HESSEQUA MUNISIPALITEIT

AGENDA

RAADSVERGADERING

DONDERDAG 26 MAART 2026
OM 10:30

20 Maart 2026

Raadslede
Hessequa Munisipaliteit
Posbus 29
RIVERSDAL
6670

Kennis geskied hiermee van ’n Raadsvergadering van Hessequa Munisipaliteit wat gehou sal word op:

DONDERDAG

26 MAART 2026

om 10:30

in die Raadsaal, Burgersentrum, Van den Bergstraat, RIVERSDAL, om die ondergenoemde sake te bespreek.

Die uwe

MNR ASA DE KLERK
MUNISIPALE BESTUURDER

AGENDA

1. OPENING EN VERWELKOMING

2. KONSTITUERING / AANSOEKE OM VERLOF

3. VERKLARINGS EN MEDEDELINGS DEUR DIE SPEAKER

4. VERKLARINGS EN MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER

5. VERKLARING VAN BELANGE DEUR RAADSLEDE / AMPTENARE RAKENDE ITEMS WAT DIEN OP AGENDA

6. GOEDKEURING VAN NOTULES

6.1 Notule van ‘n Raadsvergadering gehou op 25 Februarie 2026 6

7. ONDERHOUDE MET AFVAARDIGINGS

Geen

8. KENNISNAME VAN VERSLAE VAN UITVOERENDE BURGEMEESTERSKOMITEE

8.1 Verslag van ’n Spesiale Uitvoerende Burgemeesterskomitee vergadering gehou op 23 Januarie 2026 29

8.2 Verslag van ’n Uitvoerende Burgemeesterskomitee vergadering gehou op 28 Januarie 2026 35

9. SAKE VIR BESPREKING

9.1 OORNAME VAN DIE MEENTGROND OP GEDEELTE 0 VAN PLAAS 309, SLANGRIVIER DEUR DIE SLANGRIVIER GEMEENSKAPLIKE EIENDOMS VERENIGING (SGEV).....52

9.2 VERKOOP VAN ERWE 2289 (1500 VK.M) & 1858 (500 VK.M), MELKHOUTFONTEIN.....59

9.3 VERKOOP VAN ‘N GEDEELTE (ONGEVEER 36 VK.M) VAN ERF 697, DAGERAADSTRAAT, WITSAND.....62

9.4 VERKOOP VAN 'N GEDEELTE VAN DIE RESTANT VAN ERF 238 (ONGEVEER 6100 VK.M), STILBAAI-OOS 65

9.5 VERKOOP VAN 'N GEDEELTE VAN ERF 2936, STILBAAI-WES 68

9.6 VERKOOP VAN 'N GEDEELTE (ONGEVEER 306 VK.M) VAN ERF 378, STASIESTRAAT ALBERTINIA 71

9.7 VERKOOP VAN 'N GEDEELTE (ONGEVEER 94 VK.M) VAN DIE RESTANT VAN ERF 164, JONGENSFONTEIN 74

9.8 VERKOOP VAN 'N GEDEELTE (ONGEVEER 200 VK.M) VAN ERF 642, STILBAAI-WES 77

9.9 VERKOOP VAN ERF 521, HEIDELAAN, MELKHOUTFONTEIN 125

9.10 HERSIENING VAN 2025/2026 DIENSSTANDAARDE GELDIG VIR DIE MAART TOT JUNIE 2026 PERIODE 173

9.11 HESSEQUA INFORMAL RELIEF POLICY 181

9.12 HESSEQUA MUNICIPAL REVISED DISASTER MANAGEMENT PLAN 197

9.13 2024/2025 OVERSIGHT REPORT & ANNUAL REPORT 246

9.14 DRAFT REVIEW REPORT 2022-2027 INTEGRATED DEVELOPMENT PLAN (IDP) 629

9.15 HERSIENING VAN DIE GOEDGEKEURDE 2025/2026 (3DE HERSIENING) DELEGASIE REGISTER 815

9.16 AWARDING OF A CONTRACT WHICH WILL INCUR FINANCIAL OBLIGATIONS BEYOND THE BUDGET CYCLE: HES-CORP 07/2425 – THE SUPPLY AND INSTALLATION OF PHOTOCOPIERS, PRINTERS AND A SCANNER FOR A PERIOD OF THREE (3) YEARS 823

9.17 APPLICATION FOR DEVIATION FROM THE HOUSE SHOP POLICY: ERF 1992, HEIDELBERG 859

9.18 DEPARTMENT OF LAND REFORM AND RURAL DEVELOPMENT: SCHOONGELEË AND SOEBATTERS VLAKTE FARMS 866

9.19 TABLING OF PROVINCIAL TREASURY CIRCULAR MUN NO. 12/2025 – CONSISTENT ENFORCEMENT OF CREDIT CONTROL OVER THE FESTIVE SEASON 909

9.20 APPLICATION FOR ELECTRICITY TARIFF INCREASE FOR THE 2026-27 FINANCIAL YEAR 915

9.21 DRAFT BUDGET FOR THE MTREF 2026/2027 PERIOD 951

6. GOEDKEURING VAN NOTULES

HESSEQUA MUNISIPALITEIT

NOTULE

RAADSVERGADERING

WOENSDAG 25 FEBRUARIE 2026
OM 10:30

1. OPENING EN VERWELKOMING

Die Speaker, Rdl MC van den Berg, heet almal teenwoordig welkom en Rdl HJ Saayman open met ‘n gebed.

2. KONSTITUERING / AANSOEKE OM VERLOF

2.1 Teenwoordig

Lede	Amptenare
Rdl GL Boezak	Mnr ASA de Klerk
Rdl ME Dayimani	Me AM Griesel
Rdl AP Daniëls	Mnr GJ Goliath
Rdl RG Davids	Mnr H Visser
Rdl LC February	Mnr D Lewis-Michaels
Rdl Jennifer Hartnick	Mnr R Manho
Rdl Johannes Hartnick	Me S Sanders
Rdl J Hoogbaard	Mnr A Kleynhans
Rdl NA Joseph	
Rdl S Le Roux	
Rdl L Pieterse	
Rdl G Riddles	Me T Hendricks (notuleerder)
Rdl HJ Saayman	
Rdl BD Smith	
Rdl CP Taute	
Rdl MC van den Berg	
Rdl B van Noordwyk	

2.2 Verskoning / Verlof

Geen

Die Speaker kondig aan dat die vergadering gekonstitueer is.

3. VERKLARINGS EN MEDEDELINGS DEUR DIE SPEAKER

3.1 Die Speaker bedank Me AM Griesel, wie uit diens tree, vir haar bydrae en kennis aan Hessequa Munisipaliteit en wens haar alle voorspoed toe met haar aftrede.

3.2 Die Speaker maak die volgende reëling in terme van Ordereël 6(2):
Dat daar ‘n addisionele item ontvang is en dat die volgorde soos volg gewysig word:

9.16 Public Office Bearers – Upper Limits of Salaries, Allowances and Benefits for Municipal Councils.

9.17

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4. VERKLARINGS EN MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER

Geen.

5. VERKLARING VAN BELANGE DEUR RAADSLEDE/AMPTENARE RAKENDE ITEMS WAT DIEN OP AGENDA

Geen.

6. GOEDKEURING VAN NOTULES

BESLUIT:

6.1 Dat die Notule van ’n Spesiale Raadsvergadering gehou op 23 Januarie 2026 goedgekeur word.

Voorstel Rdl BD Smith, sekondant Rdl HJ Saayman

6.2 Dat die Notule van ’n Raadsvergadering gehou op 28 Januarie 2026 goedgekeur word.

Voorstel Rdl HJ Saayman, sekondant Rdl BD Smith

7. ONDERHOUDE MET AFVAARDIGINGS

Geen

8. KENNISNAME VAN VERSLAE VAN UITVOERENDE BURGEMEESTERSKOMITEE

8.1 Dat kennis geneem word van die verslag van ’n Uitvoerende Burgemeesterskomitee vergadering gehou op 26 November 2025.

Voorstel Rdl B van Noordwyk, sekondant Rdl GL Boezak

Die volgende Raadslede versoek dat hulle teenstem aangeteken word teen besluit 8.1

Rdl ME Dayimani, Rdl CP Taute, Rdl NA Joseph, Rdl AP Daniëls, Rdl LC February en Rdl L Pieterse.

9. SAKE VIR BESPREKING

9.1 LAUNCH OF CITIZEN MOBILE APP

File number / Verwysingsnommer: 6/3/R

Meeting date / Vergadering datum: 25 February 2026

Report by / Verslag deur: Head: Public Relations & Administration: Ms D Budricks

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The Speaker opens the floor for discussion.

Cllr BD Smith makes a proposal seconded by Cllr RG Davids.

There was no counter proposal.

RESOLUTION / BESLUIT

1. That Council note that the Citizen App that is linked to the municipality's external service standards will be launched on Monday, 02 March 2026.
2. That Council note that the "Accounts Statements" functionality will be rolled out at a later stage.
3. That Council note that the cost for the development and implementation of the Citizen App amounts to R 95 151 for which provision has already been made in the approved budget for 2025/26.
4. That the item be referred to all the Ward Committees for cognisance.

Proposer Cllr BD Smith, seconded Cllr RG Davids

The proposal was adopted unanimously as a resolution.

9.2 AMENDED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2025/2026

File number / Verwysingsnommer: 4/7/3

Meeting date / Vergadering datum: 25 February 2026

Report by / Verslag deur: SDBIP/PMS Administrator – Ms L Marais

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The Speaker opens the floor for discussion.

Cllr HJ Saayman makes a proposal seconded by Cllr GL Boezak.

There was no counter proposal.

Rdl L Pieterse verlaat die vergadering om 11:03 en keer terug om 11:07.

RESOLUTION / BESLUIT

1. That Council approve the amended 2025/2026 Service Delivery and Budget Implementation Plan (SDBIP).
2. That the amended Service Delivery and Budget Implementation Plan (SDBIP) and the amended Performance Agreements of the Municipal Manager and Directors, be made public in terms of Section 53(2)(a) and (b) of the MFMA.

Proposer Cllr HJ Saayman, seconded Cllr GL Boezak

The proposal was adopted unanimously as a resolution.

9.3 MID-YEAR PERFORMANCE EVALUATION RESULTS 2025/2026

File number / Verwysingsnommer: 4/7/2

Meeting date / Vergadering datum: 25 February 2026

Report by / Verslag deur: Performance Management Administrator – Mrs L Marais

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The Speaker opens the floor for discussion.

Cllr RG Davids makes a proposal seconded by Cllr J Hoogbaard.

There was no counter proposal.

RESOLUTION / BESLUIT

That Council take note of the Mid-Year Performance Evaluation results for 2025/2026.

Proposer Cllr RG Davids, seconded Cllr J Hoogbaard

The proposal was adopted unanimously as a resolution.

9.4 ORGANOGRAM CHANGES: PROTECTION SERVICES DEPARTMENT – DIRECTORATE COMMUNITY SERVICES

File number / Verwysingsnommer: 4/2

Meeting date / Vergadering datum: 25 February 2026

Report by / Verslag deur: Manager: Human Resources – A Oelofse

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The Speaker opens the floor for discussion.

Cllr GL Boezak makes a proposal seconded by Cllr S Le Roux.

There was no counter proposal.

RESOLUTION / BESLUIT

1. That the following **new posts** be created on the organogram:
    1.1 Department: Traffic Services – Post Designation: Senior Inspector T-11 with post number G114 that reports to Head: Traffic Services (G025).
    1.2 Department: Traffic Services – Post Designation: Inspector Court with post number G111 – (T-Grade to be determined through Task evaluation) that reports to Head: Traffic Services (G025).
    1.3 Department: Traffic Services – Post Designation: Supervisor: Court with post number G112 – (T-Grade to be determined through Task evaluation) that reports to Inspector: Court (G112).
    1.4 Department: Traffic Services – Post Designation: Clerk: Court with post number G113 - (T-Grade to be determined through Task evaluation) that reports to Inspector: Court (G112).
    1.5 Department: Vehicle Registration & Licensing – Post Designation: Examiner of Vehicles & Licenses with post number G115 – (T-Grade to be determined through Task evaluation) that reports to Head: Vehicle Registration & Licensing (G039).
    1.6 Department: Vehicle Registration & Licensing – Post Designation: Examiner of Vehicles & Licenses with post number G116 – (T-Grade to be determined through Task evaluation) that reports to Head: Vehicle Registration & Licensing (G039).
    1.7 Department: Vehicle Registration & Licensing – Post Designation: Senior Clerk: Vehicle Registration & Licensing (Riversdale) with post number G117 – (T-Grade to be determined

through Task evaluation) that reports to Chief Clerk: Vehicle Registration & Licensing (G042).

1.8 Department: Vehicle Registration & Licensing – Post Designation: Clerk: Vehicle Registration & Licensing (Albertinia) with post number G118 – (T-Grade to be determined through Task evaluation) that reports to Chief Clerk: Vehicle Registration & Licensing (G042).

1.9 Department: Vehicle Registration & Licensing – Post Designation: Clerk: Vehicle Registration & Licensing (Stilbaai) with post number G119 – (T-Grade to be determined through Task evaluation) that reports to Chief Clerk: Vehicle Registration & Licensing (G042).

1.10 Department: Vehicle Registration & Licensing – Fixed-term temporary contract position for an Intern that reports to the Chief Clerk: Vehicle Registration & Licensing (G042).

1.11 Department: Fire Services & Disaster Management – Post Designation: Control room Operator x 4 with post numbers: G120-123 – T-Grade to be determined through Task evaluation that reports to the Platoon Commander (G080).

1.12 Department: Community Safety & Law Enforcement – Post Designation: Law Enforcement Officer with post numbers: G124 – T-Grade 6 reports to the Principal Inspector: Law Enforcement (G013).

1.13 Department: Community Safety & Law Enforcement – Post Designation: Law Enforcement Officer with post numbers: G125 – T-Grade 6 reports to the Principal Inspector: Law Enforcement (G016).

2. That the following posts be **abolished** from the organogram:

2.1 Department: Traffic Services – Post Designation: Traffic Officer posts: G035 & G033.

2.2 Department: Fire Services & Disaster Management

2.2.1 Station Commander – Post: G079.

2.2.2 Platoon Commander – Post: G081.

2.2.3 Fire Fighter – Post G096.

2.2.4 Senior Fire Fighter – Posts: G083, G084-G094.

3. That the reporting lines of the following posts be **changed** as follows:

3.1 Handyman (G019), with their sub-ordinate General Assistant (G020), report to Senior Inspector (G026).

3.2 Handyman (G022), with their sub-ordinate General Assistant (G023), report to Senior Inspector (G114).

3.3 Fire Fighters (G017 & G095) & Junior Fire Fighters (G100-103 & G105) report to Platoon Commander (G080).

3.4 Fire Fighters (G018 & G077) & Junior Fire Fighters (G104 & G076) report to Platoon Commander (G082).

4. That the post designation of the Divisional Commander Fire Services, change to Chief: Fire & Disaster Management.

5. That the **funding** of current vacant funded posts: G033, G034, G035, G083, be utilised to fund the following current and NEW posts: G112, G115, G114, G104, as outlined below:

CURRENT FUNDED POSTS					**PROPOSED FUNDED POSTS**			
Post nr.	**T-grade**	**Occupation**	**Cost to Company**		**Post nr.**	**T-grade**	**Occupation**	**Cost to Company**
G033	T10	Traffic Officer	R 443,001.15		G112	T8	Supervisor: Court	R 372,151.68
G034	T10	Traffic Officer	R 443,001.15		G115	T10	Ex. of Vehicles & Licenses	R 453,272.68
G035	T10	Traffic Officer	R 443,001.15		G114	T11	Senior Inspector	R 522,640.56
G083	T9	Senior Fire Fighter	R 410,313.13		G105	T6	Junior Fire Fighter	R 291,360.47
			R 1,739,316.58					R 1,639,425.39

Proposer Cllr GL Boezak, seconded Cllr S Le Roux

The proposal was adopted unanimously as a resolution.

9.5 KANSELLASIE VAN VERBANDAKTE: ERF 1282, HEIDELBERG

File number / Verwysingsnommer: 7/2/2/3

Meeting date / Vergadering datum: 25 Februarie 2026

Report by / Verslag deur: Koördineerder: Eiendomsbestuur – Me K Page

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die Speaker hou die item aan die Raad voor en gee geleentheid vir bespreking.

Rdl S Le Roux maak ’n voorstel gesekondeer deur Rdl B van Noordwyk.

Daar is geen teenvoorstel nie.

RESOLUTION / BESLUIT

1. Dat die Raad kennis neem van die Verbandakte (B 8924 / 1977) ten opsigte van Erf 1282, Heidelberg, ten gunste van die Munisipaliteit en die versoek om gemelde akte te kanselleer.
2. Dat die Raad kennis neem dat geen bewyse opgespoor kon word wat daarop dui dat die verband afgelos is nie.
3. Dat die Finansies Afdeling ‘n faktuur aan die huidige eienaar van Erf 1282, Heidelberg, Peter Sydney Meyer, uitreik, welke op die bepalings van die Verbandakte gebaseer is, ten einde die eienaar ‘n geleentheid te bied om die uitstaande bedrae te vereffen en sodoende die verband af te los.

4. Dat die Munisipale Bestuurder gemagtig word om die dokumentasie vir die kansellasie van die Verbandakte te onderteken, onderhewig aan die voorwaarde dat daar bewys gelewer word dat die verband afgelos is.

Voorstel Rdl S Le Roux, sekondant Rdl B van Noordwyk

Die voorstel word eenparig as ‘n besluit aanvaar.

9.6 HUUR VAN MUNISIPALE KANTOORSPASIE TE ERF 2902, RIVERSDAL

File number / Verwysingsnommer: 17/3/R

Meeting date / Vergadering datum: 25 Februarie 2026

Report by / Verslag deur: Bestuurder: Eiendomsbestuur Mnr A Kleynhans

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die Speaker hou die item aan die Raad voor en gee geleentheid vir bespreking.

Rdl J Hoogbaard maak ’n voorstel gesekondeer deur Rdl S Le Roux.

Daar is geen teenvoorstel nie.

RESOLUTION / BESLUIT

1. Dat die Raad kennis neem dat geen besware teen die voorneme om ‘n langtermyn huurooreenkoms met Belladonna (PTY) Ltd te sluit vir ‘n periode van drie jaar, ontvang is nie.
2. Dat die Raad kennis neem dat daar voldoende fondse begroot is op posnommer 600523824801GMRCZZWM (OPR LEASES: INVESTMENT PROPERTIES) om die uitgawes wat gepaard gaan met die sluit van die langtermyn ooreenkoms met Belladonna (PTY) Ltd, te kan betaal oor die kontrak periode.
3. Dat die konsep huurooreenkoms vir die tydperk 1 April 2026 – 31 Maart 2029, soos aangeheg tot die item, deur die Komitee goedgekeur word en dat die Munisipale Bestuurder gemagtig word om die huurooreenkoms namens Hessequa Munisipaliteit, te onderteken.

Voorstel Rdl J Hoogbaard, sekondant Rdl S Le Roux

Die voorstel word eenparig as ‘n besluit aanvaar.

Rdl J Hoogbaard word verskoon vanaf die vergadering om 11:26.

9.7 DEVELOPMENT CHARGE POLICY (AMENDMENT) - 2026

File number / Verwysingsnommer: 5/5/B

Meeting date / Vergadering datum: 25 February 2026

Report by / Verslag deur: Director: Technical Services – Mr. R. Manho

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The Speaker opens the floor for discussion.

Cllr RG Davids makes a proposal seconded by Cllr GL Boezak.

There was no counter proposal.

RESOLUTION / BESLUIT

That Council approve the amendment in the Development Charge Policy approved on 24 September 2024.

Proposer Cllr RG Davids, seconded Cllr GL Boezak

The proposal was adopted unanimously as a resolution.

9.8 WAR-ON-LEAK PROGRAM: HESSEQUA MUNICIPAL AREA

File number / Verwysingsnommer: 16/1/R

Meeting date / Vergadering datum: 25 February 2026

Report by / Verslag deur: Director: Technical Services – Mr. R. Manho

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The Speaker opens the floor for discussion.

Cllr B van Noordwyk makes a proposal seconded by Cllr GL Boezak.

There was no counter proposal.

Cllr ME Dayimani requests a caucus at 11:32.

The Speaker allows a caucus.

The meeting resumes at 11:40.

RESOLUTION / BESLUIT

1. That Council approve the War-on-Leak Programme for the Hessequa Municipal area.
2. That funding be allocated to repair and replace any faulty meters or leakages once-off to address the water losses on both private and municipal properties in the Hessequa Municipal area.

Proposer Cllr B van Noordwyk, seconded Cllr GL Boezak

Councillor CP Taute requested that his countervote be noted that funding be allocated to repair and replace any faulty meters or leakages once-off to address the water losses on both private and municipal properties in the Hessequa Municipal area.

9.9 AANPASSING VAN WATERBEPERKINGS VIR HEIDELBERG, WITSAND EN SLANGRIVIER

File number / Verwysingsnommer: 16/1/6/9

Meeting date / Vergadering datum: 25 Februarie 2026

Report by / Verslag deur: Direkteur: Tegniese Dienste – Mnr. RW Manho

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die Speaker hou die item aan die Raad voor en gee geleentheid vir bespreking.

Rdl S Le Roux maak ’n voorstel gesekondeer deur Rdl B van Noordwyk.

Daar is geen teenvoorstel nie.

RESOLUTION / BESLUIT

1. Dat die Raad die instel van die aangepaste waterbeperkings vir Heidelberg, Witsand en Slangrivier area, goedkeur:
    1. **VLAK 3 Water Beperkings: Heidelberg, Witsand en Slangrivier**

1.1 Tuine mag net een keer per week tussen 18h00 en 19h00 natgemaak word waarvan die ewe huisnommers op Dinsdae en die onewe huisnommers op Donderdae natgemaak mag word. Hierdie bepaling vervang alle vorige vergunnings vir die natmaak op ander tye.

1.2 Tuinslange onder toesig, emmers, gieters en outomatiese besproeiingstelsels vir die natmaak van tuine, mag gebruik word op voorwaarde dat dit binne die toegelate tydgleuf gebeur.

1.3 Indien ander bronne soos reënwatertenke of boorgate gebruik word, moet dit op ‘n sigbare wyse aangedui word.

1.4 Ouetehuise, kwekerye en karwas besighede word uitgesluit van hierdie beperking.

1.5 Die lewering van munisipale dienste, wat sportfasiliteite en munisipale bates insluit, is uitgesluit by bogenoemde beperkings en sal op ad-hoc basis bestuur word deur Administrasie.

1.6 Hierdie vervang vorige beperkings en is geldig vir Heidelberg, Witsand en Slangrivier.

1.7 Die situasie in bogenoemde dorpe sal gemonitor word en strenger beperkings sal ingestel word indien die toestand van waterbronne versleg.

Voorstel Rdl S Le Roux, sekondant Rdl B van Noordwyk

Die voorstel word eenparig as ‘n besluit aanvaar.

9.10 ONDERHOUDSKOSTES VIR DIE BEDRYF VAN DIE WITSAND ONTSOUTINGSAANLEG

File number / Verwysingsnommer: 16/1/6/9

Meeting date / Vergadering datum: 25 Februarie 2026

Report by / Verslag deur: Direkteur: Tegniese Dienste – R Manho

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die Speaker hou die item aan die Raad voor en gee geleentheid vir bespreking.

Rdl B van Noordwyk maak ’n voorstel gesekondeer deur Rdl GL Boezak.

Daar is geen teenvoorstel nie.

RESOLUTION / BESLUIT

1. Dat die Raad kennis neem van die onderhoudskostes vir die bedryf van die Witsand Ontsoutingsaanleg.

2. Dat die Raad kennis neem van die koste waarteen water gesuiwer word deur die Witsand Ontsoutingsaanleg.

Voorstel Rdl B van Noordwyk, sekondant Rdl GL Boezak

Die voorstel word eenparig as ‘n besluit aanvaar.

9.11 DIENSTE OOREENKOMS: HEUNINGKLOOF NYWERHEIDSGEBIED – FASE 3 – STILBAAI, ERF 1504 STILBAAI-OOS (MELKHOUTFONTEIN)

File number / Verwysingsnommer: 9/1/3

Meeting date / Vergadering datum: 25 Februarie 2026

Report by / Verslag deur: Direkteur: Tegniese Dienste – Mnr. R. Manho

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die Speaker hou die item aan die Raad voor en gee geleentheid vir bespreking.

Rdl RG Davids maak ’n voorstel gesekondeer deur Rdl HJ Saayman.

Daar is geen teenvoorstel nie.

RESOLUTION / BESLUIT

Dat die Raad die voorgestelde dienste ooreenkoms vir Heuningkloof Nywerheidsgebied, Stilbaai-Oos (Melkhoutfontein) goedkeur.

Voorstel Rdl RG Davids, sekondant Rdl HJ Saayman

Die voorstel word eenparig as ‘n besluit aanvaar.

9.12 AANSTEL VAN LID OP DIE OUDITKOMITEE

File number / Verwysingsnommer: 5/3/1/2/2

Meeting date / Vergadering datum: 25 Februarie 2026

Report by / Verslag deur: Bestuurder: Interne Oudit – Mnr. J. Oosthuizen

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die Speaker hou die item aan die Raad voor en gee geleentheid vir bespreking.

Voorstel 1

1. Dat die Raad kennis neem van die aansoeke wat ontvang is vir die aanstelling van ‘n lid op die Ouditkomitee.
2. Dat die volgende persoon goedgekeur word om te dien op die Ouditkomitee:

   Mev. M. Gildenhuys vanaf 1 April 2026.

Voorstel Rdl BD Smith, sekondant Rdl RG Davids

Voorstel 2

1. Dat die Raad kennis neem van die aansoeke wat ontvang is vir die aanstelling van ‘n lid op die Ouditkomitee.
2. Dat die volgende persoon goedgekeur word om te dien op die Ouditkomitee:

   Mnr. A. Latchu vanaf 1 April 2026.

Voorstel Rdl ME Dayimani, sekondant Rdl NA Joseph

Die Raad gaan oor in stemming deur die opsteek van hande.

Voorstel 2 – 6

Voorstel 1 – 10

Voorstel 1 word as ‘n besluit aanvaar.

RESOLUTION / BESLUIT

1. Dat die Raad kennis neem van die aansoeke wat ontvang is vir die aanstelling van ‘n lid op die Ouditkomitee.
2. Dat die volgende persoon goedgekeur word om te dien op die Ouditkomitee:

   Mev. M. Gildenhuys vanaf 1 April 2026.

Voorstel Rdl BD Smith, sekondant Rdl RG Davids

Die volgende Raadslede versoek dat hulle teenstem aangeteken word teen besluit 9.12: *Rdl ME Dayimani, Rdl CP Taute, Rdl LC February, Rdl NA Joseph, Rdl AP Daniëls en Rdl L Pieterse.*

9.13 FIRSTRAND BANK LIMITED: CREDIT FACILITIES REQUIRED BY THE MUNICIPALITY

File number / Verwysingsnommer: 5/2/4

Meeting date / Vergadering datum: 25 February 2026

Report by / Verslag deur: Manager: Expenditure – AG Carelse

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The Speaker opens the floor for discussion.

Cllr GL Boezak makes a proposal seconded by Cllr S Le Roux.

There was no counter proposal.

RESOLUTION / BESLUIT

1. That Council note the credit facilities made available by Firstrand Bank Limited (Reg. No. 1929/001225/06) acting through its First National Bank Public Sector Banking division regarding the granting of facilities by the bank to Hessequa Municipality, subject to the terms and conditions as set forth in the facility agreement, and subject to the terms and conditions of the bank.
2. That Council note as per 1 above the municipality may negotiate up to a maximum capital exposure of R18 440 200.00 (Eighteen million, four hundred and forty thousand, two hundred rand).
3. That Council further resolve that any amendment to the facility will only be affected following a resolution by Council authorizing such amendments.
4. That Council further declare and state that it has complied with, in so far as it relates to the facilities referred to in paragraph (1) *supra,* with the relevant provisions of the Local Government Finance Management Act of 2003.
5. That the draft copies of the aforementioned documents and the terms and conditions thereof be approved.
6. That Albertus Stephanus Abraham De Klerk and Gerard John Goliath in their capacities as Municipal Manager and Chief Financial Officer of Hessequa Municipality respectively, be authorized and empowered to sign all documents and do all things necessary to give effect to the above on behalf of the municipality.

Proposer Cllr GL Boezak, seconded Cllr S Le Roux

The proposal was adopted unanimously as a resolution.

9.14 2ND ADJUSTMENT BUDGET FOR 2025/26

File number / Verwysingsnommer: 5/1/1/1

Meeting date / Vergadering datum: 25 February 2026

Report by / Verslag deur: Manager: Financial Statements, Budget & Financial Reporting - RR Erasmus

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The Speaker opens the floor for discussion.

Cllr BD Smith makes a proposal seconded by Cllr B van Noordwyk.

There was no counter proposal.

RESOLUTION / BESLUIT

1. That Total Revenue (Excluding Capital Transfers & Contributions) increase with R40 036 973 from R807 340 166 to R847 377 139 (see Annexure A attached).
2. That Total Expenditure increase with R33 285 293 from R805 898 083 to R839 183 376 (see Annexure A attached).
3. That the capital budget is decreased by R7 182 103 from R189 560 222 to R182 378 119 (see Annexure B attached).
4. That the capital budget is financed as follows:

	R
External Loans	50 000 000
Capital Replacement Reserve	77 208 844
Transfers & Subsidies	54 530 400
Public Donations	638 875
	182 378 119

5. That all amendments in Annexures A and B be approved.
6. That the Service Delivery and Budget Implementation Plan (SDBIP) be adjusted in line with the adjustment budget.
7. That the 2nd Adjustment budget (2025/2026) and National Treasury B- Schedules- Municipal Adjustment Budget & Supporting Tables be sent to the National- and Provincial Treasuries as required.

Proposer Cllr BD Smith, seconded Cllr B van Noordwyk

The following Councillors requested that their countervote be noted for item 9.14:

Cllr ME Dayimani, Cllr CP Taute, Cllr LC February, Cllr AP Daniëls, Cllr NA Joseph and Cllr L Pieterse.

9.15 MEMORANDUM OF AGREEMENT BETWEEN THE WITSAND NATURE RESERVE TRUST AND HESSEQUA MUNICIPALITY

File number / Verwysingsnommer: 17/11

Meeting date / Vergadering datum: 25 February 2026

Report by / Verslag deur: Manager: Environmental Management – Mr. S. Carelse

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The Speaker opens the floor for discussion.

Cllr HJ Saayman makes a proposal seconded by Cllr RG Davids.

There was no counter proposal.

RESOLUTION / BESLUIT

That Council approve the Memorandum of Agreement between the Witsand Nature Reserve Trust and the Hessequa Municipality.

Proposer Cllr HJ Saayman, seconded Cllr RG Davids

The proposal was adopted unanimously as a resolution.

9.16 PUBLIC OFFICE BEARERS – UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS FOR MUNICIPAL COUNCILS

File number / Verwysingsnommer: 4/4

Meeting date / Vergadering datum: 25 February 2026

Report by / Verslag deur: Manager: Expenditure - Mrs A Carelse

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The Speaker opens the floor for discussion.

Cllr BD Smith makes a proposal seconded by Cllr G Riddles.

There was no counter proposal.

RESOLUTION / BESLUIT

1. That Council note the Ministerial Determination and the implementation thereof as prescribed, gazetted in Government Gazette 54179 dated 20 February 2026.
2. That sufficient budget is provided to implement the contents of the Ministerial Determination and the implementation thereof as prescribed, gazetted in Government Gazette 54179 dated 20 February 2026.
3. That approval be granted for the Municipal Manager to seek the concurrence of the Western Cape Minister for Local Government to implement the Ministerial Determination and the implementation thereof as prescribed, gazetted in Government Gazette 54179 dated 20 February 2026.

Proposer Cllr BD Smith, seconded Cllr G Riddles

***Cllr CP Taute requested that his countervote be noted for item 9.16*.**

Die Speaker vra die lede van die publiek en amptenare om die vergadering te verlaat vir die bespreking van die vertroulike items.

Die Speaker staan ‘n breek toe om 12:35 en die vergadering hervat om 12:42.

Die vergadering verdaag om 12:46.

…….. ……

GOEDGEKEUR DATUM

8. KENNISNAME VAN VERSLAE VAN UITVOERENDE BURGEMEESTERSKOMITE

HESSEQUA MUNISIPALITEIT

NOTULE

SPESIALE UITVOERENDE BURGEMEESTERSKOMITEE VERGADERING

VRYDAG 23 JANUARIE 2026

OM 09:00

LEDE:

Rdl G Riddles – Uitvoerende Burgemeester

Rdl GL Boezak – Uitvoerende Onder Burgemeester

Rdl BD Smith

Rdl HJ Saayman

Rdl B van Noordwyk

1. OPENING EN VERWELKOMING

Die Uitvoerende Burgemeester, Rdl G Riddles, heet almal teenwoordig welkom by die vergadering en Rdl HJ Saayman open met gebed.

2. KONSTITUERING / AANSOEKE OM VERLOF

2.1 Teenwoordig

UBK Lede	**Amptenare**
Rdl G Riddles	Me M Griesel
Rdl GL Boezak	Mnr GJ Goliath
Rdl BD Smith	Mnr H Visser
Rdl HJ Saayman	Mnr D Lewis-Michaels
Rdl B van Noordwyk	Me S Kennedy
Raadslede	Mnr A Oelofse
Geen	Me T Hendricks (Notuleerder)

2.2 Verskoning / Verlof

Mnr ASA de Klerk

3. MEDEDELINGS DEUR DIE UITVOERENDE ONDER BURGEMEESTER

Geen

4. VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE RAKENDE ITEMS WAT DIEN OP AGENDA

4.1 Mnr D Lewis-Michaels verklaar sy belang by Item 7.1.1 – Re-advertising for vacant post of Director: Corporate Management

5. GOEDKEURING VAN NOTULE

Geen

6. VERSLAE PORTEFEULJE KOMITEES

Geen

7. SAKE VIR BESPREKING

7.1 KORPORATIEWE BESTUUR

Mnr D Lewis-Michaels word verskoon tydens die bespreking van Item 7.1.1 om 09:05.

7.1.1 RE-ADVERTISING FOR VACANT POST OF DIRECTOR: CORPORATE MANAGEMENT

File number / Verwysingsnommer: 4/3/2

Meeting date / Vergadering datum: 23 January 2026

Report by / Verslag deur: Manager: Human Resources - Adrian Oelofse

RESOLUTION / BESLUIT

1. That the Executive Mayoral Committee support and recommend the re-advertising of the post Director: Corporate Management that will become vacant on 28 February 2026.
2. That the Executive Mayoral Committee support and recommend the appointment of the following members to the selection panel:
   - Mr. Albert de Klerk - Municipal Manager (Chairperson)
   - Cllr Ben Smith - Member of EMC and Portfolio Head (Member)
   - Ms. Medelaine Terblance - Director: Corporate Services (Swartland Municipality)
   - Mrs. Vanessa Zeeman - Director: Corporate Services (Overberg Municipality)
3. That should an appointment not be made by 28 February 2025, the Executive Mayoral Committee support and recommend that Mr Lewis-Michaels will act in the vacant post of Director: Corporate Management for a period of three (3) months from 28 February 2026 until 31 May 2026 or until the date of assumption of duty of the new appointment, whichever date is the soonest.
4. That should Mr Lewis-Michaels be required to act as outlined in (3) above, that he receives a 5% acting allowance.
5. That the item be referred to Council for approval.

Proposer Cllr GL Boezak, seconded Cllr B van Noordwyk

Mnr D Lewis-Michaels sluit om 09:06 by die vergadering aan.

7.1.2 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT 2025/2026 – SECTION 72 REPORT

File number / Verwysingsnommer: 4/7/3

Meeting date / Vergadering datum: 23 January 2026

Report by / Verslag deur: Manager: Strategic Services – L de Villiers

RESOLUTION / BESLUIT

1. That the Executive Mayoral Committee take note of the Mid-Year Budget and Performance Report for 2025/2026 (Section 72 report) as was presented to the Executive Mayor.
2. That an adjustment budget be tabled to Council by the end of February 2026, based on the findings of the Mid-Year Budget and Performance report.
3. That recommendations on revision of the Service Delivery and Budget Implementation Plan (SDBIP) be presented to Council with the adjustment budget.
4. That the item serve at the Council meeting of 23 January 2026.

Proposer Cllr BD Smith, seconded Cllr HJ Saayman

7.1.3 SENIOR MANAGER SALARY ADJUSTMENT – UPPER LIMITS MINISTERIAL DETERMINATION

File number / Verwysingsnommer: 4/4

Meeting date / Vergadering datum: 23 January 2026

Report by / Verslag deur: Adrian Oelofse - Manager: Human Resources

RESOLUTION / BESLUIT

1. That the Executive Mayoral Committee note the Ministerial Determination and the implementation thereof as prescribed, gazetted in Government Gazette 53882 dated 18 December 2025.
2. That there is a budget deficit of R105 537 for the estimated additional expenditure of R1 438 084 (including backpay) in the first year of the MTEF and this deficit will be funded from the surplus in these votes from the 2024/25 financial year.
3. That should there be any *bona fide* interpretation or calculation errors that any overpayment be considered irregular expenditure and be recovered from the official concerned, and conversely, should there be any interpretation or calculation errors that leads to underpayment that the Council will pay any amount owing to the official.
4. That the Item be referred to Council to note.

Proposer Cllr BD Smith, seconded Cllr HJ Saayman

7.2 TEGNIESE DIENSTE

7.2.1 AANPASSING VAN WATERBEPERKINGS VIR DIE HESSEQUA MUNISIPALE AREA

File number / Verwysingsnommer: 16/1/6/9

Meeting date / Vergadering datum: 23 Januarie 2026

Report by / Verslag deur: Waarnemende Direkteur: Tegniese Dienste – Me. Shahida Kennedy

RESOLUTION / BESLUIT

1. Dat die Uitvoerende Burgemeesterskomitee die instel van die aangepaste waterbeperkings vir die Hessequa Munisipale area, oorweeg:

1. VLAK 4 Water Beperkings: Riversdal, Garcia, Vermaaklikheid, Heidelberg, Slangrivier en Albertinia

1.1 Water mag slegs aangewend word vir menslike gebruik.

1.2 Die natmaak van tuine word verbied.

1.3 Afspuit van verharde oppervlaktes word verbied.

1.4 Was van voertuie, karavane en bote word verbied.

1.5 Indien ander bronne soos reënwatertenke of boorgate gebruik word, moet dit op ‘n sigbare wyse aangedui word.

1.6 Ouetehuise, kwekerye en karwas besighede is uitgesluit van hierdie beperking.

1.7 Die lewering van munisipale dienste, wat sportfasiliteite en munisipale insluit, is uitgesluit by bogenoemde beperkings en sal op ‘n ad hoc basis bestuur word deur Administrasie.

1.8 Dit vervang vorige beperkings en is geldig vir Riversdal, Vermaaklikheid, Garcia, Heidelberg, Slangrivier en Albertinia.

1.9 Die situasie in bogenoemde dorpe sal gemonitor word en strenger beperkings sal ingestel word.

1.10 Wetstoepassing sal die situasie in die dorpe monitor en streng teen oortreders optree.

Die afspuit van verharde oppervlakte word verbied regoor die Hessequa Munisipale area.

2. VLAK 2 Water Beperkings: Gouritsmond, Stilbaai, Melkhoutfontein en Jongensfontein

2.1 Tuine mag net twee keer per week natgemaak word, waarvan die gelyke huisnommers op Maandae en Donderdae en die ongelyke huisnommers op Dinsdae en Vrydae natgemaak mag word tussen 18h00 en 19h00. Hierdie bepaling vervang alle vorige vergunnings vir die natmaak op ander tye.

2.2 Tuinslange onder toesig, emmers, gieters en outomatiese besproeiingstelsels vir die natmaak van tuine, mag gebruik word op voorwaarde dat dit binne die toegelate tydgleuf gebeur.

2.3 Afspuit van verharde oppervlaktes word verbied.

2.4 Was van voertuie, karavane en bote mag slegs deur middel van ‘n emmer gedoen word.

2.5 Indien ander bronne soos reënwatertenke of boorgate gebruik word, moet dit op ‘n sigbare wyse aangedui word.

2.6 Ouetehuise, kwekerye en karwas besighede is uitgesluit van hierdie beperking.

2.7 Die lewering van munisipale dienste, wat sportfasiliteite en munisipale bates insluit, is uitgesluit by bogenoemde beperkings en sal op ‘n ad hoc basis bestuur word deur Administrasie.

2.8 Bostaande vervang vorige beperkings en is geldig vir Gouritsmond, Stilbaai, Melkhoutfontein en Jongensfontein.

2.9 Die situasie in die verskeie dorpe sal gemonitor word en strenger beperkings sal ingestel word indien die toestand van waterbronne versleg.

2. Dat die item na die Raad verwys word vir goedkeuring.

Voorstel Rdl B van Noordwyk, sekondant Rdl HJ Saayman

Die vergadering verdaag om 09:12.

…….. ……

GOEDGEKEUR DATUM

HESSEQUA MUNISIPALITEIT

NOTULE

UITVOERENDE BURGEMEESTERSKOMITEE VERGADERING

WOENSDAG 28 JANUARIE 2026

OM 09:00

LEDE:

Rdl G Riddles – Uitvoerende Burgemeester
Rdl GL Boezak – Uitvoerende Onder Burgemeester
Rdl BD Smith
Rdl HJ Saayman
Rdl B van Noordwyk

1. OPENING EN VERWELKOMING

Die Uitvoerende Burgemeester, Rdl G Riddles, heet almal teenwoordig welkom by die vergadering en Rdl HJ Saayman open met gebed.

2. KONSTITUERING / AANSOEKE OM VERLOF

2.1 Teenwoordig

UBK Lede	**Amptenare**
Rdl G Riddles	Mnr ASA de Klerk
Rdl GL Boezak	Mnr GJ Goliath
Rdl BD Smith	Me M Griesel
Rdl HJ Saayman	Mnr D Lewis-Michaels
Rdl B van Noordwyk	Mnr H Visser
Raadslede	Me S Kennedy
Geen	Me T Hendricks (Notuleerder)

2.2 Verskoning / Verlof

Mnr R Manho

3. MEDEDELINGS DEUR DIE UITVOERENDE ONDER BURGEMEESTER

Geen.

4. VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE RAKENDE ITEMS WAT DIEN OP AGENDA

4.1 Me S Kennedy verklaar haar belang by Item 7.5.2 – For Condonation – Acting in the absence of Director: Technical Services

5. GOEDKEURING VAN NOTULE

5.1 Dat die notule van ’n Uitvoerende Burgemeesterskomitee vergadering gehou op 26 November 2025 goedgekeur word.

Voorstel Rdl BD Smith, sekondant Rdl B van Noordwyk

6. VERSLAE PORTEFEULJE KOMITEES

Geen

7. SAKE VIR BESPREKING

7.1 KORPORATIEWE BESTUUR

7.1.1 TABLING OF THE 2024/2025 ANNUAL REPORT

File number / Verwysingsnommer: 5/1/1/1

Meeting date / Vergadering datum: 28 January 2026

Report by / Verslag deur: Manager: Strategic Services – L de Villiers

RESOLUTION / BESLUIT

1. That the Executive Mayoral Committee take note of the Annual Report for the 2024/2025 financial year.
2. That the Annual Report be submitted to an extended Municipal Public Accounts Committee (MPAC) for the development of an Oversight Report as required by legislation.
3. That the extended Municipal Public Accounts Committee consist of the following additional members.
    - 3.1 Co-opted Member: Chairperson, or his/her nominee, of the Audit Committee;
    - 3.2 Co-opted Member: Public Representative as nominated by the Executive Mayor (DA);
    - 3.3 Co-opted Member: Public Representative as nominated by the VF+ Council Member;
    - 3.4 Co-opted Member: Public Representative as nominated by the PA Council Member;
    - 3.5 Co-opted Member: Public Representative as nominated by the ANC Caucus.
4. That the Annual Report be made public and advertised for public comment.
5. That the completed Oversight Report with applicable recommendations be submitted to Council before the end of March 2026.

Proposer Cllr BD Smith, seconded Cllr B van Noordwyk

7.1.2 VERKOOP VAN 'N GEDEELTE (ONGEVEER 17 VK.M) VAN ERF 642, STILBAAI-WES

File number / Verwysingsnommer: 7/2/2/7

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder: Eiendomsbestuur – Mnr A Kleynhans

RESOLUTION / BESLUIT

1. Dat die volgende besluit (agenda nommer 6.22 en aanbevelings 1.1 – 2.5) wat deur die **Raad** geneem is op **30 Julie 2025**, **herroep** word:

   "1.1 Dat ingevolge Artikel 14 (1) en 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, 'n gedeelte (ongeveer 25 vk.m) van Erf 651, Stilbaai-Wes nie benodig word vir die lewering van basiese Munisipale dienste nie.

2. *Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van 'n gedeelte (ongeveer 25 vk.m) van Erf 651, Stilbaai-Wes aan Meneer M.J van Heerden goedkeur, onderhewig aan die volgende voorwaardes (2.1-2.5):*

   2.1 Dat die eiendom teen 'n markverwante bedrag verkoop word.

   2.2 Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.

   2.3 Dat die eiendom onderverdeel en met Erf 506, Stilbaai-Wes gekonsolideer word.

   2.4 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.

   2.5 Dat die koper verantwoordelik is alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,- hersonering en konsolidasie kostes."

3. Dat ingevolge Artikel 14 (1) en 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, 'n gedeelte (ongeveer 17 vk.m) van Erf 642, Stilbaai-Wes nie benodig word vir die lewering van basiese Munisipale dienste nie.

4. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van 'n gedeelte (ongeveer 17 vk.m) van Erf 642, Stilbaai-Wes aan MAS van Heerden Estates **goedkeur**, onderhewig aan die volgende voorwaardes (4.1-4.4):

   4.1 Dat die eiendom teen 'n markverwante bedrag van R14 484.00 (BTW uitgesluit) verkoop word.

   4.2 Dat die eiendom onderverdeel en met Erf 506, Stilbaai-Wes gekonsolideer word.

   4.3 Dat die Raad kennis neem dat daar geen besware ontvang is teen die voorneme om 'n gedeelte (ongeveer 17 vk.m) van Erf 642, Stilbaai Wes te vervreem nie.

   4.4 Dat die koper verantwoordelik is vir alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling, hersonering en konsolidasie kostes.

5. Dat die item na die Raad verwys word.

Voorstel Rdl BD Smith, sekondant Rdl GL Boezak

7.1.3 VERKOOP VAN ERF 1957, ALBERTINIA

File number / Verwysingsnommer: 7/2/2/1

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder Eiendomsbestuur: Mnr A. Kleynhans

RESOLUTION / BESLUIT

1. Dat ingevolge Artikel 14 (1) en (2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, Erf 1957, Albertinia nie benodig word vir die lewering van basiese Munisipale dienste nie en dat die Raad die billike markwaarde van die eiendom (R150 000.00) oorweeg het.
2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), sowel as Paragraaf 21.4.1 (e) van die Eiendomsbestuur Beleid, die Raad die vervreemding van Erf 1957, Albertinia direk aan Mnr FC Kroukamp, goedkeur, onderhewig aan die volgende voorwaardes (2.1-2.5):
    - 2.1 Dat die koopsom die bedrag van R 150 000.00 (een honderd en vyftig duisend rand) (BTW Uitgesluit) beloop en dat Meneer FC Kroukamp Eiendomsbelasting op die eiendom vir die periode van 1/7/2021 – 1/7/2026 ten bedrae van R4288.42 addisioneel tot die koopsom aan die Munisipaliteit betaal.
    - 2.2 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare, vir die rekening van die koper.
    - 2.3 Dat die koper verantwoordelik is vir alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot die koopsom, alle grondgebruik aansoek kostes, advertensie kostes en die oordragskostes.
    - 2.4 Dat indien enige dienste geskuif of beskadig word, nou of in die toekoms, of indien enige dienste opgegradeer moet word, sal die koste vir die rekening van die koper wees.
    - 2.5 Dat die eiendom binne ‘n periode van 24 maande nadat die koopooreenkoms gesluit is, in die koper se naam geregistreer word.
3. Dat die verslag aan die Raad voorgelê word ter finale oorweging.

Voorstel Rdl BD Smith, sekondant Rdl HJ Saayman

7.1.4 OORWEGING VAN AKTE VAN VERVREEMDING T.O.V. ERF 973, HEIDELBERG

File number / Verwysingsnommer: 7/2/1/2

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder: Eiendomsbestuur – Mnr A. Kleynhans

RESOLUTION / BESLUIT

1. Dat die Komitee kennis neem van die voorneme van die Wes-Kaap Regering, Departement van Infrastruktuur om Erf 973, Heidelberg aan Hessequa Munisipaliteit oor te dra en dat die Komitee die ondertekening van die aangehegde Akte van Vervreemding aanbeveel.
2. Dat die Komitee kennis neem dat daar geen teenprestasie betaalbaar is deur Hessequa Munisipaliteit aan die Wes-Kaap Regering, Departement van Infrastruktuur vir die aankoop van die eiendom nie en dat die Wes-Kaap Regering, Departement van Infrastruktuur verantwoordelik is vir die oordragkostes.
3. Dat Erf 973, Heidelberg uitsluitlik vir toekomstige behuisingsontwikkelings projekte gereserveer word.
4. Dat daar voorsiening op die kapitaalbegroting gemaak word ten einde die eiendom as bate te erken in die bateregister.
5. Dat die bestaande woning te Erf 973, Heidelberg en ‘n gedeelte omliggend tot die woning soos bepaal in oorleg met die Direktoraat: Gemeenskapsdienste aan die huidige bewoners (die Roberts gesin), voetstoots verhuur word op ‘n maand tot maand basis vanaf die registrasie datum van die eiendom in die naam van Hessequa Munisipaliteit, teen ‘n maandelikse huurbedrag van R500.00 met ‘n jaarlikse eskalasie koers van 8%.
6. Dat die huurders verantwoordelik is vir die herstel en onderhoud aan die woning.
7. Dat die huurders verantwoordelik is vir die betaling van munisipale dienstegelde.
8. Dat die item na die Raad verwys word.

Voorstel Rdl BD Smith, sekondant Rdl GL Boezak

7.1.5 AFWYKING VAN VERKOOPSVOORWAARDES: ERF 7763 EN 7764, RIVERSDAL

File number / Verwysingsnommer: 7/2/2/5

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder: Eiendomsbestuur – Mnr A Kleynhans

RESOLUTION / BESLUIT

1. Dat die Komitee goedkeuring verleen dat daar afgewyk word van die bepalings van Klousule 17.1 van die koopooreenkoms tussen Hessequa Munisipaliteit en Me. Constance Bronwyn Weber ten opsigte van Erf 7763, Riversdal en dat uitstel verleen word vir die vestiging van ‘n woning op die eiendom voor 31 Desember 2027.
2. Dat die Komitee goedkeuring verleen dat daar afgewyk word van die bepalings van Klousule 17.1 van die koopooreenkoms tussen Hessequa Munisipaliteit en Me. Constance Bronwyn Weber ten opsigte van Erf 7764, Riversdal en dat uitstel verleen word vir die vestiging van ‘n woning op die eiendom voor 31 Desember 2027.
3. Dat die wysigings soos aanbeveel in aanbevelings een en twee, by wyse van ‘n addendum aangebring word.
4. Dat geen verdere uitstel verleen sal word nie.

5. Dat die item na die Raad verwys word.

Voorstel Rdl BD Smith, sekondant Rdl B van Noordwyk

7.2 FINANSIËLE DIENSTE

7.2.1 THE IMPLEMENTATION OF THE PROCUREMENT PLAN AS AT 30 NOVEMBER 2025 AND 31 DECEMBER 2025

File number / Verwysingsnommer: 8B

Meeting date / Vergadering datum: 28 January 2026

Report by / Verslag deur: Manager: Supply Chain Management, Assets and Insurance – Mr. R Bent

RESOLUTION / BESLUIT

1. That the Executive Mayoral Committee take note of the implementation of the procurement plan for the 2025/2026-financial year and implementation thereof as of 30 November 2025 and 31 December 2025.
2. That the Executive Mayoral Committee take note that there is a 2.14% deviation from the plan as at 30 November 2025 and 3.09% deviation from the plan as at 31 December 2025.

Proposer Cllr BD Smith, seconded Cllr B van Noordwyk

7.2.2 CAPITAL BUDGET SPENDING FOR THE PERIODS UP TO 30 NOVEMBER 2025 AND 31 DECEMBER 2025

File number / Verwysingsnommer: 5/1/1/1

Meeting date / Vergadering datum: 28 January 2026

Report by / Verslag deur: Manager: Financial Statements, Budget & Financial Reporting - R.R Erasmus

RESOLUTION / BESLUIT

That the Executive Mayoral Committee note the capital spending for 30 November 2025 and 31 December 2025.

Proposer Cllr B van Noordwyk, seconded Cllr HJ Saayman

7.2.3 REPAIRS & MAINTENANCE SPENDING FOR THE PERIODS UP TO 30 NOVEMBER 2025 AND 31 DECEMBER 2025

File number / Verwysingsnommer: 5/1/1/1

Meeting date / Vergadering datum: 28 January 2026

Report by / Verslag deur: Manager: Financial Statements, Budget & Financial Reporting - R.R Erasmus

RESOLUTION / BESLUIT

That the Executive Mayoral Committee note the spending on Repairs and Maintenance up to 30 November 2025 and up to 31 December 2025.

Proposer Cllr BD Smith, seconded Cllr GL Boezak

7.2.4 IN-YEAR MONITORING FOR LOCAL AUTHORITIES – NOVEMBER 2025 AND DECEMBER 2025

File number / Verwysingsnommer: 5/1/1/1

Meeting date / Vergadering datum: 28 January 2026

Report by / Verslag deur: Manager: Financial Statements, Budget & Financial Reporting - R.R Erasmus

RESOLUTION / BESLUIT

1. That the Budget Monitoring presented for November 2025 and December 2025, be approved.
2. That the reasons given for deviations, be approved.
3. That the Executive Mayoral Committee note the investments the municipality has at banks and the money market as at 30 November 2025 and 31 December 2025.
4. That the Executive Mayoral Committee note the instances of Unauthorised, Irregular, Wasteful and Fruitless (UIW&F) Expenditure for the period ended 30 November 2025 and 31 December 2025.
5. That the report be submitted to the Municipal Public Accounts Committee for oversight.

Proposer Cllr BD Smith, seconded Cllr GL Boezak

7.2.5 REPORT ON THE MANAGEMENT OF CONTRACTS OR AGREEMENTS AND THE PERFORMANCE OF THE CONTRACTOR FOR THE MONTH OF NOVEMBER AND DECEMBER 2025

File number / Verwysingsnommer: 8/B

Meeting date / Vergadering datum: 28 January 2026

Report by / Verslag deur: Manager: Supply Chain Management, Assets & Insurance: Mr. R.A Bent

RESOLUTION / BESLUIT

1. That the Executive Mayoral Committee take note of the management of contracts or agreements and the performance of contractors for the month of November 2025 and December 2025.

2. That the Executive Mayoral Committee take note of the current active contracts and their expiration dates and the status of the new procurement as of November 2025 and December 2025.

Proposer Cllr BD Smith, seconded Cllr B van Noordwyk

7.2.6 WITHDRAWALS FROM BANK ACCOUNT – QUARTER ENDED 31 DECEMBER 2025

File number / Verwysingsnommer: 5/15/R

Meeting date / Vergadering datum: 28 January 2026

Report by / Verslag deur: Manager Expenditure – Mrs A Carelse

RESOLUTION / BESLUIT

That the withdrawals from the bank account for the quarter ended 31 December 2025 be noted.

Proposer Cllr BD Smith, seconded Cllr HJ Saayman

7.2.7 QUARTERLY BUDGET MONITORING FOR LOCAL AUTHORITIES (SECTION 52) – DECEMBER 2025– 2ND QUARTER

File number / Verwysingsnommer: 5/1/1/1

Meeting date / Vergadering datum: 28 January 2026

Report by / Verslag deur: Manager: Financial Statements, Budget & Financial Reporting- R.R Erasmus

RESOLUTION / BESLUIT

1. That the Executive Mayoral Committee take note of the contents of the Quarterly Budget Monitoring (Section 52) report and supporting documents for the 2nd quarter of the 2025/2026 financial year.
2. That the report be submitted to National and Provincial Treasuries as required.
3. That the Quarterly Budget Monitoring (Section 52) Report be submitted to Council for approval.

Proposer Cllr BD Smith, seconded Cllr GL Boezak

7.2.8 CORRECTION OF IMPLEMENTATION OF SMALL-SCALE EMBEDDED GENERATION (SSEG) CREDITS TO CONSUMERS – JANUARY 2026

File number / Verwysingsnommer: 5/11/1

Meeting date / Vergadering datum: 28 January 2026

Report by / Verslag deur: Director: Financial Services (CFO) – Mr. GJ Goliath

RESOLUTION / BESLUIT

1. That the Executive Mayoral Committee note the feed-in remains at 124.0 cents (Excluding VAT) per kWh.
2. That the Executive Mayoral Committee note the correction to the credits to consumers will now be limited to the rand amount of kWh purchased in a financial year, backdated to the date of signature of the agreement or 01 September 2023, whichever date occurs last.
3. That the item be referred to Council for approval.

Proposer Cllr BD Smith, seconded Cllr GL Boezak

7.3 ONTWIKKELINGSBEPLANNING

7.3.1 WES-KAAP AFBAKENING VAN MUNISIPALE WYKE: HESSEQUA MUNISIPALITEIT

File number / Verwysingsnommer: 5/5/3

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Direkteur Ontwikkelingsbeplanning: Mnr HS Visser

RESOLUTION / BESLUIT

1. Dat Uitvoerende Burgemeesterskomitee kennis neem van die bevestiging van die Hessequa Munisipaliteit se afbakening van sy wyke soos vervat in Skedule 2 en bevestig deur die Munisipale Afbakeningsraad.
2. Dat die item na die Raad verwys word vir goedkeuring.

Voorstel Rdl HJ Saayman, sekondant Rdl BD Smith

7.3.2 SECTION 79 APPEAL: STEPHAN SPAMER (OWNER OF ERF 254, STILBAAI WEST) AGAINST THE HESSEQUA MUNICIPALITY DECISION ON ERF 253, STILBAAI WEST

File number / Verwysingsnommer: 15/4/2/9

Meeting date / Vergadering datum: 28 January 2026

Report by / Verslag deur: WJA van Brakel – Town Planner

RESOLUTION / BESLUIT

1. That upon consideration of all submissions, arguments, and evidence presented in the appeal lodged by Mr. Stephan Spamer on 31 October 2025, in terms of Section 79 of the Hessequa Municipality: By-Law on Municipal Land Use Planning, 2015 (PK 287 of 2015), against the

decision of the Authorized Official communicated in the letter dated 13 October 2025, the Appeal Authority finds as follows:

1.1 The appeal is hereby **DISMISSED**.

1.2 The decision of the Authorised Official, dated 13 October 2025, is **CONFIRMED**.

1.3 The proposed third garage on Erf 253, Still Bay West, is permitted subject to a setback of 500mm from the erf boundary in accordance with Section 66 of the Hessequa Municipality: By-Law on Municipal Land Use Planning, 2015.

2. That this determination is made in accordance with the provisions of the Zoning Scheme By-Law (2018) and having regard to the principles of orderly land development and efficient utilisation of the erf, while ensuring compliance with applicable by-laws, for the following reasons:

2.1 Compliance with Zoning Scheme By-Law (2018): The revised proposal (which is 500mm from the erf boundary) for the third garage complies with the Hessequa Municipality Zoning Scheme By-Law (2018), including height limits, footprint controls, and the definition of a “double façade” for a single dwelling.

Because the garages serve two separate dwellings on the property, the third garage does not contravene the double-façade restriction. The interpretation applied by the Department is consistent with the purpose of the zoning provision and comparable case-law regarding functional separation of dwelling units.

2.2 Proportionality and minimal impact: The proposed garage encroachment of 1.5m into the 2m side building line (resulting in a 500mm setback from the erf boundary) is minimal, functional, and sufficient for access, maintenance, and stormwater management. The structure’s height, scale, and orientation ensure that it does not materially affect overshadowing, overlooking, or the visual amenity of Erf 254, and it is fully consistent with the spatial character of Stilbaai West.

2.3 Integration with existing development: The proposed garage is integrated with the existing double-storey dwelling, which has a second dwelling unit and garages on the ground floor with living areas above. This layout preserves a consolidated built form, efficient internal circulation, and functional use of the erf, avoiding fragmentation that alternative placements on the north-western open space would create.

2.4 Assessment of alternatives: While relocation to the north-western portion of the property could avoid the need for departures or title deed relaxation, such a placement would disrupt site functionality, access, and integration with the main dwelling, resulting in a less efficient and less practical design. The current location represents the most functional, law-aligned, and context-sensitive solution.

2.5 Precedent and neighbourhood consistency: Similar building line relaxations exist within the surrounding area, and the proposal aligns with prevailing development patterns. The third garage does not establish an unusual precedent nor compromise the orderly planning objectives of the municipality.

2.6 Public participation and objection: All affected neighbours were notified as part of the public participation process. While the appellant has raised concerns, the Municipal Planning Department has considered these and determined that the proposed garage is compatible with the rights, amenities, and privacy of neighbouring properties. The practical and regulatory merits of the application outweigh the objections raised.

Proposer Cllr HJ Saayman, seconded Cllr GL Boezak

7.4 GEMEENSKAPSDIENSTE

7.4.1 HERSIENING VAN RAADSBESLUIT BETREFFENDE DIE VESTIGING VAN 'N PERMANENTE DIENSPUNT VIR DIE DEPARTEMENT VAN BINNELANDSE SAKE BINNE HESSEQUA

File number / Verwysingsnommer: 17/16/4

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder Gemeenskapsontwikkeling – Mnr RN Heunis

RESOLUTION / BESLUIT

1. Dat die volgende besluit soos deur die **Uitvoerende Burgemeesterskomitee** geneem op **26 September 2023, herroep word**:

   "1. Dat daar by die Riversdal Thusong Sentrum spasie beskikbaar gestel word vir die vestiging van 'n permanente diens punt.

   2. Dat die spasie vir 'n periode van vyf (5) jaar gratis vir hierdie doel beskikbaar gestel word.

   3. Dat die Departement Binnelandse Sake self verantwoordelik sal wees vir die kostes van vestiging en inrig van die kantoor te Riversdal Thusong Sentrum.

   4. Dat daar 'n formele ooreenkoms met die Departement Binnelandse sake opgestel word.

   5. Dat daar vir die interim periode parkeer spasie by die brandweer stasie te Riversdal gratis beskikbaar gestel word vir die parkeer van die mobiele trok".

2. Dat die volgende aanbevelings deur die Komitee goedgekeur word:

   2.1 Dat die Uitvoerende Burgemeesterskomitee die aanbeveling goedkeur om die raadsbesluit van 26 September 2013, rakende die vestiging van 'n permanente diens punt binne Hessequa, te hersien.

   2.2 Dat die ruimte vir die vestiging van 'n kantoor van die Departement van Binnelandse Sake, vir 'n tydperk van vyf (5) jaar vanaf die datum van ondertekening van die Memorandum van Ooreenkoms, kosteloos beskikbaar gestel word.

   2.3 Dat die Uitvoerende Burgemeesterskomitee die aanstelling van twee (2) tydelike klerke, vir 'n vaste termyn van drie (3) jaar, ingevolge die bepalings van die Wet op Arbeidsverhoudinge, 1995 (Wet 66 van 1995), en gefinansier uit interne fondse, goedkeur, ten einde die Departement te ondersteun met die daaglikse funksionering van die kantoor totdat die diens punt volledig gevestig is.

   2.4 Dat die twee tydelike klerke teen die minimum loon van R10 616 per maand, met jaarlikse aanpassings ooreenkomstig die bepalings van die Bedingingsraad, aangestel word.

   2.5 Dat die bestaande tydelike lone posnommer 511021100111GTPVZZWM, oorspronklik toegeken vir tydelike lone ten behoewe van gemeenskapsontwikkelings inisiatiewe, vir hierdie doel aangewend word.

2.6 Dat ’n afsonderlike drie-fase elektrisiteitsmeter geïnstalleer word vir betalings- en verbruik doeleindes.

2.7 Dat ’n afsonderlike alarmstelsel geïnstalleer word ten einde die sekuriteit van die fasiliteit te versterk.

2.8 Dat voorsiening gemaak word in die huidige sekuriteits-kontrak vir een (1) toegewyde sekuriteitswag met Graad C gradering, gedurende kantoorure (07h30–16h00), by die kantore van die Departement van Binnelandse Sake.

Voorstel Rdl GL Boezak, sekondant Rdl BD Smith

7.5 ITEMS VIR KONDONERING

Me S Kennedy word verskoon tydens die bespreking van item 7.5.2 om 09:09.

7.5.1 VIR KONDONERING: AANSOEK OM SPOEDWAL: EBENHAESERSINGEL, STILBAAI – WYK 3

File number / Verwysingsnommer: 17/3/1/4/2

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder Infrastruktuurdienste: Mnr S Morris

RESOLUTION / BESLUIT

Dat die Uitvoerende Burgemeesterskomitee kennis neem van die volgende besluit, soos goedgekeur deur die Uitvoerende Burgemeester op 8 Desember 2025, as volg:

1. Dat kennis geneem word van die verkeerstelling wat gedoen was in terme van die kriteria soos vervat in die munisipaliteit se Spoedwal Beleid.
2. Dat die uitkoms van die evaluering nie die installering van ‘n spoedwal te Ebenhaesersingel, Stilbaai, regverdig nie, omdat slegs 20 punte behaal is.
3. Dat die aansoek vir die oprigting van ‘n spoedwal goedgekeur word met die onderstaande as motivering:
   3.1 Dat die betrokke straat, Ebenhaesersingel teen ‘n afdraand is en voertuie se spoed die goedgekeurde spoedperk van 60 km/h oorskry.
   3.2 Dat die aansluiting van Harmoniestraat by Ebenhaesersingel ‘n skewe aansluiting is en voertuie nie hulle spoed verminder as hulle afdraai in Harmoniestraat nie.
   3.3 ‘n Toename in verkeer weens die vestiging van nuwe tandarts spreekkamer.

Voorstel Rdl GL Boezak, sekondant Rdl HJ Saayman

7.5.2 FOR CONDONATION - ACTING IN THE ABSENCE OF DIRECTOR: TECHNICAL SERVICES

File number / Verwysingsnommer: 4/5

Meeting date / Vergadering datum: 28 January 2026

Report by / Verslag deur: Manager: Human Resources – Mr A Oelofse

RESOLUTION / BESLUIT

That the Executive Mayoral Committee take note of the following resolution, as approved by the Executive Mayor on 14 January 2026 as follow:

1. That the Executive Mayoral Committee approve the acting of Ms S Kennedy in the absence Mr Manho (Director: Technical Services) from 12 January 2026 to 30 January 2026.
2. That an acting allowance as determined by the Western Cape Collective Agreement be paid to Ms Kennedy.
3. That the item be referred to Council.

Voorstel Rdl GL Boezak, sekondant Rdl HJ Saayman

7.5.3 VIR KONDONERING: AANSOEK VIR VERLENGDE DRANK HANDELSURE EN -DAE INGEVOLGE DIE HESSEQUA MUNISIPALITEIT SE VERORDENING INSAKE DRANKHANDELSDAE EN- URE: DIE VELDSKOEN, ERF 546, 1 MELKHOUTLAAN, GOURITSMOND

File number / Verwysingsnommer: 1/3/R

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder: Regsdienste en Administrasie: Mev S Sanders

RESOLUTION / BESLUIT

Dat die Uitvoerende Burgemeesterskomitee kennis neem van die volgende besluit, soos goedgekeur deur die Uitvoerende Burgemeester op 19 Desember 2025, as volg:

1. Dat die Uitvoerende Burgemeesterskomitee die aansoek van Die Veldskoen, Erf 546, 1 Melkhoutlaan, Gouritsmond om verlengde drankhandelsure en -dae **goedkeur**, onderhewig aan die volgende voorwaardes:
    1.1 Dat die Munisipaliteit die reg voorbehou om die goedkeuring ter enige tyd terug te trek en nie aanspreeklik sal wees vir enige verliese ervaar deur die handelaar in die verband nie.
    1.2 Dat die goedkeuring geldig sal wees vir ’n periode van een jaar, vanaf die datum waarop goedkeuring verleen word, waarna dit outomaties sal verval en die aansoeker opnuut moet aansoek doen.
    1.3 Dat die goedkeuringsertifikaat, soos uitgereik deur die Munisipaliteit, pertinent op die perseel vertoon moet word.

1.4 Dat die goedgekeurde verlengde handelsdae en -ure as volg is:

Vir ‘n tydperk van een (1) jaar vanaf **20 Desember 2025 – 19 November 2026**

Maandae – Saterdae: 10h00 – 02h00

2. Dat die aansoek deur die Uitvoerende Burgemeesterskomitee bekragtig word.

Voorstel Rdl GL Boezak, sekondant Rdl HJ Saayman

7.5.4 VIR KONDONERING: AANSOEK VIR VERLENGDE DRANK HANDELSURE EN -DAE INGEVOLGE DIE HESSEQUA MUNISIPALITEIT SE VERORDENING INSAKE DRANK HANDELSURE: PIK N WYNTJIE, ERF 443, STRANDSTRAAT, JONGENSFONTEIN

File number / Verwysingsnommer: 1/3/R

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder: Regsdienste & Administrasie – Mev S Sanders

RESOLUTION / BESLUIT

Dat die Uitvoerende Burgemeesterskomitee kennis neem van die volgende besluit, soos goedgekeur deur die Uitvoerende Burgemeester op 19 Desember 2025, as volg:

1. Dat die Uitvoerende Burgemeesterskomitee die aansoek van Pik n Wyntjie, Erf 443, Strandstraat, Jongensfontein om verlengde drankhandelsure en -dae **goedkeur**, onderhewig aan die volgende voorwaardes:

   1.1 Dat die Munisipaliteit die reg voorbehou om die goedkeuring ter enige tyd terug te trek en nie aanspreeklik sal wees vir enige verliese ervaar deur die handelaar in die verband nie.

   1.2 Dat die goedkeuring geldig sal wees vir ’n periode van een jaar, vanaf die datum waarop goedkeuring verleen word, waarna dit outomaties sal verval en die aansoeker opnuut moet aansoek doen.

   1.3 Dat die goedkeuringsertifikaat, soos uitgereik deur die Munisipaliteit, pertinent op die perseel vertoon moet word.

   1.4 Dat die goedgekeurde verlengde handelsdae en -ure as volg is:

   Vir ‘n tydperk van een (1) jaar vanaf **20 Desember 2025 tot 19 November 2026.**

   Maandae – Saterdae: 10h00 – 02h00

2. Dat die aansoek deur die Uitvoerende Burgemeesterskomitee bekragtig word.

Voorstel Rdl GL Boezak, sekondant Rdl HJ Saayman

7.5.5 VIR KONDONERING: AANSOEK VIR VERLENGDE DRANK HANDELSURE EN -DAE INGEVOLGE DIE HESSEQUA MUNISIPALITEIT SE VERORDENING INSAKE DRANKHANDELSDAE EN- URE: DRIE PIKKEWYNE, ERF 443, STRANDSTRAAT, JONGENSFONTEIN

File number / Verwysingsnommer: 1/3/R

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder: Regsdienste & Administrasie – Mev S Sanders

RESOLUTION / BESLUIT

Dat die Uitvoerende Burgemeesterskomitee kennis neem van die volgende besluit, soos goedgekeur deur die Uitvoerende Burgemeester op 19 Desember 2025, as volg:

1. Dat die Uitvoerende Burgemeesterskomitee die aansoek van Drie Pikkewyne, Erf 443, Strandstraat, Jongensfontein, om verlengde drankhandelsure en -dae **goedkeur**, onderhewig aan die volgende voorwaardes:

    1.1 Dat die Munisipaliteit die reg voorbehou om die goedkeuring ter enige tyd terug te trek en nie aanspreeklik sal wees vir enige verliese ervaar deur die handelaar in die verband nie.

    1.2 Dat die goedkeuring geldig sal wees vir ’n periode van een jaar, vanaf die datum waarop goedkeuring verleen word, waarna dit outomaties sal verval en die aansoeker opnuut moet aansoek doen.

    1.3 Dat die goedkeuringsertifikaat, soos uitgereik deur die Munisipaliteit, pertinent op die perseel vertoon moet word.

    1.4 Dat die goedgekeurde verlengde handelsdae en -ure as volg is:

    Vir ‘n tydperk van een (1) jaar vanaf **20 Desember 2025– 19 Desember 2026**

    Maandae – Saterdae: 10h00 – 23h00

2. Dat die aansoek deur die Uitvoerende Burgemeesterskomitee bekragtig word.

Voorstel Rdl GL Boezak, sekondant Rdl HJ Saayman

7.5.6 VIR KONDONERING: AANSOEK VIR VERLENGDE DRANK HANDELSURE EN -DAE INGEVOLGE DIE HESSEQUA MUNISIPALITEIT SE VERORDENING INSAKE DRANKHANDELSDAE EN- URE: DIE SEEKOMBUIS (PTY) LTD, ERF 217, HOOFSTRAND HOOFWEG- OOS, GORDON STRAAT, STILBAAI

File number / Verwysingsnommer: 1/3/R

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder: Regsdienste & Administrasie – Mev S Sanders

RESOLUTION / BESLUIT

Dat die Uitvoerende Burgemeesterskomitee kennis neem van die volgende besluit, soos goedgekeur deur die Uitvoerende Burgemeester op 27 November 2025, as volg:

1. Dat die Uitvoerende Burgemeesterskomitee die aansoek van, Die Seekombuis (Pty) Ltd, Erf 217, Hoofstrand Hoofweg-Oos, Gordon Straat, Stilbaai om verlengde drankhandelsure en -dae **goedkeur**, onderhewig aan die volgende voorwaardes:

    1.1 Dat die Munisipaliteit die reg voorbehou om die goedkeuring ter enige tyd terug te trek en nie aanspreeklik sal wees vir enige verliese ervaar deur die handelaar in die verband nie.

    1.2 Dat die goedkeuring geldig sal wees vir ’n periode van een jaar, vanaf die datum waarop goedkeuring verleen word, waarna dit outomaties sal verval en die aansoeker opnuut moet aansoek doen.

    1.3 Dat die goedkeuringsertifikaat, soos uitgereik deur die Munisipaliteit, pertinent op die perseel vertoon moet word.

    1.4 Dat die goedgekeurde verlengde handelsdae en -ure as volg is:

    Vir ‘n tydperk van een (1) jaar vanaf **01 Desember 2025 – 30 November 2026**

    Maandae – Saterdae: 11h00 – 02h00

2. Dat die aansoek deur die Uitvoerende Burgemeesterskomitee bekragtig word.

Voorstel Rdl GL Boezak, sekondant Rdl HJ Saayman

7.5.7 VIR KONDONERING: AANSOEK VIR VERLENGDE DRANK HANDELSURE EN -DAE INGEVOLGE DIE HESSEQUA MUNISIPALITEIT SE VERORDENING INSAKE DRANKHANDELSDAE EN- URE: PANORAMA BOTTELSTOOR, ERF 5251, VERSVELD STRAAT 124, RIVERSDAL

File number / Verwysingsnommer: 1/3/R

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder: Regsdienste en Administrasie: Mev S Sanders

RESOLUTION / BESLUIT

Dat die Uitvoerende Burgemeesterskomitee kennis neem van die volgende besluit, soos goedgekeur deur die Uitvoerende Burgemeester op 27 November 2025, as volg:

1. Dat die Uitvoerende Burgemeesterskomitee die aansoek van Panorama Bottelstoor, Erf 5251, Versveld Straat 124, Riversdal om verlengde drankhandelsure en -dae **goedkeur**, onderhewig aan die volgende voorwaardes:

    1.1 Dat die Munisipaliteit die reg voorbehou om die goedkeuring ter enige tyd terug te trek en nie aanspreeklik sal wees vir enige verliese ervaar deur die handelaar in die verband nie.

1.2 Dat die goedkeuring geldig sal wees vir ’n periode van een jaar, vanaf die datum waarop goedkeuring verleen word, waarna dit outomaties sal verval en die aansoeker opnuut moet aansoek doen.

1.3 Dat die goedkeuringsertifikaat, soos uitgereik deur die Munisipaliteit, pertinent op die perseel vertoon moet word.

1.4 Dat die goedgekeurde verlengde handelsdae en -ure as volg is:

Vir ‘n tydperk van een (1) jaar vanaf **01 Desember 2025 – 30 November 2026**

Maandae – Saterdae: 09h00 – 20h00

2. Dat die aansoek deur die Uitvoerende Burgemeesterskomitee bekragtig word.

Voorstel Rdl GL Boezak, sekondant Rdl HJ Saayman

7.5.8 VIR KONDONERING: AANSOEK VIR VERLENGDE DRANK HANDELSURE EN -DAE INGEVOLGE DIE HESSEQUA MUNISIPALITEIT SE VERORDENING INSAKE DRANKHANDELSDAE EN- URE: EXCLUWIN LIQUORS (PTY) LTD T/A TOPS! WEMBLEY, ERF 4350, 29 PROTEA STRAAT, RIVERSDAL

File number / Verwysingsnommer: 1/3/R

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder: Regsdienste en Administrasie: Mev S Sanders

RESOLUTION / BESLUIT

Dat die Uitvoerende Burgemeesterskomitee kennis neem van die volgende besluit, soos goedgekeur deur die Uitvoerende Burgemeester op 27 November 2025, as volg:

1. Dat die Uitvoerende Burgemeesterskomitee die aansoek van, Excluwin Liquors (Pty) Ltd t/a Tops! Wembley, Erf 4350, 29 Protea Straat, Riversdal, om verlengde drankhandelsure en -dae **goedkeur**, onderhewig aan die volgende voorwaardes:

1.1 Dat die Munisipaliteit die reg voorbehou om die goedkeuring ter enige tyd terug te trek en nie aanspreeklik sal wees vir enige verliese ervaar deur die handelaar in die verband nie.

1.2 Dat die goedkeuring geldig sal wees vir ’n periode van een jaar, vanaf die datum waarop goedkeuring verleen word, waarna dit outomaties sal verval en die aansoeker opnuut moet aansoek doen.

1.3 Dat die goedkeuringsertifikaat, soos uitgereik deur die Munisipaliteit, pertinent op die perseel vertoon moet word.

1.4 Dat die goedgekeurde verlengde handelsdae en -ure as volg is:

Vir ‘n tydperk van een (1) jaar vanaf **01 Desember 2025 – 30 November 2026**

Maandae – Saterdae: 09h00 – 20h00

Voorstel Rdl GL Boezak, sekondant Rdl HJ Saayman

7.5.9 VIR KONDONERING: AANSOEK VIR VERLENGDE DRANK HANDELSURE EN -DAE INGEVOLGE DIE HESSEQUA MUNISIPALITEIT SE VERORDENING INSAKE DRANKHANDELSDAE EN- URE: MANDINKA 64CC TRADING AS OPPIE HOEK DRANKWINKEL, ERF 566, HOEK VAN HOOF-WEG & BUITEKANT STRAAT, STILBAAI

File number / Verwysingsnommer: 1/3/R

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder: Regsdienste & Administrasie – Mev S Sanders

RESOLUTION / BESLUIT

Dat die Uitvoerende Burgemeesterskomitee kennis neem van die volgende besluit, soos goedgekeur deur die Uitvoerende Burgemeester op 27 November 2025, as volg:

1. Dat die Uitvoerende Burgemeesterskomitee die aansoek van Mandinka 64 cc trading as Oppie Hoek Drankwinkel, Erf 566, Hoek van Hoof-weg Wes & Buitekant Straat, Stilbaai om verlengde drank handelsure en -dae **goedkeur**, onderhewig aan die volgende voorwaardes:

    1.1 Dat die Munisipaliteit die reg voorbehou om die goedkeuring ter enige tyd terug te trek en nie aanspreeklik sal wees vir enige verliese ervaar deur die handelaar in die verband nie.

    1.2 Dat die goedkeuring geldig sal wees vir ’n periode van een jaar, vanaf die datum waarop goedkeuring verleen word, waarna dit outomaties sal verval en die aansoeker opnuut moet aansoek doen.

    1.3 Dat die goedkeuringsertifikaat, soos uitgereik deur die Munisipaliteit, pertinent op die perseel vertoon moet word.

    1.4 Dat die goedgekeurde verlengde handelsdae en -ure as volg is:

    Vir ‘n tydperk van een (1) jaar vanaf **01 Desember 2025 – 30 November 2026**

    Maandae – Saterdae: 09h00 – 20h00

2. Dat die aansoek deur die Uitvoerende Burgemeesterskomitee bekragtig word.

Voorstel Rdl GL Boezak, sekondant Rdl HJ Saayman

7.5.10 VIR KONDONERING: AANSOEK VIR VERLENGDE DRANKHANDELSURE EN -DAE INGEVOLGE DIE HESSEQUA MUNISIPALITEIT SE VERORDENING INSAKE DRANKHANDELSDAE EN- URE: GOURITSMOND DRANKHANDELAARS (PTY), LTD, ERF 619, MELKHOUT STRAAT, GOURITSMOND

File number / Verwysingsnommer: 1/3/R

Meeting date / Vergadering datum: 28 Januarie 2026

Report by / Verslag deur: Bestuurder: Regsdienste & Administrasie - Mev S Sanders

RESOLUTION / BESLUIT

Dat die Uitvoerende Burgemeesterskomitee kennis neem van die volgende besluit, soos goedgekeur deur die Uitvoerende Burgemeester op 27 November 2025, as volg:

1. Dat die Uitvoerende Burgemeesterskomitee die aansoek van Gouritsmond Drankhandelaars (Pty), Ltd, Erf 619, Melkhout Straat, Gouritsmond, om verlengde drankhandelsure en -dae **goedkeur**, onderhewig aan die volgende voorwaardes:

    1.1 Dat die Munisipaliteit die reg voorbehou om die goedkeuring ter enige tyd terug te trek en nie aanspreeklik sal wees vir enige verliese ervaar deur die handelaar in die verband nie.

    1.2 Dat die goedkeuring geldig sal wees vir ’n periode van een jaar, vanaf die datum waarop goedkeuring verleen word, waarna dit outomaties sal verval en die aansoeker opnuut moet aansoek doen.

    1.3 Dat die goedkeuringsertifikaat, soos uitgereik deur die Munisipaliteit, pertinent op die perseel vertoon moet word.

    1.4 Dat die goedgekeurde verlengde handelsdae en -ure as volg is:

    Vir ‘n tydperk van een (1) jaar vanaf **01 Desember 2025– 30 November 2026**

    Maandae – Saterdae: 09h00 – 20h00

2. Dat die aansoek deur die Uitvoerende Burgemeesterskomitee bekragtig word.

Voorstel Rdl GL Boezak, sekondant Rdl HJ Saayman

Me S Kennedy sluit om 09:10 by die vergadering aan.

Die vergadering verdaag om 09:15.

…….. ……

GOEDGEKEUR DATUM

9. SAKE VIR BESPREKING

9.1 OORNAME VAN DIE MEENTGROND OP GEDEELTE 0 VAN PLAAS 309, SLANGRIVIER DEUR DIE SLANGRIVIER GEMEENSKAPLIKE EIENDOMS VERENIGING (SGEV)

File number / Verwysingsnommer: 7/2/1/2/6

Meeting date / Vergadering datum: 26 Maart 2026

Report by / Verslag deur: Koördineerder: Eiendomsbestuur – Me K Page

PURPOSE OF REPORT / DOEL VAN VERSLAG

Vir die Raad om kennis te neem van die onafgehandelde Raadsbesluit en die vordering tot op hede met betrekking tot die versoek van die Slangrivier Gemeenskaplike Eiendoms Vereniging, om die meentgrond op Gedeelte 0 van Plaas 309, Slangrivier, oor te neem.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die **Raad** het op **30 April 2025** die volgende besluit geneem:

"1. Dat die Raad kennis neem van die resolusie deur die Slangrivier Gemeenskaplike Eiendoms Vereniging (SGEV) en spesifiek die versoek om nie met die drie-ledige samewerkingsooreenkoms tussen hulself, die munisipaliteit en die Minister van Grondhervorming en Landelike Ontwikkeling ten opsigte van die bestuur van die meentgrond op Gedeelte 0 van Plaas 309, Slangrivier voort te gaan nie en eerder die eiendom direk aan die SGEV oor te dra.

2. Dat die Raad daartoe instem om nie met die drie-ledige samewerkingsooreenkoms, wat bepaal dat die SGEV vir 'n periode van vyf jaar die meentgrond op Gedeelte 0 van Plaas 309, Slangrivier in oorleg met die munisipaliteit moet bestuur voordat die eiendom aan die SGEV oorgedra moet word, voort te gaan nie.

3. Dat die Raad daartoe instem dat die meentgrond op Gedeelte 0 van Plaas 309, Slangrivier voetstoots en met alle risiko's en voordele aan die SGEV (sonder enige vergoeding aan die munisipaliteit) oorgedra word en die eiendom vanaf die datum van ondertekening van die ooreenkoms om die eiendom oor te neem, onafhanklik van die munisipaliteit bestuur word.

4. Dat alle bestaande huurooreenkomste ten opsigte van die eiendom gekanselleer word.

5. Dat die Raad nie aanspreeklik sal wees vir enige kostes in verband met die oordrag van die eiendom nie.

6. Dat die kantoor van die Minister Grondhervorming en Landelike Ontwikkeling vir alle kostes (insluitend, maar nie beperk tot aansoekfooie, kostes ten opsigte van publieke deelname, onderverdelingskoste en oordragskoste) in verband met die oordrag van die eiendom verantwoordelik sal wees.

7. Dat die SGEV, vanaf die datum van ondertekening van die ooreenkoms om die eiendom oor te neem, vir die eiendomsbelasting en die munisipale dienste rekening ten opsigte van Gedeelte 0 van Plaas 309, Slangrivier verantwoordelik sal wees.

8. Dat 'n kennisgewing, vir die rekening van die munisipaliteit, in die plaaslike koerant en by die munisipale kantoor in Slangrivier geplaas word om die voorneme om die eiendom aan die SGEV oor te dra, vir insette te adverteer.

9. *Dat die munisipale rioolwerke by die opmeting en onderverdeling van die onderwerp eiendom uitgesluit word.*
10. *Dat die onderhandelinge ten opsigte van die oordrag van die eiendomme in die dorpsgebied na die munisipaliteit, onverwyld 'n aanvang neem."*

Die publieke deelname proses is op 06 Junie 2025 afgehandel en is geen besware en/of kommentare ontvang nie.

'n Memorandum van Ooreenkoms (MVO) is op 30 Oktober 2025 tussen die munisipaliteit en die SGEV gesluit. Die MVO het ten doel om regte en verantwoordelikhede aan die SGEV te gee totdat die eiendom in hul naam oorgedra is. Die SGEV bestuur die eiendom dus sedertdien onafhanklik van die munisipaliteit. 'n Afskrif van die ooreenkoms word hierby aangeheg vir maklike verwysing.

Alle huurooreenkomste tussen die munisipaliteit en die kleinboere in Slangrivier is intussen gekanselleer.

Alle nodige inligting en kaarte is intussen aan Departement van Grondhervorming en Landelike Ontwikkeling voorsien ten einde die onderverdeling van die eiendom te doen. Die eiendom sal na die suksesvolle onderverdeling, aan die SGEV oorgedra word.

Die verslag het op **18 Maart 2026** tydens die **Portefeuljekomitee vergadering** gedien en is die volgende aanbevelings gemaak:

"1. Dat die Komitee kennis neem van die onafgehandelde Raadsbesluit en die vordering tot op hede met betrekking tot die versoek van die Slangrivier Gemeenskaplike Eiendoms Vereniging, om die meentgrond op Gedeelte 0 van Plaas 309, Slangrivier, oor te neem.

2. Dat die verslag na die Raad verwys word."

UITVOERENDE BURGEMEESTERSKOMITEE

Die item dien by die **Uitvoerende Burgemeesterskomitee** vergadering van **26 Maart 2026** en terugvoer sal tydens die Raadsvergadering gegee word.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Kennis geneem.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Neem kennis.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

Dat die Raad kennis neem van die onafgehandelde Raadsbesluit en die vordering tot op hede met betrekking tot die versoek van die Slangrivier Gemeenskaplike Eiendoms Vereniging, om die meentgrond op Gedeelte 0 van Plaas 309, Slangrivier, oor te neem.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Waarnemende Direkteur: Korporatiewe Bestuur – Mnr D Lewis-Michaels

ATTACHMENTS / STAWENDE DOKUMENTE

Memorandum van Ooreenkoms

MEMORANDUM OF AGREEMENT

Between

HESSEQUA LOCAL MUNICIPALITY
and

SLANGRIVIER GEMEENSKAPLIKE EIENDOMSVERENIGING (SGEV)

1. PARTIES

This Memorandum of Agreement (hereinafter referred to as the "Agreement") is entered into by and between:

Hessequa Local Municipality, a local government institution duly established under the Municipal Structures Act, 1998 (Act No. 117 of 1998), herein represented by the Municipal Manager, and

Slangrivier Gemeenskaplike Eiendomsvereniging (SGEV), a Communal Property Association duly registered in terms of the Communal Property Associations Act, 1996 (Act No. 28 of 1996), herein represented by its duly elected Chairperson,

(Collectively referred to as "the Parties").

2. BACKGROUND

2.1 Hessequa Municipality is the current custodian of **Portion 0 of Farm 309, Slangrivier**, a piece of commonage land subject to the Transformation of Certain Rural Areas Act, 1998 (Act No. 94 of 1998) (TRANCRAA).

2.2 In terms of **Section 3.13 of TRANCRAA**, this land is to be transferred to the beneficiary community, represented by the SGEV, as a Communal Property Association.

2.3 The SGEV has resolved not to enter into a proposed **five-year tripartite co-management agreement** with the Municipality and has instead requested direct transfer.

2.4 The Hessequa Municipal Council has accordingly resolved to support this request and transfer the land **voetstoots** and without compensation, subject to the processes and timeframes required for legal transfer.

2.5 The Municipality acknowledges that the condition of the agricultural camps has deteriorated over time. This decline has been a matter of serious concern, and since 2022, the Municipality has been actively engaging the Department of Land Reform and Rural Development to expedite the TRANCRAA process and facilitate a timely transfer of land to the rightful beneficiaries.

2.6 While the land transfer process is underway, the Municipality wishes to empower the CPA by **granting interim land management responsibilities** limited to the **agricultural camps** used for **grazing and crop production**, in preparation for eventual full ownership and independent land administration.

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3. PURPOSE

The purpose of this Agreement is to:

- Allow the SGEV to **manage specific agricultural camps** on Portion 0 of Farm 309, Slangrivier, on an interim basis;
- Facilitate capacity-building and empowerment of the SGEV as a landholding entity;
- Uphold the spirit and objectives of **TRANCRAA**, particularly Section 3.13; and
- Establish a framework for the SGEV to administer **rental arrangements** with small-scale farmers and members, under agreed terms and conditions.

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4. SCOPE OF AGREEMENT

4.1 The Municipality hereby grants the SGEV interim authority to manage **designated agricultural camps** (used for livestock grazing and crop production) on the abovementioned property.

4.2 This management authority excludes:

- Residential areas;
- The sewerage works (as resolved by Council); and
- Any portion of land not explicitly allocated for agricultural use in writing by the Municipality.

4.3 Additional land may be made available for interim management **upon formal written request** by the SGEV and subject to approval by the Municipality.

H.M.

5. RESPONSIBILITIES OF THE SGEV

5.1 The SGEV shall:

- Ensure proper use, care, and maintenance of the allocated agricultural camps;
- Comply with applicable land use, environmental and municipal regulations;
- Administer transparent **rental agreements** with its members or small-scale farmers for use of agricultural land, aligned with its Constitution;
- Keep records of all rental agreements and make them available to the Municipality upon request;
- Cooperate with municipal inspections or advisory visits where necessary;
- Ensure that land is not used for unauthorized or unlawful activities.

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6. MUNICIPAL RESPONSIBILITIES

6.1 The Municipality shall:

- Provide written confirmation of the land parcels under this Agreement;
- Support the SGEV with assistance from Department of Land Reform and Rural Development where necessary in fulfilling its land management responsibilities;
- Allow for annual review and amendments to this Agreement if agreed upon by both Parties;
- Continue to pursue the transfer of the land to the SGEV in accordance with **Section 3.13 of TRANCRAA** and the relevant Council resolutions.

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7. DURATION AND REVIEW

7.1 This Agreement shall commence on the date of signature by both Parties and remain in force until the transfer of the land is completed, unless otherwise terminated.

7.2 The Agreement shall be **reviewed annually** and may be amended by mutual written agreement.

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8. TERMINATION

This Agreement may be terminated:

- By mutual consent of both Parties;
- Unilaterally by either party with three (3) months' written notice;
- Immediately if either party commits a serious breach of the terms herein.

H.M.

9. DISPUTE RESOLUTION

Any dispute arising from the interpretation or application of this Agreement shall be addressed through:

1. **Good faith negotiations** between the Parties;
2. Failing which, **mediation** facilitated by a neutral third party; and
3. If unresolved, referral to a **competent court** within the jurisdiction of the Municipality.

10. NO TRANSFER OF OWNERSHIP

Nothing in this Agreement shall be construed as a transfer of ownership. The Municipality retains legal title to the land until the formal transfer process is completed in accordance with the applicable legislation and Council resolution.

11. GENERAL

11.1 This Agreement represents the entire understanding between the Parties.
11.2 No variation shall be valid unless in writing and signed by both Parties.
11.3 Any notices shall be sent to the Parties' respective official addresses.

12. SIGNATORIES

Signed at Riversdale on this 30th day of October 2025

For HESSEQUA MUNICIPALITY
Name: HS VISSER
Designation: Acting Municipal Manager
Signature: _____

For SLANGRIVIER GEMEENSKAPLIKE EIENDOMSVERENIGING (SGEV)
Name: HERM MICHAELS
Designation: Chairperson
Signature: _____

H.M.

9.2 VERKOOP VAN ERWE 2289 (1500 VK.M) & 1858 (500 VK.M), MELKHOUTFONTEIN

File number / Verwysingsnommer: 7/2/2/7

Meeting date / Vergadering datum: 26 Maart 2026

Report by / Verslag deur: Koördineerder: Eiendomsbestuur – Me K Page

PURPOSE OF REPORT / DOEL VAN VERSLAG

Vir die Raad om kennis te neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met verwysing na die vervreemding van Erwe 2289 & 1858, Melkhoutfontein.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die **Raad** het op **27 Maart 2024** die volgende besluit geneem:

"1. Dat ingevolge Artikel 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, Erwe 2289 en 1858, Melkhoutfontein nie benodig word vir die lewering van basiese Munisipale dienste nie.

2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van Erwe 2289 (1500 vk.m) en 1858 (500 vk.m), Melkhoutfontein per openbare veiling goedkeur, onderhewig aan die volgende voorwaardes (2.1-2.7):

2.1 Dat Erf 2289, Melkhoutfontein vir sake doeleindes en Erf 1858, Melkhoutfontein vir kerk doeleindes vervreem word.

2.2 Dat die billike markwaarde van die eiendomme deur 'n gekwalifiseerde waardeerder bepaal word, welke as reserweprys tydens die openbare veiling sal dien.

2.3 Dat die koper verantwoordelik is om op eie koste by die bestaande munisipale dienste aan te sluit en/of die dienste op te gradeer om in hul behoefte te voorsien, indien van toepassing.

2.4 Dat die voorneme om Erwe 2289 en 1858, Melkhoutfontein by wyse van 'n openbare veiling te verkoop, in die Suid Kaap Forum vir kommentare en besware geadverteer word.

2.5 Dat die koper verantwoordelik is vir alle kostes in verband met die verkoop van die eiendom, insluitend maar nie beperk tot die koopsom, sowel as die afslaerskommissie, advertensie kostes, die oordragskostes en die kostes om by die munisipale dienste aan te sluit en/of die bestaande dienste op te gradeer.

2.6 Dat die verkoop van die eiendom eers mag plaasvind nadat die paaie na die Raad oorgedra en die Algemene Plan geregistreer is.

2.7 Dat die Munisipale Bestuurder gemagtig word om die hoogste aanbod te oorweeg en goed te keur."

Die publieke deelname proses is op 08 Mei 2024 afgehandel. Geen kommentare en/of besware is ontvang nie. Die eiendom kon, ingevolge die Raadsbesluit, nie vervreem word alvorens die paaie na die Raad oorgedra en die Algemene Plan geregistreer is nie.

Die oordrag van die paaie na Hessequa Munisipaliteit is op 09 Mei 2025 in die Provinsiale Staatskoerant gepubliseer.

Die goedgekeurde Algemene Plan is op 12 Januarie 2026 deur die Behuising afdeling aan die Eiendomsbestuur afdeling voorsien.

Die waardasie verslae om die billike markwaarde van die eiendom te bepaal is op 19 Februarie 2026 vanaf die gekwalifiseerde waardeerder ontvang. Die reserwe prys vir Erf 2289, Melkhoutfontein sal R 120 000.00 (BTW Uitgesluit) beloop en vir Erf 1858, Melkhoutfontein R 40 000.00 (BTW Uitgesluit).

Die instruksie aan die afslaers om die veiling te reël, is op 25 Februarie 2026 deur die Eiendomsbestuur afdeling gestuur. Alhoewel die datum vir die veiling nog nie bekend is nie, sal dit vir so spoedig doenlik geskeduleer word.

Dit dien vermeld te word dat indien die eiendom op gemelde datum suksesvol verkoop word, die proses om die eiendom in die koper se naam te registreer, tot ses maande mag duur.

Die verslag het op **18 Maart 2026** tydens die **Portefeuljekomitee vergadering** gedien en is die volgende aanbevelings gemaak:

"1. Dat die Komitee kennis neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met verwysing na die vervreemding van Erwe 2289 & 1858, Melkhoutfontein.

2. Dat die verslag na die Raad verwys word."

UITVOERENDE BURGEMEESTERSKOMITEE

Die item dien by die **Uitvoerende Burgemeesterskomitee** vergadering van **26 Maart 2026** en terugvoer sal tydens die Raadsvergadering gegee word.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Kennis geneem.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Daar word kennis geneem van die verslag.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

Dat die Raad kennis neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met verwysing na die vervreemding van Erwe 2289 & 1858, Melkhoutfontein.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Waarnemende Direkteur: Korporatiewe Bestuur – Mnr D Lewis-Michaels

ATTACHMENTS / STAWENDE DOKUMENTE

Geen

9.3 VERKOOP VAN 'N GEDEELTE (ONGEVEER 36 VK.M) VAN ERF 697, DAGERAADSTRAAT, WITSAND

File number / Verwysingsnommer: 7/2/2/8

Meeting date / Vergadering datum: 26 Maart 2026

Report by / Verslag deur: Koördineerder: Eiendomsbestuur – Me K Page

PURPOSE OF REPORT / DOEL VAN VERSLAG

Vir die Raad om kennis te neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met betrekking tot die vervreemding van 'n gedeelte (ongeveer 36 vk.m) van Erf 697, Dageraadstraat, Witsand.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die **Raad** het op **25 September 2024** die volgende besluit geneem:

"1. Dat ingevolge Artikel 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, 'n gedeelte (ongeveer 36 vk.m) van Erf 697, Dageraadstraat, Witsand nie benodig word vir die lewering van basiese Munisipale dienste nie.

2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van 'n gedeelte (ongeveer 36 vk.m) van Erf 697, Dageraadstraat, Witsand aan Anne-Marie Van Deventer, goedkeur, onderhewig aan die volgende voorwaardes (2.1-2.5):

2.1 Dat die eiendom teen 'n markverwante bedrag verkoop word.

2.2 Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.

2.3 Dat die eiendom deur die aansoeker onderverdeel en met Erf 689, Witsand gekonsolideer word.

2.4 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare, vir die rekening van die koper.

2.5 Dat die koper verantwoordelik is vir alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,-hersonering en konsolidasie kostes en die oordragskoste."

Die koopooreenkoms is op 17 Januarie 2025 tussen die munisipaliteit en die koper gesluit, nadat al die voorafgaande prosesse (publieke deelname en bepaling van die markwaarde) afgehandel is.

Die onderverdeling, hersonering en konsolidasie van die eiendom is steeds onderweg. Die aansoek word sedert September 2025 deur die Beplanning afdeling verwerk. Die Beplanning afdeling het op 18 Desember 2025 aangedui dat die publieke deelname proses op 16 November 2025 verstryk het en 'n verslag vir besluitneming steeds saamgestel moet word. Geen verdere terugvoer is tot op hede ontvang nie.

Die verslag het op **18 Maart 2026** tydens die **Portefeuljekomitee vergadering** gedien en is die volgende aanbevelings gemaak:

"1. Dat die Komitee kennis neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met betrekking tot die vervreemding van 'n gedeelte (ongeveer 36 vk.m) van Erf 697, Dageraadstraat, Witsand.

2. Dat die verslag na die Raad verwys word."

UITVOERENDE BURGEMEESTERSKOMITEE

Die item dien by die **Uitvoerende Burgemeesterskomitee** vergadering van **26 Maart 2026** en terugvoer sal tydens die Raadsvergadering gegee word.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Kennis geneem.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Daar word kennis geneem van die verslag.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

Dat die Raad kennis neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met betrekking tot die vervreemding van 'n gedeelte (ongeveer 36 vk.m) van Erf 697, Dageraadstraat, Witsand.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Waarnemende Direkteur: Korporatiewe Bestuur – Mnr D Lewis-Michaels

ATTACHMENTS / STAWENDE DOKUMENTE

Geen

9.4 VERKOOP VAN 'N GEDEELTE VAN DIE RESTANT VAN ERF 238 (ONGEVEER 6100 VK.M), STILBAAI-OOS

File number / Verwysingsnommer: 7/2/2/7

Meeting date / Vergadering datum: 26 Maart 2026

Report by / Verslag deur: Koördineerder: Eiendomsbestuur – Me K Page

PURPOSE OF REPORT / DOEL VAN VERSLAG

Vir die Raad om kennis te neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met verwysing na 'n gedeelte (ongeveer 6100 vk.m) van die restant van Erf 238, Stilbaai-Oos.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die **Raad** het op **27 November 2024** die volgende besluit geneem:

"1. Dat die aansoek van Mnr F.N. Steyl om 'n gedeelte (ongeveer 6100 vk.m, gesamentlik) van die restant van Erf 238, Stilbaai-Oos te koop, afgekeur word, aangesien die eiendom volgens die Munisipale Bate Oordragsregulasies en die Voorsieningskettingbestuur Regulasies op 'n kompeterende wyse vervreem moet word.

2. Dat ingevolge Artikel 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, 'n gedeelte (ongeveer 6100 vk.m) van die restant van Erf 238, Stilbaai-Oos nie benodig word vir die lewering van basiese Munisipale dienste nie.

3. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van 'n gedeelte (ongeveer 6100 vk.m) van die restant van Erf 238, Stilbaai-Oos per openbare veiling goedkeur, onderhewig aan die volgende voorwaardes (3.1-3.6):

3.1 Dat die markwaarde van die eiendom deur 'n gekwalifiseerde waardeerder bepaal word, welke as reserwe prys tydens die veiling sal dien.

3.2 Dat die koper verantwoordelik is vir die onderverdeling van die eiendom en die hersonering daarvan na Sakesone I.

3.3 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare.

3.4 Dat die koper verantwoordelik is alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, onderverdeling,- hersonering en konsolidasie kostes en die oordragskoste.

3.5 Dat die koper verantwoordelik is om, op eie koste, die bestaande publieke toilet welke op 'n gedeelte van Erf 238, Stilbaai-Oos voorkom, op 'n gedeelte aangrensend tot Tuin op die Brak, volgens die spesifikasies van die verkoper, te hervestig. Die publieke toilet mag nie direk aangrensend tot die provinsiale pad opgerig word nie en daarom sal die presiese ligging in oorleg met die tersaaklike rolspelers bepaal word.

3.6 Dat die Munisipale Bestuurder gemagtig word om die hoogste aanbod te oorweeg en goed te keur.

4. *Dat die Raad kennis neem dat die billike markwaarde van die eiendom, ingevolge punt 3.1 hierbo, die bedrag van R 2 597 000.00 (twee miljoen vyf honderd sewe en negentig duisend rand) (BTW Uitgesluit) beloop.*
5. *Dat die Raad die hoogste aanbod soos ontvang tydens die aanlyn-veiling op 13 en 14 November 2024, in die bedrag van R 4 550 000.00 (vier miljoen vyf honderd en vyftig duisend rand) (BTW Uitgesluit) aanvaar en die Munisipale Bestuurder gemagtig word om die koopooreenkoms te onderteken."*

Na afloop van die Raadsbesluit is die koopooreenkoms tussen die munisipaliteit en die koper op 04 Desember 2024 gesluit.

Die onderverdeling, hersonering en konsolidasie prosesse het reeds vroeg in 2025 'n aanvang geneem en is steeds onderweg.

Die verslag het op **18 Maart 2026** tydens die **Portefeuljekomitee vergadering** gedien en is die volgende aanbevelings gemaak:

"1. Dat die Komitee kennis neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met verwysing na 'n gedeelte (ongeveer 6100 vk.m) van die restant van Erf 238, Stilbaai-Oos.

2. Dat die verslag na die Raad verwys word."

UITVOERENDE BURGEMEESTERSKOMITEE

Die item dien by die **Uitvoerende Burgemeesterskomitee** vergadering van **26 Maart 2026** en terugvoer sal tydens die Raadsvergadering gegee word.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Kennis geneem.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Daar word kennis geneem van die verslag.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

Dat die Raad kennis neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met verwysing na ‘n gedeelte (ongeveer 6100 vk.m) van die restant van Erf 238, Stilbaai-Oos.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Waarnemende Direkteur: Korporatiewe Bestuur – Mnr D Lewis-Michaels

ATTACHMENTS / STAWENDE DOKUMENTE

Geen

9.5 VERKOOP VAN 'N GEDEELTE VAN ERF 2936, STILBAAI-WES

File number / Verwysingsnommer: 7/2/2/7

Meeting date / Vergadering datum: 26 Maart 2026

Report by / Verslag deur: Koördineerder: Eiendomsbestuur – Me K Page

PURPOSE OF REPORT / DOEL VAN VERSLAG

Vir die Raad om kennis te neem van die uitstaande Raadsbesluit en die vordering daarvan tot op hede, met betrekking tot die vervreemding van 'n gedeelte (ongeveer 350 vk.m) van Erf 2936, Bessiestraat, Stilbaai-Wes.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die **Raad** het op **30 April 2025** die volgende besluit geneem:

"1. Dat ingevolge Artikel 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, 'n gedeelte (ongeveer 350 vk.m) van Erf 2936, Bessiestraat, Stilbaai-Wes nie benodig word vir die lewering van basiese Munisipale dienste nie.

2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van 'n gedeelte (ongeveer 350 vk.m) van Erf 2936, Bessiestraat, Stilbaai-Wes direk aan Antoinette Van Heerden, goedkeur, onderhewig aan die volgende voorwaardes (2.1-2.9):

2.1 Dat die eiendom teen 'n markverwante bedrag aan die aansoeker vervreem word.

2.2 Dat twee waardasie verslae van gekwalifiseerde waardeerders aangevra word om die gemiddelde markwaarde te bepaal, welke as koopsom sal dien.

2.3 Dat die eiendom met Erf 2781, Stilbaai-Wes op die koper se onkoste gekonsolideer word.

2.4 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare, vir die rekening van die koper.

2.5 Dat die koper verantwoordelik is vir alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot die koopsom, alle grondgebruik aansoek kostes, advertensie kostes, koste om die billike markwaarde te bepaal, onderverdeling-, hersonering- en konsolidasie kostes en die oordragskostes.

2.6 Dat die koper verantwoordelik is om tot die nodige munisipale dienste aan te sluit.

2.7 Dat die Reg van Weg Serwituut wat oor die eiendom, sowel as verskeie privaat eiendom in die omgewing, loop, deur die munisipaliteit gekanselleer word alvorens die eiendom vervreem word.

2.8 Dat die koper verantwoordelik is om op eie koste die eiendom as openbare oop ruimte te sluit en te hersoneer.

2.9 Dat die eiendom slegs vir residensiële doeleindes aangewend word en geen addisionele toegang geskep mag word nie."

Die koopooreenkoms is op 15 September 2025 deur beide partye onderteken nadat die voorafgaande prosesse (publieke deelname, bepaling van markwaarde, ens. afgehandel is)

Die instruksie om die Reg van Weg Serwituut te kanselleer is op 25 Augustus 2025 deur die Regsafdeling na die toepaslike prokureur verwys ter uitvoering. Die prokureur het op 11 Februarie 2026 aangedui dat hulle wag op terugvoer van die Landmeter Generaal oor die omvang van die serwituut asook die proses om dit te kanselleer.

Na afloop van die kansellasie van die serwituut, sal die koper met die onderverdeling-, hersonering- en konsolidasie prosesse kan voortgaan voordat die eiendom eindelik oorgedra kan word.

Die verslag het op **18 Maart 2026** tydens die **Portefeuljekomitee vergadering** gedien en is die volgende aanbevelings gemaak:

"1. Dat die Komitee kennis neem van die uitstaande Raadsbesluit en die vordering daarvan tot op hede, met betrekking tot die vervreemding van 'n gedeelte (ongeveer 350 vk.m) van Erf 2936, Bessiestraat, Stilbaai-Wes.

2. Dat die verslag na die Raad verwys word."

UITVOERENDE BURGEMEESTERSKOMITEE

Die item dien by die **Uitvoerende Burgemeesterskomitee** vergadering van **26 Maart 2026** en terugvoer sal tydens die Raadsvergadering gegee word.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Kennis geneem.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Neem kennis.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

Dat die Raad kennis neem van die uitstaande Raadsbesluit en die vordering daarvan tot op hede, met betrekking tot die vervreemding van ‘n gedeelte (ongeveer 350 vk.m) van Erf 2936, Bessiestraat, Stilbaai-Wes.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Waarnemende Direkteur: Korporatiewe Bestuur – Mnr D Lewis-Michaels

ATTACHMENTS / STAWENDE DOKUMENTE

Geen

9.6 VERKOOP VAN 'N GEDEELTE (ONGEVEER 306 VK.M) VAN ERF 378, STASIESTRAAT ALBERTINIA

File number / Verwysingsnommer: 7/2/2/1

Meeting date / Vergadering datum: 26 Maart 2026

Report by / Verslag deur: Koördineerder: Eiendomsbestuur – Me K Page

PURPOSE OF REPORT / DOEL VAN VERSLAG

Vir die Raad om kennis te neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met verwysing na 'n gedeelte (ongeveer 306 vk.m) van Erf 378, Stasiestraat, Albertinia.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die **Raad** het op **31 Mei 2024** die volgende besluit geneem:

"1. Dat ingevolge Artikel 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, 'n gedeelte (ongeveer 306 vk.m) van Erf 378, Stasiestraat, Albertinia nie benodig word vir die lewering van basiese Munisipale dienste nie.

2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van 'n gedeelte (ongeveer 306 vk.m) van Erf 378, Stasiestraat, Albertinia aan Insure Property Developments, verteenwoordig deur Oosthuizen Van Zyl, goedkeur, onderhewig aan die volgende voorwaardes (2.1-2.5):

2.1 Dat die eiendom teen 'n markverwante bedrag verkoop word.

2.2 Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.

2.3 Dat die eiendom onderverdeel en met Erf 381, Albertinia gekonsolideer word.

2.4 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare, vir die rekening van die koper.

