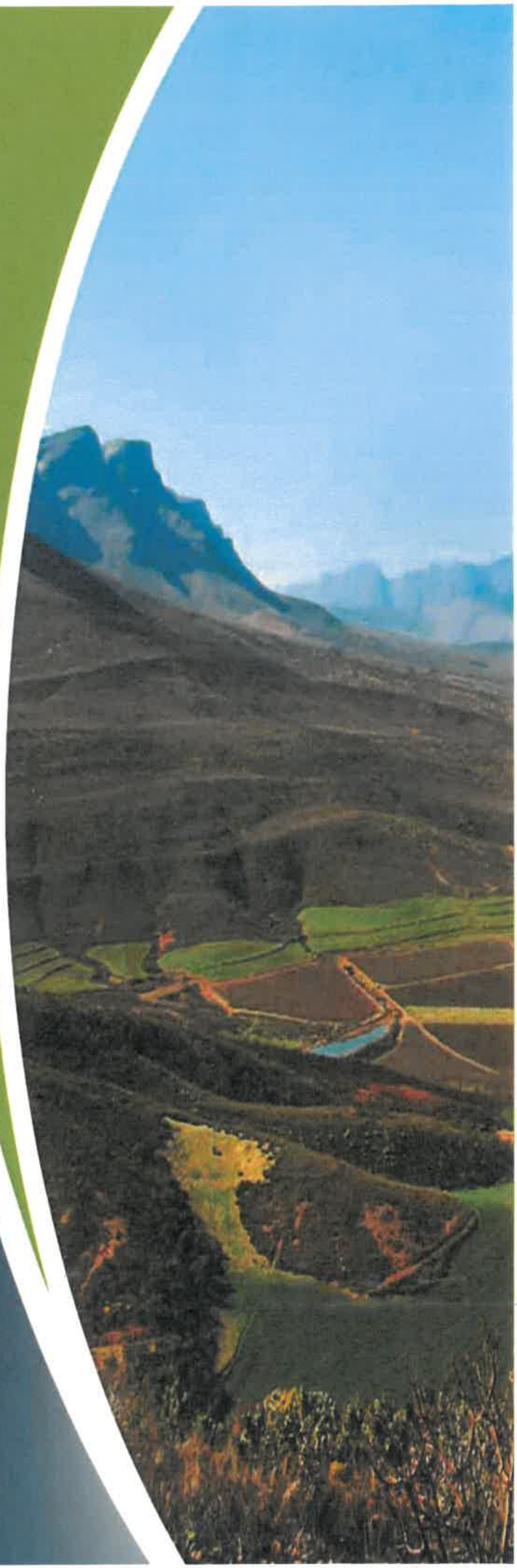
DRAFT ANNUAL REPORT 2024/2025



CAPE WINELANDS DISTRICT

2024/2025 DRAFT ANNUAL REPORT

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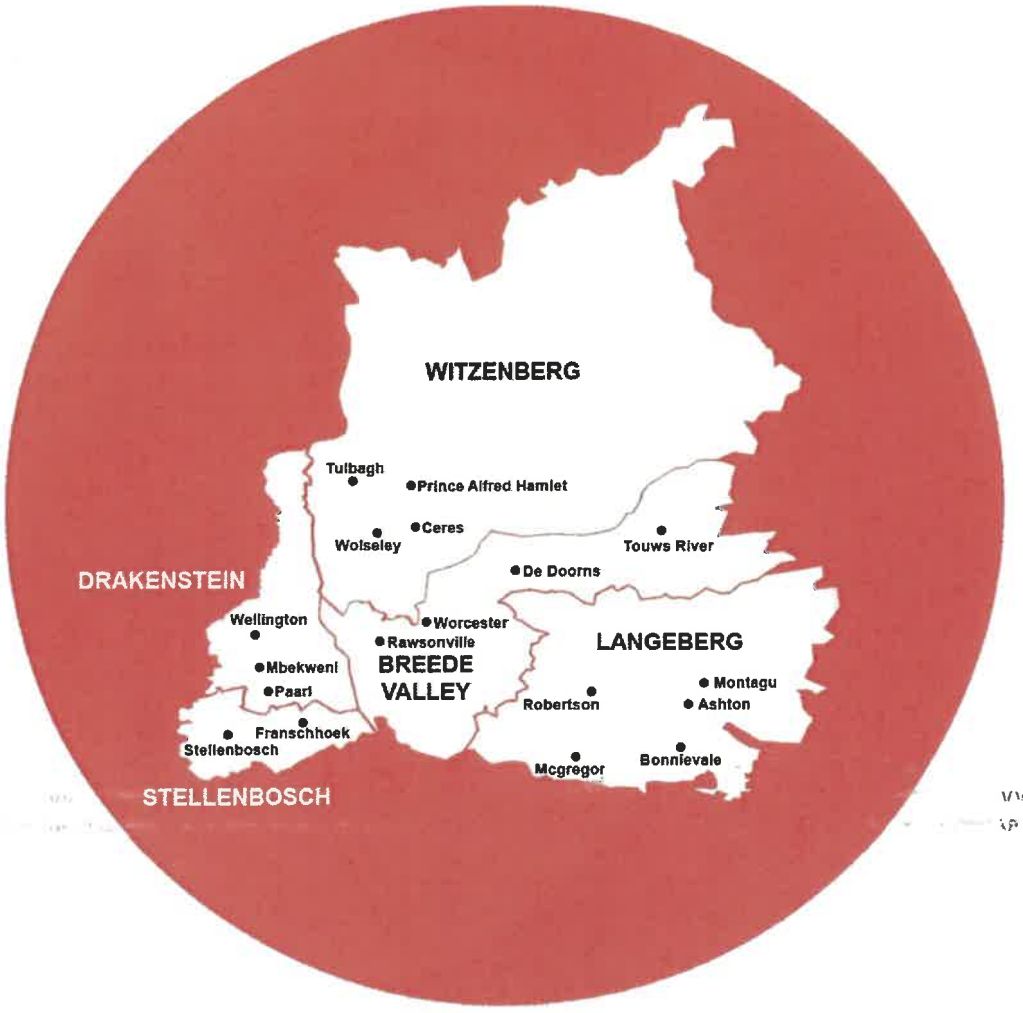
ABBREVIATIONS

Abbreviation	Description
AEL	Atmospheric Emission License
AIDS	Acquired Immune Deficiency Syndrome
AQMP	Air Quality Management Plan
AQO	Air Quality Officer
CAE	Chief Audit Executive
CWDM	Cape Winelands District Municipality
CWDMC	Cape Winelands Disaster Management Centre
CW-RSEDS	Cape Winelands Regional Socio-Economic Development Strategy
EEM	Employee Efficiency Monitoring
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
FARMCO	Fraud and Risk Management Committee
GRAP	Generally Recognised Accounting Practice
HIV	Human Immunodeficiency Virus
IDDRR	International Day for Risk Reduction
IDP	Integrated Development Plan
IT	Information Technology
JOC	Joint Operations Committee
KPI	Key Performance Indicator
MFMA	Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
MHS	Municipal Health Services
MIG	Municipal Infrastructure Grant
MSA	Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
MSAT	Multi Sectoral Action Team
MSR	Local Government: Municipal Staff Regulations 890 & Guidelines 891 of 2021
NEMA	National Environmental Management Act, 1998 (Act No. 107 of 1998)
NGO	Non-governmental organisation
PGWC	Provincial Government of the Western Cape
PTIG	Public Transport Infrastructure Grant
PTNOG	Public Transport Network Operation Grant
SALGA	South African Local Government Association
SANS	South African National Standards
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SMME	Small, medium and micro-sized enterprise
SPLUMA	Spatial Planning Land Use Management Act, 2013 (Act No. 16 of 2013)
WCG: DCAS	Western Cape Government: Department of Cultural Affairs and Sport
WCG: DEA&DP	Western Cape Government: Department of Environmental Affairs and Development Planning
WCG: DEDAT	Western Cape Government: Department of Economic Development and Tourism
WCG: DOI	Western Cape Government: Department of Infrastructure
WCG: DOM	Western Cape Government: Department of Mobility
WCG: DLG	Western Cape Government: Department of Local Government
WCG: DSD	Western Cape Government: Department of Social Development
QCTO	Quality Council for Trades and Occupations

Map of Cape Winelands District



CHAPTER 1 - INTRODUCTION

1.1 EXECUTIVE MAYOR'S FOREWORD



Dear Cape Winelands Resident,

It is with pride, humility, and a strong sense of accountability that I present the Annual Report of the Cape Winelands District Municipality (CWDM) for the 2024/2025 financial year. This report provides a transparent account of our performance and reflects our continued commitment to sound governance, sustainable development, and responsive service delivery in a rapidly changing environment.

The year under review was characterised by complex and evolving challenges, most notably the increasing impact of climate change on our district. The Cape Winelands have experienced severe weather events, including flooding and wildfires, which have placed significant strain on our communities, infrastructure, and emergency response systems. These climate-related risks highlight the urgency of building resilient infrastructure, strengthening disaster risk management, and enhancing intergovernmental coordination. Despite these pressures, the CWDM remained proactive in its disaster preparedness, response, and recovery efforts, working closely with local municipalities, provincial departments, and other partners to safeguard lives and livelihoods.

Despite the challenges posed by climate change, our residents are still grappling with the high cost of living, escalating food and energy prices, and ongoing economic uncertainty. We remain fully aware of the daily struggles faced by many households in the district. Within our mandate and budget, the CWDM continues to prioritise targeted interventions, social support programmes, and collaborations through the Joint District and Metro Approach (JDMA) and a Whole of Society Approach (WOSA). These efforts aim to alleviate socio-economic pressures and promote inclusive and sustainable growth.

Notwithstanding these challenges, the Cape Winelands District Municipality has once again demonstrated stability and excellence in governance. I am proud to report that the municipality has achieved its 11th consecutive clean audit, a significant milestone that showcases our unwavering commitment to financial discipline, accountability, and ethical leadership. This achievement is the result of the collective efforts of our councillors, senior management team, and officials, who continue to uphold high standards of compliance and performance. It reinforces our position as a leading district municipality and a trusted steward of public resources.

Throughout the 2024/2025 financial year, the municipality continued to deliver across its core functions, including infrastructure development, environmental management, disaster risk reduction, financial sustainability, and social development. These outcomes were guided by a citizen-centred approach and informed by meaningful public participation processes. Platforms such as Mayoral Mondays and community engagements ensured that the voices of our citizens remained central to our Integrated Development Plan and budget priorities.

This Annual Report highlights our achievements and recognises the lessons we have learned while navigating a year filled with environmental, economic, and social challenges. It reaffirms our commitment to transparency, accountability, and continuous improvement as we plan for a more resilient, inclusive, and sustainable future.

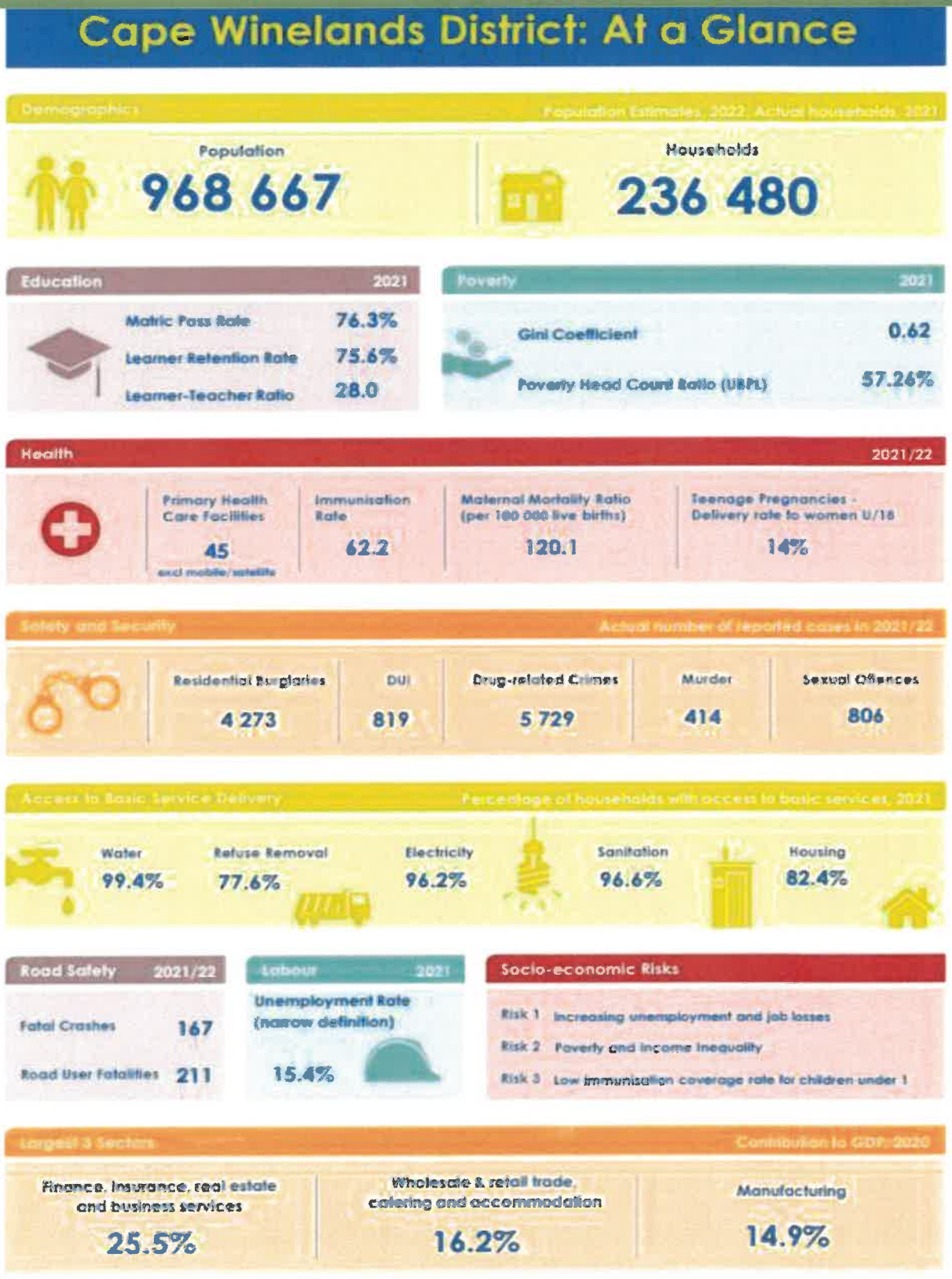
I encourage all residents, stakeholders, and partners to engage with this report and reflect on our collective journey. Together, we can take pride in the progress made while remaining focused on addressing the challenges ahead, united by our shared vision of "a Unified Cape Winelands of Excellence for sustainable development."
Thank you for your continued trust and support in the political leadership of the Cape Winelands District Municipality. We remain steadfast in our commitment to placing citizens first.

Sincerely,
ALD (DR) HELENA VON SCHLICHT
EXECUTIVE MAYOR

1.2 MUNICIPAL MANAGER'S FOREWORD

Information to be added towards finalisation.

1.3 MUNICIPAL DEMOGRAPHICS: AN OVERVIEW



1.4 MUNICIPAL OVERVIEW – FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW – 2024/2025			
Details	**Approved Budget (R)**	**Final Budget (R)**	**Actual (R)**
Income			
Grants (Operational)	274.743.598	274.743.598	272.373.713
Taxes, levies and tariffs	-	-	-
Other	234.468.083	234.468.083	240.130.956
Sub-total	509.211.681	509.211.681	512.504.669
Less Expenditure	-509.211.681	-509.211.681	-462.110.720
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	3.292.000	3.292.000	806.947
Transfers and subsidies - capital (in-kind)	-	-	-
Net Total	3.292.000	3.292.000	51.200.896

1.5 MUNICIPAL OVERVIEW – ORGANISATIONAL DEVELOPMENT

On 23 May 2024, Council approved the revised staff establishment of the Cape Winelands District Municipality (CWDM) with an implementation date of 01 July 2025. The process to develop job descriptions for new, approved posts will now commence. The job descriptions will firstly be submitted to the Internal TASK Job Evaluation Committee who will establish whether the job descriptions meet the criteria as specified in the approved Revised Job Evaluation Policy, which was approved by Council under item C.15.1 on 26 May 2022. Secondly, the job descriptions will be submitted to the Regional TASK Job Evaluation Committee for job evaluation and thereafter to the SALGA Provincial Audit Committee for auditing. The implementation of the grading outcomes will only take place once the Municipal Manager received and signed off the outcomes report from the SALGA Provincial Audit Committee. The majority of posts on the staff establishment of the CWDM have approved job descriptions.

The Regional TASK Job Evaluation Unit established under the leadership of the CWDM, which includes participating municipalities within the area of jurisdiction of the CWDM, evaluated a total of 126 posts during the period 1 July 2024 to 30 June 2025, which were subsequently submitted to the SALGA Provincial Audit Committee.

Council adopted the Human Resource Management Strategy and plans at Item C.15.3 on 25 January 2024 and the fourteen (14) Strategic Human Resources plans are assessed quarterly or bi-quarterly.

CHAPTER 2 – GOVERNANCE

COMPONENT A: INTRODUCTION TO GOVERNANCE

Under the strong political leadership of the Democratic Alliance and with sound intergovernmental relations and administrative governance, the Cape Winelands District Municipality (CWDM) ensures public accountability and participation by all citizens and role-players in its area of jurisdiction.

POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The CWDM ensures that all political parties represented in Council are also represented on the various committees of Council. This enhances a stable political environment and buy-in from all parties with regard to recommendations/resolutions and ensures that Council applies its mind to all matters.

Section 79 Committees of the CWDM consist of the following:

- Rules Committee; and
- Municipal Public Accounts Committee (established in terms of section 79A of the Local Government: Municipal Structures Act 117 of 1998, as amended by Act 3 of 2021).

The main focus of Section 79 Committees is to ensure the effective and efficient performance of any of the municipal Council's functions or the exercising of any of the municipal council's powers.

The following statutory committees have been established by the CWDM as required by legislation:

- Training Committee;
- Local Labour Forum; and
- Employment Equity Committee

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Municipal Public Accounts Committee (MPAC) of the CWDM is established in terms of Section 79 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998). For transparency and ethical reasons, the chairperson is appointed from the membership of the political parties represented in the CWDM, other than the majority party.

The MPAC considers various matters, as contained in Chapter 9 of the Annual Report, and is considered essential to the running and sound political governance of the CWDM.

AUDIT & PERFORMANCE COMMITTEE

Section 166(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) states that "each municipality and each municipal entity must have an audit committee" and section 166(4)(a) of the MFMA states that "an audit committee must consist of at least three persons with appropriate experience". The Audit & Performance Committee (APC) of the CWDM is an independent advisory body and currently consists of four members from the private sector who have been appointed by Council.

With reference to the CWDM Audit Charter, the APC assists the Council by providing inputs to ensure effective systems that complement service delivery, the safeguarding of municipal assets, the maintenance of financial records, risk management, information technology (IT) governance, effective corporate governance, and an effective internal control system. The Audit and Performance Committee also monitors and evaluates the Internal Audit Function which reports to the APC functionally. In addition, the APC also investigates matters within the scope of the committee's duties.

Furthermore, the Audit and Performance Committee provides independent specialist advice on financial performance, efficiency and effectiveness, performance management and compliance with legislation.

POLITICAL STRUCTURE



Ald (Dr) H von Schlicht
Executive Mayor



Ald M Sampson
Executive Deputy Mayor



Ald DD Joubert
Speaker



Cllr JHP Steyn
Portfolio Holder:
Economic Development



Cllr D Swart
Portfolio Holder:
Sport, Arts and Culture



Ald C Meyer
Portfolio Holder:
Disaster Management



Cllr XL Mdemka
Portfolio Holder:
Municipal Health



Ald R Farao
Portfolio Holder:
Fire Services



Cllr WC Petersen
Portfolio Holder:
Rural and Social Development



Cllr E Groenewald
Portfolio Holder:
Corporate Services



Cllr GJ Carinus
Portfolio Holder:
Technical Services



Cllr WM Blom
Whip of Council

COUNCILLORS

1 JULY 2024 TO 30 JUNE 2025

Total number of Councillors:	41
Directly elected Councillors:	24
Proportionally elected Councillors:	17

Attached as Appendix A is a full list of Councillors.
Attached as Appendix B is a list of committees and committee purposes.

POLITICAL DECISION MAKING

1 JULY 2024 TO 30 JUNE 2025

Number of Council resolutions:
158 (all resolutions implemented)

Number of Mayoral Committee resolutions:
Ordinary meetings – 92

Number of Mayoral Committee resolutions:
Confidential meetings – 20

Number of Mayoral Committee resolutions not tabled before Council:
None

ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager primarily serves as chief custodian of service delivery and ensures the implementation of political priorities. During the 2024/2025 financial year, the Municipal Manager provided strategic and management leadership in various fields and projects.

Good governance has eight major characteristics, namely participatory, consensus-orientated, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision making. It is also responsive to the present and future needs of society.

The Municipal Manager identified the following focus areas:

- Basic service delivery that covers, inter alia, the effective management and maintenance of the infrastructure of the district municipality.
- Social upliftment and economic development as well as establishing an environment that is conducive to local economic development and the development of projects and strategies.
- The optimisation of financial resources through efficient financial management.
- Good governance that includes community participation, effective communication and sound municipal administration.
- The establishment of a safe community through efficient disaster management, fire services and environmental health.

Community participation in municipal decision-making is of utmost importance and the Municipal Manager encouraged and created conditions for the local community to participate in the affairs of the district municipality through Integrated Development Plan (IDP) forums and meetings. During the 2024/2025 financial year, all Section 54, 56 and 57 positions were filled. Interaction, as well as the ability to work with these appointees as an efficient management team, provided professional leadership, proving once again that the district municipality's human resources are our greatest asset. Interaction with the Executive Mayor and Portfolio Councillors has resulted in an effective governing body providing sound political leadership, which is essential for successful local governance.

The Municipal Manager had also developed a culture of municipal governance that complements formal representative government with a system of participatory governance. As such, participation is required in terms of the:

- preparation, implementation and review of the IDP;
- establishment, implementation and review of the Performance Management System;
- monitoring and review of performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

In terms of section 83(1)(c) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), the Municipal Manager has implemented effective bidding structures to minimise the possibility of fraud and corruption. In terms of section 112(1)(m)(i) of the MFMA, the Municipal Manager has identified supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Furthermore, in terms of section 115(1) of the MFMA, the Municipal Manager, as the accounting officer, has taken steps to ensure mechanisms and separation of duties in the supply chain management system to minimise the likelihood of corruption and fraud.

The Municipal Manager has also in terms of sections 165(2)(a) and (b)(iv) of the MFMA ensured the effective operation of the Internal Audit Unit. This unit has prepared a risk-based audit plan and an internal audit programme for the financial year and has advised the Municipal Manager on the implementation of the internal audit plan and matters relating to internal audit, internal controls, accounting procedures and practices, risk management, performance management and compliance with the MFMA and any other applicable legislation.

As local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community, and as statutory enactments all require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities, the Municipal Manager ensures that the district municipality's website serves as a tool for community communication. Furthermore, section 75 of the MFMA requires that municipalities publish key documents and information on their websites, including the IDP, the annual budget, adjustment budgets and budget-related documents and policies.

In terms of section 83(1) of the MFMA, the Municipal Manager, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. In view of the aforementioned, the Municipal Manager ensured that the necessary training was arranged for the officials of the district municipality in order to meet the competency levels prescribed in the regulations. The MSA and the Local Government: Municipal Planning and Performance Management Regulations, 2001 require municipalities to adopt a performance management system. Once the IDP and budget were prepared and approved, the Municipal Manager ensured that the district municipality had prepared its Service Delivery and Budget Implementation Plan (SDBIP) in accordance with the MFMA and MFMA Circular 13. The SDBIP indicates performance targets and financial performance targets and assigns responsibility to execute the respective performance targets. The district municipality assessed its performance on a regular basis and reported progress on performance against set targets to Council on a quarterly basis and ultimately presents the annual performance results in this Annual Report.

TOP ADMINISTRATIVE STRUCTURE



Mr HF Prins
Municipal Manager



Ms FA DuRaan-Groenewald
Chief Financial Officer



Mr PA Williams
Executive Director:
Community
Development and
Planning Services



Ms IM Barnard
Executive Director:
Corporate Services

VACANT

Executive Director:
Technical Services

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Good cooperative governance and intergovernmental relations are important to the CWDM as a sphere of government, due to the fact that the district municipality is often the first, or even the only sphere of government that citizens interact with on a regular basis, with specific reference to the rural areas.

Public confidence in the CWDM can only be assured by operating according to the requirements and spirit of cooperative governance and intergovernmental relations. The district municipality has the responsibility to govern its region, taking into account the abovementioned components to create an open society for all where results must meet the needs of society while making the best use of the limited resources at its disposal.

Intergovernmental relations give effect to good governance according to democratic principles and also provide a platform for effective public participation in the region. Through this process, the CWDM ensures that members of the public feel they have a stake in the district municipality. The district municipality also ensures that all role-players have the opportunity to improve or maintain their wellbeing.

INTERGOVERNMENTAL RELATIONS

The CWDM actively participates in national, provincial, inter-district and local intergovernmental structures and takes part in the agenda-setting process to ensure participation. In this regard there are both direct and indirect engagement on a political and senior management level.

Through this process and engagements, topics directly linked to the district municipality and local municipalities in the area of the CWDM are elevated to a higher level, which ensures greater coordination and participation.

The benefits of sound intergovernmental relations at all levels ensure that problems are resolved to render a cost-effective service to the community that benefits the region as a whole through the elimination of duplication.

RELATIONSHIPS WITH MUNICIPAL ENTITIES

No municipal entities.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Cape Winelands District Municipality conducts meetings in collaboration with local municipalities situated in the municipal area of jurisdiction. The purpose the public participation and stakeholder meetings is to ensure joint planning for the IDP of the Cape Winelands District and local municipalities, which assists in strategy formulation for the region. Such meetings afford municipalities, community organisations and provincial/national departments the opportunity to share and communicate information on their current activities and thus facilitates intergovernmental planning and budgeting.
For the public participation process in the year under review, the Cape Winelands District Municipality took the following steps:

- Mayoral Mondays held in each local municipality;
- Posted public invitations on various social media platforms such as Facebook.
- Advertisements were placed in various local newspapers across the district.
- IDP- and budget-related documents were placed on the municipal website.

PUBLIC MEETINGS

Communication, participation and forums

The CWDM and the local municipalities in the district, namely the Drakenstein, Stellenbosch, Breede Valley, Witzenberg and Langeberg municipalities, as well as the Western Cape Government: Department of Local Government (WCG: DLG) are devoted to building strong government institutions that actively promote sustainable and integrated community development.

The District Public Participation Forum as well as the Communication Technical Forum are consultative forums aimed at increasing coordination, integration and communication between these three spheres of government through information sharing, dialogue, capacity building and consultation on matters of mutual interest.

Ward Committees

The CWDM does not have ward committees as they are a function of local municipalities in the district. These committees do however provide valuable support in terms of organising sectors and assisting with the mobilisation of citizens for public engagements, given their innate knowledge of their communities. It is well known that ward committee members are valuable resources for information.

MUNICIPALITY	DATES
Cape Winelands District Municipality	Sept/Oct 2024
Stellenbosch Municipality	Sept 2024 April 2025
Drakenstein Municipality	March/April 2025
Langeberg Municipality	Sept/Oct 2024
Witzenberg Municipality	March 2025
Breede Valley Municipality	Sept/Oct 2024

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

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 with the KPIs in the strategic plan?	Yes
Do the IDP KPIs align with the Section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarterly aligned reports submitted within stipulated timeframes?	Yes

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Through corporate governance, the CWDM converges funds and builds relationships with various stakeholders to determine its mission and vision, with the goal of optimising resources to promote accountability and cost-effective services to the public.

Since corporate governance determines the success or failure of a municipality, the CWDM closely monitors its business principles through policy guidelines, risk management and political oversight to ensure compliance with the purpose of obtaining a clean audit.

RISK MANAGEMENT

Section 62 of the MFMA states that the accounting officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control, and to ensure the effective, efficient and economical use of the resources of the municipality.

The Enterprise Risk Management (ERM) Framework aims to ensure that risks that could impede the achievement of objectives are managed better and mitigated earlier, thereby improving the district municipality's ability to carry out its mission and achieve its goals.

The Fraud and Risk Management Committee (FARMCO) is guided by a Terms of Reference (TOR), which is in compliance with the MFMA. The CWDM's FARMCO members are as follows:

- Municipal Manager
- Chief Financial Officer
- Executive Director: Corporate Services
- Executive Director: Community Development & Planning Services
- Executive Director: Technical Services
- One independent member.

Other officials such as the Deputy Director: Legal, Risk & Compliance and the Chief Audit Executive (CAE) also attend these FARMCO meetings.

During the 2024/2025 financial year, the Legal, Risk & Compliance unit was responsible for risk management awareness, facilitating quarterly reviews and updating risk registers. Although the Deputy Director: Legal, Risk & Compliance is responsible for the coordination of risk management in the organisation, management took ownership of risks and the mitigation thereof.

ANTI-CORRUPTION AND FRAUD

Fraud and Anti-Corruption Strategy

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption, while section 112(1)(m)(i) of the MFMA identifies supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices.

Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

The CWDM has adopted an attitude of zero tolerance towards fraudulent and corrupt activities.

LEGAL SERVICES

Introduction: Legal Services
The CWDM makes many decisions that affect the residents in its area of jurisdiction. In order to ensure that everything is above board and falls within the ambit of the law, Legal Services provide a dedicated and quality support and advisory service in order to strengthen the CWDM to fulfil its constitutional and other legislative mandates in a professional manner and to maintain a workforce that is both well-disciplined and satisfied in order to render service delivery at an acceptable level.

Legal priorities
- Legal compliance;
- Legal support to the Executive Mayor, Speaker and Municipal Manager, heads of department, Council, committees, departments and divisions;
- Legal advice pertaining to draft policies and contracts;
- Written and/or oral opinions;
- Finalisation of legal documents; and
- Labour relations matters.

INTERNAL AUDIT

Refer to the Audit & Performance Audit Committee report.

ICT

The ICT department continues to play a pivotal role in the Cape Winelands District Municipality (CWDM), enabling secure, efficient, and modern service delivery across all departments. As digital transformation gains momentum in the public sector, our focus has remained on strengthening core infrastructure, enhancing operational resilience, and embracing new technologies—most notably artificial intelligence (AI) and advanced cybersecurity systems.

Technology is no longer a background enabler—it is a strategic asset that underpins the municipality's capacity to deliver on its developmental mandate. ICT has become the connective tissue between people, processes, and service excellence.

Cybersecurity Enhancements: Strengthening the Digital Perimeter

The municipality continues to face an increasingly complex and hostile cybersecurity landscape. Ransomware, social engineering, and phishing attacks are becoming more targeted, requiring a multi-layered response strategy.

A major step forward in 2024/2025 was the successful implementation of Storm Warning, a powerful Security Information and Event Management (SIEM) platform.

Storm Warning Implementation Highlights:
- Real-time threat detection and response, across workstations, servers, and critical systems.
- Enhanced log visibility, enabling early detection of suspicious activity and policy violations.
- Compliance support, assisting with reporting requirements under POPIA, NIST, and internal audit frameworks.
- Centralized security monitoring, giving the ICT unit a single pane of glass across the digital environment.

Storm Warning now serves as the backbone of our cyber monitoring capability—shifting CWDM's posture from reactive to proactive cyber defence.

AI Adoption: Encouraging Exploration, Ensuring Governance

This year marked the introduction of artificial intelligence (AI) into the CWDM ICT landscape. While formal enterprise-wide integration is still in its early stages, employees across departments are being encouraged to explore AI tools and assess how these can assist in their day-to-day responsibilities.

Examples include:
- Drafting reports and emails,
- Extracting insights from large documents,
- Translating, summarizing, or formatting content,

At the same time, the ICT unit is focused on governance, security, and safe implementation. Our role is to:
- Assess risks related to data privacy and misinformation,
- Align AI usage with internal policy frameworks,
- Provide guidance on ethical and responsible AI adoption,
- Ensure that AI tools do not compromise municipal systems or records integrity.

This balanced approach enables innovation at the edge (by users) while maintaining oversight at the core (by ICT).

Network, Cloud, and Operational Achievements
CWDM's digital backbone continues to support 16 sites across 5 towns, ensuring robust connectivity for administration and service functions. Key achievements this year include:
- Network Uptime: Maintained over 99% network availability through proactive monitoring and redundancy.
- Hybrid Cloud Advancement: Further consolidated cloud and on-premise systems to improve performance and compliance.
- Hardware Lifecycle Management: Continued the systematic refresh of end-user devices, aligned with requirements and performance standards.
- Mobile Office Enablement: Expanded remote work infrastructure, including VPN, endpoint security, and remote support capabilities.
- Data Protection: Upgraded our backup systems to include immutable storage and tiered recovery points, ensuring resilience against cyber incidents.

Ongoing Challenges
- Evolving Cyber Threats: Attacks are more sophisticated and require continuous improvements to detection and response systems.
- Increased Demand for ICT Services: The growing digitisation of municipal operations has led to rising support needs and system demands.
- AI Governance: As AI usage grows, ensuring ethical, compliant, and value-driven use across departments remains a critical area.
- Compliance and Policy Pressures: Keeping up with evolving regulations such as POPIA, cybersecurity frameworks, and AGSA audit expectations.

Conclusion

The ICT division continues to evolve in step with the municipality's digital ambitions. Our investment in cybersecurity and the cautious, user-led adoption of AI reflects our dual commitment: to secure operations and to empower innovation. As we look ahead, ICT will continue to champion digital maturity, support service delivery, and enable a responsive, intelligent municipality.

COMMENT ON BY-LAWS

No new by-laws were promulgated.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

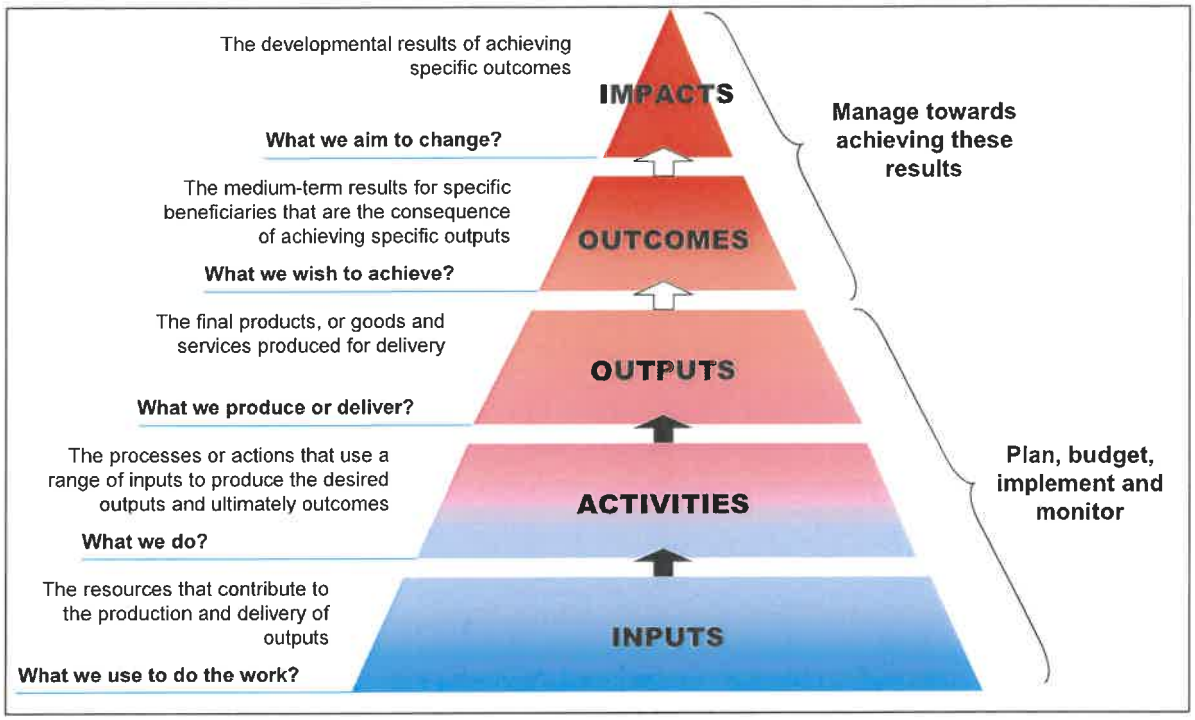
3.1 INTRODUCTION

3.1.1 Predetermined objectives

As a point of departure, it is the duty of a municipality to establish, develop, and maintain a sound performance management system as prescribed in terms of sections 38 to 40 of the Municipal Systems Act (Act No. 32 of 2000) (MSA). In terms of section 46(1)(a) to (c) of the MSA, a municipality must prepare for each financial year a performance report reflecting (a) the performance of the municipality and of each external service provider during that financial year; (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and (c) measures taken to improve performance. The core components that underscore the performance management system established by the municipality, as prescribed by section 41 of the MSA, are integral to the information reported upon by the municipality. Furthermore, the reflection of the key performance indicators and performance targets in the Integrated Development Plan is prescribed in terms of section 26(i) and is aligned to the predetermined objectives as reflected in the approved 2022/2023 – 2026/2027 IDP.

3.1.2 Framework for managing performance information: Key concepts

When monitoring and assessing performance outcomes and the related impact, it is necessary to consider potential government interventions and the related consequences that may result therefrom. Such considerations should be timeously identified and monitored in order to mitigate potential risks and where risks exist, for these to be effectively managed through corrective actions. Through effective planning, budgeting and implementation of predefined activities that are appropriately monitored, a municipality is able to successfully achieve the desired results in order to deliver against its designated mandate.



3.1.3 Planning, budgeting and reporting

The performance information reported in the Annual Performance Report and correlating documentation enables Council as well as the public to hold the municipality accountable and to effect necessary transparency.

In addition, performance information should be available to management at each stage of the planning, budgeting and reporting cycle so that they can adopt a results-based approach to managing service delivery. This approach promotes effective planning and manages a focus on desired results, as well as manages inputs and activities to achieve these results.

3.1.4 Financial performance per department

The tables detailed below provide an overview of the financial performance (actual vs planned) at a departmental level for various current, prior and future financial years.

	Operating Budget					
	DEPARTMENT	2023/2024 Budget	2023/2024 Actual	2024/2025 Budget	2024/2025 Actual	2025/2026 Budget
OLD STRUCTURE	Community Development	R 175.803.317	R 166.314.011	R -	R -	R -
	Technical Services	R 188.359.012	R 160.556.288	R -	R -	R -
	Financial & Strategic Support	R 146.708.127	R 136.925.762	R -	R -	R -
NEW STRUCTURE	Community Development	R -	R -	R 163.989.794	R 153.451.793	R 163.960.110
	Technical Services	R -	R -	R 165.846.662	R 150.930.167	R 138.451.855
	Financial Services	R -	R -	R 31.027.043	R 29.768.220	R 34.325.233
	Corporate Services	R -	R -	R 133.518.333	R 114.024.782	R 127.845.857
	Office of the Municipal Manager	R -	R -	R 14.829.848	R 13.935.759	R 18.594.235
	Total	**R 510.870.456**	**R 463.796.061**	**R 509.211.680**	**R 462.110.721**	**R 483.177.290**

	Capital Budget					
	DEPARTMENT	2023/2024 Budget	2023/2024 Actual	2024/2025 Budget	2024/2025 Actual	2025/2026 Budget
OLD STRUCTURE	Community Development	R 31.534.200	R 28.367.116	R -	R -	R -
	Technical Services	R 37.011.189	R 9.715.396	R -	R -	R -
	Financial & Strategic Support	R 1.674.413	R 1.607.412	R -	R -	R -
NEW STRUCTURE	Community Development	R -	R -	R 14.440.968	R 5.752.306	R 58.508.700
	Technical Services	R -	R -	R 113.428.870	R 93.908.800	R 34.282.000
	Financial Services	R -	R -	R 250.000	R 222.223	R 173.500
	Corporate Services	R -	R -	R 6.848.800	R 4.281.775	R 18.281.000
	Office of the Municipal Manager	R -	R -	R 444.200	R 246.716	R 1.405.000
	Total	**R 70.219.802**	**R 39.689.925**	**R 135.412.838**	**R 104.411.821**	**R 112.650.200**

	Project Budget					
	SO	2023/2024 Budget	2023/2024 Actual	2024/2025 Budget	2024/2025 Actual	2025/2026 Budget
OLD STRUCTURE	Community Development	R 19.543.102	R 16.958.990	R -	R -	R -
	Technical Services	R 10.818.000	R 5.076.614	R -	R -	R -
	Financial & Strategic Support	R -	R -	R -	R -	R -
NEW STRUCTURE	Community Development	R -		R 16.881.011	R 15.212.580	R 16.512.549
	Technical Services	R -		R 9.242.851	R 7.450.343	R 9.335.000
	Financial Services	R -		R -	R -	R -
	Corporate Services	R -	R -	R -	R -	R -
	Office of the Municipal Manager	R -	R -	R -	R -	R -
	Total	**R 30.361.102**	**R 22.035.604**	**R 26.123.862**	**R 22.662.923**	**R 25.847.549**

3.2 SUMMARY OF CAPE WINELANDS ORGANISATIONAL KEY PERFORMANCE INDICATORS

2024/2025

Department	Original number of KPIs	Number of KPIs post-adjustment	Zero performance	Under-performance	Achieved and overachieved	Delivery as a percentage 2024/2025
Office of the Municipal Manager	8	8	1	2	5	63%
Financial Services	7	7	0	1	6	86%
Corporate Services	5	5	1	0	4	80%
Community Development & Planning Services	6	6	0	0	6	100%
Technical Services	10	10	1	2	7	70%
Total	**36**	**36**	**3**	**5**	**28**	**78%**

2023/2024

SO	Original number of KPIs	Number of KPIs post-adjustment	Zero performance	Under-performance	Achieved and overachieved	Delivery as a percentage 2023/2024
1	12	11	0	3	8	73%
2	11	11	2	3	6	55%
3	19	19	0	3	16	84%
Total	**42**	**41**	**2**	**9**	**30**	**73%**

3.2.1 Cape Winelands District Organisational Key Performance Indicators

The Organisational KPI's were revised during the Adjustment Budget which took place in February 2025. At the mentioned adjustment budget, the following changes were made:

- Performance targets were amended to align with adjusted budget figures and timeframes available to implement (where applicable).

3.2.2 Cape Winelands District Detailed Organisational Key Performance Indicators

The tables below serve as the legend to indicate whether a KPI has been achieved or not:

2024/2025

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.
R	KPI Not Met	0% <= Actual/Target <= 74.999%
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%
G	KPI Met	Actual meets Target (Actual/Target = 100%)
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%
B	KPI Extremely Well Met	150.000% <= Actual/Target

2023/2024

Legend	
Overperformance	>100%
Target achieved	100%
Target almost achieved	80 to 99%
Underperformance	1 to 79%
Zero performance	0%

NR	DEPARTMENT	KPI NR	KPI NAME	STRATEGIC OBJECTIVE NR	STRATEGIC OBJECTIVE NAME	OUTCOME	2023/2024 PERFORMANCE TARGET	2023/2024 PERFORMANCE ACTUAL	2024/2025 PERFORMANCE TARGET	2024/2025 PERFORMANCE ACTUAL	RATING	PERFORMANCE COMMENTS	CORRECTIVE MEASURES
1	Office of the Municipal Manager	TL1	Review the Organisational Strategic Risk Register (Top 10) and submit to Council by 31 May 2025	SO 2	Foster good governance processes as prescribed by legislation and best practice	A foundation for effective governance that promotes political and administrative stability, the mitigation of identified risks, an improved ethical culture and functional oversight has been established and is adhered to	-	-	1	0	R	Target not achieved. Responsible official did not submit to Council on time.	Strategic Risk Register will be submitted to Council once vacant position has been filled.
2	Office of the Municipal Manager	TL2	Review the Risk-Based Audit Plan (RBAP) for 2025/26 and submit to the Audit Committee for consideration by 30 June 2025	SO 2	Foster good governance processes as prescribed by legislation and best practice	A foundation for effective governance that promotes political and administrative stability, the mitigation of identified risks, an improved ethical culture and functional oversight has been established and is adhered to	-	-	1	1	G	Target achieved	
3	Office of the Municipal Manager	TL3	Complete 90% of the Risk Based Audit Plan (RBAP) for the 2024/25 financial year by 30 June 2025 [(Number of audits and tasks completed for the period identified in the RBAP/Number of audits and tasks identified in the RBAP) X 100]	SO 2	Foster good governance processes as prescribed by legislation and best practice	A foundation for effective governance that promotes political and administrative stability, the mitigation of identified risks, an improved ethical culture and functional oversight has been established and is adhered to	-	-	90%	95%	G2	Target overachieved	
4	Office of the Municipal Manager	TL4	Initiate the DCF and JDMA engagements to improve intergovernmental relations	SO 6	Facilitate partnerships that cultivate economic growth and development throughout the district	Achieving an enabled environment by creating inclusive and equitable economies, and developmental growth through the economic benefits generated from niche markets, innovation and partnerships.	-	-	8	6	R	Target not achieved. Two meetings cancelled due to stakeholder availability	Going forward, more follow-ups will be done with stakeholders to ensure availability.
5	Office of the Municipal Manager	TL5	Submit the Top Layer SDBIP 2025/26 to the Executive Mayor for approval within 14 days after the adoption of the IDP and Budget	SO 2	Foster good governance processes as prescribed by legislation and best practice	A foundation for effective governance that promotes political and administrative stability, the mitigation of identified risks, an improved ethical culture and functional oversight has been established and is adhered to	-	-	1	1	G	Target achieved	
6	Office of the Municipal Manager	TL6	Submit the IDP 2025/26 to Council for adoption by 31 May 2025	SO 2	Foster good governance processes as prescribed by legislation and best practice	A foundation for effective governance that promotes political and administrative stability, the mitigation of identified risks, an improved ethical culture and functional oversight has been established and is adhered to	-	-	1	1	G	Target achieved	
7	Office of the Municipal Manager	TL7	Submit the Annual Report 2023/24 to Council for adoption by 31 March 2025	SO 2	Foster good governance processes as prescribed by legislation and best practice	A foundation for effective governance that promotes political and administrative stability, the mitigation of identified risks, an improved ethical culture and functional oversight has been established and is adhered to	-	-	1	1	G	Target achieved	
8	Office of the Municipal Manager	TL8	Spend 90% of the municipal capital budget on capital projects by 30 June 2025 [(Actual amount spent on projects/Total amount budgeted for capital projects) x 100]	SO 2	Foster good governance processes as prescribed by legislation and best practice	A foundation for effective governance that promotes political and administrative stability, the mitigation of identified risks, an improved ethical culture and functional oversight has been established and is adhered to	-	-	90%	77%	O	Target not achieved. Regional landfill site not completed by June 2025 as anticipated. Savings due to VAT.	Landfill site to be completed in 2025/2026 financial year.

NR	DEPARTMENT	KPI NR	KPI NAME	STRATEGIC OBJECTIVE NR	STRATEGIC OBJECTIVE NAME	OUTCOME	2023/2024 PERFORMANCE TARGET	2023/2024 PERFORMANCE ACTUAL	2024/2025 PERFORMANCE TARGET	2024/2025 PERFORMANCE ACTUAL	RATING	PERFORMANCE COMMENTS	CORRECTIVE MEASURES
9	Financial Services	TL 9	Maintain a sound liquidity ratio as at 30 June 2025 (Current Assets: Current Liabilities)	SO 1	Provide sustainable strategic financial management and support services	The municipality aims to create sustainable sources of funding and management thereof, ensuring long-term financial viability	-	-	12.44:1	5.63	R	Target not achieved. However, the ratio is higher than the norm (1:1) and indicates that the Municipality has the ability to honour its current or	None is required as the Municipality performs above the norm of 1:1.
10	Financial Services	TL 10	Maintain a sound Impairment of Property, Plant & Equipment and Investment Property and Intangible Asset ratio as at 30 June 2025 [(Property, Plant and Equipment + Investment Property + Intangible Assets Impairment / Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100]	SO 1	Provide sustainable strategic financial management and support services	The municipality aims to create sustainable sources of funding and management thereof, ensuring long-term financial viability	-	-	0%	0%	G	Target achieved	
11	Financial Services	TL 11	Maintain a sound Cash/Cost Coverage ratio as at 30 June 2025 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft + Short term investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation and Provision for Bad Debts, impairment and Loss on Disposal of Assets)]	SO 1	Provide sustainable strategic financial management and support services	The municipality aims to create sustainable sources of funding and management thereof, ensuring long-term financial viability	-	-	3	11	B	Target overachieved. The ratio indicates that the Municipality has the ability to meet its monthly fixed operating commitments from cash and short-term investments.	
12	Financial Services	TL 12	Maintain a sound level of Cash Backed Reserves Ratio as at 30 June 2025 [(Cash and Cash Equivalents - Bank Overdraft + Short Term Investment + Long Term Investment - Unspent Conditional Grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest - Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve)]	SO 1	Provide sustainable strategic financial management and support services	The municipality aims to create sustainable sources of funding and management thereof, ensuring long-term financial viability	-	-	100%	1336%	B	Target overachieved. The ratio indicates thatall of the Municipality's cash reserves are cash backed.	
13	Financial Services	TL 13	Maintain a sound Net Operating Surplus Margin Ratio as at 30 June 2025 [(Total Operating Revenue - Total Operating Expenditure)/ Total Operating Revenue x 100%]	SO 1	Provide sustainable strategic financial management and support services	The municipality aims to create sustainable sources of funding and management thereof, ensuring long-term financial viability	-	-	Equal to and greater than 0%	11%	B	Target overachieved. The Municipality can recover its operational costs for the services that are delivered. The surplus will sustain the Municipality's capital funding requirements for a number of years to come and will, for example, enable the implementation of infrastructure projects with large capital outflow, such as the regional landfill site.	
14	Financial Services	TL 14	Maintain a sound Creditors Payment Period Ratio as at 30 June 2025 [(Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365]	SO 1	Provide sustainable strategic financial management and support services	Resources are efficiently used to maximise contributions to LED and support services	-	-	30 days	8 days	B	Target overachieved. The ratio indicates that the Municipality paid its creditors within less than 30 days.	
15	Financial Services	TL 15	Compile and submit the Main Budget to Council by 31 May 2025	SO 1	Provide sustainable strategic financial management and support services	The municipality aims to create sustainable sources of funding and management thereof, ensuring long-term financial viability	-	-	1	1	G	Target achieved	

NR	DEPARTMENT	KPI NR	KPI NAME	STRATEGIC OBJECTIVE NR	STRATEGIC OBJECTIVE NAME	OUTCOME	2023/2024 PERFORMANCE TARGET	2023/2024 PERFORMANCE ACTUAL	2024/2025 PERFORMANCE TARGET	2024/2025 PERFORMANCE ACTUAL	RATING	PERFORMANCE COMMENTS	CORRECTIVE MEASURES
16	Corporate Services	TL 16	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan by 30 June 2025 [(Number of appointments in 3 highest level which comply with employment equity target groups / total appointments made in 3 higher level of management) x 100]	SO 2	Foster good governance processes as prescribed by legislation and best practice	A foundation for effective governance that promotes political and administrative stability, the mitigation of identified risks, an improved ethical culture and functional oversight has been established and is adhered to	-	-	90%	100%	G2	Target overachieved	
17	Corporate Services	TL 17	Spent 0.10% of operational budget on training by 30 June 2025 [(Actual total training expenditure divided by total operational budget) x 100]	SO 5	Establish a skilled workforce and performance orientated administration to promote the growth and development of the organisation	A capable and knowledgeable workforce that positively contribute and successfully provide high-quality services to the community and become enablers of development	-	-	0.10%	0.16%	B	Target overachieved	
18	Corporate Services	TL 18	Signed 100% of individual performance agreements for all staff in terms of Regulation 890 by 29 July 2024	SO 5	Establish a skilled workforce and performance orientated administration to promote the growth and development of the organisation	Consequence/development management and a performance management system embedded into the functioning of the municipality in order to promote optimal performance	-	-	100%	100%	G	Target achieved	
19	Corporate Services	TL 19	Limit annual vacancy rate to less than 15% of funded posts [(Number of funded posts vacant / number of funded posts) x 100]	SO 2	Foster good governance processes as prescribed by legislation and best practice	A foundation for effective governance that promotes political and administrative stability, the mitigation of identified risks, an improved ethical culture and functional oversight has been established and is adhered to	-	-	15.00%	14.83%	B	Target overachieved	
20	Corporate Services	TL 20	Review the ICT Governance Framework and ICT Strategic Plan and submit to Council by 31 May 2025	SO 2	Foster good governance processes as prescribed by legislation and best practice	A foundation for effective governance that promotes political and administrative stability, the mitigation of identified risks, an improved ethical culture and functional oversight has been established and is adhered to	-	-	1	0	R	Target not achieved. Item submitted to Council in June 2025.	Item submitted to Council in June 2025.

NR	DEPARTMENT	KPI NR	KPI NAME	STRATEGIC OBJECTIVE NR	STRATEGIC OBJECTIVE NAME	OUTCOME	2023/2024 PERFORMANCE TARGET	2023/2024 PERFORMANCE ACTUAL	2024/2025 PERFORMANCE TARGET	2024/2025 PERFORMANCE ACTUAL	RATING	PERFORMANCE COMMENTS	CORRECTIVE MEASURES
21	Community Development & Planning Services	TL 21	Train 60 Fire Services Officials at the CWDM Fire Services Academy by 30 June 2025	SO 4	Monitor and promote a clean, healthy and safe living environment whilst providing emergency response services for all residents throughout the district	A well-coordinated fire services division, establishing a fire safe environment for all	-	-	60	237	B	Target exceeded. Overperformance is due to additional needs and requests. The Academy could assist due to its partnerships that could provide additional fire instructors.	
22	Community Development & Planning Services	TL 22	Review and submit the Disaster Management Plan to Council by 31 May 2025	SO 4	Monitor and promote a clean, healthy and safe living environment whilst providing emergency response services for all residents throughout the district	Disaster response plans are well-established and regularly tested, enabling an improved response to incidents, which creates stronger relationships within the district and a well-coordinated disaster management centre	-	-	1	1	G	Target achieved	
23	Community Development & Planning Services	TL 23	Review and submit the SDF to Council by 31 May 2025	SO 4	Monitor and promote a clean, healthy and safe living environment whilst providing emergency response services for all residents throughout the district	Resources, including stable infrastructure, technological and spatial resources, as well as the promotion of water services, are efficiently utilized to ensure the long-term well-being and unity of the community	-	-	1	1	G	Target achieved	
24	Community Development & Planning Services	TL 24	Submit the annual Air Quality officer report to PGWC by 30 June 2025	SO 4	Monitor and promote a clean, healthy and safe living environment whilst providing emergency response services for all residents throughout the district	The provision of municipal health services and air quality management	-	-	1	1	G	Target achieved	
25	Community Development & Planning Services	TL 25	Support the 20 ECD centres throughout the district by 30 June 2025	SO 6	Facilitate partnerships that cultivate economic growth and development throughout the district	Achieving an enabled environment by creating inclusive and equitable economies and developmental growth through the economic benefits generated from niche markets, innovation and partnerships.	-	-	20	20	G	Target achieved	
26	Community Development & Planning Services	TL 26	Report on the health outreach programmes (theatre performance) implemented throughout the district by 30 June 2025	SO 4	Monitor and promote a clean, healthy and safe living environment whilst providing emergency response services for all residents throughout the district	The provision of municipal health services and air quality management	-	-	1	1	G	Target achieved	

NR	DEPARTMENT	KPI NR	KPI NAME	STRATEGIC OBJECTIVE NR	STRATEGIC OBJECTIVE NAME	OUTCOME	2023/2024 PERFORMANCE TARGET	2023/2024 PERFORMANCE ACTUAL	2024/2025 PERFORMANCE TARGET	2024/2025 PERFORMANCE ACTUAL	RATING	PERFORMANCE COMMENTS	CORRECTIVE MEASURES
27	Technical Services	TL 27	Blade 5000km's of road by 30 June 2025	SO 3	Provide sustainable infrastructure services and transport planning services that enable social and economic opportunities	Municipal infrastructure and transport planning systems are developed in a resilient and well-functioning manner as to result in longevity and a safe and secure communal environment facilitating socio-economic opportunities	-	-	5000	6211.74	G2	Target overachieved	
28	Technical Services	TL 28	Re-gravel 6km's of road by 30 June 2025	SO 3	Provide sustainable infrastructure services and transport planning services that enable social and economic opportunities	Municipal infrastructure and transport planning systems are developed in a resilient and well-functioning manner as to result in longevity and a safe and secure communal environment facilitating socio-economic opportunities	-	-	6	3.63	R	Target not achieved. Team was doing flood damage repairs for a part of the year.	Approval was obtained from the Municipal Manager to exceed the allowed overtime threshold per week to allow more operational time and increase the re-gravel output by the team.
29	Technical Services	TL 29	Provide financial assistance with the acquisition of 100 solar geysers by 30 June 2025	SO 3	Provide sustainable infrastructure services and transport planning services that enable social and economic opportunities	Infrastructure services and resources are financially supported and measured	-	-	100	50	R	Target not achieved. This is due to approved applicants not taking up subsidy as indicated.	The beneficiaries were contacted telephonically to discuss the progress and challenges being experienced. It was requested that they complete the installation of the solar geysers before year end.
30	Technical Services	TL 30	Upgrade 2 sports facilities by 30 June 2025	SO 3	Provide sustainable infrastructure services and transport planning services that enable social and economic opportunities	Infrastructure services and resources are financially supported and measured	-	-	2	3	B	Target overachieved	
31	Technical Services	TL 31	Complete the regional landfill site by 30 June 2025	SO 3	Provide sustainable infrastructure services and transport planning services that enable social and economic opportunities	Municipal infrastructure and transport planning systems are developed in a resilient and well-functioning manner as to result in longevity and a safe and secure communal environment facilitating socio-economic opportunities	-	-	1	0	R	Target not achieved. To be completed in August/September 2025 due to approved extension of time for extreme wind conditions and a change in the way the stone are putting down in the remaining cell area. The rest of the work has been completed, it is only the cell that is not completed.	Approved time extensions were granted to the service provider in line with the requests submitted to the Municipality and the reasonability of the reasons provided.
32	Technical Services	TL 32	Work opportunities created (in person days) through CWDM's various initiatives	SO 6	Facilitate partnerships that cultivate economic growth and development throughout the district	Achieving an enabled environment by creating inclusive and equitable economies, and developmental growth through the economic benefits generated from niche markets, innovation and partnerships.	-	-	9560	18223	B	Target exceeded. More contracts awarded to Alien Clearing project and Landfill site labour being over longer period than estimated.	
33	Technical Services	TL 33	Spend 90% of the provincial roads conditional grant allocation received by 30 June 2025 [(Total expenditure / total budget received) x 100]	SO 3	Provide sustainable infrastructure services and transport planning services that enable social and economic opportunities	Municipal infrastructure and transport planning systems are developed in a resilient and well-functioning manner as to result in longevity and a safe and secure communal environment facilitating socio-economic opportunities	-	-	90%	94.50%	G2	Target overachieved	
34	Technical Services	TL 34	Submit the District Integrated Tranpsort Plan (DITP) to Council by 30 June 205	SO 3	Provide sustainable infrastructure services and transport planning services that enable social and economic opportunities	Municipal infrastructure and transport planning systems are developed in a resilient and well-functioning manner as to result in longevity and a safe and secure communal environment facilitating socio-economic opportunities	-	-	1	1	G	Target achieved. Item was submitted for the June 2025 Council meeting but set aside for a next Council meeting.	
35	Technical Services	TL 35	Spend 90% the project budget for Rural projects by 30 June 2025 [(Total Rural project expenditure / total Rural project budget allocated) x 100]	SO 3	Provide sustainable infrastructure services and transport planning services that enable social and economic opportunities	Infrastructure services and resources are financially supported and measured	-	-	90%	92.70%	G2	Target overachieved	
36	Technical Services	TL 36	Assist 1 school with the provision of water/sanitation (installation/upgrade/etc.) by 30 June 2025	SO 3	Provide sustainable infrastructure services and transport planning services that enable social and economic opportunities	Infrastructure services and resources are financially supported and measured	-	-	1	1	G	Target achieved	

Strategic Objective One: Creating an environment and forging partnerships that ensure social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2022/2023 Target	2022/2023 Actual	2023/2024 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
1.1	1.1.1	To administer an effective environmental health management system, in order to achieve the environmental health objectives, set.	1.1.1.1	Monthly Report to PGWC on all MHS matters by the 15th of the following month (Sinjani report).	12	12	12	11	Performance Comments: Target underachieved. One instance of capturing after the deadline of the 15th of the month occurred in one of the sub-areas. Corrective Measures: Specific official has been reprimanded and all other involved officials will be reminded of the cut-off date each month.
	1.1.2	To facilitate effective environmental pollution control through identification, evaluation and/or monitoring to prevent air pollution.	1.1.2.1	Submission of the annual Air Quality Officer Report to PGWC.	1	1	1	1	Target achieved
	1.1.3	To improve the livelihoods of citizens in the Cape Winelands District.	1.1.3.1	Number of water and/or sanitation subsidies granted to citizens in the Cape Winelands District.	20	14	25	13	Performance Comments: Target underachieved. Water and Sanitation subsidy claims are declining because of approved applicants' failure to complete their building projects, which has a direct impact on the achievement of the proposed targets. Corrective Measures: To rectify the process, more follow up calls will be made and we will attempt to do re-allocation earlier to landowners who will be in a position to install additional units.
1.2	1.2.1	To coordinate an effective disaster management division in order to achieve the disaster management objectives set.	1.2.1.1	Number of bi-annual Disaster Management Advisory Forums held.	2	2	2	2	Target achieved
1.3	1.3.1	Effective planning and co-ordination of specialized fire-fighting services.	1.3.1.1	Pre-fire season and post-fire season reports submitted to Council for consideration for approval.	2	2	2	2	Target achieved

	1.3.2	Build fire-fighting capacity.	1.3.2.1	Number of the officials trained by the CWDM Fire Services Academy.	40	201	60	184	Performance Comments: Target overachieved. There was an increased need from stakeholders and the Academy could assist.
1.4	1.4.1	To fulfil a coordinating role in terms of town and regional planning within the Cape Winelands District.	1.4.1.1	Annual review of CWDM's SDF, submitted to Council for consideration for approval.	0	0	0	0	Performance Comments: Target adjusted at the Adjustment Budget in February 2024.
	1.4.2	Implement environmental management activities to achieve environmental sustainability.	1.4.2.1	Number of hectares cleared through the EPWP Invasive Alien Vegetation Management Project.	2 390	2 447.81	2 300	2 368.23	Performance Comments: Target overachieved. The bulk of the sites that were prioritised for the financial year was "follow-up" project sites. Follow-up project sites cost less to clear and is larger in hectares. Follow-up project sites is a consolidation of initial project sites. The sites cost less to clear due to age the age and density of alien vegetation.
	1.4.3	To fulfil a coordination role in terms of Economic and Tourism Development within the Cape Winelands District.	1.4.3.1	Number of LTA Forums coordinated by the CWDM.	4	4	4	4	Target achieved.
			1.4.3.2	Number of LED Forums coordinated by the CWDM.	4	4	4	4	Target achieved.
1.5	1.5.1	To improve the livelihoods of citizens in the Cape Winelands District.	1.5.1.1	Number of ECD centres supported by the CWDM.	35	34	33	33	Target achieved.

			1.5.1.2	Number of youths who complete the skills development project.	11	24	23	3	Performance Comments: Target underachieved. Award was only done on 19 June 2024. Only certain parts of this contract could therefore be implemented in this financial year. The contractor will finalise the outstandings in the next financial year. Corrective Measures: The necessary appointments have been scheduled for July and August 2024.

Strategic Objective Two: Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2022/2023 Target	2022/2023 Actual	2023/2024 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
2.1	2.1.1	Roll-out and implementation of the maintenance function and activities for proclaimed roads as an agent on behalf of the Western Cape Department of Transport and Public Works.	2.1.1.1	Conclude the annual MOA or addendum with PGWC.	1	1	1	1	Target achieved.
			2.1.1.2	Kilometres of roads re-sealed.	-	-	-	-	
			2.1.1.3	Kilometres of roads bladed.	5 000	4 903.99	5 000	5 662.79	Performance Comments: Target overachieved. Rental graders added to satisfy blading demand from agricultural sector.
			2.1.1.4	Kilometres of roads re-gravelled.	4.5	2.18	3	3.51	Performance Comments: Target overachieved. More capacity was available to re-gravel as less work was done on flood damage repairs.

Strategic Objective Two: Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2022/2023 Target	2022/2023 Actual	2023/2024 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
2.2	2.2.1	Coordinate and improve the planning of infrastructure services in the Cape Winelands District.	2.2.1.1	Annual review, and alignment with review outcome, of the IWMP and submit to Council for consideration for approval.	1	0	1	1	Target achieved
2.3	2.3.1	Improve pedestrian safety throughout the Cape Winelands District.	2.3.1.1	Annual review, and alignment with review outcome, of the DITP and submit to Council for consideration for approval.	1	1	1	1	Target achieved
			2.3.1.2	Number of sidewalks and/or embayments and/or bus shelters completed or upgraded.	2	2	2	0	Performance Comments: Target underachieved. Tender was cancelled therefore project could not be completed. Corrective Measures: The shortcomings in the tender specifications were corrected and the tender had to be re-advertised. An award to appoint a contractor will be made in September 2024.
2.4	2.4.1	To improve infrastructure services for citizens in the Cape Winelands District.	2.4.1.1	Percentage of project budget spent on rural projects.	90%	41.10%	90%	54.90%	Performance Comments: Target underachieved. Certain projects could not be completed due to cancellation of certain tenders as well as slow performance by contractors. Corrective Measures: Shortcomings in tender specifications that may lead to tender cancellations will be addressed. Contract Management processes will be enhanced by contract managers.
	2.4.2	To improve the livelihoods of citizens in the Cape Winelands District.	2.4.2.1	Number of schools assisted with ablution facilities and/or improved water supply.	2	2	2	0	Performance Comments: Target underachieved. Contractor could only be appointed in May 2024 due to a delay in the evaluation of the tender. Corrective Measures: Contract managers should aim that contracts for similar projects be

Strategic Objective Two: Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2022/2023 Target	2022/2023 Actual	2023/2024 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
									secured in the first 6 months of the financial year.
			2.4.2.2	Number of solar geysers installed.	150	78	80	67	Performance Comments: Target underachieved. Approved landowners could not install units due to financial constraints, they could not take up the subsidy. Corrective Measures: To rectify the process, Council did increase the subsidy amount and this will contribute towards more subsidies being taken up.
			2.4.2.3	Number of sport facilities upgraded or completed and/or supplied with equipment.	8	3	11	3	Performance Comments: Target underachieved. Certain projects could not be completed due to cancellation of certain tenders as well as slow performance by contractors. Corrective Measures: Shortcomings in tender specifications that may lead to tender cancellations will be addressed. Contract Management processes will be enhanced by contract managers.
2.5	2.5.1	To improve ICT governance in the Cape Winelands District.	2.5.1.1	Annual review, and alignment with review outcome, of the ICT Governance Framework and/or the ICT Strategic Plan and submit to Council for consideration for approval.	1	1	1	1	Target achieved

Strategic Objective three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2022/2023 Target	2022/2023 Actual	2023/2024 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
3.1	3.1.1	To compile a budget that is available before the start of the financial year.	3.1.1.1	Compilation of a budget and submitted to Council by 31 May.	1	1	1	1	Target achieved
	3.1.2	Transparent and accountable reporting to all stakeholders.	3.1.2.1	Compilation of a mid-year assessment (section 72 report), submitted to Council by 31 January.	1	1	1	1	Target achieved
	3.1.3	Fair, equitable, transparent, competitive and cost-effective SCM practices.	3.1.3.1	Submit to Council a report on the implementation of SCM (within 30 days after financial year-end).	1	1	1	1	Target achieved
	3.1.4	To promote the financial viability of the CWDM through sound financial management practices.	3.1.4.1	Maintaining a sound liquidity ratio as at financial year-end.	17.67:1	12.90:1	8.55:1	6.83:1	Performance Comments: Target overachieved. The ratio indicates that the Municipality has the ability to honour its current or short-term obligations.
			3.1.4.2	Maintaining a sound Impairment of Property, Plant and Equipment and Investment Property and Intangible Assets Ratio	Equal to and greater than 0%	0%	0%	0%	Target achieved.