2.5 Dat die koper verantwoordelik is alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,-hersonering en konsolidasie kostes en die oordragskoste."

Die koopooreenkoms is op 25 Oktober 2024 tussen die munisipaliteit en die koper gesluit, nadat al die voorafgaande prosesse (publieke deelname en bepaling van die markwaarde) afgehandel is.

Die onderverdeling, hersonering en konsolidasie van die eiendom is steeds onderweg. Die aansoek word sedert September 2025 deur die Beplanning afdeling verwerk. Die afdeling het aangedui dat hulle op die Departement van Infrastruktuur: Paaie se kommentaar wag om die aansoek te finaliseer.

Die verslag het op **18 Maart 2026** tydens die **Portefeuljekomitee vergadering** gedien en is die volgende aanbevelings gemaak:

"1. Dat die Komitee kennis neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met verwysing na 'n gedeelte (ongeveer 306 vk.m) van Erf 378, Stasiestraat, Albertinia.

2. Dat die verslag na die Raad verwys word."

UITVOERENDE BURGEMEESTERSKOMITEE

Die item dien by die **Uitvoerende Burgemeesterskomitee** vergadering van **26 Maart 2026** en terugvoer sal tydens die Raadsvergadering gegee word.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Kennis geneem.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Daar word kennis geneem van die verslag.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

Dat die Raad kennis neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met verwysing na 'n gedeelte (ongeveer 306 vk.m) van Erf 378, Stasiestraat, Albertinia.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Waarnemende Direkteur: Korporatiewe Bestuur – Mnr D Lewis-Michaels

ATTACHMENTS / STAWENDE DOKUMENTE

Geen

9.7 VERKOOP VAN 'N GEDEELTE (ONGEVEER 94 VK.M) VAN DIE RESTANT VAN ERF 164, JONGENSFONTEIN

File number / Verwysingsnommer: 7/2/2/7

Meeting date / Vergadering datum: 26 Maart 2026

Report by / Verslag deur: Koördineerder: Eiendomsbestuur – Me K Page

PURPOSE OF REPORT / DOEL VAN VERSLAG

Vir die Raad om kennis te neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met betrekking tot die verkoop van 'n gedeelte van die restant van Erf 164, Jongensfontein aan Mev I.C Fourie Kruger.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die **Raad** het op **30 Oktober 2024** die volgende besluit geneem:

"1. Dat ingevolge Artikel 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, 'n gedeelte (ongeveer 94 vk.m) van die restant van Erf 164, Jongensfontein nie benodig word vir die lewering van basiese Munisipale dienste nie.

2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die vervreemding van 'n gedeelte (ongeveer 94 vk.m) van die restant van Erf 164, Jongensfontein direk aan Mev I.C Fourie Kruger, goedgekeur word, onderhewig aan die volgende voorwaardes (2.1-2.4):

2.1 Dat kennis geneem word dat die voorneme om 'n gedeelte (ongeveer 94 vk.m) van die restant van Erf 164, Jongensfontein direk aan Mev I.C Fourie Kruger te verkoop, reeds geadverteer is en die besware en kommentare reeds oorweeg en van die hand gewys is.

2.2 Dat die koper verantwoordelik is vir alle kostes met betrekking tot die aankoop, oordrag en konsolidasie van die eiendom, welke advertensie kostes, landmeter kostes, oordragskoste en grondgebruik aansoek kostes insluit.

2.3 Dat kennis geneem word dat die koopsom in die bedrag van R 18 845.00 (agtien duisend agt honderd vyf en veertig rand) reeds aan die munisipaliteit betaal is.

2.4 Dat die koper verantwoordelik is om die eiendom te onderverdeel, hersoneer en met Erf 20, Jongensfontein te konsolideer.

3. Dat die koper moet toesien dat die geboude braai-area asook enige ander permanente verbeteringe wat tans op die oorblywende munisipale eiendom voorkom, binne 60 dae nadat die koopooreenkoms gesluit is, verwyder word.

4. Dat die opsie aan die aansoeker voorgehou word om 'n Oorskrydingsooreenkoms aan te gaan om die gedeelte van die addisionele 3.5 meter vir verfraaiing aan te wend, met dien verstande dat geen permanente strukture op die area opgerig mag word nie."

Die koopooreenkoms is op 20 Desember 2024 tussen die munisipaliteit en die koper gesluit.

Die grondgebruik aansoeke is ook intussen afgehandel.

Die koper het aangedui dat die nodige inligting reeds in Oktober 2025 aan die oordrag prokureur voorsien is. Die Eiendomsbestuur afdeling het ook weer met die prokureur opgevolg en het hulle onderneem om die oordrag so spoedig doenlik te hanteer. Daar is niks van die munisipaliteit uitstaande nie.

Die verslag het op **18 Maart 2026** tydens die **Portefeuljekomitee vergadering** gedien en is die volgende aanbevelings gemaak:

"1. Dat die Komitee kennis neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met betrekking tot die verkoop van 'n gedeelte van die restant van Erf 164, Jongensfontein aan Mev I.C Fourie Kruger.

2. Dat die verslag aan die Raad voorgehou word."

UITVOERENDE BURGEMEESTERSKOMITEE

Die item dien by die **Uitvoerende Burgemeesterskomitee** vergadering van **26 Maart 2026** en terugvoer sal tydens die Raadsvergadering gegee word.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Kennis geneem.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Neem kennis.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

Dat die Raad kennis neem van die onafgehandelde Raadsbesluit en die vordering daarvan tot op hede, met betrekking tot die verkoop van ‘n gedeelte van die restant van Erf 164, Jongensfontein aan Mev I.C Fourie Kruger.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Waarnemende Direkteur: Korporatiewe Bestuur – Mnr D Lewis-Michaels

ATTACHMENTS / STAWENDE DOKUMENTE

Geen

9.8 VERKOOP VAN 'N GEDEELTE (ONGEVEER 200 VK.M) VAN ERF 642, STILBAAI-WES

File number / Verwysingsnommer: 7/2/2/7

Meeting date / Vergadering datum: 26 Maart 2026

Report by / Verslag deur: Bestuurder: Eiendomsbestuur – Mnr A Kleynhans

PURPOSE OF REPORT / DOEL VAN VERSLAG

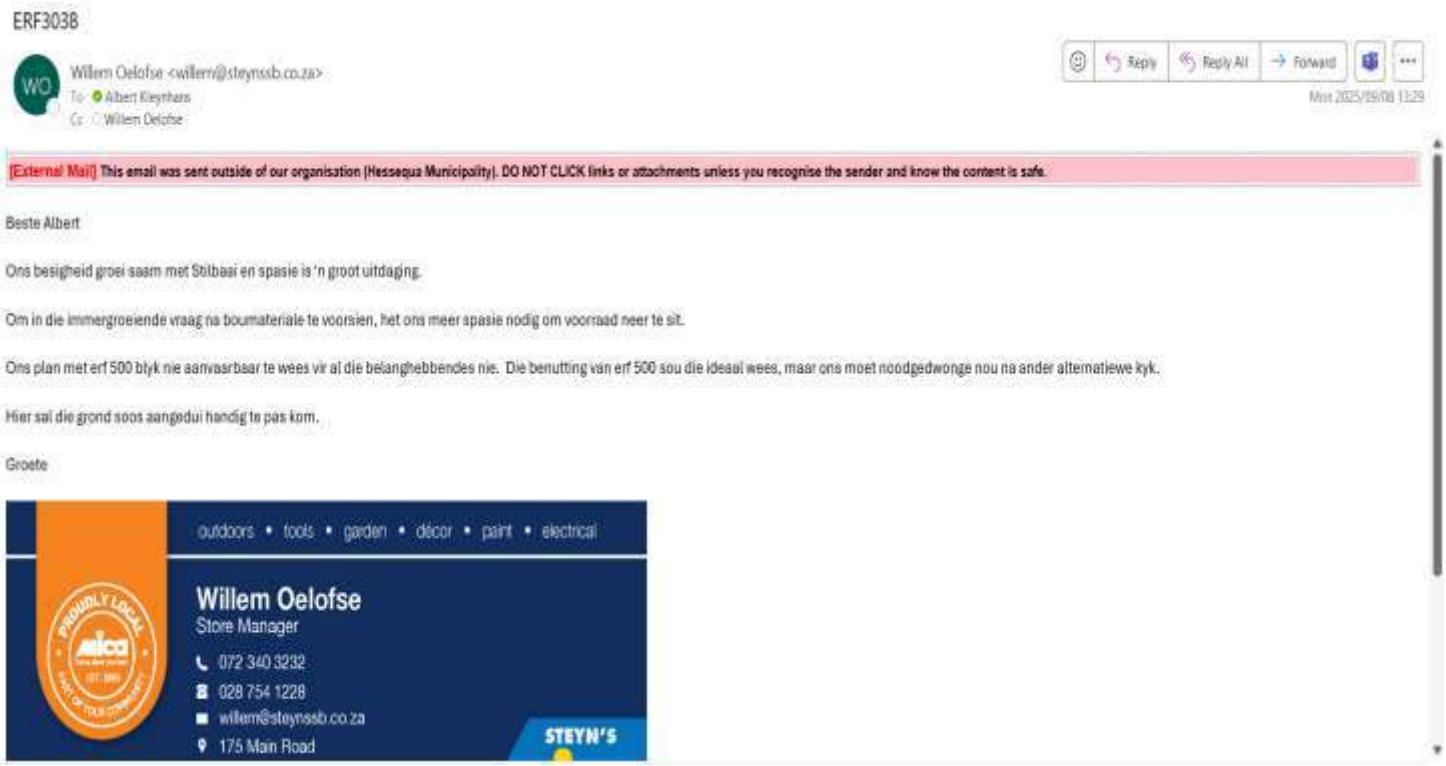
Vir die Raad om die aansoek van Meneer Willem Oelofse namens Rochstrei Trust vir die aankoop van 'n gedeelte (ongeveer 200 vk.m) van Erf 642, Stilbaai-Wes, goed te keur.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

'n Aansoek is van Meneer Willem Oelofse namens Rochstrei Trust ontvang waarin aansoek gedoen word om 'n gedeelte (ongeveer 200 vk.m) van Erf 651, Stilbaai-Wes by die Munisipaliteit teen 'n markverwante bedrag te koop. Die gedeelte waarvoor aansoek gedoen word, is 'n gedeelte van die padreserwe.

Steyns Boumateriale (Erf 3038, Stilbaai-Wes) word vanaf die perseel direk aangrensend tot Erf 651, Stilbaai-Wes bedryf.

Die onderstaande motivering vir die aankope van die eiendom is vanaf Meneer Willem Oelofse ontvang.



ERF3038

Willem Oelofse <willem@steynssb.co.za>
To: Albert Kleynhans
Cc: Willem Oelofse

Reply | Reply All | Forward

[External Mail] This email was sent outside of our organisation (Hessequa Municipality). DO NOT CLICK links or attachments unless you recognise the sender and know the content is safe.

Beste Albert

Ons besigheid groei saam met Stilbaai en spasie is 'n groot uitdaging.

Om in die immergroeiende vraag na boumateriale te voorsien, het ons meer spasie nodig om voorraad neer te sit.

Ons plan met erf 500 blyk nie aanvaarbaar te wees vir al die belanghebbendes nie. Die benutting van erf 500 sou die ideaal wees, maar ons moet noodgedwonge nou na ander alternatiewe kyk.

Hier sal die grond soos aangedui handig te pas kom.

Groete

outdoors • tools • garden • décor • paint • electrical

Willem Oelofse
Store Manager
072 340 3232
028 754 1228
willem@steynssb.co.za
175 Main Road

STEYN'S

Die gedeelte ter sprake word hieronder aangedui (nie op skaal):



Die onderstaande akte rekord dui aan dat Erf 3038, Stilbaai-Wes geregistreer is in die naam van Rochstrei Trust.



Property type	ERF
Township	STILBAAI WES
Erf number	3038
Portion	0
Province	WESTERN CAPE
Registration division/Administrative district	NOT AVAILABLE
Local authority	STILBAAI MUN
Previous description	-
Diagram deed number	T31038/2005
Extent	41070000 SQM
LPI Code	C06400000000303800000

Title Deeds Details

Document	Registration date	Purchase date	Amount	Microfilm reference	Document copy?
T31038/2005	20050422	-	CCT	2005 1200 5187	Yes

Owners Details

Document	Full name	Identity Number	Share	Person Enquiry?
T31038/2005	ROCHSTREI TRUST	655/96	-	Yes

Indien die Raad die aansoek goedkeur, sal die aansoeker die gedeelte van ongeveer 200 vk.m (Erf 651) konsolideer met Erf 3038, Stilbaai-Wes.

Dit is ook bevestig dat die eiendom nie vir enige munisipale doeleindes benodig word nie. Voorts word die gedeelte van Erf 651, Stilbaai-Wes ingevolge die Raad se Eiendomsbestuur beleid geklassifiseer as ‘n “non – viable property” aangesien die eiendom slegs deur die eienaar van die aangrensende eiendom (Erf 3038, Stilbaai Wes) gebruik kan word.

Paragraaf 21.4 van die Eiendomsbestuur beleid bepaal as volg:

*“**Non-Viable Property***

In respect of Non-Viable Property which can only be utilized by one adjacent land owner, a Property Transaction(s) may be approved without any competitive process having been followed, including in response to an unsolicited application, on the basis that no purpose would be served by a competitive process.”

Die grootte van die eiendom waarvoor aansoek gedoen word, is van so aard dat dit slegs deur die aansoeker sinvol aangewend/gekoop kan word. Gevolglik kan die eiendom ingevolge bovermelde beleid, direk aan die aansoeker verkoop word.

Ingevolge Regulasie 7 van die Munisipale Bate Oordragsregulasies, moet die Raad die volgende faktore oorweeg wanneer oorweging geskenk word aan die vervreemding van ’n nie-vrygestelde kapitale bate:

1. <u>Of die bate benodig word vir Munisipale doeleindes ingevolge artikel 14 (1) en 14 (2) van die MFMA (56 van 2003)</u>

Die gedeelte (ongeveer 200 vk.m) van Erf 651, Stilbaai-Wes word nie deur enige van die Departemente benodig vir die lewering van Munisipale dienste nie.

Die billike markwaarde van die gedeelte (ongeveer 200 vk.m) beloop 200 vk.m x R852.00 per vk.m = R230 040.00 Die Eiendomsbestuur afdeling het in September 2025 twee waardasies aangevra ten einde die billike markwaarde van ‘n gedeelte van

Erf 651, Stilbaai Wes te bepaal, welke na aan die gedeelte geleë is. Die waardasie van R230 040.00 dien as ‘n beraamde waarde, en daar sal wel twee waardeerders aangestel word indien die Raad die vervreemding in beginsel goedkeur. Die vervreemding van die gedeelte aan Steyns sal ‘n positiewe impak op die gemeenskap hê aangesien die addisionele spasie gebruik sal word vir die stoor van addisionele voorraad ten einde te voldoen aan die groeiende vraag na boumateriale.

2. <u>Of die Raad ’n wins of verlies sal maak met die vervreemding</u>

Die billike markwaarde sal deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.

3. <u>Wesenlike ekonomiese of finansiële voordeel vir die Munisipaliteit</u>

Die verkoop van ’n gedeelte van die eiendom sal geen wesenlike ekonomiese of finansiële voordele vir die Munisipaliteit inhou nie.

4. <u>Bestuur van risiko</u>

Daar is geen operasionele of beheer risiko wat gepaardgaan met die vervreemding van die eiendom nie.

5. <u>Beperkings en voorwaardes van toepassing op die kapitale bate:</u>

Die koper sal die munisipale eiendom met Erf 3038, Stilbaai Wes moet konsolideer.

6. <u>Die koste van die vervreemding of oordrag</u>

Alle kostes wat verband hou met die transaksie sal vir die koper se rekening wees.

7. <u>Die impak op die kredietgradering, finansiële posisie en kontantvloei van die Munisipaliteit</u>

Die verkoop van die eiendom sal ’n positiewe impak hê op die bogenoemde faktore, alhoewel dit nie ’n wesenlike impak sal wees nie.

8. <u>Die oordrag van reserwes en laste wat gepaard gaan met die bate</u>

Geen.

9. <u>Kommentaar van belanghebbendes</u>

Die voorneme om ‘n gedeelte (ongeveer 200 vk.m) van Erf 651, Stilbaai-Wes direk aan die aansoeker te verkoop, sal in die Suid Kaap Forum vir besware en kommentare geadverteer word en sal ook aan Nasionale en Provinsiale Tesourie gestuur word vir kommentaar.

10. <u>Die Strategiese, Regs en ekonomiese belange van die Munisipaliteit en die gemeenskap</u>

Die voorgestelde wyse waarvolgens die vervreemding van die eiendom sal plaasvind is in lyn met die Munisipale Bate Oordragsregulasies en die Wet op Munisipale Finansiële Bestuur (Wet 56 van 2003).

Die item het op **16 Oktober 2025** voor die **Portefeuljekomitee** gedien. Die Komitee het die volgende aanbevelings gemaak vir die Uitvoerende Burgemeesterskomitee en Raad se oorweging:

"1. Dat ingevolge Artikel 14 (1) en 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, 'n gedeelte (ongeveer 200 vk.m) van Erf 651, Stilbaai-Wes nie benodig word vir die lewering van basiese Munisipale dienste nie en die Komitee het die beraamde billike markwaarde van die eiendom en die gemeenskapswaarde oorweeg.

2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van 'n gedeelte (ongeveer 200 vk.m) van Erf 651, Stilbaai-Wes aan Rochstrei Trust in beginsel goedkeur, onderhewig aan die volgende voorwaardes (2.1-2.5):

2.1 Dat die eiendom teen 'n markverwante bedrag verkoop word.

2.2 Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.

2.3 Dat die eiendom onderverdeel en met Erf 3038, Stilbaai-Wes gekonsolideer word.

2.4 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.

2.5 Dat die koper verantwoordelik is alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,-hersonering en konsolidasie kostes.

3. Dat die item na die Raad verwys word."

Die **Raad** het, in beginsel, op **29 Oktober 2025** die volgende besluit geneem:

"1. Dat ingevolge Artikel 14 (1) en 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, 'n gedeelte (ongeveer 200 vk.m) van Erf 651, Stilbaai-Wes nie benodig word vir die lewering van basiese Munisipale dienste nie en die Komitee het die beraamde billike markwaarde van die eiendom en die gemeenskapswaarde oorweeg.

2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van 'n gedeelte (ongeveer 200 vk.m) van Erf 651, Stilbaai-Wes aan Rochstrei Trust in beginsel goedkeur, onderhewig aan die volgende voorwaardes (2.1-2.5):

2.1 Dat die eiendom teen 'n markverwante bedrag verkoop word.

2.2 Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.

2.3 Dat die eiendom onderverdeel en met Erf 3038, Stilbaai-Wes gekonsolideer word.

2.4 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.

2.5 Dat die koper verantwoordelik is alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,-hersonering en konsolidasie kostes."

Daar is foutiewelik in die verslag na Erf 651, Stilbaai-Wes verwys. Die korrekte verwysing is Erf 642, Stilbaai-Wes. Alhoewel die eiendom waarvoor aansoek gedoen word, nog aangedui word as 'n gedeelte van die restant van Erf 651, Stilbaai-Wes, is die beskrywing in die aktekantoor verander na Erf 642, Stilbaai-Wes. Die eiendom was voorheen verkeerdelik in die NG Kerk in Stilbaai se naam geregistreer en is dit in 2022 reggestel met die gevolg dat die erfnommer verander het.

Na afloop van die Raadsbesluit, is die publieke deelname proses gevolg en is geen kommentare en/of besware vanuit die publiek ontvang nie. Die aansoek is ook na Tesourie vir kommentaar verwys. Die kommentaar van Tesourie word hierby aangeheg vir maklike verwysing, maar benadruk die feit dat die transaksie aan Artikel 14 van die MFMA, Regulasie 40 van die Munisipale VKB Regulasies en Regulasie 17 van die Munisipale Bate Oordragsregulasies moet voldoen.

Artikel 14 van die MFMA word reeds in die agtergrond van die verslag aangespreek.

Regulasie 40 van die Munisipale VKB (verkrygingskanaalbestuur) Regulasies vereis dat munisipaliteite 'n effektiewe stelsel vir die verkoop of verhuring van bates, insluitend onbruikbare, oorbodige of verouderde items, moet instel. Die vervreemding van die nie-lewensvatbare eiendom is in lyn met die Eiendomsbestuur Beleid soos in die agtergrond van die verslag vervat, sowel as die Raad se VKB Beleid.

Regulasie 17 van die Munisipale Bate Oordragsregulasies bepaal die minimum vereistes vir 'n koopooreenkoms of oordragsooreenkoms. Die regulasie bepaal dat so 'n ooreenkoms skriftelik moet wees en 'n beskrywing van die kapitale bate moet vervat. Die koopooreenkoms voldoen hieraan – sien Klousule 2. Die ooreenkoms moet ook besonderhede van enige filiaalbates wat saam met die kapitale bate oorgedra word, omskryf. Hierdie is nie van toepassing op die transaksie nie – sien Klousule 9 van die ooreenkoms. Die besonderhede van enige laste wat met die bate oorgedra word sowel as enige vergoeding en die terme en voorwaardes van die betaling daarvan, moet ook in die ooreenkoms vervat word. Die vergoeding en die betaling daarvan, word in Klousule 4 van die ooreenkoms aangespreek. Die ooreenkoms moet ook die aanvangsdatum waarop risikos en aanspreeklikheid oorgedra word, aandui. Hierdie word in Klousule 7 van die ooreenkoms aangespreek.

Die konsep koopooreenkoms word hierby aangeheg vir maklike verwysing.

Verder hiertoe is twee waardasie verslae van onafhanklike waardeerders aangevra ten einde die billike markwaarde van die eiendom te bepaal. Die billike markwaarde, gebaseer op die gemiddelde van die twee verslae, is op R587 500.00 (BTW uitgesluit) bereken.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Aanbevelings word ondersteun.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Die aanbevelings word ondersteun.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

Daar word kennis geneem van die verslag en die aanbevelings word ondersteun.

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

Die gedeelte grond waarvoor aansoek gedoen word, word al vir etlike jare deur Steyn's Mica aangewend as 'n laai- en parkeerarea van afleweringsvoertuie. As gevolg van die huidige gebruik word die vervreemding daarvan aanbeveel. 'n Voorwaarde wat moontlik oorweeg kan word is dat die koper die gedeelte omhein met 'n muur wat nie deursigtig is nie ten einde die area visueel af te sper.

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

Die gedeelte waarvoor aansoek gedoen word om te verkoop se belyning moet in lyn wees met die bestaande deurgangs pad se randsteen.

Die area moet hoofsaaklik slegs vir laaisone gereserveer word.

Die vervreemding van die area word ondersteun.

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

Daar word kennis geneem van die inhoud van die verslag en die aanbevelings word ondersteun.

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

1. Dat ingevolge Artikel 14 (1) en 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, 'n gedeelte (ongeveer 200 vk.m) van Erf 651, Stilbaai-Wes nie benodig word vir die lewering van basiese Munisipale dienste nie en die Komitee het die beraamde billike markwaarde van die eiendom en die gemeenskapswaarde oorweeg.
2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van 'n gedeelte (ongeveer 200 vk.m) van Erf 651, Stilbaai-Wes aan Rochstrei Trust **goedkeur**, onderhewig aan die volgende voorwaardes (2.1-2.5):
    - 2.1 Dat die eiendom teen 'n markverwante bedrag verkoop word.
    - 2.2 Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.
    - 2.3 Dat die eiendom onderverdeel en met Erf 3038, Stilbaai-Wes gekonsolideer word.
    - 2.4 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.
    - 2.5 Dat die koper verantwoordelik is vir alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,-hersonering en konsolidasie kostes.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Waarnemende Direkteur: Korporatiewe Bestuur – Mnr D Lewis-Michaels

ATTACHMENTS / STAWENDE DOKUMENTE

1. Inligtingstaat
2. Kommentaar van Tesourie
3. Konsep koopooreenkoms
4. Waardasie verslae

AGREEMENT OF SALE OF IMMOVABLE PROPERTY

1. PARTIES

1.1 **HESSEQUA MUNICIPALITY**, herein represented by Albertus Stephanus Abraham De Klerk in his capacity as Municipal Manager, who warrants that he is duly authorised hereto.
VAT number: 4780193258
Address: Civic Centre, Van den Berg Street, Riversdale, 6670
Telephone: 028 713 8000
Email: collab@hessequa.gov.za / info@hessequa.gov.za
("The Seller")

and

1.2 **ROCHSTREI TRUST,** herein represented by **X** (**X**) in his/her capacity as trustee, who warrants that she is duly authorised hereto.

Registration number:	X
Address:	X
	Stilbaai
	6674
Cell phone:	X
E-mail:	X

("The Purchaser")

2. INTERPRETATION

In this agreement, unless otherwise indicated, the following expressions shall have the meanings assigned to them hereunder:

2.1 THE PROPERTY

A portion of Erf 642, Stilbaai-West, in the Hessequa Municipality, Western Cape Province
In extent: Approximately 200 (Two hundred) square metres
Street address: C/O Main Road and Hoop Street, Stilbaai-West
as depicted on and annexed hereto marked as "A".

subject to all the existing conditions of title and servitudes as will appear more fully in the existing Title Deed of the property.

3. SALE AND PURCHASE

The Seller is not selling the property in the ordinary course of business.
The Seller hereby sells to the Purchaser, who hereby purchase the Property, upon the

following terms and conditions.

4. PURCHASE PRICE

The purchase price is R 587 500.00 (five hundred eighty seven thousand five hundred rand) excluding VAT, which sum the Purchaser hereby promise and undertake to pay to the Seller, free of bank exchange at such place as the Seller may direct in cash upon registration of transfer, provided that within fourteen (14) days of compliance with the suspensive condition of this agreement (if applicable), the Purchaser shall be obliged to pay the purchase price into the trust account of the Conveyancer, alternatively to deliver to the conveyancer a guarantee (issued by a bank, building society or other financial institution approved by the Seller) for the payment of such purchase price in cash against registration of transfer.

The purchaser is responsible for all costs related to the sale of the property, including but not limited to the purchase price, the land use application costs (if applicable), the cost to determine the fair market value, the advertising costs of the Suid-Kaap Forum, land surveyor costs, consolidation costs and the transfer costs.

5. ACKNOWLEDGEMENTS BY PURCHASER

5.1 The Purchaser acknowledge that they have acquainted themselves with the nature, condition, extent and locality of the Property; and the Property is sold to the extent as it now lies, *voetstoots*, without any warranties whether express or implied and the Seller shall not be liable for any defects whether latent or otherwise in the Property nor for damages suffered by the Purchaser by reason of such defects; and subject to all conditions and servitudes mentioned or referred to in the current and/or prior title deeds of the Property or any town planning scheme applicable thereto.

5.2 The parties agree that the Purchaser will have no claim whatsoever against the Seller for any deficiency in the size of the property which may be revealed on any re-survey nor shall the Seller benefit from any possible excess. If the property has been erroneously described herein such mistake or error shall not be binding on the Seller but the description of the property as set out in the title deed shall apply and the parties agree to rectification herein to reflect the true intentions of the parties.

6. TRANSFER

Transfer of the property shall be effected by the Conveyancer as soon as reasonably possible after fulfilment of the suspensive condition.

6.1 The Purchaser shall on demand pay all expenses of and incidental to the registration of transfer of the Property into the name of the Purchaser on demand by the Conveyancer.

6.2 The Seller and the Purchaser undertake to, immediately upon being requested to do so, provide the Conveyancer with the necessary documentation to comply with the FICA (Financial Intelligence Centre Act) requirements or such other

documentation as may be required to enable the Conveyancer to effect registration or transfer.

6.3 The Seller shall appoint the Conveyancer and the costs payable to the Conveyancer will be for the account of the Purchaser.

7. POSSESSION, RISK & OWNERSHIP

Possession of the Property shall be given to the Purchaser upon the date on which the transfer is registered, from which date all benefits and risks of ownership in respect of the Property shall pass to the Purchaser. The Purchaser shall be liable for any rates and taxes and other imposts levied on the property from the date of which possession of property is granted to the Purchaser.

8. OCCUPATION

Occupation of the property shall be given to and taken by the Purchaser on the date of transfer.

9. FIXTURES AND FITTINGS

The Property being sold is vacant land.

10. LATITUDE OF EXTENSION OF TIME, WARRANTIES VARIATIONS

10.1 Any latitude or extension of time which may be allowed by the Seller to the Purchaser in respect of any payment provided for herein, or any matter or thing which the Purchaser are bound to perform or observe in terms hereof shall not in any circumstances be deemed to be a waiver of the Seller's rights at any time, to require strict and punctual compliance with each and every provision or term hereof.

10.2 This document shall constitute the entire contract between the Seller and the Purchaser. The Seller shall not be bound by any other terms or conditions, promises or statements, warranties or representations, express or implied made by the Seller or the agent or any of its employees, or any other person purporting to act for and on behalf of the Seller. No variation shall be of any force or effect unless reduced to writing and signed by the parties hereto.

11. DOMICILIUM AND JURISDICTION

11.1 The parties hereby select as their *domicilium citandi et executandi* the addresses set out by them in the preamble hereto, it being agreed that all notices despatched in the Republic of South Africa by prepaid registered post to the domicilium selected shall be deemed to have been received 5 (five) days from the date of posting thereof. Either party may from time to time change its domicilium by delivery of written notice to the other party to that effect.

11.2 For the purpose of all or any proceedings resulting hereof, the parties consent

to the jurisdiction of the Magistrate's Court otherwise having jurisdiction under Section 28 of the Magistrate's Court Act of 1944, as amended, notwithstanding that such proceedings are beyond this jurisdiction. This clause shall be deemed to constitute the required written consent conferring jurisdiction upon said Court pursuant to Section 45 of the Magistrate's Court Act of 1944, as amended.

12. **ESTATE AGENT**

No estate agent negotiated the sale of the within property.

13. **SUSPENSIVE AND OTHER CONDITIONS**

The parties agree that the Purchaser is responsible for the subdivision and rezoning of the Property as well as to consolidate the Property with Erf 3038, Stilbaai-West, within a period of 18 months from the date of last signature of this Agreement.

14. **WAIVER OF CONDITIONS**

Not applicable.

15. **BREACH**

In the event of either party failing to pay any of the amounts referred to in this agreement on due date or breaching any of the terms and conditions hereof and persisting in such failure or breach for a period of 21 (twenty one) days after dispatch of written notice from the aggrieved party calling upon the defaulting party to make such payment or remedy such breach, the aggrieved party shall be entitled at his sole discretion and without prejudice to any of his other rights in law, either to:-

15.1 claim specific performance of the terms of this Agreement; or

15.2 cancel this Agreement forthwith and without further notice claim and recover damages from the defaulting party; or

15.3 cancel this Agreement and retain all amounts paid as *rouwkoop*.

16. **CAPACITY OF PARTIES**

Where parties act on behalf of a third party, they expressly warrant that they have been duly authorised thereto.

17. **CERTIFICATES OF COMPLIANCE**

Not applicable.

18. **APPROVAL OF ALTERATIONS, ADDITIONS, AND IMPROVEMENTS**

No improvements have been effected on the property.

19. **SIGNATURE**

19.1 It is recorded that by signature of this document by the Purchaser constitutes an offer to purchase the Property on the terms and conditions as stipulated herein, and once accepted by the Seller, who is hereby irrevocably granted twenty one (21) days to accept or reject the offer hereby presented, this document shall constitute a binding, legal agreement of sale.

19.2 In terms of section 29A of the Alienation of Land Act 68 of 1961, the Purchaser of the property may within five days after signature by them, or by their agent acting on their written authority, revoke the offer by written notice delivered to the Seller or his or her agent within this period.

20. **VAT**

The Seller is a registered VAT vendor, and VAT needs to be calculated on the purchase price.

21. **ACKNOWLEDGMENT**

The Purchaser and Seller acknowledge that the meaning and implication of all the material provisions of this agreement have been explained to them, that they had an opportunity to seek advice from their own legal representatives prior to signing this agreement, and that they fully understand their obligations in terms hereof.

22. **SOUTH AFRICAN REVENUE SERVICES**

As a result of the South African Revenue Services (SARS) doing risk analysis on both the transferor and the transferee on all property transactions both the Seller and the Purchaser warrant to each other and the agent that all tax issues (whether personal or otherwise) including, but not limited to tax returns and tax payments, are current and up to date. The defaulting party will be liable for all costs incurred and damages suffered by the aggrieved party because of a breach of this warranty. The aggrieved party shall also be entitled to place the defaulting party on terms and thereafter cancel the agreement if this warranty is breached. These remedies are in addition to all rights which the parties have in terms of this agreement or in Law. The breaching party will be granted twenty-one (21) days to rectify the breach.

23. **INCORPORATION OF THE DECISION TAKEN BY THE HESSEQUA MUNICIPAL COUNCIL ON 29 OCTOBER 2025**

The parties agree that they shall be bound by the following decision of the **Hessequa Municipal Council** of **29 October 2025**:

"1. Dat ingevolge Artikel 14 (1) en 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, 'n gedeelte (ongeveer 200 vk.m) van Erf 651, Stilbaai-Wes nie benodig word vir die lewering van basiese Munisipale dienste nie en die Komitee het die beraamde billike markwaarde van die eiendom en die gemeenskapswaarde oorweeg.

2. *Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van 'n gedeelte (ongeveer 200 vk.m) van Erf 651, Stilbaai-Wes aan Rochstrei Trust in beginsel goedkeur, onderhewig aan die volgende voorwaardes (2.1-2.5):*

2.1 *Dat die eiendom teen 'n markverwante bedrag verkoop word.*

2.2 *Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.*

2.3 *Dat die eiendom onderverdeel en met Erf 3038, Stilbaai-Wes gekonsolideer word.*

2.4 *Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.*

2.5 *Dat die koper verantwoordelik is alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,-hersonering en konsolidasie kostes."*

SIGNED AT RIVERSDALE ON THIS THE _____ DAY OF _____ 20___.

AS WITNESSES:-

1. _____

2. _____

_____
on behalf of the **SELLER**, who warrants that he is duly authorised

SIGNED AT _____ ON THIS THE _____ DAY OF _____ 20___.

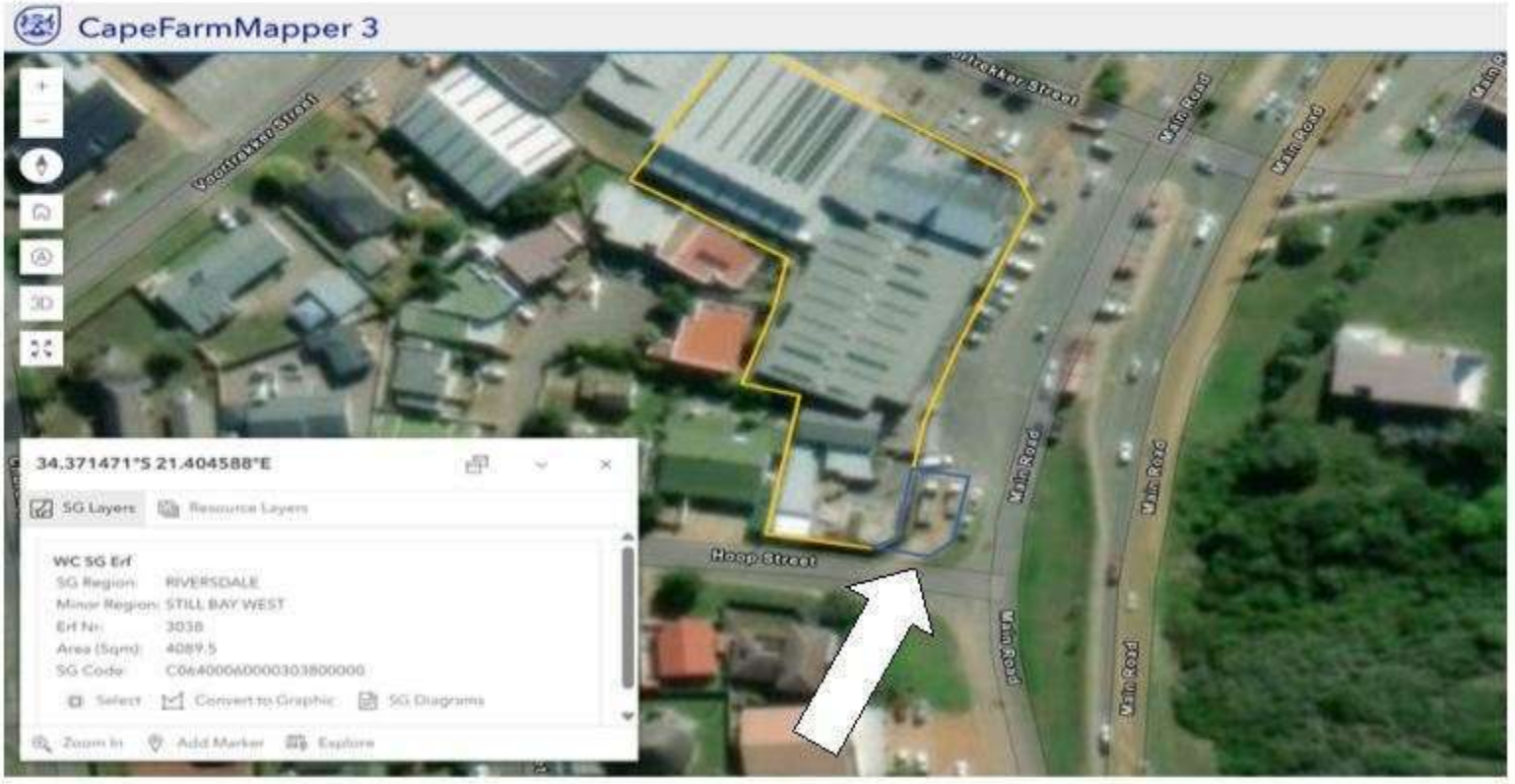
AS WITNESSES:-

1. _____

_____
PURCHASER

2. _____

'A'



Initial here

Rig alle korrespondensie aan die Munisipale Bestuurder
Address all correspondence to the Municipal Manager

HESSEQUA
Munisipaliteit / Municipality / U Masipala

Tel:(028) 713 8000
Faks / Fax: 086 4015 118
Posbus / P.O. Box 29, RIVERSDAL(E), 6670
E-pos / E-mail: info@hessequa.gov.za
www.hessequa.gov.za
Van den Bergstraat
RIVERSDAL(E)

RE: PROPOSED DISPOSAL OF A PORTION (APPROXIMATELY 200 SQ.M) OF ERF 642, STILBAAI-WEST FOR COMMENTS FROM PROVINCIAL AND NATIONAL TREASURY

1. PURPOSE:

Hessequa Municipality intends to dispose of a portion (approximately 200 sq.m) of Erf 642, Stilbaai-West directly to Rochstrei Trust.

2. BACKGROUND

Hessequa Municipality is the registered owner of Erf 642, Stilbaai-West, which consist of public open spaces, roads and road reserves. Rochstrei Trust is the owner of Erf 3038, Stilbaai-West, which is a commercial property. The business is in dire need of additional storage space and has used the identified area over the years as loading zone. The owner, therefore, applied to purchase a portion of the road reserve, to use as storage space. The property is not used or required for municipal service delivery. The property in question is non-viable property due to its size and the layout. Kindly see the locality plan below:



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www.hessequa.gov.za
Van den Bergstraat
RIVERSDAL(E)

The following resolution was made by **Council** on **29 October 2025**:

"1. *Dat ingevolge Artikel 14 (1) en 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, 'n gedeelte (ongeveer 200 vk.m) van Erf 651, Stilbaai-Wes nie benodig word vir die lewering van basiese Munisipale dienste nie en die Komitee het die beraamde billike markwaarde van die eiendom en die gemeenskapswaarde oorweeg.*

2. *Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van 'n gedeelte (ongeveer 200 vk.m) van Erf 651, Stilbaai-Wes aan Rochstrei Trust in beginsel goedkeur, onderhewig aan die volgende voorwaardes (2.1-2.5):*

2.1 *Dat die eiendom teen 'n markverwante bedrag verkoop word.*

2.2 *Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.*

2.3 *Dat die eiendom onderverdeel en met Erf 3038, Stilbaai-Wes gekonsolideer word.*

2.4 *Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.*

2.5 *Dat die koper verantwoordelik is alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,- hersonering en konsolidasie kostes."*

The Municipality, in a meeting open to the public have on reasonable grounds decided that the property is not needed to provide the minimum level of basic municipal services.

3. PUBLIC PARTICIPATION

A notice inviting the public to submit their comments and/or objections and/or proposals with regards to the proposed disposal of this property is currently advertised in the local newspaper (South Cape Forum) and on the municipal website. No objections/comments/proposals were received against the intention to dispose of the property yet. The public participation process remains open for comments until 28 November 2025. The Provincial and National Treasury are hereby invited to submit written representations to the Municipality.

The applicant will bear the cost of the advertisement.

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RIVERSDAL(E)

4. FINANCIAL IMPLICATION

The property will be sold at a fair market value. Two independent valuers will be appointed by the municipality to determine the fair market value of the property. The average of the values will be used to determine the purchase price. The applicant will be liable for the cost to determine the market value.

The municipality has also considered the municipal valuation and the economic and community value received in exchange for the asset.

5. LEGISLATIVE REQUIREMENTS

The property is not a High Value asset as the fair market value of the property is less than R50 000 000.00 and less than 1% of our total value of Capital assets based on the audited financial statements for the 2023/2024 financial year. The property is surplus to the municipality's needs and is not needed to deliver basic municipal services as per section 14 (2) of the Municipal Finance Management Act (Act 56 of 2003).

The municipality will derive direct long-term benefits in the form of property rates and the market related purchase amount.

Kindly provide your written comments on or before the 31st of December 2025. Trust that you find the above in order.

ALBERT KLEYNHANS
MANAGER: PROPERTY MANAGEMENT
19 NOVEMBER 2025

HESSEQUA
Munisipaliteit / Municipality / U Masipala

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RIVERSDAL(E)

Attachments:

1. **Municipal Valuation**
2. **Draft agreement of sale.**
3. **Council item.**
4. **Notice in the local newspaper.**

HESSEQUA
Plaaslike Munisipaliteit

2026

VERHURING / VERVREEMDING VAN MUNISIPALE EIENDOM

Kennis geskied hiermee ingevolge die voorskrifte van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003), saamgelees met die Munisipale Bate Oordrag Regulasies, 2008 (R 878 van 2008), sowel as die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet No. 32 van 2000), dat die munisipaliteit van voorneme is om munisipale eiendomme aan die volgende persone / instansies te verhuur / verkoop:

VERHURING

AANSOEKER	EIENDOMSBE-SKRYWING	DOEL	HUURBEDRAG (BTW UITGESLUIT)	HUURTERMYN
Jacobus Hendrickus van Rensburg	'n Gedeelte (ongeveer 850 vk.m) van Erwe 2015 & 2180, Riversdal.	Die aansoeker wil die oopruimte omhein en verfraai om sodoende kwaaddoeners uit die woonbuurt te hou.	Die huurbedrag sal deur 'n gekwalifiseerde waardeerder bepaal word.	9 jaar en 11 maande.
Jongensfontein Investment Properties (PTY) Ltd	'n Gedeelte (ongeveer 350 vk.m) Erf 217, Stilbaai-Oos.	Die aansoeker is van voorneme 'n buite sitplek area by Die Seekombuis restaurant te vestig van ongeveer 240 vk.m Die aansoeker is van voorneme om parkeerspasie met 'n oppervlak van 110 vk.m te huur.	Die huurbedrag sal deur 'n gekwalifiseerde waardeerder bepaal word.	9 jaar en 11 maande

VERKOOP

AANSOEKER	EIENDOMSBESKRYWING	DOEL	KOOPSOM (BTW UITGESLUIT)
N.V.T	Erf 1957, Albertinia.	Die eiendom sal per openbare veiling vir besigheidsdoeleindes vervreem word.	Die eiendom sal teen 'n markverwante bedrag vervreem word. Die munisipale waardasie sal as reserwe prys tydens die veiling dien. Die koper is verantwoordelik vir alle kostes in verband met die vervreemding van die eiendom.
Rochstrei Trust	'n Gedeelte (ongeveer 200 vk.m) van die padreserwe op Erf 642, Stilbaai-Wes.	Die aansoeker is die eienaar van die aangrensende eiendom en wil sy besigheidsperseel vergoot.	Die eiendom sal teen 'n markverwante bedrag vervreem word. Die markwaarde van die eiendom sal deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien. Die aansoeker is verantwoordelik vir alle kostes in verband met die vervreemding van die eiendom.
MAR van Heerden Estates	'n Gedeelte (ongeveer 17 vk.m) van die padreserwe op Erf 642, Stilbaai-Wes.	Die aansoeker is die eienaar van die aangrensende eiendom en wil sy besigheidsperseel vergoot.	Die eiendom sal teen 'n markverwante bedrag vervreem word. Die markwaarde van die eiendom sal deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien. Die aansoeker is verantwoordelik vir alle kostes in verband met die vervreemding van die eiendom.

Enige belanghebbende of geaffekteerde party word hiermee uitgenooi om:
Soortgelyke of alternatiewe voorstelle vir die voorgestelde verhuring / vervreemding van die eiendom in te dien; en/of
Enige besware, kommentare of vertoë rakende die voorgestelde verhuring / vervreemding van die eiendom op die bogenoemde bepalings en voorwaardes in te dien.

Skriftelike besware, kommentare, vertoë of alternatiewe voorstelle moet die kantoor van die Munisipale Bestuurder voor of op **Vrydag, 28 November 2025, om 12:00** bereik. Besware, kommentare, vertoë of alternatiewe voorstelle kan per hand afgelewer word by enige van die Munisipale kantore, kan gepos word aan die Munisipale Bestuurder by Posbus 29, Riversdal, 6670 of kan per e-pos versend word aan albert@hessequa.gov.za. Persone wat nie kan skryf nie, kan die Munisipale kantoor tydens kantoor ure besoek waar 'n amptenaar u sal help om u kommentaar of beswaar op skrif te stel.

Besware, kommentare, vertoë of voorstelle wat na die sperdatum ontvang word, sal nie oorweeg word nie. Verdere inligting en 'n Engelse weergawe van die advertensie kan bekom word by Me Kay-Ann Page by 028 713 8000, of per e-pos by kay-ann@hessequa.gov.za.

An English version of this notice can be requested at kay-ann@hessequa.gov.za.

ALBERTUS STEPHANUS ABRAHAM DE KLERK
MUNISIPALE BESTUURDER

Kay-Ann Page

From: Local Government MFMA <mfma@treasury.gov.za>
Sent: Monday, March 2, 2026 7:13 AM
To: Kay-Ann Page
Subject: RE: INFORMATION STATEMENT: ERF 642, STILBAAI-WEST
Attachments: PUBLIC NOTICE.pdf; AGREEMENT OF SALE - HESSEQUA MUNICIPALITY - ROCHSTREI TRUST.doc; ITEM.docx; MUNICIPAL VALUATION.pdf; INFORMATION STATEMENT.pdf

[External Mail] This email was sent outside of our organisation (Hessequa Municipality). DO NOT CLICK links or attachments unless you recognise the sender and know the content is safe.

Dear Kay-Ann Page

Your mail below and the attached information documents refer.

We note that the municipality intends to dispose of a portion of Erf 642, Stilbaai-West.

Section 14 of the MFMA read with the Municipal Asset Transfer Regulations (MATR) outlines the legal framework for the disposal and the granting of rights to use, control or manage municipal capital assets. In terms of section 14(2) of the MFMA, a municipality may transfer ownership or otherwise dispose of a capital asset, but only after the municipal council, in a meeting open to the public, has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services, has considered the fair market value of the asset, as well as the economic and community value to be received in exchange for the asset. We have noted the extract of the council resolution by the municipal council. We trust that the municipality has ensured full compliance with section 14(2) of the MFMA in making the resolution.

We further trust that the disposal is in line with the municipality's disposal management system as required in terms of regulation 40 of the Municipal SCM Regulations.

Since the intention is to permanently dispose of the capital asset, the municipality must comply with Chapter 2 of the MATR read together with section 14 of the MFMA. We have noted the information statement, as well as the public notice inviting comments from the public. We trust that all comments received will be appropriately considered.

According to the attached valuation report, the market value of the property is R179 000. We could not ascertain the valuation method used or the date of the valuation. We trust that the municipality will ensure that it receives maximum value for the property to be disposed of.

We draw your attention to Regulation 17 of the MATR, which outlines the minimum requirements for the forthcoming transfer agreement. Regulation 17 requires that the transfer agreement address matters ensuring good governance, service continuity, risk transfer, and compliance. These include specifying the compensation payable to the municipality for the asset transfer and detailing the terms and conditions of payment. We have noted the copy of the agreement of sale. The municipality must ensure that the agreement of sale is aligned with regulation 17 of the MATR.

We trust that the municipality will ensure full compliance with section 14 of the MFMA, including Chapter 2 of the MATR.

Kind Regards
MFMA Implementation

VERSLAG 590/2026

INDEKS

1. **ALGEMEEN**
   - 1.1. Die Opdraggewer 2
   - 1.2. Die Opdrag 2
   - 1.3. Datum van Inspeksie 2
   - 1.4. Datum van Waardasie 2

2. **VOORWAARDES** 2

3. **TITELAKTE BESKRYWING** 2

4. **MUNISIPALITEIT** 2

5. **FISIESE BESKRYWING**
   - 5.1. Ligging en buurt 3
   - 5.2. Topografie & vloedlyne 3
   - 5.3. Toegang 3

6. **FOTO'S** 3

7. **MARKNAVORSING** 4

8. **WAARDERINGSBENADERING** 5

9. **VERGELYKENDE VERKOPINGS** 6

10. **BEREKENING VAN GRONDWAARDES** 8

11. **WAARDEBEPALING** 9

12. **MARKWAARDE** 10

BYLAE: WAARDASIESERTIFIKAAT

1. DIE OPDRAG

1.1. Die Opdraggewer	Hessequa Munisipaliteit Opdragnommer 0001038985
1.2. Die Opdrag	Verkry van 'n waardasie vir die verkoop van 'n gedeelte, ongeveer 200 vk.m, van erf 651, Stilbaai Wes
1.3. Inspeksiedatum	2026-01-19
1.4. Waardasiedatum	2026-01-23

2. VOORWAARDES

2.1. Dat die eiendom teen 'n markverwante bedrag verkoop word.

2.2 Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.

2.3 Dat die eiendom onderverdeel en met Erf 3038, Stilbaai-Wes gekonsolideer word.

2.4 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.

2.5 Dat die koper verantwoordelik is vir alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,- hersonering en konsolidasie kostes.
**Bron: Franklin Saayman, Hessequa Munisipaliteit.*

3. TITELAKTE BESKRYWING

3.1. Titelbeskrywing	Erf 651, Stilbaai Wes, geleë in die distrik van Hessequa en geregistreer volgens titelakte T15338/2022 Geregistreerde eienaar Hessequa Munisipaliteit
3.2. Landmeter Generaal	
3.3. Groot	21,3948 ha. Gedeelte wat waardeer word is ±199.55 m²

4. MUNISIPALITEIT

Sonering	MUNVAC
Bouregulasies	Volgens die Plaaslike Skemaregulasies.
Dienste	Elektriese en siviele dienste is na beskikbaar vanaf Erf 3038
Munisipale waardasie	Onbekend

5. FISIESE BESKRYWING

5.1. Ligging en buurt	Die onderwerpeiendom is op die hoek van Hoopstraat en Hoofweg-Wes. Erf 3038 is ontwikkel as 'n inkopiesentrum waar hoofsaaklik boumateriaal verkoop word.
5.2. Topografie en vloedlyne	Die onderwerpeiendom is 'n langwerpige, reghoekige stuk grond, aan die oostelike kant van die gebou. Dit is gelykliggend en ver van enige vloedlyne.
5.3. Toegang	Toegang is vanaf die dienspad van Hoofweg-Wes.

6. FOTO'S

6.1. **Liggingskaart**



7. MARKNAVORSING

Wêreldwyd toon inflasie 'n afwaartse tendens, wat sentrale banke ruimte gee om hul rentekoersverhogingsiklusse te beëindig. Die globale huismark stabiliseer, maar bly onder druk van hoë skuld-koste en geopolitieke onsekerheid. In Suid-Afrika is die eiendomsmark steeds kwesbaar, hoewel die Reserwebank se jongste rentekoersverlaging tot 6.75% verligting bring en 'n positiewe impuls kan gee.

Internasionaal

- Inflasie: Globale inflasie het in 2025 merkbaar begin afneem. In die eurogebied het inflasie gedaal van 2.2% na 2.1%, wat naby die ECB-teiken is. In die VSA en VK bly kerninflasie egter taai, wat 'n hardnekkige prysdruk skep.
- Huismark: Volgens Fitch Ratings se Global Housing and Mortgage Outlook 2025 bly die wêreldwye huismark oorwegend stabiel, met huispryse wat in die meeste lande teen lae tot middel enkel-syfergroei styg. 'n Tekort aan behuisingsaanbod hou pryse hoog. PwC se Emerging Trends in Real Estate 2025 bevestig dat beleggers 'n meer versigtige benadering volg weens onsekerheid oor rentekoerse.
- Opkomende markte: Hierdie ekonomië ervaar steeds uitdagings soos hoë rentekoerse en politieke risiko's. Die Wêreld Ekonomiese Forum waarsku dat geopolitieke kompetisie en tariefspanning druk plaas op EM's, hoewel sekere lande soos Indonesië voordeel trek uit beheer oor kritieke hulpbronne. Goldman Sachs voorspel dat EM's oor die volgende dekade sterker groei kan toon as ontwikkelde markte.

Nasionaal

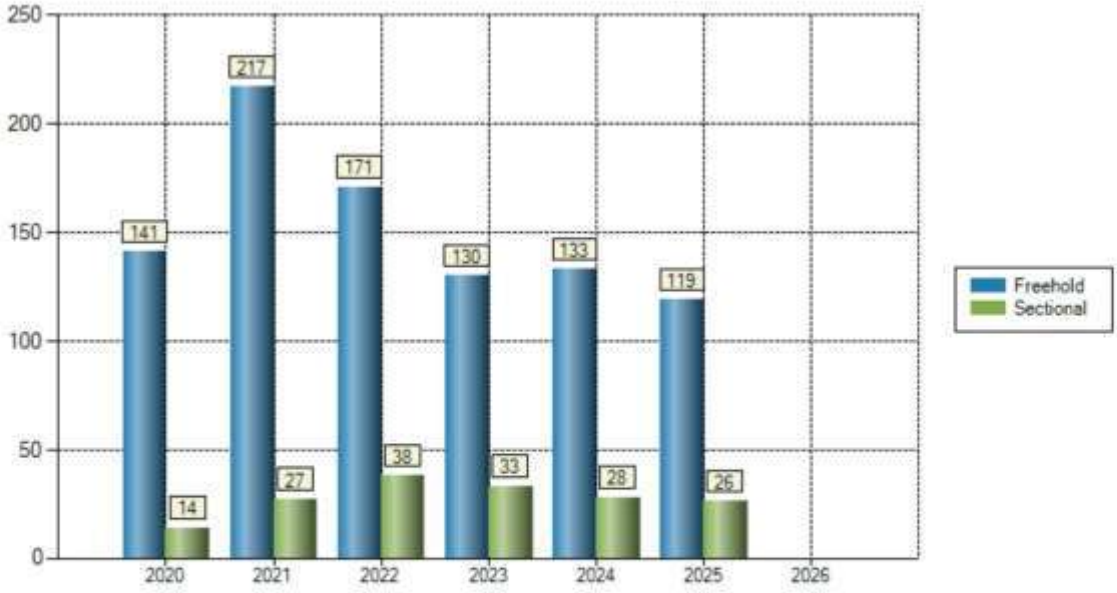
- Huismarkdruk: Die Suid-Afrikaanse eiendomsmark toon tekens van stabilisering, maar bly onder druk van strukturele probleme soos hoë werkloosheid, swak onderwys en wanbestuur van infrastruktuur.
- Omgekeerde semigrasie: 'n Merkbare tendens van mense wat terugkeer na groot stede soos Johannesburg en Pretoria, gedryf deur werksgeleenthede, beter infrastruktuur en bekostigbaarheid, terwyl kusdorpe duurder en minder prakties raak vir gesinne.
- Ekonomiese risikofaktore:
- Onbetroubare elektrisiteitstoevoer en swak SOE-bestuur (spoor en hawens) hou die ekonomie terug.
- Struktureel hoë werkloosheid en 'n beperkte belastingbasis bly 'n groot uitdaging.
- Die risiko van 'n radikale koalisieregering het afgeneem ná die verkiesing, wat markvertroue ietwat verbeter het.
- Rentekoers: Die Suid-Afrikaanse Reserwebank het op 20 November 2025 die repo-koers verlaag van 7% na 6.75%, met die prima koers nou op 10.25%. Hierdie verlaging

bring verligting aan huishoudings en kan die huismark stimuleer deur verbeterde bekostigbaarheid en groter beleggersvertroue.

Plaaslik

Plaaslike agente het n sterk oplewing in verkope sedert Covid-19 ervaar. Faktore soos veiligheid, werk vanaf die huis, bekostigbaarheid weens laer rentekoerse en die algemene goeie bestuur van die munisipaliteit speel 'n beduidende rol in besluitneming. Waar die oorgrote meerderheid van permanente inwoners afgetredenes was, het die demografie sedert 2019 verander en al hoe meer jonger mense het hier kom vestig.

Eiendomspryse het skerp gestyg maar daar is min voorraad beskikbaar. As gevolg van die hoë pryse, het die hoeveelheid verkope sedert 2021 egter skerp gedaal.



Bronne:
**LexisNexis*

8. WAARDERINGSBENADERING

Markwaarde veronderstel die bedrag wat vir die eiendom verkry sou word indien dit **op die datum van waardering** op die ope mark deur 'n gewillige verkoper aan 'n gewillige koper verkoop sou word. Die mees aanvaarbare benadering om die markwaarde van 'n residensiële eiendom te bepaal, is die **Markbenadering**. Verkope van soortgelyke eiendomme word met die Onderwerp Eiendom vergelyk en aanpassings word gemaak ten opsigte van enige verskille. Indien daar nie vergelykbare verkope is nie, kan die **Depresiase Metode** gebruik word, waar die vervangingswaarde van die verbeteringe bereken word en die berekende waarde dan gedepresieer word na gelang van die toestand en die ouderdom van die verbeteringe.

9. VERGELYKENDE VERKOPE

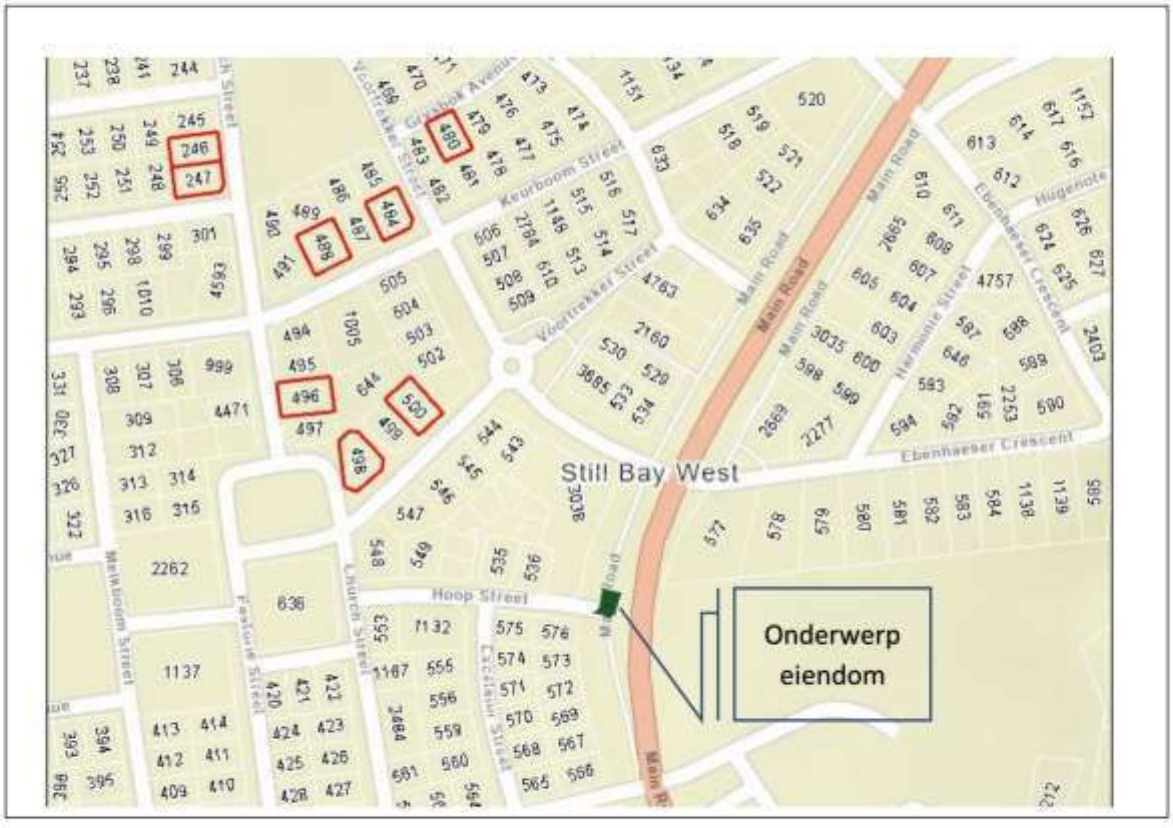
Ek kon geen verkope van onverbeterde erwe of van sake eiendom in die onmiddelike omgewing vind nie. Die volgende eiendomme se liggings stem die meeste ooreen met die onderwerp eiendom.

Indien 'n transaksie ouer as 6 maande is, pas ek die prys volgens inflasie aan tot op datum van hierdie waardasie. Ek gebruik die aangepaste pryse in my berekeninge.

Nr	Adres	Erf nr	m²	Mun wde	Sonering	Datum Verkoop	Verkoopsprys	Aangepaste prys
9.1.	Keurboomlaan 30	484	782	R 1 450 000,00	RESIMP	2025-11-01	R 4 000 000,00	R 4 000 000,00
9.2.	Keurboomlaan 34	488	942	R 1 740 000,00	RESIMP	2025-08-01	R 3 900 000,00	R 3 900 000,00
9.3.	Kerkstraat 20	496	833	R 1 305 000,00	RESIMP	2025-05-14	R 2 000 000,00	R 2 000 000,00
9.4.	Kerkstraat 25	247	787	R 1 740 000,00	RESIMP	2025-01-25	R 3 000 000,00	R 3 093 000,00
9.5.	Voortrekkerstraat 26	464	686	R 870 000,00	RESIMP	2025-01-24	R 450 000,00	R 464 000,00
9.6.	Grysboklaan 7	480	694	R 1 189 000,00	RESIMP	2024-11-22	R 2 580 000,00	R 2 670 400,00
9.7.	Kerkstraat 27	246	798	R 2 465 000,00	RESIMP	2024-03-06	R 1 595 000,00	R 1 668 000,00
9.8.	Van Riebeeckstraat 14	500	834	R 1 595 000,00	RESIMP	2022-12-06	R 2 900 000,00	R 3 249 000,00
9.9.	Van Riebeeckstraat 18	498	876	R 1 160 000,00	RESIMP	2022-03-02	R 2 100 000,00	R 2 476 000,00

**LexisNexis Windeed; Renier Crause, Inflation Calculator*

Onderstaande kaart toon verkope van eiendom in die nabye omgewing van die onderwerp eiendom.



Ontleding van verkope

9.1. Enkelvlak gebou , mure gepleister, asbesdak en houtraamvensters. Die huis is oudmodies en bestaan uit 3 slaapkamers, sitkamer, eetkamer, kombuis, twee badkamers en dubbel motorhuis. Daar word tans twee besighede met spesiale vergunning uit die huis bedryf maar die sonering is RESIMP. Die eiendom is pas verkoop en die transaksie is nog nie in die Aktekantoor geregistreer nie. Vergelykbaar met aanpassing.

9.2. Enkelvlak gebou in 'n baie swak toestand. Die mure is gepleister, asbesdak en houtraamvensters. Enkel motorhuis. Die eiendom is gesoneer as RESIMP. maar is geleë tussen twee sake eiendomme en sal heel waarskynlik hersoneer word deur die nuwe eienaar. Vergelykbaar met aanpassing.

9.3. Meervlakkige gebou, mure gepleister, asbesdak, houtraamvensters, dubbel motorhuis. Die huis is oudmodies maar lyk goed versorg. Nie vergelykbaar nie

9.4. Ruim, enkelvlak gebou, mure gepleister, houtraamvensters en Aluzinc dak. Dit vertoon outyds. Dubbel motorhuis. Oorkant die rolbalbaan geleë. Nie vergelykbaar nie

9.5. Plankies huis met 'n apartstaande klinkersteen motorhuis. Die verkoopprys is laer as die munisipale waardasie van 2021. Die transaksie was dalk vir 'n aandeel in die eiendom, maar ek kan dit nie bevestig nie. Dus nie vergelykbaar nie.

9.6. Ruim enkelvlakhuis met klein, aangrensende woonstel. Die huis bestaan uit 3 slaapkamers, twee badkamers en ruim sit-eetkamer. Vrystaande dubbelmotorhuis en ruim afdak tussen die geboue. Mure is gepleister, houtraam vensters, asbesdak. Die eiendom vertoon verwaarloos. Nie vergelykbaar nie.

9.7. Hierdie eiendom is ook verkoop vir minder as die munisipale waarde. Nie vergelykbaar nie.

9.8. Hierdie enkelvlak, siersteen gebou het 3 slaapkamers, twee badkamers en 'n dubbel motorhuis, 'n teëldak en houtraamvensters. Die eiendom is langs 'n sakegebou geleë en sal heel waarskyknlik binnekort hersoneer word na SAKE1 toe. Transaksie het reeds in 2022 plaasgevind. Vergelykbaar met aanpassing.

9.9. Enkelvlak gebou het gepleisterde mure, asbesdak en houtraamvensters. Hierdie eiendom is goed geleë naby die sakesentrum en word reeds sedert verkoping in 2022 gebruik as 'n kantoorgebou. Vergelykbaar met aanpassing.

10. BEREKENING VAN GRONDWAARDES

Ek gebruik die **Gedepresieerde Vervangingswaarde Metode** om die waarde van die grond te bepaal. Die onderstaande ontledings is gebaseer op eiendomme wat gebruik word, of die moontlikheid het vir hersonering na SAKE1.

9.1. Erf 484, Keurboomlaan 30							
	Oppervlak/m²		Boukoste			Waarde vermindering %	Aangepaste Waarde
Woonhuis	200	±	R	16 000,00	R 3 200 000,00	60%	R1 280 000,00
Buitegeboue	55	±	R	7 500,00	R 412 500,00	60%	R 165 000,00
		±					
Waarde van verbeteringe		±					**R1 445 000,00**
VERKOOPSWAARDE	**Oppervlak/m²**				**Verkoopsprys**	**Kommissie**	**Aangepaste waarde**
01 November 2025					R 4 000 000,00	5%	R3 800 000,00
Min: Waarde van verbeteringe							-R1 445 000,00
Berekende waarde van grond	782						**R2 355 000,00**
Rand per vierkante meter							**R 3 011,51**

9.2. Erf 488. Keurboomlaan 34							
	Oppervlak/m²		Boukoste			Waarde vermindering %	Aangepaste Waarde
Woonhuis	200	±	R	16 000,00	R 3 200 000,00	70%	R 960 000,00
Woonstel	60	±	R	16 000,00	R 960 000,00	70%	R 288 000,00
Buitegeboue	40	±	R	7 500,00	R 300 000,00	70%	R 90 000,00
Waarde van verbeteringe		±					**R1 338 000,00**
VERKOOPSWAARDE	**Oppervlak/m²**				**Verkoopsprys**	**Kommissie**	**Aangepaste waarde**
01 August 2025					R 3 900 000,00	5%	R3 705 000,00
Min: Waarde van verbeteringe							-R1 338 000,00
Berekende waarde van grond	942						**R2 367 000,00**
Rand per vierkante meter							**R 2 512,74**

9.8. Erf 500. Van Riebeeckstraat 14							
	Oppervlak/m²		Boukoste			Waarde vermindering %	Aangepaste Waarde
Woonhuis	200	±	R	16 000,00	R 3 200 000,00	50%	R1 600 000,00
Buitegeboue	50	±	R	7 500,00	R 375 000,00	50%	R 187 500,00
		±					
Waarde van verbeteringe		±					**R1 787 500,00**
VERKOOPSWAARDE	**Oppervlak/m²**				**Verkoopsprys**	**Kommissie**	**Aangepaste waarde**
06 December 2022					R 3 249 000,00	5%	R3 086 550,00
Min: Waarde van verbeteringe							-R1 787 500,00
Berekende waarde van grond	834						**R1 299 050,00**
Rand per vierkante meter							**R 1 557,61**

9.9. Erf 498. Van Riebeeckstraat 18						
	Oppervlak/m²		Boukoste		Waarde vermindering %	Aangepaste Waarde
Woonhuis	270	±	R 16 000,00	R 4 320 000,00	70%	R1 296 000,00
Buitegeboue		±		R -		R -
		±				
Waarde van verbeteringe		±				**R1 296 000,00**
VERKOOPSWAARDE	**Oppervlak/m²**			**Verkoopsprys**	**Kommissie**	**Aangepaste waarde**
02 March 2022				R 2 476 000,00	5%	R2 352 200,00
Min: Waarde van verbeteringe						-R1 296 000,00
Berekende waarde van grond	876					**R1 056 200,00**
Rand per vierkante meter						**R 1 205,71**

11. WAARDEBEPALING

11.1. Ontleding

Weens die invloei van nuwe permanente inwoners, verhoog die vraag na sakepersele. Die verkope in klousule 9 toon dan ook die verhoging in grondwaardes sedert 2022. Die verkope soos aangedui in klousule 10, is van eiendomme wat tussen sakepersele geleë is, of reeds omskep is in kantore.

Die onderwerp eiendom is geleë in die sakedeel, aangrensend aan die hoofstraat, waar blootstelling hoog is.

11.2. Aanpassings

- Ek gebruik die mees onlangse transaksies volgens klousule 9.1 en 9.2 om die gemiddelde waarde per vierkante meter te bereken.

- Die onderwerp eiendom is langs die Hoofstraat geleë met hoë sigbaarheid en ek maak 'n 30% opwaartse aanpassing vir die verskil in liggings.

- Ek maak 'n afwaartse aanpassing vir die hersoneringskostes.

11.3. **Berekening**

Gemiddelde R/m² waarde van verkope in klousule 9.1 & 9.2		R	2 762,12
Oppervlak van onderwerp eiendom		±	200
		R	**552 424,78**
Plus: Beter ligging	30%		165 727,43
Min: Hesoneringskostes		±	-100 000,00
BEREKENDE WAARDE		**R**	**618 152,21**

12. MARKWAARDE

Die ondergetekende, Marina Stadler, verklaar hiermee dat ek bogenoemde eiendom besigtig het, dat ek geen belang daarby het nie en nadat ek al bogenoemde inligting inaggeneem het, die markwaarde van die Onderwerp Eiendom soos op datum van hierdie waardasie stel op

R 600 000.00 (Seshonderdduisend Rand)

Geteken en gedateer op hierdie 23e dag van Januarie 2026

M STADLER (ID 4809090001082)
NDip Real Estate (Property Valuation) UNISA
Professionele Geassosieerde Waardeerder (Suid-Afrika) – SACPVP Reg. No. 5273
Lid van die Suid-Afrikaanse Instituut vir Waardeerders in Suider-Afrika

Professionele Vrywaring
Die besonderhede hierin vervat is na die beste van my wete waar en korrek, met inagneming van dit wat binne my kennis is en my Prinsipaal vrywaar my teen enige eis met betrekking tot hierdie waardasie.
Hierdie waardasie en / of verslag of enige verwysing daarna mag vir geen gepubliseerde dokument, omsendbrief, verslag of verklaring gebruik word sonder om vooraf die skriftelike goedkeuring van die Waardeerder te verkry ten opsigte van die vorm en die inhoud waarin dit aangehaal of gebruik mag word nie

C L L VAN WYK

(PROFESSIONELE GE-ASSOSIEERDE WAARDEERDER)
(INGEVOLGE ART. 20(2)(a) VAN DIE WET OP DIE EIENDOMSWAARDEERDERSPROFESSIE, 2000)
(TAKSATEUR, INGEVOLGE ART. 6 VAN DIE BOEDELWET, 1965 (WET 66 VAN 1965)

Wardenstraat 27
Riversdal

E-pos; cllvanwyk@gmail.com
Selfoon: 082 - 458 8454

WAARDASIEVERSLAG

VAN 'N GEDEELTE VAN

ERF 651, STILBAAI-WES,

HESSEQUA MUNISIPALITEIT

MARKWAARDE	**R575,000.00**
MARKWAARDE PER M²	**R2,875,00 / m²**
DATUM VAN WAARDASIE	**6 Februarie 2026**

INDEKS

Bladsy

1. OPDRAG, DOEL EN DATUM VAN WAARDASIE 1
1.1 Opdrag 1
1.2 Doel van die waardasie 1
1.3 Datum van die waardasie 1
1.4 Datum van inspeksie 1

2. ONDERWERP-EIENDOM 1

3. MUNISIPALE INLIGTING 1

4. MIKRO OMGEWING 2

5. VERBETERINGS OP DIE ONDERWERP-EIENDOM 2

6. WAARDASIE VAN DIE ONDERWERP-EIENDOM 2
6.1 Waardasiemetode 2
6.2 Faktore wat die waarde van eiendomme beinvloed 2
6.3 Marknavorsing 5
6.4 Vergelykbare eiendomme 6
6.5 Berekening van die markwaarde van die onderwerp-eiendom 10
6.6 Markwaarde van die onderwerp-eiendom 11
6.7 Markwaarde per vierkante meter van die onderwerp-eiendom 11

7. KWALIFIKASIE 11

WAARDASIESERTIFKAAT 13

BYLAE A: Ligging van die onderwerp-eiendom 14

BYLAE B: Liggingskaart van die onderwerp-eiendom met die Vergelykbare eiendomme 15

~o~

1. OPDRAG, DOEL EN DATUM VAN WAARDASIE.

1.1 Opdrag.

Opdrag is ontvang van Hessequa Munisipaliteit vir die bepaling van die markwaarde van die onderwerp-eiendom.

1.2 Doel van die waardasie.

Die doel van die waardasie is vir 'n bepaling van die markwaarde van die onderwerp-eiendom vir vervreemding aan Roschstrei Trust.

1.3 Datum van waardasie.

Die datum van waardasie is **6 Februarie 2026**.

1.4 Datum van inspeksie.

Die datum van inspeksie is **6 Februarie 2026**

2. DIE ONDERWERP-EIENDOM.

2.1	**Beskrywing:**	'n Gedeelte van Erf 651, Stilbaai-Wes
2.2	**Titelakte nommer:**	T1928/2019
2.3	**Grootte:**	±200 m².
2.4	**Ligging:**	Geleë op die hoek van Hoopstraat en 'n straat wat parallel loop met Hoofweg-Wes teen Erf 3038, Stilbaai-Wes. (Sien Bylae A: Ligging van die onderwerp-eiendom)
2.5	**Koördinate:**	34.371680°S 21.404736°E
2.6	**Dorp:**	Stilbaai-Wes
2.7	**Titelhouer:**	Hessequa Munisipaliteit

3. MUNISIPALE INLIGTING.

3.1	**Plaaslike Bestuur:**	Hessequa Munisipaliteit; Afdeling Riversdal.
3.2	**Sonering:**	Vervoersone I
3.3	**Huidige gebruik:**	Parkeerruimte vir oplaai en aflaai van boumateriaal.
3.4	**Hoogste en beste gebruik:**	Kommersieel
3.5	**Munisipale waardasie:**	Daar is geen afsonderlik munisipale waardasie van die onderwerp-eiendom nie aangesien dit deel vorm van Erf 651, Stilbaai-Wes.

4. MIKRO-OMGEWING.

Die onderwerp-eiendom is geleë in Stilbaai-Wes, 'n strandoord in die Suid Kaap op die westelike oewer van die Goukourivierrmonding. Stilbaai-Wes word bestuur deur die Hessequa Munisipaliteit van wie die hoofkantoor in Riversdal gesetel is en wat ingesluit is onder die bestuur van die Kaapse Provinsiale Administrasie.

Die dorp word voorsien van elektrisiteit en water deur die Hessequa Munisipaliteit. Die bron van die elektrisiteit is Eskom en die bron van die water is vanaf 'n fonteine en boorgate wes van die Goukourivier asook vanaf die Olive Grovedam oos van die Goukourivier. Riool en vuilisverwyderingdienste word ook deur die Hessequa Munisipaliteit voorsien. Die meeste van die strate is geteer met die stormwater dreinering en straatligte in plek.

Die populasie van Stilbaai wissel noemenswaardig gedurende die jaar. Die getal permanente inwoners is ongeveer 5,000 – 6,000 persone maar gedurende die vakansieseisoene vermeerder die populasie na 'n beraamde 30,000 persone.

Die onderwerp-eiendom is geleë op die hoek van Hoopstraat en 'n straat wat parallel loop met Hoofweg-Wes teen Erf 3038, Stilbaai-Wes. (Sien Bylae A: Ligging van die onderwerp-eiendom)

5. VERBETERINGS OP DIE ONDERWERP-EIENDOM.

Daar is geen verbeterings op die onderwerp-eiendom nie.

6. WAARDASIE VAN DIE ONDERWERP-EIENDOM.

6.1 Waardasiemetode.

Vir die waardasie van hierdie eiendom word gebruik gemaak van die vergelykbare waarde-metode waar die onderwerp-eiendom vergelyk word met ander eiendomme wat die afgelope tyd in die omgewing van die onderwerp-eiendom in Stilbaai-Wes verhandel het.

Omdat die vergelykbare eiendomme so uiteenlopend verskil van die onderwerp-eiendom is dit nodig om die verskillende faktore wat 'n invloed het op die waarde van eiendomme te identifiseer. Die belangrikste faktore wat 'n invloed het op die waarde van eiendomme in Stilbaai-Wes is die ligging, grootte, karakter, potensiaal van die eiendom, onderverdeling, hersonering en konsolidasie en verbeterings op die eiendom.

6.2 Faktore wat die markwaarde van eiendomme beinvloed

6.2.1 Ligging van eiendom.

Ligging van die eiendom ten opsigte van die omgewing het 'n groot invloed op die waarde van eiendomme in Stilbaai. Na aanleiding van verkope in Stilbaai, is dit opvallend dat die gemiddelde waarde per m² van eiendomme in sekere gebiede van Stilbaai beduidend hoër was as díe van eiendomme in ander gebiede en dit is hoofsaaklik te wyte aan 'n uitsig na die see en/of rivier. Daar is 'n positiewe korrelasie tusen die waarde per m² van die eiendomme en die hoeveelheid onbelemmerde uitsig na die see en/of rivier. Die hoeveelheid uitsig na die see en/of die rivier vanaf die eiendomme word uitgedruk as 'n persentasie waar 100% 'n 180º uitsig op die see en/of die rivier verteenwoordig.

Die onderwerp-eiendom is geleë op die hoek van Hoopstraat en 'n straat wat parallel loop met Hoofweg-Wes teen Erf 3038, Stilbaai-Wes met geen uitsig na die rivier of see nie.

Met die vergelyking van die ligging van die vergelykbare eiendomme met die van die onderwerp-eiendom, sal die nodige aanpassings aan die waarde per m² van die vergelykbare eiendomme aangebring word om die ligging van die eiendomme in lyn te bring met die van die onderwerp-eiendom.

6.2.2 Grootte van eiendom.

Grootte van eiendomme het 'n invloed op die waarde van die eiendomme in die sin dat dit 'n algemene tendens is dat die gemiddelde waarde per vierkante meter van kleiner eiendomme hoër is as die van groter eiendomme.

Die onderwerp-eiendom is heelwat kleiner as die vergelykbare eiendomme en met die vergelyking van die grootte van die onderwerp-eiendom met die van die vergelykbare eiendomme sal die nodige aanpassings aangebring word aan die waarde per vierkante meter van die vergelykbare eiendomme om die grootte van die vergelykbare eiedomme in lyn te bring met die van die onderwerp-eiendom.

6.2.3 Karakter van eiendom.

Karakter verwys na die algemene voorkoms van eiendomme as geheel met die verbeterings, tuin en omheining, die vorm van die erf en die topografie van die erf.

Die algemene voorkoms van die eiendom het 'n invloed op die waarde van eiendomme in die sin dat kopers bereid is om meer te betaal vir eiendomme met 'n goeie uitleg en gevestigde en mooi tuine.

In die geval van die onderwerp-eiendom, is die algemene voorkoms van die eiendom van minder belang aangesien daar beoog word om die eiendom te konsolideer met Erf 3038, Stilbaai-Wes.

Die waarde per m² van die vergelykbare eiendomme sal dus aangepas word ten opsigte van voorkoms om dit in lyn te bring met die voorkoms van die onderwerp-eiendom.

Die vorm van die erf beinvloed die waarde per m² van eiendomme in die sin dat die waarde per m² van lang dun erwe laer is as vierkantige of reghoekige erwe.

Die vorm van die onderwerp-eiendom is min of meer reghoekig, wat nie noodwendig 'n invloed sal hê op die waarde per m² van die eiendom nie. Die nodige aanpassings sal aangebring word aan die waarde per m² van die vergelykbare eiendomme om die vorm van die vergelykbare eiedomme in lyn te bring met die van die onderwerp-eiendom.

Die topografie van eiendomme beinvloed die waarde per m² van eiendomme in die sin dat die waarde per m² van skuins erwe laer is as erwe met gelyk grond as gevolg van die hoër koste van die konstruksie van die verbeterings.

Die topografie van die onderwerp-eiendom is gelyk aarde wat nie noodwendig 'n negatiewe invloed sal hê op die waarde per m² van die eiendom nie, en die nodige aanpassings sal aangebring word aan die waarde per m² van die vergelykbare eiendomme om die topografie van die vergelykbare eiedomme in lyn te bring met die van die onderwerp-eiendom.

6.2.4 <u>Potensiaal van die eiendom.</u>

Die potensiaal van eiendomme verwys na die hoogste beste moontlike gebruik van 'n eiendom. Die hoogste en beste gebruik van 'n eiendom is die mees waarskynlikste en wettige gebruik wat fisies moontlik is, wat toepaslik ondersteun word en wat finansieel uitvoerbaar is om die hoogste moontlike waarde te realiseer.

Die vier kriteria waaraan die hoogste en beste gebruik aan gemeet word is wetlike toelaatbaarheid, fisiese moontlikheid, finansiële uitvoerbaarheid en maksimale produktiwiteit.

In die geval van die onderwerp-eiendom word beoog om die eiendom te konsolideer met Erf 3038, Stilbaai-Wes, wat kommersieel gesoneer is en derhalwe sal die potensiaal van die onderwerp-eiendom beperk wees tot kommersiële gebruik.

Met die vergelyking van die potensiaal van die onderwerp-eiendom met die van die vergelykbare eiendomme, sal die nodige aanpassings aan die waarde per m² van die vergelykbare eiendomme aangebring word om die potensiaal van die eiendomme in lyn te bring met die van die onderwerp-eiendom.

6.2.5 <u>Onderverdeling, hersonering en dienste..</u>

In die geval van eiendomme wat deur die Munisipaliteit verkoop word, het die doel waarvoor die eiendomme aangewend gaan word wel 'n invloed op die waarde van die eiendomme. Indien die eiendom onderhewig is aan onderverdeling, hersonering en konsolidasie, het die voorwaardes van die kooptransaksie ook 'n invloed op die waarde van die eiendom afhangende van wie verantwoordelik is vir die koste van die onderverdeling, hersonering en konsolidasie van die onderwerp-eiendom.

Die beskikbaarheid en voorsiening van munisipale dienste aan die onderwerp-eiendom het ook 'n invloed op die waarde van eiendomme deurdat die verkryging van dienste 'n koste implikasie het.

In die geval van die onderwerp-eiendom is die doel van die aankoop van die eiendom om dit te konsolideer met Erf 3038, Stilbaai-Wes en sal die onderwerp-eiendom eers afgesny moet word vanaf Erf 651, Stilbaai-Wes, gekonsolideer word met Erf 3038 Stilbaai-Wes en hersoneer word na kommersieel.

Die vervreemding van die onderwerp-eiendom is onderhewig aan die volgende voorwaardes:

6.2.5.1 Die onderwerp-eiendom moet teen 'n markverwante bedrag aan die aansoeker verkoop word.

6.2.5.2 Die markwaarde van die onderwerp-eiendom, moet deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde waarde as koopsom sal dien.

6.2.5.3 Die onderwerp-eiendom moet onderverdeel en met Erf 3038, Stilbaai-Wes gekonsolideer word.

6.2.5.4 Die voorneme om die eiendom te vervreem moet in die Suid-Kaap Forum adverteer word vir besware en/of kommentare vir die rekening van die koper en die aansoek moet na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.

6.2.5.5 Die koper van die onderwerp-eiendom is verantwoordelik vir alle koste wat verband hou met die koop van die eiendom, insluitend, maar nie beperk tot die koopsom, alle grondgebruik aansoek kostes, advertensie kostes, koste om die billike markwaarde van de eiendom te bepaal, koste van onderverdeling, hersonering, en konsolidasie en die oordragkoste.

6.2.6 Verbeterings op die eiendom.

Die grootte, ouderdom, styl en toestand van die verbeterings het wel 'n invloed op die waarde van eiendomme in die sin dat groter en meer verbeterings bied aan die kopers meer moontlikhede en ruimte. Die ouderdom en toestand van die verbeterings beinvloed ook die waarde van die eiendomme om logiese redes en sekere kopers het voorkeure tot sekere style van die verbeterings en is bereid om meer te betaal vir 'n styl waarvan hulle hou.

Soos reeds genoem is daar geen verbeterings op die onderwerp-eiendom nie, en vir die doeleindes van hierdie waardasie sal slegs die grondwaardes van die vergelykbare eiendomme gebruik word vir die bepaling van die markwaarde van die onderwerp-eiendom.

Om die invloed van die bogenoemde faktore op die waarde van die verskillende vergelykbare eiendomme te bepaal was dit nodig om elkeen van die eiendomme te annaliseer, die faktore 'n gewig te gee vir die spesifieke eiendom en dit dan te vergelyk met díe van die onderwerp-eiendom.

Vervolgens word daar dan 'n persentasie aanpassing gemaak op die waarde per m² van die vergelykbare eiendomme om die eiendom vergelykbaar te maak met die onderwerp-eiendom.

6.3 Marknavorsing.

Na aanleiding van Property 24 se voorstedelike prysaanwysers (Suburb Trends) van eiendomme in Stilbaai-Wes, was daar 'n styging van ongeveer 12% per jaar in die gemiddelde pryse van eiendomme vanaf 2022 tot 2025. Die getal eiendomme wat verkoop het, het toegeneem vanaf 2022 tot 2025.

Met 'n ontleding van die verkope is dit ook ooglopend dat die gemiddelde waarde per m² van eiendomme met 'n rivier en/of see uitsig aansienlik hoër was as eiendomme met geen rivier of see uitsig.

Na aanleiding van die bogenoemde tendense en vir die doeleindes van hierdie waardasie, sal die verkooppryse van die vergelykbare eiendomme met **12%** per jaar opwaarts aangepas word tot op die datum van waardasie.

6.4 Vergelykbare eiendomme.

Met die navorsing van verkope van onverbeterde eiendomme in die omgewing van die onderwerp-eiendom in Stilbaai-Wes, is daar geen verkope van onverbeterde eiendomme nie en derhalwe is gebruik gemaak van verbeterde eiendomme geïdentifiseer wat gebruik sal word vir die berekening van die grondwaarde van die onderwerp-eiendom. (Sien Bylae B: Liggingskaart van die onderwerp-eiendom en die vergelykbare eiendomme)

Na aanleiding van die mark tendense soos in paragraaf 6.3 bespreek, sal die verkooppryse van die vergelykbare eiendomme met **12%** per jaar opwaarts aangepas word tot op die datum van waardasie. Die verkoopspryse van die vergelykbare eiendomme sluit BTW en agente kommissie uit.

6.4.1 Erf 2897, Stilbaai-Wes.

Die eiendom is geleë in Perdekuillaan 13, Stilbaai-Wes, ongeveer 332 meter vanaf die onderwerp-eiendom en is op 07/09/2025 verkoop vir **R2,450,000**.

Om die verkoopprys van die eiendom aan te pas na die datum van waardasie, is die volgende berekening gemaak:

Verkoopprys van die eiendom in September 2025	R2,450,000
Plus 5%; Aangepaste waarde na Februarie 2026	**R2,572,500**

Die grootte van die erf is **320m²** en die verbeterings het bestaan uit 'n enkelverdieping woonhuis en 'n plavei-area ten tyde van die verkoping.

Die ontleding van die waarde van die grond en verbeterings op die eiendom word in Tabel 1 hieronder aangetoon.

Tabel 1: Ontleding van die grond en verbeterings op Erf 2897, Stilbaai-Wes.

Beskrywing		Grootte m²	Waarde per m²	Totale waarde
Grootte en waarde van grond		320	R 2 537	**R 811 700**
Verbeterings	**Grootte m²**	**Boukoste per m²**	**Depresiasie %**	**Totale waarde**
Woonhuis	155,00	R 14 200	20%	R 1 760 800
Plavei-area	31,00	R 650	20%	R 16 120
Waarde van verbeterings				**R 1 760 800**
Totale waarde van grond en verbeterings				**R 2 572 500**

Die ligging en grootte van hierdie eiendom vergelyk goed met die van die onderwerp-eiendom, die karakter, potensiaal en sonering verskil met die van die onderwerp-eiendom en hierdie eiendom is buite die sake kern van Stilbaai-Wes geleë.

Die waarde per m² van die grond gedeelte van hierdie eiendom is **R2,537/m²** en met inagneming van die grootte en ligging van die erf, word 'n opwaartse aanpassing van ongeveer **13%** toegelaat op die waarde per m² van die grond gedeelte van die eiendom om dit vergelykbaar te maak met die grond gedeelte van die onderwerp-eiendom.

6.4.2 Erf 496, Stilbaai-Wes.

Die eiendom is geleë in Kerkstraat 20, Stilbaai-Wes, ongeveer 199 meter vanaf die onderwerp-eiendom en is op 14/05/2025 verkoop vir **R2,000,000**.

Om die verkoopprys van die eiendom aan te pas na die datum van waardasie, is die volgende berekening gemaak:

Verkoopprys van die eiendom in Mei 2025	R2,000,000
Plus 9%; Aangepaste waarde na Februarie 2026	**R2,180,000**

Die grootte van die erf is **833m²** en die verbeterings het bestaan uit 'n enkelverdieping woonhuis, plavei-area en omheining ten tyde van die verkoping.

Die ontleding van die waarde van die grond en verbeterings op die eiendom word in Tabel 2 hieronder aangetoon.

Tabel 2: Ontleding van die grond en verbeterings op Erf 496, Stilbaai-Wes.

Beskrywing		Grootte m²	Waarde per m²	Totale waarde
Grootte en waarde van grond		833	R 1 009	**R 840 287**
Verbeterings	**Grootte m²**	**Boukoste per m²**	**Depresiasie %**	**Totale waarde**
Woonhuis	240,00	R 13 200	60%	R 1 267 200
Plavei-area	185,00	R 650	75%	R 30 063
Omheining	**Lengte meter**	**Boukoste per meter**	**Depresiasie %**	**Totale waarde**
Vibracrete muur - 1.5 m	75,00	R 1 415	60%	R 42 450
Waarde van verbeterings				**R 1 339 713**
Totale waarde van grond en verbeterings				**R 2 180 000**

Die ligging van hierdie eiendom vergelyk redelik met die van die onderwerp-eiendom, die grootte van hierdie eiendom vergelyk nie goed met die van die onderwerp-eiendom nie, die karakter, potensiaal en sonering verskil met die van die onderwerp-eiendom en hierdie eiendom is buite die sake kern van Stilbaai-Wes geleë.

Die waarde per m² van die grond gedeelte van hierdie eiendom is **R1,009/m²** en met inagneming van die grootte en ligging van die erf, word 'n opwaartse aanpassing van ongeveer **185%** toegelaat op die waarde per m² van die grond gedeelte van die eiendom om dit vergelykbaar te maak met die grond gedeelte van die onderwerp-eiendom.

6.4.3 Erf 2512, Stilbaai-Wes.

Die eiendom is geleë in Buitekantstraat 7, Stilbaai-Wes, ongeveer 240 meter vanaf die onderwerp-eiendom en is op 01/02/2024 verkoop vir **R1,740,000**.

Om die verkoopprys van die eiendom aan te pas na die datum van waardasie, is die volgende berekening gemaak:

Verkoopprys van die eiendom in Februarie 2024	R1,740,000
Plus 12%; Aangepaste waarde na Februarie 2025	R1,948,800
Plus 12%; Aangepaste waarde na Februarie 2026	**R2,182,656**

Die grootte van die erf is **828m²** en die verbeterings het bestaan uit 'n enkelverdieping woonhuis, plavei-area en omheining ten tyde van die verkoping.

Die ontleding van die waarde van die grond en verbeterings op die eiendom word in Tabel 3 hieronder aangetoon.

Tabel 3: Ontleding van die grond en verbeterings op Erf 2512, Stilbaai-Wes.

Beskrywing		Grootte m²	Waarde per m²	Totale waarde
Grootte en waarde van grond		828	R 1 018	**R 842 943**
Verbeterings	**Grootte m²**	**Boukoste per m²**	**Depresiasie %**	**Totale waarde**
Woonhuis	240,00	R 13 200	60%	R 1 267 200
Plavei-area	185,00	R 650	75%	R 30 063
Omheining	**Lengte meter**	**Boukoste per meter**	**Depresiasie %**	**Totale waarde**
Vibracrete muur - 1.5 m	75,00	R 1 415	60%	R 42 450
Waarde van verbeterings				**R 1 339 713**
Totale waarde van grond en verbeterings				**R 2 182 656**

Die ligging van hierdie eiendom vergelyk redelik met die van die onderwerp-eiendom, die grootte van hierdie eiendom vergelyk nie goed met die van die onderwerp-eiendom nie, die karakter, potensiaal en sonering verskil met die van die onderwerp-eiendom en hierdie eiendom is buite die sake kern van Stilbaai-Wes geleë.

Die waarde per m² van die grond gedeelte van hierdie eiendom is **R1,018/m²** en met inagneming van die grootte en ligging van die erf, word 'n opwaartse aanpassing van ongeveer **182%** toegelaat op die waarde per m² van die grond gedeelte van die eiendom om dit vergelykbaar te maak met die grond gedeelte van die onderwerp-eiendom.

6.4.4 Erf 2273, Stilbaai-Wes.

Die eiendom is geleë in Hoopstraat 9, Stilbaai-Wes, ongeveer 55 meter vanaf die onderwerp-eiendom en is op 19/06/2023 verkoop vir **R1,800,000**.

Om die verkoopprys van die eiendom aan te pas na die datum van waardasie, is die volgende berekening gemaak:

Verkoopprys van die eiendom in Junie 2023	R1,800,000
Plus 12%; Aangepaste waarde na Junie 2024	R2,016,000
Plus 12%; Aangepaste waarde na Junie 2025	R2,257,920
Plus 7%; Aangepaste waarde na Februarie 2026	**R2,415,974**

Die grootte van die erf is **348m²** en die verbeterings het bestaan uit 'n enkelverdieping woonhuis, plavei-area en omheining ten tyde van die verkoping.

Die ontleding van die waarde van die grond en verbeterings op die eiendom word in Tabel 4 hieronder aangetoon.

Tabel 4: Ontleding van die grond en verbeterings op Erf 2273, Stilbaai-Wes.

Beskrywing		Grootte m²	Waarde per m²	Totale waarde
Grootte en waarde van grond		348	R 2 446	**R 851 041**
Verbeterings	**Grootte m²**	**Boukoste per m²**	**Depresiasie %**	**Totale waarde**
Woonhuis	120,00	R 15 100	15%	R 1 540 200
Plavei-area	26,00	R 650	15%	R 14 365
Omheining	**Lengte meter**	**Boukoste per meter**	**Depresiasie %**	**Totale waarde**
Hortjies Heining - 1,5 m	12,00	R 960	10%	R 10 368
Waarde van verbeterings				**R 1 564 933**
Totale waarde van grond en verbeterings				**R 2 415 974**

Die ligging en grootte van hierdie eiendom vergelyk baie goed met die van die onderwerp-eiendom, die karakter, potensiaal en sonering verskil met die van die onderwerp-eiendom.

Die waarde per m² van die grond gedeelte van hierdie eiendom is **R2,446/m²** en met inagneming van die grootte en ligging van die erf, word 'n opwaartse aanpassing van ongeveer **18%** toegelaat op die waarde per m² van die grond gedeelte van die eiendom om dit vergelykbaar te maak met die grond gedeelte van die onderwerp-eiendom.

6.5 Berekening van die markwaarde van die onderwerp-eiendom.

Die grondwaarde van die onderwerp-eiendom word bepaal op grond van die waarde per vierkante meter van die grondgedeeltes van vergelykbare eiendomme in Paragraaf 6.4.

Om die invloed van die faktore soos bespreek in Paragraaf 6.2, op die waarde van die verskillende eiendomme te bepaal was dit nodig om elkeen van die faktore 'n gewig te gee vir die spesifieke eiendom en dit dan te vergelyk met díe van die onderwerp-eiendom. Vervolgens word daar dan 'n persentasie aanpassing gemaak op die waarde per m² van die spesifieke eiendomme om die eiendom vergelykbaar te maak met die onderwerp-eiendom.

Die grootte, aangepaste grondwaarde, grondwaarde per m², persentasie aanpassing en aangepaste waarde per m² van die vergelykende eiendomme sonder verbeterings word in Tabel 5 hieronder aangedui.

Tabel 5: Grootte, aangepaste grondwaarde, grondwaarde per m², persentasie aanpassing en aangepaste waarde per m² van die vergelykbare eiendomme.

Verw. Nr.	Erf Nr.	Grootte m²	Aangepaste Grondwaarde	Grondwaarde per m²	% Aan-passing	Aangepaste Waarde/m²
6,4,1	2897	320	R 811 700	R 2 537	13%	R 2 866
6,4,2	496	833	R 840 287	R 1 009	185%	R 2 875
6,4,3	2512	828	R 842 943	R 1 018	182%	R 2 871
6,4,4	2273	348	R 851 041	R 2 446	18%	R 2 886
Aangepaste waarde per m² vir onderwerp-eiendom						**R 2 874**

Na aanleiding van die berekeninge in Tabel 5, word dat die gemiddelde aangepaste grondwaarde per m² van die vergelykbare eiendomme sonder verbeterings bereken op **R2,874/m².** Hierdie waarde per m² sal gebruik word vir die berekening van die markwaarde van die grondgedeelte van die onderwerp-eiendom.

Die berekening van die markwaarde van die onderwerp-eiendom volgens die vergelykbare metode, word in Tabel 6 aangetoon.

Tabel 6; Berekening van die markwaarde van die onderwerp-eiendom.

Beskrywing	Grootte m²	Waarde per m²	Totale waarde
Grootte en waarde van grond	200,00	R 2 874	**R 574 800**

Na aanleiding van die berekening in Tabel 6, word die markwaarde van die onderwerp-eiendom soos bepaal deur middel van die vergelykbare metode bereken op **R574,800.00.**

6.6 Markwaarde van die onderwerp-eiendom.

Na deeglike oorweging van al die tersaaklike faktore, asook die vergelyking van die onderwerp-eiendom met ander transaksies en met die bogenoemde inligting as maatstaf, word die markwaarde (BTW uitgesluit) van die onderwerp-eiendom soos op 6 Februarie 2026 bereken op:

R575,000.00 **(VYF HONDERD VYF EN SEWENTIG DUISEND RAND) (BTW UITGESLUIT)**

6.7 Markwaarde per vierkante meter van die onderwerp-eiendom.

Na deeglike oorweging van al die tersaaklike faktore, asook die vergelyking van die onderwerp-eiendom met ander transaksies en met die bogenoemde inligting as maatstaf, word die markwaarde per vierkante meter (BTW uitgesluit) van die onderwerp-eiendom soos op 6 Februarie 2026 bereken op:

R2,875.00 / m² **(TWEE DUISEND AGT HONDERD VYF EN SEWENTIG RAND PER VIERKANTE METER) (BTW UITGESLUIT)**

7. KWALIFIKASIE.

7.1 Hierdie waardasieverslag is voorberei ooreenkomstig die vereistes van Internasionale Waardasie Standaarde wat aanvaar word deur beide die Suid-Afrikaanse Raad vir die Eiendomswaardersprofessie en die Suid-Afrikaanse Instituut van Waardeerders.

7.2 Hierdie waardasieverslag is konfidensieel en is saamgestel vir die uitsluitlik gebruik deur die opdraggewer van die waardasie en mag nie gebruik word deur enige ander party nie.

7.3 Hierdie waardasieverslag is voorberei op die basis dat alle informasie en faktore wat 'n invloed mag hê op die waardasie bekend gemaak is aan die waardeerder, Geen aanspreeklikheid of verantwoordelikheid kan aanvaar word vir hierdie waardasie tensy alle inligting en faktore bekend gemaak is.

7.4 Sensitiewe en konfidensiële inligting wat verkry is van derde partye (eiendoms-agente, waardeerders, ens.) vir die doeleindes van hierdie waardasie en wat gebruik word in hierdie waardasieverslag, sal nie openbaar gemaak word, mondelings of skriftelik, aan enige party sonder die skriftelike toestemming van die bron nie.

7.5 Dit word aanvaar dat die titel van die onderwerp-eiendom geskik en bemarkbaar is. Geen verantwoordelikheid word vir die wetlike beskrywing van die eiendom aanvaar of vir sake wat wetlike of titeloorwegings insluit nie.

7.6 Dit word aanvaar dat verantwoordelike eienaarskap en eiendomsbestuur van toepassing is op die onderwerp-eiendom en dat alle wette en regulasies erken is.

7.7 Dit word aanvaar dat geen beswarende serwitute, reg van weg, of oorskrydings teen of op die onderwerp-eiendom bestaan, behalwe ten gunste van statutêre instansies, toepaslik op alle soortgelyke eiendomme of wat as gebruiklik beskou word.

7.8 Dit word aanvaar dat daar geen versteekte of onklaarblyklike toestande in die ondergrond is wat die waarde van die eiendom meer of minder waardevol maak nie.

7.9 Dit word aanvaar dat op grond van hierdie waardasie daar geen verdere konsultasie, getuienis, verklaring of bywoning van die hof benodig word betreffende die onderwerp-eiendom tensy vooraf reëlings getref is in die verband.

7.10 Dit word aanvaar dat hierdie waardasie gedoen is met die verstandhouding dat vrywaring toegestaan is teen enige en alle eise, verlies, bevele, aanspreeklikheid, koste en uitgawes van wat 'n aard ookal, wat direk of indirek gely mag word of toegedien mag word op grond van of na aanleiding van hierdie waardasie.

7.11 Die waardasieverslag, deel daarvan of die waardasiesertifikaat mag nie gebruik word vir enige publikasie, dokument, omsendbrief, verslag of verklaring sonder die skriftelike toestemming van die waardeerder nie.

7.12 Die begrip markwaarde word omskryf as "die prys wat vir die eiendom verkry sou word indien dit op die datum van waardasie in 'n ope mark deur 'n gewillige verkoper aan 'n gewillige koper verkoop sou word" met dien verstande dat:

(i) 'n Gewillige, vermoënde en ingeligte koper en 'n gewillige en ingeligte verkoper verstandig en sonder dwang gehandel het.

(ii) Dat daar voor die datum van waardasie 'n redelike periode, afhangende van die geaardheid van die eiendom en die mark toestand, toegelaat is vir die voldoende bemarking van die eiendom, vir die ooreenstemmigheid van die prys en terme, en vir die voltrekking van die transaksie.

(iii) Dat geen bykomstige aanbieding van kopers met 'n spesiale belang in die eiendom aanvaar word nie.

7.13 Alle waardes en bedrae wat in hierdie verslag gebruik word behalwe die vervangingswaarde van die verbeterings op die onderwerp-eiendom, sluit BTW en Agente-kommissie uit.

7.14 Alle instellings en data in hierdie verslag is verkry vanaf die Hessequa Munisipaliteit, die Aktekantoor, Boukoste indekse in AECOM, Statistiek Suid Afrika, "Bureau for Economic Research" en "Cape Farm Mapper" en is na die beste van my wete korrek. Geen poging is aangewend om belangrike inligting te verswyg nie en geen waarborge vir akkuraatheid word gegee nie.

~o~

C L L VAN WYK

(PROFESSIONELE GE-ASSOSIEERDE WAARDEERDER)

(INGEVOLGE ART. 20(2)(a) VAN DIE WET OP DIE EIENDOMSWAARDEERDERSPROFESSIE, 2000)

(TAKSATEUR, INGEVOLGE ART. 6 VAN DIE BOEDELWET, 1965 (WET 66 VAN 1965)

Wardenstraat 27
RIVERSDAL. 6670

E-pos: cllvanwyk@gmail.com
Selfoon: 082 - 458 8454

WAARDASIESERTIFIKAAT

EIENDOMSBESKRYWING:	**'n Gedeelte van Erf 651, Stilbaai-Wes, Munisipaliteit Hessequa, Provinsie Wes-Kaap.**
GROOTTE:	**±200 m²**
GEREGISTREERDE EIENAAR:	**Hessequa Munisipaliteit**
DATUM VAN WAARDASIE:	**6 Februarie 2026**
DOEL VAN WAARDASIE:	**Markwaarde soos op datum van waardasie.**

Ek, die ondergetekende, **Charles Louis Louw van Wyk**, Geregistreerde Professionele Geassosieerde Waardeerder in terme van Artikel 20(2)(a) van Wet Nr. 47 van 2000, sertifiseer hiermee dat ek persoonlik die bogenoemde eiendom besigtig en ondersoek het, dat ek geen belang daarby het nie en dat die waardasie onafhanklik en onpartydig gemaak is.

Die markwaarde van die bogenoemde eiendom was op 6 Februarie 2026 bereken op:

R575,000.00 **(VYF HONDERD VYF EN SEWENTIG DUISEND RAND) (BTW UITGESLUIT).**

Die markwaarde per vierkante meter van die bogenoemde eiendom was op 6 Februarie 2026 bereken op:

R2,875.00 / m² **(TWEE DUISEND AGT HONDERD VYF EN SEWENTIG RAND PER VIERKANTE METER) (BTW UITGESLUIT)**

Geteken te **RIVERSDAL** op 6 Februarie 2026.



.....

C L L van Wyk (ID 461104 5006 08 7)

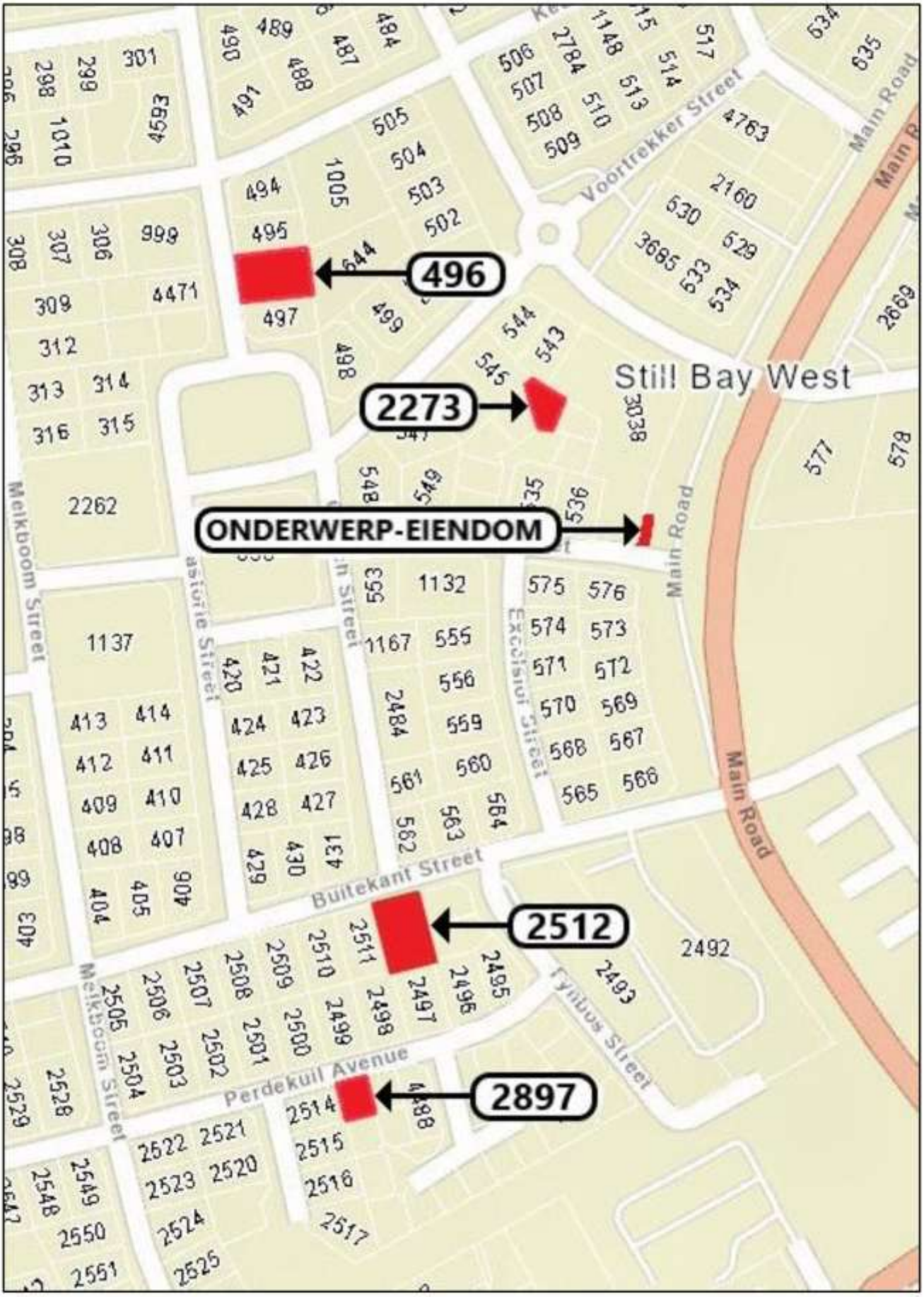
Professionel Geassosieerde Waardeerder.

Registrasie Nommer 6090/1

BYLAE A: LIGGING VAN DIE ONDERWERP-EIENDOM.



BYLAE B: LIGGINGSKAART VAN DIE ONDERWERP-EIENDOM EN DIE VERGELYKBARE EIENDOMME.



9.9 VERKOOP VAN ERF 521, HEIDELAAN, MELKHOUTFONTEIN

File number / Verwysingsnommer: 7/2/2/7

Meeting date / Vergadering datum: 26 Maart 2026

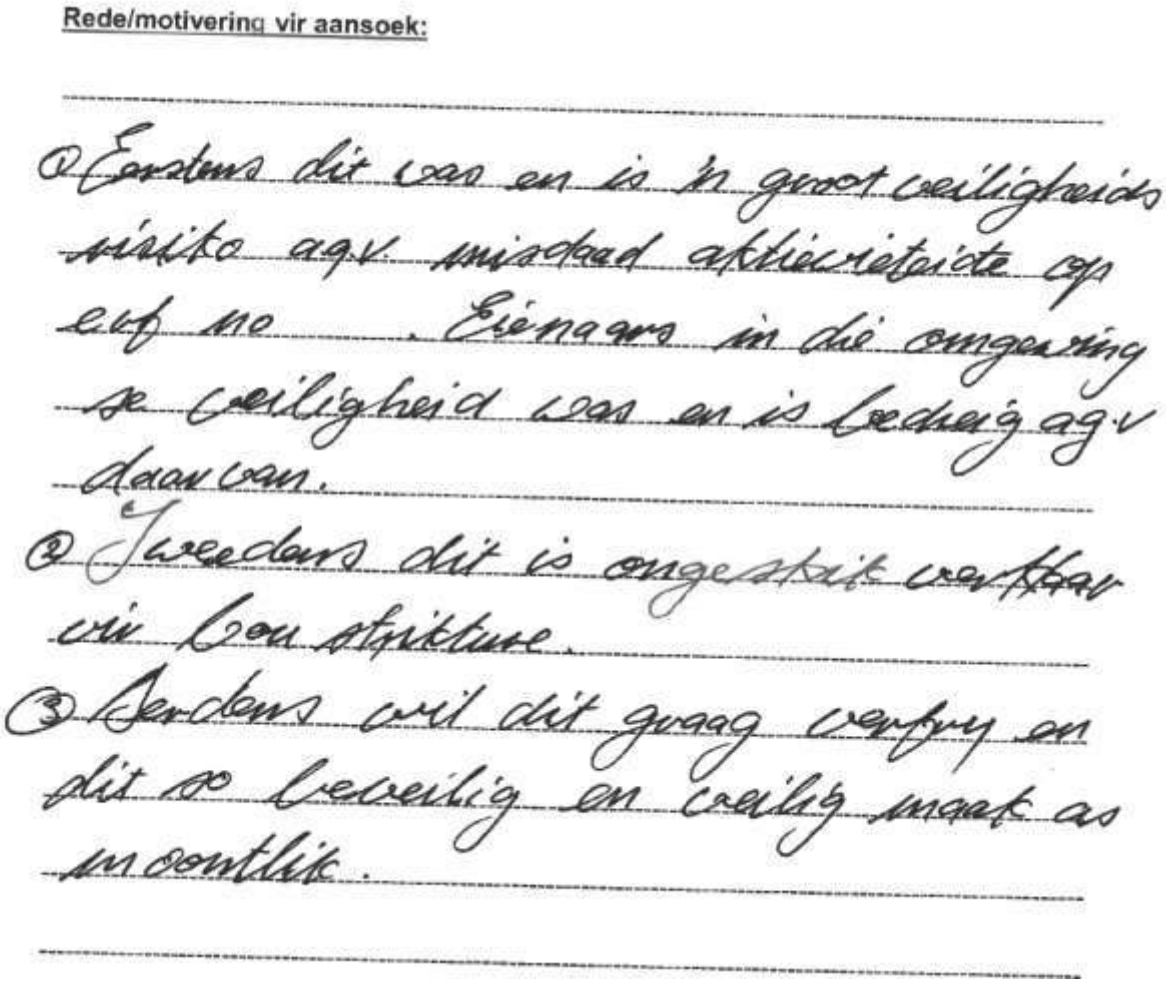
Report by / Verslag deur: Bestuurder: Eiendomsbestuur – Mnr A Kleynhans

PURPOSE OF REPORT / DOEL VAN VERSLAG

Vir die Raad om die aansoek van Meneer Johannes de Vos om Erf 521, Heidelaan, Melkhoutfontein te koop, goed te keur.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

'n Aansoek is van Meneer Johannes de Vos, eienaar van Erf 520, Heidelaan, Melkhoutfontein ontvang vir die aankoop van Erf 521, Heidelaan, Melkhoutfontein. Meneer de Vos voer die volgende redes aan ter motivering van sy aansoek om die eiendom te koop:



Rede/motivering vir aansoek:

① Eerstens dit was en is in groot veiligheids risiko a.g.v. misdaad aktiwiteite op erf no . Eienaars in die omgewing se veiligheid was en is bedreig a.g.v. daarvan.

② Tweedens dit is ongeskik vanaf vir bou oprigtings.

③ Derdens wil dit graag verfraai en dit so beveilig en veilig maak as moontlik.

Met verwysing na die tweede punt in Meneer de Vos se motivering, kan bevestig word dat die erf oor baie ondergrondse water beskik, welke deursyfer na die grondoppervlak.

Die gedeelte ter sprake word hieronder aangedui (nie op skaal):



Dit is ook bevestig dat die eiendom nie vir enige munisipale doeleindes benodig nie. Voorts kan Erf 521, Melkhoutfontein ingevolge die Raad se Eiendomsbestuur beleid geklassifiseer word as ‘n “non – viable property” aangesien die eiendom slegs deur die eienaar van die aangrensende eiendom (Erf 520) gebruik kan word gegewe die hoë grondwater vlakke wat dit duur sal maak om op die eiendom te bou (dit sal egter nie onmoontlik wees om op die eiendom te bou nie). Die oppervlak van Erf 521, Melkhoutfontein beloop 497 vk.m.

Paragraaf 21.4 van die Eiendomsbestuur beleid bepaal as volg:

*“**Non-Viable Property***

In respect of Non-Viable Property which can only be utilized by one adjacent land owner, a Property Transaction(s) may be approved without any competitive process having been followed, including in response to an unsolicited application, on the basis that no purpose would be served by a competitive process.”

Dit word aanbeveel dat die voorneme om die Erf 521 Melkhoutfontein direk aan Meneer Johannes de Vos te verkoop in die plaaslike koerant geadverteer word vir publieke insette. Indien die munisipaliteit wel tydens die publieke deelname proses kommentare ontvang wat daarop dui dat daar ander belangstelling is om die eiendom te koop, sal die aanbeveling wees om die eiendom by wyse van ‘n mededingende proses te verkoop.

Ingevolge Regulasie 7 van die Munisipale Bate Oordragsregulasies, moet die Raad die volgende faktore oorweeg wanneer oorweging geskenk word aan die vervreemding van ’n nie-vrygestelde kapitale bate:

1. <u>Of die bate benodig word vir Munisipale doeleindes ingevolge artikel 14 (1) en 14 (2) van die MFMA (56 van 2003)</u>

Erf 521, Melkhoutfontein word nie deur enige van die Departemente benodig vir die lewering van Munisipale dienste nie. Die eiendom lewer tans geen inkomste vir die munisipaliteit nie en skep ‘n deurloop wat lei tot vandalisme van omliggende eiendomme.

2. <u>Of die Raad ’n wins of verlies sal maak met die vervreemding</u>

Die billike markwaarde sal deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.

3. <u>Wesenlike ekonomiese of finansiële voordeel vir die Munisipaliteit</u>

Die verkoop van ’n gedeelte van die eiendom sal geen wesenlike ekonomiese of finansiële voordele vir die Munisipaliteit inhou nie.

4. <u>Bestuur van risiko</u>

Daar is geen operasionele of beheer risiko wat gepaardgaan met die vervreemding van die eiendom nie.

5. <u>Beperkings en voorwaardes van toepassing op die kapitale bate:</u>

Die koper sal die munisipale eiendom met Erf 520, Melkhoutfontein moet konsolideer.

6. <u>Die koste van die vervreemding of oordrag</u>

Alle kostes wat verband hou met die transaksie sal vir die koper se rekening wees.

7. <u>Die impak op die kredietgradering, finansiële posisie en kontantvloei van die Munisipaliteit</u>

Die verkoop van die eiendom sal ’n positiewe impak hê op die bogenoemde faktore, alhoewel dit nie ’n wesenlike impak sal wees nie.

8. <u>Die oordrag van reserwes en laste wat gepaard gaan met die bate</u>

Geen.

9. <u>Kommentaar van belanghebbendes</u>

Die voorneme om die eiendom direk aan die aansoeker te verkoop, sal in die Suid Kaap Forum vir besware en kommentare geadverteer word en sal ook aan Nasionale en Provinsiale Tesourie gestuur word vir kommentaar.

10. <u>Die Strategiese, Regs en ekonomiese belange van die Munisipaliteit en die gemeenskap</u>

Die voorgestelde wyse waarvolgens die vervreemding van die eiendom sal plaasvind is in lyn met die Munisipale Bate Oordragsregulasies en die Wet op Munisipale Finansiële Bestuur (Wet 56 van 2003).

Die item het op **29 Julie 2025** voor die **Wykskomitee van Wyk 1** gedien. Die Komitee het die volgende aanbevelings ondersteun:

"1. Dat ingevolge Artikel 14 (1) en 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, Erf 521, Heidelaan, Melkhoutfontein nie benodig word vir die lewering van basiese Munisipale dienste nie en dat die Komitee die ekonomiese en gemeenskapswaarde van die eiendom oorweeg het.

2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van Erf 521, Heidelaan, Melkhoutfontein direk aan Meneer Johannes de Vos goedkeur ingevolge paragraaf 21.4 van die Munisipaliteit se Eiendomsbestuur beleid, onderhewig aan die volgende voorwaardes (2.1-2.5):

2.1 Dat die eiendom teen 'n markverwante bedrag verkoop word.

2.2 Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.

2.3 Dat die eiendom met Erf 520, Melkhoutfontein gekonsolideer word.

2.4 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.

2.5 Dat die koper verantwoordelik is alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,-hersonering en konsolidasie kostes.

3. Dat die item na die Raad verwys word."

Die item het op **20 Augustus 2025** voor die **Portefeuljekomitee** gedien en op **25 Augustus 2025** voor die **Uitvoerende Burgemeesterskomitee**. Beide Komitees het die onderstaande aanbevelings ondersteun:

"1. Dat ingevolge Artikel 14 (1) en 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, Erf 521, Heidelaan, Melkhoutfontein nie benodig word vir die lewering van basiese Munisipale dienste nie en dat die Komitee die ekonomiese en gemeenskapswaarde van die eiendom oorweeg het.

2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van Erf 521, Heidelaan, Melkhoutfontein direk aan Meneer Johannes de Vos goedkeur ingevolge paragraaf 21.4 van die Munisipaliteit se Eiendomsbestuur beleid, onderhewig aan die volgende voorwaardes (2.1-2.5):

2.1 Dat die eiendom teen 'n markverwante bedrag verkoop word.

2.2 Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.

2.3 Dat die eiendom met Erf 520, Melkhoutfontein gekonsolideer word.

2.4 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.

2.5 Dat die koper verantwoordelik is alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,-hersonering en konsolidasie kostes.

3. Dat die item na die Raad verwys word."

Die **Raad** het op **25 September 2025** die onderstaande voorlopige besluit geneem:

"1. Dat ingevolge Artikel 14 (1) en 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, Erf 521, Heidelaan, Melkhoutfontein nie benodig word vir die lewering van basiese Munisipale dienste nie en dat die Komitee die ekonomiese en gemeenskapswaarde van die eiendom oorweeg het.

2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van Erf 521, Heidelaan, Melkhoutfontein direk aan Meneer Johannes de Vos goedkeur ingevolge paragraaf 21.4 van die Munisipaliteit se Eiendomsbestuur beleid, onderhewig aan die volgende voorwaardes (2.1-2.5):

2.1 Dat die eiendom teen 'n markverwante bedrag verkoop word.

2.2 Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.

2.3 Dat die eiendom met Erf 520, Melkhoutfontein gekonsolideer word.

2.4 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.

2.5 Dat die koper verantwoordelik is alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,-hersonering en konsolidasie kostes."

Na afloop van die Raadsbesluit, is die publieke deelname proses gevolg en is geen kommentare en/of besware vanuit die publiek ontvang nie. Die aansoek is ook na Tesourie vir kommentaar verwys. Die kommentaar van Tesourie word hierby aangeheg vir maklike verwysing, maar benadruk die feit dat die transaksie aan Artikel 14 en 111 van die MFMA, Regulasie 7 van die Munisipale VKB Regulasies en Regulasie 17 van die Munisipale Bate Oordragsregulasies moet voldoen.

Artikel 14 van die MFMA word reeds in die agtergrond van die verslag aangespreek. Artikel 111 van die MFMA bepaal dat elke munisipaliteit 'n verkrygingsbestuur beleid moet hê en implementeer.

Regulasie 7 van die Munisipale VKB (verkrygingskanaalbestuur) Regulasies word ook in die agtergrond van die verslag aangespreek. Die vervreemding van die nie-lewensvatbare eiendom is in lyn met die Eiendomsbestuur Beleid soos in die agtergrond van die verslag vervat, sowel as die Raad se VKB Beleid. Die rede waarom dit as nie-lewensvatbaar beskou kan word, word ook in die agtergrond uiteengesit.

Regulasie 17 van die Munisipale Bate Oordragsregulasies bepaal die minimum vereistes vir ‘n koopooreenkoms of oordragsooreenkoms. Die regulasie bepaal dat so ‘n ooreenkoms skriftelik moet wees en ‘n beskrywing van die kapitale bate moet vervat. Die koopooreenkoms voldoen hieraan – sien Klousule 2. Die ooreenkoms moet ook besonderhede van enige filiaalbates wat saam met die kapitale bate oorgedra word, omskryf. Hierdie is nie van toepassing op die transaksie nie – sien Klousule 9 van die ooreenkoms. Die besonderhede van enige laste wat met die bate oorgedra word sowel as enige vergoeding en die terme en voorwaardes van die betaling daarvan, moet ook in die ooreenkoms vervat word. Die vergoeding en die betaling daarvan, word in Klousule 4 van die ooreenkoms aangespreek. Die ooreenkoms moet ook die aanvangsdatum waarop risikos en aanspreeklikheid oorgedra word, aandui. Hierdie word in Klousule 7 van die ooreenkoms aangespreek.

Die konsep koopooreenkoms word hierby aangeheg vir maklike verwysing.

Verder hiertoe is twee waardasie verslae van onafhanklike waardeerders aangevra ten einde die billike markwaarde van die eiendom te bepaal. Die billike markwaarde, gebaseer op die gemiddelde van die twee verslae, is op R 25 100.00 (BTW uitgesluit) bereken.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Die aanbevelings word ondersteun.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Die aanbevelings word ondersteun.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

Daar word kennis geneem van die verslag, en die aanbevelings word ondersteun.

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

Kennis word geneem van die verslag, en die aanbevelings word ondersteun.

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

Daar word kennis geneem van die verslag en die aanbevelings word ondersteun.

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

1. Dat ingevolge Artikel 14 (1) en 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, Erf 521, Heidelaan, Melkhoutfontein nie benodig word vir die lewering van basiese Munisipale dienste nie en dat die Komitee die ekonomiese en gemeenskapswaarde van die eiendom oorweeg het.
2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van Erf 521, Heidelaan, Melkhoutfontein direk aan Meneer Johannes de Vos **goedkeur** ingevolge paragraaf 21.4 van die Munisipaliteit se Eiendomsbestuur beleid, onderhewig aan die volgende voorwaardes (2.1-2.5):
    - 2.1 Dat die eiendom teen ‘n markverwante bedrag verkoop word.
    - 2.2 Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.
    - 2.3 Dat die eiendom met Erf 520, Melkhoutfontein gekonsolideer word.
    - 2.4 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.
    - 2.5 Dat die koper verantwoordelik is vir alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,-hersonering en konsolidasie kostes.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Waarnemende Direkteur: Korporatiewe Bestuur – Mnr D Lewis-Michaels

ATTACHMENTS / STAWENDE DOKUMENTE

1. Inligtingstaat
2. Kommentaar van Tesourie
3. Konsep koopooreenkoms
4. Waardasie verslae.

AGREEMENT OF SALE OF IMMOVABLE PROPERTY

1. PARTIES

1.1 **HESSEQUA MUNICIPALITY**, herein represented by Albertus Stephanus Abraham De Klerk in his capacity as Municipal Manager, who warrants that he is duly authorised hereto.
VAT number: 4780193258
Address: Civic Centre, Van den Berg Street, Riversdale, 6670
Telephone: 028 713 8000
Email: collab@hessequa.gov.za / info@hessequa.gov.za
("The Seller")

and

1.2 **JOHANNES DE VOS,** who warrants that she is duly authorised hereto.

Identity number: _____
Address: _____
_____
_____
Cell phone: _____
E-mail: _____
("The Purchaser")

2. INTERPRETATION

In this agreement, unless otherwise indicated, the following expressions shall have the meanings assigned to them hereunder:

2.1 THE PROPERTY

Erf 521, Melkhoutfontein, in the Hessequa Municipality, Western Cape Province
In extent: Approximately 507,9 (Five hundred and seven comma nine) square metres
Street address: Heide Avenue, Melkhoutfontein
as depicted on and annexed hereto marked as "A".

subject to all the existing conditions of title and servitudes as will appear more fully in the existing Title Deed of the property.

3. SALE AND PURCHASE

The Seller is not selling the property in the ordinary course of business.

The Seller hereby sells to the Purchaser, who hereby purchase the Property, upon the following terms and conditions.

4. PURCHASE PRICE

The purchase price is R 25 100.00 (twenty five thousand one hundred rand) excluding VAT, which sum the Purchaser hereby promise and undertake to pay to the Seller, free of bank exchange at such place as the Seller may direct in cash upon registration of transfer, provided that within fourteen (14) days of compliance with the suspensive condition of this agreement (if applicable), the Purchaser shall be obliged to pay the purchase price into the trust account of the Conveyancer, alternatively to deliver to the conveyancer a guarantee (issued by a bank, building society or other financial institution approved by the Seller) for the payment of such purchase price in cash against registration of transfer.

The purchaser is responsible for all costs related to the sale of the property, including but not limited to the purchase price, the land use application costs (if applicable), the cost to determine the fair market value, the advertising costs of the Suid-Kaap Forum, land surveyor costs, consolidation costs and the transfer costs.

5. ACKNOWLEDGEMENTS BY PURCHASER

5.1 The Purchaser acknowledge that they have acquainted themselves with the nature, condition, extent and locality of the Property; and the Property is sold to the extent as it now lies, *voetstoots*, without any warranties whether express or implied and the Seller shall not be liable for any defects whether latent or otherwise in the Property nor for damages suffered by the Purchaser by reason of such defects; and subject to all conditions and servitudes mentioned or referred to in the current and/or prior title deeds of the Property or any town planning scheme applicable thereto.

5.2 The parties agree that the Purchaser will have no claim whatsoever against the Seller for any deficiency in the size of the property which may be revealed on any re-survey nor shall the Seller benefit from any possible excess. If the property has been erroneously described herein such mistake or error shall not be binding on the Seller but the description of the property as set out in the title deed shall apply and the parties agree to rectification herein to reflect the true intentions of the parties.

6. TRANSFER

Transfer of the property shall be effected by the Conveyancer as soon as reasonably possible after fulfilment of suspensive condition.

6.1 The Purchaser shall on demand pay all expenses of and incidental to the registration of transfer of the Property into the name of the Purchaser on demand by the Conveyancer.

6.2 The Seller and the Purchaser undertake immediately upon being requested to do so to provide the Conveyancer with the necessary documentation to comply

with the FICA (Financial Intelligence Centre Act) requirements or such other documentation as may be required to enable the Conveyancer to effect registration or transfer.

6.3 The Seller shall appoint the Conveyancer and the costs payable to the Conveyancer will be for the account of the Purchaser.

7. POSSESSION, RISK & OWNERSHIP

Possession of the Property shall be given to the Purchaser upon the date on which the transfer is registered, from which date all benefits and risks of ownership in respect of the Property shall pass to the Purchaser. The Purchaser shall be liable for any rates and taxes and other imposts levied on the property from the date of which possession of property is granted to the Purchaser.

8. OCCUPATION

Occupation of the property shall be given to and taken by the Purchaser on the date of transfer.

9. FIXTURES AND FITTINGS

The Property being sold is vacant land.

10. LATITUDE OF EXTENSION OF TIME, WARRANTIES VARIATIONS

10.1 Any latitude or extension of time which may be allowed by the Seller to the Purchaser in respect of any payment provided for herein, or any matter or thing which the Purchaser are bound to perform or observe in terms hereof shall not in any circumstances be deemed to be a waiver of the Seller's rights at any time, to require strict and punctual compliance with each and every provision or term hereof.

10.2 This document shall constitute the entire contract between the Seller and the Purchaser. The Seller shall not be bound by any other terms or conditions, promises or statements, warranties or representations, express or implied made by the Seller or the agent or any of its employees, or any other person purporting to act for and on behalf of the Seller. No variation shall be of any force or effect unless reduced to writing and signed by the parties hereto.

11. DOMICILIUM AND JURISDICTION

11.1 The parties hereby select as their *domicilium citandi et executandi* the addresses set out by them in the preamble hereto, it being agreed that all notices despatched in the Republic of South Africa by prepaid registered post to the domicilium selected shall be deemed to have been received 5 (five) days from the date of posting thereof. Either party may from time to time change its domicilium by delivery of written notice to the other party to that effect.

11.2 For the purpose of all or any proceedings resulting hereof, the parties consent to the jurisdiction of the Magistrate's Court otherwise having jurisdiction under Section 28 of the Magistrate's Court Act of 1944, as amended, notwithstanding that such proceedings are beyond this jurisdiction. This clause shall be deemed to constitute the required written consent conferring jurisdiction upon said Court pursuant to Section 45 of the Magistrate's Court Act of 1944, as amended.

12. ESTATE AGENT

No estate agent negotiated the sale of the within property.

13. SUSPENSIVE AND OTHER CONDITIONS

The parties agree that the Purchaser is responsible to consolidate the Property with Erf 520, Melkhoutfontein.

14. WAIVER OF CONDITIONS

Not applicable.

15. BREACH

In the event of either party failing to pay any of the amounts referred to in this agreement on due date or breaching any of the terms and conditions hereof and persisting in such failure or breach for a period of 21 (twenty one) days after dispatch of written notice from the aggrieved party calling upon the defaulting party to make such payment or remedy such breach, the aggrieved party shall be entitled at his sole discretion and without prejudice to any of his other rights in law, either to:-

15.1 claim specific performance of the terms of this Agreement; or

15.2 cancel this Agreement forthwith and without further notice claim and recover damages from the defaulting party; or

15.3 cancel this Agreement and retain all amounts paid as *rouwkoop*.

16. CAPACITY OF PARTIES

Where parties act on behalf of a third party, they expressly warrant that they have been duly authorised thereto.

17. CERTIFICATES OF COMPLIANCE

Not applicable.

18. APPROVAL OF ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

No improvements have been effected on the property.

19. **SIGNATURE**

19.1 It is recorded that by signature of this document by the Purchaser constitutes an offer to purchase the Property on the terms and conditions as stipulated herein, and once accepted by the Seller, who is hereby irrevocably granted twenty one (21) days to accept or reject the offer hereby presented, this document shall constitute a binding, legal agreement of sale.

19.2 In terms of section 29A of the Alienation of Land Act 68 of 1961, the Purchaser of the property may within five days after signature by them, or by their agent acting on their written authority, revoke the offer by written notice delivered to the Seller or his or her agent within this period.

20. **VAT**

The Seller is a registered VAT vendor and VAT must be calculated on the purchase price.

21. **ACKNOWLEDGMENT**

The Purchaser and Seller acknowledge that the meaning and implication of all the material provisions of this agreement have been explained to them, that they had an opportunity to seek advice from their own legal representatives prior to signing this agreement, and that they fully understand their obligations in terms hereof.

22. **SOUTH AFRICAN REVENUE SERVICES**

As a result of the South African Revenue Services (SARS) doing risk analysis on both the transferor and the transferee on all property transactions both the Seller and the Purchaser warrant to each other and the agent that all tax issues (whether personal or otherwise) including, but not limited to tax returns and tax payments, are current and up to date. The defaulting party will be liable for all costs incurred and damages suffered by the aggrieved party because of a breach of this warranty. The aggrieved party shall also be entitled to place the defaulting party on terms and thereafter cancel the agreement if this warranty is breached. These remedies are in addition to all rights which the parties have in terms of this agreement or in Law. The breaching party will be granted twenty-one (21) days to rectify the breach.

23. **INCORPORATION OF THE DECISION TAKEN BY THE HESSEQUA MUNICIPAL COUNCIL ON 25 SEPTEMBER 2025**

The parties agree that they shall be bound by the following decision of the **Hessequa Municipal Council** of **25 September 2025**:

"1. Dat ingevolge Artikel 14 (1) en 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, Erf 521, Heidelaan, Melkhoutfontein nie benodig word vir die lewering van basiese Munisipale dienste nie en dat die Komitee die ekonomiese en gemeenskapswaarde van die eiendom oorweeg het.

2. Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale

Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van Erf 521, Heidelaan, Melkhoutfontein direk aan Meneer Johannes de Vos goedkeur ingevolge paragraaf 21.4 van die Munisipaliteit se Eiendomsbestuur beleid, onderhewig aan die volgende voorwaardes (2.1-2.5):

2.1 Dat die eiendom teen 'n markverwante bedrag verkoop word.

2.2 Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.

2.3 Dat die eiendom met Erf 520, Melkhoutfontein gekonsolideer word.

2.4 Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.

2.5 Dat die koper verantwoordelik is alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,-hersonering en konsolidasie kostes."

SIGNED AT RIVERSDALE ON THIS THE _____ DAY OF _____ 20___.

AS WITNESSES:-

1. _____

2. _____ _____
on behalf of the **SELLER**, who warrants that he is duly authorised

SIGNED AT _____ ON THIS THE _____ DAY OF _____ 20___.

AS WITNESSES:-

1. _____ _____
PURCHASER

2. _____

'A'



Initial here

Rig alle korrespondensie aan die Munisipale Bestuurder
Address all correspondence to the Municipal Manager

HESSEQUA
Munisipaliteit / Municipality / U Masipala

Tel:(028) 713 8000
Faks / Fax: 086 4015 118
Posbus / P.O. Box 29, RIVERSDAL(E), 6670
E-pos / E-mail: info@hessequa.gov.za
www.hessequa.gov.za
Van den Bergstraat
RIVERSDAL(E)

RE: PROPOSED DISPOSAL OF ERF 521, MELKHOUTFONTEIN FOR COMMENTS FROM PROVINCIAL AND NATIONAL TREASURY

1. PURPOSE:

Hessequa Municipality intends to dispose of Erf 521, Melkhoutfontein directly to Johannes De Vos.

2. BACKGROUND

Hessequa Municipality is the registered owner of Erf 521, Melkhoutfontein. Johannes De Vos is the co-owner of an adjacent property, Erf 520, Melkhoutfontein. Mr De Vos has been leasing Erf 521, Melkhoutfontein since 2021. The motivation for the leasing was the fact that the property was vandalised, and criminals used the property for illegal activities, which posed a risk to Mr De Vos' property as well as the community at large. Since the property cannot be easily developed due to the high volume of underground water, Mr De Vos enclosed it with fencing and used it to store his building materials (he operates his own business). Since the property is being maintained by Mr De Vos, he applied to purchase the property from the municipality. Kindly see the locality plan below:



HESSEQUA
Munisipaliteit / Municipality / U Masipala

Rig alle korrespondensie aan die Munisipale Bestuurder
Address all correspondence to the Municipal Manager

Tel:(028) 713 8000
Faks / Fax: 086 4015 118
Posbus / P.O. Box 29, RIVERSDAL(E), 6670
E-pos / E-mail: info@hessequa.gov.za
www.hessequa.gov.za
Van den Bergstraat
RIVERSDAL(E)

The following resolution was made by **Council** on **25 September 2025**:

"1. *Dat ingevolge Artikel 14 (1) en 14(2) (a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, Erf 521, Heidelaan, Melkhoutfontein nie benodig word vir die lewering van basiese Munisipale dienste nie en dat die Komitee die ekonomiese en gemeenskapswaarde van die eiendom oorweeg het.*

2. *Dat ingevolge Regulasie 5(1)(b) van die Regulasies oor die Oordrag van Munisipale Bates (MATR) (R.878, gepromulgeer op 22/08/2008), die Raad die vervreemding van Erf 521, Heidelaan, Melkhoutfontein direk aan Meneer Johannes de Vos goedkeur ingevolge paragraaf 21.4 van die Munisipaliteit se Eiendomsbestuur beleid, onderhewig aan die volgende voorwaardes (2.1-2.5):*

   2.1 *Dat die eiendom teen 'n markverwante bedrag verkoop word.*

   2.2 *Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.*

   2.3 *Dat die eiendom met Erf 520, Melkhoutfontein gekonsolideer word.*

   2.4 *Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.*

   2.5 *Dat die koper verantwoordelik is alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom, advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,- hersonering en konsolidasie kostes."*

The Municipality, in a meeting open to the public have on reasonable grounds decided that the property is not needed to provide the minimum level of basic municipal services.

3. PUBLIC PARTICIPATION

A notice inviting the public to submit their comments and/or objections and/or proposals with regards to the proposed disposal of this property is currently advertised in the local newspaper (South Cape Forum) and on the municipal website. No objections/comments/proposals were received against the intention to dispose of the property yet. The public participation process remains open for comments until 21 November 2025. The Provincial and National Treasury are hereby invited to submit written representations to the Municipality.

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The applicant will bear the cost of the advertisement.

4. FINANCIAL IMPLICATION

The property will be sold at a fair market value. Two independent valuers will be appointed by the municipality to determine the fair market value of the property. The average of the values will be used to determine the purchase price. The applicant will be liable for the cost to determine the market value.

The municipality has also considered the municipal valuation and the economic and community value received in exchange for the asset.

5. LEGISLATIVE REQUIREMENTS

The property is not a High Value asset as the fair market value of the property is less than R50 000 000.00 and less than 1% of our total value of Capital assets based on the audited financial statements for the 2023/2024 financial year. The property is surplus to the municipality's needs and is not needed to deliver basic municipal services as per section 14 (2) of the Municipal Finance Management Act (Act 56 of 2003).

The municipality will derive direct long-term benefits in the form of property rates and the market related purchase amount.

Kindly provide your written comments on or before the 31st of December 2025. Trust that you find the above in order.

ALBERT KLEYNHANS
MANAGER: PROPERTY MANAGEMENT
19 NOVEMBER 2025

HESSEQUA
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Attachments:

1. **Municipal Valuation**
2. **Draft agreement of sale.**
3. **Council item.**
4. **Notice in the local newspaper.**

HESSEQUA
Plaaslike Munisipaliteit

VERVREEMDING VAN MUNISIPALE EIENDOM

Kennis geskied hiermee ingevolge die voorskrifte van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003), saamgelees met die Munisipale Bate Oordrag Regulasies, 2008 (R 878 van 2008), sowel as die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet No. 32 van 2000), dat die munisipaliteit van voorneme is om munisipale eiendomme aan die volgende persone / instansies te vervreem:

VERKOOP			
AANSOEKER	**EIENDOMS-BESKRYWING**	**DOEL**	**KOOPSOM (BTW UITGESLUIT)**
Johannes De Vos	Erf 521, Heidelaan, Melkhoutfontein.	Die aansoeker wil die gedeelte met sy bestaande eiendom konsolideer en omhein om dit vir residensiële doeleindes aan te wend. Die eiendom word nie vir enige munisipale dienslewering benodig nie en kan weens die hoë grondwater vlakke nie andersins sinvol aangewend word nie.	Die eiendom sal teen 'n markverwante bedrag vervreem word. Die markwaarde van die eiendom sal deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien. Die aansoeker is verantwoordelik vir alle kostes in verband met die vervreemding van die eiendom.
PS Marais Familie Trust	'n Gedeelte (ongeveer 216 vk.m) van die restant van Erf 161, Hitchcockstraat en Marine-rylaan, Witsand.	Die gedeelte waarvoor aansoek gedoen word, is 'n oop area aangrensend tot die aansoeker se eiendom. Die aansoeker wil die gedeelte koop ten einde dit met sy eiendom te konsolideer aangesien 'n gedeelte van sy woonhuis op die gedeelte munisipale eiendom oorskry. Die eiendom word nie vir enige munisipale dienslewering benodig nie en kan weens die grootte en uitleg nie andersins sinvol aangewend word nie.	Die eiendom sal teen 'n markverwante bedrag vervreem word. Die markwaarde van die eiendom sal deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien. Die aansoeker is verantwoordelik vir alle kostes in verband met die vervreemding van die eiendom.

Enige belanghebbende of geaffekteerde party word hiermee uitgenooi om:
Soortgelyke of alternatiewe voorstelle vir die voorgestelde vervreemding van die eiendom in te dien; en/of Enige besware, kommentare of vertoë rakende die voorgestelde vervreemding van die eiendom op die bogenoemde bepalings en voorwaardes in te dien.
Skriftelike besware, kommentare, vertoë of alternatiewe voorstelle moet die kantoor van die Munisipale Bestuurder voor of op **Vrydag, 21 November 2025, om 12:00** bereik. Besware, kommentare, vertoë of alternatiewe voorstelle kan per hand afgelewer word by enige van die Munisipale kantore, kan gepos word aan die Munisipale Bestuurder by Posbus 29, Riversdal, 6670 of kan per e-pos versend word aan albert@hessequa.gov.za. Persone wat nie kan skryf nie, kan die Munisipale kantoor tydens kantoor ure besoek waar 'n amptenaar u sal help om u kommentaar of beswaar op skrif te stel.

Besware, kommentare, vertoë of voorstelle wat na die sperdatum ontvang word, sal nie oorweeg word nie. Verdere inligting en 'n Engelse weergawe van die advertensie kan bekom word by Me Kay-Ann Page by 028 713 8000, of per e-pos by kay-ann@hessequa.gov.za.

An English version of this notice can be requested at kay-ann@hessequa.gov.za

ALBERTUS STEPHANUS ABRAHAM DE KLERK
MUNISIPALE BESTUURDER

OR23465250_AF

Kay-Ann Page

From: Local Government MFMA <mfma@treasury.gov.za>
Sent: Thursday, December 18, 2025 2:35 PM
To: Kay-Ann Page
Subject: RE: INFORMATION STATEMENT: ERF 521, MELKHOUTFONTEIN
Attachments: INFORMATION STATEMENT.pdf; MUNICIPAL VALUATION.pdf; ITEM.docx; AGREEMENT OF SALE - HESSEQUA MUNICIPALITY - JOHANNES DE VOS.doc; PUBLIC NOTICE - 21 NOV 2025.pdf

[External Mail] This email was sent outside of our organisation (Hessequa Municipality). DO NOT CLICK links or attachments unless you recognise the sender and know the content is safe.

Dear Kay-Ann Page

The municipality intends to sell Erf 521, Heidelaan, Melkhoutfontein.

Section 14 of the MFMA read with the Municipal Asset Transfer Regulations (MATR) set out the legal framework for the disposal and the granting of rights to use, control or manage municipal capital assets.

We note that the municipality received an application to purchase Erf 521. Please take note of section 14(5) of the MFMA which requires any transfer of ownership of a capital asset in terms of subsection (2) or (4) to be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111 of the MFMA.

Chapter 2 of the MATR is applicable as the municipality intends to dispose of a non-exempted capital asset. Regulation 7 of the MATR outlines matters the municipal council must take into account when considering a disposal of a municipal capital asset. This includes determining whether the capital asset might be needed for the municipality's own use or not. According to the information statement, in a meeting held on 25 September 2025, the municipal council resolved that the property to be disposed of is not required for the provision of basic municipal services. We note that reference is made to a committee which has considered the fair market value of the Erf. We draw your attention to section 14(2) or 14(4) of the MFMA in this regard.

According to the attached valuation, the Erf is valued at R29 000. The valuation extract does not include the date of the valuation. We have also noted that the owner of the Erf is stated as Langeberg Municipality. We trust that the municipality will address this discrepancy.

We have noted the attached sale agreement. We draw your attention to regulation 17 of the MATR which requires a transfer agreement to be concluded and also sets out the minimum requirements to be addressed in the transfer agreement. This includes the amount of compensation payable to the municipality for the transfer of the asset and the terms and conditions of payment. The municipality should ensure that the sale agreement is aligned to regulation 17 of the MATR.

We trust that the municipality will ensure compliance with section 14 of the MFMA including the relevant applicable provisions of the MATR.

Kind Regards
MFMA Implementation

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

C L L VAN WYK

Professionele Ge-assosieerde Waardeerder geregistreer by die Suid Afrikaanse Raad van Eiendoms-Waardeerders ingevolge art. 20(2)(b) van die wet op die eiendomswaardeerdersprofessie, 2000.
en
Taksateur vir die Hessequa Munisipaliteit, ingevolge art. 6 van die boedelwet, 1965 (wet 66 van 1965)

Wardenstraat 27,
Riversdal, 6670

E-pos: cllvanwyk@gmail.com
Selfoon: 082 - 458 8454

WAARDASIEVERSLAG

VAN

ERF 521,

MELKHOUTFONTEIN

STILBAAI-OOS

MARKWAARDE:	**R 20,200.00**
WAARDASIE DATUM:	**11 Februarie 2026**

INDEKS

Bladsy

1. OPDRAG, DOEL EN DATUM VAN WAARDASIE 1

1.1 Opdrag 1

1.2 Doel van waardasie 1

1.3 Datum van waardasie 1

1.4 Datum van Inspeksie 1

2. DIE ONDERWERP-EIENDOM 1

2.1 Beskrywing 1

2.2 Grootte 1

2.3 Ligging 1

2.4 Titelakte besonderhede 1

2.5 Plaaslike owerheid 1

2.6 Verbeterings 1

3. WAARDASIE VAN DIE ONDERWERP-EIENDOM 2

3.1 Waardasiemetode 2

3.2 Faktore wat die waarde van eiendomme beïnvloed 2

3.3 Marknavorsing 5

3.4 Vergelykbare eiendomme 5

3.5 Berekening van die markwaarde van die onderwerp-eiendom 9

3.6 Markwaarde van onderwerp-eiendomme 10

4. KWALIFIKASIE 11

WAARDASIESERTIFIKAAT 13

BYLAE A: LIGGINGSKAART VAN DIE ONDERWERP-EIENDOM. 14

BYLAE B: FOTOS VAN DIE ONDERWERP-EIENDOM. 15

~o~

1. OPDRAG, DOEL EN DATUM VAN WAARDASIE.

1.1 Opdrag.

Opdrag is ontvang van Hessequa Munisipaliteit insake die volgende:

1.1.1 Doen 'n inspeksie van die onderwerp-eiendom en 'n gedetailleerde ontleding van die gebruik aanwending van die eiendom.

1.1.2 Berekening van 'n akkurate markwaarde van die onderwerp-eiendom en voorsiening van 'n waardasiesertifikaat soos op die datum van waardasie.

1.2 Doel van die waardasie.

Die doel van die waardasie is vir die bepaling van die markwaarde van die onderwerp-eiendom vir vervreemding aan Mnr. Johannes de Vos.

1.3 Datum van waardasie.

Die datum van waardasie is **11 Februarie 2026**.

1.4 Datum van inspeksie.

Die datum van inspeksie was **9 Februarie 2026**.

2. DIE ONDERWERP-EIENDOM.

2.1 Beskrywing.

Die onderwerp eiendom word in Transportakte T6699/1995 soos volg beskryf:

Erf 521, Stilbaai-Oos, Hessequa Munisipaliteit, Wes-Kaap Provinsie.

2.2 Grootte.

Die grootte van die onderwerp-eiendom is **505m².**

2.3 Ligging.

Die onderwerp-eiendom is geleë in Heidelaan, Melkhoutfontein. Die ko-ordinate van die ligging van die onderwerp-eiendom is -34,326413 / 21,422059 (Sien Bylae A; Liggingskaart van die onderwerp-eiendom.)

2.4 Titelakte besonderhede.

2.4.1 Titelakte Nr:	T6699/1995
2.4.2 Geregistreerde eienaar:	Hessequa Munisipaliteit.
2.4.3 Verbande:	Geen
2.4.4 Serwitute:	Geen

2.5 Plaaslike owerheid.

2.5.1 Beskrywing:	Hessequa Munisipaliteit, Afdeling Riversdal.
2.5.2 Sonering:	Residensieel.
2.5.3 Bouregulasies:	Bouregulasies is ooreenstemmend met die skema regulasies van die Munisipaliteit.
2.5.4 Dienste:	Munisipale dienste is beskikbaar.
2.5.5 Munisipale Waardasie:	R28,000 (Soos op 1/07/2021)

2.6 Verbeterings op die onderwerp-eiendom.

Die strukture wat op die onderwerp-eiendom is, is opgerig deur die aansoeker en word nie ingag geneem met die bereken van die markwaarde van die onderwerp-eiendom nie.

3. WAARDASIE VAN DIE ONDERWERP-EIENDOM.

3.1 Waardasiemetode.

Vir die waardasie van hierdie eiendom word gebruik gemaak van die vergelykbare waarde-metode waar die onderwerp-eiendom vergelyk word met ander eiendomme wat die afgelope tyd in die omgewing van die onderwerp-eiendom in Melkhoutfontein, Stilbaai-Oos verhandel het.

Omdat die vergelykbare eiendomme so uiteenlopend verskil van die onderwerp-eiendom is dit nodig om die verskillende faktore wat 'n invloed het op die waarde van eiendomme te identifiseer.

3.2 Faktore wat die waarde van eiendomme beïnvloed.

Die belangrikste faktore wat 'n invloed het op die waarde van eiendomme in Melkhoutfontein is die ligging, grootte, karakter, potensiaal, onderverdeling, konsolidasie en hersonering asook die grootte, ouderdom, styl en toestand van die verbeterings.

3.2.1 Ligging van eiendom.

Ligging van die erf ten opsigte van die onderwerp-eiendom, maar ook ligging ten opsigte van die omgewing het 'n invloed op die waarde van eiendomme in Melkhoutfontein. Na aanleiding van verkope in Melkhoutfontein, was die gemiddelde waarde per m² van eiendomme in sekere gebiede van Melkhoutfontein hoër as die van eiendomme in ander gebiede en dit is hoofsaaklik te wyte aan die afstand vanaf die besigheid area van Melkhoufontein.

Die onderwerp-eiendom is geleë in 'n gevestigde residensiële area van Melkhoutfontein en met die vergelyking van die ligging van die vergelykbare eiendomme met die van die onderwerp-eiendom, sal die nodige aanpassings aan die waarde per m² van die vergelykbare eiendomme aangebring word om die ligging van die eiendomme in lyn te bring met die van die onderwerp-eiendom.

3.2.2 Grootte van eiendom.

Grootte van eiendomme het 'n invloed op die waarde van die eiendomme in die sin dat dit 'n algemene tendens is dat die gemiddelde waarde per m² van kleiner eiendomme hoër is as díe van groter eiendomme.

Die grootte van die onderwerp-eiendom is kleiner as al die vergelykbare eiendomme en die nodige aanpassings sal aangebring word aan die waarde per m² van die vergelykbare eiendomme om die grootte van die vergelykbare eiendomme in lyn te bring met die van die onderwerp-eiendom.

3.2.3 Karakter van eiendom.

Karakter verwys na die algemene voorkoms van eiendomme as geheel met die verbeterings, tuin en omheining, die vorm van die erf en die topografie van die erf.

Die algemene voorkoms van die eiendom het 'n invloed op die waarde van eiendomme in die sin dat kopers bereid is om meer te betaal vir eiendomme met 'n goeie uitleg en gevestigde en mooi tuine.

Met die vergelyking van die voorkoms van die onderwerp-eiendom met die van die vergelykbare eiendomme, sal die waarde per m² van die vergelykbare eiendomme ooreenstemmend aangepas word ten opsigte van voorkoms om dit in lyn te bring met die voorkoms van die onderwerp-eiendom.

Die vorm van die erf beïnvloed die waarde per m² van eiendomme in die sin dat die waarde per m² van lang dun erwe laer is as vierkantige of reghoekige erwe.

Die vorm van die onderwerp-eiendom is langwerpig met 'n gansnek ingang, wat nie goed vergelyk met die vorms van die vergelykbare eiendomme nie. Die nodige aanpassings sal aangebring word aan die waarde per m² van die vergelykbare eiendomme om die vorm van die vergelykbare eiendomme in lyn te bring met die van die onderwerp-eiendom.

Die topografie van eiendomme beïnvloed die waarde per m² van eiendomme in die sin dat die waarde per m² van skuins erwe laer is as erwe met gelyk grond as gevolg van die hoër koste van die konstruksie van die verbeterings.

Die topografie van die onderwerp-eiendom is gelyk aarde Die nodige aanpassings sal aangebring word aan die waarde per m² van die vergelykbare eiendomme om die topografie van die vergelykbare eiendomme in lyn te bring met die van die onderwerp-eiendom.

3.2.4 Potensiaal van die eiendom.

Die potensiaal van eiendomme verwys na die hoogste beste moontlike gebruik van 'n eiendom. Die hoogste en beste gebruik van 'n eiendom is die mees waarskynlikste en wettige gebruik wat fisies moontlik is, wat toepaslik ondersteun word en wat finansieel uitvoerbaar is om die hoogste moontlike waarde te realiseer.

Die vier kriteria waaraan die hoogste en beste gebruik aan gemeet word is wetlike toelaatbaarheid, fisiese moontlikheid, finansiële uitvoerbaarheid en maksimale produktiwiteit.

In die geval van die onderwerp-eiendom is die potensiaal van die eiendom beperk omrede daar 'n stormwater pyp teen die westelike grens van die eiendom oor die eiendom loop waarop daar nie gebou mag word nie.

Dit moet ook gemeld word dat die ondergrond van die onderwerp-eiendom 'n "wetland" is wat groter koste gaan meebring indien daar geboude strukture op die eiendom opgerig gaan word.

3.2.5 Verbeterings op die eiendom.

Die grootte, ouderdom, styl, toestand, kenmerke, toerusting en afwerking van die verbeterings het wel 'n invloed op die waarde van eiendomme in die sin dat groter en meer verbeterings bied aan die kopers meer moontlikhede en ruimte. Die ouderdom en toestand van die verbeterings beïnvloed ook die waarde van die eiendomme om logiese redes en sekere kopers het voorkeure tot sekere style van die verbeterings en is bereid om meer te betaal vir 'n styl waarvan hulle hou.

Spesiale kenmerke van die verbeterings vang altyd die oog van voornemende kopers en so ook die gehalte van die toerusting en afwerking van die verbeterings.

In die geval van die onderwerp-eiendom, word die strukture wat op die eiendom is , nie inag geneem met die berekening van die markwaarde van die eiendom nie, en sal slegs die grondwaardes van die vergelykbare eiendomme in aanmerking geneem word met die bepaling van die markwaarde van die onderwerp-eiendom.

3.2.6 <u>Voorwaardes, Onderverdeling, hersonering en dienste.</u>

In die geval van eiendomme wat deur die Munisipaliteit verkoop word, sal die doel waarvoor die eiendom gebruik gaan word die waarde van die eiendom beïnvloed. Indien die eiendom onderhewig is aan onderverdeling, hersonering en konsolidasie na 'n ander eiendom, sal die voorwaardes van die koopooreenkoms ook die waarde van die eiendom beïnvloed, afhangend van watter party verantwoordelik is vir die koste van die onderverdeling, hersonering en konsolidasie van die eiendom.

Die beskikbaarheid en verskaffing van munisipale dienste sal ook die waarde van 'n eiendom beïnvloed in die sin dat die waarde van gedienste eiendomme hoër sal wees as die waarde van ongedienste eiendomme.

Die verkoop van die onderwerp-eiendom is onderhewig aan die volgende voorwaardes:

3.2.6.1 Die onderwerp-eiendom moet teen 'n markverwante prys verkoop word

3.2.6.2 Die markwaarde van die onderwerp-eiendom moet deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.

3.2.6.3 Die onderwerp-eiendom moet met Erf 520, Melkhoutfontein, Stilbaai-Oos gekonsolideer word.

3.2.6.4 Die voorneme om die eiendom te vervreem moet in die Suid Kaap Forum adverteer word vir besware en/of kommentare vir die rekening van die koper en die aansoek moet na die Nasionale en Provinsiale Tesourie verwys word vir kommentaar.

3.2.6.5 Die koper is verantwoordelik vir alle koste in verband met die koop van die onderwerp-eiendom, insluitend maar nie beperk tot alle grond gebruik aansoek kostes, koopsom, advertensiekoste, koste om die markwaarde te bepaal, onderverdelings koste, hersonering koste en konsolidasie koste.

Die bogenoemde voorwaardes sal inaggeneem word met die berekening van die markwaarde van die onderwerp-eiendom.

Om die invloed van die bogenoemde faktore op die waarde van die verskillende vergelykbare eiendomme te bepaal was dit nodig om elkeen van die eiendomme te analiseer, die faktore 'n gewig te gee vir die spesifieke eiendom en dit dan te vergelyk met díe van die onderwerp-eiendom.

Vervolgens word daar dan 'n persentasie aanpassing gemaak op die waarde per m² van die vergelykbare eiendomme om die eiendom vergelykbaar te maak met die onderwerp-eiendom met inagneming van die beperkende voorwaardes soos hierbo genoem in Paragraaf 3.2.6.

3.3 Marknavorsing.

Die geskiedenis van verkope van eiendomme in Melkhoutfontein wys dat die gemiddelde waarde van eiendomme vanaf 2020 tot 2025 met ongeveer 5% tot 8% per jaar gestyg het en die getal eiendomme wat verkoop het, het vanaf 2020 tot 2025 ook effens toegeneem.

Na aanleiding van die bogenoemde tendense en vir die doeleindes van hierdie waardasie, sal die verkoopprys van die vergelykbare eiendomme met **6%** per jaar opwaarts aangepas word tot op die datum van waardasie.

3.4 Vergelykbare eiendomme.

Soos reeds genoem is die onderwerp-eiendom geleë in Melkhoutfontein, en met die navorsing na vergelykbare eiendomme, is gekonsentreer op onlangse verkope van eiendomme in Melkhoutfontein.

Met die navorsing na verkope van onverbeterde eiendomme in Melkhoutfontein, was daar geen verkope van onverbeterde eiendomme nie en moes daar noodwendig gebruik gemaak word van verbeterde eiendomme, waarvan die grondwaarde as maatstaf sou dien vir die berekening van die markwaarde van die onderwerp-eiendom.

Ses verbeterde eiendomme is geïdentifiseer as vergelykbare eiendomme vir die onderwerp-eiendom, die eiendomme is gerangskik in die volgorde van die jongste verkoping tot die oudste verkoping en sluit BTW en verkoopsbelasting uit.

3.4.1 Erf 735, Melkhoutfontein, Stilbaai-Oos.

Die eiendom is geleë in Erika singel 52, Melkhoutfontein, Stilbaai-Oos, ongeveer 79 meter vanaf die onderwerp-eiendom en is op 10/04/2025 verkoop vir **R98,000.00**.

Om die verkoopprys van die eiendom aan te pas na die datum van waardasie, word die volgende berekening gemaak:

Verkoopprys van die eiendom in April 2025	R 98,000
Plus 5%; Aangepaste waarde na Februarie 2026	**R102,900**

Die grootte van die erf is **280m²** en die verbeterings op die eiendom het bestaan uit 'n woonhuis ten tyde van die verkoping.

Die ontleding van die aangepaste markwaarde van die eiendom word in Tabel 1 aangetoon

Tabel 1; Ontleding van Erf 735, Melkhoutfontein, Stilbaai-Oos.

Beskrywing		Grootte m²	Waarde per m²	Totale waarde
Grootte en waarde van grond		280	R 130	**R 36 300**
Verbeterings	**Grootte m²**	**Boukoste per m²**	**Depresiasie %**	**Totale waarde**
Woonhuis	30,00	R 6 000	63%	R 66 600
Waarde van verbeterings				**R 66 600**
Totale waarde van grond en verbeterings				**R 102 900**

Die ligging van hierdie eiendom vergelyk redelik met die van die onderwerp-eiendom, die grootte, karakter en potensiaal van hierdie eiendom vergelyk nie goed met die van die onderwerp-eiendom nie.

Die gemiddelde waarde per m² die grond-gedeelte van hierdie eiendom is **R130/m²** en met inagneming van die ligging, grootte, karakter, en potensiaal van die eiendom, en die beperkende voorwaardes en kondisie van die onderwerp-eiendom word 'n afwaartse aanpassing van **69%** toegepas op die waarde per m² van die grond gedeelte van hierdie eiendom om dit vergelykbaar te maak met die grond gedeelte van die onderwerp-eiendom.

3.4.2 Erf 473, Melkhoutfontein, Stilbaai-Oos.

Die eiendom is geleë in Palmiet singel 3, Melkhoutfontein, Stilbaai-Oos, ongeveer 135 meter vanaf die onderwerp-eiendom en is op 18/02/2025 verkoop vir **R90,000.00**.

Om die verkoopprys van die eiendom aan te pas na die datum van waardasie, word die volgende berekening gemaak:

Verkoopprys van die eiendom in Februarie 2025	R90,000
Plus 6%; Aangepaste waarde na Februarie 2026	**R95,400**

Die grootte van die erf is **330m²** en die verbeterings op die eiendom het bestaan uit 'n woonhuis ten tyde van die verkoping.

Die ontleding van die aangepaste markwaarde van die eiendom word in Tabel 2 aangetoon

Tabel 2; Ontleding van Erf 473, Melkhoutfontein, Stilbaai-Oos.

Beskrywing		Grootte m²	Waarde per m²	Totale waarde
Grootte en waarde van grond		330	R 118	**R 39 024**
Verbeterings	**Grootte m²**	**Boukoste per m²**	**Depresiasie %**	**Totale waarde**
Woonhuis	54,00	R 5 800	82%	R 56 376
Waarde van verbeterings				**R 56 376**
Totale waarde van grond en verbeterings				**R 95 400**

Die ligging van hierdie eiendom vergelyk redelik goed met die van die onderwerp-eiendom, die grootte, karakter en potensiaal van hierdie eiendom vergelyk nie goed met die van die onderwerp-eiendom nie.

Die gemiddelde waarde per m² die grond-gedeelte van hierdie eiendom is **R118/m²** en met inagneming van die ligging, grootte, karakter en potensiaal van die eiendom, en die beperkende voorwaardes en kondisie van die onderwerp-eiendom, word 'n afwaartse aanpassing van **66%** toegepas op die waarde per m² van die grond gedeelte van hierdie eiendom om dit vergelykbaar te maak met die grond gedeelte van die onderwerp-eiendom.

3.4.3 Erf 422, Melkhoutfontein, Stilbaai-Oos.

Die eiendom is geleë in Rooipitjie straat 44 Melkhoutfontein, Stilbaai-Oos, ongeveer 189 meter vanaf die onderwerp-eiendom en is op 05/08/2024 verkoop vir **R150,000.00**.

Om die verkoopprys van die eiendom aan te pas na die datum van waardasie, word die volgende berekening gemaak:

Verkoopprys van die eiendom in Augustus 2024	R150,000
Plus 6%; Aangepaste waarde na Augustus 2025	R159,000
Plus 3%; Aangepaste waarde na Februarie 2026	**R163,770**

Die grootte van die erf is **273m²** en die verbeterings op die eiendom het bestaan uit 'n woonhuis ten tyde van die verkoping.

Die ontleding van die aangepaste markwaarde van die eiendom word in Tabel 3 aangetoon

Tabel 3; Ontleding van Erf 422, Melkhoutfontein, Stilbaai-Oos.

Beskrywing		Grootte m²	Waarde per m²	Totale waarde
Grootte en waarde van grond		273	R 141	**R 38 490**
Verbeterings	**Grootte m²**	**Boukoste per m²**	**Depresiasie %**	**Totale waarde**
Woonhuis	60,00	R 5 800	64%	R 125 280
Waarde van verbeterings				**R 125 280**
Totale waarde van grond en verbeterings				**R 163 770**

Die ligging van hierdie eiendom vergelyk redelik goed met die van die onderwerp-eiendom, die grootte, karakter en potensiaal van hierdie eiendom vergelyk nie goed met die van die onderwerp-eiendom nie.

Die gemiddelde waarde per m² die grond-gedeelte van hierdie eiendom is **R141/m²** en met inagneming van die ligging, grootte, karakter en potensiaal van die eiendom, en die beperkende voorwaardes en kondisie van die onderwerp-eiendom, word 'n afwaartse aanpassing van **68%** toegepas op die waarde per m² van die grond gedeelte van hierdie eiendom om dit vergelykbaar te maak met die grond gedeelte van die onderwerp-eiendom.

3.4.4 Erf 406, Melkhoutfontein, Stilbaai-Oos.

Die eiendom is geleë in Rooipitjie straat 33 Melkhoutfontein, Stilbaai-Oos, ongeveer 260 meter vanaf die onderwerp-eiendom en is op 01/12/2023 verkoop vir **R120,000.00**.

Om die verkoopprys van die eiendom aan te pas na die datum van waardasie, word die volgende berekening gemaak:

Verkoopprys van die eiendom in Desember 2023	R120,000
Plus 6%; Aangepaste waarde na Desember 2024	R127,200
Plus 6%; Aangepaste waarde na Desember 2025	R134,832
Plus 1%; Aangepaste waarde na Februarie 2026	**R136,180**

Die grootte van die erf is **450m²** en die verbeterings op die eiendom het bestaan uit 'n woonhuis ten tyde van die verkoping.

Die ontleding van die aangepaste markwaarde van die eiendom word in Tabel 4 aangetoon

Tabel 4; Ontleding van Erf 406, Melkhoutfontein, Stilbaai-Oos.

Beskrywing		Grootte m²	Waarde per m²	Totale waarde
Grootte en waarde van grond		450	R 105	**R 47 080**
Verbeterings	**Grootte m²**	**Boukoste per m²**	**Depresiasie %**	**Totale waarde**
Woonhuis	60,00	R 5 500	73%	R 89 100
Waarde van verbeterings				**R 89 100**
Totale waarde van grond en verbeterings				**R 136 180**

Die ligging van hierdie eiendom vergelyk redelik met die van die onderwerp-eiendom, die grootte, karakter en potensiaal van hierdie eiendom vergelyk nie goed met die van die onderwerp-eiendom nie.

Die gemiddelde waarde per m² die grond-gedeelte van hierdie eiendom is **R105/m²** en met inagneming van die ligging, grootte, karakter en potensiaal van die eiendom, en die beperkende voorwaardes en kondisie van die onderwerp-eiendom, word 'n afwaartse aanpassing van **61%** toegepas op die waarde per m² van die grond gedeelte van hierdie eiendom om dit vergelykbaar te maak met die grond gedeelte van die onderwerp-eiendom.

3.4.5 Erf 499, Melkhoutfontein, Stilbaai-Oos.

Die eiendom is geleë in Erika singel 79, Melkhoutfontein, Stilbaai-Oos, ongeveer 92 meter vanaf die onderwerp-eiendom en is op 21/11/2023 verkoop vir **R195,000.00**.

Om die verkoopprys van die eiendom aan te pas na die datum van waardasie, word die volgende berekening gemaak:

Verkoopprys van die eiendom in November 2023	R195,000
Plus 6%; Aangepaste waarde na November 2024	R206,700
Plus 6%; Aangepaste waarde na November 2025	R219,102
Plus 1,5%; Aangepaste waarde na Februarie 2026	**R222,389**

Die grootte van die erf is **250m²** en die verbeterings op die eiendom het bestaan uit 'n woonhuis en 'n buitegebou ten tyde van die verkoping.

Die ontleding van die aangepaste markwaarde van die eiendom word in Tabel 5 aangetoon

Tabel 5; Ontleding van Erf 499, Melkhoutfontein, Stilbaai-Oos.

Beskrywing		Grootte m²	Waarde per m²	Totale waarde
Grootte en waarde van grond		250	R 147	**R 36 731**
Verbeterings	**Grootte m²**	**Boukoste per m²**	**Depresiasie %**	**Totale waarde**
Woonhuis	88,00	R 5 200	67%	R 151 008
Buitegebou	30,00	R 3 500	67%	R 34 650
Waarde van verbeterings				**R 185 658**
Totale waarde van grond en verbeterings				**R 222 389**

Die ligging van hierdie eiendom vergelyk goed met die van die onderwerp-eiendom, die grootte, karakter en potensiaal van hierdie eiendom vergelyk nie goed met die van die onderwerp-eiendom nie.

Die gemiddelde waarde per m² die grond-gedeelte van hierdie eiendom is **R147/m²** en met inagneming van die ligging, grootte, karakter en potensiaal van die eiendom, en die beperkende voorwaardes en kondisie van die onderwerp-eiendom, word 'n afwaartse aanpassing van **73%** toegepas op die waarde per m² van die grond gedeelte van hierdie eiendom om dit vergelykbaar te maak met die grond gedeelte van die onderwerp-eiendom.

3.5 Berekening van die markwaarde van die onderwerp-eiendom.

Die bepaling van die waarde van die onderwerp-eiendom volgens die vergelykbare metode behels die vergelyking van die spesifieke faktore, soos genoem in Paragraaf 3.2, van die onderwerp-eiendom met díe van die vergelykbare eiendomme.

Om die invloed van die faktore op die waarde per m² van die verskillende eiendomme te bepaal was dit nodig om elkeen van die faktore 'n gewig te gee vir die spesifieke eiendom en dit dan te vergelyk met díe van die onderwerp-eiendom. Vervolgens word daar dan 'n persentasie aanpassing gemaak op die waarde per m² van die spesifieke eiendomme om die eiendomme vergelykbaar te maak met die onderwerp-eiendom.

Om die vergelykbare eiendomme in ooreenstemming te bring met die onderwerp-eiendom, is die aanpassings wat by elke vergelykbare eiendom voorgestel word die somtotaal van 'n kombinasie van die aanpassings ten opsigte van die faktore soos hierbo bespreek. Die markwaarde van die onderwerp-eiendom word gebasseer op die gemiddelde aangepaste waarde per m² van die grondwaarde van die vergelykbare eiendomme met inagneming van die voorwaardes soos genoem in Paragraaf 3.2.6.

Die grootte, aangepaste grondwaarde, grondwaarde per m², persentasie aanpassing en aangepaste waarde per m² van die vergelykbare eiendomme word in Tabel 6 hieronder aangedui.

Tabel 6: Grootte, aangepaste verkoopspryse, waarde per m², persentasie aanpassing en aangepaste waarde per m² van die vergelykbare eiendomme.

Verw. Nr.	Erf Nr.	Grootte m²	Aangepaste grondwaarde	Grondwaarde per m²	Persentasie aanpassing	Aangepaste Waarde/m²
3.4.1	735	280	R 36 300,00	R 130	-69%	R 40,19
3.4.2	473	330	R 39 024,00	R 118	-66%	R 40,21
3.4.3	422	273	R 33 490,00	R 123	-68%	R 39,87
3.4.4	406	450	R 47 080,00	R 105	-61%	R 40,45
3.4.5	499	250	R 36 731,00	R 147	-73%	R 39,67
Gemiddelde aangepaste waarde/m² van die vergelykbare eiendomme						**R 40,00**

Na aanleiding van Tabel 6 is die gemiddelde aangepaste waarde per m² van die vergelykbare eiendomme **R40/m²** en die berekening van die markwaarde van die onderwerp-eiendom deur middel van die vergelykbare metode sal dus gebasseeer wees op hierdie waarde per m² soos in Tabel 7 hieronder aangedui.

Tabel 7: Berekening van die markwaarde van die onderwerp-eiendom.

Beskrywing	Grootte m²	Waarde per m²	Totale waarde
Erf 521, Melkhoutfontein	505,00	R 40,00	**R 20 200**

Na aanleiding van die berekening in Tabel 7, word die markwaarde van die onderwerp-eiendom soos bepaal deur middel van die vergelykbare metode, bereken op **R20,200.00.**

3.6 Markwaarde van die onderwerp-eiendom.

Na deeglike oorweging van al die tersaaklike faktore, asook die vergelyking van die onderwerp-eiendom met ander transaksies en met die bogenoemde inligting as maatstaf, word die markwaarde van die onderwerp-eiendom, BTW uitgesluit, soos op 11 Februarie 2026, bereken op:

R20,200.00 **(TWINTIG DUISEND TWEE HONDERD RAND) (BTW UITGESLUIT).**

4. KWALIFIKASIE.

4.1 Hierdie waardasieverslag is voorberei ooreenkomstig die vereistes van Internasionale Waardasie Standaarde wat aanvaar word deur beide die Suid-Afrikaanse Raad vir die Eiendomswaardersprofessie en die Suid-Afrikaanse Instituut van Waardeerders.

4.2 Hierdie waardasieverslag is konfidensieel en is saamgestel vir die uitsluitlik gebruik deur die opdraggewer van die waardasie en mag nie gebruik word deur enige ander party nie.

4.3 Hierdie waardasieverslag is voorberei op die basis dat alle informasie en faktore wat 'n invloed mag hê op die waardasie bekend gemaak is aan die waardeerder, Geen aanspreeklikheid of verantwoordelikheid kan aanvaar word vir hierdie waardasie tensy alle inligting en faktore bekend gemaak is.

4.4 Sensitiewe en konfidensiële inligting wat verkry is van derde partye (eiendoms-agente, waardeerders, ens.) vir die doeleindes van hierdie waardasie en wat gebruik word in hierdie waardasieverslag, sal nie openbaar gemaak word, mondelings of skriftelik, aan enige party sonder die skriftelike toestemming van die bron nie.

4.5 Dit word aanvaar dat die titel van die onderwerp-eiendom geskik en bemarkbaar is. Geen verantwoordelikheid word vir die wetlike beskrywing van die eiendom aanvaar of vir sake wat wetlike of titeloorwegings insluit nie.

4.6 Dit word aanvaar dat verantwoordelike eienaarskap en eiendomsbestuur van toepassing is op die onderwerp-eiendom en dat alle wette en regulasies erken is.

4.7 Dit word aanvaar dat geen beswarende serwitute, reg van weg, of oorskrydings teen of op die onderwerp-eiendom bestaan, behalwe ten gunste van statutêre instansies, toepaslik op alle soortgelyke eiendomme of wat as gebruiklik beskou word.

4.8 Dit word aanvaar dat daar geen versteekte of onklaarblyklike toestande in die ondergrond is wat die waarde van die eiendom meer of minder waardevol maak nie.

4.9 Dit word aanvaar dat op grond van hierdie waardasie daar geen verdere konsultasie, getuienis, verklaring of bywoning van die hof benodig word betreffende die onderwerp-eiendom tensy vooraf reëlings getref is in die verband.

4.10 Dit word aanvaar dat hierdie waardasie gedoen is met die verstandhouding dat vrywaring toegestaan is teen enige en alle eise, verlies, bevele, aanspreeklikheid, koste en uitgawes van wat 'n aard ookal, wat direk of indirek gely mag word of toegedien mag word op grond van of na aanleiding van hierdie waardasie.

4.11 Die waardasieverslag, deel daarvan of die waardasiesertifikaat mag nie gebruik word vir enige publikasie, dokument, omsendbrief, verslag of verklaring sonder die skriftelike toestemming van die waardeerder nie.

4.12 Die begrip markwaarde word omskryf as "die prys wat vir die eiendom verkry sou word indien dit op die datum van waardasie in 'n ope mark deur 'n gewillige verkoper aan 'n gewillige koper verkoop sou word" met dien verstande dat:

(i) 'n Gewillige, vermoënde en ingeligte koper en 'n gewillige en ingeligte verkoper verstandig en sonder dwang gehandel het.

(ii) Dat daar voor die datum van waardasie 'n redelike periode, afhangende van die geaardheid van die eiendom en die mark toestand, toegelaat is vir die voldoende bemarking van die eiendom, vir die ooreenstemmigheid van die prys en terme, en vir die voltrekking van die transaksie.

(iii) Dat geen bykomstige aanbieding van kopers met 'n spesiale belang in die eiendom aanvaar word nie.

4.13 Die waardasie van die onderwerp-eiendom is gedoen met inagneming van die volgende voorwaardes soos deur die Hessequa Munisipaliteit bepaal:

4.13.1 Dat die onderwerp-eiendom met Erf 520, Melkhoutfontein gekonsolideer word.

4.13.2 Dat die koper verantwoordelik is vir alle kostes in verband met die koop van die eiendom, insluitend maar nie beperk tot alle grondgebruik aansoek koste, koopsom, advertensiekoste, onderverdelings koste, hersonering koste, konsolidasie koste, die koste om die billike markwaarde te bepaal en die oordragkoste.

4.14 Alle waardes in hierdie verslag sluit Belasting op Toegevoegde Waarde(BTW) uit.

4.15 Alle instellings en data in hierdie verslag is verkry vanaf die Munisipaliteit en die Aktekantoor en is na die beste van my wete korrek. Geen poging is aangewend om belangrike inligting te verswyg nie en geen waarborge vir akkuraatheid word gegee nie.

~o~

C L L VAN WYK

(PROFESSIONELE GE-ASSOSIEERDE WAARDEERDER)

(INGEVOLGE ART. 20(2)(a) VAN DIE WET OP DIE EIENDOMSWAARDEERDERSPROFESSIE, 2000)

(TAKSATEUR, INGEVOLGE ART. 6 VAN DIE BOEDELWET, 1965 (WET 66 VAN 1965)

Wardenstraat 27,
RIVERSDAL. 6670

E-pos: cllvanwyk@gmail.com
Selfoon: 082 - 458 8454

WAARDASIESERTIFIKAAT

EIENDOMSBESKRYWING:	**Erf 521, Melkhoutfontein, Stilbaai-Oos.**
GROOTTE:	**505m²**
GEREGISTREERDE EIENAAR:	**Hessequa Munisipaliteit.**
DATUM VAN WAARDASIE:	**11 Februarie 2026**
DATUM VAN WAARDASIE:	**9 Februarie 2026**
DOEL VAN WAARDASIE:	**Markwaarde soos op die datum van waardasie. (BTW uitgesluit)**

Ek, die ondergetekende, **Charles Louis Louw van Wyk**, Geregistreerde Professionele Geassosieerde Waardeerder in terme van Artikel 20(2)(a) van Wet Nr. 47 van 2000 en taksateur aangestel ingevolge die bepalings van die Boedelwet, 1965(Wet 66 van 1965) vir die Hessequa Munisipaliteit, sertifiseer hiermee dat ek persoonlik die bogenoemde eiendomme besigtig en ondersoek het, dat ek geen belang daarby het nie en dat die waardasie onafhanklik en onpartydig gemaak is.

Die markwaarde (BTW uitgesluit) van die bogenoemde eiendom soos op 11 Februarie 2026, word bereken op:

R20,200.00 **(TWINTIG DUISEND TWEE HONDERD RAND) (BTW UITGESLUIT).**

Geteken te **RIVERSDAL** op 12 Februarie 2026.



.....

C L L van Wyk (ID 461104 5006 08 7)
Professionele Geassosieerde Waardeerder.
Registrasie Nommer 6090/1

BYLAE A: LIGGINGSKAART VAN DIE ONDERWERP-EIENDOM.



BYLAE B: FOTOS VAN DIE ONDERWERP-EIENDOM.



Suid aansig van die onderwerp-eiendom



Wes aansig van die onderwerp-eiendom



Noord aansig van die onderwerp-eiendom



Oos aansig van die onderwerp-eiendom

VERSLAG 592/2026

INDEKS

1. **DIE OPDRAG**
   - 1.1. Die Opdraggewer 2
   - 1.2. Die Opdrag 2
   - 1.3. Die doel 2
   - 1.4. Voorwaardes 2
   - 1.5. Datum van Inspeksie 2
   - 1.6. Datum van Waardasie 2

2. **TITELAKTE BESKRYWING** 2

3. **MUNISIPALITEIT** 3

4. **FISIESE BESKRYWING**
   - 4.1. Ligging en buurt 3
   - 4.2. Topografie & vloedlyne 3

5. **FOTO'S** 3

6. **MARKNAVORSING** 3

7. **WAARDERINGSBENADERING** 5

8. **VERGELYKENDE VERKOPINGS** 5

9. **WAARDEBEPALING** 9

10. **MARKWAARDE** 10

BYLAE: **WAARDASIESERTIFIKAAT**

1. DIE OPDRAG

1.1. Die Opdraggewer	Hessequa Munisipaliteit Opdragnommer 0001038979
1.2. Die Opdrag	Verkry van 'n waardasie vir die verkoop van erf 521, Melkhoutfontein
1.3. Doel van opdrag	Die eienaar van aangrensende erf 520 wil graag erf 521 aankoop en konsolideer met sy erf.

1.4. Voorwaardes

- Dat die eiendom teen 'n markverwante bedrag verkoop word.
- Dat die billike markwaarde deur twee gekwalifiseerde waardeerders bepaal word, waarvan die gemiddelde as koopsom sal dien.
- Dat die eiendom met Erf 520, Melkhoutfontein gekonsolideer word.
- Dat die voorneme om die eiendom te vervreem in die Suid-Kaap Forum geadverteer word vir besware en/of kommentare vir die rekening van die koper en dat die aansoek na Nasionale en Provinsiale Tesourie verwys word vir kommentaar.
- Dat die koper verantwoordelik is vir alle kostes in verband met die koop van die eiendom, insluitend, maar nie beperk tot alle grondgebruik aansoek kostes, koopsom,advertensie kostes, koste om die markwaarde te bepaal, onderverdeling,-hersonering en konsolidasie kostes.
- **Bron: Franklin Saayman, Hessequa Munisipaliteit.*

1.5. Inspeksiedatum	2026-01-29
1.6. Waardasiedatum	2026-02-09

2. TITELAKTE BESKRYWING

2.1. Titelbeskrywing	Erf 521, Stiilbaai Oos, geleë in die distrik van Hessequa en geregistreer volgens titelakte T6699/1995 Geregistreerde eienaar - Hessequa Munisipaliteit
2.2. Landmeter Generaal	Aangedui op L.G. kaart DU 1000/800
2.3. Ko-ordinate	-34.326413 / 21.422059
2.4. Groot	505 m^2

3. MUNISIPALITEIT

Sonering	MUNVAC
Bouregulasies	Volgens die Plaaslike Skemaregulasies.
Dienste	Elektriese en siviele dienste is beskikbaar
Munisipale waardasie	R28,000.00

4. FISIESE BESKRYWING

4.1. Ligging en buurt	Die onderwerpeiendom is in 'n stil singel geleë, naby die kerk en winkels.
4.2. Topografie en vloedlyne	Die onderwerpeiendom is 'n langwerpige, L-vormige erf met 'n pypsteel ingang vanaf oos. Dit is gelyk en ver van enige vloedlyne.

5. FOTO'S

Liggingskaart



6. MARKNAVORSING

Wêreldwyd toon inflasie 'n afwaartse tendens, wat sentrale banke ruimte gee om hul rentekoersverhogingsiklusse te beëindig. Die globale huismark stabiliseer, maar bly onder druk van hoë skuld-koste en geopolitieke onsekerheid. In Suid-Afrika is die eiendomsmark steeds kwesbaar, hoewel die Reserwebank se jongste rentekoersverlaging tot 6.75% verligting bring en 'n positiewe impuls kan gee.

Internasionaal

- Inflasie: Globale inflasie het in 2025 merkbaar begin afneem. In die eurogebied het inflasie gedaal van 2.2% na 2.1%, wat naby die ECB-teiken is. In die VSA en VK bly kerninflasie egter taai, wat 'n hardnekkige prysdruk skep.
- Huismark: Volgens Fitch Ratings se Global Housing and Mortgage Outlook 2025 bly die wêreldwye huismark oorwegend stabiel, met huispryse wat in die meeste lande teen lae tot middel enkel-syfergroei styg. 'n Tekort aan behuisingsaanbod hou pryse hoog. PwC se Emerging Trends in Real Estate 2025 bevestig dat beleggers 'n meer versigtige benadering volg weens onsekerheid oor rentekoerse.
- Opkomende markte: Hierdie ekonomië ervaar steeds uitdagings soos hoë rentekoerse en politieke risiko's. Die Wêreld Ekonomiese Forum waarsku dat geopolitieke kompetisie en tariefspanning druk plaas op EM's, hoewel sekere lande soos Indonesië voordeel trek uit beheer oor kritieke hulpbronne. Goldman Sachs voorspel dat EM's oor die volgende dekade sterker groei kan toon as ontwikkelde markte.

Nasionaal

- Huismarkdruk: Die Suid-Afrikaanse eiendomsmark toon tekens van stabilisering, maar bly onder druk van strukturele probleme soos hoë werkloosheid, swak onderwys en wanbestuur van infrastruktuur.
- Omgekeerde semigrasie: 'n Merkbare tendens van mense wat terugkeer na groot stede soos Johannesburg en Pretoria, gedryf deur werksgeleenthede, beter infrastruktuur en bekostigbaarheid, terwyl kusdorpe duurder en minder prakties raak vir gesinne.
- Ekonomiese risikofaktore:
- Onbetroubare elektrisiteitstoevoer en swak SOE-bestuur (spoor en hawens) hou die ekonomie terug.
- Struktureel hoë werkloosheid en 'n beperkte belastingbasis bly 'n groot uitdaging.
- Die risiko van 'n radikale koalisieregering het afgeneem ná die verkiesing, wat markvertroue ietwat verbeter het.

- Rentekoers: Die Suid-Afrikaanse Reserwebank het op 20 November 2025 die repo-koers verlaag van 7% na 6.75%, met die prima koers nou op 10.25%. Hierdie verlaging bring verligting aan huishoudings en kan die huismark stimuleer deur verbeterde bekostigbaarheid en groter beleggersvertroue.

Plaaslik

Volgens die statistiek deur Property Intellec verskaf, het die hoeveelheid verkope in Melkhoutfontein effens gedaal, maar die pryse het meer as verdubbel sedert 2023.



Bronne: **Property Intellec*

7. WAARDERINGSBENADERING

Markwaarde veronderstel die bedrag wat vir die eiendom verkry sou word indien dit **op die datum van waardering** op die ope mark deur 'n gewillige verkoper aan 'n gewillige koper verkoop sou word. Die mees aanvaarbare benadering om die markwaarde van 'n residensiële eiendom te bepaal, is die **Markbenadering**. Verkope van soortgelyke eiendomme word met die Onderwerp Eiendom vergelyk en aanpassings word gemaak ten opsigte van enige verskille.

Indien daar nie vergelykbare verkope is nie, kan die **Depresiase Metode** gebruik word, waar die vervangingswaarde van die verbeteringe bereken word en die berekende waarde dan gedepresieer word na gelang van die toestand en die ouderdom van die verbeteringe.

8. WAARDERINGSBENADERING

Markwaarde veronderstel die bedrag wat vir die eiendom verkry sou word indien dit op die datum van waardering op die ope mark deur 'n gewillige verkoper aan 'n gewillige koper verkoop sou word. Verkope van soortgelyke eiendomme word met die Onderwerp Eiendom vergelyk en aanpassings word gemaak ten opsigte van enige verskille.

Indien daar geen vergelykende verkope van onverbeterde erwe is nie, word die waarde van verbeteringe bepaal en dan afgetrek van die verkoopsprys. Die Gedepresieerde Vervangingswaarde Metode word hiervoor gebruik. Hierdie metode berus op die bepaling van die vervangingswaarde van die verbeterings met behulp van die huidige boukoste, waarna 'n depresiasie persentasie van die verskillende elemente van die verbeterings op die vervangingswaarde toegepas word. Die tipe konstruksie, toestand en ouderdom van die verbeterings word in ag geneem. Hierdie metode moet omstandighede in die opemark verteenwoordig.

9. VERGELYKENDE VERKOPE

Daar was verskeie verkope van eiendomme in die onmiddelike omgewing.



Bron: Cape Farm Mappe

Ontleding van verkope

Transaksies wat meer as ses maande gelede plaasgevind het, se pryse word opwaarts aangepas volgens die jaarlikse inflasiekoers. *Bron: Renier Crause*

Nr	Adres	Erf nr	m²	Mun wde	Sonering	Datum Verkoop	Verkoopsprys	Aangepaste prys	Gemd R/m²
9.1.	Bellmanstraat 18	1149	475	R 42 000,00	RESVAC	2025-04-03	R 550 000,00	R 560 000,00	R 1 178,95
9.2.	Ericastraat 48	733	280	R 98 000,00	RESIMP	2025-04-10	R 98 000,00	R 100 000,00	R 350,00
9.3.	Ericasingel 38	729	309	R 84 000,00	RESIMP	2025-04-10	R 84 000,00	R 85 500,00	R 271,84
9.4.	Palmietslot 3	473	330	R 126 000,00	RESIMP	2025-02-18	R 90 000,00	R 92 000,00	R 272,73
9.5.	Da Gamastraat 3	836	280	R 84 000,00	RESIMP	2024-09-04	R 80 000,00	R 83 000,00	R 285,71
9.6.	Rooipitjieweg 44	422	275	R 126 000,00	RESIMP	2024-08-05	R 150 000,00	R 156 000,00	R 545,45
9.7.	Rooipitjieweg 33	406	450	R 126 000,00	RESIMP	2023-12-01	R 120 000,00	R 163 000,00	R 266,67
9.8.	Erica 79	499	811	R 168 000,00	RESIMP	2023-11-21	R 195 000,00	R 208 250,00	R 240,44
9.9.	Sonopstraat 51	742	260	R 84 000,00	RESIMP	2023-02-27	R 140 000,00	R 156 000,00	R 538,46
9.10.	Heide 41	481	273	R 182 000,00	RESIMP	2023-02-07	R 300 000,00	R 335 000,00	R 1 098,90

9.1. Die ligging stem nie goed ooreen met die onderwerp eiendom nie. Ek laat dit buite berekening.

9.2. Hierdie eiendom is op die rand van die dorp, langs 'n toevoer roete geleë.

9.2. Erf 733, Ericastraat 48, Stilbaai Oos								
		Oppervlak/m²		Boukoste		Waarde-vermindering %		Aangepaste Waarde
Huis	±	45	R	10 000,00		85%	R	67 500,00
Buitegeboue		30	R	5 000,00		85%	R	22 500,00
							R	**67 500,00**
ERFWAARDE								
		m²		Aangepaste Waarde		Kommissie		Berekende waarde
Verkoopswaarde		280	R	100 000,00		0%	R	100 000,00
Min: Waarde verbeteringe							-R	67 500,00
Berekende waarde van grond							**R**	**32 500,00**
Rand per m²							**R**	**116,07**

9.3. Hierdie eiendom is op die rand van die dorp, langs 'n toevoer roete geleë.

9.3. Erf 729, Ericastraat 38, Stilbaai Oos								
		Oppervlak/m²		Boukoste		Waarde-vermindering %		Aangepaste Waarde
Huis	±	40	R	10 000,00		85%	R	60 000,00
Buitegeboue	±	20	R	5 000,00		90%	R	10 000,00
							R	**60 000,00**
ERFWAARDE								
		m²		Aangepaste Waarde		Kommissie		Berekende waarde
Verkoopswaarde		309	R	85 500,00		0%	R	85 500,00
Min: Waarde verbeteringe							-R	60 000,00
Berekende waarde van grond							**R**	**25 500,00**
Rand per m²							**R**	**82,52**

9.4. Huis is met sementblokke gebou, asbesdak en houtraam vensters. Erf is met draad omhein

9.4. Erf 473, Palmietslot 3, Stilbaai Oos								
		Oppervlak/m²		Boukoste		Waarde-vermindering %		Aangepaste Waarde
Huis	±	60	R	10 000,00		90%	R	60 000,00
							R	**60 000,00**
ERFWAARDE								
		m²		Aangepaste Waarde		Kommissie		Berekende waarde
Verkoopswaarde		330	R	90 000,00		0%	R	90 000,00
Min: Waarde verbeteringe							-R	60 000,00
Berekende waarde van grond							**R**	**30 000,00**
Rand per m²							**R**	**90,91**

9.5. Die ligging stem nie goed ooreen met onderwerp eiendom nie. Ek laat dit buite berekening.

9.6. Die huis vertoon verwaarloos. Ou gebou, mure is gepleister, asbesdak. Die verkoopswaarde is heelwat bo die gemiddeld en ek laat dit buite berekenig.

9.7. Ou gebou, mure is gepleister, asbesdak en houtraam vensters.

9.7. Erf 406, Rooipitjieweg 33, Stilbaai Oos							
		Oppervlak/m²		Boukoste	Waarde-vermindering %		Aangepaste Waarde
Huis	±	70	R	10 000,00	85%	R	105 000,00
						R	**105 000,00**
ERFWAARDE							
		m²		Aangepaste Waarde	Kommissie		Berekende waarde
Verkoopswaarde		450	R	163 000,00	0%	R	163 000,00
Min: Waarde verbeteringe						-R	105 000,00
Berekende waarde van grond						**R**	**58 000,00**
Rand per m²						**R**	**128,89**

9.8. Huis is met sementblokke gebou, asbesdak en houtraam vensters. Die erf is omhein

9.8. Erf 499, Ericastraat 79, Stilbaai Oos							
		Oppervlak/m²		Boukoste	Waarde-vermindering %		Aangepaste Waarde
Huis	±	70	R	10 000,00	85%	R	105 000,00
Buitegeboue		40	R	5 000,00	85%	R	30 000,00
						R	**105 000,00**
ERFWAARDE							
		m²		Aangepaste Waarde	Kommissie		Berekende waarde
Verkoopswaarde		811	R	208 250,00	0%	R	208 250,00
Min: Waarde verbeteringe						-R	105 000,00
Berekende waarde van grond						**R**	**103 250,00**
Rand per m²						**R**	**127,31**

9.9. Die ligging stem nie goed ooreen met onderwerp eiendom nie. Ek laat dit buite berekening.

9.10. Siersteenhuis met klip versier, houtraamvensters en asbesdak. Verbeteringe kon deur nuwe eienaar aangebring wees, dus laat ek hierdie transaksie ook buite berekening.

10. WAARDEBEPALING

10.1. Ontleding

Deur die verkope te ontleed, is dit opvallend dat eiendom suid van Rooipitjieweg, teen ongeveer dieselfde as die munisipale waarde, of minder verkoop is. Eiendom noord van Rooipitjieweg, met die uitsondering van erf 836, se verkoopspryse het gewissel van 24% tot 89% hoër as die munisipale waardes. Eiendom, langs die toevoer roetes soos Ericastraat en Heidelaan, word omskep in winkeltjies, wat pryse opwaarts beïnvloed.

10.2. Aanpassings

Nr	Adres	Erf nr	m²	Verkoop R/m²	% Mun wde	Grond R/m²
9.2.	Ericastraat 48	733	280	R **350,00**	2%	**R116,07**
9.3.	Ericasingel 38	729	309	R **271,84**	2%	**R82,52**
9.4.	Palmietslot 3	473	330	R **272,73**	-27%	**R90,91**
9.7.	Rooipitjieweg 33	406	450	R **266,67**	29%	**R128,89**
9.8.	Erica 79	499	811	R **240,44**	24%	**R127,31**
	GEMIDDELD				**6%**	**R 109,14**

10.3. Berekening

Ek gebruik die gemiddelde R/m² berekende waarde van die omliggende eiendomme in die volgende berekening. Die verkope volgens klousule 9.2, 9.7 & 9.8 is almal op 'n besige toevoer roete geleë.

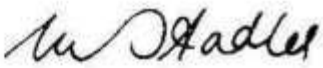
Gemiddelde R/m² waarde volgens klousule 10,2			R	109,14
Oppervlak van onderwerp eiendom				505
			R	**55 115,70**
Min: Ligging nie op toevoer roete nie	±	-30%	-R	16 534,71
Min: Onbruikbare gedeelte	±	-15%	-R	8 267,36
BEREKENDE WAARDE			**R**	**30 313,64**

11. MARKWAARDE

Die ondergetekende, Marina Stadler, verklaar hiermee dat ek bogenoemde eiendom besigtig het, dat ek geen belang daarby het nie en nadat ek al bogenoemde inligting inaggeneem het, die markwaarde van die Onderwerp Eiendom soos op datum van hierdie waardasie stel op

R 30 000.00 (Dertigduisend Rand)

Geteken en gedateer op hierdie 22e dag van Februarie 2026



M STADLER (ID 4809090001082)
NDip Real Estate (Property Valuation) UNISA
Professionele Geassosieerde Waardeerder (Suid-Afrika) – SACPVP Reg. No. 5273
Lid van die Suid-Afrikaanse Instituut vir Waardeerders in Suider-Afrika

Professionele Vrywaring
Die besonderhede hierin vervat is na die beste van my wete waar en korrek, met inagneming van dit wat binne my kennis is en my Prinsipaal vrywaar my teen enige eis met betrekking tot hierdie waardasie.
Hierdie waardasie en / of verslag of enige verwysing daarna mag vir geen gepubliseerde dokument, omsendbrief, verslag of verklaring gebruik word sonder om vooraf die skriftelike goedkeuring van die Waardeerder te verkry ten opsigte van die vorm en die inhoud waarin dit aangehaal of gebruik mag word nie

9.10 HERSIENING VAN 2025/2026 DIENSSTANDAARDE GELDIG VIR DIE MAART TOT JUNIE 2026 PERIODE

File number / Verwysingsnommer: 6/4/1

Meeting date / Vergadering datum: 26 Maart 2026

Report by / Verslag deur: Hoof: Openbare Betrekkinge en Administrasie – Me D Budricks

PURPOSE OF REPORT / DOEL VAN VERSLAG

Vir die Raad om die 2025/2026 diensstandaarde geldig vir die Maart tot Junie 2026 periode goed te keur.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Die huidige diensstandaarde vir 2025/2026 is op 26 November 2025 deur die Raad goedgekeur. Op 18 September 2025 was die diensstandaarde met die Raad gewerkswinkel, asook tydens individuele sessies per Direktoraat bespreek. Op 05 Maart 2026 was die diensstandaarde ook aan die Direkteure gestuur met die versoek vir wysigings en insette. Geen nuwe insette / wysigings is ontvang nie en word die diensstandaarde vir die Maart tot Junie 2026 periode dus aan u voorgehou vir goedkeuring.

Die item het by die **Portefeulje Komitee vergadering** van **18 Maart 2026** gedien waar die volgende aanbevelings gemaak was:

“1. Dat die Komitee kennis neem dat die diensstandaarde elke 4 maande hersien word.

2. Dat die Komitee die 2025/2026 diensstandaarde vir die Maart tot Junie 2026 periode ondersteun en aanbeveel.

3. Dat die item na die Raad verwys word vir goedkeuring.”

UITVOERENDE BURGEMEESTERSKOMITEE

Die item dien by die **Uitvoerende Burgemeesterskomitee** vergadering van **26 Maart 2026** en terugvoer sal tydens die Raadsvergadering gegee word.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Kennis geneem.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Daar word kennis geneem van die verslag en die aanbevelings word ondersteun.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

CMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

1. Dat die Raad kennis neem dat die diensstandaarde elke 4 maande hersien word.
2. Dat die Raad die 2025/2026 diensstandaarde vir die Maart tot Junie 2026 periode goedkeur.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Waarnemende Direkteur: Korporatiewe Bestuur – Mnr D Lewis-Michaels

ATTACHMENTS / STAWENDE DOKUMENTE

Aanhangsel A – Huidige 2025/2026 Diensstandaarde soos goedgekeur op 26 November 2025 voorgestel vir die Maart tot Junie 2026 periode

COMMUNITY SERVICES

2025/2026 SERVICE STANDARDS

Directorate	Department	Municipal Service Category	Municipal Service Description	Service Level Days	Responsible person
Community Services	Human Settlements	Human Settlements	Housing enquiries	7 days	Cyprian Duthie
Community Services	Human Settlements	Human Settlements	Housing Database (General & Emergency)	5 days	Cyprian Duthie
Community Services	Human Settlements	Human Settlements	Reporting Illegal Land Invasions, structures	2 days	Cyprian Duthie
Community Services	Protection Services	Fire, Rescue & Disaster Management	Fire safety related enquiries	10 days	Channell Swartz
Community Services	Protection Services	Law Enforcement & Traffic	Reporting of Overgrown Erven	10 days	Channell Swartz
Community Services	Protection Services	Law Enforcement & Traffic	Reporting of Bylaw Contraventions	10 days	Channell Swartz
Community Services	Protection Services	Law Enforcement & Traffic	Reporting of Vagrant	5 days	Channell Swartz
Community Services	Protection Services	Law Enforcement & Traffic	Reporting of Illegal Traders	Daily	Channell Swartz
Community Services	Protection Services	Law Enforcement & Traffic	Reporting of Stray Animals	2 days	Channell Swartz
Community Services	Protection Services	Law Enforcement & Traffic	General traffic enquiries	5 days	Channell Swartz
Community Services	Protection Services	Law Enforcement & Traffic	Road Markings and road signs enquiries	10 days	Channell Swartz

CORPORATE MANAGEMENT

2025/2026 SERVICE STANDARDS

Directorate	Department	Service Label	Service Description	Service Level Days	Responsible Person
Corporate Management	Property Management	Property Management	Municipal Property General enquiries	5	Tondi Netshimbuphe (Administrator)
Corporate Management	Property Management	Property Management	Sports Grounds Bookings	2	Tondi Netshimbuphe (Administrator)
Corporate Management	Property Management	Property Management	Community Hall Bookings	2	Tondi Netshimbuphe (Administrator)
Corporate Management	Resorts / Camps and Occupational Health & Safety	Resorts/Camps	Resorts / Camps general enquiries	2	Tondi Netshimbuphe (Administrator)
Corporate Management	Library Services	Library Services	Library enquiries	2	Tondi Netshimbuphe (Administrator)

DEVELOPMENT PLANNING

2025/2026 SERVICE STANDARDS

Directorate	Department	Service Label	Service Description	Service Level days	Responsible Person
Development Planning	Building Control	Building Control	Building plan application enquiries	5	Christo Hamman
Development Planning	Building Control	Building Control	Building control related enquiries	5	Christo Hamman
Development Planning	Building Control	Building Control	Inspection of illegal building works	10	Christo Hamman
Development Planning	Building Control	Building Control	Copy of existing building plans	10	Christo Hamman
Development Planning	Town Planning	Town Planning	General Town Planning complaints	5	Lelanie Steyn
Development Planning	Town Planning	Town Planning	Land use/scheme regulation enquiries	3	Lelanie Steyn
Development Planning	Environmental	Environmental	Air Pollution complaints	3	Shagon Carelse

FINANCIAL SERVICES

2025/2026 SERVICE STANDARDS

Directorate	Department	Service Label	Service Description	Service Level Days	Responsible Person
Financial Services	Revenue	Debtors	Prepaid vendor off	4	Winston Joseph
Financial Services	Revenue	Debtors	Account enquiries	20	Carina Oosthuizen
Financial Services	Revenue	Debtors	Balance Enquiries	5	Carina Joseph
Financial Services	Revenue	Debtors	Change of details (i.e. address, email)	5	Chanell Thyse
Financial Services	Revenue	Property Rates and Valuations	Property rates & valuation	5	Marlene Sefoor [Prins]
Financial Services	Revenue	Property Rates and Valuations	Rebates (Discounts) enquiries	5	Marlene Sefoor [Prins]
Financial Services	Revenue	Credit control & Indigent Management	Indigent Benefit enquiries	5	Bernadette Joseph
Financial Services	Revenue	Credit control & Indigent Management	Applications for indigent support (without appeal) – **Collab only**	45	Bernadette Joseph
Financial Services	Revenue	Credit control & Indigent Management	Indigent appeals process – **Collab only**	6 weeks	Bernadette Joseph

TECHNICAL SERVICES

2025/2026 SERVICE STANDARDS

Directorate	Department	Service Label	Service Description	Service Level days	Responsible Person
Technical Services	Civil Infrastructure Services	Water	Infrastructure repair of fire hydrants	30	Administrator
Technical Services	Civil Infrastructure Services	Water	Repair water pipe bursts	5	Administrator
Technical Services	Civil Infrastructure Services	Water	Repair water leakages	5	Administrator
Technical Services	Civil Infrastructure Services	Water	Repair/replace faulty house connection meters	5	Administrator
Technical Services	Civil Infrastructure Services	Water	No water available	1	Administrator
Technical Services	Civil Infrastructure Services	Water	Low water pressure	7	Administrator
Technical Services	Civil Infrastructure Services	Water	Water quality complaints	5	Administrator
Technical Services	Civil Infrastructure Services	Roads & Stormwater	Blocked stormwater drains	14	Administrator
Technical Services	Civil Infrastructure Services	Roads & Stormwater	Stormwater pipe repairs (breakage & blockage)	30	Administrator
Technical Services	Civil Infrastructure Services	Roads & Stormwater	Damaged road repairs	30	Administrator
Technical Services	Civil Infrastructure Services	Roads & Stormwater	Pavement related	14	Administrator
Technical Services	Civil Infrastructure Services	Roads & Stormwater	Repair 1 x pothole	2	Administrator
Technical Services	Civil Infrastructure Services	Roads & Stormwater	Repair several potholes	30	Administrator
Technical Services	Civil Infrastructure Services	Roads & Stormwater	Uneven road surfaces / gravel roads	30	Administrator
Technical Services	Civil Infrastructure Services	Roads & Stormwater	Repair of sidewalk	30	Administrator
Technical Services	Civil Infrastructure Services	Roads & Stormwater	Driveway construction	30	Administrator
Technical Services	Civil Infrastructure Services	Sewer	Sewerage: Broken / missing manhole cover	7	Administrator
Technical Services	Civil Infrastructure Services	Sewer	Sewerage: Removal services	7	Administrator
Technical Services	Civil Infrastructure Services	Sewer	Clear blocked sewerage drains	2	Administrator
Technical Services	Civil Infrastructure Services	Sewer	Sewerage connections	21	Administrator
Technical Services	Civil Infrastructure Services	Sewer	Sewerage: Smells	5	Administrator

Directorate	Department	Service Label	Service Description	Service Level days	Responsible Person
Technical Services	Civil Infrastructure Services	Sewer	Sewerage: Leakages	2	Administrator
Technical Services	Solid Waste, Facilities & Amenities	Solid Waste	Removal services	7	Administrator
Technical Services	Solid Waste, Facilities & Amenities	Solid Waste	General dumping complaints	14	Administrator
Technical Services	Solid Waste, Facilities & Amenities	Solid Waste	Waste collection at transfer station	7	Administrator
Technical Services	Solid Waste, Facilities & Amenities	Parks	Cutting of trees and grass	14	Administrator
Technical Services	Solid Waste, Facilities & Amenities	Parks	Clearing of open overgrown areas	30	Administrator
Technical Services	Solid Waste, Facilities & Amenities	Parks	Grave preparation for burials	5	Administrator
Technical Services	Solid Waste, Facilities & Amenities	Parks	Problem at sport facilities	30	Administrator
Technical Services	Civil Infrastructure Services	Buildings	General repairs (small defects)	30	Administrator
Technical Services	Electrical Services	Electrical Services	Power interruptions	2	Administrator
Technical Services	Electrical Services	Electrical Services	Electrical Meter queries / complaints	5	Administrator
Technical Services	Electrical Services	Electrical Services	Streetlights are out of order	7	Administrator
Technical Services	Electrical Services	Electrical Services	A streetlight is out of order	3	Administrator
Technical Services	Electrical Services	Electrical Services	Faulty electricity power box (repair or replacement)	7	Administrator

9.11 HESSEQUA INFORMAL RELIEF POLICY

File number / Verwysingsnommer: 17/5/B

Meeting date / Vergadering datum: 26 March 2026

Report by / Verslag deur: Manager: Housing – C Duthie

PURPOSE OF REPORT / DOEL VAN VERSLAG

For Council to approve the Draft Hessequa Informal Relief Policy.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The current Emergency Housing Accommodation and Assistance Policy was approved by **Council** on **24 June 2016**.

8.20 HESSEQUA EMERGENCY HOUSING ASSISTANCE POLICY

File number / Verwysingsnommer: 17/5/B

Meeting date / Vergadering datum: 24 June 2016

Report by / Verslag deur: CJ Onrust

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The Speaker opens the floor for discussion.

Cllr CAE Prins makes a proposal seconded by Cllr PR Claassens.

There was no counter proposal.

RESOLUTION / BESLUIT

1. That the Hessequa Emergency Housing Assistance Policy be approved.
2. That it is crucial that the identified areas have existing services to provide water, sanitation and electricity.

Proposer Cllr CAE Prins, seconded Cllr PR Claassens

The proposal was adopted unanimously as a resolution.

After a thorough investigation, the Hessequa Emergency Housing Accommodation and Assistance Policy, was amended together with a proposed name change.

The Draft Hessequa Informal Relief Policy was workshopped with the full Council on Wednesday, **22 October 2025**.

The Draft Hessequa Informal Relief Policy served at the **Portfolio Committee** of **18 March 2026** with the following meeting outcome:

"1. That the Committee support the Draft Hessequa Informal Relief Policy.

2. That the Draft Hessequa Informal Relief Policy be referred to Council for approval."

EXECUTIVE MAYORAL COMMITTEE

The item is tabled at the **Executive Mayoral Committee** meeting of **26 March 2026** and feedback will be given at the Council meeting on the same day.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Noted

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Noted

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

The content is noted.

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

The content of the report is noted.

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

The content is noted.

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

The recommendations are supported.

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

The content of the report is noted and the recommendations are supported.

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

That Council approve the Hessequa Informal Relief Policy.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Director Community Services: Mr Deon Lewis-Michaels

ATTACHMENTS / STAWENDE DOKUMENTE

Draft Hessequa Informal Relief Policy

HESSEQUA

MUNICIPALITY

INFORMAL HOUSING RELIEF POLICY

"As Hessequa Municipality our values determine who we are, as we serve our community, we must strive to live our values every day. Our values are: ***Honesty*** *– we must lead by example.* ***Respect*** *– we embrace the diversity of our community and respect each individual.* ***Trust*** *– when we listen to the perspective of others without judgement and act with sincerity, we build trust in the municipality.* ***Caring*** *– it is important to approach work and our community with an attitude of caring.* ***Integrity*** *– remember to do the right thing, even when no one is watching."*

"A caring, serving & growing Hessequa"

Approved : XXX

Council's decision XXX

Contents

1. Introduction 3
2. Policy Intent 3
3. Objectives 4
4. Definitions 6
5. Legal Provisions 7
6. Administrative Measures 8
7. Application Process 9
8. Conditions of emergency sites or erven allocated 9
9. Roles and Responsibilities of the Municipality 10
10. Funding 12
11. Services, Norms and Standards for Emergency Service Sites or Erven 12
12. Ownership of emergency site or erven 13
13. Review of policy 13

DRAFT

1. Introduction

The municipality recognizes that it has a shared obligation in terms of, amongst others Section 26 (2) of the Constitution of the Republic of South Africa 1996, Act 108 of 1996 (the Constitution) to take reasonable legislative and other measures within its available resources, to achieve the progressive realization of the right to have access to adequate housing. The municipality further recognizes it shared obligation to assist persons who are destitute, in desperate need and crisis situations.

In fulfillment of these obligations the Municipality must endeavor to have a coherent program or policy in place within its available resources to assist people who are destitute, in desperate need and crisis situations.

This policy is implemented in furtherance and fulfillment of the Municipality's shared obligations in terms of the Constitution and other relevant legislation as well as related statutory instruments and case law to provide temporary assistance to persons who are destitute and in desperate need and/or crisis situations and to establish guidelines in this regard. This policy concerns matters relating to informal settlements and emergency housing assistance only and does not relate to matters regarding formal housing assistance of a permanent nature.

2. Policy Intent

This Policy is derived from the National Upgrading of Informal Settlement and Emergency Housing Programmes which is provided for in the National Housing Policy.

This policy aims to provide temporary assistance in the form of basic assistance in a wide range of emergency situations or exceptional need. The implementation of this policy is subject to the availability of resources, as contemplated in S26 (2) of the Constitution of the RSA, within the municipality.

Note that the provision of this type of assistance does not detract from the municipality's overall objectives in terms of section 26 of the Constitution and does not promote queue jumping in that the provision of this type of temporary assistance is limited to emergencies.

3. Objectives

3.1 The main objective of this policy is to facilitate initiatives that will ensure provision of informal housing relief to people in urban and rural areas, who find themselves in extraordinary situations. These situations may include, but will not be restricted to:

(a) Existing shelters / structures destroyed or damaged by fire or flood or other natural disaster;
(b) Prevailing situations that pose an immediate threat to their lives, health and safety;
(c) In lawful evictions under the Extension of Security of Tenure Act, 1997 (ESTA) or the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998 (PIE) and where the Court orders Hessequa Municipality to provide alternative emergency accommodation to those affected; and
(d) Cases of exceptional circumstances as motivated to the Municipal Manager.

3.2 There are **three (3) main categories** of responses to be undertaken in emergency situations:

(a) On-site assistance;
(b) Relocation or resettlement; and
(d) Repair and rebuild

3.3 The purpose of informal housing relief which includes emergency accommodation and assistance, is to provide temporary accommodation, which must be vacated by the beneficiary once suitable alternative accommodation or permanent housing opportunities are available and should never be seen as a permanent arrangement. Where the need is greater than the resources of the Municipality, additional resources will need to be requested from the Provincial and National authorities.

3.4 This policy makes provision for **four (4) types of assistance**, both of which are dependent upon budget availability:

(a) ***Temporary housing*** – where the need for temporary housing assistance is foreseen and can be planned for (evictions or temporary relocation).

(b) ***Disaster-related housing*** – exceptional and unforeseen circumstances have caused destitution and homelessness. This may be a declared disaster in terms of the Disaster Management Act, 2002 or situations which are not declared as a disaster. Should the community be relocated after the disaster or extraordinary event, Council may decide to deal with it as an emergency housing project. When a disaster is declared, the Human Settlements Department will assist, but not replace the functions performed by the Disaster Management Centre.

(c) ***Provision of Floodkits (****gunplas, sandbags, clout nails* or another suitable material)
(d) ***Provision of Food Parcels (hamper)***

3.5 The National Emergency Housing Programme stipulates that emergency housing should be limited to the absolute essentials. For this reason, the level of services can be lower than the required national norms and standards.

3.6 When considering such cases the Municipality must consider:

(a) Land be made available for this purpose;
(b) Whether funding has been obtained from the Provincial and or National Departments of Infrastructure for emergency accommodation assistance;
(c) The ability of the household to assist themselves; and
(d) Council's ability to assist towards emergency accommodation provision in order to supplement provincial and or national funding.

No	Categories of responses	Situation criteria	Example	Assistance provided by Council
1.	▪ On-site assistance (Council and private property) ▪ Informal Areas ▪ Formal Areas ▪ Backyard Dwellers	Temporary assistance required on site and no relocation is needed. No formal layout. Land has not been identified for emergency housing or for housing upgrade	Settlement devastated by fire or other natural disaster	▪ Disaster or Extraordinary event ▪ Accommodation in appropriate municipal facalities ▪ Flood ▪ Food parcel ▪ Dealth with in terms of the Emergency Disaster Fund Policy
2.	Relocation or resettlement (Council property)	Relocation or resettlement to land on a more permanent basis. The is a formal layout. Area is within an existing developed area. Land is suitable for permanent	Eviction matters. Settlement to be upgraded via UISP	▪ Temporary Sites or Erven

		habitation. Land has been identified for emergency housing or for a housing upgrade		
3.	Repair or rebuild formal housing (Private property)	Dealt with in terms of the Emergency Disaster Fund Policy or in exceptional circumstances, motivated for financial assistance to the Provincial Department of Infrastructure in terms of the Emergency Housing Programme (EHP)		

4. Definitions

In this policy the following words shall unless, otherwise stated or inconsistent with the context in which they appear, bear the following meanings:

"Basic municipal engineering services" - Limited to metered water services either through conventional supply or by water tanks, including fire hydrants, sanitation services, electricity services, excess to roads that can accommodate excess to fire brigade services, and open lined storm water systems. All of the above services will be provided on a shared basis in a dense settlement pattern.

"Beneficiaries" – Refers to persons:

a) Who are residing in the jurisdiction of the municipality.
b) Find themselves in an emergency situation as per 3.1 of this Policy.
c) Who's emergency situation has been verified in accordance with the procedures set out in paragraph 10.1 of this policy.

"Disaster" - Refers to a disaster as proclaimed in terms of the Disaster Management Act, 57 of 2002.

"Emergency situation" - Refers to people who find themselves without shelter due to circumstances beyond their control which may include but not be restricted to:

a) Becoming homeless as a result of a declared state of disaster or extraordinary circumstances, where assistance is required, including cases where initial remedial measures have been taken in terms of the Disaster Management Act, 2002 (Act No. 57 of 2002) by government, to alleviate the immediate crisis situation;
b) Persons living in dangerous conditions such as on land being prone to dangerous flooding, or land which is dolomitic, undermined at shallow depth, or prone to sinkholes and who require emergency assistance;

c) In the way of engineering services or proposed services such as those for water, sewage, power, roads or railways, or in reserves established for any such purposes and who require emergency assistance;
d) Require relocation to make way for a human settlements project; and
e) Are evicted, through a Court Order, from land and /or unsafe buildings; or
f) Are displaced or threatened with imminent displacement as a result of a state of civil conflict or unrest, or situations or similar occurrences, provided that no other accommodation options are available.

"Extraordinary event" **–** Refers to where an event has not been formally declared a disaster but requires significant and extraordinary inputs from the Municipality and possible other stakeholders.

"Municipality" - the Hessequa Local Municipality

"Prescribed form" - The approved municipal application form with all relevant supporting documentation, checklist, letters and affidavits attached.

Temporary accommodation - Refers to a temporary non-permanent shelter.

In this policy words importing the masculine gender include the feminine and neutral gender and vice versa, but natural persons do not include artificial persons and vice versa.

5. Legal Provisions

Due cognizance is required to be taken of the legal provisions which govern the accommodation of extraordinary or emergency cases. The policy provisions may be summarised as follows:

(a) Section 27 (c) of Chapter 2 of the Constitution provides that "everyone has the right to social security, including, if they are unable to support themselves and their dependents, appropriate social assistance";
(b) Housing Act 107 of 1997;
(c) National Department of Housing, 2004: National Housing Programme: Housing Assistance in Emergency Circumstances; and
(d) Disaster Management Act, 57 of 2002
(e) White Paper Human Settlement, 2024

6. Administrative Measures

6.1 Qualification criteria for assistance with a temporary erf / site / food parcel

6.1.1 Who will qualify for assistance:

(a) Person who are evicted and the Court has ordered the municipality to provide accommodation / formal notice to be evicted.
(b) Households (formal and informal) affected by fire and inclement weather, rendering their structures unsafe and uninhabitable.
(c) Cases of exceptional circumstances as motivated to the Municipal Manager.

6.1.2 Who will not qualify for assistance:

(a) Property owners;
(b) Households that have been previously assisted but breached the terms and conditions of the lease agreement (sub-letting, selling of drugs, illegal electricity connections ect.); and
(c) Persons who have illegally invaded municipal land.

6.2 Qualification criteria for assistance with Fire and Flood kits (Gunplas (Micron Plastic) sandbags or any other similar suitable material)

6.2.1 Who will qualify for assistance

Persons residing in informal and formal structures which is affected by fire and inclement weather, during an assessment, has been found to have serious leakages, and who are unable to assist themselves.

6.3 Permanent Accommodation

6.3.1 The beneficiary must consent that if, and when, a permanent structure and or serviced plot can be provided, depending on the individual's eligibility for a first-time subsidy, he/she shall vacate the emergency erven when instructed to do so.
6.3.2 Should the beneficiary be able to find relief themselves they must vacate the accommodation.
6.3.3 The emergency erven always remain the property of Hessequa Municipality.
6.3.5 Emergency erven may under no circumstances be sold or lease and the applicant shall acknowledge this at time of award.
6.3.6 Annual inspections will be conducted by the housing officials to review the lease agreement with beneficiaries.

6.4 Documentation Required

6.4.1 The Housing Officials: Human Settlements are responsible for the collation of the following information (including proof) from beneficiaries:

(a) Full names and contact details of all the household members;
(b) Copy of identity documents;
(c) Copy of marriage certificate;
(d) Copy of bith certificates of dependants;
(e) Salary advice / payslips;
(f) Pensioners (Proof of SASSA Grant);
(g) Proof of permanent physical disability;
(h) Deeds search and or printout from Housing Subsidy System;
(i) Confirmation from Financial Services that applicant is indigent;
(j) Employment details;

6.4.2 In cases of a Court-ordered eviction the court order which order the Municipality to provide temporary accommodation must be submitted.