Strategic Objective three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2022/2023 Target	2022/2023 Actual	2023/2024 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
			3.1.4.3	Maintain a sound Cash / Cost Coverage Ratio as at financial year-end.	1 to 3 months	19.82 months	1 to 3 months	11 months	Performance Comments: Target overachieved. The ratio indicates the Municipality has the ability to meet its monthly fixed operating commitments from cash and short-term investments.
			3.1.4.4	Maintain a sound Level of Cash Backed Reserves Ratio as at financial year-end.	100%	1 197%	100%	1 078%	Performance Comments: Target overachieved. The ratio indicates that the Municipality has more than 100% of its Cash Reserves are cash backed.
			3.1.4.5	Maintain a sound Net Operating Surplus Margin Ratio as at financial year-end.	Equal to and greater than 0%	12%	Equal to and greater than 0%	5%	Performance Comments: Target overachieved. The Municipality can recover its operational costs for the services that are delivered. The surplus will sustain the Municipality's capital funding requirements for a number of years to come and will, for example, enable the implementation of infrastructure projects with large capital outflow, such as the regional landfill site.
			3.1.4.6	Maintain a sound Creditors Payment Period Ratio as at financial year-end.	30 days	29 days	30 days	10 days	Performance Comments: Target overachieved. The ratio indicates the Municipality paid its creditors within 30 days.
3.2	3.2.1	To coordinate functional statutory and other committees.	3.2.1.1	Number of Council meetings that are supported administratively.	7	11	7	13	Performance Comments: Target overachieved. Additional meetings were required in respect of revised staff establishment and approval of policies.

Strategic Objective three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2022/2023 Target	2022/2023 Actual	2023/2024 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
			3.2.1.2	Number of MAYCO meetings that are supported administratively	8	11	9	11	Performance Comments: Target overachieved. Additional meetings were required to attend to matters arising that require decision-making.
3.3	3.3.1	To capacitate a skilled and competent workforce in order to realise organisational SO's.	3.3.1.1	Number of WSP submissions to the LGSETA.	1	1	1	1	Target achieved
			3.3.1.2	The percentage of CWDM's training budget actually spent on implementing its WSP	80%	73.23%	90%	84.00%	Performance Comments: Target overachieved. Savings made over the course of the 2023/2024 financial year resulted in the implementation of extra training programmes.
	3.3.2	Facilitate an administrative function in so far as it relates to labour relations.	3.3.2.1	Number of Employment Equity Report submissions to the Department of Labour.	1	1	1	1	Target achieved

Strategic Objective three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2022/2023 Target	2022/2023 Actual	2023/2024 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
	3.3.3	To manage the capital funds spent in relation to the receipt thereof for improved service delivery.	3.3.3.1	The percentage of CWDM's capital budget actually spent by the end of the financial year.	80%	67%	80%	57%	Performance Comments: Target underachieved. This is due to an unforeseen delay in the approval of the health and safety certificate. The construction of the regional landfill site has been deferred to the next financial year. Corrective Measures: Going forward, the contract management processes will be enhanced to ensure timeous environmental and regulatory compliance, in order for capital spending to improve.
	3.3.4	To promote a corruption-free CWDM.	3.3.4.1	Establishment of an externally managed corruption hotline	1	-	-	-	
		To promote good governance in the CWDM.	3.3.4.1	Number of Audit & Performance Audit Committee meetings that are supported administratively	-	-	4	5	Performance Comments: Target overachieved. Additional meeting was required.

Strategic Objective three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2022/2023 Target	2022/2023 Actual	2023/2024 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
	3.3.5	To transform the work force of the CWDM in terms of representation.	3.3.5.1	Number of people from employment equity target groups employed in the 3 highest levels of management in compliance with CWDM's approved Employment Equity Plan.	90% of appointments	79.55% of appointments	90% of appointments	80% of appointments	Performance Comments: Target underachieved. Three appointments in the 3 highest levels of management were made during the 2023/2024 financial year. Corrective Measures: The newly approved CWDM Strategic Talent Management Framework, revised Scarce Skills & Retention and revised Succession Planning and Career Pathing policies will assist to improve appointments of under-representation on this level.
	3.3.6	To improve the livelihoods of citizens in the CWDM area.	3.3.6.1	Number of work opportunities created (in person days) through CWDM's various initiatives.	9 340	10 623	9 560	14 347	Performance Comments: Target overachieved. More work opportunities could be created due to an increased need.
3.3	3.3.7	To improve inter-governmental relations within the district as with other districts.	3.3.7.1	Improve inter-governmental relations within the district by initiating and participating in the DCF and JDMA meetings.	8	7	8	7	Performance Comments: Target underachieved. One DCF meeting was scheduled but could not take place due to non-availability of all stakeholders Corrective Measures: Going forward, closer cooperation with the local municipalities in the district as well as the WC Department of Local Government will take place to re-schedule planned meetings when needed.

3.3 NATIONAL KEY PERFORMANCE AREAS 2024/2025

National Government has identified five key performance areas (KPAs) for local government:

- Service delivery and infrastructure development;
- Local economic development;
- Municipal financial viability and management;
- Municipal transformation and organisational development; and
- Good governance and public participation.

3.3.1 The CWDM contributed to the national key performance areas as follows:

KPA 1: Service Delivery and Infrastructure Development			
Roads	**Unit**	**2024/2025**	**2023/2024**
Kilometres of road responsible for (provincial de-proclamation and maintenance contracts)	Kilometres	3 601	3 601
Kilometres of roads maintained and rehabilitated (provincial de-proclamation and maintenance contracts)	Kilometres	3 601	3 601
Total amount of operating budget allocated to road maintenance	Rand	133 257 114	137 912 820
Total amount of operating budget spent on road maintenance	Rand	125 927 286	120 619 503
KPA 2: Local Economic Development			
Economic growth	**Unit**	**2024/2025**	**2023/2024**
Total rand value of procurement transactions	Rand	223 367 754	179 650 865
Total rand value of contracts awarded to SMMEs	Rand	216 438 136	173 367 419
Total rand value of contracts awarded to BEE suppliers	Rand	217 888 162	107 706 275
Total rand value of contracts awarded to women	Rand	168 626 502	56 800 035
Total rand value of contracts awarded to youth	Rand	122 152 125	11 614 543

KPA 3: Municipal Financial Viability and Management			
Financial viability	**Unit**	**2024/2025**	**2023/2024**
Total operating transfers (grant and subsidy income)	Rand	273 385 109	267 503 948
Total operating expenditure	Rand	432 477 084	449 865 032
Capital budget spend in year	Rand	104 411 821	39 689 925
Council-approved capital budget in year	Rand	135 412 838	70 219 802
Total outstanding customer debt as at 30 June	Rand	38 469	11 649
Current assets as at 30 June	Rand	438 482 896	460 741 203
Current liabilities as at 30 June	Rand	77 836 622	53 886 438
Total revenue	Rand	483 677 980	473 951 816
Revenue from grants	Rand	273 385 109	267 503 948
Debt service payments (finance charges)	Rand	18 382 399	13 713 060
Salaries budget (including benefits)	Rand	271 183 770	256 087 090
Total operating budget	Rand	R509.211.680	510 870 456
Municipal systems improvement grant (MSIG)	Rand	-	-
Amount of this allocation utilised	Rand	-	-
Municipal infrastructure grant allocation	Rand	-	-
Amount of this allocation utilised	Rand	-	-

KPA 4: Municipal Transformation and Organisational Development			
Organisational design and capacity	**Unit**	**2024/2025**	**2023/2024**
Number of posts on the organogram as at 30 June	Number	596	579
Number of posts on the organogram that were filled as at 30 June	Number	396	393
Total number of staff employed at the municipality as at 30 June	Number	430	432
Total number of Section 57 staff employed at the municipality as at 30 June	Number	4	4
Section 57 posts vacant for more than 3 months in the financial year ending 30 June	Number	1	-
Percentage of municipality's budget spent on implementing its workplace skills plan	Percentage	0.16	0.36
Employment equity	**Unit**	**2024/2025**	**2023/2024**
Number of Section 57 staff who were classified as Black (African, Indian and coloured) as at 30 June	Number	4	3
Number of Section 57 staff who were women as at 30 June	Number	2	1
Number of staff (out of total number of staff) at the municipality who were women as at 30 June	Number	162	164
Number of staff (out of total number of staff) at the municipality who were classified as disabled as at 30 June	Number	8	7
KPA 5: Good Governance and Public Participation			
Council meetings	**Unit**	**2024/2025**	**2023/2024**
How many Council meetings were held in the financial year?	Number	20	13
How many open Council meetings were held in the financial year?	Number	13	11
Corporate governance	**Unit**	**2024/2025**	**2023/2024**
Number of Section 57 staff dismissed	Number	0	0
Number of Section 57 staff suspended	Number	1	0
Number of Section 57 staff resigned	Number	0	0

3.4 PERFORMANCE IMPROVEMENT MEASURES

The followings actions were taken throughout the 2024/2025 financial year to improve the culture of performance management in the organisation:

- Strategic sessions were held with the Mayor and the Municipal Manager;
- Strategic sessions were held between the Municipal Manager and the Senior Management Team;
- All Executive Directors were tasked by the Municipal Manager to prepare up-to-date evidence files that were uploaded on the Collaborator electronic record management system;
- Performance contracts were concluded with identified officials;
- The Internal Audit Unit performed testing of organisational key performance indicators and/or projects – to verify the quality of data and evidence of performance for quarters 2, 3 and 4;
- Internal Audit reports were submitted to management, as well as other senior management involved, for response and action to address any identified shortcomings;
- These Internal Audit reports also served before the Audit and Performance Committee for oversight, where after the Audit Committee's quarterly reports served before Council; and
- An electronic compliance register also assisted to monitor the compliance with various pieces of legislation relating to performance management.

3.4.1 PMS Audit Focus for 2024/2025

The objective for the 2024/2025 financial year was to provide reasonable assurance that the internal controls within the performance management processes are adequate and effective. The focus areas reviewed:

Quarter 1:

The focus area reviewed:

- The validity, accuracy and completeness of the supporting evidence for the related key performance indicators reported for Q4 - 2023/2024 financial year.

Quarter 2:

The focus area reviewed:

- The validity, accuracy and completeness of the supporting evidence for the related key performance indicators reported for Q1 - 2024/2025 financial year.
- Follow-up on findings reported in the Q4 - 2023/2024 financial year report.

Quarter 3:

The focus area reviewed:

- The validity, accuracy and completeness of the supporting evidence for the related key performance indicators reported for Q2 - 2024/2025 financial year

Quarter 4:

The focus area reviewed:

- To assess the alignment of the 2025/2026 Top Layer KPIs with the Cape Winelands District Municipality's Vision and Mission, Strategic and Emerging Risks, the Integrated Development Plan (IDP) Strategic Objectives and Budget.
- The validity, accuracy and completeness of the supporting evidence for the related key performance indicators reported for Q3 - 2024/2025 financial year.

The validity, accuracy and completeness of supporting evidence was determined by:

- Information provided must actually relate to what is reported (valid)
- Information provided must be the total (correctly recorded and calculated) of what is reported (accurate)
- All Information provided should be present – nothing left out (complete)

The quarterly review of the key performance indicators reported for Q4 - 2024/2025 financial year will be performed and included in Quarter 1 of the 2025/2026 financial year Annual Operational Plan.

3.5 SUPPLIER PERFORMANCE

Looking at the applicable legislation, specifically s46(1)(a) of the MSA – A municipality must prepare for each financial year an annual report consisting of –

(a) *a performance report reflecting— (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year.*

In consideration of this legislative requirement, we consider the definition prescribed to a service provider, as well as a municipal service and a service delivery agreement in terms of the MSA.

A 'service provider' in terms of section 76(b) of the MSA constitutes a person or institution, or combination thereof, that provides provide to or for the benefit of a local community, whereas an 'external service provider' is considered to be an external mechanism (as referred to in section 76(b)) that provides a municipal service for a municipality.

It is necessary to further consider the meaning prescribed to a 'service delivery agreement', as in terms of section 76(b) this is considered to be an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by the institution or person, either for its own account or on behalf of the municipality. Finally, the MSA defines a 'municipal service' as necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety of the environment.

In consideration of the year under review, as well as the legislative interpretations detailed above, the municipality asserts that no service delivery agreements were entered into with service providers who provided a municipal service to or for the benefit of the local community on behalf of the municipality. However, in the table below we provide an overview of the number of SCM awards made in terms of formal written price quotations (> R 30 000.00) and tenders (> R 200 000.00) throughout the year.

Relevant Department/Division	Number of contracts	
	2023/2024	2024/2025
Community Development and Planning Services	80	49
Financial and Strategic Support Services	30	n/a
Financial Services	n/a	8
Corporate Services	n/a	31
Technical Services	44	25
Office of the Municipal Manager	8	10
Grand total	**162**	**123**

It is also necessary to ensure that quality assessment mechanisms are established and in place during the supply chain management process, as this is underscored by contract management practices. It is during this process that the municipality establishes or

confirms that all contractual obligations have been met.

3.5.1 Quality of performance

Contract managers evaluate the performance of contractors/service providers objectively on a monthly basis, whereby a supplier's actual performance is measured against the identified KPIs linked to the contract.

In the event that the supplier is rated lower than 3 out of a possible 5 (60%) on one or all of the KPIs, he/she must be consulted, and mutually agreed upon corrective measures must be identified and implemented by the supplier.

3.5.2 National Treasury supplier restrictions

The municipality has not requested National Treasury to restrict any service provider during the 2024/2025 financial year.

3.6 AUDITOR-GENERAL OUTCOMES

For the past 12 years (2013/2014; 2014/2015; 2015/2016; 2016/2017; 2017/2018; 2018/2019; 2019/2020; 2020/2021; 2021/2022, 2022/2023, 2023/2024 and 2024/2025), the municipality has received clean audits.

COMPONENT A: BASIC SERVICES

This component includes the following services:

- The provision of potable water
- Wastewater (sanitation)
- The supply of electricity
- Waste management
- Sport facilities

A. INTRODUCTION TO BASIC SERVICES

The CWDM does not provide any basic services to consumers as it is the function of the local municipalities in the district but does assist with the provision of services and certain infrastructure in the rural areas.

a) THE PROVISION OF WATER AND SANITATION SERVICES

INTRODUCTION TO WATER PROVISION

Rural schools battle with the upkeep of water and sanitation infrastructure due to the increase in learners as well as the cost of proper maintenance. Council assists some of these schools with the provision of potable water as well as sanitation services. Farm workers are also assisted by Council with the provision of water and sanitation services inside their homes. This is accomplished by granting landowners subsidies to install these services.

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

b) WASTEWATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

As indicated above, the municipality grants subsidies that assist landowners to provide sanitation within the farm laborer cottages. Rural schools expand due to additional classes and grades and the existing facilities sometimes cannot cope with the number of learners. In these cases, the municipality assists with the construction of additional infrastructure to provide effective and clean sanitation services at these schools.



COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

The set target was achieved as the contract for the construction of an ablution facility in the Koo Valley was completed.

c) ELECTRICITY

INTRODUCTION TO ELECTRICITY



The CWDM does not provide electrical services but assists landowners in the rural areas to improve the lives of the farm workers by providing a subsidy for solar warm water systems as part of the Council's contribution towards renewable energy.

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

The budget makes provisions to assist with 66 subsidies and for the 2024/2025 financial year only 50 units were installed during the year. The reason why landowners did not install the subsidized units is because of the cost for the landowners who currently experience difficult economic times, but the increased subsidy did assist more landowners.

d) WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

The CWDM does not render any refuse collection service but is in the process of establishing a regional waste disposal site near the town of Worcester.



COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

The contract for the development of the regional landfill site was awarded and construction took place during the 2024/25 financial year and is anticipated to be completed during Quarter 1 of the 2025/26 financial year. The tender for the management of the regional landfill site was also advertised during this financial year and should be awarded before December 2025.





e) SPORT FACILITIES

INTRODUCTION TO SPORT FACILITIES

The CWDM does assist rural registered sport clubs in upgrading / providing of sport facilities. The criteria being used is that such a facility must be of benefit to a school, registered sport club and the community.



COMMENT ON SPORT FACILITIES PERFORMANCE OVERALL



During this financial year, CWDM constructed a clubhouse in the Ceres area and developed a sport field at Soetendal Primary School. Various sport facilities in the rural area also received mobile pavilions.

COMPONENT B: ROADS SERVICES

B. INTRODUCTION TO ROAD TRANSPORT

Ownership of public roads in the CWDM's area vests with the national or provincial government or with the local municipalities. The five district municipalities within the Western Cape perform a roads agency service for the Western Cape Government: Department of Infrastructure (WCG: Dept Infrastructure). The main function of the CWDM Roads Division is to perform various maintenance activities on the allocated provincial roads under the technical guidance of the Provincial District Roads Engineer's office.

a) ROADS SERVICES

I. The Extent of the Road Network

CWDM Roads activities are 100% funded and funding transfers are governed by a Memorandum of Agreement (MOA) with WCG: Dept. Infrastructure. It is expected that CWDM Roads perform this function with its own staff. All plant and equipment (commonly known as the yellow fleet) are provided by the WCG: Dept Infrastructure. Extent of the provincial road network in CWDM's jurisdiction:

- Provincial roads allocated to CWDM to maintain: 2 872 km gravel roads and 1 382 km surfaced
- Provincial roads maintained by the Provincial District Roads Engineer's office: 1 600 km by their own staff

The Agency Agreement with the WCG: Dept Infrastructure stipulates what is expected of the CWDM. The emphasis of CWDM Roads is on road maintenance activities to assist the WCG with their important task of preserving their existing upgraded 7 281 km of surfaced provincial road network asset in the province. The biggest challenge is the shortfall in allocated funding versus funding required to attend to all the identified technical maintenance, resealing, re-gravelling, rehabilitation and reconstruction needs as reflected on the annually updated road and bridge infrastructure management systems.

Provincial gravel roads: Most of the complaints received from the rural communities pertain to the poor condition of the provincial gravel road network. The majority of the 2 872 km provincial gravel road network in the CWDM area needs re-gravelling/reworking/reshaping. Wet weather has a negative impact on the riding quality of these roads, as they urgently require reshaping (to improve drainage) and re-graveling (to improve riding quality) that cannot be achieved with the current resources and huge backlogs.

Taking the above into account, the reality is that funding allocated by the national government to the provincial government is insufficient to address all the requests from communities to upgrade or to attend to the technical re-gravelling needs of the approximately 24 936 km provincial gravel roads in the province – the need thus outweighs the resources, and it is therefore imperative that the available resources be utilized optimally.

II. Performance and Measurement

The main performance targets set by the WCG: Dept Infrastructure can be summarized as follows:

- To assist in reinstating scarce road construction skills by performing (on a limited scale) road construction work with own staff.
- All funding allocated for road maintenance and limited construction activities must be spent within the financial year and linked to performance indicators.

- Costs relating to the different maintenance and limited construction activities must be economically sound.

The measurement of the main performance targets by the WCG: Dept Infrastructure is done by:

- the use of a computerized management system (IMMS) where all CWDM's roads staff are registered against total cost per road maintenance activity per road;
- road projects re-gravel, reseal and upgrade per km per allocated budget per project; and
- regular quarterly meetings between senior technical officials from the five district municipalities and WCG: Dept Infrastructure to evaluate total spending and compare each district municipality's cost per road maintenance activity per road.





III. Flood Damages and Repairs

The CWDM was hit by severe storms and flooding during June 2023 and September 2023. In the 2024/25 financial year a ring-fenced amount was budgeted for flood damage repairs. The strategy with flood damage repairs is that it is done by the existing maintenance teams in service of CWDM. Needless to state that flood damage repairs put a pause on the much-needed maintenance action required on the roads. The operating procedure that is followed by all district municipalities in the Western Cape Province is to immediately make the areas safe, do temporary repairs if possible and return later to fix the damage to required standards. Below are some photos showing the damage and the subsequent actions and repairs.





DR01339 (Boesmansrivier Road clearing up debris)





DR01129 (Protea Road flood damage repairs)





DR01423 (De Wetstasie bridge approach)

IV. Financial Performance

The performance of the CWDM in this financial year for the budgeted items was as follows:

Department	Original Budget	Adjustments Budget	Actual Spending
ROADS-MAIN/DIV. INDIRECT	94,898,460.00	98,541,275.00	91,132,591.48
MANAGEMENT: ROADS	13,120,547.00	9,947,807.00	9,864,641.45
ROADS: PLANT	11,992,150.00	14,432,150.00	13,558,766.35
ROADS: WORKSHOP	12,592,335.00	9,935,882.00	9,897,272.75
TOTAL	132,603,492.00	132,857,114.00	124,453,272.03

b) PUBLIC TRANSPORT

The mandate for transport at district municipal level is derived as follows: The Constitution of the Republic of South Africa stipulates in respect of local government matters listed under Part B of Schedule 4 that 'Municipal Public Transport' is to be the responsibility of a municipality. Furthermore, in section 84 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), the division of functions and powers between district and local municipalities section 84(1)(g), lists the function 'regulation of passenger transport services' as a district municipal competency. In fulfilling its statutory mandate, the CWDM established a unit on its organizational organogram, namely Regulation of Passenger Transport Services. The approach adopted by the sub directorate was the development of a District Integrated Transport Plan as well as Local Integrated Transport Plans for the B-municipalities in its district. The District Integrated Transport Plan provides guidance for an implementation strategy to achieve the various service delivery goals in public transport.

The table below indicates the critical areas identified to achieve the service delivery goals, with their respective projects.

Outcome	Projects	Targets	Achievement 2024/2025
Improved mobility of citizens in the district	Review of the CWDM District Integrated Transport Plan	Improve public transport level of service rendered by the unregulated and privately funded minibus taxi industry	The review of the Transport Register and Operating Licence Plan (TR/OLP) for the Drakenstein Local Municipality has been successfully completed and submitted to Council for approval.
Improved road safety	Planning for improved road safety infrastructure at urban schools in Breede Valley LM	Reduce the number of learner traffic-related incidents. Reduce the speed of vehicles passing urban schools through traffic calming infrastructure. Improved road signage.	The upgrading of pedestrian road crossings at intersections infrastructure (sidewalks), improving of road signage and road markings, applying traffic calming measures (speed humps) at Pioneer School was successfully completed. The improvements were aimed at improved access and pedestrian safety especially for the blind.
	Distribution of promotional items within the district.	Distribute promotional items to improve the safety of the public.	A total of 10 000 learner peak caps and 10 000 reflective vests and 4 382 reflective beanies were successfully distributed equally across all five local municipalities within the Cape Winelands District Municipality. Each municipality received an equal share of promotional items to ensure fairness and consistent support for road safety awareness initiatives across the district.

	Transport Month event	Host Transport Month event in all five Local Municipalities during the month of October 2024.	Transport events were successfully hosted in the following schools: • Bergrivier NGK Primary School in Drakenstein Municipality on 22 October 2024 • St Vincent Primary School in Stellenbosch Municipality on 24 October 2024 • Overhex Primary School in Breede Valley Municipality on 28 October 2024 • Wanganella NGK Primary in Witzenberg Municipality on 30 October 2024 • Gelukshoop NGK Primary School in Langeberg Municipality on 31 October 2024.

i. Transport Month Event

The theme for the Cape Winelands Transport Month event was taken from the National Road Safety Strategy 2016-2030 Pillar 4, Safer Road Users, and shall be known as **'ROAD SAFETY – 365 DAYS A YEAR'.**

ii. Aim of Transport Month

To raise awareness and increase the visibility on road safety, focusing on learners and pedestrians, learner peak caps were distributed during the transport month



Overhex Primary School Breede Valley



St Vincent Primary School Stellenbosch



Wanganella Primary Witzenberg





10 Imbizo • NOVEMBER & DECEMBER 2024

October is National Transport Month

In recognition of Transport Month this October, the Cape Winelands District Municipality (CWDM), in collaboration with the Western Cape Government's Department of Mobility's Road Safety Management division and Department of Education, conducted road safety campaigns at schools across the district.

One school was identified in each municipal area to participate in this year's campaign. The selected schools were St Vincent Primary School in the Stellenbosch Municipality, Overhex Primary School in the Breede Valley Municipality, Wanganella NGK Primary School in the Witzenberg Municipality, Gelukshoop NGK Primary School in the Langeberg Municipality, and Bergrivier NGK Primary School in the Drakenstein Municipality. This campaign will continue over the next three years, with different schools identified each year.

Our team from the Regulation of Passenger Transport Services in the Technical Services Department, along with Councillor Gideon Carinus, Portfolio Holder, joined the school activations to educate young learners on road safety as pedestrians and passengers.

Additional stakeholders participated in some of the activations to provide fun yet educational safety demonstrations and talks. These stakeholders included the Fire Services of Stellenbosch, Breede Valley, and Witzenberg municipalities, the Western Cape Government's Community Development Workers Programme, SAPS, PRASA, EMS, and organisations such as Working on Fire and Working on Water.

COMMENT ON THE OVERALL PERFORMANCE OF TRANSPORT

The National Public Transport Strategy excludes the CWDM from accessing the major sources of funding for public transport, namely the Public Transport Infrastructure Grant (PTIG) and Public Transport Network Operations Grant (PTNOG).

By excluding district municipalities from accessing the Municipal Infrastructure Grant (MIG) the funding for public transport at the CWDM is reliant on Council's equitable share and irregular grants from the WCG: Mobility Department. The impact and performance on the mandatory transport function are thus determined by funding which can be made available via Council budget.

However, despite funding challenges, planning for improved citizen mobility and implementation of various public transport-related projects continued such as the Transport Month event that was hosted in all five Local Municipalities as evidenced by the learner photos during the distribution of road safety material and the upgrading of pedestrian road crossings at intersections infrastructure (sidewalks) at Pioneer School.

COMPONENT C: COMMUNITY DEVELOPMENT AND PLANNING SERVICES

Departmental Introduction

The Community Development and Planning Services Department comprises the following divisions:

- Spatial Planning and Environmental Management;
- Socio-Economic Development;
- Municipal Health Services;
- Disaster Management Services; and
- Firefighting Service.

Spatial Planning and Environmental Management:

This division's town and regional planning function is limited to spatial planning. Land use management is a function of the five local municipalities within the Cape Winelands district although the CWDM's involvement in land use planning is through participation in local municipal planning tribunals established in terms of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013) (SPLUMA).

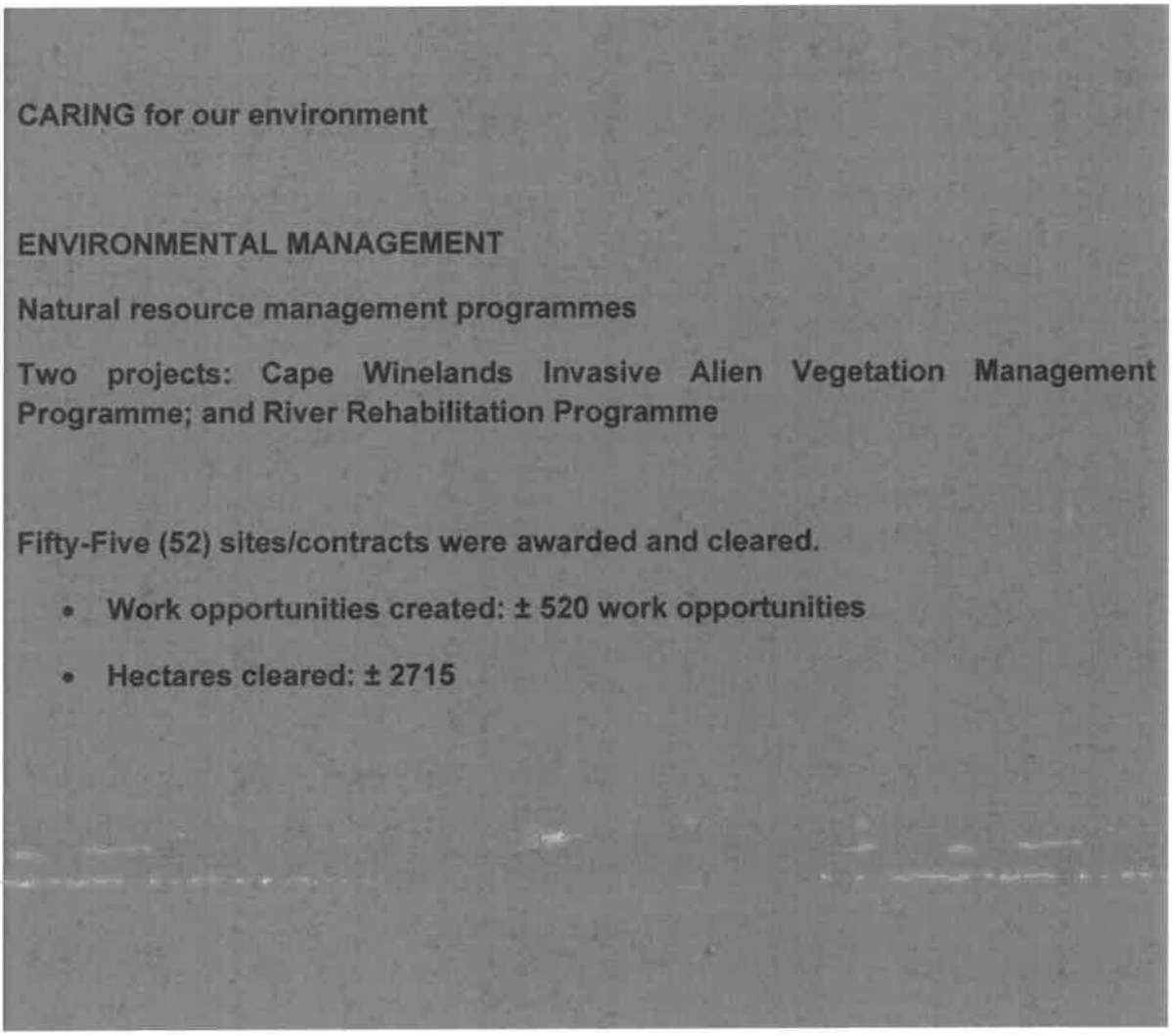
The division's environmental management function focuses mainly on natural resource management, biodiversity and water through the implementation of an invasive alien vegetation management and river rehabilitation programmes. The division is also responsible for Geographic Information Systems (GIS). This is a newly acquired support function. The purpose of this function is to;

- Support all departments/divisions within the CWDM organisation with spatial data analysis and maps.
- Project management and oversight pertaining to GIS related data management/usage and,
- Managing GIS software and contractual agreements.

The CWDM's involvement in terms of planning in general is as follows:

- Compiling, reviewing, and amending a Spatial Development Framework for the Cape Winelands district municipal area.
- Active participation in provincial and local municipal spatial development framework processes.
- Participation in environmental planning policy processes that are facilitated/implemented by other spheres of government.

- Participation in the law reform process pertaining to the Western Cape Land Use Planning Act (Act No. 3 of 2014) and SPLUMA.
- Member of the Cape Winelands Biosphere Reserve Technical Committee and fulfilling a secretariat role to the board of directors of the biosphere reserve non-profit company.
- Participation in environmental conservation landscape initiatives throughout the district.
- The CWDM Deputy Director: Spatial Planning and Environmental Management is a member of Breede Valley, Witzenberg and Langeberg Municipal Planning Tribunals established in terms of SPLUMA.



SOCIO-ECONOMIC DEVELOPMENT

The Division Socio-Economic Development submitted Cape Winelands Regional Socio-Economic Development Strategy's (CW-RSEDS) to Council and the strategy was adopted by Council on 27 May 2019.

The Cape Winelands Regional Socio-Economic Development Strategy's (CW-RSEDS) core focus is to outline how the cape winelands district municipality will invest in its people and how it will create an enabling environment in which business can develop, grow and thrive by fostering greater investment that will increase job growth and alleviate poverty in the district.

The CW-RSEDS is intended to provide an achievable, evidence-based plan for the future while responding to the challenges and opportunities presented by the local economic and social context. The CW-RSEDS includes Sector Plans/Strategies for:

- Local Economic Development Strategy;
- Investment Attraction, Retention and Opportunities Strategy;
- Tourism Development and Marketing;
- Rural Economic Development Strategy; and
- Social Development Strategy.

Together these five strategies form the Cape Winelands Regional Socio-Economic Development Strategy.

District Role in Local Economic Development (LED)

While it is acknowledged that the private sector remains the primary contributor to economic development driven by a desire to develop business, build the economy and accumulate wealth, we still believe that Municipalities have an important role to play in economic development.
A District Municipality must provide a coordinating and supporting role to the Local Municipalities within their geographical area

- Manage & monitor implementation of Economic Development Strategies
- Identify lead LED sectors that can kick-start development within the District
- Establish the LED structure;
- Promote networking of firms within the district
- Collect and disseminate information to assist local municipalities
- Provide the necessary training to municipalities that are under capacitated
- Promote joint marketing, purchasing and production activities
- Maintain a strong relationship with the Province
- Identify resource availability (e.g. grants, land, infrastructure, etc)

As the District municipality, we understand that economic growth can only be achieved through the ongoing co-operation and collaboration of all sectors:

- the leading and enabling role of government;
- a thriving and innovative private sector;
- and the active involvement by civil society.

To this end, the Cape Winelands District Municipality have tirelessly work to build and strengthen our strategic partnerships and collaborations.

LED PROGRAMMES AND PROJECTS

INVESTMENT AND TRADE OPPORTUNITIES

The primary objectives for the CWDM to attend trade/tourism shows and Trade Missions:

- Generic marketing of the Cape Winelands as an investment destination that supports the objectives of the District's Investment Attraction and Opportunity Strategy (CW-IAOS) as contained within the Cape Winelands Regional Socio-Economic Development Strategy (CW-RSEDS: 2019/20); and
- Generic marketing of the Cape Winelands as a preferred tourism destination that supports the objectives of the Cape Winelands Tourism Strategy as contained within the Cape Winelands Regional Socio-Economic Development Strategy (CW-RSEDS: 2019/20).

PARTICIPATING SMMEs

- Increase sales of products/ services represented on the Cape Winelands District Municipality's stand by participating SMMEs;
- Obtain market intelligence and gauge response to the District as an Investment destination as well as to the various products/services offered within the District; and
- Penetrate new markets for the district's products and services by the participating SMMEs on the Cape Winelands District Municipality's stand.

INTERNATIONAL: GHANA TRADE MISSION

Background

The WESGRO Outward Trade Mission took place from Monday, 23 October 2024 until Friday, 26 October 2024. The aim of the WESGRO Outward Trade Mission was to:

i). Open new outward investment avenues;
ii). Generate business opportunities;
iii). Establish proper business networks; and
iv). Promote intra-African trade between Ghana and Western Cape Companies of South Africa.

The nine (9) exporters, comprising of agri-processing, seafood, agri-machinery, finance, décor, livestock, kiosk manufacturing and tourism, from the City of Cape Town Metropolitan Municipality, Garden Route District Municipality and Cape Winelands District Municipality, completed the WESGRO Outward Trade Mission.

Ghana Investment Summit

The delegates attended the Ghana Investment Summit that took place from 23 – 25 October. Her Excellency, Ms. Grace Jeanet Mason, the South African High Commissioner to Ghana, opened the summit and extended a special welcome to the South African delegation. The summit was chaired by Mr. Yofi Grant, CEO of the Ghana Investment Promotion Centre (GIPC) and co-chaired by Mr. David Wang, CEO and Chairman, MIE Group, China.

Mr. Michael Gambo did a presentation on the composition of the delegations of the Western Cape Province, whilst Mr. Rhian van Wyk from the Cape Winelands District Municipality (CWDM) did a presentation on the offerings of the Cape Winelands region at the summit.

The WESGRO's Africa desk also liaised with their local partners in Ghana to arrange Business to Business (B2B) meetings between the companies form the Western Cape Province in South Africa and Ghanian businesses. Provision was made for each company from South Africa to attend an average of three (3) B2B meetings per day. In addition, a business networking seminar was organised as a platform for networking with Ghanian businesses.

Way Forward

The WESGRO Outward Trade Mission established that there are many business opportunities in Ghana for exporters from the Western Cape Province and concluded that the focus should be on:

i). Establishing solid business linkages with Ghanian importers and other key stakeholders.
ii). Familiarisation of the Ghana business community with the Cape Trade Portal.

iii). Western Cape exporters access into the Ghanian market.
iv). Western Cape business expanding their Outward Foreign Direct Investment (OFDI) business to Ghana.
v). Identifying buyers for the upcoming Made in the Cape 2024 event.
vi). Assist companies and follow up on leads.
vii). Invite Ghana businesses to visit the Western Cape Province and the Cape Winelands District Municipality.
viii). Establish a strong line of communication with the South African Embassy in Ghana.

That these outward trade missions are a necessity for the CWDM to assist local companies to explore new export markets for their products and assist the municipality with the economic recovery of the region.

BUSINESS RETENTION & EXPANSION (BR&E) PROGRAMME

The Cape Winelands District Municipality understand that existing businesses are the foundation of any economic growth strategy. By building on what already exists, the district can support current businesses and create a strong foundation on which to attract new businesses, residents, and employment.

The CWDM used the locally driven approach to BR&E which placed the implementation in the hands of the community. The Local Tourism Associations (LTAs) were chosen by the tourism community to assist in implementing the projects. It was also decided by the tourism community that the BR&E programme should have a hybrid approach not only focus on businesses but also on much needed tourism business development.

WINE TOURISM

Vinpro and the Cape Winelands District Municipality (CWDM) have a proven track record for co-funding and delivering wine tourism projects. The CWDM is one of the original and longest standing funders of wine tourism research and development projects since the inception of the wine tourism department at Vinpro in 2018.

ENTERPRISE DEVELOPMENT AND SUPPORT PROGRAMME

ENTREPRENEURIAL SEED FUND PROGRAMME

Encouraging entrepreneurs to start businesses gives people power over their own lives. It also lets them build wealth in their own communities. It is generally acknowledged that business owners who also live in the community tend to spend more on local business services and keep more of their earnings in the local economy.

The CWDM is investing in small business by 'Grow your own' through provision of seed funding for small businesses. The Entrepreneurial Seed Fund programme has been a partnership programme between the CWDM and its five local municipalities. Through a selection process promising and locally driven start-up SMMEs working primarily in historically disadvantaged areas within the District are selected.

TOURISM PROJECTS

TOWNSHIP TOURISM

The CWDM, had through several studies identified that municipality's need assistance in developing lucrative and sustainable tourism routes within townships. These new routes aim to ensure that smaller tour guides, operators and small businesses be afforded opportunities to gain access to established tourism routes and access partnerships with established tourism businesses to help expand smaller tourism enterprises.

In realising this project some initiatives embarked upon are:

Inclusive tourism development:

- **Economic Upliftment**: By supporting SMMEs and township tourism, CWDM is creating jobs and stimulating local economies.
- **Cultural Preservation**: Empowering communities to showcase their heritage fosters pride and sustainable storytelling.
- **Market Diversification**: Initiatives like Halaal certification and art-based tourism open doors to niche markets.

Township Tourism Route Development

- **Strategic Partnerships**: CWDM has partnered with local municipalities to co-develop sustainable tourism routes within townships.
- **Access to Established Networks**: These routes help smaller operators and guides integrate with mainstream tourism circuits, unlocking new visitor flows and revenue streams.

- **Montagu Ashton Tourism Support**: This local tourism body received targeted assistance for route planning and SMME development, enhancing visibility and economic potential.

SMME Empowerment and Creative Support

- **25 Entrepreneurs Supported**: Received marketing collateral, signage, and raw materials to elevate their product presentation.
- **Youth Art Development**: Art Kits distributed to nurture creative skills and future tourism-linked youth enterprises.
- **Halaal Certification**: 6 tourism SMMEs certified by the Islamic Council of South Africa (ICSA), expanding their market reach to Muslim travellers.

Women in Tourism Western Cape

- **Membership Sponsorships**: 9 female-owned businesses membership to the Women in Tourism Western Cape network was paid, ensuring access to networking, mentorship, and training.
- **Exhibition Funding**: CWDM contributed **R50,000** to secure space at **WTM Africa 2025**, held at the CTICC in Cape Town. This global travel expo gave Cape Winelands businesses a platform to connect with international buyers, media, and partners—resulting in valuable business leads and exposure.



BB HALAAL CATERING



SMOKE
SMOKE
LABEL








MEDIA EDUCATIONALS

The Cape Winelands is a treasure trove of culture, nature, and hospitality Hence, the project aims to promote hidden tourism gems and experiences within the Cape Winelands region through the scheduling of media, tour operators and staff educational trips, aligned with the seven (7) destination promotion themes to spread the economic benefits more widely. LTAs within the region were funded with R20 000 each to rollout media educationals aligned with the seven (7) destination themes of the Cape Winelands.

Key Objectives

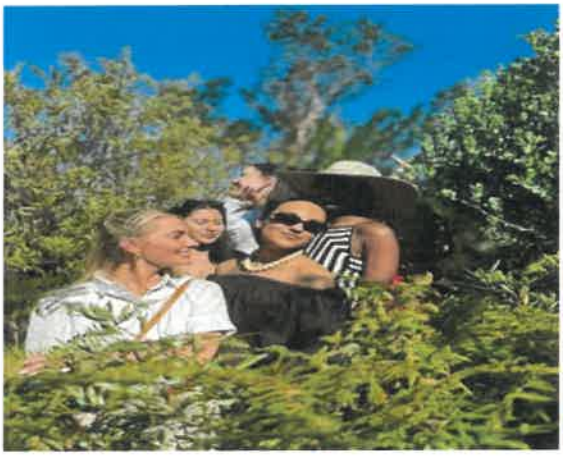
- **Awareness Building**: Increase visibility of hidden tourism gems through curated experiences that align with the seven promotion themes.
- **Strategic Storytelling**: Empower media and tour operators to craft compelling narratives that highlight the region's unique offerings.
- **Capacity Development**: Equip tourism staff with rich insights and deeper appreciation for the Winelands to enhance visitor interactions.
- **Visitor Diversification**: Attract new target markets beyond the traditional wine tourism crowd.

Hidden Gems Showcase

- Farm-to-table experiences in remote valleys
- Artisanal food and wine producers off the beaten path
- Historical villages with Cape Dutch architecture
- Guided hikes, mountain or e-bike tours through less-travelled mountain passes
- Cultural exchanges with local makers or performers, such as dine with the locals.

Media Coverage

- Offer unique angles or experiences they can't access on standard tours
- Provide media kits with high-quality photos, story leads, and press contacts
- Encourage social media content creation in real-time during the trip
- Spotlight collaborations with local entrepreneurs or conservation projects





TOURISM EVENTS

The aim of tourism events is to position the Cape Winelands as South Africa's premier year-round events destination that attracts diverse audiences, uplifts local communities, and extends tourism's footprint beyond traditional seasons and locations. Cape Winelands is already a leading major events destination in South Africa and will continues to use events to encourage off peak visitation and geographical spread to:

- Inspire local people to participate through inclusive and locally relevant events.
- Market the region to all tourists, regardless of physical ability, culture, or income level.
- Ensure tourism products are accessible to neighbouring communities, including townships, not just visitors
- Support multi-channel campaigns - radio, digital, tourism platforms - for widespread awareness.

Cape Winelands further aims to:

- Boost off-peak travel through seasonal event spread
- Diversify visitor demographics and increase inclusivity in tourism
- Create sustainable employment across the hospitality sector
- Elevate brand equity for the Cape Winelands as a culturally rich, community-led destination

Hence, the private sector, local municipalities and tourism stakeholders should co-invest in the hidden gems, not only wine and wine tourism, but in our local people, their stories, and our pristine landscape.



Pictured above are some of the images of the Christmas in Winter tourism event held in Tulbagh

TOURISM MONTH

This project aims to stimulate domestic travel within South Africa, especially the Cape Winelands, to foster sustainable tourism recovery, job retention, and long-term growth. Further, to encourages all tourism stakeholders within the Cape Winelands region to continue providing support to each other. In the 2024/2025 financial year, the Executive Mayor, Ald. (Dr) Elna von Schlicht bestowed appreciation awards to deserving LTAs and tourism products that has a positive impact on tourism promotion in the region, including but not limited to:

Strategic Goals

- Promote collaboration across operators, service providers, and municipalities.
- Motivate innovation and upgrades in local tourism offerings.
- Raise hospitality standards through training and feedback loops.
- Reignite interest in regional exploration among South Africans.

Economic Impact

- Growth in tax revenue and personal income
- Rising standards of living through tourism-linked industries
- Expanded employment opportunities, especially in underserved communities

Cultural Impact

- Cultural exchange and deeper understanding among local and visiting populations
- Strengthened regional identity and pride
- Development of local ambassadors who champion tourism narratives



Included herein above: Executive Mayor, Ald. (Dr) Elna von Schlicht, Mayoral Committee Member: Cllr. Koos Steyn, Ms. Tarryn Thomlinson, Mrs. Cheryl Phillips, Mrs. Chrismare Carse, Ms. Jenna Moses, Mrs. Marletta Mundey and Mrs Lindie Groenewald.

TOURISM CAMPAIGN

Destination marketing is important because tourism regions, like any other business, needs a good marketing strategy that will enable it to build a brand, attract new tourists and hopefully encourage and maintain repeat visitors. Furthermore, destination marketing is important since competition in tourism is between destinations and not individual tourism products. It therefore important to invest in marketing of the destination utilising all partners as an extension of our marketing effort and this is done through our Tourism Campaign each year.

In 2024/25 part of the Tourism Campaign were centred around promoting **Universal Accessibility** in the region. The integration of **Universal Accessibility** and the **Winelands Tourism Expo** into the 2024/25 Tourism Campaign not only expands the region's appeal but also reinforces its commitment to equitable travel opportunities. The strategic highlights to showcase the tourism campaign are:

- **Brand Identity Development**: Position the Cape Winelands as not just a wine region, but a vibrant, accessible, and multi-dimensional destination.
- **Inclusive Storytelling**: Feature voices like Ms. Tarryn's to humanise and advocate for accessibility. Testimonials or ambassador-led tours could resonate deeply with both media and potential travellers.
- **Multi-Platform Engagement**: Leveraging Radio KC, Paarl FM, and Moona Production media potential and powerful authenticity could assist to reach the designated traveler.
- **Cross-Partner Amplification**: Tour operators, accommodation providers, and experience hosts should be involved as brand ambassadors of the region.

Budget: R1 028 000

TOURISM EXHIBITIONS, ROAD SHOWS AND EXPOS

Tourism exhibitions, road shows, and expos are dynamic platforms that can dramatically elevate the Cape Winelands' visibility and appeal. They give you direct access to travelers, travel trade professionals, and media, while reinforcing the region's brand in meaningful, experiential ways. The main purpose of attending these exhibitions, road shows and expos is to:

- Showcase Cape Winelands' hidden gems, inclusive offerings, and signature experiences
- Foster partnerships with national and international tour operators and media
- Drive awareness among domestic travelers to support local tourism and recovery
- Promote event tourism and encourage travel during off-peak seasons

It should be noted that the target markets for each, exhibitions, road shows and expos, are different. In the main their roles can be summarised as follows:

Exhibitions

- Engage destinations highlighting hidden gems, cultural experiences and attractions to entice tourist and travel agents
- Position the Cape Winelands as a premium, inclusive destination.
- Participate in prominent travel trade shows (e.g., Africa's Travel Indaba)
- Display themed booths aligned with the region's seven promotion pillars
- Offer tasting stations, cultural performances, and digital tours
- Promote authentic local crafts and signature experiences
- Exhibit local products, experiences, and accessibility innovations

Road shows

- Engage Travel Trade Partners Facilitate networking between tourism boards, tour operators, airlines, and hospitality providers to create new packages and collaborations.
- Boost Brand Awareness Create visibility for a country or region in target markets through immersive presentations, cultural performances, and interactive exhibits.
- Educate and Inspire Provide training and updates to travel agents and media about new offerings, safety protocols, and travel trends.
- Drive Immediate Bookings Some roadshows include promotional deals or incentives to encourage on-the-spot travel bookings.
- Strengthen Relationships Build trust and loyalty with existing partners and reconnect with markets that may have been dormant.

Expos

- Engage local audiences and stakeholders while attracting broader visitor interest
- Host in-region expos like the **Winelands Autumn Expo**, celebrating seasonal experiences
- Spotlight rural attractions and lesser-known communities
- Offer workshops, panels, and ambassador-led sessions (e.g., with Ms. Tarryn)
- Use interactive media corners, virtual reality previews, and art displays

Cape Winelands attended tourism exhibitions, road shows and expos during the 2024/ 2025 financial year are as follows:

Caravan (Beeld) and Meetings Africa

CWDM attended and participated at the 2025 Caravan (Beeld), Gallagher Convention Centre, Midrand, Gauteng and Meetings Africa 2025, Sandton Convention Centre, Sandton, Gauteng, from Friday, 21 to Sunday, 23 February 2025 and Monday, 24 to Wednesday, 26 February 2025, respectively.

Caravan (Beeld) Show is Africa's largest holiday and leisure show. This show is targets primarily at the Afrikaans market. This show provides an opportunity for exhibitors to target holiday makers who want to finalise last minute Easter holidays preparations, winter season holidays and all the other holidays annually.
Over the previous 20 years and once every year, manufacturers and retailers of Caravans & RV's, Overland & Camping Gear as well as related Destinations unite as an industry for true enthusiasts to discover the latest the industry has on offer. Cape Winelands has a substantial market in Gauteng, and this exhibition reinforced the region's tourism brand and enabled the region to attract approximately 27 000 people into the region during 2024.

Meetings Africa is a 2-day trade show with a dedicated Educational Day which is executed in conjunction with the key global, continental and national industry associations. Meetings Africa exists to provide a platform for exhibitors to showcase their offerings to International and local buyers, African associations and corporate planners. It is the most formidable platform on the continent for you to meet face-to-face with the most influential buyers in the world, and to be part of Africa's growth. In 2024, Meetings Africa contributed a staggering R420 million to the South African economy, creating and sustaining 770 jobs while also generating significant business deals worth millions of rands for exhibitors. Below are pictures taken at the exhibitions.





Internationale Tourismus- Börse (ITB)

The Internationale Tourismus- Börse (ITB) is the world's leading travel trade show. ITB Berlin 2025 was a powerhouse event for the global travel industry, held from 4 to 6 March 2025 at the Berlin Exhibition Grounds. It brought together thousands of tourism professionals, innovators, and destinations under the theme ***"The Power of Transition Lives Here".***

The CWDM delegates

The delegation representing the region comprised as follows:

a) Deputy Director: LED: Ms. Gayle Daniels
b) Chief Tourism Officer: Mr. Abel Sondlo
c) Franschhoek Wine Valley Chief Executive: Mrs. Ruth McCourt
d) Visit Stellenbosch Chief Executive: Mrs. Jeanerette Momberg

CWDM occupied 2 desks, that was allocated to Visit Stellenbosch and Franschhoek Wine Valley. The municipal personnel also used the desks for appointments in agreement between themselves and the 2 LTAs. This agreement enabled all parties to honour appointments and generates new business for the region.

Cape Winelands rationale for participation

- Cape Winelands District Municipality made provision for Visit Stellenbosch and Franschhoek Wine Valley to attend the ITB on the region's stand in Berlin.
- Participation is in line with the economic recovery of tourism for the region that allowed the region to:
  a. Implement facets of its tourism function, including destination marketing, tourism product development, and investment attraction directly to core European markets, of which Germany is at the top of the list.
  b. Promote the destination to key German tourists, trade visitors, and buyers which on average spend three to four days in the region.
  c. Capitalise on South Africa Tourism (SAT) offers, such as direct showcasing of the destination's offers to buyers but also assists in building relationships and destination product knowledge to trade buyers:
     - Booth (physical stand to market the region at a subsidised fee)
     - Onsite presence with direct access to pre-qualified buyers
     - Access to an appointment system with buyers to help drive sales conversion.
     - Product listing in the ITB Berlin directory:
       - Supplying destination product knowledge to potential buyers.
       - Enhance building strong trade relationships.
       - Expanding our trade database

Highlights of ITB Berlin 2025

- Approximately 100,000 trade visitors over three days, with 87% international participation and 16.9million USD
- More than 5,800 companies from 170 countries exhibited in the exhibition halls
- The new Meet and Match platform facilitated 80,000+ targeted business connections
- ITB hosted 1,300 senior buyers, reinforcing ITB's role as a global marketplace
- Over 400 international experts led more than 200 sessions across 17 themed tracks
- Four dynamic stages explored marketing, sustainability, tech, and niche tourism markets
- New formats like the *ITB Transition Labs* offered rapid-fire insights for tourism marketers
- Live-streamed sessions made the content globally accessible via ITB Navigator and YouTube

The attendance and participation of the CWDM was critical in:

a. Ensuring that the Cape Winelands remains a preferred tourism and investment destination in the Western Cape Province and South Africa by actively marketing and promoting tourism.
b. Fulfilling the CWDM's mandated function as stipulated by the South African Constitution, Local Government legislation, and other relevant legislation, regulations, guidelines, and policies.



Pictured above are images from the ITB 2025

World Travel Market Africa (WTM)

The Cape Winelands District Municipality (CWDM) attended the World Travel Market (WTM) Africa from Wednesday, 9 April 2025 until Friday, 11 April 2025 at Cape Town International Conversion Centre (CTICC) in Cape Town on the Cape Winelands stand.

Cape Winelands delegation

- Cape Winelands Mayoral Committee Member: Councillor, Mrs. Ester Groenewald
- Chief Tourism Officer: Mr. A Sondlo
- Tourism Officer: Mr. C. Fielies
- Visit Stellenbosch: Ms. Elmarie Rabie and Ms. Jenna Moses
- Drakenstein Municipality: Mrs. Chrismare Carse
- Robertson Tourism: Mrs. Renate Kuschke
- Tulbagh Tourism: Mrs. Patty Nieuwoudt
- Breedekloof Wine and Tourism: Mrs. Melody Botha
- Montagu/Ashton Tourism: Mrs Mareletta Mundey
- Ceres Tourism: Mrs Shirley Wagenaar
- Franschhoek Wine Tourism: Ms. Carmen Arendse

Cape Winelands rationale for participation

- As exhibitor at the WTM Africa 2025, CWDM could connect with tourism gurus and travel operators from around the world, enabling them to discover the latest travel trends, products and business network opportunities, providing ample space for the CWDM to promote its generic marketing strategy.
- World Travel Market Africa (WTM - Africa) as the leading Business to Business (B2B) exhibition for both the inbound and outbound African Travel and Tourism market, enables the region to capitalise on existing and niche market opportunities in the tourism sector.
- Through its industry networks, global reach and regional focus, WTM Africa creates personal and business opportunities that provide customers with quality contacts and commodities.
- WTM Africa provides the perfect business platform for the CWDM to present our products, services and brands to senior decision-makers, buyers and influencers.
- CWDM could meet and engage with local and international professionals from meetings, events and business travel industry.
- The Cape Winelands District Municipality could honour regular appointments at the stand during the exhibition.



Picture above is Mayoral Committee Member: Cllr. Mrs. Ester Groenewald with some of the delegates and visitors to the WTM Africa.

Africa's Travel Indaba (Indaba)
The Cape Winelands District Municipality (CWDM) attended the Africa's Travel Indaba 2025 at the Inkosi Albert Luthuli International Convention Centre in Durban, from Monday, 12 May 2025 to Thursday, 15 May 2025. Africa's Travel Indaba 2025 was a vibrant showcase of the continent's tourism potential. The event kicked off with a Business Opportunity Networking Day (BONDay) on 12 May, setting the stage for deep industry connections and knowledge sharing.

The theme
"Unlimited Africa" indicates a bold celebration of Africa's boundless tourism possibilities.

Categories of exhibitors
Exhibitors at the Indaba from provincial authorities, provincial products and African Countries include:

- Accommodation
- Tour operators
- Game lodges
- Transport
- Online travel

- Luxury products
- Hidden Gems
- Media publications
- Industry associations

Buyer Profile
- Inbound Tour Operators
- Foreign Travel Agents
- Airlines
- Destination Marketing Companies (DMC's)
- Online Booking Companies
- Transport

Media Profile
Africa's Travel Indaba has a dedicated following of local and international media who provide extensive coverage of the exhibition for the local and international markets through radio, television, newspaper and dedicated travel publications.

Cape Winelands delegation
- Deputy Executive Mayor, Ald. Ms. Margie Sampson
- Drakenstein Municipality, Mayoral Committee Member, Cllr., Ms. Laurichia van Niekerk
- Chief Tourism Officer, Mr. Abel Sondlo
- Tourism Officer, Mr. Cecil Fielies
- Drakenstein Municipality, Tourism Officer, Mrs. Chrismare Carse
- Wellington Wine Route, Mrs. Annelize Stroebel
- Dunstone Estate, Mrs. Maude Smith
- Tulbagh Wine and Tourism, Mrs. Patty Nieuwoudt
- Dwarsrivier Tourism, Mrs. Lavinia Goishai
- Montague and Ashton Tourism, Mrs. Mareletta Mundy
- Robertson Tourism, Ms. Renata Kuschke

Cape Winelands rationale for participation
- Africa's Travel Indaba is one of the largest tourism marketing events on the African calendar and one of the top three 'must visit' events of its kind on the global calendar.
- It showcases the widest variety of Southern Africa's best tourism products and attracts international buyers and media from across the world.
- Indaba is Africa's best travel and tourism show and a key strategic event.
- Provides extensive coverage of the exhibition by radio, television, print media and dedicated travel publications to exhibitors in promoting their tourism brands and grow their businesses.
- Over 10 000 delegates walked the halls of the Indaba.
- 1,300 exhibitors shared their dreams.
- 25,000 business meetings turned ideas into action.
- R226 million in direct economic activity was generated in Durban and another R333 million across KwaZulu-Natal.

- More than 1,500 jobs created, opportunities unlocked for youth, for students, and for entrepreneurs from all walks of life.



Inserted, is a photo of some members of the CWDM delegation posing with the Western Cape Provincial Minister of Agriculture Economic Development and Tourism, Honourable, Dr. Ivan Meyer, and Cape Winelands District Municipality's Deputy Executive Mayor, Ald. Ms. M Sampson, Mayoral Committee Member, Cllr. Ms. Laurichia van Niekerk and Tourism Officer, Mr. Cecil Fielies of Cape Winelands

CONCLUSION

Departmental Statistics

OUR REACH IN COMMUNITIES:

- ***3300*** people through the 16 days of activism
- ***500*** Vulnerable children participated in Victim Empowerment programmes.
- ***1500*** Elderly persons the opportunity to participate in this Health and Wellness sports event
- **27** community organisations were supported
- **800** More living Active Age programmes were implemented
- **6000** Sanitary ware provided to school leaners across the district
- **500** Diapers were provided to Elderly
- **1800** people participated in the international day for people with disabilities
- Annually **1310** Youth from across the district participated in Youth Month programmes

SPORT AND RECREATION

TOURISM TRAINING

- **58:** trained in customer care
- **13:** site guides trained
- **57:** trained in events management
- **15:** trained in Introduction to Wine
- **14:** received culinary training
- **25:** received first aid training

EDUCATION, TRAINING AND SKILLS DEVELOPMENT EARLY CHILDHOOD DEVELOPMENT

- **30:** Early Childhood Development Centres were supported
- **55:** Early Childhood Development Centres were support by providing them with fire retardand paint to assist them in becoming compliant for registration

EDUCATIONAL PROGRAMMES

- **4000** rural school learners were afforded opportunities to embark on educational excursions
- **1500** Children were kept safe during holiday programmes

TRAINING PROGRAMMES

- **18** SMMEs were provided with small business training focusing especially on financial management
- **11** small farmer individual/groups were



trained in business and financial management

SKILLS DEVELOPMENT

- **30** Unemployed youth were afforded opportunity driver license training
- **90** Lay Health workers were trained in First Aid level 1 and 2
- **450** Learners were trained in fire-fighting related courses

MENTORSHIP PROGRAMME

- **18** SMMEs and **11** small farmers were placed on a mentorship programme

Departmental Statistics

FIRE FIGHTING

- Attended to more than **1300** fires
- Area of vegetation burned amounts to more than **50 000** hectares
- Aerial resources were called out on 35 occasions
- No serious damage to property was reported

MHS: ACTIVITIES CONDUCTED IN RELATION TO FOOD CONTROL

- **8009:** No. of inspections conducted at food premises
- **1282:** Applications for Certificates of Acceptability inspections conducted
- **1241:** Applications for Certificates of Acceptability inspections conducted
- **83:** No. of Orders and Notices issued to food premises

NUMBER OF PEOPLE TRAINED IN MUNICIPAL HEALTH RELATED MATTERS:

- **756:** Duties of the Food Handler
- **60:** Standards & Requirements for Food Premises, Duties of the Food Handler, Transport, Delivery, Storage and Display of food, Cleaning and Sanitation of Food Premises
- **10:** Standards & Requirements for Food Premises: Do's and Don'ts for Spaza Shops
- **55:** Food Safety
- **413:** Food Safety
- **850:** Personal Hygiene &

MHS: WATER QUALITY SAMPLING 2018 – 2019:

- **138:** General limit for Wastewater discharged into a water resource
- **2:** Legionella Screening
- **6:** MOORE PADS
- **238:** SANS 241 Farms Non-Water Services Authority: Specifications for Drinking Water
- **90:** SANS 241 Rural Schools Non-Water Services Authority: Specifications for Drinking Water
- **582:** SANS 241 Water Services Authority: Specifications for Drinking Water

MHS: FOOD SAFETY SAMPLING 2018 - 2019

- **66:** Surface Swabs analysed
- **107:** Cooked poultry
- **68:** Cooked sea-water and freshwater foods
- **176:** Dairy product or composite dairy product with the exception of ripened cheese
- **2:** Desiccated coconut
- **116:** Dried spices and aromatic plants
- **1:** Edible gelatin
- **34:** Edible Ices
- **1:** Egg product after pasteurization or irradiation
- **89:** Fruit juice for consumption
- **186:** General Micro analyses of Foodstuffs
- **23:**Ripened cheese
- **88:** Natural mineral water or bottled water
- **23:** Partly cooked or uncooked sea-water and freshwater foods
- **278:** Pasteurised milk, pasteurised reconstituted (prepared) milk, pasteurised skimmed milk, pasteurised reconstituted (prepared) skimmed milk or pasteurised cream
- **24:** Raw milk intended for further processing
- **0:** Raw milk that has become sour for consumption
- **3:** Raw milk, raw cream, raw skimmed milk, raw reconstituted (prepared)

Environmental Awareness • **57:** Early Childhood Development Centres • **2400:** Cape Winelands: Education District-Career Exhibition: Grade 9's • **175:** Handwashing • **700:** Diarrhoea Awareness • **64:** Stop Flies Campaign	• **44:** Special limit for Wastewater discharged into a water resource • **185:** Standard for Rivers, dams, canals • **144:** Standard for swimming pool water • **16:** Water used in milking sheds	milk or raw reconstituted (prepared) skimmed milk for consumption • **2:** Rooibos tea packed in retail packaging at the point of sale • **2:** Sterilised cream, milk, reconstituted milk and UHT • **1:** Sugars used for canning **AIR QUALITY** • **129: Received and attended air quality complaints**


#CWDMOnTheMove
DIE BURG
Span saam teen die vuur
Tourism Month in Dwarsrivier launched
Crèches receive ECD kits from council
KWDM GEE OM
Fokus op die jeug
Werkers leer meer oor gesondheid

LED PROGRAMMES AND PROJECTS

LED INFORMATION AND KNOWLEDGE MANAGEMENT PROGRAMME

STAKEHOLDER ENGAGEMENT

Cape Winelands Regional LED Forum

The Cape Winelands District coordinates the Regional LED Forum Meetings. For the 2024/2025 financial year four meetings took place. This platform is created for consultation and discussions for CWDM, National, Provincial and Local Municipalities on issues of economic development.

From time to time particularly during the 2024/2025 financial year we had visitors from the private sector doing presentations to the Regional LED Forum on different support programs that could be of benefit to our small businesses in the Cape Winelands.

Cape Winelands District Export Development Seminar

The CWDM has partnered with DEDAT, WESGRO and Breede Valley Municipality to host an Export Development Seminar in the Breede Valley Municipal area. The seminar took place on the 30th of May 2025.

The seminar was a great success, and it was well attended.



BUSINESS NETWORK PROJECT

Business Network Project – refers to government creating an enabling environment for business to prosper however it highlights that both parties, private and public, has a role to play in business support and sustainable growth. Business Network Project also creates a platform for interaction for public and private sector. It encourages private sector to work with government in business support and sharing resources and ensuring mutual benefits.

Economic Recovery Projects

CWDM is working closely with the Local Municipalities and all 5 Local Municipalities has signed the service level agreements for the projects that are currently implemented in partnership with the Cape Winelands and Local Municipalities.

Some of the projects that CWDM funded include a skills transfer program for Breede Valley Municipalities and the key focus was for small businesses and informal traders. Below are the businesses that participated in the program during the graduation ceremony.





Witzenberg Municipality as part of the economic recovery projects recently started with a pilot mentorship project which involves mentorship and guidance to entrepreneurs. The businesses have received professional guidance, fully developed business action plans and a marketing strategy for their businesses.





Winelands Autumn Expo 2025

The Winelands Autumn Expo 2025 was hosted on 30–31 May 2025 at Montana High School, Fairy Glen, Worcester, by the Cape Winelands District Municipality (CWDM), in collaboration with the Breede Valley Municipality (BVM), Worcester Tourism Association (WTA) and SWEY Design. As the second edition of this annual showcase, the Expo successfully built upon the foundation laid in 2024, positioning itself as a premier platform for highlighting the Cape Winelands' tourism, culinary, lifestyle, and artisanal sectors.

The primary aims of the Expo were to:

- Showcase the tourism and trade offerings of the Cape Winelands.
- Stimulate local economic development.
- Create opportunities for branding, product sales, and community engagement.

These objectives were largely met, evidenced by the strong public attendance, high exhibitor participation and overwhelmingly positive feedback from stakeholders.



LED projects

This report will focus on the highlights achieved during the 2024/2025 financial year for each program,

SMALL-SCALE FARMERS/AGRO-PROCESSING PROGRAMME

The CWDM allocated R500 000 towards support for upcoming and established Small-Scale Farmers/Agro-Processors for the 2024/2025 financial year. The allocation was as follows:

Langeberg: 3 Beneficiaries

Drakenstein: 1 Beneficiary

Stellenbosch: 4 Beneficiaries



One of the beneficiaries from Stellenbosch was Ms Naomi Linders from Naomi Herbs PTY LTD, Jamestown. She plants and cultivates high-quality herbs and vegetables. Her markets include In2Foods, Fresh Herbs, Fusion Fresh, Deli Vegs, Alex's Vegs, Pumpkin Patch & Epping Market.

Naomi received a grant of R50 000 for equipment and items that she needed for her farming operations. She also participated on the CWDM Mentorship Development Programme. Naomi received a Phenomenal Women Award in Agriculture from CWDM during the 3rd Annual Phenomenal Women Event in Paarl held on 28 August 2024. Naomi was nominated by her daughter.