6.4.3 In cases of a fire incident the Fire Incident Report from the Fire Department and or SAPD report of findings at the scene where fire occurred, must be submitted.

7. Application Process

Applications should be done on the prescribed application form and must be accompanied by the required documents as highlighted in paragraph 6.1 above and hand it in at the administration of the housing unit.

7.1 The application will be received by the housing unit;
7.2 The relevant screenings and verifications will be done by the housing officials (waiting list confirmation, documents etc.);
7.3 Site inspections will be conducted by the housing officials to confirm situation;
7.4 Relevant Ward Councillor will be informed of the application;
7.5 Approval of award by Director: Community Services;
7.6 Conclusion of lease agreement and signed by Municipal Manager;
7.7 Updating of database by housing officials.

8. Conditions of emergency sites or erven allocated

Emergency erven / sites / (8 X 8 or 8 X 10), will be allocated to qualifying persons subject to the conditions and specifications as stated below:

(a) That this is a TEMPORARY allocation;
(b) That the structure may only be used for residential purposes of the tenant and his/her immediate family;
(c) That you are responsible for the ERECTION and MAINTENANCE of the said residential structure;
(d) That the structure erected must not exceed 40 square meters;
(e) That the construction must be sturdy, neat and presentable;
(f) That the roof construction must be firmly attached to the beams/slats;
(g) That the residential structure must be well ventilated;
(h) That the floor covering must preferably be a concrete layer to prevent excessive wetness;
(i) That the residential structure may not be enlarged or extended without the prior written approval of the municipality. Any unauthorized extension will be demolished by the Municipality;
(j) That access for emergency vehicles to your property may not be obstructed;
(k) That the structure be erected within THIRTY (30) DAYS from receipt of this letter, failing which it will revert to the Council and be allocated to another qualifying waiting list applicant;
(l) The emergency erven allocated must under no circumstances be sold or leased to any person;
(m) That the allocation is strictly subject to the conditions as contained in the lease agreement;
(n) Failure to comply with the terms of the lease agreement will result in the cancellation of the lease agreement.

These conditions should also forms part of the Lease Agreement concluded with the respective tenants.

9. Roles and Responsibilities of the Municipality

9.1 Human Settlements Department

9.1.1 In the event of a disaster or extraordinary circumstances:

(a) In conjuction with the Municipal Disaster Management Department undertake a survey of all affected households which will include names of victims, gender, age, ID numbers, contact details and any other information deemed necessary;
(b) Register all affected eligible occupants on the Municipal Housing Demand Data Base if not yet registered;
(c) Provide the necessary assistance and support to affected persons;
(d) Manage, operate and maintain the temporary or affected settlement area;
(e) Coordinate the relocation of families where required;
(f) Consider whether an event merits the submission of an application to the Provincial Department of Infrastructure for assistance;

(g) Submit applications to the Provincial Department of Infrastructure for financial assistance.

9.1.2 In the event of temparary housing:

(a) Undertake a survey of all affected households which will include names of victims, gender, age, contact details, copies of identity documents of adult members of the family unit, copies of marriage certificates, copies of current pay slips and any other information deemed necessary;
(b) In conjuction with Legal Services identify eviction matters which will require the Municipality to provide accommodation for the evictees;
(c) In UISP projects, identify structures which need to be moved in order for a housing project to proceed; and
(d) Initiate, plan and formulate applications for projects relating to emergency housing situations, which must be in collaboration with the Provincial Departement of Infrastructure.

9.2 Technical Department

(a) Ascertain and confirm the availability of bulk and connector engineering services;
(b) Appoint consulting engineers;
(c) Undertake basic layout and design of accommodation area;
(d) Provide basic municipal infrastructure such as water supply, sanitation, storm water management, refuse removal, electricity supply, street lighting and any other municipal services as required and feasible; and
(e) Provide materials, assistance and support where necessary to enable the installation or repair of engineering services.

9.3 Planning Department

(a) Identify suitable pockets of land in line with the approved SDF for emergency housing purposes;
(b) Facilitate and assist with legal requirements such as rezoning, sub-divisions, environmental impact studies.

9.4 Finance Department

(a) Provide assistance to expedite procurement;
(b) The supply chain process utilized will depend on the specific temporary housing situation. If the goods and services are procured for a declared disaster, the provisions of the Disaster Management Act, the MFMA and the PPFA, prevail. In cases of an extraordinary event – the Accounting Officer may authorise a deviation to acquire urgent goods and services in terms of Regulation 36 of the Supply Chain Regulations.

(c) Ensure that provision is made for the collection of rent, or any other relevant municipal services if applicable;

10. Funding

10.1 Project Funding Assistance

Depending on the nature of the event, the Municipality may submit applications for funding to:

(a) The Provincial Department of Infrastructure;
(b) The National Department of Infrastructure for declared disasters;
(c) The Department of Rural Development and Land Reform in the case of rural communities and assistance in evictions;
(d) From the MIG – for the installation of any bulk services required; and
(e) From the Municipality's own funds for the development, maintenance and management of the areas.

10.2 Municipal Funding

(a) The Municipality recognizes that it has a shared obligation, within its available resources to implement this Policy and if there is a need annually submit a budget input to the budget meeting for consideration with the obligation that, as long as the need shall exist, an annual dedicated budget will be regarded as a non-negotiable.
(b) The municipality will also apply for any/all possible funding available from outside sources.

10.3 Provincial Funding

(a) Upon application, the Provincial Department of Infrastructure may provide funding and implementation support.

11. Services, Norms and Standards for Emergency Service Sites or Erven

The municipality shall provide only those basic services as is prescribed by the national Housing Policy. The provision of water and sanitation may be provided at points where easy access for maintenance work can be conducted. Electricity services will only be considered if the immediate surrounding areas are already provided with electricity services.

12. Ownership of emergency site or erven

The ownership of the emergency site or erven shall vest in the Hessequa Municipality.

13. Review of policy

This policy is the only document of the Municipality that regulates informal housing needs and shall be called the Hessequa Informal Housing Relief Policy and shall come into operation on the date of the final adoption by Council.

DRAFT

9.12 HESSEQUA MUNICIPAL REVISED DISASTER MANAGEMENT PLAN

File number / Verwysingsnommer: 17/9/2

Meeting date / Vergadering datum: 26 March 2026

Report by / Verslag deur: Manager: Channell Swartz: Protection Services

PURPOSE OF REPORT / DOEL VAN VERSLAG

To present the revised Disaster Management Plan to Council for approval.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

In terms of the Disaster Management Act. 57 of 2022 a municipality must have a Disaster Management Plan to adequately respond to disasters in the municipal areas.

The Disaster Management Plan is compiled in conjunction with the Garden Route District Municipality as well the Provincial Disaster Management Centre.

The Disaster Management Plan is a sector plan of the IDP and therefor need to be reviewed annually and presented through the committees for the adoption of Council.

The Draft Disaster Management Plan was workshopped with the full Council on Wednesday, 18 February 2026.

This item was tabled at the **Portfolio Committee** meeting of **18 March 2026** and the following was recommended:

"1. That the Committee take note of the Revised Disaster Management Plan".

2. "That the Revised Disaster Management Plan be referred to Council for approval".

EXECUTIVE MAYORAL COMMITTEE

The item is tabled at the **Executive Mayoral Committee** meeting of **26 March 2026** and feedback will be given at the Council meeting on the same day.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Noted

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Noted

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

The content of the report is noted and the recommendation is supported.

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

The content of the report is noted.

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

The content of the report is noted and the recommendations are supported.

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

That Council approve the Revised Disaster Management Plan.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Director Community Services: Mr Deon Lewis-Michaels

ATTACHMENTS / STAWENDE DOKUMENTE

Revised Disaster Management Plan for 26/27

Hessequa Local Municipality Disaster Management Plan

HESSEQUA
Local Municipality

Level 3

Table of Contents

DEFINITIONS 3
ACRONYMS 6
DISTRIBUTION LIST 6
1 INTRODUCTION 7
1.1 PURPOSE 7
1.2 BACKGROUND 8
1.3 LEGISLATIVE MANDATE 13
1.4 LINKAGE TO DISASTER MANAGEMENT FRAMEWORK 13
1.5 INSTITUTIONAL ARRANGEMENTS 15
1.6 ROLES AND RESPONSIBILITIES OF ROLE PLAYERS 16
2 RISK ASSESSMENT 24
2.1 CLIMATE CHANGE 24
3 RISK REDUCTION STRATEGY 26
3.1 REDUCTION PROJECTS 27
3.2 PREPAREDNESS STRATEGIES 27
4 RESPONSE AND RECOVERY STRATEGIES 31
4.1 RECOVERY STRATEGIES 40
4.2 MONITORING AND EVALUATION PLAN 42
4.3 EXERCISE/ TESTING OF SOP's 42
5 INFORMATION AND COMMUNICATION STRATEGIES 42
5.1 MEDIA 42
6 BUDGETING 43
7 CONTACT DETAILS 43
8 ANNEXURES ..... **Error! Bookmark not defined.**
9 REFERENCES 47

DEFINITIONS

The following words and expressions will, unless the context otherwise requires or the Disaster Management Act, 2002 (Act No. 57 of 2002) or National Disaster Management Framework, 2005 otherwise provides, have the meanings thereby assigned to them namely—

"Act" – means the Disaster Management Act, 2002 (Act No. 57 of 2002)

"Disaster" – means the progressive or sudden widespread of localized, natural of human – caused occurrence which:

(a) causes or threatens to cause: (I) death or disease (ii) damage to property, infrastructure or the environment; or (iii) disruption of the life of a community; and

(b) is of a magnitude that exceeds the ability of those affected by the disaster to cope with its effects using only their own resources.

"Disaster management" – means a continuous and integrated multi- sectoral, multi-disciplinary process of planning and implementation of measures aimed at:

"Disaster Management Plan" – means a plan developed by an organ of state in terms of section 25, 38, 39, 52 or 53 of the Disaster Management Act, 2002 (Act No. 57 of 2002);

(a) Prevention and reducing the risk of disasters;

(b) Mitigation the severity or consequences of disasters;

(c) Emergency preparedness;

(d) A rapid and effective response to disasters; and

(e) Post-disaster recovery and rehabilitation.

"Emergency preparedness" – means a state of readiness which enables organs of state and other institutions involved in disaster management, the private sector, communities and individuals to mobilize, organize and provide relief measures to deal with an impending or current disaster of effects of a disaster.

"Essential goods and services" – means those products, items, expertise or manufacturers, that are considered of importance or are indispensable when responding to a disaster.

"Hazard" – means threats to life, wellbeing, material goods or the environment.

"Head of centre" – means the person appointed in terms of either section 45 of the Act.

"Integrated development plan" – means a plan envisaged in Section 25 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"Internalise" – means to make disaster management part of an organs of state's operations through learning, practicing and assimilation (adapted from Kavanagh, 2002: 602);

"Level 1 Disaster Risk Management Plan" – applies to municipal entities that have not previously developed a coherent disaster risk management plan. It focuses primarily on establishing foundation institutional arrangements for disaster risk management, putting in place contingency plans for responding to known priority threats as identified in the initial stages of the risk management assessment, identifying key government and other stakeholders and developing the capacity to generate a Level 2 Disaster Risk Management Plan.

"Level 2 Disaster Risk Management Plan" – applies to municipal organs of state that have established the foundation institutional arrangements and are building the essential supportive capabilities needed to carry out comprehensive disaster risk assessment, identifying and establishing formal consultative mechanisms for development of disaster risk reduction projects and introducing a supportive information management and communication system and emergency communication capabilities.

"Level 3 Disaster Risk Management Plan" – applies to municipal organs of state that have established both the foundation institutional arrangements for disaster risk management and essential capabilities. The municipality must specify clear institutional arrangements for co-ordination and aligning the plan with other governmental initiatives and plans of institutional role players. It must also show evidence of informed disaster risk management and ongoing disaster risk monitoring capabilities as well as relevant development measures that reduce the vulnerability of disaster-prone areas, communities and households.

"Local disaster" – means a disaster classified as a local disaster in terms of section 23.

"Local municipality" – means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155 (1) of the Constitution as a category B municipality.

"Mitigation" – means in relation to a disaster, means measures aimed at reducing the impact or effects of a disaster.

"Municipal disaster management centre" – means a centre established in the administration of a municipality in terms of section 43.

"Municipal manager" – means a person appointed as such in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998).

"National disaster management framework" – means the national disaster management framework prescribed in terms of section 6.

"Prevention" – means in relation to a disaster, means measures aimed at stopping a disaster from occurring or preventing an occurrence form becoming a disaster.

"Primary role" – means that function for which a specific identified role player is best equipped and qualified to perform.

"Recovery" – means decisions and actions taken after a disaster with a view to restoring or improving the predicate living conditions of the stricken community, while encouraging and facilitating necessary adjustments to reduce disaster risk.

"Relief" – means the provision of assistance or intervention during or immediately after a disaster in order bring relief to people and communities affected by a disaster.

"Risk reduction" – means measures taken to reduce long-term risks associated with human activity or natural events.

"Risk" – means used to prescribe the likelihood of harmful consequences arising from the interaction of hazards and vulnerable elements.

"Role player" – means an individual or group in society that can contribute meaningfully to the implementation of disaster management.

"Vulnerability" – means the degree to which an individual, a household, a community or an area may be adversely affected by a disaster.

ACRONYMS

DMA	Disaster Management Act, 2002 (Act No. 57 of 2002)
DMHS	South African Disaster Risk Management Handbook Series
DMP	Disaster Management Plan
NDMC	National Disaster Management Centre
NDMF	National Disaster Management Framework, 2005
HLM	Hessequa Local Municipality
KPA	Key Performance Areas
SANC	South African National Standards
SCFPA	South Cape Fire Prevention Association
WOF	Working On Fire
SANDF	South African National Defence Force
EPWP	Expanded Public Works Programme
SPCA	Society for the Prevention of Cruelty to Animals.
SOP	Standard Operational Procedures

DISTRIBUTION LIST

- South African Police Services (SAPS)
- Department of Health (EMS)
- Forensics
- Cape Nature
- Department of Social Development (DSD)
- Western Cape Disaster Management Centre (WCDMC)
- Hessequa Business Chamber
- Western Cape Education Department (WCED)
- Provincial Traffic

- Garden Route Disaster Management Centre

1 INTRODUCTION

In accordance with the National Disaster Management Framework (NDMF) there are four Key Performance Areas (KPA) that local municipalities need to be incorporated within a level 3 Disaster Management Plan.

To address this wide range of disaster management planning capabilities, the national disaster management framework provides for a phased approach to disaster management planning and implementation. It comprises of three progressive steps from a Level 1 Disaster Risk Management Plan to a Level 3 DMP. The completion of each level of disaster management plan will yield indicative information about common vulnerabilities in Communities, local areas or provinces. This information should be incorporated into the Integrated Development Plan (IDP), planning processes and projects.

The requirements for each level of disaster management plan and the steps to be taken in developing the different levels are detailed in priority guidelines distributed by the NDMC to all stakeholders. The implementation of these plans will form an integral part of the implementation strategy of the Act.

The plan incorporates the key aspects of the four KPA's and three Enablers specified by the NDMF related to DMP's and has been arranged into specific chapters.

This plan has been developed to suite Hessequa Local Municipality's HLM specific functional environment.

1.1 PURPOSE

The National Disaster Management Centre (NDMC) provided a set of guidelines; developed in terms of Section 19(a) of the DMA and section 3.6 of the National Disaster Management Framework, 2005 (NDMF) provides a uniform structure and checklist to organs of state to prepare a level 3 DMP.
This plan confirms the arrangements for managing disaster risks and for preparing for- and responding to disasters within the HLM as required by the Disaster Management Act.

This plan seeks to achieve the following key outcomes:

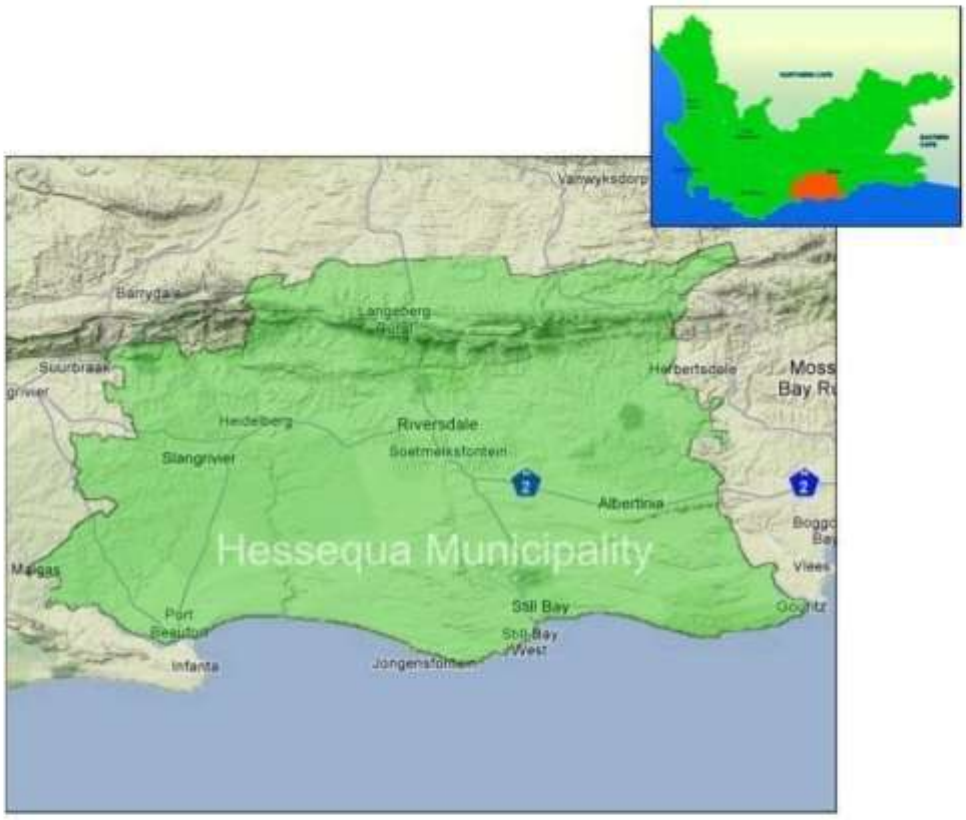
- Integrated institutional capacity for disaster management such as roles and responsibilities of municipal departments and other key stakeholders; disaster management advisory forums; and disaster risk management planning.
- Disaster risk assessments which include disaster risk assessment and disaster risk reduction planning; monitoring updating; and disseminating risk information.
- Disaster risk reduction and that includes disaster risk management planning; setting priorities for disaster risk management planning; and inclusion of disaster risk reduction efforts in other structures and processes.
- Response and recovery such as early warnings; assessment, classification, declaration and review of disaster; integrated response and recovery; and rehabilitation and reconstruction.

1.2 BACKGROUND

Hessequa is category B Municipality which lies at the foot of the Langeberg, with its boundaries stretching along the Southern Cape Coast from the Breede River in the West to Gouritsmond in the east. The total area of Hessequa is approximately 5 733 square kilometers.

Hessequa Municipality falls within the boundaries of Garden Route District Municipality and has a population of approximately 71 918 consisting of 22 333 households (IDP 2023-2027)

It consists of three large towns located on the N2 that pass through the municipal area from east to west and four coastal towns. Then there are four smaller communities, varying in size, located in the vast rural area of Hessequa. On the following map the main towns and communities are shown to indicate the geographic layout of the Hessequa region.





As indicated by the distance scale, the towns are physically removed from each other. This causes that all bulk infrastructure is duplicated for almost every town. These include sewage processing plants, water purification plants, electricity substations

and reticulation networks. In terms of service delivery, this causes the municipality to provide seven different service desks that need to be able to manage account queries, payments, service disruption response personnel and duplication of personnel that is on standby. Hessequa centralised as much administrative functions in Riversdale to curtail as much duplication as possible, however it introduces different challenges again in terms of reporting and oversight procedures (Hessequa IDP 2017-2020)

The following table provides a brief overview of each of these towns, status of services and development levels. This table also reflects services not rendered by the municipality to provide an integrated overview.

Town	Service Levels	Development Priorities
Albertinia	Basic Services, Municipal Office, Library, Business Centre, Health Services, Safety Services, Sport Facilities, Community Facilities, Industrial Area, Educational Services	Job Creation, Education, Sewerage Infrastructure, Road Infrastructure, Low Cost & GAP Housing
Garcia	Basic Services, Mobile Library Service, Sport Field, Community Hall	Road Infrastructure, Job Creation, Low Cost Housing
Gouritsmond	Basic Services, Municipal Office, Library, Municipal Campsite, Sport Facility, Community Facilities, Seasonal Safety Services	Road Infrastructure, Sewerage Infrastructure, Job Creation, Water Security
Heidelberg	Basic Services, Municipal Office, Libraries, Sport Facilities, Community Facilities, Safety Services, Health Services, Emergency Services, Business Centre, Educational Services	Industry Development, Low Cost & GAP Housing, Job Creation, Emergency Services, Water Security
Jongensfontein	Basic Services, Municipal Campsite, Sport Facility	Sewerage Infrastructure, Climate Change Adaptation, Water Security

Melkhoutfontein	Basic Services, Municipal Office, Library, Health Services, Sport Facility, Community Facility, Primary Educational Services	Low Cost & GAP Housing, Job Creation, Water Security
Riversdale	Basic Services, Municipal Offices, Library, Sport Facilities, Health Services, Emergency Services, Safety Services, Community Facilities, Industrial Area, Business Centre, Thusong Centre, Airstrip, Educational Services	Job Creation, Road Infrastructure, Industry Development, Educational Facilities, Low Cost & GAP Housing, Commercial Development, Water Security
Slangrivier	Basic Services, Municipal Office, Library, Sport Facility, Health Service, Community Facilities, Primary Educational Services	Job Creation, Road Infrastructure, Industry Development, Emergency Services, Safety Services, Water Security
Still Bay	Basic Services, Municipal Office, Library, Sport Facility, Health Service, Community Facilities, Safety Services, Seasonal Emergency Services, Business Centre, Airstrip, Primary Educational Services	Commercial Development, Industry Development, Bulk Infrastructure Development, Property Development, Water Security
Witsand	Basic Services, Municipal Campsites, Community Facilities, Seasonal Safety Services	Sewerage Infrastructure, Storm water Infrastructure, Roads Infrastructure, Climate Change Adaptation, Water Security

While **wildland fires** are a natural feature of fire-driven ecosystems in the country, changes in climate are having adverse effects (i.e. persisting drought and climate change) through altering the future occurrence of wildland fires, and the area burned, in various ways that involve weather conditions conducive to combustion, fuels to burn and ignition agents. The wildland fire situation has worsened significantly across South Africa during the past several years. Hessequa LM deals with wildfires on

a frequent basis. There have been major and catastrophic fires in the past which includes the recent local disaster fire that occurred between Still Bay, Riversdale and Albertinia).

Alien invasive species (vegetative) also poses a serious problem within the municipality. It's amazing to see how unmanaged invasive species can cause such a big problem. Fires are both inevitable and necessary in many of our ecosystems, but fires and invasive alien plants interact in many and complex ways that can substantially increase the difficulty of managing fires. Invasive alien plants obviously don't affect either the weather or the frequency and distribution of ignitions, but they often drastically change the structure of the vegetation, changing both the amount and the type of fuel available to support fires. Invasive alien plants make the fire control problem worse, and they aggravate the effects of what would otherwise be an ecologically beneficial process. Because invasive alien plants are spread by fires, fire also increases their impacts on water resources, rangeland productivity, and biodiversity in fire-prone fynbos, grasslands and savannas. As a result, they can introduce fires into areas where fires did not occur historically, and by increasing the mass of plant material in fire-prone ecosystems, they can make fires more intense. It is thus important to increase attempts to remove invasive alien plants from fire prone / ecosystems, as well as to prevent their introduction and spread in areas that are currently not invaded.

Floods impact upon all sectors of society. As development increases the impacts of floods will also increase as more pressure is placed on the available land to be developed for residential, commercial, industrial etc. purposes. The Western Cape is generally prone to winter storms and experiences heavy flooding almost every year and Hessequa LM is mostly prone to floods during the rainy season, which is generally from June to September each year. But while climate change looms over us all, certain extreme weather events (floods, droughts, windstorms and heat waves) are likely to become more frequent in the future. The current situation in the Western Cape attests to this with persisting drought conditions that bring its own set of complications.

This variability alters the expected availability of water and adds pressure on the adaptability of future water resources. Given the presence of agricultural activities (especially amongst grain farmers) within Hessequa LM, it is evident that great sensitivity exist with regards to drought.

On another note, given the close proximity of few towns as well as petrol stations to the National Road (N2) coupled with the lack of response capacity, it is evident that The **Transportation of Hazardous Material** poses a great risk to the Municipality as well.

1.3 LEGISLATIVE MANDATE

The Hessequa Municipality is legally obliged to prepare a disaster management plan for its area according to the circumstances prevailing in the area; to co-ordinate and align the implementation of its plan with those of other organs of state and institutional role players; and to regularly review and update its plan. The municipality must also consult the Garden Route District Municipality on the preparation or amendment of its plan.

In accordance with Section 53(2) (a) of the Disaster Management Act, 2002 (Act 57 of 2002) the level 3 disaster management plan for a municipality must form an integral part of the municipality's Integrated Development Plan (IDP).

The National Policy Framework of 2005 as well as the Provincial Policy Framework of 2010 also provide for the importance of disaster management planning and state that plans are to be revised at least bi-annually.

Hessequa Municipality must submit a copy of its Disaster Management Plan (DMP), and of any amendment to the plan, to the Garden Route District Municipality, Provincial and National Disaster Management Centres.

1.4 LINKAGE TO DISASTER MANAGEMENT FRAMEWORK

Both the Local Government Municipal Systems Act, 2000 and the Disaster Management Act (as amended) requires the inclusion of this Plan into the IDP of the Hessequa Municipality. The recommendation of the Risk assessment and the Level 3 DMP must be incorporated into the IDP with aim of creating a sustainable, integrated human settlements and safe neighbourhoods where communities can prosper.

Disaster Management and Emergency Services need to ensure that they comply with the relevant legal Acts, Frameworks and the South African National Standards Code (SANC).

Disaster management, service delivery and development planning go hand in-hand. The Disaster Management Chapter accounts for the overarching status of risk reduction planning, institutional coordination and the Disaster Management Plans.

Aspects relating to disaster management in the IDP's Disaster Management Chapter should be a status quo of the strategic and institutional process, where annual reviews of the IDP reflect on progress made against strategic objectives set in the 5 year. It should also serve as an integrative tool to ensure a mulita-sectoral approach to disaster management, specifically risk reduction initiatives;

The Disaster Management Plan also manages the consequences of disasters/ incidents (preparedness and response plans; contingency plans), and it contains the operational risk reduction project plans, SOPs and other annexures;

Disaster Management planning is a collaborative process that involves all spheres of government on the political and administrative levels including all sectors of society, NGO's and CBO's, hence the slogan "Disaster Management is everyone's business". The full Disaster Management Plan will be an annexure to the IDP as opposed to being included within the IDP document;

The challenge is for the municipalities to facilitate and manage the process of participation, internally and externally, in municipal disaster management, in development planning, and on an on-going basis, ideally in line with the IDP cycle.

The Western Cape Provincial Disaster Management Centre has developed a guideline to assist municipalities with the inclusion of Disaster Management Chapter in the IDP

Attached as annexure A: Guidelines for Municipalities to draft the Disaster Management Chapter in the Municipal IDP

1.5 INSTITUTIONAL ARRANGEMENTS

Disaster management function resides under the Director of Community Services as per the below organogram figure.



Hessequa Municipality has an established disaster management advisory forum which convenes once a year. There are no terms of reference, but the forum is operating well.

The minutes of a meeting must be forwarded to all members of the forum at least two (2) weeks after a meeting. The secretary will, in collaboration with the chairman, forward an agenda for the next meeting to all members of the forum at least one (1) month before a meeting.

The forum will consist of the following members, but are not limited to;

- Councillor/s
- Hessequa Disaster Manager
- South African Police Services (SAPS)
- Afrikaanse Christelike Vroue Vereniging (ACVV).
- Agri-WC (Mossel Bay)
- Non-Profit Organisations (e.g. Lions Club).
- Provincial Department of Health (Emergency Medical Services, Hospitals, Clinics)
- Private Clinics and Hospitals
- Garden Route District Municipality (Disaster Manager)

- Red Cross
- Local Fire-Brigade Services and neighbouring municipal Fire Brigade Services
- Local Law Enforcement
- Local Traffic services
- Municipal Department of Technical Services
- Municipal Department of Parks and Recreation
- Municipal Department of Town Planning
- Municipal Department Finance.
- Cape Nature Conservation
- National Department Water Affairs and Sanitation
- Provincial Department of Education
- Churches.
- Society for Protection of Cruelty to Animals (SPCA) Mossel Bay and Swellendam
- Southern Cape Fire Protection Association

1.6 ROLES AND RESPONSIBILITIES OF ROLE PLAYERS

Manager of Protection Services

The Head of the Disaster Management Centre

The head is responsible for the compilation, maintenance and distribution of the Municipal Disaster Management Plan and support risk-specific and incident management plans.

The head is also responsible for the performance by the centre of its disaster management functions and to implement and co-ordinate the Municipality Corporate Disaster Management Plan (section 44(1))

The Head must:

a) When deemed necessary, request the declaration of a disaster as per the Disaster Management Act (sec. 49)
b) Liaise with district, provincial and national officials.
c) Co-ordinate response with CBOs and NGOs.
d) Authorize area evacuation/re-enter.
e) Identify persons /organizations to received recognition for contributions to the emergency response.
f) Establish and maintain required telecommunications links.

g) Identify available resources for disaster management purposes as requested by the JOC management team.
h) Establish and maintain a resources database.

The Head of the Centre, in consultation with the ECC/JOC Management Team, will determine when the incident or disaster is adequately dealt with and the response structure can be de-activated. In the recovery and rehabilitation phase a project team under a line function can be convened to take responsibility for further activities that address the causal factors of the disaster/ incident. This team will receive a brief from and report back to the Disaster Management Advisory Forum as well as senior management.

Disaster Manager

The Disaster Manager must:

- Ensure that disaster plans are compiled and maintained in his/her service.
- Establish and ensure the effective function of the Disaster Management Coordinating Committee namely the Disaster Management Advisory Forum
- When necessary, submit reports containing recommendations for changes to the Disaster Management plan to Council.

Local Fire Chief

Must ensure that contingency/preparedness plans specific to his /her area of responsibility is compiled and maintained in his/her service with specific reference to the following;

Duties and responsibilities:

a) The primary task of this discipline is to extinguish fires as early and effectively as possible in order to safe human and animal life and property.
b) The fire-brigade is primarily responsible for firefighting, rescue and evacuation.
c) The fire-brigade will be involved in all the risks as identified.
d) The fire-brigade must ensure that fire dangers are excluded or minimize.
e) The fire-brigade must make a survey of all fire hydrants marking them clearly visible and also ensure that they are in working condition.

f) Fire-brigade volunteers must be trained in the combating of fires, rescue and evacuation.
g) Lectures and demonstrations must be provided to the public in order that they may be informed regarding the preventative measures to be taken and the purchase of firefighting apparatus must be encouraged.
h) Existing fire -fighting equipment must be inspected regularly
i) Where external resources are identified, it must be resolved with the institution(s) in question.
j) Surveys must be made of the different dangerous materials transported by the greater Hessequa or through the area in order to ensure that the required garments can be obtained in order to handle a situation effectively.

Traffic Section/directorate

a) The primary task of this discipline is to arrange traffic and to lead vehicles along alternative routes, as well as to limit collisions and traffic congestions to an absolute minimum.
b) The discipline must be maintained continuously to be prepared to handle any emergency or disaster situation which may occur in the area.
c) Traffic reservists must be trained to handle traffic situations.
d) External resources must be identified to assist during a disaster.

Procedure during a disaster

a) On receipt of an emergency call, the fire-brigade chief will activate his/her disciplines and will respond to the site immediately.
b) Fire-brigade staff will undertake fire combating, rescue and evacuation.
c) The head fire-brigade will report fully to the Head of Disaster Management Centre.
d) The disciplines, in cooperation with the traffic officials, is responsible for the closing of streets and the indication of alternative.
e) Nobody leaves the disaster site without the permission of the disaster management official.

Director: Finance

Duties and responsibilities:

Must ensure that disaster plans are compiled and maintained in his/her directorate, with specific reference to the following:

a) Managing donations for emergency response.
b) Initiating and facilitating efforts to make funds available for disaster management in the municipal area; (see section 56 of DMA)

Director: Development Planning

Must ensure that disaster plans are compiled and maintained in his/her service, with specific reference to the following.

a) Co-ordinate response with businesses and industries affected by the emergency.
b) Co-ordinate response with national and provincial public works departments.
c) Identify buildings which are unsafe.
d) Identify areas, buildings and structures which may require restoration.
e) Identify persons/organizations to contribute to post-emergency reports/debriefings.
f) Plan and ensure that risk reduction and disaster mitigation principles are adhered to in the recovery and redevelopment phase.
g) Ensure that risk reduction and mitigation principles are applied in all development projects.

Director Technical Services

Electricity Section/Directorate.

a) The task of this department is to repair disruptions as early as possible.
b) The discipline must be kept continuously prepared to handle any emergency or disaster situation which may occur in the area.
c) The establishing of all cables, wires, substations, etc., and the indication on a diagram.
d) To undertake investigation regarding the best method upon which electricity could be connected during power disruptions along other methods and other routes in order to provide electricity to consumers.

e) To make surveys of qualified experts as well as private contractors in the area with a view to assistance during a disaster.
f) To ensure that there is adequate electricity supply provision at all times.
g) To test equipment on a regular basis to ensure that it is in a good working condition.
h) To make a survey of all power generators in the area with a view to use thereof during a disaster.

Parks and Recreation Section/Directorate

Must ensure that disaster plans are compiled and maintained in his/her directorate, with specific reference to the following:

a) Removing debris from transportation routes and other sites as required.
b) Clearing work as early and effectively as possible.
c) To plant ground cover as far as possible in order to limit soil erosion to a minimum.
d) To top and remove tree branches, trees and thrums presenting a danger.
e) To examine the working of all equipment continuously to establish that it is in a good working condition.
f) To clean the rivers flowing through the greater Hessequa on a regular basis.
g) The removal of trees, thrums and driftwood.
h) Rending of emergency repairs to damaged road infrastructure.
i) Support service to other departments as required.

Streets and Storm Water Section/Directorate

a) The primary task of this discipline is to provide alternative routes and to repair roads as early as possible.
b) Streets must also be maintained properly on a continuous basis and where problems are identified such problems must be addressed.
c) The storm-water system must be maintained on a continuous basis.
d) Provision must be made for emergency stock such as storm-water pipes, the necessary requirements and road signs.
e) To maintain a record of external sources with a view to assistance during a disaster.

Municipal Property Section/Directorate

a) The discipline is primarily responsible for the maintenance of municipal property.
b) The discipline head must therefore ensure that municipal buildings are maintain in an excellent condition and not present a danger for the general public.
c) The discipline head must make a survey of all municipal halls as well as particulars of the people in charge of such halls.

Sewer Purification and Sewer Network Section/Directorate

a) It is the primary task of this discipline to repair the network and everything associated therewith as early as possible.
b) To plan timeously how the sewerage can be discharged/removed in the case of a break of pipelines.
c) To make surveys of the availability of equipment in the area which is uses in a disaster situation
d) To make surveys of qualified who could involve in the function of the discipline.
e) To maintain a record of external resources with a view to assistance during a disaster.

Irrigation Water, Storage Dams, Water Works and Distribution Section/Directorate

a) The primary task of these disciplines is to repair water supply networks as early as possible.
b) To determine and to record on charts the passion of water pipes, storage dams and their capacities.
c) To take surveys of other water storage places, such as boreholes, farm dams, etc. in the area and to maintain a proper record there of
d) To determine how drinking water could be provided along other methods for consumers cut off from existing water resources.
e) To make surveys of qualified experts who could be involved in the activities of this discipline.

f) To plan expeditiously how water, in case of a break of pipelines, storage dams, or purification works can be provided to consumers.
g) To encourage the public to provide rainwater tanks at their homes as a possible ware source in the case of emergency
h) To maintain a record of external resources with the view to assistance during a disaster.

Purification Services

a) The primary task of this discipline is to undertake clearing work
b) The discipline head must ensure that all equipment is inspected regularly to ensure that it is in a good working condition.

DIRECTOR CORPORATE SERVICES

Administration/legal services section/directorate

Must ensure that disaster plans are compiled and maintained in his/her directorate, with specific reference to the following:

a) Monitoring compliance with relevant legislation, regulations, licenses and by –laws.
b) Ensuring that Council administrative support services are maintained under abnormal circumstances.
c) Providing information to municipal employees and their families.
d) Documenting information for municipal insurance claims.
e) Documenting information for potential actions.
f) Identifying information to be documented for inquests or investigations under applicable laws.
g) Documenting information for remuneration of municipal employees involved in emergency response.
h) Documenting potential occupational and safety issues.
i) Documenting information for potential municipal labour relations issues.
j) Documenting information for potential compensation claims.

The South African National Defence Force (SANDF)

If it is necessary to call upon the assistance of the South African National Defence Force (SANDF), it must be borne in mind that command of that force rest with the SANDF personnel. The Head of the JOC will however, decide where the deployment of the SANDF is needed and will convey this to the Commanding Officer who will be attached to the FCP.

Volunteers

The role of the volunteer in reacting to a disastrous situation and providing much needed assistance must not be underestimated. It must be remembered that normally the first people to arrive at the scene will be members of the community.

The Disaster Management Act provides for the formation of a volunteer corps. It is thus of vital importance so as to ensure that personnel are utilized in the most beneficial manner and the municipality should encourage the community to volunteer their services in the event of a disaster. Volunteers can be utilized in the following manner:

1. Rending first aid
2. Firefighting
3. Radio and telephone communication
4. Control of the collection and distribution of relief supplies
5. Care of the young and aged

Training of a volunteer corps is thus of vital importance so as to ensure that such personnel are utilized in the most beneficial man

Procedure during a Disaster

a) The head of the discipline must summon the available personnel to the disaster site when an emergency call is received.
b) The disciplinary head must report at the disaster control official.
c) The discipline, in co-operation with the traffic department, is responsible for the closing of the streets and the indication of alternative routes.
d) The disciplinary head must report fully to the disaster control official.
e) Nobody leaves the disaster site without the permission of the disaster control official.

2 RISK ASSESSMENT

Key Performance Area 2 of the National Disaster Management Framework states the importance of disaster risk assessments which will inform disaster risk management planning and prioritise disaster risk reduction and preparedness.

The Western Cape Disaster Management Centre assisted Hessequa Municipality in developing their Risk Assessment in 2017 and was tabled to council in April 2017.

The following was identified as the highest risk factors:

- Veld and Wildland Fires
- Floods
- Drought
- Transport of hazardous material, and
- Alien Invasive Species

2.1 CLIMATE CHANGE

Global climate change is a threat to sustainable development and vulnerable populations, thus making it an integral part of disaster risk reduction. The effects of climate change could have severe effects on food security, clean water, energy supply, environmental health as well as human settlements.

Due to the growing concern as well as impacts of climate change, which are affecting South Africa, it is paramount that climate change be incorporated into the DMP as well as development planning of the HLM. Floods, drought and fire have all been linked to climate change and are therefore increasing in frequency and severity. Fire and drought are among HLM's top five hazards which will be further influenced by climate change in the future.

Furthermore, it is important that HLM identify vulnerable groups who will be adversely affected through climate change either directly or indirectly. These groups would generally include woman, children and persons with disabilities but could also include individuals working in agriculture as an increase in fire and drought could impact on their livelihoods.

When considering the impacts and effects that climate change will have on HLM, it is important to take cognisance of the fact that it is not limited to fire and drought and

can have an impact on other areas within HLM as well and should be addressed accordingly.

Longer term initiatives to adapt to climate change should be pursued in the future. These initiatives can be liked to initiatives currently being undertaken by the HLM as well as the provincial and district climate change strategy.

3 RISK REDUCTION STRATEGY

1 DISASTER RISK PRIORITISATION REGISTER - HESSEQUA LOCAL MUNICIPALITY: DISASTER RISK REGISTER

HAZARD CATEGORY	HAZARD	AFFECTED AREA	HAZARD				Vulnerability						CAPACITY								
SCORE		Options: Whole area affected, various dispersed pockets affected within area, several points affected within area, single pocket / point affected within area.	Score: 4. Very Likely 3. Likely 2. Unlikely 1. Rare Probability	Score: 4. Monthly/weekly 3. Every 1 - 2 years 2. Every 2 - 5 years 1. Every 5 - 10 years Frequency	Score: 4. Major 3. Serious 2. Minor 1. Negligible Severity	Hazard Rating	Vulnerability Score: 4. Extremely Vulnerable 3. Seriously Vulnerable 2. Slightly Vulnerable 1. Not Vulnerable Political	Economical	Social	Technological	Environmental	Vulnerability Rating	Capacity Score: 4. Very Good 3. Good 2. Poor 1. Very Poor Physical Planning and Engineering	Societal Capacity	Economic Capacity	People Capacity and Competencies	Management Capacity	Institutional capacity	Capacity Rating	Relative Risk Rating	Relative Risk Priority
Natural - Biological	Veld fire		4	4	4	12	3	4	4	4	4	14	2	2	2	2	2	2	12	14.000	extremely high
Natural - Hydrom. - Water	Floods		4	3	3	10	3	4	3	4	4	18	3	3	3	3	3	3	18	10.000	high
Technological - Industrial/Urban	HAZMAT: road or rail		3	2	3	8	3	3	4	4	4	19	3	3	3	3	3	4	11	9.455	high
Environmental	Alien invasive species		4	4	3	11	3	3	3	3	4	11	3	3	3	4	3	3	13	9.308	high
Natural - Hydrom. - Atmosphere	Drought		4	3	3	9	3	4	4	3	4	19	3	3	3	3	3	3	18	9.000	high
Technological - Industrial/Urban	HAZMAT: waste spill		3	3	3	9	3	3	3	3	4	11	3	3	3	3	3	3	12	6.417	tolerable
Natural - Geological	Coastal erosion		4	3	3	8	3	4	3	3	4	12	3	3	3	3	3	3	18	6.400	tolerable
Natural - Biological	Animal diseases		3	3	3	9	3	4	3	3	4	12	4	4	4	4	3	3	17	6.353	tolerable
Natural - Geological	Seismic hazards		1	1	3	5	3	3	3	3	3	10	1	1	1	1	3	3	9	6.250	tolerable
Technological - Industrial/Urban	Structural fires		3	3	3	9	3	3	4	3	3	11	3	3	3	3	3	3	18	6.188	tolerable
Natural - Geological	Soil erosion		4	1	2	7	3	4	3	3	4	12	3	3	3	3	3	3	14	6.000	tolerable
Natural - Hydrom. - Oceanographic	Storm surges		3	3	3	9	3	3	3	3	3	10	3	3	3	3	3	3	18	6.000	tolerable
Technological - Transport incidents	Road accident		4	4	3	10	3	3	3	3	2	9	3	3	3	3	3	3	18	6.000	tolerable
Environmental	Dam Water Pollution		3	3	3	9	3	3	3	3	3	10	3	3	3	3	3	3	14	5.714	tolerable
Natural - Hydrom. - Atmosphere	Severe weather (strong wind)		4	3	3	9	3	3	3	3	3	10	3	3	3	3	3	3	16	5.625	tolerable
Technological - Critical infrastructure	Dam failure		2	1	3	6	3	4	4	4	3	19	3	3	3	3	3	3	14	5.571	tolerable
Natural - Biological	Human diseases		3	3	3	9	3	3	3	3	2	9	3	3	3	3	3	3	18	4.900	tolerable
Technological - Critical infrastructure	Water Quality and Wastewater Management		2	2	3	7	3	3	3	2	3	9	3	3	3	3	3	3	18	4.200	tolerable
Technological - Industrial/Urban	Social Conflict		2	2	2	6	3	3	3	2	3	9	3	3	3	3	3	3	14	3.857	tolerable
Technological - Critical infrastructure	Disruption of Electricity		3	3	2	8	3	3	2	3	2	9	3	3	3	3	3	3	18	3.200	low

3.1 REDUCTION PROJECTS:

Technical projects to reduce the risk (structural changes, etc)

(vulnerable groups/ communities/ households/ disabled/ elderly/children)

* Veld fires
* Floods
* HAZMAT: Road & Rail
* Alien Invasive Species
* Drought

3.2 PREPAREDNESS STRATEGIES

Departmental preparedness (general)

Hazard specific plans will be drawn up and attached as annexures (Contingency Plans)

Hazard	Mitigation and Preparedness Measures	Responsible Stakeholders/Partners
1.Veld fires	Implementing a fuel management plan	Disaster management Hessequa Fire Department Garden Route Fire Department Cape Nature WOF EPWWP
	Education and awareness campaigns	Disaster Management Hessequa Fire Department WOF
	Creation of fire breaks (buffer zones around infrastructure)	Hessequa Fire Department Cape Nature WOF
	Incorporating integrated veld fire management	Hessequa Fire Department Garden Route Fire Department Cape Nature WOF EPWWP

	Developing community wildfire adaption plan	Hessequa Fire Department
2. Floods	Incorporate flood mitigation in local planning	Technical Services Disaster Management
	Form partnerships to support flood plain management	Environmental Department Cape Nature SANParks Disaster Management
	Limit or restrict development in flood plain areas	Town planning and Development IDP Disaster Management Environmental Department
	Improve storm water management planning	Technical services
	Monitoring rainfall, for possibility of flash flooding and have early warning devices in high situated areas and catchment areas.	Fire Department Garden Route Fire Transport operators Law Enforcement Traffic Department SAPS (Explosives, Radioactive) SANRAL Provincial Traffic Department SAWS
	Education and awareness campaigns on correct procedures to follow in case of flooding.	Hessequa Fire Department Disaster Management Law Enforcement Communication
	Flood proof residential and non-residential structures	Community member Disaster management Town Planning and development
	Protect and restore natural flood mitigation futures	Environmental Department Town planning and Development
3. HAZMAT: Road & Rail	Ensure compliance with legislation for all industry and transport owners. Ensure compliance with all municipal	Fire Department Garden Route Fire Department Environmental Control

	by laws with regards to hazardous substances.	Law Enforcement Traffic Department Provincial Traffic Department Disaster Management
	Education and awareness campaigns on correct storage, transport and safe handling of hazardous substances.	Disaster Management Fire Department Garden Route Fire Environmental Control Traffic Department Provincial Traffic Department
	Monitoring industry and transport of hazardous substances	Fire Department Garden Route Fire Transport operators Law Enforcement Traffic Department SAPS (Explosives, Radioactive) SANRAL Provincial Traffic Department
	Combat and Support agency agreements (establishing an advisory forum?)	Transnet Petrol SA Hessequa Fire Department Garden Route Fire Department Disaster management SAPS EMS Traffic
	Establish adequate communication structures with relevant stakeholders (information purposes of transport schedules)	Transnet Petrol SA Hessequa Fire Department Garden Route Fire Department Disaster management
	Conduct vehicle inspections	Local traffic Provincial traffic Hessequa Fire Department
	Ensure all relevant agencies involved	Transnet

	know their roles and responsibilities	Petrol SA Hessequa Fire Department Garden Route Fire Department Disaster management SAPS EMS Traffic
	Disseminate information regarding Hazard	Local and Provincial Traffic
	Fire department to develop SOP	Garden Route Fire Department
4. Alien Invasive Species	Drafting of Invasive Plant Control Plan for municipal properties as per National Environmental Management: Biodiversity Act.	Environmental Management Parks and Recreation South African National Parks SCFPA/farmers association National Dept Environmental Affairs
	Education and awareness campaigns	Environmental Management Fire Department South African National Parks
	Compliance monitoring	Environmental Management Parks and Recreation National Department of Environmental Affairs
5. Drought	Community Education/awareness	Technical services Disaster Management Communication
	Monitor drought conditions	Disaster Management Technical services
	Monitor water supply	Disaster Management Technical services Cape Nature Health
	Plan for drought	Disaster Management Technical services Cape Nature Farmers

		Hessequa Fire Department
	Require water conservation during drought conditions	Technical service Cape Nature Communication Farmers Agriculture Disaster Management
	Prevent overgrazing	Farmers Agriculture
	Retrofit water supply systems	Technical Services Disaster Management Garden Route District Municipality
	Enhance landscaping and design measure	Environmental department Town Planning Disaster management Housing
	Educate residence on water saving techniques	Technical services Disaster management Communication
	Educate farmers on soil and water conservation practices	Department of Agriculture Communication
	Identifying secondary water sources	Technical services Department of agriculture Financial IDP
	Clearing of catchment areas	EPWWP Environmental departments Parks and recreational Technical services Cleansing services

4 RESPONSE AND RECOVERY STRATEGIES

Assessment of Incident

a) It is imperative that an assessment of situation be carried out as soon as possible after the occurrence of the event as it is this assessment that will determine what action are to be taken to mitigate the effects of the incident.
b) The Municipal Manager will make available as many staff members as is necessary to conduct the assessment.
c) Once the assessment has been completed, the Disaster Manager will submit a report to the Municipal Manager who will decide what actions are required.
d) The District Disaster Management Centre must be advised immediately.

Establishment of a Joint Operation Centre (JOC)

a) If the event is of such a nature that the Hessequa municipality can deal with the situation itself, the Municipal Manager will establish a Joint Operation Centre comprising the personnel deemed necessary to deal with such event. This will be decided upon by the Municipal Manager after been advised by the Disaster manager. All the necessary services and role players will be expected to be present in the JOC.
b) In the event that the disaster is of such a magnitude that circumstances require that a District JOC be established such centre will be located in Riversdale at the Hessequa council chambers and will be coordinated by the Garden Route District Municipality.
c) The assessment of the event will dictate what action is required.

Establishment of the Forward Command Post

a) The seriousness of the situation as established in the assessment will dictate whether a Forward Command post/centre will be required.
b) If it is necessary to establish such then the first official at the scene will establish a FCP. This need not be a fixed structure but can be in the form of a vehicle or any other situation that will be suitable.

Activating Procedure

a) The disaster management centre, after having received an early warning from the SA Weather Services of a possible incident, will contact the Municipal Manager by telephone, and if he is not available, the Acting Municipal Manager.
b) Disaster management official will in turn contact the control room and advise them of the danger.
c) The control room official is instructed to contact all the relevant role players requesting them to place their personnel on standby, getting ready for action. Emergency Services receive instructions from the control room to undertake evacuation in the event of a flood where residents will be endangered, as well as in other cases.
d) The Disaster Management Official will advise the Garden Route District Disaster Management in the event of a large incident.

Standard Operating Protocols for the Joint Operation Centre (JOC) team:

The following are the broad responsibilities for each member of the JOC team.

1. Municipal Manager;

To ensure disaster prevention, risk reduction and disaster preparedness, the Municipal Manager must:

a) Ensure that the disaster management function is executed in an effective and efficient manner in the Municipal area of Hessequa.

During and after emergencies and disasters the Municipal Manager will be responsible to:

a) Report, liaise and consult with councillors and external district, provincial and National government departments.
b) Report on emergency impact and response to the Mayor.
c) Report on emergency impact and response to the Councillor(s) for the affected area(s).
d) Report on emergency impact and response to the remaining Councillors.
e) Notify next of kin when a municipal employee is injured, missing or killed.
f) Authorize extraordinary expenditures.
g) Identify persons/organizations to receive recognition for contributions to emergency response.

Evacuation and Treatment of the injured

a) The first priority of the JOC or FCP will be the evacuation and treatment of the injured. The Fire Services and Emergency Medical and Rescue Services will be responsible for this task. Emergency Medical Services will be responsible for triage of the injured.

Hazard	Response measures	Responsible stakeholders/Partners	Impact
1. Fires: Informal Settlements	Alerting all emergency services immediately	Fire Department Garden Route Fire department Neighbouring towns Fire Departments if required	
	Evacuating public in high-risk areas	Disaster management Fire Department Garden Route Fire Department SAPS Traffic Department Law Enforcement Department Provincial Ambulance (Metro) SANDF- if needed	
	Incident command post/JOC to be activated- if need be	Disaster management	
	Suppressed fires should be monitored for re-ignition	Fire Department Garden Route Fire Department Cape Nature SCFPA/farmers association WOF Landowners SANParks PG Bison	

		MTO	
	Avoid interruption to basic services (water and electricity)	Technical Services Eskom	
	Early warning communication	Disaster management Hessequa Fire Department Garden Route Fire Department Garden Route District Municipality Communication Department Public participation	
2. Floods	Alerting all emergency services	Disaster management Fire Department Garden Route Fire Department Technical services Environmental Control Law Enforcement Traffic Department Provincial Traffic Department SAPS SANDF NGO`s NSRI Provincial Ambulance (Metro) ER 24 Private Ambulance SAN Parks SANRAL	
	Incident command	Disaster management	

	post/JOC to be activated	Fire Department Garden Route Fire Department Environmental Control Law Enforcement Traffic Department Provincial Traffic Department SAPS SANDF NGO`s NSRI Provincial Ambulance (Metro) ER 24 Private Ambulance SAN Parks SANRAL Red Cross	
	Provide safe water supply, food, shelter and medical care	Disaster management Department of Social Development NGO's Churches SASSA	
	Evacuation of public in high-risk areas	Traffic and Law Enforcement Provincial traffic Hessequa Fire Department SAPS Public Participation NGO's Provincial Ambulance (Metro) and Private	
	Early warning	Disaster management	

	communication	Hessequa Fire Department Local Traffic Department Garden Route District Municipality Communication Department SAPS	
3. HAZMAT: Road & Rail	Alerting all emergency services immediately	Fire Department Garden Route Fire Neighbouring towns Fire Departments if required SAPS Law Enforcement Traffic Department Provincial Traffic Department Private Hazardous Materials Specialists and Clean up Contractors SANRAL (N2)	
	Closing affected roads, and or diverting traffic	Local Traffic Department Law Enforcement Fire department Provincial Traffic SANRAL (N2)	
	Evacuating public in high-risk areas	Disaster management Fire Department Garden Route Fire Department SAPS Traffic Department Law Enforcement	

		Department Provincial Ambulance (Metro) ER 24 Private Ambulance NSRI SANDF	
	Incident command post/JOC to be activated	Disaster management Fire Department SAPS Traffic Garden Route Fire Garden Route Disaster Management Provincial Traffic Department SANRAL(N2) SANDF	
	Containment and Mitigation of Hazardous Materials Incident	Fire Department Garden Route Fire Department Hazmat Contractors Industry Specialists Traffic Department Provincial Traffic Departments SAPS SANDF	
	Avoid interruption to basic services (water and electricity)	Technical Services Eskom	
	Early warning communication	Disaster management Fire Department Garden Route Fire Department Garden Route District	

		Municipality Communication Department Traffic Department Provincial Traffic Department SAPS Regional Radio Stations	
4. Alien Invasive Species	Set up projects	Invasive plants don't require an immediate response after a fire because there is nothing to pull/cut/spray or treat, it's all burnt. Only 6 – 12 months later when the seeds have germinated and it's possible to start assessing the scale of the problem can we actually respond which means we're actually in the recovery stage. Prevention (get rid of the plants before a fire comes through) mitigation (get rid of young plants before they become old and expensive to remove) and Recovery (systematic removal of invasive plants in burnt areas).	
5. Drought	Human and animal relief supplies – escorts and regulation of traffic	Traffic and Law Enforcement	
	Human and animal relief supplies – escorts and regulation of traffic	Traffic and Law Enforcement	
	Incident command post/JOC to be activated- if need be	Department technical services- water and sanitation Disaster Management Agriculture Environmental health SPCA Communications	
	Triggering criteria and stages of action	Department technical services- water and	

	Level 1- normal (storage>60 %) Level 2- stage 1 drought (storage < 60%) Level 3- stage 2 drought (storage < 40%) Level 4- Stage 3 drought (storage < 30%) Level 5- Day Zero	sanitation Disaster management Planning and development Fire department Law Enforcement	

4.1 RECOVERY STRATEGIES

Disaster recovery (including rehabilitation and reconstruction) focusses on the decisions and actions in the aftermath of a disaster to restore lives and livelihoods, services, infrastructure and the natural environment to the pre-disaster living conditions of the stricken community. In addition, by developing and applying risk reduction measures at the same time, the likelihood of a repeated disaster event should be reduced or mitigated.

Disaster recovery includes:

- Rehabilitation of the affected areas, communities and households.
- Reconstruction of damaged and destroyed infrastructure; and
- Recovery of losses sustained (including humanitarian support) during the disaster event, combined with the development of increased resistance and resilience to similar occurrences in the future. Recovery plans must include risk reduction initiatives which if required must be included in the IDP linked with a budget.

Hazard	Recovery –measures	Responsible stakeholders/Partners
1. Veld Fire	Build back better (Incorporating risk reduction strategies)	Community IDP Technical Services Disaster management Hessequa Fire Department Hessequa Communication Department
	Environmental restoration	Environmental Department EPWP Cape Nature

		SCFPA/farmer's association WOF
	Implementing lessons learned	All
2. Floods	Build back better (Incorporating risk reduction strategies)	Community IDP Technical Services Disaster management Hessequa Fire Department Hessequa Communication Department
	Environmental restoration	Environmental Department EPWWP Cape Nature SCFPA/farmer's association WOF
	Implementing lessons learned	All
3. HAZMAT: Road &Rail	Build back better (Incorporating risk reduction strategies)	Community IDP Technical Services Disaster management Hessequa Fire Department Hessequa Communication Department
	Environmental restoration	Environmental Department EPWWP Cape Nature SCFPA/farmer's association WOF
	Implementing lessons learned	All
4. Alien Invasive Species	Build back better (Incorporating risk reduction strategies)	Community IDP Technical Services Disaster management Hessequa Fire Department Hessequa Communication Department
	Environmental restoration	Environmental Department EPWWP Cape Nature SCFPA/farmers association WOF
	Implementing lessons learned	All
5. Drought	Build back better (Incorporating risk reduction strategies)	Community IDP Technical Services Disaster management Hessequa Fire Department Hessequa Communication Department

	Environmental restoration	Environmental Department EPWWP Cape Nature SCFPA/farmers association WOF
	Implementing lessons learned	All

4.2 MONITORING AND EVALUATION PLAN

The municipality will regularly review and update this plan as required by Section 52 of the Disaster Management Act. The Oudtshoorn Disaster Management Advisory Forum shall be responsible for the review of this plan on an annual basis. All updates to the plan must be submitted to the Garden Route District Municipality Disaster Management Centre.

4.3 EXERCISE/ TESTING OF SOP's

The testing and or exercising of the SOP's referred to or highlighted within this DMP can be achieved through table top exercise (TTX) and/or full-scale exercises. It is advised that such exercises be done at least bi-annually. Every year two hazards can be identified and TTX can be developed and tested with all relevant parties involved.

5 INFORMATION AND COMMUNICATION STRATEGIES

a) Every role player will make use of his own communication.
b) Use can be made of two-way portable radios or radios installed in vehicles, cell-phones can also be use.
c) Incidents are reported directly to the control room who will then further communicate the incident to the relevant role players.
d) A Joint Operation Centre (JOC) will be established where organization with regard to incidents will be handled.

Reporting to the WCDMC quarterly (Section 24) – disasters and incidents leading to a disaster.

5.1 MEDIA

The Municipal Manager is responsible for all communication with media including media briefings. Hessequa DMC also reach their communities in times of disasters/

events through HLM website, Facebook page, and Twitter. The HLM DMC also makes use of local newspapers, notice boards and awareness adverts.

6 BUDGETING

The budget of Disaster Management must be part of the integrated development planning process to ensure that the necessary capacity to serve the needs of the Local Municipal area is addressed.

7 CONTACT DETAILS

List of Municipal Emergency Services

Hessequa Municipality

Name	Post/Department	Cell Phone	Office	E-Mail
Emergency control Centre	Fire, Disaster Management, Traffic, Law enforcment	0840141828	028 713 7917/ 028 713 2222	
Deon Michaels	Director Community services	071 949 0880	028 713 8027	deon@hessequa.gov.za
Channell Swartz	Manager: Protection services	073 920 9892	028 713 8000	channell@hessequa.gov.za
Morne Dyason	Traffic Chief	083 771 8555	028 713 8000	morne@hessequa .gov.za
Danel Dippenaar	Chief: Fire, Rescue and Disaster Management	082 838 2968	028 7132222 028 7137917	danield@hessequa.gov.za
Justin Plaatjies	Chief: Law Enforcment	082 692 6053	028 713 8000	

Garden Route District Municipality Disaster Management

Name	Post/Department	Cell Phone	Office	E-Mail
Emergency Control Centre	Emergency services		044 805 5071	
Gerhard Otto	Department Head – Disaster Management	081 469 9128	083 630 2602 Stand by phone	gerhard@gardenroute.gov.za
Wouter Jacobs	Disaster Management Practitioner	083 530 4307	083 630 2602 Stand by phone	wouter@gardenroute.gov.za

Lee Ann Joubert	Disaster Management Coordinator Bitou	068 591 4732		lee@gardenroute.gov.za
Tippie Bouwer	Logistical Support /Fleet / Call Centre Supervisor - Disaster Management	083 941 0885	044 8031300	tippie@gardenroute.gov.za
Gail Bekeer	Logistical Support/Fleet	067 035 0643		Gail.bekeer@gardenroute.gov.za
Deon Stoffels	Chief Fire Officer – Fire and Rescue Services	083 941 1994	044 878 1000	deon@gardenroute.gov.za
Deon van Wyk	Deputy Chief Fire Officer – Fire and Rescue Services	084 782 2287	044 878 1000	deputyfirechief@gardenroute.gov.za
Hein Leslie	Station Officer – Fire and Rescue Services	084 040 8221		Hein @gardenroute.gov.za
Crew Phone (1)	Shift A	071 856 5708		Firecaw@gardenroute.gov.za
Crew Phone (2)	Shift B	067 381 148		
Crew Phone (3)	Shift C	0670349174		
Crew Phone (4)	Shift D	0815616873		
Riversdale	Crew Phone	083 941 1653		
Kannaland	Crew phone	083 941 2726		
	Office nr	028 551 2456		
	Platoon Commander	083 941 1706		

Kannaland Municipality

Name	Post/Department	Cell Phone	Office	E-Mail
Hendrik Barnard	Disaster Management /Fire	083 271 8207	0285518000	Hendrik@kannaland.gov.za
Calvyn Esau	Traffic Chief / fire	0846393276	0285518000	calvyn@kannaland.gov.za
Cornelius Willemse	Protection Services Coordinator		063 131 7796	

Mossel Bay Municipality

Name	Post/Department	Cell Phone	Office	E-Mail
Control Room		N/A	044 606 5107	N/A
Joseph Johnston	Department Head – Disaster Management/Fire	082 424 4098	044 606 5035/6	jjohnston@mosselbay.gov.za
Wayne Sternsdorf	Station Commander – Fire and Rescue Services	082 717 2036	044 606 5234	wsternsdorf@mosselbay.gov.za
Kobus van der	Station	084 623 1216	044 606 5034	kvandermescht@mosselb

Mescht	Commander – Fire and Rescue Services			ay.gov.za

George Municipality

Name	Post/Department	Cell Phone	Office	E-Mail
Control Room			044 801 6300	
Neels Barnard	Chief Fire officer / Disaster Management	083 233 6352	044 801 6360	cjjbarnard@george.gov.za
Johan Brand	Divisional commander	076 714 6113	044 801 6300	jbrand@george.gov.za
Johan Crouse	Station Commander – Fire and Rescue Services/Disaster Management	073 301 9595	044 801 6376	jcrouse@george.gov.za
Santa Sternsdorf	Station Commander – Fire and Rescue Services/Disaster Management	083 465 3744		ssternsdorf@george.gov.za

1.6 Knysna Municipality/Sedgefield

Name	Post/Department	Cell Phone	Office	E-Mail
Control Room			044 302 8911	
Vacant	Department Head – Disaster Management		044 302 6426	
Ian Bezuidenhout	Chief Fire Officer – Fire and Rescue Services	060 998 7047	044 302 8907	ibezuidenhout@knysna.gov.za
Wayne Spies	Station Commander – Fire and Rescue Services	060 998 7054	044 349 2900	mspies@knysna.gov.za

1.7 Bitou Municipality

Name	Post/Department	Cell Phone	Office	E-Mail
Control Room			044 533 1692	
Hedley Venter	Fire Chief	083 433 0120	044 501 3233	hventer@plett.gov.za
Adrian Swanepoel	Snr Fire Fighter	073 227 9437	044 501 3236	aswanepoel@plett.gov.za
Mervin de Waal	Snr Fire Fighter	083 613 1231	044 501 3234	mdewaal@plett.gov.za
Desmond Davids	Snr Fire Fighter	072 502 8051	044 501 3235	ddavids@plett.gov.za
Lindie Zitshu	Snr Fire Fighter	073 800 4600	044 501 3234	lzitshu@plett.gov.za
Nolan Stuurman	Disaster Management Officer	078 551 9051	044 501 3252	nstuurman@plett.gov.za

1.8 Oudtshoorn Municipality

Name	Post/Department	Cell Phone	Office	E-Mail
Control Room			044 203-3000 (office hours) 044 203 3110 (after hour s) 044 203 7800	
Irene Malgas	Disaster Management	083 631 2648	044 203 7800	malgas@oudtmun.gov.za
Morne Thysse	Snr Fire fighter	078 457 0857	044 203-7800	morne@oudtmun.gov.za

1.9 Overberg District Municipality

Name	Post/Department	Cell Phone	Office	E-Mail
Control Room			028 425 1690	
Reynard Geldenhuys	Department Head – Disaster Management/ Fire Chief	083 273 8234		rgeldenhuys@odm.org.za

Fire and Rescue Services

a) Should the situation be such that it is necessary to call upon the assistance of the Fire and Rescue Services, then the Disaster Manager will usually be tasked with this responsibility. This may however be done by another official depending on the circumstances. Garden Route District Municipality has fire fighters stationed at Riversdale.Hessequa LM has a fire station in Riversdale and sub stations in Heidelberg ,Albertinia and Stilbaai

Telephone:GRDM 044-2791415 or 8055071 Hessequa 028 713 2222 or 028713 7917

b) Operations of this service unit will be directed by the Commanding Officer of the Unit. The Commander of the JOC/FCP will liaise closely with this officer to facilitate the most effective response to the need.

Provision of Emergency Accommodation

a) Emergency accommodation will be provided for those that need such. This may be in the form of tents or in other shelters

b) The District Disaster Management Centre at George has a stock of tents that can be requisitioned if the need arises.
Telephone: Mr Wouter or Mr Otto standby nr0835304307

c) Should it be necessary to accommodate people in community halls, there are halls situated in Riversdale, Albertinia, Witsand, Stillbay, Melkhoutfontein, Heidelberg, Slangrivier and Gouritsmond.
Telephone: Mr. Chris Onrust 0710282053

d) The South African Red Cross can be called upon to assist if the situation so requires.
Telephone: Ms. Gene Graham 0446013445/ 0828224905

DISTRIBUTION OF FOOD AND BLANKETS

a) In the event of it being necessary to provide food, Garden Route District Disaster Management will be sought. Historically this department has assisted the needy in the supply of food hampers.
Telephone: Mr Wouter 0835304307

b) Blankets will be supplied by the Hessequa municipality and Garden Route District Disaster Management - in the event of the municipality not being able to supply the demand.
Telephone: **Mr Wouter 0835304307**
Mr. Daniël Dippenaar 082 838 2968

8 REFERENCES

- Constitution of the Republic of South Africa 108 of 1996
- Disaster Management Act, 2002 (Act No. 57 of 2002)
- Hessequa Municipality Integrated Development Plan 2023 - 2027
- Municipal Systems Act, 2000 (Act No. 32 of 2000)
- Municipal Structures Act, 1998 (Act No. 117 of 1998)
- National Disaster Management Framework, 2005

9.13 2024/2025 OVERSIGHT REPORT & ANNUAL REPORT

File number / Verwysingsnommer: 4/7/2

Meeting date / Vergadering datum: 26 March 2026

Report by / Verslag deur: Manager: Strategic Services: Mr L de Villiers

PURPOSE OF REPORT / DOEL VAN VERSLAG

To submit the findings of the Municipal Public Accounts Committee (MPAC) and to make a recommendation to Council to approve the Annual Report of 2024/2025.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

This report serves as response from the oversight process done by MPAC as requested by Council resolution taken on 28 January 2026.

In accordance with Section 129 of the Municipal Finance Management Act (MFMA), the Municipal Public Accounts Committee (MPAC) was tasked with the oversight process of the Annual Report and to develop the Oversight Report thereof.

The members of MPAC are as follows:

1. Cllr Johannes Hartnick (Chairperson)
2. Cllr L February
3. Cllr R Davids
4. Cllr S le Roux
5. Cllr J Hoogbaard
6. Cllr JL Hartnick

Co-opted members as per Council resolution of 29 January 2025

- Mr N Jonker – Member of the Audit Committee.
- Mrs E Nel – Public Representative as nominated by the Executive Mayor (DA).
- Mr C Hartnick – Public Representative as nominated by the VF+ Council Member.
- Mr S Fortuin – Public Representative as nominated by the ANC Caucus
- Mr L Saayman – Public Representative as nominated by the PA Council Member.

The minutes of the MPAC meetings must be submitted to the Auditor General, the Provincial Treasury and the Western Cape Department for Local Government and Housing in terms of section 129(2) of the MFMA.

The 2024/2025 Oversight Report of the Hessequa Municipality must be made public in terms of Section 129(3) of the MFMA and be submitted to the Western Cape Legislature in terms of Section 132(2) of the MFMA.

According to Section 129(1) of the MFMA, within two months from the date on which the Annual Report was tabled, an Oversight Report on the Annual Report must be adopted. The Annual report was tabled on 28 January 2026.

The Oversight Report must make a recommendation to Council to either:

a) Approve the Annual Report with or without reservation.

b) Reject the Annual Report.

c) Refer the Annual Report back for revision.

After completing the oversight process, MPAC has opted to propose a recommendation for Council to approve the Annual Report without reservation.

The minutes relating to this recommendation of Council's resolution on the Annual Report, should be sent to the Auditor General of South Africa (AGSA), Provincial and National Treasury, Department of Human Settlements, as well as Department of Local Government (DLG).

The Annual Report, as submitted to Council, must be publicised and also sent to AGSA, Provincial and National Treasury and Department of Cooperative Government and Traditional Affairs. It should also be placed on the municipal website.

Furthermore, the adopted Annual Report and Oversight Report must be submitted to the Provincial Legislature, within 7 days after the adoption of the Annual Report and Oversight Report by Council.

MPAC should consider all relevant information and provide recommendations within the given circumstances. The Oversight Report considers the current situation and the recommendations to Council are based on the following:

- Hessequa has done everything within its power to ensure the timely submission of the Financial Statements and the Annual Performance Report.
- Comments and queries from the extended MPAC members, Audit Committee and the Community have been considered.
- No reservations could have been identified from the content of the Annual Report and that it complies to all applicable legislative requirements for Annual Reports.

EXECUTIVE MAYORAL COMMITTEE

The item is tabled at the **Executive Mayoral Committee** meeting of **26 March 2026** and feedback will be given at the Council meeting.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

The contents of the item and its annexures are noted. The recommendations are supported.

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

The content of the report is noted and the recommendations are supported.

COMMENTS: MANAGER STRATEGIC SERVICES / KOMMENTAAR: BESTUURDER STRATEGIESE DIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

1. That Council adopt the Hessequa Oversight Report in terms of Section 129 of the Municipal Finance Management Act (MFMA).
2. That Council approve the Annual Report 2024/2025 in terms of section 129 of the Municipal Finance Management Act without reservations.
3. That the Oversight Report of the Hessequa Municipality be made public in terms of Section 129(3) of the Municipal Finance Management Act and be submitted to the Western Cape Legislature in terms of Section 132(2) of the MFMA.
4. That the minutes of the meetings of Council and the Municipal Public Accounts Committee (MPAC), be submitted to the Auditor General, the Provincial Treasury and

the Western Cape Department for Local Government and Housing, in terms of Section 129(2) of the Municipal Finance Management Act.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Municipal Manager: Mr ASA de Klerk

ATTACHMENTS / STAWENDE DOKUMENTE

- MPAC Oversight Report on the 2024/2025 Annual Report
- Minutes of MPAC meetings
- Register of MPAC member queries and feedback
- Public comment received
- 2024/2025 Annual Report

2024/2025 Oversight Report

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)
OVERSIGHT REPORT ON THE 2024/2025 ANNUAL REPORT OF HESSEQUA MUNICIPALITY

1 PURPOSE OF THE REPORT

To report to Council on the oversight conducted on the 2024/2025 Annual Report and the recommendations thereof.

2 FOREWORD BY THE CHAIRPERSON OF MPAC



Council resolved on 28 January 2026, that the 2024/2025 Annual Report be submitted to MPAC to perform its oversight duties on the Annual Report and present an Oversight Report to Council.

I am humbled by this opportunity to present this report to Council and the broader public of Hessequa. This report reflects the hard work of a committee and willing members of the public, and for that I am deeply grateful for the selfless work performed by them. As the newly elected chairperson of MPAC, this oversight process was my first encounter in this role, and I can only say that it was an extremely insightful experience.

First, I would like to thank each of the members of the extended MPAC:

- Ms Emor Nel as a public representative
- Mr Samuel Fortuin as a public representative
- Mr Louw Saayman as a public representative
- Mr Christiaan Hartnick as a public representative
- Mr Nico Jonker as the representative of the Audit & Performance Audit Committee
- Cllrs Hartnick, le Roux, Davids, Hoogbaard and February.

The discussions that emanated from engaging with the content of the Annual Report, focused on service delivery improvement and improving the quality of the document itself, also for future reporting cycles.

It was comforting to note that various issues identified in the previous oversight report have received attention or is in the process of being addressed. I would like to thank the Municipal Manager and his team for providing comprehensive and transparent feedback on the questions that were asked by the members of the committee. This made the work of the Committee a lot easier.

Thank you for the opportunity to present this Oversight Report to you.

.....

Cllr Johannes Hartnick
Chairperson: Hessequa Municipal Public Accounts Committee

3 BACKGROUND

In accordance with Section 129(1) of the MFMA, the Council must consider the municipality's annual report and adopt an oversight report within two months of tabling. The 2024/2025 Annual Report was tabled in Council on **28 January 2026** and referred to MPAC for oversight. Public input was solicited through newspaper notices and municipal libraries.

The Annual Report was made public and advertised for comment. One public comment was received from Mr I Mangaliso. MPAC considered the comments and inputs of the written submission. Feedback from the administration on all queries in the submission where considered and discussed in committee.

4 COMPOSITION OF THE MUNICIPAL ACCOUNTS COMMITTEE OF HESSEQUA MUNIPALITY

For the purposes of the oversight of the draft annual report council established an extended MPAC to include public representatives, constituted as follows proportionally representing all parties in Council;

- Cllr Johannes Hartnick: MPAC Chairperson
- Cllr J Hoogbaard
- Cllr Jennifer Hartnick
- Cllr S le Roux
- Cllr R Davids
- Cllr L February
- Mr N Jonker: APAC (Audit & Performance Audit Committee) representative
- Mr S Fortuin: Public Representative
- Mr L Saayman: Public Representatives
- Mr C Hartnick: Public Representative
- Ms E Nel: Public Representative

5 OVERSIGHT PROCESS BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

MPAC held three working sessions to review the Annual Report on the following dates:

- **20 February 2026**
- **6 March 2026**
- **13 March 2025**

MPAC extends its sincere appreciation to the relevant municipal departments for their **prompt responses and detailed presentations** on key queries and issues raised by the committee. Their commitment to transparency and engagement has facilitated an informed and constructive oversight process.

MPAC considered the previous Oversight Report and requested feedback on the issues raised by the 2023/2024 Oversight Report and only some of the items were found still to be relevant enough to

garner discussion again. After feedback was received from the departments, the following has been concluded on items discussed:

1. The Solar PV Plant, in Riversdale, as project is being implemented as planned and once the plant is operational, future annual reports can reflect benefits and possible challenges originating from the project.
2. Trends from energy sales have been presented and discussed.
3. Repairs and maintenance of old infrastructure: the current ratios and trends indicate a positive growth on repairs and maintenance expenditure.
4. Vandalism remains a risk to service delivery and are current initiatives in process to address the scourge of vandalism of public spaces and municipal infrastructure.

6 ISSUE IDENTIFIED DURING OVERSIGHT ON THE 2024/2025 ANNUAL REPORT.

MPAC appreciates the response on the query regarding the increase in water losses, as presented in the Annual Report. Even though the explanation received from the administration was comprehensive, MPAC is of the opinion that the divide between operational reality and financial calculation should reconcile more realistically. Effort and resources should be allocated to ensure that water usage is not only measured, but that sources are secured for longer term development and human need. The rise in losses, on report, is alarming, irrelevant of the reason, and should the representation thereof in the Annual Report, and in-year reporting, be presented in a more comprehensive manner to reflect what actions are taken to address the root causes.

7 CONCLUDING REMARKS

The Municipal Finance Management Act and The Municipal Systems Act recognize that Council has a crucial role to play to ensure better performance by municipal departments and entities. An unambiguous linkage exists between the strategic goals determined by the Council through the IDP process. These strategic goals are translated into the budget, and the delivery of those goals, which is reported in the Annual Report.

It is important for Council to ensure that the budget gives effect or expression to priorities contained in the IDP. A good budget will lay a basis for better oversight and cement the contracts between the executive/ Council, the administration and the public. The MFMA gives effect to financial management reforms that place greater service delivery responsibilities on managers and makes them more accountable for performance. Whilst, in the first instance it is left to the mayor to resolve any performance failures, ultimately the Council is vested with the power and responsibility to oversee both the executive and administration. Oversight occurs at various levels in a municipality and thus good governance and effective oversight and accountability are based on there being a clear separation of functions.

During the process of oversight, the extended MPAC, recommended various corrections that were subsequently corrected, in the Annual Report. Please refer to Annexure A, which contains all queries raised by members and corrections made to the Annual Report. Thus, in line with the functions of MPAC in relation to the 2024/2025 Annual Report we are confident that we have as a committee fully

considered and evaluated the content of the annual report and to make recommendations to the municipal council for adoption an oversight report on the annual report.

8 RECOMMENDATIONS

Having Fully considered the 2024/2025 Annual Report the Municipal Public Accounts Committee recommends that council:

1. Adopt the MPAC Oversight Report;
2. The 2024/2025 Annual Report be approved without reservation;
3. That the 2024/2025 Oversight Report be made public in terms of sections 129(3) and 132(2) of the MFMA;
4. Council notes the key area of concern raised by MPAC;
5. That a progress reports be submitted to MPAC in February 2027 regarding the following matters identified in the oversight process:
    a. Water losses
    b. Effect of Riversdale Solar Plant on consumption and tariff implications

Signed by Members:

Cllr Johannes Hartnick: MPAC Chairperson — Date: 13/03/2026

Cllr J Hoogbaard

Mr C Hartnick: Public Representative

Cllr S le Roux

Mr L Saayman: Public Representative

Cllr R Davids

Ms E Nel: Public representatives

Cllr L February

Mr S Fortuin: Public Representatives

Cllr JL Hartnick

Mr N Jonker: APAC Representative

Annex A: Feedback on Queries raised.

Ref	#	Question / Matter for Clarification	Respondent	Type	Feedback
1			Mnr Jonker		
	a.	Vandalism of infrastructure – what is current status re this issue?	Stuart Morris	Query	Vandalism is a constant problem at our public toilets, treatment plants and stormwater and sewerage pipes. Here are some examples of incidents within the last year: Fighting in the men's toilet at the market place caused broken doors, taps, urinals. Broken doorframe at the new disabled toilet (Accessible toilet). Broken and stolen fences at both Riversdale Water and Wastewater treatment works. Large stones (boulders) are being put into our stormwater manholes which causes manholes to overflow and damage sidewalks, embankments, and private properties. Large objects (sticks, rocks, newspaper, etc) being put into the sewers especially in informal settlements where there are public toilets. Harmony Park Public Toilets ongoing damage and vandalism to the doors, toilet fittings, and taps. Damage to bollards and signs at Morris point during the December Holidays Damage to playgrounds at the Lappiesbaai beach area during the December holiday All copper fittings and taps at open spaces are being stolen
		Continued	Stuart Morris	Query	Young Milkwood trees were stolen in Stilbaai-Wes near the pump station Toilets doors at the Jongensfontein Tennis courts were damaged during the December Holiday. Raw-water pumpstation Cutting of existing fence Communal toilets – Emergency erven Damage toilet pot, cistern, doors and plumbing Tom Pretorius playpark Play park equipment being damaged Robertweg playpark Play park equipment being damaged Heidelberg Sportsgrounds Break -in and Entering – Damage to ablution facilities Slangrivier Sportsgrounds Electrical cable theft, irrigation system, electrical parts theft. Riverside near Slangrivier WWTW Electrical cable theft Heidelberg Irrigation pump Electrical cable theft
	b.	Riversdale Solar PV project – current status and overview report from start to finish.	Manager: Electrical Services	Query	
	c.	To what extent is there a decline in electricity sales due to residents and businesses generating own green energy - specific areas/wards mostly affected?	CFO	Query	The municipality had a sharp decline in sales and bulk purchases in 2022/23 when the country experienced its worst loadshedding up to stage 6. It marginally increased in 2023/24 and had a good increase in 2024/25 when there was almost no load-shedding. The municipality still generated surpluses by cutting other expenditures in those years. See sales trends below: Elec Sales 2024/25 - 78,180,519 kWh Elec Sales 2023/24 - 74,043,383 kWh Elec Sales 2022/23 - 73,406,000 kWh Elec Sales 2021/22 - 85,979,000 kWh Elec Sales 2020/21 - 85,317,000 kWh Elec Sales 2019/20 - 86,668,000kWh Elec Sales 2018/19 - 86,041,000 kWh

	d.	Would less sales in electricity create a high risk of less income for municipality in foreseeable future?	CFO	Query	The municipality has already recovered from reduced electricity sales and over the recent years consumption remained static with marginal increases. The recent Cost of Supply Study advises the municipality to increase basic charges to a hugher percentage of the bill and reduce consumption charge. This is however to the detriment of the poorer households. We are required to address this matter over the next 5 years that the Cost of Supply will be valid for. At this stage, the risk is not material. We also charge teh SSEG customers a higher basic charge and they tend to feedback more electricity than they purchase. This means we buy at a lower tariff than eskom.	
	e.	Maintenance of ageing infrastructure – see concerns raised in last year's Oversight Report – how would management respond to that at this stage?	Manager Strategic Services	Query	See next sheet - R&M	
		Repairs and Maintenance of aging infrastructure: MPAC is alarmed by the municipality's expenditure ratio on maintaining and renewing aging infrastructure. To ensure long-term service delivery, future Annual Reports must include detailed trend analyses on spending in this critical area. Failing to address deteriorating infrastructure now will lead to exponentially higher costs and service disruptions in the near future.		ery	The municipality reports monthly on R&M to the MayCo and the expenditure includes manpower costs as well. The trends and percentages of material to manpower / total can be generated for future reports.	
	f.	What is the present status % of water loss? What is the trend from last year to this year = upwards (higher % loss) or downwards (reduced % of loss) and what cause the movement?!	CFO	Query	The monthly losses are calculated by Technical Services. Financial Services only calculates at year end and then adjusts for meter readings captured after year-end. When comparing 2023/24 to 2024/25, the ratio is skewed as we only used Towns where water was bought from Water Boards in 2023/4 and in 2024/25 the AG required us to use all towns water and include water purified from natural resources. - Programme - Water on Leak inisiatief as voorbeeld	Kwessie vir Oorsigverslag - Komitee neem kennis van vordering / inisiatiewe - MPAC sal opvolg en moniteer - Terugvoering aan MPAC - Middel-jaarState ook na MPAC
2			Mnr Jonker			
	a.	I respectfully propose these few minor changes in the honourable Executive Mayor's foreword, but want to be on record that I am not very comfortable making any comments on the Mayors written report - this in not meant to be disrespectful but merely trying to comply with guidelines provided for this committee to work from and to do our best for Hessequa as our proud institution	Manager Strategic Services	Correction		
	b.	The map on page 4, would it not be possible to add the Wards and their boundaries on this map? Would add valuable information early-on for the	Manager Strategic Services	Correction		
	c.	8 Strategic alignment to Provincial and Growth and Development Strategy. Maybe this should be clearer articulated? See proposed additional text in red.	Manager Strategic Services	Correction		
	d.	Corrective actions taken to ensure that strategic objectives as stipulated in the IDP were achieved. - Maybe this should be clearer articulated?	Manager Strategic Services	Comment		
	e.	The Municipal Managers foreword provides an opportunity to the Municipal Manager to give a public account, guidance and advice on the administrative performance of a municipality / entity. Inclusive in this foreword should be information pertaining to: Overall a very informative report and well presented.	Manager Strategic Services	Correction		
	f.	A short statement on the current financial health of the municipality / entity based on new budget formats as required by Treasury Regulations No 31804. - I do not pick up these two bulleted points in yellow being addressed by MM - wonder if the MM would like to elaborate on these to very comprehensively	Manager Strategic Services	Correction		

	g.	information related to the revenue trend by source including borrowings undertaken by the municipality. - I do not pick up these two bulleted points in yellow being addressed by MM - wonder if the MM would like to elaborate on	Manager Strategic Services	Correction	
	h.	To ensure accountability and governance arrangements are in place, Section 121(2)(c) of the MFMA supports the requirements of Section 18(1)(d) of the MSA; information on matters of governance should be communicated to communities. This should, according to Sections 65(1)(a) of the MFMA and 46 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of such an annual report is to promote accountability to communities for decisions taken by - Very well articulated chapter, seemingly providing all information as required by law and directed in	Manager Strategic Services	Opmerking	
	i.	Chapter 3 focuses on service delivery on a service-by-service basis. It considers municipal performance derived from IDP objectives, translated into the SDBIP and presents data on Community needs and resource deployment. Some indicators are offered for some services as a basic set of key comparative data to be amassed from all relevant municipalities and other services are left for municipalities to address entirely as they consider appropriate. - All depatments' services delivery activities on a service-by-service basis are very well articulated and very informatively presented. The	Manager Strategic Services	Opmerking	
	j.	The purpose of the chapter is to demonstrate to the reader, in terms of service delivery, what is being achieved and what remains outstanding. It leads to the basic questions concerning the adequacy of the efforts made by the municipality, the creativity applied and the basic standards of living that apply. There is a focus on informal settlements and the distribution of free basic services. Further information on subsidisation of the poor and other benefits accruing to indigent households should also be provided. A summary of the relevant progress achieved on the relevant outcomes for local government as required by national and provincial spheres. Introductions and conclusions are left for completion by municipalities but notes are provided to identify some key issues of relevance to all communities about the way in which the municipalities are working for them. This data will also help gather a broad picture of municipal activity across the country. - Don't like the heading in the Annual Report: 3.1 "PERFORMANCE HIGHLIGHTS AND CHALLENGES". I suggest it be changed to "PERFORMANCE HIGHLIGHTS AND ACTIONS TAKEN TO ADDRESS CHALLENGES"	Manager Strategic Services	Correction	
	k.	Some Municipalities are using performance scorecard to manage performance of different functions. These must be aligned to the SDBIP requirements that provide a standardised mechanism to enable comparisons and benchmarking. This information must be captured in this chapter to enhance the service level information - This is being done at Top Level/Strategic Scorecard and regularly reported on in Sec 52 reports to Council. Top Management is also monitoring	Manager Strategic Services	Comment	
	l.	Component C: Capacitating the municipal workforce. - It is very encouraging that Hessequa clearly places a great emphasis on capacitating its workforce - it is also being done very strategically e.g start by training key positions like process controllers working on water treatment plant. This would ensure meeting SANS 241 water quality standards and reduce the risk of large numbers of communities suffer illness by drinking unhealthy water. A further encouragement is the participation of middle management in Technical	Manager Strategic Services	Comment	

	m.	PLanning &Budgeting - The setting of services tariffs remains an important aspect annnually and raises a lot of residents' emotions. Open and clear community consultations during IDP processes forms an important part of	Manager Strategic Services	Comment	
	n.	Asset and Liability Management - A fine balance needs to be maintained to provide enough funding to maintain, or refurbish where needed, all existing infrastructure assets in order to maximise lifespan of all components of	Manager Strategic Services	Comment	
	o.	REvenue & expenditure Maangement - This gets reported quarterly to Council in the Sec 52 reports for ongoing monitoring and summarized in comments to provide assurance that Council remains on target to meet revenue and expenditure targets by end of year - if not, then a recommendation would be	Manager Strategic Services	Comment	
	p.	Supply Chain Management - The Municipal Manager has appointed the Internal Auditor to act as an independent observer to comply with Article 26 (1) (c) of the Provisionary Provisions Regulations viz. to ensure fairness and promoting	Manager Strategic Services	Comment	
	q.	Each of these components contribute to ensuring that government financial expenditure is developmental, effective and efficient and that municipalities / municipal entities are held accountable for the effective management of their funds. - Hessequa Municipality exercises great financial management performance with a report reflecting that absolutely no unauthorized, irregular, or fruitless and wasteful expenditure had been incurred in the 2024/25	Manager Strategic Services	Comment	
	r.	It appears that the heading of the FinanciaL Performance on page 87 in Annual Report does nor reflect (R'000).	Manager Strategic Services	Correction	
	s.	5.7 COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS Accurate cash flow projections will enable the Council to invest surplus funds at the best interest rate. Stricter measures have been implemented to ensure more accurate cash flow projections. The collection of debtors influence the Cash Flow table: **HESSEQUA LOCAL MUNICIPALITY** **CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025** Note 2025 2024 Restated R R CASH FLOWS FROM OPERATING ACTIVITIES Receipts Property Rates 142 933 128 763		Correction	
	t.	5.1 COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE Description | Original Budget | Final Budget | Actual Outcome | Variance | Variance as % of Final Budget | Variance as % of Original Budget R R R R R R FINANCIAL PERFORMANCE Exchange Revenue Licences or Permits 2 2 0,00% 0,00% Service Charges - Electricity 226 365 226 365 226 944 7 779 3,41% 3,41%		Correction	

3	Rdl S le Roux					
	a.	3.1.2 OHS Medical Testing of Personnel bl 44 – punt 1 waar is Heidelberg (ward 5, 9) Slangrivier(ward4) se medicals ondersopeke. Dan net regstelling Stilbaai (wards 1,3) Albertina (ward2)	Manager Strategic Services	Correction		
	b.	3.1.3 DEVELOPMENT PLANNING bl 54 - punt 4 ek sien nie wards 3 & 8 betrokke nie is daar 'n rede voor. Punt 5 ward 3 is weer nie ingesluit nie.	Manager Strategic Services	Correction		
4	Rdl Jennifer Hartnick - Chapter 4					
		Does the Shake-Shake initiative have the necessary effect to minimize unemployment?	Manager: HR	Query	The shake-shake is a method of recruiting and is of itself not a job opportunities project. Via the Shake-Shake method since July 2025 to Feb 2026 = 80 opportunities were recruited withy this method. (51 Hessequa EPWP & 29 Contractors – MIG). The EPWP is a national programme that offers work opportunities for a limited duration. it does positively affect unemployed persons and provides work opportunities and income for the period of the contract.	IDP/Budget input
		Are the unemployed (who were previously successful) allowed to attend consecutive shake-shake opportunities. If yes, doesn't it cause animosity and are there any other way to address it?	Manager: HR	Query	Yes, they can. It is a random selection. All other mechanisms were tried in the past and did not work. This is the most objective selection method for lower skilled temporary shake-shake projects. The process cannot be manipulated and the selection is random.	
		Is problem solving and goal setting always fully executide in the light of effective organisational development - Work Place Skills Plan	Manager: HR	Query	If the question is whether "problem-solving" and "goal setting" is part of a WSP training program the answer is no. Employees and Supervisors or employees must deal with problem-solving during the assessment of staff in their performance assessments. The Municipality does not have funding to elaborate and expand its training to include these programmes. Currently we only cover mandatory legislative training.	
		Is there some form of pcustomer engagement training available to staff?	Manager: HR	Query	This is not included in the current WSP. However, should budget allow it, in the future this kind of soft skills training will add value. Internal training was done with staff in the various camping sites. A need for training in conflict resolution and frontline skills has been identified and will be incorporated in the formal tender process for training that will be undertaken. Currently there are insufficient funding as most funding only covers regulatory training.	
		How is equity reflected in the organisation - Please provide a summary	Manager: HR	Query	We have an approved Employment Equity Plan and Policy that guides all our practices. Equity within the organisation is reflected through equal access to training and development, fair and transparent recruitment and selection processes, and fair promotion and career-progression opportunities. We demonstrate our commitment to diversity through visible representation across leadership, management structures, and committees. REfer to table on the right	
		What is the successrate of the skills plan?	Manager: HR	Query	It is partially successful. We have numerous success stories for example, the driver's license training programme, which has enabled several officials to secure promotions. We have had a high success rate of placing Financial interns in the Municipality. We have placed many other interns over the years as well. The apprenticeship program is also progressing well with 4 apprenticeships busy with their second year. Many employees have taken up the life-long learning challenge and have completed their work-related further diplomas and degrees with accredited institutions. With increased budgets and additional resources, the overall impact of the WSP can be more successful. The President in his SONA address indicated that employers will in future be able to claim back 40% of the skills levy instead of the 20% currently. This will allow more local discretion for additional training interventions.	

	Male	Female	Foreign Nationals	Total

Occupational Levels		A	C	I	W	A	C	I	W	Male	Female	
Top management	value	0	3	0	2	0	0	0	1	0	0	6
	%	0	50	0	33	0	0	0	17	0	0	100
Senior management	value	0	15	0	11	0	4	0	4	1	0	35
	%	0	42.9	0	31.4	0	11.4	0	11.4	2.9	0	100
Professionally qualified and experienced specialists and mid-management	value	3	18	0	7	2	12	0	3	1	0	46
	%	6.5	39.1	0	15.2	4.3	26.1	0	6.5	2.2	0	100
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	value	1	27	0	3	2	20	0	5	0	0	58
	%	1.7	46.6	0	5.2	3.4	34.5	0	8.6	0	0	100
Semi-skilled and discretionary decision making	value	16	144	0	2	5	60	0	5	0	0	232
	%	5.9	62.1	0	0.9	2.2	25.9	0	2.2	0	0	100
Unskilled and defined decision making	value	16	141	0	2	5	34	0	0	0	0	198
	%	8.1	71.2	0	1	2.5	17.2	0	0	0	0	100
TOTAL PERMANENT	value	36	348	0	27	14	130	0	18	2	0	575
	%	6.3	60.5	0	4.7	2.4	22.6	0	3.1	0.3	0	100
Temporary employees	value	1	8	0	0	2	6	0	3	0	0	20
	%	5	40	0	0	10	30	0	15	0	0	100
GRAND TOTAL	value	37	356	0	27	16	136	0	21	2	0	595
	%	6.2	59.8	0.0	4.5	2.7	22.9	0.0	3.5	0.3	0.0	100

Year	Actual	R&M Budget	R&M Expenditure	Total Operational Budget	R&M%ofOPEX
2025	115 861 987	123 817 178	93.58%	R732 464 012	16.9%
2024	104 831 288	113 359 458	92.48%	R707 906 488	16.0%
2023	93 062 904	97 958 521	95.00%	R663 315 470	14.8%
2022	87 489 483	97 041 806	90.16%	R606 299 841	16.0%

Annex: B - All inputs received

Public Comment: Mr. I Mangaliso

Outlook

FORMAL PUBLIC SUBMISSION Comments on the 2024/2025 Annual Report and Audited Annual Financial Statements

From 6695 SOULUTIONS <soulutions6695@gmail.com>
Date Fri 2/27/2026 11:58 AM
To Louw de Villiers <louw@hessequa.gov.za>

[External Mail] This email was sent outside of our organisation (Hessequa Municipality). DO NOT CLICK links or attachments unless you recognise the sender and know the content is safe.

Honourable Speaker,

Honourable Executive Mayor,
Chairperson and Members of Council,

I hereby submit this formal comment in response to the public invitation issued by Hessequa Municipality calling for community input on the 2024/2025 Annual Report and the Audited Annual Financial Statements, in terms of Section 121 of the Municipal Finance Management Act (MFMA) and the Municipal Systems Act.

I submit these comments in my capacity as a **resident of Hessequa Municipality**, committed to accountable governance and ensuring that municipal financial performance translates into measurable social and developmental impact for all communities.

1. General Observation on Governance and Financial Performance

I acknowledge the municipality's achievement of a clean audit outcome and the reported 98.15% capital expenditure performance. The liquidity ratios and cost coverage indicators reflect a financially stable and well-managed institution.

These outcomes are commendable.

However, compliance and audit success must be accompanied by visible improvements in housing delivery, poverty reduction, spatial equity, and access to basic services for growing and vulnerable communities.

2. Comment on Service Delivery Equity

The Annual Report reflects significant population growth in areas such as Theronsville and Melkhoutfontein — communities that historically face socio-economic vulnerability and increasing infrastructure pressure.

While major capital projects focused on renewable energy infrastructure and road upgrades are strategically important, the report does not clearly demonstrate proportional capital prioritisation toward:

- Low-income housing delivery
- Informal settlement upgrading
- Youth and skills development infrastructure
- Community facility expansion in high-growth, lower-income areas

This raises an important developmental concern:
Whether capital allocation patterns are sufficiently aligned with demographic growth and social vulnerability indicators.

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3. Proffered Comment on the Audited Annual Financial Statements

Housing, Human Settlements and Potential Underspending Concerns

The Annual Financial Statements reflect:

- A Current Ratio of 3.50
- Cost Coverage of 12.68 months

This demonstrates strong liquidity and cash management capacity.

However, from a developmental perspective, this strength must be evaluated alongside delivery in Human Settlements.

The Annual Report highlights:

- Provincial housing budget cuts
- Delays in beneficiary documentation
- Creditworthiness barriers for applicants
- Project implementation readiness challenges

Given the municipality's strong liquidity position, the following concern arises:

The financial statements do not clearly indicate whether available internal funding capacity, reserves, or operational surpluses are being strategically leveraged to accelerate or co-fund housing and informal settlement upgrading where provincial allocations fall short.

If housing-related allocations remained unspent or were delayed, Council should clearly explain:

- The value of any underspending in Human Settlements
- The causes of such underspending
- The corrective measures in place to prevent recurring delays

A financially strong municipality should actively prevent housing stagnation in rapidly growing communities.

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4. Ward Participation and Budget Alignment

The Annual Report reflects multiple instances of ward committees failing to meet quorum or not meeting at all.

Weak grassroots participation structures may contribute to:

- Delayed identification of urgent housing and infrastructure needs
- Budget allocations that are technically compliant but socially misaligned
- Reduced oversight from affected communities

This creates risk that funds may be directed toward "implementation-ready" projects rather than socially urgent projects.

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5. Procurement and Local Economic Inclusion

The report reflects substantial procurement through "Exceptional Circumstances" deviations.

While lawful, repeated reliance on deviations must be monitored to ensure:

- Fair access for local SMMEs
- Inclusion of contractors from historically disadvantaged areas
- Broad-based economic participation

Financial governance must also promote inclusive economic development.

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6. Key Questions for Formal Response

I respectfully request clarity on the following:

1. What percentage of the 2024/2025 capital budget directly benefited low-income housing, informal settlements, and first-time homeowners?
2. Was there any underspending within Human Settlements, and what were the reasons?

3. How is the municipality leveraging its strong liquidity position to prevent housing project stagnation?
4. Is ward-level capital expenditure tracked to ensure equitable distribution?
5. What percentage of procurement spend benefited local SMMEs within Hessequa?

7.Recommendations

To strengthen developmental impact, I recommend that Council consider:

- Introducing a Pro-Poor Spending Indicator in future Annual Reports
- Publishing ward-based capital expenditure breakdowns
- Establishing a municipal housing acceleration or co-funding mechanism
- Strengthening ward committee accountability and participation compliance

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8. Closing Statement

Hessequa Municipality demonstrates strong financial governance. The next imperative is ensuring that financial strength translates into:

- Secure housing
- Expanded access to services
- Economic inclusion
- Spatial justice

A clean audit must ultimately reflect clean water access, dignified housing, and measurable improvement in the lives of ordinary residents.

I thank Council for the opportunity afforded to the public to comment and trust that this submission will be duly considered during the Annual Report Oversight process.

Yours faithfully,

Mr. Ivan T. Mangaliso
Resident – Hessequa Municipality
Tel: 062 354 8087

Public Rep: Ms E Nel

Chapter 3: Service Delivery Performance (Performance Report Part I)		Comments / Recommendations
Chapter 3 focuses on service delivery on a service-by-service basis. It considers municipal performance derived from IDP objectives, translated into the SDBIP and presents data on Community needs and resource deployment. Some indicators are offered for some services as a basic set of key comparative data to be amassed from all relevant municipalities and other services are left for municipalities to address entirely as they consider appropriate.	yes	Assistance given per ward to assist residents to access necessary documents
The service delivery issues must be structured, captured and reflected under each priority as contained in the IDP to allow for easy comparisons on achievements against budget and SDBIP.	yes	Value has been created for old to young residents
The purpose of the chapter is to demonstrate to the reader, in terms of service delivery, what is being achieved and what remains outstanding. It leads to the basic questions concerning the adequacy of the efforts made by the municipality, the creativity applied and the basic standards of living that apply. There is a focus on informal settlements and the distribution of free basic services. Further information on subsidisation of the poor and other benefits accruing to indigent households should also be provided. A summary of the relevant progress achieved on the relevant outcomes for local government as required by national and provincial spheres. Introductions and conclusions are left for completion by municipalities but notes are provided to identify some key issues of relevance to all communities about the way in which the municipalities are working for them. This data will also help gather a broad picture of municipal activity across the country.	yes	challenges are clearly stipulated with ways to improve
Some of the material in the Annual Report format set out at Chapter 3 will not apply to all municipalities but there will be very many variations. It is, therefore, left to individual municipalities to delete aspects in Chapter 3 that is not relevant to the municipality.	yes	
Some Municipalities are using performance scorecard to manage performance of different functions. These must be aligned to the SDBIP requirements that provide a standardised mechanism to enable comparisons and benchmarking. This information must be captured in this chapter to enhance the service level information	yes	The problems Home affairs has had, was a great drawback for good service delivery.

Rdl. Jennifer Hetherle

Chapter 4: Organisational Development Performance (Performance Report Part II)	In A.R. Yes/No	Comments / Recommendations
This chapter addresses information pertaining to the implementation of an effective performance management system, organisational development and performance of a municipality / municipal entity. Such information is required to identify skills gaps and plans for the development of such skills.	YES	SHAKE-SHAKE: (Does it have the necessary effect to ~~1~~) SORRY.!!
Moreover, public sector information across all three spheres of government is required to improve service delivery across the public sector. Therefore, Public Service Regulations (2001), Chapter 1, Part III J.3: from 1 April 2001, require Annual Reports to include information on planning, service delivery, organisation, job evaluation, remuneration, benefits, personnel expenditure, affirmative action, recruitment, promotions, termination of services, performance management, skills development, injury on duty, labour relations, leave and discharge due to ill-health, etc.	YES	SHAKE-SHAKE Does it have the necessary effect to minimise unemployment? Are the unemployed (who were previously successful) allowed to start consecutive SHAKE-SHAKES? Doesn't it cause animosity and are there any other negative effects to it?
In order to measure the outcome of effective organisational development the following is highlighted:	(YES)	
• organisational structure enhancement;	YES	
• increased accountability;	YES	
• increased participation in problem solving, goal setting and new ideas; and		PROBLEM SOLVING, GOAL SETTING: ALWAYS FULLY EXECUTED
• identifying and development of skills needed to perform	YES	
Improving an organisational performance has a number of positive spin-offs. Changed attitudes bring with it a higher awareness of responsible use of municipal / municipal entity assets. Changed employee attitudes may further lead to the reduction in absenteeism and monies lost due to absenteeism. A skilled workforce will lead to enhanced processes and procedures which may cause less injuries and subsequent limits on financial loss as well as improve productivity.	YES	POSSIBLE CUSTOMER ENGAGEMENT TRAINING? WELL CONSTRUCTED REPORT
In relation to the above, the content of this chapter include:		
▪ Component A: Introduction to the municipal workforce (Total Employment, to include staff turnover. This could indicate a stable or unstable institution).	YES	HOW EQUITY REFLECT IN THE ORGANOGRAM?
▪ Component B: Managing the municipal workforce Levels on reporting should be broken down to MM & Section 56, top management, assistant managers, supervisors, etc and not pay levels as there is no consistency among municipalities.	YES	WELL-CONSTRUCTED REPORT

Chapter 4: Organisational Development Performance (Performance Report Part II)	In A.R. Yes/No	Comments / Recommendations
▪ Component C: Capacitating the municipal workforce.	YES	WHAT IS THE SUCCESS RATE OF THIS SKILL PLA?
Component D: Managing the municipal workforce expenditure.	YES	WELL CONSTRUCTED

APAC Rep: Mr. N. Jonker

Chapter 1: Mayor's Foreword and Executive Summary	In A.R. Yes/No	Comments / Recommendations
In terms of Section 52(a) of the MFMA, the Mayor of a municipality must provide general political guidance over the fiscal and non-financial affairs of the municipality.		
It is the responsibility of the Mayor / Executive Mayor to provide a political overview of the performance of the municipality. The foreword compiled by the Mayor / Executive Mayor should be the first item included in the Annual Report.		I respectfully propose these few minor changes in the honourable Executive Mayor's foreword, but want to be on record that I am not very comfortable making any comments on the Mayors written report - this in not meant to be disrespectful but merely trying to comply with guidelines provided for this committee to work from and to do our best for Hessequa as our proud institution
The aim of Chapter 1 is to provide an introduction and overview of the municipality / municipal entity to the reader. This chapter provides the key decision-makers – both on political and administrative level – with the opportunity to provide an overview of the functions, geographical area and performance of the specific municipality / municipal entity.		The map on page 4, would it not be possible to add the Wards and their boundaries on this map? Would add valuable information early on for the reader.
Content to be included:		
1.1 Mayor's Foreword		
The foreword compiled by the Mayor / Executive Mayor should include information related to the following topics:		
• Strategic alignment to Provincial and Growth and Development Strategy.		Maybe this should be clearer articulated? See proposed additional text in red.
• Corrective actions taken to ensure that strategic objectives as stipulated in the IDP were achieved.		Maybe this should be clearer articulated?
• Methods used / implemented to improve public participation and accountability.		
• Statement of corrective actions whereby service delivery can be improved.		Maybe this should be clearer articulated? See proposed additional text in red.
1.2 Municipal Manager Foreword		
The Municipal Managers foreword provides an opportunity to the Municipal Manager to give a public account, guidance and advice on the administrative performance of a municipality / entity. Inclusive in this foreword should be information pertaining to:		Overall a very informative report and well presented, thanks to the MM. Think there might be one small spelling mistake shown in colums E - L.
• Functions and Powers of the municipality / entity in relation to Section 155/156 of the Constitution and Chapter 3 of the MSA.		
• Entities related to the municipality and the sharing of power with these entitylies.		
• Sector departments and the sharing of functions between the municipality / entity and sector departments.		
• A statement on the previous financial year's audit opinion.		
• A short statement on the current financial health of the municipality / entity based on new budget formats as required by Treasury Regulations No 31804.		I do not pick up these two bulleted points in yellow being addressed by MM - wonder if the MM would like to elaborate on these to very comprehensively round off his foreword?
• Information related to the revenue trend by source including borrowings undertaken by the municipality.		I do not pick up these two bulleted points in yellow being addressed by MM - wonder if the MM would like to elaborate on these to very comprehensively round off his foreword?
• The internal management changes in relation to Section 56/57 managers.		
• Risk assessment, including the development and implementation of measures to mitigate the top 5 risks.		
1.3 Municipal Overview		
This section provides an overview on how municipalities as separate legal entities function based on its relationship with other political structures, office bearers, administration and the community. Information on the demographics, economic growth, population, growth and development structure of the municipality should be reported including the outcomes both success and not so successful initiatives embarked upon.		

1.1 EXECUTIVE MAYOR'S FOREWORD



To Too present this Annual Report for the 2024/2025 financial year to our Hessequa residents is a great honour. I am humbled by the achievements of the 2024/2025 financial year. We realise that the success of Hessequa Municipality is a result of hard work, care, and continued efforts from all who [illegible] our beautiful municipal region. We cannot be succ[illegible] our current good culture of working together as Cou[illegible], and our communities, that allow Hessequa to gro[illegible], as aligned to National and Provincial Growth & Dev strategies.

The Provincial Government of the Western Cape plays a vital role to support Hessequa through various initiatives as we work together for growth through investment in our services. The Hessequa Integrated Development Plan(IDP) remains the anchor for budget prioritisation as we address community needs through planning, and implementation of well executed capital spending. The IDP has set a target of 90% expenditure and have we achieved the highest capital spending percentage (98.15%) in many years due to good planning and excellent implementation. ....we have....

We visited our communities during the financial year as part of the IDP and budget review process. It is clear from these engagements that service delivery of all spheres of government is at the heart of our communities. Community safety, emergency services and economic development remains the priorities for our residents. We have regular engagements with various service departments of Provincial and National governments to discuss and request progress with service backlogs in our communities relating to policing-, health- and emergency services. Our ward committee system remains the primary opportunity for communities and sector representatives to participate in the affairs of local government, and all nine ward committees are functional. We also pride ourselves of regular special service outreaches to our communities to bring services from various government departments closer to our residents. ...as well as actions taken to address these challenges

I invite the readers of this Annual Report to consider the highlights and challenges experienced by departments as noted in chapter 3. Even though we are extremely proud of a legacy of good governance being maintained with an 12th clean audit outcome, we still have challenges

Extract from MM's foreward:

The 2024/2025 financial year was a year in which the hard work and commitment to good governance by Council and personnel where recognised. Hessequa achieved a ranking as 3rd best municipality in South Africa by Ratings Africa. ....were....

Chapter 2: Governance	In A.R. Yes/No	Comments / Recommendations
To ensure accountability and governance arrangements are in place, Section 121(2)(c) of the MFMA supports the requirements of Section 18(1)(d) of the MSA: information on matters of governance should be communicated to communities. This should, according to Sections 65(1)(a) of the MFMA and 46 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of such an annual report is to promote accountability to communities for decisions taken by		Very well articulated chapter, seemingly providing all information as required by law and directed in the guidline doc. With thanks to the strategic Manager for this EXCEL-Spreadsheet guideline with chapter by chapter assistance for measuring comprehensive compliance and added value to the residents.
the Council and matters relating to administrative structures, throughout a financial year. Nine major characteristics should be applied within the political and administrative structures of a municipality / municipal entity to ensure good governance:		
▪ *Participation:*		
Participation could be either direct or through legitimate intermediate institution or representatives.		
▪ *Rule of law:*		
Good governance requires legal frameworks that are enforced impartially.		
▪ *Transparency:*		
Transparency means that stakeholders are provided with information on why decisions were made that directly affect them.		
▪ *Responsiveness:*		
Good governance requires that institutions and processes try to serve all stakeholders with a responsible timeframe.		
▪ *Consensus oriented:*		
Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved.		
▪ *Equity and inclusiveness:*		
Society's well being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups to have opportunities to improve or maintain their well-being.		
▪ *Effectiveness and efficiency:*		

Chapter 2: Governance	In A.R. Yes/No	Comments / Recommendations
Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal.		
▪ *Accountability:*		
Accountability is a key requirement of good governance. Accountability cannot be enforced without transparency and the rule of law.		
▪ *Sustainability:*		
Sustainability is the capacity to endure, how systems remain diverse and productive over time. It is the potential for long-term improvements, which in turn also depends on the responsible use of natural resources		
With the above requirements in mind, information included in this chapter is divided into four sections:		
▪ Component A: Governance Structures o Political Governance Structure o Administrative Governance Structure		
▪ Component B: Intergovernmental Relations o Intergovernmental Relations\		
▪ Component C: Public Accountability and Participation o Public Meetings		
o IDP Participation and Alignment		
▪ Component D: Corporate Governance o Risk Management o Anti-corruption and fraud o Supply Chain Management o By-laws		
o Websites		
o Public Satisfaction on Municipal Services		
o All municipal oversight committees		

Chapter 3: Service Delivery Performance (Performance Report Part I)	In A.R. Yes/No	Comments / Recommendations
Chapter 3 focuses on service delivery on a service-by-service basis. It considers municipal performance derived from IDP objectives, translated into the SDBIP and presents data on Community needs and resource deployment. Some indicators are offered for some services as a basic set of key comparative data to be amassed from all relevant municipalities and other services are left for municipalities to address entirely as they consider appropriate.		All depatments' services delivery activities on a service-by-service basis are very well articulated and very informatively presented. The use of colourful pictures of Hessequa practitioners engaging with communities in services delivery activities adds value to the level of information shared to the reader.
The service delivery issues must be structured, captured and reflected under each priority as contained in the IDP to allow for easy comparisons on achievements against budget and SDBIP.		This is standard practice in Hessequa Municipality.
The purpose of the chapter is to demonstrate to the reader, in terms of service delivery, what is being achieved and what remains outstanding. It leads to the basic questions concerning the adequacy of the efforts made by the municipality, the creativity applied and the basic standards of living that apply. There is a focus on informal settlements and the distribution of free basic services. Further information on subsidisation of the poor and other benefits accruing to indigent households should also be provided. A summary of the relevant progress achieved on the relevant outcomes for local government as required by national and provincial spheres. Introductions and conclusions are left for completion by municipalities but notes are provided to identify some key issues of relevance to all communities about the way in which the municipalities are working for them. This data will also help gather a broad picture of municipal activity across the country.		Don't like the heading in the Annual Report: 3.1 "PERFORMANCE HIGHLIGHTS AND CHALLENGES". I suggest it be changed to "PERFORMANCE HIGHLIGHTS AND ACTIONS TAKEN TO ADDRESS CHALLENGES"
Some of the material in the Annual Report format set out at Chapter 3 will not apply to all municipalities but there will be very many variations. It is, therefore, left to individual municipalities to delete aspects in Chapter 3 that is not relevant to the municipality.		

Chapter 3: Service Delivery Performance (Performance Report Part I)	In A.R. Yes/No	Comments / Recommendations
Some Municipalities are using performance scorecard to manage performance of different functions. These must be aligned to the SDBIP requirements that provide a standardised mechanism to enable comparisons and benchmarking. This information must be captured in this chapter to enhance the service level information		This is being done at Top Level/Strategic Scorecard and regularly reported on in Sec 52 reports to Council. Top Management is also monitoring Departmental Scorecards to monitor performance of all functions by all Departments.

Chapter 4: Organisational Development Performance (Performance Report Part II)	In A.R. Yes/No	Comments / Recommendations
This chapter addresses information pertaining to the implementation of an effective performance management system, organisational development and performance of a municipality / municipal entity. Such information is required to identify skills gaps and plans for the development of such skills.		
Moreover, public sector information across all three spheres of government is required to improve service delivery across the public sector. Therefore, Public Service Regulations (2001), Chapter 1, Part III J.3: from 1 April 2001, require Annual Reports to include information on planning, service delivery, organisation, job evaluation, remuneration, benefits, personnel expenditure, affirmative action, recruitment, promotions, termination of services, performance management, skills development, injury on duty, labour relations, leave and discharge due to ill-health, etc.		
In order to measure the outcome of effective organisational development the following is highlighted:		
• organisational structure enhancement;		
• increased accountability;		
• increased participation in problem solving, goal setting and new ideas; and		
• identifying and development of skills needed to perform		
Improving an organisational performance has a number of positive spin-offs. Changed attitudes bring with it a higher awareness of responsible use of municipal / municipal entity assets. Changed employee attitudes may further lead to the reduction in absenteeism and monies lost due to absenteeism. A skilled workforce will lead to enhanced processes and procedures which may cause less injuries and subsequent limits on financial loss as well as improve productivity.		
In relation to the above, the content of this chapter include:		
▪ Component A: Introduction to the municipal workforce (Total Employment, to include staff turnover. This could indicate a stable or unstable institution).		
▪ Component B: Managing the municipal workforce Levels on reporting should be broken down to MM & Section 56, top management, assistant managers, supervisors, etc and not pay levels as there is no consistency among municipalities.		

Chapter 4: Organisational Development Performance (Performance Report Part II)	In A.R. Yes/No	Comments / Recommendations
• Component C: Capacitating the municipal workforce.		It is very encouraging that Hessequa clearly places a great emphasis on capacitating its workforce - it is also being done very strategically e.g start by training key positions like process controllers working on water treatment plant. This would ensure meeting SANS 241 water quality standards and reduce the risk of large numbers of communities suffer illness by drinking unhealthy water. A further encouragement is the participation of middle management in Technical Services being mentored to register with ECSA (Engineering Council of SA) which would, after registration, provide safety assurance to both municipality and residents.
Component D: Managing the municipal workforce expenditure.		

Chapter 5: Financial Performance	In A.R. Yes/No	Comments / Recommendations
Sound financial management practices are essential to the long-term sustainability of municipalities. They underpin the process of democratic accountability. Weak or opaque financial management practices and reports result in misdirected and under-utilisation of resources. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernise municipal financial management. Effective municipal financial management has interrelated components:		
▪ planning and budgeting		The setting of services tariffs remains an important aspect annnually and raises a lot of residents' emotions. Open and clear community consultations during IDP processes forms an important part of community buy-in and goes a long way to improve debtors payment record.
▪ asset and liability management		A fine balance needs to be maintained to provide enough funding to maintain, or refurbish where needed, all existing infrastructure assets in order to maximise lifespan of all components of infrastructure vs expansion of serviced areas and provide new greenfields services.
▪ revenue and expenditure management		This gets reported quarterly to Council in the Sec 52 reports for ongoing monitoring and summarized in comments to provide assurance that Council remains on target to meet revenue and expenditure targets by end of year - if not, then a recommendation would be tabled to Council for relevant Budget adjustments at dates provided for in MFA and Regulations.
▪ supply chain management		The Municipal Manager has appointed the Internal Auditor to act as an independent observer to comply with Article 26 (1) (c) of the Provisionary Provisions Regulations viz. to ensure fairness and promoting transparency.
▪ other financial management		
▪ accounting and reporting, and		
▪ oversight & operational continuity		
Each of these components contribute to ensuring that government financial expenditure is developmental, effective and efficient and that municipalities / municipal entities are held accountable for the effective management of their funds.		Hessequa Municipality exercises great financial management performance with a report reflecting that absolutely no unauthorized, irregular, or fruitless and wasteful expenditure had been incurred in the 2024/25 financial year. It is also noted with great appreciation that Hessequa municipality achieved their 12th consecutive clean audit.

Chapter 5: Financial Performance	In A.R. Yes/No	Comments / Recommendations
The aim of this chapter is to provide an overview of the financial performance of the municipality / municipal entity thorough measuring of results. It further provides an opportunity for planning, so as to ensure that future budgetary allocations are brought in line with IDP and functional area activities and outputs.		
Information included in this chapter is divided into the following framework:		
▪ Component A: Statement of Financial Performance		It appears that the heading of the FinanciaL Performance on page 87 in Annual Report does nor reflect (R'000).
▪ Component B: Spending against Capital Budget		
▪ Component C: Cash flow Management and Investment ▪		
Component D: Other Financial Matters		

Also not reflected as R'000

5.7 COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Accurate cash flow projections will enable the Council to invest surplus funds at the best interest rate. Stricter measures have been implemented to ensure more accurate cash flow projections.

The collection of debtors influence the Cash Flow table:

HESSEQUA LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025	2024 Restated
		R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		142 933	128 763

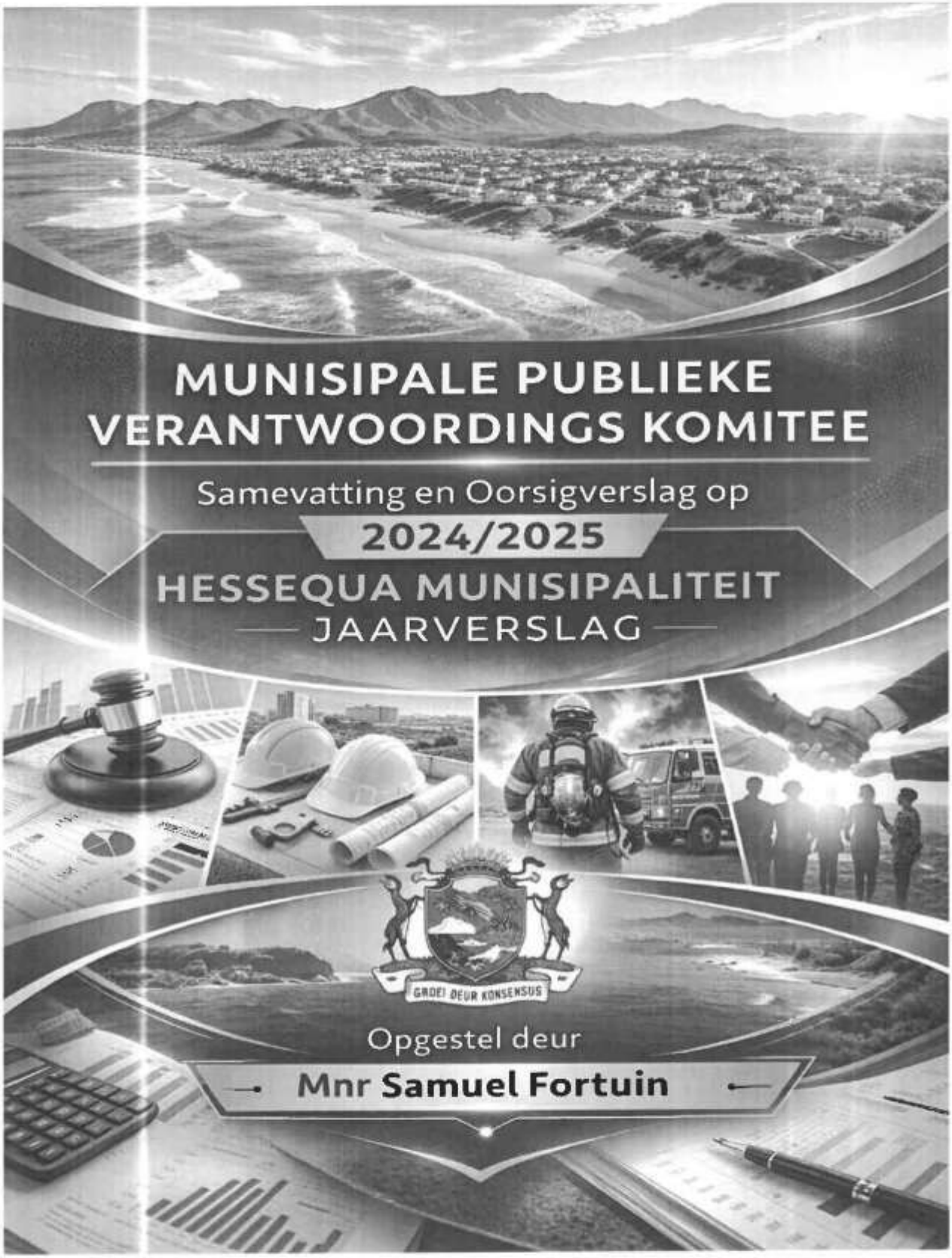
5.1 COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

Description	Original Budget	Final Budget	Actual Outcome	Variance	Variance as % of Final Budget	Variance as % of Original Budget
	R	R	R	R	R	R
FINANCIAL PERFORMANCE						
Exchange Revenue						
Licences or Permits			2	2	0,00%	0,00%
Service Charges - Electricity	228 265	228 265	236 044	7 779	3,41%	3,41%

Chapter 6: Auditor-General Audit Findings	In A.R. Yes/No	Comments / Recommendations
The MSA S45 states that the results of performance measurement in terms of S41(1)(c) must be audited annually by the Auditor-General. Section 41(1)(c) states that the auditing should take place with regard to each of those development priorities and objectives and against key performance indicators and targets to monitor, measure and review municipal performance at least once per annum.		All seems to be in order, thanks
The new Annual Report Format is inclusive of the annual financial statements and performance reports which must be submitted to the Auditor-General for assessment in August of each year.		
Besides the Auditor-Generals Report, which cannot be amended by the municipality, information pertaining to the following is to be included in the chapter on the Auditor-General report:		
This chapter provides an overview of the Auditor-General Report of the previous financial year. Specific topics that should receive attention include:		
▪ Detail on issues raised during the previous financial year;		
Remedial action taken to address the above and preventative measures.		

Appendices Descriptions	In A.R. Yes/No	Comments / Recommendations
Appendices Descriptions		
The following information must be completed and added to the Annual Report to ensure that it complies with the requirements of various legislations. The content of these appendices are described below.		
Appendix A: Councillors; Committee Allocation and Council Attendance		
This Appendix relates to Chapter 1 of the Format and requires the compilation of a complete list of all Councillors, the party they belong to and the ward which they represent. Information pertaining to the number of Council meetings attended by each of the Councillors also needs to be provided.		May I propose we bring in a map of Hessequa depicting very clearly the Wards and their boundaries.
Appendix B: Committee and Committee Purpose		
This Appendix also relates to information required to be included in Chapter 1 of the Format. A list of all Committees of Council, the purpose of each Committee and the names of Councillors serving on them. It also requires the inclusion of information related to the attendance of each Councillor.		
Appendix C: Third Tier Administrative structure		
The organogram of the administrative structure of the municipality / municipal entity is to be included under Appendix C.		
Appendix D: Functions of Municipality/Entity		
The appendix covers what constitutes the municipal functions, municipality to indicate which function is applicable to it or their entity. In case of a local municipality it can also discuss functions performed by the District and vice versa.		
Appendix E: Ward Reporting		
Information on the functions of ward committees, the sector of community representation and reports submitted by each of these committees must be provided. The appendix can be expanded to include a brief feedback of the operations and functions of individual wards, challenges experienced and measures taken to address them.		
Appendix F: Ward Information		
This appendix relates to ward information, the following information is required; ward name (number),where under each ward the seven largest project in the current year is listed together with their start date, end date, their total value and progress. Information on the top four delivery priorities per wards as these may differ in different wards.		
Appendix G: Recommendations of the Municipal Audit Committee		

Public Rep: Mr. S Fortuin



HESSEQUA MUNISIPALITEIT

MUNISIPALE OPENBARE REKENINGE KOMITEE (MORK/MPAC)

FORMELE GESKREWE INDIENING

Oorsig van Hoofstuk 2 en Hoofstuk 4

Jaarverslag 2024/2025

Ingedien deur:
Mnr Samuel Fortuin
MPAC Lid

Datum: 26 Februarie 2026

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1. DOEL VAN DIE INDIENING

Hierdie indiening het ten doel om 'n gestruktureerde oorsig te bied van:

- Hoofstuk 2: Governance/ Bestuur en Regering
- Hoofstuk 4: Municipal Workforce and Organisational Development/ Munisipale Werksmag en Organisatoriese Ontwikkeling

met spesifieke fokus op:

- Inklusiewe regering
- Persone met gestremdhede (PMG)
- Institusionele volwassenheid
- Belyning met King IV Beginsels

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2. ALGEMENE OORSIG: INKLUSIWITEIT AS STRATEGIESE PRIORITEIT

Die Jaarverslag 2024/2025 bevestig dat Hessequa Munisipaliteit administratief stabiel en finansieel gesond funksioneer. Die volgehoue rekord van skoon ouditte, hoë kapitaalbesteding en gesonde likiditeitsverhoudings getuig van verantwoordelike finansiële bestuur en effektiewe interne beheer.

Die verslag voldoen aan wetlike vereistes en bied 'n gestruktureerde uiteensetting van regering, dienslewering en organisatoriese kapasiteit.

Nietemin, wanneer die verslag beoordeel word deur die lens van inklusiewe regering, ontstaan daar 'n belangrike oorweging.

Inklusiewe Regering en Menswaardigheid

In lyn met die Grondwet van die Republiek van Suid-Afrika, wat menswaardigheid, gelykheid en nie-diskriminasie as kernwaardes bevestig, asook die Witskrif oor die Regte van Persone met Gestremdhede, is die voorkeurterminologie:

Persone met Gestremdhede (PMG).

Hierdie formulering plaas die persoon eerste. Dit bevestig dat gestremdheid nie 'n identiteit is wat 'n individu definieer nie, maar 'n omstandigheid waarvoor die samelewing en staatsinstellings redelike akkommodasie en toegang moet verseker.

Inklusiewe regering beteken dus nie bloot erkenning nie, maar sistemiese integrasie van alle burgers in:

- Beplanning
- Dienslewering
- Werksmagontwikkeling
- Verslagdoening

Employment Equity Act (Wet op Gelyke Indiensneming, Wet 55 van 1998)

Die Wet op Gelyke Indiensneming plaas 'n duidelike verantwoordelikheid op werkgewers om gelyke geleenthede te bevorder en diskriminasie uit te skakel.

Nasionale riglyne dui aan dat werkgewers behoort te streef na ongeveer **2% verteenwoordiging van persone met gestremdhede** in hul werksmag.

In hierdie konteks is die afwesigheid van eksplisiete verslagdoening oor Persone met Gestremdhede in sekere afdelings van die Jaarverslag nie noodwendig 'n aanduiding van uitsluiting nie, maar wel 'n geleentheid om:

- Data meer volledig te integreer
- Inklusiewe praktyke sigbaar te maak
- Beleidsbelyning duideliker te rapporteer

Strategiese Geleentheid

Hessequa Munisipaliteit, soos baie ander munisipaliteite, volg tradisioneel 'n nakomingsgebaseerde verslagdoeningsbenadering.

Die geleentheid bestaan egter om verder te beweeg — nie omdat dit afgedwing word nie, maar omdat dit die waardigheid van alle inwoners bevestig.

Deur Persone met Gestremdhede eksplisiet te integreer in:

- Bestuur en Regerende-indikatore
- Werksmagdata
- Dienslewerингsmetings
- Strategiese prestasie-aanwysers

kan die munisipaliteit 'n voorbeeld word van etiese, mensgerigte en inklusiewe plaaslike regering.

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3. HOOFSTUK 2 – GOVERNANCE/BESTUUR EN REGERING

3.1 Bevindings

Die verslag bevestig die bestaan en funksionering van:

- MPAC
- Ouditkomitee
- Portefeuljekomitees
- Wykskomitees
- Intergovernmental Relations (IGR) platforms

Hierdie strukture funksioneer binne wetlike raamwerke.

3.2 Geïdentifiseerde Leemtes

3.2.1 Geen Komitee-Effektiwiteit Assessering

Hoewel strukture gerapporteer word, is daar geen formele evaluering van:

- Komitee-bywoning

- Implementering van aanbevelings
- Tydigheid van verslagdoening
- Meetbare impak van besluite

King IV Beginsel 9 vereis prestasie-evaluering van die beheerliggaam en komitees. Die afwesigheid van so 'n assessering beperk objektiewe toesig.

3.2.2 Wykskomitees toon Kworum-Uitdagings

Kworum-uitdagings beïnvloed:

- Demokratiese deelname
- Formele besluitneming
- Gemeenskapsverteenwoordiging

Hierdie situasie kan dui op kapasiteits- of mobiliseringsuitdagings en vereis sistemiese versterking.

3.2.3 Beperkte Inklusiewe Integrasie binne IGR

Daar is geen eksplisiete aanduiding dat kwessies rakende persone met gestremdhede geïntegreer word binne:

- Infrastruktuurbeplanning
- LED
- Sosiale programme
- Interregeringsamewerking

King IV Beginsels 3 en 16 beklemtoon verantwoordelike burgerskap en belanghebbendebetrokkenheid, wat inklusiewe beplanning vereis.

3.3 Aanbevelings – Hoofstuk 2

1. Ontwikkel 'n Jaarlikse Bestuurs prestasie Vorderingskaart/Governance Performance Scorecard wat:
    - Komitee-effektiwiteit meet
    - Implementeringsvordering aandui
    - Risiko-areas identifiseer
    - (Sien aanhangsel A)

2. Versterk Wykskomitees deur:
    - Opleiding
    - Administratiewe ondersteuning
    - Gemeenskapsmobilisering
3. Integreer PMG sistemies binne IGR deur:
    - Toeganklikheidsvereistes in projekte
    - Inklusiewe beleidsintegrasie
    - Formele rapportering oor inklusiewe deelname

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4. HOOFSTUK 4 – MUNICIPAL WORKFORCE/MUNISIPALE WERKSMAG

4.1 Bevindings

- Sleutelposisies is gevul
- Lae personeelomset
- Personeelkoste teen 26.52% (gesond)
- Institusionele stabiliteit word gehandhaaf

Hierdie dui op organisatoriese volwassenheid.

4.2 Geïdentifiseerde Leemtes

4.2.1 Geen Vaardigheidsgapanalise

Die verslag bevat geen gestruktureerde analise van:

- Huidige vaardighede
- Toekomstige vaardigheidsbehoeftes
- Digitale en tegniese kapasiteit

Sonder 'n vaardigheidsgapanalise kan strategiese beplanning nie voldoende gegrond wees nie.

4.2.2 Geen Opvolgbeplanningsverslag

Die verslag dui nie aan of daar formele opvolgbeplanning bestaan vir:

- Senior bestuursposisies
- Kritieke tegniese rolle

King IV Beginsel 6 vereis effektiewe toesig oor bestuur en volhoubaarheid van leierskap.

4.2.3 Geen PMG-Werksmagdata

Die verslag rapporteer nie:

- Persentasie werknemers met gestremdhede
- Verteenwoordiging per vlak

Volgens die **Wet op Gelyke Indiensneming, Wet 55 van 1998** behoort werkgewers te streef na minstens **2% verteenwoordiging van persone met gestremdhede** in hul werksmag.

Sonder data kan nakoming en vooruitgang nie geëvalueer word nie.

4.2.4 Geen Produktiwiteitsmaatstawwe

Daar is geen verslagdoening oor:

- Diensuitsette per werknemer
- Diensleweringstyd
- Effektiwiteitsindekse

King IV Beginsel 4 vereis belyning tussen strategie en prestasie-uitkomste.

4.3 Aanbevelings – Hoofstuk 4

1. Ontwikkel 'n **Vaardigheidstekort-Matriks** (Skills Gap Matrix) om opleiding en werwing strategies te rig.
2. Implementeer 'n **Opvolgbeplanningsraamwerk** om institusionele kontinuïteit te verseker.
3. Ontwikkel en publiseer 'n **Diversiteit- en Inklusiwiteitstrategie**, insluitend:
    - PMG-verteenwoordiging
    - Redelike akkommodasie
    - Toeganklikheidsmaatstawwe

4. Stel **Werksmagdoeltreffendheidsaanwysers** in om produktiwiteit objektief te meet.

5. SLOTBESKOUING

Die Jaarverslag 2024/2025 bevestig stabiliteit, nakoming en finansiële gesondheid.

Nietemin bied Hoofstuk 2 en Hoofstuk 4 'n duidelike geleentheid om:

- Regering-effektiwiteit te meet
- Werksmagbeplanning te versterk
- Inklusiewe praktyke te sistematiseer
- King IV beginsels prakties toe te pas

Hierdie oorsig is nie 'n kritiek op bestaande bestuur nie.

Dit is 'n oproep tot verdieping —
van nakoming na bewuste insluiting,
van administrasie na meetbare menswaardigheid.

Wanneer inklusiwiteit sigbaar word in verslagdoening, word waardigheid institusioneel bevestig.Deur inklusiwiteit sigbaar en meetbaar te maak, kan Hessequa Munisipaliteit nie net voldoen nie — maar lei.

AANHANGSEL A

AANBEVELING: INSTELLING VAN 'N JAARLIKSE BESTUURSPRESTASIE-VORDERINGSKAART

1. Doel

Die Munisipale Openbare Rekeninge Komitee beveel aan dat Hessequa Munisipaliteit 'n **Jaarlikse Bestuursprestasie-Vorderingskaart** instel ten einde:

- Die effektiwiteit van bestuurs- en toesigstrukture objektief te meet
- Implementering van komitee-aanbevelings te monitor
- Governance-risiko's vroegtydig te identifiseer
- Belyning met King IV beginsels te versterk
- Deursigtigheid en aanspreeklikheid te verhoog

---

2. Agtergrond en Regverdiging

Hoewel Hoofstuk 2 bevestig dat bestuursstrukture funksioneer, word daar tans nie sistematies gerapporteer oor:

- Komitee-effektiwiteit
- Bywoningsvlakke
- Implementering van aanbevelings
- Inklusiewe deelname

King IV Beginsel 9 vereis dat die beheerliggaam en sy komitees gereeld hul eie prestasie evalueer. 'n Bestuursprestasie-Vorderingskaart sal hierdie beginsel prakties implementeer.

---

3. Wat is 'n Bestuursprestasie-Vorderingskaart?

Dit is 'n gestruktureerde tabel of verslag wat jaarliks aandui:

- Hoe goed bestuurs- en toesigstrukture funksioneer
- Watter areas goed presteer
- Watter areas verbetering benodig
- Waar risiko's ontwikkel

In eenvoudige terme:
Dit is 'n "gesondheidsverslag" van die munisipaliteit se governance-stelsel.

4. Voorgestelde Struktuur van die Vorderingskaart

4.1 Kerngebiede

1. Komitee-Effektiwiteit
2. Implementering van Aanbevelings
3. Bywoning en Deelname
4. Wykskomitee-Funksionaliteit
5. Intergovernmental Relations (IGR)
6. Inklusiewe Governance (insluitend PMG)

4.2 Voorbeeldformaat

Gebied	Aanwyser	Teiken	Werklik	Status	Kommentaar
MPAC	% Aanbevelings geïmplementeer	90%	85%		Opvolg nodig
Ouditkomitee	Verslae betyds	100%	100%		Geen risiko
Wykskomitees	Kworum bereik	95%	70%		Intervensie nodig
IGR	PMG-integrasie gerapporteer	Ja	Nee		Beleidsintegrasie benodig

5. Inklusiewe Komponent

Die Vorderingskaart moet spesifiek meet:

- Toeganklikheid van openbare vergaderings
- PMG-deelname aan publieke forums
- Integrasie van inklusiewe beleidsmaatreëls
- Belyning met die Employment Equity Act (Wet 55 van 1998)

Hiermee word inklusiwiteit deel van hoofstroom governance, nie 'n bykomende afdeling nie.

6. Implementeringsbenadering

Fase 1: Ontwerp van aanwysers en goedkeuring deur Raad
Fase 2: Data-insameling per kwartaal
Fase 3: Jaarlikse publikasie saam met die Jaarverslag
Fase 4: MPAC-oorsig en aanbevelings

---

7. Voordele

- Verbeterde deursigtigheid
- Vinnige identifisering van governance-risiko's
- Versterkte komitee-verantwoordbaarheid
- Meetbare inklusiwiteit
- Praktiese toepassing van King IV beginsels

---

8. Voorgestelde Resolusie

Die MPAC beveel aan dat:

1. Die Raad die instelling van 'n Jaarlikse Bestuursprestasie-Vorderingskaart goedkeur.
2. Die Munisipale Bestuurder verantwoordelikheid neem vir die ontwikkeling en implementering daarvan.
3. Kwartaallikse terugvoer aan MPAC verskaf word.
4. Die Vorderingskaart jaarliks saam met die Jaarverslag gepubliseer word.

Slot

Die instelling van 'n Bestuursprestasie-Vorderingskaart is nie 'n administratiewe uitbreiding nie, maar 'n versterking van bestaande toesig. Dit sal Hessequa Munisipaliteit help beweeg van strukturele stabiliteit na meetbare governance-uitnemendheid.

Cllr. S le Roux

Outlook

RE: Insette - 24/25 Jaarverslag Oorsig Proses

From Sonja Le Roux <sonjalr@hessequa.gov.za>
Date Mon 3/2/2026 8:28 AM
To Louw de Villiers <louw@hessequa.gov.za>
Cc Amber Hunter <arhunter00022@gmail.com>

Goeiem?re Mnr de Villiers,

HOOFSTUK 3 : SERVICE DELIVERY PERFORMANCE

3.1.2 OHS Medical Testing of Personnel bl 44 – punt 1 waar is Heidelberg (ward 5, 9) Slangrivier(ward4) se medicals ondersopeke. Dan net regstelling Stilbaai (wards 1,3) Albertina (ward2)

3.1.3 DEVELOPMENT PLANNING bl 54 - punt 4 ek sien nie wards 3 & 8 betrokke nie is daar 'n rede voor. Punt 5 ward 3 is weer nie ingesluit nie.

Vriendelike groete

Sonja Le Roux
Councilor Ward 9
Directorate: Council
+27 (0) 28 713 7830 (Direct) / +27 (0) 28 713 8000 (Office)
sonjalr@hessequa.gov.za
hessequa.gov.za / www.explorersgardenroute.co.za
Civic Centre, Van den Berg Street, Riversdale, 6670
11TH CLEAN AUDIT | RANKED 3RD SMALL TOWN LOCAL MUNICIPALITY 2024 (GPI)
ONLY MUNICIPALITY IN SA TO ACHIEVE BLUE FLAG STATUS FOR ALL SWIMMING BEACHES
A CARING, SERVING AND GROWING HESSEQUA
24-HOUR EMERGENCY: 028 713 2222 (FIRE & RESCUE AND ACCIDENTS)

Teenwoordigheidslys

MPAC Vergadering

Datum: 20/02/2026 **Tyd:** 10:00 **Lokaal:** Raadsaal

Lede

Rdl J Hartnick (Voorsitter)	
Rdl J Hoogbaard	Vaskoming
Rdl L Februarie	
Rdl S le Roux	
Rdl R Davids	
Rdl J Hartnick	

Gekoöpteerde Lede

Naam	Handtekening
EMOR NEL	
NICO JENKER	
SAMUEL FORTUIN	
CHRISTIAAN HARTNICK	
LOUW SAAYMAN	

Amptenare: (Naam asb)

L de Villiers	

2024/2025 MPAC Oorsig Vergadering

Notule: 20 Februarie 2026 – Raadsaal, 10:00

1. **Opening & Verwelkoming:**
   - Die Voorsitter verwelkom al die lede teenwoordig
   - Die vergadering word met gebed geopen deur Rdl R Davids.

2. **Verskonings / Teenwoordigheidsregister:**
   - Verskonings ontvang: Rdl J Hoogbaard

3. **Verklaring van Belange:**
   - Die Voorsitter gee geleentheid vir lede om hul belange te verklaar ten opsigte van enige agenda punte.
   - Geen belange word verklaar.

4. **Inleiding tot Oorsig Proses & Werkswyse :**
   - Mnr de Villiers bied 'n kort oorsig aan die komiteelede
   - Hy verduidelik dat elke lid kan kies watter deel hul graag sal ondersoek
   - Mnr de Villiers bevestig ook dat die hele verslag ondersoek kan word
   - Mnr de Villiers onderneem om die vorige jaar se Oorsig Verslag aan die lede te stuur.

5. **Werksverdeling: Jaarverslag**
   - Die Voorsitter bied geleentheid aan lede om hul verkose gedeeltes te kies:
   - Hoofstuk 1: Rdl Februarie, Rdl Hoogbaard
   - Hoofstuk 2: Rdl Davids, Mnr Saayman, Mnr Fortuin
   - Hoofstuk 3: Rdl Le Roux, Me Nel, Mnr Jonker, Rdl Hartnick, Mnr C Hartnick
   - Hoofstuk 4: Rdl Hartnick, Mnr Fortuin
   - Hoofstuk 5: Mnr Jonker
   - Hoofstuk 6: Rdl Februarie

6. **Datums vir Oorsig Proses:**
   - Mnr de Villiers verduidelik die datums wat belangrik is en werk die komitee die volgende stel datums uit:
   - Alle kommentare aan Mnr de Villiers: 3 Maart
   - Volgende vergadering om terugvoering te bespreek: 6 Maart
   - Vergadering om aanbeveling aan Raad uit te klaar en moontlik Oorsig Verslag te oorweeg: 13 Maart

7. **Datum van volgende vergadering :**

- Die VOorsitter bevestig dat die volgende vergadering op Vrydag 6 Maart sal wees.

8. **Die Voorsitter verklaar die vergadering gesluit en die lede verdaag.**

Goedgekeur:



.....

Rdl Johannes Hartnick
Voorsitter: Hessequa MPAC

Teenwoordigheidslys

MPAC Vergadering

Datum: 6/03/2026 **Tyd:** 10:00 **Lokaal:** Raadsaal

Lede

Rdl J Hartnick (Voorsitter)	
Rdl J Hoogbaard	
Rdl L Februarie	VERSKONING
Rdl S le Roux	
Rdl R Davids	
Rdl J Hartnick	

Gekoöpteerde Lede

Naam	Handtekening
Mnr L Saayman	VERSKONING
Mnr S Fortuin	
Me E Nel	
Mnr C Hartnick	
Mnr N Jonker	
S. FORTUIN	

Amptenare: (Naam asb)

L de Villiers	

2024/2025 MPAC Oorsig Vergadering

Notule: 6 Maart 2026 – Raadsaal, 10:00

1. **Opening & Verwelkoming :**
   - Die Voorsitter verwelkom al die lede teenwoordig
   - Die vergadering word met gebed geopen deur Rdl Hoogbaard.

2. **Verskonings / Teenwoordigheidsregister:**
   - Verskonings ontvang: Rdl L February, Mnr L Saayman

3. **Verklaring van Belange:**
   - Die Voorsitter gee geleentheid vir lede om hul belange te verklaar ten opsigte van enige agenda punte.
   - Geen belange word verklaar.

4. **Hantering van Insette & Terugvoering:**
   - Mnr de Villiers gee 'n oorsig oor alle insette wat ontvang is
   - Die insette is aangeheg tot hierdie notule as aanhangsel
   - Alle terugvoering wat ontvang en bespreek is word ingesluit in die aanhangsel
   - Die terugvoering aangaande die Riversdal Sonplaas word uitgestel tot die volgende vergadering waar Mnr Silent Chikamhe in persoon die vergadering sal kom toespreek en enige vrae antwoord wat mag voortspruit.
   - Vanuit die terugvoering is daar slegs een kwessie wat identifiseer is wat ingesluit moet word in die Oorsig Verslag aan die Raad aangaande Waterverliese

5. **Enige Uitstaande Kwessies:**
   - Riversdal Sonplaas, wat hanteer sal word tydens volgende vergadering

6. **Datum van volgende vergadering :**
   - Volgende vergadering is 13 Maart om 10:00 in die Riversdal Raadsaal

7. **Die Voorsitter verklaar die vergadering gesluit en die lede verdaag**

Goedgekeur:

.....

Rdl Johannes Hartnick
Voorsitter: Hessequa MPAC

Teenwoordigheidslys

MPAC Vergadering

Datum: 13/03/2026 **Tyd:** 10:00 **Lokaal:** Raadsaal

Lede

Rdl J Hartnick (Voorsitter)	
Rdl J Hoogbaard	
Rdl L Februarie	
Rdl S le Roux	
Rdl R Davids	
Rdl J Hartnick	

Gekoöpteerde Lede

Naam	Handtekening
Mnr L Saayman:	
Mnr S Fortuin:	
Me E Nel:	
Mnr C Hartnick:	VERSKONING
Mnr N Jonker:	
S. FORTUIN	

Amptenare:

L de Villiers:	S. CHIKAMTI

2024/2025 MPAC Oorsig Vergadering

Notule: 13 Maart 2026 – Raadsaal, 10:00

1. Opening & Verwelkoming :Voorsitter
   - Die Voorsitter verwelkom al die lede teenwoordig
   - Mnr Jonker open die vergadering met gebed
   - Spesiale woord van welkom aan Mnr S Chikamhe

2. Verskonings / Teenwoordigheidsregister :Voorsitter
   - Verskoning word aangeteken vir Mnr C Hartnick

3. Verklaring van Belange :Voorsitter
   - Die Voorsitter gee geleentheid aan Raadslede om enige belange te verklaar
   - Geen verklarings word gemaak
4. Goedkeuring van Notule: 20 Februarie 2026
   - Die notule van 20 Februarie 2026 word goedgekeur met regstellings gemaak tydens die vergadering
   - Voorstel: Rdl S le Roux
   - Sekondant: Rdl L February
5. Goedkeuring van Notule: 6 Maart 2026:
   - Die notule van 6 Maart 2026 word goedgekeur met regstellings gemaak tydens die vergadering
   - Voorstel: Rdl S le Roux
   - Sekondant: Rdl J Hoogbaard
6. Terugvoering: Riversdal Sonplaas :Bestuurder: Elektriese Dienste
   - Die Voorsitter gee Mnr Chikamhe geleentheid om terugvoering te bied oor die sonplaas.
   - Mnr Chikamhe het breedvoerig terugvoering gegee oor die vordering van die projek en ook die beplanning wat gedoen word om die projek se impak te oorweeg.
   - Die detail van die beplande krag wat genereer kan word opgesom teenoor die beplanning wat gedoen word om die sonplaas te gebruik om tariewe positief te impakteer vir alle gebruikers in Hessequa.
   - Mnr Chikamhe antwoord ook vrae uit die komitee wat spruit vanuit sy mondelingse terugvoering.
   - Die Voorsitter bedank Mnr Chikamhe vir sy tyd en volledige terugvoering oor die navraag.
   - Mnr Chikamhe verlaat die vergadering.

7. Konsep Oorsig Verslag Goedkeuring of Wysiging :Voorsitter
   - Die Voorsitter versoek Mnr de Villiers om die konsep Oorsig Verslag aan die komitee voor te hou.

- Die verslag word bladsy vir bladsy deur die komitee nagegaan en word enkele verbetering voorgestel en aangebring.
- Die Voorsitter versoek dat die komitee dan die aanbevelings, soos in die Oorsig Verslag gevoeg is, goedgekeur word.
- Voorstel: Rdl S le Roux
- Sekondant: Me E Nel

8. Bedankings :Voorsitter
    - Die Voorsitter bedank elke lid vir hul deelname en bereidwilligheid om aktief deel te neem en die proses so te vergemaklik.
    - Die Voorsitter bedank ook die administrasie vir hul deeglike terugvoering en ondersteuning in die proses.

9. Afsluiting en Uitnodiging na Raadsvergadering :Voorsitter
    - Die Voorsitter versoek die lede om die Oorsig Verslag te onderteken na afloop van die vergadering, voordat hul verdaag.
    - Die vergadering word afgesluit deur die Voorsitter.

Goedgekeur:

.....

Rdl Johannes Hartnick
Voorsitter: Hessequa MPAC

2024/2025 Annual Report

Hessequa Municipality











HESSEQUA

1 Introduction & Executive Summary 1
1.1 Executive Mayor's Foreword 1
1.2 Municipal Manager's Foreword 2
1.3 Municipal Overview 4
2 Governance 10
2.1 Governance Structures 10
2.2 Intergovernmental Relations 12
2.3 Public Accountability & Participation 14
2.4 Corporate Governance 17
2.5 Supply-Chain Management 18
2.6 By-Laws 21
2.7 Public Relations 25
2.8 Municipal Oversight Committees 26
3 Service Delivery Performance 29
3.1 Performance Highlights and Challenges 29
3.2 Organisational Performance per IDP Objective 63
4 Municipal Workforce and Organisational Development 76
4.1 Vacancy Rate And Staff Establishment 76
4.2 Turnover Rate 77
4.3 Sick Leave 78
4.4 Performance Rewards - Directors 79
4.5 Conditions Of Service 79
4.6 Human Resource Policy Administration 80
4.7 Employment Equity 80
4.8 Managing The Municipal Workforce 81
4.9 Managing The Municipal Workforce Expenditure 85
5 Financial Performance 87
5.1 Component A: Statement of Financial Performance 87
5.2 Financial Performance Per Municipal Function 96
5.3 Grants 105
5.4 Asset Management 108
5.5 Financial Ratios Based on Key Performance Indicators 110
5.6 Component B: Spending Against Capital Budget 112
5.7 Component C: Cash Flow Management And Investments 117
5.8 Component D: Other Financial Matters 123
6 Auditor General's Findings 127
6.1 Component A: Auditor-General Opinion 2023/2024 127

6.2 Component B: Auditor-General Opinion 2024/2025 127
6.3 Component C: Auditor-General Report 2024/2025..... 129
7 Appendices: MFMA Circular 63 Framework 139
8 Volume II:Annual Financial Statements..... 187
9 Volume III: Oversight report 188

1 INTRODUCTION & EXECUTIVE SUMMARY

1.1 EXECUTIVE MAYOR'S FOREWORD



To present this Annual Report for the 2024/2025 financial year to our Hessequa residents is a great honour. I am humbled by the achievements of the 2024/2025 financial year. We realise that the success of Hessequa Municipality is a result of hard work, care, and continued efforts from all who live, work and visit our beautiful municipal region. We cannot be successful alone, as it is our current good culture of working together as Council, the administration, and our communities, that allow Hessequa to grow.

The Provincial Government of the Western Cape plays a vital role to support Hessequa through various initiatives as we work together for growth through investment in our services. The Hessequa Integrated Development Plan(IDP), as aligned to National and Provincial Growth and Development Strategies, remains the anchor for budget prioritisation as we address community needs through planning, and implementation of well executed capital spending. The IDP has set a target of 90% expenditure and we have achieved the highest capital spending percentage (98.15%) in many years due to good planning and excellent implementation.

We visited our communities during the financial year as part of the IDP and budget review process. It is clear from these engagements that service delivery of all spheres of government is at the heart of our communities. Community safety, emergency services and economic development remains the priorities for our residents. We have regular engagements with various service departments of Provincial and National governments to discuss and request progress with service backlogs in our communities relating to policing-, health- and emergency services. Our ward committee system remains the primary opportunity for communities and sector representatives to participate in the affairs of local government, and all nine ward committees are functional. We also pride ourselves of regular special service outreaches to our communities to bring services from various government departments closer to our residents.

I invite the readers of this Annual Report to consider the highlights and challenges, inclusive of comments on actions taken to address challenges, experienced by departments as noted in Chapter 3. Even though we are extremely proud of a legacy of good governance being maintained with an 12th clean audit outcome, we still have challenges. The Heidelberg water situation is a priority that has been included in medium term planning to enable the municipality to provide clean water to the residents of Heidelberg, without being dependant on external service providers.

I am proud to be able to serve our communities through our continued vision of being a caring, serving and growing municipality.

Grant Riddles

Executive Mayor

1.2 MUNICIPAL MANAGER'S FOREWORD



The Annual Report of Hessequa Municipality for the year ending 30 June 2025, was prepared in terms of The Municipal Finance Management Act no 56 of 2003 Section 121.

The Annual Report will provide a record of the activities as well as the performance against the budget for the financial year ending 30 June 2025.

The Annual Report also serve as a tool to account for the decisions made through the year by Hessequa Municipality.

Hessequa has been privileged to experience stable political and management structures, which sets the foundation for sustainable service delivery and give effect to the approved Integrated Development Plan (IDP) and budget without the use of municipal entities.

The services and functions of Hessequa Municipality are fully aligned to the Integrated Development Plan (IDP) and council priorities. These were also aligned with the approved Service Delivery and Budget Implementation Plan (SDBIP).

The IDP as adopted were implemented within the powers and functions as allocated and assigned to Hessequa Municipality per sections 155 and 156 of the Constitution of South-Africa. The municipality also complied with Chapter 3 of the Municipal Systems Act.

The Auditor- General expressed a clean audit opinion for the year ending 30 June 2025. Management worked hard to address previous findings.

As an organisation extensive efforts were made to review the current risk environment. The Communities may be surprised to know that local government in South Africa has been the target of cyber-attacks for a few years now with major financial losses in various municipalities, even in the Western Cape. In recognition of the innovation in governance systems, Hessequa Municipality was rated at a level 3 for innovation by the University of KwaZulu Natal, with only 10 other municipalities in the country reaching this level, and one reaching level 4, being City of Cape Town.

The Municipality was still able to enhance service delivery, below is a reflection on some of the highlights during 2024/2025:

5 Largest Capital Projects Implemented	Budget (July 2024 - June 2025)	% Spent
PV SOLAR PLANT RIVERSDALE	R138 185 380	100%
UPGRADE ROADS & STORMWATER - S/B WEST	R11 949 782	100%
UPGRADE ROADS & STORMWATER - W/S	R5 000 000	100%
RENEWABLE ENERGY PLANT - H/Q	R5 000 000	100%
UPGRADE ROADS & STORMWATER - WYK 9 - H/B	R4 284 000	100%

The following list reflects the ten major contracted services that were entered into through competitive bidding processes. More detail can be found in section 2.5 of the Annual Report.

#	Description	Award Amount (VAT Excl.)
1	UPGRADING OF SEWER INFRASTRUCTURE IN THE HESSEQUA MUNICPAL AREA	P1: R1 171 885.55 P2: R2 984 987.17 P3: R3 854 422.00 R8 011 294.72
2	PROCUREMENT OF A REFUSE COMPACTOR TRUCK	R2 594 600.00
3	SOFTWARE LICENSE AGREEMENT – MICROSOFT EA	R1 579 661.58
4	PROCUREMENT OF A TIPPER TRUCK	R1 412 220.63

5	APPOINTMENT OF A SERVICE PROVIDER FOR THE DEVELOPMENT AND IMPLEMENTATION OF A LONG-TERM FINANCIAL PLANNING TOOL	R1 395 000.00
6	PROCUREMENT OF A DIGGER LOADER	R1 392 868.00
7	PROCUREMENT OF 2X LDVS	R1 193 007.1
8	PROCUREMENT OF 2X LDV's	R727 561.69
9	PROCUREMENT OF 2X SUVs	R721 743.54
10	PROCUREMENT OF 2X SEDANS	R634 231.90

The 2024/2025 financial year was a year in which the hard work and commitment to good governance by Council and personnel were recognised. Hessequa achieved a ranking as 3rd best municipality in South Africa by Ratings Africa. The municipality is financially sound and well managed, as presented in Chapter 5 of the Annual Report.

Furthermore, the special initiatives of the Library Services of Hessequa achieved a Service Excellence award during the Premier's Service Excellence awards for 2024/2025. Hessequa was also recognised for being the only municipality, since the inception of the Blue Flag Beach initiative, to have all its beaches receive Blue Flag Status annually!

1.3 MUNICIPAL OVERVIEW

The Hessequa Municipality consists of three large towns located on the N2 that passes through the municipal area from east to west and four coastal towns. Then there are four smaller communities, varying in size, located in the vast rural area of Hessequa. On the following map the main towns and communities are shown to indicate the geographic layout of the Hessequa region.



As indicated by the distance scale, the towns are physically removed from each other. This causes that all bulk infrastructure is duplicated for every town. These include wastewater treatment plants, water treatment works, electricity substations and reticulation networks. In terms of service delivery, this causes the municipality to provide seven different service centres that need to be able to manage account queries, payments, service disruption response personnel and duplication of personnel that is on standby. Hessequa centralised administrative functions in Riversdale.

Population

When the 2001 and 2011 Census datasets are used to consider population growth, the following table with official Stats SA was developed with projections for 5 year intervals.

Table 1 - Stats SA: Population & Growth Projections

Town	2001	2011	2015	2020	2025
Albertinia SP	1529	1406	1360	1304	1250
Theronsville	3163	4966	5948	7453	9339
Albertinia Total	4692	6372	7308	8757	10589
Gouritsmond SP	459	515	539	571	605
Groot-Jongensfontein SP	282	355	389	437	490
Heidelberg	7125	8259	8762	9433	10156

Melkhoutfontein	1479	2533	3141	4111	5380
Riversdale	11678	15292	17033	19492	22305
Riversdale Rural	1115	885	807	719	640
Slangrivier SP	2352	3011	3324	3761	4255
Stillbay	3012	3514	3737	4037	4360
Witsand	199	321	389	494	627
Rural	11741	11586	11525	11448	11372
Total	**44134**	**52642**	**56488**	**61693**	**67378**

The Census 2022 information that was published on a municipal level, reflected a much larger and accelerated growth. The following highlights from the Census 2022 publications are reflected to provide a statistical overview in comparison to the Census 2011 dataset:

Name	2022	2011
Total population	71 918	52 642
Young children (0-14 years)	21,4%	24,4%
Working age population (15-64 years)	66,3%	64,6%
Elderly (65+ years)	12,3%	11,1%
Dependency ratio	50,8	54,9
Sex ratio	93,1	94,1
No schooling (20+ years)	2,8%	4,6%
Higher education (20+ years)	12,7%	10,1%
Number of households	22 333	15 873
Average household size	3,2	3,3
Formal dwellings	95,3%	93,8%
Flush toilets connected to sewerage	97,5%	90,7%
Weekly refuse disposal service	92,3%	78,7%
Access to piped water in the dwelling	94,5%	81,0%
Electricity for lighting	98,5%	94,9%

In general, all of the above mentioned statistics does reflect a positive socio-economic trend. When Hessequa is compared to these figures in the Garden Route District, in almost all indicators reflective of service delivery levels, Hessequa is either highest, or second best.

1.3.1 GOVERNANCE OVERVIEW

The Hessequa Council was elected in the 2021 local elections.

The Municipal Manager and all Director positions are filled with competent staff, which is supported by a strong and well experienced middle management group of Managers. The employee turn-over rate is low and can Hessequa be seen as a stable work environment and local authority. Good governance practices have led to 10 consecutive clean (unqualified with no findings) audit outcomes.

In terms of service delivery, does Hessequa have above average service delivery standards when compared on district, provincial and national level. Performance targets are set for service delivery standards and are reported in more detail within Chapter 3.

1.3.2 FINANCIAL OVERVIEW

There are basic financial ratios and reporting targets set for local government by legislation. The following tables reflect the basic financial performance relating to it. For more detail, please refer to Chapter 3, Chapter 5 and for full details, refer to the attached Annual Financial Statements as submitted for external audit. The financial strategy of Council, as reflected in the IDP, is based on the approved financial plan. Financial sustainability is core to the municipal vision to ensure service delivery to communities in the long term future of Hessequa.

Liquidity Ratio

Description	Basis of calculation	2023/24	2024/25
		Audit outcome	Audit outcome
Current Ratio	Current assets/current liabilities	2,69	3,50
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2,50	3,07
Liquidity Ratio	Monetary Assets/Current Liabilities	2,66	3,47

IDP Regulation Financial Viability Indicators.

Description	Basis of calculation	2023/24	2024/25
		Audit outcome	Audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	14,90	12,68
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	11,00%	12,84%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	15,02	15,28

Creditors Management

Description	Basis of calculation	2023/24	2024/25
		Audit outcome	Audit outcome
Creditors System Efficiency	of Creditors Paid Within Terms (within MFMA' s 65(e))	78,46	70,27

Borrowing Management

Description	Basis of calculation	2023/24	2024/25
		Audit outcome	Audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	7,01%	6,35%

Employee costs

Description	Basis of calculation	2023/24	2024/25
		Audit outcome	Audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	30,24%	26,52%

MAINTENANCE / DEVELOPMENT OF THE THREE LARGEST ASSETS – OPERATIONAL EXPENDITURE

Asset 1		
Name	**Upgrading of Roads and Stormwater in Hessequa Municipal Area**	
Description	Reseal of roads and related infrastructure where required.	
Asset Type	Infrastructure : Roads and Stormwater	
Key Staff Involved	Director Technical Services: (Rhuschan Manho), Manager Civil Planning and Project Management (Shahida Kennedy)	
Staff Responsibilities	Project management	
Asset Value	**2023/24 (R'000)**	**2024/25 (R'000)**
	46 022	43 037
Asset 2		
Name	**The designing, engineering, supply , delivery, construction, commissioning and five (5) years plant operation and maintenance of up to 10MWH solar PV plant with 10MW BESS at Riversdale**	
Description	This renewable energy project will provide reliable power to the town's residents, protect critical infrastructure, and support local businesses. It is a step forward in addressing the energy crisis while also helping to boost Riversdale's economy.	
Asset Type	Infrastructure: Electrical	
Key Staff Involved	Director Technical Services: (Rhuschan Manho) & Manager Electrical and Mechanical Services (Silent Chikamhi)	
Staff Responsibilities	Project management	
Asset Value	**2023/24 (R'000)**	**2024/25 (R'000)**
	15 004	143 185
Asset 3		
Name	**Upgrading of Water Network in the Hessequa Municipal area**	
Description	The project was aimed to upgrade existing and construct new water infrastructure in the Hessequa Municipal area to strengthen the water reticulation	
Asset Type	Water Reticulation	
Key Staff Involved	Director Technical Services: (Rhuschan Manho), Manager Civil Planning and Project Management (Shahida Kennedy)	
Staff Responsibilities	Project management	
Asset Value	**2023/24 (R'000)**	**2024/25 (R'000)**
	7 217	13 224

1.3.3 Capital Spending on the 5 most expensive Projects

PV SOLAR PLANT RIVERSDALE	R138 185 380	100%
UPGRADE ROADS & STORMWATER - S/B WEST	R11 949 782	100%
UPGRADE ROADS & STORMWATER - W/S	R5 000 000	100%
RENEWABLE ENERGY PLANT - H/Q	R5 000 000	100%
UPGRADE ROADS & STORMWATER - WYK 9 - H/B	R4 284 000	100%

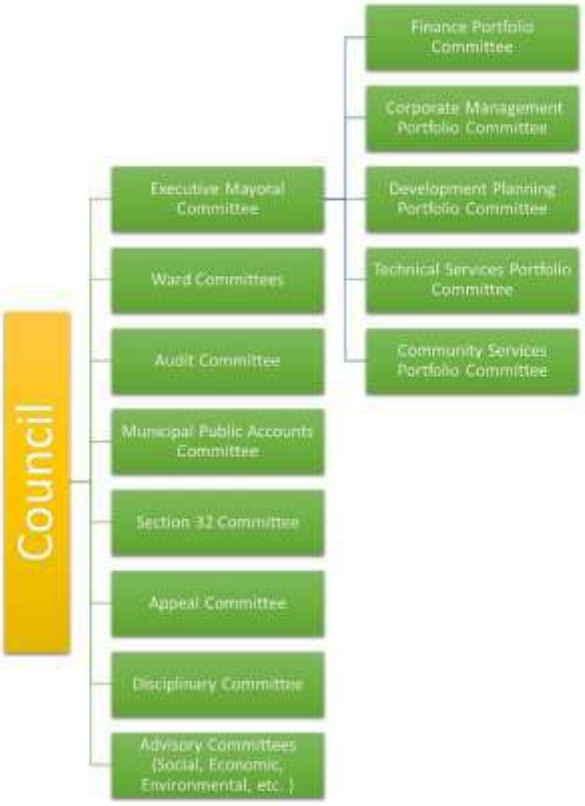
2 GOVERNANCE

To ensure accountability and governance arrangements are in place, Section 121(2)(c) of the MFMA supports the requirements of Section 18(1)(d) of the MSA: information on matters of governance should be communicated to communities. This should, according to Sections 65(1)(a) of the MFMA and 46 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of such an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

2.1 GOVERNANCE STRUCTURES

2.1.1 GOVERNANCE STRUCTURES OF COUNCIL (POLITICAL)

The diagram on the right is a graphical representation of the formal governance structures of Council. Depending on the delegations made by Council to the relevant structure, all decision-making authority resides with Council. The most prominent and having the most delegated authority, would be the Executive Mayoral Committee (EMC), which is chaired by the Mayor. The EMC consists of the chairpersons of the various Portfolio Committees that report to the EMC. In terms of Section 17 of the Municipal Systems Act, a Council can appoint various advisory Committees. The following Committees are constituted by decision of Council and other relevant legislation to assist Council in their governance and oversight functions:



Ward Committees:

Ward Committees are established for each electoral ward within the municipal borders and is chaired by the relevant Ward Councillor. Ward Committees are established with representatives from either a geographical area, or a specific sector / interest group that is relevant to the ward.

Advisory Committees:

Council constituted various advisory committees to assist in specific matters for consultation purposes. Examples thereof are the Environmental Advisory Committee, Archaeological Advisory Forum, Social & Sport Development Forum, Economic Forum, etc.

Municipal Public Accounts Committee:

The Municipal Public Accounts Committee, or MPAC, is established by Council to review various governance processes on behalf of Council. This includes processes like the development and review of the Annual Report, In-year financial and performance reporting, etc.

Audit Committee:

The Audit Committee of Council is a legislated platform that provides oversight on behalf of Council on the Internal Audit function of the municipality. Internal Auditing is administratively accountable to the Municipal Manager but reports on the Annual Audit Plan and any findings on internal control deficiencies to the Audit Committee, who then makes recommendations to Council for consideration.

Section 32 Committee:

Section 32 of the Municipal Finance Management Act (MFMA) requires that a committee of Council must investigate any cases of unauthorised, irregular or fruitless and wasteful expenditure and provide recommendations to Council in terms of possible actions to be taken.

2.1.2 Administrative Governance Structures:

The diagram on the right illustrates various internal, or administrative, governance structures that formally consider and manage specific business processes.



Senior Management Committee:

The Senior Management Committee is chaired by the Municipal Manager with all Directors being the active members of the Committee. The Committee provides support to the Municipal Manager in the management of day-to-day operations of the municipality.

ICT Steering Committee:

The Information and Communications Technology Steering Committee is a formal platform where the administration of the municipality consider ICT interventions relating to systems, service providers, policy and any matter relating to ICT that affects the organisation.

Risk Management Committee:

The Risk Management Committee functions as a governance platform that supports the Municipal Manager in managing the risk profile of the organisation. The Risk Management Committee also reports to the Audit Committee and Council.

Disaster Management Committee:

The Disaster Management Committee oversees the risk management function within the organisation in support of the Municipal Manager.

Supply Chain Management Committees:

The Supply Chain Management process is overseen by various committees that formally considers and provides oversight to the administration for procurement of goods and services. The aim of these committees is to ensure the un-biased implementation of the approved Supply Chain Management Policy.

2.2 INTERGOVERNMENTAL RELATIONS

It is legislated that all three spheres of government should work together to ensure that the mandate that is provided to each sphere of government, is implemented in a coordinated manner. The relationship between the three spheres of government is of utmost importance and does the following table list all the various intergovernmental platforms that is in existence and being used to coordinate the collective efforts of government within the local government borders.

Delegated Representative	IGR Platform	Frequency of Engagement
Municipal Manager	Premier's Coordinating Forum	Bi-Annually
Municipal Manager	MinMay	Quarterly
Municipal Manager	MinMayTech	Quarterly
Municipal Manager	ILGM	Annually
Municipal Manager	Western Cape Municipal Managers Forum	Quarterly
Municipal Manager	Garden Route District Municipal Managers Forum	Quarterly
Managers Finance Department	MAF	Quarterly
Director: Financial Services	Chief Financial Officer Forum	Quarterly
Director: Financial Services and Financial Managers	IMFO	Yearly
Manager: SCM, Asset and Insurance	Provincial SCM Forum	Quarterly
Manager: SCM, Asset and Insurance	COVID 19 - Key Challenges and Risk / JDA Required Meeting	Monthly
Manager: Income	MPRA	Quarterly
Manager: Civil Planning and Project Management	WC MIG PMM/LM Coordination Meeting	Monthly
Manager: Civil Planning and Project Management	EPWP District Forum	Quarterly
Manager: Civil Planning and Project Management	IMESA Meetings	Quarterly
Manager: Electrical and Mechanical Services	Green Energy Forum	Monthly
Manager: Electrical and Mechanical Services	AMEU Forum (Association of Municipal Electricity utilities)	Quarterly
Manager: Electrical and Mechanical Services	SSEG (Small Scale Embedded Generation) Forum	Monthly
Manager: Civil Infrastructure	IMESA Meetings	Quarterly
Manager: Civil Infrastructure	Garden Route Infrastructure Forum	Monthly

Delegated Representative	IGR Platform	Frequency of Engagement
Manager: Civil Infrastructure	Garden Route Water Forum	Monthly
Specialist: Solid Waste, Public Facilities and Amenities	Garden Route Waste Forum	Monthly
Specialist: Solid Waste, Public Facilities and Amenities	Blue Flag Engagement	Annually
Director: Corporate Management	Collaborator User Group Meeting	Monthly
Director: Corporate Management	Legislative & Constitutional Task Team Meetings	Quarterly
Manager: ICT	Provincial ICT Forum	Quarterly
Manager: Library Services	Provincial MSS	Bi-annually
Manager: Legal and Administration Services	Legislative & Constitutional Task Team Meetings	Quarterly
Manager: Legal and Administration Services	Records and Archive Management Meeting	Quarterly
Manager: Legal and Administration Services	Collaborator User Group Meeting	Monthly
Manager: Human Resource Management	SALGA Human Resource Practitioner's Forum	Quarterly
Manager: Human Resource Management	SALGA Collective Bargaining and Institutional Resilience Working Group	Quarterly
Manager: Human Resource Management	SALGA Western Cape Negotiation Committee	On Demand
Skills Development Facilitator	SALGA Skills Development Forum	Quarterly
Manager: Community Development	District Thusong Managers Forum	Quarterly
Manager: Community Development	Thusong Mobile Programme	Quarterly
Senior Clerk Motor vehicle registration	Western Cape E-Natis user group meeting	Quarterly
Fire Safety Officer	Garden route meeting	Quarterly
Fire Safety Officer	western Cape meeting	Quarterly
Public Transport Representative	Garden route Cluster meeting	Weekly
Chief Traffic Services	Traffic Chiefs Forum Western Cape	By Month (every 2nd month)
Chief/Deputy Traffic law enforcement	Western Cape Letcom Meeting	Quarterly

Delegated Representative	IGR Platform	Frequency of Engagement
Chief/Deputy Traffic law enforcement	Garden route DRTMCC	Quarterly
Chief/Deputy Traffic law enforcement	AARTO	Six Monthly
Manager: Human Settlements	Title Deed Restoration Forum	Quarterly
Director: Community Services	Informal Settlement Support Programme	Quarterly
Director: Development Planning	WC Provincial Planning Heads Forum	Quarterly
Manager: Environmental Management	WC DEADP	Quarterly
Manager: Spatial and Economic Dev	Garden Route District Municipality Economic Cluster	Weekly
Manager: Building Control	BCO Conference	Annually

The importance of intergovernmental collaboration cannot be emphasised enough. There are specific processes that the residents of Hessequa benefit from as a result and would it be an injustice to the residents of Hessequa if the municipality did not make use of the opportunities created by other spheres of government or involving them in service delivery challenges on a local level. The following list highlights some intergovernmental successes for 2022/2023

- Municipal Infrastructure Grant Projects
- Human Settlements Projects
- Social Relief Projects during COVID-19
- Environmental Management Initiatives
- Good Governance Grant Projects
- Financial Management Grant Projects
- Information & Communication Technology Initiatives
- Integrated Road & Traffic Safety Initiatives
- Library and E-Services
- Mobile Thusong Program
- Expanded Public Works Program Projects
- Working for the Coast Initiatives
- Community Development Worker Initiatives
- Expansion of Fire Safety Services
- Master Planning Support

2.3 PUBLIC ACCOUNTABILITY & PARTICIPATION

Chapter 4 of the Municipal Systems Act (MSA) explains in detail the responsibility of local government to include communities in municipal decision-making process. The core processes that are referenced in this section of the act, is the development and review process of the Integrated Development Plan, the development and review of the annual budget, the development of the Performance Management System and strategic decisions being made relating to municipal services. The following sections reflect on how Hessequa Municipality go

beyond basic compliance when including the communities of Hessequa in the above-mentioned processes.

Development and Annual Review of the Integrated Development Plan (IDP), the Annual Budget Review and Annual Report Oversight Process

During the development and review communities are included in the process in the form of public meetings and opportunities to submit written representations. The IDP also includes the summary of community needs and development priorities as part of the IDP. Documentation is available in all towns and on the municipal website.

Public meetings are held after the draft budget have been tabled to Council to visit communities and present the draft budget to them. A second opportunity to submit written comment on both the IDP and budget was presented to communities.

In accordance with MSA Section 17(2)(d), representative platforms are also accommodated in the event of requests being received. Examples of these are consultative meetings with Chambers of Commerce, Rate Payers Associations, special interest groups like the Hessequa Archaeological Association, etc.

Ward Committees are also included as formal consultation platform. Specifically, in the evaluation of municipal performance when the Annual Report is presented to the community for comment, but specifically also sent to the Ward Committees to submit comment on the reported performance of the municipality. These comments are submitted to the Municipal Public Accounts Committee for consideration and who in turn, submit their oversight report to Council.

2.3.1 WARD COMMITTEE MEETINGS

Ward Committees held per month:

Ward	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025
Ward 1	-	1	-	1	-	-	-	No quorum	1	1	-	1
Ward 2	-	1	-	1	1	-	-	No quorum	1	-	1	-
Ward 3	-	1	-	1	-	-	-	No quorum	1	1	-	-
Ward 4	-	1	1	1	1	-	-	1	1	No quorum	1	No quorum
Ward 5	-	No quorum	No quorum	No quorum	1	-	-	No quorum	1	1	-	No quorum
Ward 6	-	1	No quorum	1	1	-	-	1	-	-	-	1
Ward 7	-	1	1	No quorum	1	-	-	1	No quorum	-	1	1
Ward 8	-	1	-	1	-	-	-	1	-	-	-	1
Ward 9	-	1	-	1	-	-	-	1	-	-	1	No quorum
TOTAL	**0**	**8**	**2**	**7**	**5**	**0**	**0**	**5**	**5**	**3**	**4**	**4**

- No Ward Committee meetings took place during July 2024 as Council was in recess.

- Ward Committee meeting for Ward 5 did not take place during August 2024 as they didn't not have a quorum.
- Ward Committee meetings for Wards 1, 2, 3, 8 and 9 did not take place during September 2024 as no items were submitted for their consideration.
- Ward Committee meetings for Wards 5 and 6 did not take place during September 2024 as they didn't not have a quorum.
- Ward Committee meetings for Wards 5 and 7 did not take place during October 2024 as they didn't not have a quorum.
- Ward Committee meetings for Wards 1, 3, 8 and 9 did not take place during November 2024 as no items were submitted for their consideration.
- No Ward Committee meetings were scheduled for December 2024.
- No Ward Committee meetings were scheduled for January 2025.
- Ward Committee meetings for Wards 1, 2 ,3 and 5 did not take place during February 2025 as they didn't not have a quorum.
- Ward Committee meetings for Wards 6, 8 and 9 did not take place during March 2025 as no items were submitted for their consideration.
- Ward Committee meeting for Ward 7 did not take place during March 2025 as they didn't not have a quorum.
- Ward Committee meetings for Wards 2, 6, 8 and 9 did not take place during April 2025 as no items were submitted for their consideration.
- Ward Committee meeting for Ward 7 was postponed from 29 April 2025 to 06 May 2025.
- Ward Committee meeting for Ward 4 did not take place during April 2025 as they didn't not have a quorum.
- Ward Committee meetings for Wards 1, 3, 5, 6 and 8 did not take place during May 2025 as no items were submitted for their consideration.
- Ward Committee meetings for Wards 4, 5 and 9 did not take place during June 2025 as they didn't not have a quorum.
- Ward Committee meeting for Ward 2 was postponed from 24 June 2025 to 02 July 2025.
- Ward Committee meeting for Ward 3 was postponed from 24 June 2025 to 01 July 2025.

2.4 CORPORATE GOVERNANCE

2.4.1 RISK MANAGEMENT

The Municipality is required by the Municipal Finance Management Act (No 56 of 2003) to have a risk management system in place. The legislation specifically reads under Section 62 as follows:

(1) The Accounting Officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure - …. (c) that the municipality has and maintains effective, efficient and transparent systems - (i) of financial and risk management and internal control; and …..

During the financial year the following risk management related activities were completed:

- In depth risk review per directorate
- Review of controls linked to each risk and identifying new controls
- Evaluation of all controls
- Registration of new risks identified
- Follow-up risk review process in Corporate Management directorate before the end of the financial year

2.4.2 ANTI-CORRUPTION AND FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management of 2003 (MFMA), Section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism 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 minimize the likelihood of corruption and fraud.

Hessequa Municipality invited bidders to submit tenders for the provision of an anti-fraud hotline for a period of three (3) months. The bid was awarded to Advance Call from 11 November 2023 until 10 November 2026. Whistleblowers (employees of the municipality or members of the public) can report corruption, maladministration or unethical conduct as follows:



2.5 SUPPLY-CHAIN MANAGEMENT

The Supply Chain Management (SCM) function within the administration of the municipality is regulated by relevant legislation and through the approved SCM Policy of Council. The following table details the number of Bid Committee meetings held for the 2024/25 financial year:

GOODS AND SERVICES		
Bid Specification Committee	**Bid Evaluation Committee**	**Bid Adjudication Committee**
14	**18**	**36**
INFRASTRUCTUE		
Bid Specification Committee	**Bid Evaluation Committee**	**Bid Adjudication Committee**
5	**1**	**20**

To oversee and manage the supply chain management processes in relation to competitive bidding and awarding bids to goods and service providers, a committee system is employed, and the following committees exist within the administrative sphere of the municipality. It is important to note that no Councillor can be involved of any procurement process within the supply chain management process.

Demand Management Committee Members:

R. Bent (Manager - SCM, Assets and Insurance); B. Hayward (Manager – Spatial and Economic Development; H.J. Pienaar (Snr SCM Practitioner- Contract; Risk and Performance) ;J. Thyse (Snr SCM Practitioner- Demand; Acquisition and Tender Management); A. Vries (Legal Services); C. Prins (Practitioner: Procurement Management); and Project Managers from Directorates

Bid Specification Committee & Infrastructure Projects Members

H.S. Visser (Director: Planning & Environmental Services), R. Manho (Director: Technical Services), R. Erasmus (Manager: Budget and Financial Statements), J. Thyse (Snr SCM Practitioner- Demand; Acquisition and Tender Management); L Windvogel (Clerk- Tender Management) and Project Managers from Directorates

Bid Evaluation Committee Members& Infrastructure Projects Members

A. M. Griesel (Director: Corporate Management), J. Thyse (Snr SCM Practitioner- Demand; Acquisition and Tender Management); J. Booysen (Accountant Expenditure), W. Joseph (Accountant Income), W. Gwinta (Senior Clerk: Tender Administration); L Windvogel (Clerk- Tender Management) and Project Managers from Directorates

Bid Adjudication Committee Members& Infrastructure Projects MembersG. Goliath (Director: Financial Services); R. Manho (Director: Technical Services); R. Bent (Manager - SCM, Assets and Insurance); H Visser (Director: Planning); C Onrust (Director: Community Services); D. Lewis-Michaels (Director: Community Services); A de Lange (Practitioner: Tender Management) Sub – Delegated members (A. Carelse (Manager: Expenditure); S. Kennedy (Manager: Civil Planning and Project Management); R. Heunis (Manager Community Development: Community Services); H.J. Pienaar (Snr SCM Practitioner- Contract; Risk and Performance) and Project Managers from Directorates.

2.5.1 AWARDS BY THE BID ADJUDICATION COMMITTEE

The ten highest bids awarded by the Bid Adjudication Committee are as follows:

Rank	Number	Description	Award Amount (VAT Excl.)	Successful bidder(s)
1	RFQ 8 UNDER TENDER HES-TECH 22/2223	UPGRADING OF SEWER INFRASTRUCTURE IN THE HESSEQUA MUNICPAL AREA	P1: R1 171 885.55 P2: R2 984 987.17 P3: R3 854 422.00 **R8 011 294.72**	CSJ CIVILS AND CONSTRUCTION WAFUMANA PROJECTS MEYER BETON
2	TRANSVERSAL CONTRACT RT 57-2022 (COLLAB 2019059)	PROCUREMENT OF A REFUSE COMPACTOR TRUCK	**R2 594 600.00**	MERAFE HOLDINGS (PTY) LTD
3	DEVIATION (COLLAB 2179844)	SOFTWARE LICENSE AGREEMENT – MICROSOFT EA	**R1 579 661.58**	MICROSOFT IRELAND OPERATIONS LIMITED
4	TRANSVERSAL CONTRACT RT 57-2022 (COLLAB 2024555)	PROCUREMENT OF A TIPPER TRUCK	**R1 412 220.63**	MERAFE HOLDINGS (PTY) LTD
5	HES-FIN 02/2324	APPOINTMENT OF A SERVICE PROVIDER FOR THE DEVELOPMENT AND IMPLEMENTATION OF A LONG-TERM FINANCIAL PLANNING TOOL	**R1 395 000.00**	INCA PORTFOLIO MANAGERS
6	TRANSVERSAL CONTRACT RT 57-2022 (COLLAB 2024545)	PROCUREMENT OF A DIGGER LOADER	**R1 392 868.00**	BELL EQUPMENT SALES SOUTH AFRICA LIMITED
7	TRANSVERSAL CONTRACT RT 57-2022 (COLLAB 2024552 & 2024549)	PROCUREMENT OF 2X LDVS	**R1 193 007.1**	FORD MOTOR COMPANY OF SOUTH AFRICA
8	TRANSVERSAL CONTRACT RT 57-2022 (COLLAB 2138660)	PROCUREMENT OF 2X LDV's	**R727 561.69**	TOYOTA SOUTH AFRICA MOTORS (PTY) LTD.
9	TRANSVERSAL CONTRACT RT 57-2022 (COLLAB 2024542)	PROCUREMENT OF 2X SUVs	**R721 743.54**	TOYOTA SOUTH AFRICA MOTORS (PTY) LTD.
10	TRANSVERSAL CONTRACT RT 57-2022 (COLLAB 2024544)	PROCUREMENT OF 2X SEDANS	**R634 231.90**	TOYOTA SOUTH AFRICA MOTORS (PTY) LTD.

2.5.2 AWARDS BY THE MUNICIPAL MANAGER

Tender number	Tender Description	Award Amount (VAT Excl.)	Successful Bidder(s)
HES-COM 03/2324	**THE PROVISIONING OF TRAFFIC LAW ENFORCEMENT EQUIPMENT, BACK-OFFICE SYSTEMS, VEHICLES, CALL CENTRE AND OTHER RELATED SERVICES FOR A PERIOD OF SEVEN (7) YEARS**	**VARIOUS**	**TMT SERVICES AND SUPPLIES (PTY) LTD.**
HES-TECH 12/2324	**THE DESIGNING, ENGINEERING, SUPPLY, DELIVERY, CONSTRUCTION, COMMISSIONING OF UP TO 10 MW SOLAR PV PLANT WITH 10 MWH BESS INCLUDING 5 YEARS PLANT OPERATION AND MAINTENANCE AT RIVERSDALE**	**R201 075 600.56**	**VE RETICULATION – CVW (JV)**

Tender number	Tender Description	Award Amount (VAT Excl.)	Successful Bidder(s)
HES-FIN 01/2425	THE PROVISION OF COMMERCIAL BANKING SERVICES FOR A PERIOD OF FIVE (5) YEARS TO HESSEQUA MUNICIPALITY	VARIOUS	FIRST RAND BANK LIMITED

2.5.3 DEVIATIONS FROM NORMAL PROCUREMENT PROCESSES

The following table provides a summary of deviations approved during the financial year:

Type of deviation	Number of deviations	Value of deviations R	Percentage of total deviations value
<R2 000	**21**	**R19 160.97**	**0.19%**
Sole Supplier	0	R0.00	0
Emergency	0	R0.00	0
Exceptional Circumstances	21	R19 160.97	0.19%
Impractical	0	R0.00	0
R2 000 – R30 000	**73**	**R745 987.28**	**7.32%**
Sole Supplier	6	R94 794.68	0.93%
Emergency	1	R15 996.50	0.16%
Exceptional Circumstances	66	R635 199.10	6.23%
Impractical	0	R0.00	0
R30 000 – R200 000	**47**	**R3 952 258.06**	**38.77%**
Sole Supplier	1	R97 432.89	0.96%
Emergency	1	R144 485.27	1.42%
Exceptional Circumstances	45	R3 710 339.90	36.39%
Impractical	0	R0.00	0
>R200 000	**12**	**R5 477 725.61**	**53.73%**
Sole Supplier	0	R0.00	0
Emergency	1	R190 138.82	1.87%
Exceptional Circumstances	11	R5 287 586.79	51.86%
Impractical	0	R0.00	0

2.6 BY-LAWS

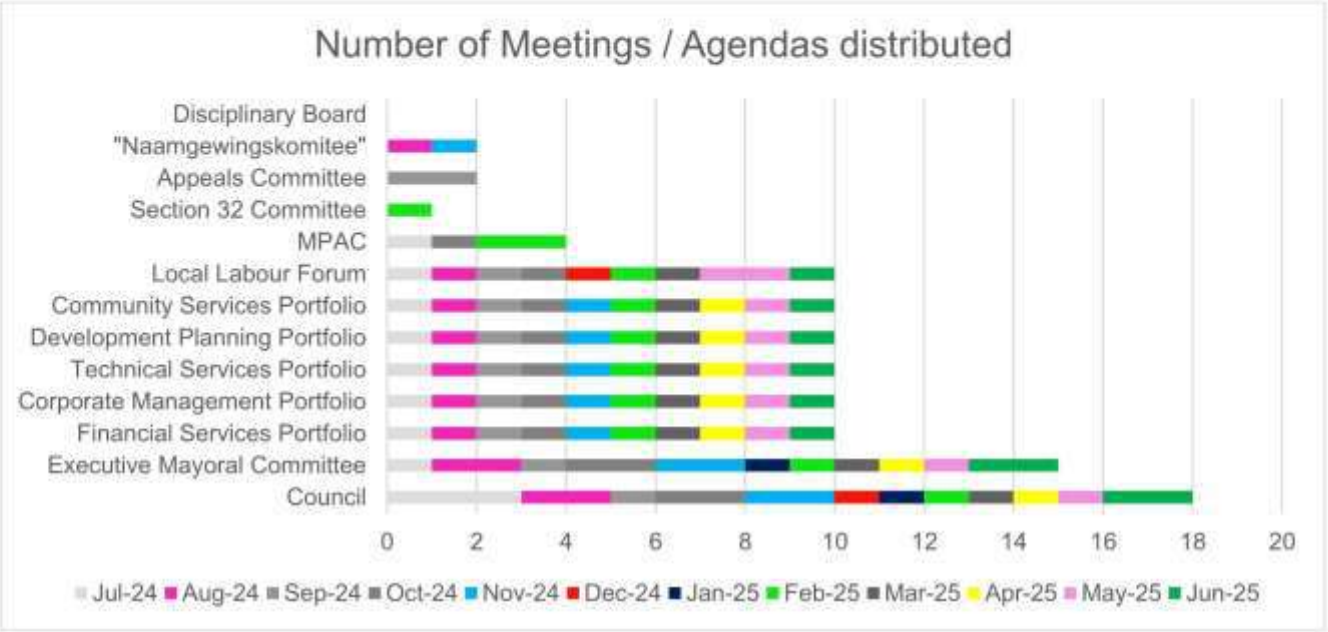
The executive and legislative authority of a municipality is exercised by the municipal council and one of the methods by which this is done is by passing by-laws. A municipality may only make by-laws on matters that it has the right to administer. These matters are set out in Schedule 4B and 5B of the Constitution. The following by-laws are currently in force:

- Aerodromes
- Air Pollution
- Cemeteries and Crematoria
- Commonage
- Customer Care & Revenue Management
- Disposal of Solid Waste
- Electricity Supply
- Events
- Fencing and Fences
- Fire Safety
- Fire Works
- Heritage Resources and Cultural Institutions
- Impoundment of Animals
- Irrigation Water
- Integrated Waste Management By-law
- Keeping and Treatment of Dogs and Cats
- Liquor Trading Hours and Days
- Management and Use of Rivers
- Municipal Land Use Planning
- Outdoor Advertising
- Public Amenities
- Public Busses and Taxi's
- Prevention of Public Nuisance and Public Nuisance arising from the Keeping of Animals
- Rates
- Rules for the Conduct of Meetings
- Roads and Streets
- Street Trading
- Storm Water Management
- Sporting Facilities
- Tariffs
- Water Supply, Sanitation and Industrial Effluent
- Zoning Scheme

2.6.1 ADMINISTRATION:

DISTRIBUTE AGENDAS WITHIN 4 CALENDAR DAYS BEFORE SCHEDULED MEETING

Number of agendas distributed:



DISTRIBUTE RESOLUTIONS WITHIN 5 WORKING DAYS AFTER MEETING WAS HELD

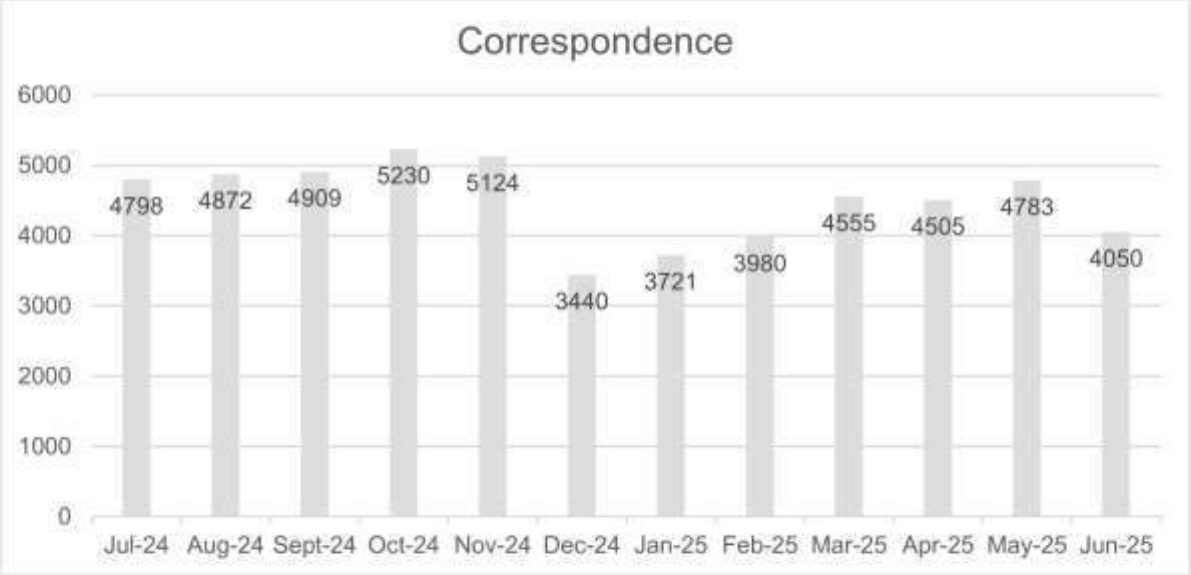
Number of resolutions distributed via the Collaborator system:

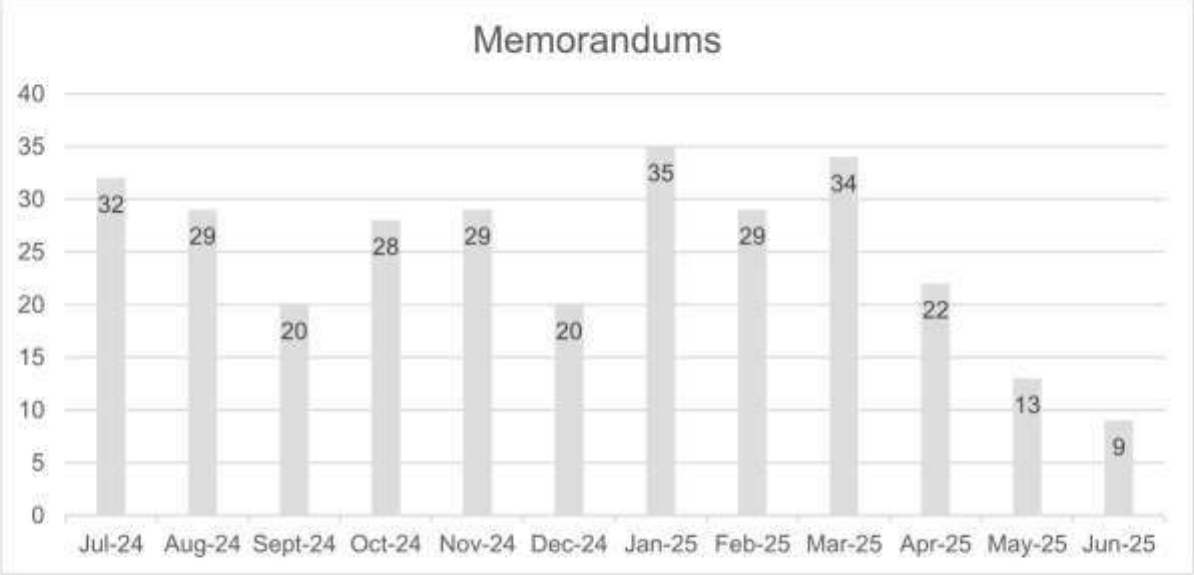
Month	Number
July 2024	74
August 2024	73
September 2024	55
October 2024	83
November 2024	69
December 2024	17
January 2025	35
February 2025	73
March 2025	75
April 2025	65
May 2025	102
June 2025	39
TOTAL	**721**

MONTHLY PROGRESS REPORTS REGARDING COUNCIL RESOLUTIONS

Progress reports regarding outstanding tasks older than 90 days, as well as outstanding Council resolutions older than 30 days, are tabled monthly to the Portfolio Committee meetings and Executive Mayoral Committee meeting respectively.

RECORDS COUNT





PROMOTION OF ACCESS TO INFORMATION ACT (PAIA) REQUESTS RECEIVED

Month	Requests Received	Approved in full	Partially approved	In process	Declined
July	1	0	0	0	1
August	0	N/A	N/A	N/A	N/A
September	2	0	0	0	2
October	0	N/A	N/A	N/A	N/A
November	2	2	0	0	0
December	0	N/A	N/A	N/A	N/A
January	0	N/A	N/A	N/A	N/A
February	0	N/A	N/A	N/A	N/A
March	1	1	0	0	0
April	1	0	0	0	1
May	0	N/A	N/A	N/A	N/A
June	1	0	0	0	1

POLICIES APPROVED

The following policies have been approved:

Month	Number
July 2024	1. Normalization and Regularization Policy 2. Reviewed Hessequa Expanded Public Works Programme (EPWP) Policy
August 2024	0
September 2024	1. Kapitale Bydrae Beleid
October 2024	
November 2024	1. Mid-Year / Ad-Hoc Review of the Credit Control & Debt Collection Policy of Hessequa Municipality
December 2024	0
January 2025	0
February 2025	0
March 2025	1. New Combined Assurance Framework & Reviewed Enterprise Risk Management Policy
April 2025	1. Beleid vir die oprigting van informele woon strukture op vakante, privaat-, Enkelwoon III gesoneerde eiendomme
May 2025	0
June 2025	1. Revised House Shop Policy

CONTRACTS

NO.	SERVICE PROVIDER	PERIOD OF CONTRACT	WRITTEN AGREEMENT IN PLACE	PLAN OF ACTION
1.	Wispernet (only the telephone component)	01/07/2023 – 30/06/2026	Yes	Formal Tender process finalised
2.	Business Engineering (Collaborator System Support & SMS)	01/12/2022 – 30/06/2025	Yes	Deviation process for procurement for a further 3 years is finalized.
3.	Business Engineering Licence Agreement (Shared Services with Garden Route District Municipality)	01/07/2022 – 30/06/2025	Yes	Deviation process for procurement for a further 3 years is finalized.
4.	Eden FM	01/07/2024 – 31/06/2027	Yes	Finalised
5.	Konica Minolta - Drukkers	01/12/2022 – 30/11/2025	Yes	Advertisement to invite interested tenderers were published on 29 May 2025.
6.	Courier Services	01/10/2024 – 30/09/2025	Yes	New procurement process to commence.
7.	Business Connection BCX (Telkom) Analogue Data Line	01/07/2024 – 30/06/2025	Yes	Service is redundant. Contract will not be renewed.
8.	Translation & Advertisement Services	01/10/2023 – 30/09/2026	Yes	Formal tender process finalised
9.	Anti-Fraud Hotline	11/11/2023 – 10/11/2026	Yes	Formal tender process finalised

2.7 PUBLIC RELATIONS

2.7.1 SMS SYSTEM

Currently, there are 3,478 members registered on the SMS database.

2.7.2 FACEBOOK STATISTICS

Hessequa Municipality's official Facebook page is used to keep the residents and visitors abreast of important notices and is used as a platform to help share information and pressing news

12,700 people follow Hessequa Municipality's Facebook page.

Eden FM

Hessequa Municipality has bi-weekly timeslots on Eden FM between 16h30 and 17h00. These slots are used to either address pressing issues arising within the municipality of which

the public needs to be informed of, or to bring attention to municipal procedures or other relevant information.

2.8 MUNICIPAL OVERSIGHT COMMITTEES

Oversight committees are platforms developed by Council, in accordance with relevant legislation, to perform specific oversight functions on behalf of Council. These committees are tasked to fulfil its functions and provide report to Council as executive authority to ensure implementation of recommendations made by oversight committees. Each committee is constituted in accordance with an approved Terms of Reference, which prescribes the roles and responsibilities of the committee.

Committee	Members	Meeting Frequency
Audit Committee	Prof JAA Lazenby (Chairperson) Ms I Lorenz Mr WJ Kok Mr WM Cronje Mnr NL Jonker	Quarterly
Municipal Public Accounts Committee	Cllr IT Mangaliso (Chairperson) Cllr RG Davids Cllr J Hoogbaard Cllr S Le Roux Cllr L February	Quarterly and Ad-hoc
MFMA Sect 32 Committee	Cllr J Hoogbaard – Chairperson Cllr RG Davids Cllr S Le Roux Cllr CP Taute Cllr J Hartnick	Quarterly and Ad-hoc

2.8.1 MFMA SECTION 32 INVESTIGATIONS

The Section 32 Committee reports regularly to council on any findings with recommendations. The following investigations were considered by the Section 32 Committee during the 2024/2025 financial year. These cases refer mostly to instances in the 2023/24 financial year and have been addressed immediately. The Irregular expenditure of R13 021 for the previous year and R105 732 for the current year stemmed from a technical interpretation difference with the Auditor General where the preference points system considering both price and specific goals was not applied. It was agreed that the finding was true, however the controls was in place as this was an isolated occurrence. The contract was subsequently terminated by mutual agreement to avoid further irregular expenditure.

The Unauthorised expenditure in both years was due to actuarial calculations for the remaining useful life of the landfill sites and could not be fully provided for in the annual budget due to limited tariff increases. The matter has only been addressed in the current 2024/25 financial year with increasing the budget provision by cross subsidising this portion of the service. The municipality has intensified other waste reduction mechanisms to not only focus on increasing

costs; but reducing tonnage and extending the useful life, or reduce the impact of growth on the available airspace. The consequence management required Council to improve its budgetary processes and provisions, which has now been adequately provided for.

The possible fruitless and wasteful expenditure related to expenditure that was incurred for an official who was invited to attend a Performance Management Learning exchange seminar. Due to unforeseen circumstances, the official could not attend. Subsequently the matter was investigated and the committee resolved that the expenditure does not comply with the definition and therefore no one can be held liable for the expenditure.

The municipality has and continues to improve its control environment. We make use of Provincial Treasury to do probity audits; training; seeking procurement advice; and conduct training where necessary. This is an ongoing process. No staff have been found to be maliciously negligent during the year and therefore no disciplinary processes required.

Date of Section 32 Committee Meeting held	Unauthorised, Irregular, Fruitless and Wasteful Expenditure	Description of Expenditure	Amount of Expenditure	Write-off / Condoned / Liability	Consequence Management	Date of Council Resolution
14/02/2025	Irregular	Incorrect Preference Point System applied (2023/2024)	R 13 021	Written Off. No person liable.	Measures put in place to prevent reoccurrence.	26/02/2025
14/02/2025	Irregular	Incorrect Preference Point System applied (2024/2025)	R 105 732	Written Off. No person liable.	Measures put in place to prevent reoccurrence.	26/02/2025
14/02/2025	Unauthorised	Incurred expenditure in excess the budgeted limits (non-cash)	R 5 471 718	Certified as irrecoverable. No person liable.	Measures put in place to prevent reoccurrence.	26/02/2025
14/02/2025	Unauthorised	Incurred expenditure in excess the budgeted limits (Non-Cash) Prior year restatement.	R 132 300	Certified as irrecoverable. No person liable.	Measures put in place to prevent reoccurrence.	26/02/2025
15/08/2025	Fruitless and Wasteful	Incurred expenditure. Official did	R 12 253	No one held accountable.	Does not comply with definition of fruitless and wasteful expenditure.	Section 32 confirmed no further .action, report to

Date of Section 32 Committee Meeting held	Unauthorised, Irregular, Fruitless and Wasteful Expenditure	Description of Expenditure	Amount of Expenditure	Write-off / Condoned / Liability	Consequence Management	Date of Council Resolution
		not attend the seminar				MPAC for oversight

3 SERVICE DELIVERY PERFORMANCE

3.1 PERFORMANCE HIGHLIGHTS, CHALLENGES & ACTIONS TAKEN

3.1.1 COMMUNITY SERVICES

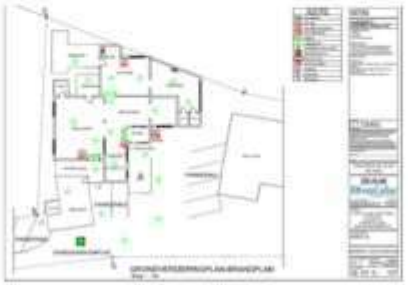
Service Delivery Highlights: *Human Settlements*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
1	Title Deeds Handovers	All registered home owners	Security of tenure	
2	Housing Consumer Education	All approved beneficiaries	More informed home owners	

Service Delivery Highlights: *Human Settlements*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
3	Updating of Housing Waiting list	Those who are in need of a housing unit.	Opportunity to become home owners	
4	Melkhoutfontein Housing Project	Beneficiaries in the Melkhoutfontein Project	Home ownership	

Service Delivery Highlights: *Human Settlements*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
5	Emergency Housing Program	Gouritsmond Home owners	Repair damaged roofs of home owners who do not have insurance on their properties	

Service Delivery Challenges experienced by Department			
#	**Function / Service Description**	**Challenge Description**	**Actions taken to address challenges**
1	Supply housing to those who need it the most.	Budget cuts by Province	Get projects implementation ready in the meantime.
2	Signing of contracts with residents.	Lack of cooperation by residents by not providing transfer documentation like marriage certificates, letters of authority, death certificates, etc.	Door to door visits to get documents. Request assistance from Councilors.
3	Supply housing to first time home owners.	Not all applicants are credit worthy enough to receive bonds from banks.	Encourage prospective applicants to improve their creditworthiness.

Service Delivery Highlights: Fire and Rescue Services.				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
1	Fire and Life safety education	Communities, Schools	Fire safety in and around homes. Empower community with lifesaving knowledge and skill to act quickly and correctly in emergencies	
2	Chaplain services	All emergency services	The M.O.U between Hessequa Municipality and Chaplain support establish a formal partnership to provide spiritual, emotional, and trauma support to all emergency services during time of crisis, trauma and stress. Also promote mental wellness and resilience in emergency teams	PASTORAL CHAPLAINS ALERT C.A.W.C. WESTERN CAPE CARE
3	New Bakkie	Residents of Hessequa	Rapid intervention vehicle to reach all types of emergency incidents. To quickly reach and suppress small or fast-moving fires before they escalate especially veld, grass fires. Also to reach motor vehicle accidents and support with the basic medical care.	

Service Delivery Highlights: Fire and Rescue Services.				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
4	Examination of building plans	Community of Hessequa	Ensure that buildings that are newly build comply with the relevant Fire safety standards, ensuring safe evacuation in commercial buildings.	
5	Basic Fire Fighter course	Community of Hessequa/ Businesses	Empower communities to safely and effectively control small, controllable fires in their early stages, before they grow into life threatening emergencies.	
Service Delivery Challenges experienced by Department				
#	**Function / Service Description**	**Challenge Description**		**Actions taken to address challenges**
1	Fire and Rescue service	Due to the travel distance to towns including, Slangrivier, Witsand, Gouritsmond, that can compromise the effectiveness of the department regarding Life, Property		On going.

Service Delivery Highlights: Fire and Rescue Services.				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
1.	**Women's Day Program – August 2024.** The focus: Women who were affected or victims of Gender Based Violence. The aim of the program was to empower them with knowledge and the necessary legislation that pertains to GBV, but also to provide motivation and hope to women who finds themselves in a GBV situation and feels that they do not have any options.	The program empowered 60 women from Melkhoutfontein and Gouritsmond affected by gender-based violence.	The program raised awareness of legal rights, connected participants to support services and built peer networks. The imitative fostered confidence, encouraged speaking out and promoted resilience, enabling informed decisions and long-term positive change within their communities.	
2	**Life skills Program**: The program focused on building self-awareness, decision-making abilities and emotional intelligence, helping learners identify their strengths and weaknesses to make more informed life choices.	The Life skills program targeted Grade 4 to 6 learners form Molenrivier, Vondeling and Goedgegun Primary schools. Plus, minus 30 learners participated in each session.	The program fostered personal growth, improved learner's confidence and enhanced their communication and problem-solving skills. Learners demonstrated better self-control, increased empathy and greater resilience. Over 12 months it cultivated a foundation for responsible behaviour empowering learners to navigate challenges	

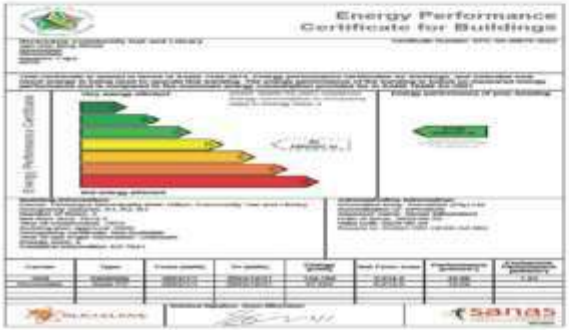
Service Delivery Highlights: Fire and Rescue Services.				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
			both in school and daily life more effectively.	
3	**Hessequa Sport Awards** The Hessequa Municipality in partnership with the Hessequa Sport Council hosted the second Hessequa Sport awards ceremony to honour outstanding sporting achievements. Categories included athletes, journalists and administrators. The winners at the awards progressed to the Eden District awards ceremony. The Hessequa Sport Council was awarded an Accolate as the best functioning council within the district, highlighting regional leadership and excellence.	The program benefits athletes, administrators, and sport media professionals within the Hessequa region by recognizing excellence and dedication.	The awards boosted community pride and visibility for local talent. Recognition at the district level validated the program's impact while the Sport Council's accolade affirmed effective governance. Increased youth involvement, strengthened sport structures and elevated morale among volunteers and stakeholders reflect the program's lasting value in building a sustainable sporting culture.	

Service Delivery Highlights: Fire and Rescue Services.				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
4	**Hessequa Golden Games**: The Hessequa Active Ageing program hosted the annual Golden Games celebrating Senior citizens through fun and inclusive sports. The program adds value by enhancing their emotional, mental and physical wellbeing while reinforcing their societal importance through an inclusive and joyful community-driven event.	The primary beneficiaries are Senior citizens from across Hessequa.	The event fostered stronger intergenerational respect, improved senior participation in physical activities and boosted the morale amongst older persons. Community awareness about healthy ageing increased. The participants reported feeling valued and more connected. The program helped reduce isolation and showcased seniors' capabilities contributing to a more age-inclusive Hessequa Society.	

Service Delivery Highlights: Fire and Rescue Services.				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
	Hessequa Thusong Mobile Program: The Hessequa Thusong Mobile program is an attempt by the Hessequa Municipality to bring government services closer to the people, especially to the rural areas. Essentially, this program is a "One Stop Shop" for the delivery of different Government services.	The Thusong mobile program rotates monthly between towns in Hessequa, bringing essential government services directly to communities. Over 600 community members benefit each month, accessing support from various departments.	The program promotes inclusion, dignity and service equity. By decentralizing access it ensures community members, especially the vulnerable, retrieve timely support. Results include increased access to documentation, improved civic participation and stronger trust between citizens and government. It exemplifies people-centred service delivery and responsive local governance.	
	Function / Service Description	**Challenge Description**		**Actions taken to address challenges**
1	Limited-Service delivery by Sector Departments especially Home Affairs.	The Department of Home Affairs has faced enormous challenges in delivering consistent services within Hessequa due to system failures and lack of a permanent office within the area. As a result, residents often experience delays and must travel long distances to access basic services.		To improve access a permanent Home Affairs office was approved for Riversdale. Council provided space at the Thusong Centre at no cost and renovations are in progress. Mobile Thusong services will continue with the renovations to the new office expected to be completed in November 2025.

Service Delivery Highlights: Fire and Rescue Services.				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
2	Digitalisation, automation by certain government Départements like SARS, SASSA and Labour.	Many community members lack digital literacy, internet access and confidence to use online government platforms. These challenges prevent vulnerable groups from benefiting fully from digitalized services meant to improve efficiency and accessibility.		The E-Centre and Youth Café program were established to address digital access challenges. These centres provide free internet, Wi Fi, and basic training courses to assist community members to navigate online government platforms and services more effectively, especially in under-resourced and digitally excluded areas.

3.1.2 CORPORATE MANAGEMENT

Service Delivery Highlights: Property Management				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
1	Energy Performance Certificates for 5 municipal buildings	Hessequa residents	The energy efficiency of 5 municipal buildings were evaluated based on energy consumption data over a specific period. Led lights, solar panel installations and inverter air-conditions contributed to a better score.	
2	Privatisation of the Gouritsmond and Witsand West Caravan Park	Hessequa residents and local businesses	The privatization of the caravan parks will lead to private investment and upgrading of facilities, increased occupancy rates, and economic benefits. The municipality remains the owner of the property.	

Service Delivery Highlights: Property Management				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
3	Disposal of various municipal properties	Hessequa residents and local businesses	Property development will lead to job creation, economic benefits and enhance municipal income through property rates and service charges	
4	Various maintenance projects at the Duivenhoks, Slangrivier, Kwanokuthula and Theronsville Community Halls	Hessequa residents	By performing regular maintenance work, it is ensured that buildings are suitable for their intended use.	
5				
Service Delivery Challenges experienced by Department				

Service Delivery Highlights: Property Management				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
#	**Function / Service Description**	**Challenge Description**		**Actions taken to address challenges**
1	Certificate of Electrical Compliance for Municipal buildings	Certain municipal buildings do not have a Certified Electrical Certificate.		Implementation plan linked to an approved budget in the 2025/2026 and 2026/2027 financial year
2	Office space	To centralize municipal office space by purchasing private property or alternatively expanding existing office space to reduce rental expenses.		The development of an office space strategy
3	Vandalism to Municipal property	The repair work of damage to municipal buildings caused by vandalism has resulted in less funding available for preventative and planned maintenance.		A combination of the following measures, improving physical safety of properties (fencing, burglar bars, CCTV cameras), community engagement activities, regular inspections and targeted law enforcement strategies.

Service Delivery Highlights: *Information & Communications Technology*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
1	**Vulnerability Assessment & Penetration Testing (VAPT):** Cybersecurity initiative aimed at identifying, evaluating, and mitigating security vulnerabilities in an organization's IT infrastructure. It involves simulated cyberattacks to test the resilience of systems, networks, and applications against real-world threats.	Internal & External Stakeholders	**Risk Reduction**: Identification and remediation of critical vulnerabilities before exploitation. **Improved Security Posture**: Strengthened defenses against cyber threats through actionable recommendations. **Compliance Assurance**: Alignment with industry standards.	
2	**Secondary Firewall Implementation:** Involves deploying an additional layer of network security to complement the primary firewall. This setup enhances defense-in-depth strategies by providing redundancy, segmentation, and improved traffic filtering, especially in high-risk or sensitive network zones.	Internal & External Stakeholders	**Redundancy & Resilience**: Ensures continued protection in case the primary firewall fails. **Improved Network Segmentation**: Allows for more granular control over internal traffic between departments or systems. **Operational Continuity**: Minimizes downtime and service disruption due to security breaches.	

Service Delivery Challenges experienced by Department			
#	**Function / Service Description**	**Challenge Description**	**Actions taken to address challenges**
1	Filling of vacant post	33% Vacancy rate exist in the ICT section, a constraint budget makes it difficult to fill these vacancies. In the interim interns are assisting ICT to meet business needs with reference technical	2 x Temporary ICT technician were appointed to assist with project

Service Delivery Highlights: *Information & Communications Technology*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
		support. There is a huge risk that without this critical post's KPI targets may not be sustainable which may impact negative on service delivery.		implementations a technical support queries from users.

Service Delivery Highlights: *Human Resource services*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
1	Peace Officer	Unemployed Youth	A total of 16 unemployed youth completed Peace Officer training and will now complete their 12-month internship at the Municipality.	
Service Delivery Challenges experienced by Department				
#	**Function / Service Description**	**Challenge Description**		**Actions taken to address challenges**
1	Leave forms	Leave forms were not submitted in time and HR had to phone line management to request leave forms to finalise the Time & Attendance reports to Directors.		The matter was addressed at the Directors meeting and there has been a great improvement.

Service Delivery Highlights: *Department: Camps and Occupational Health & Safety*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
1	***OHS Medical Testing of Personnel.*** Medical testing of personnel is conducted in line with Hessequa Municipality's commitment to promote a safe and healthy work environment. Occupational medicals were conducted in Riversdale, Albertinia and Still Bay, on 28,29 and 30 May 2025.	Certain categories of personnel are entitled to a medical examination every two years in terms of the Occupational Health and Safety Act. For the year under review, personnel of the various technical departments in the towns of Riversdale (wards 6,7,8), Stilbaai (wards 1 & 3), Albertinia (ward 2) and Gouritsmond (ward 1), undergone their medicals.	This initiative forms part of a broader strategy to enhance workplace safety, improve employee well-being and ensure compliance with occupational health standards. Each employee received personalized health education and counselling based on their results. Those identified with uncontrolled pre-existing conditions or newly diagnosed health risks were issued with referral letters for further medical management.	
2	***Shop talks conducted to employees on workplace safety.***As part of Hessequa Municipality's ongoing commitment to the health and safety, several employees across different departments actively participated in **shop talks** aimed at promoting a culture of safety and awareness. These informal yet impactful sessions served as	This Shop Talks are beneficial to all of the Hessequa municipal employees located at Head Office in Riversdale, and in all of the decentralised towns of the Hessequa municipal area.	These shop talks have proven to be a valuable tool in reinforcing the importance of safety, encourage peer-to-peer learning and proactive safety culture within the municipality. This shop Talks is seen as an excellent incident on duty risk mitigating tool and is embraced by employees throughout the organization.	

Service Delivery Highlights: *Department: Camps and Occupational Health & Safety*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
	platforms for open dialogue, knowledge and proactive risk management. **Main topics covered** • Safe lifting techniques • Safe working around machinery			
3	***Upgrading of municipal ablution facilities located at the Jongensfontein and Witsand Caravan Parks.*** The Biggest Ablution facility in both the Caravan Park has been upgraded by the replacement of floor tiles, wall tiles, upgrading of showers, shower taps, as well as the general look and feel of the facility. The ablution facility at Witsand Middle Camp has also been upgraded in the same manner.	Approved campers residing on plots in caravans and tents of the Jongensfontein and Witsand Middlecamp Caravan parks. The beneficiaries are mostly coming from outside the municipal borders, but the facility is available for all Hessequa inhabitants as well. This means, people residing in all 9 wards in Hessequa.	The provision of outstanding ablution facilities for campers to use during their stay at Jongensfontein Caravan Park. Satisfied campers throughout their stay, will ensure that they will come back again. A good mirror for increase in number of campers and eventually making Hessequa municipality their holiday destination of choice. This has 'n good spin-off for tourism in general.	

Service Delivery Highlights: *Department: Camps and Occupational Health & Safety*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
4	Replacement of diesel water heating boiler system with a gas water heating burner system in Preekstoel Caravan Park	Approved campers residing on plots in caravans and tents of the Preekstoel Caravan park. The beneficiaries are mostly coming from outside the municipal boundaries, but the facility is available for all Hessequa inhabitants as well. This means, people residing in all 9 wards in Hessequa.	To replace outdated technology with an improved, more cost-effective system. Gas is a "cleaner" alternative oppose to diesel.	
5	Procurement of new fleet (2 X Light Driven vehicles) for Preekstoel and Ellensrust Caravan Parks	The beneficiaries are as follows: • Preekstoel Caravan Park (ward 1) • Ellensrust Caravan Park (ward 3)	More efficient use of municipal resources, and improvement in service delivery at the respective camps by having reliable vehicles to conduct duties. One light driven vehicle is fitted with a canopy and the other one with rails for multiple uses.	

Service Delivery Challenges experienced by Department			
#	**Function / Service Description**	**Challenge Description**	**Actions taken to address challenges**
1	Camping Sites	Not all campers adhering to the Camp Rules	Integrated law enforcement actions to be taken by all role-players

Service Delivery Highlights: *Department: Camps and Occupational Health & Safety*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
2	Camping Sites	Low occupancy of camping sites during out-of-season periods.		Aggressive marketing and Promoting initiatives of all municipal camping facilities
3	Camps & OHS	Administrative support for department in form of intern		Lobbying for Interns at Tertiary Institutions

Library Services Highlights				
#	**Project / Programme / Initiative Description**	**Beneficiaries Description**	**Value / Benefit Description**	
1	Inheems Teenagers Art Competition	This annual event provides a valuable platform for emerging young artists from the region to showcase their talents while fostering a deeper connection to the rich natural and cultural heritage of the Hessequa area.	Young artists are able to expand their portfolios, refine their artistic skills, and gain meaningful exposure within the broader arts. community. Total of R26 000 cash prices were won.	
	Kinderkunskompetisie	For the fifth consecutive year, Hessequa Libraries, in collaboration with artists from the	The winning entries were proudly exhibited at the Heidelberg Library during the	

Library Services Highlights				
#	**Project / Programme / Initiative Description**	**Beneficiaries Description**	**Value / Benefit Description**	
		HSQA Art Route, hosted the 'Kinderkunskompetisie'. A total of 223 young artists participated, creating works inspired by the theme *'Four Seasons in Eden.'*	Harmonie Festival. Winners all received a prize and certificate.	 Tatum Hendriks (Voorwaarts Primary School) overall winner
3	YearbeYond	The YearBeyond Libraries Programme is a partnership between YearBeyond and the Western Cape Government Library Service. Four Yeboneers build working experience from May 2024 – February 2025.	The project supports libraries as community centers of learning and access by fostering a culture of reading amongst children and promoting digital access for citizens.	 Graduation Class of 2024

Library Services Highlights				
#	**Project / Programme / Initiative Description**	**Beneficiaries Description**	**Value / Benefit Description**	
4	Visit from Minster Ricardo Mackenzie	Provincial Minister of Cultural Affairs and Sport visited Stilbaai and Riversdal Library. This visit coincided with Riversdale 165th birthday.	Promoting literacy and education, showcasing the library as a valuable community resource, and fostering positive relationships.	 Minister Mackenzie, Mayor Riddels and Harteliefklas
5	Commissioner of Oaths	Selected library staff were identified to register as commissioners of oaths. Libraries include: Vermaaklikheid Protea (Albertinia) Gouritsmond Melkhoutfontein Duivenhoks (Heidelberg)	This free function allows for better service delivery – this enables for easier application to jobs, register learners for school, social grant application ext.	 Melkhoutfontein Library and patron

Library Services Highlights				
#	**Project / Programme / Initiative Description**	**Beneficiaries Description**	**Value / Benefit Description**	
Service Delivery Challenges experienced by Directorate				
#	Function / Service Description	Challenge Description	Actions taken to address challenges	
1	Vat issue	The vat issue has not been resolved yet due to the financial impact it will have on several different departments. Hessequa Municipality is still waiting for the guidelines from SARS on how to manage the vat issue.	Hessequa Municipality was presented with a partial assignment agreement from Department of Cultural Affairs and Sport, outlining the roles and responsibilities for each department. This agreement will address the vat issue.	
2	Staff shortage	The retirement or transfer of staff to other libraries leads to a shortage of experienced and trained personnel. Filling these vacancies are challenging especially when requiring qualified librarians.	Appointing interns with external funds.	