Another beneficiary from Robertson, Siphiwokuhle Bakeni completed his mix farming for year 1 and will further his studies with livestock. He is 34 years old, single and have a daughter of 1 year and 3 months. Before he started the farming business, he was working and studying. His pigs are kept at the farm Le Chasseur and the other close to Droëheuwel. Attached is Siphiwokuhle's graduation picture, the ceremony was held in Porterville. Siphiwokuhle was a recipient of R50 000 grant funding.

ENTREPRENEURIAL SEED FUND PROGRAMME

The CWDM have allocated R500 000 towards support for upcoming and established Small, Micro & Medium Enterprises for the 2024/2025 financial year. The allocation was as follows:

Langeberg: 5 Entrepreneurs

Witzenberg: 2 Entrepreneurs

Breede Valley: 3 Entrepreneurs

Drakenstein: 4 Entrepreneurs

Stellenbosch: 5 Entrepreneur







Izette Dreyer is a 44-year-old woman from Paarl and have her own pomegranate and skincare business. Her business name is IRA Consulting PTY/LTD t/a Royale SA. Izette received the following prize for her product Royale SA Skin Hydrator: Best Hydrating Essence from Woman & Home Magazine Holy Grail Beauty Award 2024. The comment on the product as published read: 'This gave me such a great glow.' – Carishma. The product is a high-performance, deeply hydrating and vitamin-rich gel serum. Izette have been assisted with R25 000 funding and the license to utilise the badge have been covered by the funding.





Auren Rhode is 42 years old, married and has 4 children. He lives in Worcester. He worked for 7 years at Viljoen Jewellers in Paarl & Stellenbosch. He also worked at Munniks Jewellers for 8 years. He received training in this trade for 6 months. His business is doing well, and the local rugby team Hamiltons have used his logo on their rugby t-shirt-see attached picture. He expanded into sublimation as well. He received a sublimation machine, and CW Screenprinting sponsored him with a machine for printing

TRAINING & MENTORSHIP PROGRAMME

The contract of the current 3-year service provider NLT Investment has come to an end on 30 June 2025. The CWDM LED Unit together with the local municipalities, Western Cape Department of Agriculture & NLT Investments have collaborated to bestow upon each beneficiary a certificate for completion of the CWDM Mentorship Development Programme. These certificate ceremonies took place as follows:



24 June, Callie De Wet Hall, Robertson



24 June, CWDM Worcester Council Chambers



25 June, Ceres Town Hall



25 June, Paarl Community Hall



26 June, Kayamandi Corridor Conference Venue

The ceremonies included the beneficiaries of the 2022/2023, 2023/2024 & 2024/2025 financial years. The cost of the procurement, training & mentorship services for the 2024/2025 group was R532 000.

INVESTMENT ATTRACTION OPPORTUNITIES PROGRAMME

BUSINESS RETENTION & EXPANSION PROGRAMME

CWDM has supported 16 projects in total for the 2024/2025 financial year. The total budget was: R550 000.

Here are a few of the projects implemented:



Vuyokazi Nxasane, Buhle's Chillax Braai Kitchen, Tulbagh- R30 000



Stettyn restoration of MTB Route, Breede Valley-R30 000



Montagu Welcoming strategy with Tourism Patrol and Tourism Info Agents- R25 000



Staymore Guest House, Kylemore - R50 000



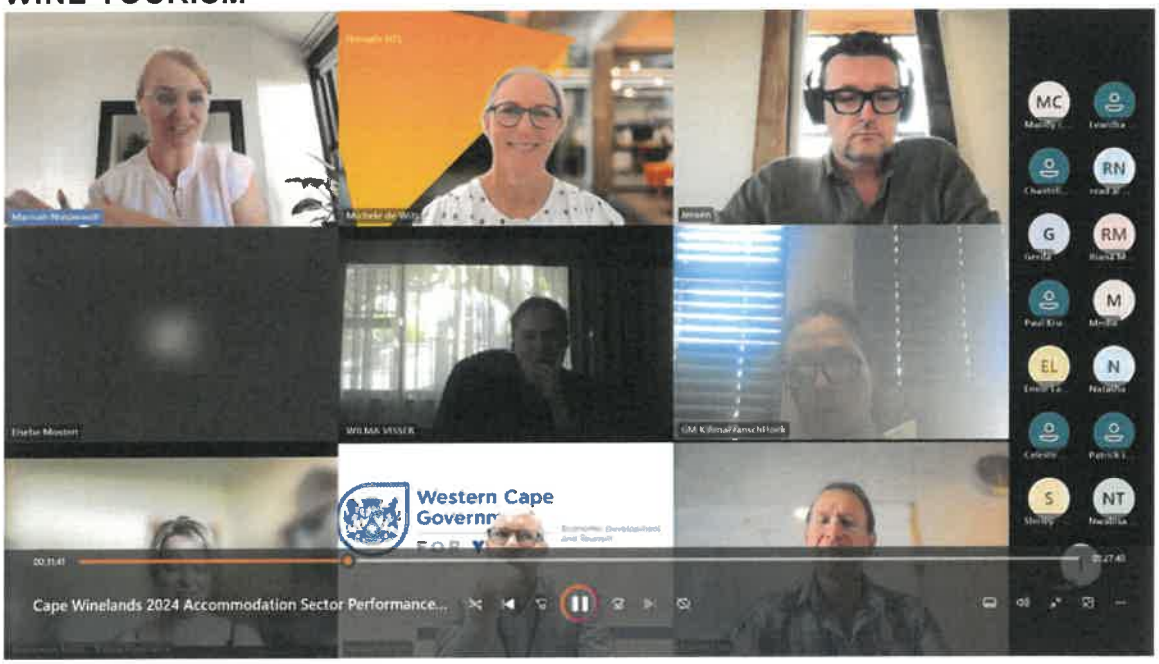
The Green Mile Lilly Loompa, Drakenstein-R50 000

DIGITAL TOURISM

This project received R110 000 of the hosting & updating of 11 mobile applications. ConnectMobiles24 did the uploading of content on behalf of 9 Local Tourism Associations. Tulbagh & McGregor Tourism Associations were responsible for their own content uploading. CWDM LED unit did engage ConnectMobiles24, Tulbagh & McGregor to upload information regarding the Winelands Autumn Expo 2025 during the build-up of the event which was held 30 & 31 May.

A meeting was held to discuss ways in how the mobile applications project can be revived and rejuvenated. The options and project ideas will be explored in detail in the new financial year.

WINE TOURISM



On 19 & 20 March 2025, SA Wine hosted two online seminars, the Accommodation Sector Performance Seminar. The seminar provided useful insights about tourism performance in 2024 in the participating towns, by accommodation type, and star grading. The session was led by Ms. Michelè de Witt, Managing Director of Horwath HTL South Africa, who is a leading expert in the hospitality industry.

The performance & forecast report aims to reflect actual performance recorded in the month under review as well as anticipated likely demand for the coming two-month period across thirteen towns situated in the Cape Winelands District monthly. In total 61 accommodation members participated in the analysis representing 23 640 available nights. The results are segmented by geographic location/town accommodation type and accommodation standard which should provide for interesting benchmarking opportunities. This project was supported by CWDM at an amount of R250 000.

COMPONENT D: RURAL AND SOCIAL DEVELOPMENT

INTRODUCTION TO CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES

The Division Rural and Social Development of the Cape Winelands District Municipality focuses on building and maintaining social capital through access to programmes and services. Related programmes aim to increase physical activity, enhance education, improve skills levels, enhance employability and provide funding for community-based organisations and promote the rights of vulnerable groups. The success of these programmes are based on the strong and vibrant partnerships with national and provincial government, B-municipalities, civil society organisations, communities across the Cape Winelands municipal district and training institutions. The following projects were implemented to address the service delivery priorities for the 2024/2025 financial year:

A. COMMUNITY SUPPORT PROGRAMME

Non-Profit organisations and Community Based organisations are facing various challenges and financial constraints. Cape Winelands District Municipality provide funding to support civil society organisations in rendering services which have a direct and immediate impact on the well-being of disadvantaged communities at a grass-roots level. The funding maximised the poverty alleviation impact of Thirty-eight community organisations across the Cape Winelands municipal district. This programme also enhances the capacity of beneficiary organisations to render service that will contribute to the achievement of the strategic objectives of Cape Winelands District Municipality.

B. DISABILITY PROGRAMME

Cape Winelands District Municipality aims to improve the livelihoods of people with disabilities and to address social barriers that exclude them from the various systems of society. Accessibility is important to achieve the principles of full inclusion, equality and participation in mainstream society.

I. International Day for Persons with Disabilities Project

On 3 December 2024 Cape Winelands District Municipality in partnership with Government Departments and NGOs in the Disability Sector, commemorated the International Day for Persons with Disabilities. Events were implemented in five B, Municipalities of the Cape Wineland District municipality to observe and promote the rights of persons with disabilities. These events covered the spectrum of disabilities and created an awareness amongst citizens of the district. 420 Persons with disabilities and their families were reached through these programmes.

II. Disabled grant in Aid

Cape Winelands District Municipality provide funding to support civil society organisations in rendering services which have a direct and immediate impact on the well-being of people with disabilities across the district. The funding maximised the poverty alleviation impact of fourteen (14) community organisations across the Cape Winelands municipal district. This programme also enhances the capacity of beneficiary organisations to render service that will contribute to the achievement of the strategic objectives of Cape Winelands District Municipality.

III. Adult diapers

the Cape Winelands District Municipality focussing on building and maintaining social capital through access to programmes and services. Our partners at Department of Health, Community Base Services, DSD social workers and NGOs indicated some of the challenges are the need for diapers.

No adult, regardless of their level of physical or mental disability, should be treated different because aging and age- related conditions already rob our loved ones of much of their independence. One thousand two hundred and eighteen (1218) diapers were distributed across the district during the month of June 2025.

C. ELDERLY PROGRAMME

Cape Winelands District Municipality strives to maintain and protect the status, wellbeing, safety and rights of older persons. This project also aim to promote and create an enabling environment for the elderly to participate actively in a healthy lifestyle, wellness and cultural activities. Cape Winelands District Municipality acknowledge the valuable contributions that elderly persons have made in communities across the district.

(a) More Living Active Age Project

Recreational and cultural tours were implemented as part of the More Living Active Age Programme for the elderly in our district. These tours provided the elderly with opportunities to research on the socio-economic, cultural and historical developments that has taken place as well as the significant impact the history and developments had on the underprivileged communities and the elderly. The support of Cape Winelands District Municipality created opportunities for elderly persons to visit recreational and historical landmarks. Some Elderly persons have never been out of their residential areas due to financial constraints and the municipality provided them with the opportunity. Approximately 1885 elderly persons from across the district were the beneficiaries of the recreational and educational excursions.

(D) FAMILIES AND CHILDREN PROGRAMME

The project aims to strengthen the capacity of families and communities to care for and protect children. The project aims to strengthen the capacity of families and communities to care for and protect children. Families are the corner stone of communities. Dysfunctional families lead to dysfunctional communities. The family has been and continues to be the principal institution in society, playing a vital role in socialization, nurturing and care, as well

as determining the conditions of social reproduction. Interventions to support vulnerable families are vital in alleviating abuse, neglect and poverty. This project is implemented in partnership with Government Departments, Civil Society organizations, NGO's and Faith Based organisations.

(a) Victim Empowerment Programmes Project

Victim empowerment is an approach to facilitate access to a range of services for all people who have individually or collectively suffered harm, trauma or material loss due to violence, crime, natural disaster human accident or through socio-economic conditions. It aims to restore the loss or damages. Victim empowerment programmes focus taking control, having a voice, being heard, be recognized and respected as an individual. These initiatives focus on empowering people but especially, women and children with information and skills. Through these types of programmes, they learn to understand and mange emotions, set and achieve positive goals feel and show empathy for other. It also teaches them to establish and maintain positive relationships and make responsible decisions. Victim Empowerment programmes were implemented in partnership with Department of Social Development to ensure that the nine hundred (900) children in the Cape Winelands Municipal District were empowered through a holistic approach. The programme activities included prevention of re-exposure, reframing of cognitive distortions, symptoms management, problem-solving, informed decision-making and group therapy.

(b) Educational Excursions Project

Learners of rural schools are afforded opportunities to embark on educational excursions which enhanced learning outside of the classroom. They are mostly from low-income households which cannot afford the fees attached to educational excursions but through the support of the municipality, they can attend the excursions. They experience Approximately 3000 children were reached through this activity.



(c) Holiday Programmes

During school holidays, young children, especially in impoverished communities, have very little or no recreational space where they can give expression to their need for positive socialisation and interaction with their peers. This places them at risk of being drawn into negative activities such as, youth criminality, increase in substance abuse and risky sexual behaviour. Holiday programmes were implemented in partnership with civil society organisations to ensure the safe keeping of children during school holidays. The programme included a variety of educational and recreational activities which are provided in a safe

environment to learn, interact and enjoy. It covered important topics such as crime prevention, teenage pregnancy, drug abuse, anti-bullying and addressing challenges facing children and young people during puberty. Approximately 1000 children were kept safe during holiday programmes

(d) Sanitary Ware

Cape Winelands District Municipality (CWDM) in partnership with Department of Education in our district encourage the nation that education as a tool for a better future. Both CWDM and DOE ensure that the education of young girls is not hindered because of lack of the basic necessity of feminine hygiene products, they visited rural schools across the district to handover sanitary towels packs.

The Division Rural and Social Development of the Cape Winelands District Municipality focuses on building and maintaining social capital through access to programmes and services. Department of Health is currently busy with Health and Hygiene awareness programme at senior centres within the Cape Winelands District. Some of the challenges was the need for sanitary ware for school leaners across the district. The success of this programme is based on the strong and vibrant partnership with Department of education in our district.

Through Rural and Social division programmes, CWDM portfolio councillor Wilhemina Petersen visited 64 schools across the district to handover Plus minus 13755 sanitary ware during the period of June 2025.

Young people are the heart of the future of South Africa and of our district. CWDM want to break the cycle of poverty and education plays an integral role in doing this, thus this initiative will continue to ensure that not one girl miss a single day of her education.

(E) ECD Support

Cape Winelands District Municipality has invested on various programs to better the education of Early Childhood Development, because it's not about care and protection of children but also the development of young children. Also to ensure that these babies and toddlers go to crèche that has the facilities to give children a good start in life. The building of human capital puts a specific focus on opening doors of learning and culture by providing grant in Aid to 20 ECD centres.

(F) HIV AND AIDS PROGRAMME

HIV and AIDS impact on the sustainability of communities and their development conditions. The implementation of interventions is crucial in ensuring that the vulnerability of infected and affected persons is decreased. HIV/AIDS awareness campaigns, World Aids Day, HIV/Aids &Male circumcision; HIV & breastfeeding and 16 Days of Activism Against the Abuse of Women and Children are implemented in partnership with the Multi Sectoral Action Team (MSAT) structures in each B-Municipal area. These programmes focus on reversing the effects of the HIV/AIDS pandemic and support to infected and affected families in the district.

(a) HIV/Aids Awareness Programmes

HIV/Aids awareness campaigns were held across the district which included programmes such as, World Aids Day, HIV/Aids & Male circumcision, HIV & breastfeeding. A HIV/Aids awareness programme was implemented for foster parents. The purpose of the programme was to educate foster parents on treatment, nutrition, dental health and healthy lifestyles of infected and affected children and their biological parents. Fifteen Foster parents of Worcester, Breede Valley area was reached through this programme. A HIV/Aids awareness programme was implemented across the district sensitizing young people about the dangers of not using condoms.

(b) 16 Days of Activism Project

The Municipality facilitates joint planning and collates the inputs of all partners to produce a District calendar of events that are implemented across the district. The calendar provides a 16-day window (25 November -10 December) of opportunity in communities for intense awareness-making and education to reduce levels of women and child abuse. Catalytic Events includes the Launch of the 16 Days Campaign, World Aids Day and the International Day for People with Disabilities. The objectives of the 16 days of Activism Campaign Against Women and Child Abuse are to change behaviour through public awareness & education on the rights of people living with HIV/AIDS and those who are HIV positive; to generate awareness to the incidence of violence against women and children; to highlight the stories of survivors of gender-based violence and the impact that the campaign has had on their lives; to create awareness around the link between HIV/AIDS and gender-based violence. Approximately 800 persons are reached through the 16 Days programmes

G. SKILLS DEVELOPMENT PROGRAMME

Skills development is identified as one of the priority needs for sustainable development in rural communities within the Cape Winelands District Municipality. Violence, social isolation and low education levels makes young unemployed women more vulnerable and increases their risks of sexual exploitation. Economic empowerment opportunities reduce conditions of vulnerability and improve the resilience of young women. Young people are the important focus and a priority because the lack of skills development contributes to increasing unemployment rate amongst youth in rural areas. The Skills development programme also formed part of the EPWP programmes of the Municipality. Skills development programmes enhance the employability and SMME development amongst women and youth.

(a) Driver's License Training Project

Cape Winelands District Municipality in partnership with the Health, Education, Social Development sector departments and Langeberg Municipality embarked on an Integrated Governmental Relations programme for 25 youth in the Drakenstein area. The programme afforded the participants the opportunity to obtain a Driver's License. Training consisted out of 10 (ten) Practical driving lessons and a Driver's License test. The lack of skills development effects sustainable development in the rural communities of the Cape Winelands District. Violence, social isolation and low education levels make young,

unemployed youth more vulnerable and increase their risks of sexual exploitation and drug abuse. The Municipality has identified the need to empower young people by providing access to K53 Driver's License Training. The project was implemented by Rabe driving school in June 2025.

Cape Winelands District Municipality in partnership with Department Social Development and Drakenstein Municipality, Department of health, department of social development and department of agriculture identified 25 interns from Drakenstein to be part of this programme. The twenty-five (25) enrolled learners in this programme were required to be interns and in possession of a valid C1and B learner license.

(b) Baking skills training

Cape Winelands District Municipality in partnership with department of social development, Witzenberg Municipality and NGOs identified 18 abused women to be part of this baking skills programme which was implemented from the 18th -26 June 2024 in Stellenbosch. Eighteen abused women were trained on baking skills.

(H) WOMEN PROGRAMME

Although Government has made significant progress in empowering women in the political, public and educational spheres, the marginalization of poor women severely compromises progress. Women development programmes are implemented in partnership with various stakeholders during August (Women's Month) and throughout the financial year.

Various Women's programmes across the district were supported NGO's such as Witzenberg Abuse Crisis, Breede Valley municipality, Social development and community-based organizations. The women were motivated to overcome challenges in their lives and to be proud of who they are. Nine hundred and seventy (970) women were reached through this programme.

(a) Hair dressing skills programme

Hairdressing programme was implemented in partnership with social development and Stellenbosch Municipality from the 9th of June 2025 - 23 June 2025 in Stellenbosch; fourteen women were trained on hair dressing.

(I) YOUTH PROGRAMME

Young people are at the heart of the future of South Africa, and they are facing many challenges in modern day society. There is great benefit in investing in young people by creating pathways for accelerated development. When young people can claim their right to health, education and decent working conditions, they become a powerful force for economic development and positive change. Initiatives for youth are crucial in terms of the economy and the prevention of social crimes. Youth Development programmes were implemented in partnership with various Youth sector organisations. These programmes

focused on equipping youth with life skills, job readiness, entrepreneurial skills and career guidance.

- Grade 10-12 Support Project

Activities like career exhibitions, Matric Motivation programmes and Spring-school programmes were supported to enhance opportunities for Grade 10 - 12 Learners. nine (9) Secondary schools and one thousand four hundred (1400) learners from across the district were afforded the opportunity to participated in Career Exhibitions. Through the Career Exhibitions they gained information to make appropriate career choices. This programme was implemented in partnership with Department of Education, Tertiary institutions and financial study aid institutions.

- Grade 12 Top Achievers

The Grade 12 Top Achievers annually event was held on Thursday 6th February 2025. The event was held at Paarl town hall in Drakenstein. The Cape Winelands District Municipality host this event in partnership with the Department of Education. The event started with the registration at 17h30. We had more than 350 people who attended the event. We had learners with their parents from all the schools in our region. These learners received certificates from the Executive Mayor of Cape Winelands District Municipality at the ceremony.

COMPONENT E: SPORTS AND RECREATION

INTRODUCTION TO SPORTS AND RECREATION

Sports, recreational and cultural programmes provide opportunities for vulnerable groups to participate in mass participation programmes. It enhances social cohesion amongst communities and it allow children, families, senior citizens, disabled, men and women to participate in and attend numerous events that would have otherwise been denied.

Sports and Cultural Events Funding Programme

Funding was provided to support sports and cultural organisations in implementing mass participation sports and cultural events. The funding maximized the participation of healthy lifestyles impact of community organisations across the Cape Winelands Municipal district. This programme also enhanced the capacity of beneficiary organisations to render services that will contribute to the achievement of our strategic objectives. The programme provides opportunities to vulnerable groups to advance to local, provincial and national sport and cultural programmes. 2024/25 financial year benefited 34 organisations through this programme.

Cape Winelands Sports Awards

The Cape Winelands Sports Awards Ceremony is annually held in partnership with Dept. of Sports, Arts and Culture, Boland Sports Council and Federations. At this ceremony persons who have achieved exceptional achievements in the various sports codes are honoured. This prestige event is attended by 350 guests which include dignitaries and nominees of the various sport codes. Cape Winelands district municipality through the 17.3 J list 2024/2025 supported 34 Clubs and sport federations such as Cape Winelands Sport council to host its annual Sport Awards which was held in Drakenstein at Paarl town hall on the 30th of October 2024.

The purpose of these sport awards is to celebrate the achievements of athletes for contribution to sport for the year 2024.The event was well planned and we received great support and attendance from members of federations and other guests. The inspiring event was hosted by Cape Winelands Sport Council the Department of Cultural Affairs and Sport, in partnership with Department of Cultural Affairs and Sport and Cape Winelands District Municipality. The Executive Mayor of the Cape Winelands District, Alderman von Schlicht, delivering the keynote address.

Clubs Supported

A number of Clubs and organization are supported to honour their league games across the district. Rugby clubs, Soccer clubs and NPO's across the district. Approximately 13215 people were reached through embarking on various sporting codes across the district

Drama Festival

The Cape Winelands Drama Festival is a drama development programme of the Western Cape Government's Department of Cultural Affairs and Sport and is presented in partnership with the Cape Winelands District Municipality's Department of Community Development and Planning Services. This programme has been particularly successful in the CWDM, as partnerships were also forged with Stellenbosch Municipality, Langeberg Municipality and Breede Valley Municipality, as well as with professional artists, tertiary institutions and the private sector. This facilitated the growth of the drama programme at various levels and provided the youth with opportunities to learn from and be guided by professionals in the field. A Cape Winelands Drama festival was implemented to where various groups competed for the best drama performance.

The festival process for the DCAS festival in partnership with Cape Winelands district municipality has not only shown great success since its implementation but the biggest success has been the growth and elevation of theatre standards in these communities. The new approaches utilized to develop the groups during the initial training have thus resulted in productions of an exceptional calibre being presented.

All the groups selected to continue to the next round would be developed further in an attempt to elevate their current skills while ensuring that these emerging artists present productions based on the professional requirements and fundamentals of theatre. The adjudicators feedback of these artists' showcases was presented to them by these theatre professionals to assist these groups with their productions. These developed productions would then be presented at a Finale showcase to select the most improved and developed production that will be presented at professional festivals.

COMPONENT F: MUNICIPAL HEALTH SERVICES

LEGAL FRAMEWORK

In terms of Section 156(1)(a) in Part B of Schedule 4 of the Constitution of the Republic of South Africa, 1996, municipal health services (MHS) are entrusted to local authorities. According to Section 84(1)(i) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), MHS was consequently declared the responsibility of a district municipality (Category C) and/or metropolitan area (Category A).

The National Health Act, 2003 (Act No. 61 of 2003) in Section 32(1) tasks every metropolitan and district municipality to ensure the provision/rendering of MHS.

Therefore, the Minister of Local Government and Housing in Government Notice No. 826, dated 13 June 2003, with effect from 1 July 2004 entrusted the delivery of MHS to district and metropolitan municipalities.

In terms of Section 1 of the National Health Act, 2003 (Act No. 61 of 2003), municipal health services were declared to consist of:

- water quality monitoring;
- food control;
- solid waste management;
- health surveillance of premises;
- surveillance and prevention of contagious diseases, excluding immunisation;
- vector control;
- environmental pollution control;
- disposal of the dead; and
- safe handling of chemical substances, excluding port health, malaria control and control of hazardous substances.

MUNICIPAL HEALTH SERVICES MISSION AND VISION

MISSION

To ensure a well-managed, accessible, quality, comprehensive and equitable municipal health service throughout the Cape Winelands District.

VISION

A safe and healthy environment for all communities within the Cape Winelands district.

PROJECTS

INTERACTIVE HEALTH EDUCATION: LIVE THEATRE SHOW PERFORMANCES:

With approval from the Department of Education to access schools and funding made available by Council, we were once again able to successfully complete the first year of our three (3) year tender.

This year's production was titled "UNCLE SHAKES LEARNS TO CLEAN" and was set against the background of a Spaza shop.

The project aimed to create environmental awareness amongst young children about current issues which might affect their health and well-being.
This year's production was an interactive theatre show presented in Afrikaans, English and isiXhosa. A total of 85 shows were performed throughout the Cape Winelands District Municipality's area of jurisdiction, reaching 22 955 learners.

The total cost for the production was R 476, 850, resulting in a spending of R20.77 per learner. The service provider, Klein Libertas Theatre, in consultation with MHS personnel, produced the show. The messages that were portrayed were well received and connected with learners in their everyday life. They could relate to issues that are challenging at their schools and within their communities, achieving the desired outcome.





CAPE WINELANDS CLEAN-UP AND REHABILITATION PROJECT

This project was launched to clean and rehabilitate identified areas throughout the district that are plagued by illegal dumping and littering.

With a project budget of R 250 000 the Division were able to appoint service providers for a total of 69 days providing temporary employment opportunities for 55 people. The project was well received and welcomed by communities as well as local municipalities as the project addressed those areas that have been neglected by the local municipalities.



DE DOORNS: BEFORE



DE DOORNS: AFTER



LANGEBERG: BEFORE



LANGEBERG: AFTER

MHS – WATER AND SANITATION PROJECT

Access to safe drinking water and dignified sanitation is a prerequisite for health and is a fundamental human right. A key function of MHS is the prevention of communicable diseases such as cholera, diarrhoea, hepatitis A and typhoid, which are all associated with poor sanitation.

The Municipal Health Services: Water and Sanitation Project promote and facilitates the provision of these services to farm workers and rural dwellers, thus elevating the general health and wellbeing of these communities.

The MHS division was able to assist 10 properties to upgrade the water and sanitation facilities of rural dwellers. In addition, the project also provides basic health and hygiene training to beneficiary communities, farm dwellers and rural schools. The current service provider used for the implementation of this project is EZOLIMO. This project provided training at 45 premises and reached 3857 people. Training addressed problematic areas commonly identified at farm dwellers housing and includes issues such as:

- Waste management,
- Pest Control
- The correct use and maintenance of sanitary facilities.
- Personal hygiene and handwashing.
- Water conservation, reporting problems relating to water quality and infrastructure.





ENVIRONMENTAL HEALTH TRAINING

Environmental Health Education is an integral part of Municipal Health Services aimed at addressing negative behavioural patterns through education and the distribution of information, thus empowering communities to take control of their environment and improving their health status.

Environmental health education is provided to all sectors of the community from young to old and MHS uses every possible opportunity or platform to achieve these goals.

The table below reflect environmental health education actions taken in 2024/2025.

PROTECTING OUR COMMUNITIES			
TRAINING PROVIDED	NUMBER OF SESSIONS	NUMBER OF PEOPLE TRAINED/REACHED	RELATED EDUCATIONAL MATERIAL DISSEMINATED
Duties of the Food Handler	47	306	344 posters & pamphlets.
Standards & Requirements for Formal Food Premises	16	326	161 posters & pamphlets
Legal & Health Requirements for "Spaza" shops.	44	213	246 posters & pamphlets.
Food & Hygiene control.	1	48 1st year Nursing Students of the Western Cape College of Nursing-Boland/Overberg Campus	192 posters & pamphlets.
Labelling and Advertising of Foodstuffs Regulation 146 of March 2010	25	189	217 posters & pamphlets.
Informal Food Traders	49	577	449 posters & pamphlets.

Personal Hygiene	19	866	1327 posters & pamphlets.
Health Standards for Early Childhood Development Centres (ECDs)	12	1693	1599
Handwashing	14	1018	62 posters & pamphlets.
Be Waterwise/ Preserve Water awareness.	2	126	126 posters & pamphlets.
Interactive Health Education Live Theatre Performances	85	22961	
Health & Hygiene: Water & Sanitation Subsidy Program.	37	6040	
Career Expo (Municipal Health Services)	1	300	
TOTAL	352	34663	4723

FUNCTIONS
WATER QUALITY MONITORING

DEFINITION

Monitoring and surveillance of water safety, quality and availability intended for human consumption, recreational and industrial use.

This function includes the following:

- Monitoring of water reticulation systems in terms of health-related issues;
- Monitoring of quality and availability of water intended for human consumption, recreation or industrial use;
- Regular sampling and analysis of water;
- Identify and control sources of water pollution;
- Protection of water sources and resources through the enforcement of laws and regulations relating to water quality;
- Ensure water supply that is safe for human consumption and that complies with the Water Services Act, 1997 (Act No. 108 of 1997) and SANS Code 241;
- Implementation of health and hygiene awareness actions and education relating to water quality, water supply and sanitation.

This function excludes water supply and purification.

FOOD CONTROL

DEFINITION

Food control is described by the World Health Organisation (WHO) as a mandatory regulatory activity of enforcement by national or local authorities to provide consumer protection and ensure that all foods are safe, wholesome and fit for human consumption during production, handling, storage, processing and distribution; conform to quality and safety requirements and are honestly and accurately labelled as prescribed by law.

The function ensures consumer protection through the following actions:

- Food inspection at point of production, storage, distribution and consumption.
- Regulate food premises regarding hygiene and the prevention of nuisances through certification, regular inspections and the enforcement of the Regulations governing General Hygiene requirements for Food Premises, the Transport of Food and Related Matters, R638 of 23 June 2018;
- Regulate milking sheds and issue Certificates of Acceptability for Milking Sheds in terms of Regulations relating to Hygiene Requirements for Milking Sheds and the Transport of Milk and Related Matters, R961 of 23 November 2012;
- Regulate the informal food industry by means of R962 of 23 November 2012;
- Control of food premises by issuing Certificates of Acceptability for Food Premises in terms of Regulation R638 of 23 June 2018;
- Ensure that food is safe and healthy for human consumption through enforcement of the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972);
- The detention, seizure, condemnation and sampling of foodstuffs in terms of Regulations relating to the Powers and Duties of Inspectors and Analysts conducting Inspections and Analyses on Foodstuffs and at Food Premises, R328 of 20 April 2007;
- Monitor labelling of foodstuffs as prescribed by the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972);
- Provide education and training on food safety to the food industry; and
- Issue Export Certificates at the request of industries.

ACTIVITIES CONDUCTED IN RELATION TO FOOD CONTROL	
Number of inspections conducted at food premises	9865
Applications for Certificates of Acceptability inspections conducted	1263
Number of Certificates of Acceptability issued	1199
Number of orders and notices issued to food premises	665

FOOD SAFETY SAMPLING 2020 – 2021	
Surface swabs analysed	71
Cooked poultry	90
Cooked seawater and freshwater foods	81
Dairy products or composite dairy products with the exception of ripened cheese	100

Desiccated coconut	3
Dried spices and aromatic plants	56
Edible Ices	18
Egg product after pasteurisation or irradiation	2
Fruit juice for consumption	73
General micro analyses of foodstuffs	155
Ripened cheese	25
Natural mineral water or bottled water	77
Partly cooked or uncooked seawater and freshwater foods	8
Pasteurised milk, pasteurised reconstituted (prepared) milk, pasteurised skimmed milk, pasteurised reconstituted (prepared) skimmed milk or pasteurised cream	130
Raw milk intended for further processing	14
Raw milk, raw cream, raw skimmed milk, raw reconstituted (prepared) milk or raw reconstituted (prepared) skimmed milk for consumption	1
Rooibos tea packed in retail packaging at the point of sale	9
TOTAL	913

WASTE MANAGEMENT

DEFINITION

Monitoring of waste management systems, refuse, healthcare waste, hazardous waste and sewage.

This function refers to:

- the monitoring of waste management systems, including healthcare waste (SANS 10248: 2004), hazardous waste, sewage and waste water;
- monitoring for the occurrence of health nuisances during the storage, treatment, collection, handling and disposal of the various categories of waste;
- taking samples of any waste product and the analysis thereof in order to determine possible health risks;
- the identification of needs and motivation for the promotion of sanitation;
- the enforcement of municipal by-laws and the National Health Act, 2003 (Act No. 61 of 2003) where health nuisances arise as a result of waste;
- excludes the operation of a waste management system as rendered by B-municipalities; and
- educating communities within the Cape Winelands on issues of waste management and pollution control.

HEALTH SURVEILLANCE OF PREMISES

DEFINITION

The identification, monitoring and evaluation of health risks, nuisances and hazards and instituting remedial and preventative measures. This function includes:

- the identification, monitoring and evaluation of health risks, nuisances and hazards;
- acting in terms of the National Health Act, 2003 (Act No. 61 of 2003) and the municipal health by-laws to ensure that corrective and preventative measures are implemented;
- registering and certifying funeral undertakers' premises and mortuaries in terms of R363 of 22 May 2013, regulations relating to the management of human remains;
- monitoring premises on an ongoing basis for compliance with health regulations relating to smoking in public places;
- providing inputs towards environmental impact assessments on health-related issues;
- the prevention or reduction of any condition on any premises that may be hazardous to the health or welfare of people;
- law enforcement; and
- educating communities of the Cape Winelands on communicable diseases.

SURVEILLANCE AND PREVENTION OF COMMUNICABLE DISEASES EXCLUDING IMMUNISATIONS

DEFINITION

The identification, monitoring and prevention of any disease that can be communicated directly or indirectly from any animal or through any agent to any person or from any person suffering therefrom or who is a carrier to any other person.

This function entails:

- the identification, investigation and monitoring of outbreaks of listed notifiable medical conditions;
- the introduction of the required corrective and preventative measures;
- deployment of the required response teams in respect of municipal health;
- the promotion of health and hygiene aimed at preventing the incidence of environmental conditions that could result in contagious diseases;
- the drafting of contingency plans for certain diseases and giving inputs and participating in disaster management plans; and
- the collection, analysis and dissemination of epidemiological data and information.

VECTOR CONTROL

A vector is any organism (insect or rodent) that can transmit a disease from one organism to another.

DEFINITION

Monitoring, identification, evaluation and prevention of vectors.

The function refers to:

- the elimination or correction of conditions promoting the habits and breeding habits of vectors; and
- developing awareness in communities of zoonotic diseases by means of vectors and the control thereof through education and training.

ENVIRONMENTAL POLLUTION CONTROL

DEFINITION

The identification, evaluation, monitoring and prevention of land, soil, noise, water and air pollution.

The National Health Act, 2003 (Act No. 61 of 2003) refers to pollution as per definition in Section 1 of the National Environmental Management Act, 1998 (Act No. 107 of 1998), which defines pollution as any change in the environment caused by: • substances • radioactive or other waves or • noise, odours, dust or heat; emitted from any activity, including the storage or treatment of waste or substances, construction and the provision of services, whether engaged in by any person or an organ of state, where the change has an adverse effect on human health or wellbeing or on the composition, resilience and productivity of natural or managed ecosystems, or on materials useful to people, or will have such an effect in the future.

The function relates to the identification, evaluation, monitoring and prevention of the pollution of soil, water, air and noise in so as far as it relates to health:

- Promote living areas safe for your health;
- Identify pollution agents and sources;
- Provide health-related inputs regarding new developments;
- Evaluate and give input regarding environmental impact studies; and
- Educate and train communities regarding environmental pollution.

DISPOSAL OF THE DEAD

DEFINITION

Compliance monitoring of funeral undertakers, mortuaries, embalmers, crematoria, graves and cemeteries and to manage, control and monitor exhumations and reburial or disposal of human remains.

This function refers to the monitoring and certification of:

- undertakers and embalmers;
- mortuaries and other places involved in the handling of human remains;
- facilities for storing corpses/ human remains;
- treatment, removal or transport of corpses;
- monitoring of cemeteries, crematoriums and other facilities for the disposal of corpses; and
- monitoring and supervision of exhumations and re-interments.

There are currently two crematoria and 36 certified undertakers operating within the boundaries of the CWDM.

The safe disposal of the dead is a MHS function and as such MHS is responsible for multiple functions related to this such as supervising the exhumation and reinterment of bodies, monitoring and certifying Funeral Undertakers premises and Mortuaries and the safe disposal of pauper bodies.

EXUMATION OF HUMAN REMAINS

Supervision of the exhumation of human remains in terms of Regulations R363 of 22 May 2013: Regulations relating to the management of human remains made in terms of the National Health Act, 2003 (Act.no.61 of 2003).

AREA	EXHUMATION AND REBURIALS
Breede Valley	3
Drakenstein	20
Langeberg	0
Stellenbosch	1
Witzenberg	2
TOTAL	26



PAUPER BURIALS

Twenty-one (21) unclaimed or unidentified (pauper) bodies were buried by AVBOB on behalf of the CWDM in the 2024/2025 financial year.

- 8 from Worcester Forensic Services Mortuary,
- 7 from Ceres Forensic Services Mortuary and;
- 6 from Paarl Forensic Services Mortuary

SAFE HANDLING OF CHEMICAL SUBSTANCES

DEFINITION

The monitoring, identification, evaluation and prevention of risks relating to chemicals hazardous to humans (e.g. storage and use of agricultural substances).

This function refers to:

- the education and training of high-risk groups and communities in the safe use and handling of chemicals; and
- investigating incidences of pesticide poisoning.

COMPONENT G: ENVIRONMENTAL PROTECTION

AIR QUALITY MANAGEMENT

Within the Cape Winelands District Municipality (CWDM), responsibility for the implementation of National Environmental Management: Air Quality Act (NEM: AQA) lies with the Municipal Health Services and Air Quality Management Division under the Department of Community Development and Planning Services.

CWDM AIR QUALITY MANAGEMENT PLAN

To meet its legal duties under the NEM: AQA, CWDM has included its Air Quality Management Plan (AQMP) as a sector plan in its Integrated Development Plan (IDP). The AQMP is aimed at strengthening air quality management and maintaining clean air across the district, while aligning with the goals and principles of the Western Cape Provincial AQMP.

The current, 2nd Generation, CWDM AQMP is being reviewed as part of the development of the 3rd Generation AQMP. This review is a key step in building on the progress made under the current plan while bringing in updated strategies and priorities to make sure the new plan addresses current air quality challenges and stays in line with changing environmental laws and policies. CWDM expects to finish the review and adopt the new plan by the third quarter of the 2025–2026 financial year.

The forthcoming 3rd Generation AQMP will also be strategically aligned with the objectives of the Western Cape Provincial to supporting coordination and strong partnerships between different levels of government in managing air quality.

AIR QUALITY TRAINING

The CWDM Air Quality Officer (AQO) attended the following training/workshops over the reporting period: -

- Department of Forestry, Fisheries and Environment (DFFE) – NAEIS Auditing Training – 02 August 2024
- DFFE – Development & Implementation of Nationwide Non-Industrial Air Emission Inventories for Air Quality Management – 23 August 2024
- DFFE – Manual AEL training for authorities – 30 August 2024
- SALGA/DFFE – Legal Mandate of Local Authority Environmental Management Inspectors Workshop – 22 October 2024
- Department Environmental Affairs and Development Planning (DEA&DP) – Engagement with Clean Air Fund on future collaborative work – 22 October 2024
- United Nations Environment Program and Stockholm Environment Institute – Low Emissions Analysis Platform (LEAP) Training – 08 December 2024
- DFFE – Manual Emissions Reporting and AEL Management Refresher Training in preparation for the 2025 reporting cycle – 21 February 2025
- DEA&DP – Workshop for Air Quality Management MINTECH Working Group 2's Five Year Plan – 7 March 2025
- DEA&DP – Workshop wrt Air Quality Revenue/ Tariffs for escalation DFFE – 26 March 2025
- DEA&DP – Focus Group meeting on Air Pollution for the review of the Western Cape Provincial Disaster Risk Profile – 08 April 2025
- DFFE & Department of Mineral and Petroleum Resources – Workshop on implementation of air quality management legislation and regulatory tools in the mining sector – 08 April 2025

AIR QUALITY MONITORING

The Directorate: Air Quality Management of the DEA&DP operates three ambient air quality monitoring stations within the CWDM as part of the Western Cape Ambient Air Quality Monitoring Network.

The following monitoring locations within the CWDM are part of the DEA&DP ambient air quality-monitoring network:

Location	Date Commenced	Air Quality Parameters Measured
Van Riebeeck Road - Paarl	June 2018	SO_2, O_3, NO_2, CO, meteorological parameters
# Bird Street - Stellenbosch	October 2011	SO_2, O_3, NO_2, CO, CO_2, PM_{10} & $PM_{2.5}$, VOC's (BTEX), meteorological parameters
Meirings Park - Worcester	July 2009	SO_2, O_3, NO_2, CO, PM_{10}, meteorological parameters

The Stellenbosch air quality monitoring station is scheduled for relocation, as the current site will no longer be available due to building renovations.

INTERGOVERNMENTAL COOPERATION / INDUSTRY WORKING GROUPS

During the reporting period, the Cape Winelands District Municipality (CWDM) strengthened cooperation with DEA&DP and the five local municipalities to improve air quality management across the district. This integrated approach helped advance the goals of the CWDM Air Quality Management Plan and reinforced shared accountability among stakeholders.

- The municipality undertook the following key activities in their approach to air quality management by supporting stakeholders and addressing concerns across the district.
- Investigating and resolving complaints related to air pollution from various sources, including Section 21 listed activities, Section 23 controlled emitters, and other industrial and domestic operations.

- Conducted targeted inspections at Section 21 listed activities and Section 23 controlled emitters to assess compliance with air quality legislation.
- Participated in joint inspections, intergovernmental meetings, and public consultations to support coordinated, legally compliant responses to air quality concerns and to identify potential sources of emissions.
- CWDM collaborated with local municipalities, provided technical guidance to municipal air quality officers, and participated in stakeholder meetings focused on air quality challenges and the development of pollution mitigation strategies.
- Monitored the effectiveness of air quality interventions and worked to identify opportunities for coordinated efforts to further improve air quality in the district.
- Contributed to policy discussions on legislative amendments, environmental authorizations, and development planning.

These efforts highlight CWDM's ongoing commitment to proactive, cooperative, and effective air quality governance in working across all levels of government to protect public health and strengthen air quality management across the Cape Winelands.

Collaborative Involvement in Meetings and Forums

- Participated in discussions and provided input on -
  - Air Quality Management legislate amendments
  - Draft Environmental Noise Standard
- Attended and engaged in discussions at –
  - 18th Annual Air Quality Lekgotla
  - Quarterly Western Cape Provincial Air Quality Officer and Noise Forum
  - Quarterly Western Cape Provincial AQMP Working Groups
  - Quarterly Technical Meetings on AEL's and Controlled Emitters
  - Western Cape Provincial Region 2 EMI Forum
  - Air Quality Priority Areas Summit 15 - 16 October 2024

- Provide written inputs to:
  - Western Cape Air Quality Officer's report 2024
  - National Air Quality Officers Report 2024

MANAGING INDUSTRY – LISTED ACTIVITIES AND CONTROLLED EMITTERS

During the reporting period, CWDM effectively fulfilled its air quality management responsibilities through active oversight of industrial facilities within its jurisdiction. All but one facility conducting Section 21 listed activities, as well as all Section 23 controlled emitter facilities, were operational during this time.

All listed and controlled emitter facilities were closely monitored to ensure compliance with applicable legislation and are recorded in the CWDM emissions inventory. As part of its regulatory functions, CWDM reviewed and evaluated annual emission reports submitted by these facilities to assess compliance with air quality standards and to identify any areas needing corrective action. Facilities were also required to appoint competent accounting officers to manage and report on compliance, in line with legal requirements.

Additionally, CWDM provided input on environmental impact assessments related to atmospheric emission license (AEL) variations and new applications for listed activities and controlled emitters. During the reporting period, the municipality received two AEL variation requests, ten AEL renewal applications, and one new AEL application. Of these, one variation and seven renewals were finalized, while the remaining applications are still under review.

COMPLIANCE AND ENFORCEMENT

All Section 21 listed activities and Section 23 controlled emitters within CWDM submitted detailed emissions reports, including sampling results and data assessments linked to their operations. CWDM reviewed these reports against the applicable Minimum Emission Standards and conducted site visits to assess compliance through record reviews and inspections. Where non-compliance or exceedances were found, appropriate enforcement actions were taken to ensure alignment with NEM: AQA.

Enforcement actions taken -

Drakenstein Crematorium

- Drakenstein Crematorium Abatement Plan and Oversight

In 2024, Drakenstein Crematorium recommissioned its cremator under an approved Abatement Study Plan (ASP) developed by Lethabo Air Quality Specialists (LAQS), as required by its Atmospheric Emission License (AEL). The ASP, a phased intervention to ensure compliance with Minimum Emission Standards (MES), allowed limited operation while the facility upgraded its abatement systems.

Under LAQS guidance, the crematorium underwent major refurbishments, infrastructure upgrades, and implemented mitigation measures. These efforts led to notable improvements, with compliance achieved for all pollutants except particulate matter under Subcategory 8.2. As a precaution, CWDM instructed the facility to reduce throughput and operating hours before progressing to phase two of the ASP.

Phase two included a submitted action plan with engineering designs to enlarge the secondary combustion chamber and implement a PLC-based control system for improved air-to-fuel ratio regulation.

- Media Site Visit

The CWDM received and responded to several media inquiries from the Paarl Post regarding public concerns about the functioning and licensing of the Drakenstein Crematorium. On 21 October 2024, the CWDM invited and accompanied Paarl Post reporter on a visit to the crematorium. During the visit, the reporter had the opportunity to take photographs and ask questions to address the allegations surrounding the facility.

- Public Protector Investigation

A complaint was lodged with the Public Protector regarding CWDM's handling of Drakenstein Crematorium's compliance and access to information. CWDM fully cooperated, and on 11 November 2024, the Public Protector closed the case, confirming that CWDM had fulfilled its legal responsibilities under NEM: AQA and the Health Act.

- DFFE Inspectorate Site Visit

A similar complaint was submitted to the Department of Forestry, Fisheries and the Environment (DFFE), prompting a joint inspection on 7 November 2024 involving CWDM, DEA&DP, and the DFFE's Environmental Management Inspectorate (Green Scorpions). The inspection assessed compliance with the National Environmental Management Act, NEM: AQA, and the Waste Act through interviews, document reviews, and a site visit. No non-compliance was identified at the time, although a final report from DFFE has not yet been shared with CWDM.

Independent Crematoriums South Africa - Worcester Crematorium

Following non-compliance with its AEL conditions, the cremator at Independent Crematoriums South Africa – Worcester was taken offline in the first quarter of 2025 for refurbishment. After recommissioning, the refurbished cremator operated in full compliance with the requirements of their AEL.

Rainbow Chicken Limited- Worcester Chicken Processing

In response to recurring odour complaints potentially linked to Rainbow Chicken Limited – Worcester Chicken Processing, CWDM initiated a comprehensive investigation under the NEM: AQA. Working in close collaboration with Breede Valley Municipality, the CWDM adopted an intergovernmental approach to identify all possible sources contributing to the odour, including municipal infrastructure.

CWDM conducted thorough site inspections, engaged Rainbow Chicken's management, and assessed operational practices that could be contributing to odour emissions. The facility's compliance with its AEL was reviewed, and based on the findings, CWDM issued instructions for operational improvements and amended the AEL by adding additional conditions to strengthen air quality controls. Rainbow Chicken complied with and implemented the required changes to reduce and prevent further odour emissions.

Both Rainbow Chicken and the public were actively involved in the investigation through engagement with complainants, site inspections, and regular communication to maintain transparency and community involvement. The investigation also revealed other potential

sources of odour, such as sewage spills from the municipal network, which were subsequently addressed and cleaned by the Breede Valley Municipality.

Western Cape Provincial Veterinary Laboratory

The Western Cape Provincial Veterinary Laboratory incinerator failed to comply with the legislated Minimum Emission Standards and was not operational during this reporting period. Due to the age of the incinerator the Provincial Veterinary Laboratory requested funding to replace the incinerator with a new incinerator in 2026.

COMPLAINTS

The complaint reported only includes those received directly by the district municipality or reported by listed facilities. Complaints submitted solely to local municipalities are not included in these figures, suggesting that the actual number of complaints within the district is likely underreported.

During the reporting period, offensive odours accounted for about 60% of the total complaints received within CWDM. Once again, a key challenge in managing odorous emissions lies in the absence of defined regulatory thresholds under NEM: AQA. Without specific limit values, it is difficult for authorities to assess compliance, implement controls, or enforce corrective action. This regulatory gap complicates broader efforts to manage air quality and mitigate the environmental impact of odours.

The issue is particularly pronounced in relation to Category 10 facilities, for which no minimum emission standards exist. This makes it difficult to determine whether such facilities are operating responsibly or responding adequately to complaints. The lack of a standardized compliance framework hinders both enforcement and resolution efforts, leaving regulatory bodies and facilities without clear guidance.

Air Quality Complaints 2024 -2025

COMPLAINTS	July - September	October - December	January –March	April - June	Total Complaints	% of total Complaints
Fumes	3	1	1	3	8	5.6%
Smoke	3	1	1	2	7	4.9%
Dust	1	2	2	2	7	4.9%
Burning waste/ Tyre	6	6	9	6	27	18.6%
Farmland burning	4	0	2	3	9	6.4%
Crop spraying	0	0	0	0	0	0%
Offensive odours	12	30	42	1	85	59.6%
TOTAL	29	40	57	17	143	100%

Illegal burning of biomass on farms, domestic waste, and burning for material recovery accounted for almost 20% of complaints received. These cases were referred to the relevant local municipalities for enforcement; however, the issue remains persistent due to a mix of legal, socio-economic, and operational challenges. Many municipalities face resource and capacity constraints, making it difficult to investigate and enforce against offenders. Additionally, the sporadic nature of illegal burning makes real-time monitoring and response challenging.

RECOMMENDATIONS / CHALLENGES

Manual Reporting and Auditing Procedures

In March 2024, the national online emissions reporting platform (NAEIS) was shut down. Following this, the DFFE Minister issued a notice requiring the manual submission and auditing of atmospheric emissions reports for all Section 21 listed activities and Section 23 controlled emitters.

CWDM implemented internal procedures to adopt and align with the DFFE's manual reporting system. This shift from automated to manual reporting placed a significant administrative burden on the municipality. Despite this, CWDM provided targeted support to all facilities on its NAEIS Master List, ensuring full compliance with the revised reporting requirements.

Mines and Quarries

The Draft National Dust Control Amendment Regulations propose extending regulatory oversight of mines and quarries to facilities holding an Atmospheric Emission License (AEL). This shift would make AEL licensing authorities, such as CWDM, responsible for overseeing air quality compliance at these operations.

Currently, this function is managed by the Department of Mineral and Petroleum Resources. However, the proposed amendments suggest a transfer of regulatory responsibility to AEL authorities.

Should this responsibility be assigned to CWDM, it would place significant strain on existing staff capacity and resources. This includes the added burden of ensuring compliance with Dust Regulations and conducting audits of annual NAEIS submissions for mines and quarries.

Air Quality Staff Capacity

The air quality management function within CWDM was established in line with legislative mandates, with foresight for future expansion in response to evolving regulatory requirements. As national environmental regulations have expanded, the role of air quality

management has become increasingly complex and critical to fulfilling CWDM's environmental mandate.

Currently, the Air Quality Officer (AQO) is responsible for a wide range of demanding and multi-level functions, often with limited institutional support. With the current, amended and new air quality management functions dedicated to the district, the expanded functions of air quality management are placing pressure on the existing capacity.

To ensure adherence to the increasing complexity of air quality management functions, maintain regulatory compliance, and uphold its environmental responsibilities, the municipality must address emerging challenges proactively. Strengthening the capacity in air quality management will enhance CWDM's ability to manage air quality proactively and in line with national frameworks.

SUCCESSES

Implementation of DFFE's Manual Procedures

Through active oversight and the application of quality assurance and verification protocols, CWDM achieved 100% manual submission and auditing of atmospheric emissions reports for the 2024 reporting cycle, contributing to the national atmospheric emission inventory.

CWDM Air Quality Bylaw

The CWDM Air Quality district-specific management by-law outlining the CWDM's air quality management functions and responsibilities under NEM: AQA and the National Framework, was drafted in accordance with Section 11 of the NEM: AQA. The proposed by-law is scheduled to be presented to Council for provisional approval. Following this, it will proceed through the formal Public Participation process in accordance with legislative requirements before final adoption.

COMPONENT H: DISASTER MANAGEMENT SERVICES

DIVISION: DISASTER MANAGEMENT SERVICES

The Cape Winelands Disaster Management Centre (CWDMC) consists of a Disaster Management Centre and five permanent staff members (2 filled, 3 vacant) assisted by interns. The purpose of the CWDMC is to ensure the coordination of multidisciplinary and multisectoral risk reduction through integrated institutional capacity for disaster risk management, disaster risk assessment, response and recovery.

The CWDMC is fully functional and compliant with the Disaster Management Act, 2002 (Act No. 57 of 2002) as amended by the Disaster Management Amendment Act, 2015 (Act No. 16 of 2015).

The functions of Disaster Management includes:

- Risk assessment: A process to determine the nature and extent of risk by analysing potential hazards and evaluating existing conditions of vulnerability that could pose a potential threat or harm to people, property, livelihoods and the environment on which they depend.
- Planning: This includes the development of disaster management plans, standard operating procedures, seasonal preparedness plans, and contingency plans.
- Risk reduction: This includes:
    - prevention – how to avoid the adverse impacts of a hazard, which includes awareness and education programmes.
    - mitigation – this can include structural or non-structural measures undertaken to limit the adverse impacts of a hazard, including policies or physical structures.
    - preparedness – activities and measures taken in advance to ensure effective response to the impacts of hazards, including the issuing of early warnings, evacuation of people, etc.
- Response: The provision of assistance during or immediately after a disaster. This can be short-term such as the provision of relief items, e.g. food parcels and blankets, or of a protracted duration such as setting up of temporary shelters.
- Recovery: Decisions and actions taken after a disaster with a view to restoring the situation to normality or improving the pre-disaster conditions.

During the financial year, the Disaster Management Division's activities included:

Disaster Management Advisory Forum:

In terms of Section 51 of the Disaster Management Act, 2002 (Act No. 57 of 2002), the CWDMC established a Disaster Management Advisory Forum that consists of representatives from the five local municipalities, provincial and national departments and other disaster management role-players. This forum meets on a bi-annual basis. The forum meetings provide the CWDMC with an opportunity to engage role-players on the disaster management-related activities taking place in the district. This is an important platform to

provide members with important information such as seasonal forecasts and reports on significant incidents or disasters that have occurred in the district. The meetings for 2024/25 took place in October 2024 and May 2025.

Coordination of Disaster Management function in the district:

The Division held quarterly Disaster Management meetings with the local municipalities. The purpose of these meetings is to coordinate the function of disaster management in the district.

Capacity at the local municipalities:

The division continues to support local municipalities with capacity for the function of disaster management. The provision of an intern is the first step to build capacity within these municipalities. The Intern who was appointed for the Langeberg Municipality was later placed at the Stellenbosch offices due to lack of supervision in Robertson. The Breede Valley Internship contract which ended in June 2024 was extended to continue for another year to ensure continuity. An agreement was signed between the Western Cape Local Government and Cape Winelands District Municipality for payment (two) 2 Interns over a period of 2 years (2025-2026 and 2026-2027 financial years).

In many municipalities, the function of disaster management is the responsibility of the Chief Fire Officer as they do not have a designated Disaster Management Officer to perform the function of disaster management. The incident reporting, management and communication system provided to the five local municipalities continue being utilized to assist with the coordination of disaster management in the district.

Early warnings:

The division provides early warnings to all Disaster Management Advisory Forum members, local municipalities, and internal departments. During the 2024/25 financial year, the following information was distributed regularly:

- Weekly dam level reports
- Weather alerts were disseminated. These weather alerts included flooding, damaging winds, heavy rain, snow, veld fires, extreme heat, high discomfort values, heat waves and severe weather.
- Bi-weekly weather forecasts for the five major towns in our district
- Impact-based severe weather warnings sent to local municipalities.

Response to Severe Weather:

Following a severe weather warning issued by South African Weather Service, the district experienced significant adverse weather conditions in July 2024. Heavy downpours and strong winds resulted in extensive flooding and infrastructure damage, leading to road closures and evacuations.

The District Disaster Management JOC in both events was activated whereby meetings with all relevant stakeholders including local municipalities were held. In these meetings, the status of flooding in the district was discussed and the situational reports on the impact were presented by role players.

Disaster Relief activities:
The division provided relief assistance to a number of community members affected by flooding. The division works closely with the local municipalities to ensure that there is no duplication of assistance.

In response to the severe weather events that occurred in July 2024, approximately 50 mattresses, 200 blankets, 28 food parcels and hot meals to approximately 500 people who were evacuated and accommodated in shelters in the Drakenstein and Breede Valley Local Municipalities. In April 2025, humanitarian relief assistance (bottled water and matrasses) was provided to the fire victims of New Rest Informal Settlement in Drakenstein Municipality whereby 237 structures were affected by the fire incident and fire victims were evacuated and accommodated at the shelter. About 40 emergency relief blankets were also provided at Greenhills Edu Care Centre in Paarl.



Fire and Flood Awareness:
The division in collaboration with the Western Cape Disaster Management Centre conducted Flood and Fire Interactive theatre plays that advocated disaster risk reduction and disaster preparedness. Four primary schools across the district were identified and reached



The floods education and awareness programme was conducted at Boland College in Worcester. The purpose of this programme was to educate students on tips to prevent severe flooding impacts as well as the importance of flood preparedness plans for effective response.



CWDM partnered with Stellenbosch Municipality in conducting the Child Protection awareness campaign at the Sports Centre in Franschhoek. About 100 Disaster Management booklets titled "Disasters and You" were distributed to the learners of all the neighbouring Primary School.



Fire and Flood and Safety Awareness:

The Disaster Management Division coordinated the Fire, Flood and Safety awareness programme at Bonnievale Primary School. The purpose of this programme was to teach learners how to be safe in the event of floods and fires.

An interactive play was performed to teach learners what to do when there is a flood and how to prevent fires. SAPS also taught learners how to contact them in times of need. The awareness sessions were attended by a total of 480 learners from schools such as Bonnievale High School, Bonnievale Primary School, Lammeroes- and Promise Land creches.

International Day for Disaster Risk Reduction (IDDRR):

To achieve the goal of the Sendai Framework for Disaster Risk Reduction 2015-2030 of reducing global disaster risks and losses, the theme of the International Day for Disaster Risk Reduction (IDDRR) 2024, which fell on 13 October 2024, was "the role of education in protecting and empowering youth for a disaster-free future."

In commemoration of the IDDRR 2024, the Disaster Management division worked closely with the Communications division, to compile a social media awareness campaign. The focus was on Climate Change and its effects such as Heat waves which is more likely to be experienced during the summer season which also happens to be a wildfire season across the CWDM. This was done in consultation with the local municipalities. The service provider, Sondlo & Knipe Advertising was appointed to run with this social media campaign which included the shooting, compilation and the production of the awareness video clip.

The video shoot commenced from 15 - 17 October 2024, and various locations such as the Cape Winelands Fire Station, Lanzerac Wine Farm, the Mayor's office, De Doorns Primary School and a site of the Roads Division at Slanghoek (road workers) were visited. The video clip aimed to prepare the district citizens for the hot summer season and further provided safety tips thereof. The Disaster Management Mascot "Lenny the Leopard" was at the forefront of this campaign. The social media awareness video clip was posted onto the CWDM website and Facebook. It was also shared with the local municipalities as the campaign was done in partnership with them.



Disaster and Fire Readiness Awareness Drive

The Disaster and Fire Readiness Awareness Drive was hosted at the primary schools in Ceres and Ashton. This awareness drive was aimed at educating learners about various types of disasters common in the Cape Winelands district. CWDM aimed to empower learners with the knowledge and skills needed to stay safe during emergencies such as fires and floods. Disaster Management and Fire Services divisions provided practical demonstrations and vital information to the learners. The National Sea Rescue Institute (NSRI) led an engaging drowning prevention demonstration, while the Fire Services showcased critical steps for fire safety. The Municipal Health Services (MHS) presented a handwashing demonstration, promoting good hygiene.





WINTER READINESS PROGRAMMES:

The division partnered with Stellenbosch Municipality in conducting a Flood Safety awareness programme at Croydon Farm community in the Stellenbosch Municipal area in May 2025.

The division conducted the Winter Readiness awareness programme which aimed at educating learners about floods and fire risks through presentations and the issuing of awareness pamphlets. A total of 620 learners (Grade 3 and 4) were reached at the primary schools in Rawsonville, Tulbagh and Montagu:



Development of Disaster Risk Reduction Plans:

The Disaster Management division initiated a Disaster Risk Reduction project whereby the local municipalities were assisted in the development of the Disaster Risk Reduction Plans which must be incorporated into Integrated Development Plans (IDP). This project was facilitated by the Western Cape Disaster Management Centre.



Community Safety Project:

The Disaster Management Division continues coordinating the Community Safety project in the district. Community Safety Forums were established in three of the five local municipalities in the district. All local municipalities also have safety structures in place and are being reviewed and updated on a regular basis.

The division provided 50 reflector bibs to the Drakenstein Municipality: Member of the Mayoral Committee (MMC) of Public Safety to equip the neighbourhood watches. The Mediation training was also coordinated by the division.





A mediation graduation ceremony took place whereby 12 people graduated from Stellenbosch, Breede Valley, Drakenstein and Witzenberg municipal areas. The Executive Mayor officially handed over their certificates at the District Community Safety forum that was held in June 2025 at the CWDM Council Chambers in Worcester.





The division supported the Witzenberg Municipality in launching the Community Safety Forum, Safety Preparation workshop and Gender Based Violence (GBV) Ambassadors.













FIRE SERVICES VISION

A professional fire service dedicated to the protection of life, property, livelihoods and the environment from veld fires and other threatening dangers.

LEGISLATIVE MANDATE AND RELATED LAWS

The Fire Brigade Services Act, 1987 (Act No. 99 of 1987) is the primary piece of legislation regulating fire services and provides for the establishment, maintenance, employment, co-ordination, and standardisation of fire brigade services. The Cape Winelands District Municipality has established and endeavours to maintain a service in accordance with the prescribed requirements. It employs its service for -

(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) the performance of any other function connected with any of the matters referred to above.

In terms of section 84 of the Local Government: Municipal Structures Amendment Act (Act No. 117 of 1998), as amended, it further mandates Cape Winelands District Municipality to deal with specialised firefighting services such as mountain and veld fires.

Complimented by the National Veld and Forest Fire Act (Act No. 101 of 1998), as amended by the National Fire Laws Amendment Act, its purpose is to prevent and combat veld, forest and mountain fires throughout South Africa. The Act applies to the open countryside beyond the urban limit and puts in place a range of requirements. It also specifies the responsibilities of landowners. The term 'owners' includes lessees, people in control of land, the executive body of a community, the manager of State land, and the chief executive officer of any local authority. The Act provides for a variety of institutions, methods and practises for achieving the purpose.

THE VELD FIRE RISK

Veld fires, which include fires in grasslands, forests, and mountains, are a significant challenge in our district of approximately 23,000 km². These fires can lead to emergencies and disasters, occurring naturally from lightning and, in the Cape Mountains, from falling rocks. Humans have used fire for hunting and environmental management for over a million years, and today, we still employ it to manage grazing and prevent uncontrolled fires.

Veld fires pose risks to life, property, and the environment, and our vulnerability has increased with urban expansion. Most fires are ignited by human actions, either intentionally or through negligence, such as unattended cooking or rubbish fires.

Proper management of veld fires is essential for public safety and environmental protection. These fires do not respect property boundaries and can spread quickly, especially under windy conditions. Wind increases fire spread by providing more oxygen and carrying sparks to nearby fuels.

Landowners are primarily responsible for controlling fires on their properties, but severe conditions can extend fires beyond individual land, necessitating coordinated efforts for effective management. Veld fires are a common concern that requires collective action.

2024/2025 VELD FIRE SEASON PREPAREDNESS

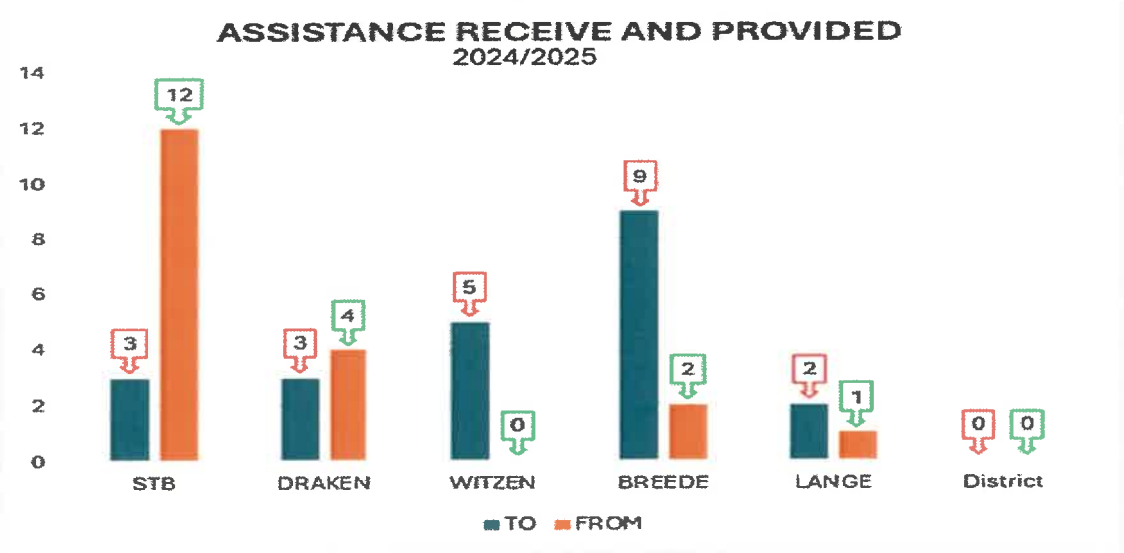
The Fire Services, CapeNature, and the Winelands Fire Protection Association (WFPA) acknowledge that pre-incident planning significantly benefits incident commanders and emergency responders by capturing essential information ahead of time.

Key aspects considered during the preparedness planning included:

- Overview of vegetation types, fire history, and trends
- Nature and extent of fire risk
- Environmental, financial, and social impacts of fires
- Current capabilities and constraints of fire services
- Analysis of fire protection methods
- Status of mutual aid agreements
- Reliable communication capabilities

The Cape Winelands District Municipality (CWDM) has a memorandum of agreement with CapeNature and the WFPA to collaborate on effectively managing veld fires in the region. The Workgroup aims to integrate efforts among natural resource managers, agriculture, and fire managers, improving fire management and raising awareness of stakeholder challenges. Before the veld fire season, the Workgroup met to share information on resources, high-risk areas, action plans, and incident command structures. These discussions are vital for assessing readiness and enhancing prevention strategies. Operational procedures and the Incident Command System (ICS) were clarified, ensuring all parties are committed to cooperative firefighting strategies.

The Fire Services endeavoured to maintain a team of 110 members across five depots, with a minimum of 24 personnel needed daily to operate 12 firefighting vehicles. They prioritized operational readiness and effective community service. Mutual aid agreements with local municipalities and neighbouring districts enhance cooperative efforts during major fires when resources are stretched.

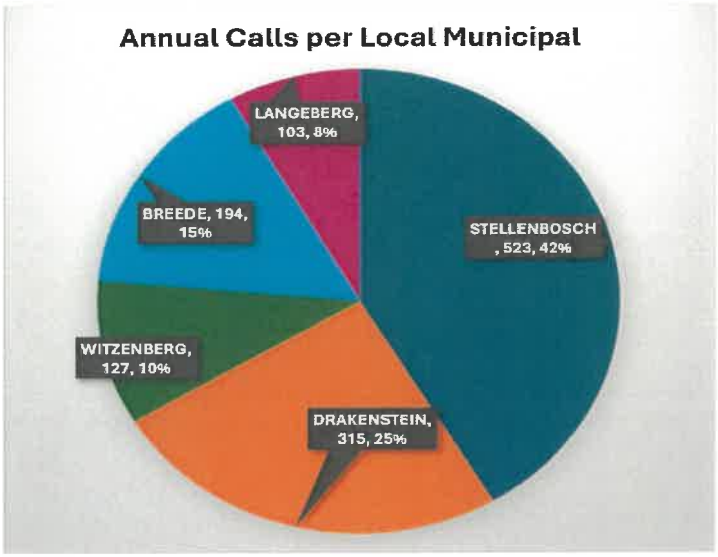


For aerial support, the CWDM has two helicopters (1,200 litres capacity each) available through the end of the 2025/2026 financial year. The Western Cape Government will also deploy aircraft for initial responses to high-risk fires. Ground firefighting crews will operate until the end of the 2024/2025 financial year (a new procurement process already initiated), with six teams of ten firefighters each available for the season.

Media communications were managed by the public information officer, with reports approved by the Incident Commander before release, ensuring official statements represent the Incident Management team rather than individual agencies.

2024/2025 FIRE STATISTICS

Veld Fire data for our area of jurisdiction have been collected from our FireWeb system and the analyses thereof greatly assist with our strategies, tactics and operational plans going forward.



The pie chart above reflects the number and percentage of veld fire incidents from 1 July 2024 to 30 June 2025. Therefore, it must be noted that the highest number of veld fire incidents that we have attended to are within the boundaries of Stellenbosch and Drakenstein making up a combined percentage of 67% of the total calls.



The bar graph above depicts the number of calls per month from 1 July 2024 to the period ending June 2025. It is found that the highest frequency of veld fires occurred from October 2024 to April 2025.

2024/2025 VELD FIRE SEASON

Fire Call's per annum within the Cape Winelands District remains above the 1000 mark, which places the Fire Service under severe operational pressure. Major fires *(which are fires that burns over an extensive area for an extended operational period)* were experienced throughout the season. The Service found it challenging to balance resources and to always maintain a state of readiness. CWDM Fire Services responded and attended to 1198 fires reported from 1 October 2024 to 31 May 2025.

Apart from the number of simultaneous fires, the extreme weather conditions over extended periods such as high temperatures and strong winds also contributed to making suppression operations very difficult. Most of the other fires were brought under control and extinguished either within hours or limited to a few days. This is due to the agreed veld fire season response plan of large-scale rapid attack with various resources to the identified high-risk areas. The high number of fires could only be attended to in many instances with the assistance of our Local Municipalities, Cape Nature, members of the Winelands Fire Protection Association, contracted ground veld firefighting crews and aerial firefighting support.

The Incident Commanders and fire crews did extremely well to manage the incidents. Some damage to property was reported and other damages include vineyards, orchards, water pipes, water tanks, fences, etc. The fire fighters and pilots displayed tremendous dedication, commitment and skill during the past season. Was it not for their exceptional work, Cape Winelands would have experienced far greater damage and losses of property and risks to lives.

Regular feedback was provided to our Executive Mayor, Portfolio Councillor, Senior Management and the Media through our Communications Division regarding major incidents within our area of jurisdiction.

2024/2025 VELD FIRE RISK REDUCTION

Fire permits are essential for safely conducting controlled burns, which help manage vegetation and reduce fuel loads while minimizing the risk of uncontrolled fires. During high fire danger periods, permits may restrict activities that could ignite fires, preventing accidental wildfires.

To obtain a fire permit, individuals and organizations must follow specific safety regulations and implement measures to reduce risks. The process also requires emergency plans to ensure effective management of any fire incidents. Cape Winelands Fire Services approved 802 fire permits 2024/2025 year.

The main aim of fire permits is to protect public safety, reducing the risks of injury, death, or property damage. When managed appropriately, controlled burns can effectively support ecosystem management and biodiversity. Overall, fire permits are vital for balancing land management activities with the need to safeguard lives and the environment.

TRAINING



During the 2024/2025 financial year our aim was to provide most fire fighters in our region with the basic firefighting training and then shift our focus to more specialised training. Since we are the only other recognised training academy outside the City of Cape Town with SAESI/IFSAC accreditation in the Western Cape Province, we decided to broaden the pool of fire service instructors as that was identified as scares skills during our District training needs analysis.

During the 2024/2025 fiscal year we had a huge backlog of training on certain programs, but we managed to develop capacity at the training academy to assist with the presentation of more courses that led to an over performance. Our target was 60 students, but we managed to train a total of 237 students.

COMPONENT I: FINANCIAL AND STRATEGIC SUPPORT SERVICES

EXECUTIVE AND COUNCIL

This component consists of the executive office (Executive Mayor, Councillors and Municipal Manager).

Introduction to Executive and Council

Vision

A unified Cape Winelands of excellence for sustainable development

Mission

All structures of the Cape Winelands working together towards effective, efficient and economically sustainable development.

Core values

The core values of the CWDM are largely shaped by the moral fiber of the administrative and political leadership of the district municipality, guided by the Batho Pele service delivery principles and the strategic compass provided by the Western Cape Government (WCG) through its Strategic Plan, which reflects the core values of the WCG.

The following core values reflect the character and organisational culture of the CWDM:

- Commitment to the development of people;
- Integrity in the performance of our duty;
- Respect for our natural resources;
- Transparency in accounting for our actions;
- Regular consultation with customers on the level and quality of services;
- Higher levels of courtesy and professionalism in the workplace;
- Efficient spending and responsible utilisation of municipal assets; and
- Celebrating diversity.

PROPERTY MANAGEMENT

Introduction: Property Management

Property management is the process of managing the property of the CWDM by maintaining and handling activities incidental to the property in order to maximise the use of all the properties as contained in the property register and to provide optimal financial, social, economic and operational benefits to the CWDM.

The MSA specifically highlights the duty of municipalities to provide services in a manner that is sustainable. The MFMA requires municipalities to utilise and maintain their assets in an effective, efficient, economical and transparent manner.

The MFMA specifically places responsibility for the management of municipal immovable property with the Municipal Manager. Furthermore, the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) requires municipalities to provide and maintain a safe and healthy working environment, and in particular to keep its immovable property safe.

Property Management priorities

The Municipal Manager is also the principal custodian of the district municipality's immovable assets, including the safeguarding and the maintenance of those assets. The Municipal Manager ensures that the district municipality maintains a management, accounting and information system that accounts for the immovable assets of the CWDM and ensures that property management is applied in a consistent manner and in accordance with legal requirements and recognised good practice. The district municipality's immovable property is valued in accordance with the standard of generally recognised accounting practice (GRAP). Furthermore, the district municipality has and maintains a system of internal control for the immovable assets, including an asset register.

The Chief Financial Officer is responsible to ensure, in exercising her financial responsibilities, that:

- appropriate systems of financial management and internal control are established and carried out diligently;
- the financial and other resources of the district municipality are utilised effectively, efficiently, economically and transparently;
- any unauthorised, irregular, fruitless or wasteful expenditure and losses resulting from criminal or negligent conduct are prevented;
- all revenue due to the district municipality is collected, for example rental income, relating to immovable assets;
- the systems, procedures and registers required to validate the financial values of the district municipality's immovable assets are maintained to standards sufficient to satisfy the requirements of the Auditor-General;
- financial processes are established and maintained in order to ensure the district municipality's financial resources are effectively utilised through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions; and
- the Municipal Manager is appropriately advised on the exercise of powers and duties relating to the financial administration of immovable assets.

Property Management impact

The CWDM exhibits good governance and customer care through an efficient and sustainable process of property management. Councillors and officials are custodians on behalf of the public of immovable municipal assets. Key themes pertaining to municipal property management include:

- long-term sustainability and risk management;
- efficient service delivery and improvement;
- performance monitoring and accountability;
- community interaction and transparent processes;
- priority development of minimum basic services for all; and

- the delivery of support in addressing the needs of the poor.

A municipality has the right to do anything reasonably necessary for, or incidental to, the effective performance of its functions and the exercise of its powers in terms of section 156(5) of the Constitution of the Republic of South Africa, 1996 and section 8(2) of the MSA. Furthermore, a municipal council, within the municipality's financial and administrative capacity, and having regard to practical considerations, has the duty to use the resources of the municipality in the best interests of the local community in terms of section 4(2)(a) of the MSA.

Property management at the CWDM incorporates best practice methodologies and is aligned to the latest national and provincial legislation such as the MFMA and the Municipal Asset Transfer Regulations, 2008 as published in the Government Gazette No. 31346 of 22 August 2008, which applies to the transfer and disposal of certain immovable property owned by municipalities and the granting by municipalities of rights to use, control or manage certain immovable property.

Comprehensive property management maximises the district municipality's property assets by procuring strategically, managing and maintaining assets throughout their useful lifecycle and providing asset visibility through data capturing during the use and disposition phases.

Comment on the performance of Property Services overall

No capital projects.

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

Section 38 of the MSA, determines that a municipality must establish a Performance Management System that promotes a culture of performance among office-bearers and its administration and oversee its affairs in an economical, effective, efficient and accountable manner. Regulation 7 of the Local Government: Municipal Planning and Performance Management Regulations further sets out the components of a performance management system.

Selected statutory guidelines and regulatory frameworks related to local government institutions regulate performance management within the government framework. The following legislation and policies reinforce, impact and inform the CWDM Performance Management Policy Framework.

(a) Constitution of the Republic of South Africa, 1996;
(b) Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (Chapters 5 & 6);
(c) Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
(d) Framework for Managing Programme Performance Information, 2007;
(e) Municipal Planning and Performance Management Regulations (No. 796, Aug 2001);
(f) White Paper on Transforming Public Service Delivery (Batho Pele), 1997;
(g) The White Paper on Local Government, 1998;
(h) Municipal Staff Regulations, GN 890, 2021;
(i) Municipal Staff Regulations Guideline for Implementation, GN 891, 2021.

Organisational development within the CWDM continuously focuses on the increase of the district municipality's effectiveness and efficiency, in order to develop the CWDM to its full potential and seeks to increase effectiveness in terms of the strategic objectives as defined in the IDP within an approved budget.

Furthermore, the objective of organisational development is to improve the district municipality's capacity to handle its internal and external functioning and relationships, inclusive of effective communication, enhanced ability to cope with organisational challenges, effective decision-making processes, appropriate leadership styles, improved skills and higher levels of trust and cooperation among employees.

Performance management indicates how well a municipality is meeting its goals and objectives, and which policies and processes are working. Therefore, it is a dynamic process of a municipality. It is imperative that performance management principles are integrated into the organisational processes and aligned within the district municipality's IDP. Performance management is key to effective management that includes planning, budgeting, implementing, monitoring and reporting and that aligns with departmental and employee performance in order to ensure improved community services and improved quality of life for all living within the Cape Winelands district borders. To achieve the aforementioned, the measurements of individual performances within the municipality are

important. Organisational KPIs` are continuously developed, updated and aligned to organisational objectives.

In terms of section 41 of the MSA, the core components of a Performance Management System are to:

- Set key performance indicators (KPIs);
- Set measurable performance targets (PTs);
- Monitor, measure and review performance annually;
- Take steps to improve performance, and
- Establish a process of regular reporting.

The CWDM always attempts to ensure that these KPIs are specific, measurable, achievable and realistic and linked to a specific timeframe (SMART). A complete institutional performance management system must integrate a comprehensive employee performance management system. The Individual Performance Management Policy has been designed to assist with performance management of employees appointed in terms of section 55(1) (e) of the MSA, within the Cape Winelands District Municipality.

On 20 September 2021, the Municipal Staff Regulations (MSR) were promulgated in Government Gazette 890 (GN 890). This, together with its implementation guideline (GN 891), came with an implementation date of 1 July 2022. In terms of the MSR, every municipality must adopt a performance management and development system that complies with these regulations.

According to the MSR, the performance management and development system applies to all staff members of the municipality and must be integrated with other human resource policies and practices, as well as any other organisational development initiatives of the municipality.

The introduction of the MSR necessitated the CWDM to immediately halt all performance-related practices and compelled the municipality back to the drawing board as all relevant strategies, policies and procedures had to be reanalysed in order to ensure compliance with the MSR by 1 July 2022.

Chapter 4 – Performance Management and Development System, coupled with the relevant Guidelines, ensures the implementation of a comprehensive performance management and development system throughout the entire municipality, covering all levels and aspects (policies, procedures and strategies). Furthermore, the MSR ensures full integration of performance management with all other HR-related functions including the staff establishment, recruitment and selection and skills development.

The Revised Individual Performance Management Policy was amended and consulted with all stakeholders and adopted by Council at item C.15.1 on 26 May 2022. In addition, the CWDM embarked on procuring a comprehensive Performance Management Development System inclusive of an effective electronic Performance Management Application, in order to ensure effective process flows and to create an enabling environment to plan, monitor and measure performance against set targets and outputs.

On 19 July 2022, Circular No. 12 of 2022 was issued by COGTA, stating that the implementation date of Chapter 4: Performance Management and Development System was extended to 1 July 2023. This provided adequate operational time for the full implementation of Chapter 4. Subsequently, Council approved at Item C.15.7 on 26 January 2023 the deferment date for implementation of the Revised Individual Performance Management Policy to 01 July 2023.

During May 2023, the CWDM procured the services of a specialized service provider, to:

- provide a web-based performance management and development system to address a detailed process of reporting, monitoring and evaluating performance on an organizational and individual level; and
- cascade individual performance management to all levels in the Municipality.

During June 2023, the service provider, assisted and supported the CWDM to:

- Performed a high-level overview to determine the Municipality's readiness to implement Regulations 890 and 891 and reported on the findings and recommended way forward;
- Conducted awareness sessions and training for all staff of Cape Winelands District Municipality on the requirements of Regulations 890 and 891;
- Developed Performance Agreements linked to job descriptions for all permanent employed staff compliant with the requirements of Regulation 890;
- Conducted training to all staff on the web-based performance system;
- Drafted the Human Resource Strategy and Plan with regards to the role-out of the Performance Management and Development System (PMDS) in the Municipality.

For the 2023/24 year the CWDM implemented the following:

- Develop a comprehensive Performance Management and Development Framework, aligned to the MSR and the CWDM IDP;
- Review the Performance Management Policy to be aligned with Regulation 890;
- Conduct awareness sessions to all staff on the evaluation of staff performance;
- Update the Personal Development Plans of all staff in terms of the requirements of Regulation 890;
- Review the performance plans during the mid-year evaluations and amend where applicable;
- Conduct continuous IPM training sessions, to ensure skills transference to all staff;
- Develop and implement an effective Change Management strategy to ensure the establishment of a Performance Culture within the CWDM.

For the 2024/25 year the CWDM focussed on the following:

- Continuous PMD Systems Refresher training;
- Review and amendments to the quality of Performance Agreements;
- Continuous Employee Satisfaction Surveys to improve IPM within the CWDM;
- Review of Job Descriptions to be aligned with the Staff establishment and required job functions;
- Instituted a comprehensive Skills Audit and GAP analysis to determine and inform the CWDM Workplace Skills Plan (WSP) and Personal Development Plans (PDPs);

- Developed PDPs` for all staff based on the Skills Audit results and Departmental Training Needs Analysis;
- Revised the new 5-Year Employment Equity Plan, based on sectoral Targets – informing Chapter:3 Recruitment and Selection and Chapter: 5 Skills Development`s Talent Management Strategy.
- Developed an HR Dashboard to assist, support and link all HR related activities and processes, as well as providing the CWDM with a comprehensive HR Administrative and record keeping electronic system.
- Implemented performance evaluations and moderations for all staff, including the relevant training to all staff;
- Review the IPM Policy to ensure full alignment with the MSR;
- Reviewed the Staff Establishment Diagnosis;
- Aligned and uploaded the SDBIP onto the PMDS;
- Implementation of the HR Policy Register;
- Developed a Comprehensive Talent Management and Succession Implementation Plan;
- Developed and HR Strategy Implementation Plan;
- Conducted a HR Maturity Assessment;
- Developed Standard Operating Procedures for HR Processes;
- Updated the HR Risk Register
- Developed/ Revised the following related Policies:
    - Employee Wellness Policy;
    - Diversity Management Policy;
    - Disability Policy;
    - Revised Education, Training and Development (ETD) Policy;
    - Revised Occupational Health and Safety (OHS) Policy;
    - Mentoring and Coaching Policy;
    - Experiential Training Policy.

In conclusion, PMDS within the CWDM, will be utilised as the monitoring and evaluation vehicle, in order to ensure the necessary transformation and change within the CWDM, in establishing an effective and efficient municipal workforce, in attaining the goals and objectives, as set out in the CWDM IDP.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, VACANCIES AND TERMINATIONS

EMPLOYEE TOTALS

EMPLOYEES					
Description	YEAR -1: 30 JUNE 2024	YEAR 0: 30 JUNE 2025			
	Number of employees	Number of approved posts	Number of employees	Number of vacancies	Vacancies %
Water	0	0	0	0	0%
Wastewater (Sanitation)	0	0	0	0	0%
Electricity	0	0	0	0	0%
Waste Management	0	0	0	0	0%
Housing	0	0	0	0	0%
Wastewater (Stormwater Drainage)	0	0	0	0	0%
Roads	148	298	172	126	42.2%
Transport	1	3	1	2	66.66%
Planning	1	2	1	1	50%
Local Economic Development	4	4	4	0	0%
Community and Social Services	14	11	9	2	18.1%
Environmental Protection	0	0	0	0	0%
Health	50	55	48	7	12.7%
Public Safety	57	79	54	25	31.6%
Sport and Recreation	0	0	0	0	0%
Corporate Policy Offices and other	118	144	107	37	25.6%
TOTALS	**393**	**596**	**396**	**200**	**33.5%**

EMPLOYEES: THE EXECUTIVE AND COUNCIL					
JOB LEVEL	YEAR -1: 30 JUNE 2024	YEAR 0: 30 JUNE 2025			
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies (as a % of total posts)
T1 – T3	0	0	0	0	0%
T4 – T8	6	6	6	0	0%
T9 – T13	1	3	0	3	100%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
MM & Section 56 employees	4	5	4	1	20%
Councillors	41	41	41	0	0%
TOTAL	**53**	**56**	**52**	**4**	**7.1%**

EMPLOYEES: FINANCIAL SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2024	YEAR 0: 30 JUNE 2025			
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies (as a % of total posts)
T1 – T3	0	0	0	0	0%
T4 – T8	5	6	5	1	16.6%
T9 – T13	16	11	7	4	36.3%
T14 – T17	8	5	5	0	0%
T18 – T19	1	1	1	0	0%
TOTAL	**30**	**23**	**18**	**5**	**21.7%**

EMPLOYEES: HUMAN RESOURCE SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2024	YEAR 0: 30 JUNE 2025			
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies (as a % of total posts)
T1 – T3	0	0	0	0	0%
T4 – T8	0	0	0	0	0%
T9 – T13	4	11	4	7	63.63%
T14 – T17	1	1	1	0	0%
T18 – T19	1	1	1	0	0%
TOTAL	**6**	**13**	**6**	**7**	**53.84%**

EMPLOYEES: ROAD SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2024	YEAR 0: 30 JUNE 2025			
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies (as a % of total posts)
T1 – T3	39	107	47	60	56%
T4 – T8	98	161	106	55	34.1%
T9 – T13	6	25	14	11	44%
T14 – T17	4	4	4	0	0%
T18 – T19	1	1	1	0	0%
TOTAL	**148**	**298**	**172**	**126**	**42.2%**

EMPLOYEES: ICT SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2024	YEAR 0: 30 JUNE 2025			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T3	0	0	0	0	0%
T4 – T8	1	1	1	0	0%
T9 – T13	3	4	3	1	25%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	**5**	**6**	**5**	**1**	**16.66%**

EMPLOYEES: PLANNING SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2024	YEAR 0: 30 JUNE 2025			
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies (as a % of total posts)
T1 – T3	0	0	0	0	0%
T4 – T8	0	0	0	0	0%
T9 – T13	0	0	0	0	0%
T14 – T17	1	2	1	1	50%
T18 – T19	0	0	0	0	0%
TOTAL	**1**	**2**	**1**	**1**	**50%**

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2024	YEAR 0: 30 JUNE 2025			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T3	0	0	0	0	0%
T4 – T8	1	1	1	0	0%
T9 – T13	2	2	2	0	0%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	**4**	**4**	**4**	**0**	**0%**

EMPLOYEES: HEALTH INSPECTION, ETC.					
JOB LEVEL	YEAR -1: 30 JUNE 2024	YEAR 0: 30 JUNE 2025			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T3	0	0	0	0	0%
T4 – T8	0	0	0	0	0%
T9 – T13	43	47	40	7	14.8%
T14 – T17	7	8	8	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	**50**	**55**	**48**	**7**	**12.7%**

EMPLOYEES: DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.					
JOB LEVEL	YEAR -1: 30 JUNE 2024	YEAR 0: 30 JUNE 2025			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T3	0	0	0	0	0%
T4 – T8	0	0	0	0	0%
T9 – T13	2	5	2	3	60%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	**3**	**6**	**3**	**3**	**50%**

EMPLOYEES: FIRE SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2024	YEAR 0: 30 JUNE 2025			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Chief Fire Officer and Deputy	1	2	1	1	50%
Other Fire Officers	0	0	0	0	0%
T1 – T3	0	0	0	0	0%
T4 – T8	18	19	16	3	15.7%
T9 – T13	37	57	36	21	38.5%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	**57**	**79**	**54**	**25**	**31.6%**

EMPLOYEES: PROPERTY, LEGAL, IDP, PERFORMANCE & RISK MANAGEMENT AND PROCUREMENT SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2024	YEAR 0: 30 JUNE 2025			
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies as a % of total posts)
T1 – T3	0	0	0	0	0%
T4 – T8	2	8	3	5	62.5%
T9 – T13	3	17	12	5	29.4%
T14 – T17	3	6	5	1	16.6%
T18 – T19	1	1	1	0	0%
TOTAL	**9**	**32**	**21**	**11**	**34.3%**

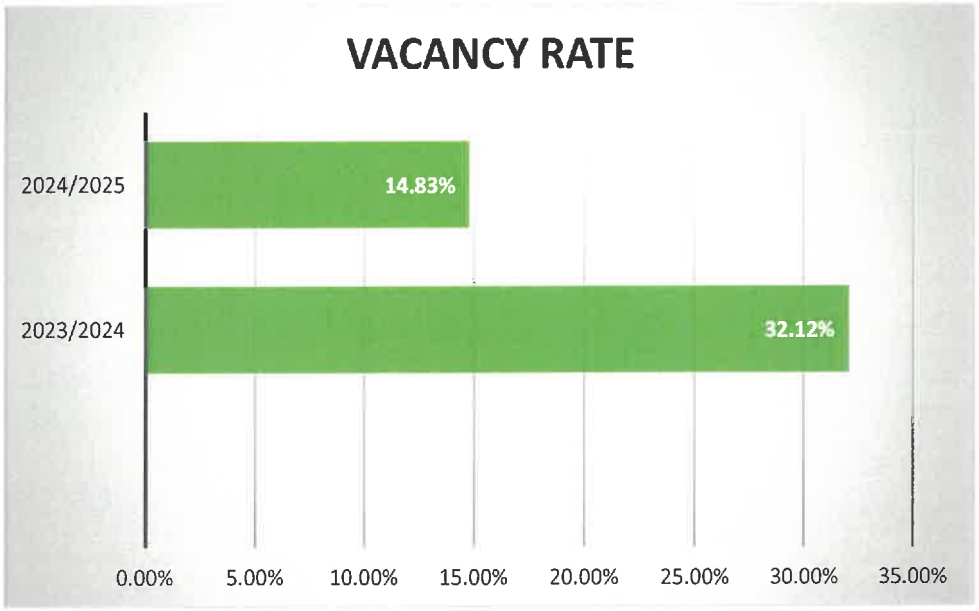
VACANCIES

VACANCY RATE: 2024/2025			
Designation	Total approved posts	Vacancies (Total time that vacancies exist using full-time equivalents)	Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0%
Chief Financial Officer	1	0	0%
Other S56 Managers (excluding finance posts)	3	1	33.3%
Other S56 Managers (finance posts)	0	0	0%
Police Officers	0	0	0%
Firefighters	79	25	31.6%
Senior Management levels T18 – T19 (excluding finance posts)	5	0	0%
Senior Management levels T18 – T19 (finance posts)	1	0	0%
Professionally qualified levels T14 – T17 (excluding finance posts)	31	3	9.6%
Professionally qualified levels T14 – T17 (finance posts)	8	0	0%

COMMENT ON VACANCIES AND TURNOVER

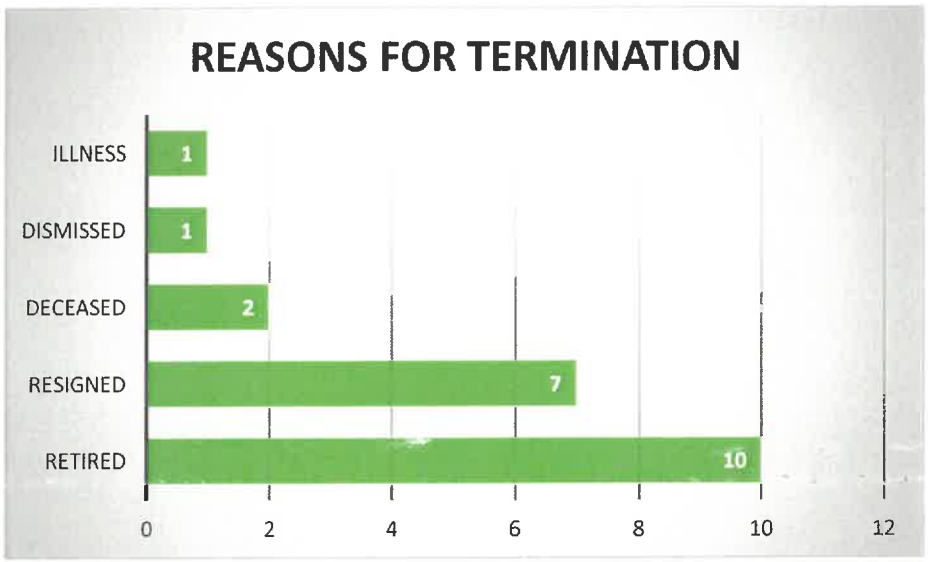
The Municipal Manager, Executive Director: Corporate Services, Executive Director: Community Development & Planning Services and the Chief Financial Officer posts were filled during the 2024/2025 financial year. The Executive Director: Technical Services position became vacant on 01 January 2025.

On 30 June 2025, the approved staff establishment of the CWDM consisted of a total of five hundred and ninety-six (596) posts of which three hundred and ninety-six (396) were filled and two hundred (200) were vacant. Of the total of two hundred (200) vacancies, only sixty-nine (69) were budgeted during the 2024/2025 financial year, resulting in a vacancy rate of 14.83%. The vacancy rate over the past two financial years calculated on budgeted vacancies is best reflected as follows:



TERMINATIONS

A total of twenty-one (21) employees terminated services at the CWDM during this period for the following reasons:

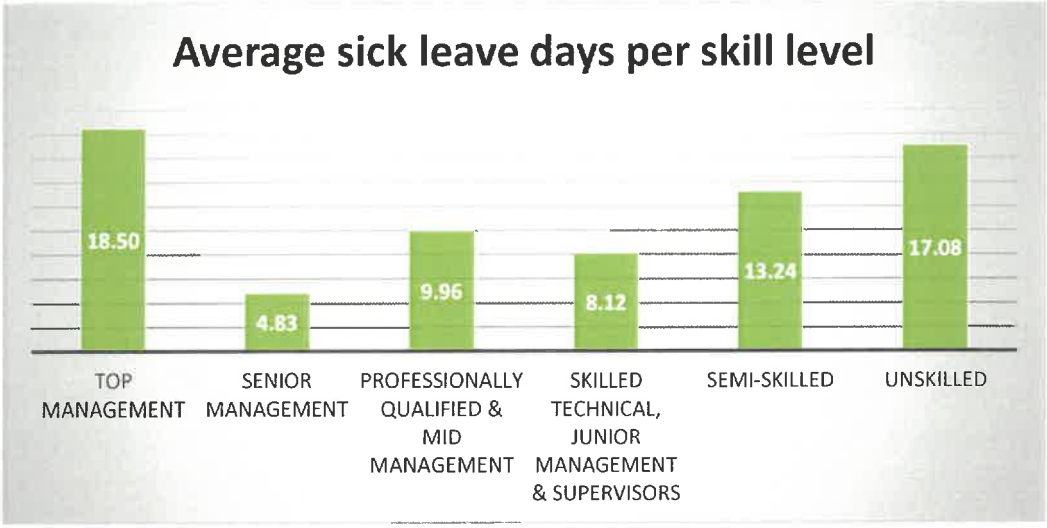


TURNOVER RATE			
Details	**Total number of employees as at beginning of financial year**	**Total number of terminations for the financial year**	**No.**
2023/2024	390	23	5.89%
2024/2025	378	21	5.56%

4.3 INJURIES

Number and cost of injuries on duty					
Type of injury	**Injury leave taken**	**Employees using injury leave**	**Proportion of employees using sick leave**	**Average injury leave per employee**	**Total estimated cost**
	Days	**No.**	**%**	**Days**	**R'000**
Required basic medical attention only	148	23	86.11%	6	R111,029.04
Fatal	0	0	0	0	0
Total	**148**	**23**	**86.11%**	**6**	**R111,029.04**

NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY)					
JOB LEVELS	**Total sick leave**	**Proportion of sick leave without medical certification**	**Employees using sick leave**	**Total employees in post***	**Average sick leave per employees**
	Days	**%**	**No.**	**No.**	**Days**
Top Management (MM & Section 56)	37	2.7%	2	4	18.5
Senior Management (T18 – T19)	29	37.93%	6	6	4.83
Professionally qualified and experienced specialists and mid-management (T14 – T17)	259	11.58%	26	36	9.96
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (T9 – T13)	893	26.43%	110	139	8.12
Semi-skilled and discretionary decision making (T4 – T8)	1 946	29.45%	147	153	13.24
Unskilled and defined decision making (T1 – T3)	854	32.2%	50	58	17.08
Total	**4 018**	**28%**	**341**	**396**	**11.78**



COMMENT ON INJURY AND SICK LEAVE

Eighty (80) days' sick leave is granted to employees in a three-year (3-year) leave cycle in terms of Clause 8.2.1 of section B of the Main Collective Agreement. However, during the 2015/2016 financial year, an amendment was made in terms of which new appointees may not take more than 30 days sick leave in the first year of employment. In terms of the Main Collective Agreement, the CWDM requires a medical certificate from a registered medical practitioner if more than two (2) consecutive days are taken as sick leave by an employee. The employer is further not required to pay an employee if an employee is absent on more than two occasions during an eight-week period and, on request by the employer, does not produce a medical certificate stating that the employee was unable to work for the duration of the employee's absence on account of sickness or injury.

In an attempt to motivate employees not to abuse sick leave, amendments to the Collective Agreement on Conditions of Service for the Western Cape Division of the SALGBC now provide that employees who have not taken more than 20 days' sick leave at the end of a three-year cycle shall receive an additional 10 working days' paid sick leave to which they will be entitled in the ensuing cycle, provided that in respect of any sick leave cycle no employee shall become entitled to more than 120 working days' sick leave on full pay in a sick leave cycle.

The CWDM also adopted an Employee Assistance Programme to offer confidential assistance to employees who have the potential to be adversely affected by personal and work-related problems, which might result in absence from the workplace because of sick leave. Through the Employee Assistance Programme, employees are assisted to resolve personal problems that affect job performance, motivated to seek help and directed to the best assistance possible.

Injury on duty leave is granted to an employee who suffers an illness or injury in the course of his/her duties for the periods corroborated by a medical certificate and is restricted to 24 months in respect of any one illness or injury. All injuries on duty that result in accident leave are investigated by the relevant supervisors, in collaboration with the Occupational Health and Safety Officer in order to establish whether there was any negligent behaviour and to impose measures to avoid future incidents/injuries that may result in accident leave. All incidents and injuries are reported on a monthly basis to the Local Labour Forum.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Skills development in South Africa is going through big changes as the Quality Council for Trades and Occupations (QCTO) prepares to take over management of quality assurance for accredited qualifications and skills programmes from the SETAs. The QCTO was set up because there was a need for an overarching institution with national capacity for quality assurance of trades and professional qualifications, rather than the system which placed quality assurance for these with the Sector Education and Training Authorities (SETAs) which are, by definition, concerned with sectors.

The QCTO register occupational qualifications and part qualifications on the NQF framework. It governs the quality assurance processes for these qualifications, which are namely to; appoint and evaluate Development Quality Partners; appoint Assessment Quality Partners (AQPs); monitor and evaluate AQPs' performance; register (and deregister) training providers on recommendation of AQPs, and to issue the qualification certificates to trainees. The QCTO Is gradually taking its delegated functions from SAQA, as it builds capacity. As described above, there is a transition period during which SETAs retain their QA functions in respect of existing qualifications. Each qualification has an expiry date, which cannot be longer than 5 years from registration of renewal, so all existing qualifications expired by June 2024. However, due to the backlog of the mentioned processes, as well as the fact that only 30% of theses qualifications were converted to the QCTO standards, most qualifications and part qualifications were deferred by the Department of Higher Education to later dates, in order to accommodate for the huge number of outstanding qualifications. The latter constitutes various practical implications for the CWDM, as specifications and Supply Chain Processes are negatively affected. Thus, the appointments of training service providers, due to their QCTO accreditations status are becoming very challenging for the CWDM – Effecting the implementation of training.

In September 2021, the Municipal Staff Regulations and its guidelines were promulgated for implementation from 1 July 2022. These regulations specifically highlighted and prioritised skills development, as per Chapter 5: Skills Development of the MSR. This new legislative landscape will undoubtedly change all municipal capacity-building processes. The CWDM is on the forefront of this challenging landscape in our effort to transform and ensure internal compliance, as well as advising and coordinating our local municipalities within the district, as per our mandate. In terms of the above-mentioned Staffing Regulations, the Municipality was required to update their current skills and in terms of what is required as stated by these Regulations. The Municipality appointed a specialist Service Provider to assist with the implementation of these Regulations. After a thorough analysis and a Readiness Review was done the following were suggested:

The Municipality to update the required skills as per Chapter 5 of the MSR.

- Conduct a gap analysis between their own information and the skills for each post and post level in terms of the Regulation;
- The Municipality furthermore must ensure alignment between the Skills Audit and the Workplace Skills Plan and therefore this plan will have to be reviewed after the Skills Audit has been finalized.;

- The information then subsequently must relay back to the individual's PDP's as well as Core Competencies;
- The progress in terms of the PDP's, the skills development and the development return on investment must be assessed together with the performance assessments;
- The performance assessments will then inform the skills development process and progress.

An implementation plan was drafted, and to date, the following progress were made:

- Awareness program was conducted, and all staff were granted opportunity to submit training needs;
- The WSP was completed and submitted to the LGSETA in April;
- Training was given to HR staff on how to implement the Staff Regulations where skills Development was concerned on the 18th of May 2023;
- Further training was given to HR Staff in June on how to add the new competencies to the Job Descriptions in terms of annexure A during June 2023;
- The Job Profiles and Competencies were then added to the Job Descriptions of all Staff;
- Training was given to all Staff in June on the Competency Framework.

For the 2023/2024 financial year the following were achieved:

- Finalization of the HR Strategy which includes a 5-year plan on Skills Development at the Cape Winelands District Municipality;
- Partial Completion of Personal Development Plans for all Staff Members;
- Drafting of a Mentoring and Coaching Policy;
- Identification of Workplace Mentors and Coaches;
- Drafting of a 5-year Talent Management Framework;
- Concluding a perceived GAP Skills analysis with regard to the competencies;
- Preparing the conduct of a Skills Audit and Skills needs Analysis;
- Drafting a Succession Planning and Talent Management Implementation Plan.

For the 2024/25 financial Year the following were implemented:

Project	Status	Comments
PMDS Awareness (Deliverable 4a)	Completed	Completed on 15 – 19 July (face to face) (build 31 July)
Assist with the review of the IPM Policy (Deliverable 4r)	Completed	Completed on 7 July; facilitated on 2 July (Worcester) (build on 29 July)
Performance Management System (Training) Performance Plans	Completed	23-24 July completed (Worcester and Stellenbosch) (16 x R1188) (build 22 August)
Competency Framework Training	Completed	Completed on 15 – 19 July (face to face) (build 31 July)
Staff Establishment Diagnosis	Completed	Week of 15-19 July
Change Management Training	Completed	Week of 15-19 July
SDBIP load on system and IPMDS load on system (2024/25)	Completed	01 August build
ROI on training	Completed	13 Aug
HR training for non-HR practitioners	Completed	11 & 12 September
Training on policy/strategy/framework/guideline development	Completed	2 & 9 September
General System Training – Updating of KPI's SDBIP and IPMDS	Completed	4 – 6 September
Implementation of a HR Policy Register	Completed	Submitted to client on 22nd October for comment
Talent Management and Succession Implementation Plan	Completed	Submitted to client on 15th October for comments, Client requested extension until 31 Oct

Revision of EE Policy	Completed	Submitted to client on 26th October for comment
HR Strategy Implementation Plan	Completed	Submitted to client on 22nd October for comment
Implementation of HR Policy Register to monitor regular review	Completed	Feb 2025
Talent management and succession planning implementation plan	Completed	Feb 2025
HR Strategy Implementation plan	Completed	June 2025
Review of the JD's to be aligned with staff establishment	Completed	12 sessions completed on 27 and 28 November 2024.
Maturity Assessment	Completed	Maturity Assessment took place during the week of 17th to 21st February and completed Assessment were submitted to CWDM on 11th March 2025
Annual MSR Review	Completed	MSR Review took place during the week of 17th to 21st February and completed Assessment were submitted to CWDM on 11th March 2025
HR SOPS	Completed	Submitted 19 SOPS to Client on the 30th for comment. Submitted further 7 SOPs to client Had follow up discussions with all SOP Owners the week of the 18th of Draft SOPs were submitted on 17 January 2025 and were workshopped with the HR Unit during the week of 27th to 30 January 2025 and again the week of 17th to 21st of February. Final SOPSs were submitted to CWDM on 19 March 2025.
Skills Audit and Gap Analysis	Completed	Training took place in November and again the week of 17th to 21st February 2025.Skills template were developed and sent to CWDM for completion in February 2025.Completed March 2025
Develop PDPs	Completed	Training took place in November and again the week of 17th to 21st February 2025.PDP template was developed and sent to CWDM to complete the Reporting Lines of employees .Completed June 2025
Development of HR Risk Register	Completed	Feb 2025
Employment Equity Plan	Completed	June 2025
Review of the JD's to be aligned with staff establishment	Completed	June 2025

The following policies were finalized in December 2024:

- Employee Wellness Policy;
- Diversity Management Policy;
- Disability Policy;
- Revised Education, Training and Development (ETD) Policy;
- Revised Occupational Health and Safety (OHS) Policy;
- Mentoring and Coaching Policy;
- Experiential Training Policy.




Evidently, the legislative transformation of Skills Development will have a far reaching and overall interlinked impact stretching across the municipality. Integration and alignment to all internal spheres and functions have become essential and the broadening of the Human Resource Development function into its various specialisations function have become imperative.

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

In terms of section 67(1)(a) of the MSA, the CWDM, in accordance with the Employment Equity Act, 1998 (Act No. 55 of 1998) continuously develops and adopts appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including the recruitment, selection and appointment of persons as staff members.

In terms of section 20 of the Employment Equity Act, 1998 (Act No. 55 of 1998) the CWDM is a designated employer and must prepare and implement a plan to achieve employment equity, which must have objectives for each year of the plan, including affirmative action measures, have numerical goals for achieving equitable representation and have internal monitoring and evaluation procedures.

The CWDM approved a new Employment Equity plan during the 2023/2024 financial year and during the 2024/2025 financial year, the CWDM gave continuous effect to the implementation of the plan. The Employment Equity Committee recommended that the approved planned be extended for another year.

The Employment Equity Regulations, 2025 came into effect on 15 April 2025, repealing and replacing the 2014 Regulations. Also in effect from 15 April 2025 is the Determination on Sectoral Numerical Targets which applies to 18 national economic sectors. The new Regulations and Determination introduce a significantly more prescriptive and compliance-driven framework, particularly for designated employers.

Designated employers are now required to prepare and implement Employment Equity Plans (EE Plans) covering a fixed five-year period from 1 September 2025 to 31 August 2030. The plans must align with the sector-specific numerical targets published by the Minister of Employment and Labour. Employers operating in more than one sector must apply the targets of the sector in which the majority of their employees are employed.

When determining annual employment equity targets, employers must set numerical targets for designated groups in each of the four upper occupational levels taking into account the applicable sector targets and the economically active population (EAP) (which includes job seekers). Employers must avoid over-representation of a group which already exceeds the applicable EAP in a particular occupational level. An employer that does not meet target must provide a justification such as limited recruitment opportunities, skills shortages, or economic pressures.

As per the requirements of the Employment Equity Act, 1998 (Act No. 55 of 1998), the CWDM submitted an employment equity report in the prescribed format to the Department of Employment and Labour. Consultation with all relevant parties takes place monthly at the Local Labour Forum, where parties are offered an opportunity to continuously assess and monitor progress.

EMPLOYMENT EQUITY FORUM

Quarterly meetings were held on 07 October 2024, 18 February 2025, 25 April 2025 and 10 July 2025 by the Employment Equity Forum where discussions were held on appointments, terminations and promotions in respect of a previous quarter, in comparison to the goals and targets set out in the approved CWDM Employment Equity Plan. The Employment Equity Committee monitors and reviews the progress of the implementation of the Employment Equity Plan and ensures that the employer complies with the requirements as set out in the plan. Challenges experienced during recruitment and selection processes are highlighted and the committee also jointly strives to find amicable solutions to address these challenges within the workplace.

The Division: Human Resources in collaboration with Ignite Advisory Services and the CWDM Employment Equity Committee studied and attended training sessions on the Determination of Sectoral Numerical Targets' (Final Sector Target Regulations) and the 'Employment Equity Regulations, 2025' (General Administrative EE Regulations), which repeal the Employment Equity Regulations, 2014 (collectively, the 2025 EEA Regulations) and also conducted a "Barrier Analysis Surveys" of which the findings is contained in the EEA12 form.

Ignite Advisory Services presented the CWDM Draft Employment Plan for the period 01 September 2025 until 31 August 2030 (5-years) and consulted with the CWDM Equity Committee on 16 July 2025. The majority of the CWDM Employment Equity Committee supported the draft plan.

The draft CWDM Draft Employment Equity Plan for the period 01 September 2025 until 31 August 2030 (5-years) as well as the outcomes in respect of the 'Barrier Analysis Survey' that was completed by CWDM employees will be presented for further consideration to the CWDM employees during the Division: Human Resources Roadshows, virtual MS Teams presentation at the beginning of the new financial year.

EMPLOYEE WELLNESS

Employees are widely regarded as the most valuable asset of any organization. Their skills, knowledge, and commitment directly influence productivity, innovation, and service delivery. A motivated and engaged workforce fosters a positive work environment and drives organizational success.

Recognizing this, the **Cape Winelands District Municipality (CWDM)** places strong emphasis on its **Employee Wellness Program**—a structured initiative designed to enhance the health, well-being, and overall quality of life of employees both within and beyond the workplace.

LYRA Well-being has been appointed as the official Service Provider to deliver a comprehensive wellness programme to CWDM employees and their immediate families. LYRA offers evidence-based, organisation-focused employee support designed to enhance well-being and drive measurable business outcomes

Services provided include

- 24/7/365 confidential support via a dedicated helpline, telephone and face-to-face counselling.
- Life Management Services,
- Access to financial information and guidance
- Managerial support—an advisory service designed to assist managers and supervisors in identifying and addressing mental health concerns, fostering a culture of support, and enhancing employee engagement
- Online Portal – where a wealth of information and useful articles on wellness issues can be found.
- Health@ Hand - a medical advisory service for health-related queries

A total of **124** employees accessed the Wellness Program and received counselling and support services.

LYRA delivered a series of online webinars, each dedicated to a distinct aspect of well-being. Topics of the webinar included:

- The art of relaxation and rest
- Servant Leadership
- Performance Anxiety Imposter Syndrome
- Loneliness and Mental Health
- Social Media and Mental Health
- Get Ready for Love
- Creating a thriving, corporate environment
- Global Mental Health Trends
- Stress Survival Kit
- Trauma
- Office Syndrome
- Adult ADHD

In addition to the webinars, LYRA also hosted a series of virtual, interactive Topic Talks for employees. These sessions focused on practical and personal development themes, including:

- Maximizing the LYRA Well-being Service for personal growth
- Financial Management
- Stress Management
- Relationship Management

The Wellness Day, held on **28 May 2025**, was the highlight on the CWDM Wellness Calendar. The event featured a variety of engaging and enriching activities designed to promote holistic well-being among employees. Highlights of the event included:

- 1.5km and 5km Fun Run/Fun Walk
- Interactive fitness classes
- On-site health screenings and wellness consultations
- Motivational talks by guest speakers
- Games and sports activities

The day fostered a sense of community, fun, encouraged self-care, and empowered employees to prioritize their mental, physical, and emotional health.
All these Wellness initiatives hosted, fostered a culture of care, encouraged self-awareness, and empowered employees to prioritize their mental, physical, and emotional health—contributing to a healthier, more engaged workforce.

WELLNESS DAY PICTURES









LOCAL GOVERNMENT: MUNICIPAL STAFF REGULATIONS NO. 890 AND LOCAL GOVERNMENT: GUIDELINES FOR THE IMPLEMENTATION OF THE MUNICIPAL STAFF REGULATIONS NO. 891

A diagnostic report on the performance of municipalities conducted in 2014 revealed that some municipalities are still experiencing governance and institutional challenges in meeting their obligations, despite evidence of progress.

Some of the challenges include:

(i) Induced municipalities to adopt disparate HR systems resulting in excessive disparities that impede mobility of staff in the sector;
(ii) Bloating of municipal administration in non-core functions of municipalities;
(iii) Incoherent HR practices resulting in the concentration of critical skills in affluent municipalities;
(iv) High incidence of irregular and inappropriate appointments;
(v) Poor skills development programmes negatively impacting the capacity of municipalities to fulfil their constitutional obligations;
(vi) Ineffective performance management and lack of accountability;
(vii) Poor planning, under-expenditure by municipalities on capital budgets and ineffective revenue collection strategies; and
(viii) Incoherent disciplinary and grievance procedures.

In terms of Chapter 7 (Local Public Administration and Human Resources) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), the Minister for Cooperative Governance and Traditional Affairs promulgated regulations and issued guidelines setting uniform standards for municipal staff systems and procedures for all municipal staff and senior managers. These Regulations and Guidelines took effect from 1 July 2022.

All municipalities are required to develop human resources policies consistent with the regulations. The human resources policies had to be developed/reviewed and adopted by municipal councils before 1 July 2022.

The aforementioned is also supported by Chapter 13 of the National Development Plan in terms of the Building of a Capable and Developmental State, and clause 154(1) of the Constitution of the Republic of South Africa, 1996 that, inter alia, stipulate that national and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

The Local Government: Municipal Staff Regulations No. 890 are organised in nine chapters:

Chapter 1: Interpretation and application
Chapter 2: Staff establishment, job description and job evaluation
Chapter 3: Recruitment, selection and appointment of staff
Chapter 4: Performance management and development system
Chapter 5: Skills development
Chapter 6: Dispute resolution
Chapter 7: Disciplinary code and procedures
Chapter 8: Remuneration related matters
Chapter 9: General (transitional arrangements, repeal and short title)

The objectives of the regulations are to:

(a) create a career local public administration that is fair, efficient, effective and transparent;
(b) create a development-oriented local public administration governed by good human resource management and career development practices;
(c) ensure an accountable local public administration that is responsive to the needs of local communities;
(d) ensure that high standards of professional ethics are fostered within local government;
(e) strengthen the capacity of municipalities to perform their functions through recruitment and appointment of suitably qualified and competent persons; and
(f) establish a coherent HR governance regime that will ensure adequate checks and balances, including enforcement of compliance with the legislation.

The new prescribed templates in respect of Chapter 3: Recruitment and Selection was implemented from 01 July 2022 in respect of the implementation of the new Local Government: Municipal Staff Regulations No. 890 and Local Government: Guidelines for the implementation of the Municipal Staff Regulations No. 891 issued in Government Gazette No. 45181, dated 20 September 2021 in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

The CWDM procured the services of Ignite Advisory Services until 30 June 2025 to assist the CWDM with the implementation of the new Local Government: Municipal Staff Regulations No. 890 and Local Government: Guidelines for the implementation of the Municipal Staff Regulations No. 891 issued in Government Gazette No. 45181, dated 20 September 2021 in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

WORKFORCE PROFILE: DEPARTMENTS - JUNE 2025

	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
CWDM Targets	22.5%	22.4%	0.8%	7.2%	20.7%	19.8%	0.6%	6.0%
Office of the Municipal Manager: June 2025	0.0%	22.2%	0.0%	0.0%	33.3%	22.2%	0.0%	22.2%
Office of the Municipal Manager: May 2025	0.0%	22.2%	0.0%	0.0%	33.3%	22.2%	0.0%	22.2%
Financial Services: June 2025	3.4%	24.1%	0.0%	6.9%	13.8%	34.5%	0.0%	17.2%
Financial & Strategic Support Services: May 2025	3.4%	24.1%	0.0%	6.9%	13.8%	34.5%	0.0%	17.2%
Community Development & Planning Services: June 2025	13.3%	41.7%	0.0%	17.5%	12.5%	15.0%	0.0%	0.0%
Community Development & Planning Services: May 2025	13.3%	41.7%	0.0%	17.5%	12.5%	15.0%	0.0%	0.0%
Technical Services: June 2025	35.4%	35.9%	0.6%	6.1%	10.5%	10.5%	0.0%	1.1%
Technical Services May 2025	35.4%	35.9%	0.6%	6.1%	10.5%	10.5%	0.0%	1.1%
Corporate Services: June 2025	1.9%	27.8%	0.0%	5.6%	11.1%	40.7%	0.0%	13.0%
Corporate Services May 2025	1.9%	27.8%	0.0%	5.6%	11.1%	40.7%	0.0%	13.0%
CWDM GLOBAL: JUNE 2025	20.7%	34.3%	0.25%	9.3%	12.9%	18.9%	0.0%	3.5%
CWDM GLOBAL: MAY 2025	20.7%	34.8%	0.25%	9.3%	12.6%	18.6%	0.0%	3.8%

WORKFORCE PROFILE: CWDM GLOBAL - JUNE 2025

	Male								Female							
Occupational level	**African**	**%**	**Coloured**	**%**	**Indian**	**%**	**White**	**%**	**African**	**%**	**Coloured**	**%**	**Indian**	**%**	**White**	**%**
Targets		**22.5**		**22.4**		**0.8**		**7.2**		**20.7**		**19.8**		**0.6**		**6.0**
Top Management	0	0.0	2	50.0	0	0.00	0	0.0	0	0.0	2	50.0	0	0.0	0	0.0
Senior Management	0	0.0	3	50.0	0	0.00	0	0.0	0	0.0	2	33.3	0	0.0	1	16.7
Professionally qualified and experienced specialists and mid-management	3	9.1	11	33.3	0	0.00	8	24.2	3	9.1	7	21.2	0	0.0	1	3.0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	14	10.4	47	35.1	0	0.00	22	16.4	20	14.9	26	19.4	0	0.0	5	3.7
Semi-skilled and discretionary decision making	44	28.2	56	35.9	1	0.64	5	3.2	15	9.6	29	18.6	0	0.0	6	3.8
Unskilled and defined decision making	21	33.3	17	27.0	0	0.00	2	3.2	13	20.6	9	14.3	0	0.0	1	1.6
Total Permanent	**82**	**20.7**	**136**	**34.3**	**1**	**0.25**	**37**	**9.3**	**51**	**12.9**	**75**	**18.9**	**0**	**0.0**	**14**	**3.5**
Temporary Employees	**1**	**2.9**	**8**	**23.5**	**0**	**0.00**	**2**	**5.9**	**11**	**32.4**	**11**	**32.4**	**0**	**0.0**	**1**	**2.9**
Grand Total	**83**	**19.3**	**144**	**33.5**	**1**	**0.23**	**39**	**9.1**	**62**	**14.4**	**86**	**20.0**	**0**	**0.0**	**15**	**3.5**

All employees, including employees with disabilities

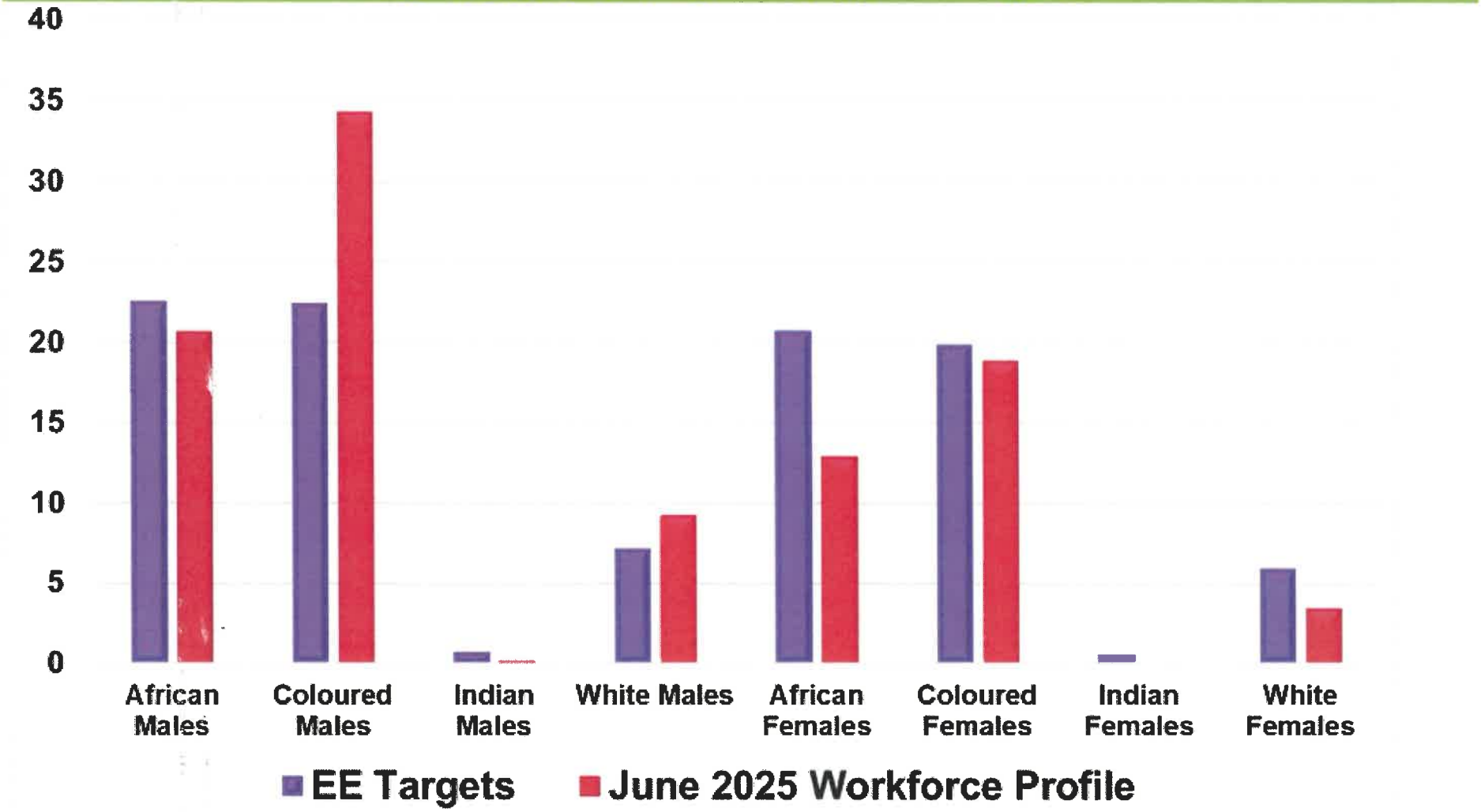
EMPLOYMENT EQUITY FIGURES 30 JUNE 2025

	Male				Female				Foreign Nationals		
Occupational Level	**African**	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	**Male**	**Female**	**TOTAL**
Top Management	0	2	0	0	0	2	0	0	0	0	**4**
Senior Management	0	3	0	0	0	2	0	1	0	0	**6**
Professionally qualified and experienced specialists and mid-management	3	11	0	8	3	7	0	1	0	0	**33**
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	14	47	0	22	20	26	0	5	0	0	**134**
Semi-skilled and discretionary decision making	44	56	1	5	15	29	0	6	0	0	**156**
Unskilled and defined decision making	21	17	0	2	13	9	0	1	0	0	**63**
Total Permanent	82	136	1	37	51	75	0	14	0	0	396
Temporary Employees	1	8	0	2	11	11	0	1	0	0	34
Grand Total	**83**	**144**	**1**	**39**	**62**	**86**	**0**	**15**	**0**	**0**	**430**

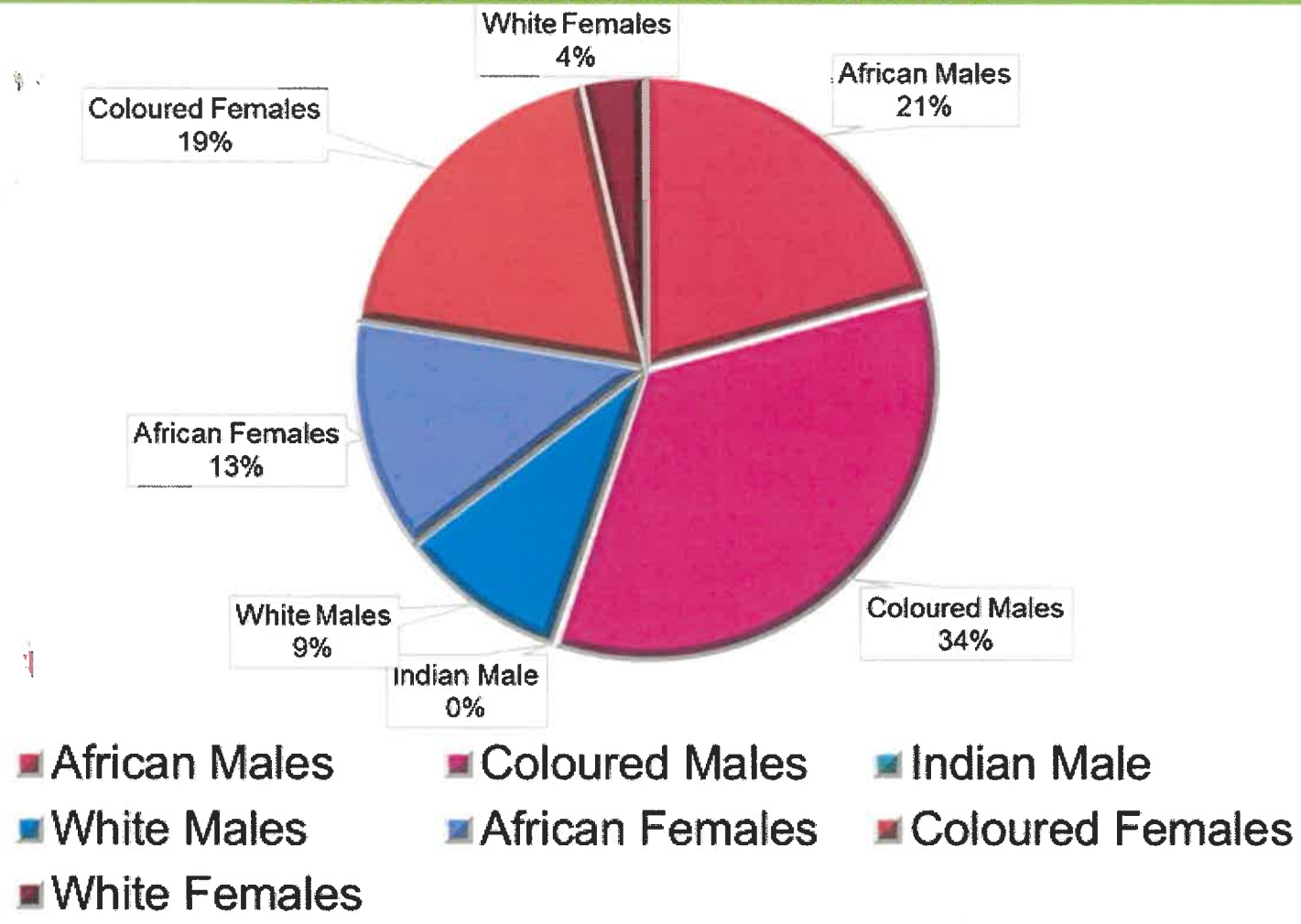
All employees with disabilities

Occupational Levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	1	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	1	0	2	0	0	0	1	0	0	4
Unskilled and defined decision making	0	0	0	0	0	1	0	1	0	0	2
TOTAL PERMANENT	0	1	0	3	0	1	0	2	0	0	7
TEMPORARY EMPLOYEES	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	0	1	0	3	0	1	0	2	0	0	7

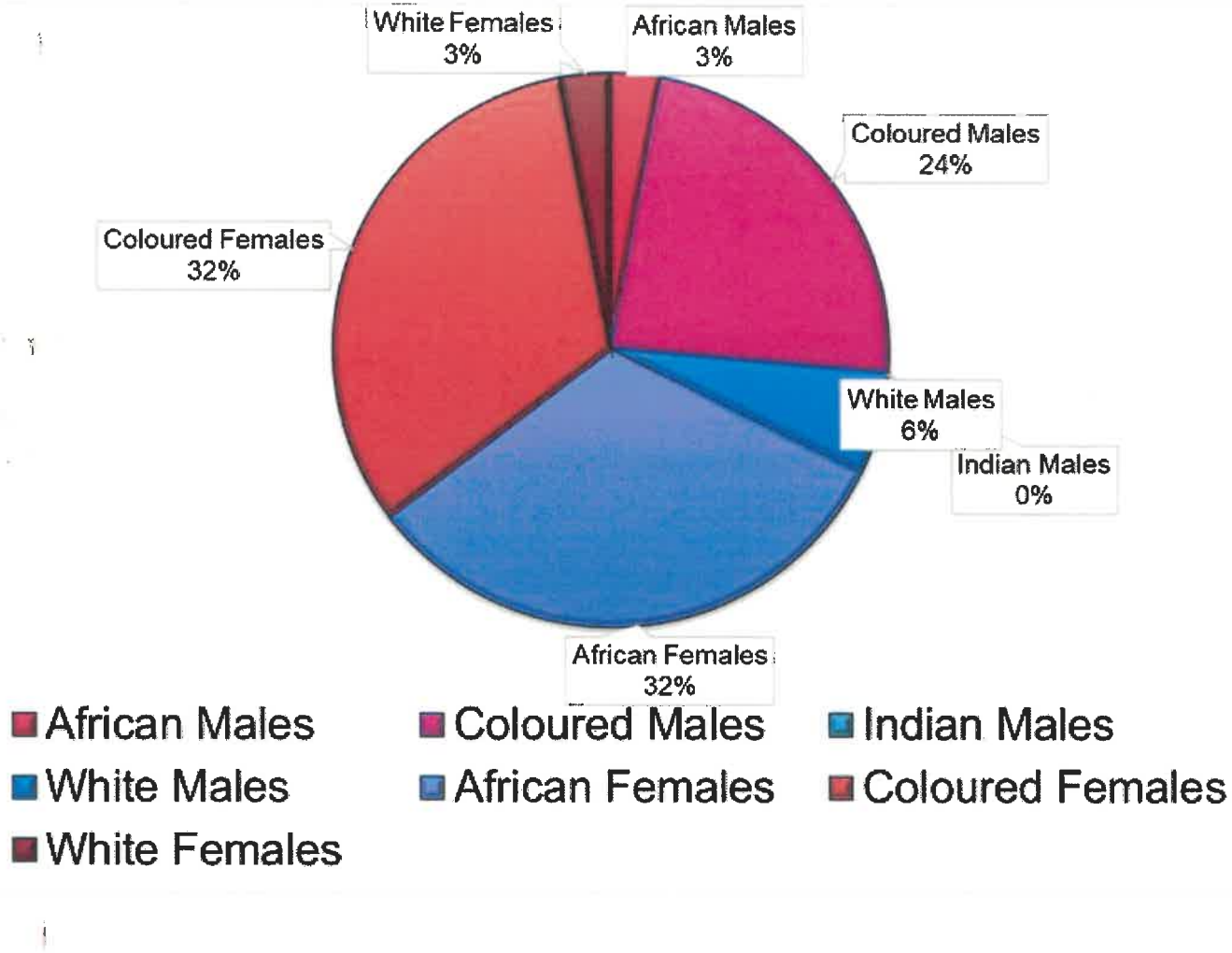
JUNE 2025 WORKFORCE PROFILE COMPARED TO EE TARGETS



JUNE 2023 GENDER WORKFORCE PROFILE



JUNE 2025 TEMPORARY EMPLOYEES


White Females
3%
African Males
3%
Coloured Males
24%
Coloured Females
32%
White Males
6%
Indian Males
0%
African Females
32%
African Males
Coloured Males
Indian Males
White Males
African Females
Coloured Females
White Females

4.2 POLICIES

OFFICE OF THE MUNICIPAL MANAGER'S POLICIES AND PLANS				
No.	Name of Policy	Completed %	Reviewed	Date adopted by Council or comment on failure to adopt
1.	Anti-Corruption Policy Revised CWDM Anti-Corruption and Fraud Prevention Policy and Strategy	100	27 August 2020	27 August 2020
2.	Enterprise Risk Management Policy CWDM Risk Management Policy, Strategy and Risk & Fraud Implementation Plan	100	27 August 2020	27 August 2020
3.	International Relations Policy	100		27 August 2009
4.	Performance Management System Policy and Framework Guide	100		May 2024
5.	Public Participation Policy	100		20 August 2015
6	Policy for Municipal Councillors Acting in their capacity as Commissioner of Oath	100		25 February 2021
7.	Branding Policy	100		28 May 2015
8.	Communication Policy and Strategy 2008-2011	100	20 August 2015	6 November 2008
9.	Staff Statements to the Media Policy	100		24 May 2005
10.	Corporate Identity and Branding Policy	100		28 May 2015
FINANCIAL AND STRATEGIC SUPPORT SERVICES POLICIES AND PLANS				
11.	Determination of Policy for Internal Appeal Procedure in terms of section 62 of Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)	100		24 March 2003
12.	Grievance Procedure	100		SALGBC
13.	Legal Aid Policy for Councilors and Employees	100		24 May 2005
14.	Mayoral Bursary Fund Policy	100		25 October 2012
15.	Official Vehicles and Fleet Management Policy	100	04 December 2014	25 March 2004
16.	Policy for the Investigation of Allegations of Contraventions of Code of Conduct for Councillors	100		25 March 2004
17.	Telephone Policy for Councillors	100		30 June 2006
18.	Uniforms and Protective Clothing: Support Personnel	100		24 May 2005
19.	Official Vehicles and Fleet Management Policy	100		4 December 2014
20.	Appointment of Consultants Policy	100		28 May 2015
21.	Accounting Policy	100		23 May 2013
22.	Allowances and Benefits for Councillors Policy	100		31 January 2019
23.	Asset Management Policy	100	22 May 2014 28 May 2015 25 May 2017	23 May 2013
24.	Benevolent Fund Policy	100	25 November 2010	27 August 2009
25.	Budget Policy	100		25 July 2013
26.	Cash Management Policy and Investment Policy	100	28 May 2015	26 August 2010
27.	Combating Abuse of Supply Chain Management System Policy	100		28 May 2015
28.	Contract Management Policy	100		28 May 2015
29.	Corporate Gifts Policy	100		28 May 2015
30.	Credit Control, Debt Collection and Indigent Policies	100	28 May 2015	30 September 2009
31.	Expenditure Management Policy	100		28 May 2015

32.	Funding and Reserves Policy	100	28 May 2015	14 April 2011
33.	GRAP Policy and Procedural Guide	100		31 January 2005
34.	Inventory and Stock Management Policy	100		28 May 2015
35.	Long-term Financial Policy	100		28 May 2015
36.	Petty Cash Policy	100		26 March 2015
37.	Preferential Procurement Policy	100		28 May 2015
38.	Property Rates Policy	100		23 May 2006
39.	Revenue Management Policy	100		20 May 2015
40.	Subsistence and Travel Policy	100	25 November 2010 30 March 2012 25 July 2013	28 January 2010
41.	Supply Chain Management Policy	100	31 July 2014 25 May 2017	27 March 2008
42.	Tariff Policy and Tariff By-Law	100		13 November 2003
43.	Telecoms and Cellular Phone Allowance Policy	100		31 January 2019
44.	Transport Allowance Scheme	100	29 January 2015	26 April 2007
45.	Transport Allowance Scheme for Essential Users	100		22 June 2007
46.	Travel and Removal Expenses Policy	100		24 May 2005
47.	Unauthorised Fruitless and Wasteful Expenditure	100		28 May 2015
48.	Unforeseen and Unavoidable Expenditure Policy	100		28 May 2015
49.	Virement Policy	100	28 May 2015 25 May 2017	14 May 2010
	HUMAN RESOURCE POLICIES AND PLANS			
	Chronic Illness Policy	100		24 May 2005
	Code of Conduct for Employees	100		LG: Systems Act
	Confidentiality Policy	100		24 May 2005
	CWDM Sponsored Work Related Functions Policy	100		24 May 2005
	Delegations, Authorisation and Responsibility	100	Under review	15 July 2011
	Determination of Policy: Dress Code for Councillors	100		19 February 2004
	Employee Assistance Programme Policy	100	21 October 2021	25 April 2012
	Employee Driving Licence Assistance Policy	100	27 June 2014	17 February 2011
	Employee Study Aid and Leave Policy	100	03 December 2013 21 October 2021 26 May 2022 25 April 2023	24 May 2005
	Employment Equity Policy	100		25 May 2023
	Education, Training and Development Policy	100	04 December 2014 21 October 2021	24 May 2005
	Exit Management Policy	100		26 May 2022
	HIV and AIDS Policy	100	25 November 2010	24 May 2005
	Individual Performance Management Policy	100	21 October 2021 26 May 2022	28 June 2016
	Induction Policy	100	26 May 2022	24 May 2005
	Internship Policy	100		28 May 2015
	Medical Funds Administration Policy	100		21 October 2021
	Mentoring and Coaching Policy	100	26 May 2022	21 October 2021
	Nepotism Policy	100		24 May 2005
	Occupational Health and Safety Policy	100	21 October 2021	24 May 2005
	Post Retirement Medical Aid Benefits Policy			21 October 2021
	Probation Period Policy	100		26 May 2022
	Private Work Policy	100	Under review	24 May 2005
	Recruitment and Selection Policy	100	25 November 2010 13 January 2022 26 May 2022	24 May 2005

			25 May 2023	
	Scarce Skills & Retention Policy	100	25 May 2023	
	Sexual Harassment Policy	100		24 May 2005
	Smoking Policy	100		25 November 2010
	Sponsorship Policy	100		28 May 2015
	Experiential Training Policy	100	12 June 2025	TBC in 2025/26
82.	Time and Work Attendance Management Policy	100		27 October 2011
83.	Unpaid Leave Policy	100		24 May 2005
84.	Whistleblowing Policy	100		24 May 2005
85.	Overtime Policy	100	25 May 2023	25 May 2023
86.	Secondment and Transfer Policy	100	25 May 2023	
	COMMUNITY DEVELOPMENT AND PLANNING SERVICES POLICIES AND PLANS			
87.	Community Support Policy	100	28 May 2015	29 September 2005
88.	Emergency Nutrition Provision Policy	100		31 January 2013
89.	Fire and Rescue Training Academy Policy	100		4 December 2014
90.	Identifiable and Protective Clothing Policy: Disaster Management	100		24 October 2006
91.	Protective Clothing for Environmental Health Practitioners	100		25 July 2006
92.	Uniform Schedule for the Division: Fire Service	100		25 July 2006
93.	Social Relief of Distress Policy	100		C.15.1 of 25 January 2018
	TECHNICAL SERVICES POLICIES AND PLANS			
94.	Electrification of Rural Housing Policy, Consolidate with Water and Sanitation Policy	100	25 February 2015	25 October 2012
95.	Expanded Public Works Policy	100		31 January 2013
96.	Financial Support for the Replacement and Construction of Fencing along the Provincial Roads Network in the jurisdiction area of CWDM	100		3 December 2013
97.	Maintenance Management Policy	100		28 May 2015
98.	Personal Protective Equipment Policy for the Roads Agency Function	100		26 March 2015
99.	Policy for the Provision of Basic Services to Rural Dwellings	100		25 February 2016
100.	PPE Policy for Roads and Mechanical Workshop	100		26 March 2015
101.	Protective Clothing Policy for Personnel: Roads	100		25 July 2006
102.	Baseline Installation Procedures for Operating Systems	100		25 July 2013
103.	Change Management Process	100		24 April 2014
104.	ICT Data Backup and Retention Policy	100		29 June 2017
105.	ICT Disaster Recovery Plan	100		30 March 2012
106.	ICT Operating System Security Controls Policy	100	25 July 2013 24 April 2014	19 September 2016
107.	ICT Service Level Agreement Management	100		29 June 2017
108.	Information and Communication Backup Policy	100	24 April 2014	25 April 2012
109.	Information Technology Security Policy	100		24 May 2005
110.	Internet and E-mail Usage Policy	100		24 May 2005
111.	Municipal Corporate Governance of Information and Communication Technology (ICT) Policy	100		31 May 2018
112	Mobile Device Policy	100		4 December 2014
113.	Network Security Policy	100	24 April 2014 25 July 2013	25 April 2017
114.	Physical Environmental Security Policy	100		25 July 2013
115.	Telecommunications Policy	100	4 December 2014	24 May 2005

			26 January 2023 23 May 2024	
116.	User Account Management Procedures	100		24 April 2014
117.	User Security Policy	100		27 October 2011

NUMBER AND PERIOD OF SUSPENSION				
Position	**Nature of alleged misconduct**	**Date of suspension**	**Details of disciplinary action taken, or status of case and reasons why not finalised**	**Date finalised**

DISCIPLINARY ACTION TAKEN IN CASES OF FINANCIAL MISCONDUCT			
Position	**Nature of alleged misconduct and rand value of any loss to the municipality**	**Disciplinary action taken**	**Date finalised**

4.4 PERFORMANCE REWARDS

PERFORMANCE REWARDS BY GENDER					
Designations	**Beneficiary profile**				
	Gender	**Total number of employees in group**	**Number of beneficiaries**	**Expenditure on rewards 2024/2025**	**Proportion of beneficiaries within group**
				R'000	**%**
Top Management (MM & Section 56)	Female	1	0	0	0
	Male	3	0	0	0
Senior Management (T18 – T19)	Female	0	0	0	0
	Male	0	0	0	0
Professionally qualified and experienced specialists and mid-management (T14 – T17)	Female	0	0	0	0
	Male	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (T9 – T13)	Female	0	0	0	0
	Male	0	0	0	0
Semi-skilled and discretionary decision making (T4 – T8)	Female	0	0	0	0
	Male	0	0	0	0
Unskilled and defined decision making (T1 – T3)	Female	0	0	0	0
	Male	0	0	0	0
Total		**4**	**0**	**0**	**0**
Has the statutory municipal calculator been used as part of the evaluation process?					Not Applicable

COMMENT ON PERFORMANCE REWARDS

In terms of section 57(4B) of the MSA, bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council concerned.

Regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 states that in accordance with Regulation 32, a performance bonus, based on affordability, may be paid to the employee, after –

- the annual report for the financial year under review has been tabled and adopted by the municipal council;
- an evaluation of performance in accordance with the provisions of Regulation 23; and
- approval of such evaluation by the municipal council as a reward for outstanding performance.

Regulation 23 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 states that the purpose of a performance agreement is to:

- comply with the provisions of sections 57(1)(b), (4A), (4B) and (5) of the Act as well as the employment contract entered into between the parties;
- specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the IDP, SDBIP and the budget of the municipality;
- specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- monitor and measure performance against set targeted outputs;
- use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- in the event of outstanding performance, to appropriately reward the employee; and
- give effect to the employer's commitment to a performance-orientated relationship with its employees in attaining equitable and improved service delivery.

Regulation 32 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 states that:

- The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance; and
- A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance. In determining the performance bonus, the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator.

On 29 June 2017, at Item C.15.1, the Council of the CWDM resolved that performance bonuses in respect of the Municipal Manager and Managers directly accountable to the Municipal Manager be reinstated with effect from 1 July 2017 to 30 June 2018 and that the performance bonuses be considered annually based on financial affordability. It was further resolved that performance bonuses ranging from 5% to 9% based on a score of 130% to 149% and a maximum of 10% based on a score of 150% and above, in terms of Regulation 32(2) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 be paid to the Municipal Manager and Managers directly accountable to the

Municipal Manager and that addendums to the principal performance agreements be entered into between the Executive Mayor and the Municipal Manager and the Municipal Manager and the Managers directly accountable to the Municipal Manager. At a different meeting – in April 2023, Council resolved to increase the maximum bonus % to 14%, as stated in the mentioned regulations.

DRAFT

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX														
Management Level	Gender	Employees in post as at 30 June 2025	Number Of Skilled Employees Required and Actual as at 30 June 2025											
			Learnerships			Skills Programmes and other Short Courses			Other Forms of Training			Total		
		No.	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End Of Year 0	Actual: End of Year 1	Target
MM and S56	Female	2	0	0	0	1	1	1	0	0	0	1	1	1
	Male	2	0	0	0	0	1	2	0	0	0	0	1	2
Councilors, senior officials, and managers	Female	25	0	0	0	16	19	23	0	0	0	16	19	23
	Male	37	0	0	0	18	35	36	0	0	0	18	35	36
Technicians and associate professionals	Female	11	0	0	0	4	6	8	0	0	0	4	6	8
	Male	25	0	0	0	13	18	25	0	0	0	13	18	25
Professionals	Female	55	0	0	0	33	43	46	0	0	0	33	43	46
	Male	35	0	0	0	24	33	30	0	0	0	24	33	30
Sub-total	Female	93	0	0	0	54	69	78	0	0	0	54	69	78
	Male	99	0	0	0	55	87	93	0	0	0	55	87	93
Total		**195**	**0**	**0**	**0**	**109**	**156**	**171**	**0**	**0**	**0**	**109**	**156**	**171**
*Registered with professional associate body														**73**

FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT						
Description	**A. Total Number of Officials Employed by Municipality (Regulation 14(4)(A) and (C))**	**B. Total Number of Officials Employed by Municipal Entities (Regulation 14(4)(A) and (C))**	**Consolidated: Total of A and B**	**Consolidated: Competency Assessments Completed for A and B (Regulation 14(4)(B) and (D))**	**Consolidated: Total Number of Officials Whose Performance Agreements Comply with Regulation 16 (Regulation 14(4)(F))**	**Consolidated: Total Number of Officials that Meet Prescribed Competency Levels (Regulation 14(4))**
Accounting Officer	1	0	1	0	1	1
Chief Financial Officer	1	0	1	0	1	1
Senior Managers	2	0	2	0	2	2
Any other Financial Officials	27	0	27	0	0	27
Heads Of Supply Chain Management Units	1	0	1	0	0	1
Supply Chain Management Senior Managers	1	0	1	0	0	1
TOTAL	33	0	33	0	4	33
SKILLS DEVELOPMENT EXPENDITURE						
R 817 943-10						

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

The CWDM proactively kick-started our effort to ensure full compliance with the MSR regulations and to date, the municipality developed and amended all our relevant policies to ensure compliance to this effect. Training and Development is an essential exercise for both the municipality and its employees, as it helps the municipality to gain and retain top talent, increases employee job satisfaction and morale, as well as improve productivity.

The main purpose of organisational capacitation is to ensure that all training initiatives implemented within the Cape Winelands District Municipality (CWDM), are directly linked to achieving the CWDM IDP objectives as well as to comply with the Municipal Staff Regulations in terms of Chapters 4 and 5, thus, the objectives of skills development include but are not limited to:

- Support the achievement of the municipality's goals set out in the Integrated Development Plan by providing critical skills that ensure the delivery of quality services;
- Promote the development and retention of competent municipal staff, including the development of technical, professional and specialist staff who have the required qualifications and skills;
- Support the employment equity objectives of a municipality;
- Be based on high-quality provision and effective workplace learning and development practices, including coaching, mentoring, on-the-job learning and opportunities for the practical application of skills in the workplace;
- Seek to continuously improve its results and the returns on learning investments by defining measures of success, conducting regular evaluations and improving the impact of learning, training and development.

The actual implementation of planned training within the Cape Winelands District Municipality is influenced by an array of internal and external factors. With regards to the implementation of planned training within the Municipality, there is an 80% to 90 % alignment with the training budget, correlation between what is planned and what is implemented. During the 2024/2025 financial year, the CWDM embarked on various formal and informal training interventions. The majority of skills programmes were conducted via the 'blended learning approach', combining both virtual/online training and the traditional classroom-led training. The focus of training for 2024/25 were the effective implementation of the MSR, with a specific focus on the softer skills relating to the Competency Framework.

Training and Development 2024/2025

Organisational Development

To give full effect and to ensure full compliance with the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) for the 2022/2023 financial year, the CWDM continued the prioritisation of training in Minimum Municipal Competency Levels (MMCL). The CWDM has taken all the reasonable steps towards compliance and to this effect 17 officials commenced with MMCL programme in July 2024 until January 2025.

Organisationally, the training programmes were prioritised as follow:

1. Compliance Training;
2. Operational/Technical Training;
3. Workplace Competencies;
4. Succession Planning Training;
5. Scarce and Critical Functions Training.

Organisational training initiatives included various and sometimes a combination of abovementioned priorities. These training programmes were implemented across the CWDM, covering staff from all departments and in the case of the MSR training, it also included Councillors.

The MMCL Service Provider was appointed on a multi-year contract from July 2023 until June 2025 and the programme were conducted for newly appointed MMCL- affected employees and financial Interns. A New Service Provider were procured in Q1 (for a three-year Period) of the 2024/25 year and will commence with the new Municipal Finance Management Programme (MFMP) as from July 2025 – 30 June 2028, thus ensuring that any MMCL- affected officials are covered for this period. Monthly MMCL Reports are submitted to SMT for their consideration, as well as the quarterly submission of Provincial and National Treasury reports.

As per the MSR competency Framework, the CWDM embarked on a range of competency training initiatives, to improve these "soft skills" of specifically Line Managers and supervisors. The latter commenced in the 2023/24 year and continued during the 2024/25 year:



- Leadership Training for 48 Line Managers and Supervisors;
- Change Management Training for 53 Line Managers and Supervisors;
- Mentoring Training for 47 Line Managers and Supervisors;
- Workplace Coaching Training for 14 Line Managers and Supervisors;
- Computer courses MS Office Suite) for 47 officials across various departments;
- PMDS Awareness Training for all staff;
- Performance Management System for Performance Agreements training for all staff;
- Competency Framework Training for all staff;
- Return on Investment training (Evaluation of Training Programmes) for the Training and Performance Unit;
- HR training for Non-HR Practitioners for all Line Managers and Supervisors;
- Policy/Strategy and Guideline Training for HR personnel;
- Updating of KPIs` and SDBIPs Training for all staff;
- First Aid Programmes – as per the Occupational Health and Safety Act for 5 officials;
- Employment Equity Training – for all EE Committee members – as per EE Act;
- POPIA – for all staff - as per the Protection of Personal Information Act for all staff
- Industrial Relations Programme – training of appointed internal Prosecutors and Disciplinary Hearings Chairpersons;
- Project Management for 18 Officials from all departments.



Department: Financial Services

In addition to all the MSR related training, the Financial Services Department training focus were on several specialised Provincial and National Treasurys' MSCOA - related training programmes.

Department: Community Development and Planning Services

The Professional Development Training (online) for Environmental Health Practitioners (EHPs) and Emergency Workers (Fire Fighters), as required by the Health Professions Council of South Africa (HPCSA), continued, thus ensuring compliance and highly trained, informed and professional officials. This online programme is imperative for enabling EHPs to stay informed in terms of any new legislation and the latest innovations in their field of expertise, in order to be competitive and to maintain high-quality services to communities. The contracted service provider's contract came to an end June 2025; however, a newly appointed Service Provider were procured for the period 1 July 2025 – 30 June 2028.

Department: Technical Services

In 2021/22, the municipality highlighted the need for a strategic intervention within the Division: Roads. This was a result of our aged staff component specifically referring to qualified engineers and technicians. As part of our Succession Planning process, the municipality identified a pool of potential candidates to embark on two learnerships, in order to address this skills shortage and to ensure that a pool of qualified technicians and engineers are available. The National Certificate: Road Construction (NQF 4) and the National Diploma: Road Construction Supervisor (NQF 5) continued and successfully concluded in November 2022. Upon conclusion, these learners become eligible for internal bursaries (via our Study Aid Programme) to complete their engineering degrees. For the 2025/26 year these learnerships will commence again with the successful procurement of the an accredited service provider. Also, 2 officials will undergo a Section 26 D (Artisan Recognition of Prior Learning Programme with the expectation to ensure them becoming qualified Motor Mechanics.

Regulatory developments affecting machine operators, as determined by the Driven Machinery Regulations as per Occupational Health and Safety Act, gave effect to the implementation of various interdependent technical training programmes. The focus was and will continue to ensure full compliance with the mentioned regulations and associated occupational health and safety legislative requirements for Earthmoving and Lifting Equipment operators. These training programmes focused on the statutory skills required on how to operate various equipment and other heavy machinery, as well as to obtain the required Operators' Cards. No successful service providers could be obtained via the SCM process; however, this challenge was addressed and Earth-moving and Lifting Equipment training will commence in the 2025/26 year. As mentioned above the bulk of training were MSR related, specifically targeting supervisors and Line Managers, in order to ensure full compliance with the MSR.

Department: Corporate Services

All training initiatives for the newly created Department Corporate Services were MSR align training as mentioned above.

4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX														
Management Level	Gender	Employees in post as at 30 June 2024	Number Of Skilled Employees Required and Actual as at 30 June 2024											
			Learnerships			Skills Programmes and other Short Courses			Other Forms of Training			Total		
		No.	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End Of Year 0	Actual: End of Year 1	Target
MM and S56	Female	1	0	0	0	0	1	1	0	0	0	0	1	1
	Male	3	0	0	0	0	3	1	0	0	0	0	3	1
Councilors, senior officials, and managers	Female	28	0	0	0	6	28	11	0	0	0	0	28	11
	Male	58	0	0	0	17	58	18	0	0	0	17	58	18
Technicians and associate professionals	Female	7	0	0	0	0	7	1	0	0	0	0	7	1
	Male	20	0	0	0	0	20	2	0	0	0	0	20	2
Professionals	Female	58	0	0	0	20	58	58	0	0	0	20	58	58
	Male	45	0	0	0	25	45	45	0	0	0	25	45	45
Sub-total	Female	94	0	0	0	26	94	71	0	0	0	26	94	73
	Male	126	0	0	0	42	126	66	0	0	0	42	126	74
Total		**220**	0	0	0	**136**	**220**	**137**	0	0	0	**136**	**220**	**137**
*Registered with professional associate body														**73**

FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT						
Description	A. Total Number of Officials Employed by Municipality (Regulation 14(4)(A) and (C))	B. Total Number of Officials Employed by Municipal Entities (Regulation 14(4)(A) and (C))	Consolidated: Total of A and B	Consolidated: Competency Assessments Completed for A and B (Regulation 14(4)(B) and (D))	Consolidated: Total Number of Officials Whose Performance Agreements Comply with Regulation 16 (Regulation 14(4)(F))	Consolidated: Total Number of Officials that Meet Prescribed Competency Levels (Regulation 14(4))
Accounting Officer	1	0	1	1	0	1
Chief Financial Officer	1	0	1	1	0	1
Senior Managers	2	0	2	2	0	2
Any other Financial Officials	26	0	26	21	5	21
Heads Of Supply Chain Management Units	1	0	1	1	0	1
Supply Chain Management Senior Managers	2	0	2	2	0	2
TOTAL	33	**0**	33	**28**	**5**	**28**
SKILLS DEVELOPMENT EXPENDITURE: R1 818 342.00						

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

Component A: Statement of Financial Performance
Component B: Spending Against Capital Budget
Component C: Cash Flow Management and Investments
Component D: Other Financial Matters

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COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 INTRODUCTION TO FINANCIAL STATEMENTS

The CWDM maintained a sound financial position during the 2024/2025 financial year, even though its own revenue sources remain limited. Currently, being a district municipality unauthorised for water and sanitation, the RSC Levies Replacement Grant (DORA) increases by 1% a year.

Consequently, the CWDM's financial resources shrink constantly, but it still manages to render basic, dignified, fundamental services to the communities they have been entrusted with by the Constitution of the Republic of South Africa.

FINANCIAL SUMMARY						
Description	2023/2024	2024/2025			2024/2025 Variance	
	Actual	Approved Budget	Final Budget	Actual	Approved Budget	Final Budget
Financial Performance						
Investment Revenue	89.961.869	85.000.000	85.000.000	86.565.765	-2%	-2%
Transfers recognised - operational	265.525.744	274.743.598	274.743.598	272.373.713	1%	1%
Other own revenue	130.632.232	149.468.083	149.468.083	153.565.191	-3%	-3%
Total Revenue (excluding capital transfers and contributions)	**486.119.846**	**509.211.681**	**509.211.681**	**512.504.669**	**-1%**	**-1%**
Employee costs	241.636.076	271.833.461	271.183.770	256.197.993	6%	6%
Remuneration of Councillors	14.587.376	15.626.710	15.626.710	15.244.600	2%	2%
Depreciation and amortisation	11.717.860	11.498.904	12.720.359	8.648.390	25%	32%
Other expenditure	195.854.749	210.252.606	209.680.842	182.019.737	13%	13%
Total Expenditure	**463.796.061**	**509.211.681**	**509.211.681**	**462.110.720**	**9%**	**9%**
Surplus/(Deficit)	**22.323.785**	**-**	**-**	**50.393.949**	**#DIV/0!**	**#DIV/0!**
Transfers recognised - capital	1.762.997	3.292.000	3.292.000	806.947	75%	75%
Surplus/(Deficit) after capital transfers and contributions	**24.086.782**	**3.292.000**	**3.292.000**	**51.200.896**	**-1455%**	**-1455%**
Share of surplus/(deficit) of associate	0	-	-			
Surplus/(Deficit) for the year	**24.086.782**	**3.292.000**	**3.292.000**	**51.200.896**	**-1455%**	**-1455%**

5.2 GRANTS

CONDITIONAL GRANTS: EXCLUDING MIG					
Details	Original Budget	Final Budget	Actual	% Variance	
				Original Budget	Final Budget
EPWP incentive	1.249.000	1.249.000	1.249.000	0%	0
Local Government Financial Management Grant	1.000.000	1.000.000	1.000.000	0%	0%
Rural Roads Asset Management System	3.018.000	3.018.000	1.876.981	38%	38%
Community Development Workers	76.000	77.598	65.194	14%	16%
Fire service capacity building grant	500.000	500.000	500.000	0%	0%
Safety Plan Implementation - WOSA	1.000.000	1.000.000	930.072	7%	7%
Western Cape municipal interventions grant	0	100.000	69.300	#DIV/0!	31%
Municipal water resilience grant	1.200.000	1.800.000	0	100%	100%
Non motorised transport infrastructure	0	3.500.000	2.584.165	#DIV/0!	26%
Integrated transport planning	939.000	939.000	939.000	0%	0%
Municipal Service Delivery and Capacity Building Grant	0	200.000	0	#DIV/0!	100%
Municipal Systems Improvement Grant	2.403.000	0	0	100%	#DIV/0!
Total	**11.385.000**	**13.383.598**	**9.213.713**	**19%**	**31%**

5.3 INTRODUCTION TO ASSET MANAGEMENT

The CWDM does not provide basic services; hence it does not have major infrastructure assets. Assets mainly consist of land, buildings, vehicles and other property, plant and equipment.

The GRAP-compliant Asset Management Policy of the CWDM sets out the procedures to be followed by the Accounting Officer, Executive Directors and their staff to whom functions are delegated for the management of the CWDM's assets and for reporting to Council on such functions wherever applicable.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS

Key ratios shown in the Annual Performance Report, in Chapter 3.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

CAPITAL EXPENDITURE 2024/2025					
Division	Original Budget	Adjustment Budget	Actual	% Variance	
				Budget	Adjustments Budget
Admin Support Services	48.600.00	1.248.930.00	1.106.821.84	-2177%	11%
Property Management	634.500.00	841.350.00	720.467.61	-14%	14%
Transport Pool	35.000.00	37.450.00	32.605.43	7%	13%
Councillor Support	1.010.700.00	133.100.00	91.004.49	91%	32%
Management Financial Services	-	250.000.00	222.222.85	#DIV/0!	11%
Disaster Management	11.426.000.00	6.533.600.00	1.569.215.54	86%	76%
Fire Services	6.871.000.00	7.814.168.00	4.124.730.95	40%	47%
Municipal Health Services	18.000.00	33.200.00	28.800.00	-60%	13%
Local Economic Development	60.000.00	60.000.00	29.560.00	51%	51%
Building Maintenance	8.256.500.00	5.208.370.00	2.615.430.42	68%	50%
Projects	228.500.00	204.090.00	98.060.57	57%	52%
Public Relations	398.200.00	414.200.00	221.455.59	44%	47%
Information Technology	5.100.000.00	4.587.970.00	2.330.875.60	54%	49%
Internal Audit	1.046.000.00	30.000.00	25.260.49	98%	16%
Roads	1.046.000.00	992.000.00	306.947.44	71%	69%
Regional Landfill Site	91.000.000.00	107.024.410.00	90.888.361.77	0%	15%
Total	**127.179.000.00**	**135.412.838.00**	**104.411.820.59**	**18%**	**23%**

5.6 REVENUE COLLECTION BY SOURCE

Revenue Collection Performance by Source						
Details	2023/2024	2024/2025			2024/2025 Variance	
	Actual	Approved Budget	Final Budget	Actual	Approved Budget	Final Budget
Property Rates	-	-	-	-	-	-
Property Rates - penalties and colection charges	-	-	-	-	-	-
Service charges - electicity revenue	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-
Rental of facilities and equipment	264.803	240.000	240.000	258.751	-8%	-8%
Interest earmed - extermal investments	89.961.869	85.000.000	85.000.000	86.565.765	-2%	-2%
Licences and permits	818.913	653.000	653.000	867.768	-33%	-33%
Agency services	116.139.123	133.303.635	133.650.000	122.959.373	8%	8%
Transfers recognised - operational	265.525.744	274.743.598	274.545.000	272.373.713	1%	1%
Other income	13.409.393	15.271.448	15.123.681	29.479.299	-93%	-95%
Total Revenue (excluding capital transfers and contributions)	**486.119.846**	**509.211.681**	**509.211.681**	**512.504.669**	-1%	-1%
Transfers recognised - capital	**1.762.997**	**3.292.000**	**1.546.000**	**806.947**		
Total Revenue	**487.882.842**	**512.503.681**	**510.757.681**	**513.311.616**		

5.7 CAPITAL SPENDING ON THREE LARGEST PROJECTS

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2024/2025	
Asset 1	
Name	DC02_Regional Landfill Site
Description	
Asset type	Landfill Site
Key staff involved	
Staff responsibiliies	
Asset value	90.888.362
Capital implications	
Future purpose of asset	
Describe key issues	
Policies in place to manage asset	Asset Management Policy
Asset 2	
Name	DC02_LIGHT 4 x 4 FIRE FIGHTING VEHICLE (REPLACEMENT)
Description	
Asset type	Fire Engines
Key staff involved	
Staff responsibiliies	
Asset value	1.292.244
Capital implications	
Future purpose of asset	
Describe key issues	
Policies in place to manage asset	Asset Management Policy
Asset 3	
Name	DC02_LAPTOPS
Description	
Asset type	Computer hardware
Key staff involved	
Staff responsibiliies	
Asset value	1.031.724
Capital implications	
Future purpose of asset	
Describe key issues	
Policies in place to manage asset	Asset Management Policy

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.8 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The CWDM has no significant interest-bearing assets; hence income and operating cash flows are substantially independent of changes in market interest rates. The CWDM deposits cash surpluses with financial institutions of high quality and standing.

The Cash Management and Investment Policy of the municipality is aimed at gaining the optimal return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes.

5.9 CASH FLOW

CASH FLOW OUTCOMES				
Description	2023/2024	2024/2025		
	Audited Outcome	Approved Budget	Final Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Other Revenue	122.456.420	211.605.627	211.605.627	127.330.911
Government - operating	271.712.383	271.142.000	271.142.000	268.592.217
Government – capital	500.000	3.292.000.00	3.292.000.00	2.300.000
Interest	56.762.196	46.091.830	46.091.830	44.411.943
Payments				
Suppliers and employees	-409.254.923	-496.518.664	-496.518.664	- 396.144.512
Finance charges	0	-2.000.000	-2.000.000	- 1.975.715
Transfer and grants	-13.794.537	-15.749.821	-15.749.821	- 14.186.541
	-423.049.460	**-514.268.485**	**-514.268.485**	**- 412.306.768**
NET CASH FROM/(USED) OPERATING ACTIVITIES	**28.381.539**	**17.862.972**	**17.862.972**	**30.328.303**
Cash flows from investing activities				
Proceeds on disposal of PPE	-	-	-	28.260
Capital assets	- 47.676.156.00	-139.239.948	-139.239.948	- 97.957.821
Decrease (increase) in non-current investments	- 200.000.000.00	-	-	- 30.000.000
NET CASH FROM/(USED) INVESTMENT ACTIVITIES	**-247.676.156**	**-139.239.948**	**-139.239.948**	**-127.929.561**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short-term Loans	-	-	-	-
Borrowing Long Term/Refinancing	-	91.000.000	91.000.000	91.000.000
Repayment of borrowing		- 7.261.463	- 7.261.463	- 7.261.463
Increase (Decrease) in Consumer Deposits	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	**-**	**83.738.537.00**	**83.738.537.00**	**83.738.537.00**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**-219.294.617**	**-37.638.439**	**-37.638.439**	**-13.862.721**
Cash/Cash Equivalents at the beginning of the Year	643.541.787	424.247.165	424.247.165	424.247.170
Cash/Cash Equivalents at the Year-end	424.247.170	386.608.726	386.608.726	410.384.449

5.10 BORROWING AND INVESTMENTS

The CWDM has no outstanding loans.

COMPONENT D: OTHER FINANCIAL MATTERS

None.

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CHAPTER 6 – AUDITOR-GENERAL'S FINDINGS

Refer to attached.

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Report of the auditor-general to the Western Cape Provincial Legislature and the council on Cape Winelands District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Cape Winelands District Municipality set out on pages 7 to 114, which comprise the statement 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 Cape Winelands District Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and 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 52 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.

Uncertainty relating to future outcomes of claims against the municipality

8. With reference to note 42 to the financial statements, the municipality is the defendant in various ongoing litigations and claims. The ultimate outcome of these cases cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Other matters

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

Unaudited disclosure note

10. 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

Unaudited supplementary schedules

11. The supplementary information set out on pages 115 to 120 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 it.

Responsibilities of the accounting officer for the financial statements

12. 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.

13. 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

14. 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.

15. 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 7, forms part of my auditor's report.

Report on the audit of the annual performance report

16. 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 objective presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

17. I selected the following objective presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected an objectives that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Objective	Page numbers	Outcomes
Strategic Objective 3: Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities.	12	Infrastructure services and resources are financially supported and measured. Municipal infrastructure and transport planning systems are developed in a resilient and well-functioning manner as to result in longevity, and a safe and secure communal environment facilitating socio-economic opportunities.

18. I evaluated the reported performance information for the selected 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.

19. 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 and for the measures taken to improve performance.

20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

21. I did not identify any material findings on the reported performance information for the selected objective.

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

24. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on page 12.

Strategic Objective 3: Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities.

Targets achieved: [6/9] 66.67% *Budget spent: [150 930 167/ 165 496 662] 90%*		
Key [service delivery] indicator not achieved	**Planned target**	**Reported achievement**
TL28: Re-gravel 6km's of road by 30 June 2025	6	3,63
TL29: Provide financial assistance with the acquisition of 100 solar geysers by 30 June 2025	100	50
TL31: Complete the regional landfill site by 30 June 2025	1	0

Material misstatements

25. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for *Strategic Objective 3: Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities*. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

26. 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.

27. 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.

28. 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.

29. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

30. 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 the selected objective presented in the annual performance report that has been specifically reported on in this auditor's report.

31. 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.

32. 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 objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

33. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

34. 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.

35. 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 objectives 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), 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	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)
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)

Legislation	Sections or regulations
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	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)

CHAPTER 7 – ANNUAL FINANCIAL STATEMENTS

Refer to attached.

DRAFT

Annual Financial Statements

2024/2025



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

www.capewinelands.gov.za

Cape Winelands District Municipality

Annual Financial Statements for the year ended 30 June 2025

General Information

Legal form of entity	Municipality (MFMA) The Cape Winelands District Municipality (Municipal code DC2) is a district municipality located in the Boland region of the Western Cape province of South Africa and includes the category B municipalities of Witzenberg, Drakenstein, Stellenbosch, Breede Valley and Langeberg.
Nature of business and principal activities	The municipality is a local authority that - a) Ensures comprehensive and equitable Municipal Health Services within the Cape Winelands District; b) Ensures co-ordination of multi-disciplinary and sectorial disaster risk reduction through integrated institutional capacity for Disaster Risk Management, Disaster Risk Assessment, Response and Recovery; c) Provides effective planning and co-ordination of firefighting services, prevention activities and training services throughout the Cape Winelands District; d) Facilitates environmentally sustainable economic development and investment attraction as well as retention through the development and management of strategic partnerships; e) Facilitates skills development within the Cape Winelands District Municipality by means of knowledge management and social infrastructure investment; f) Facilitates the creation of sustainable jobs within the Cape Winelands through the provision and maintenance of economic infrastructure; g) Provides support and shared services to category B municipalities to facilitate economic development planning within the Cape Winelands District; h) Increases access to safe and efficient public transport; i) Integrates service delivery for maximum impact; j) Creates opportunities for growth and development in rural areas; k) Co-ordinate the provision of financial, technical and administrative support services to category B municipalities within the Cape Winelands District; l) Empowers vulnerable groups, build human capital and invest in social capital and rural development programmes; m) Enhances the planning of waste management services in the Cape Winelands District; n) Facilitates planning co-ordination and spatial planning; and o) Ensures environmental management through biodiversity, water and natural resource management.
Mayoral Committee	Ald. (Dr.) H. VON SCHLICHT (EXECUTIVE MAYOR) Ald. M. SAMPSON (DEPUTY EXECUTIVE MAYOR) Ald. D.D. JOUBERT (SPEAKER) Ald. D. SWART Cllr. G.J. CARINUS Cllr. E. GROENEWALD Cllr. W.C. PETERSEN Cllr. X.L. MDEMKA Cllr. J.H.P. STEYN Ald. C. MEYER Ald. R. FARAO
Other Councillors	Cllr. W.M. BLOM Cllr. D.W. NEL (Deceased - 03/08/2024) Cllr. N.D. SAUERMAN Cllr. C.F. WILSKUT Cllr. G.J. FREDERICKS (Deceased - 08/05/2024)

General Information

	Cllr. J. KRIEL Ald. S. GOEDEMAN Cllr. V. HANI Cllr. M. LIEBENBERG (Resigned - 05/09/2023) Cllr. J. MALITI Cllr. T.R. MPULANYANA Cllr. L. NGWANE Cllr. A.J. PEDRO (Resigned - 05/04/2024), (Appointed - 05/06/2024) Cllr. M. SMIT Cllr. M.H. YABO Cllr. N.M. BUSHWANA Cllr. C.O. KLAASTE Cllr. A.J. DU PLESSIS Cllr. F. JACOBS Cllr. D.B. JANSE Cllr. J.J.S. JANUARIE Cllr. C. MANUEL (Resigned - 02/12/2024) Cllr. R.S. NALUMANGO (Resigned - 04/07/2024) Cllr. N. PHATSOANE Cllr. A.M. RICHARDS Cllr. J. SMIT Cllr. M. VAN STADE Cllr. P. DANIELS (Resigned - 14/08/2023) Cllr. S.E. KORABIE (Resigned- 08/04/2024) Cllr. D. CAROLISSEN Cllr. L.A. ADAMS (Appointed - 07/09/2023) Cllr. T.E. ABRAHAMS (Appointed - 08/09/2023), (Resigned - 13/12/2023) Cllr. J.J. VISAGIE (Appointed - 26/01/2024), (Resigned - 30/06/2025) Cllr. R.A. KOEGELENBERG (Appointed - 06/05/2024), (Resigned – 08/07/2024) Cllr. A. HESS (Appointed - 29/04/2024) Cllr. A. TOMOSE (Appointed - 11/07/2024) Cllr. E.A SOLOMON (Appointed - 12/07/2024), (Resigned – 28/11/2024) Cllr. N. NEL (Appointed - 28/08/2024) Cllr. R.B ARNOLDS (Appointed - 09/12/2024) Cllr.A.J.N HANEKOM (Appointed - 09/12/2024)
Grading of local authority	GRADE 4 MEDIUM CAPACITY
Acting Accounting Officer	S. JOHAAR
Chief Financal Officer	F.A. DU RAAN - GROENEWALD
Registered office	46 ALEXANDER STREET STELLENBOSCH 7600
Postal address	P.O. BOX 100 STELLENBOSCH 7599

General Information

Telephone	0861 265 263
Bankers	NEDBANK
Auditors	AUDITOR-GENERAL OF SOUTH AFRICA
Attorneys	Kellerman Joubert Heyns Inc. Igshaan Sadien Attorneys Rufus Dercksen Inc.

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The reports and statements set out below comprise the annual financial statements presented to the council:

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Abbreviations used:

ASB	Accounting Standards Board
Cllr.	Councillor
CPI	Consumer Price Index
UIF	Unemployment insurance fund
CWDM	Cape Winelands District Municipality
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IPSAS	International Public Sector Accounting Standards
SARS	South African Revenue Services
LG SETA	Local Government Sector Education and Training Authority
RUL	Remaining estimated useful lives
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act (Act 56 of 2003)
RSC	Regional Service Council
IPSASB	International Public Sector Accounting Standards Board
AGSA	Auditor- General South Africa
PRMA	Post Retirement Medical Aid
VAT	Value- Added Tax
ED	Executive director
WCG	Western Cape Government
IFRS	International Financial Reporting Standards
SAMWU	South African Municipal Workers Union
B-BBEE	Broad-Based Black Economic Empowerment
PAYE	Pay As You Earn
SDL	Skills Development Levy
Ald.	Alderman
MEC	Member of Executive Council
GRAP	Generally Recognised Accounting Practice

Accounting Officer's Responsibilities and Approval

The acting accounting officer is required by the MFMA, 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 acting accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality 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 are given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with GRAP including any interpretations, guidelines and directives issued by the ASB.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The acting accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the acting accounting officer to meet these responsibilities, the acting 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 endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The acting 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 acting 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.

The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the acting accounting officer is primarily responsible for the financial affairs of the municipality, they are supported by the municipality's internal auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements.

The annual financial statements set out from page 7, which have been prepared on the going concern basis, were approved by the acting accounting officer on 31 August 2025.

The adjusted annual financial statements set out from page 7, which have been prepared on the going concern basis, were approved by the accounting officer on 28 November 2025:

Accounting Officer

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	410,384,444	424,247,165
Other receivables from exchange transactions	4	20,225,648	28,508,549
Trade receivables from exchange transactions	5	38,469	11,649
Inventories	6	1,957,310	2,370,340
VAT receivable	7	5,750,092	5,471,068
Receivables from non-exchange transactions	8	126,933	132,432
		438,482,896	**460,741,203**
Non-Current Assets			
Property, plant and equipment	9	279,087,800	183,611,459
Intangible assets	10	225,571	312,285
Other receivables from exchange transactions	4	91,638,998	45,438,229
Investments	11	408,000,000	378,000,000
		778,952,369	**607,361,973**
Non-Current Assets		778,952,369	607,361,973
Current Assets		438,482,896	460,741,203
Total Assets		**1,217,435,265**	**1,068,103,176**
Liabilities			
Current Liabilities			
Other financial liabilities	12	8,140,108	-
Unspent conditional grants and receipts	13	4,169,886	6,668,277
Payables from exchange transactions and other	14	24,098,812	6,483,654
Employee benefit obligation	15	41,427,816	40,708,809
Provisions	16	-	25,698
		77,836,622	**53,886,438**
Non-Current Liabilities			
Other financial liabilities	12	75,598,429	-
Employee benefit obligation	15	153,122,790	154,540,214
		228,721,219	**154,540,214**
Non-Current Liabilities		228,721,219	154,540,214
Current Liabilities		77,836,622	53,886,438
Total Liabilities		**306,557,841**	**208,426,652**
Total Assets		1,217,435,265	1,068,103,176
Total Liabilities		(306,557,841)	(208,426,652)
Net Assets		**910,877,424**	**859,676,524**
Accumulated surplus	17	910,877,420	859,676,524

* See Note 52

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
28 November 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	18	407,859	88,132
Rental of facilities and equipment	19	258,751	264,803
Roads services	20	121,466,973	114,747,334
Other income	21	1,593,523	1,385,730
Interest received	22	86,565,765	89,961,869
Total revenue from exchange transactions		**210,292,871**	**206,447,868**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	23	273,385,109	267,503,948
Total revenue from non-exchange transactions		**273,385,109**	**267,503,948**
Total revenue		**483,677,980**	**473,951,816**
Expenditure			
Employee- related costs	24	(225,941,510)	(235,944,518)
Remuneration of councillors	25	(15,244,600)	(14,587,375)
Depreciation and amortisation	26	(8,575,192)	(11,717,861)
Impairment loss	27	(73,197)	-
Finance costs	32	(18,382,399)	(13,713,060)
Lease rentals on operating lease	33	(280,566)	(275,766)
Debt Impairment	28	(243,960)	(3,688)
Bad debts written off	29	(94,278)	-
Contracted services	31	(51,119,903)	(60,468,215)
Transfers and subsidies	30	(14,186,542)	(13,794,537)
Loss on disposal of assets and liabilities	9 & 10	(345,546)	(2,222,674)
Inventories losses/write-downs	6	(175,864)	(160,819)
General expenses	34	(97,813,527)	(96,976,519)
Total expenditure		**(432,477,084)**	**(449,865,032)**
Surplus for the year		**51,200,896**	**24,086,784**

* See Note 52

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
28 November 2025

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	850,683,877	850,683,877
Correction of errors	(15,094,145)	(15,094,145)
Balance at 01 July 2023 as restated*	**835,589,732**	**835,589,732**
Changes in net assets		
Surplus for the year	24,086,792	24,086,792
Total changes	24,086,792	24,086,792
Balance at 01 July 2024 as restated*	**859,676,524**	**859,676,524**
Changes in net assets		
Surplus for the year	51,200,896	51,200,896
Total changes	51,200,896	51,200,896
Balance at 30 June 2025	**910,877,420**	**910,877,420**
Note(s)	17	

* See Note 52

AUDITOR GENERAL SOUTH AFRICA
20 November 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		127,330,911	122,456,420
Grants		270,892,217	272,212,383
Interest income		44,411,943	56,762,196
		442,635,071	451,430,999
Payments			
Employee- related costs		(245,039,474)	(236,723,840)
Remuneration of councillors		(15,239,385)	(14,614,854)
Suppliers		(152,027,909)	(171,710,766)
		(412,306,768)	(423,049,460)
Net cash flows from operating activities	36	**30,328,303**	**28,381,539**
Cash flows from investing activities			
Purchase of property, plant and equipment	36	(97,957,821)	(47,523,156)
Proceeds from sale of property, plant and equipment	35	28,260	-
Purchase of intangible assets	36	-	(153,000)
Net cash flows from investing activities		**(97,929,561)**	**(47,676,156)**
Cash flows from financing activities			
Investments	11	(30,000,000)	(200,000,000)
Other financial liabilities	12	83,738,537	-
Net cash flows from financing activities		**53,738,537**	**(200,000,000)**
Net increase/(decrease) in cash and cash equivalents		**(13,862,721)**	**(219,294,617)**
Cash and cash equivalents at the beginning of the year		424,247,165	643,541,787
Cash and cash equivalents at the end of the year	3	**410,384,444**	**424,247,170**

* See Note 52

AUDITOR GENERAL SOUTH AFRICA
28 November 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Sale of goods	13,491,248	-	**13,491,248**	12,602,622	**(888,626)**	Note 47
Rental from fixed assets	240,000	-	**240,000**	258,751	**18,751**	
Agency services	133,303,635	-	**133,303,635**	122,959,373	**(10,344,262)**	Note 47
Licenses and permits	653,000	-	**653,000**	867,768	**214,768**	Note 47 & 48
Other revenue	1,425,200	-	**1,425,200**	1,188,940	**(236,260)**	Note 47 & 48
Interest earned from current and non- current assets	85,000,000	-	**85,000,000**	86,565,765	**1,565,765**	
Transfers and subsidies	274,743,598	-	**274,743,598**	272,373,713	**(2,369,885)**	Note 47
Other gains	355,000	-	**355,000**	15,687,737	**15,332,737**	Note 47 & 48
Total revenue (excluding capital transfers and contributions)	**509,211,681**	-	**509,211,681**	**512,504,669**	**3,292,988**	
Expenditure						
Employee- related costs	(271,833,461)	649,691	**(271,183,770)**	(256,197,993)	**14,985,777**	Note 47
Remuneration of councillors	(15,626,710)	-	**(15,626,710)**	(15,244,600)	**382,110**	
Inventory consumed	(32,742,479)	(142,878)	**(32,885,357)**	(31,347,294)	**1,538,063**	Note 47
Debt impairment	(100,000)	(144,506)	**(244,506)**	(243,960)	**546**	
Depreciation and amortisation	(11,498,904)	(1,221,455)	**(12,720,359)**	(8,648,390)	**4,071,969**	Note 47 & 48
Interest	(4,462,337)	1,400,000	**(3,062,337)**	(2,462,337)	**600,000**	Note 47 & 48
Contracted services	(62,316,889)	199,066	**(62,117,823)**	(51,270,803)	**10,847,020**	Note 47 & 48
Transfers and subsidies	(15,749,821)	50,000	**(15,699,821)**	(14,186,541)	**1,513,280**	
Irrecoverable debt written off	(400,000)	305,722	**(94,278)**	(94,278)	**-**	
Operational costs	(88,945,865)	(852,718)	**(89,798,583)**	(81,893,114)	**7,905,469**	Note 47
Losses on disposal of assets	(15,882)	(340,603)	**(356,485)**	(345,546)	**10,939**	
Other losses	(5,519,333)	97,681	**(5,421,652)**	(175,864)	**5,245,788**	Note 47 & 48
Total expenditure	**(509,211,681)**	-	**(509,211,681)**	**(462,110,720)**	**47,100,961**	
Surplus/ (Deficit)	-	-	-	**50,393,949**	**50,393,949**	
Transfers and subsidies - capital (monetary allocations) (national/ provincial and district)	3,292,000	-	**3,292,000**	806,947	**(2,485,053)**	Note 47 & 48
Surplus / (Deficit)for the year	**3,292,000**	-	**3,292,000**	**51,200,896**	**47,908,896**	

AUDITOR-GENERAL SOUTH AFRICA
28 November 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Cash and cash equivalents	386,608,726	-	**386,608,726**	410,384,444	**23,775,718**	
Trade and other receivables from exchange transactions	14,329,207	-	**14,329,207**	6,445,305	**(7,883,902)**	Note 47 & 48
Receivables from non-exchange transactions	186,816	-	**186,816**	181,492	**(5,324)**	Note 47
Inventory	3,754,405	-	**3,754,405**	1,957,310	**(1,797,095)**	Note 48
VAT	2,110,203	-	**2,110,203**	8,244,999	**6,134,796**	Note 47 & 48
Other current assets	101,726,481	-	**101,726,481**	105,501,417	**3,774,936**	Note 47
	508,715,838	-	**508,715,838**	**532,714,967**	**23,999,129**	
Non-Current Assets						
Investments	378,000,000	-	**378,000,000**	408,000,000	**30,000,000**	
Property, plant and equipment	308,523,068	-	**308,523,068**	279,087,797	**(29,435,271)**	
Intangible assets	280,720	-	**280,720**	225,571	**(55,149)**	Note 48
	686,803,788	-	**686,803,788**	**687,313,368**	**509,580**	
Non-Current Assets	686,803,788	-	**686,803,788**	687,313,368	**509,580**	
Current Assets	508,715,838	-	**508,715,838**	532,714,967	**23,999,129**	
Total Assets	**1,195,519,626**	-	**1,195,519,626**	**1,220,028,335**	**24,508,709**	
Liabilities						
Current Liabilities						
Consumer deposits	22,500	-	**22,500**	22,500	**-**	Note 47
Trade and other payables from exchange transactions	11,841,667	-	**11,841,667**	25,442,833	**13,601,166**	Note 47 & 48
Trade and other payables from non- exchange transactions	510,512	-	**510,512**	4,169,885	**3,659,373**	Note 48
Provisions	47,819,763	-	**47,819,763**	40,061,294	**(7,758,469)**	Note 47 & 48
Financial liabilities	-	-	**-**	8,140,107	**8,140,107**	Note 48
VAT	67,338	-	**67,338**	2,593,074	**2,525,736**	Note 47 & 48
	60,261,780	-	**60,261,780**	**80,429,693**	**20,167,913**	
Non-Current Liabilities						
Financial liabilities	83,738,537	-	**83,738,537**	75,598,429	**(8,140,108)**	
Provisions	13,937,000	-	**13,937,000**	13,716,977	**(220,023)**	
Other non-currrent liabilities	159,439,071	-	**159,439,071**	139,405,813	**(20,033,258)**	Note 48
	257,114,608	-	**257,114,608**	**228,721,219**	**(28,393,389)**	
Total Liabilities	**317,376,388**	-	**317,376,388**	**309,150,912**	**(8,225,476)**	
Net Assets	**878,143,238**	-	**878,143,238**	**910,877,423**	**32,734,185**	
Net Assets						
Reserves						
Accumulated surplus	804,349,110	-	**804,349,110**	849,993,448	**45,644,338**	Note 47
Funds and reserves	73,794,128	-	**73,794,128**	60,883,972	**(12,910,156)**	Note 47 & 48
Total Net Assets	**878,143,238**	-	**878,143,238**	**910,877,420**	**32,734,182**	

AUDITOR-GENERAL SOUTH AFRICA

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Other revenue	211,605,627	-	**211,605,627**	127,330,911	**(84,274,716)**	Note 48
Transfers and subsidies - Operational	271,142,000	-	**271,142,000**	268,592,217	**(2,549,783)**	
Transfers and subsidies - Capital	3,292,000	-	**3,292,000**	2,300,000	**(992,000)**	Note 48
Interest	46,091,830	-	**46,091,830**	44,411,943	**(1,679,887)**	
	532,131,457	-	**532,131,457**	**442,635,071**	**(89,496,386)**	
Payments						
Suppliers and employees	(496,518,664)	-	**(496,518,664)**	(396,144,512)	**100,374,152**	Note 47 & 48
Finance charges	(2,000,000)	-	**(2,000,000)**	(1,975,715)	**24,285**	
Transfer and grants	(15,749,821)	-	**(15,749,821)**	(14,186,541)	**1,563,280**	Note 47
	(514,268,485)	-	**(514,268,485)**	**(412,306,768)**	**101,961,717**	
Net cash flows from operating activities	**17,862,972**	-	**17,862,972**	**30,328,303**	**12,465,331**	
Cash flows from investing activities						
Decrease/ (increase) in non-current investments	-	-	**-**	(30,000,000)	**(30,000,000)**	Note 48
Capital assets	(139,239,948)	-	**(139,239,948)**	(97,957,821)	**41,282,127**	Note 48
Proceeds on disposal of PPE	-	-	**-**	28,260	**28,260**	Note 48
Net cash flows from investing activities	**(139,239,948)**	-	**(139,239,948)**	**(127,929,561)**	**11,310,387**	
Cash flows from financing activities						
Repayment of borrowing	(7,261,463)	-	**(7,261,463)**	(7,261,463)	**-**	
Borrowing long term/ refinancing	91,000,000	-	**91,000,000**	91,000,000	**-**	
Net cash flows from financing activities	**83,738,537**	-	**83,738,537**	**83,738,537**	**-**	
Net increase/(decrease) in cash and cash equivalents	(37,638,439)	-	**(37,638,439)**	(13,862,721)	**23,775,718**	
Cash and cash equivalents at the beginning of the year	424,247,165	-	**424,247,165**	424,247,165	**-**	
Cash and cash equivalents at the end of the year	**386,608,726**	-	**386,608,726**	**410,384,444**	**23,775,718**	

Accounting Policies

Figures in Rand	Note(s)	2025	2024

1. Presentation of Annual Financial Statements

The financial statements have been prepared in accordance with the GRAP Standards issued by the ASB and approved by the Minister of Finance as effective in accordance with section 122(3) of the MFMA.

These financial statements have been prepared on an accrual basis of accounting and incorporate the historical cost convention as the basis of measurement, except where indicated otherwise. The municipality has adopted Directive 5, as issued by the ASB, which outlines the GRAP reporting framework hierarchy. In the absence of an issued and effective standard of GRAP, accounting policies for material transactions, events or conditions have been developed using the principles set out in the "Standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors", read with Directive 5.

In preparing the financial statements, management has used assessments and estimates that are based on the best information available at the time of preparation.

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 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 are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Significant judgements include:

Receivables

The municipality assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for receivables is calculated on an individual basis. For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy, and default of payments are all considered indicators of impairment.

Additional information is disclosed in notes 4, 5, 7 and 8.

Impairment testing

The recoverable (service) amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair value less costs to sell. These calculations require the use of assumptions and estimates. It is reasonably possible that the assumptions may change, which may then impact the estimations and may require a material adjustment to the carrying value of tangible assets.

Value in use of cash generating assets:

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by several factors, including economic factors such as inflation and interest.

Value in use of non-cash generating assets:

The municipality reviews and tests the carrying value of 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.

Additional information is disclosed in note 9.

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Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on historical data collected by the municipality. The estimate is based on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the municipality.

Additional information is disclosed in note 9.

Post-retirement benefits

The present value of the post-retirement obligation depends on several factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post-retirement obligations. The most appropriate discount rate that reflects the time value of money is with reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all benefit payments, the municipality uses current market rates of the appropriate term to discount shorter-term payments and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for pension obligations are based on current market conditions.

Additional information is disclosed in note 15.

Effective interest rate

The municipality uses the prime lending rate to discount future cash flows.

Allowance for impairment

For receivables, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Allowance for slow moving, damaged and obsolete inventory

Allowances are made for inventory to write inventory down to the lower of cost or net realisable value. Management makes estimates of the selling price and direct cost to sell on certain inventory items.

Additional information is disclosed in note 6.

Provisions

Provisions are raised and management determines an estimate based on the information available.

Additional information is disclosed in note 16.

Impairment of statutory receivables

If there is an indication that a statutory receivable may be impaired, the municipality recognises an impairment loss. The impairment loss is measured 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 is reduced, either directly or by using an allowance account. The impairment loss is recognised in surplus or deficit.

Additional information is disclosed in note 7.

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Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Accounting by principals and agents

The municipality makes assessments on whether it is the principal or agent in principal-agent relationships, based on the rights and obligations of the various parties established in the binding arrangement.

1.2 Reserves

Internal ring-fenced reserves

Capital replacement reserve (CRR)

To finance the provision of infrastructure and other items of property, plant and equipment and intangible assets from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR. The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the IDP. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when funds from the CRR are utilised.

- The cash is invested until it is utilised. The cash may only be invested in accordance with the Cash Management and Investments Policy of the municipality.
- Interest earned on the CRR investment is recorded as part of the total interest earned in the statement of financial performance, whereafter such interest may be transferred from accumulated surplus to CRR.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment and intangible assets for the municipality and may not be used for the maintenance of these items.
- If gains or losses are made on the sale of assets, these are reflected in the statement of financial performance.

Additional information is disclosed in note 17.

Government grant reserve (GGR)

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus to the GGR equal to the government grant recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the GGR to the accumulated surplus. The purpose of this accounting policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant-funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the GGR relating to such item is transferred to the accumulated surplus.

Additional information is disclosed in note 17.

Self- insurance reserve (SIR)

In order to finance the settlement of existing obligations which arise to due insurance and third party claims not being approved, amounts are transferred from the accumulated surplus / deficit to the SIR. The amount transferred to the SIR is based on the municipality's assessment of the insurance claims that will not be settled by the insurers based on the underwritten portfolio guidelines and limits.

The SIR is reduced and the accumulated surplus / deficit is credited by a corresponding amount when the funds from the SIR are utilised.

The cash is invested until it is utilised. The cash may only be invested in accordance with the Cash Management and Investments Policy of the municipality.

Interest earned on the SIR investment is recorded as part of the total interest earned in the statement of financial performance, whereafter such interest may be transferred from accumulated surplus to SIR.

The SIR may only be utilised for the purpose of settling existing insurance and/or third party obligations which have arisen.

Additional information is disclosed in note 17.

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Accounting Policies

1.2 Reserves (continued)

Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are debited/ credited against accumulated surplus. Prior year adjustments, relating to income and expenditure, are debited/ credited against accumulated surplus when retrospective adjustments are made.

Additional information is disclosed in note 17.

1.3 Cash and cash equivalents

Cash includes cash on hand and cash held with registered banking institutions. Cash and cash equivalents are short-term, highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents recorded at amortised cost in the annual financial statements approximate their fair values.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash held at the registered banking institutions, net of bank overdrafts. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Amounts recovered from the WCG, Department of Infrastructure, in respect of the future medical liability of the road staff are included in the balance of cash and cash equivalents.

Additional information is disclosed in note 3.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the supply of services, rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, the cost is considered to be the fair value on the date of acquisition.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent to initial recognition, items of property, plant and equipment are measured as follows:

(i) Plant and machinery - at cost less accumulated depreciation and accumulated impairment losses; and

(ii) Buildings - at cost less accumulated depreciation and accumulated impairment losses.

AUDITOR GENERAL SOUTH AFRICA

Accounting Policies

1.4 Property, plant and equipment (continued)

Depreciation

Depreciation is calculated using the straight-line method as a systematic basis. The depreciation amount of an asset is the cost of the asset less its residual value. The depreciation charge for each reporting period is calculated as the assets depreciated amount over its useful life.

The depreciation rates are based on the full estimated useful lives, assessed for the current and comparative years:

Item	Depreciation method	Estimated useful life
Buildings	Straight line	30-65 years
Infrastructure	Straight line	5-60 years
Furniture and fixtures	Straight line	3-45 years
Motor vehicles	Straight line	5-35 years
Office equipment	Straight line	3-30 years
Plant and machinery	Straight line	3-50 years
Other property, plant and equipment	Straight line	3-60 years
Leased assets	Straight line	5-10 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

At each reporting date, the municipality assesses whether there is any indication that the municipality's 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 depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements.

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

Expected useful life

In assessing whether there is any indication that the expected useful life of an asset has changed, the municipality considers the following indications:

(a) The composition of the asset changed during the reporting period, i.e. the significant components of the asset changed.

(b) The use of the asset has changed, because of the following:

(i) The entity has changed the manner in which the asset is used.

(ii) The entity has changed the utilisation rate of the asset.

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Accounting Policies

1.4 Property, plant and equipment (continued)

(iii) The entity has decided to dispose of the asset in a future reporting period(s) such that this decision changes the expected period over which the asset will be used.

(iv) Technological, environmental, commercial or other changes that occurred during the reporting period that have, or will, change the use of the asset.

(v) Legal or similar limits placed on the use of the asset have changed.

(vi) The asset was idle or retired from use during the reporting period.

(c) The asset is approaching the end of its previously expected useful life.

(d) Planned repairs and maintenance on, or refurbishments of, the asset and/or its significant components either being undertaken or delayed.

(e) Environmental factors, e.g. increased rainfall or humidity, adverse changes in temperatures or increased exposure to pollution.

(f) There is evidence that the condition of the asset improved or declined based on assessments undertaken during the reporting period.

Additional information is disclosed in notes 9, 26 and 27.

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired at no cost, or for a nominal cost, its cost is its fair value on the date of acquisition.

Any expenditure that does not form part of the cost of an intangible asset, is recognised as an expense when incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

The amortisation charge for each period is recognised in surplus or deficit unless required by another standard of GRAP to be included in the carrying amount of another asset.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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1.5 Intangible assets (continued)

Amortisation is the systematic approach to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Computer software, other	3 - 15 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised (unless GRAP 13 requires otherwise on a sale and leaseback).

Additional information is disclosed in notes 10 and 26.

1.6 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The municipality's heritage assets are culturally significant resources. These assets, in addition to meeting the definition of a heritage asset, are currently in use as office accommodation and therefore meets the definition of property, plant and equipment.

Heritage assets are not recognised as a heritage asset even though the definition of a heritage asset is met, because a significant portion is applied for administrative purposes.

Heritage assets are accounted for in accordance with GRAP on property, plant and equipment (GRAP 17). Refer to accounting policy 1.4.

The municipality has the following registered heritage assets:

- Building at 46 Alexander Street, Stellenbosch that was declared as a provincial heritage site on 8 September 1967; and
- Building at 194 Main Road, Paarl.

Impairment

On an annual basis the municipality assess heritage assets for any indications of impairment. The municipality uses the following guidance provided by GRAP 21 and 26 (impairment of non- cash and cash generating assets). The indicators for impairment may include but are not limited to:

External sources:

Changes in the market - if there is a significant decrease in the market value of a similar item.

Changes in the market - absence of an active market for a revalued heritage asset, for example if the supplier has been liquidated.

Internal sources:

Significant change with an adverse effect on the entity - spare parts are no longer available and changes in technology took place.

Physical damage to the heritage asset or prolonged deterioration affecting its value.

Additional information is disclosed in note 9.

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1.7 Changes in accounting policies, restatements, estimates and correction of errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases, the municipality restates the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

Correction of errors are applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases, the municipality restates the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to note 50 of the annual financial statements for details of the correction of errors recorded during the period under review.

Additional information is disclosed in note 44.

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

Initial recognition

The entity 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.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity initially measures a financial asset and financial liability at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.

All financial assets measured at amortised cost are subject to an impairment review.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or using an allowance account) for impairment or uncollectibility in the case of a financial asset.

A concessionary loan is a loan granted to or received by a municipality on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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1.8 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, a municipality shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the municipality shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash
- a residual interest of another municipality
- a contractual right to:
  - receive cash or another financial asset from another municipality; or
  - exchange financial assets or financial liabilities with another municipality under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another municipality; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by a municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

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Accounting Policies

1.8 Financial instruments (continued)

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near - term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- a combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the municipality cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the municipality reclassifies the instrument from cost to fair value.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument, and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, a municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

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1.8 Financial instruments (continued)

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced using an allowance account. The amount of the loss is recognised in surplus or deficit.

Where financial assets are impaired using an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write-off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are recognised as revenue.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognises the asset; and
  - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred based on their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e., when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the standard of GRAP on revenue from non-exchange transactions.

Additional information is disclosed in notes 11, 12 and 37.

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1.9 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on revenue from non-exchange transactions (taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on revenue from exchange transactions or the policy on revenue from non-exchange transactions (taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or another financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

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1.9 Statutory receivables (continued)

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality 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, or group of statutory receivables, is reduced, either directly or using an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, a municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognises the receivable; and
  - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred based on their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of Standard of GRAP on financial instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

Additional information is disclosed in note 7.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership to the lessee.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the prime lending rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term to produce a constant periodic rate on the remaining balance of the liability.

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1.10 Leases (continued)

Operating leases - lessor

Operating lease receipts are recognised as revenue on a straight-line basis over the lease term.

The difference between the amounts recognised as revenue and the contractual receipts is recognised as an operating lease asset or liability.

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 the 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 is 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 rent is expensed in the period in which it is incurred.

Additional information is disclosed in notes 19 and 33.

1.11 Inventories

Inventories consist of unsold properties and consumable (including roads inventory).

Initial measurement

Inventories are initially measured at cost. Cost of inventories comprises all costs incurred in bringing the inventories to their present location and condition. Where inventories are acquired at no cost or for nominal consideration, the cost is deemed to be the fair value on the date of acquisition. Direct costs relating to unsold properties are accumulated for each separately identifiable development.

Subsequent measurement

Unsold properties and consumables to be distributed at no or nominal consideration are subsequently measured at the lower of cost and current replacement cost.

Roads inventory to be distributed at no or nominal consideration or to be consumed in the production process of goods to be distributed at no or nominal consideration is subsequently measured at the lower of cost and current replacement cost.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories are assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

Derecognition

The municipality derecognises unsold low-cost housing contained in inventory when construction of such properties has been completed and occupation of houses has been taken by the beneficiaries. At date of derecognition, the expense is recognised in the statement of financial performance.

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1.11 Investments in associates and/or joint ventures (continued)

When other inventories are utilised or consumed, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. 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.

Additional information is disclosed in note 6.

1.12 Grants in aid

The municipality annually awards grants to organisations in terms of section 67 of the MFMA. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

Additional information is disclosed in note 30.

1.13 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken based on the financial statements.

Additional information is disclosed in note 46.

1.14 Budget information

The municipality is subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The approved budget covers the period from 01/07/2024 to 30/06/2025.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period has been included in the statement of comparison of budget and actual amounts as prescribed in GRAP 24.

A comparison of actual versus budgeted revenue and expenditure is disclosed in the statement of comparison of budget and actual amounts and reasons for variances in excess of 10%.

Additional information is disclosed in note 47 and 48.

1.15 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

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1.15 Related parties (continued)

Joint control is the agreed sharing of control over an activity by a binding arrangement and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control over those policies.

Management is those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

Additional information is disclosed in note 43.

1.16 Value Added Tax

The municipality is registered with SARS for VAT on the invoice basis, in accordance with section 15(1) of the VAT Act (Act No. 89 of 1991).

Additional information is disclosed in note 7.

1.17 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

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1.17 Impairment of cash-generating assets (continued)

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Value in use

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.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current prime lending rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of a cash generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all the output is used internally. The municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating the future cash inflows used to determine the asset's or cash-generating unit's value in use.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);

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1.17 Impairment of cash-generating assets (continued)

- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Additional information is disclosed in note 9 and 10.

1.18 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

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1.18 Impairment of non-cash-generating assets (continued)

The present value of the remaining service potential of a non-cash-generating asset is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated based on such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset are determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features that are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Additional information is disclosed in note 9 and 10.