3.1.3 DEVELOPMENT PLANNING

Service Delivery Highlights: *Environmental Management*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
1	3RD GENERATION HESSEQUA MUNICIPALITY: AIR QUALITY MANAGEMENT PLAN 2025	All of Hessequa inhabitants will benefit from the Air Quality Management Plan due to the holistic approach prescribed by said plan.	Air quality management that positively impacts the air we breath and consequently the associated health benefits for the community as a whole.	
2	Hessequa Municipality nature reserve upgrading – Hessequa Tourism initiative	All of Hessequa inhabitants as there were various upgrades to infrastructure in most of the local authority nature reserves	Adding to the value of the local authority nature reserves specifically the tourism experience and overall alure.	
Service Delivery Challenges experienced by Department				
#	**Function / Service Description**	**Challenge Description**		**Actions taken to address challenges**

Service Delivery Highlights: *Environmental Management*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
1	Maintenance Management Plans – submission for approval to Department of Environmental Affairs and Development Planning (DEA&DP).	There are ongoing delays in processing of municipal submissions by the DEA&DP. The same applies to communication from said department, which is usually minimal or none whatsoever. By implication the lack of approvals have a direct impact on the municipality's ability to implement these projects and as such services delivery.		

Service Delivery Highlights: Local Economic Development				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
1	Mandela Day Career Event	All wards	Providing information and opportunities for tertiary education.	
2	MSC Cruises Awareness Roadshow	All wards	Providing youth with access to career opportunities.	
3	WRSeta Food Safety Training	All wards	Small food businesses gaining more knowledge on proper food preparation techniques.	

Service Delivery Highlights: Local Economic Development				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
4	SMME Kickstart	Wards 1,2,4,5,6,7 & 9	Providing product/equipment and access to training opportunities for small businesses to grow.	
5	Itega Foundation Enterprise Development Officers	Wards 1,2,4,5,6,7,8,9	Small business support for various Hessequa towns in the form of business registrations and certifications.	
Service Delivery Challenges experienced by Department				
#	**Function / Service Description**	**Challenge Description**		**Actions taken to address challenges**

Service Delivery Highlights: Local Economic Development				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
1	Access to funding and training opportunities for small businesses	Small businesses experience challenges when trying to grow and get opportunities to funding that's not readily available for small businesses who do queries.		Communicating with all spheres of government and private sector on programs or opportunities open for applications. These opportunities are all shared on municipal communication platforms as well as small business groups and forums. LED section is also facilitator for a digital skills course platform which is available to all.

Service Delivery Highlights: *Spatial and Economic Development*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
1	Tourism Growth Fund: Grant Funding Projects	The tourism infrastructure development and enhancements benefit all residents and visitors to towns where the projects were initiated.	The projects assisted in maintaining key tourism infrastructure like Municipal Nature Reserves and creating new tourist experiences like a formal parking area, viewing points and shaded picnic areas.	
2	Hessequa Tourism Event Support Programme	The Hessequa Tourism Event Support Programme benefit all Hessequa event organisers / events and the greater communities of Hessequa and its visitors.	Hessequa Tourism approved 20 events for the 2024/2025 financial year, of which 19 were successfully hosted and 1 cancelled. The events included major events like Ultra Trail Sleeping Beauty, Heidelberg Giant Pumpkin Festival, Vlakte Marathon and Stilbaai Touchies.	

Service Delivery Highlights: *Spatial and Economic Development*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
3	Hessequa Tourism Product Development Fund	The Hessequa Tourism Product Development Fund benefit Hessequa-based Tourism SMME's, Tourism NPO's and Tourism NGO's.	The Hessequa Tourism Product Development Fund framework was approved in November 2024. A total of 3 projects were approved. The programme aided in the clearing and opening of more than 23-km of walking trails in Riversdale and assisted Stilbaai Tourism Bureau in attending the Garden Route Outdoor Family Expo.	
4	World Travel Market Africa 2025	All tourist facilities located within the boundaries of the Hessequa Municipal area.	The World Travel Market Africa was hosted from 9-11 April 2025 in Cape Town and yielded a record-breaking 38 559 appointment requests. Hessequa Tourism met with all pre-meetings and had engagements with walk-in representatives from various touring companies, tour agencies and dignitaries including the Namibian First Secretary, Ms. Saima Sakaria.	

Service Delivery Highlights: *Spatial and Economic Development*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
5	Hessequa Tourism Brand Relaunch	All tourist facilities located within the boundaries of the Hessequa Municipal area including the Hessequa Tourism brand.	The brand relaunch emanated from the Tourism Strategy review in 2023. The brand relaunch event was hosted on 27 September 2024 at the Garden Route Game Lodge, with the SKAL Garden Route President as Main Speaker. The event was attended by and featured on SABC News.	
Service Delivery Challenges experienced by Department				
#	**Function / Service Description**	**Challenge Description**		**Actions taken to address challenges**
1	Limited Human Resources: Tourism Section	The Tourism Section consists of one appointed Tourism Official. The role and responsibilities of the incumbent includes the promotion and development of Hessequa as a tourist destination through strategic interventions, enterprise advancement, route development and support, event support, product support and development, stakeholder liaison, project management and policy formulation.		The Tourism Section submitted an expression of interest to host a Skills Mecca Work Integrated Learning student (intern).

3.1.4 TECHNICAL SERVICES

Service Delivery Highlights: *Technical Department*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
1	Upgrading of roads and Stormwater in the Hessequa area	All Hessequa residents will benefitting from the upgrades of the road infrastructure as this done throughout the Hessequa area	Improving the road quality and the livelihood of the resident of Hessequa. The project was designed and managed by the Internal Technical Department. A total of 50 work opportunities were created. By doing internal designs and managed a total of 20% cost usually for professional fees, were directly used for infrastructure upgrades.	
2	Upgrading of water infrastructure in the Hessequa area.	The residents of Ward 2,3,6,7,8,9 will be benefitting from these water projects.	Strengthen the water reticulation reduce water losses, reducing maintenance cost. Providing temporary job opportunities to 42 people across the Hessequa area. The project was designed and managed by the Internal Technical Department. By doing internal designs and managed a total of 20% cost usually for professional fees, were directly used for infrastructure upgrades.	

Service Delivery Highlights: *Technical Department*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
3	Upgrading of sewer infrastructure in the Hessequa area.	Residents from Ward 1,2,3,8 & 9 are benefiting from this water pipe replacement programme to strengthen the water network.	Strengthen the sewer reticulation and reduce sewerage blockages reducing maintenance cost. Providing temporary job opportunities to 38 people across the Hessequa area. The project was designed and managed by the Internal Technical Department. By doing internal designs and managed a total of 20% cost usually for professional fees, were directly used for infrastructure upgrades.	
4	Solar project	While Wards 6, 7, and 8 receive direct benefits, the entire Hessequa Municipality benefits through improved electricity services, stronger infrastructure support, and equitable energy development. All communities are included in long-term energy planning, ensuring broader access to reliable and sustainable municipal energy solutions.	The project reduces reliance on grid electricity, lowers municipal energy costs, and enhances supply reliability. It supports carbon reduction goals, stimulates local economic activity, and enables long-term savings. The municipality gains improved service delivery capacity, energy resilience, and a platform for future embedded generation and green investment.	

Service Delivery Highlights: *Technical Department*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
5	Blue flag beaches	All residents in the Hessequa area will be benefiting from this achievement. As the facilities are being used by all the residents.	The only municipality in South Africa to achieve full Blue Flag status for all designated swimming beaches since the launch of blue flag programme since 2001.	

Service Delivery Challenges experienced by Department			
#	**Function / Service Description**	**Challenge Description**	**Actions taken to address challenges**
1	Sewer Reticulation	Importing of aerators: 5 weeks lead time, not being able to be delivered before 30 June 2025.	Funds were requested to be rolled over to the 2025/26 financial year of which the procurement process is already in place for the 2025/26 FY.

Service Delivery Highlights: *Technical Department*				
#	**Project / Program Description**	**Beneficiary Description**	**Value Created / Results**	**Picture**
2	Vandalism and theft	Cable theft at sport grounds, steeling of crucial infrastructure at pumpstations and water works.		Placing clear vu fencing anti-theft at pumpstations and water treatment works. Placing sensor cameras as crucial sewer and water infrastructure points.
3	Illegal dumping	Continuous dumping of illegal waste on sidewalks and open spaces across the Hessequa area.		Placing skips at hot illegal dumping spots across the Hessequa, placing no dumping signs in strategic spots. Placing skips in residential areas. Awareness campaigns

3.2 ORGANISATIONAL PERFORMANCE PER IDP OBJECTIVE

Performance Rating Description

R	KPI Not Met
O	KPI Almost Met
G	KPI Met
G2	KPI Well Met
B	KPI Extremely Well Met

3.2.1 AFFORDABLE AND QUALITY SERVICE DELIVERY

Please note that indicators marked with an asterisk (*), were changed during the reporting period to give effect to previous audit recommendations. The percentage measurement was changed to the actual number of households being serviced, as registered on the billing system. The amendment to the Service Delivery and Budget Implementation Plan (SDBIP) was approved by Council on 26 February 2025.

Ref	KPI	2023/2024 Results	Overall Performance for July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL1	90% Expenditure of the Approved Capital Budget for the Municipality by end of financial year	60,33	**90%**	**98.15%**	G2	Target achieved
TL2	90% Expenditure of the Approved Operational Budget for the Municipality by end of financial year	92,69	**90%**	**93.69%**	G2	Target achieved

Ref	KPI	2023/2024 Results	Overall Performance for July 2024 - June 2025			Performance Comment
			Target	Actual	R	
*TL3	The number of registered indigent account holders (poor households) with access to free basic services	99%	**5 026**	**4 524**	O	Strict adherence and implementation of the Indigent Policy resulted in the reduction of the Indigent Register. As corrective measures taken, the target will be adjusted in the following reporting cycle to reflect a target that is aligned with previous, actual performance.
*TL4	Provision of electricity to residential properties connected to the municipal infrastructure network for both prepaid and credit electrical metering	90%	**14 135**	**14 124**	O	The actuals are less than the set target due to growth in number of new properties connected to the grid being less than the initial estimate. The growth estimates will be reviewed to be in line with development applications and approvals.
*TL5	Provision of refuse removal and solid waste disposal for residential account holders	97%	**15 202**	**15 189**	O	The actuals are less than the set target due to growth in number of new properties connected to the grid being less than the initial estimate. The growth estimates will be reviewed to be in line with development applications and approvals.
*TL6	Provision of sanitation/sewerage services to residential account holders	89%	**13 886**	**14 993**	G2	Target achieved
*TL7	Provision of water to residential properties connected to the municipal infrastructure network for both prepaid and credit metering	89%	**13 984**	**14 305**	G2	Target achieved

Ref	KPI	2023/2024 Results	Overall Performance for July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL22	Compile a maintenance plan for municipal owned buildings for a period of 10 years	N/A	**1**	**1**	G	Target achieved
TL23	Display Energy Performance Certificates at qualifying municipal buildings	N/A	**3**	**5**	B	Target achieved
TL56	90% Expenditure of the approved Capital Budget of the Technical Department for Financial year	60,76%	**90%**	**98.50%**	G2	Target achieved
TL57	90% Expenditure of the approved Operational Budget of the Technical Department for financial year	96,87%	**90%**	**99.14%**	G2	Target achieved
TL58	Limit water losses to less than 30% for financial year	14,18%	**30%**	**20.10%**	B	Target achieved
TL59	90% Expenditure of Municipal Infrastructure Grant (MIG) for financial year	100%	**90%**	**100%**	G2	Target achieved

Ref	KPI	2023/2024 Results	Overall Performance for July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL61	90% Expenditure of Electrical Capital Budget (Excluding the Solar Plant in Riversdale)	18%	**90%**	**93.78%**	G2	Target achieved
TL62	Limit electricity losses to 10% for financial year	7,52%	**10%**	**9.64%**	B	Target achieved

3.2.2 Good Governance and Performance Driven Organisation

Ref	KPI	2023/2024 performance	Overall Performance July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL1	90% Expenditure of the Approved Capital Budget for the Municipality by end of financial year	60,33	**90%**	**98.15%**	G2	Target achieved
TL2	90% Expenditure of the Approved Operational Budget for the Municipality by end of financial year	92,69	**90%**	**93.69%**	G2	Target achieved
TL8	Development & Submission of Annual Performance Report to AGSA by end August	1	**1**	**1**	G	Target achieved

Ref	KPI	2023/2024 performance	Overall Performance July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL9	Development & Submission of Annual Report to Council by end of January	1	**1**	**1**	G	Target achieved
TL10	Development of an Integrated IDP Process Plan submitted to PC by August annually	1	**1**	**1**	G	Target achieved
TL11	Review of the Municipal Risk Register and submitted to the Risk Committee by November annually	1	**1**	**1**	G	Target achieved
TL12	Submission of Draft IDP	1	**1**	**1**	G	Target achieved
TL13	Submission of Final IDP submitted to Council by May annually	1	**1**	**1**	G	Target achieved
TL14	Report quarterly on the implementation of Internal Audit Reports to the Audit committee	4	**4**	**4**	G	Target achieved
TL15	The number of employees appointed to positions that are in line with the Employment Equity Plan targets.	76%	**50%**	**65.80%**	G2	Target achieved

Ref	KPI	2023/2024 performance	Overall Performance July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL16	Maintain an average vacancy rate of less than 10% of budgeted staff establishment	5,62%	**10%**	**5.65%**	B	Target achieved
TL17	Progress Report on Succession Planning Initiatives	1	**1**	**1**	G	Target achieved
TL18	Implement the Workplace Skills Plan annually (Actual training obtained by staff divided by staff identified for training)	147%	**75%**	**124%**	B	Target achieved
TL19	Revision of Municipal code annually	1	**1**	**1**	G	Target achieved
TL20	90% Spending of Municipal Replacement fund (Grant) and Community Library Services Grant by end of June of the financial year	96,65%	**90%**	**100%**	G2	Target achieved
TL21	Hold Library exhibitions in Hessequa annually	1497	**920**	**1 492**	B	Target achieved
TL22	Compile a maintenance plan for municipal owned buildings for a period of 10 years	N/A	**1**	**1**	G	Target achieved

Ref	KPI	2023/2024 performance	Overall Performance July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL23	Display Energy Performance Certificates at qualifying municipal buildings	N/A	3	5	B	Target achieved

3.2.3 Socio - Economic Development

Ref	KPI	2023/2024 performance	Overall Performance July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL32	Evaluate land use applications within 120 days by the Planning Tribunal, after receipt of all relevant information and documents in terms of SPLUMA	42,42	120	43.72	B	Target achieved
TL33	Process land use applications within 14 working days	6,53	14	4.42	B	Target achieved

Ref	KPI	2023/2024 performance	Overall Performance July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL34	Inspect illegal land uses and issue a notice within 10 working days after receipt of a formal complaint	4	**10**	**3.92**	B	Target achieved
TL35	Finalise occupancy certification within 14 days after receipt of all applicable information	7,83	**14**	**4.75**	B	Target achieved
TL36	Operational budget spent for Environmental Management Department	90,25	**90%**	**93%**	G2	Shagon
TL37	90% expenditure of Tourism Budget	94,85%	**90%**	**94%**	G2	Target achieved
TL38	Host Entrepreneurs and business start-up events / outreaches/Awareness Initiatives	46	**30**	**63**	B	Target achieved
TL60	Number of work opportunities created through EPWP	351	**225**	**344**	B	Target achieved

3.2.4 SUSTAINABLE FINANCIAL MANAGEMENT

Ref	KPI	2023/2024 performance	Overall Performance July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL25	Report Bi-annually on the progress made on the Audit Outcomes report	2	**2**	**2**	G	Target achieved
TL26	Submit a liquidity report of the Municipality to the Mayoral Portfolio Committee by annually	1	**1**	**1**	G	Target achieved
TL27	Unqualified Financial Audit as reported by Auditor General	1	**1**	**1**	G	Target achieved
TL28	Indigent affordability assessment report submitted to Portfolio Committee by February	N/A	**1**	**1**	G	Target achieved
TL29	Complete the annual stock take to ensure that at least 80% inventory is accounted for by the end of June and report to Council by the end of August	100%	**80%**	**100%**	G2	Target achieved
TL30	Management of Income annual payment rate of thresholds higher than 95% for financial year	97,27	**95%**	**95.45%**	G2	Target achieved

Ref	KPI	2023/2024 performance	Overall Performance July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL31	Development of strategic procurement plan	N/A	1	1	G	Target achieved

3.2.5 Safe Communities and Environment

Ref	KPI	2023/2024 performance	Overall Performance July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL24	90% Expenditure of Approved budget for maintenance of Municipal camps sites by end of financial year	97,46%	90%	96.02%	G2	Target achieved
TL39	% of EPWP funding spent for the financial year - Community Services	100%	90%	100%	G2	Target achieved

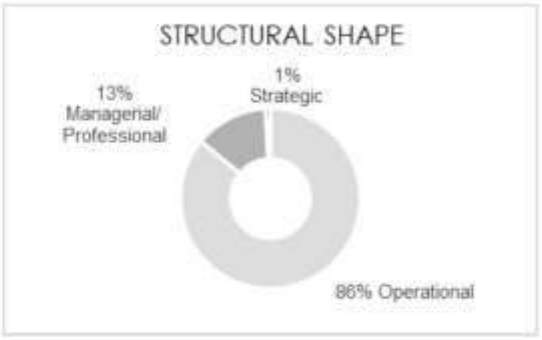
Ref	KPI	2023/2024 performance	Overall Performance July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL40	90% expenditure of funds allocated for Eradication of Title Deed Transfer Backlogs	2,40%	**90%**	**80.18%**	O	The 80.18% spending is a big improvement on the previous year's spending, which was only 2.4%. Challenges like the Incomplete Housing Database of Housing Projects, inadequate staff capacity, conveyancing and registration of general plan processes and lost title and bond deeds has been addressed. Community outreaches to update the housing database was successfully implemented.
TL42	Implementation of Social development initiatives in Hessequa for financial year	20	**12**	**35**	B	Target achieved
TL43	Implementation of Sport Development Initiatives in Hessequa for financial year	15	**12**	**17**	B	Target achieved
TL44	Procurement of water tanks within approved budgeted amount	99,99%	**90%**	**99%**	G2	Target achieved
TL45	Expansion of Thusong Service to Heidelberg	1	**1**	**1**	G	Target achieved
TL46	Implement Thusong Outreach Programmes for financial year	31	**20**	**32**	B	Target achieved

Ref	KPI	2023/2024 performance	Overall Performance July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL47	% Spending of Capital budget for the establishment of a Department of Home Affairs Service point at the Riversdale Thusong centre	N/A	**80%**	**77%**	O	The appointment of a panel of service providers for the provision of electrical services for a period of three (3) years was only awarded on 2 June 2025. The Service provider indicated that the supply and installation of aircons could not be done before 30 June 2025. An application for the roll-over of the remaining funds (R51 576.00) was approved. (June 2025)
TL48	50 BNG Top Structures or housing opportunities Melkhoutfontein Project	50	**50**	**51**	G2	Target achieved
TL49	33 Housing opportunities for qualifying beneficiaries who fall in the income bracket of between R3501 and R7000	N/A	**33**	**42**	G2	Target achieved
TL50	Development and submission of Land Invasion Action Plan to Council.	N/A	**1**	**1**	G	Target achieved
TL51	Conduct integrated joint venture vehicle checkpoints for financial year	39	**36**	**98**	B	Target achieved

Ref	KPI	2023/2024 performance	Overall Performance July 2024 - June 2025			Performance Comment
			Target	Actual	R	
TL52	Enhancing of Fire Fighting Service by the procurement of Equipment by 90% of the capital budget spent for financial year	63,05	**90%**	**75%**	O	The suppliers of the water tanker trailers, and extension ladder failed to deliver / supply. Formal non or poor performance processes were initiated, and the orders were eventually cancelled. The funds rolled over to 2526 book year. (June 2025)
TL53	Provide a service for the inspection of vehicles (roadworthiness) and for the collection of motor registration & licensing fees	20,33	**20**	**23**	G2	Target achieved
TL54	Receive a performance of not less than 80% for the formal Provincial Audits on the Licensing Agency Services	96,25	**80%**	**87%**	G2	Target achieved
TL55	Review of the Disaster Management Plan	1	**1**	**1**	G	Target achieved
TL63	Monthly collection value of Traffic fines.	N/A	**R4 500 000**	**R41 193 246**	B	Target achieved

4 MUNICIPAL WORKFORCE AND ORGANISATIONAL DEVELOPMENT

At the end of the reporting period the Municipality employed 590 permanent and fixed-term contract employees. These employees, in core and support services, collectively deliver services to the Hessequa region. The success of the Municipality depends on the motivation and dedication of its workforce. To work diligently, disciplined, and motivated towards quality service delivery must be every employee's purpose. This is the undertaking the employee makes when joining the municipality as an employee. This constitutional pledge – to serve the municipality forms the core of human resource management. The municipality seeks to recruit, employ, train, develop, empower and create a rewarding employment environment for employees selected to work in the organisation – and in return, the employer expects dedication, discipline, loyalty and commitment from employees.





The structural shape of the organisation is 1% strategic, 13% managerial/professional and 86% operational staff. This is within the norms and standards and shows a good balance and distribution of human capital. The same balance is maintained when comparing the core vs support functions in the organisation with a 19% support compared to 81% core. The structural layers of the organisation are in isolated cases 8 layers deep. These are exceptions due to the widely dispersed geographic area that is serviced. Apart from these exceptions the rest of the organisation does not exceed 7 reporting layers.

4.1 Vacancy Rate And Staff Establishment

The staff establishment (posts on paper) is 691 posts. However, not all these posts are funded. 625 posts are funded. At the end of this period there were 35 vacant and funded posts with the recruitment and selection process underway. In addition to the full staff complement, during this period 163 short-term temporary employment opportunities were created. Appointments were made by making use of the "Shake-Shake" process as well as normal recruitment processes.

A continuous process of recruitment and selection is maintained, with a key performance indicator being a vacancy rate of not more than 10%. On average throughout the year a vacancy rate of 5.3% was maintained. This is a decrease of 0.2% from the previous year.

Calculation of the monthly vacancy rate:

Step 1 : Number vacant and funded posts + number filled posts = Total funded posts
Step 2: Number vacant and funded posts ÷ Total funded posts x 100 = % Funded vacancy rate

Calculation of average vacancy rate for the financial year:

Sum of % Funded vacancy rate from July 2024 to June 2025 ÷ 12 = Average vacancy rate for the financial year

Herewith a table indicating the number of employees employed at the Municipality for the period:

MONTH	Perm	F-T Con	Out	In	% Funded	% Total	Con/Season
June 2025	571	19	3	5	5.6%	14.6%	96
May 2025	569	19	1	7	5.9%	14.9%	45
April 2025	563	19	6	1	6.9%	15.8%	45
March 2025	566	21	1	2	6.1%	15%	56
February 2025	565	21	2	2	5.9%	15.2%	68
January 2025	566	20	2	1	5.9%	15.4%	68
December 2024	566	21	5	5	5.9%	15.4%	86
November 2024	566	21	4	2	5.6%	15.2%	71
October 2024	568	21	2	2	5.1%	15.3%	65
September 2024	569	20	6	5	5.2%	15.3%	51
August 2024	573	17	3	9	5%	15.1%	41
July 2024	566	18	7	3	6%	15.2%	22

The staff establishment was adopted by the Council on 29 November 2023 after considering comments from the provincial Minister of Local Government. The organisation structure at macro-level is in line with the recommendations of the Staff Regulations. There were a few minor changes to the staff establishment, all approved by the Council and in line with the Staff Regulations, and had no effect on the design metrics as stipulated by the Staff Regulations.

4.2 Turnover Rate

A high staff turnover may be costly and could negatively affect productivity, service delivery. To recruit, select and train new employees is a costly exercise and impacts directly on service delivery. This is especially true when an organisation loses experienced and skilled staff. Aside from the institutional memory that gets lost there are change management issues that can impact negatively on staff morale and productivity. The staff turnover is determined with the following formula:

$$\left(\frac{\text{Number of employees who left during the year}}{(\text{Number of employees at the beginning of the year} + \text{Number of employees at the end of the year})/2}\right) \times 100$$

The turnover rate for 2024/25 is 7.2%, although it has increased from last year, it is well within the norm.

Year	New	Terminations	Turnover Rate
2019/20	44	37	6.7%
2020/21	48	38	6.7%
2021/22	36	24	4.4%
2022/23	40	36	6.6%
2023/24	41	36	6.3%
2024/25	42	44	7.2%

4.3 Sick Leave

The number of sick leave days that an employee may take in the Municipality is regulated by collective agreement in the local government sector. Employees are therefore entitled to 80 days sick leave within a 3-year cycle. The monitoring of sick leave identifies certain patterns or trends within different departments and sections. It can identify problem areas and lead to interventions to rectify and address problems. The total number of workdays lost due to sick leave during this reporting period shows an increase of 1197 days compared to the previous fiscal year.

In practical terms, this means that the average sick days taken is 7,3 days per employee for the period. There were isolated incapacity cases due to ill health that also skewed the average, and several employees underwent operations, which resulted in long periods of sick leave to recover after surgery.

The table below indicates the total number sick leave days taken.

Directorates	2020/21	2021/22	2022/23	2023/24	2024/25
Office of the MM	26	10	36	50	41
Corporate Management	787	680	472	565	614
Technical Services	2507	2578	2089	1615	2539
Community Services	345	231	406	299	302
Financial Services	460	367	458	348	641
Development Planning	107	136	123	210	142
Total	**4 232**	**4 002**	**3 584**	**3087**	**4278**

4.4 Performance Rewards - Directors

In accordance with Regulation 32, a performance bonus, provided it is affordable, may be paid to a Senior Manager (Section 56) appointment, after -

a) the annual report for the fiscal year under review has been tabled and adopted by the municipal Council;

b) an evaluation of performance in accordance with the provisions of regulation 23; and

c) approval of such evaluation by the municipal Council as a reward for outstanding performance.

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance with given resources and circumstances. All Section 57 Managers qualified for a performance bonus for the previous fiscal year during the 2022/2023 fiscal year.

4.5 Conditions Of Service

4.5.1 Salary Negotiations

A new Salary and Wage Collective Agreement was concluded between the South African Local Government Association (SALGA) and the two recognised trade unions, IMATU and SAMWU. This agreement is effective from 01 July 2024 and will remain in force until 30 June 2029.

The agreement introduces several key changes to employee benefits within the Local Government sector. Key changes involving employee benefits include the following:

- Annual Salary Increases: Adjustments based on the Consumer Price Index (CPI) plus a fixed percentage, applicable from 2024 to 2029.
- Minimum Wage: An increase in the minimum wage for employees within the Local Government sphere.
- Home-Owners Allowance: Incremental increases to the flat-rate housing allowance.
- Medical Aid Contributions: Annual increases to the maximum employer contribution to accredited medical schemes.
- Leave Benefits: Maternity, paternity, and adoption leave provisions will be reviewed under the Main Collective Agreement.

A once-off, non-pensionable GAP Market Allowance of R2,000 was introduced to support employees whose income is too low to access bank-funded mortgage finance, but too high to qualify for the national government's free-basic housing subsidy. Employees who earned R22,000 or less per month as of 1 July 2024, and who do not own a house or receive any form of housing assistance from either the employer or the government, qualified for this allowance. The payment was made in March 2025, in addition to the qualifying employees' regular salaries.

4.5.2 Pension Funds Restructuring

To rationalise the pension fund dispensation in the local government sector, a Retirement Fund Collective Agreement was reached between the parties to the SALGBC. However, some funds objected to the agreement and litigated successfully. The High Court judgement in this regard was made, and the Retirement Fund Collective Agreement was declared invalid. Based

on legal advice, the parties to the South African Local Government Bargaining Council (SALGBC) held the view that the judgment was wrongly decided and cannot be left unchallenged. The SALGBC filed an application for leave to appeal on 13 March 2023. The High Court granted leave to appeal. The sector is awaiting the outcome.

4.5.3 Pension Fund Reform (2-pot system)

National Treasury presented to Parliament a proposal with regards to the amendment to the availability of pension fund benefits to members. This proposal is known as the "two-pot" system, but in essence, there will be three "pots". The "vested" pot will contain the member's fund value as and up to 31 August 2024. The "vested" pot will remain inaccessible.

An amount of up to a maximum of R30 000 of the fund value at 31 August 2024 or 10% of the fund value, should the 10% be less than R30 000, was transferred from the "vested" pot to the "savings" pot. This will assist members who require an immediate withdrawal due to a financial emergency.

Contributions received from 1 September 2024 are split between a "retirement pot" and a "savings pot". Up to one third of contributions go into the "savings pot" and the remaining two thirds flow into the "retirement pot". Should the need arise, members can make one withdrawal from their "savings pot" annually. The value of such withdrawal may not be less than R2000.

Employees are discouraged from making unnecessary use of their savings, as this will place them in a higher tax bracket, as the withdrawal of the funds is viewed by SARS as income. The withdrawal of the funds in the "savings" pot may also have an impact on the tax-free amount you may qualify for at retirement. As of mid-2025, nearly 4 million withdrawals have been made, amounting to almost R57 billion.

The implementation was effective 1 September 2024.

4.6 Human Resource Policy Administration

Human Resource Policy administration is an ongoing task that requires research, drafting, consultation and submission to the respective oversight steering committees and decision-making structures of Council, as well as consultation with the two representative trade unions active in the Local Labour Forum. No Policies were brought forward in this period.

4.7 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The Municipal Manager is the first reporting level, and the Directors are the second level, and together they are referred to as Top Management. The third reporting level is the Managers who report to the Directors, referred to as Senior Management. Combined, these levels represent the scope of the top-level Key Performance Indicator (KPI) of the Employment Equity Manager. Table 1 reflects the status as it was in June 2024. Table 2 indicates the status at the end of the reporting period.

Table 1: As at June 2024

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	3	0	2	0	0	0	1	6
%	0	50	0	33.3	0	0	0	16.7	100
Snr Management	1	7	0	7	0	4	0	1	20
%	5	35	0	35	0	20	0	5	100

Table 2: As at June 2025

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	3	0	2	0	0	0	1	6
%	0	50	0	33.3	0	0	0	16.7	100
Snr Management	1	8	0	7	0	4	0	2	22
%	5	36	0	32	0	18	0	9	100

The current profile comprises of 2 white males, 1 white female and 3 coloured males in the top management team of 6.

The overall composition of the workforce in terms of race is as indicated in the table below

Description	African	Coloured	Indian	White	Total
Economically Active Population (Western Cape)	43.2%	42.2	1.4	13.2%	100%
Number for positions filled	53	489	0	48	590
% For Positions filled	9%	82.9	0%	8.1%	100%

The Employment Equity Amendment Act, 2022 (Act No. 4 of 2022), as signed into law on 14 April 2022 officially came into effect on 1 January 2025 and is aimed at accelerating workplace transformation and reducing administrative burdens for smaller businesses. A new Employment Equity plan will be drafted by the Human Resources Department to comply with the amended act.

4.8 Managing The Municipal Workforce

Managing the municipal workforce refers to the post-recruitment period when the human capital must be managed, deployed, and utilized effectively. This requires discipline, training, and development, and fostering healthy and professional workplace relationships amongst staff. Productivity is key.

4.8.1 Occupational Health and Safety (OHS)

Managing the municipal workforce refers to the post-recruitment period when the human capital must be managed, deployed, and utilized effectively. This requires discipline, training, and development, and fostering healthy and professional workplace relationships amongst staff. Productivity is key. The Health and Safety Department is responsible for ensuring the well-being, safety and occupational health of all employees within Hessequa municipality.

4.8.2 Occupational Health and Safety (OHS)

Two serious injuries occurred in this year compared to three last year:

Description	2023/2024	2024/2025	Variance
No of Injuries	56	59	+ 3
No of Days lost	255	222	-33
Cost of Injuries	R145 769.91	R285 838.76	+ R140 068.85

The number of injuries increased, but the days lost decreased. The associated costs have increased, and can this increase in costs be ascribed to the nature of the injuries and relevant loss of workdays.

In recognition of outstanding commitment to workplace safety, the employees of Heidelberg, Slangrivier and Witsand were awarded a Shield Trophy for reporting the lowest number of injuries on duty during the 2024/2025 financial year. This accolade reflects the respective town's dedication to maintaining a safe working environment through vigilance and adherence to safety in the workplace.



A Risk Register that identifies occupational hazards serves as the baseline for creating safe workplaces. Ninety-six percent (96%) of the risks were addressed during this financial year.

4.8.3 Capacitating the Workforce

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

20 1999 (Act No. 28 of 1999). The fiscal year of the LGSETA runs from 1 May to 30 April as it is a national entity. These periods do not align with the Municipal fiscal year end, as the National and Local Government fiscal years differ. The training interventions reported hereunder are for the LGSETA Workplace Skills Plan period, May 2024 to April 2025.

R 673 380 000 was allocated towards the implementation of the Workplace Skills Plan. 67% of the total amount was spent from 1 July 2024 to 30 June 2025. The underspending was due to the free Water & Wastewater Process Control NQF Level 3 learnership, which was initially included in the approved Workplace Skills Plan (WSP) and formed part of the planned budget. Funding for this learnership was successfully secured through the Local Government SETA (LGSETA) in partnership with the Garden Route District Municipality. This reduced the planned expenditure and saved the Municipality more than R200 000.

This learnership constitutes a major component of the overall training budget and reflects a strategic investment in developing local skills and capacity within the water services sector.

Total personnel budget	Total Allocated	Total Spent	% of allocation spent
R 245 622 514,24	R673 380.00	R446 839.94	67%

The table below shows the training interventions per occupational categories for the WSP Period 1 May 2024 to 30 April 2025.

Category	Gender	Target	Actual
Managers	Female	1	1
	Male	2	4
Professionals	Female	1	6
	Male	2	3
Technicians and Associate Professionals	Female	4	6
	Male	17	18
Clerical Support Workers	Female	5	3
	Male	2	5
Service Workers	Female	2	2
	Male	18	19
Skilled Workers	Female	2	3
	Male	25	30
Plant and Machine Operators	Female	2	5
	Male	32	33
Elementary Occupations	Female	1	3
	Male	100	126
Sub total	Female	18	29
	Male	198	238
Total		**216**	**267**

4.8.4 Creating a Learning Organisation

A Personal Development Plan for every employee (PDP) is the bedrock of a solid and sustainable development plan for the municipality and its employees. This process is kept up to date by the Skills Development Facilitator and is reviewed every five (5) years. The SDF reviewed all PDPs. The revision of Personal Development Plans was completed in November 2023.

Outstanding PDPs are employees who were promoted or started their permanent employment with the municipality in the last 5 months.

DIRECTORATE	PDPS COMPLETED	EMPLOYEES	PERCENTAGE
Corporate Management	**93**	**97**	**96%**
Community Services	**45**	**49**	**92%**
Financial Services	**60**	**62**	**97%**
Development Planning	**20**	**21**	**95%**
Technical Services	**329**	**335**	**98%**
Office of the MM	**7**	**7**	**100%**
TOTAL PDPS COMPLETED	**554**	**571**	**97%**

During the reporting period, a total of **fifteen (15) bursaries** were awarded to support education and professional development:

- **Three (3) external bursaries** were granted to students from the local community, co-funded by the **Western Cape Provincial Government**, demonstrating a strong commitment to youth empowerment and regional capacity building.
- **Twelve (12) internal bursaries** were awarded to employees pursuing further studies aligned with their **Personal Development Plans (PDPs)**, reinforcing our dedication to continuous learning and workforce development.

These bursary allocations reflect our strategic focus on nurturing talent both within the organization and across the broader community.

4.8.5 MFMA Competencies

All the requirements for the Minimum Competency Levels for municipal officials have been achieved by the respective employees, where it is a requirement.

POSITION	Hessequa %
Accounting Officer	100%
Chief Financial Officer - Municipality	100%
Senior Managers (MSA S56)	100%
Head of Supply Chain Management unit	100%
Supply Chain Management Manager	100%

Middle Managers: Finance	100%

4.8.6 INSTITUTIONAL PERFORMANCE MANAGEMENT

All employees were assessed for the period July 2024 to December 2024. Employees not assessed are new appointments who are still in their probation period. No final assessment results are reported, as the final year-end assessment will be concluded in August 2024.

Directorate	Mid-Year Assessments Completed	Assessments required	% Completed
Community Services	85	85	100%
Corporate Management	37	37	100%
Development Planning	53	53	100%
Financial Services	13	13	100%
Office of the Municipal Manager	300	300	100%
Technical Services	4	4	100%
	492	**492**	**100%**

The Municipality is currently busy consulting on a draft Rewards & Recognition Policy that will be sent to Council for approval. The Reward and Recognition Policy is designed to enable the municipality to acknowledge excellence.

4.9 Managing The Municipal Workforce Expenditure

Section 66 of the Municipal Systems Act (MSA) states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with National Treasury Budget and Reporting Regulations SA22 and SA23 and Cost Cutting measures in Circular 82 of 2016.

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

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
2023/24	226 814	655 365	34,61%
2024/25	241 123	689 463	34,97%

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2023/24	2024/25	
Description	Actual	Approved Budget	Actual
	R'000	R'000	R'000
Councillors			
Basic Salary	6 285	7 402	6 968
UIF, Medical and Pension Fund	621	619	638
Vehicle	766	846	724
Cellphone Allowance	799	807	799
Housing			
Performance			
Other Benefits And Allowances			
Benefits			
Sub Total	**8 471**	**9 673**	**9 128**
% increase/(decrease)			
Senior Managers of the Municipality			
Salary	6 595	6 504	5 770
UIF, Medical Aid– and Pension Contributions	1 361	1 419	1 208
Motor Vehicle Allowance	718	784	798
Cellphone Allowance	50	51	47
Housing allowance	13	14	13
Performance Bonus	1 171	1 287	1 045
Other Benefits and Allowances	395	187	243
Benefits			
Sub Total	***10 302***	***10 246***	***9 125***
% increase/(decrease)			
Other Municipal Staff			
Basic Salaries and Wages	144 554	164 479	155 830
UIF, Medical Aid– and Pension Contributions	31 750	37 291	33 707
Motor Vehicle Allowance	4 597	5 528	4 961
Cellphone Allowance	370	1 052	870
Housing Allowances	758	1 068	1 367
Overtime	8 344	7 672	7 906
Other Benefits And Allowances	7 349	8 541	7 813
Post-retirement	10 317	12 369	10 416
Sub Total	**208 041**	**238 000**	**222 870**
% increase/ (decrease)			***6%***
Total Municipality	**226 814**	**257 919**	**241 123**
% increase/ (decrease)			

5 FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

Description	Original Budget	Final Budget	Actual Outcome	Variance	Variance as % of Final Budget	Variance as % of Original Budget
	R'000	R'000	R'000	R'000	R'000	R'000
FINANCIAL PERFORMANCE						
Exchange Revenue						
Licences or Permits			2	2	0,00%	0,00%
Service Charges - Electricity	228 265	228 265	236 044	7 779	3,41%	3,41%
Service Charges - Water	54 379	54 379	59 596	5 217	9,59%	9,59%
Service Charges - Waste Water Management	30 292	30 292	31 842	1 550	5,12%	5,12%
Service Charges - Waste Management	35 043	35 043	37 892	2 850	8,13%	8,13%
Sales of Goods and Rendering of Services	32 570	54 952	51 900	(3 052)	-5,55%	59,35%
Agency Services	3 506	3 506	3 213	(293)	-8,35%	-8,35%
Interest earned from Receivables	2 848	2 848	3 440	592	20,80%	20,80%
Interest earned from Current and Non-current Assets	24 409	37 409	46 305	8 896	23,78%	89,70%
Rental from Fixed Assets	3 976	3 976	4 431	456	11,46%	11,46%
Operational Revenue	8 186	8 206	5 028	(3 178)	-38,73%	-38,58%
Non-exchange Revenue						
Property Rates	137 207	138 707	140 197	1 489	1,07%	2,18%
Fines, Penalties and Forfeits	57 174	35 326	44 899	9 573	27,10%	-21,47%
Licences or Permits	2 408	2 408	2 344	(64)	-2,66%	-2,66%
Transfer and Subsidies - Operational	80 886	69 463	68 053	(1 410)	-2,03%	-15,87%
Interest	859	859	837	(22)	-2,58%	-2,58%
Operational Revenue	12 513	12 513	11 374	(1 139)	-9,10%	-9,10%
Gains on Disposal of Assets	15 000	15 000	1 258	(13 742)	-91,61%	-91,61%

Description	Original Budget	Final Budget	Actual Outcome	Variance	Variance as % of Final Budget	Variance as % of Original Budget
	R'000	R'000	R'000	R'000	R'000	R'000
Other Gains			20 431	20 431	0,00%	0,00%
Total Revenue	729 521	733 152	769 086	35 934	4,90%	5,42%
Expenditure						
Employee Related Costs	249 092	245 791	231 995	(13 796)	-5,61%	-6,86%
Remuneration of Councillors	9 673	9 673	9 128	(545)	-5,63%	-5,63%
Bulk Purchases - Electricity	192 615	189 665	187 077	(2 588)	-1,36%	-2,88%
Inventory Consumed	49 405	44 322	41 107	(3 215)	-7,25%	-16,80%
Debt Impairment	1 900	3 400	31 801	28 401	835,31%	1573,67%
Depreciation and Amortisation	47 343	48 744	44 315	(4 429)	-9,09%	-6,40%
Interest	21 738	21 801	21 681	(120)	-0,55%	-0,26%
Contracted Services	67 722	88 883	71 920	(16 963)	-19,08%	6,20%
Transfers and Subsidies	2 004	3 066	2 613	(453)	-14,77%	30,35%
Irrecoverable Debts Written-off	53 345	35 183	8 212	(26 971)	-76,66%	-84,61%
Operational Costs	42 330	45 335	36 447	(8 889)	-19,61%	-13,90%
Losses on Disposal of Assets			1 065	1 065	0,00%	0,00%
Other Losses			2 102	2 102	0,00%	0,00%
Total Expenditure	737 167	735 864	689 463	(46 401)	-6,31%	-6,47%
Surplus / (Deficit)	(7 647)	(2 712)	79 623	82 335	-3036,06%	-1141,28%
Transfers and Subsidies - Capital (Monetary Allocations)	97 969	161 307	161 096	(210)	-0,13%	64,44%
Transfers and Subsidies - Capital (In-kind Allocations)		704	591	(112)	-15,96%	0,00%
Surplus/(Deficit for the Year	**90 322**	**159 299**	**241 310**	**82 012**	**51,48%**	**167,17%**
	90 322	159 299				

Description	Original Budget (accrual based)	Final Budget (accrual based)	Actual Outcome	Variance	Variance as % of Final Budget	Variance as % of Original Budget
	R	R	R	R	R	R
FINANCIAL POSITION						
Current Assets						
Cash and Cash Equivalents	429 250	474 830	438 957	(35 873)	-7,55%	2,26%
Trade and Other Receivables from Exchange Transactions	41 237	40 365	46 917	6 553	16,23%	13,78%
Receivables from Non-exchange Transactions	29 335	47 497	28 565	(18 932)	-39,86%	-2,63%
Inventory	4 549	4 549	4 775	227	4,98%	4,98%
Taxes Receivable	8 737	8 737		(8 737)	-100,00%	-100,00%
Other Current Assets (Lease Receivables)	832	832	819	(13)	-1,54%	-1,54%
Non-Current Assets						
Investment Property	97 890	97 890	123 789	25 898	26,46%	26,46%
Property, Plant and Equipment	1 268 135	1 313 580	1 328 823	15 243	1,16%	4,79%
Heritage Assets	8 736	8 736	8 452	(285)	-3,26%	-3,26%
Intangible Assets	328	328	179	(149)	-45,47%	-45,47%
Total Assets	1 889 030	1 997 345	1 981 276	(16 069)	-0,80%	4,88%
Current Liabilities						
Financial Liabilities (Borrowings + Lease Payables)		21 997	24 228	2 231	10,14%	0,00%
Consumer Deposits	11 958	11 958	15 600	3 642	30,45%	30,45%
Trade and Other Payables from Exchange Transactions	68 535	78 165	64 790	(13 375)	-17,11%	-5,46%
Trade and Other Payables from Non-exchange Transactions	4 091	3 461	3 643	182	5,25%	-10,96%
Provision (Employee Benefit Liabilities)	12 004	19 456	34 519	15 064	77,43%	187,56%
Taxes Payable	9 611	9 611	2 506	(7 105)	-73,92%	-73,92%
Non-Current Liabilities						
Financial Liabilities	122 481	100 477	98 254	(2 223)	-2,21%	-19,78%
Provision	136 241	149 056	161 403	12 347	8,28%	18,47%
Total Liabilities	364 921	394 181	404 943	10 763	2,73%	10,97%

Description	Original Budget (accrual based)	Final Budget (accrual based)	Actual Outcome	Variance	Variance as % of Final Budget	Variance as % of Original Budget
	R	R	R	R	R	R
Total Assets and Liabilities	**1 524 109**	**1 603 164**	**1 576 333**	**(26 832)**	**-1,67%**	**3,43%**
Net Assets (Equity)						
Accumulated Surplus / (Deficit)	1 520 846	1 599 901	1 512 808	(87 093)	-5,44%	-0,53%
Reserves and Funds	3 264	3 264	63 525	60 261	1846,52%	1846,52%
Total Net Assets	**1 524 109**	**1 603 164**	**1 576 333**	**(26 832)**	**-1,67%**	**3,43%**
			0	0		

The table below indicates the summary of the financial performance for the 2024/2025 financial year:

HESSEQUA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Note	Actual 2025 R	2024 Restated R
REVENUE			
Revenue from Non-exchange Transactions		**429 390 504**	**318 791 028**
Property Rates	21.	140 196 508	130 038 262
Fines, Penalties and Forfeits	22.	44 898 981	65 203 561
Licences and Permits	23.	2 343 686	2 070 269
Transfers and Subsidies	24.	229 740 485	109 517 466
Service Charges (Availability Charges)	25.	11 373 763	11 141 710
Interest Earned - Non-exchange Receivables	29.	837 080	819 760
Revenue from Exchange Transactions		**479 693 799**	**431 317 053**
Licences and Permits	23.	1 538	-
Service Charges	25.	365 374 052	320 500 422
Sales of Goods and Rendering of Services	26.	51 900 214	50 510 390
Income from Agency Services	27.	3 213 166	2 997 013
Rental from Fixed Assets	28.	4 431 129	3 762 481
Interest Earned - Exchange Receivables	29.	3 440 417	2 840 266
Interest Earned - External Investments	29.	46 305 136	43 386 407
Operational Revenue	30.	5 028 147	7 320 075
Total Revenue		**909 084 303**	**750 108 081**
EXPENDITURE		**686 229 222**	**652 576 290**
Employee Related Costs	31.	231 995 154	218 342 914
Remuneration of Councillors	-	9 128 113	8 470 688
Depreciation and Amortisation	-	44 315 205	42 567 996
Bad Debt Written-off	-	8 211 779	48 408 183
Impairment Losses - Capital Assets	-	- 67 000	-
Impairment Losses - Receivables	-	31 801 368	9 763 395
Finance Cost	-	21 681 441	22 035 450
Bulk Purchases	-	187 076 907	157 153 258
Contracted Services	-	71 919 845	66 025 995
Inventory Consumed	-	41 107 114	42 737 368
Transfers and Subsidies Paid	-	2 612 716	1 835 047
Operating Leases	-	1 837 962	1 822 995
Operational Costs	-	34 608 619	33 413 001
Total Expenditure		**686 229 222**	**652 576 290**
OPERATING SURPLUS / (DEFICIT) FOR THE YEAR		**222 855 081**	**97 531 790**
Other Gains and Losses:			
Other Operations:			
Gains	-	20 431 396	19 074 184
Losses	-	- 2 168 612	- 1 397 259
Disposal of Capital Assets:			
Gains	-	1 257 831	852 597
Losses	-	- 1 065 401	- 1 391 460
TOTAL OTHER REVENUE / EXPENDITURE INCURRED		**18 455 213**	**17 138 062**
SURPLUS / (DEFICIT) FOR THE YEAR		**241 310 294**	**114 669 853**

Refer to Statement of Comparison of Budget and Actual Amounts for explanation of budget variances

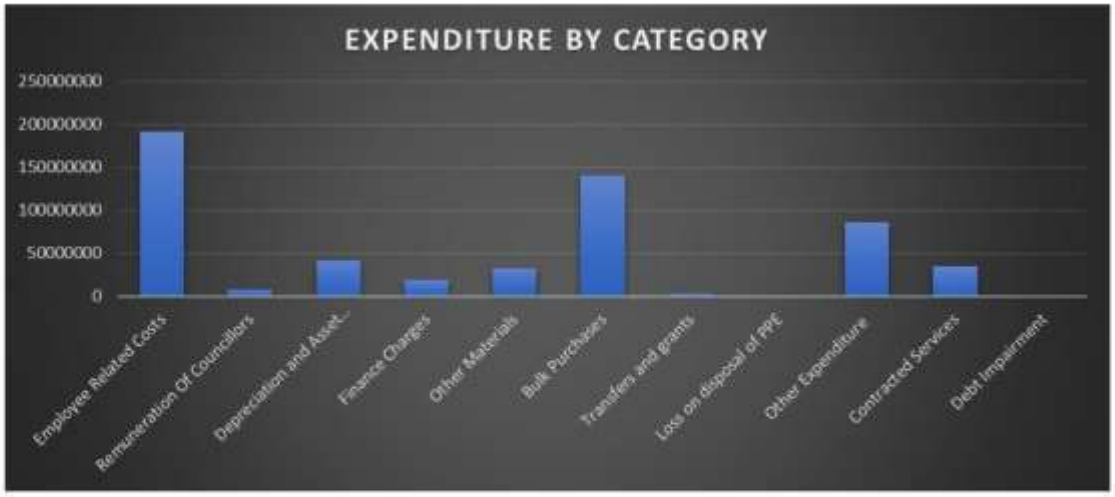
The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	Actual/Budget %	Budget	Actual	Diff.	Actual/Budget %
	R'000	R'000	R'000		R'000	R'000	R'000	
2023/24	810 972	770 035	40 937	**94,95%**	707 906	655 365	52 541	**92,58%**
2024/25	895 163	930 774	(35 611)	**103,98%**	735 864	689 463	46 401	**93,69%**

The following graph indicates the revenue by source actuals for 2024/2025.



The following graph indicates the expenditure by type actuals for 2024/2025.



5.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the Revenue collection performance by Vote:

Vote Description	2023/24	2024/25			2024/25 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Vote1 - Executive and Council	23 106	21 009	21 009	21 374	(365)	(365)
Vote2 - Internal Audit						
Vote3 - Finance and Admin	196 317	170 825	185 445	213 507	(42 682)	(28 062)
Vote4 - Planning and Development	9 296	23 708	23 708	7 720	15 988	15 988
Vote5 - Public Safety		64 532	558	558	63 974	()
Vote6 – Health *						
Vote7 - Community and Social Services	10 648	12 563	12 604	10 800	1 763	1 804
Vote8 - Sports and Recreation	14 940	17 650	16 406	16 995	655	(589)
Vote9 - Housing	22 666	21 774	28 265	25 538	(3 764)	2 727
Vote 10 - Waste Management	48 132	48 644	48 644	52 376	(3 731)	(3 731)
Vote11 - Road Transport	80 077	8 739	51 508	60 712	(51 973)	(9 204)
Vote12 - Waste Water Management	48 857	51 024	51 024	52 580	(1 556)	(1 556)
Vote13 - Water Management	79 763	74 192	74 449	79 614	(5 421)	(5 164)
Vote14 - Energy Sources	225 345	312 145	380 358	387 909	(75 764)	(7 551)
Vote15 - Environmental Protection	548	685	685	610	75	75
Vote16 - Other			500	480	(480)	20
Total Revenue by Vote	**759 696**	**827 489**	**895 163**	**930 774**	**(103 284)**	**(35 611)**
*Variances are equal to actual minus original- and adjusted budget (*Health responsibility of District Municipality)*						

5.1.2 REVENUE COLLECTION BY SOURCE

The table below indicates the revenue collection performance by source for the 2023/2024 financial year.

Description	2023/24	2024/25			2024/25 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Property rates	130 038	137 207	138 707	140 197	(2 989)	(1 489)
Property rates - penalties & collection charges						
Availibility Charges	11 177	12 513	12 513	11 374	1 139	1 139

Description	2023/24	2024/25			2024/25 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Service Charges - electricity revenue	204 257	228 265	228 265	236 044	(7 779)	(7 779)
Service Charges - water revenue	53 162	54 379	54 379	59 596	(5 217)	(5 217)
Service Charges - sanitation revenue	28 855	30 292	30 292	31 842	(1 550)	(1 550)
Service Charges - refuse revenue	34 192	35 043	35 043	37 892	(2 850)	(2 850)
Service Charges - other						
Rental of facilities and equipment	3 762	3 976	3 976	4 431	(456)	(456)
Interest earned - external investments	43 386	24 409	37 409	46 305	(21 896)	(8 896)
Interest earned - outstanding debtors	3 660	3 707	2 848	3 440	267	(592)
Dividends received						
Fines	54 907	57 174	35 326	44 899	12 275	(9 573)
Licences and permits	2 070	2 408	2 408	2 345	63	63
Agency services	2 997	3 506	3 506	3 213	293	293
Transfers recognised - operational	63 785	80 886	69 463	68 053	12 833	1 410
Other revenue	26 351	8 186	8 206	5 028	3 158	3 178
Sales of Goods and Rendering of Services	50 510	32 570	54 952	51 900		
Interest			859	837		
Gains on disposal of PPE	853	15 000	15 000	1 258	13 742	13 742
Other Gains				20 431	(20 431)	(20 431)
Contributed Property, Plant and Equipment						
Total Revenue (excluding capital transfers and contributions)	**713 963**	**729 521**	**733 152**	**769 086**	**(19 397)**	**(39 008)**

Variances are equal to actual minus original- and adjusted budget

(EXCLUDING CAPITAL GRANTS)

5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2023/24 financial year:

Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Operating Cost						
Water Management	31 187	22 500	23 797	29 322	(6 822)	(5 525)
Waste Water Management	11 507	12 335	11 957	14 108	(1 773)	(2 151)
Energy Sources	28 584	76 516	148 144	161 111		(12 967)
Waste Management	9 948	9 450	5 579	14 112	(4 662)	(8 533)
Housing	(1 968)	7 062	(548)	(87)	7 150	(460)
Component A: sub-total	**79 258**	**127 863**	**188 930**	**218 566**	**(6 107)**	**(29 636)**
Waste Water (Storm water Drainage)						
Road Transport	(40 035)	(54 130)	(57 194)	(55 031)	901	(2 163)
Transport						
Component B: sub-total	**(40 035)**	**(54 130)**	**(57 194)**	**(55 031)**	**901**	**(2 163)**
Planning And Development	(2 040)	9 199	9 467	(5 151)	14 349	14 618
Other	(1 263)	(1 350)	(843)	(827)	(523)	(16)
Component C: sub-total	**(3 303)**	**7 849**	**8 624**	**(5 978)**	**13 826**	**14 601**
Community And Social Services	(11 663)	(14 159)	(13 740)	(11 493)	(2 666)	(2 248)
Environmental Protection	(5 172)	(6 032)	(5 785)	(5 631)	(401)	(155)
Health						
Public Safety	(16 467)	(23 669)	(27 494)	(11 748)	(11 922)	(15 746)
Sport And Recreation	(10 480)	(12 054)	(13 842)	(10 982)	(1 072)	(2 860)
Finance And Administration	121 862	80 636	96 446	136 342	(55 707)	(39 896)
Executive And Council	(8 559)	(13 685)	(14 437)	(10 677)	(3 008)	(3 760)
Internal Audit	(1 934)	(2 296)	(2 207)	(2 059)	(237)	(148)
Component D: sub-total	**67 586**	**8 740**	**18 939**	**83 753**	**(75 013)**	**(64 814)**
Net	**103 505**	**90 322**	**159 299**	**241 310**	**(66 393)**	**(82 012)**

In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are equal to actual minus original- and adjusted budget

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

5.2.1 WATER SERVICES

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Water Management	R'000				
Total Operational Revenue	**79 763**	**74 192**	**74 449**	**79 614**	**(5 164)**
Expenditure:					
Employees	14 863	16 198	16 401	16 529	**(128)**
Inventory	13 444	17 402	15 773	13 431	**2 342**
Depreciation and amortisation	4 776	5 625	5 625	5 211	**414**
Bulk Purchases					
Interest Paid	2 587	2 240	2 271	2 271	
Bad debts	4 544	2 830	2 830	3 634	**(803)**
Contracted Services	3 469	3 264	3 279	3 221	**57**
Loss on Disposal of PPE	13				
Water losses	1 214			1 915	**(1 915)**
Impairment Loss					
Gains/(Loss) on Sale of Fixed Assets					
General Expenses	3 664	4 133	4 472	4 080	**392**
Total Operational Expenditure	**48 575**	**51 692**	**50 652**	**50 292**	**360**
Net	**31 187**	**22 500**	**23 797**	**29 322**	**(5 525)**
Variances equal to actual minus adjustment budget (INCLUDING CAPITAL GRANTS)					

5.2.2 WASTEWATER / SANITATION SERVICES

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Waste Water Management	R'000				
Total Operational Revenue	**48 857**	**51 024**	**51 024**	**52 580**	**(1 556)**
Expenditure:					
Employees	13 689	15 475	15 354	14 605	749
Inventory	4 512	5 479	3 301	3 243	58

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Waste Water Management	R'000				
Depreciation and amortisation	6 350	7 235	7 235	6 709	527
Bulk Purchases					
Interest Paid	4 435	3 897	3 959	3 959	
Bad debts	2 974	1 845	1 845	2 574	(729)
Contracted Services	4 122	3 424	6 074	6 023	51
Loss on Disposal of PPE	49			65	(65)
Gains/(Loss) on Sale of Fixed Assets					
Impairment Loss					
General Expenses	1 217	1 333	1 297	1 294	3
Total Operational Expenditure	**37 350**	**38 689**	**39 067**	**38 472**	**595**
Net	**11 507**	**12 335**	**11 957**	**14 108**	**(2 151)**
Variances equal to actual minus adjustment budget					

5.2.3 ELECTRICAL SERVICES

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Energy Sources	R'000				
Total Operational Revenue	**225 345**	**312 145**	**380 358**	**387 909**	**(7 551)**
Expenditure:					
Employees	16 518	17 507	17 639	17 833	(194)
Inventory	4 458	5 256	3 683	3 606	77
Depreciation and amortisation	5 550	6 227	6 227	6 242	(14)
Bulk Purchases	157 153	192 615	189 665	187 077	2 588
Interest Paid	4 223	3 302	3 383	3 382	1
Bad debts	1 372	468	468	844	(376)
Contracted Services	2 935	5 547	6 347	3 672	2 675
Loss on Disposal of PPE	606			15	(15)
Inventories: (write-down)/Reversal of write-down to Net Realisable value					
Impairment Loss					
General Expenses	3 946	4 708	4 803	4 127	676
Total Operational Expenditure	**196 761**	**235 629**	**232 214**	**226 798**	**5 416**
Net	**28 584**	**76 516**	**148 144**	**161 111**	**(12 967)**
Variances equal to actual minus adjustment budget					

5.2.4 Solid Waste Management

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Waste Management	R'000				
Total Operational Revenue	**48 132**	**48 644**	**48 644**	**52 376**	**(3 731)**
Expenditure:					
Employees	14 548	14 969	15 504	15 105	399
Inventory	2 778	2 816	3 106	3 064	43
Depreciation and amortisation	5 992	5 302	6 704	3 999	2 705
Bulk Purchases					
Interest Paid	6 467	8 365	8 365	8 247	118
Bad debts	3 049	1 860	3 360	2 576	784
Contracted Services	3 347	4 168	4 042	3 546	497
Loss on Disposal of PPE	1			1	(1)
Impairment Loss					
General Expenses	2 003	1 715	1 984	1 727	257
Total Operational Expenditure	**38 185**	**39 194**	**43 065**	**38 263**	**4 802**
Net	**9 948**	**9 450**	**5 579**	**14 112**	**(8 533)**
Variances equal to actual minus adjustment budget					

5.2.5 Housing

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Housing	R'000				
Total Operational Revenue	**22 666**	**21 774**	**28 265**	**25 538**	**2 727**
Expenditure:					
Employees	1 916	2 060	2 058	2 040	18
Inventory					
Depreciation and amortisation	24	283	283	169	114
Bulk Purchases					
Interest Paid					
Bad debts	15	27	27		27
Contracted Services	22 611	12 258	26 360	23 342	3 018
Loss on Disposal of PPE	3				

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Housing	R'000				
Impairment Loss					
General Expenses	65	83	84	75	10
Total Operational Expenditure	**24 634**	**14 712**	**28 813**	**25 626**	**3 187**
Net	**(1 968)**	**7 062**	**(548)**	**(87)**	**(460)**
Variances equal to actual minus adjustment budget					

5.2.6 ROADS

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Road Transport	R'000				
Total Operational Revenue	**19 953**	**8 739**	**9 350**	**9 643**	**(293)**
Expenditure:					
Employees	26 384	30 806	30 552	27 746	2 806
Inventory	9 416	8 795	9 016	9 084	(68)
Depreciation and amortisation	14 138	14 839	14 839	15 863	(1 023)
Bulk Purchases					
Interest Paid	3 353	2 977	2 970	2 970	
Bad debts					
Contracted Services	4 350	3 419	6 671	6 414	257
Loss on Disposal of PPE	354			126	(126)
Impairment Loss					
General Expenses	1 994	2 032	2 495	2 471	24
Total Operational Expenditure	**59 988**	**62 869**	**66 544**	**64 674**	**1 869**
Net	**(40 035)**	**(54 130)**	**(57 194)**	**(55 031)**	**(2 163)**
Variances equal to actual minus adjustment budget					

5.2.7 PLANNING

Total Operational Revenue	**9 296**	**23 708**	**23 708**	**7 720**	**15 988**

Expenditure:					
Employees	10 250	12 187	11 983	11 639	344
Inventory	40	78	82	44	38
Depreciation and amortisation	62	69	69	65	4
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	405	1 044	985	440	545
Loss on Disposal of PPE	3				()
Impairment Loss					
General Expenses	576	1 131	1 121	682	438
Total Operational Expenditure	**11 337**	**14 509**	**14 241**	**12 871**	**1 370**
Net	**(2 040)**	**9 199**	**9 467**	**(5 151)**	**14 618**
Variances equal to actual minus adjustment budget					

5.2.8 COMMUNITY & SOCIAL SERVICES

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Community And Social Services	R'000				
Total Operational Revenue	**10 648**	**12 563**	**12 604**	**10 800**	**1 804**
Expenditure:					
Employees	16 873	19 916	19 373	16 968	2 405
Inventory	1 141	1 218	1 224	1 139	85
Depreciation and amortisation	870	1 021	1 021	835	186
Bulk Purchases					
Interest Paid	249	215	215	215	
Bad debts					
Contracted Services	1 963	2 882	2 658	1 488	1 170
Loss on Disposal of PPE	29			47	(47)
Impairment Loss					
General Expenses	1 186	1 470	1 852	1 600	252
Total Operational Expenditure	**22 311**	**26 721**	**26 344**	**22 292**	**4 051**
Net	**(11 663)**	**(14 159)**	**(13 740)**	**(11 493)**	**(2 248)**
Variances equal to actual minus adjustment budget					

5.2.9 Environmental Protection

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Community And Social Services	R'000				
Total Operational Revenue	**10 648**	**12 563**	**12 604**	**9 312**	**3 292**
Expenditure:					
Employees	16 873	19 916	19 373	16 968	2 405
Inventory	1 141	1 218	1 224	1 139	85
Depreciation and amortisation	870	1 021	1 021	835	186
Bulk Purchases					
Interest Paid	249	215	215	215	
Bad debts					
Contracted Services	1 963	2 882	2 658	1 488	1 170
Loss on Disposal of PPE	29			48	(48)
Impairment Loss					
General Expenses	1 186	1 470	1 852	1 600	252
Total Operational Expenditure	**22 311**	**26 721**	**26 344**	**22 294**	**4 050**
Net	**(11 663)**	**(14 159)**	**(13 740)**	**(12 982)**	**(758)**
Variances equal to actual minus adjustment budget					

5.2.10 Security and Safety

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Public Safety	R'000				
Total Operational Revenue	**60 124**	**64 532**	**42 716**	**51 627**	**(8 911)**
Expenditure:					
Employees	17 826	21 990	21 818	17 230	4 588
Inventory	2 256	2 738	2 764	2 641	123
Depreciation and amortisation	749	1 042	1 042	885	157
Bulk Purchases					
Interest Paid	165	248	141	141	
Bad debts	43 461	46 651	28 489	29 763	(1 274)
Contracted Services	11 067	13 301	13 925	10 989	2 935
Loss on Disposal of PPE	30			26	(26)
Impairment Loss					
General Expenses	1 037	2 232	2 031	1 700	331
Total Operational Expenditure	**76 591**	**88 201**	**70 210**	**63 375**	**6 835**
Net	**(16 467)**	**(23 669)**	**(27 494)**	**(11 748)**	**(15 746)**
Variances equal to actual minus adjustment budget					

5.2.11 SPORT AND RECREATION

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Sport And Recreation	R'000				
Total Operational Revenue	**14 940**	**17 650**	**16 406**	**16 995**	**(589)**
Expenditure:					
Employees	16 827	19 360	20 241	19 289	952
Inventory	2 577	3 058	2 776	2 632	144
Depreciation and amortisation	1 883	2 564	2 564	1 876	688
Bulk Purchases					
Interest Paid	285	253	253	253	
Bad debts					
Contracted Services	2 755	3 374	2 975	2 750	225
Loss on Disposal of PPE	82			64	(64)
Impairment Loss					
General Expenses	1 011	1 095	1 439	1 113	326
Total Operational Expenditure	**25 420**	**29 704**	**30 248**	**27 977**	**2 271**
Net	**(10 480)**	**(12 054)**	**(13 842)**	**(10 982)**	**(2 860)**
Variances equal to actual minus adjustment budget					

5.2.12 FINANCE & ADMIN

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Finance And Administration	R'000				
Total Operational Revenue	**196 317**	**170 825**	**185 445**	**213 507**	**(28 062)**
Expenditure:					
Employees	46 763	55 065	53 412	49 742	3 671
Inventory	1 621	1 988	2 032	1 717	315
Depreciation and amortisation	2 089	2 986	2 986	2 362	625
Bulk Purchases					
Interest Paid	271	242	243	243	
Bad debts	2 756	1 564	1 564	623	941
Contracted Services	7 283	11 927	12 645	9 061	3 583
Loss on Disposal of PPE	187			665	(665)
Profit/(Loss) on Fair Value Adjustments				254	(254)

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Finance And Administration	R'000				
Reversal of Impairment Loss/(Impairment Loss) on receivables					
Impairment Loss				(67)	67
General Expenses	13 485	16 418	16 117	12 567	3 550
Total Operational Expenditure	**74 456**	**90 190**	**88 999**	**77 165**	**11 834**
Net	**121 862**	**80 636**	**96 446**	**136 342**	**(39 896)**
Variances equal to actual minus adjustment budget					

5.2.13 EXECUTIVE & COUNCIL

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Executive And Council	R'000				
Total Operational Revenue	**23 106**	**21 009**	**21 009**	**21 374**	**(365)**
Expenditure:					
Employees	23 818	26 037	26 512	25 397	1 114
Inventory	31	63	63	46	18
Depreciation and amortisation	67	74	74	69	6
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	1 858	2 108	2 083	267	1 816
Loss on Disposal of PPE	20			23	(23)
Impairment Loss					
General Expenses	5 872	6 411	6 713	6 250	464
Total Operational Expenditure	**31 665**	**34 694**	**35 446**	**32 051**	**3 395**
Net	**(8 559)**	**(13 685)**	**(14 437)**	**(10 677)**	**(3 760)**
Variances equal to actual minus adjustment budget					

5.2.14 INTERNAL AUDIT

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Internal Audit	R'000				
Total Operational Revenue					
Expenditure:					
Employees	1 799	2 033	1 942	1 938	4
Inventory	1	2	2		2
Depreciation and amortisation	2	3	3	2	1
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	87	139	139	82	57
Loss on Disposal of PPE					
Impairment Loss					
General Expenses	45	119	121	37	84
Total Operational Expenditure	**1 934**	**2 296**	**2 207**	**2 059**	**148**
Net	**(1 934)**	**(2 296)**	**(2 207)**	**(2 059)**	**(148)**
Variances equal to actual minus adjustment budget					

5.2.15 OTHER

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Other	R'000				
Total Operational Revenue			**500**	**480**	**20**
Expenditure:					
Employees	467	519	513	521	(8)
Inventory	10	25	20	20	
Depreciation and amortisation	9	10	10	9	1
Bulk Purchases					
Interest Paid					
Bad debts					
Contracted Services	72	78	63	54	9
Loss on Disposal of PPE	13				()
Impairment Loss					
General Expenses	691	717	737	704	34

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Other	R'000				
Total Operational Expenditure	**1 263**	**1 350**	**1 343**	**1 307**	**36**
Net	**(1 263)**	**(1 350)**	**(843)**	**(827)**	**(16)**
Variances equal to actual minus adjustment budget					

5.3 GRANTS

5.3.1 GRANT PERFORMANCE

Grant Performance						
R'000						
Description	2023/2024	2024/2025			2024/25 Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Operating Transfers and Grants						
National Government:	**63 136**	**68 048**	**68 048**	**66 935**	**1 182**	**1 182**
Equitable share	59 164	**63 158**	**63 158**	**63 158**		
Municipal Systems Improvement						
Finance Management	1 550	1 700	1 700	1 700		
Energy Efficiency & Demand Management	128					
Expended Public Works programme (EPWP)	1 174	1 236	1 236	1 236		
Disaster Recovery Grant						
Mig 5%	773	762	762	762		
Integrated National Electricity Program						
Seta/Disaster Relief/Trade Union/HCE/ASLA/tourism	346	1 192	1 192	78	1 182	1 182
Municipal Disaster Relief Grant						
Provincial Government:	**22 945**	**12 649**	**26 715**	**23 938**	**(11 289)**	**2 777**
Housing	22 496	12 068	25 969	23 270	(11 202)	2 699
Housing Consumer education						
Informal Settlements Upgrading Partnership Grant						
PSEG - Public Employment Support Grant						
Tuin op die brak						

Grant Performance						
R'000						
Description	2023/2024	2024/2025			2024/25 Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Greenest municipality						
Financial Support Grant / Management	35	263	363	284	(21)	79
Performance Management Grant						
Thusong Centre	130	150	150	150		
Capacity Building	47					
Libraries						
CDW, Road Maintenance	167	168	233	233	(65)	
Municipal Water Resilience Grant	70					
LG Support Grant: Humanitarian Relief						
Other grant providers				**284**		**(284)**
Africana Centre						
Development Contractors				284		(284)
Public Participation Strategy						
Tourism						
Syntell						
Total Operating Transfers and Grants	**86 080**	**80 697**	**94 763**	**91 157**	**(10 106)**	**3 676**

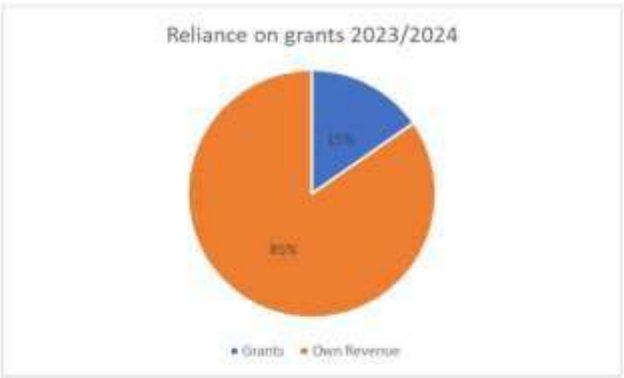
5.3.2 Conditional Grants (Excluding MIG)

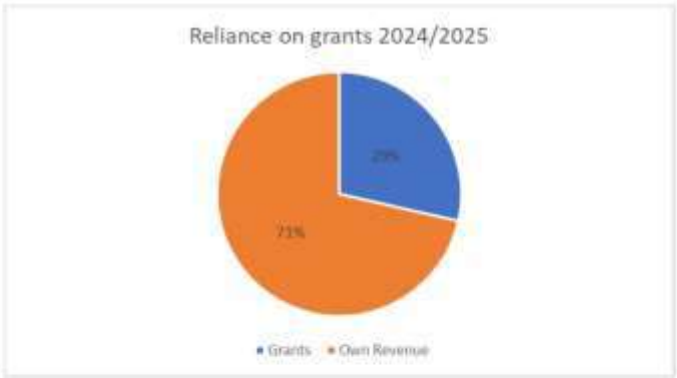
Conditional Grants: excluding MIG R' 000						
Details	Budget	Adjusted Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjusted Budget	
FMG, MSIG, NEP, EPWP, DME, PGWC:LIBRARY GRANTS , PGWC: FINANCIAL SUPPORT GRANT	98 035	132 030	146 316	(48 281)	(14 285)	
Total	98 035	132 030	146 316	(48 281)	(14 285)	
This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG). Variances equal to actual minus original/adjustment budget						

5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000	R'000	%
2023/24	102 368	661 311	15,48%
2024/25	229 740	769 086	29,87%

The following graph indicates the municipality's reliance on grants as percentage for the last two financial years.





5.4 ASSET MANAGEMENT

To be included in final document presented to AGSA

The Municipality maintained its infrastructure and immovable assets.

5.4.1 MAINTENANCE / DEVELOPMENT OF THE THREE LARGEST ASSETS

Asset 1		
Name	**Upgrading of Roads and Stormwater in Hessequa Municipal Area**	
Description	Reseal of roads and related infrastructure where required.	
Asset Type	Infrastructure : Roads and Stormwater	
Key Staff Involved	Director Technical Services: (Rhuschan Manho), Manager Civil Planning and Project Management (Shahida Kennedy)	
Staff Responsibilities	Project management	
Asset Value	**2023/24 (R'000)**	**2024/25 (R'000)**
	46 022	43 037

Asset 2		
Name	**The designing, engineering, supply , delivery, construction, commissioning and five (5) years plant operation and maintenance of up to 10MWH solar PV plant with 10MW BESS at Riversdale**	
Description	This renewable energy project will provide reliable power to the town's residents, protect critical infrastructure, and support local businesses. It is a step forward in addressing the energy crisis while also helping to boost Riversdale's economy.	
Asset Type	Infrastructure: Electrical	
Key Staff Involved	Director Technical Services: (Rhuschan Manho) & Manager Electrical and Mechanical Services (Silent Chikamhi)	
Staff Responsibilities	Project management	
Asset Value	**2023/24 (R'000)**	**2024/25 (R'000)**
	15 004	143 185

Asset 3		
Name	**Upgrading of Water Network in the Hessequa Municipal area**	
Description	The project was aimed to upgrade existing and construct new water infrastructure in the Hessequa Municipal area to strengthen the water reticulation	
Asset Type	Water Reticulation	
Key Staff Involved	Director Technical Services: (Rhuschan Manho), Manager Civil Planning and Project Management (Shahida Kennedy)	
Staff Responsibilities	Project management	
Asset Value	**2023/24 (R'000)**	**2024/25 (R'000)**
	7 217	13 224

5.4.2 Repairs and Maintenance

Description	2023/24	2024/25
	R'000	R'000
Total Operating Expenditure	607 274	689 463
Repairs and Maintenance	94 769	119 635
% of total OPEX	**15,61%**	**17,35%**

*Note: These figures do not include salaries of repairs and maintenance staff

The following graph indicates the percentage of the budget that was spent on repairs & maintenance in relation to the operational expenditure.



Repairs &Maintenances. Operational Expenditure

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 LIQUIDITY RATIO

Description	Basis of calculation	2023/24	2024/25
		Audit outcome	Audit outcome
Current Ratio	Current assets/current liabilities	2,69	3,50
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2,50	3,07
Liquidity Ratio	Monetary Assets/Current Liabilities	2,66	3,47

Table 37: Liquidity Financial Ratio (norm 1:5 to 2:1)

Financial year	Total Assets	Total Liabilities	Ratio
	R'000	R'000	
2023/24	1 812 925	481 038	4.0:1
2024/25	1 980 529	408 185	4.1:1

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2023/24	2024/25
		Audit outcome	Audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	14,90	12,68
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	11,00%	12,84%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	15,02	15,28

5.5.3 Creditors Management

Description	Basis of calculation	2023/24	2024/25
		Audit outcome	Audit outcome
Creditors System Efficiency	of Creditors Paid Within Terms (within MFMA' s 65(e))	78,46	70,27

5.5.4 Borrowing Management

Description	Basis of calculation	2023/24	2024/25
		Audit outcome	Audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	7,01%	6,35%

5.5.5 Employee costs

Description	Basis of calculation	2023/24	2024/25
		Audit outcome	Audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	30,24%	26,52%

5.6 COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6.1 ANALYSIS OF CAPITAL AND OPERATING EXPENDITURE

.

R million	Original Budget	Adjusted Budget	Actual	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	194 773	500	457	194 315	43
Operating Expenditure	737 167	735 864	689 463	47 704	46 401
Total expenditure (Capital)	**194 773**	**241 619**	**237 139**	**(42 366)**	**4 480**
Water and sanitation	23 870	24 293	21 924	1 946	2 369
Electricity	100 246	150 969	150 472	(50 226)	498
Housing	11 370	3 922	3 694	7 676	227
roads pavements bridges and storm water	46 044	47 677	47 424	(1 380)	253
Other	13 243	14 758	13 624	(381)	1 134
Total Finance Source - Capital	**194 773**	**241 619**	**237 139**	**(42 366)**	**4 480**
External Loans					
Internal contributions	96 804	97 337	93 729	3 075	3 607
Grants and subsidies	97 969	144 283	140 900	(42 931)	3 383
Other			2 510	(2 510)	(2 510)
Salaries, wages and allowances	256 310	255 465	241 123	15 187	14 341
External loans repaid	21 738	21 801	21 681	57	120
Operating Revenue	**827 489**	**895 163**	**930 774**	**(103 284)**	**(35 611)**
Property rates	137 207	138 707	140 197	(2 989)	(1 489)
Service charges	347 979	347 979	365 374	(17 395)	(17 395)
Other own revenue	342 304	408 477	425 203	(82 899)	(16 726)
Operating Expenditure	**737 167**	**735 864**	**689 463**	**47 704**	**46 401**
Employee related costs	256 310	255 465	241 123	15 187	14 341
Provision for working capital	55 246	35 183	8 212	47 034	26 971
Contracted services	67 722	88 883	71 920	(4 198)	16 963
Bulk purchases	192 615	189 665	187 077	5 538	2 588
Other expenditure	165 275	166 668	181 131	(15 857)	(14 463)
	306 910	**375 123**	**382 387**	**(75 477)**	**(7 264)**
Service charges: Electricity	228 265	228 265	236 044	(7 779)	(7 779)
Grants & subsidies: Electricity	71 862	140 075	140 075	(68 213)	()
Other revenue: Electricity	6 783	6 783	6 268	515	515
	216 126	**213 469**	**210 392**	**5 734**	**3 077**
Employee related costs: Electricity	17 323	17 455	17 733	(410)	(278)
Provision for working capital: Electricity	68	68	414	(346)	(346)
Contracted Services: Electricity	1 553	1 710	1 041	512	669

R million	Original Budget	Adjusted Budget	Actual	Original Budget variance	Adjusted Budget Variance
Bulk purchases: Electricity	192 615	189 665	187 077	5 538	2 588
Other expenditure: Electricity	4 567	4 572	4 128	440	444
	74 192	**74 449**	**79 614**	**(5 421)**	**(5 164)**
Service charges: Water	54 379	54 379	59 596	(5 217)	(5 217)
Grants & subsidies: Water	16 152	16 409	16 409	(257)	
Other revenue: Water	3 661	3 661	3 609	53	53
	51 692	**50 652**	**50 291**	**1 401**	**361**
Employee related costs: Water	16 198	16 401	16 529	(331)	(128)
Provision for working capital: Water	2 830	2 830	3 634	(803)	(803)
Contracted Services: Water	3 264	3 279	3 220	44	58
Bulk purchases: Water					
Other expenditure: Water	29 400	28 142	26 908	2 492	1 234

5.6.2 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2024/2025 financial year:

Capital Expenditure - Funding Sources 2023/24 to 2024/25						
R'000						
Details	2023/24	2024/25				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Variance Ori	Variance Adjustment
External loans						
Public contributions and donations	438			2 510	(2 510)	(2 510)
Grants and subsidies	42 674	97 969	144 283	140 900	(42 931)	3 383
Other / CRR	80 120	96 804	97 337	93 729	3 075	3 607
Total	**123 231**	**194 773**	**241 619**	**237 139**	**(42 366)**	**4 480**
Percentage of finance						
External loans	0,00%	0,00%	0,00%	0,00%	0%	0%
Public contributions and donations	0,36%	0,00	0,00%	1,06%	0%	0%
Grants and subsidies	34,63%	50,30%	59,71%	59,42%	101%	76%
Other	65,02%	49,70%	40,29%	39,52%	-7%	81%
Water and sanitation	22 540	23 870	24 293	21 924	1 946	2 369
Electricity	16 946	100 246	150 969	150 472	(50 226)	498
Housing	1 453	11 370	3 922	3 694	7 676	227
Roads and stormwater	26 488	46 044	47 677	47 424	(1 380)	253

Other	16 722	13 243	14 758	13 624	(381)	1 134
Total	**84 150**	**194 773**	**241 619**	**237 139**	**(42 366)**	**4 480**
Percentage of expenditure						
Water and sanitation	29,93%	12,26%	10,05%	9,25%	-4,59%	52,88%
Electricity	8,15%	51,47%	62,48%	63,45%	118,55%	11,11%
Housing	40,40%	5,84%	1,62%	1,56%	-18,12%	5,07%
Roads and stormwater	8,39%	23,64%	19,73%	20,00%	3,26%	5,64%
Other	13,14%	6,80%	6,11%	5,75%	0,90%	25,31%

Funding of the capital budget consist of a mix of external loans, grants & subsidies and own funds. The effect of interest rates on external borrowings was taken into account with the compilation of the budget.

5.6.3 Capital Spending on the 5 most expensive Projects

Projects with the highest capital expenditure in 2024/2025

Name of Project*	Current Year: 2024/25		Variance Current Year: 2024/25
	Amended Budget	Actual Expenditure	Variance
	R'000	R'000	R'000
Upgrading of Roads in the Hessequa Municipal area.	43 180	43 037	143
Upgrading of Water Infrastructure in the Hessequa Municipal area	13 751	13 224	527
Solar Project Riversdale	143 185	143 185	0
Upgrading of sewer Infrastructure in the Hessequa Municipal area	8 978	6 759	2 219
Medium Voltage Network Upgrade - LCH Housing Project	4 162	3 748	414

Name of Project	Upgrading of roads and stormwater in the Hessequa Municipal area
Objective of Project	The project was aimed to upgrade existing roads in the Hessequa Municipal area.
Delays	None
Future Challenges	None
Anticipated citizen benefits	46 932 (Gouritsmond, Albertinia, Still Bay, Riversdale, Heidelberg, Witsand)

Name of Project	Upgrading of Water Infrastructure in the Hessequa Municipal area
Objective of Project	The project was aimed to upgrade existing water infrastructure in the Hessequa Municipal area.
Delays	None
Future Challenges	None
Anticipated citizen benefits	39 001 (Jongensfontein, Still Bay, Riversdale, Heidelberg)

Name of Project	Upgrading of Sewer Infrastructure in the Hessequa Municipal area
Objective of Project	The project was aimed to upgrade existing and construct new sewer infrastructure in the Hessequa Municipal area.
Delays	Wet weather conditions, collapsing trenches due to loose sandy material and hard rock excavations caused delays to the project
Future Challenges	None
Anticipated citizen benefits	46 331 (Heidelberg, Still Bay, Albertinia, Riversdale and Gouritsmond)

Name of Project	The designing, engineering, supply , delivery, construction, commissioning and five (5) years plant operation and maintenance of up to 10MWH solar PV plant with 10MW BESS at Riversdale
Objective of Project	This renewable energy project will provide reliable power to the town's residents, protect critical infrastructure, and support local businesses. It is a step forward in addressing the energy crisis while also helping to boost Riversdale's economy.
Delays	None
Future Challenges	None
Anticipated citizen benefits	19 654 (Riversdale)

Name of Project	Medium Voltage Network Upgrade - LCH Housing Project
Objective of Project	The aim of the project was to electrify the low cost housing project in Melkhoutfontein. To provide basic electrical services to the resident of Melkhoutfontein situated in the new housing area.
Delays	None
Future Challenges	None
Anticipated citizen benefits	3 310 (Melkhoutfontein)

5.6.4 MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2024/2025 ON SERVICE BACKLOGS

This grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

Municipal Infrastructure Grant (MIG)* Expenditure 2024/25 on Service backlogs			
R'000			
Details	**Approved Budget**	**Actual**	**Variance from Approved Budget**
Infrastructure - Road transport	**8 346**	**8 346**	
Roads			
Transport Assets	**3 013**	**3 013**	
Tra			
Infrastructure - Water	**2 150**	**2 150**	
Distribution			
Infrastructure - Sanitation	**1 375**	**1 375**	
Waste Water Treatment Works			
Other:			
Total	**14 884**	**14 884**	**0**

** MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure. Variances is the difference between actual and approved budget*

All MIG funds received are utilised to improve and provided services to previously disadvantaged areas.

5.7 COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Accurate cash flow projections will enable the Council to invest surplus funds at the best interest rate. Stricter measures have been implemented to ensure more accurate cash flow projections.

The collection of debtors influence the Cash Flow table:

HESSEQUA LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

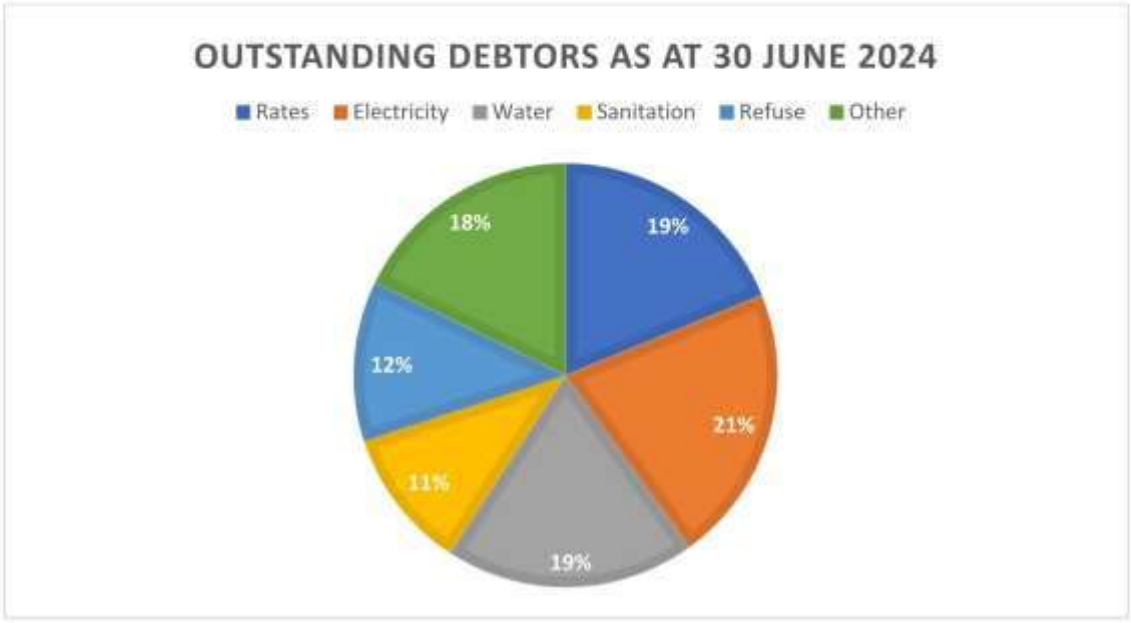
	Note	2025	2024 Restated
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		142 933	128 763
Fines, Penalties and Forfeits		17 993	11 618
Transfers and Subsidies		182 628	198 790
Service Charges		361 521	322 274
Other Receipts		41 865	44 754
VAT Received		4 000	
Payments			
Employee Related Costs		(228 157)	(208 966)
Remuneration of Councillors		(9 128)	(8 471)
External Interest and Dividends Paid		(13 604)	(15 819)
Suppliers Paid			
Suppliers Paid		(337 721)	(335 132)
VAT Paid			(1 072)
NET CASH FLOWS FROM OPERATING ACTIVITIES	47	**208 635**	**180 127**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(236 547)	(84 667)
Purchase of Investment Property		(4)	
Proceeds / (Losses) on Disposal of Property, Plant and Equipment		695	
Proceeds on Disposal of Investment Property		563	853
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(235 294)**	**(83 815)**
Decrease in Borrowings (Loans Redeemed)		(21 906)	(23 705)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(21 906)**	**(23 705)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(48 564)**	**72 608**
Cash and Cash Equivalents at Beginning of Financial Year	5	487 521	414 914
Cash and Cash Equivalents at End of Financial Year	5	438 957	487 521

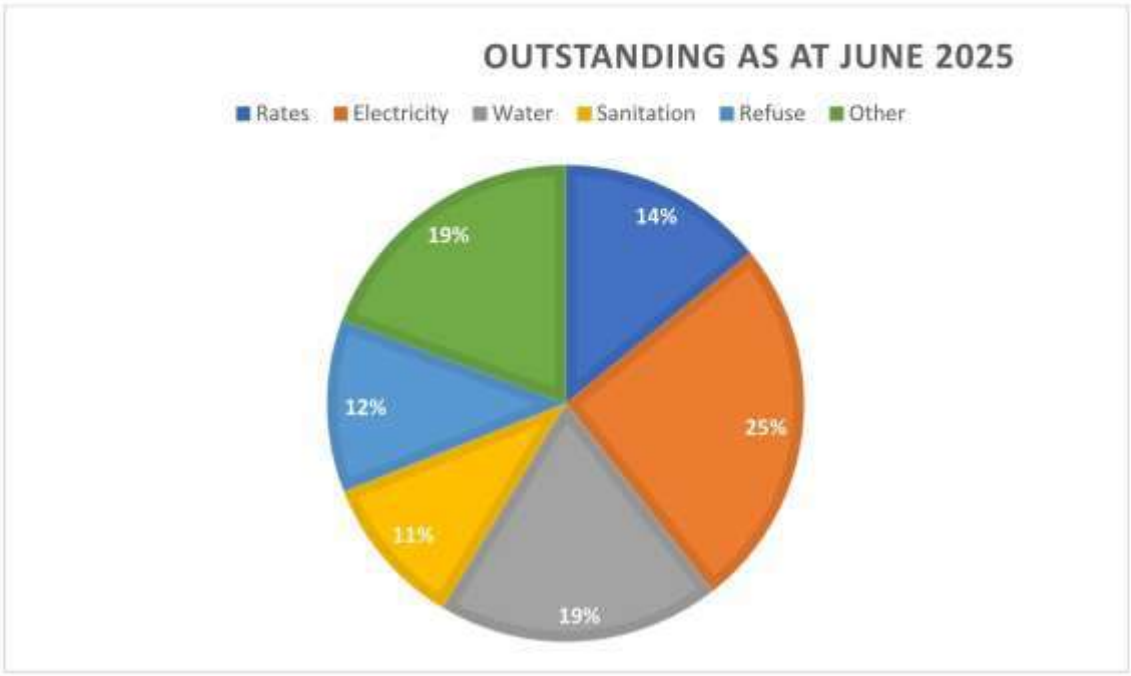
5.7.1 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services (Electricity and Water)	Economic services (Sanitation and Refuse)	Housing rentals	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2023/24	17 849	38 279	21 851		16 852	**94 832**
2024/25	15 121	47 639	23 602		20 681	**107 043**
Difference	(2 729)	9 360	1 752		3 828	12 211
% growth year on year	**-18,05%**	**19,65%**	**7,42%**		**18,51%**	**11,41%**
Note: figures exclude provision for bad debts and outstanding fines						

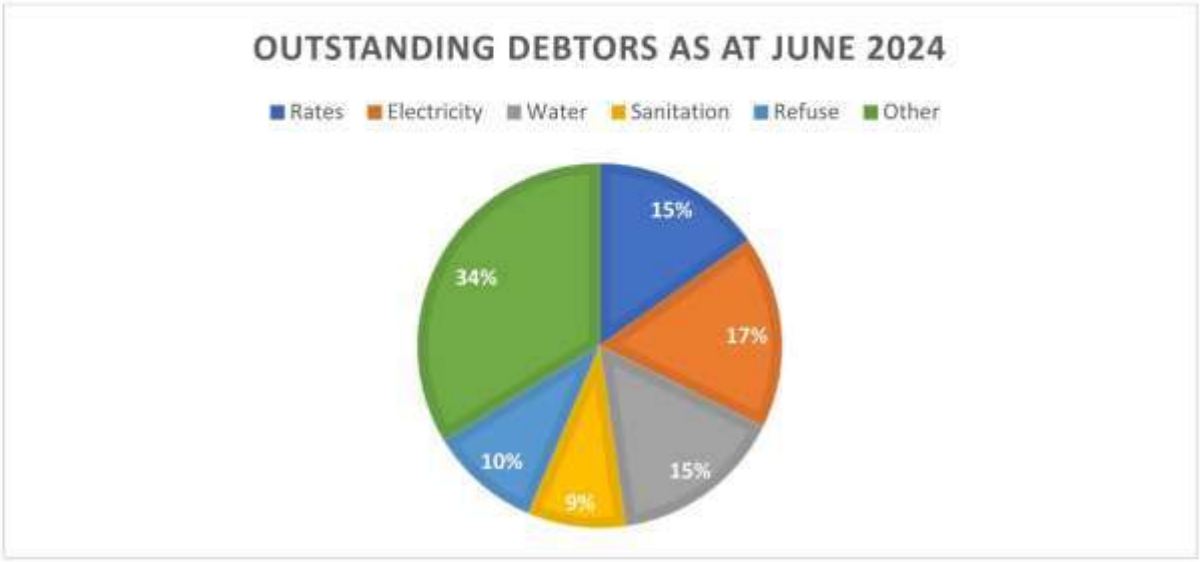
Financial year	Rates	Trading services (Electricity and Water)	Economic services (Sanitation and Refuse)	Housing rentals	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2023/24	17 849	38 279	21 851		39 648	**117 627**
2024/25	15 121	47 639	23 602		40 619	**126 981**
Difference	(2 729)	9 360	1 752		972	**9 354**
% growth year on year	**-18,05%**	**19,65%**	**7,42%**		**2,39%**	**7,37%**
Note: figures exclude provision for bad debts on rates and services and include the written down value on traffic fines						

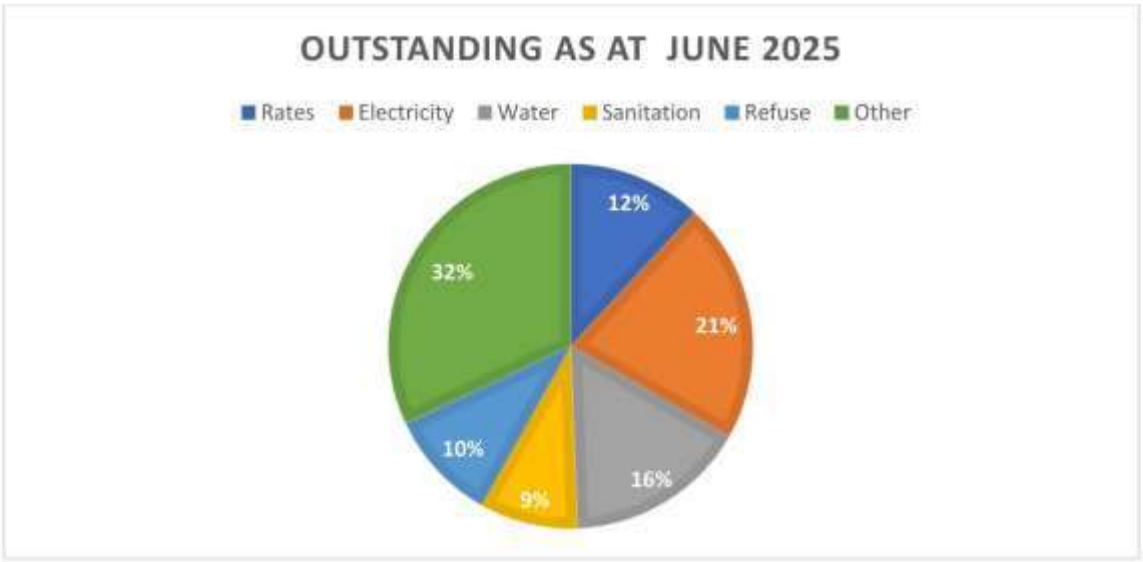
The following graphs indicate the total outstanding debt per type of service for 2023/2024 and 2024/2025 excluding and including fines.





Excluding Fines





Including fines

5.7.2 Total Debtors Age Analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2023/24	49 678	3 375	2 649	39 130	94 832
2024/25	36 515	3 900	2 216	64 411	107 043
Difference	(13 163)	525	(433)	25 282	12 211
% growth year on year	**-36,05%**	**13,46%**	**-19,52%**	**39,25%**	**11,41%**
Note: figures exclude provision for bad debts and outstanding fines-					

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2023/24	49 891	3 640	2 786	61 310	117 627
2024/25	37 633	5 525	4 030	79 793	126 981
Difference	(12 257)	1 885	1 244	18 482	9 354
% growth year on year	**-32,57%**	**34,12%**	**30,88%**	**23,16%**	**7,37%**
Including fines					

5.7.3 Borrowing and Investments

Actual Borrowings

R'000		
Instrument	**2023/24**	**2024/25**
Long-Term Loans	144 372	122 462
Total	**144 372**	**122 462**

5.8 COMPONENT D: OTHER FINANCIAL MATTERS

5.8.1 GRAP COMPLIANCE

The municipality is GRAP compliant.

5.8.2 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

In terms of Section 13G of the Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013 ("the B-BBEE Act"), read with regulation 12 of the B-BBEE Regulations, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statement and annual reports. The audited Annual Financial Statements for the year ended 30 June 2025 in Note 49.2 determine that "Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information". A compliance report required to be included annually in terms of section 13G(i) of the Act from a sphere of government, public entity or an organ of state must reflect the state of compliance in respect of (i) ownership where applicable; (ii) management control; (iii) skills development; (iv) enterprise and supplier development; (v) socio-economic development; and (vi) any other sector specific element. The following tables contain the required information applicable to Hessequa Municipality:

Management control

The table indicates the number of directors/managers information of Hessequa Municipality for 2024/25 financial year.

Categories	% Number for each category	Race classification (Indicate number in terms of A,C & I)	Gender (Indicate number in terms of F&M)	Age (Provide number in chronological order)	Location (Indicate number in each Province)	Disability (Indicate number in terms of F & M)
Board	N/A	N/A	N/A	N/A	N/A	N/A
Exec Directors	N/A	N/A	N/A	N/A	N/A	N/A
Non-Exec Directors	N/A	N/A	N/A	N/A	N/A	N/A
Senior Management (MM & Directors)	50%	CM - 3	F - 0 M - 3	CM – ,43(2),44	Western Cape	N/A
Middle Management (T14 – T19)	56%	AM – 1 CF – 4 CM - 14	F - 4 M - 15	**AM** – 38 **CF** – 36,38(2),42 **CM** – 32,34,36,38,41(4),,42,45,47,53, 55,63	Western Cape	N/A
Junior Management (T10-T13)	81%	AF – 4 AM – 5 CF – 22 CM - 37	F - 24 M - 46	**AF** – 32,33,34,40 **AM** – 31,41,43,45, 55 **CF** – 25,26,27,,30(2),31,32,33,34, 36(2), 40(2),41,42, 43, 44(3), 48,50 **CM** –	Western Cape	N/A

				24,28,29,30(3), 32(3), 33,35,36,38,39(3),43,44,45,46(2), 47,48(3), 49(2), 50(3), 52,53(3), 54,55(2)		
Dividends declared	187%	90	90	24-63	Western Cape	N/A

(NB: A – Africans and C – Coloureds)

Skills development

Total leviable amount and number of black persons trained in Hessequa Municipality for the 2024/25 financial year:

Total Leviable amount:							
Categories	**Number of each category**	**Race classification (Indicate number in terms of A, C & I)**	**Gender (Indicate number in terms of F & M)**	**Age (Provide number in chronological order)**	**Location (Indicate number in each Province)**	**Disability (Indicate number in terms of F & M)**	**Total Amount Spent**
Black Employees	243	A – 34 C - 209	AF – 12 AM – 22 CF – 19 CM - 190	22 - 63	Western Cape	0	
Black non-employees	0	0	0	0	0	0	
Black People on internships, apprenticeships, learnership	23	A – 4 C - 19	AM – 2 AF – 2 CF – 12 CM – 7	20 - 30	Western Cape	0	
Unemployed black people	13	A – 2 C - 11	AM – 1 AF – 1 CM – 6 CF - 5	18-25	Western Cape	0	0

Socio Economic Development

Total spend and number of black participants, race classification, gender, geographical indication and value thereof for the 2023/2024 financial year:

Allocated Budget R158 250,00

Total spent R154 744,33

Number of Participants	**RACE CLASSIFICATION**	**Gender**	**Geographical Indication**
	(Indicate nr. In terms of A, C, W & I)	**(Indicate nr. In terms of F & M**	
15 Applications	**A - 2**	**F - 9**	**Riversdale - 9**

13 Beneficiaries	**C - 11**	**M - 4**	**Heidelberg - 2**
	W - 0		**Melkhoutfontein - 1**
	I - 0		**Slangrivier - 1**

Enterprise and Supplier Development

Total procurement spend/budget and number of enterprise and supplier development beneficiaries and value thereof for the 2024/2025 financial year.

Total Procurement Spent (2023-2024)			
Active Suppliers **346**	Total Value Spent R 100 470 877.93		
Total Number Of EME Suppliers **217**	**TOTAL VALUE SPENT** **R61 661 027.70**	**% BLACK OWNERSHIP** **66.67**	**% BLACK WOMAN OWNERSHIP** **66.57**
Total Number Of QSE Suppliers **72**	**TOTAL VALUE SPENT** **R 17 898817.28**	**% BLACK OWNERSHIP** **20.04**	**% BLACK WOMAN OWNERSHIP** **18.07**
Total Number Of Large Suppliers **57**	**TOTAL VALUE SPENT** **R 20 911 032.95**	**% BLACK OWNERSHIP** **13.29**	**% BLACK WOMAN OWNERSHIP** **15.36**
Total Value Of 2% Npat Or 0.2 % Of Allocated Budget: **N/A**			

6 AUDITOR GENERAL'S FINDINGS

6.1 COMPONENT A: AUDITOR-GENERAL OPINION 2023/2024

Auditor-General Report on Performance Information 2023/2024	
I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for objective 2: cost effective service delivery. Management subsequently corrected all the misstatements and I did not include any material findings in this report.	No Findings
Auditor-General Report on Non-Compliance Issues 2023/2024	
I did not identify any material non-compliance with the selected legislative requirements.	No Findings
Auditor-General Report on Financial Performance 2023/2024	
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Hessequa Municipality as at 30 June 2023 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 the Division of Revenue Act 5 of 2022 (Dora).	Audit opinion: Unqualified with no findings (Clean Audit)

6.2 COMPONENT B: AUDITOR-GENERAL OPINION 2024/2025

Auditor-General Report on Performance Information 2024/2025	
I did not identify any material findings on the reported performance information for the selected indicators.	No findings
Auditor-General Report on Non-Compliance Issues 2024/2025	
29. 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. I did not identify any material non-compliance with the selected legislative requirements	No findings
Auditor-General Report on Financial Performance 2024/2025	
1 . I have audited the financial statements of the Hessequa Municipality set out on pages 6 to 133, which comprise the, statement of financial position	Audit opinion: Unqualified with

as at 30 June 2025, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies. 2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Hessequa 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 the Division of Revenue Act 24 of 2024 (Dora).	no findings (Clean Audit)

6.3 COMPONENT C: AUDITOR-GENERAL REPORT 2024/2025

Report of the auditor-general to the Western Cape Provincial Parliament and council on Hessequa Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Hessequa Municipality set out on pages 6 to 133, which comprise the, statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Hessequa 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 the Division of Revenue Act 24 of 2024 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Uncertainty relating to future outcomes of claims against the public entity

7. With reference to note 54 to the financial statements, the municipality is the defendant in various ongoing litigation 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.

Restatement of corresponding figures

8. As disclosed in notes 44 and 45 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2025.

Material impairments/ losses

9. As disclosed in note 3 to the financial statements, the municipality has provided for impairment of trade receivables from exchange transactions amounting to R37.4 million (2023-24: R34,3 million).

10. As disclosed in note 4 to the financial statements, the municipality has provided for impairment of trade receivables from non-exchange transactions amounting to R98,2 million (2023-24: R69,6.

11. As disclosed in note 34 to the financial statements, material losses of R39,9 million (2023-24: R58,2 million) was incurred as a result of a write off of irrecoverable debtors.

Underspending of the conditional grants

12. As disclosed in note 13 to the financial statements, the municipality underspent its conditional grant by R3,6 million (2023-24: R74,8 million).

Other matters

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

Unaudited disclosure notes

14. 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

15. The supplementary information set out on pages 134 to 136 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

16. 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.

17. 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

18. 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.

19. 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 12, forms part of my auditor's report.

Report on the annual performance report

20. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

21. I selected the following material performance indicators related to KPA 1: Affordable & quality service delivery presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

    - TL 3 – The number of registered indigent account holders (poor households) with access to free basic services.
    - TL 4 – Provision of electricity to residential properties connected to the municipal infrastructure network for both prepaid and credit electrical metering
    - TL 5 - Provision of refuse removal and solid waste disposal for residential account holders
    - TL 6 - Number households' provision of sanitation/sewerage services to residential account holders
    - TL 7 - Provision of water to residential properties connected to the municipal infrastructure network for both prepaid and credit metering
    - TL 58 - Limit water losses to less than 30% for financial year
    - TL 62 - Limit electricity losses to 10% for financial year

22. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared

using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

23. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported measures taken to improve performance.

24. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

25. I did not identify any material findings on the reported performance information for the selected indicators.

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

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

28. The table that follows provides information on the achievement of planned targets and lists the key basic service indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 24 to 25

KPA 1: Affordable & quality service delivery

Targets achieved: 77%

Budget spent: 95%

Key basic service indicators not achieved	Planned target	Reported achievement
TL 3 – The number of registered indigent account holders (poor households) with access to free basic services	5026	4524
TL 4 – Provision of electricity to residential properties connected to the municipal infrastructure network for both prepaid and credit electrical metering	14135	14124
TL 5 – Provision of refuse removal and solid waste disposal for residential account holders	15202	15189

Report on compliance with legislation

29. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

30. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

31. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

Other information in the annual report

32. The accounting officer is responsible for the other information included in the annual report, the other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in objective presented in the annual performance report that have been specifically reported on in this auditor's report.

33. 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.

34. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

35. 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

36. 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.