1.19 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation; and
- a reliable estimate can be made of the obligation.

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1.19 Provisions and contingencies (continued)

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 provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthworks as published by Statistics South Africa.

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions shall not be recognised for deficits from future operating activities.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- a present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
  - the amount of the obligation cannot be measured with sufficient reliability.

Additional information is disclosed in note 16 and 42.

1.20 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Additional information is disclosed in note 51.

1.21 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

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1.21 Revenue from exchange transactions (continued)

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

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.

Agency fees are recognised to the extent of work performed.

Interest

Revenue arising from the use by others of municipal assets yielding interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest method.

Additional information is disclosed in notes 18,19, 20, 21 and 22.

1.22 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when they are directly attributable to the acquisition, construction, or production of that qualifying asset.

Additional information is disclosed in note 9.

1.23 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Additional information is disclosed in note 52.

1.24 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the MFMA.

Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) and where recovered, it is subsequently accounted for as revenue.

Additional information is disclosed in note 39.

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1.25 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) and where recovered, it is subsequently accounted for as revenue.

Additional information is disclosed in note 40.

1.26 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the MFMA, the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the municipality's Supply Chain Management Policy.

Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) and where recovered, it is subsequently accounted for as revenue.

Additional information is disclosed in note 41.

1.27 Presentation currency

These financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the municipality's functional currency.

1.28 Going concern assumption

These financial statements have been prepared on a going concern basis.

Additional information is disclosed in note 38.

1.29 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by employees.

Termination benefits are employee benefits payable as a result of either:
- an entity's decision to terminate an employee's employment before the normal retirement date; or;
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for services rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions whereby an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:
- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;

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1.29 Employee benefits (continued)

- bonus and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) that are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

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 term receivable

When, and only when, it is virtually certain that another party will reimburse some or all the expenditure required to settle a defined benefit obligation, a municipality shall recognise its right to reimbursement as a separate asset. The municipality shall measure the asset at fair value. Furthermore, the municipality shall disaggregate and recognise changes in the fair value of its right to reimbursement in the same way as for changes in the fair value of plan assets. In the statement of financial performance, the expense relating to a defined benefit plan may be recognised net of amounts relating to changes in the carrying amount of the right to reimbursement.

The municipality recognised a long-term receivable relating to the recoveries from the WCG Department of Infrastructure in respect of the post-employment medical benefit relating to the roads staff.

The assumptions used by the actuaries to calculate the portion of the roads staff are the same as that used to calculate the amount of the liability relating to the post-employment medical aid.

Multi-employer plans

The entity classifies a multi-employer plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined benefit plan, the entity accounts for its proportionate share of the defined benefit obligation, plan assets (where applicable) and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan that is a defined benefit plan, the entity accounts for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined benefit plans

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1.29 Employee benefits (continued)

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions by an entity, and sometimes its employees, into an entity, or fund, that is legally separate from the reporting entity and from which the employee benefits are paid.

Plan assets (of which the municipality does not have any) comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

Defined benefit cost is made up of the following components:

a) Service cost, comprising:
- Current service cost;
- Settlements; and
- Past service cost, comprising of:
  (1) Plan amendments
  (2) Curtailments

b) Net interest revenue/ expense

c) Remeasurements, comprising:
- Actuarial gains and losses;
- Return on plan assets (where applicable), excluding amounts included in net interest on the net defined benefit liability (asset); and
- Any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability, the entity recognised actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation, which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability, the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets (where applicable) is interest, dividends or similar distributions and other revenue derived from the plan assets (where applicable), together with realised and unrealised gains or losses on the plan assets (where applicable), less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:
- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:
- the amount determined above; and

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1.29 Employee benefits (continued)

- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate that reflects the time value of money.

Any adjustments arising from the limit above are recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets (where applicable) with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets (where applicable) and on any reimbursement rights;
- Actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets (where applicable).

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money are consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

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1.29 Employee benefits (continued)

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels

Assumptions about medical costs take account of estimated future changes in cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long-term employee benefits

The amount recognised as a liability for other long-term service awards is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets (where applicable) and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

Termination benefits

The municipality provides termination benefits for its employees in terms of the municipality's employee benefit plan.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Termination benefits to employees are recognised as an expense in the statement of financial performance and as a liability in the statement of financial position when the municipality can no longer withdraw the offer of those benefits.

Additional information is disclosed in note 15.

1.30 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

Additional information is disclosed in note 22.

1.31 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

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1.31 Segment information (continued)

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Management uses only one measure of a segment's surplus or deficit, the segment's assets, or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities that are reported in terms of that measure.

Additional information is disclosed in note 50.

1.32 Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling exchange rate on the date of the transaction.

1.33 Grants and transfers

Grants and transfers received, or receivable are recognised as assets when the resources that have been transferred to the municipality meet the definition and criteria for recognition as assets.

A corresponding liability is recognised to the extent that the grant and transfer recognised as an asset is subject to conditions that require that the municipality either consumes the future economic benefits or service potential of the asset as specified, or that in the event that the conditions are breached, the municipality returns such future economic benefits or service potential to the transferor. The liability is transferred to revenue when the conditions attached to the grants and transfers are met.

Grants and transfers that are not subject to any conditions are recognised as revenue when the assets are initially recognised.

Additional information is disclosed in notes 13 and 23.

1.34 Payables

Payables are initially measured at fair value plus transactional cost, and are subsequently measured at amortised cost, using the effective interest rate method.

Additional information is disclosed in note 14.

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not adopted and applied the following GRAP standards and interpretations, which have been issued but are not yet effective.

The municipality expects to adopt these standards and interpretations for the first time when the Minister sets the effective date for these standards and interpretations.

2.1.1 GRAP 1 (amended): Presentation of Financial Statements (Going concern)

The Board undertook a project in 2021 to consider the guidance and disclosure requirements on going concern in the relevant Standards of GRAP. As an outcome of this project, the Board agreed to include additional guidance and disclosures on going concern in this Standard. Consequential amendments are also made to the Standard of GRAP on Events After the Reporting Date.

Applicability of going concern in the public sector

An entity prepares its financial statements on a going concern basis unless there is an intention to liquidate the entity, to cease operating, or if there is no realistic alternative but to do so. A liquidation or cessation of an entity's operations will result in the termination of all its functions.

In South Africa, specific legislative requirements need to be followed before a decision is taken to liquidate a public sector entity, to cease or scale back its operations, to transfer some or all of its functions to another entity, or to merge one or more entities. The "intention" to liquidate an entity, to cease or scale back its operations, to transfer some or all of its functions to another entity, or to merge one or more entities needs to be established. This intention can be reflected in a number of ways and may encompass legislation passed in Parliament or a provincial legislature, cabinet decision, ministerial order, a decision made by a municipal council, board, council or equivalent, a regulation or a notice, or other official means.

The liquidation or cessation of a public sector entity's operations is rare, and only in the case of dissolution without any continuation of the entity's operations will the going concern basis cease to apply. When all, or some of the functions of an entity are transferred to another entity, or when a decision is taken to merge one or more entities, the application of the going concern basis remains appropriate. This is because the entity's functions will continue to be provided in a modified form, even though they are executed by another entity.

The Board agreed to include explanatory guidance in this Standard on the application of the going concern assumption by public sector entities.

Where some of an entity's functions are transferred in a transfer of functions, and the remaining functions are discontinued, there are two separate transactions. The Board concluded that management should assess these transactions separately based on the functions transferred, those to be discontinued (if any), and those that may be retained and continued (if any), to determine if preparing the entity's financial statements on a going concern basis remains appropriate.

Disclosure on going concern

The Board's project highlighted a need for specific disclosures on going concern, material uncertainties relating to going concern, and actions taken by management to mitigate these uncertainties. Consideration was also given to the practices, guidance and requirements in other countries and/or from other standard-setting bodies on these matters.

To address the diversity in the information disclosed on going concern, the Board agreed to expand the disclosure requirements in this Standard to ensure that consistent disclosures are provided.

The effective date of these revisions have not yet been set.

The municipality expects to adopt the revisions for the first time when the Minister sets the effective date of the revisions.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

2.1.2 GRAP 103 (as revised): Heritage Assets

Background

The Accounting Standards Board (the Board) completed its post-implementation review of the Standard of GRAP on Heritage Assets (GRAP 103) (hereafter referred to as "the review") in 2020. Based on the feedback received as part of the review, the Board agreed to reconsider certain principles in GRAP 103.

The objective of the project was to revise and clarify principles in GRAP 103 following feedback received from the review and actions agreed by the Board.

Key amendments to GRAP 103

The Board agreed that the definition of a heritage asset in GRAP 103 should be reconsidered to better align it with the legislative explanation of a heritage resource in the National Heritage Resources Act, 1999, and the classification by the South African Heritage Resources Agency.

The proposed definition focuses on assets that have "cultural significance" and defines a heritage asset as "an asset that has cultural significance and is held indefinitely for the benefit of present and future generations". "Cultural significance" has also been defined and described in GRAP 103 based on legislation.

The characteristics displayed by heritage assets, and the range of assets that could be heritage assets, have also been aligned with legislation.

The amendments further relate to the classification of dual- purpose heritage assets, determining a reliable value for a heritage asset, protective rights imposed on heritage assets, re-assessing if a reliable value becomes available subsequently, Aggregation of individually insignificant heritage assets, impairment of heritage assets, mandatory disclosures of heritage assets borrowed or on loan.

The effective date of these revisions have not yet been set.

The municipality expects to adopt the revisions for the first time when the Minister sets the effective date of the revisions.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

2.1.3 GRAP 104 (as revised): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the revisions is for the years beginning on or after 01 April 2025.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The municipality expects to adopt the revisions for the first time during the 2025/2026 financial year.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

2.1.4 GRAP 2023 Improvements to the Standards of GRAP 2023

The Board undertakes periodic revisions of the Standards of GRAP in line with best practice internationally among standard setters. The Improvements to the Standards of GRAP include changes resulting from amendments to the International Public Sector Accounting Standards and the International Financial Reporting Standards, as well as general improvements identified through consultation with stakeholders. The Improvements to the Standards of GRAP (2023) was approved by the Board and issued in November 2023.

2.1.4.1 GRAP1 - Presentation of Financial Statements

Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

General Improvements

- Provide clarity to the terms "publicly available" and "publicly accountable".

- Remove encouraged disclosures with limited information value.

2.1.4.2 GRAP2 - Cash Flow Statements

General Improvements

Amend disclosures to read as "useful additional information that may be disclosed" as opposed to "encouraged disclosures".

2.1.4.3 GRAP3 - Accounting Policies, Changes in Accounting Estimates and Errors

Narrow scope amendments to IAS 8 Feb 2021

Change in the definition of an accounting estimate because the previous definition was not sufficiently clear.

General Improvements

Clarify that the requirements only apply to Standards of GRAP that are not yet effective for which the Minister of Finance has already determined an effective date.

2.1.4.4 GRAP5 - Borrowing Costs

Amendments to the IPSAS on Borrowing Costs (IPSAS 5) – Non-authoritative Guidance 2021

Add the Illustrative Examples in IPSAS 5 to GRAP 5.

2.1.4.5 GRAP13 - Leases

General Improvements

Remove encouraged disclosures with limited information value.

2.1.4.6 GRAP17 - Property, Plant and Equipment

Improvements to IPSAS 2021

Amendments are made to prohibit proceeds from selling items produced before that asset is available, to be deducted from the cost of property, plant and equipment.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

2.1.4.7 GRAP19 - Provisions, Contingent Liabilities and Contingent Assets

General Improvements

Remove encouraged disclosures with limited information value.

2.1.4.8 GRAP20 - Related Party Disclosures

General Improvements

Update the definition of "significant influence" to align with the Standard of GRAP on Investments in Associates and Joint Ventures (GRAP 36).

2.1.4.9 GRAP23 - Revenue from Non-exchange Transactions (Taxes and Transfers)

General Improvements

Remove encouraged disclosures with limited information value.

2.1.4.10 GRAP24 - Presentation of Budget Information in Financial Statements

Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

General Improvements

- Provide clarity to the terms "publicly available" and "publicly accountable".

- Simplify the disclosures on the presentation of a reconciliation to improve the quality of reporting, by not prescribing the line items to reconcile to.

- Re-instate the Illustrative Examples that were deleted when GRAP 24 became effective.

2.1.4.11 GRAP27 - Agriculture

General Improvements

Remove encouraged disclosures and repackage it as "useful information" in another section of the Standard.

2.1.4.12 GRAP31 - Intangible Assets

General Improvements

- Clarify when the Standard of GRAP on Service Concession Arrangements: Grantor (GRAP 32) is applicable.

- Remove reference to fully depreciated assets.

- Remove encouraged disclosures with limited information value.

2.1.4.13 GRAP104 - Financial Instruments

Improvements to IPSAS 2021

- Interest Rate Benchmark Reform - Amendments to provide a practical expedient not to treat changes in contractual cash flows as a modification.

- Amendments to clarify the fees that an entity includes when it applies the "10 percent" test to derecognise a financial liability.

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2. New standards and interpretations (continued)

Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

General Improvements

Remove encouraged disclosures with limited information value.

2.1.4.14 iGRAP20 - Accounting for Adjustments to Revenue

Narrow scope amendments to IAS 8 Feb 2021

Change in the definition of an accounting estimate because the previous definition was not sufficiently clear.

2.1.4.15 Directive 12 - The Selection of an Appropriate Reporting Framework by Public Entities

Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

2.1.4.16 Guideline on The Application of Materiality to Financial Statements

Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

General Improvements

Amendments resulting from the review of the Standard of GRAP on Cash Flow Statements (GRAP 2) and the Standard of GRAP on Presentation of Budget Information in Financial Statements (GRAP 24).

The effective date of these improvements have not yet been set.

The municipality expects to adopt the revisions for the first time when the Minister sets the effective date of the revisions.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	41,384,444	16,247,165
Short-term investments	369,000,000	408,000,000
	410,384,444	**424,247,165**

Included in the balance of cash and cash equivalents is an amount of R43 164 247 (2024: R41 686 806) relating to the portion recovered from the WCG, Department of Infrastructure in respect of the future medical aid liability of the roads staff.

Included in the balance of cash and cash equivalents is an amount relating to unspent conditional grants (refer to note 13).

No cash and cash equivalents have been pledged as security.

Short-term investments

ABSA - Investment		
Opening balance	39,000,000	84,000,000
Movement for the year	(24,000,000)	(45,000,000)
	15,000,000	**39,000,000**
FNB - Investment		
Opening balance	38,000,000	144,000,000
Movement for the year	(38,000,000)	(106,000,000)
	-	**38,000,000**
INVESTEC - Investment		
Opening balance	15,000,000	130,000,000
Movement for the year	(15,000,000)	(115,000,000)
	-	**15,000,000**
NEDBANK - Investment		
Opening balance	195,000,000	171,000,000
Movement for the year	10,000,000	24,000,000
	205,000,000	**195,000,000**
STANDARD BANK - Investment		
Opening balance	121,000,000	107,000,000
Movement for the year	28,000,000	14,000,000
	149,000,000	**121,000,000**
	369,000,000	**408,000,000**

The municipality had the following bank accounts:

Account / 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
Nedbank - Primary bank account	5,384,444	4,247,165	4,041,786	5,384,444	4,247,165	4,041,786
Nedbank - Call account	36,000,000	12,000,000	3,500,000	-	-	-
Total	**41,384,444**	**16,247,165**	**7,541,786**	**5,384,444**	**4,247,165**	**4,041,786**

AUDITOR-GENERAL SOUTH AFRICA

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

4. Other receivables from exchange transactions

Current

Accrued interest	13,575,093	17,622,040
Allowance for impairment	(73,953)	(167,898)
Councillors	42,185	47,400
Deposits	4,740	4,740
Insurance claims	54,560	44,734
Municipal health debtor	77,760	55,418
Other receivables	744,546	605,978
Post retirement medical aid	282,587	265,439
Prepayments	3,245,886	2,650,030
Rental	29,592	4,241
Roads services (WCG, Department of Infrastructure)	2,242,652	7,376,427
	20,225,648	**28,508,549**

Non-current

Accrued interest (Non-current investments)	91,638,998	45,438,229
Allowance for impairment	-	-
	91,638,998	**45,438,229**

Total other receivables from exchange transactions

Other receivables from exchange transactions (Non-current)	91,638,998	45,438,229
Other receivables from exchange transactions (Current)	20,225,648	28,508,549
	111,864,646	**73,946,778**

Other receivables pledged as security

No other receivables were pledged as security.

Credit quality of other receivables

The credit quality of 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 defaults. The municipality's historical experience in collection of other trade receivables falls within recorded allowances. Due to these factors, management's view is that no additional risk beyond amounts provided for collection losses is inherent in the municipality's other trade receivables.

Other receivables from exchange transactions (Current)

Gross balance

Other receivables from exchange transactions	20,299,601	28,676,447
	20,299,601	**28,676,447**

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

4. Other receivables from exchange transactions (continued)

Less: Allowance for impairment		
Other receivables	(31,864)	(133,608)
Post retirement medical aid	(42,089)	(34,290)
	(73,953)	**(167,898)**
Net balance		
Other receivables from exchange transactions	20,225,648	28,508,549
	20,225,648	**28,508,549**
Other receivables from exchange transactions		
Current (0-30 days)	2,868,082	7,921,860
31 - 60 days	4,342	3,536
61 - 90 days	342	2,291
91 - 120 days	-	-
121 - 365 days	877	(21,961)
> 365 days	488,788	283,354
	3,362,431	**8,189,080**

None of the financial assets that are fully performing have been renegotiated in the last year.

Prepayments of R3 245 886 (2024: R2 650 030) were not included as the future economic benefits relate to the receipt of goods and services. Councillor debt of R42 185 (2024: R47 400) was not included as this relate(s) to recoveries still to be concluded at reporting date. The short-term interest accrual of R13 575 093 (2024: R17 622 040) was not included in the ageing as it is not due yet.

Other receivables past due but not impaired

Management regards other receivables from exchange transactions for outstanding amounts of more than 30 days as past due. The impairment of other receivables from exchange transactions is based on the historic payment rate of the receivable.

As at 30 June 2025, other receivables of R506 626 (2024: R287 141) were past due but not impaired.

No other receivables were pledged as security.

Reconciliation of provision for impairment of other receivables from exchange transactions

Opening balance	(167,899)	(139,187)
Provision for impairment	(9,512)	(29,381)
Write off	99,557	-
Unused amounts reversed	3,901	669
	(73,953)	**(167,899)**

Ageing: Other receivables from exchange transactions (Non-current)

Gross balance		
Accrued interest	91,638,998	45,438,229
Less: Allowance for impairment		
Accrued interest	-	-

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

4. Other receivables from exchange transactions (continued)

Net balance		
Accrued interest	91,638,998	45,438,229

The long-term interest accrual of R91 638 998 (2024: R45 438 229) was not included in the ageing as it is not due yet. No portion of the accrued interest is considered to be past due but not impaired.

Other receivables past due but not impaired

Management regards the accrued interest due from the long-term investments as not being past due. The accrued interest only becomes payable to the municipality upon maturity of the underlying investment.

No other receivables were pledged as security.

5. Trade receivables from exchange transactions

Gross balances		
Fire fighting	640,992	276,267
Less: Allowance for impairment		
Fire fighting	(602,523)	(264,618)
Net balance		
Fire fighting	38,469	11,649
Ageing: Trade receivables from exchange transactions		
Current (0 - 30 days)	38,469	16,562
31 - 60 days	-	-
61 - 90 days	317,622	-
91 - 120 days	56,971	-
121 - 365 days	14,009	90,171
> 365 days	213,921	169,534
	640,992	**276,267**
Reconciliation of allowance for impairment		
Balance at beginning of the year	(264,618)	(289,641)
Contributions to allowance	(393,162)	(90,171)
Reversal of allowance	55,257	115,194
	(602,523)	**(264,618)**

Trade receivables pledged as security

No trade receivables were pledged as security.

The risk profile of each class of debtor was assessed to determine the allowance for impairment.

No collateral is held for any of the debtors disclosed above.

Credit quality of trade receivables

Due to historic trends that cannot be determined, the credit quality of each individual debtor that is neither due nor past nor impaired was assessed. As per the Credit Control and Debt Collection Policy, all debtors with accounts outstanding for more than 60 days are handed over to the debt collectors of the municipality. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, it is management's view that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

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5. Trade receivables from exchange transactions (continued)

Trade receivables past due but not impaired

The debt originated as a result of firefighting services rendered in terms of the Fire Fighting Act. The impairment for receivables from exchange transactions was calculated based on the assessment of each individual debtor, as a historic payment trend cannot be determined for firefighting debtors.

As at 30 June 2025, trade receivables of R602 523 (2024: R264 618) were past due but not impaired.

Trade receivables impaired and provided for

As at 30 June 2025, no consumer debtors were impaired (2024: Rnil).

Ageing: Trade receivables from exchange transactions (Consumer debtors)		
Current (0 - 30 days)	-	-
31 - 60 days	-	-
61 - 90 days	317,622	-
91 - 120 days	56,971	-
120 days or more	227,930	264,618
	602,523	**264,618**

6. Inventories

Consumable stores	1,884,370	2,297,400
Housing stock	72,940	72,940
	1,957,310	**2,370,340**

No inventory has been pledged as security.

Consumables valued at R85 804 (2024: R160 819) were written off and recognised in the statement of financial performance.

Consumables valued at R90 060 (2024: Rnil) was adjusted for during the current year due to losses that occurred.

Inventory valued at R5 852 415 (2024: R6 009 398) were expensed in the statement of financial performance.

7. VAT receivable

VAT (SARS)	5,750,092	5,471,068
Statutory receivables		
Gross balance		
VAT (SARS)	5,750,092	5,471,068
Less: Allowance for impairment		
VAT (SARS)	-	-
Net balance		
VAT (SARS)	5,750,092	5,471,068

Transactions arising from statute

The municipality is registered with SARS for VAT on the invoice basis, in accordance with Section 15(1) of the VAT Act (Act No. 89 of 1991). The statutory receivable is measured at its transactional amount.

The VAT receivable recognised at year end is mainly due to the impact of the difference between the input and output VAT recognised during the financial year as well as the accruals raised at year end.

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7. VAT receivable (continued)

No interest or other charges are levied against the statutory receivable as historically, all refunds have been received within 30 days of the submission of the VAT 201 returns to SARS.

Management regards statutory receivables as being impaired on the same basis that other receivables from exchange transactions are assessed for impairment (historic payment rate of the receivable).

Reconciliation of the provision for impairment

The statutory receivable is not considered to be impaired by the municipality as SARS has not defaulted on refund payments in the past.

Receivables past due not impaired

Statutory receivables which are less than 30 days past due are not considered for impairment. At 30 June 2025, no statutory receivables were past due but not impaired (2024:Rnil).

Statutory receivables pledged as security

No statutory receivables were pledged as security.

No collateral is held for any of the statutory receivables.

8. Receivables from non-exchange transactions

Government grants and subsidies	126,933	132,432

Receivables from non-exchange transactions pledged as security

No receivables from non-exchange transactions were pledged as security.

The risk profile of each class of receivable was assessed to determine the allowance for impairment.

No collateral is held for any of the receivable disclosed above.

Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions 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.

Receivables from non-exchange transactions impaired

As at 30 June 2025, no receivables from non-exchange transactions were impaired and provided for (2024: Rnil).

Net balances		
Government grant and subsidies	126,933	132,432
Ageing: Receivables from non- exchange transactions		
Current (0 - 30 days)	126,933	132,432
Reconciliation of allowance for impairment of receivables from non-exchange transactions		
Closing balance	-	-

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

9. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	66,375,026	-	66,375,026	66,375,026	-	66,375,026
Buildings	54,858,620	(30,083,505)	24,775,115	52,433,616	(29,208,875)	23,224,741
Plant and machinery	38,052,607	(16,563,285)	21,489,322	36,705,333	(15,884,186)	20,821,147
Furniture and fixtures	10,288,373	(6,291,716)	3,996,657	9,019,577	(6,161,359)	2,858,218
Motor vehicles	75,472,838	(34,571,636)	40,901,202	74,832,715	(32,240,286)	42,592,429
Office equipment	36,648,298	(17,243,063)	19,405,235	34,612,059	(17,212,583)	17,399,476
Infrastructure	97,285,518	(1,483,419)	95,802,099	6,210,932	(1,358,017)	4,852,915
Other property, plant and equipment	12,748,990	(6,405,846)	6,343,144	11,220,681	(5,733,174)	5,487,507
Total	**391,730,270**	**(112,642,470)**	**279,087,800**	**291,409,939**	**(107,798,480)**	**183,611,459**

Criteria for determination for classification between PPE and investment property

The criteria created to identify whether an asset meets the definition of PPE or investment property have been determined as follows:

a) In the instance where the property yields rental income, where a significant portion of the property is held for administrative purposes and an insignificant portion is held for rental, the total property will be classified as PPE and not as investment property. This will apply even if the intention is to lease the property out for a prolonged period.

b) Where a significant portion (more than 50%) of the total property, including land and all other buildings is held for rental, the property will be classified as investment property. This will apply even if management intends to lease the property out for a prolonged period.

A property consisting of a parking area is leased to the public, and a significant portion of the property (land and buildings) is held by the municipality for administrative purposes. The property meets the criteria set out above and has therefore been classified as PPE.

The consideration of a new lease is based on the need of the municipality prior to expiry of the existing lease agreements.

Heritage assets are not recognised as a heritage asset, even though the definition of a heritage asset is met, because a significant portion is applied for administrative purposes by the municipality.

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	66,375,026	-	-	-	-	66,375,026
Buildings	23,224,741	2,425,004	-	(801,433)	(73,197)	24,775,115
Plant and machinery	20,821,147	2,601,161	(142,296)	(1,790,690)	-	21,489,322
Furniture and fixtures	2,858,218	1,426,265	(9,555)	(278,271)	-	3,996,657
Motor vehicles	42,592,429	760,544	(40,096)	(2,411,675)	-	40,901,202
Office equipment	17,399,476	4,581,557	(180,303)	(2,395,495)	-	19,405,235
Infrastructure	4,852,915	91,074,589	-	(125,405)	-	95,802,099
Other property, plant and equipment	5,487,510	1,542,698	(1,556)	(685,508)	-	6,343,144
	183,611,462	**104,411,818**	**(373,806)**	**(8,488,477)**	**(73,197)**	**279,087,800**

Included in the additions is work-in- progress that relates to buildings (R2 259 439), infrastructure (R90 976 306) and plant and equipment (R25 478).

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

9. Property, plant and equipment (continued)

Included in the opening balance is work in progress that relates to buildings (R1 499 339), infrastructure (R2 290 185), motor vehicles (R29 440), office equipment (R195 000) and plant and equipment (R3 187 065).

The impairment loss recognised related to a building at the Montagu offices which was declared unsafe to use due to physical damages to the building and will be demolished during the 2026/2027 financial year.

During the current financial year PPE with a carrying amount of R373 806 was disposed of. The proceeds received for the disposed PPE was R28 260 which resulted in a loss on disposal of R345 546, reported in the statement of financial performance.

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Land	66,454,904	1,369,016	(1,448,894)	-	66,375,026
Buildings	23,248,115	1,374,441	(240,174)	(1,157,641)	23,224,741
Plant and equipment	8,929,119	14,010,156	(135,574)	(1,982,554)	20,821,147
Furniture and fittings	2,837,517	429,731	(672)	(408,358)	2,858,218
Motor vehicles	31,827,833	14,903,005	(147,583)	(3,990,826)	42,592,429
Office equipment	15,281,801	5,451,400	(109,456)	(3,224,269)	17,399,476
Infrastructure	4,804,985	173,044	-	(125,114)	4,852,915
Other property, plant and equipment	4,441,804	1,826,136	(69,194)	(711,239)	5,487,507
	157,826,078	**39,536,929**	**(2,151,547)**	**(11,600,001)**	**183,611,459**

Included in the additions is work-in- progress that relates to buildings (R1 256 689), infrastructure (R173 044), office equipment (R195 000), motor vehicles (R29 440) and plant and equipment (R3 187 065).

During the current year, PPE with a carrying amount of R2 151 547 was disposed of. No proceeds were received which resulted in a loss on disposal of R2 151 547, reported in the statement of financial performance together with the loss on disposal of intangible assets with a carrying amount of R71 129. The total loss on disposal was R2 222 674.

Borrowing costs capitalised

Borrowing costs capitalised in this period		
Infrastructure	1,975,715	-

At 30 June 2025, the Regional Landfill Site was not yet operational, and construction was ongoing. The borrowing costs capitalised form part of the asset's carrying value in capital work- in- progress and will be depreciated once construction has been completed and the asset is available for use.

Maintenance of property, plant and equipment by nature and type of expenditure - 2025

	Contracted services	Employee related cost	Materials and supplies	Total
Buildings	3,202,271	2,443,999	108,085	5,754,355
Office equipment	1,159,463	-	-	1,159,463
Plant and equipment	-	-	522	522
Furniture and fittings	3,217	-	-	3,217
Motor vehicles	2,228,648	-	-	2,228,648
Other property, plant and equipment	285,244	-	-	285,244
	6,878,843	**2,443,999**	**108,607**	**9,431,449**

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9. Property, plant and equipment (continued)

Maintenance of property, plant and equipment by nature and type of expenditure - 2024

	Contracted services	Employee related costs	Materials and supplies	Total
Buildings	2,716,448	2,013,987	22,796	4,753,231
Office equipment	1,457,899	-	19,976	1,477,875
Plant and equipment	-	-	17,273	17,273
Furniture and fittings	-	-	-	-
Motor vehicles	3,748,294	-	-	3,748,294
Other property, plant and equipment	1,058,225	-	-	1,058,225
	8,980,866	**2,013,987**	**60,045**	**11,054,898**

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality.

No assets have been pledged as security.

Other property, plant and equipment were split into the various classes as disclosed in the note for both the current and prior year.

An impairment assessment was performed based on the indicators as listed in the accounting policy under paragraph 1.4 PPE.

A review of useful lives of PPE was performed. Management considers whether there is any indication that expectations about the useful life of an asset have changed since the previous reporting date. There were changes in the remaining useful lives of PPE and Intangible assets during the financial year. Refer to note 44 for details relating to the change in accounting estimates.

Refer to note 51 for the capital commitments related to PPE.

10. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1,784,726	(1,559,155)	225,571	1,784,726	(1,472,441)	312,285

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Computer software	312,285	(86,714)	225,571

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	348,274	153,000	(71,129)	(117,860)	312,285

During the current year, intangible assets with a carrying amount of R71 129 was disposed of. No proceeds were received which resulted in a loss on disposal of R71 129, reported in the statement of financial performance together with the loss on disposal of PPE with a carrying amount of R2 151 547. The total loss on disposal was R2 222 674.

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11. Investments		
ABSA		
Opening balance	209,000,000	108,000,000
Movements during the year	-	101,000,000
	209,000,000	**209,000,000**
STANDARD BANK		
Opening balance	55,000,000	55,000,000
Movements during the year	-	-
	55,000,000	**55,000,000**
INVESTEC		
Opening balance	80,000,000	15,000,000
Movements during the year	30,000,000	65,000,000
	110,000,000	**80,000,000**
FNB		
Opening balance	34,000,000	-
Movements during the year	-	34,000,000
	34,000,000	**34,000,000**
NEDCOR		
Movements during the year	40,000,000	-
Short term: Transfer to cash and cash equivalents	(40,000,000)	-
	-	-
Total investments	**408,000,000**	**378,000,000**

The long-term investments have a maturity period of five years and are measured at amortised cost.

During the current year, a short - term transfer to cash and cash equivalents was only made for NEDCOR which will mature in the next 12 months.

12. Other financial liabilities

At amortised cost		
Nedbank	83,738,537	-
Liabilities		
Current liabilities - capital repayments due within the next twelve months.	8,140,108	-
Non-current liabilities	75,598,429	-
	83,738,537	-

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12. Other financial liabilities (continued)

Movements for the year		
Drawdown 1 - 02 December 2024	17,495,036	-
Drawdown 2 - 31 December 2024	6,825,008	-
Drawdown 3 - 31 January 2025	6,270,711	-
Drawdown 4 - 28 February 2025	7,023,966	-
Drawdown 5 - 31 March 2025	7,720,194	-
Drawdown 6 - 30 April 2025	7,413,210	-
Drawdown 7 - 30 May 2025	11,197,856	-
Drawdown 8 - 30 June 2025	27,054,019	-
Loans redeemed	(7,261,463)	-
	83,738,537	**-**

Long-term liabilities have been utilised in accordance with the MFMA.

A new unsecured loan of R91 000 000, bearing a fixed interest rate, repayable monthly in equal instalments was taken up from Nedbank Limited during the financial year. The interest rate applicable is 9.61% and is fixed for the full loan period of 8 years. The loan was drawn in 8 tranches as indicated above. The loan will be fully paid on 30 November 2032.

The amortised cost of the long-term liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant institution.

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Community development worker operational support grant	12,404	1,598
Fire service capacity building grant	-	1,525
Non-motorised transport infrastructure grant	915,835	3,500,000
Municipal service delivery and capacity building grant	200,000	-
Rural roads asset management systems grant (RRAMS)	1,141,019	1,354,642
Safety initiative implementation - whole of society approach (WOSA)	69,928	493,930
Municipal water resilience grant	1,800,000	1,200,000
Western Cape municipal interventions grant	30,700	116,582
	4,169,886	**6,668,277**

Refer to note 23 for reconciliation of grants from national and provincial government. These amounts are invested until utilised. Refer to note 3.

14. Payables from exchange transactions and other

Creditor accruals	13,955,711	5,360,608
Other payables	808,387	191,770
Payments received in advance	122,388	93,462
Retention	8,852,675	435,322
Trade payables	344,190	319,123
Unclaimed funds	15,461	83,369
	24,098,812	**6,483,654**

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Figures in Rand	2025	2024

15. Employee benefit obligation

Current employee benefits		
Employee benefit accruals	1,366,521	2,374,910
Post-retirement medical aid benefits	10,404,022	10,588,382
Provision for staff leave	20,338,801	19,216,063
13th Cheque	6,132,372	5,637,779
Ex-gratia benefit	15,945	59,171
Long service award	1,108,232	1,777,109
Performance bonus	2,061,923	1,055,395
	41,427,816	**40,708,809**
Non-current employee benefits		
Long service award	13,394,418	13,356,948
Post-retirement medical aid benefits	139,405,813	140,815,845
Ex-gratia benefit	322,559	367,421
	153,122,790	**154,540,214**
Current liability	41,427,816	40,708,809
Non-current liability	153,122,790	154,540,214
	194,550,606	**195,249,023**

The municipality finalised a Medical Funds Administration Policy that was approved by Council which invariably impact on the actuarial assumptions that informs the valuation and measurement of this provision.

15.1 Post-retirement and medical aid benefits

The municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death in service or death-in-retirement, the surviving dependents may continue membership of the medical scheme.

In- service members will receive a post- employment subsidy of 60% or 70% of the contribution payable should they be a member of a medical aid at retirement.

All continuation members and their eligible dependents receive a 60% or 70% subsidy.

Upon a member's death-in-service or death-in-retirement the surviving dependents will continue to receive the same subsidy.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- Key Health
- Samwumed
- Sizwe Hosmed
- LA Health

Details relating to eligible employees of the post-retirement medical aid benefit obligation are listed below:

Active members		
Principal members	230	248
Average age (years)	50.10	49.30
Average past service cost (years)	20.90	20.60

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Figures in Rand	2025	2024
15. Employee benefit obligation (continued)		
Continuation members		
Principal members	154	149
Average age (years)	72.1	72.6
The amounts recognised in the statement of financial position are -		
Projected benefit obligation	149,809,835	151,404,227
	149,809,835	**151,404,227**
The obligation in respect of past services has been estimated as follows:		
Active members	45,599,852	47,925,132
Continuation members	104,209,983	103,479,095
Net obligation	**149,809,835**	**151,404,227**
The amounts recognised in the statement of financial performance		
Current service cost	1,890,003	1,708,291
Interest cost	21,883,364	16,901,018
Recognised actuarial (gains)/ losses	(15,699,531)	1,660,443
Amount charged to statement of financial performance	**8,073,836**	**20,269,752**

The estimated future service cost in the 2025/2026 financial year is estimated to be R2 042 058, whereas the estimated interest cost for the next financial year is R17 537 132.

The best estimate for the employer benefit payments in the 2025/2026 financial year is expected to be R10 404 022.

The estimate for roads services is R3 066 583 while the estimate for other employees is R7 337 439.

Movements in the present value of the defined benefit obligation were as follows:		
Opening benefit obligation liability	151,404,228	140,141,113
Service cost: Current service cost	1,890,003	1,708,291
Interest expense	21,883,364	16,901,018
Contributions to the defined benefit: Payment of benefits	(9,668,228)	(9,006,638)
Remeasurement of defined benefit:		
Actuarial gains / (losses) from changes in demographic assumptions	(9,681,425)	9,953,635
Actuarial gains/ (losses) from changes in financial assumptions	(6,018,106)	(8,293,191)
Total recognised benefit liability	**149,809,836**	**151,404,228**

The assumptions were determined on a "best estimate" basis. This implies that the assumptions are based on the actuary's best view of the likely future experience and does not contain any explicit or implicit margins. The most important assumptions are discussed below.

Assumed discount rate

GRAP 25 requires that the discount rate used should be derived from the yield available on high quality corporate bonds. Where a deep and liquid market for these do not exist, the municipality is required to use the yields on government bonds with a suitable duration. The practice in South Africa currently is to use government bond yields.

The duration of the liabilities is 12 years. Therefore, the actuaries have used 12-year government bond yields on the valuation date. The discount rate is set at 11.71%. At the previous valuation, it was set at 14.45%.

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15. Employee benefit obligation (continued)

Medical aid contribution inflation

The long-term inflation expectation was determined to be equal to 5.27%. The actuaries then added 1.50% to the inflation expectation to determine the municipality's assumption for medical aid contribution inflation. They therefore used an assumption of 7.61% for future medical aid contribution inflation. At the previous valuation, it was set at 10.64%.

Net discount rate

Based on the above discount rate and medical aid contribution inflation rate, the actuaries have used a net discount rate of 3.81%. The previous valuation used a net discount rate of 3.45%.

Key actuarial assumptions		
Discount rate	11.71%	14.45 %
Health care inflation	7.61%	10.64 %
Real inflation rate	3.81%	3.45 %

Sensitivity analysis on current service and interest cost:

Assumption	Change	Current service cost	Interest cost	Total liability	% change
Central assumptions		2,042,058	17,537,132	19,579,190	
Health care inflation	1 %	2,471,700	19,541,665	22,013,365	12 %
	-1 %	1,697,891	15,832,081	17,529,972	-10 %
Mortality rate	20%	1,899,215	16,295,781	18,194,996	-7 %
	-20%	2,217,153	19,064,691	21,281,844	9 %
Post-retirement mortality rate	+ 1 year	2,042,058	17,099,218	19,141,276	-2 %
	- 1 year	2,042,058	17,976,339	20,018,397	2 %

Sensitivity analysis on the benefit liability:

Assumption	Change	Total liability	% change
Central assumptions		149,809,837	
Health care inflation	1 %	166,933,431	11 %
	-1 %	135,244,554	-10 %
Mortality rate	20%	139,205,676	-7 %
	-20%	162,858,912	9 %
Post-retirement mortality rate	+ 1 year	146,068,984	-2 %
	- 1 year	153,561,740	3 %

Maturity analysis	Within 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Total
Expected future payments	10,761,942	24,070,627	27,691,302	363,822,769	426,346,640
Capitalised liability	10,958,051	20,559,844	18,599,426	99,692,514	149,809,835

In terms of the memorandum of agreement between the WCG, Department of Infrastructure and the past experience hereon, funds will be made available to maintain the approved organogram of the roads division in the municipality. When applicable, the future claim for roads staff for post- employment medical aid is raised as an employee benefit asset.

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15. Employee benefit obligation (continued)

Movements in the present value of the employee benefit asset were as follows:		
Balance at the beginning of the year	-	575,785
Service cost: Current service cost	529,800	478,863
Interest cost	6,025,245	5,137,514
Contributions		
Interest on payments from WCG	(1,477,441)	-
Payments received from WCG	-	-
Payment of benefits	(2,849,708)	(2,388,272)
The effect of transfer of functions, mergers and disposals		
Actuarial gains/ (losses from changes in demographic assumptions	(464,007)	(1,555,787)
Actuarial gains/ (losses from changes in financial assumptions	(1,763,889)	(2,248,103)
	-	-

The assumptions used by the actuaries to calculate the portion of the roads staff is the same as was used to calculate the amount recognised as post- employment medical aid.

The amounts recognised as the current portion is equal to the amount recognised in the valuation report for the respective financial years.

15.2 Ex-gratia benefits

The ex- gratia pensions are pensions that are paid by the municipality from its revenue i.e. and are not funded or paid from one of the municipality's formalised pension arrangements.

All employees who did not participate in the municipality's formal pension funds are entitled to a Revenue Pension, which are sometimes referred to as "Ex-gratia" pensions.

Details of employees eligible for ex-gratia benefits are detailed below:

Members		
In- service employees for ex-gratia pension	2	2
In-service employees for lump sum benefit on retirement	2	3
Average age in years		
In-service employees for ex-gratia pension	62.00	60.50
In-service employees eligible for lump sum benefit on retirement	56.00	56.80
The amount recognised in the statement of financial position are:		
Projected benefit obligation	338,504	426,591
The amount recognised in the statement of financial performance are:		
Interest cost	61,943	45,115
Recognised actuarial (Gain)/ Loss	(74,788)	66,494
Amount charged to statement of financial performance	**(12,845)**	**111,609**
Movements in the present value of the liability were as follows:		
Opening balance	426,591	405,712
Interest expense	61,943	45,115
Contributions to the liability: Payment of benefits	(75,243)	(90,730)
Remeasurement of liability:		
Actuarial gains/ (losses) from changes in demographic assumptions	(58,031)	(8,172)
Actuarial gains/ (losses) from changes in financial assumptions	(16,757)	74,666
	338,503	**426,591**

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15. Employee benefit obligation (continued)

The future service cost for the 2025/2026 financial year is estimated to be R nil, whereas the interest cost for the next financial year is estimated to be R41 558.

The best estimates of the employer benefit payments in the 2025/2026 financial year is R15 945.

The assumptions were determined on a "best estimate" basis. This implies that the assumptions are based on the actuary's best view of the likely future experience and does not contain any explicit or implicit margins. The most important assumptions are discussed below.

Assumed discount rate

GRAP 25 requires that the discount rate used should be derived from the yield available on high quality corporate bonds. Where a deep and liquid market for these do not exist, the municipality is required to use the yields on government bonds with a suitable duration. The practice in South Africa currently is to use government bond yields.

Based on the average duration of 14 years of the liability, therefore the 14-year government bond yield on the valuation date was utilized. The discount rate was set at 12.28%. The previous valuation was set at 14.52%

Normal salary inflation

The long-term inflation expectation was determined to be equal to 6.69%. The previous valuation used an inflation rate of 9.24%. The actuaries added 1.5% to the inflation expectation to determine the assumption for salary inflation. Therefore, an assumption of 8.19% for future salary inflation was utilized. The previous valuation used a salary inflation rate of 10.74%.

Net discount rate

A net discount rate to value the Capitalised Pensions benefit was utilized, which reflects the impact of salary increases on the present value of future liabilities. The net discount rate is derived as the difference between the gross discount rate and the assumed rate of salary increases.

For this valuation:
- The gross discount rate is 12.28%.
- The net discount rate is 3.78%, incorporating the assumed salary increase rate.

Additionally, for the fixed lump sum benefit, the actuaries have applied the gross discount rate of 12.28%, as this benefit does not escalate with salary increases.

This approach ensures that the discounting methodology aligns with the nature of each benefit, providing an accurate valuation of the liabilities.

Key actuarial assumptions		
Discount rate	12.28 %	14.52 %
CPI inflation rate	6.69 %	9.24 %
Salary inflation rate	8.19 %	10.74 %

Sensitivity analysis on current service and interest cost:

Assumption	Change	Current service cost	Interest cost	Total liability	% change
Central assumptions		-	41,558	41,558	
Net discount rate	1 %	-	47,157	47,157	13 %
	-1 %	-	36,753	36,753	-12 %

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15. Employee benefit obligation (continued)

Sensitivity analysis on the benefit liability:

Assumption	Change	Liability	% change
Central Assumptions		338,502	
Net discount rate	1 %	384,092	13 %
	-1 %	299,392	-12 %

Maturity analysis	Within 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Total
Expected future payments	15,945	252,747	174,282	-	442,974
Capitalised liability	15,945	199,207	123,134	-	338,286

15.3 Long service awards

The municipality offers employees a long service award for every five years of service completed from ten years of service to forty- five years of service.

Details of employees eligible for long service awards are detailed below:

Members	392	388
Average age in years	46.0	46.6
The amounts recognised in the statement of financial position are:		
Projected benefit obligation	14,502,650	15,134,057
The amounts recognised in the statement of financial performance are:		
Current service cost	636,156	598,413
Interest cost	2,462,337	1,904,441
Recognised actuarial (gain)/ losses	(2,141,314)	(704,912)
Amount charged to statement of financial performance	**957,179**	**1,797,942**

The future service cost for the ensuing financial period is estimated to be R847 886, whereas the interest cost for the next year is estimated to be R1 780 484.

The best estimates of the employer benefit payments in the 2025/2026 financial period is R1 710 721.

Movements in the present value of the liability were as follows:		
Opening balance	15,134,060	15,791,385
Service cost: Current service cost	636,156	598,413
Interest expense	2,462,337	1,904,441
Contributions to the liability: Payment of benefits	(1,588,587)	(2,455,268)
Remeasurement of liability:		
Actuarial gains/ (losses) from changes in demographic assumptions	(230,916)	117,480
Actuarial gains/ (losses) from changes in financial assumptions	(1,910,398)	(822,394)
	14,502,652	**15,134,057**

Key actuarial assumptions		
Discount rate	12.28%	16.27%
Salary inflation	7.69%	12.49%
Average retirement age	63	62

The assumptions were determined on a "best estimate" basis. This implies that the assumptions are based on the actuary's best view of the likely future experience and does not contain any explicit or implicit margins. The most important assumptions are discussed below.

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15. Employee benefit obligation (continued)

Assumed discount rate

GRAP 25 requires that the discount rate used should be derived from the yield available on high quality corporate bonds. Where a deep and liquid market for these do not exist, the municipality is required to use the yields on government bonds with a suitable duration. The practice in South Africa currently is to use government bond yields.

Based on the average duration of 13.7 years of the liability, we have used the 14-year government bond yield on the valuation date. The discount rate was set at 12.28%. The previous valuation was set at 16.27%.

Salary inflation

The long-term inflation expectation was determined to be equal to 6.69%. The previous valuation used an inflation rate of 11%.The actuaries then added 1.0% to the inflation expectation to determine the municipality assumption for salary inflation. Therefore, an assumption of 7.69% for future salary inflation was utilized. The previous valuation used a salary inflation rate of 12.49%.

Net discount rate

Based on the above discount rate and salary inflation rate, a net discount rate of 4.26% was utilized. The previous valuation used a net discount rate of 3.36%.

Sensitivity analysis on current service and interest cost:

Assumptions	Change	Current service cost	Interest cost	Total liability	% change
Central assumptions		847,886	1,780,484	2,628,370	
Net discount rate	1%	915,555	1,897,292	2,812,847	7 %
	-1%	787,075	1,673,670	2,460,745	-6 %
Withdrawal rates	20%	811,696	1,736,273	2,547,969	-3 %
	-20%	888,322	1,828,085	2,716,407	3 %

Sensitivity analysis on the benefit liability:

Assumption	Change	Liability	% change
Central assumptions		14,502,652	
Net discount rate	1 %	15,454,091	7 %
	-1 %	13,632,620	-6 %
Withdrawal rates	20 %	14,142,536	-2 %
	-20 %	14,890,380	3 %

Maturity analysis	Within 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Total
Expected future payments	2,068,932	4,412,859	5,686,102	48,282,154	60,450,047
Capitalised liability	1,757,520	2,979,115	2,747,119	7,018,897	14,502,651

15.4 Retirement benefit information

The municipality makes provision for post-retirement benefits to eligible councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions.

Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

These schemes are multi-employer plans and are subject to a tri-annual, bi-annual or annual actuarial valuation as set out below.

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15. Employee benefit obligation (continued)

a) LA Retirement Fund (Previously: Cape Joint Pension Fund)

The LA Retirement Fund operates both as a defined benefit and defined contribution scheme.

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

Defined Benefit Scheme

The contribution rate payable under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2024 disclosed an actuarial valuation amounting to R1 302 163 000 (30 June 2023: R1 338 791 000), with a net accumulated surplus of R202 952 000 (2023: R226 285 000), with a funding level of 118.5% (30 June 2023: 120.3%).

Defined Contribution Scheme

The actuarial valuation report at 30 June 2024 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R2 213 314 000 (30 June 2023: R2 163 627 000), net investment reserve of Rnil (30 June 2023: Rnil) and with a funding level of 100% (2023: 100%).

The actuary concluded that:

- The Defined Benefit Section is in a sound financial condition with a funding level of 118.5% as at 30 June 2024.

- The Defined Contribution Section of the fund was in a sound financial condition with a funding level of 100% as at 30 June 2024.

- The Trustees awarded a 5.1% pension increase effective 1 January 2025.

- The Trustees awarded 100% of monthly pension bonus to pensioners payable in December 2024.

b) Consolidated Retirement Fund for Local Government (Previously: Cape Joint Retirement Fund)

The contribution rate for members is 7.5% of basic salary, whilst the respective employers are contributing 19.5%.

The fund provides defined contribution benefits to its active members and deferred members. The benefit payable on exit of a member is the member's share. This is broadly equal to the contributions (after costs) with the addition of investment returns.

The last statutory valuation performed as at 30 June 2024 revealed that the net assets of the fund amounted to R47 307 646 000 (30 June 2023: R42 710 035 000), with funding levels of 100.2% and 117.3% (30 June 2023: 100.2% and 120.1%) for the Pensions Account and the Share Account respectively. The contribution rate paid by the members (7,50%/9%) and the municipalities (7,50%/19,5%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the Fund is in a sound financial condition as at the valuation date.

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15. Employee benefit obligation (continued)

c) The Municipal Workers Retirement Fund (Previously: SAMWU National Provident Fund)

The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18%. From 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2020 revealed that the assets of the fund amounted to R9 021 008 000 (30 June 2017: R7 720 948 000), with funding levels of 102.2% (30 June 2017: 110.3%). The Fund's assets were sufficient to cover the members' Fund Credits and to provide a margin for contingency reserves as at 30 June 2020. We have allocated the full margin towards the required balance for the risk benefits reserve, which leaves no assets available for the data reserve and a (very small) negative balance for the investment reserve – this is discussed further below, but it should be noted that strong investment returns for the 18 months following the valuation date have enabled the negative investment reserve to be eliminated (as at 31 December 2021). The Fund was in a sound financial position at the valuation date.

d) The Municipal Councillors Pension Fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2018 revealed that the assets of the fund amounted to R1 798 030 000 (30 June 2015 : R2 551 861 000), with funding levels of 103.26% (30 June 2015: 101.08%). The contribution rate paid by the members (13.75%) and council (15%) is sufficient to fund the benefits accruing from the fund in the future. The Actuary certified that the Fund was in a sound financial condition as at 30 June 2018, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short moratorium has been placed on the payment of benefits to members/beneficiaries. In terms of the curatorship order, the Court ordered as follows:

1. The provisional Curatorship order of 19 December 2017 is made final;

2. The Curator shall furnish the Registrar of the Pension Fund with a progress report; and

3. The Curator must deliver a further progress report to the Court by no later than 31 October 2018 which report deals with the status of curatorship as at 30 September 2018; on the curatorship once every two months.

The Court cancelled the appointment of the curators on 6 June 2024.

16. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Utilised during the year	Reversed during the year	Total
Provision (Insurance claims)	25,698	(10,698)	(15,000)	-

Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Total
Provision (Insurance claims)	57,000	25,698	(57,000)	25,698

The provision relates to the uncertain timing of these insurance claims, which were not finalised at year end, but were finalised before the financial statements were authorised for issue.

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17. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2025

	Capital replacement reserve	Government grant reserve	Self-insurance reserve	Accumulated surplus	Total
Opening balance	28,290,596	404,457	45,372,232	785,609,240	859,676,525
Surplus for the year	-	-	-	51,200,896	51,200,896
Transfer to and from government grant reserve	-	437,655	-	(437,655)	-
Property, plant and equipment purchases	(12,778,856)	(789,789)	-	13,568,645	-
	15,511,740	**52,323**	**45,372,232**	**849,941,126**	**910,877,421**

Ring-fenced internal funds and reserves within accumulated surplus - 2024

	Capital replacement reserve	Government grant reserve	Self insurance reserve	Accumulated surplus	Total
Opening balance	66,314,371	2,070,543	-	767,204,826	835,589,740
Surplus for the year	-	-	-	24,086,784	24,086,784
Property, plant and equipment purchases	(37,870,775)	(1,666,086)	-	39,536,861	-
Intangible assets	(153,000)	-	-	153,000	-
Transfer from accumulated surplus	-	-	45,372,232	(45,372,232)	-
	28,290,596	**404,457**	**45,372,232**	**785,609,239**	**859,676,524**

18. Service charges

Fire service charges	407,859	88,132

19. Rental of facilities and equipment

Premises	258,751	264,803

The operating lease relates to fixed property leased from the municipality until 30 June 2025.

Under this operating lease agreement an amount of R241 378 (2024: R249 848) was received during the current year.

No contingent rent receipts are applicable.

20. Roads services

WCG: Department of Infrastructure	121,466,973	114,747,334

The municipality has a Memorandum of Agreement with the WCG, Department of Infrastructure for rendering services regarding the roads function within the jurisdiction of the CWDM.

The final allocation approved by the WCG, Department of Infrastructure during the current financial year was R132 350 000 (Initial allocation: R121 900 000).

The municipality currently performs the Roads function on behalf of the WCG, Department of Infrastructure. On 07 April 2025, the municipality received communication from the WCG, Department of Infrastructure informing the municipality of the discontinuation of the Roads function with effect from 01 April 2026. In light of this communication received from the WCG, the municipality is in the process of assessing the impact that this will have on all operational matters going forward.

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21. Other income

Brokerage	83,774	77,630
Insurance income	179,963	47,764
LG SETA refund	413,607	398,702
Miscellaneous income	45,438	41,666
Municipal health income	867,768	818,913
Tender document income	2,973	1,055
	1,593,523	**1,385,730**

22. Interest received

Long - term investments	50,009,207	39,088,947
Conveyancer (Landfill site)	-	102,147
Short - term investments	36,556,558	50,770,775
	86,565,765	**89,961,869**

During the current year, the average interest rate on the short-term investments is 9.06% (2024: 9.40%) whereas the average interest rate on the long-term investments is 11.55% (2024:11.82%).

The municipality deposits its investments with multiple banks with varying interest rates linked to the prime rate.

In the 2022/2023 financial year, other receivables from exchange transactions (note 4) included an amount of R1 839 670 related to the purchase of land (for the landfill site). The interest received of R102 147, relates to the interest earned on the trust account, held by the conveyancing attorney.

23. Government grants & subsidies

Operating and capital grants

Community development worker operational support grant	65,194	88,517
Emergency municipal load-shedding relief grant	-	950,000
Equitable share grant	3,174,000	3,046,000
Expanded public works programme integrated grant for municipalities	1,249,000	2,271,000
Fire service capacity building grant	500,000	498,475
Local government financial management grant	1,000,000	1,000,000
Sandhills - toilet hire	511,397	529,729
RSC levy replacement grant	260,486,000	255,683,000
Integrated transport planning grant	939,000	-
Rural roads asset management systems grant (RRAMS)	1,876,981	1,533,433
Safety initiative implementation - whole of society approach (WOSA)	930,072	1,821,894
Western Cape municipal interventions grant	69,300	81,900
Non-motorised transport infrastructure grant	2,584,165	-
	273,385,109	**267,503,948**

Conditional and Unconditional

Included above are the following grants and subsidies received:

Equitable share	3,174,000	3,046,000
RSC levy replacement grant	260,486,000	255,683,000
	263,660,000	**258,729,000**

Equitable Share

Equitable share is the conditional share of the revenue raised nationally and is allocated in terms of section 214 of the Constitution (Act 108 of 1996) to the municipality by National Treasury.

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Figures in Rand	2025	2024

23. Government grants & subsidies (continued)

Community development worker operational support grant

Balance unspent at beginning of year	1,598	14,116
Current-year receipts	76,000	76,000
Conditions met - transferred to revenue	(65,194)	(88,518)
	12,404	**1,598**

Conditions still to be met - remain liabilities (see note 13).

Division: Community Development and Planning Services.

To provide financial assistance to municipalities to cover the operational and capital costs pertaining to the line functions of the community development workers including the supervisors and regional coordinators.

Integrated transport planning grant

Balance unspent at beginning of year	-	85,605
Current-year receipts	939,000	-
Conditions met - transferred to revenue	(939,000)	-
Refund of unspent portion	-	(85,605)
	-	-

Division: Technical Services

To review and update the municipal integrated transport plans in terms of the National Land Transport Act, 2009 (Act 5 of 2009).

Local government financial management grant

Current-year receipts	1,000,000	1,000,000
Conditions met - transferred to revenue	(1,000,000)	(1,000,000)
	-	-

Division: Financial Services.

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

This grant was mainly utilised to improv the municipality's audit outcome, the upgrade and maintenance of financial management systems and to implement National Treasury's internship programme.

Fire service capacity building grant

Balance unspent at beginning of year	1,525	-
Current-year receipts	500,000	500,000
Conditions met - transferred to revenue	(500,000)	(498,475)
Refund of unspent portion	(1,525)	-
	-	**1,525**

Conditions still to be met - remain liabilities (see note 13).

Division: Community Development and Planning Services

To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.

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23. Government grants & subsidies (continued)

Non-motorised transport infrastructure grant

Balance unspent at beginning of year	3,500,000	-
Current-year receipts	-	3,500,000
Conditions met - transferred to revenue	(2,584,165)	-
	915,835	**3,500,000**

Conditions still to be met - remain liabilities (see note 13).

Division: Technical Services

To provide non-motorised transport infrastructure in the Cape Winelands District as part of the Provincial Sustainable Transport Programme.

Sandhills - toilet hire

Current-year receipts	511,397	529,729
Conditions met - transferred to revenue	(511,397)	(529,729)
	-	-

Division: Technical Services.

The allocation is made to the municipality by the WCG Department of Transport and Public Works (Department of Infrastructure) as a refund for temporary toilets hired in Sandhills.

Joint district and metro approach grant

Current-year receipts	-	1,000,000
Conditions met - transferred to revenue	-	(1,000,000)
	-	-

Division: The Office of the Municipal Manager

To provide financial assistance to district municipalities to implement catalytic projects to improve infrastructure, systems, structures and service delivery.

Local government internship grant

Balance unspent at beginning of year	-	8,200
Refund of unspent portion	-	(8,200)
	-	-

Division: Financial and Strategic Support Services (Corporate Services)

The purpose of the grant is to provide financial assistance to municipalities in support of capacity building for the future by means of an internship programme.

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23. Government grants & subsidies (continued)

Rural roads asset management systems grant (RRAMS)

Balance unspent at beginning of year	1,354,642	75
Current-year receipts	3,018,000	2,888,000
Conditions met - transferred to revenue	(1,876,981)	(1,533,433)
Refund of unspent portion	(1,354,642)	-
	1,141,019	**1,354,642**

Conditions still to be met - remain liabilities (see note 13).

Division: Technical Services.

The purpose is to assist rural district municipalities in setting up their road asset management systems and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA).

Safety initiative implementation - whole of society approach (WOSA)

Balance unspent at beginning of year	493,930	755,824
Current-year receipts	1,000,000	1,560,000
Conditions met - transferred to revenue	(930,072)	(1,821,894)
Refund of unspent portion	(493,930)	-
	69,928	**493,930**

Conditions still to be met - remain liabilities (see note 13).

Division: Community Development and Planning Services.

To enable a resilient, sustainable, quality living environment through the operationalisation of a safety plan.

Municipal water resilience grant

Balance unspent at beginning of year	1,200,000	-
Current-year receipts	1,800,000	1,200,000
Refund of unspent portion	(1,200,000)	-
	1,800,000	**1,200,000**

Conditions still to be met - remain liabilities (see note 13).

Division: Community Development and Planning Services

To provide financial assistance to municipalities to enhance water resilience through water supply augmentation, infrastructure capacity upgrades, water source management and water demand management across the province.

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

23. Government grants & subsidies (continued)

Expanded public works programme integrated grant for municipalities

Current-year receipts	1,249,000	2,271,000
Conditions met - transferred to revenue	(1,249,000)	(2,271,000)
	-	-

Conditions still to be met - remain liabilities (see note 13).

Divisions: Financial and Strategic Support Services (Corporate Services), Community Development and Planning Services, Corporate Services and Technical Services.

This grant incentivises the municipality to expand job creation efforts through the use of labour-intensive delivery methods in various identified focus areas, in compliance with the Expanded Public Works Programme Guidelines.

The grant contributed towards increased levels of employment in areas where unemployment is relatively high as well as providing work experience and gaining expertise through in- house training.

Western Cape municipal interventions grant

Balance unspent at beginning of year	116,582	98,482
Current-year receipts	-	100,000
Conditions met - transferred to revenue	(69,300)	(81,900)
Refund of unspent portion	(16,582)	-
	30,700	**116,582**

Conditions still to be met - remain liabilities (see note 13).

Division: Community Development and Planning Services.

This grant provides financial assistance to municipalities to improve infrastructure, systems, structures, corporate governance, service delivery and compliance with executive obligations.

Emergency municipal load- shedding relief grant

Current-year receipts	-	950,000
Conditions met - transferred to revenue	-	(950,000)
	-	-

Division: Community Development and Planning Services.

To provide a financial contribution to municipalities towards the purchase and installation of back-up energy supply (which may include generators, renewable power sources, batteries and all ancillary costs associated with the installation, i.e. switch gear, safe keeping, caging, etc.) for water and wastewater infrastructure as an immediate response to the prolonged load-shedding, thereby mitigating the impact on the provision of basic services and potential health risks.

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024

23. Government grants & subsidies (continued)

Municipal service delivery and capacity building grant

Current-year receipts	200,000	-

Conditions still to be met - remain liabilities (see note 13).

Division: Community Development and Planning Services

To provide financial assistance to municipalities to improve infrastructure, systems, structures, corporate governance and service delivery.

24. Employee-related costs

Acting allowances	619,727	225,639
Basic	144,418,669	137,577,429
Bonus	11,547,025	10,984,760
Defined contribution plans	24,418,194	23,286,626
Group schemes	2,537,000	2,722,714
Housing benefits and allowances	5,136,034	4,968,957
Leave pay provision charge	2,191,192	2,484,373
Medical aid - company contributions	14,076,694	13,611,767
Other allowances	7,999,679	7,391,702
Overtime payments	9,254,396	9,264,558
Performance bonus	1,094,571	1,055,395
Remeasurement of employee benefits: Actuarial loss/ (gain)	(15,687,737)	4,825,915
Service cost related to employee benefits: Current service cost	1,996,359	1,827,841
Telephone	792,477	810,595
Travel, motor car, accommodation, subsistence and other allowances	13,320,152	12,733,290
Unemployment insurance fund	875,763	881,810
Workmen's compensation assistance	1,351,315	1,291,147
	225,941,510	**235,944,518**

2025	**Long-service awards**	**Ex-gratia**	**PRMA**	**Less: Funded asset**	**Total**
Current service cost	636,156	-	1,890,003	(529,800)	1,996,359
Net actuarial (gains)/ losses recognised	(2,141,314)	(74,788)	(15,699,531)	2,227,896	(15,687,737)
	(1,505,158)	**(74,788)**	**(13,809,528)**	**1,698,096**	**(13,691,378)**

2024	**Long-service awards**	**Ex-gratia**	**PRMA**	**Less: Funded asset**	**Total**
Current service cost	598,413	-	1,708,291	(478,863)	1,827,841
Net actuarial (gains)/ losses recognised	(704,912)	66,494	1,660,443	3,803,890	4,825,915
	(106,499)	**66,494**	**3,368,734**	**3,325,027**	**6,653,756**

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24. Employee-related costs (continued)

Remuneration to senior management

2025	Basic salary	Car allowance	Performance bonuses	Contribution to UIF, medical and pension funds	Other	Total
Municipal Manager (HF Prins)	1,773,542	360,000	6,512	108,905	24,000	2,272,959
Acting Municipal Manager (W Markus)	215,230	-	-	-	-	215,230
Chief Financial Officer (FA Du Raan- Groenewald)	1,386,384	240,000	-	333,984	24,000	1,984,368
ED: Community development and planning services (PA Williams)	2,505,685	355,000	81,532	42,543	24,000	3,008,760
ED: Technical services (F van Eck)	703,301	75,000	-	169,441	106,373	1,054,115
Acting ED: Technical services (H Maart))	28,312	-	-	-	-	28,312
ED: Corporate Services (IM Barnard)	142,180	20,000	-	28,079	4,000	194,259
Acting ED: Corporate services (R van Wyk)	26,374	-	-	-	-	26,374
Acting ED: Corporate services (A Gabier)	4,153	-	-	-	-	4,153
Acting ED: Corporate (B Daries)	12,152	-	-	-	-	12,152
	6,797,313	**1,050,000**	**88,044**	**682,952**	**182,373**	**8,800,682**

2024	Basic salary	Car allowance	Performance bonuses	Contribution to UIF, medical and pension funds	Other	Total
Municipal Manager (HF Prins)	1,384,367	360,000	248,608	98,126	24,000	2,115,101
Chief Financial Officer (FA Du Raan- Groenewald)	1,308,247	240,000	243,301	289,717	24,000	2,105,265
ED: Community development and planning services (PA Williams)	1,212,478	300,000	208,927	38,925	24,000	1,784,330
ED: Technical services (F van Eck)	1,348,120	150,000	243,301	323,552	24,000	2,088,973
	5,253,212	**1,050,000**	**944,137**	**750,320**	**96,000**	**8,093,669**

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24. Employee-related costs (continued)

The following accrued to key management personnel in terms of GRAP 25 at year-end:

Staff leave		
Municipal Manager (HF Prins)	175,959	64,185
Chief Financial Officer (FA Du Raan-Groenewald)	203,658	166,772
ED: Community development and planning services (PA Williams)	89,789	71,920
ED: Technical services (F van Eck)	-	130,622
ED: Corporate services (IM Barnard)	18,304	-
	487,710	**433,499**

25. Remuneration of councillors

Executive Mayor	1,262,378	1,213,985
Deputy Executive Mayor	643,931	615,515
Speaker	1,019,297	979,271
Councillors	12,318,994	11,778,604
	15,244,600	**14,587,375**

2025	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive Mayor	524,182	119,069	180,000	439,127	1,262,378
Deputy Executive Mayor	489,565	34,366	120,000	-	643,931
Speaker	804,341	56,775	111,177	47,004	1,019,297
Councillors	9,704,190	536,949	1,375,768	702,087	12,318,994
	11,522,278	**747,159**	**1,786,945**	**1,188,218**	**15,244,600**

2024	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive Mayor	475,192	117,063	180,000	441,730	1,213,985
Deputy Executive Mayor	460,945	34,570	120,000	-	615,515
Speaker	761,382	57,104	111,177	49,608	979,271
Councillors	9,161,965	561,605	1,317,381	737,653	11,778,604
	10,859,484	**770,342**	**1,728,558**	**1,228,991**	**14,587,375**

The salaries, allowances and benefits of Councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa, read with the Remuneration of Public Office Bearers Act and the MEC of local government in the province's determination in accordance with this Act.

Refer to page 1 & 2 for the list of councillors.

26. Depreciation and amortisation

Property, plant and equipment	8,488,477	11,600,001
Intangible assets	86,715	117,860
	8,575,192	**11,717,861**

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Notes to the Annual Financial Statements

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27. Impairment loss

Property, plant and equipment	73,197	-

The impairment loss recognised related to a building at the Montagu Offices which was declared unsafe to use due to physical damages to the building and will be demolished during the 2026/2027 financial year.

28. Debt impairment

Debt impairment	243,960	3,688

29. Bad debt written off

Bad debts written off	94,278	-

The bad debts written off relates to insurance debtors and other receivables written off during the current year.

30. Transfer and subsidies

Grants in aid		
National department agencies	370,442	-
Farmer households	498,627	468,553
Sports and recreation	1,986,999	2,275,507
Private enterprises	472,893	494,119
	3,328,961	**3,238,179**
Monetary allocations		
Fire services	300,000	300,000
Farmer households	1,034,260	613,500
Community and social services	466,860	523,198
Social relief	352,000	353,910
Tourism	3,914,792	2,617,750
Sport and recreation	1,542,687	1,362,000
Support to local municipalities	2,966,982	4,656,000
Private enterprises	30,000	30,000
National department agencies	250,000	100,000
	10,857,581	**10,556,358**
Total transfers and subsidies	**14,186,542**	**13,794,537**

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31. Contracted services

Outsourced services		
Alien vegetation control	1,349,848	2,171,528
Burial services	83,904	82,500
Business and advisory	159,375	86,250
Cleaning services	762,542	766,411
Clearing and grass cutting services	1,782,050	2,558,923
Hygiene services	887,776	975,363
Personnel and labour	937	-
Professional staff	1,526,811	1,726,505
Security services	4,578,515	4,017,066
Translators, scribes and editors	260,368	228,316
Traffic control	-	51,077
Consultants and professional services		
Business and advisory	9,356,025	9,419,992
Infrastructure and planning	4,386,431	707,993
Laboratory services	1,668,359	1,620,197
Legal cost	848,014	75,518
Contractors		
Artists and performers	741,850	451,380
Audio-visual services	293,972	2,300
Catering services	2,512,804	2,576,525
Employee wellness	493,653	188,160
Exhibit installations	5,192	-
Fire services	11,811,737	22,674,007
Gardening services	168,922	162,222
Graphic designers	-	1,408
Interior decorator	-	75,380
Maintenance of buildings, facilities, equipment and unspecified assets	7,173,466	9,553,982
Pest control and fumigation	154,073	144,612
Photographer	10,580	4,200
Plants, flowers and other decorations	19,413	-
Stage and sound crew	75,811	105,880
Transportation	7,475	40,520
Total contracted services	**51,119,903**	**60,468,215**

32. Finance costs

Employee benefits	18,382,399	13,713,060

The interest expense relating to employee benefits relates to the interest cost as calculated in the actuarial valuation. Refer to note 15 for additional disclosure.

33. Lease rentals on operating lease

Lease rentals on operating lease	280,566	275,766

The operating leases held by the municipality relate to:

(i) Network telephony system up to 30 June 2026.

There are no escalations and subleasing applicable to this operating lease.

(ii) Occupation of a dedicated space for the housing of radio communication equipment at the Romansrivier and Klipvoet Repeater Sites until 25 March 2028.

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33. Lease rentals on operating lease (continued)

The lease payments are subject to an annual escalation based on the CPI.

No subleasing is applicable to the operating lease.

No contingent rental payments are applicable to the above operating leases and the are no restrictions.

The operating lease payments in future will be as follows:

	Within one year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Operating lease	294,966	19,200	14,400	-

34. General expenses

Achievements and awards	1,271,302	1,269,893
Advertising, publicity and marketing	5,221,546	4,681,220
Auditors remuneration	3,109,944	2,851,724
Bank charges, facility and card fees	443,366	679,405
Bargaining council	69,487	63,591
Bursaries (employees)	235,867	448,156
Chemicals	216,666	249,375
Cleaning materials	272,227	228,501
Communications	4,642,374	4,215,310
Consumables	736,859	854,556
Courier and delivery services	31,452	404,117
Deeds	1,776	1,886
Drivers licenses and permits	18,835	16,801
Entertainment	57,117	57,371
Entrance fees	36,010	11,749
External computer services	7,930,136	8,608,893
Fines and penalties	500	-
Full-time union representatives	89,468	107,851
Hire charges	11,448,655	15,167,929
Insurance underwriting	1,683,211	2,011,148
Laundry services	-	1,830
Licenses	215,367	184,288
Materials and supplies	24,172,203	15,816,673
Municipal services	8,242,875	7,223,394
Printing and stationery	1,170,180	1,352,246
Printing, publications and books	979,076	816,401
Professional bodies, memberships and subscription	2,319,016	2,564,203
Refreshments	654,522	647,581
Registration fees	157,428	196,395
Roadworthy tests	17,279	16,830
Signage	755	-
Skills development fund levy	2,113,359	2,031,064
Tollgate fees	553,322	361,931
Transport provided as part of departmental activities	996,921	1,870,328
Travel and visas	25,399	26,907
Travel and subsistence	3,313,790	3,565,757
Uniforms and protective clothing	1,699,459	2,372,318
Vehicle tracking	165,562	231,371
Wet fuel	13,500,216	15,767,526
	97,813,527	**96,976,519**

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35. Auditors' remuneration		
Fees	3,109,944	2,851,724
36. Cash generated from operations		
Surplus	51,200,896	24,086,792
Adjustments for:		
Depreciation and amortisation	8,575,192	11,717,861
Loss/(gain) on disposal of assets	345,546	2,222,674
Finance	18,382,399	13,713,060
Impairment deficit	73,197	-
Debt impairment	243,960	3,688
Movements in retirement benefit assets and liabilities	(698,417)	12,950,732
Inventory write- off	175,864	160,819
Changes in working capital:		
Inventories	237,166	72,274
Other receivables from exchange transactions	(37,917,868)	(24,505,167)
Trade receivables from exchange transactions	(270,780)	8,986
Other receivables from non-exchange transactions	5,499	(47,540)
Movement in provisions	(25,698)	(31,302)
Payables from exchange transactions	11,161,161	(236,709)
VAT	(279,024)	(2,777,544)
Unspent conditional grants and receipts	(2,498,391)	4,755,975
Employee benefit obligation	(18,382,399)	(14,288,845)
Long-term receivable	-	575,785
	30,328,303	**28,381,539**
Purchase of property, plant and equipment		
Additions (Note 9)	(104,411,818)	(39,536,928)
Movement in accruals related to property, plant and equipment	6,453,997	(7,986,229)
	(97,957,821)	**(47,523,157)**
Proceeds from the sale of property, plant and equipment		
Loss on disposal of assets and liabilities	(345,546)	(2,222,675)
Disposal of intangible assets (Note 10)	-	71,128
Disposal of property, plant and equipment (Note 9)	373,806	2,151,547
	28,260	**-**
Purchase of intangible assets		
Additions (Note 10)	-	153,000

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37. Financial instruments

Financial risk management

The accounting policy for financial instruments was applied to the following statement of financial position items:

Financial assets at amortised cost		
Trade receivables from exchange transactions	38,469	11,649
Other receivables from exchange transactions	107,845,951	70,750,719
Receivables from non-exchange transactions	126,933	132,432
Cash and cash equivalents	410,384,444	424,247,165
Investments	408,000,000	378,000,000
	926,395,797	**873,141,965**

The other receivables from exchange transactions of R111 864 646 (2024: R73 946 778), note 4 excludes prepayments of R3 245 886 (2024: R2 650 030), other receivables of R730 623 (2024: R498 628) and councillors of R42 185 (2024: R47 400).

An amount of R18 629 in the 2023/2024 financial year included in other receivables should have been excluded from the financial instrument, other receivables from exchange transactions.

Financial liabilities at amortised cost		
Other financial liabilities	83,738,537	-
Payables from exchange transactions and other	24,098,812	6,483,654
	107,837,349	**6,483,654**

Refer to notes 3, 4, 5, 8, 11 and 14 for additional disclosure.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The municipality has limited exposure to liquidity risk and is able to meet its financial obligations as it falls due. The municipality limits exposure to liquidity risk by ensuring all liabilities are cash backed.

The following are contractual maturities of financial assets and liabilities.

At 30 June 2025	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Other financial liabilities	8,140,108	8,956,630	32,636,545	34,005,254
Payables from exchange transactions and other	24,098,811	-	-	-
	32,238,919	**8,956,630**	**32,636,545**	**34,005,254**

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 and other	6,483,654	-	-	-

Credit risk

Credit risk consists mainly of cash and cash equivalents. The municipality invests cash with multiple banks, limiting exposure to any one counterparty.

The carrying amount of investments, receivables and cash and cash equivalents represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

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37. Financial intruments (continued)

Financial assets at amortised cost

Other receivables from exchange transactions	107,845,951	70,750,719
Trade receivables from exchange transactions	38,469	11,649
Cash and cash equivalents	410,384,444	424,247,165
Receivables from non-exchange transactions	126,933	132,432
Investments	408,000,000	378,000,000

Fair values

Irrespective of the longer maturity for the investments held by the municipality, the fair value of these financial instruments are substantially identical to the values reflected in the statement of financial position.

There were no changes in the municipality's approach to financial risk management from the prior year.

Interest rate risk

The municipality's exposure to interest rate risk and effective interest rate on financial instruments at the reporting date are as follows:

a) Investments and Cash and cash equivalents
The average interest rate on the short- term investments is 9.06% (2024: 9.40%) whereas the average interest rate on the long-term investments is 11.55% (2024:11.82%). The municipality invests with multiple banks with varying interest rates linked to the prime rate.

b) External loans
The municipality had external loans and borrowings of R83 738 537 (2024: Rnil) as at 30 June 2025.

Market risk

The risk that changes in market prices, such as foreign currency exchange rates and interest rates that will affect the municipality's projected income. The municipality does not hold any assets that are impacted by changes in the market.

Foreign currency risk is deemed to be minimal as very few foreign currency transactions are conducted.

There were no changes in the municipality's approach to financial risk management from the prior year.

38. Going concern

We draw attention to the fact that as at 30 June 2025, the municipality had an accumulated surplus of R910 877 420 (2024: R859 676 524).

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.

With the abolishment of the RSC Levies on 30 June 2006, the municipality is dependent on government grants, including the equitable share, for approximately 57% of the municipality's revenue. In addition, funds received for roads services account for a further 25%.

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39. Unauthorised expenditure

No unauthorised expenditure was incurred and/or identified for the current and previous financial year.

40. Fruitless and wasteful expenditure

Opening balance as previously reported	-	-
Fruitless and wasteful expenditure identified - current year	199,001	-
Fruitless and wasteful expenditure identified - prior period	480,000	-
Closing balance	**679,001**	**-**

Details of fruitless and wasteful expenditure

Expenditure incurred related to accommodation booked for an Acting MM. The accommodation was subsequently not used, however, the expenditure was still incurred by the municipality.	19,001	-
Expenditure, for the period 01 July 2022 – 31 March 2025 was incurred through the Revised Telecoms and Cellular Phone Allowance Policy. Council reviewed and amended the approved cellular phone and data allowances for the affected officials which had resulted in an overpayment.	660,000	-
	679,001	**-**

41. Irregular expenditure

Opening balance as previously reported	-	-
Irregular expenditure - current	26,019	-
Closing balance	**26,019**	**-**

Details of the irregular expenditure

Expenditure incurred related to a salary overpayment paid by means of backpay in respect of the first term of the Municipal Manager. The remuneration exceeded the prescribed Local Government: Upper Limits of Total Remuneration packages payable to Municipal Managers and Managers directly accountable to Municipal Managers. This overpayment was in contravention of the requirements of the Municipal Systems Act. As at the date of approval of the AFS, the repayment arrangement for the Municipal Manager had not yet been finalised, as it remains subject to ongoing processes.	26,019	-

42. Contingencies

Contingent liabilities

(i) 2025: The status of the delictual claim amounting to R451 000 (2024: R451 000) remains the same as reported in the prior year.

(2024: This matter remains the same as reported in the previous year and relates to a delictual claim for damages suffered to the amount of R451 000 against Cape Winelands District Municipality and the Minister of Transport and Public Works by Mr P Afrika allegedly arising from an accident in July 2008. At the pre-trial conference, it was decided that the matter is to be transferred from the High Court to the Magistrate's Court. This has the effect that the potential liability of the municipality is reduced to approximately R100 000. The said process is currently pending. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

(ii) 2025: The status of the claim amounting to R2 371 525 (2024: R2 371 525) remains the same as reported in the prior year.

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Figures in Rand	2025	2024

42. Contingencies (continued)

(2024: This matter remains the same as reported in the previous year and relates to a claim where the Cape Winelands District Municipality was jointly added as a third party On 22 January 2018 a Combined Summons was issued by the High Court of South Africa under Case No 728/18 in terms of which the trustees of the Fransie Conrade Trust (the plaintiffs) instituted action against the trustees of the Thera Trust (the defendants) for the damages suffered to the amount of R2 371 525 as a result of a fire that started on the property of Thera Trust and which allegedly spread to the property of the Fransie Conradie Trust. On 18 May 2018 a Third Party Notice was served on the District Municipality, in terms of which the Cape Winelands District Municipality was added as a third party by the defendants (Thera Trust) who avers that the District Municipality is a joint wrongdoer with Thera Trust (the defendant) in that the District Municipality was negligent and that such negligence caused or contributed to the damages suffered by the plaintiff. The matter was reported to the District Municipality's insurers and a fire incident report was accordingly provided, whereafter a Notice of Intention to Defend was entered. The Cape Winelands District Municipality is currently awaiting the matter to be set down for Pre-trial hearing and thereafter trial. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

(iii) 2025: The status of the claims amounting to R20 667 475 (2024: R20 667 475) and R6 100 000 (2024:R6 100 000) remains the same as reported in the prior year.

(2024: This matter remains the same as reported in the previous year. On 1 February 2021 a summons was issued by the High Court of South Africa, Western Cape Division, under Case Number 2023/21 in terms of which the plaintiffs instituted action against the Cape Winelands District Municipality, as the sixth defendant, for damages suffered to the amount of R26 767 475. The plaintiffs' claims that a veld or forest fire happened on or about 5 February 2018 and spread onto the plaintiffs properties from a certain property situated adjacent to the plaintiffs properties. The properties are located within the jurisdiction of the Cape Winelands District Municipality. The plaintiffs claim that the District Municipality owed a general duty of care to the public to prevent the spread of a veldfire and resultant damages by acting reasonably and practically in the circumstances and furthermore to comply with the standard operating procedures in respect of veldfires occurring on days marked with a "Red" of "High - Extreme" Fire Danger Index rating. The District Municipality entered a Notice of Intention to Defend. The relief that the plaintiffs are seeking is as follows: (a) that the defendants be held liable for the damages to the amount of R20 667 475, (b) that the defendants be held liable for the damages to the amount R6 100 000, (c) interest on the aforesaid amounts at the prescribed rate a tempore morae from date of demand alternatively date of summons until date of payment in full, (d) costs of suit, (e) further and/or alternative relief. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

vii) 2025: The Municipality is still waiting on the outcome of 5 public liability claims, 35 third party accident claims that were handed over to the state attorneys and / or the Municipality's insurers. It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.

(2024: The Municipality is still waiting on the outcome of 6 public liability claims, 46 third party accident claims that were handed over to the state attorneys and / or the Municipality's insurers. It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.)

viii) 2025: The status of the claim amounting to R402 286 (2024: R402 286) remains the same as reported in the prior year.

(2024: A summons was served on the municipality in April 2024 from the plaintiff, Liquid Telecommunications SA (Pty) Ltd, due to a contractual dispute to the amount of R402 286. Notice of intention to Defend, Plea and Counterclaim were filed by the municipality. The plaintiff has requested that the matter be mediated. The municipality's legal counsel has advised that the matter rather be adjudicated through arbitration. The parties are currently in discussion and awaiting formal communication in this regard. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

ix) 2025: The status of the claim amounting to R33 732 (2024: R33 732) remains the same as reported in the prior year.

(2024: The status of the claim amounting to R33 732 (2024: R33 732) remains the same as reported in the prior year. The municipality responded to the notice received from Marlo Laubscher Attorneys regarding an arrears municipal account. The municipality has not received further correspondence from the plaintiff. The municipality is still awaiting the outcome of the enquiries it has made regarding the responsibility for the settlement of this arrears account as there are community members residing on the property who should be responsible for the settlement of the municipal accounts.)

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42. Contingencies (continued)

Contingent assets

2025: The Municipality is still awaiting the outcome of a cost order that was granted in favour of the Municipality. It is not yet practical to provide and estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2024: The Municipality is still awaiting the outcome of 1 insurance claim that was not concluded at 30 June 2024. The claim is specific to the 2023/2024 financial year and all the prior year claims have been concluded.)

43. Related parties

The salaries and remuneration of key management and councillors are disclosed in notes 24 & 25 to the annual financial statements.

44. Change in estimate

Property, plant and equipment

Redundant store assets

The estimated useful lives and residual values of furniture and fittings, motor vehicles, office equipment and plant and equipment were evaluated during the 2024/2025 financial year and the change in the estimates were implemented on 1 July 2024. This led to a change in depreciation for the 2024/2025 financial year.

The following changes were made during the year in accounting estimates. The new depreciation for the year have been calculated and stated as well as the amount that the depreciation would have been had an estimate change not been effected.

Asset type description	Total of depreciation on assets for 2024/2025 had no change been effected	Total new depreciation for 2024/2025 after the change was effected	Difference: Increase/ (decrease) in depreciation	Total of depreciation on assets for future years had no change been effected	Total new depreciation for future years after the change was effected	Difference: Increase/(decrease) in depreciation
Furniture and fittings	(847)	(7,106)	6,259	6,259	-	(6,259)
Motor vehicles	-	(227,039)	227,039	227,039	-	(227,039)
Office equipment	(15,845)	(139,461)	123,616	123,616	-	(123,616)
Plant and equipment	(1,935)	(17,235)	15,300	15,300	-	(15,300)
	(18,627)	**(390,841)**	**372,214**	**372,214**	**-**	**(372,214)**

The effect of the change in estimate led to an decrease in depreciation of furniture and fitting of R6 259, an decrease in depreciation of motor vehicles of R227 039, an decrease in depreciation of office equipment of R123 616 and an decrease in depreciation of plant and equipment of R15 300 for the future years.

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44. Change in estimate (continued)

Review of RUL of property, plant and equipment and intangibles

Asset type description	Total of depreciation on assets for 2024-25 had no change been effected:	Total new depreciation for 2024-25 after the change was affected:	Difference: Increase/ (decrease) in depreciation	Total of depreciation on assets for future years had no change been effected:	Total new depreciation for future years after the change was affected:	Difference: Increase/ (decrease) in depreciation
Buildings	(414,641)	(91,016)	(323,625)	(818,156)	(1,141,781)	323,625
Infrastructure	(1,748)	(549)	(1,199)	(11,420)	(12,619)	1,199
Intangible assets	(104,274)	(64,858)	(39,416)	(55,311)	(94,727)	39,416
Plant and equipment	(929,010)	(394,670)	(539,339)	(3,004,933)	(3,539,272)	534,339
Furniture and fittings	(222,890)	(82,900)	(139,990)	(789,839)	(929,829)	139,990
Motor vehicles	(2,300,115)	(772,776)	(1,527,339)	(10,930,338)	(12,457,677)	1,527,339
Office equipment	(1,793,009)	(825,557)	(967,451)	(5,174,224)	(6,141,675)	967,451
Other PPE	(275,443)	(113,268)	(162,174)	(876,588)	(1,038,763)	162,174
	(6,041,130)	**(2,345,594)**	**(3,700,533)**	**(21,660,809)**	**(25,356,343)**	**3,695,533**

The effect of the change in estimate led to an increase in depreciation of buildings of R323 625, an increase in depreciation of infrastructure of R1 199, increase in amortisation of R39 416, an increase in depreciation of plant and equipment of R534 339, an increase in depreciation of furniture and fittings of R139 990, an increase in depreciation of motor vehicles of R1 527 339, an increase in depreciation of office equipment of R967 451 and an increase in depreciation of other property, plant and equipment of R162 174 for the future years.

45. B-BBEE Performance

2024/2025

Information on compliance with the B-BBEE Act is included in the annual report under the section B-BBEE Compliance Performance Information.

2023/2024

Information on compliance with the B-BBEE Act is included in the annual report under the section B-BBEE Compliance Performance Information.

46. Events after the reporting date

a) An overpayment of remuneration, including cellular phone and data allowances, was identified in respect of the first term of the Municipal Manager. The Executive Director: Community Development and Planning Services was also affected by the overpayment of the cellular phone and data allowances. The Council has resolved that the amounts overpaid are to be recovered.

As at the date of approval of the Annual Financial Statements:

- A repayment arrangement for the Executive Director: Community Development and Planning Services has been agreed upon, with the effective date set for September 2025; and
- The repayment arrangement for the Municipal Manager had not yet been finalised, as it remains subject to ongoing processes.

b) The amount of R54 560 disclosed in Note 4 (Other receivables from exchange transactions) pertains to insurance claims related to incidents that occurred prior to 30 June 2025. These claims were still in progress at year-end and have subsequently been approved during the first quarter of the financial year ending 30 June 2026.

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47. Reconciliation between budget and annual financial statements

47.1 Statement of financial performance

Service charges (Actual amount as per statement of comparison)	-	-
Service charges	407,859	-
Actual amount as per statement of financial performance	**407,859**	**-**

Service charges were remapped from sale of goods and rendering of services to adhere to the requirements of GRAP.

Sale of goods and rendering of services (actual amount as per statement of comparison)	12,602,622	-
Management fees: Road services	(11,995,652)	-
Management fees: Rural roads asset management	(150,900)	-
Tender documents	(2,973)	-
Encroachment fees	(1,850)	-
Scrap, waste and other goods	(43,388)	-
Service charges	(407,859)	-
Amount as per statement of financial performance	**-**	**-**

Sale of goods and rendering of services were remapped to adhere to the requirements of GRAP.

Agency services (Actual amount as per statement of comparison)	122,959,373	-
Roads capital	306,947	-
Management fees	11,995,652	-
Management fees	(13,795,000)	-
Actual amount as per statement of financial performance	**121,466,972**	**-**

The capital financing for roads services was remapped from transfers and subsidies to roads services. Management fees were remapped to roads services to adhere to the requirements of GRAP.

To align to the accounting treatment for the funding received from WCG, Department of Infrastructure with regards to the roads maintenance, the prior year naming convention for this funding source was changed from agency services to roads services. Both the prior year and current year naming convention is therefore consistent. This allows the users of the financial statements to have a clear understanding of the substance of this funding source.

Licences and permits (Actual amount as per statement of comparison)	867,768	-
Licences and permits	(867,768)	-
Actual amount as per statement of financial performance	**-**	**-**

Licences and permits were remapped to other income to adhere to the requirements of GRAP.

Transfers and subsidies (Actual amount as per statement of comparison)	272,373,713	-
Sandhills toilet hire	511,397	-
Fire service capacity building grant	500,000	-
Actual amount as per statement of financial performance	**273,385,110**	**-**

Sandhills toilet hire was remapped from other revenue to transfers and subsidies to adhere to the requirements of GRAP.
Capital grants were remapped to adhere to the requirements of GRAP.

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47. Reconciliation between budget and annual financial statements (continued)

Other revenue (Actual amount as per statement of comparison)	1,188,940	-
Tender documents	2,973	-
Scrap, waste and other goods	43,387	-
Sandhills toilet hire	(511,397)	-
Encroachment fees	1,850	-
Licenses and permits	867,768	-
Actual amount as per statement of financial performance	**1,593,521**	**-**

Other revenue was remapped to adhere to the requirements of GRAP.

Employee-related costs (Actual amount as per statement of comparison)	256,197,993	-
Workmen's compensation fund	1,351,315	-
Interest cost	(15,920,062)	-
Actuarial gains	(15,687,737)	-
Actual amount as per statement of financial performance	**225,941,509**	**-**

Workmen's compensation fund was remapped from other expenditure to employee related cost to adhere to requirements of GRAP. Interest cost on post-retirement benefits were remapped from employee related benefits to finance costs and actuarial gains were remapped from gains and losses to employee related costs to adhere to the requirements of GRAP.

Other gains (Actual amount as per statement of comparison)	15,687,737	-
Actuarial gains	(15,687,737)	-
Actual amount as per statement of financial performance	**-**	**-**

Actuarial gains were remapped from other gains to employee related costs to adhere to the requirements of GRAP.

Interest (Actual amount as per statement of comparison)	2,462,337	-
Post-retirement benefit: interest cost	15,920,062	-
Actual amount as per statement of financial performance	**18,382,399**	**-**

Interest cost on post-retirement benefits and long-service awards was remapped from employee-related costs to finance costs to adhere to the requirements of GRAP.

Inventory consumed (Actual amount as per statement of comparison)	31,347,294	-
General expenses	(31,347,294)	-
Actual amount as per statement of financial performance	**-**	**-**

Inventory consumed was remapped to general expenses to adhere to the requirements of GRAP.

Operational cost (Actual amount as per statement of comparison)	81,893,114	-
Workmen's compensation fund	(1,351,315)	-
Lease rental on operating leases	(280,566)	-
Inventory consumed	31,347,294	-
Management fees	(13,795,000)	-
Actual amount as per statement of financial performance	**97,813,527**	**-**

Workmen's compensation fund was remapped from other expenditure to employee- related cost to adhere to the requirements of GRAP. Lease rentals on operating lease were remapped from other expenditure to adhere to the requirements of GRAP. Inventory consumed was remapped to general expenditure to adhere to the requirements of GRAP. Management fees were remapped from other expenditure to roads services.

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47. Reconciliation between budget and annual financial statements (continued)

Other losses (Actual amount as per statement of comparison)	175,864	-
Inventories losses	(175,864)	-
Actual amount as per statement of financial performance	-	-

Other losses were remapped to adhere to the requirements of GRAP.

Inventories losses (Actual amount as per statement of comparison)	-	-
Inventories losses	(175,864)	-
Actual amount as per statement of financial performance	**(175,864)**	-

Inventories losses were remapped from other losses to adhere to the requirements of GRAP.

Transfers and subsidies: Capital monetary (Actual amount as per statement of comparison)	806,947	-
Roads capital	(306,947)	-
Fire service capacity building grant	(500,000)	-
Actual amount as per statement of financial performance	-	-

The capital financing for roads was remapped from transfers and subsidies to roads services. Capital grants were remapped to transfers and subsidies to adhere to the requirements of GRAP.

Lease rentals on operating lease (Actual amount as per statement of comparison)	-	-
Lease rentals on operating lease	280,566	-
Actual amount as per statement of financial performance	**280,566**	-

Lease rentals on operating lease was remapped from other expenditure to adhere to the requirements of GRAP.

Contracted services (Actual amount as per statement of comparison)	51,270,803	-
Management fee: Rural roads asset management	(150,900)	-
Actual amount as per statement of financial performance	**51,119,903**	-

Management fee for the rural roads asset management was remapped from other income to adhere to the requirements of GRAP.

Depreciation and amortisation (Actual amount as per statement of comparison)	8,648,390	-
Reversal of impairment loss: PPE	35,597	-
Impairment loss: PPE	(108,794)	-
Actual amount as per statement of financial performance	**8,575,193**	-

Reversal of impairment loss and impairment loss were remapped to adhere to the requirements of GRAP.

47.2 Statement of financial position

Trade and other receivables from exchange (Actual amount as per statement of comparison)	6,445,305	-
Service charges	(136,636)	-
Insurance claims	54,560	-
Deposits	4,740	-
Accrued interest	13,575,093	-
Third party refunds	282,587	-
Actual amount as per statement of financial position	**20,225,649**	-

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47. Reconciliation between budget and annual financial statements (continued)

Trade and other receivables were remapped to adhere to the requirements of GRAP.

VAT receivable (Actual amount as per statement of comparison)	8,244,999	-
Output tax	(2,494,906)	-
Actual amount as per statement of financial position	**5,750,093**	**-**

Output tax was remapped from current liabilities to VAT receivable to adhere to the requirements of GRAP.

Receivables from non-exchange transactions (Actual amount as per statement of comparison)	181,492	-
Insurance claims	(54,560)	-
Actual amount as per statement of financial position	**126,932**	**-**

Insurance claims were remapped from to other receivables from exchange transactions to adhere to the requirements of GRAP.

Other current assets (Actual amount as per statement of comparison)	105,501,417	-
Accrued interest	(105,214,090)	-
Third party refunds	(282,587)	-
Deposits	(4,740)	-
Actual amount as per statement of financial position	**-**	**-**

Other current assets were remapped to other receivables from exchange transactions to adhere to the requirements of GRAP

Other receivables from exchange transactions: Non-current (Actual amount as per statement of comparison)	-	-
Accrued income	(91,638,998)	-
Actual amount as per statement of financial position	**(91,638,998)**	**-**

The non-current portion of the accrued income was remapped from other current debtors to adhere to the requirements of GRAP.

VAT (Actual amount as per statement of comparison)	2,593,074	-
Output tax	(2,494,906)	-
Provision for doubtful debt impairment	(98,168)	-
Actual amount as per statement of financial position	**-**	**-**

Output tax was remapped to adhere to the requirements of GRAP.

Consumer deposits (Actual amount as per statement of comparison)	22,500	-
Consumer deposits	(22,500)	-
Actual amount as per statement of financial position	**-**	**-**

Consumer deposits were remapped to payables from exchange transactions to adhere to the requirements of GRAP.

Trade and other payables (Actual amount as per statement of comparison)	25,442,833	-
Employee benefits	(1,366,522)	-
Consumer deposits	22,500	-
Actual amount as per statement of financial position	**24,098,811**	**-**

Trade and other payables were remapped to adhere to the requirements of GRAP.

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47. Reconciliation between budget and annual financial statements (continued)

Provisions (Actual amount as per statement of comparison)	40,061,294	-
Employee benefits	(40,061,294)	-
Actual amount as per statement of financial position	-	-

Provisions were remapped to employee benefit obligation to adhere to the requirements of GRAP.

Accumulated surplus (Actual amount as per statement of comparison)	849,993,450	-
Reserves	60,883,972	-
Actual amount as per statement of financial position	**910,877,422**	-

Reserves were remapped to accumulated surplus to adhere to the requirements of GRAP.

47.3 Cashflow statement

Suppliers and employees (Actual amount as per statement of comparison)	396,144,512	-
Employee cost	(245,039,474)	-
Suppliers	(152,027,909)	-
Remuneration of councillors	(15,239,385)	-
Finance cost	1,975,715	-
Transfer and grants	14,186,541	-
Amount as per cash flow statement	-	-

Suppliers and employees were remapped to adhere to the requirements of GRAP.

Transfers and grants (Actual amount as per statement of comparison)	(14,186,541)	-
Transfers and grants	14,186,541	-
Amount as per cash flow statement	-	-

Transfers and grants were remapped to suppliers to adhere to the requirements of GRAP.

Remuneration to councillors (Actual amount as per statement of comparison)	-	-
Remuneration to councillors	15,239,385	-
Amount as per Cash flow statement	**15,239,385**	-

Remuneration of councillors was remapped from Suppliers and employees to adhere to the requirements of GRAP.

48. Actual operating expenditure versus budgeted operating expenditure

According to the accounting policy, explanations should be provided in cases where the difference between the adjustments budget and the actual expenditure exceeds 10%.

48.1 Statement of financial position

Current assets

Cash and cash equivalents

Variance does not exceed 10%, no reason required.

Trade and other receivables from exchange transactions

Variance as a result of the roads services receivable which has decreased due to the impact of the actuarial valuations performed and the decrease in revenue recognised in the current year.

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48. Actual operating expenditure versus budgeted operating expenditure (continued)

Receivables from non-exchange transactions

Variance does not exceed 10%, no reason required.

Inventory

Variance as a result of the issuing of inventory being more than anticipated during the preparation of the budget.

VAT

Variance as a result of the VAT refund for May 2025 only being received during July 2025.

Other current assets

Variance does not exceed 10%, no reason required.

Non-current assets

Property, plant and equipment

Variance does not exceed 10%, no reason required.

Investments

Variance does not exceed 10%, no reason required.

Intangible assets

Variance as a result of capital items classified as intangible during the preparation of the budget and reclassified to property, plant and equipment during the preparation of the annual financial statements.

Liabilities

Current liabilities

Consumer deposits

Variance does not exceed 10%, no reason required.

Financial liabilities

The short term portion of the loan was budgeted for under the long term financial liability.

Trade and other payables: non exchange transactions

Variance mainly as a result of one provincial grant funded project that could not be rolled out during the current financial year. An application to roll over these funds has been submitted, and if approved, this projects will be rolled out during the next financial year.

Trade and other payables: exchange transactions

Variance as a result of an increase in creditor accruals compared to the previous financial year.

VAT

Variance as a result of the VAT refund for May 2025 only being received during July 2025.

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48. Actual operating expenditure versus budgeted operating expenditure (continued)

Provisions

Variance as a result of the actuarial valuation performed related to the employee benefits. The actuarial valuation is performed at year end and not available during the budget preparation process.

Non-current liabilities

Financial liabilities

Variance does not exceed 10%, no reason required.

Non-current liabilities

Provisions

Variance does not exceed 10%, no reason required.

Other non-current liabilities

Variance as a result of the actuarial valuation performed related to the employee benefits. The actuarial valuation is performed at year end and not available during the budget preparation process.

Net assets

Reserves

Variance as a result of the transfer to the capital replacement reserve. The transfer to the capital replacement reserve is performed at year end and the amount is undetermined during the preparation of the budget.

48.2 Statement of financial performance

Revenue from exchange transactions

Sale of goods and rendering of services

Variance does not exceed 10%, no reason required.

Agency services

Variance does not exceed 10%, no reason required.

Interest earned from current and non- current assets

Variance does not exceed 10%, no reason required.

Rental of facilities and equipment

Variance does not exceed 10%, no reason required.

Licences and permits

Variance as a result of an increase in economic activity and a vast number of export certificates being issued.

Other revenue

Variance as a result of other revenue consisting of a number of different income sources which are subject to change due to external factors.

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48. Actual operating expenditure versus budgeted operating expenditure (continued)

Transfers and subsidies

Variance does not exceed 10%, no reason required.

Other gains

Variance as a result of the actuarial valuation performed related to the employee benefits. During the preparation of the budget the actuarial valuation indicated an actuarial loss and at year-end the final evaluation report indicated an actuarial gain.

Expenditure

Employee-related costs

Variance does not exceed 10%, no reason required

Remuneration of councillors

Variance does not exceed 10%, no reason required.

Inventory consumed

Variance does not exceed 10%, no reason required.

Depreciation and amortisation

Variance as a result of the adjustments made to the expected lifespan of certain assets during the annual assessment of the useful lives of assets. The extended lifespan led to a lower depreciation charge than anticipated during the preparation of the budget.

Interest

Variance as a result of the borrowing cost of the regional landfill site being capitalised.

Debt impairment

Variance does not exceed 10%, no reason required.

Contracted services

Variance as a result of not all projects being rolled out as planned during the current year.

Irrecoverable debt written off

Variance does not exceed 10%, no reason required.

Other losses

Variance as a result of the actuarial valuation performed related to the employee benefits. During the preparation of the budget the actuarial valuation indicated an actuarial loss and at year-end the final evaluation report indicated an actuarial gain.

Operational costs

Variance does not exceed 10%, no reason required.

Transfers and subsidies

Variance does not exceed 10%, no reason required.

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Figures in Rand	2025	2024

48. Actual operating expenditure versus budgeted operating expenditure (continued)

Operational cost

Variance does not exceed 10%, no reason required.

Loss on disposal of assets

Variance does not exceed 10%, no reason required

Transfer and subsidies - capital (monetary allocations)

Variance mainly as a result of one provincial grant funded project that could not be rolled out during the current financial year. An application to roll over these funds has been submitted, and if approved, these projects will be rolled out during the next financial year.

48.3 Cash flow statement

Other revenue

Refer to reasons provided above for the variances in statement of financial performance.

Transfers and subsidies - operational

Variance does not exceed 10%, no reason required.

Transfers and subsidies - capital

Refer to reasons provided above for the variances in statement of financial performance.

Interest

Variance does not exceed 10%, no reason required.

Suppliers and employees

Refer to reasons provided above for the variances in statement of financial performance.

Transfers and grants

Variance does not exceed 10%, no reason required.

Capital assets

Variance as a result of the construction of the regional landfill site being completed in the next financial year.

Proceeds on disposal of PPE

Variance as a result of the fact that during the preparation of the budget it is undetermined which assets will be disposed during the financial year.

Investments

Long term investments moved to current investments as the maturity date was less than 12 months.

Borrowing long term/ refinancing

Variance does not exceed 10%, no reason required.

Repayment of borrowing

Variance does not exceed 10%, no reason required.

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49. Additional disclosure in terms of Municipal Finance Management Act

49.1 Contributions to organised local government

Current year subscription / fee	2,423,469	2,519,294
Amount paid	(2,302,296)	(2,393,329)
Discount received	(121,173)	(125,965)
	-	-

49.2 Audit fees

Current year audit fee - AGSA	3,109,944	2,851,724
Current year audit fee - Audit committee	220,386	155,097
Amount paid	(3,322,016)	(3,011,645)
	8,314	**(4,824)**

An amount of R24 798 was paid during the 2023/2024 financial year which related to an accrual raised in the 2022/2023 financial year. This accrual was recognised as an expenditure in the 2022/2023 financial year, but only paid in the 2023/2024 financial year. As a result, the audit fees paid exceeds the 2023/2024 audit fee expenditure by R4 824.

49.3 PAYE, UIF and SDL

Current year payroll deductions	47,169,135	43,937,312
Amount paid	(47,169,135)	(43,937,312)
	-	-

49.4 Pension and medical aid deductions

Current year payroll deductions	78,233,550	74,556,097
Amount paid	(78,233,550)	(74,556,097)
	-	-

49.5 VAT

VAT receivable	5,750,092	5,471,068
VAT payable	-	-
	5,750,092	**5,471,068**

All VAT returns have been submitted by the due date throughout the year.

49.6 Councillors' arrear accounts

During the financial year under review no councillor was in arrears with the settlement of municipal services provided by the municipality.

The councillor arrear accounts in respect of Cllrs Ross and Heradien relate to the overpayment of remuneration due to the upward change in the grading of Drakenstein and Witzenberg Local Municipalities. The overpayment to Cllr. Kriel is due to a late notification of termination as chairperson of Municipal Public Accounts Committee (MPAC).

The overpayment of Cllr Goedeman is due to a system error that was subsequently corrected.

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Figures in Rand	2025	2024

49. Additional disclosure in terms of Municipal Finance Management Act (continued)

30 June 2025	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr. J. Kriel	3,853	-	3,853
Cllr. S Goedeman	26,055	-	26,055
Cllr. P. Heradien	-	10,315	10,315
Cllr. S. Ross	-	1,962	1,962
	29,908	**12,277**	**42,185**

In terms of section 167(2) of the MFMA, the municipality must and has the right to recover remuneration paid otherwise than in accordance with the framework of the Remuneration of Public Office-Bearers Act (1998) from political office-bearers and may not write off any expenditure incurred by the municipality in paying or giving such remuneration.

The municipality recovered all overpayments as a result of the upward grading, overpayments upon termination/resignation or incorrect salary payments, except for the above-mentioned councillors. The following actions have been taken by the municipality:

(i) In respect of upward grading of the local municipalities within the district:

A payment arrangement has been entered into with Cllr Ross. The councillor arrear account is currently being recovered through a monthly deduction by Drakenstein Municipality and paid over to CWDM.

A debt collector is currently attending to the councillor arrear account of Cllr Heradien.
However, all previous attempts to trace Cllr Heradien have been unsuccessful.

(ii) In respect of overpayment due to late notification of termination as chairperson of MPAC:

Cllr Kriel has signed an acknowledgement of debt for the overpayment that was made. The overpayment will be deducted from his July 2025 salary.

(iii) In respect of overpayments due to a system error:

Cllr Goedeman has signed an acknowledgement of debt for the overpayment that was made. The overpayment will be deducted from his salary on a monthly basis.

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Figures in Rand	2025	2024

49. Additional disclosure in terms of Municipal Finance Management Act (continued)

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr. Z.L Gwada	-	2,463	2,463
Cllr. S. Ross	-	4,387	4,387
Cllr. S.W. Nyamana	-	769	769
Cllr. P Heradien (resigned 10/12/2014)	-	10,315	10,315
Cllr. C. Mcako (resigned 29/06/2016)	-	1,138	1,138
Cllr. S.S. Magqazana	-	742	742
Cllr. L.N. Qoba	-	107	107
Cllr. G.J.Carinus	5,123	-	5,123
Cllr. D.D.Joubert	2,700	-	2,700
Cllr. N.M.Bushwana	316	-	316
Cllr. E.Groenewald	3,277	-	3,277
Cllr. V.Hani	1,100	-	1,100
Cllr. D.B.Janse	316	-	316
Cllr. J.J.J.Januarie	316	-	316
Cllr. J.Maliti	1,085	-	1,085
Cllr. X.L.Mdemka	3,277	-	3,277
Cllr. T.R.Mpulanyana	1,106	-	1,106
Cllr. R.S.Nalumango	316	-	316
Cllr. L.Ngwane	1,107	-	1,107
Cllr. N.Phatsoane	316	-	316
Cllr. W.C.Petersen	3,277	-	3,277
Cllr. C.F.Wilskut	316	-	316
Cllr. M.H.Yabo	1,085	-	1,085
Cllr. J.H.P. Steyn	2,446	-	2,446
	27,479	**19,921**	**47,400**

In terms of section 167(2) of the MFMA, the municipality must and has the right to recover remuneration paid otherwise than in accordance with the framework of the Remuneration of Public Office-Bearers Act (1998) from political office-bearers and may not write off any expenditure incurred by the municipality in paying or giving such remuneration.

The municipality had recovered all overpayments as a result of the upward grading, overpayments upon termination/resignation or incorrect backpay payments, except for the above-mentioned councillors. The following actions have been taken by the municipality:

(i) In respect of upward grading of the local municipalities within the district:

Legal action has been instituted against Cllrs Ross and Heradien for the recovery of the arrear debt. These legal processes are currently underway.

During the debt collection process, it was confirmed that Cllr Gwada is deceased. All attempts to recover the arrear debt from his deceased estate have been unsuccessful. The likelihood of this debt being recovered is remote.

During the debt collection process, it was confirmed that the estimated cost to recover the arrear debt from Cllr Nyamana is R2 800. The arrear debt owed is R769, thus it is not economically viable for the municipality to recover this debt.

(ii) In respect of overpayment due to late notification of termination:

During the debt collection process, it was confirmed that Cllr Mcako is deceased. All attempts to recover the arrear debt from his deceased estate have been unsuccessful. The likelihood of this debt being recovered is remote.

(iii) In respect of overpayments due to termination / resignation:

Cllrs Magqazana and Qoba have been handed over for the institution of legal action.

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49. Additional disclosure in terms of Municipal Finance Management Act (continued)

(iv) In respect of overpayments related to backpay:

These councillors have agreed to a repayment period of two months and the repayments will be made at the end of July and August 2024. These repayments will be deducted directly from their monthly salaries. Refer to note 44.

(v) Application for departure from section 167 of the MFMA:

The municipality has submitted an application to the Minister of Finance, for the departure from section 167 of the MFMA, specifically section 167(2)(b), which does not allow the write off of the arrear debt accounts of the councillors.

The application specifically refers to Cllrs Gwada and Mcako who are deceased and the likelihood of recovery from their deceased estates is remote as well as Cllr Nyamana whose arrear debt recovery is not economically viable for the municipality as indicated above.

Should the departure from section 167 of the MFMA be approved, the municipality will follow its Credit Control and Debt Collection Policy for the write off of these three arrear debt accounts.

49.7 Disclosures by municipality on intergovernmental and other allocations

Allocations made to municipalities

Section 123 of the MFMA determines that the municipality must disclose information on any allocations made by the municipality to another municipality. The following allocations were made to local municipalities within the CWDM demarcation for projects as identified by the respective local municipality in terms of service level agreements:

Breede Valley Municipality	663,000	1,726,000
Drakenstein Municipality	699,000	798,000
Langeberg Municipality	600,000	672,000
Stellenbosch Municipality	669,000	638,000
Witzenberg Municipality	136,000	822,000
	2,767,000	**4,656,000**

50. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of nine major functional areas. The functional areas make up segments of the three strategic objectives of the municipality.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Community development and planning services	Creating an environment and forging partnerships that ensure social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District
Technical services	Promoting sustainable infrastructure services and a transport system that foster social and economic opportunities.

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50. Segment information (continued)

2025

	Community development and planning services	Technical services	Non-reportable	Total
Revenue				
Revenue from exchange transactions				
Service charges	407,859	-	-	407,859
Rental of facilities and equipment	-	-	258,751	258,751
Roads services	-	109,471,321	11,995,652	121,466,973
Other income	867,768	45,438	680,317	1,593,523
Interest received	-	2,922,675	83,643,092	86,565,767
Revenue from non- exchange transactions				
Transfer revenue				
Government grant & subsidies	1,564,566	7,160,543	264,660,000	273,385,109
Total segment revenue	**2,840,193**	**119,599,977**	**361,237,812**	**483,677,982**
Expenditure				
Employee related cost	103,561,062	70,953,839	51,426,608	225,941,509
Remuneration to councillors	-	-	15,244,600	15,244,600
Depreciation and amortisation	4,136,238	1,654,866	2,784,088	8,575,192
Lease rentals on operating lease	4,800	-	275,766	280,566
Loss on impairment	-	-	73,197	73,197
Debt impairment	-	-	243,960	243,960
Finance costs	-	-	18,382,399	18,382,399
Bad debt written off	-	-	94,278	94,278
Contracted services	23,362,908	10,426,098	17,330,897	51,119,903
Transfers and subsidies	9,477,282	2,709,259	2,000,000	14,186,541
Loss on disposal of assets	49,084	220,302	76,160	345,546
Inventories losses/ write downs	-	-	175,864	175,864
General expenditure	12,860,419	55,503,246	29,449,863	97,813,528
Total segment expenditure	**153,451,793**	**141,467,610**	**137,557,680**	**432,477,083**
Surplus/(deficit)				**51,200,899**
Assets				
Non- current assets				
Property, plant and equipment	5,752,306	93,624,245	5,035,269	104,411,820
Total additions to non- current assets	**5,752,306**	**93,624,245**	**5,035,269**	**104,411,820**

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50. Segment information (continued)

2024

	Community development and planning services	Technical services	Non-reportable	Total
Revenue				
Revenue from exchange transactions				
Service charges	88,132	-	-	88,132
Rental of facilities and equipment	-	-	264,803	264,803
Roads services	-	103,371,931	11,375,403	114,747,334
Other income	818,913	41,667	525,150	1,385,730
Interest revenue - Investment	-	4,438,814	85,523,055	89,961,869
Revenue from non- exchange transactions				
Transfer revenue				
Government grant & subsidies	3,440,786	4,334,162	259,729,000	267,503,948
Total segment revenue	**4,347,831**	**112,186,574**	**357,417,411**	**473,951,816**
Expenditure				
Employee related cost	99,478,586	69,703,610	66,762,323	235,944,519
Remuneration of councillors	-	-	14,587,376	14,587,376
Depreciation and amortisation	5,784,194	2,787,378	3,146,288	11,717,860
Lease rentals on operating lease	-	-	275,766	275,766
Debt impairment	-	-	3,688	3,688
Finance costs	-	-	13,713,060	13,713,060
Contracted services	36,188,510	8,146,837	16,132,867	60,468,214
Transfers and subsidies	8,717,530	2,577,007	2,500,000	13,794,537
Loss on disposal of assets	232,093	1,889,553	101,029	2,222,675
Inventories losses / write- downs	-	-	160,819	160,819
General expenses	15,913,098	52,041,902	29,021,522	96,976,522
Total segment expenditure	**166,314,011**	**137,146,287**	**146,404,738**	**449,865,036**
Surplus/(deficit)				**24,086,780**
Assets				
Property, plant and equipment	28,367,116	8,804,072	2,365,740	39,536,928
Intangible assets	-	153,000	-	153,000
Total additions to non- current assets	**28,367,116**	**8,957,072**	**2,365,740**	**39,689,928**

Measurement of segment surplus or deficit

Basis of accounting for transactions between reportable segments

The accounting policies of the reportable segments are the same as those described in the significant accounting policies of the municipality. Refer to note 1.

Information about geographical areas

Although the municipality operates in a number of geographical areas, it is irrelevant for users of the financial statements as the municipality's geographical areas of operation can be seen as a single geographical area when deciding how to allocate resources.

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51. Capital commitments

The below amounts are all inclusive of VAT:

Approved and contracted for		
Property, plant and equipment - Buildings	-	-
Property, plant and equipment - Infrastructure	4,151,000	104,305,616
	4,151,000	**104,305,616**

2024/2025

An amount of R4 151 000 has been committed in respect of tender T2023/022 for the development and construction of a regional landfill site. The completion of this project requires the services of a consulting engineer, who has been appointed on a tariff basis, for the finalisation of the outstanding commitment.

2023/2024

The amount of R104 305 616 relates to tenders T2021/057 (2024: R285 365) and T2023/022 (2024: R104 020 250) respectively for the development and construction of a regional landfill site.

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52. Prior period errors

The prior year has been amended to account for prior period errors.

Statement of Financial Position

	Audited	Prior year error	Reclassi-fications	Restated
Assets				
Current Assets				
Cash and cash equivalents	424,247,165	-	-	424,247,165
Trade receivables from exchange transactions	11,649	-	-	11,649
Other receivables from exchange transactions	42,576,314	(14,067,765)	-	28,508,549
Receivables from non-exchange transactions	132,432	-	-	132,432
Inventories	2,370,340	-	-	2,370,340
VAT receivable	5,471,068	-	-	5,471,068
	474,808,968	**(14,067,765)**	**-**	**460,741,203**
Non-Current Assets				
Property, plant and equipment	184,465,537	(854,078)	-	183,611,459
Intangible assets	435,320	(123,035)	-	312,285
Other receivables from exchange transactions	45,438,229	-	-	45,438,229
Investments	378,000,000	-	-	378,000,000
	608,339,086	**(977,113)**	**-**	**607,361,973**
Total Assets	**1,083,148,054**	**(15,044,878)**	**-**	**1,068,103,176**
Liabilities				
Current Liabilities				
Payables from exchange transactions and other	6,353,814	129,840	-	6,483,654
Unspent conditional grants and receipts	6,668,277	-	-	6,668,277
Provisions	25,698	-	-	25,698
Employee benefit obligation	40,708,809	-	-	40,708,809
	53,756,598	**129,840**	**-**	**53,886,438**
Non-Current Liabilities				
Employee benefit obligation	154,540,214	-	-	154,540,214
	154,540,214	**-**	**-**	**154,540,214**
Total Liabilities	**208,296,812**	**129,840**	**-**	**208,426,652**
Net Assets	**874,851,242**	**(15,174,718)**	**-**	**859,676,524**
Accumulated surplus	874,851,242	(15,174,718)	-	859,676,524

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52. Prior period error (continued)

52.1 Other receivables from exchange transactions

Balance previously reported	42,576,314
(i) Roads services (WCG Department of Infrastructure)	(14,538,115)
(ii) Insurance claims	(9,650)
(iii) Other receivables (Overpayment)	480,000
	28,508,549

(i) A prior period error was identified and corrected, relating to the duplication of post-retirement medical aid reimbursements. Upon assessment it was identified that revenue from exchange transactions and other receivables from exchange transactions, roads services (WCG Department of Infrastructure), was overstated for the financial years 2019/2020 to 2021/2022. The total correction amounts to R 14 538 115 and also impacted the accumulated surplus as at the beginning of the comparative period.

(ii) It was identified that insurance claims dated 15 August 2012 and 23 August 2012 were incorrectly recorded under insurance claims. These claims were recorded despite no loss agreement having been signed between the municipality and the insurer. The total correction amounts to R9 650 and also impacted the accumulated surplus as at the beginning of the comparative period.

(iii) Expenditure for the period 01 July 2022 to 31 March 2025 was incurred under the Revised Telecommunications and Cellular Phone Allowance Policy. The Council subsequently reviewed and amended the approved cellular phone and data allowances, which resulted in an overpayment to be recovered. The correction of this error resulted in the adjustment of both other receivables by R480 000 and a restatement of the opening accumulated surplus by R240 000. Furthermore, employee-related costs were overstated by R240 000 in the 2023/2024 financial year and have been adjusted accordingly.

52.2 Property, plant and equipment

Balance previously reported	184,465,537
(i) Motor vehicles - Cost (Maintenance plan)	(882,600)
(i) Motor vehicles - Accumulated depreciation (Maintenance plan)	149,545
(ii) Motor vehicles - Cost (Insurance)	(100,320)
(ii) Motor vehicles - Accumulated depreciation (Insurance)	72,003
(iii) Other property, plant and equipment - Cost (Cellphone)	3,470
(iii) Other property, plant and equipment - Accumulated depreciation (Cellphone)	(487)
(iv) Buildings - Additions (Architectural cost))	(89,968)
(v) Other property, plant and equipment - Accumulated depreciation (Inverter)	(3,935)
(vi) Buildings - Accumulated depreciation (Montague Office)	(1,786)
	183,611,459

(i) During the 2023/2024 financial year, it was identified that vehicle maintenance plan costs had been incorrectly classified as capital expenditure instead of operational expenditure. This misclassification impacted the financial statements as follows: the opening balance of cost was overstated by R882 600 (comprising R630 485 and R252 115), the opening balance of accumulated depreciation was overstated by R149 545 (comprising R111 252 and R38 293), depreciation for the 2023/2024 financial year was overstated by R38 293 and as a result, the accumulated surplus was understated by R733 055.

(ii) A motor vehicle was written off by the insurance, with the date of loss occurring within the 2023/2024 financial year. The error impacted the financial statements as follows: the cost was overstated by R100 320, accumulated depreciation by R72 003 (comprising R355 and R71 648), and the loss on disposal by R 28 672 as well as the accumulated surplus by R28 318.

(iii) A cell phone that had previously been written off as a missing asset was later recovered, and the necessary correction was processed. This adjustment affected the 2023/2024 financial year as follows: the cost of assets increased by R3 470, accumulated depreciation increased by R487, and the accumulated surplus increased by R2 983.

(iv) Architectural costs related to certain work-in-progress projects were expensed, as these projects were put on hold due to the planned transfer of the Roads Function to the WCG, Department of Infrastructure. This adjustment, made in the 2023/2024 financial year, resulted in a decrease in the cost of assets by R89 968 and an increase in contracted services by R89 968. As a result, the accumulated surplus decreased by R89 968.

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52. Prior period error (continued)

(v) The installation cost of an inverter was erroneously allocated to the wrong asset—another inverter. As a result, the 2023/2024 financial year was affected as follows: accumulated depreciation increased by R3 935, depreciation expense increased by R3 935, and the accumulated surplus decreased by R3 935.

(vi) A building in Montagu was subdivided, causing rounding differences in the depreciation calculations. This error led to the following adjustments for the 2023/2024 financial year: the opening balance of accumulated depreciation was adjusted by R1 703; accumulated depreciation and depreciation expense were each impacted by R83; and the accumulated surplus was adjusted by R1 786.

52.3 Intangible assets

Balance previously reported	435,320
(i) Computer software (Performance Management System) - Cost	(144,000)
(i) Computer software (Performance Management System) - Amortisation	20,628
(i) Computer software (Performance Management System) - Accumulated amortisation	337
	312,285

(i) The cost of acquiring the performance management system was incorrectly capitalised. Since the expenditure related solely to a right of use, with no ownership transferred to the municipality, it should have been recorded as an expense. The correction impacted the opening balance of the cost of assets by R144 000 and the opening balance of accumulated amortisation by R337. Additionally, amortisation for the 2023/2024 financial year was adjusted by R20 628, resulting in a corresponding accumulated surplus adjustment of R123 034.

52.4 Payables from exchange transactions and other

Balance previously reported	6,353,814
(i) Retention	129,840
	6,483,654

(i) During the current financial year, a contractor submitted a retention claim in accordance with the terms of a previously concluded contract. Upon assessment, it was identified that the associated liability had not been recognised in prior years, despite a contractual obligation existing at the time the expenditure was incurred and the retention condition being established. The correction of this error resulted in the recognition of a previously unrecorded retention amounting to R129 840, and a restatement of the opening accumulated surplus, which was reduced by R121 778 as at the beginning of the comparative period. Furthermore, contracted services were understated by R8 062 in the 2023/2024 financial year and have been adjusted accordingly.

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52. Prior period error (continued)

52.5 Accumulated surplus

Balance previously reported	874,851,242
(i) Roads agency (WCG Department of Infrastructure)	(14,538,115)
(ii) Vehicle maintenance - Cost (Maintenance plan)	(882,600)
(ii) Vehicle maintenance - Accumulated depreciation (Maintenance plan)	149,545
(iii) Retention	(129,840)
(iv) Other vehicles - Motor vehicles (Insurance)	(28,318)
(v) Other property, plant and equipment - Disposals (Cellphone)	2,983
(vi) Insurance claims	(9,650)
(vii) Intangible asset - Disposals (Performance management system)	(123,034)
(viii) Contracted services - Consultants and professional services (Architect cost)	(89,968)
(ix) Telephone	480,000
(x) Other property, plant and equipment - Accmulated depreciation (Inverter)	(3,935)
(xi) Buildings- Accumulated depreciation (Montagu office)	(1,786)
	859,676,524

(i) A prior period error was identified and corrected, relating to the duplication of post-retirement medical aid reimbursements. Upon assessment it was identified that revenue from exchange transactions and other receivables from exchange transactions, roads services (WCG Department of Infrastructure), was overstated for the financial years 2019/2020 to 2021/2022. The total correction amounts to R 14 538 115 and also impacted the accumulated surplus as at the beginning of the comparative period.

(ii) During the 2023/2024 financial year, it was identified that vehicle maintenance plan costs had been incorrectly classified as capital expenditure instead of operational expenditure. This misclassification impacted the financial statements as follows: the opening balance of cost was overstated by R882 600 (comprising R630 485 and R252 115), the opening balance of accumulated depreciation was overstated by R149 545 (comprising R111 252 and R38 293), depreciation for the 2023/2024 financial year was overstated by R38 293 and as a result, the accumulated surplus was understated by R733 055.

(iii) During the current financial year, a contractor submitted a retention claim in accordance with the terms of a previously concluded contract. Upon assessment, it was identified that the associated liability had not been recognised in prior years, despite a contractual obligation existing at the time the expenditure was incurred and the retention condition being established. The correction of this error resulted in the recognition of a previously unrecorded retention amounting to R129 840, and a restatement of the opening accumulated surplus, which was reduced by R121 778 as at the beginning of the comparative period. Furthermore, contracted services were understated by R8 062 in the 2023/2024 financial year and have been adjusted accordingly.

(iv) A motor vehicle was written off by the insurance, with the date of loss occurring within the 2023/2024 financial year. The error impacted the financial statements as follows: the cost was overstated by R100 320, accumulated depreciation by R72 003 (comprising R355 and R71 648), and loss on disposal by R 28 672 as well as the accumulated surplus by R28 318.

(v) A cell phone that had previously been written off as a missing asset was later recovered, and the necessary correction was processed. This adjustment affected the 2023/2024 financial year as follows: the cost of assets increased by R3 470, accumulated depreciation increased by R487, and the accumulated surplus increased by R2 983.

(vi) It was identified that insurance claims dated 15 August 2012 and 23 August 2012 were incorrectly recorded under insurance claims. These claims were recorded despite no loss agreement having been signed between the municipality and the insurer. The total correction amounts to R9 650 and also impacted the accumulated surplus as at the beginning of the comparative period.

(vii) The cost of acquiring the performance management system was incorrectly capitalised. Since the expenditure related solely to a right of use, with no ownership transferred to the municipality, it should have been recorded as an expense. The correction impacted the opening balance of the cost of assets by R144 000 and the opening balance of accumulated amortisation by R337. Additionally, amortisation for the 2023/2024 financial year was adjusted by R20 628, resulting in a corresponding accumulated surplus adjustment of R123 034.

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52. Prior period error (continued)

(viii) Architectural costs related to certain work-in-progress projects were expensed, as these projects were put on hold due to the planned transfer of the Roads Function to the WCG, Department of Infrastructure. This adjustment, made in the 2023/2024 financial year, resulted in a decrease in the cost of assets by R89 968 and an increase in contracted services by R89 968. As a result, the accumulated surplus decreased by R89 968.

(ix) Expenditure for the period 01 July 2022 to 31 March 2025 was incurred under the Revised Telecommunications and Cellular Phone Allowance Policy. The Council subsequently reviewed and amended the approved cellular phone and data allowances, which resulted in an overpayment to be recovered. The correction of this error resulted in the adjustment of both other receivables by R480 000 and a restatement of the opening accumulated surplus by R240 000. Furthermore, employee-related costs were overstated by R240 000 in the 2023/2024 financial year and have been adjusted accordingly.

(x) The installation cost of an inverter was erroneously allocated to the wrong asset—another inverter. As a result, the 2023/2024 financial year was affected as follows: accumulated depreciation increased by R3 935, depreciation expense increased by R3 935, and the accumulated surplus decreased by R3 935.

(xi) A building in Montagu was subdivided, causing rounding differences in the depreciation calculations. This error led to the following adjustments for the 2023/2024 financial year: the opening balance of accumulated depreciation was adjusted by R1 703; accumulated depreciation and depreciation expense were each impacted by R83; and the accumulated surplus was adjusted by R1 786.

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52. Prior period error (continued)

Statement of Financial Performance

	Audited	Prior year error	Reclassifi.	Restated
Revenue				
Revenue from exchange transactions				
Service charges	88,132	-	-	88,132
Rental of facilities and equipment	264,803	-	-	264,803
Roads services	114,747,334	-	-	114,747,334
Other income	1,385,730	-	-	1,385,730
Interest received	89,961,869	-	-	89,961,869
	206,447,868	**-**	**-**	**206,447,868**
Revenue from non-exchange transactions				
Transfer revenue				
Government grants and subsidies	267,503,948	-	-	267,503,948
Total revenue	**473,951,816**	**-**	**-**	**473,951,816**
Expenditure				
Employee-related costs	(236,184,518)	240,000	-	(235,944,518)
Remuneration of councillors	(14,587,375)	-	-	(14,587,375)
Finance costs	(13,713,060)	-	-	(13,713,060)
Depreciation and amortisation	(11,773,119)	55,258	-	(11,717,861)
Lease rentals on operating lease	(275,766)	-	-	(275,766)
Loss on disposal of assets and liabilities	(2,196,986)	(25,688)	-	(2,222,674)
Debt impairment	(3,688)	-	-	(3,688)
Inventories losses/write-downs	(160,819)	-	-	(160,819)
Contracted services	(60,118,069)	(350,146)	-	(60,468,215)
Transfers and subsidies	(13,794,537)	-	-	(13,794,537)
General expenses	(96,976,519)	-	-	(96,976,519)
Total expenditure	**(449,784,456)**	**(80,576)**	**-**	**(449,865,032)**
Surplus for the year	**24,167,360**	**(80,576)**	**-**	**24,086,784**

52.6 Employee-related costs

Balance previously reported	(236,184,518)
(i) Telephone	240,000
	(235,944,518)

(i) Expenditure for the period 01 July 2022 to 31 March 2025 was incurred under the Revised Telecommunications and Cellular Phone Allowance Policy. The Council subsequently reviewed and amended the approved cellular phone and data allowances, which resulted in an overpayment to be recovered. The correction of this error resulted in the adjustment of both other receivables by R480 000 and a restatement of the opening accumulated surplus by R240 000. Furthermore, employee-related costs were overstated by R240 000 in the 2023/2024 financial year and have been adjusted accordingly.

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52. Prior period error (continued)

52.7 Depreciation and amortisation

Balance previously reported	(11,773,119)
(i) Depreciation - Motor vehicles (Maintenance plans)	38,293
(ii) Depreciation - Motor vehicles (Insurance vehicle)	355
(iii) Depreciation - Other property, plant and equipment (Inverter)	(3,935)
(iv) Amortisation - Computer software (Performance management system)	20,628
v) Depreciation - Buildings (Montagu office)	(83)
	(11,717,861)

(i) During the 2023/2024 financial year, it was identified that vehicle maintenance plan costs had been incorrectly classified as capital expenditure instead of operational expenditure. This misclassification impacted the financial statements as follows: the opening balance of cost was overstated by R882 600 (comprising R630 485 and R252 115), the opening balance of accumulated depreciation was overstated by R149 545 (comprising R111 252 and R38 293), depreciation for the 2023/2024 financial year was overstated by R38 293 and as a result, the accumulated surplus was understated by R733 055.

(ii) A motor vehicle was written off by the insurance, with the date of loss occurring within the 2023/2024 financial year. The error impacted the financial statements as follows: the cost was overstated by R100 320, accumulated depreciation by R72 003 (comprising R355 and R71 648), and loss on disposal by R 28 672 as well as the accumulated surplus by R28 318.

(iii) The installation cost of an inverter was erroneously allocated to the wrong asset—another inverter. As a result, the 2023/2024 financial year was affected as follows: accumulated depreciation increased by R3 935, depreciation expense increased by R3 935, and the accumulated surplus decreased by R3 935.

(iv) The cost of acquiring the performance management system was incorrectly capitalised. Since the expenditure related solely to a right of use, with no ownership transferred to the municipality, it should have been recorded as an expense. The correction impacted the opening balance of the cost of assets by R144 000 and the opening balance of accumulated amortisation by R337. Additionally, amortisation for the 2023/2024 financial year was adjusted by R20 628, resulting in a corresponding accumulated surplus adjustment of R123 034.

(v) A building in Montagu was subdivided, causing rounding differences in the depreciation calculations. This error led to the following adjustments for the 2023/2024 financial year: the opening balance of accumulated depreciation was adjusted by R1 703; accumulated depreciation and depreciation expense were each impacted by R83; and the accumulated surplus was adjusted by R1 786.

52.8 Contracted services

Balance previously reported	(60,118,070)
(i) Maintenance of buildings, facilities, equipment and unspecified assets (Maintenance plans)	(252,115)
(ii) Infrastructure and planning (Retention)	(8,062)
(iii) Infrastructure and planning (Architectural costs)	(89,968)
	(60,468,215)

(i) During the 2023/2024 financial year, it was identified that vehicle maintenance plan costs had been incorrectly classified as capital expenditure instead of operational expenditure. This misclassification impacted the financial statements as follows: the opening balance of cost was overstated by R882 600 (comprising R630 485 and R252 115), the opening balance of accumulated depreciation was overstated by R149 545 (comprising R111 252 and R38 293), depreciation for the 2023/2024 financial year was overstated by R38 293 and as a result, the accumulated surplus was understated by R733 055.

(ii) During the current financial year, a contractor submitted a retention claim in accordance with the terms of a previously concluded contract. Upon assessment, it was identified that the associated liability had not been recognised in prior years, despite a contractual obligation existing at the time the expenditure was incurred and the retention condition being established. The correction of this error resulted in the recognition of a previously unrecorded retention amounting to R129 840, and a restatement of the opening accumulated surplus, which was reduced by R121 778 as at the beginning of the comparative period. Furthermore, contracted services were understated by R8 062 in the 2023/2024 financial year and have been adjusted accordingly.

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52. Prior period error (continued)

(iii) Architectural costs related to certain work-in-progress projects were expensed, as these projects were put on hold due to the planned transfer of the Roads Function to the WCG, Department of Infrastructure. This adjustment, made in the 2023/2024 financial year, resulted in a decrease in the cost of assets by R89 968 and an increase in contracted services by R89 968. As a result, the accumulated surplus decreased by R89 968.