37. I did not identify any significant deficiencies in internal control.

Auditor General

Cape Town

30 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 material performance indicators 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 a 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 (MFMA)	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 24 of 2024	Sections 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Municipal Systems Act 32 of 2000 (MSA)	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)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Municipal Staff Regulations, 2021	Regulations 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation 43
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2),11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

7 APPENDICES: MFMA CIRCULAR 63 FRAMEWORK

Appendix A:	Composition of Council & Appendix B: Committee and Committee Purpose – Combined
Appendix C:	Third Tier Administrative structure
Appendix D:	Functions of Municipality/Entity
Appendix E:	Ward Committee Functionality & Composition
Appendix F:	Ward Information
Appendix G:	Recommendations of the Municipal Audit Committee
Appendix H:	Long term Contracts and Public Private Partnership – Please refer to Section 2.5 within the Annual Report
Appendix I:	Municipal Entity/Service Provider Performance Schedule – Not Applicable
Appendix J:	Disclosure of Financial Interest
Appendix K:	Revenue Collection Performance Municipality – Please Refer to Financial Statements attached to the Annual Report as Volume II: Annual Financial Statements
Appendix L:	Conditional Grants Received: Excluding MIG Municipality – Please Refer to Financial Statements attached to the Annual Report as Volume II: Annual Financial Statements
Appendix M:	Capital Expenditure – New & Upgrade/ Renewal Programmes: Including MIG – Please refer to Appendix F: Ward Information where all projects are included per Ward
Appendix N:	Capital Programme by Project current year - Please refer to Appendix F: Ward Information where all projects are included per Ward
Appendix O:	Capital Programme by project by Ward current year - Please refer to Appendix F: Ward Information where all projects are included per Ward
Appendix P:	Service Connection Backlogs at Schools and Clinics – Not Any
Appendix Q:	Service Backlogs Experienced by the Community where another Sphere of Government is Responsible for Service Provision – Not Applicable, for details of inputs received from communities relating to other spheres of government, please refer to the approved Integrated Development Plan which provides extensive insights into public participation outcomes.
Appendix R:	Declaration of Loans and Grants Made by the Municipality – Please Refer to Financial Statements attached to the Annual Report as Volume II: Annual Financial Statements
Appendix S:	Declaration of Returns not Made in due Time under MFMA s71 Municipality – Please Refer to Financial Statements attached to the Annual Report as Volume II: Annual Financial Statements
Appendix T:	National and Provincial Outcome for local government – Please refer to Section 3.2 Organisational Performance per IDP Objective of Annual Report

Appendix A & B Combined

Council Compilation

No.	Name and Surname	Political Party	Seat Type
1	Cllr RG Davids	DA	Ward 1
2	Cllr HJ Saayman	DA	Ward 2
3	Cllr MC van den Berg (Speaker)	DA	Ward 3
4	Cllr GL Boezak (Deputy Mayor)	DA	Ward 4
5	Cllr AP Daniels	ANC	Ward 5
6	Cllr NA Joseph	ANC	Ward 6
7	Cllr B van Noordwyk	DA	Ward 7 /LC
8	Cllr CP Taute	ANC	Ward 8 /LC
9	Cllr S le Roux	DA	Ward 9
10	Cllr L Pieterse	ANC	PR
11	Cllr LC February	ANC	PR
12	Cllr G Riddles (Executive Mayor)	DA	PR
13	Cllr BD Smith	DA	PR
14	Cllr ME Dayimani	ANC	PR
15	Cllr J Hoogbaard	DA	PR
16	Cllr J Hartnick	VF±	PR
17	Cllr IT Mangaliso	PA	PR

Councillors Allocated to Wards

Ward	Ward Councillor / Chairperson	PR Councillor	Default PR Councillor (VF+ / PA)
1	Cllr RG Davids	Cllr ME Dayimani	Cllr J Hartnick Cllr IT Mangaliso
2	Cllr HJ Saayman	Cllr L Pieterse	Cllr J Hartnick Cllr IT Mangaliso
3	Cllr MC van den Berg	Cllr L February	Cllr J Hartnick Cllr IT Mangaliso
4	Cllr GL Boezak	Cllr L February	Cllr J Hartnick Cllr IT Mangaliso
5	Cllr AP Daniëls	Cllr G Riddles	Cllr J Hartnick Cllr IT Mangaliso
6	Cllr NA Joseph	Cllr BD Smith	Cllr J Hartnick Cllr IT Mangaliso
7	Cllr B van Noordwyk	Cllr ME Dayimani	Cllr J Hartnick Cllr IT Mangaliso
8	Cllr CP Taute	Cllr A Stroebel	Cllr J Hartnick Cllr IT Mangaliso
9	Cllr S Le Roux	Cllr L Pieterse	Cllr J Hartnick Cllr IT Mangaliso

1. Whips from Parties represented in Council

ANC	Cllr ME Dayimani
DA	Cllr GL Boezak
VF+	Cllr J Hartnick
PA	Cllr IT Mangaliso

2. Committees

CORPORATE MANAGEMENT MEMBERS: Cllr BD Smith – Chairperson Cllr GL Boezak Cllr RG Davids	**FINANCIAL MANGEMENT** MEMBERS: Cllr BD Smith – Chairperson Cllr MC van den Berg Cllr B van Noordwyk

Cllr MC van den Berg Cllr IT Mangaliso Cllr J Hartnick Cllr L Pieterse Cllr NA Joseph	Cllr HJ Saayman Cllr IT Mangaliso Cllr J Hartnick Cllr ME Dayimani Cllr CP Taute
TECHNICAL SERVICES MEMBERS: Cllr MC van den Berg – Chairperson Cllr B van Noordwyk Cllr S Le Roux Cllr GL Boezak Cllr IT Mangaliso Cllr ME Dayimani Cllr AP Daniëls Cllr LC February	**DEVELOPMENT PLANNING** MEMBERS: Cllr HJ Saayman – Chairperson Cllr MC van den Berg Cllr BD Smith Cllr RG Davids Cllr IT Mangaliso Cllr L Pieterse Cllr AP Daniëls Cllr NA Joseph
COMMUNITY SERVICES AND HOUSING MEMBERS: Cllr GL Boezak – Chairperson Cllr RG Davids Cllr HJ Saayman Cllr S Le Roux Cllr IT Mangaliso Cllr ME Dayimani Cllr LC February Cllr AP Daniëls	**DISCIPLINARY COMMITTEE** MEMBERS: Cllr MC van den Berg – Chairperson Cllr BD Smith Cllr G Riddles Cllr J Hartnick Cllr L Pieterse
MPAC MEMBERS: Cllr IT Mangaliso – Chairperson Cllr RG Davids Cllr B van Noordwyk Cllr S Le Roux Cllr L February	**APPEALS COMMITTEE / SEC 62 COMMITTEE** MEMBERS: Cllr A Stroebel – Chairperson Cllr S Le Roux Cllr RG Davids Cllr AP Daniëls
SECTION 32 COMMITTEE MEMBERS: Cllr B van Noordwyk – Chairperson Cllr RG Davids Cllr S Le Roux Cllr CP Taute	**NAMING COMMITTEE** MEMBERS: Cllr A Stroebel – Chairperson Cllr MC van den Berg Cllr B van Noordwyk Cllr NA Joseph
LABOUR FORM (LLF) (5 Councillors) MEMBERS:	**PERFORMANCE AUDIT COMMITTEE** MEMBERS:

Cllr G Riddles Cllr MC van den Berg Cllr J Hartnick Cllr GL Boezak Cllr BD Smith	Cllr G Riddles Cllr BD Smith
LIQUOR LICENCE TRIBUNAL MEMBERS: Cllr A Stroebel Cllr J Hartnick Cllr NA Joseph	**MONITORING COMMITTEE FOR SOLID WASTE** MEMBERS: Relevant Ward Councillor PR Councillor Chairperson Technical Services Portfolio Committee
HESSEQUA DEVELOPMENT ADVICE COMMITTEE All Councillors (ex-officio) as invited by Director: Development Planning	

SALGA WORKING GROUPS

SALGA WESTERN CAPE: HESSEQUA MUNICIPALITY REPRESENTATIVES	
CAPACITY BUILDING AND INSTITUTIONAL RESILIENCE	Cllr BD Smith
Secundi	Cllr A Stroebel
COMMUNITY DEVELOPMENT AND SOCIAL COHESION	Cllr GL Boezak
Secundi	Cllr BD Smith
ECONOMIC EMPOWERMENT AND EMPLOYMENT CREATION	Cllr HJ Saayman
Secundi	Cllr MC van den Berg
ENVIRONMENTAL PLANNING AND CLIMATE RESILIENCE	Cllr HJ Saayman
Secundi	Cllr MC van den Berg
GOVERNANCE AND INTER GOVERNMENTAL RELATIONS	Cllr A Stroebel
Secundi	Cllr G Riddles
HUMAN SETTLEMENTS AND MUNICIPAL PLANNING	Cllr GL Boezak
Secundi	Cllr HJ Saayman
MUNICIPAL FINANCE AND FISCAL POLICY	Cllr BD Smith
Secundi	Cllr A Stroebel
MUNICIPAL INNOVATIONS AND INFORMATION TECHNOLOGY	Cllr A Stroebel
Secundi	Cllr BD Smith
PUBLIC TRANSPORT AND ROADS	Cllr MC van den Berg

Secundi	Cllr B van Noordwyk
WATER SANITATION AND WASTE MANAGEMENT	Cllr MC van den Berg
Secundi	Cllr B van Noordwyk
SALGA WOMEN'S PROVINCIAL COMMISSION	Cllr S Le Roux
Secundi	Cllr B van Noordwyk
PROVINCIAL GENDER FORUM	Cllr S Le Roux
Secundi	Cllr B van Noordwyk

EXTERNAL INSTITUTIONS

BUSINESS CHAMBERS / FORUMS

RIVERSDALE	Cllr B van Noordwyk
	Cllr NA Joseph (secundi)
STILBAY	Cllr MC van den Berg
	Cllr A Stroebel (secundi)
HEIDELBERG	Cllr S Le Roux
	Cllr G Riddles (secundi)
ALBERTINIA	Cllr HJ Saayman
	Cllr RG Davids (secundi)

OTHER INSTITUTIONS

INSTITUTION / BODY / COMMITTEE	REPRESENTATIVES
CONSOLIDATED PENSION FUND (CPF) **LOCAL AUTHORITY RETIREMENT FUND (LARF)** **SALA PENSIONFUND** **PENSIONFUND FOR COUNCILLORS** **SAMWU FUND**	Cllr BD Smith Cllr IT Mangaliso (secundi)
BONITAS, MUNIMED, HOSMED, SAMWU-MEDICAL AID, GLOBAL HEALTH	Cllr BD Smith

	Cllr J Hartnick (secundi)
TOURISM (INCLUDING EXISTING TOURISM BUREAUS)	Cllr HJ Saayman Cllr S Le Roux (secundi)
HEIDELBERG COMMUNITY HEALTH CENTRE	Cllr S Le Roux Cllr GL Boezak (secundi)
SAPS (PRIORITISING OF CRIME) SCTA & GOKOK POLICING FORUM	**Riversdale:** Cllr B van Noordwyk Cllr NA Joseph (secundi) **Stilbay:** Cllr RG Davids Cllr MC van den Berg (secundi) **Albertinia:** Cllr HJ Saayman Cllr IT Mangaliso (secundi) **Heidelberg/Witsand:** Cllr GL Boezak Cllr AP Daniëls (secundi)
HESSEQUA VISSERS, MARIENE- EN KUSBEWARINGSFORUM	Cllr RG Davids Cllr BD Smith (secundi)
EDEN DISTRICT HEALTH FORUM	Cllr B van Noordwyk Cllr CP Taute (secundi)
LIBRARY AND MUSEUMS	Cllr BD Smith Cllr MC van den Berg (secundi)
BEHEERRAAD HUIS STILBAAI	Cllr MC van den Berg Cllr BD Smith (secundi)
STILBAY TOUCH RUGBY	Cllr A Stroebel Cllr G Riddles (secundi)
TRANS AGULAS	Cllr MC van den Berg Cllr A Stroebel (secundi)
ALBERTINIA VERSORGINGSDIENSTE	Cllr HJ Saayman Cllr IT Mangaliso (secundi)
GOURITSRIVIER BEWARINGSTRUST	Cllr RG Davids Cllr BD Smith (secundi)

LANGEBERG WATERVERBRUIKERSVERENIGING	Cllr B van Noordwyk Cllr MC van den Berg (secundi)
GOUKOU RIVIERFORUM	Cllr RG Davids Cllr BD Smith (secundi)
DISTRIKSASSESSERINGSKOMITEE	Cllr B van Noordwyk Cllr CP Taute (secundi)
GOURITZ BREËRIVIER CMA KOMITEES	Cllr MC van den Berg Cllr GL Boezak (secundi)
BEHEERRAAD VAN DROOM	Cllr B van Noordwyk Cllr A Stroebel (secundi)
HUIS ZENOBIA DU TOIT (BADISA)	Cllr S Le Roux Cllr L Pieterse (secundi)
MELKHOUTFONTEIN BOERE-IMPLEMENTERINGSKOMITEE	Cllr RG Davids Cllr G Riddles (secundi)
BEHEERRAAD VAN JAGERSBOSCH EN SOETERUS	Cllr MC van den Berg Cllr RG Davids (secundi)
TUIN OP DIE BRAK	Cllr RG Davids Cllr BD Smith (secundi)
KORENTE VETTERIVIER BESPROEIINGSRAAD	Cllr B van Noordwyk Cllr MC van den Berg (secundi)
JONGENSFONTEIN INWONERSVERENIGING	Cllr MC van den Berg Cllr A Stroebel (secundi)
INWONERSVERENIGINGS	Ward Councillors
RIVERSDALE HEALTH FORUM	Cllr A Stroebel Cllr B van Noordwyk (secundi)
LANDBOUSEKTOR	Cllr B van Noordwyk Cllr MC van den Berg (secundi)
GARDEN ROUTE DISTRICT MUNICIPLAITY	Cllr B van Noordwyk Cllr CP Taute

HESSEQUA SOSIALE ONTWIKKELING ADVIES FORUM (HSOAF)	Cllr. GL Boezak Cllr. HJ Saayman (secundi)
VERWYSINGSKOMITEE VAN DIE GEMEENSKAPSWERK PROGRAM	Speaker- Cllr. A Stroebel
HESSEQUA JEUGRAAD	Cllr. GD Boezak Cllr. RG Davids (secundi)
LOCAL ECONOMIC DEVELOPMENT FORUM (LEDF)	Cllr. HJ Saayman Cllr RG Davids Cllr NA Josephs (secundi)

PRIMARY HEALTH CARE FACILITIES COMMITTEES

TOWN	REPRESENTATIVES
RIVERSDALE	Cllr B van Noordwyk Cllr NA Joseph (secundi)
ALBERTINIA	Cllr HJ Saayman Cllr IT Mangaliso (secundi)
SLANGRIVIER	Cllr GL Boezak Cllr LC February (secundi)
HEIDELBERG	Cllr AP Daniëls Cllr S Le Roux (secundi)
MELKHOUTFONTEIN	Cllr RG Davids Cllr BD Smith (secundi)

Appendix C

The macro organogram of the administrative structure of the municipality

HESSEQUA MUNICIPALITY

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER

Date: 01/06/2024

Vacant Posts - Unfunded

Vacant Posts - Funded

OFFICE OF THE MUNICIPAL MANAGER

STRATEGIC & GOVERNANCE SUPPORT
Manager: Strategic & Governance Support
L DE VILLIERS



INTERNAL AUDIT
Manager: Internal Audit
JC OOSTHUIZEN



HESSEQUA MUNICIPALITY

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER

DIRECTORATE: FINANCIAL SERVICES

Purpose: To provide financial and supply chain management services in order to ensure financial viability, compliance and reporting in accordance with the Local Government: Municipal Finance Management Act, 2003 and other relevant legislation as well as Treasury directives

Director: Financial Services

GJ GOLIATH



F001
S56
0784

Expenditure
AG CARELSE
Manager: Expenditure



Budget & Financial Statements and Reporting
RR ERASMUS
Manager: Budget, Financial Statements & Reporting



Revenue
SD DANIELS
Manager: Revenue



Supply Chain Management
RA BENT
Manager: SCM



Vacant Posts - Unfunded

Vacant Posts - Funded





Date: 01/06/2024

Vacant Posts - Unfunded
Vacant Posts - Funded

HESSEQUA MUNICIPALITY
DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER

DIRECTORATE: DEVELOPMENT PLANNING

Purpose: To manage the rendering of Development Planning functions, inclusive of LED & Tourism, in a sustainable manner.

Director: Development Planning
HS VISSER



B001
S56
ST024

Environmental Management
SL CARELSE
Manager: Environmental Management



Municipal Planning
PJ LOUW
Manager: Municipal Planning



Building Control
C HAMMAN
Manager: Building Control



Spatial & Economic Development
PPA HAYWARD
Manager: Spatial & Economic Development



MS

Vacant Posts - Unfunded

Vacant Posts - Funded

DIRECTORATE: COMMUNITY SERVICES

Purpose: To manage integrated community services to enhance community development and promote a safe environment.

Director: Community Services
GD LEWIS-MICHAELS



G001
S56
0486

Human Settlements
C DUTHIE
Manager: Human Settlements



Protection Services
C SWARTZ
Manager: Protection Services



Community Development
RN HEUNIS
Manager: Community Development



HESSEQUA MUNICIPALITY

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER

DIRECTORATE: TECHNICAL SERVICES

Purpose: To manage the provisioning and maintenance of infrastructure services, repair/maintenance of all municipal buildings (offices, halls, workshops, pavilions, public ablution facilities, Thusong centre, etc.) and provide fleet management and project management services in the municipal area. To manage the rendering of Solid waste management, facilities & amenities, in a sustainable manner.

Director: Technical Services
RW MANHO



Electrical And Mechanical Services
S CHIKAMHI
Manager: Electrical And Mechanical Services



Civil Infrastructure Services
SM MORRIS
Manager: Civil Infrastructure Services



Civil Planning & Project Management
SL KENNEDY
Manager: Civil Planning & Project Management



Appendix D

The appendix covers what constitutes the municipal functions:

The municipal function areas for the 2023/2024 financial year are indicated below:

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	No
Electricity reticulation	Yes
Structural Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes
Storm water management systems in built-up areas	Yes
Treatment of Dogs and Cats	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No

Municipal Function	Municipal Function Yes / No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Appendix E

Information on Ward committees, the sector or community representation. Also included are inputs from Wards to the IDP/Budget Process with responses from Management.

Ward Committee Composition		
Ward	**# Members**	**Member Type**
1	10	5x Civil Institution
		4x Sector Representation
		1x Block Representation
2	8	5x Block Representation
		3x Sector Representation
3	7	3x Civic Institution
		4x Sector Representation
4	8	3x Civil Institution
		1x Sector Representation
		4x Block Representation
5	10	6x Block Representation
		4x Sector Representation
6	10	8x Block Representation
		1x Civic Institution
		1x Sector Representation
7	10	7x Block Representation
		2x Sector Representation
		1x Civic Institution
8	10	7x Block Representation
		3x Sector Representation
9	9	2x Block Representation
		7x Sector Representation

Ward Committee Meetings for 2024/2025

			July	August	September	October	November	December	January	February	March	April	May	June
Ward	Seat Type	Representing	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*
1	Civil	Stilbaai Inwoners Vereniging	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	Yes	N/A-Agenda	No
1	Civil	Stilbaai Inwoners Vereniging	N/A-Planner	No	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	No	Yes	N/A-Agenda	Yes
1	Civil	GPF	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	Yes	N/A-Agenda	Yes
1	Civil	GPF	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	No	Yes	N/A-Agenda	Yes
1	Civil	Melkhoutfontein Besigheid	N/A-Planner	No	N/A-Agenda	No	N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum		No	N/A-Agenda	
1	Civil	Onderwys (Melkhoutfontein PS)	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	Yes	N/A-Agenda	Yes
1	Civil	Stilbaai Sakekamer	N/A-Planner	No	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	Yes	N/A-Agenda	No
1	Civil	Bitouville & Gouritsmond (2)	N/A-Planner		N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	Yes	N/A-Agenda	No
1	Civil	Bitouville & Gouritsmond (2)	N/A-Planner	No	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	No	N/A-Agenda	No
1	Civil	Melkhoutfontein Invonersverenigi ng	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	Yes	N/A-Agenda	Yes
2	Block - 1	Theronsville - Bloekompark (Nuwe Gebied)	N/A-Planner		N/A-Agenda	Yes	Yes	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	N/A-Agenda	Yes	Yes
2	Block - 2	Theronsville - Oker (Fontein - Grootfontein)	N/A-Planner		N/A-Agenda			N/A-Planner	N/A-Planner	No		N/A-Agenda	No	
2	Block - 3	Theronsville - Rainbow Village	N/A-Planner		N/A-Agenda	No	Yes	N/A-Planner	N/A-Planner	N/A-Quorum	No	N/A-Agenda	Yes	No

			July	August	September	October	November	December	January	February	March	April	May	June
Ward	Seat Type	Representing	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*
2	Block - 4	Theronsville - Mossgas - 3de laan	N/A-Planner		N/A-Agenda	Yes	Yes	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	N/A-Agenda	Yes	Yes
2	Block - 5	Theronsville - 4de laan - Mission	N/A-Planner		N/A-Agenda	Yes	No	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	N/A-Agenda	Yes	Yes
2	Sektor	Besigheid	N/A-Planner		N/A-Agenda	No	No	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	N/A-Agenda	No	No
2	Sektor	Sake	N/A-Planner		N/A-Agenda			N/A-Planner	N/A-Planner	No		N/A-Agenda	No	
2	Sektor	Toerisme	N/A-Planner		N/A-Agenda			N/A-Planner	N/A-Planner	No		N/A-Agenda	No	
3	Civil	Stilbaai Sakekamer	N/A-Planner	Yes	N/A-Agenda		N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	No	N/A-Agenda	No
3	Civil	Stilbaai Sakekamer	N/A-Planner		N/A-Agenda		N/A-Agenda	N/A-Planner	N/A-Planner	No		No	N/A-Agenda	
3	Civil	Buurtwag	N/A-Planner	No	N/A-Agenda		N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	No	No	N/A-Agenda	
3	Civil	Jongensfontein Inwoners Vereniging	N/A-Planner	No	N/A-Agenda		N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	Yes	N/A-Agenda	Yes
3	Civil	Vacant	N/A-Planner		N/A-Agenda		N/A-Agenda	N/A-Planner	N/A-Planner	No		No	N/A-Agenda	
3	Civil	Toerisme	N/A-Planner	Yes	N/A-Agenda		N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	No	Yes	N/A-Agenda	Yes
3	Civil	Stilbaai Belangeforum	N/A-Planner	No	N/A-Agenda		N/A-Agenda	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	Yes	N/A-Agenda	Yes
3	Civil	Jagersbosch Community Care Center	N/A-Planner		N/A-Agenda		N/A-Agenda	N/A-Planner	N/A-Planner		Yes	No	N/A-Agenda	Yes
4	Civil	Witsand RPA	N/A-Planner					N/A-Planner	N/A-Planner			N/A-Quorum	No	N/A-Quorum

			July	August	September	October	November	December	January	February	March	April	May	June
Ward	Seat Type	Representing	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*
4	Civil	Slangrivier Inwonersverenigi ng	N/A-Planner					N/A-Planner	N/A-Planner		Yes	N/A-Quorum	No	N/A-Quorum
4	Civil	Youth - Slangrivier	N/A-Planner					N/A-Planner	N/A-Planner			N/A-Quorum	No	N/A-Quorum
4	Block - 1	Bo-Rivier Verteenwoordige r 1	N/A-Planner	Yes	Yes	No	Yes	N/A-Planner	N/A-Planner	Yes	Yes	N/A-Quorum	Yes	N/A-Quorum
4	Block - 1	Bo-Rivier Verteenwoordige r 2	N/A-Planner	Yes	Yes	Yes	Yes	N/A-Planner	N/A-Planner	No	Yes	N/A-Quorum	Yes	N/A-Quorum
4	Block - 1	Bo-Rivier Verteenwoordige r 2 (Changed to CPA) (SGEV)	N/A-Planner	Yes	Yes	Yes	Yes	N/A-Planner	N/A-Planner	Yes	Yes	N/A-Quorum	Yes	N/A-Quorum
4	Block - 2	Onder-Rivier Verteenwoordige r 3	N/A-Planner	Yes	Yes	No	Yes	N/A-Planner	N/A-Planner	No	Yes	N/A-Quorum	Yes	N/A-Quorum
4	Block - 2	Onder-Rivier Verteenwoordige r 2	N/A-Planner	Yes	Yes	Yes	No	N/A-Planner	N/A-Planner	Yes	No	N/A-Quorum	Yes	N/A-Quorum
5	Block - 1	Diepkloof	N/A-Planner		N/A-Quorum		No	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	No	N/A-Agenda	N/A-Quorum
5	Block - 2	Joe Slovo (King - Mandela)	N/A-Planner		N/A-Quorum		Yes	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	Yes	N/A-Agenda	N/A-Quorum
5	Block - 3	Andries & Lane + Hoog	N/A-Planner		N/A-Quorum		Yes	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	Yes	N/A-Agenda	N/A-Quorum
5	Block - 4	Andries tot Steward	N/A-Planner		N/A-Quorum		Yes	N/A-Planner	N/A-Planner	N/A-Quorum	No	Yes	N/A-Agenda	N/A-Quorum
5	Block - 5	Steward - Kairos	N/A-Planner		N/A-Quorum		Yes	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	Yes	N/A-Agenda	N/A-Quorum
5	Block - 6	Dollar Square - Fries	N/A-Planner		N/A-Quorum		Yes	N/A-Planner	N/A-Planner	N/A-Quorum	No	No	N/A-Agenda	N/A-Quorum
5	Civil	Education	N/A-Planner		N/A-Quorum		No	N/A-Planner	N/A-Planner	N/A-Quorum	No	Yes	N/A-Agenda	N/A-Quorum

			July	August	September	October	November	December	January	February	March	April	May	June
Ward	Seat Type	Representing	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*
5	Civil	Social	N/A-Planner		N/A-Quorum		Yes	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	Yes	N/A-Agenda	N/A-Quorum
5	Civil	Business	N/A-Planner		N/A-Quorum		No	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	No	N/A-Agenda	N/A-Quorum
5	Civil	Relegion	N/A-Planner		N/A-Quorum		Yes	N/A-Planner	N/A-Planner	N/A-Quorum	Yes	Yes	N/A-Agenda	N/A-Quorum
6	Block 1	Martin Johnson - Vetterivier + Slotte Verteenwoordiger 1	N/A-Planner	Yes	N/A-Quorum	Yes	Yes	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
6	Block 1	Martin Johnson - Vetterivier + Slotte Verteenwoordiger 2	N/A-Planner	No	N/A-Quorum	Yes	Yes	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
6	Block 1	Martin Johnson - Vetterivier + Slotte Verteenwoordiger 3	N/A-Planner	Yes	N/A-Quorum	No	No	N/A-Planner	N/A-Planner	No	N/A-Agenda	N/A-Agenda	N/A-Agenda	No
6	Block 1	Martin Johnson - Vetterivier + Slotte Verteenwoordiger 4	N/A-Planner	No	N/A-Quorum	No	No	N/A-Planner	N/A-Planner	No	N/A-Agenda	N/A-Agenda	N/A-Agenda	No
6	Block 2	Martin Johnson - Orr Verteenwoordiger 1	N/A-Planner	No	N/A-Quorum	Yes	Yes	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	No
6	Block 2	Martin Johnson - Orr Verteenwoordiger 2	N/A-Planner	Yes	N/A-Quorum	Yes	Yes	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
6	Block 3	Orr - Dorp Verteenwoordiger 1	N/A-Planner	No	N/A-Quorum	No	No	N/A-Planner	N/A-Planner	No	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
6	Block 3	Orr - Dorp Verteenwoordiger 2	N/A-Planner	Yes	N/A-Quorum	Yes	No	N/A-Planner	N/A-Planner	No	N/A-Agenda	N/A-Agenda	N/A-Agenda	No

			July	August	September	October	November	December	January	February	March	April	May	June
Ward	Seat Type	Representing	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*
6	Civil	St Andrews Anglican Church	N/A-Planner	Yes	N/A-Quorum	Yes	Yes	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
6	Civil	Sport	N/A-Planner	Yes	N/A-Quorum	Yes	Yes	N/A-Planner	N/A-Planner	No	N/A-Agenda	N/A-Agenda	N/A-Agenda	No
7	Block 1	Kwano (1)	N/A-Planner	Yes	Yes	N/A-Quorum	Yes	N/A-Planner	N/A-Planner	Yes	N/A-Quorum	Yes	Yes	Yes
7	Block 2	Kwano (2)	N/A-Planner	No	Yes	N/A-Quorum	No	N/A-Planner	N/A-Planner	No	N/A-Quorum	No	No	No
7	Block 3	Kwano (3)	N/A-Planner	No	No	N/A-Quorum	No	N/A-Planner	N/A-Planner	No	N/A-Quorum	No	No	No
7	Block 4	Kwano (4)	N/A-Planner	No	No	N/A-Quorum	Yes	N/A-Planner	N/A-Planner	No	N/A-Quorum	No	No	No
7	Block - 2	Landelik	N/A-Planner	No	No	N/A-Quorum	No	N/A-Planner	N/A-Planner	No	No	No	No	No
7	Block - 3	Aalwyn Fleur	N/A-Planner	Yes	Yes	N/A-Quorum	Yes	N/A-Planner	N/A-Planner	Yes	N/A-Quorum	Yes	Yes	No
7	Block - 4	Riversdal Hospitaal Area	N/A-Planner	No	No	N/A-Quorum	Yes	N/A-Planner	N/A-Planner	Yes	N/A-Quorum	Yes	No	Yes
7	Civil	Riversdal Sakekamer	N/A-Planner	Yes	Yes	N/A-Quorum	Yes	N/A-Planner	N/A-Planner	Yes	N/A-Quorum	Yes	Yes	Yes
7	Civil	NG Kerk	N/A-Planner	Yes	Yes	N/A-Quorum	Yes	N/A-Planner	N/A-Planner	Yes	N/A-Quorum	Yes	Yes	Yes
7	Civil	Veiligheid	N/A-Planner			N/A-Quorum		N/A-Planner	N/A-Planner	No	No	No	No	No
8	Block - 1	Môrestond & GDP	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
8	Block - 1	Môrestond & GDP	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes

			July	August	September	October	November	December	January	February	March	April	May	June
Ward	Seat Type	Representing	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*
8	Block - 2	Panorama & Kloof	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
8	Block - 2	Panorama & Kloof	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
8	Block - 3	Aloeridge Omgewing	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
8	Block - 3	Aloeridge Omgewing	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
8	Block - 4	Beverly Hills	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
8	Civil	NPO	N/A-Planner	Yes	N/A-Agenda	No	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
8	Burgerlk	Kleinboere	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
8	Civil	NPO	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	N/A-Agenda	Yes
9	Block - 1	Heidelberg Dorp - Fourie tot N2	N/A-Planner	Yes	N/A-Agenda	No	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	Yes	N/A-Quorum
9	Block - 2	Heidelberg Dorp - Fourie tot Skougronde	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	Yes	N/A-Quorum
9	ECD	hansie & Grietjie	N/A-Planner	Yes	N/A-Agenda	No	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	Yes	N/A-Quorum
9	GPF	Heidelberg GPF	N/A-Planner		N/A-Agenda		N/A-Agenda	N/A-Planner	N/A-Planner	No	N/A-Agenda	N/A-Agenda	No	N/A-Quorum
9	Omgewing	Omgwingsake	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	Yes	N/A-Quorum
9	Onderwys	Heidelberg Hoerskool	N/A-Planner	Yes	N/A-Agenda	No	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	No	N/A-Quorum

			July	August	September	October	November	December	January	February	March	April	May	June
Ward	Seat Type	Representing	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*	*Attendance*
9	Geloof	NGK	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	Yes	N/A-Quorum
9	Besigheid	Besigheidsektor	N/A-Planner	Yes	N/A-Agenda	Yes	N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	Yes	N/A-Quorum
9	Landelik	Landelik	N/A-Planner		N/A-Agenda		N/A-Agenda	N/A-Planner	N/A-Planner	Yes	N/A-Agenda	N/A-Agenda	No	N/A-Quorum
9	Besigheid 2	Vakant	N/A-Planner		N/A-Agenda		N/A-Agenda	N/A-Planner	N/A-Planner	No	N/A-Agenda	N/A-Agenda	No	N/A-Quorum

Appendix F

This appendix relates to ward projects and implementation priorities.

Ward & Project Description	Budget (July 2024 - June 2025)	% Spent
1	**R8 007 848**	**95%**
10 X FIRE HYDRANTS - GOURITSMOND - FIRE	R20 000	100%
1X LOOK OUT / VIEWING POINT WOODEN DECK	R60 000	100%
1X OUTDOOR BENCH & BIN_ J/F	R25 385	95%
2X OUTDOOR BENCH & BINS_G/M	R15 931	100%
BULK SEWER MAIN & IRRIGATION SYST G/M	R2 500 000	100%
DEVELOPMENT TUIN OP DIE B	R28 600	100%
FENCING HOUSING PROJECT - MHFN	R689 765	100%
GAS WATER HEATING SYSTEM PREEKSTOEL	R60 000	100%
INTERCOM SYSTEM_PREEKSTOEL	R7 287	100%
NEW MOTOR VEHICLE REGISTRATION SERVICE P	R100 000	0%
PURCHASE OF ERF 722 MELKHOUTFONTEIN	R4 414	100%
REFURBISHMENT AT WTW GOURITSMOND	R300 000	100%
REFURBISHMENT AT WWTW GOURITSMOND	R25 423	100%
REPLACEMENT OF BOILER SYSTEMS AT PREEKST	R125 279	100%
UPGRADE ROADS & STORMWATER - G/M	R3 000 000	100%
UPGRADING OF ENTRANCE WALLS PAULINE BOHN	R27 500	99%
UPGRADING OF GOURITSMOND SLIPWAY	R400 000	100%
UPGRADING OF WATER NETWORK - DIE POORT	R500 000	100%
VIBRACRETE FENCING BITOUVILLE SPORTFIELD	R86 910	100%
WASHING MACHINE_PREEKSTOEL	R11 527	100%
WEEDEATERS - PUBLIC WORK	R19 827	100%
2	**R2 771 124**	**94%**
20 X FIRE HYDRANTS - ALBERTINIA - FIRE	R30 000	100%
3 X DESKTOPS - PROTEA LIBRARY ALBERTINI	R41 070	122%
HAS-1.5 - 390M X 160DIA NEW GRAVITY SEWE	R1 000 000	100%
LDV - SEWERAGE - A/B	R517 227	100%
NEW MOTOR VEHICLE REGISTRATION SERVICE P	R63 000	30%
REFURBISHMENT AT WTW ALBERTINIA	R100 000	100%
UPGRADE ROADS & STORMWATER - A/B	R1 000 000	100%
WEEDEATERS - PARKS - A/B	R19 827	100%
3	**R12 659 411**	**95%**
1X LARGE PHOTO FRAME_J/F NATURE RESERVE	R25 000	87%
1X OUTDOOR BENCH & BIN_ J/F	R8 461	94%
1X SHADE NETTING PICNIC AREA TUIN-OP-DIE	R70 000	100%
2X OUTDOOR BENCH & BINS_S/B SKULPIESBAAI	R16 923	99%
HYBRID AMPLIFIER AUDIO EQUIPMENT_JONGENS	R12 730	134%
JONGENSFONTEIN TENNIS ABLUTION FACILITY	R94 502	100%
PETROL LAWNMOWER_JFT CARAVAN PARK	R5 225	100%
PETROL LEAF BLOWER_JFT CARAVAN PARK	R5 614	100%
REFURBISHMENT AT WTW GOURITSMOND	R100 000	100%

Ward & Project Description	Budget (July 2024 - June 2025)	% Spent
REFURBISHMENT AT WWTW JONGENSFONTEIN	R100 000	0%
RIDE-ON MOWER PARKS S/B	R92 000	100%
TAR CUTTER_JFT CARAVAN PARK	R30 435	100%
TILE CUTTER_JFT CARAVAN PARK	R2 389	100%
UPGRADE ROADS & STORMWATER - S/B WEST	R11 949 782	100%
UPGRADING OF ENTRANCE WALLS SKULPIESBAAI	R27 500	100%
WASHING MACHINE_JFT CARAVAN PARK	R5 750	100%
ZERO TURN RIDE ON MOWER_JFT CARAVAN PARK	R113 100	100%
4	**R9 367 301**	**95%**
10 X FIRE HYDRANTS - WITSAND - FIRE	R20 000	100%
1X LOOK OUT / VIEWING POINT WOODEN DECK	R20 000	60%
20 X FIRE HYDRANTS -SLANGRIVIER - FIRE	R30 000	100%
2X CONCRETE WHALE STATUES_W/S NATURE RES	R15 000	100%
2X OUTDOOR BENCH & BINS_W/S NATURE RESE	R17 915	100%
AIRCONDITIONER - SLANGRIVIER LIBRARY	R67 586	79%
FENCING SLANGRIVER WWTW	R47 000	93%
NETWORK REINFORCEMENT (PH	R910 320	100%
PARKING BAYS_W/S	R30 000	99%
UPGRADE ABLUTION FACILITIES - W/S M C/PA	R150 000	100%
UPGRADE ROADS & STORMWATER - S/R	R3 000 000	100%
UPGRADE ROADS & STORMWATER - W/S	R5 000 000	100%
WEEDEATERS - PUBLIC WORK	R59 480	100%
5	**R8 512 606**	**96%**
DEV OF ROADS & STORMW_H/B SITE 6 EIKEWEG	R743 000	92%
INSTALL OF SAN INFR_H/B SITE 6 EIKEWEG	R743 000	92%
INSTALL OF WATER INFR_H/B SITE 6 EIKEWEG	R744 000	92%
UPGRADE BULK SEW LINE AND PUMPSTAT H/B	R1 769 578	100%
UPGRADE ROADS & STORMWATER - H/B	R1 500 000	100%
UPGRADE ROADS IN DIEPKLOOF H/BERG	R3 013 028	100%
6	**R3 989 193**	**100%**
UPGRADE ROADS & STORMWATER - WYK 6 - R/D	R3 989 193	100%
7	**R9 144 590**	**96%**
AIRCONDITIONER - RIVERSDALE LIBRARY	R64 891	82%
OUTDOOR GYMNASIUM	R700 000	100%
RETIC BETWEEN SS KRAGSTAS	R2 500 000	100%
UPGRADE OF ROADS & STORMWATER: R/D KWANO	R1 343 699	100%
UPGRADE OF WALKWAY WARD 7 R/D	R536 000	93%
UPGRADE ROADS & STORMWATER - WYK 7 - R/D	R4 000 000	100%
8	**R3 628 065**	**97%**
3X OUTDOOR BENCH & BINS_S/B WERNER FREHS	R25 385	98%
FENCING WERNER FREHSE NATURE RESERVE	R77 500	90%
UPGRADING OF SEWERAGE NETWORK IN MORESTO	R1 375 180	100%
UPGRADING OF WATER NETWORK IN MORESTOND-	R2 150 000	100%
9	**R4 284 000**	**100%**
UPGRADE ROADS & STORMWATER - WYK 9 - H/B	R4 284 000	100%
1	**R844 310**	**82%**

Ward & Project Description	Budget (July 2024 - June 2025)	% Spent
BACKPACK SPRAYER_PREEKSTOEL	R6 989	90%
CAPITAL MACHINERY & TOOLS_G/M	R15 000	57%
CAPITAL MACHINERY & TOOLS_PAULINE BOHNEN	R7 500	0%
PAINT SPRAYER WITH COMPRESSOR_PREEKSTOEL	R6 328	100%
PETROL CHAINSAW_ELLENSRUST	R4 300	100%
PETROL CHAINSAW_PREEKSTOEL	R8 584	100%
PETROL EDGE CUTTER_ELLENSRUST	R47 827	96%
S/C BAKKIE WITH CANOPY & TOWBAR_ELLENSRU	R375 181	100%
S/C BAKKIE WITH CANOPY & TOWBAR_PREEKSTO	R372 601	100%
1,3	**R4 541 490**	**86%**
20 X FIRE HYDRANTS - STILLBAAI - FIRE	R30 000	100%
CHAINSAW - ELECTRICAL S/B	R24 896	91%
ELECTRIC TOOLS_STILL BAY	R129 892	88%
NEW WATER NETWORKS DISTRI	R1 210 000	100%
REFURBISHMENT AT WTW STILBAAI	R1 100 000	87%
REFURBISHMENT OF AREATION TANKS AT SB W	R2 000 000	25%
WALK BEHIND LAWN MOWER -	R26 875	100%
WEEDEATERS - PARKS - S/B	R19 827	100%
3	**R6 971**	**90%**
BACKPACK SPRAYER_JFT CARAVAN PARK	R6 971	90%
4	**R564 000**	**87%**
FLOOD DAMAGE_UPGRADING ROADS & STORMWATE	R564 000	87%
5,9	**R3 683 576**	**89%**
20 X FIRE HYDRANTS - HEIDELBERG - FIRE	R30 000	100%
AIRCONDITIONER - TECHNICAL SERVICES HEID	R12 100	100%
HIGH PRESSURE SPOUT- H/B	R489 000	92%
POLE PRUNER HB	R56 040	100%
REFURBISHMENT AT WWTW HEIDELBERG	R100 000	0%
REFURBISHMENT/RELINING OF WATER NETWORK	R946 878	100%
REPLACEMENT OF WATER INFR	R1 986 008	95%
WALK BEHIND LAWN MOWER -	R26 875	100%
WEEDEATERS - PARKS - HEI	R19 827	100%
WEEDEATERS - ELECTRICAL H/B	R16 848	100%
6,7,8	**R144 770 271**	**92%**
1X MECHANICAL BROOM	R40 000	0%
20 X FIRE HYDRANTS - RIVERSDALE - FIRE	R30 000	100%
5 CUBIC METER TIPPER TRUCK R/D	R1 413 000	100%
BOREHOLE INSTALLATION & GROUNDWATER QUAL	R257 000	100%
CHAINSAW - ELECTRICAL R/D	R7 618	100%
PV SOLAR PLANT RIVERSDALE	R138 185 380	100%
REFURBISHMENT AT WTW RIVERSDALE	R100 000	100%
REFURBISHMENT OF TAKKIESKLOOF SWIMMING	R650 000	
REFURBISHMENT/UPGRADING OF RETICULATION	R1 000 000	100%
SPECIALISED REFUSE COMPACTOR	R2 594 600	100%
STEEL STRUCTURE AT SOLAR SYSTEM- THUSONG	R8 286	100%
UPGRADE OF TB 14 CABINET (ROLLER BRAKE T	R145 700	100%

Ward & Project Description	Budget (July 2024 - June 2025)	% Spent
UPGRADING OF WERNER FREHSE NATURE RESERV	R77 013	100%
UPGRADING THUSONG CENTRE_ BRAAI AREA TO	R225 000	77%
WEEDEATERS - ELECTRICAL R/D	R16 847	100%
WEEDEATERS - PARKS - RIV	R19 827	100%
8	**R15 000**	**55%**
CAPITAL MACHINERY & TOOLS_R/D	R15 000	55%
HQ	**R24 829 383**	**91%**
1 X BINDING MACHINE- SCM	R8 400	100%
1 X BLOWER TRAFFIC	R20 000	77%
1 X DESK - SCM	R4 100	99%
1 X FIREWALL SOLUTION - ICT	R142 100	100%
1 X FLOATING SUCTION PUMP - FIRE	R25 000	100%
1 X MICROWAVE - KITCHEN - FINANCE	R4 400	92%
1 X OFFICE CHAIR PROTECTION SERVIE ADMIN	R1 350	100%
1 X SHREDDER - SCM	R5 900	97%
1 X TRAILER (VENTER OR SIMULAR) - ENVIRO	R62 000	95%
1 X VISITORS WITH ARMS CHAIR (BLUE)- SCM	R920	98%
1 X VOICE RECODER - SCM - FINANCE	R10 050	92%
10 X LAPTOPS - FINANCE	R74 165	100%
10 X OFFICERS PARADE ROOM CHAIRS - TRAFF	R4 950	100%
1X BULLET TRAP- LAW ENFORCEMENT	R8 000	98%
2 TON SKIPS X 6 - H/Q	R140 000	92%
2 X CASHIERS CHAIR - TRAFFIC	R3 480	100%
2 X DESKTOP COMP & SCR (ONLINE VENDING)	R23 390	100%
2 X DESKTOPS - COMPLAINTS CENTRE - TECHN	R11 661	100%
2 X EXECUTIVE OFFICE HIGH BACK CHAIRS- D	R3 800	74%
2 X FIRE FIGHTING TRAILERS WITH BAKKIE S	R200 000	0%
2 X LAPTOPS - MM	R48 000	88%
2 X LAPTOPS - TECHNICAL SERVICES	R13 870	100%
2 X MICROWAVES - FIRE	R1 108	100%
2 X REFRIGATOR - FIRE	R2 310	100%
2 X SEDANS TRAFFIC (CUSTOMISED)	R730 000	98%
2 X STOVES - FIRE	R1 392	100%
2X SLURRY PUMPS- PUBLIC WORKS	R124 335	89%
3 X AIRCONS COMMUNITY SERVICES DEPARTMENT	R18 000	55%
3 X LAPTOPS - COMMUNITY SERVICES	R34 000	76%
3 X LAPTOPS - CORPORATE - ICT	R47 900	100%
3 X LAPTOPS - LEGAL	R24 096	100%
3 X LAPTOPS - PLANNING	R59 199	100%
3 X PREPAID TOKEN PRINTER	R7 666	100%
3 X RECIEPT PRINTER - INC	R10 134	100%
3 X ROUTEMASTER HANDHELD	R33 554	100%
3X HIGH BACK CHAIR WITH ARM REST - SCM	R11 270	100%
4 X BREATHALYZERS- TRAFFIC	R25 000	99%
4 X FRIDGES - HALLS - HES	R11 632	100%
4 X HIGH BACK OFFICE CHAIRS - COMMUNITY	R5 600	100%

Ward & Project Description	Budget (July 2024 - June 2025)	% Spent
4 X VANGSTOKKE (ANIMAL CATCHING POLE) (P	R17 280	100%
5X CONCRETE MIXERS	R200 000	96%
6 X LAPTOPS - TECHNICAL	R59 199	100%
6 X LAPTOPS COMMUNITY SERVICES	R73 069	100%
8 X MOBILE COMM DEVICES - LAW ENFORCEMEN	R17 823	100%
9 X LAPTOPS - CORPORATE	R74 165	100%
A3 LAMINATOR - PLANNING	R2 500	85%
AIRCONS - TRAFFIC	R20 000	81%
BLINDS BOARDROOM/OFFICES - (ENVMAN)	R11 400	100%
BOARDROOM DESK - CFO	R21 300	100%
BOOKSHELF DISPLAY CABINET (3 TIER) - HOU	R1 860	100%
BRANDBLUSSERS (1KG & 1.6KG &2.5KG &4.5KG	R3 900	100%
BRUSH CUTTERS 15M - PUBLI	R42 957	100%
CABLE & FAULT DETECTOR - LOW & HIGH TENS	R255 876	100%
CARAVANS - SEASONAL FORWARD CONTROL POIN	R60 000	100%
CHAINSAWS-ENVIRONMENTAL - TOWN PLAN	R5 000	99%
COMPRESSOR 12 V 160 LM - ENVIRONMENT - H	R4 694	100%
CONSTRUCTION ROAD SIGNS - TECHNICAL SER	R47 772	100%
CROCKERY & CUTLERY - CARAVAN PARKS	R4 319	100%
CUSTOMISATION EQUIPMENT (LAW ENFORCEMENT	R81 680	94%
DIGGER LOADER SOLID WASTE H/Q	R1 400 000	99%
DOUBLE DRUM WALK BEHIND PAVEMENT ROLLER	R287 692	100%
EMERGENCY ERVEN WITH ELECTRICITY SERVICE	R333 333	94%
EMERGENCY ERVEN WITH SANITATION SERVICES	R333 334	92%
EMERGENCY ERVEN WITH WATER SERVICES - H/	R333 333	100%
EXTENSION LADDER IVECO - R/D - FIRE	R56 850	0%
FENCING OF SPORTSGROUNDS	R113 090	93%
FIREARMS/HANDGUNS- LAW ENFORCEMENT OFFIC	R26 819	67%
FRANKING MACHINE- LEGAL	R49 000	94%
FRIDGES - CARAVAN PARKS	R15 509	100%
GALVANISED STEEL RACKS - HEIDELBERG ARCH	R50 000	99%
H/VOLTAGE EQUIPMENT STORAGE COMPARTMENTS	R80 000	0%
HIGH- BACK CHAIR- CFO	R9 800	98%
HIGH BACK OFFICE CHAIR (ELECTRICAL & MEC	R12 000	100%
HIGHBACK CHAIRS X 2 (1X SWITCHBOARD) (1X	R5 000	78%
HOSES - 65MM - FIRE	R22 215	100%
INDUSTRIAL VACUUM CLEANER- TRAFFIC	R4 461	100%
LABORATORY EQUIPMENT - H/Q - SEWER	R153 000	99%
LAPTOP - CORPORATE/COMMS OFFICIAL - RIVE	R12 048	100%
LAPTOP - ENVIRONMENTAL MANAGEMENT - PLAN	R13 870	100%
LAPTOP - H/Q	R35 550	95%
LDV - ELECTRICITY- (CUSTOMISED) HQ	R636 000	100%
LDV - LONG WHEELBASE - FIRE SERVICES	R566 350	99%
LDV - TECHNICAL SERVICES	R517 227	100%
MATRASSES BEDS & MATRESS COVERS - C/PARK	R27 500	100%
MECHANICAL WORKSHOP - OPERATIONAL AREA R	R300 000	76%

Ward & Project Description	Budget (July 2024 - June 2025)	% Spent
MEDIUM VOLTAGE NETWORK UPGRADE - LCH - H	R4 162 000	90%
MICROWAVES - CARAVAN PARKS	R23 059	96%
MOP TROLLIES HALLS	R9 678	100%
NEW ROAD SIGNS - TRAFFIC	R63 883	100%
NOZZLE - FIRE	R8 215	100%
OCCUPATIONAL SAFETY EQUI	R53 967	100%
OFFICE CHAIR - TRAFFIC	R16 480	90%
PA SIREN AND LIGHT SYSTEMS FOR TRAFFIC	R129 000	77%
PIKE POKE TOOL - FIRE	R1 000	0%
POLE PRUNER - ELECTRICAL	R14 641	100%
PROJECTOR SCREENS- STRATEGIC SERVICES	R4 314	100%
PUMPS - HESSEQUA	R1 150 000	91%
RADIO/ TELEMETRY HARDWARE	R198 687	100%
REFURBISHMENT OF BUILDINGS - H/Q	R200 000	97%
RENEWABLE ENERGY PLANT - H/Q	R5 000 000	100%
SCBA CYLINDER ONLY - FIRE	R7 770	100%
SEWERAGE RODS - H/Q	R18 500	100%
SHREDDER_EXECUTIVE MAYOR	R7 000	82%
SKIPLOADERS X 2 H/Q	R500 000	79%
SLASHER- PUBLIC WORKS	R125 000	100%
SOLARPANNEL KIT -KIOSK - S/B - NATURE CO	R15 893	100%
STAIRS & WHEELCHAIR RAMPS (HESSEQUA)	R200 000	79%
STEEL SHELVES - STORAGE (ENVIRONMENT)	R19 551	100%
STOVES - CARAVAN PARKS	R14 249	100%
SUVS - CUSTOMISED FOR LAW ENFORCEMENT	R747 600	100%
TOOLS - MECHANICAL - H/Q	R140 273	93%
TOOLS - PUBLIC WORKS - H/Q	R48 829	97%
TRACTOR PUBLIC WORKS H/Q	R359 275	100%
TRAFFIC CALMING TECHNIQUES - H/Q	R18 280	100%
TRAFFIC LINE RIDE-ON MACHINE	R150 000	26%
TWO WAY RADIO DEVICES - TRAFFIC SERVICES	R1 750	0%
UPGRADE OF PLAYPARKS - H	R49 950	100%
UPGRADING OF SPORTING FACILITIES HESSEQU	R200 000	100%
URN HALLS	R5 313	100%
VISITORS CHAIR- BUDGET OFFICE	R810	100%
WALKIE-TALKIE RADIOS - EL	R57 200	100%
WATER METERS - HESSEQUA	R139 680	100%
WATER SECURITY MEASURES - H/Q	R2 567 114	89%
WHEEL CHOCKS- TECHNICAL SERVICES	R38 915	0%

Appendix G

Recommendations of the Municipal Audit Committee

(This appendix relates to all meetings of the audit committee held together with its recommendations.)

7.1 Risk Management

The Risk Management Process is improving. The BarnOwl system has been implemented. Progress in risk management as mentioned in 5.2 of this report, is acknowledged.

7.2 Efficiency of the internal audit function

The Committee noted the independence of the internal audit function. The legal requirements for the audit function are extensive and the two skilled staff members are insufficient to give due consideration to all the tasks. No Intern has been appointed for over a year. The Municipal Manager informed APAC that an additional permanent post in the department is not on the cards for the short term. An additional post will enhance its effectiveness considerably.

The approved Audit Plan for 2024/2025 was carried out satisfactorily. The Committee, however, strongly supports the request for additional staff.

7.3 Opinion on the Annual Financial Statements of 2024/2025

To be completed for final submission

7.4 Opinion on Performance Management 2024/2025

To be completed for final submission

Appendix H&I

Not applicable as no PPP's or Municipal Entity exists. Also refer to Section 2.5 within the Annual Report

Appendix J

This Appendix relates to financial disclosures of senior managers and other section S56 officials. The financial interest disclosure is required even if posts were occupied for part of the year.

During the 2024/25 the following Senior Managers (Sect 56 Employees) have completed the annual disclosure form of financial interest in accordance with Item 5A of Schedule 2 of the Municipal Systems Act of 2000:

Section 56 Employee	Submitted Quarterly Disclosure Form for 2024/2025
Municipal Manager: Mr ASA de Klerk	Yes
Director Corporate Management: Ms M Griesel	Yes
Director Development Planning: Mr H Visser	Yes
Director Community Services: Mr D Lewis-Michaels	Yes
Director Financial Services: Mr G Goliath	Yes
Director Technical Services: Mr R Manho	Yes

Appendix K: Revenue Collection Performance

Please refer to Chapter 5 for details

Appendix L: Conditional Grants Received: Excluding MIG

Please refer to Chapter 5 for details

Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes: Including MIG

Please refer to Chapter 5 for details

Appendix N & O: Capital Programme by Project current year

Please refer to Chapter 5 for details

Appendix P: Service Connection Backlogs at Schools and Clinics

No service backlogs at schools or clinics have been reported during 2023/2024.

Appendix Q: Service Backlogs Experienced by the Community where another Sphere of Government is Responsible for Service Provision

Please refer to Chapter 5 for details

Appendix R: Declaration of Loans and Grants Made by the Municipality

Please refer to Chapter 5 for details

Appendix S: Declaration of Returns not Made in due Time under MFMA s71

This Appendix relates to all monthly budget statement not made in time as required by s71 of the MFMA. This information is critical for municipalities and oversight institutions so that early detection of problems can be made and corrective action taken sooner.

All MFMA Section 71 returns have been submitted within regulated timeframes.

Appendix T: National and Provincial Outcome for local government

Circular 88 Report - Q4 2024/2025

C88 Ref	KPI	2024/2025 Target	2024/2025 Actual
		Target	Actual
C18	Number of approved demonstrations in the municipal area:	5	5
C20	Number of permanent environmental health practitioners employed by the municipality:	0	0
C21	Number of approved environmental health practitioner posts in the municipality	0	0
C25	Number of protests reported	5	5
C30	Number of business licenses approved:	0	0
LED3.11(1)	(1) Sum of the total working days per business application finalised	0	0
LED3.11(2)	(2) Number of business applications finalised	0	0
Q8.	Please list the locality, date and cause of each incident of protest within the municipal area during the reporting period:		
C84	Number of building plans submitted for review	799	799
C98	Number of building plan applications approved	799	799
Q20.	What is the number of steps a business must comply with when applying for a construction permit before final document is received?	0	0
C76	Number of SMMEs and informal businesses benefitting from municipal digitisation support programmes rolled out directly or in partnership with other stakeholders	0	0
Q17.	Does the Municipality have a dedicated SMME support unit or facility in place either directly or in partnership with a relevant role-player?	Yes	Yes
Q18.	What economic incentive policies adopted by Council does the municipality have by date of adoption?	Yes, LED Strategy, Preferential Procurement Policy	Yes, LED Strategy, Preferential Procurement Policy
Q3.	Does the municipality have an approved LED Strategy?	Yes	Yes
C58	Total non-technical electricity losses in MWh (estimate)	6020553	6020553
C60	Total number of sewer connections	21830	21830
C62	Total number of Ventilation Improved Pit Toilets (VIPs)	34	34

C88 Ref	KPI	2024/2025 Target	2024/2025 Actual
C95	Number of residential properties in the billing system	15609	15609
C96	Number of non-residential properties in the billing system	6221	6221
C97	Number of properties in the valuation roll	21830	21830
EE4.4(1)	(1) Electricity Purchases in kWh	80060935	80060935
EE4.4(2)	(2) Electricity Sales in kWh	74043383	74043383
FM1.1(1)	(1) Total expenditure (operating + capital)	648831929	648831929
FM1.1(2)	(2) Total budget (operating + capital)	307327440	307327440
FM1.14(1)	(1) Actual Service Charges Revenue	331642132	331642132
FM1.14(2)	(2) Actual Property Rates Revenue	130038262	130038262
FM1.14(3)	(3) Budgeted Service Charges and Property Rates Revenue	318106885	318106885
FM1.21(1)	(1) Municipal funded budget self-assessment outcome	Budget is funded as per SIME report	Budget is funded as per SIME report
FM2.1(1)	(1) Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease)	144418490	144418490
FM2.1(2)	(2) Total Operating Revenue	739712631	739712631
FM2.1(3)	(3) Operating Conditional Grant	73292694	73292694
FM2.2(1)	(1) Cash backed reserves (previous year)	1220524574	1220524574
FM2.2(2)	(2) Cash backed reserves (current year)	1266002110	1266002110
FM2.21(1)	(1) Actual Cash and Cash Equivalents	487521251	487521251
FM2.21(2)	(2) Long Term Investment	0	0
FM2.21(3)	(3) Unspent grants	76946079	76946079
FM2.21(4)	(4) Statutory requirement	9210136	9210136
FM2.21(5)	(5) Working capital requirements	4759262	4759262
FM2.21(6)	(6) Other provisions	88517984	88517984
FM2.21(7)	(7) Long term investment committed	0	0
FM2.21(8)	(8) Reserves to be cash backed	60461136	60461136
FM3.1(1)	(1) Cash and cash equivalent (Current year)	487521251	487521251
FM3.1(2)	(2) Cash and cash equivalent (Previous year)	414913603	414913603

C88 Ref	KPI	2024/2025 Target	2024/2025 Actual
FM3.11(1)	(1) Cash and cash equivalent	487521251	487521251
FM3.11(2)	(2) Unspent Conditional Grants	76843451	76843451
FM3.11(3)	(3) Overdraft	0	0
FM3.11(4)	(4) Short Term Investment	483671681	483671681
FM3.11(5)	(5) Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	562332446	562332446
FM3.12(1)	(1) Current assets	562624063	562624063
FM3.12(2)	(2) Current liabilities	211472670	211472670
FM3.13(1)	(1) Cash and cash equivalents	487521251	487521251
FM3.13(2)	(2) Trade payables	64164245	64164245
FM3.14(1)	(1) Cash and cash equivalents	487521251	487521251
FM3.14(2)	(2) Current liabilities	211472670	211472670
FM4.1(1)	(1) Irregular expenditure (previous year)	5322679	5322679
FM4.1(2)	(2) Fruitless and Wasteful expenditure (previous year)	0	0
FM4.1(3)	(3) Unauthorised expenditure (previous year)	5985966	5985966
FM4.1(4)	(4) Irregular expenditure (current year)	0	0
FM4.1(5)	(5) Fruitless and Wasteful expenditure (current year)	11366	11366
FM4.1(6)	(6) Unauthorised expenditure (current year)	13587977	13587977
FM4.2(1)	(1)Employee Related Costs	218342914	218342914
FM4.2(2)	(2) Councillors' Remuneration	8470688	8470688
FM4.2(3)	(3) Total Operating Expenditure	33313651	33313651
FM4.3(1)	(1) Contracted Services	66857383	66857383
FM4.3(2)	(2) Total Operating Expenditure	653345771	653345771
FM4.31(1)	(1) Trade Creditors Outstanding	37901360	37901360
FM4.31(2)	(2) Credit purchases (operating and capital)	11683879	11683879
FM4.31(3)	(3) Number of days in the reporting year to date	366	366
FM5.1(1)	(1) Internally Generated Funds (current year)	80119678	80119678
FM5.1(2)	(2) Borrowings (current year)	144372004	144372004

C88 Ref	KPI	2024/2025 Target	2024/2025 Actual
FM5.1(3)	(3) Internally Generated Funds (previous year)	16292299	16292299
FM5.1(4)	(4) Borrowings (previous year)	168110095	168110095
FM5.11(1)	(1) Internally Generated Funds	80119678	80119678
FM5.11(2)	(2) Borrowings	144372004	144372004
FM5.11(3)	(3) Total Capital Expenditure	196564440	196564440
FM5.12(1)	(1) Total Capital Transfers (provincial and national capital conditional grants)	45974122	45974122
FM5.12(2)	(2) Total Capital Expenditure	196564440	196564440
FM5.2(1)	(1) Total costs of Renewal and Upgrading of Existing Assets (current year)	65727061	65727061
FM5.2(2)	(2) Total costs of Renewal and Upgrading of Existing Assets (previous year)	24006774	24006774
FM5.21(1)	(1) Total costs of Renewal and Upgrading of Existing Assets	65727061	65727061
FM5.21(2)	(2) Total Capital Expenditure	196564440	196564440
FM5.22(1)	(1) Total costs of Renewal and Upgrading of Existing Assets	65727061	65727061
FM5.22(2)	(2) Depreciation	42605142	42605142
FM5.22(3)	(3) Asset impairment)	0	0
FM5.3(1)	(1) Repairs and maintenance expenditure (current year)	107735069	107735069
FM5.3(2)	(2) Repairs and maintenance expenditure (previous year)	94361322	94361322
FM5.31(1)	(1) Total Repairs and Maintenance Expenditure	107735069	107735069
FM5.31(2)	(2) Property, Plant and Equipment	1136954339	1136954339
FM5.31(3)	(3) Investment Property (Carrying Value)	104313106	104313106
FM7.1(1)	(1) Gross consumer debtors (previous year)	74504461	74504461
FM7.1(2)	(2) Gross consumer debtors (current year	85448818	85448818
FM7.2(1)	(1) Total Revenue Excluding Capital Grants (current year)	693738135	693738135
FM7.2(2)	(2) Total Revenue Excluding Capital Grants (previous year)	633797135	633797135
FM7.3(1)	(1)Total Operating Revenue	739712631	739712631
FM7.3(2)	(2)Total Operating Expenditure	653345771	653345771
FM7.31(1)	(1) Total Electricity Revenue	225242501	225242501
FM7.31(2)	(2) Total Electricity Expenditure	190221388	190221388
FM7.32(1)	(1)Total Water Revenue	79762557	79762557

C88 Ref	KPI	2024/2025 Target	2024/2025 Actual
FM7.32(2)	(2) Total Water Expenditure	47591743	47591743
FM7.33(1)	(1) Total Sanitation and Waste Water Revenue	48856973	48856973
FM7.33(2)	(2) Total Sanitation and Waste Water Expenditure	45039461	45039461
FM7.34(1)	(1) Total Refuse Revenue	56248698	56248698
FM7.34(2)	(2) Total Refuse Expenditure	101894391	101894391
LED2.12(1)	(1) R-value of operating budget expenditure on free basic services	44695007	44695007
LED2.12(2)	(2) Total operating budget for the municipality	103065215	103065215
LED3.32(1)	(1) Number of municipal payments within 30-days of complete invoice receipt made to service providers	1316	1316
LED3.32(2)	(2) Total number of complete invoices received (30 days or older)	1316	1316
WS5.2(1)	(1) System input volume	1577524	1577524
WS5.2(2)	(2) Authorised consumption	1269718	1269718
WS5.2(3)	(3) Number of service connections	21830	21830
ENV4.11(1)	(1) Total land area in hectares classified as "biodiversity priority areas"	CBA1 - 138 888.6 ha CBA2 - 17 502.4 ha ESA1 - 50 565.6 ha ESA2 22 355.6 ha = 229 312.2 ha	CBA1 - 138 888.6 ha CBA2 - 17 502.4 ha ESA1 - 50 565.6 ha ESA2 22 355.6 ha = 229 312.2 ha
ENV4.11(2)	(2) Total municipal area in hectares	573 3300 ha	573 3300 ha
FM4.11(1)	(1) Irregular expenditure	433	433
FM4.11(2)	(2) Fruitless and Wasteful expenditure	11366	11366
FM4.11(3)	(3) Unauthorised expenditure	0	0
FM4.11(4)	(4) Total Operating Expenditure	653345771	653345771
C10	Number of work stoppages occurring:	0	0
C15	Number of days of sick leave taken by employees:	801	801
C17	Number of temporary employees employed:	143	143
C23	Number of disciplinary cases for misconduct relating to fraud and corruption:	0	0
C31	Number of approved posts in the municipality with regard to municipal infrastructure:	363	363

C88 Ref	KPI	2024/2025 Target	2024/2025 Actual
C32	Number of positions filled with regard to municipal infrastructure:	332	332
C34	Number of months the Municipal Managers' position has been filled (not Acting):	12	12
C35	Number of months the Chief Financial Officers' position has been filled (not Acting):	12	12
C36	Number of vacant posts of senior managers:	1	1
C37	Number of approved posts in the treasury and budget office:	79	79
C38	Number of filled posts in the treasury and budget office:	66	66
C39	Number of approved posts in the development and planning department:	24	24
C40	Number of filled posts in the development and planning department	18	18
C41	Number of approved engineer posts in the municipality:	0	0
C42	Number of registered engineers employed in approved posts	0	0
C43	Number of engineers employed in approved posts:	10	10
C44	Number of disciplinary cases in the municipality:	6	6
C45	Number of finalised disciplinary cases:	3	3
C46	Number of approved waste management posts in the municipality:	117	117
C47	Number of waste management posts filled:	108	108
C48	Number of approved electrician posts in the municipality:	10	10
C49	Number of electricians employed in approved posts:	9	9
C50	Number of approved water and wastewater management posts in the municipality:	66	66
C51	Number of filled water and wastewater management posts:	61	61
C9	Number of municipal officials completed training:	37	37
GG1.1(1)	(1) R-value of municipal skills development levy recovered	130766.35	130766.35
GG1.1(2)	(2) R-value of the total qualifying value of the municipal skills development levy	79996.1	79996.1
GG1.21(1)	(1) The number of employee posts on the approved organisational structure	688	688
GG1.21(2)	(2) The number of permanent employees in the municipality	571	571
GG1.22(1)	(1) Number of vacant posts filled within 3 months since the date (dd/mm/yyyy) of authority to proceed with filling the vacancy	7	7
GG1.22(2)	(2) Number of vacant posts that have been filled	7	7

C88 Ref	KPI	2024/2025 Target	2024/2025 Actual
GG5.11(1)	(1) Simple count of the number of active suspensions in the municipality lasting more than three months	6	6
GG5.12(1)	(1) Sum of the salary bill for all suspended officials for the reporting period	382468.48	382468.48
Q4.	What are the main causes of work stoppage in the past quarter by type of stoppage?	0	0
C11	Number of litigation cases instituted by the municipality:	0	0
C12	Number of litigation cases instituted against the municipality:	0	0
C13	Number of forensic investigations instituted:	0	0
C14	Number of forensic investigations concluded:	0	0
C19	Number of recognised traditional and Khoi-San leaders in attendance (sum of) at all council meetings:	0	0
C2	Number of ExCo or Mayoral Executive meetings held:	15	15
C22	Number of Council meetings held:	15	15
C24	Number of council meetings disrupted	0	0
C3	Number of Council portfolio committee meetings held:	9	9
C5	Number of recognised traditional leaders within your municipal boundary	0	0
C8	Number of councillors completed training:	17	17
C89	Number of meetings of the Executive or Mayoral Committee postponed due to lack of quorum	0	0
C92	Number of agenda items deferred to the next council meeting	0	0
GG2.12(1)	(1) Number of councillor convened ward community meetings	9	9
GG2.12(2)	(2) Total number of wards in the municipality	9	9
GG2.12(3)	(3) Reporting quarter	4	4
GG2.31(1)	(1) Number of official complaints responded to according to municipal norms and standards	13491	13491
GG2.31(2)	(2) Number of official complaints received	16045	16045
GG3.12(1)	(1) Number of councillors that have declared their financial interests	17	17
GG3.12(2)	(2) Total number of municipal councillors	17	17
GG4.1(1)	(1) The sum total of councillor attendance of all council meetings	17	17

C88 Ref	KPI	2024/2025 Target	2024/2025 Actual
GG4.1(2)	(2) The total number of council meetings	15	15
GG4.1(3)	(3) The total number of councillors in the municipality	17	17
Q25.	Has a report by the Executive Committee on all decisions it has taken been submitted to Council this financial year?	Yes	Yes
Q6.	When was the last scientifically representative community feedback survey undertaken in the municipality?	2019	2019
Q7.	What are the biggest causes of complaints or dissatisfaction from the community feedback survey? Indicate the top four issues in order of priority.	Delayed responses	Delayed responses
C52	Number of maintained sports facilities	9	9
C54	Number of municipality-owned community halls	15	15
HS3.5(1)	(1) Sum of hours booked across all community halls in the period of assessment	21900	21900
HS3.5(2)	(2) Sum of available hours for all community halls in the period of assessment.	131400	131400
C67	Number of paid full-time firefighters employed by the municipality	4	4
C68	Number of part-time and firefighter reservists in the service of the municipality	0	0
C69	Number of 'displaced persons' to whom the municipality delivered assistance	0	0
C73	Number of structural fires occurring in informal settlements	16	16
C74	Number of dwellings in informal settlements affected by structural fires (estimate)	17	17
FD1.11(1)	(1) Number of structural fire incidents where the attendance time was 14 minutes or less	16	16
FD1.11(2)	(2) Total number of distress calls for structural fire incidents received	26	26
C86	Number of households in the municipal area registered as indigent	5449	5449
EE1.11(1)	(1) Number of new residential supply points energised by the municipality	0	0
ENV3.11(1)	(1) Number of informal settlements receiving waste handling services	3	3
ENV3.11(2)	(2) The total number of recognised informal settlements	3	3
FM1.13(1)	(1) Actual Operating Revenue	693738509	693738509
FM1.13(2)	(2) Budgeted Operating Revenue	695827438	695827438
FM7.11(1)	(1) Gross Debtors	69668761	69668761
FM7.11(2)	(2) Bad Debt Provision	34258615	34258615
FM7.11(3)	(3) Billed Revenue	450538684	450538684

C88 Ref	KPI	2024/2025 Target	2024/2025 Actual
FM7.11(4)	(4) Number of days in the reporting period year to date	366	366
FM7.12(1)	(1) Gross Debtors Opening Balance	60051798	60051798
FM7.12(2)	(2) Billed Revenue	450538684	450538684
FM7.12(3)	(3) Gross Debtors Closing Balance	69668761	69668761
FM7.12(4)	(4) Bad Debts Written Off	48408183	48408183
WS5.31(1)	(1) Number of water connections metered	0	0
WS5.31(2)	(2) Number of connections unmetered	0	0
C26	R-value of all tenders awarded	9887009	9887009
C27	Number of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations:	65	65
C28	R-value of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations:	2070754.94	2070754.94
C33	Number of tenders over R200 000 awarded:	7	7
C71	Number of procurement processes where disputes were raised	0	0
C77	B-BBEE Procurement Spend on Empowering Suppliers that are at least 51% black owned based	732366.18	732366.18
C78	B-BBEE Procurement Spend on Empowering Suppliers that are at least 30% black women owned	731262.18	731262.18
C79	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement	2563362.16	2563362.16
C93	Number of awards made in terms of SCM Reg 32	0	0
C94	Number of requests approved for deviation from approved procurement plan	0	0
FM6.12(1)	(1) Number of awarded tenders published on the municipality's website	12	12
FM6.12(2)	(2) Number of awarded tenders	12	12
FM6.13(1)	(1) Number of tenders cancelled	5	5
FM6.13(2)	(2) Total number of tenders advertised and closed	34	34
LED1.11(1)	(1) R-value of operating expenditure on contracted services within the municipal area	16470535.3	16470535.3
LED1.11(2)	(2) Total municipal operating expenditure on contracted services	66857383	66857383

C88 Ref	KPI	2024/2025 Target	2024/2025 Actual
LED3.31(1)	(1) Sum of the number of days from the point of advertising a tender in terms of the 80/20 procurement process to the issuing of the letter of award	49.5	49.5
LED3.31(2)	(2) Total number of 80/20 tenders awarded as per the procurement process	29	29
Q19.	Is the municipal supplier database aligned with the Central Supplier Database?	1	1
C1	Number of signed performance agreements by the MM and section 56 managers:	6	6
C4	Number of MPAC meetings held:	4	4
FM1.11(1)	(1) Actual Capital Expenditure	112987671.9	112987671.9
FM1.11(2)	(2) Budgeted Capital Expenditure	204262228	204262228
FM1.12(1)	(1) Actual Operating Expenditure	585456330	585456330
FM1.12(2)	(2) Budgeted Operating Expenditure	707906488	707906488
GG1.2(1)	(1) Sum of standard working days, in the reporting period, that each S56 and S57 post was occupied by a fully appointed official (not suspended or vacant) with a valid signed contract and performance agreement)	1363	1363
GG1.2(2)	(2) Aggregate working days for all S56 and S57 Posts	1488	1488
GG2.1(1)	(1) Functional ward committees	9	9
GG2.1(2)	(2) Total number of wards	9	9
GG2.11(1)	(1) Total number of ward committees with 6 or more members	9	9
GG2.11(2)	(2) Total number of wards	9	9
Q1.	Does the municipality have an approved Performance Management Framework?	1	1
Q2.	Has the IDP been adopted by Council by the target date?	1	1
Q22	Please list the name of the structure and date of every meeting of an official IGR structure that the municipality participated in this quarter:	GRDM IDP RepForum	GRDM IDP RepForum
Q23.	Where is the organisational responsibility for the IGR support function located within the municipality (inclusive of the reporting line)?	Office of the MM	Office of the MM
Q24.	Is the MPAC functional? List the reasons why if the answer is not 'Yes'.	1	1
Q5.	How many public meetings were held in the last quarter at which the Mayor or members of the Mayoral/Executive committee provided a report back to the public?	8	8

C88 Ref	KPI	2024/2025 Target	2024/2025 Actual
LED1.21(1)	(1) Number of work opportunities provided by the municipality through the Expanded Public Works Programme	402	402
LED1.21(2)	(2) Number of work opportunities provided through the Community Works Programme and other related infrastructure initiatives.	0	0
TR6.13(1)	(1) Number of kilometres of surfaced road network built	0	0
TR6.13(2)	(2) Number of kilometres of unsurfaced road network built	1.3	1.3
C56	Number of customers provided with an alternative energy supply (e.g. LPG or paraffin or biogel according to supply level standards)	0	0
C61	Total number of chemical toilets in operation	0	0
C63	Total volume of water delivered by water trucks	4515	4515
ENV5.2(1)	(1) Number of inland water sample tests within the 'targeted range' for intermediate contact recreational water use	0	0
ENV5.2(2)	(2) Total number of sample tests undertaken	0	0
TR6.11(1)	(1) Kilometres of municipal road graded	37.5	37.5
TR6.11(2)	(2) Kilometres of unsurfaced road network	37.5	37.5
TR6.12(1)	(1) Kilometres of municipal road lanes resurfaced and resealed	8.8	8.8
TR6.12(2)	(2) Kilometres of surfaced municipal road lanes	234	234
TR6.2(1)	(1) Number of potholes reported	208	208
TR6.2(2)	(2) Kilometres of surfaced municipal road network	234	234
TR6.21(1)	(1) Number of pothole complaints resolved within the standard time after being reported	183	183
TR6.21(2)	(2) Number of potholes reported	208	208
WS1.11(1)	(1) Number of new sewer connections to consumer units	70	70
WS1.11(2)	(2) Number of new sewer connections to communal toilet facilities.	0	0
WS2.11(1)	(1) Number of new water connections to piped (tap) water	28	28
WS2.11(2)	(2) Number of new water connections to public/communal facilities.	0	0
WS3.1(1)	(1) Number of blockages in sewers that occurred	1346	1346
WS3.1(2)	(2) Total sewer length in KMs	264.89	264.89
WS3.11(1)	(1) Number of callouts responded to within 48 hours (sanitation/wastewater)	9294	9294

C88 Ref	KPI	2024/2025 Target	2024/2025 Actual
WS3.11(2)	(2) Total number of callouts (sanitation/wastewater)	9294	9294
WS3.2(1)	(1) Number of water mains failures (including failures of valves and fittings	318	318
WS3.2(2)	(2) Total mains length (water) in KMs	338.338	338.338
WS3.21(1)	(1) Number of callouts responded to within 48 hours (water)	1566	1566
WS3.21(2)	(2) Total water service callouts received	1566	1566
WS3.3(1)	(1) Number of unplanned water service interruptions	281	281
WS3.3(2)	(2) Total number of water service connections	15440	15440
WS4.1(1)	(1) Number of water sample tests that complied with SANS 241 requirements	0	0
WS4.1(2)	Total number of water sample tests undertaken	672	672
WS4.2(1)	(1) Number of wastewater samples tested per determinant that meet compliance to specified water use license requirements	0	0
WS4.2(2)	(2) Total wastewater samples tested for all determinants over the municipal financial year	120	120
WS5.1(1)	(1) Number of Kilolitres Water Purchased or Purified	1561486	1561486
WS5.1(2)	(2) Number of kilolitres of water sold	2885324	2885324
WS5.4(1)	(1) 1.a Direct use of treated municipal wastewater (not including irrigation)	0	0
WS5.4(2)	(2) 1.b Direct use of treated municipal wastewater for irrigation purposes	120.403	120.403
WS5.4(3)	(3) System input volume	3606315	3606315
C57	Number of registered electricity consumers with a mini grid-based system in the municipal service area	0	0
C59	Number of municipal buildings that consume renewable energy	0	0
EE3.11(1)	(1) Number of unplanned outages restored within x hours	0	0
EE3.11(2)	(2) Total number of unplanned outages	0	0
EE3.21(1)	(1) Actual number of maintenance 'jobs' for planned or preventative maintenance	0	0
EE3.21(2)	(2) Budgeted number of maintenance 'jobs' for planned or preventative maintenance	0	0
Q10.	Is there a dedicated position responsible for internal audits?	1	1
Q11.	Is the internal audit position filled or vacant?	1	1
Q12.	Has an Audit Committee been established? If so, is it functional?	1	1

C88 Ref	KPI	2024/2025 Target	2024/2025 Actual
Q13.	Has the internal audit plan been approved by the Audit Committee?	1	1
Q14.	Has an Internal Audit Charter and Audit Committee charter been approved and adopted?	1	1
Q15.	Does the internal audit plan set monthly targets?	1	1
Q16.	How many monthly targets in the internal audit plan were not achieved?	0	0
Q9.	Does the municipality have an Internal Audit Unit?	1	1
HS3.6(1)	(1) Total number of library visits	209245	209245
HS3.6(2)	(2) Count of municipal libraries	9	9
C29	Number of approved applications for rezoning a property for commercial purposes:	9	9
C6	Number of formal (minuted) meetings between the Mayor, Speaker and MM were held to deal with municipal matters:	12	12
C7	Number of formal (minuted) meetings - to which all senior managers were invited- held:	12	12
C53	Square meters of maintained public outdoor recreation space	0	0
HS3.7(1)	(1) Number of available municipal burial plots in active municipal cemeteries	0	0
HS3.7(2)	(2) Total capacity of all burial plots in active municipal cemeteries	0	0

8 VOLUME II:ANNUAL FINANCIAL STATEMENTS

Please refer to separate attachment accompanying this report, that serves as Annual Financial Statements

9 VOLUME III: OVERSIGHT REPORT

To be included after oversight process has been completed.

HESSEQUA
Local Municipality

AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2025

HESSEQUA LOCAL MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Index

The reports and statements set out below comprise the Annual Financial Statements presented to the council:

General Information	3 - 4
Accounting Officer's Responsibilities and Approval	5
Statement of Financial Position	6
Statement of Financial Performance	7
Statement of Changes In Net Assets	8
Cash Flow Statement	9
Statement of Comparison of Budget and Actual Amounts	10 - 16
Accounting Policies	17 - 46
Notes to the Financial Statements	47 - 133
Appendix A	134
Appendix D	135
Appendix F	136

HESSEQUA LOCAL MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

General Information

Description	Details
Country of Incorporation and Domicile	: South Africa
Legal Form of Entity	: Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996).
Nature of Business and Principal Activities	: The provision of services (electricity, water, sanitation and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.
Area of Jurisdiction	: The Hessequa Local Municipality's jurisdiction encompasses an area of 5,733 square kilometers (5.733 sq km) in the Garden Route District of the Western Cape. This area is flanked by the lower Breede River to the west and the Gourits River to the east with its head office in Riversdale. The towns and settlements in the area are Albertinia, Gouritsmond, Heidelberg, Jongensfontein, Melkhoutfontein, Riversdal, Slangrivier and Witsand.
Legislation governing the Municipality's Operations	: Constitution of the Republic of south Africa (Act 108 of 1996) Local Government: Municipal Finance Management Act (Act no.56 of 2003) Local Government: Municipal Systems Act (Act 32 of 2000) Local Government: Municipal Structures Act (Act 117 of 1998) Municipal Property Rates Act (Act 6 of 2004) Division of Revenue Act (Act 1 of 2007)

Members of the Executive Committee

Portfolio	*Councillor Name*
Executive Mayor	: Mr. G. Riddles
Deputy Executive Mayor	: Mr. G.L. Boezak
MMC Technical Services	: Mr. B. van Noordwyk
MMC Development Planning & LED	: H.J. Saayman
MMC Financial Services & Corporate Services	: B.C. Smith

Council Members

Mr. M.C. van den Berg	: Speaker
Cllr R.G. Davids	: Ward 1
Cllr H.J. Saayman	: Ward 2
Cllr M. C. van den Berg	: Ward 3
Cllr G. L. Boezak	Ward 4
Cllr A.P. Daniëls	Ward 5
Cllr N. A. Joseph	Ward 6
Cllr B. van Noordwyk	Ward 7
Cllr C. P. Taute	Ward 8
Cllr S. le Roux	Ward 9

General Information (Continued)

Council Members (Continued)

Cllr G. Riddles	Proportional Representative
Cllr J. Hoogbaard	Proportional Representative
Cllr B. Smith	Proportional Representative
Cllr M.E. Dayimani	Proportional Representative
Cllr L. Pieterse	Proportional Representative
Cllr L.C. February	Proportional Representative
Cllr J. Hartnick	Proportional Representative
Cllr. I.T. Mangaliso (Terminated 23 June 2025)	Proportional Representative

Section 79 Committee

Chairperson: MPAC	Cllr. I.T. Mangaliso (Terminated 23 June 2025)

Executive Management

Position	*Name*
Municipal Manager (MM)	Mr. A.S.A. de Klerk
Chief Finance Officer (CFO)	Mr. G.J. Goliath
Director: Community Services	Mr. G.D. Lewis-Michaels
Director: Corporate Services	Ms. A.M. Griesel
Director: Development Planning & LED	Mr. H. Visser
Director: Technical Services	Mr. R.W. Manho

Members of the Audit Committee

Chairperson	Prof. J.A.A. Lazenby
Member	Ms. I. Lorenz
Member	Mr. W.J. Kok
Member	Mr. W.M. Cronje
Member	Mr. N.L. Jonker

Grading of Local Authority	B3 Local Municipality
Demarcation Code	WC042
Registered Office	Riversdale
Physical Address	Van den Berg Street, Riversdale, 6670
Postal Address	P.O. Box 29, Riversdale, 6670
Telephone Number	(028) 713 8000
Fax Number	(086) 401 5259
Email Address	info@hessequa.gov.za
Municipal Website	www.hessequa.gov.za
Auditors	Auditor-General of South Africa
Bankers	First National Bank (FNB), Church Street, Riversdale
Legal Representative	Panel of Lawyers from Local Firms
Preparer	Mr. G.J. Goliath

HESSEQUA LOCAL MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Accounting Officer's Responsibilities and Approval

The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The Annual Financial Statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant interpretations, guidelines and directives issued by the Accounting Standards Board.

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I, as the Accounting Officer (accounting authority), acknowledge that I am 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 me to meet these responsibilities, I have set standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Municipality and all employees are required to maintain the highest ethical standards in ensuring the Municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Municipality is on identifying, assessing, managing and monitoring all known forms of risk across the Municipality. While operating risk cannot be fully eliminated, the Municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am 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.

Information on compliance with the B-BBEE Act is included in the Annual Report under the section titled B-BBEE Compliance Performance Information.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, I am satisfied that the Municipality has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

I would like to bring to your attention the following material matters to your attention:

- I certify that the salaries, allowances and benefits of councillors as disclosed in note 32 to these Annual Financial Statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.
- The Annual Financial Statements set out in terms of Section 126(1) of the Municipal Finance Management Act (Act 56 of 2003), set out on pages 6 to 133, which have been prepared on the going concern basis, were approved on 31 August 2025.

Mr. A.S.A. de Klerk
Accounting Officer

Date 31 August 2025

HESSEQUA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Note	Actual 2025 R	2024 Restated R
ASSETS			
Current Assets		**520,034,112**	**562,695,659**
Inventories	2.	4,775,407	4,772,960
Receivables from Exchange Transactions	3.	46,917,397	35,254,197
Receivables from Non-exchange Transactions	4.	28,565,108	34,446,886
Cash and Cash Equivalents	5.	6,378,334	3,849,570
Call Investment Deposits	5.	432,578,444	483,671,681
Lease Receivables	10.	819,422	700,365
Non-Current Assets		**1,460,495,297**	**1,250,229,137**
Property, Plant and Equipment	6.	1,328,076,041	1,136,503,296
Intangible Assets	7.	178,890	192,223
Investment Property	8.	123,788,855	105,082,106
Heritage Assets	9.	8,451,512	8,451,512
Total Assets		**1,980,529,409**	**1,812,924,796**
LIABILITIES			
Current Liabilities		**148,527,009**	**209,560,085**
Consumer Deposits	11.	15,600,054	13,965,404
Trade and Other Payables	12.	64,789,979	64,733,323
Unspent Conditional Grants and Receipts	13.	3,642,666	74,780,373
Taxes Payable	14.	14,690,546	8,791,846
Lease Payables	15.	20,174	46,190
Borrowings	16.	24,207,337	21,950,521
Employee Benefit Liabilities	17.	25,576,252	25,292,426
Non-Current Liabilities		**259,657,595**	**271,477,449**
Borrowings	16.	98,254,333	122,421,483
Employee Benefit Liabilities	17.	65,686,636	61,110,700
Provisions	18.	95,716,626	87,945,266
Total Liabilities		**408,184,604**	**481,037,533**
Total Assets and Liabilities		**1,572,344,805**	**1,331,887,262**
NET ASSETS		**1,572,344,805**	**1,331,887,262**
Reserves	19.	63,524,918	55,792,103
Accumulated Surplus / (Deficit)	20.	1,508,819,888	1,276,095,160
Total Net Assets		**1,572,344,805**	**1,331,887,262**

HESSEQUA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Note	Actual 2025 R	2024 Restated R
REVENUE			
Revenue from Non-exchange Transactions		**429,426,623**	**319,196,081**
Property Rates	21.	140,196,508	130,038,262
Fines, Penalties and Forfeits	22.	44,898,981	65,203,561
Licences and Permits	23.	2,343,686	2,070,269
Transfers and Subsidies	24.	229,740,485	109,517,466
Service Charges (Availability Charges)	25.	11,373,763	11,141,710
Interest Earned - Non-exchange Receivables	29.	837,080	819,760
Operational Revenue	30.	36,119	405,052
Revenue from Exchange Transactions		**479,657,680**	**430,912,000**
Licences and Permits	23.	1,538	-
Service Charges	25.	365,374,052	320,500,422
Sales of Goods and Rendering of Services	26.	51,900,214	50,510,390
Income from Agency Services	27.	3,213,166	2,997,013
Rental from Fixed Assets	28.	4,431,129	3,762,481
Interest Earned - Exchange Receivables	29.	3,440,417	2,840,266
Interest Earned - External Investments	29.	46,305,136	43,386,407
Operational Revenue	30.	4,992,028	6,915,022
Total Revenue		**909,084,303**	**750,108,081**
EXPENDITURE		**686,379,542**	**654,057,336**
Employee Related Costs	31.	231,995,154	218,342,914
Remuneration of Councillors	32.	9,128,113	8,470,688
Depreciation and Amortisation	33.	44,315,205	42,567,996
Bad Debt Written-off	34.	8,211,779	48,408,183
Impairment Losses - Capital Assets	34.	(67,000)	-
Impairment Losses - Receivables	34.	31,801,368	9,763,395
Finance Cost	35.	21,681,441	22,035,450
Bulk Purchases	36.	187,076,907	157,153,258
Contracted Services	37.	71,919,845	66,722,855
Inventory Consumed	38.	40,367,537	42,737,368
Transfers and Subsidies Paid	39.	2,612,716	1,835,047
Operating Leases	40.	1,837,962	1,822,995
Operational Costs	41.	35,498,516	34,197,187
Total Expenditure		**686,379,542**	**654,057,336**
OPERATING SURPLUS / (DEFICIT) FOR THE YEAR		**222,704,762**	**96,050,745**
Other Gains and Losses:			
Other Operations:			
Gains	42.	20,431,396	19,074,184
Losses	42.	(2,908,190)	(1,397,259)
Disposal of Capital Assets:			
Gains	43.	1,257,831	852,597
Losses	43.	(1,065,401)	(1,391,460)
TOTAL OTHER REVENUE / EXPENDITURE INCURRED		**17,715,635**	**17,138,062**
SURPLUS / (DEFICIT) FOR THE YEAR		**240,420,397**	**113,188,807**

Refer to Statement of Comparison of Budget and Actual Amounts for explanation of budget variances

HESSEQUA LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Total Funds & Reserves	Accumulated Surplus/ (Deficit)	Total Net Assets
	R	R	R
2024			
Balance at 30 June 2023	3,078,791	1,216,821,017	1,219,899,808
Correction of Error (Note 45)	-	(1,617,159)	(1,617,159)
Restated Balance	**3,078,791**	**1,215,203,858**	**1,218,282,649**
Surplus / (Deficit) as per prior 2023/24 AFS	-	103,505,217	103,505,217
Correction of Error (Note 45)	(7,987,193)	17,670,782	9,683,589
Restated Surplus / (Deficit) for the year	(7,987,193)	121,175,999	113,188,807
Other Transfers to/from Accumulated Surplus	-	415,807	415,807
Transfers to / (from) Accumulated Surplus	60,700,505	(60,700,505)	-
Balance at 30 June 2024	**55,792,103**	**1,276,095,160**	**1,331,887,262**
2025			
Surplus / (Deficit) for the year	-	240,420,397	240,420,397
Transfers to/from Accumulated Surplus	101,461,854	(7,732,815)	93,729,039
Purchases	(93,729,039)	-	(93,729,039)
Balance at 30 June 2025	**63,524,918**	**1,508,819,888**	**1,572,344,805**

Details on the movement of the Funds and Reserves are set out in Note 19.

HESSEQUA LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 R	2024 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		142,933,426	128,763,409
Fines, Penalties and Forfeits		17,992,627	11,618,462
Transfers and Subsidies		181,139,433	197,295,894
Service Charges		361,521,314	322,274,270
External Interest and Dividends Received		46,305,136	43,386,407
Other Receipts		41,864,688	44,753,617
VAT Received		6,378,513	1,206,199
Payments			
Employee Related Costs		(228,156,543)	(208,965,563)
Remuneration of Councillors		(9,128,113)	(8,470,688)
External Interest and Dividends Paid		(13,604,241)	(15,818,645)
Suppliers Paid		(338,610,910)	(336,612,960)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**47**	**208,635,329**	**179,430,401**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(236,547,464)	(83,970,622)
Purchase of Investment Property		(4,413)	-
Proceeds / (Losses) on Disposal of Property, Plant and Equipment		694,730	-
Proceeds on Disposal of Investment Property		563,101	852,597
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(235,294,046)**	**(83,118,025)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in Borrowings (Loans Redeemed)		(21,905,757)	(23,704,728)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(21,905,757)**	**(23,704,728)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(48,564,473)**	**72,607,648**
Cash and Cash Equivalents at Beginning of Financial Year	5	487,521,251	414,913,603
Cash and Cash Equivalents at End of Financial Year	5	438,956,778	487,521,251

HESSEQUA LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

30 June 2025

Description	Original Budget (accrual based)	Final Budget (accrual based)	Actual Outcome	Variance	Variance as % of Final Budget	Variance as % of Original Budget
	R	R	R	R	R	R
FINANCIAL POSITION						
Current Assets						
Cash and Cash Equivalents	429,250,396	474,830,030	438,956,778	(35,873,252)	-7.55%	2.26%
Trade and Other Receivables from Exchange Transactions	41,236,806	40,354,786	46,917,397	6,562,611	16.23%	13.76%
Receivables from Non-exchange Transactions	29,335,178	47,497,379	28,565,108	(18,932,271)	-39.86%	-2.63%
Inventory	4,548,760	4,548,760	4,775,407	226,647	4.98%	4.98%
Taxes Receivable	8,736,804	8,736,804	-	(8,736,804)	-100.00%	-100.00%
Other Current Assets (Lease Receivables)	832,231	832,231	819,422	(12,809)	-1.54%	-1.54%
Non-Current Assets						
Investment Property	97,890,377	97,890,377	123,788,855	25,898,478	26.46%	26.46%
Property, Plant and Equipment	1,268,135,119	1,313,580,166	1,328,076,041	14,495,875	1.10%	4.73%
Heritage Assets	8,736,411	8,736,411	8,451,512	(284,899)	-3.26%	-3.26%
Intangible Assets	328,039	328,039	178,890	(149,149)	-45.47%	-45.47%
Total Assets	1,889,030,121	1,997,344,983	1,980,529,409	(16,815,574)	-0.84%	4.84%
Current Liabilities						
Financial Liabilities (Borrowings + Lease Payables)	-	21,996,711	24,227,512	2,230,801	10.14%	0.00%
Consumer Deposits	11,958,200	11,958,200	15,600,054	3,641,854	30.45%	30.45%
Trade and Other Payables from Exchange Transactions	68,534,765	78,165,260	64,789,979	(13,375,281)	-17.11%	-5.46%
Trade and Other Payables from Non-exchange Transaction	4,090,958	3,461,008	3,642,666	181,658	5.25%	-10.96%
Provision (Employee Benefit Liabilities)	12,004,179	19,455,518	25,576,252	6,120,734	31.46%	113.06%
Taxes Payable	9,810,976	9,810,976	14,890,546	5,079,570	52.85%	52.85%
Non-Current Liabilities						
Financial Liabilities	122,480,603	100,476,876	96,254,333	(2,222,543)	-2.21%	-19.78%
Provision	136,241,299	149,055,966	161,403,262	12,347,296	8.28%	18.47%
Total Liabilities	364,920,980	394,180,515	408,184,604	14,004,089	3.55%	11.86%
Total Assets and Liabilities	**1,524,109,141**	**1,603,164,468**	**1,572,344,806**	**(30,819,662)**	**-1.92%**	**3.16%**
Net Assets (Equity)						
Accumulated Surplus / (Deficit)	1,520,845,622	1,599,900,949	1,508,819,888	(91,081,061)	-5.69%	-0.79%
Reserves and Funds	3,263,519	3,263,519	63,524,918	60,261,399	1846.52%	1846.52%
Total Net Assets	**1,524,109,141**	**1,603,164,468**	**1,572,344,806**	**(30,819,662)**	**-1.92%**	**3.16%**

AUDITOR-GENERAL SOUTH AFRICA

HESSEQUA LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Financial Position: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 5% between Approved Budget and Actual Amount on the various items disclosed in the Statement of Financial Position are explained below:

Cash and Cash Equivalents:

Cash equivalents was slightly less than budgeted due to vastly improved Capital Expenditure performance.

Trade and Other Receivables from Exchange Transactions:

Due to change in account payment due date in May 2025. the outstanding debtors at year end increased.

Receivables from Non-exchange Transactions:

Due to unforeseen increased in traffic fines impairment, the receivables are less than expected at Budget Time.

Taxes Receivable:

The accounting treatment implemented at year end was a disclosure of consolidation of Nett Vat Position whereas the Budget was prepared on disclosing VAT Payable and Receivable balances separately.

Investment Property:

Fair Value Adjustments for investment property were higher than expected and occurred after Adjustment Budget approval.

Intangible Assets:

The budgeted increases to Intangible Assets did not materialise as expected.

Financial Liabilities:

The assumption used for the calculation of the current portion yielded higher than projected budget.

Consumer Deposits:

Increase is due to relative movement of new consumers on the database.

Trade and Other Payables from Exchange Transactions:

The varance in the trade and other payables is because of re-classification of the leave accrual. Another reason is the reclassification of the unspent library funding as payments received in advance.

Trade and Other Payables from Non-exchange Transactions:

Accounting Treatment change at year-end was not anticipated when budget was approved. The nett VAT amount is disclosed, whilst the budget is prepared on separate VAT Liability and Assets.

Provision (Current Liabilities):

The actuarial calculations are done at year-end and results were far higher than the budgeted projections.

Taxes Payable:

The accounting treatment implemented at year end was a disclosure of consolidation of Nett Vat Position whereas the Budget was prepared on disclosing VAT Payable and Receivable balances separately.

Provision (Non-current liabilities):

The actuarial calculations are done at year-end and results were far higher than the budgeted projections.

Reserves and Funds:

Accounting treatment for the CRR was changed after approval of the budget.

HESSEQUA LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

30 June 2025

Description	Original Budget (accrual basis)	Final Budget (accrual basis)	Actual Outcome	Variance	Variance as % of Final Budget	Variance as % of Original Budget
	R	R	R	R	R	R
FINANCIAL PERFORMANCE						
Exchange Revenue						
Service Charges - Electricity	228,264,604	228,264,604	236,043,645	7,779,041	3.41%	3.41%
Service Charges - Water	54,379,251	54,379,251	59,596,191	5,216,940	9.59%	9.59%
Service Charges - Waste Water Management	30,292,211	30,292,211	31,841,798	1,549,587	5.12%	5.12%
Service Charges - Waste Management	35,042,530	35,042,530	37,892,418	2,849,888	8.13%	8.13%
Sales of Goods and Rendering of Services	32,569,821	54,952,060	51,900,214	(3,051,846)	-5.55%	59.35%
Agency Services	3,505,922	3,505,922	3,213,166	(292,756)	-8.35%	-8.35%
Interest earned from Receivables	2,847,991	2,847,991	3,440,417	592,426	20.80%	20.80%
Interest earned from Current and Non-current Assets	24,409,447	37,409,447	46,305,136	8,895,689	23.78%	89.70%
Rental from Fixed Assets	3,975,544	3,975,544	4,431,129	455,585	11.46%	11.46%
Licences and Permits	-	-	1,538	1,538	0.00%	0.00%
Operational Revenue	8,165,987	8,205,987	5,028,147	(3,177,840)	-38.73%	-38.58%
Non-exchange Revenue						
Property Rates	137,207,255	138,707,255	140,196,508	1,489,253	1.07%	2.18%
Fines, Penalties and Forfeits	57,174,210	35,326,260	44,896,981	9,572,721	27.10%	-21.47%
Licences or Permits	2,407,781	2,407,781	2,343,686	(64,095)	-2.66%	-2.66%
Transfer and Subsidies - Operational	80,886,310	69,463,310	68,052,814	(1,410,496)	-2.03%	-15.87%
Interest	859,211	859,211	837,080	(22,131)	-2.58%	-2.58%
Operational Revenue	12,512,862	12,512,862	11,373,763	(1,139,099)	-9.10%	-9.10%
Gains on Disposal of Assets	15,000,000	15,000,000	1,257,831	(13,742,169)	-91.61%	-91.61%
Other Gains	-	-	20,431,396	20,431,396	0.00%	0.00%
Total Revenue	729,520,737	733,152,226	769,085,859	35,933,633	4.90%	5.42%
Expenditure						
Employee Related Costs	246,636,778	245,791,307	231,995,154	(13,796,153)	-5.61%	-5.94%
Remuneration of Councillors	9,673,196	9,673,196	9,128,113	(545,083)	-5.63%	-5.63%
Bulk Purchases - Electricity	192,614,876	189,564,876	187,076,907	(2,587,969)	-1.36%	-2.88%
Inventory Consumed	49,404,866	44,322,000	40,367,537	(3,954,463)	-8.92%	-18.29%
Debt Impairment	1,900,102	3,400,102	31,801,368	28,401,266	835.31%	1573.67%
Depreciation and Amortisation	47,342,815	48,744,207	44,315,205	(4,429,002)	-9.09%	-6.40%
Interest	21,738,067	21,801,067	21,681,441	(119,627)	-0.55%	-0.26%
Contracted Services	67,722,322	68,883,149	71,919,845	(16,963,304)	-19.08%	6.20%
Transfers and Subsidies	2,004,461	3,065,554	2,612,716	(452,838)	-14.77%	30.35%
Irrecoverable Debts Written-off	53,345,431	35,183,230	8,211,779	(26,971,451)	-76.66%	-84.61%
Operational Costs	44,784,456	45,335,426	37,336,478	(7,998,948)	-17.64%	-16.63%
Losses on Disposal of Assets	-	-	1,065,401	1,065,401	0.00%	0.00%
Other Losses	-	-	2,841,190	2,841,190	0.00%	0.00%
Total Expenditure	737,167,372	735,864,114	690,353,133	(45,510,981)	-6.18%	-6.35%
Surplus / (Deficit)	(7,646,635)	(2,711,888)	78,732,726	81,444,614	-3003.24%	-1129.64%
Transfers and Subsidies - Capital (Monetary Allocations)	97,968,700	161,306,636	161,096,216	(210,420)	-0.13%	64.44%
Transfers and Subsidies - Capital (In-kind Allocations)	-	703,800	591,455	(112,345)	-15.96%	0.00%
Surplus/(Deficit for the Year	**90,322,065**	**159,298,548**	**240,420,397**	**81,121,849**	**50.92%**	**166.18%**

HESSEQUA LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Financial Performance: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 5% and material between Approved Budget and Actual Amount on the various items disclosed in the Statement of Financial Performance are explained below:

Revenue:

Service Charges - Water:

The positive diviation on the budget can be attributed to more revenue received than initially expected durring the February adjustment budget.
Actual water usage by households, businesses and industries exceeded projections.
Hotter and drier weather conditions during the period increased the demand for irrigation and domestic use.
Population growth are added to the consumption base that was not originally factored into the budget.
Enhanced meter readings reduced reliance on estimates and improved billing accuracy.
Strengthened enforcement against illegal connections and unbilled consumption reduced losses and improved recoveries.
Additional households and businesses were connected to the municipal water network during the 2024/25 financial year.
Higher household occupancy rate in existing areas resulted in increased usage.

Service Charges - Waste Water Management:

The positive diviation on the budget can be attributed to more revenue received than initially expected durring the February adjustment budget.
Since wastewater charges are typically link to potable water consumption, higher-than-expected water usage directly increased wastewater revenue.
Application of higher tariffs and wastewater surcharges contributed to increased revenue.
Correction of tariff misapplications and adjustments from prior periods improved billing accuracy.
Industrial and commercial users discharged higher volumes/or stronger effluents than projected.
Reduced use of private septic systems and alternative waste treatment methods increased reliance on municipal wastewater services.
Environmental compliances regulations and stricter monitoring of effluent quality encouraged more accurate and higher billing.

Service Charges - Waste Management:

The positive diviation on the budget can be attributed to more revenue received than initially expected durring the February adjustment budget.
More households and businesses connected to refuse services than anticipated increasing volumes/usage.
Increase in tariffs applied.

Sales of Goods and Rendering of Services:

The deviation can be attributed to the unspent portion of the housing grant.
Also, a lower demand for services and reduced utilisation of facilities compared to projections.

Agency Services:

Less revenue than budgeted for the year was received from agency services (drivers licences and vehicle registrations)

Interest earned from Receivables:

The positive deviation on Interest Earned from outstanding debtors can be attributed to an increase in outstanding debtors and the persisting higher interest rates which is favourable.

Interest earned from Current and Non-current Assets:

The deviation can be attributed to more funds being available for investments than budgeted for and more favourable interest rates obtained.

Rental from Fixed Assets:

Increased rentals of halls experienced beyond initial projections.
Long term lease agreement signed for two camping sites also contributing to increased revenue.

Operational Revenue:

Less availability charges were billed due to slightly lower growth.

Fines, Penalties and Forfeits:

The budget was reduced as there was a period of 3 months where no service provider was appointed. The new service provider has performed beyond our projections in the budget resulting in additional fine income.

Operational Revenue:

Less availability charges were billed due to slightly lower growth.

Gains on Disposal of Assets:

Transactions are still in process and did not materialized before year-end as anticipated. The income is subject to fulfillment of obligations culminating in these transfers and the municipality does not have direct control over the processes.

Other Gains:

Year end transactions on Gains were not foreseen during the budget process.

Expenditure:

Employee Related Costs:

The deviation can be attributed to various vacancies that emerged throughout the year. In some cases these vacancies have not been filled yet.

Remuneration of Councillors:

Saving due to MPAC Chairperson budgeted as full-time Councillor as per MEC approval, but post not filled as full-time at year end.

Inventory Consumed:

The deviation can be attributed to savings on inventory and fuel costs. The inventory balance was also higher at year end due to decreased inventory consumed at year-end.
Lower consumption than anticipated. More efficient operational activities resulted in fewer materials and supplies.
Improved inventory management practices reduced wastage.

Debt Impairment:

Linked to the improved performance of traffic fines, there is also a related increase in the impairment of those traffic fines that was not forseen at the time of finalising the budget.

Depreciation and Amortisation:

A large component of the capital expenditure is still in WIP and not depreciated as yet.

Contracted Services:

The deviation largely represents the Housing Grant (including transfers) where around R3m remain unspent. R1.1m representing the VAT provision which remains unspent on the Library Replacement Funds Grant. A saving was realized in the Electricity Department on the payment for prepaid electricity vendors and on electrical engineering consultancy services. The rest of the unspent funds represents savings throughout the whole municipality which in part can be attributed to the implementation of cost containment measures in the municipality.

Transfers and Subsidies:

Savings on disaster grant-in aid, due to less fire incidents being recorded in the financial year.

Irrecoverable Debts Written-off:

Less traffic fines was written off than expected, traffic fines were impaired instead in the current year as there is still a probability of recovery.

Operational Costs:

Savings on operating costs include Travel and Subsistence, Software Licence fees, registration fees, communication, Workmen's Compensation Fund and Skills Development Levies.

Losses on Disposal of Assets:

The municipality did not budget for losses as it normally has a net surplus. Accounting treatment is changed to recognise gains and losses separately.

Other Losses:

The municipality did not budget for losses as it normally has a net surplus. Accounting treatment is changed to recognise gains and losses separately.

Transfers and Subsidies - Capital (In-kind Allocations):

The difference between the budget and outcome is due to upgrades to the swimming pool at Dibiki-takkieskloof resort. The final expenditure was less than the quoted amounts and this lead to the deviation in the budget and capitalized amounts.

HESSEQUA LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

30 June 2025

Description	Original Budget (accrual basis)	Final Budget (accrual basis)	Actual Outcome	Variance	Variance as % of Final Budget	Variance as % of Original Budget
	R	R	R	R	R	R
CAPITAL EXPENDITURE PER FUNCTION						
Executive and Council	50,800	58,800	50,836	(7,964)	-13.54%	0.07%
Finance and Administration	2,399,500	2,124,099	1,993,656	(130,443)	-6.14%	-16.91%
Community and Social Services	409,000	564,125	479,409	(84,716)	-15.02%	17.21%
Sport and Recreation	1,292,500	3,076,795	2,926,234	(150,561)	-4.89%	126.40%
Public Safety	3,305,700	3,524,366	2,931,604	(592,762)	-16.82%	-11.32%
Housing	11,370,000	3,921,625	3,694,405	(227,220)	-5.79%	-67.51%
Planning and Development	67,500	66,013	65,644	(369)	-0.56%	-2.75%
Road Transport	46,043,528	47,676,821	47,423,951	(252,870)	-0.53%	3.00%
Environmental Protection	230,000	209,421	205,957	(3,464)	-1.65%	-10.45%
Energy Sources	100,246,000	150,969,308	150,471,761	(497,545)	-0.33%	50.10%
Water Management	13,400,000	14,215,687	13,678,506	(537,181)	-3.78%	2.08%
Waste Water Management	10,470,000	10,077,681	8,245,940	(1,831,741)	-18.18%	-21.24%
Waste Management	5,488,172	4,634,600	4,513,796	(120,804)	-2.61%	-17.75%
Other	-	500,000	457,218	(42,782)	-8.56%	0.00%
Total Capital Expenditure	**194,772,700**	**241,619,139**	**237,138,917**	**(4,480,222)**	**-1.85%**	**21.75%**

Capital Expenditure per Function: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 5% between Approved Budget and Actual Amount on the various items disclosed in the Statement of Financial Position are explained below:

Executive and Council:

Savings realised on the purchases of 2 laptops and furniture and office equipment

Community and Social Services:

R51 576 of the unspent amount can be attributed to a delay in delivery and installation of airconditioners at the Thusong Centre caused by internal challenges faced by the supplier. It was requested that the amount be rolled over. The rest of the unspent amount are savings on the purchases of computer equipment, airconditioners, and fridges for the community halls.

Public Safety:

An order amounting to R200 000 for 2 Fire Fighting Trailers was cancelled due to the supplier not delivering ; A delay in the procurement of an extention ladder (R56 850) led to a request for rollover to 2025/2026;Two projects i.r.t new motor vehicle registration service points in Albertinia and Still Bay could not be completed and unspent amounts of R43 878 and R100 000 will be requested for rollovers; Savings of R110 400 realised on a Traffic Line Ride-On Machine; The balance of the unspent amounts is attributed to savings realised on various projects.

Housing:

The projects for housing were found to be operating in nature instead of capital. The budget on capital remained unspent.

Waste Water Management:

The variance are mainly attributed to the unspending of an amount for the procurement of generators and there were savings on various line items. Projects were completed, with savings realised on Water security measures (R277 344.63, Replacement of water infrastructure (R105 000.11), Pumps Hessequa (R11 509) and the Refurbishment at WTW Stilbaai (R143 280)

Other:

An amount of R6964.2 was journalised to materials & supplies on the operating budget owing to the nature of the procured items. The rest of the projects was completed with savings. The unspent balance is attributed to savings realised.

HESSEQUA LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

30 June 2025

Description	Original Budget	Final Budget	Actual Outcome	Variance	Variance as % of Final Budget	Variance as % of Original Budget
	R	R	R	R	R	R
CASH FLOW						
Cash Flow from Operating Activities						
Receipts						
Property Rates	134,463,113	135,963,113	142,933,426	6,970,313	5.13%	6.30%
Service Charges	375,481,133	375,481,133	367,899,827	(7,581,306)	-2.02%	-2.02%
Other Revenue	66,596,961	95,913,473	59,857,316	(36,056,157)	-37.59%	-10.12%
Transfers and Subsidies - Operational	80,886,310	69,463,310	19,451,762	(50,011,548)	-72.00%	-75.95%
Transfers and Subsidies - Capital	109,188,700	161,306,636	161,687,671	381,035	0.24%	48.08%
Interest	5,730,240	41,730,240	46,305,138	4,574,896	10.96%	708.08%
Payments						
Suppliers and Employees	(621,770,736)	(683,968,467)	(573,282,851)	110,685,616	-16.18%	-7.80%
Finance Charges	(13,538,067)	(13,538,067)	(13,604,241)	(66,174)	0.49%	0.49%
Transfers and Subsidies	(2,004,461)	(3,065,554)	(2,612,716)	452,838	-14.77%	30.35%
Net Cash from/(used) Operating Activities	**135,033,193**	**179,285,817**	**208,635,329**	**29,349,512**	**16.37%**	**54.51%**
Cash Flows from Investing Activities						
Receipts						
Proceeds on Disposal of Property, Plant and Equipment	15,000,000	15,000,000	1,257,831	(13,742,169)	-91.61%	-91.61%
Payments						
Capital Assets	(194,772,700)	(241,619,139)	(236,551,877)	5,067,262	-2.10%	21.45%
Net Cash from/(used) Investing Activities	**(179,772,700)**	**(226,619,139)**	**(235,294,046)**	**(8,674,907)**	**3.83%**	**30.88%**
Cash Flows from Financing Activities						
Receipts						
Borrowing Long-term/Refinancing	-	-	-	-	0.00%	0.00%
Increase/(Decrease) in Consumer Deposits	1,504,195	1,504,195	-	(1,504,195)	-100.00%	-100.00%
Payments						
Repayment of Borrowing	(21,944,607)	(21,944,607)	(21,905,757)	38,850	-0.18%	-0.18%
Net Cash from/(used) Financing Activities	**(20,440,412)**	**(20,440,412)**	**(21,905,757)**	**(1,465,345)**	**7.17%**	**7.17%**
Net Increase/(Decrease) in Cash Held	**(65,179,919)**	**(67,773,734)**	**(48,564,473)**	**(19,209,261)**	**-28.34%**	**-25.49%**
Cash/Cash Equivalents at the Year Begin:	448,107,052	487,521,251	487,521,251	0	0.00%	8.80%
Cash/Cash Equivalents at the Year End:	382,927,133	419,747,517	438,956,778	19,209,261	4.58%	14.63%

Cash Flow Statement: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 5% between Approved Budget and Actual Amount on the various items disclosed in the Cash Flow Statement are explained below:

Property Rates:

Due to strenghened credit control measures, the collection of outstanding property rates improved and a supplementary valuation was done in May 2025 that boosted property rates.

Other Revenue:

Items such as fines, penalties and forfeits are included. The collection from fines are low due to the process of collecting these revenues are tedious and a large portion of fines were written off.

Transfers and Subsidies - Operational:

Less housing grants received than expected.

Interest:

The positive variance can be attributed to persisting favourable interest rates and more funds being available for investment throughout the financial year.

Suppliers and Employees:

Savings on various categories including bulk electrical services, contracted services, inventory and operational costs. Vacancies also contribute towards the savings.

Transfers and Subsidies:

Savings on disaster grant-in aid, due to less fire incidents being recorded in the financial year.

Proceeds on Disposal of Property, Plant and Equipment:

Transactions are still in process and did not materialized before year-end as anticipated. The income is subject to fulfillment of obligations culminating in these transfers and the municipality does not have direct control over the processes.

Increase/(Decrease) in Consumer Deposits:

Consumer deposits increases included in Other Receivables from exchange transactions

Net Increase/(Decrease) in Cash Held:

All line items that contributed to this variance is explained above.

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The Annual Financial Statements have been prepared in accordance with the historical cost convention, except where indicated otherwise.

The Statement of Financial Performance has been prepared to classify expenses by nature, whilst revenue is classified in a manner appropriate to the municipality's operations. The Cash Flow Statement has been prepared using the Direct Method.