52.9 Loss on disposal of assets

Balance previously reported	(2,196,986)
(i) Motor vehicles (Insurance)	(28,672)
(ii) Other property, plant and equipment (Cellphone)	2,984
	(2,222,674)

(i) A motor vehicle was written off by the insurance, with the date of loss occurring within the 2023/2024 financial year. The error impacted the financial statements as follows: the cost was overstated by R100 320, accumulated depreciation by R72 003 (comprising R355 and R71 648), and loss on disposal by R 28 672 as well as the accumulated surplus by R28 318.

(ii) A cell phone that had previously been written off as a missing asset was later recovered, and the necessary correction was processed. This adjustment affected the 2023/2024 financial year as follows: the cost of assets increased by R3 470, accumulated depreciation increased by R487, and the accumulated surplus increased by R2 984.

52.10 Disclosures in terms of the Municipal Supply Chain Management Regulations, 2005

(i) **Regulation 36(2)- Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)**

2024	Total Transactions Value (incl. VAT)	Emergency	Sole Supplier/ Agent	Impractical
Balance previously reported	4,579,332	5	19	57
June	3,516,969	-	-	1
	8,096,301	**5**	**19**	**58**

An amount of R3 516 969 for Telkom SOC Ltd was erroneously omitted in the disclosure of Regulation 36(2) awards made for the 2023/2024 financial year and has been corrected. Details are included in note 53.1.

(ii) **Regulation 45 - Particulars of awards of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months.**

Balance previously reported	-	26,741,388
Piston Power Chemicals Close Corporation	-	(387,803)
	-	**26,353,585**

In the case of Piston Power Chemicals Close Corporation, the amount of R387 803 was erroneously included and therefore the disclosure of the 2023/2024 financial year was adjusted. The prior year comparative amount was restated during the 2024/2025 financial year. Details are included in note 53.2.

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52. Prior period error (continued)

Cashflow statement

	Audited	Prior year error	Reclassifications	Restated
Cash flows from operating activities				
Receipts				
Sale of goods and services	122,648,881	(192,461)	-	122,456,420
Grants	267,503,948	4,708,435	-	272,212,383
Interest income	56,762,196	-	-	56,762,196
	446,915,025	**4,515,974**	**-**	**451,430,999**
Payments				
Employee-related cost	(236,963,840)	240,000	-	(236,723,840)
Suppliers	(166,612,717)	(5,098,059)	-	(171,710,776)
Remuneration of councillors	(14,614,854)	-	-	(14,614,854)
	(418,191,411)	**(4,858,059)**		**(423,049,470)**
Net cash flows from operating activities	**28,723,614**	**(342,086)**		**28,381,529**
Cash flows from investing activities				
Purchase of property, plant and equipment	(47,865,242)	342,086	-	(47,523,156)
Proceeds from sale of property, plant and equipment	-	-	-	-
Purchase of intangible assets	(153,000)	-	-	(153,000)
Net cash flows from investing activities	**(48,018,242)**	**342,086**		**(47,676,156)**
Cash flows from financing activities				
Investments	(200,000,000)	-	-	(200,000,000)
Other financial liabilities	-	-	-	-
Net cash flows from financing activities	**(200,000,000)**	**-**		**(200,000,000)**
Net increase / (decrease) in cash and cash equivalents	**(219,294,628)**	**-**	**-**	**(219,294,627)**
Cash and cash equivalents at the beginning of the year	643,541,787	-	-	643,541,787
Cash and cash equivalents at the end of the year	**424,247,159**	**-**	**-**	**424,247,160**

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52. Prior period error (continued)

52.11 Cash flow statement

Net cash flows from operating activities		
Balance previously reported	-	28,723,614
(i) Sale of goods and services	-	(192,461)
(ii) Grants	-	4,708,435
(iii) Employee-related cost	-	240,000
(iv) Suppliers	-	(5,098,059)
	-	**28,381,529**
Net cash flows from investing activities		
Balance previously reported	-	(48,018,242)
(v) Purchase of property, plant and equipment	-	342,086
	-	**(47,676,156)**
Net cash flows from financing activities		
Balance as previously reported	-	(200,000,000)
Net increase / (decrease) in cash and cash equivalents	-	(219,294,627)
Cash and cash equivalents at the beginning of the year	-	643,541,787
Cash and cash equivalents at the end of the year	**-**	**424,247,160**

(i) It was identified that the movement in receivables from non-exchange transactions (grants and subsidies) was incorrectly classified as cash receipts from the sale of goods and services instead of receipts from grants. This error resulted in an overstatement of receipts from grants with R47 540 and an understatement of receipts from the sale of goods and services with R47 540.

(i) Expenditure for the period 01 July 2022 to 31 March 2025 was incurred under the Revised Telecommunications and Cellular Phone Allowance Policy. The Council subsequently reviewed and amended the approved cellular phone and data allowances, which resulted in an overpayment to be recovered. The correction of this error resulted in the adjustment of both other receivables by R480 000 and a restatement of the opening accumulated surplus by R240 000. Furthermore, employee-related costs were overstated by R240 000 in the 2023/2024 financial year and have been adjusted accordingly.

(ii) It was identified that the movement in unspent conditional grants and receipts was incorrectly classified as cash paid to suppliers instead of as receipts from grants. This error resulted in an understatement of receipts from grants with R4 755 975 and an understatement of payments to suppliers with R4 755 975.

(ii) It was identified that the movement in receivables from non-exchange transactions (grants and subsidies) was incorrectly classified as cash receipts from the sale of goods and services instead of receipts from grants. This error resulted in an overstatement of receipts from grants with R47 540 and an understatement of receipts from the sale of goods and services with R47 540.

(iii) Expenditure for the period 01 July 2022 to 31 March 2025 was incurred under the Revised Telecommunications and Cellular Phone Allowance Policy. The Council subsequently reviewed and amended the approved cellular phone and data allowances, which resulted in an overpayment to be recovered. The correction of this error resulted in the adjustment of both other receivables by R480 000 and a restatement of the opening accumulated surplus by R240 000. Furthermore, employee-related costs were overstated by R240 000 in the 2023/2024 financial year and have been adjusted accordingly.

(iv) It was identified that the movement in unspent conditional grants and receipts was incorrectly classified as cash paid to suppliers instead of as receipts from grants. This error resulted in an understatement of receipts from grants with R4 755 975 and an understatement of payments to suppliers with R4 755 975.

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Figures in Rand	2025	2024

52. Prior period error (continued)

(iv) Architectural costs related to certain work-in-progress projects were expensed, as these projects were put on hold due to the planned transfer of the Roads Function to the Western Cape Government (WCG) Department of Infrastructure. This adjustment, made in the 2023/2024 financial year, resulted in a decrease in the cost of assets by R89 968 and an increase in contracted services by R89 968. As a result, the accumulated surplus decreased by R89 968.

(iv) During the 2023/2024 financial year, it was identified that vehicle maintenance plan costs had been incorrectly classified as capital expenditure instead of operational expenditure. This misclassification impacted the financial statements as follows: the opening balance of cost was overstated by R882 600 (comprising R630 485 and R252 115), the opening balance of accumulated depreciation was overstated by R149 545 (comprising R111 252 and R38 293), depreciation for the 2023/2024 financial year was overstated by R38 293 and as a result, the accumulated surplus was understated by R733 055.

(v) Architectural costs related to certain work-in-progress projects were expensed, as these projects were put on hold due to the planned transfer of the Roads Function to the Western Cape Government (WCG) Department of Infrastructure. This adjustment, made in the 2023/2024 financial year, resulted in a decrease in the cost of assets by R89 968 and an increase in contracted services by R89 968. As a result, the accumulated surplus decreased by R89 968.

(v) During the 2023/2024 financial year, it was identified that vehicle maintenance plan costs had been incorrectly classified as capital expenditure instead of operational expenditure. This misclassification impacted the financial statements as follows: the opening balance of cost was overstated by R882 600 (comprising R630 485 and R252 115), the opening balance of accumulated depreciation was overstated by R149 545 (comprising R111 252 and R38 293), depreciation for the 2023/2024 financial year was overstated by R38 293 and as a result, the accumulated surplus was understated by R733 055.

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Figures in Rand	2025	2024

53. Disclosures in terms of the Municipal Supply Chain Management Regulations, 2005

53.1 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b).

			No. of awards based on nature / reason	
2025	**Estimated value (incl. VAT)**	**Emergency**	**Sole Supplier/ Agent**	**Impractical**
July	501,324.05	-	2	2
August	2,061,108.59	-	1	1
September	108,199.00	-	3	2
October	38,143.00	-	2	-
November	47,102.40	-	2	-
December	-	-	-	-
January	305,241.56	-	-	2
February	160,622.42	-	2	-
March	-	-	-	-
April	717,121.38	-	1	1
May	229,207.26	-	2	1
June	362,100.00	-	2	1
	4,530,169.66	**0**	**17**	**10**

			No. of awards based on nature / reason	
2024	**Estimated value (incl. VAT)**	**Emergency**	**Sole Supplier/ Agent**	**Impractical**
July	2,919,488.70	-	4	3
August	-	-	-	-
September	-	-	-	-
October	145,684.48	-	4	1
November	10,960.56	-	1	-
December	-	-	-	-
January	-	-	-	-
February	125,893.95	-	1	-
March	594,175.67	-	-	1
April	669,966.63	-	3	3
May	14,900.00	-	2	-
June	5,159,189.34	-	2	4
	9,640,259.33	**0**	**17**	**12**

In the current year, the details related to the deviations for the financial year ended 30 June 2024 have been updated to reflect the estimated value at the date of award. In cases where the deviation is "rates-based", the total expenditure incurred at year end has been disclosed.

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53.2 Regulation 45 - Particulars of awards of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months. (Amounts disclosed include VAT)

Supplier	Relationship	Name of Family Member	Name of Institution	Capacity		
M & N Bakwerkwe Close Corporation	Brother/Sister	E Niemand	Cape Winelands District Municipality	Senior Administrator: Quotations & Tenders	19,051	10,000
JPCE (Pty) Ltd	Spouse	JA Minnie	City of Cape Town	Manager: Disaster Management Centre: Safety and Security Directorate	21,563	60,000
NCC Environmental Services Proprietary Limited	Spouse	C Rhoda	City of Cape Town	Manager	4,941,365	8,583,204
Piston Power Chemicals Close Corporation	Spouse	N Andhee	Department of Education	Teacher	-	-
JCB Marine Concepts (PTY)LTD	Father	B Van Rooyen	Western Cape Government	Official	68,045	-
Jah Guide Agriculture Proprietary Limited	Spouse	G Davids	SAPS	Police Official	357,974	741,746
CC Davids T/A Mc Sound and Lightning	Spouse	M Davids	Witzenburg Municipality	Official	22,650	16,900
Neoteric Trading Services (Pty) Ltd	Spouse	AA Jacobs	Matzikama Municipality	Contract employee - Technical Advisor	79,956	-
Ladybugs Innovative Marketing (Pty) Ltd	Spouse	RA Levendal	Department of Correctional Services	Environmental Health Practitioner	21,956	237,827
Nedbank	Spouse	V Subramoney	Department of Education	Teacher	2,957,217	16,190,792

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Figures in Rand					2025	2024
Ducharme Asset Management and Accounting (Pty)Ltd	Spouse	L Mbekeni	Department of Rural Development and Land Reform	Senior Legal Admin Officer	261,619	-
Innovative Transport Solutions	Son	D Pretorius	CSIR	Engineer	1,562,412	381,246
Adapt IT	Spouse	D Mbambo	SANRAL	Operations and Maintenance Manager	138,397	131,870
					10,452,205	**26,353,585**

Annexure "A'

DC2 Cape Winelands DM - Reconciliation of Table A1 Budget Summary

Description	2024/25								2023/24			
R thousands	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Financial Performance												
Property rates	–	–	–	–		–	-	-				–
Service charges	–	–	–	–		–	-	-				–
Investment revenue	80,000	5,000	85,000	86,566		1,566	101.8%	108.2%				–
Transfers recognised - operational	274,545	199	274,744	272,374		(2,370)	99.1%	99.2%				–
Other own revenue	161,864	(12,396)	149,468	153,565		4,097	102.7%	94.9%				–
Total Revenue (excluding capital transfers and contributions)	**516,409**	**(7,198)**	**509,212**	**512,505**		**3,293**	**100.6%**	**99.2%**				**–**
Employee costs	286,665	(15,481)	271,184	256,198	–	(14,986)	94.5%	89.4%	–	–	–	–
Remuneration of councillors	15,946	(319)	15,627	15,245	–	(382)	97.6%	95.6%	–	–	–	–
Debt impairment	100	145	245	244	–	(1)	99.8%	244.0%	–	–	–	–
Depreciation & asset impairment	9,812	2,908	12,720	8,648	–	(4,072)	68.0%	88.1%	–	–	–	–
Finance charges	1,763	1,299	3,062	2,462	–	(600)	80.4%	139.7%	–	–	–	–
Materials and bulk purchases	21,298	11,588	32,885	31,347	–	(1,538)	95.3%	147.2%	–	–	–	–
Transfers and grants	20,389	(4,689)	15,700	14,187	–	(1,513)	90.4%	69.6%	–	–	–	–
Other expenditure	160,436	(2,648)	157,789	133,780	–	(24,009)	84.8%	83.4%	–	–	–	–
Total Expenditure	**516,409**	**(7,198)**	**509,212**	**462,111**	**–**	**(47,101)**	**90.8%**	**89.5%**	**–**	**–**	**–**	**–**
Surplus/(Deficit)	**–**	**–**	**–**	**50,394**		**50,394**	**#DIV/0!**	**#DIV/0!**				**–**
Transfers recognised - capital	1,546	1,746	3,292	807		(2,485)	24.5%	52.2%				–
Contributions recognised - capital & contributed assets	–	–	–	–		–	-	-				–
Surplus/(Deficit) after capital transfers & contributions	**1,546**	**1,746**	**3,292**	**51,201**		**47,909**	**1555.3%**	**3311.8%**				**–**
Share of surplus/ (deficit) of associate	–	–	–	–		–	-	-				–
Surplus/(Deficit) for the year	**1,546**	**1,746**	**3,292**	**51,201**		**47,909**	**1555.3%**	**3311.8%**				**–**
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	1,546	1,746	3,292	807		(2,485)	24.5%	52.2%				–
Public contributions & donations	–	–	–	–		–	-	-				–
Borrowing	–	–	–	90,888		90,888	#DIV/0!	#DIV/0!				–
Internally generated funds	34,633	6,488	41,121	12,717		(28,404)	30.9%	36.7%				–
Total sources of capital funds	**36,179**	**8,234**	**44,413**	**104,412**		**59,999**	**235.1%**	**288.6%**				**–**
Cash flows												
Net cash from (used) operating	(30,182)	48,045	17,863	30,328		12,465	169.8%	-100.5%				–
Net cash from (used) investing	(129,972)	(9,268)	(139,240)	(127,930)		11,310	91.9%	98.4%				–
Net cash from (used) financing	–	83,739	83,739	83,739		–	100.0%	#DIV/0!				–
Cash/cash equivalents at the year end	**184,193**	**202,415**	**386,609**	**410,384**		**23,776**	**106.1%**	**222.8%**				**–**

DC2 Cape Winelands DM - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2024/25								2023/24			
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	**374,610**	**(10,804)**	**363,806**	**376,667**		**12,861**	**103.5%**	**100.5%**				**-**
Executive and council	109,085	(7,200)	101,885	114,680		12,795	112.6%	105.1%				
Budget and treasury office	263,990	(2,404)	261,586	261,573		(13)	100.0%	99.1%				
Corporate services	1,535	(1,200)	335	414		79	123.5%	26.9%				
Community and public safety	**2,349**	**2,102**	**4,451**	**2,840**		**(1,610)**	**63.8%**	**120.9%**				**-**
Community and social services	1,076	2,102	3,178	1,065		(2,113)	33.5%	98.9%				
Sport and recreation	-	-	-	-		-						
Public safety	620	-	620	908		288	146.4%	146.4%				
Housing	-	-	-	-		-	-	-				
Health	653	-	653	868		215	132.9%	132.9%				
Economic and environmental services	**140,996**	**3,251**	**144,247**	**133,805**		**(10,442)**	**92.8%**	**94.9%**				**-**
Planning and development	5,211	151	5,362	4,047		(1,315)	75.5%	77.7%				
Road transport	135,785	3,100	138,885	129,757		(9,127)	93.4%	95.6%				
Environmental protection	-	-	-	-		-						
Trading services	**-**	**-**		**-**		**-**						**-**
Electricity	-	-	-	-		-	-	-				
Water	-	-	-	-		-	-	-				
Waste water management	-	-	-	-		-	-	-				
Waste management	-	-	-	-		-	-	-				
Other	-	-	-	-		-	-	-				
Total Revenue - Standard	**517,955**	**(5,452)**	**512,504**	**513,312**		**808**	**100.2%**	**99.1%**				**-**
Expenditure - Standard												
Governance and administration	**169,517**	**7,156**	**176,673**	**155,255**	**-**	**(21,418)**	**87.9%**	**91.6%**	**-**	**-**	**-**	**-**
Executive and council	51,447	15,747	67,194	56,645	-	(10,549)	84.3%	110.1%			-	
Budget and treasury office	35,102	(4,075)	31,027	29,768	-	(1,259)	95.9%	84.8%			-	
Corporate services	82,968	(4,516)	78,452	68,841	-	(9,611)	87.7%	83.0%			-	
Community and public safety	**144,610**	**(4,288)**	**140,321**	**131,899**	**-**	**(8,422)**	**94.0%**	**91.2%**	**-**	**-**	**-**	**-**
Community and social services	23,640	872	24,512	21,186	-	(3,326)	86.4%	89.6%			-	
Sport and recreation	-	-	-	-	-	-	-	-			-	
Public safety	71,558	(1,422)	70,136	67,652	-	(2,484)	96.5%	94.5%			-	
Housing	-	-	-	-	-	-	-	-			-	
Health	49,411	(3,738)	45,673	43,061	-	(2,611)	94.3%	87.1%			-	
Economic and environmental services	**189,749**	**(8,699)**	**181,050**	**165,556**	**-**	**(15,494)**	**91.4%**	**87.2%**	**-**	**-**	**-**	**-**
Planning and development	44,240	(4,837)	39,404	33,007	-	(6,397)	83.8%	74.6%			-	
Road transport	145,509	(3,862)	141,647	132,549	-	(9,098)	93.6%	91.1%			-	
Environmental protection	-	-	-	-	-	-	-	-			-	
Trading services	**-**	**632**	**632**	**32**	**-**	**(600)**	**5.0%**	**#DIV/0!**	**-**	**-**	**-**	**-**
Electricity	-	-	-	-	-	-	-	-			-	
Water	-	-	-	-	-	-	-	-			-	
Waste water management	-	-	-	-	-	-	-	-			-	
Waste management	-	632	632	32	-	(600)	5.0%	#DIV/0!			-	
Other	12,533	(1,998)	10,535	9,369	-	(1,166)	88.9%	74.8%			-	
Total Expenditure - Standard	**516,409**	**(7,198)**	**509,212**	**462,111**	**-**	**(47,101)**	**90.8%**	**89.5%**	**-**	**-**	**-**	**-**
Surplus/(Deficit) for the year	**1,546**	**1,746**	**3,292**	**51,201**	**-**	**47,909**	**1555.3%**	**3311.8%**	**-**	**-**	**-**	**-**

DC2 Cape Winelands DM - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2024/25								2023/24			
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	–	–	–	–		–	-	-				
Vote 2 - COMM AND DEV	–	–	–	–		–	-	-				
Vote 3 - ENGINERING	–	–	–	–		–	-	-				
Vote 4 - RURAL AND SOCIAL	–	–	–	–		–	-	-				
Vote 5 - OFFICE OF THE MM	–	–	–	–		–	-	-				
Vote 6 - FINANCIAL SERVICES	–	–	–	–		–	-	-				
Vote 7 - CORPORATE SERVICES	–	–	–	–		–	-	-				
Vote 8 - ROADS AGENCY	–	–	–	–		–	-	-				
Vote 9 - TASK	–	–	–	–		–	-	-				
Vote 10 - MUNICIPAL MANAGER	–	–	–	–		–	-	-				
Vote 11 - CORPORATE SERVICES	109,420	(7,200)	102,220	115,094		12,874	112.6%	105.2%				
Vote 12 - CORPORATE SERVICES	1,200	(1,200)	–	–		–	-	-				
Vote 13 - FINANCIAL SERVICES	263,990	(2,404)	261,586	261,573		(13)	100.0%	99.1%				
Vote 14 - COMMUNITY DEVELOPMENT AND PLANNING SERVIC	2,349	2,102	4,451	2,840		(1,610)	63.8%	120.9%				
Vote 15 - TECHNICAL SERVICES	140,996	3,251	144,247	133,805		(10,442)	92.8%	94.9%				
Total Revenue by Vote	**517,955**	**(5,452)**	**512,504**	**513,312**		**808**	**100.2%**	**99.1%**				**–**
Expenditure by Vote *to be appropriated*												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	–	–	–	–		–	-	-			–	
Vote 2 - COMM AND DEV	–	–	–	–		–	-	-			–	
Vote 3 - ENGINERING	–	–	–	–		–	-	-			–	
Vote 4 - RURAL AND SOCIAL	–	–	–	–		–	-	-			–	
Vote 5 - OFFICE OF THE MM	–	–	–	–		–	-	-			–	
Vote 6 - FINANCIAL SERVICES	–	–	–	–		–	-	-			–	
Vote 7 - CORPORATE SERVICES	–	–	–	–		–	-	-			–	
Vote 8 - ROADS AGENCY	–	–	–	–		–	-	-			–	
Vote 9 - TASK	–	–	–	–		–	-	-			–	
Vote 10 - MUNICIPAL MANAGER	14,122	708	14,830	13,936		(894)	94.0%	98.7%			–	
Vote 11 - CORPORATE SERVICES	97,562	10,425	107,987	91,936		(16,050)	85.1%	94.2%			–	
Vote 12 - CORPORATE SERVICES	25,434	97	25,532	22,088		(3,443)	86.5%	86.8%			–	
Vote 13 - FINANCIAL SERVICES	35,102	(4,075)	31,027	29,768		(1,259)	95.9%	84.8%			–	
Vote 14 - COMMUNITY DEVELOPMENT AND PLANNING SERVIC	171,823	(7,833)	163,990	153,452		(10,538)	93.6%	89.3%			–	
Vote 15 - TECHNICAL SERVICES	172,366	(6,519)	165,847	150,930		(14,916)	91.0%	87.6%			–	
Total Expenditure by Vote	**516,409**	**(7,198)**	**509,212**	**462,111**	**–**	**(47,101)**	**90.8%**	**89.5%**	**–**	**–**	**–**	**–**
Surplus/(Deficit) for the year	**1,546**	**1,746**	**3,292**	**51,201**		**47,909**	**1555.3%**	**3311.8%**				

DC2 Cape Winelands DM - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2024/25								2023/24			
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	–		–			–	-	-				
Property rates - penalties & collection charges	–		–			–						
Service charges - electricity revenue	–		–	–		–						
Service charges - water revenue	–		–	–		–						
Service charges - sanitation revenue	–		–	–		–						
Service charges - refuse revenue	–		–	–		–						
Service charges - other	–	–	–	–		–						
Rental of facilities and equipment	240	–	240	259		19	107.8%	107.8%				
Interest earned - external investments	80,000	5,000	85,000	86,566		1,566	101.8%	108.2%				
Interest earned - outstanding debtors	–	–	–	–		–		-				
Dividends received	–	–	–	–		–						
Fines	–	–	–	–		–	-	-				
Licences and permits	553	–	553	868		315	132.9%	132.9%				
Agency services	133,650	(346)	133,304	122,959		(10,344)	92.2%	92.0%				
Transfers recognised - operational	274,545	199	274,744	272,374		(2,370)	99.1%	99.2%				
Other revenue	14,766	150	14,916	13,792		(1,125)	92.5%	93.4%				
Gains	12,555	(12,200)	355	15,688		15,333	4419.1%	125.0%				
Total Revenue (excluding capital transfers and contributions)	**516,409**	**(7,198)**	**509,212**	**512,505**		**3,293**	**100.6%**	**99.2%**				**–**
Expenditure By Type			–									
Employee related costs	286,665	(15,481)	271,184	256,198		(14,986)	94.5%	89.4%			–	
Remuneration of councillors –	15,946	(319)	15,627	15,245		(382)	97.6%	95.6%			–	
Debt impairment	100	145	245	244		(1)	99.8%	244.0%			–	
Depreciation & asset impairment	9,812	2,908	12,720	8,648		(4,072)	68.0%	88.1%			–	
Finance charges	1,763	1,299	3,062	2,462		(600)	80.4%	139.7%			–	
Bulk purchases	–	–	–	–		–	-	-			–	
Other materials	21,298	11,588	32,885	31,347		(1,538)	95.3%	147.2%			–	
Contracted services	72,055	(9,937)	62,118	51,271		(10,847)	82.5%	71.2%			–	
Transfers and grants	20,389	(4,689)	15,700	14,187		(1,513)	90.4%	69.6%			–	
Irrecoverable debt written off	500	(406)	94	94		(0)	100.0%	18.9%				
Other expenditure	87,815	1,983	89,799	81,893		(7,905)	91.2%	93.3%			–	
Losses	66	5,712	5,778	521		(5,257)	9.0%	790.0%			–	
Total Expenditure	**516,409**	**(7,198)**	**509,212**	**462,111**	**–**	**(47,101)**	**90.8%**	**89.5%**	**–**	**–**	**–**	**–**
Surplus/(Deficit)	**–**	**–**	**–**	**50,394**		**50,394**	**#DIV/0!**	**#DIV/0!**				**–**
Transfers recognised - capital	1,546	1,746	3,292	807		(2,485)	24.5%	52.2%				
Contributions recognised - capital	–	–	–	–		–	-	-				
Contributed assets	–	–	–	–		–	-	-				
Surplus/(Deficit) after capital transfers & contributions	**1,546**	**1,746**	**3,292**	**51,201**		**47,909**	**1555.3%**	**3311.8%**				**–**
Taxation	–		–			–	-	-				
Surplus/(Deficit) after taxation	**1,546**	**1,746**	**3,292**	**51,201**		**47,909**	**1555.3%**	**3311.8%**				**–**
Attributable to minorities	–		–			–	-	-				
Surplus/(Deficit) attributable to municipality	**1,546**	**1,746**	**3,292**	**51,201**		**47,909**	**1555.3%**	**3311.8%**				**–**
Share of surplus/ (deficit) of associate	–		–			–	-	-				
Surplus/(Deficit) for the year	**1,546**	**1,746**	**3,292**	**51,201**		**47,909**	**1555.3%**	**3311.8%**				**–**

DC2 Cape Winelands DM - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2024/25								2023/24			
R thousand	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - REGIONAL DEVELOPMENT AND PLANN	–	–	–	–		–					–	
Vote 2 - COMM AND DEV	–	–	–	–		–					–	
Vote 3 - ENGINEERING	–	–	–	–		–					–	
Vote 4 - RURAL AND SOCIAL	–	–	–	–		–					–	
Vote 5 - OFFICE OF THE MM	–	–	–	–		–					–	
Vote 6 - FINANCIAL SERVICES	–	–	–	–		–					–	
Vote 7 - CORPORATE SERVICES	–	–	–	–		–					–	
Vote 8 - ROADS AGENCY	–	–	–	–		–					–	
Vote 9 - TASK	–	–	–	–		–					–	
Vote 10 - MUNICIPAL MANAGER	58	56	114	80		(34)	70%	82%			–	
Vote 11 - CORPORATE SERVICES	–	–	–	–		–					–	
Vote 12 - CORPORATE SERVICES	30	4	34	29		(4)	87%	97%			–	
Vote 13 - FINANCIAL SERVICES	–	–	–	–		–					–	
Vote 14 - COMMUNITY DEVELOPMENT AND PLANNING SERVIC	9,550	(6,478)	2,572	1,422		(1,150)	55%	15%			–	
Vote 15 - TECHNICAL SERVICES	91,070	16,062	107,132	90,945		(16,187)	85%	100%			–	
Capital multi-year expenditure	100,248	9,894	109,852	92,478	–	(17,376)	84%	92%	–	–	–	–
Single-year expenditure												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	–	–	–	–		–					–	
Vote 2 - COMM AND DEV	–	–	–	–		–					–	
Vote 3 - ENGINEERING	–	–	–	–		–					–	
Vote 4 - RURAL AND SOCIAL	–	–	–	–		–					–	
Vote 5 - OFFICE OF THE MM	–	–	–	–		–					–	
Vote 6 - FINANCIAL SERVICES	–	–	–	–		–					–	
Vote 7 - CORPORATE SERVICES	–	–	–	–		–					–	
Vote 8 - ROADS AGENCY	–	–	–	–		–					–	
Vote 9 - TASK	–	–	–	–		–					–	
Vote 10 - MUNICIPAL MANAGER	1,346	(1,016)	330	166		(164)	50%	12%			–	
Vote 11 - CORPORATE SERVICES	1,694	530	2,223	1,918		(305)	86%	113%			–	
Vote 12 - CORPORATE SERVICES	5,105	(513)	4,592	2,334		(2,258)	51%	46%			–	
Vote 13 - FINANCIAL SERVICES	–	250	250	222		(28)	89%	#DIV/0!			–	
Vote 14 - COMMUNITY DEVELOPMENT AND PLANNING SERVIC	9,325	2,544	11,869	4,331		(7,538)	36%	46%			–	
Vote 15 - TECHNICAL SERVICES	9,451	(3,164)	6,287	2,964		(3,323)	47%	31%			–	
Capital single-year expenditure	26,931	(1,370)	25,561	11,934	–	(13,625)	47%	44%	–	–	–	–
Total Capital Expenditure - Vote	127,179	8,234	135,413	104,412	–	(31,001)	77%	82%	–	–	–	–
Capital Expenditure - Standard												
Governance and administration	8,373	(730)	7,643	4,751	–	(2,892)	63%	57%	–	–	–	–
Executive and council	1,011	(678)	133	91		(42)	68%	9%			–	
Budget and treasury office	–	250	250	222		(28)	89%	#DIV/0!			–	
Corporate services	7,362	(102)	7,160	4,437		(2,722)	62%	61%			–	
Community and public safety	18,315	(3,934)	14,381	5,723	–	(8,658)	40%	31%	–	–	–	–
Community and social services	11,426	(4,892)	6,534	1,569		(4,964)	24%	14%			–	
Sport and recreation	–	–	–	–		–					–	
Public safety	6,671	943	7,614	4,125		(3,488)	54%	60%			–	
Housing	–	–	–	–		–					–	
Health	18	15	33	29		(4)	87%	160%			–	
Economic and environmental services	9,591	(2,127)	6,464	3,050	–	(3,414)	47%	32%	–	–	–	–
Planning and development	8,545	(3,073)	5,472	2,749		(2,729)	50%	32%			–	
Road transport	1,046	(54)	992	307		(685)	31%	29%			–	
Environmental protection	–	–	–	–		–					–	
Trading services	91,000	16,024	107,024	90,888	–	(16,136)	85%	100%	–	–	–	–
Electricity	–	–	–	–		–					–	
Water	–	–	–	–		–					–	
Waste water management	–	–	–	–		–					–	
Waste management	91,000	16,024	107,024	90,888		(16,136)	85%	100%			–	
Other	–	–	–	–		–					–	
Total Capital Expenditure - Standard	127,179	8,234	135,413	104,412	–	(31,001)	77%	82%	–	–	–	–
Funded by:												
National Government	–	–	–	–		–						
Provincial Government	1,546	1,746	3,292	807		(2,485)	25%	52%				
District Municipality	–	–	–	–		–						
Other transfers and grants	–	–	–	–		–						
Transfers recognised - capital	1,546	1,746	3,292	807		(2,485)	25%	52%				–
Public contributions & donations	–	–	–	–		–						
Borrowing	91,000	–	91,000	90,888		(112)	100%	100%				
Internally generated funds	34,633	6,488	41,121	12,717		(28,404)	31%	37%				
Total Capital Funding	127,179	8,234	135,413	104,412		(31,001)	77%	82%				–

DC2 Cape Winelands DM - Reconciliation of Table A7 Budgeted Cash Flows

Description	2024/25							2023/24
R thousand	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	176,239	35,366	211,606	127,331	(84,275)	60.2%	72.2%	
Government - operating	274,545	(3,403)	271,142	268,592	(2,550)	99.1%	97.8%	
Government - capital	1,546	1,746	3,292	2,300	(992)	69.9%	148.8%	
Interest	45,854	238	46,092	44,412	(1,680)	96.4%	96.9%	
Dividends	–	–	–	–	–	-	-	
Payments								
Suppliers and employees	(507,977)	11,459	(496,519)	(396,145)	100,374	79.8%	78.0%	
Finance charges	–	(2,000)	(2,000)	(1,976)	24	98.8%	#DIV/0!	
Transfers and Grants	(20,389)	4,639	(15,750)	(14,187)	1,563	90.1%	69.6%	
NET CASH FROM/(USED) OPERATING ACTIVITIES	**(30,182)**	**48,045**	**17,863**	**30,328**	**12,465**	**169.8%**	**-100.5%**	**–**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	28	28	#DIV/0!	#DIV/0!	
Decrease (Increase) in non-current debtors	–	–	–	–	–	-	-	
Decrease (increase) other non-current receivables	–	–	–	–	–	-	-	
Decrease (increase) in non-current investments	–	–	–	(30,000)	(30,000)	#DIV/0!	#DIV/0!	
Payments								
Capital assets	(129,972)	(9,268)	(139,240)	(97,958)	41,282	70.4%	75.4%	
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(129,972)**	**(9,268)**	**(139,240)**	**(127,930)**	**11,310**	**91.9%**	**98.4%**	**–**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	-	-	
Borrowing long term/refinancing	–	91,000	91,000	91,000	–	100.0%	#DIV/0!	
Increase (decrease) in consumer deposits	–	–	–	–	–	-	-	
Payments								
Repayment of borrowing	–	(7,261)	(7,261)	(7,261)	–	100.0%	#DIV/0!	
NET CASH FROM/(USED) FINANCING ACTIVITIES	**–**	**83,739**	**83,739**	**83,739**	**–**	**100.0%**	**#DIV/0!**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	(160,154)	122,515	(37,638)	(13,863)				–
Cash/cash equivalents at the year begin:	344,347	79,900	424,247	424,247				
Cash/cash equivalents at the year end:	184,193	202,415	386,609	410,384	23,776	106.1%	222.8%	

CHAPTER 8 – AUDIT & PERFORMANCE COMMITTEE REPORT

Refer to attached.

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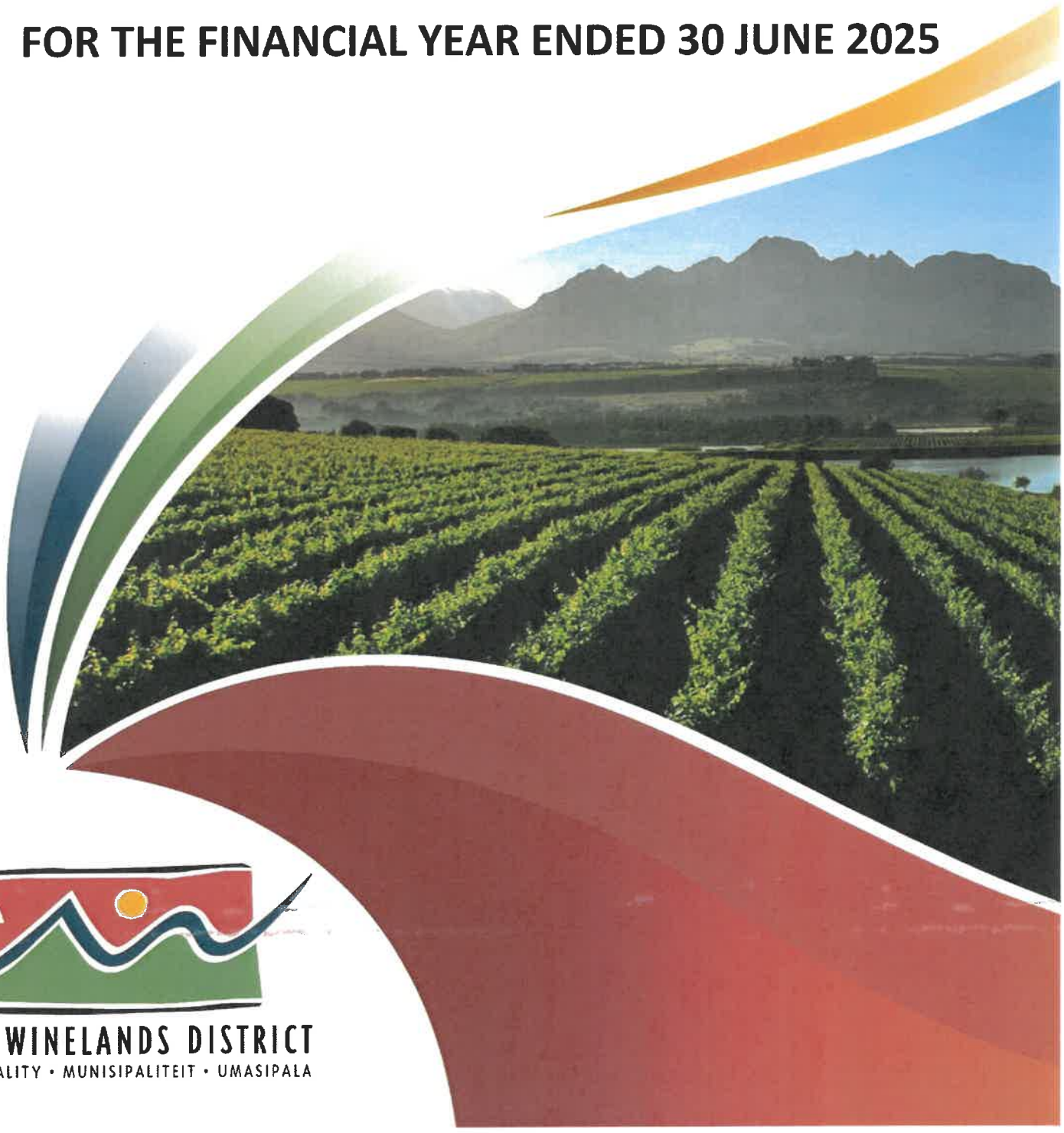
AUDIT AND PERFORMANCE COMMITTEE

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

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2. Composition and Meetings of the Audit and Performance Committee 1
3. Responsibilities of the Audit and Performance Committee 2
4. Operations and Key Observations of the Audit and Performance Committee 3
4.1 Internal Audit Function 3
4.2 Financial Management and Reporting 3
4.3 Performance Management 3
4.4 Risk Management and Governance 3
4.5 Auditor-General Matters 4
4.6 Overall Governance Assessment 4
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REPORT BY THE CHAIRPERSON OF THE CAPE WINELANDS DISTRICT MUNICIPALITY AUDIT AND PERFORMANCE COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

1. Introduction

I am pleased to present the Annual Report of the Audit and Performance Committee (APC) for the year ended 30 June 2025. The Committee has discharged its responsibilities in accordance with section 166 of the Municipal Finance Management Act (MFMA), 2003, and the relevant Treasury Regulations. The APC remains committed to strengthening governance, accountability, performance management, and financial integrity across the Municipality.

2. Composition and Meetings of the Audit and Performance Committee

2.1 Committee Composition

The APC comprises four independent members, all of whom are financially literate and possess expertise in governance, risk management, internal control, and performance management. Members are independent of management and Council, ensuring objective oversight.

2.2 Meetings

In accordance with its approved terms of reference, the APC meets quarterly, with additional meetings convened when required.

During the 2024/2025 financial year, the APC held six (6) meetings on the following dates:

(a)	7 August 2024	Quarter 4 of 2023/2024
(b)	23 August 2024	Special meeting
(c)	13 November 2024	Quarter 1 of 2024/2025
(d)	12 February 2025	Quarter 2 of 2024/2025
(e)	14 May 2025	Quarter 3 of 2024/2025
(f)	24 June 2025	Special meeting

2.3 Member Attendance

Name of Member	Meetings Attended	Comments
Mr. J. Carstens (Chairperson)	4 out of 6	Resigned from Chairperson position with effect from 07 May 2025
Mr. P. le Roux	5 out of 6	Member
Mr. O. Valley	6 out of 6	Member
Mr. G. Serfontein	6 out of 6	Appointed Acting Chairperson from 29 May 2025

2.4 Standing Invitees

Key municipal officials and oversight partners attend APC meetings by invitation, including the Municipal Manager, Chief Financial Officer, senior executives, Internal Audit, Risk Management, ICT, Provincial Treasury, and the Auditor-General South Africa (AGSA).

3. Responsibilities of the Audit and Performance Committee

The APC operates in accordance with its formally adopted Audit and Performance Committee Charter, reviewed annually to ensure alignment with governance best practices and legislative requirements.

The APC's oversight responsibilities include:

(a) Reviewing the integrity, accuracy, and reliability of financial reporting.

(b) Overseeing the effectiveness of internal controls and the control environment.

(c) Monitoring compliance with relevant legislation and ethical conduct.

(d) Evaluating the performance of Internal Audit and overseeing the execution of the approved Internal Audit Plan.

(e) Engaging with AGSA on audit scope, key findings, material matters, and audit outcomes.

(f) Providing assurance over the Municipality's performance management processes as the designated Performance Audit Committee.

(g) Oversight of strategic and operational risk management and related governance processes.

4. Operations and Key Observations of the Audit and Performance Committee

During the period under review, the APC focused on strengthening governance, maturity, and organisational resilience. Key observations and strategic matters for the attention of Council and external stakeholders included:

4.1 Internal Audit Function

(a) Internal Audit executed its work in accordance with the approved Agile Internal Audit Plan.

(b) Reports submitted to the APC highlighted generally adequate internal controls with improvement opportunities in specific operational areas.

(c) The APC acknowledges the Internal Audit Unit's continuous enhancement initiatives, including alignment with the revised International Internal Audit Standards.

4.2 Financial Management and Reporting

(a) Financial reporting processes remained credible and well-controlled.

(b) The APC monitored progress on audit readiness, noting management's commitment to maintaining strong financial governance and addressing prior year audit findings.

4.3 Performance Management

(a) Quarterly performance results were subjected to Internal Audit review and APC evaluation.

(b) The APC is satisfied that performance reporting is improving in accuracy, reliability, and alignment with strategic objectives.

4.4 Risk Management and Governance

(a) The APC oversaw enhancements to the risk management framework, including improved monitoring of strategic risks and emerging threats.

(b) The APC emphasises the continued importance of data governance, cybersecurity resilience, and business continuity planning.

(c) Progress is underway with a draft policy, framework, and plan developed to guide the future implementation of Combined Assurance.

4.5 Auditor-General Matters

(a) Engagements with AGSA were constructive, transparent, and focused on sustainable improvement.

(b) Management demonstrated commitment to resolving audit findings timeously.

4.6 Overall Governance Assessment

The APC is satisfied that governance structures are functioning effectively and that management is committed to sound financial stewardship, ethical conduct, and compliance with applicable legislation.

5. Conclusion

The Audit and Performance Committee expresses appreciation to Council, management, Internal Audit, Risk Management, and AGSA for their cooperation and commitment to strong governance practices.

Based on the work performed and the information presented during the year, the APC is satisfied that the Cape Winelands District Municipality continues to maintain an effective control environment, credible performance reporting, and a responsible approach to managing public resources.



Mr. G. Serfontein
Acting Chairperson: Audit and Performance Committee
Cape Winelands District Municipality

CHAPTER 9 – OVERSIGHT REPORT AND COUNCIL APPROVAL

Information to be added in March 2026, after approval.

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GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *'full and regular'* 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.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *'what we do'*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual report	A report to be prepared and submitted annually based on the regulations set out in section 121 of the MFMA. Such report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved budget	An approved budget means an annual budget that has been approved by Council and includes such annual budget as revised by an adjustment budget in terms of section 28 of the MFMA.
Baseline	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.
Basic municipal service	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 public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial statements	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.
General key performance indicators	After consultation with MECs for local government, the minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are '*what we use to do the work*'. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans.
National key performance areas	Service delivery and infrastructure; Economic development; Municipal transformation and institutional development; Financial viability and management; and Good governance and community participation.
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are '*what we wish to achieve*'.

Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as '*what we produce or deliver*'. An output is a concrete achievement (i.e., a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a key result area.
Performance indicator	Indicators should be specified to measure performance in relation to input, activities, output, 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).
Performance information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance standards	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 the employee performance management and development system, performance standards are divided into indicators and the time factor.
Performance targets	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.
Service Delivery and Budget Implementation Plan	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.
Vote	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. Section 1 of the MFMA defines a 'vote' as: *(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* *(b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.*

APPENDICES

APPENDIX A – COUNCILLORS' COMMITTEES AND COUNCIL ATTENDANCE

01 JULY 2024 – 30 JUNE 2025

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	**Full-time (FT)/ Part-time (PT)**	**Committees allocated**	**Ward and/or party represented**	**Council meetings attended**
Cllr L Adams (Appointed 07-09-2023)	PT	Rules Committee	PA	13
Cllr RB Arnolds (Appointed 09-12-2024)	PT		DA	11
Cllr WM Blom	FT	Rules Committee	DA	14
Cllr MN Bushwana	PT		ANC	17
Cllr GJ Carinus	FT	Mayoral Committee	DA	17
Cllr D Carolissen	PT	Municipal Public Accounts Committee	GOOD	18
Cllr AJ du Plessis	PT	Rules Committee Municipal Public Accounts Committee (Alternate) Paarl Museum	VF+	14
Ald R Farao	FT	Mayoral Committee Training Committee Local Labour Forum Worcester Museum	DA	18

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	**Full-time (FT)/ Part-time (PT)**	**Committees allocated**	**Ward and/or party represented**	**Council meetings attended**
Ald S Goedeman	PT	Local Labour Forum (Alternate) Municipal Public Accounts Committee	DA	18
Cllr E Groenewald	FT	Mayoral Committee Training Committee Local Labour Forum	DA	17
Cllr AJN Hanekom (Appointed 09-12-2024)	PT		DA	10
Cllr V Hani	PT	Stellenbosch Museum	ANC	15
Cllr A Hess	PT	Municipal Public Accounts Committee (Alternate) Oude Kerk Volksmuseum van 't Land van Waveren (Tulbagh)	GOOD	17
Cllr F Jacobs	PT	Training Committee (Alternate) Municipal Public Accounts Committee	DA	18
Cllr DB Janse	PT	Municipal Public Accounts Committee Robertson Museum	DA	17
Cllr JJS Januarie	PT		ANC	17
Ald DD Joubert (Speaker)	FT	Rules Committee	DA	17
Cllr CO Klaaste	PT		ANC	17
Ald RA Koegelenberg	PT	Municipal Public Accounts Committee (Alternate)	DA	1

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	**Full-time (FT)/ Part-time (PT)**	**Committees allocated**	**Ward and/or party represented**	**Council meetings attended**
(Resigned 08-07-2024)				
Cllr J Kriel	PT	Municipal Public Accounts Committee	DA	18
Cllr J Maliti	PT	Local Labour Forum (Alternate)	ANC	17
Cllr C Manuel (Resigned 02.12.2024)	PT	Municipal Public Accounts Committee (Alternate) Huguenot Memorial Museum (Franschhoek)	DA	3
Cllr XL Mdemka	FT	Mayoral Committee	DA	16
Ald C Meyer	FT	Mayoral Committee	DA	18
Cllr TR Mpulanyana	PT	Municipal Public Accounts Committee	ANC	15
Cllr RS Nalumango (Resigned 04/07/2024)	PT	Municipal Public Accounts Committee (Alternate)	ANC	0
Cllr DW Nel (Deceased 03-08-2024)	PT	Municipal Public Accounts Committee	VF+	0
Cllr N Nel (Appointed 28-08-2024)	PT	Municipal Public Accounts Committee (Alternate)	VF+	16
Cllr L Ngwane	PT	Local Labour Forum (Alternate) Rules Committee Togryers Museum (Ceres)	EFF	16
Cllr AJ Pedro	PT	Municipal Public Accounts Committee (Alternate)	DA	18
Cllr WC Petersen	FT	Mayoral Committee	DA	13

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	**Full-time (FT)/ Part-time (PT)**	**Committees allocated**	**Ward and/or party represented**	**Council meetings attended**
Cllr N Phatsoane	PT		ANC	11
Cllr AM Richards	PT	Municipal Public Accounts Committee (Alternate)	ANC	18
Ald M Sampson (Deputy Executive Mayor)	FT	Mayoral Committee	DA	17
Cllr ND Sauerman	PT	Municipal Public Accounts Committee (Alternate) Wellington Museum	DA	17
Cllr J Smit	PT	Municipal Public Accounts Committee	DA	14
Cllr M Smit	PT	Municipal Public Accounts Committee (Alternate) Montagu Museum	DA	17
Cllr EA Solomons (Appointed 12-07-2024) (Resigned 28-11-2024)	PT		DA	4
Cllr JHP Steyn	FT	Mayoral Committee	DA	18
Cllr D Swart	FT	Mayoral Committee	DA	18
Cllr M van Stade	PT	Local Labour Forum Rules Committee	GOOD	16
Cllr A Tomose (Appointed 10-07-2024)	PT		ANC	16
Ald Visage JJ (Appointed 26-01-2024)	PT		DA	14

Ald (Dr) H von Schlicht (Executive Mayor)	FT	Mayoral Committee	DA	17
Cllr CF Wilskut	PT	Rules Committee	BO	12
Cllr MH Yabo	PT	Training Committee (Alternate) Rules Committee Municipal Public Accounts Committee	ANC	18

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APPENDIX B – COMMITTEES AND PURPOSES OF COMMITTEES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES	
Municipal Committees	**Purpose of Committee**
Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager)	To evaluate the annual performance of the Municipal Manager as well as managers directly accountable to the Municipal Manager.
Rules Committee	To make recommendations to Council regarding matters affecting the procedures and policies of the municipal Council and its Councillors.
Training Committee	To develop the workforce in accordance with the National Skills Development Strategy of national government.
Local Labour Forum	To negotiate and/or consult regarding matters of mutual concern; such matters referred from time to time by Bargaining Council or its divisions; except matters reserved for bargaining in Bargaining Council Divisions.
Audit Committee	Audit Committee is an independent advisory body that must – (a) advise the municipal Council, the political office-bearers, the Accounting Officer and the management staff of the district municipality on matters relating to – (i) internal financial control and internal audits; (ii) risk management; (iii) accounting policies; (iv) the adequacy, reliability and accuracy of financial reporting and information; (v) performance management; (vi) effective governance; (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; (viii) performance evaluation; and (ix) any other issues referred to it by the municipality or municipal entity; (b) review the annual financial statements to provide the Council of the district municipality with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; (c) respond to the Council on any issues raised by the Auditor-General in the audit report; (d) carry out such investigations into the financial affairs of the district municipality as the Council of the district municipality may request; and (e) perform such other functions as may be prescribed.

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES	
Municipal Committees	**Purpose of Committee**
Municipal Public Accounts Committee (MPAC)	The primary Terms of Reference of the MPAC, in addition to other relevant functions, are as follows: (a) Shall not be responsible for policy formulation; (b) May engage directly with the public and consider public comments when received and will be entitled to request documents or evidence from the Accounting Officer; (c) Shall have permanent referral of documents as they become available relating to: (i) in-year reports of the CWDM; (ii) financial statements of the CWDM as part of its oversight process; (iii) audit opinion, other reports and recommendations from the Audit Committee; (iv) information relating to compliance in terms of sections 128 and 133 of the MFMA; (v) information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before it; (vi) any other audit report of the CWDM; and (vii) performance information of the CWDM. (d) Shall consider and evaluate the content of the Annual Report and make recommendations to Council when adopting an oversight report on the Annual Report; (e) In order to assist with the conclusion of matters that may not be finalised, information relating to past recommendations made on the Annual Report must also be reviewed, relating to current in-year reports, including the quarterly, mid-year and annual reports; (f) Shall examine the financial statements and audit reports of the CWDM and in doing so, consider improvements from previous statements and reports and evaluate the extent to which the Audit Committee and the Auditor-General's recommendations have been implemented; (g) Shall promote good governance, transparency and accountability on the use of municipal resources; (h) Shall recommend or undertake any investigation in its area of responsibility after reviewing any investigation report already undertaken by the CWDM or the Audit Committee; (i) Shall request the support of both the internal and external auditors in an advisory capacity when necessary; (j) Shall conduct investigations into unauthorised, irregular and/or fruitless and wasteful expenditure in accordance with section 32(2)(a)(ii) of the MFMA and Regulation 74 of the Municipal Budget and Reporting Regulations, 2008; (k) Shall perform any other functions within its area of responsibility assigned to it through a resolution of Council.

APPENDIX C – SECOND AND/OR THIRD-TIER ADMINISTRATIVE STRUCTURE

SECOND AND/OR THIRD-TIER STRUCTURE AS AT 30 JUNE 2025		
Directorate	**Position**	**Name**
Office of the Municipal Manager	Chief Audit Executive	S Green
	Deputy Director: Communication Services	EJ Otto
	Deputy Director: Legal Services	Vacant
Financial Services	Director: Budget and Treasury Office	MJ Lesch
	Deputy Director: Supply Chain Management	R Leo
	Senior Manager: Reporting & Compliance	J Coerecius
Community Development and Planning Services	Director: Socio-Economic Development	RWB van Wyk
	Deputy Director: Town and Regional Planning	QJ Balie
	Chief Fire Officer	W Josias
	Head of Municipal Disaster Management Centre	SP Minnies
	Deputy Director: Municipal Health Services	RJ Humphreys
Technical Services	Director: Roads	H Maart
	Deputy Director: Project Management	C Swart
	Deputy Director: Facilities Management	S Phillips
	Deputy Director: Regulation of Passenger Transport Services	CT Nkasela
Corporate Services	Director: Human Resources	GCN Julie
	Director: Support Services	K Smit
	Director: IDP & Performance Management	BT Daries
	Deputy Director: Information, Communication & Technology	AM Gabier

APPENDIX D – FUNCTIONS OF A DISTRICT MUNICIPALITY

In terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) as amended:

FUNCTIONS AND POWERS OF MUNICIPALITIES (Sections 83-89)

83 General

(1) A municipality has the functions and powers assigned to it in terms of Sections 156 and 229 of the Constitution.

(2) The functions and powers referred to in Subsection (1) must be divided in the case of a district municipality and the local municipalities within the area of the district municipality, as set out in this Chapter.

(3) A district municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by –
- (a) ensuring integrated development planning for the district as a whole;
- (b) promoting bulk infrastructural development and services for the district as a whole;
- (c) building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
- (d) promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

84 Division of functions and powers between district and local municipalities

(1) A district municipality has the following functions and powers:
- (a) Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
- (b) Potable water supply systems.
- (c) Bulk supply of electricity, which includes for the purposes of such supply the transmission, distribution and, where applicable, the generation of electricity.
- (d) Domestic waste water and sewage disposal systems.
- (e) Solid waste disposal sites, in so far as it relates to –
  - *(i)* the determination of a waste disposal strategy;
  - *(ii)* the regulation of waste disposal;
  - *(iii)* the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
- (f) Municipal roads that form an integral part of a road transport system for the area of the district municipality as a whole.
- (g) Regulation of passenger transport services.
- (h) Municipal airports serving the area of the district municipality as a whole.
- (i) Municipal health services.
- (j) Firefighting services serving the area of the district municipality as a whole, which includes –

(i) planning, coordination and regulation of fire services;
(ii) specialised firefighting services such as mountain, veld and chemical fire services;
(iii) coordination of the standardisation of infrastructure, vehicles, equipment and procedures;
(iv) training of fire officers.

(k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.

(l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.

(m) Promotion of local tourism for the area of the district municipality,

(n) Municipal public works relating to any of the above functions, or any other functions assigned to the district municipality.

(o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.

(p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.

(2) A local municipality has the functions and powers referred to in section 83(1), excluding those functions and powers vested in terms of Subsection (1) of this section in the district municipality in whose area it falls.

APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT & PERFORMANCE AUDIT COMMITTEE 2024/2025

Refer to Audit & Performance Committee report attached in Chapter 8.

DRAFT

APPENDIX F – BBBEE INFORMATION

Refer to attached report

DRAFT

EMPOWERBEE

Broad Based Black Economic Empowerment Verification Certificate

CAPE WINELANDS DISTRICT MUNICIPALITY

Registration Number	:	N/A
Vat No	:	4700193495
Head office Address	:	46 Alexander Street, Stellenbosch, Western Cape,
Postal Address	:	PO Box 100, Stellenbosch, 7599,
Verification Standard Applied	:	Specialised Sector Scorecard (Gazette No: 38766)
Issue of the rating standard applied	:	Section 9 of the B-BBEE Act 46 of 2013
Scorecard Applied	:	Generic Scorecard (> R50 Million Annual Turnover)

LEVEL 7 Contributor to B-BBEE		
Element	Element Weighting	Score
Management Control	20	16.86
Skills Development	25 + 5	12.53
Enterprise and Supplier Development	50 + 4	36.13
Socio-Economic Development	5	5.00
Overall Score	100 + 9	70.51

BEE Procurement Recognition Level	50%	Black Designated Group	0.00%
Black Ownership	0.00%	Black Youth	0.00%
Black Ownership (MFT)	N/A	Black Disabled	0.00%
Black Women Ownership	0.00%	Black Unemployed	0.00%
Empowering Supplier (Yes/No)	YES	Black People in Rural Areas	0.00%
Exclusion Principle	NO	Black Military Veterans	0.00%
Discounting Principle	YES	Participated in YES Initiative	NO
Designated Group Suppliers	NO	Achieved YES & 2.5% Absorption	NO
Black New Entrant	0.00%	Achieved 1.5 x YES & 5% Absorption	NO
		Achieved Double YES & 5% Absorption	NO

Financial Period Applied	30 June 2024	Expiry Date	09 February 2026
Date of Issue	10 February 2025	Period of validity	12 Months
Date of Re-Issue	N/A	Certificate Number – B-BBEE: 01/EMP/17/11846/GEN/10022025	

Empowerbee (Pty) Ltd is a SANAS Accredited Verification Agency. Empowerbee has assessed and verified the relevant B-BBEE elements of the above mentioned enterprise to provide an independent and impartial opinion, the B-BBEE status reflected in this Certificate has been determined in all material respects, in accordance with the BBBEE Codes. This Certificate and Scorecard Report has been determined on the basis of information provided to Empowerbee (Pty) Ltd and represents an independent and impartial opinion based on the verification completed by Empowerbee (Pty) Ltd.

Bhaveshen Padayachee CA (SA)
Technical Signatory

sanas B-BBEE Rating Agency

BVA199

B-BBEE COMMISSION
a member of the dti group

Compliance Reporting Matrix (Annexure)

SCORECARD ELEMENTS

1. OWNERSHIP AND MANAGEMENT CONTROL

Please indicate % of black shareholding and number of directors/managers by providing relevant information below:

Categories	%/ Number for each category	Race classification (indicate nr in terms of A, C & I)	Gender (indicate nr in terms of F & M)	Age (provide nr in chronological order)	Location (indicate nr in each Province)	Disability (indicate nr in terms of F & M)
Black Ownership	N/A					
Non-Exec Directors						
Exec Directors						
Senior Management	10	0 A 8 C 0 I	5 M 3 F		WC	0
Middle Management	34	5 A 17 C 0I	14 M 8 F		WC	0
Junior Management	139	36 A 76 C 0 I	65 M 47 F		WC	0
Dividends declared						

2. SKILLS DEVELOPMENT

Provide number of black persons trained by providing relevant information as follows:

Categories	Number for each category	Race classification (indicate nr in terms of A, C & I)	Gender (indicate nr in terms of F & M)	Age (provide nr in chronological order)	Location (indicate nr in each Province)	Disability (indicate nr in terms of F & M)	Value thereof
Black employees	331	129 A 201 C 1 I	120 F 211 M		WC	7	R 3 441 915
Black People on internships, apprenticeship, learnership	16	3 A 13 C 0 I	7 M 9 F		WC	0	
Unemployed black people	11	7A 3 C 1 I	6 M 5 F		WC	0	
Black people absorbed							

3. ENTERPRISE AND SUPPLIER DEVELOPMENT

Number of enterprise and supplier development beneficiaries and value thereof by providing relevant information below:

Number of enterprise development beneficiaries (EMEs)	% of Black owner-ship	Number of enterprise development beneficiaries (QSEs)	% of Black owner-ship	Number of supplier development beneficiaries (EMEs)	% of Black owner-ship	Number of supplier development beneficiaries (QSEs)	% of Black owner-ship	Value thereof (enterprise development)	Value thereof (supplier development)
28	100%	0	0	0	0	0	0	R 246 684	0

4. SOCIO-ECONOMIC DEVELOPMENT

Number of black participants, race classification, gender, geographical indication and value thereof by providing relevant information below:

Number of participants	Race classification (indicate nr in terms of A, C & I)	Gender (indicate nr in terms of F & M)	Geographical indication (indicate nr in each Province)	
			GP	
			MP	
			FS	
			LP	
1	100%		WC	100%
			EC	
			NC	
			KZN	
			NW	
Value thereof	R500 000			

Broad-Based Black Economic Empowerment Commission

B-BBEE COMMISSION
a member of the dti group

Compliance Report by Sphere of Government / Public Entities / Organs of State

(in terms of Section 13G (1) of the Act)

Case Number _____ **FORM: BBBEE 1**

SECTION A: DETAILS OF ENTITY

Name of Entity / Organisation	Cape Winelands District Municipality
Registration Number	N/A
Physical Address	46 Alexander Street, Stellenbosch Western Cape
Telephone Number	
Email Address	
Indicate Type of Entity / Organisation	Municipality
Industry / Sector	Municipality
Relevant Code of Good Practice	Specialised Sector Scorecard
Name of Verification Agency	Empower BEE
Name of Technical Signatory	Bhaveshen Padayachee

SECTION B: INFORMATION AS VERIFIED BY THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT VERIFICATION PROFESSIONAL AS PER SCORECARDS

B-BBEE Elements	Target Score Including	Bonus Points	Actual Score Achieved
Ownership	e.g. 25 points		N/A
Management Control	e.g. 19 points		16.86
Skills Development	e.g. 20 points		12.53
Enterprise and Supplier Development	e.g. 40 points		36.13
Socio-Economic Development	e.g. 5 points		5
Total Score	e.g. 109 points	0	70.51
Priority Elements Achieved	YES / NO and specify them	No	
Empowering Supplier Status	YES / NO and specify them	Yes	
Final B-BBEE Status Level	7		

***indicate how each element contributes to the outcome of the scorecard**

SECTION C: FINANCIAL REPORT

1. BASIC ACCOUNTING DETAILS:

a. Accounting Officer's Name:

b. Address:

c. Accounting Policy: (*Your accounts are done?)*

Weekly	Monthly	Other (specify)

d. Has the attached Financial Statements and Annual Report been approved by the entity?

2. PLEASE ATTACH THE FOLLOWING:

a. Copy of Annual Financial Statement including Balance Sheet and Income and Expenditure Report.

i) Annual Report

b. Entity Annual Turnover: R 473 951 816

c. Sign-off and Date

Signature

Date

Other aspects

None.

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APPENDIX G(I) – REVENUE COLLECTION PERFORMANCE BY VOTE

REVENUE COLLECTION PERFORMANCE BY VOTE						
Vote Description	2023/2024	2024/2025			2024/2025 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Buildings: Maintenance	- 264.803.23	- 244.000.00	- 244.000.00	- 258.751.02	-6%	-6%
Disaster Management	- 2.853.793.90	- 1.000.000.00	- 3.100.000.00	- 999.372.33	0%	68%
Budget and Treasury Office	-	- 2.403.000.00	-	-	100%	#DIV/0!
Expenditure	- 255.760.630.24	- 260.536.000.00	- 260.536.000.00	- 260.569.773.78	0%	0%
Finance Management	-	- 800.00	-	-	100%	#DIV/0!
Financial Management Grant	- 1.000.000.00	- 1.000.000.00	- 1.000.000.00	- 1.000.000.00	0%	0%
Fire Services	- 586.606.33	- 620.000.00	- 620.000.00	- 907.859.46	-46%	-46%
Human Resources Management	- 398.702.43	- 334.800.00	- 334.800.00	- 413.607.25	-24%	-24%
Idp	-	-	-	-	#DIV/0!	#DIV/0!
Municipal Health Services	- 818.913.35	- 653.000.00	- 653.000.00	- 867.768.47	-33%	-33%
Roads: Main Div / Indirect	- 120.619.502.53	- 133.800.000.00	- 133.453.635.00	- 125.927.285.88	6%	6%
Roads: Plant	- 314.522.03	- 1.046.000.00	- 992.000.00	- 306.947.44	71%	69%
Performance management	-	- 1.200.000.00	-	-	100%	#DIV/0!
Procurement	- 1.054.82	- 50.000.00	- 50.000.00	- 2.973.10	94%	94%
Projects	- 4.478.661.94	- 4.967.400.00	- 5.118.300.00	- 3.788.477.79	24%	26%
Public Transport Regulation	-	- 939.000.00	- 4.439.000.00	- 3.523.165.21	-275%	21%
Social Development	- 88.517.26	- 76.000.00	- 77.598.00	- 65.194.10	14%	16%
Sundry Expenditure of the Council	- 100.697.134.25	- 109.085.348.00	- 101.885.348.00	- 114.680.442.31	-5%	-13%

APPENDIX G (II) – REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
Details	2023/2024	2024/2025			2024/2025 Variance	
	Actual	Approved Budget	Final Budget	Actual	Approved Budget	Final Budget
Property Rates	-	-	-	-	-	-
Property Rates - penalties and colection charges	-	-	-	-	-	-
Service charges - electicity revenue	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-
Rental of facilities and equipment	264.803	240.000	240.000	258.751	-8%	-8%
Interest earned - external investments	89.961.869	85.000.000	85.000.000	86.565.765	-2%	-2%
Licences and permits	818.913	653.000	653.000	867.768	-33%	-33%
Agency services	116.139.123	133.303.635	133.650.000	122.959.373	8%	8%
Transfers recognised - operational	265.525.744	274.743.598	274.545.000	272.373.713	1%	1%
Other income	13.409.393	15.271.448	15.123.681	29.479.299	-93%	-95%
Total Revenue (excluding capital transfers and contributions)	**486.119.846**	**509.211.681**	**509.211.681**	**512.504.669**	-1%	-1%
Transfers recognised - capital	**1.762.997**	**3.292.000**	**1.546.000**	**806.947**		
Total Revenue	**487.882.842**	**512.503.681**	**510.757.681**	**513.311.616**		

APPENDIX H – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG					
Details	Original Budget	Final Budget	Actual	% Variance	
				Original Budget	Final Budget
EPWP incentive	1.249.000	1.249.000	1.249.000	0%	0
Local Government Financial Management Grant	1.000.000	1.000.000	1.000.000	0%	0%
Rural Roads Asset Management System	3.018.000	3.018.000	1.876.981	38%	38%
Community Development Workers	76.000	77.598	65.194	14%	16%
Fire service capacity building grant	500.000	500.000	500.000	0%	0%
Safety Plan Implementation - WOSA	1.000.000	1.000.000	930.072	7%	7%
Western Cape municipal interventions grant	0	100.000	69.300	#DIV/0!	31%
Municipal water resilience grant	1.200.000	1.800.000	0	100%	100%
Non motorised transport infrastructure	0	3.500.000	2.584.165	#DIV/0!	26%
Integrated transport planning	939.000	939.000	939.000	0%	0%
Municipal Service Delivery and Capacity Building Grant	0	200.000	0	#DIV/0!	100%
Municipal Systems Improvement Grant	2.403.000	0	0	100%	#DIV/0!
Total	**11.385.000**	**13.383.598**	**9.213.713**	**19%**	**31%**