1.1 Presentation Currency

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

1.2 Critical Judgements, Estimations and Assumptions

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements:

1.2.1 Revenue Recognition

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (Revenue from Exchange Transactions) and GRAP 23 (Revenue from Non-exchange Transactions). For exchange transactions, this includes assessing whether, when goods are sold, the municipality has transferred the significant risks and rewards of ownership to the buyer, and when services are rendered, whether the service has in fact been performed. For non-exchange transactions, management considered whether all the conditions of GRAP 23 have been met, particularly regarding the probability of inflows of economic benefits or service potential and whether such inflows can be reliably measured. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

- Estimation of Meter Readings:
  Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

- Estimation of unused Prepaid Metered Services:
  Estimates of unused consumption of prepaid metered services, based on the consumption history, are made at year-end. Sales for prepaid metered services are recognised as revenue upon receipt of payment for these services, except at year-end when estimates for unused consumption up to reporting date are reversed from revenue and accrued as payment for services received in advance. These accruals are reversed in the new financial year to revenue again, deemed to be consumed after 30 June. In respect of estimates of consumption between the last date of purchase and the reporting date, an accrual for payments received in advance is made based on the average monthly consumption of consumers. At the reporting date, an accrual is made based on the average monthly consumption of consumers.

- Revenue for Traffic Fines:
  There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines, as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. The full amount of traffic fines issued during the year is recognised at the initial transaction date as revenue. Where a reliable estimate cannot be made of revenue from summonses, the revenue is recognised when the public prosecutor pays the cash collected over to the municipality.

1.2.2 Water Inventory

The estimation of the Water Inventory in reservoirs is based on the measurement of water after the depth of water in the reservoirs has been determined, which is then converted into volumes based on the total capacity of the reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end. Refer to Note 3 of the accounting policy notes to the Annual Financial Statements.

1.2.3 Impairment of Financial Assets

Accounting Policy 4.4 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

- Impairment of Trade Receivables:
  The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable category across all classes of debtors.

- Impairment of Traffic Fines:
  Assessing and recognising impairment of Receivables for Traffic Fines is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not to be made at the time of initial recognition.

  The total increase in estimation of the impairment of Receivables from Exchange Transactions, Receivables from Non-exchange Transactions and that of Long-term Receivables are disclosed in Notes 3 and 4 to the Annual Financial Statements.

1.2.4 Impairment of Statutory Receivables

Accounting Policy 5.3 on Impairment of Statutory Receivables describes the process followed to determine the value at which Statutory Receivables should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Statutory Receivables recorded during the year is appropriate.

1.2.5 Capitalisation of Capital Assets

Judgement by management is required to distinguish between expenditure incurred to maintain and repair capital assets, which is recognised in surplus or deficit as incurred, and expenditure that results in an increase in the future economic benefits or service potential of capital assets, which is capitalised to the carrying amount of the related asset. Expenditure is capitalised when it enhances the asset's capacity, extends its useful life, or improves the quality of output, while routine servicing and repairs are expensed as incurred.

1.2.6 Recognition and Derecognition of Land

The municipality assesses whether it controls or does not control land by considering the principles contained in IGRAP 18.

The municipality is assessed to control land of which it is not the legal owner or the custodian and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP and the required disclosures are made in the relevant Notes to the Financial Statements. In order to assess that the municipality controls the land, the following factors are considered in applying its judgement:

- The municipality acts as the custodian of the land in terms of a binding arrangement with the legal owner of the land and has the right to direct access to the land, and to restrict or deny the access of others to the land.
- The municipality is required / granted a right to use the land in terms of a binding arrangement with the legal owner of the land and has the right to direct access to the land, and to restrict or deny the access of others to the land to meet its service delivery objectives.

The municipality is assessed to not control land of which it is the legal owner or the custodian and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP and the required disclosures are made in the relevant Notes to the Financial Statements. In order to assess that the municipality does not control the land, the following factors are considered in applying its judgement:

- Another entity acts as the custodian of the land in terms of a binding arrangement with the municipality and that entity has the right to direct access to the land, and to restrict or deny the access of others to the land.
- Another entity is required / granted a right to use the land in terms of a binding arrangement with the municipality and that entity has the right to direct access to the land, and to restrict or deny the access of others to the land to meet its service delivery objectives. There are various housing scheme land where the municipality is still the legal owner per the deeds office, but control and substantive rights were transferred. This land is not recognised by the municipality.

1.2.7 Fair Value Estimations

As described in Accounting Policy 9.2, the municipality subsequently measures its Investment Property in terms of the Fair Value Model.

The valuation of assets are based on management's estimation. Management considered the impact of valuation techniques and market information in order to determine the current valuations, and more specific as follows:

- **Investment Property** is measured at fair value amounts based on valuation techniques and market information. The actual value of these items could differ from those estimated.

1.2.8 Useful lives of Property, Plant and Equipment and Intangible Assets

As described in Accounting Policies 7.3 and 8.2, the municipality depreciates its Property, Plant & Equipment and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time. The municipality assesses at each reporting date whether there is any indication that the useful live of an asset has changed. If any such indication exists the useful live is changed.

1.2.9 Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, Heritage Assets, and Inventories

Accounting Policy 11 on Impairment of Assets and Accounting Policy 3.2 on Inventory – Subsequent Measurement describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets, impairment testing of Investment Property and write-down of Inventories to the lowest of Cost and Net Realisable Value or Current Replacement Cost.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE, Intangible Assets and Investment Property and the Net Realisable Value for Inventories involves significant judgment by management.

1.2.10 Service Concession Arrangements

The municipality assesses whether it is a party to any service concession arrangements by considering the principles contained in GRAP 32 and IFRIC 12.

Management has assessed all arrangements in place and concluded that there are no service concession arrangements to which it was a party during this accounting period.

1.2.11 Defined Benefit Plan Liabilities

As described in Accounting Policy 17.2, Employee Benefits – Post-employment Benefits, the municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Note 17 to the Annual Financial Statements.

1.2.12 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

The provision for rehabilitation of landfill sites is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the best estimate or net present value of the expected future cash flows to rehabilitate landfill sites at year end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset is charged to the Statement of Financial Performance.

Management refer to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates (investment rate) linked to prime was used to calculate the effect of time value of money.

1.2.13 Principals and Agent Arrangements

The municipality assesses whether it is a party to any principal-agent arrangements by considering the principles contained in GRAP 109.

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a bidding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and / or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf at the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal - agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

Municipality's assessment outcomes

The municipality is assessed to be the principal and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP. In order to assess that the municipality is the principal, the following factors were considered in applying its judgement:

- The municipality acts as a principal for the service provider, Ontec, who acts as an agent for the municipality with the sale of prepaid electricity.
- The municipality acts as a principal for a number of service providers, which acts as an agents for the municipality with the sale of prepaid electricity.
- The municipality acts as a principal for the service provider, Syntell, who acts as an agent for the municipality with regards to the supply, delivery and administrative support of traffic fines collections and camera equipment with related operational support within the municipal Area.

The municipality is assessed to be the agent and only accounts for the amounts which the agent are entitled to in terms of the principal-agent arrangement. In order to assess that the municipality is the agent, the following factors were considered in applying its judgement:

- The municipality acts as an agent for Western Cape Government: Department of Transport and Public Works for issuing licenses and permits and collects monies on their behalf.

1.2.14 Housing Arrangements

The municipality is not accredited to deliver housing under the national housing programme. However, it assesses its roles and responsibilities it undertakes for each project undertaken in terms of the national housing programme by assessing the terms and conditions agreed with the relevant Provincial Department of Human Settlements.

1.2.15 Budget Information

Municipalities are typically subject to budgetary limits in the form of budget authorisations, which is given effect through authorising legislation, appropriation or similar. General purpose financial reporting by the municipality provides information on whether resources were obtained and used in accordance with the legally adopted budget.

The financial statements and the budget are on the same basis of accounting, therefore a comparison with the budgeted amounts for the reporting period are disclosed separately in the Statement of comparison of budget and actual amounts.

Deviations between budget and actual amounts are regarded as material differences when a 5% deviation exists. All material differences are explained in the relevant Notes to the Annual Financial Statements.

1.2.16 Segment Reporting

The municipality is assessed to have reportable segments as per the requirements of GRAP 18. In order to assess that the segments could be aggregated, the following factors were considered in applying its judgement:

- For management purposes the municipality is broadly organised into business units based on the nature of operations and the services they provide.
- No individually material operating segments have been aggregated to form the above reportable operating segments.
- The municipality does not monitor segments geographically.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 Going Concern Assumption

The Annual Financial Statements have been prepared on a Going Concern Assumption.

1.5 Standards, Amendments to Standards and Interpretations published but not yet Effective

The following GRAP Standards and Interpretations have been issued by the Accounting Standards Board but are not yet effective for the financial year ended 30 June 2025. The municipality has not early adopted these standards, and their impact on future financial statements is being assessed.

Additionally, these standards and interpretations are not always relevant to the municipality's operations and are indicated as such below:

Standard of GRAP / Nature of Impending Changes / Expected Impact	Effective Date	Planned Date for Application by Municipality
• **GRAP 1** **Presentation of Financial Statements** Nature of Changes: Revised requirements on the presentation of financial statements, focusing on materiality and going concern considerations. Expected Impact: Enhances clarity in financial reporting by requiring entities to tailor disclosures based on materiality, ensuring relevant information is highlighted. It also strengthens the assessment and disclosure of going concern uncertainties. Management will continue to assess the municipality's ability to continue as a going concern as assess the relevance thereof at each reporting date.	Not yet determined	Not yet determined
• **GRAP 103** **Heritage Assets** Nature of Changes: Revised guidance on accounting for and disclosure of heritage assets, including recognition, measurement, and disclosure. Expected Impact: Promotes consistent and accurate valuation of heritage assets, reflecting their cultural, historical, or environmental significance. Improved disclosure requirements enhance transparency regarding these assets' value and management. This standard is expected to be relevant to the municipality and will replace the current adopted version of GRAP 103.	Not yet determined	Not yet determined
• **GRAP 104** **Financial Instruments** Nature of Changes: Updates the classification, measurement, and impairment requirements of financial instruments to align with international standards like IFRS 9. The revised GRAP 104 aligns more closely with international standards, particularly concerning the classification and measurement of financial instruments. Expected Impact: Changes in classification (amortized cost, fair value) and a shift to an expected credit loss model for impairment will impact how financial assets and liabilities are recognized and measured, potentially leading to more timely recognition of credit losses. The shift to an expected credit loss model for impairment will require the municipality to make forward-looking assessments of credit risk, potentially leading to earlier recognition of credit losses and may require the development of new models and assumptions for estimating expected credit losses.	01/04/2025	01/07/2025

• **GRAP 105, 106 & 107**	**Transfers and Mergers** Nature of Changes: Provides guidance on accounting for transfers of functions between entities and mergers, both under common and not under common control. Expected Impact: Affects the recognition, measurement, and disclosure of assets and liabilities transferred during organizational changes, ensuring that the financial statements accurately reflect the impact of such transfers and mergers. This standard is not expected to be relevant to the municipality	Not yet determined	Not yet determined
• **iGRAP 22**	**Foreign Currency Transactions** Nature of Changes: Clarifies accounting for foreign currency transactions involving advance consideration, ensuring alignment with IFRS standards. This interpretation provides guidance on how to determine the exchange rate to use on the date of a foreign currency transaction when consideration is paid or received in advance. Expected Impact: This standard impacts how exchange rate differences are recognized for transactions where payment is received or made in advance, potentially leading to changes in revenue and expense recognition timing based on exchange rate movements. This standard is not expected to be relevant to the municipality as it does not trade in foreign currency.	01/04/2025	01/07/2025
	Improvements to Standards of GRAP, 2023 Nature of Changes: Minor amendments made to align with international best practices and address stakeholder feedback. Expected Impact: Aims to improve consistency and clarity in financial reporting by incorporating minor changes across various standards, ensuring alignment with global accounting practices and stakeholder expectations. Specific impacts vary depending on the nature of the amendments. The municipality will assess the impact of these improvements as they become available.	Not yet determined	Not yet determined

2. BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the Accounting Policies adopted by the Council for the preparation of these Annual Financial Statements. The amounts are scheduled as a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the statement giving reasons for overall growth or decline in the budget and motivations for over- or under spending on line items. The annual budget figures included in the Annual Financial Statements are for the municipality and do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification.

The approved budget covers the period from 1 July 2024 to 30 June 2025.

3. INVENTORIES

3.1 Recognition and Initial Measurement

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the Inventories to their current location and condition. Where Inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where Inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Direct costs relating to properties that will be sold as Inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

3.2 Subsequent Measurement

3.2.1 Consumable Stores

Subsequently, Inventories held for sale are measured at the lower of cost and net realisable value. The cost is determined using the First-in-First-out Method.

Consumable stores distributed at no charge or for a nominal charge and finished goods are valued at the lower of cost and current replacement cost . The cost is determined using the FIFO Method. Redundant and slow-moving Inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.2.2 Water Inventory

Water is regarded as Inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc). However, water in dams, that are filled by natural resources and that has not yet been treated, that is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, is not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the Inventory to its present location and condition, net of trade discounts and rebates.

Water and purified effluent are valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

3.2.3 Unsold Properties

Unsold properties are valued at the lower of cost and net realisable value on a Weighted Average Method. Direct costs are accumulated for each separately identifiable development. Cost also includes a portion of overhead costs, if this relates to development.

3.2.4 Other Arrangements

Redundant and slow-moving Inventories identified are written down from cost to current replacement cost, if applicable.

Differences arising on the measurement of such Inventory at the lower of cost and current replacement cost or net realisable value, are recognised in Surplus or Deficit in the year in which they arise. The amount of any reversal of any write-down of Inventories arising from an increase in current replacement cost or net realisable value is recognised as a reduction in the amount of Inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of Inventories is recognised as an expense in the period that the Inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

4. FINANCIAL INSTRUMENTS

The municipality has various types of Financial Instruments and these can be broadly categorised as Financial Assets, Financial Liabilities or Residual Interests in accordance with the substance of the contractual agreement.

Initial Recognition
Financial Assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exists and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.1 Financial Assets – Classification

The municipality has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Investment Deposits	Financial Assets at Amortised Cost
Receivables from Exchange Transactions	Financial Assets at Amortised Cost
Receivables from Non-exchange Transactions	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents	Financial Assets at Amortised Cost

Trade and Other Receivables exclude Value Added Taxation, Prepayments and Operating Lease Receivables, and are classified as Financial Assets at Amortised Cost.

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

4.2 Financial Liabilities – Classification

The municipality has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Borrowings	Financial Liabilities at Amortised Cost
Payables from Exchange Transactions	Financial Liabilities at Amortised Cost

4.3 Initial and Subsequent Measurement

4.3.1 Financial Assets:

Financial Assets measured at Amortised Cost
Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an Effective Yield Basis.

4.3.2 Financial Liabilities:

Financial Liabilities held at Amortised Cost
Any other Financial Liabilities are classified as Other Financial Liabilities (All Payables, Loans and Borrowings are classified as Other Liabilities) and are initially measured at fair value, net of transaction costs. Trade and Other Payables, Interest-bearing Debt including Finance Lease Liabilities, Non-interest-bearing Debt and Bank Borrowings are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in Surplus or Deficit by applying the effective interest rate.

4.4 Impairment of Financial Assets

Financial Assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised through the use of an allowance account.

4.4.1 Financial Assets at Amortised Cost

A provision for impairment of Accounts Receivable is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

Government accounts are not impaired, as such accounts are regarded as receivable.

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost with the exception of Consumer Debtors, where the carrying amount is reduced through the use of an allowance account. When a Consumer Debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in Surplus or Deficit.

4.5 Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred Financial Asset, the municipality continues to recognise the Financial Asset and also recognises a collateralised borrowing for the proceeds received.

4.6 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

The municipality recognises the difference between the carrying amount of the Financial Liability (or part of a Financial Liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in Surplus or Deficit.

5. STATUTORY RECEIVABLES

Statutory Receivables are receivables that arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset.

The municipality has the following Statutory Receivables from Exchange Transactions:

- VAT Receivable

The municipality has the following Statutory Receivables from Non-exchange Transactions:

- Assessment Rates
- Fines

5.1 Recognition and Initial Measurement

Statutory Receivables are recognised if the transaction is an exchange transaction per GRAP 9 or a non-exchange transaction per GRAP 23 or, if the transaction is not within the scope of GRAP 9 or GRAP 23, or another Standard of GRAP, and the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be reliably measured.

The municipality recognises Statutory Receivables when they arise.

Statutory Receivables are initially measured at their transaction amount. The transaction amount would be the amount that is determined on initial measurement in accordance with the relevant Standard of GRAP.

The transaction amounts of the Statutory Receivables of the municipality are determined as follows:

- VAT is levied and recovered in terms of the stipulations contained in the Value-Added Tax Act, 1991 (Act No. 89 of 1991) at rates determined by the Department of Finance and published in the Government Gazette.
- Assessment Rates are levied in terms of the stipulations contained in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) at rates determined each year by Council.
- Fines are serviced in terms of the stipulations contained in the Criminal Procedures Act, 1977 (Act No. 51 of 1977) at rates published in the Government Gazette from time to time.

5.2 Subsequent Measurement

Statutory Receivables are measured after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- Interest or other charges that may have accrued on the receivable, where applicable;
- Impairment losses; and
- Amounts derecognised.

5.3 Impairment

Statutory Receivables are assessed for indicators of impairment at the end of each reporting period. Statutory Receivables are impaired where there is any indication of impairment of Statutory Receivables, such as the probability of insolvency or significant financial difficulties of the debtor.

In assessing whether Statutory Receivables are impaired, the municipality assesses whether there are any indications that individually significant receivables are impaired; and/or groups of similar, individually insignificant, receivables are impaired.

The municipality groups together and assesses collectively for impairment those receivables that exhibit similar characteristics which provide information about the possible collectability of the amounts owing to the municipality. The municipality uses the following groupings:

- Assessment Rates
- Fines

If there is such evidence the carrying amount is reduced to the estimated future cash flows, an impairment loss is recognised, directly or indirectly, through the use of an allowance account, with the amount of the impairment loss being recognised in Surplus or Deficit.

5.4 Derecognition

The municipality derecognises Statutory Receivables only when the rights to the cash flows from the receivable expires or it transfers the Statutory Receivable and substantially all the risks and rewards of ownership of the receivable to another municipality, except when council approves the write-off of the receivable due to non-recoverability.

The municipality derecognises a receivable if the municipality, despite having retained some significant risks and rewards of ownership, transfers control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality recognises separately any rights and obligations created or retained in the transfer. The carrying amount of statutory receivables transferred is allocated between the rights and obligations retained and those transferred on the basis of the relative fair values at the transfer date. The municipality assesses whether any newly created rights and obligations are within the scope of GRAP 104 or another Standards of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, is recognised in surplus or deficit in the period transferred.

6. CONSTRUCTION CONTRACTS

Construction Contracts are those contracts entered between the municipality and a customer (or third party) whereby the municipality delivers a constructed asset in terms of an agreement with such party. The construction can be done by the municipality or through the use of a sub-contractor. The benefit of the constructed item (or group) of items must be received by such party and not the municipality.

Revenue from such contracts shall comprise the agreed value in terms of the contract plus any agreed variations to such contract on the conditions that these variations will result in an inflow of economic resources that can be measured reliably.

Contract costs are costs that directly relate to the contract as well as costs that are attributable to the execution of the construction work and any additional costs as agreed between the municipality and the party obtaining the final goods. Attributable costs are only assigned to the contract costs if these can be assigned on a systematic and rational basis.

The municipality assessed all of the contracts in place and found that all of the contracts pertained to Housing Arrangements as those described in ASB's Accounting for Arrangements Undertaken in terms of the National Housing Programme. All of these contracts for the municipality are fixed price contracts. Revenue and costs are therefore recognised with reference to the stage of completion provided that the conditions for contract revenue and contract costs are met and the stage of contract completion can be measured.

In exceptional cases, if any, for a cost plus or cost based contract the outcome of a construction contract can be estimated reliably when it is probable that the economic benefits or service potential associated with the contract will flow to the entity and the contract costs can be clearly identified and measured reliably.

An expected deficit on a construction contract shall be recognised as an expense immediately based on the stage of completion. Future losses are only accounted for when these losses are incurred in terms of the stage of completion. This implies that only the proportional loss of a contract would be recognised based on the percentage of completion.

As the percentage or stage of completion is an estimate at year-end, any subsequent changes to the estimate would be accounted for as a change in estimate in terms of the relevant municipal accounting policy.

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Initial Recognition and Measurement

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

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Property, plant and equipment is initially recognised at cost on its acquisition date or in the case of assets acquired by grants or donations, deemed cost, being the fair value of the asset on initial recognition. 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 the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

7.2 Subsequent Measurement

Subsequently all Property, Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Compensation from third parties for items of Property, Plant and Equipment that were impaired, lost or given up is included in the Statement of Financial Performance when the compensation becomes receivable.

7.3 Depreciation

Depreciation on assets other than land is calculated on cost, using the Straight-line Method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation rates are based on the following estimated useful lives:

Asset Class	Years	Asset Class	Years
Buildings		**Community**	
Improvements	5 - 50	Community Facilities	6 - 135
		Recreational Facilities	6 - 135
Infrastructure			
Electricity	8 - 57	**Other**	
Roads and Paving	10 - 100	Emergency Equipment	2 - 30
Sanitation	10 - 36	Motor Vehicles	4 - 23
Solid Waste	7 - 100	Office Equipment	1 - 23
Water	8 - 100	Plant and Equipment	1 - 20
		Security Equipment	5

The municipality reviews the estimates of the useful lives and residual values in accordance with Accounting Policy Estimation of Useful Lives.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances.

7.4 Specific Arrangements

7.4.1 Land

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

7.4.2 Incomplete Construction Work

Incomplete Construction Work is stated at historical cost. Depreciation only commences when the asset is available for use.

7.4.3 Infrastructure Assets

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

7.4.4 Finance Leases

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as Property, Plant and Equipment controlled by the municipality or, where shorter, the term of the relevant lease if there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term.

7.4.5 Housing Development Fund Assets

The Housing Development Fund contains letting schemes that are included in Council's Property, Plant and Equipment. All surpluses generated from the letting schemes are transferred to the Housing Development Fund.

7.5 Derecognition

The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in Surplus or Deficit when the item is derecognised.

8. INTANGIBLE ASSETS

8.1 Initial Recognition and Measurement

Identifiable non-monetary assets without physical substance are classified and recognised as Intangible Assets. The municipality recognises an intangible asset in its Statement of Financial Position only 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.

Intangible Assets are initially recognised at cost.

Where an Intangible Asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

8.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged on a Straight-line Method over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists. Where Intangible Assets are deemed to have indefinite useful lives, such Intangible Assets are not amortised. However, such Intangible Assets are subject to an annual impairment test.

The amortisation rates are based on the following estimated useful lives:

	Asset Class	Years		Asset Class	Years
	Computer Software	7 - 20		Water Rights	30

Intangible assets are tested annually for impairment, including intangible assets not yet available for use. Intangible assets with an indefinite useful life are tested for impairment whenever there are indications of impairment. Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. The impairment loss is the difference between the carrying amount and the recoverable amount.

The municipality reviews the estimates of the useful lives, residual values and amortisation method at each year-end.

8.3 Derecognition

The gain or loss arising from the derecognition of an item of Intangible Asset is included in Surplus or Deficit when the item is derecognised.

9. INVESTMENT PROPERTY

9.1 Initial Recognition and Measurement

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease in the capacity as lessee and where it is being sublet) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures Investment Property at cost. However, where an Investment Property was acquired through a non-exchange transaction (i.e. where it acquired the Investment Property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

If the Municipality determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value to be reliably measurable when construction is completed, it measures that investment property at cost until the fair value can be reliably determined or construction has been completed.

Where the Municipality has determined that the fair value of an investment property (other than investment property under construction) is not determinable on a continuing basis, the municipality measures that investment property using the cost model (as per the accounting policy for property, plant and equipment).

9.2 Subsequent Measurement

Investment Property is measured using the Fair Value Model. Investment Property is carried at fair value, representing open market value determined by external valuers at the date of the last general valuation. Fair value is based on active market prices, adjusted for any difference in the nature, location or condition of the specific asset, if necessary. A gain or loss arising from a change in the fair value of Investment Property is included in Surplus or Deficit for the period in which it arises.

If the municipality determines that the fair value of an Investment Property under construction is not reliably measurable but expects the fair value to be reliably measurable when construction is completed, it measures that Investment Property at cost until the fair value can be reliably determined or construction has been completed.

9.3 Derecognition

The gain or loss arising from the derecognition of an item of Investment Property is included in Surplus or Deficit when the item is derecognised.

10. HERITAGE ASSETS

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations.

Heritage Assets are not depreciated owing to uncertainty regarding to their estimated useful lives. The municipality assess at each reporting date if there is an indication of impairment.

10.1 Initial Recognition and Measurement

Heritage Assets are initially recognised at cost.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

10.2 Subsequent Measurement

Subsequently all Heritage Assets are measured at cost, less accumulated impairment losses. Heritage assets are not depreciated.

Heritage assets are tested annually for impairment. Where items of heritage assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. The impairment loss is the difference between the carrying amount and the recoverable amount.

10.3 Derecognition

The gain or loss arising from the derecognition of an item of Heritage Assets is included in Surplus or Deficit when the item is derecognised.

11. IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as Cash Generating Assets. All other assets are classified as Non-cash Generating Assets.

11.1 Impairment of Cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

11.2 Impairment of Non-cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

The recoverable service amount of a non-cash generating asset is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit. Any impairment loss of a revalued asset reduces the Revaluation Surplus for that asset. The decrease shall be debited directly to a Revaluation Surplus to the extent of any credit balance existing in the Revaluation Surplus in respect of that asset.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

12. CONSUMER DEPOSITS

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit excluding indigent customers. Deposits are recognised as a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

13. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants and receipts are subject to specific conditions and can be received from both government and public. If these specific conditions are not met, the monies received are repayable.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met is transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder, it is recorded as part of the liability. If it is the municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

Revenue is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent conditional grant is reclassified as payables.

14. PROVISIONS

Provisions are recognised when the municipality has a present legal or constructive obligation as a result of past events, 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.

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it – this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

14.1 Provision for Environmental Rehabilitation

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to Surplus or Deficit.

15. LEASES

15.1 The Municipality as Lessee

15.1.1 Finance Leases

Leases are classified as Finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality.

Property, plant and equipment or intangible assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are recognised at equal amounts. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments to the fair value of the asset, plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangible assets. The lease liability is reduced by the lease payments, which are allocated between the finance cost and the capital repayment using the Effective Interest Rate Method. Finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

15.1.2 Operating Leases

The municipality recognises operating lease rentals as an expense in Surplus or Deficit on a Straight-line Basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. Any lease incentives are included as part of the net consideration agreed.

15.2 The Municipality as Lessor

Amounts due from lessees under **Finance Leases** or instalment sale agreements are recorded as receivables at the amount of the municipality's net investment in the leases. Finance lease or instalment sale revenue is allocated to accounting periods so as to reflect a constant periodic rate of return on the municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental revenue from **Operating Leases** is recognised on a Straight-line Basis over the term of the relevant lease

16. BORROWING COSTS

All borrowing costs are treated as an expense in the period in which they are incurred.

17. EMPLOYEE BENEFIT LIABILITIES

17.1 Short-term Employee Benefits

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service, except for non-accumulating benefits which are only recognised when the specific event occurs. The liability for short-term employee benefits ar shown as employee benefit liabilities in the Statement of Financial Position.

17.1.1 Provision for Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

17.1.2 Staff Bonuses Accrued

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year-end for each employee.

17.1.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Municipalities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

17.1.4 Paid Absences

The municipality pays employees for absence for various reasons including holidays, sickness and short-term disability, and maternity or paternity. The expected cost of short-term employee benefits in the form of paid absences for accumulating paid absences is recognised when the employees render service that increases their entitlement to future paid absences. The expected cost of non-accumulating paid absences is recognised when the absences occur.

17.2 Post-employment Benefits

The municipality provides retirement benefits for its employees and councillors, and has both defined benefit and defined contribution post-employment plans.

17.2.1 Defined Contribution Plans

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in Surplus or Deficit in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

17.2.2 Defined Benefit Plans

Defined Benefit Cost is made up of the following components:

(a) Service Cost, comprising:
- Current Service Cost
- Settlements
- Past Service Cost, comprising:;
  (1) Plan Amendments
  (2) Curtailments

(b) Net Interest Revenue / Expense

(c) Remeasurements, comprising:
- Actuarial Gains and Losses
- Return on Plan Assets, excluding amounts included in net interest on the net defined benefit liability (asset)
- Any change in the Effect of the Asset Ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Post-retirement Health Care Benefits

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the municipality is associated, provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Past-service costs are recognised immediately in Surplus or Deficit.

Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25, 30, 35, 40 and 45 years of continued service. The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through Surplus or Deficit.

Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Defined Benefit Pension Plans

The municipality has an obligation to provide Post-retirement Pension Benefits to certain of its retirees. Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred. Staff provident funds are maintained to accommodate personnel who, due to age, cannot join or be part of the various pension funds. The municipality contributes monthly to the funds.

The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Past-service costs are recognised immediately in Surplus or Deficit.

17.3 Termination Benefits

The municipality provides termination benefits for its employees in terms of the municipality's Employee Benefit Plan.

Termination Benefits to employees is recognised as an expense in the Statement of Financial Performance and as a liability in the Statement of Financial Position when the municipality can no longer withdraw the offer of those benefits.

18. NET ASSETS

Included in the Net Assets of the municipality are the following items that are maintained in terms of specific requirements:

18.1 Accumulated Surplus

Included in the Accumulated Surplus of the municipality are the following Reserves that are maintained in terms of specific requirements.

18.1.1 Capital Replacement Reserve (CRR)

In order to finance the provision of Infrastructure and other items of Property, Plant and Equipment from internal sources, amounts are transferred from the Accumulated Surplus/(Deficit) to the CRR in terms of delegated powers.

The following provisions are set for the creation and utilisation of the CRR:

- The cash funds that back up the CRR are invested until utilised. The cash may only be invested in accordance with the Investment Policy of the municipality.
- The CRR may only be utilised for the purpose of purchasing items of Property, Plant and Equipment and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the Accumulated Surplus/(Deficit) is credited by a corresponding amount.
- All capital contributions not used in the current year of assessment should be ringfenced to the next year of assessment.
- If a profit is made on the sale of assets other than land, the profit on these assets is reflected in Surplus or Deficit and is then transferred, via the Statement of Changes in Net Assets, to the CRR, provided that it is cash backed. Profit on the sale of land is not transferred to the CRR as it is regarded as revenue.

18.1.2 Housing Development Fund (HDF):

Sections 15(5) and 16 of the Housing Act (Act No107 of 1997), which came into operation on 1 April 1998, required that the municipality maintains a separate housing operating account. This legislated separate operating account is known as the Housing Development Fund.

The Housing Development Fund was established in terms of the Housing Act. Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

The following provisions are set for the creation and utilisation of the Housing Development Fund:

- The HDF is backed by cash, receivables and assets. The cash funds in the HDF are invested in accordance with the Investment Policy of the municipality.
- The proceeds in this fund are utilised for housing development in accordance with the National Housing Policy and also for housing development projects approved by the MEC for Human Settlements.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on the investments of the fund is disclosed as interest earned in the Statement of Financial Performance.

18.1.3 Non-current Provisions Fund:

The following Trust Funds are accumulated in the Non-current Provisions Fund:

18.1.3.1 Development Fund for the Maintenance and Operation of Nature Areas in Still Bay:

The Development Fund for the Maintenance and Operation of Nature Areas in Still Bay was established in terms of section 76.2 of the Municipal Ordinance, 1974 (Ordinance 20 of 1974) with the sanction of the Premier on 14 August 1998.

18.1.3.2 Elsje Koorts Tuberculosis Fund:

The Elsje Koorts Tuberculosis Fund was established in terms of clause 4 of the last will and testament of the late Elsje Koorts, and states inter alia that "the remainder of my estate will be used for the treatment of tuberculosis cases in Riversdale...".

Subsequent interest earned on the invested funds are accounted for using the accrual basis and are added to the carrying amount of trust funds. The accrued interest is utilised as per the trust funds conditions as set out above.

These funds are invested in a ring-fenced investment account.

19. REVENUE RECOGNITION

19.1 General

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the municipality, and these benefits can be measured reliably, except when specifically stated otherwise.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

19.2 Revenue from Non-exchange Transactions

19.2.1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. At the time of initial recognition, the full amount of revenue is recognised. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a Time-proportionate Basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

19.2.2 Fines

Fines constitute both spot fines and summonses. Revenue from the issuing of fines is recognised when it is probable that the economic benefits or service potential will flow to the municipality and the amount of the revenue can be measured reliably.

Revenue for fines is recognised when the fine is issued at the full amount of the receivable. The municipality uses estimates, based on past experience of amounts collected, to determine the amount of revenue that the municipality is entitled to collect that is subject to further legal proceedings.

Subsequently the municipality assesses the probability of collecting revenue when accounts fall into arrears, and an impairment loss is recognised where appropriate.

An estimate is made for revenue from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue is recognised when the public prosecutor pays the cash collected over to the municipality.

19.2.3 Government Grants and Receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in Surplus or Deficit in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest, it is recognised as interest earned in Surplus or Deficit.

19.2.4 Public Contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

19.2.5 Other Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use under the control of the municipality.

19.2.6 Interest Earned

Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate Basis that takes into account the effective yield on the investment.

19.2.7 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

19.2.8 Unclaimed Deposits

All unclaimed deposits are initially recognised as a liability until thirty six months expires when all unclaimed deposits into the municipality's bank account will be treated as revenue as historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of thirty six months. This assessment is performed annually at 30 June.

19.2.9 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

19.3 Revenue from Exchange Transactions

19.3.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service Charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service Charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service Charges relating to sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, applying the tariffs approved by Council and are levied monthly.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

19.3.2 Prepaid Electricity

Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

19.3.3 Rentals Received

Revenue from the rental of facilities and equipment is recognised on a Straight-line Basis over the term of the lease agreement.

19.3.4 Income from Agency Services

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

19.3.5 Interest Earned

Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate Basis that takes into account the effective yield on the investment.

Interest on outstanding customer receivables is calculated when the receivable is more than 30 days at prime rate plus 1%, and recognised in surplus or deficit on the time-proportionate basis.

Interest earned on the following investments is not recognised in Surplus or Deficit:

- Interest earned on Trust Funds is allocated directly to the fund.
- Interest earned on unutilised Conditional Grants is allocated directly to the Creditor: Unutilised Conditional Grants, if the grant conditions indicate that interest is payable to the funder.

19.3.6 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

19.3.7 Sale of Goods (including Houses)

Revenue from the sale of goods is recognised when all the following conditions have been met:

(a) The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(c) The amount of revenue can be measured reliably;
(d) It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

20. GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

(a) Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
(b) Expect to be repaid in future; or
(c) Expect a financial return, as would be expected from an investment.

These transfers are recognised in Surplus or Deficit as expenses in the period that the events giving rise to the transfer occurred.

21. MATERIAL LOSSES

The MFMA requires the disclosure of material losses incurred during the year under review. The disclosure is provided in order to comply with the legislative requirements governing Municipalities and Municipal Entities.

Due to their significance, the complete calculation of water and electricity losses is provided, including the opening balance, purchases, sales and closing balance where applicable. The unit rate is the rate per the last purchase as inventory is measured based on the First-In-First-Out Method as defined by GRAP 12 (Inventories).

22. UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003).

All expenditure relating to Unauthorised Expenditure is accounted for as an expense in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

23. IRREGULAR EXPENDITURE

Irregular Expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998), or is in contravention of the Municipality's or Municipal Entities' Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure.

Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

24. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to Fruitless and wasteful expenditure is accounted for as expenditure in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

25. COMMITMENTS

Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP;
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date;
- Items are classified as commitments where the Municipality commits itself to future transactions that will normally result in the outflow of resources;
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure Notes to the Annual Financial Statements; and
- Other commitments for contracts that are non-cancellable or only cancellable at significant cost, should relate to something other than the business of the municipality.

26. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the Councillors, Executive Mayor, Deputy Executive Mayor, Speaker, Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

27. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality. A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Management judgement is required when recognising and measuring contingent liabilities.

28. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements.

The events after the reporting date that are classified as Non-adjusting Events after the Reporting Date have been disclosed in Notes to the Annual Financial Statements.

29. SEGMENT REPORTING

The mandate of the municipality is to provide basic services to the community over which it governs. In order to properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective and also considered separately for each of the towns within the municipal jurisdiction. The components described below have been identified as individually significant segments for purposes of reporting in terms of GRAP 18 (Segment Reporting).

The following services are considered significant to the municipality and are accordingly managed separately:

- Executive and Council.
- Finance and Administration.
- Community and Social Services.
- Road Transport.
- Energy Sources.
- Waste Management.
- Wastewater Management.
- Water Management.

All other sources of income and expenditure are aggregated through means of the administrative function as these services are not significant to the other services of the municipality as a whole.

The municipality only operates in a single geographical location and accordingly does not report separately on each location within its jurisdction.

Intersegmental transfers are per the municipality's approved tariff policy. The reconciliation clearly describes the effects of all internal transfers between segments.

The accounting policies for segmental reporting in the management accounts are aligned to the requirements of GRAP as described in these accounting policies.

No changes were made from prior periods measurement methods used to determine reported segment surplus or deficit.

30. VALUE ADDED TAX

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section15(2)(a) of the Value-Added Tax Act (Act No. 89 of 1991).

31. RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

It is the policy of the municipality to disclose information that enables the user of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the municipality is exposed on the reporting date.

The Municipality has exposure to the following risks from its use of financial instruments:

- Credit Risk.
- Liquidity Risk.
- Market Risk.

32. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND 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 shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Details of Changes in Accounting Policies are disclosed in the Notes to the Annual Financial Statements where applicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is 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 shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Details of Correction of Errors are disclosed in the Notes to the Annual Financial Statements where applicable.

	2025 R	2024 R

1. GENERAL INFORMATION

Hessequa Municipality (the municipality) is a local municipality in Riversdale, Western Cape, and is one of seven local municipalities under the jurisdiction of the Garden Route District Municipality. The municipal area includes the towns of Albertinia, Gouritsmond, Heidelberg, Riversdale, Slangrivier, Still Bay, Jongensfontein, Melkhoutfontein,Witsand as well as rural areas. The address of its registered office and principal place of business are disclosed under "General Information" included in the Annual Financial Statements and in the introduction of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Municipal Finance Management Act (MFMA).

2. INVENTORIES

Consumables	3,401,593	3,450,192
Land	841,077	841,077
Water	532,737	481,690
Total Inventories	4,775,407	4,772,960

Consumables are held for own use and measured at the lower of Cost and Current Replacement Cost. No write downs of Inventory to Current Replacement Cost were required.

Land Inventory relates to property for future development. The council has approved a housing pipeline. The identified land on which this future housing development will be constructed, had been transfered from PPE to inventory. A calculation was made per square meter to determine the value of the actual inventory.

Water is held for distribution and measured at the lower of Cost and Net Realisable Value. No write down of Inventory to Net Realisable Value was required. The municipality recognises purification as well as employee cost in respect of non-purchased purified water inventory. The Municipality also has raw, untreated water in stock in the Olive Grove Dam of about 250 000 cubic meters. In its present form, this water stock cannot be sold and needs to be purified and therefore, it's fair value has been estimated at the direct cost of the department less cost of chemicals, divided by the kiloliters sold.

The cost of Inventories recognised as an expense includes R40,367,537 (2024: R42,737,368), made up as follows:

Consumables	13,002,372	17,162,309
Materials and Supplies	19,531,227	18,332,813
Water	7,833,938	7,242,247
Total Inventories Expensed	40,367,537	42,737,368

	2025 R	2024 R

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2025			
Service Debtors:	75,451,413	33,951,628	41,499,785
Electricity	27,083,936	3,247,234	23,836,702
Refuse	12,529,820	9,671,143	2,858,677
Sewerage	11,072,627	8,665,110	2,407,518
Merchandising, Jobbing and Contracts	4,209,925	-	4,209,925
Water	20,555,105	12,368,142	8,186,962
Other Receivables	4,285,379	3,478,996	806,383
Prepayments and Advances	4,366,462	-	4,366,462
Deposits	244,767	-	244,767
Total Receivables from Exchange Transactions	**84,348,021**	**37,430,624**	**46,917,397**

Restated	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2024			
Service Debtors:	61,195,536	30,663,936	30,531,600
Electricity	20,147,017	2,979,442	17,167,575
Refuse	11,616,210	8,212,883	3,403,327
Sewerage	10,234,652	7,351,037	2,883,614
Merchandising, Jobbing and Contracts	1,065,540	-	1,065,540
Water	18,132,118	12,120,573	6,011,544
Other Receivables	4,320,531	3,594,679	725,852
Prepayments and Advances	3,769,963	-	3,769,963
Deposits	226,782	-	226,782
Total Receivables from Exchange Transactions	**69,512,812**	**34,258,615**	**35,254,197**

Other Receivables include outstanding debtors for various other services, Deposits, Interest, Rentals and Sundry Services etc.

Receivables from Exchange Transactions are billed monthly at the beginning of the month. Interest on arrear debt will be charged from the first day of the month following the month in which the account becomes payable. Thereafter interest is charged at the prime rate by the bank which holds the municipality's primary bank account, plus one percent. Exchange receivables are not secured.

The municipality receives applications that it processes. Deposits are required to be paid for all electricity and water accounts opened, except qualified indingent customers. There are no consumers who represent more than 5% of the total balance of Receivables.

	2025 R	2024 R

At 30 June 2025, the municipality is owed R1,450,993 (30 June 2024: R1,984,412) by National and Provincial Government (Refer Notes 3.2, 4.1.2 and 4.2.2).

3.1 Ageing of Receivables from Exchange Transactions

As at 30 June 2025

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Electricity:					
Gross Balances	10,347,680	365,532	198,385	16,172,339	27,083,936
Less: Provision for Impairment	1,252,731	254,588	129,036	1,610,879	3,247,234
Net Balances	**9,094,949**	**110,944**	**69,349**	**14,561,460**	**23,836,702**
Refuse:					
Gross Balances	3,578,511	562,142	490,777	7,898,390	12,529,820
Less: Provision for Impairment	1,207,992	449,289	413,957	7,599,905	9,671,143
Net Balances	**2,370,519**	**112,853**	**76,820**	**298,485**	**2,858,677**
Sewerage:					
Gross Balances	3,042,353	503,347	439,410	7,087,517	11,072,627
Less: Provision for Impairment	1,121,265	401,680	371,602	6,770,563	8,665,110
Net Balances	**1,921,088**	**101,668**	**67,808**	**316,954**	**2,407,518**
Merchandising, Jobbing and Contracts:					
Gross Balances	-	-	-	4,209,925	4,209,925
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**-**	**-**	**-**	**4,209,925**	**4,209,925**
Water:					
Gross Balances	5,001,164	758,503	599,164	14,196,274	20,555,105
Less: Provision for Impairment	1,833,652	627,542	518,735	9,388,213	12,368,142
Net Balances	**3,167,511**	**130,961**	**80,429**	**4,808,061**	**8,186,962**
Other Receivables:					
Gross Balances	978,857	70,969	98,027	3,137,526	4,285,379
Less: Provision for Impairment	408,363	36,566	60,930	2,973,137	3,478,996
Net Balances	**570,494**	**34,403**	**37,097**	**164,389**	**806,383**
Prepayments and Advances:					
Gross Balances	4,366,462	-	-	-	4,366,462
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**4,366,462**	**-**	**-**	**-**	**4,366,462**
Deposits for Land					
Gross Balances	244,767	-	-	-	244,767
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**244,767**	**-**	**-**	**-**	**244,767**

As at 30 June Receivables of R25,181,607 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	27,559,794	2,260,493	1,825,763	52,701,971	84,348,021

				2025 R	2024 R
Less: Provision for Impairment	5,824,003	1,769,664	1,494,260	28,342,696	37,430,624
Net Balances	**21,735,790**	**490,829**	**331,503**	**24,359,275**	**46,917,397**

As at 30 June 2024

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Electricity:					
Gross Balances	17,944,505	404,737	416,246	1,381,529	20,147,017
Less: Provision for Impairment	1,517,558	148,699	250,056	1,063,129	2,979,442
Net Balances	**16,426,947**	**256,039**	**166,190**	**318,399**	**17,167,575**
Refuse:					
Gross Balances	4,013,457	562,506	469,488	6,570,758	11,616,210
Less: Provision for Impairment	1,186,642	412,146	380,000	6,234,096	8,212,883
Net Balances	**2,826,815**	**150,361**	**89,488**	**336,663**	**3,403,327**
Sewerage:					
Gross Balances	3,389,985	500,552	418,429	5,925,686	10,234,652
Less: Provision for Impairment	1,037,928	369,171	337,506	5,606,433	7,351,037
Net Balances	**2,352,057**	**131,381**	**80,923**	**319,253**	**2,883,614**
Merchandising, Jobbing and Contracts:					
Gross Balances	-	-	-	1,065,540	1,065,540
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**-**	**-**	**-**	**1,065,540**	**1,065,540**
Water:					
Gross Balances	7,155,452	845,626	718,303	9,412,737	18,132,118
Less: Provision for Impairment	1,860,585	656,400	605,431	8,998,158	12,120,573
Net Balances	**5,294,867**	**189,227**	**112,872**	**414,579**	**6,011,544**
Other Receivables:					
Gross Balances	1,110,232	231,754	106,986	2,871,558	4,320,531
Less: Provision for Impairment	569,305	156,596	67,156	2,801,620	3,594,679
Net Balances	**540,927**	**75,158**	**39,829**	**69,938**	**725,852**
Prepayments and Advances:					
Gross Balances	3,769,963	-	-	-	3,769,963
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**3,769,963**	**-**	**-**	**-**	**3,769,963**
Deposits for Land					
Gross Balances	226,782	-	-	-	226,782
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**226,782**	**-**	**-**	**-**	**226,782**

As at 30 June Receivables of R3,815,838 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	37,610,376	2,545,176	2,129,454	27,227,807	69,512,812

				2025 R	2024 R
Less: Provision for Impairment	6,172,017	1,743,011	1,640,151	24,703,436	34,258,615
Net Balances	**31,438,359**	**802,165**	**489,302**	**2,524,371**	**35,254,197**

3.2 Summary of Receivables from Exchange Transactions by Customer Classification

As at 30 June 2025	**Household R**	**Industrial/ Commercial R**	**National and Provincial Government R**	**Other R**
Current:				
0 - 30 days	20,503,784	5,718,662	743,993	593,355
Past Due:				
31 - 60 Days	1,939,687	227,988	7,228	85,590
61 - 90 Days	1,601,543	107,221	33,433	83,566
+ 90 Days	50,147,493	1,285,984	210,158	1,058,336
Sub-total	74,192,507	7,339,855	994,812	1,820,847
Less: Provision for Impairment	34,072,646	2,020,670	1,871	1,335,437
Total Trade Receivables by Customer Classification	**40,119,861**	**5,319,185**	**992,941**	**485,410**

As at 30 June 2024	**Household R**	**Industrial/ Commercial R**	**National and Provincial Government R**	**Other R**
Current:				
0 - 30 days	27,725,123	8,519,423	1,332,532	33,298
Past Due:				
31 - 60 Days	2,050,584	388,292	105,494	805
61 - 90 Days	1,762,024	308,460	58,783	186
+ 90 Days	24,378,980	2,677,576	97,995	73,255
Sub-total	55,916,712	11,893,752	1,594,805	107,544
Less: Provision for Impairment	30,258,173	3,786,660	113,299	100,484
Total Trade Receivables by Customer Classification	**25,658,538**	**8,107,092**	**1,481,506**	**7,060**

	2025 R	2024 R
3.3 Reconciliation of the Provision for Impairment		
Balance at beginning of year	34,258,615	25,047,193
Impairment Losses recognised	3,287,692	14,798,890
Impairment Losses reversed	(115,684)	(5,587,467)
Balance at end of year	**37,430,624**	**34,258,615**

Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. Receivables were assessed individually and grouped together at the year end date as financial assets with similar credit risk characteristics and collectively assessed for impairment. No further credit provision is required in excess of the Provision for Impairment.

	2025 R	2024 R
4. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Receivables from Non-exchange Transactions	839,395	1,241,355
Statutory Receivables from Non-exchange Transactions	27,725,713	33,205,532
	28,565,108	34,446,886

4.1 Receivables from Non-exchange Transactions

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2025			
Service Charges:	7,574,115	6,734,720	839,395
- Electricity	3,013,362	2,572,836	440,526
- Waste Water	2,708,729	2,475,990	232,739
- Water	1,852,024	1,685,895	166,129
Total Receivables from Non-exchange Transactions	7,574,115	6,734,720	839,395

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2024			
Service Charges:	7,469,514	6,228,160	1,241,355
- Electricity	3,016,139	2,364,318	651,821
- Waste Water	2,611,376	2,270,717	340,659
- Water	1,841,999	1,593,125	248,875
Total Receivables from Non-exchange Transactions	7,469,514	6,228,160	1,241,355

Service Charges arise from availability charges levied against vacant property where the service infrastructure is available to the property. Availability Charges are levied for Electricity, Waste Water and Water Services.

4.1.1 Ageing of Receivables from Non-exchange Transactions

As at 30 June 2025

As at 30 June Receivables of R282,061 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Service Charges / All Receivables:					
Gross Balances	810,368	1,256,961	108,256	5,398,530	7,574,115

				2025 R	2024 R
Less: Provision for Impairment	253,034	81,212	75,882	6,324,592	6,734,720
Net Balances	**557,334**	**1,175,749**	**32,374**	**(926,062)**	**839,395**

As at 30 June 2024

As at 30 June Receivables of R490,982 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Service Charges / All Receivables:					
Gross Balances	1,043,810	157,831	116,130	6,151,742	7,469,514
Less: Provision for Impairment	293,437	96,819	79,530	5,758,373	6,228,160
Net Balances	**750,373**	**61,012**	**36,600**	**393,369**	**1,241,355**

4.1.2 Summary of Assessment Rates Debtors by Customer Classification

	Household R	Industrial/ Commercial R	National and Provincial Government R	Other R
As at 30 June 2025				
Current:				
0 - 30 days	771,442	33,524	-	5,402
Past Due:				
31 - 60 Days	1,251,089	3,171	-	2,701
61 - 90 Days	102,920	2,635	-	2,701
+ 90 Days	5,072,526	101,422	30,461	194,122
Sub-total	7,197,977	140,752	30,461	204,925
Less: Provision for Impairment	6,425,788	104,007	-	204,925
Total Non-exchange Debtors by Customer Classification	**772,189**	**36,745**	**30,461**	**0**

	Household R	Industrial/ Commercial R	National and Provincial Government R	Other R
As at 30 June 2024				
Current:				
0 - 30 days	993,053	50,757	-	-
Past Due:				
31 - 60 Days	155,356	2,475	-	-
61 - 90 Days	115,506	624	-	-
+ 90 Days	5,782,767	275,729	93,247	-
Sub-total	7,046,683	329,585	93,247	-
Less: Provision for Impairment	6,102,215	125,945	-	-
Total Non-exchange Debtors by Customer Classification	**944,468**	**203,640**	**93,247**	**-**

	2025 R	2024 R
4.1.3 Reconciliation of Provision for Impairment		
Balance at Beginning of year	6,228,160	5,587,467
Impairment Losses recognised	506,561	640,692
Impairment Losses reversed	-	-
Balance at end of year	**6,734,720**	**6,228,160**

The Provision for Impairment on Receivables exists predominantly due to the possibility that these debts will not be recovered. The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

4.2 Statutory Receivables from Non-Exchange Transactions

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2025			
Property Rates	15,120,747	7,333,641	7,787,106
Fines	110,770,039	90,831,432	19,938,607
Total Statutory Receivables from Non-Exchange Transactions	**125,890,786**	**98,165,073**	**27,725,713**

Restated	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2024			
Property Rates	17,849,308	7,439,159	10,410,149
Fines	84,918,685	62,123,302	22,795,383
Total Statutory Receivables from Non-Exchange Transactions	**102,767,993**	**69,562,461**	**33,205,532**

The prior year amount for Statutory Receivables from Exchange Transactions has been adjusted. Refer to Note 45.3 on "Correction of Error" for details of the reststement.

Property Rates is a tax levied by a municipality to a property owner used to fund services delivered. Property Rates are calculated by multiplying the market value of the property with a rate determined by the Municipal Council. The levying of this revenue stream is governed by the Municipal Property Rates Act 6 of 2004.

Traffic Fines arise from fines issued by the municipality's traffic officials. These fines are issued according the National Road Traffic Act 93 of 1996. The fines issued are divided into Radar Fines and Section 56 Fines.

Radar Fines are speed control fines issued when a motorist is caught speeding on a radar camera device. The device takes a picture of the vehicle and takes a speed reading. The speeding fine is then delivered to the registered owner of the vehicle by post.

The Section 56 Fine is imposed when a motorist is stopped by the traffic officer and his or her identity therefore is known and a Traffic Offence occurred.

The municipality has arrangements with regards to the payment of outstanding fines. Although fines with arrangements might be paid over more than 12 months, due to the uncertainty regarding the recoverability thereof, fines will not be reclassified as long-term.

	2025 R	2024 R

4.2.1 Ageing of Statutory Receivables from Non-Exchange Transactions

As at 30 June 2025

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Property Rates:					
Gross Balances	8,144,933	382,744	282,242	6,310,829	15,120,747
Less: Provision for Impairment	1,296,696	217,760	192,773	5,626,411	7,333,641
Net Balances	**6,848,236**	**164,984**	**89,468**	**684,418**	**7,787,106**
Fines:					
Gross Balances	6,213,250	9,027,550	10,078,150	85,451,089	110,770,039
Less: Provision for Impairment	5,094,865	7,402,591	8,264,083	70,069,893	90,831,432
Net Balances	**1,118,385**	**1,624,959**	**1,814,067**	**15,381,196**	**19,938,607**

As at 30 June Receivables of R19,759,092 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	14,358,183	9,410,294	10,360,392	91,761,918	125,890,786
Less: Provision for Impairment	6,391,561	7,620,351	8,456,856	75,696,304	98,165,073
Net Balances	**7,966,621**	**1,789,943**	**1,903,535**	**16,065,614**	**27,725,713**

As at 30 June 2024

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Property Rates:					
Gross Balances	11,023,731	672,142	403,346	5,750,089	17,849,308
Less: Provision for Impairment	1,861,444	343,257	241,104	4,993,354	7,439,159
Net Balances	**9,162,287**	**328,884**	**162,242**	**756,735**	**10,410,149**
Fines:					
Gross Balances	1,270,050	1,582,200	817,800	81,248,635	84,918,685
Less: Provision for Impairment	1,057,317	1,317,182	680,819	59,067,985	62,123,302
Net Balances	**212,733**	**265,019**	**136,982**	**22,180,650**	**22,795,383**

As at 30 June Receivables of R23,830,512 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	12,293,781	2,254,342	1,221,146	86,998,724	102,767,993

				2025 R	2024 R
Less: Provision for Impairment	2,918,761	1,660,439	921,922	64,061,339	69,562,461
Net Balances	**9,375,929**	**593,903**	**299,224**	**22,937,385**	**33,205,532**

4.2.2 Summary of Assessment Rates Debtors by Customer Classification

As at 30 June 2025	**Household** R	**Industrial/ Commercial** R	**National and Provincial Government** R	**Other** R
Current:				
0 - 30 days	7,680,773	445,072	13,336	5,752
Past Due:				
31 - 60 Days	358,137	19,568	4,002	1,037
61 - 90 Days	282,171	15,010	4,025	1,036
+ 90 Days	5,697,456	171,305	404,357	37,711
Sub-total	13,998,536	650,955	425,720	45,536
Less: Provision for Impairment	7,015,045	228,370	50,818	39,408
Total Rates Debtors by Customer Classification	**6,983,491**	**422,585**	**374,902**	**6,128**

As at 30 June 2024	**Household** R	**Industrial/ Commercial** R	**National and Provincial Government** R	**Other** R
Current:				
0 - 30 days	9,384,442	1,630,923	8,366	-
Past Due:				
31 - 60 Days	524,537	144,942	2,662	-
61 - 90 Days	307,693	92,971	2,682	-
+ 90 Days	3,557,529	1,901,738	282,650	8,172
Sub-total	13,774,201	3,770,575	296,360	8,172
Less: Provision for Impairment	5,103,001	2,266,426	61,560	8,172
Total Rates Debtors by Customer Classification	**8,671,200**	**1,504,149**	**234,800**	**-**

	2025 R	2024 R
4.2.3 Reconciliation of Provision for Impairment		
Balance at Beginning of year	69,562,461	68,366,122
Impairment Losses Recognised	28,708,130	1,422,904
Impairment Losses Reversed	(105,518)	(226,565)
Balance at end of year	**98,165,073**	**69,562,461**

The Provision for Impairment on Receivables exists predominantly due to the possibility that these debts will not be recovered. The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

5. CASH AND CASH EQUIVALENTS

Current Investments	432,578,444	483,671,681
Bank Accounts	6,265,874	3,742,110
Cash on Hand	112,460	107,460
Total Bank, Cash and Cash Equivalents	**438,956,778**	**487,521,251**

	2025 R	2024 R

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

5.1 Current Investment Deposits

Call Deposits	432,578,444	483,671,681
Total Current Investment Deposits	**432,578,444**	**483,671,681**

The Municipality has the following investment accounts:

	Bank Balances 30 June 2025	 30 June 2024
ABSA Bank	134,210,638	226,103,460
Standard Bank	207,374,409	80,649,461
FNB - Call Account	26,571,694	6,568,101
Nedbank	64,421,702	170,350,658
	432,578,444	483,671,681
Deposits attributable to Unspent Conditional Grants	3,642,666	74,780,373
Deposits attributable to Capital Replacement Reserve	60,005,166	60,461,136
Deposits attributable to Current Provisions	-	(0)
Deposits attributable to Consumer Deposits	15,600,054	13,965,404
Deposits attributable to Rehabilitation of Landfill Site - 40% of provision	38,286,650	35,407,194
Deposits attributable to Current Portion of Long Term Liabilities	24,207,337	21,950,521
Deposits attributale to Reserves	3,519,752	3,318,160
Deposits available for Operations	287,316,818	273,788,893
Total Deposits attributable to Commitments of the Municipality	**432,578,444**	**483,671,681**

5.2 Cash at Bank

Bank Accounts	6,265,874	3,742,110
Total Bank Accounts	**6,265,874**	**3,742,110**
5.2.1 Bank Accounts	**6,265,874**	**3,742,110**

The Municipality has the following operational bank accounts:

Primary Bank Account		
Cash book balance at beginning of year	3,701,236	5,962,780
Cash book balance at end of year	6,223,812	3,701,236
First National Bank - Riversdal Branch - Cheque Account Number: 53571024174		
Bank statement balance at beginning of year	3,322,456	5,778,276
Bank statement balance at end of year	5,298,896	3,322,456
Secondary Account		
Cash book balance at beginning of year	40,874	106,992
Cash book balance at end of year	42,062	40,874
First National Bank - Riversdal Branch - Cheque Account Number: 62225917543		
Bank statement balance at beginning of year	40,874	106,992
Bank statement balance at end of year	42,062	40,874

The municipality does not have any overdrawn current account facilities with its banker and therefore does not incur interest on overdrawn current accounts. Interest is earned at different rates per annum on favourable balances.

5.3 Cash and Cash Equivalents

Cash Floats and Advances	112,460	107,460
Total Cash on hand in Cash Floats, Advances and Equivalents	**112,460**	**107,460**

6. PROPERTY, PLANT AND EQUIPMENT

30 June 2025

Reconciliation of Carrying Value

Description	Land	Buildings	Infra-structure	Community	Other	Transport Assets	Total
	R	R		R	R	R	R
Carrying values at 01 July 2024	**134,983,932**	**19,767,680**	**836,416,605**	**68,232,639**	**36,668,116**	**38,434,322**	**1,136,503,294**
Cost	163,217,698	36,767,250	1,115,540,285	111,994,575	63,422,632	61,927,124	1,552,869,564
- Completed Assets	163,217,698	35,699,549	1,109,108,957	111,874,735	63,422,632	61,927,124	1,545,250,695
- Under Construction		1,067,701	6,431,328	119,840			7,618,869
Accumulated Impairment Losses	(28,233,766)	(421					(28,234,187)
Accumulated Depreciation		(16,999,149	(279,123,680	(43,761,940	(24,754,514	(23,492,802	(388,132,084)
Acquisition of Assets							
- Cost					6,135,264	9,391,841	15,527,105
- Capital Under Construction		1,829,287	217,216,023	2,493,016	73,488		221,611,814
Decommisioning and other Liabilities			445,296				445,296
Depreciation		(1,084,357	(33,884,364	(3,054,893	(3,176,648	(3,101,510	(44,301,871
Carrying value of Disposals:			(96,404		(390,888	(124,110	(611,401
- Cost			(140,474		(1,077,327	(347,478)	(1,565,279
- Accumulated Depreciation			44,070		686,439	223,368	953,878
Impairment Losses	67,000						67,000
Capital under Construction - Completed		(2,877,867	(78,044,899)	(2,212,856)	(73,488)		(83,209,110
Other Movements	(1,195,880	352,535	78,018,234	4,667,181	201,823		82,043,912
- Cost	(1,128,880	352,535	78,018,080	4,667,181	201,639		82,110,555
- Accumulated Impairment Losses	(67,000	421					(66,579
- Accumulated Depreciation		(421	174		184		(59
Carrying values at 30 June 2025	**133,855,872**	**17,987,278**	**1,020,079,491**	**70,125,086**	**41,437,670**	**44,600,443**	**1,328,078,041**
Cost	162,088,818	36,071,205	1,333,034,290	116,941,920	68,682,203	70,971,487	1,787,789,944
- Completed Assets	162,088,818	36,052,084	1,187,431,839	116,541,920	68,682,203	70,971,487	1,641,768,371
- Under Construction		19,122	145,602,451	400,000			146,021,573
Accumulated Impairment Losses	(28,233,766)						(28,233,766)
Accumulated Depreciation		(18,083,927	(312,963,799	(46,816,833	(27,244,533	(26,371,044	(431,480,137)

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

30 June 2024 **Restated**

Reconciliation of Carrying Value

Description	Land	Buildings	Infra-structure	Community	Other	Transport Assets	Total
	R	R	R	R	R	R	R
Carrying values at 01 July 2023	**134,915,403**	**10,395,84**	**742,129,20**	**75,152,69**	**40,755,18**	**37,322,46**	**1,040,670,69**
Cost	163,215,74	26,656,43	1,032,720,93	116,247,08	63,598,94	58,688,74	1,461,125,89
- Completed Assets	163,215,74	26,656,43	1,038,540,39	98,590,87	63,571,05	58,688,74	1,449,263,25
- Under Construction			(5,819,461	17,656,20	25,89		11,862,63
Accumulated Impairment Losses	(28,300,345						(28,300,345)
Accumulated Depreciation		(16,260,590	(290,591,736	(41,094,474	(22,841,766	(21,366,284	(392,154,850)
Acquisition of Assets							
- Cost					9,725,91	6,367,51	16,093,430
- Capital Under Construction		1,067,701	67,247,010				68,314,711
Decommisioning and other Liabilities			15,955,99				15,955,99
Depreciation	(421	(756,766	(33,209,077	(2,806,122	(3,045,156	(2,737,399	(42,554,540
Carrying value of Disposals:		(6,417	(801,324		(488,330	(56,053	(1,352,125
- Cost		(7,763	(1,604,012		(1,493,617)	(556,205)	(3,661,597)
- Accumulated Depreciation		1,34	802,68		1,005,287	500,152	2,309,473
Capital under Construction - Completed			(54,996,221)	(17,536,364)	(25,896		(72,558,481)
Other Movements	68,529	9,067,337	100,091,023	13,422,518	(8,253,599	(2,462,198)	111,933,610
- Cost	1,95	9,050,87	56,216,57	13,283,86	(8,380,720	(2,572,927	67,599,61
- Accumulated Impairment Losses	66,57	(421					66,15
- Accumulated Depreciation		16,88	43,874,44	138,65	127,12	110,72	44,267,83
Carrying values at 30 June 2024	**134,983,93**	**19,767,68**	**836,416,80**	**68,232,63**	**38,668,11**	**38,434,32**	**1,136,503,29**
Cost	163,217,69	36,767,25	1,115,540,28	111,994,57	63,422,63	61,927,12	1,552,868,56
- Completed Assets	163,217,69	35,699,549	1,109,108,95	111,874,73	63,422,63	61,927,12	1,545,250,69
- Under Construction		1,067,701	6,431,32	119,84			7,618,86
Accumulated Impairment Losses	(28,233,766	(421					(28,234,187)
Accumulated Depreciation		(16,999,149	(279,123,680	(43,761,940	(24,754,514	(23,492,802	(388,132,084)

The prior year amount for Property, Plant and Equipment has been adjusted. Refer to Note 43.4 on "Correction of Error" for details of the restatement.

		2025 R	2024 R

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

6.1 PPE for which the Municipality does not have the legal title, but has control:

Carrying Value at year-end:			
Land	Public Open Spaces & Roads	1,039,000	1,039,000
		1,039,000	1,039,000

Key Judgements and Assumptions applied

In some instances the municipality is not the legal owner or the custodian of land appointed in terms of legislation, but assessed that it controls such land. Key judgements made and assumptions applied to conclude that it controls such land, are disclosed in Accounting Policy 1.2.6. The land of the municipality is under the control of the municipality due to a vesting substantive right over the land. This land represents mainly public open spaces and roads vesting in the municipality.

6.2 Work-in-Progress

The municipality has incurred expenditure on capital projects which were not completed at year-end. The details of the carrying amounts of expenditure included in each class of assets are listed below:

Buildings	19,122	1,067,701
Community Assets	400,000	119,840
Infrastructure	145,602,451	6,431,328
Total Carrying Amounts of Work-in-Progress	146,021,573	7,618,869

6.3 Expenditure incurred for Repairs and Maintenance

The following specific costs included in the amount of repairs and maintenance were incurred by municipality during the reporting period:

Electrical Infrastructure	20,564,240	18,429,401
- Contracted Services	1,659,279	1,170,615
- Inventory Consumed	2,314,867	1,998,145
- Labour	16,361,785	15,056,763
- Other Operational Costs	228,309	203,877
Roads Infrastructure	27,220,984	26,050,157
- Contracted Services	-	696,860
- Inventory Consumed	4,785,731	4,321,476
- Labour	21,809,487	20,755,034
- Other Operational Costs	625,766	276,787
Sanitation Infrastructure	17,022,165	14,678,461
- Contracted Services	3,854,421	2,138,617
- Inventory Consumed	254,674	316,855
- Labour	12,738,102	12,054,427
- Other Operational Costs	174,968	168,562
Solid Waste Disposal	3,019,346	3,212,695
- Contracted Services	-	56,675
- Inventory Consumed	9,280	58,328
- Labour	2,912,832	3,018,945
- Other Operational Costs	97,234	78,747
Storm Water Infrastructure	302,970	158,222
- Contracted Services	302,970	158,222
- Inventory Consumed	-	-
- Labour	-	-
- Other Operational Costs	-	-

	2025 R	2024 R
Water Supply Infrastructure	18,886,938	17,204,210
- Contracted Services	2,335,316	2,774,029
- Inventory Consumed	1,387,569	891,193
- Labour	14,973,387	13,360,959
- Other Operational Costs	190,667	178,030
Community Assets	12,587,380	11,481,789
- Contracted Services	1,537,015	2,117,633
- Inventory Consumed	1,187,065	827,411
- Labour	9,667,708	8,374,805
- Other Operational Costs	195,572	161,938
Computer Equipment	2,874,791	2,767,196
- Contracted Services	244,967	84,519
- Inventory Consumed	156,385	161,039
- Labour	2,438,698	2,489,401
- Other Operational Costs	34,740	32,237
Furniture and Office Equipment	220,007	213,325
- Contracted Services	216,319	209,789
- Inventory Consumed	3,688	3,536
- Labour	-	-
- Other Operational Costs	-	-
Machinery and Equipment	5,102,157	2,397,793
- Contracted Services	4,776,992	2,193,845
- Inventory Consumed	325,165	203,948
- Labour	-	-
- Other Operational Costs	-	-
Other Assets - Buildings	3,740,155	3,310,153
- Contracted Services	1,058,708	828,740
- Inventory Consumed	877,268	783,373
- Labour	1,779,407	1,674,729
- Other Operational Costs	24,772	23,310
Transport Assets	8,095,436	7,697,137
- Contracted Services	7,620,134	7,618,968
- Inventory Consumed	475,302	78,169
- Labour	-	-
- Other Operational Costs	-	-
Total Expenditure related to Repairs and Maintenance Projects	119,636,569	107,600,540
Expenditure related to Repairs and Maintenance Projects per Expense Classification		
- Contracted Services	23,606,120	20,048,513
- Inventory Consumed	11,777,013	9,643,473
- Labour	82,681,407	76,785,065
- Other Operational Costs	1,572,028	1,123,489
Total Expenditure related to Repairs and Maintenance Projects per Expense Classification	119,636,569	107,600,540

	2025 R	2024 R
7. INTANGIBLE ASSETS		
At Cost less Accumulated Amortisation and Accumulated Impairment Losses	178,890	192,223
The movement in Intangible Assets is reconciled as follows:		
Software Purchased:		
Carrying values at 01 July	**192,223**	**207,014**
Cost	400,000	404,605
Accumulated Amortisation	(207,777)	(197,592)
Acquisitions:	-	-
Purchased	-	-
Amortisation:	(13,333)	(13,456)
Purchased	(13,333)	(13,456)
Disposals:	-	(1,335)
At Cost	-	(4,605)
At Accumulated Amortisation	-	3,270
Carrying values at 30 June	**178,890**	**192,223**
Cost	400,000	400,000
Accumulated Amortisation	(221,110)	(207,777)

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (see Note 33).

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

7.1 Significant Intangible Assets

Significant Intangible Assets, that did not meet the recognition criteria for Intangible Assets as stipulated in GRAP 102 and SIC 32, are the following:

(i) Website Costs incurred during the last two financial years, if applicable, have been expensed and not recognised as Intangible Assets. The municipality cannot demonstrate how its website will generate probable future economic benefits.

7.2 Intangible Assets with Indefinite Useful Lives

The municipality amortises all its Intangible Assets and no of such assets are regarded as having indefinite useful lives.

The useful lives of the Intangible Assets remain unchanged from the previous year.

	2025 R	2024 R

8. INVESTMENT PROPERTY

At Fair Value	123,788,855	105,082,106

The movement in Investment Property is reconciled as follows:	2025	2024
Carrying values at 1 July	**105,082,106**	**92,199,290**
Cost	-	-
Fair Value	105,082,106	92,199,290
Acquisitions during the Year	4,413	-
Cost	-	-
Fair Value	4,413	-
Fair Value Adjustments	17,959,476	12,920,816
Disposals during the Year:	(454,000)	(38,000)
At Fair Value	(454,000)	(38,000)
Other Changes during the Year:	1,196,860	-
At Cost	1,196,860	-
Carrying values at 30 June	**123,788,855**	**105,082,106**
Cost	1,196,860	-
Fair Value	122,591,995	105,082,106
Revenue and Expenditure disclosed in the Statement of Financial Performance include the following:		
Rental Revenue earned from Investment Property	3,915,669	3,288,064

All of the municipality's Investment Property is held under freehold interests and no Investment Property had been pledged as security for any liabilities of the municipality.

8.1 Investment Property for which the Municipality does not have the legal title, but has control:

Carrying Value at year-end:			
Land	Vesting Substantive Right	608,000	591,000
		608,000	**591,000**

Key Judgements and Assumptions applied

In some instances the municipality is not the legal owner or the custodian of land appointed in terms of legislation, but assessed that it controls such land. Key judgements made and assumptions applied to conclude that it controls such land, are disclosed in Accounting Policy 1.2.6. The land of the municipality is under the control of the municipality due to a vesting substantive right over the land.

8.2 Investment Property carried at Fair Value

The municipality's Investment Property is valued annually at 30 June at fair value by an independent, professionally qualified, valuer. The valuation, which conforms to International Valuation Standards, is arrived at by reference to market evidence of transaction prices for similar properties.

For the year under review, the valuations were performed by Mr. G.L Pool (Professional valuer) of Suid-Kaap Waardeerders.

9. HERITAGE ASSETS

30 June 2025

Reconciliation of Carrying Value

Description	Works of Art, Antiques and Collections	Total
	R	R
Carrying values at 01 July 2024	**8,451,512**	**8,451,512**
Cost	8,451,599	8,451,599
Accumulated Impairment Losses	(87	(87
Acquisitions	-	-
Carrying values at 30 June 2025	**8,451,512**	**8,451,512**
Cost	8,451,599	8,451,599
Accumulated Impairment Losses	(87	(87

30 June 2024

Reconciliation of Carrying Value

Description	Works of Art, Antiques and Collections	Total
	R	R
Carrying values at 01 July 2023	**8,451,512**	**8,451,512**
Cost	8,451,599	8,451,599
Accumulated Impairment Losses	(87	(87
Acquisitions	-	-
Carrying values at 30 June 2024	**8,451,512**	**8,451,512**
Cost	8,451,599	8,451,599
Accumulated Impairment Losses	(87	(87

All of the municipality's Heritage Assets are held under freehold interests and no Heritage Assets had been pledged as security for any liabilities of the municipality.

	2025 R	2024 R
10. LEASE RECEIVABLES		
Current Lease Receivables	819,422	700,365
Non-current Lease Receivables	-	-
Total Lease Receivables	**819,422**	**700,365**

10.1 Operating Lease Receivables

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following assets have been recognised:

Balance at beginning of year	700,365	709,015
Operating Lease - Straight lining	286,596	143,322
Operating Lease Revenue effected	(167,539)	(151,973)
Total Operating Lease Receivables	**819,422**	**700,365**

10.1.1 Leasing Arrangements

The Municipality as Lessor:
Operating Leases relate to Property owned by the municipality with lease terms of between 1 to 30 years, with an option to extend.

All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The lease amounts are escalated annually between 8% and 10% as per the agreements entered into.

10.1.2 Amounts receivable under Operating Leases

At the Reporting Date the following minimum lease payments were receivable under Non-cancellable Operating Leases for Land and Buildings, which are receivable as follows:

Up to 1 year	2,979,951	1,834,008
2 to 5 years	9,015,344	3,729,709
More than 5 years	8,516,178	3,552,947
Total Operating Lease Arrangements	**20,511,473**	**9,116,664**

The impact of charging the escalations in Operating Leases on a straight-line basis over the term of the lease has resulted in a increase of R119,057 (2024: decrease of R8,651) in current year income.

	2025 R	2024 R

11. CONSUMER DEPOSITS

Electricity and Water	12,479,552	11,290,628
Other Deposits:-	3,120,502	2,674,776
- Building Plans	2,135,971	1,997,306
- Posters	46,594	46,594
- Rental Properties	937,938	630,877
Total Consumer Deposits	**15,600,054**	**13,965,404**

Consumer Deposits - Electricity and Water
Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

Consumer Deposits - Building Plans
Deposits are paid for building plans submitted for approval.

Consumer Deposits - Posters
Deposits are paid for posters displayed. Deposits are forfeited when posters are not removed.

Consumer Deposits - Rental Properties
Deposits are paid for the rental of properties. Deposits will not be repaid in the case of outstanding rent or in the case of property being damaged.

No interest is paid on Consumer Deposits held.

12. TRADE AND OTHER PAYABLES

Other Payables:	6,114,830	8,403,728
Unallocated Deposits	6,114,830	8,403,728
Retentions	16,914,066	8,524,244
Salary Related Payables	-	2,483,858
PAYE Deductions	-	2,483,858
Trade Creditors	33,543,410	37,901,360
Bulk Water	302,955	117,219
Electricity Bulk Purchase	16,874,085	11,566,659
Payables and Accruals	16,366,370	26,217,481
Advance Payments	8,217,673	7,420,133
Total Trade and Other Payables	**64,789,979**	**64,733,323**

The average credit period on purchases is 21 (2024: 36) days, as opposed to 30 days from the receipt of the invoice as determined by the MFMA.

The fair value of trade and other payables approximates their carrying amounts. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality transact with.

	2025 R	2024 R

13. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Departmental Agencies and Accounts	863,747	863,747
National Government	30,906	635,165
Private Enterprises	162,141	917,141
Provincial Government	2,585,871	72,364,319
Total Unspent Conditional Grants and Receipts	**3,642,666**	**74,780,373**

The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised.

Unspent Grants and Receipts can mainly be attributed to projects that are work in progress at year-end.

See Note 24 for the reconciliation of Grants from Government and other sources. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

R3 951 543 revert back to National/Provincial Treasury. Refer to Appendix "F" for more detail on Conditional Grants.

14. TAXES

VAT Payable:	26,229,056	20,301,409
VAT Payable Control	23,692,264	17,713,460
Output VAT	2,536,792	2,587,949
VAT Receivable	9,773,638	10,224,504
Net VAT Accruals	16,455,418	10,076,905
Output VAT: Provision for Bad Debt	(1,764,872)	(1,285,058)
Taxes Payable / (Receivable)	**14,690,546**	**8,791,846**

The Net VAT position above is the VAT Accrual as at 30 June each year.

The prior year amount for Taxes has been adjusted. Refer to Note 45.3 on "Correction of Error" for details of the restatement.

As at 30 June 2025	**Gross Balances R**	**Provision for Impairment R**	**Net Balances R**
VAT Receivable	-	-	-
VAT Payable	(16,455,418)	1,764,872	(14,690,546)
Net Taxes Receivable / (Payable)	**(16,455,418)**	**1,764,872**	**(14,690,546)**

As at 30 June 2024	**Gross Balances R**	**Provision for Impairment R**	**Net Balances R**
VAT Receivable	-	-	-
VAT Payable	(10,076,905)	1,285,058	(8,791,846)
Net Taxes Receivable / (Payable)	**(10,076,905)**	**1,285,058**	**(8,791,846)**

	2025 R	2024 R

VAT Payable / (Receivable) is the Net Payable / (Receivable) from all VAT Control Accounts and agree to the VAT201 Returns.

VAT is payable on the receipts basis. The municipality however uses accrual accounting, and only once payment is received from debtors, VAT is paid over to SARS.

Furthermore, VAT is claimable on the payment basis.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

VAT Receivable arise where the municipality has a claim from the South African Revenue Service where the VAT Inputs exceeded the VAT outputs as per the Value-Added Tax Act 89 of 1991.

VAT Receivable is not impaired nor is it discounted as the amount is expected to be receivable within 60 days.

VAT Receivable is the totals from the VAT Input and VAT Control (Due from//to SARS) Accounts.

14.1 Reconciliation of the Provision for Impairment

Balance at beginning of year	1,285,058	-
Impairment Losses recognised	494,903	1,285,058
Impairment Losses transferred	(15,089)	-
Balance at end of year	**1,764,872**	**1,285,058**

15. LEASE PAYABLES

Current Lease Payables:	20,174	46,190
Operating Lease Payables	20,174	46,190
Non-current Lease Payables	-	-
Operating Lease Payables	-	-
Total Lease Payables	**20,174**	**46,190**

15.1 Operating Lease Payables

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13.

Balance at beginning of year	46,190	22,597
Operating Lease Expenses recorded	(2,388,407)	(2,165,693)
Operating Lease Payments effected	2,362,391	2,189,287
Total Operating Lease Liabilities	**20,174**	**46,190**

15.1.1 Leasing Arrangements

The Municipality as Lessee:
Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period. The operating lease payments escalate between 0 and 8% annually. The municipality did not pay any contingent rent during the year

	2025 R	2024 R
15.1.2 Amounts Payable under Operating Leases		
At the Reporting Date the municipality had outstanding commitments under Non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:		
Buildings:	1,079,785	1,256,304
Up to 1 year	703,575	755,555
2 to 5 years	376,210	500,749
Office Equipment:	305,993	1,040,376
Up to 1 year	305,993	734,383
2 to 5 years	-	305,993
Other Assets:	3,325,147	1,912,267
Up to 1 year	1,422,519	1,296,653
2 to 5 years	1,902,628	615,614
Total Operating Lease Arrangements	**4,710,925**	**4,208,947**
The following payments have been recognised as an expense in the Statement of Financial Performance:		
Furniture and Office Equipment	797,987	748,135
Investment Properties	1,039,975	974,819
Machinery and Equipment	-	100,041
	1,837,962	**1,822,995**

The municipality has operating lease agreements for the following classes of assets, which are only significant collectively:

- Buildings
- Office Equipment
- Macinery and Equipment
- Other assets

16. BORROWINGS

Long-Term Borrowings	122,461,670	144,372,004
Annuity Loans	122,461,670	144,372,004
Less: Current Portion transferred to Current Borrowings:-	24,207,337	21,950,521
Annuity Loans	24,207,337	21,950,521
Non-Current Portion of Borrowings	**98,254,333**	**122,421,483**

16.1 Summary of Arrangements

Annuity Loans are repaid over periods not exceeding 10 years and at interest rates varying from 7.78% to 11.54% per annum. Annuity loans are not secured.

Borrowings have been utilised in accordance with the MFMA. The current portion of borrowings is fully invested in ring-fenced financial instruments. See Note 5.1 for more detail.

At the Reporting Date the obligations under Annuity Loans were as follows:

Up to 1 year	35,509,742	35,509,998
2 to 5 years	98,551,091	113,725,789
More than 5 years	29,736,218	50,072,041
	163,797,051	199,307,828
Less: Future Finance Obligations	(41,335,381)	(54,935,824)
Present value of Annuity Loan Obligations	**122,461,670**	**144,372,004**

Refer to Appendix "A" for more detail on Borrowings.

	2025 R	2024 R

17. EMPLOYEE BENEFIT LIABILITIES

Employee Benefit Liabilities	91,262,888	86,403,126
Performance Bonus	1,102,744	1,214,298
Leave	13,399,466	13,431,938
Bonus	6,327,678	5,950,890
Post-retirement Health Care Benefits Liability	57,729,000	54,211,000
Post-retirement Pension Benefits Liability	19,000	55,000
Long Service Awards Liability	12,685,000	11,540,000
Less: Current Portion of Employee Benefit Liabilities	25,576,252	25,292,426
Performance Bonus	1,102,744	1,214,298
Leave	13,399,466	13,431,938
Bonus	6,327,678	5,950,890
Post-retirement Health Care Benefits Liability	3,554,000	3,355,000
Post-retirement Pension Benefits Liability	364	300
Long Service Awards Liability	1,192,000	1,340,000
Non-Current Portion of Employee Benefit Liabilities	65,686,636	61,110,700

17.1 Current Portion of Employee Benefit Liabilities

The movement in Current Portion of Employee Benefit Liabilities is reconciled as follows:

	Bonus Provision R	Leave Provision R	Performance Bonus Provision R
30 June 2025			
Opening Balance	5,950,890	13,431,938	1,214,298
Increases	376,789	1,397,248	1,102,744
Payments Made	-	(1,429,721)	(1,156,957)
Reversals	-	-	(57,342)
Balance at end of year	6,327,678	13,399,466	1,102,744

	Bonus Provision R	Leave Provision R	Performance Bonus Provision R
30 June 2024			
Opening Balance	5,635,935	12,793,153	1,182,598
Increases	314,955	1,706,579	1,214,298
Payments Made	-	(1,069,793)	(1,139,004)
Reversals	-	-	(43,594)
Balance at end of year	5,950,890	13,431,938	1,214,298

The prior year amounts for Bonus Provision and Performance Bonus Provision have been restated to segregate Staff Bonuses and Performance Bonuses.

Bonus Provision: Staff bonuses accrued to employees according to the standard contract of employment and is limited to a maximum of 48 days. Provision is made for the full cost of accrued bonusses at reporting date. This provision will be realised when bonusses are paid during November of the next year.

Leave Provision: Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

Performance Bonuses: Performance Bonuses accrue to senior managers on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

	2025 R	2024 R

	Medical Aid	Pension Fund	Long-term Service
	R	R	R
30 June 2025			
Opening Balance	3,355,000	300	1,340,000
Increases	-	-	769,478
Actual employer benefit payments	(3,372,723)	(36,093)	(917,478)
Actuarial loss/ (gain) recognised in the year	3,571,723	36,157	-
Balance at end of year	**3,554,000**	**364**	**1,192,000**

	Medical Aid	Pension Fund	Long-term Service
	R	R	R
30 June 2024			
Opening Balance	3,101,000	5,000	1,454,000
Increases	-	-	1,218,527
Actual employer benefit payments	(3,067,006)	(9,073)	(1,332,527)
Actuarial loss/ (gain) recognised in the year	3,321,006	4,373	-
Balance at end of year	**3,355,000**	**300**	**1,340,000**

	2025 R	2024 R
17.2 Non-current Portion of Employee Benefit Liabilities		
17.2.1 Post-retirement Benefit Liabilities		
Present Value of the Defined Benefit Obligations		
Current Liabilities	4,746,364	4,695,300
Non-current Liabilities	65,686,636	61,110,700
Defined Benefit Liability recognised in Statement of Financial Position (wholly unfunded)	**70,433,000**	**65,806,000**
The municipality does not provide any other post-retirement or long service benefits beyond these.		
17.2.1.1 Health Care Benefits Liability		
Opening Balance	54,211,000	54,904,000
Interest Cost	7,210,000	7,130,000
Current Service Cost	994,000	1,062,000
Actual Employer Benefit Payments	(3,372,723)	(3,067,006)
Actuarial Loss / (Gain) recognised in the year	(1,313,277)	(5,817,994)
Balance at end of Year	57,729,000	54,211,000
Transfer to Current Provisions	3,554,000	3,355,000
Total Post-retirement Health Care Benefits Liability	**54,175,000**	**50,856,000**

	2025 R	2024 R

Characteristics of the Defined Benefit Plan

The Municipality offers employees and continuation members (pensioners) the opportunity of belonging to one of several medical aid schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical aid scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependants may continue membership of the medical aid scheme.

Members contribute according to tables of contribution rates which differentiate between them on the type and number of dependants. Some options also differentiate on the basis of income.

In-service members will receive a post-employment subsidy of 70% of the contribution payable. All continuation members receive a 70% subsidy. Upon a member's death-in-retirement, the surviving dependants will continue to receive the same 70% subsidy.

Risks of the Defined Benefit Plan

Longevity Risk: There is a risk that participants live longer than expected, potentially increasing the liability of the plan.

Interest Rate Risk: Changes in interest rates affect the discount rate used to calculate the plan's liabilities. A decrease in interest rates increases the present value of future benefit obligations.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2025 by Mr Julian van der Spuy, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	105	117
Continuation Members (Retirees, widowers and orphans)	58	58
Total Members	163	175

During the current year, the municipality did not adjust its estimates to account for an increased percentage of in-service non-members who might be able to afford medical aid in the future. This comes from the fact that after retirement employees' income decreases in retirement, and thus if the employee is unable to afford to contribution in employment, they will be unable to afford it in retirement.

The municipality anticipates that 0% of these employees, consistent with the previous year's estimate, might join a medical aid scheme before retirement. This projected joining rate of 0% was established by examining the municipality's historical data in combination with national statistics, as analysed by actuaries.

The liability in respect of past service has been estimated as follows:

In-service Members	26,613,000	23,090,000
Continuation Members	31,116,000	31,121,000
Total Liability	57,729,000	54,211,000

Maturity Profile

The defined benefit obligation of the municipality's health care plan has a weighted average duration of approximately 12.16 years. This duration reflects the estimated time period over which the accrued benefits are expected to be settled.

The following is a maturity analysis of the benefit payments expected to be made under the plan:

Within 1 year	3,294,383	3,355,000
2 to 5 years	10,868,401	14,313,000
6 to 10 years	9,880,255	23,121,000
More than 10 years	43,961,980	22,814,000
Total Benefit Payments	67,985,019	63,603,000

The benefits payments are scheduled based on the expected retirement ages of current employees and the provisions of the plan that determine the timing of benefits payments. The distribution of these payments is subject to changes in demographic factors such as retirements, mortality rates, and changes in employment within the municipality.

	2025 R	2024 R

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Discovery
- Hosmed
- LA Health
- Keyhealth
- Samwumed

The Current-service Cost for the year ending 30 June 2025 is estimated to be R994,000, whereas the cost for the ensuing year is estimated to be R 1 038 000 (30 June 2024: R1,062,000 and R994,000 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate - In-service Members	11.88%	13.59%
Health Care Cost Inflation Rate - In-service Members	7.28%	8.78%
Net Effective Discount Rate - In-service Members	4.29%	4.42%
Expected Retirement Age - Females	63	63
Expected Retirement Age - Males	63	63

General:
It is assumed that the municipality's health care arrangements and subsidy policy would remain as outlined in the accounting policy, and that the level of benefits receivable and the contributions payable would remain unchanged, with the exception of allowing for inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidy from in-service members to continuation members within the medical scheme are sustainable, and will continue.

Discount Rate:
Assumption: 11.88%
GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, the nominal and real zero curves as at 7 June 2025 supplied by the JSE to determine our discount rates and CPI assumptions at each relevant time period was used. In the event that the valuation is performed prior to the effective valuation date, the prevailing yield at the time of performing the calculations was used.

Medical Aid contribution inflation
Assumption: 7.28%
Medical Aid contribution inflation rate was set with reference to the past relationship between the discount rate for each relevant time period and medical aid contribution inflation rate for each relevant time period.

Mortality Rate
Assumption: SA 85-90 Mortality Tables
This mortality table is used to estimate the life expectancy of plan participants, based on current trends and historical data within the industry.Mortality for post employement has been based on PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs.

Continuation of Membership:
This valuation assumes 100% continuation of membership at retirement.

Family Profile:
It has been assumed that the marital status of members who are currently married will remain the same up to retirement. It was also assumed that 90% of all single employees would be married at retirement with no dependent children. Where necessary it was assumed that female spouses would be five years younger than their male spouses at retirement and vice versa.

		2025 R	2024 R
Movements in the present value of the Defined Benefit Obligation were as follows:			
Opening Balance		54,211,000	54,904,000
Service Cost:			
Current Service Cost	Refer Note 31	994,000	1,062,000
Interest Expense	Refer Note 31	7,210,000	7,130,000
Payments from the Defined Benefit:			
Payment of Benefits		(3,372,723)	(3,067,006)
Remeasurement of Defined Benefit:			
Actuarial Gains / (Losses) from Changes in Financial Assumptions	Refer Note 31	(1,313,277)	(5,817,994)
Total Recognised Benefit Liability		57,729,000	54,211,000
The amounts recognised in the Statement of Financial Position are as follows:			
Present Value of Fund Obligations		57,729,000	54,211,000
Total Benefit Liability		57,729,000	54,211,000
The amounts recognised in the Statement of Financial Performance are as follows:			
Current service cost		994,000	1,062,000
Interest cost		7,210,000	7,130,000
Actuarial losses / (gains)		(1,313,277)	(5,817,994)
Total Post-retirement Benefit included in Employee Related Costs (Note 31.)		6,890,723	2,374,006

Assumed rates for health care cost trends significantly impact the figures recorded in surplus or deficit. The effect of a 1% movement in the assumed rate of Medical Aid inflation is as follows:

Increase:		
Effect on the aggregate of the current service cost and the interest cost	1,581,000	2,149,000
Effect on the defined benefit obligation	6,896,000	6,411,000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	(328,000)	173,000
Effect on the defined benefit obligation	(5,815,000)	(5,417,000)
Medical Aid Inflation Rate Sensitivity Range	±1%	±1%

Assumed rates for Mortality trends significantly impact the figures recorded in surplus or deficit. The effect of a 20% movement in the assumed rate of mortality is as follows:

Increase:		
Effect on the aggregate of the current service cost and the interest cost	(535,000)	(542,000)
Effect on the defined benefit obligation	(443,000)	(3,522,000)
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	(367,000)	682,000
Effect on the defined benefit obligation	757,000	4,275,000
Mortality Rate Sensitivity Range	±20%	±20%

	2025 R	2024 R

The sensitivity analyses was prepared using the projected unit credit method, which is consistent with the method used to value the DBO in the financial statements. The analyses assume a parallel shift in the respective actuarial assumptions while holding all other assumptions constant. It is important to recognise that the use of this method does not imply that the impact of changes in actuarial assumptions is linear or follows any predictable pattern.

The municipality expects to make a contribution of R 1 038 000 (2024: R994,000) to the Defined Benefit Plans during the next financial year. This estimated contribution takes into account current salary levels, the number of participating employees, and actuarial assumptions regarding demographic and financial factors. These contributions are designed to secure sufficient assets to meet the plan's future benefits obligations as they become due.

Refer to Note 52, "Multi-employer Retirement Benefit Information", to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

17.2.1.2 Ex-gratia Pension Benefits Liability

Opening Balance	55,000	99,316
Interest Cost	4,000	7,657
Actual Employer Benefit Payments	(36,093)	(9,073)
Actuarial Loss/ (Gain) recognised in the year	(3,907)	(42,900)
Balance at end of Year	19,000	55,000
Transfer to Current Provisions	364	300
Total Post-retirement Pension Benefits Liability	18,636	54,700

Characteristics of the Defined Benefit Plan

Members who entered service prior to 31 December 1994 are entitled to a once-off benefit under the following circumstances:

- Normal Retirement (65 for males and 60 for females)
- Ill-health retirement
- Retrenchment
- Death

Only members who were still in-service after 1 July 1998 are entitled to the benefit.

The benefit is calculated as follows:

- Annual salary as at 31 December 1994
- Multiplied by Years of Service up to 31 December 1994
- Multiplied by 10%

Risks of the Defined Benefit Plan

Longevity Risk: There is a risk that participants live longer than expected, potentially increasing the liability of the plan.

Interest Rate Risk: Changes in interest rates affect the discount rate used to calculate the plan's liabilities. A decrease in interest rates increases the present value of future benefit obligations.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2025 ZAQ Consultants and Actuaries a fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

		2025 R	2024 R
The members entitled to receive Retirement Gratuities are made up as follows:			
In-service Members (Employees)		19	23
Total Members		**19**	**23**
The liability in respect of past service has been estimated as follows:			
In-service Members		19,000	55,000
Total Liability		**19,000**	**55,000**

Maturity Profile

The defined benefit obligation of the municipality's Ex-gratia pension benefits has a weighted average duration of approximately 5.15 years. This duration reflects the estimated time period over which the accrued benefits are expected to be settled.

The following is a maturity analysis of the benefit payments expected to be made under the plan:		
Within 1 year	337	35,958
2 to 5 years	2,378	3,219
6 to 10 years	2,392	5,299
More than 10 years	14,165	10,524
Total Benefit Payments	**19,272**	**55,000**

The benefits payments are scheduled based on the expected retirement ages of current employees and the provisions of the plan that determine the timing of benefits payments. The distribution of these payments is subject to changes in demographic factors such as retirements, discount rates and withdrawal rates.

The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Discount Rate - In-service Members	9.08%	9.91%
Expected Retirement Age - Females	60	60
Expected Retirement Age - Males	65	65

General:

It is assumed that the municipality's ex gratie arrangements and policy would remain as outlined in the accounting policy, and that the level of benefits receivable would remain unchanged, with the exception of allowing for inflationary adjustments.

Discount Rate:

Assumption: 9.08%

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Mortality Rate

Assumption: SA 85-90 Mortality tables

This mortality table is used to estimate the life expectancy of plan participants, based on current trends and historical data within the industry.

Movements in the present value of the Defined Benefit Obligation were as follows:			
Opening Balance		55,000	99,316
Interest Expense	Refer Note 35	4,000	7,657
Payments from the Defined Benefit:			
Payment of Benefits	Refer Note 31	(36,093)	(36,000)
Remeasurement of Defined Benefit:			
Actuarial Gains / (Losses) from Changes in Financial Assumptions	Refer Note 42	(3,907)	(15,973)
Total Recognised Benefit Liability		**19,000**	**55,000**

	2025 R	2024 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	19,000	55,000
Total Benefit Liability	19,000	55,000
The amounts recognised in the Statement of Financial Performance are as follows:		
Interest cost	4,000	7,657
Total Post-retirement Benefit included in Employee Related Costs (Note)	4,000	7,657
Assumed rates for interest cost trends significantly impact the figures recorded in surplus or deficit. The effect of a 1% movement in the assumed rate of interest cost inflation is as follows:		
Increase:		
Effect on the aggregate of the current service cost and the interest cost	(2,000)	(3,657)
Effect on the defined benefit obligation	-	(1,000)
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	(2,000)	(4,657)
Effect on the defined benefit obligation	-	1,000
Discount Rate Sensitivity Range	±1%	±1%
Assumed rates for withdrawal rates trends significantly impact the figures recorded in surplus or deficit. The effect of a 20% movement in the assumed rate of withdrawal inflation is as follows:		
Increase:		
Effect on the aggregate of the current service cost and the interest cost	(2,000)	(3,657)
Effect on the defined benefit obligation	-	(1,000)
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	(2,000)	(3,657)
Effect on the defined benefit obligation	-	-
Withdrawal Rate Sensitivity Range	±20%	±20%
The sensitivity analyses was prepared using the projected unit credit method, which is consistent with the method used to value the DBO in the financial statements. The analyses assume a parallel shift in the respective actuarial assumptions while holding all other assumptions constant. It is important to recognise that the use of this method does not imply that the impact of changes in actuarial assumptions is linear or follows any predictable pattern.		
Refer to Note , "Multi-employer Retirement Benefit Information", to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.		
17.2.1.3 Long Service Awards Liability		
Opening Balance	11,540,000	11,046,000
Increases	1,886,956	1,824,527
Payments Made	(917,478)	(1,332,527)
Increases (Passage of Time/Discounted Rate)	175,522	-
Balance at end of Year	12,685,000	11,540,000
Transfer to Current Provisions	1,192,000	1,340,000
Total Long Service Awards Liability	11,493,000	10,200,000

	2025 R	2024 R

Characteristics of the Long-service Awards

The Municipality offers employees Long Service Awards for every five years of service completed, from ten years of service to 45 years of service, inclusive.

Long Service Awards are awarded in the form of leave days and a 14th cheque (equivalent to one month's additional salary that is equal to one month's salary at the date of the accrual of the long service award).

Risks of the Long service awards liability

Longevity Risk: There is a risk that participants live longer than expected, potentially increasing the liability of the plan.

Interest Rate Risk: Changes in interest rates affect the discount rate used to calculate the plan's liabilities. A decrease in interest rates increases the present value of future benefit obligations.

The most recent actuarial valuations of plan assets and the present value of the Long service award liability were carried out at 30 June 2025 by Mr J van der Spuy, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end, 569 (2024: 545) employees were eligible for Long-service Awards.

Maturity Profile

The defined benefit obligation of the municipality's long service awards has a weighted average duration of approximately 6.65 years. This duration reflects the estimated time period over which the accrued benefits are expected to be settled.

The following is a maturity analysis of the benefit payments expected to be made under the plan:

Within 1 year	1,104,925	1,340,000
2 to 5 years	4,482,103	6,022,000
6 to 10 years	3,569,360	9,156,000
More than 10 years	11,561,163	1,482,000
Total Benefit Payments	20,717,551	18,000,000

The benefits payments are scheduled based on the expected long service terms of current employees and the provisions of the plan that determine the timing of benefits payments. The distribution of these payments is subject to changes in demographic factors such as normal salary cost inflation and withdrawal rates.

The Current-service Cost for the year ending 30 June 2025 is estimated to be R872,000, whereas the cost for the ensuing year is estimated to be R939 000 (30 June 2024: R842,000 and R872,000 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	9.70%	11.88%
Cost Inflation Rate	5.46%	7.46%
Net Effective Discount Rate	4.01%	4.12%
Expected Retirement Age - Females	62	62
Expected Retirement Age - Males	62	62

Discount Rate:

Assumption: 9.70%

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the employee benefit liabilities. However, where there is no deep market in

Consequently, the nominal and real zero curves as at 7 June 2025 supplied by the JSE to determine our discounted rates and CPI assumptions at each relevant time period have been used.

Salary Growth Rate

Assumption: 5.46%

This rate reflects the municipality's expectations of annual salary increases due to inflation, seniority, and other relevant factors.

Inflation Rate

Assumption: 4.46%

Inflation is considered in the projection of salary increases and the adjustment of long service awards.

		2025 R	2024 R
Mortality Rate			
Assumption: SA 85-90 Mortality Tables			
This mortality table is used to estimate the life expectancy of plan participants, based on current trends and historical data within the industry..			
Movements in the present value of the Long Service Award Liability were as follows:			
Opening Balance		11,540,000	11,048,000
Service Cost:			
Current Service Cost	Refer Note 31	872,000	842,000
Interest Expense	Refer Note 35	1,336,000	1,275,000
Payments from the Defined Benefit:			
Payment of Benefits		(917,478)	(1,332,527)
Remeasurement of Defined Benefit:			
Actuarial Gains / (Losses) from Changes in Financial Assumptions	Refer Note 42	(145,522)	(292,473)
Total Recognised Benefit Liability		12,685,000	11,540,000
The amounts recognised in the Statement of Financial Position are as follows:			
Present value of fund obligations		12,685,000	11,540,000
Total Benefit Liability		**12,685,000**	**11,540,000**
The amounts recognised in the Statement of Financial Performance are as follows:			
Current service cost		872,000	842,000
Interest cost		1,336,000	1,275,000
Actuarial losses / (gains)		(145,522)	(292,473)
Total Long Service Award Liability included in Employee Related Costs (Note 31.)		2,062,478	1,824,527
Assumed rates for normal salary inflation cost trends significantly impact the figures recorded in surplus or deficit. The effect of a 1% movement in the assumed rate of normal salary inflation is as follows:			
Increase:			
Effect on the aggregate of the current service cost and the interest cost		985,000	1,105,000
Effect on the Long service award liability		822,000	793,000
Decrease:			
Effect on the aggregate of the current service cost and the interest cost		(190,000)	(63,000)
Effect on the Long service award liability		(744,000)	(719,000)
Assumed rates for withdrawals trends significantly impact the figures recorded in surplus or deficit. The effect of a 20% movement in the assumed rate of withdrawals is as follows:			
Increase:			
Effect on the aggregate of the current service cost and the interest cost		(166,000)	(34,000)
Effect on the Long service award liability		(542,000)	(519,000)
Decrease:			
Effect on the aggregate of the current service cost and the interest cost		88,000	234,000
Effect on the Long service award liability		(571,000)	574,000
Withdrawal rate Sensitivity Range		±20%	±20%
The sensitivity analyses was prepared using the projected unit credit method, which is consistent with the method used to value the DBO in the financial statements. The analyses assume a parallel shift in the respective actuarial assumptions while holding all other assumptions constant. It is important to recognise that the use of this method does not imply that the impact of changes in actuarial assumptions is linear or follows any predictable pattern.			
The municipality expects to make a contribution of R939 000 (2024: R872,000) to the long service award liability during the next financial year. This estimated contribution takes into account current salary levels, the number of participating employees, and actuarial assumptions regarding demographic and financial factors. These contributions are designed to secure sufficient assets to meet the plan's future benefits obligations as they become due.			

		2025 R	2024 R
18. PROVISIONS			
Current Provisions		-	(0)
Non-current Provisions		95,716,626	87,945,266
Total Provisions		**95,716,626**	**87,945,266**

18.1 Current Provisions

The prior year amount for Current Provisions has been adjusted. Refer to Note 45.3 on "Correction of Error" for details of the restatement.

18.2 Non-current Provisions

Decommissioning, Restoration and Similar Liabilities: Landfill Sites		95,716,626	87,945,266
Total Non-current Provisions		**95,716,626**	**87,945,266**

The movement in Non-current Provisions are reconciled as follows:

Decommissioning of Landfill Sites:

Opening Balance as previously stated		87,945,266	65,556,034
Change in Estimates		(310,417)	16,711,782
Other Reductions		-	-
Reversals		-	(572,718)
Finance Charges		8,081,776	6,250,168
Closing balance as restated		**95,716,626**	**87,945,266**

Decommissioning, Restoration and Similar Liabilities: Landfill Sites

Landfill site decomissioning is estimated by means of a valuation performed by a professional valuator to determine the future cost of dismantling the landfill site. The cost is then reduced to take into account the time value of money at interest rates linked to the Consumer Price Index.

18.3 Rehabilitation of Land-fill Sites

In terms of the licencing of the landfill refuse site, the Municipality will incur licensing and rehabilitation costs of R152,297,228 (2024: R146,158,533) to restore the site at the end of its useful live. Provision has been made for the net present value of the future cost, using the average cost of borrowing interest rate.

Major assumptions concerning future events

The analysis by the specialists allowed calculations of the projected date when the airspace is expected to be fully consumed based on the following assumptions:

(a) The disposal tonnages and landfill lifespans estimated in the 2024 Delta Built Environment Consultants desktop airspace study are unchanged.

(b) No landfill closures over the past year.

(c) A population growth rate of 3.3% was calculated according to Statistics South Africa according to the 2022 Census; and

(d) The incoming estimated tonnage growth rate will remain the same until landfill closure.

	Proposed Date of Rehabilitation		
Albertina	2030/06/30	15,654,437	15,089,472
Dročkloof	2037/06/30	24,358,977	23,411,880
Gouritsmond	2031/06/30	9,998,950	9,633,992
Jongensfontein	2025/06/30	4,260,386	4,082,481
Melkhoutfontein	2043/06/30	42,328,747	40,560,476
Slangrivier	2033/06/30	7,383,272	7,074,665
Steynskloof	2047/06/30	40,297,623	38,624,966
Witsand (Uitsig)	2029/06/30	8,014,856	7,680,601
		152,297,228	**146,158,533**

	2025 R	2024 R
19. RESERVES		
Capital Replacement Reserve	60,005,166	52,473,943
Housing Development Fund	543,103	543,103
Non-current Provisions Reserve	2,976,649	2,775,057
Total Reserves	**63,524,918**	**55,792,103**

The prior year amount for Reserves has been adjusted. Refer to Note 45.3 on "Correction of Error" for details of the restatement.

19.1 Capital Replacement Reserve

The Capital Replacement Reserve arises from cash backed accumulated surplus for the replacement of capital infrastructure/equipment.

Reconciliation of the Capital Replacement Reserve:

Opening Balance	52,473,943	-
Purchases	(93,729,039)	-
Transfers to / (from) Accumulated Surplus	101,260,262	52,473,943
Balance at end of year	**60,005,166**	**52,473,943**

19.2 Housing Development Fund Reserve

The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC.

Reconciliation of Housing Development Fund Reserve:

Housing Operating Fund	543,103	543,103
Opening Balance	543,103	543,103
Utilisation	-	-
Balance at end of year	**543,103**	**543,103**

	2025 R	2024 R
19.3 Non-current Provisions Reserve		
The Nature Reserve Fund is for the maintenance and operation of Nature Areas in Still Bay. The Elsje Koorts Tuberculosis Fund is for the treatment of tuberculosis cases in Riversdale.		
Reconciliation of Non-current Provisions Reserve		
Opening Balance	2,775,057	2,535,688
Transfers to/from Accumulated Surplus	201,592	239,369
Balance at end of year	**2,976,649**	**2,775,057**
19.3.1 Elsje Koorts Trust Fund		
This fund was established in terms of clause 4 of the last will and testament of the late Elsje Koorts, and stated inter alia that "the remainder of my estate will be used for the treatment of tuberculosis cases in Riversdale ...."		
Opening Balance	373,179	340,990
Interest Earned	32,387	32,189
Expenditure Incurred	(16,500)	-
Balance at end of year	**389,066**	**373,179**
19.3.2 Nature Reserve Trust Fund		
This fund was established in terms of section 76.2 of the Municipal Ordinance, 1974 (Ordinance 20 of 1974) with the sanction of the Premier on 14 August 1998. The fund must be used for the maintenance and operation of nature areas in Still Bay.		
Opening Balance	2,401,878	2,194,699
Interest Earned	215,395	207,180
Expenditure Incurred	(29,690)	-
Balance at end of year	**2,587,583**	**2,401,878**
20. ACCUMULATED SURPLUS		
Accumulated Surplus / (Deficit) due to the results of Operations	1,508,819,888	1,276,095,160
Total Accumulated Surplus	**1,508,819,888**	**1,276,095,160**
The prior year amount for Accumulated Surplus has been adjusted. Refer to Note 44.1 on "Correction of Error" for details of the restatement.		
Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.		

	2025 R	2024 R

21. PROPERTY RATES

	Actual Levies July 2025	 July 2024
Property Rates Levies:	140,196,508	130,038,262
Agricultural Properties	14,398,376	13,452,666
Business and Commercial Properties	7,528,232	6,351,737
Industrial Properties	1,266,451	1,387,917
Public Benefit Organisations	2,397	4,470
Public Service Infrastructure Properties	-	2,009,799
Public Service Purposes Properties	1,979,817	-
Residential Properties	103,455,384	95,855,059
Vacant Land	11,565,851	10,976,614
Property Rates Levies	149,539,106	139,227,408
Less: Rates Rebates	(9,342,598)	(9,189,146)
Total Property Rates	**140,196,508**	**130,038,262**

	Actual Valuations July 2025	 July 2024
Domestic	14,953,897,600	14,846,476,600
Commercial	988,986,000	854,513,500
Church/Public Benefit	181,828,000	177,081,500
Agricultural/Rural	10,742,135,358	10,727,845,858
State	285,549,000	285,549,000
Municipal	468,490,500	466,593,000
Total Property Valuations	**27,620,888,458**	**27,358,059,458**

Assessment Rates are levied on the market value of land and improvements, of which the valuation is performed every 5 years. The last valuation came into effect on 1 July 2021.

Interim valuations are processed on an annual/bi-annual basis to take into account changes in individual property values due to alterations, consolidations and subdivisions.

A general rate is applied as follows to property valuations to determine property rates:

Residential	0.007639c/R	0.007213c/R
Vacant Land	0.015276c/R	0.014425c/R
Agriculture	0.001455c/R	0.001374c/R
State	0.007829c/R	0.007393c/R
Business	0.007829c/R	0.007393c/R

Rates are levied annually and monthly. Monthly rates are payable by the 20th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding amounts. Account balances which remain unpaid 30 days after the first day of the month when the account becomes payable shall attract interest irrespective of the reason for non-payment.

Rebates can be defined as any income that the municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

Rebates of 10% - 40% were applied to pensioners, based on the annual income of the ratepayer. A discount of 10% was granted to agricultural properties used for residential and/or business purposes.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

- Residential Properties: The first R50 000 on the valuation is exempted.

	2025 R	2024 R

22. FINES, PENALTIES AND FORFEITS

Traffic Fines:	41,193,246	64,814,288
Municipal	-	3,017,666
Service Provider	41,193,246	61,796,622
Other Fines:	35,104	30,932
Illegal Connections	1,478	8,645
Law Enforcement	1,406	-
Overdue Books Fine	26,548	21,473
Pound Fees	5,672	814
Forfeits	3,670,631	358,341
Deposits	402,621	358,341
Unclaimed Money	3,268,010	-
Total Fines, Penalties and Forfeits	**44,898,981**	**65,203,561**

The prior year amount for Fines, Penalties and Forfeits has been adjusted. Refer to Note 45.1 on "Correction of Error" for details of the restatement.

23. LICENCES AND PERMITS

	Exchange Transactions 2025 R	Exchange Transactions 2024 R	Non-Exchange Transactions 2025 R	Non-Exchange Transactions 2024 R
Boat	-	-	359,728	298,174
Dog	-	-	63,581	5,048
Road and Transport:	1,538	-	1,897,442	1,748,812
Activities on Public Roads	1,251	-	-	-
Drivers Licence Application/Duplicate Drivers Licences	-	-	73,305	67,295
Drivers Licence Certificate	-	-	173,155	180,320
Instructor Certificate	287	-	-	-
Learner Licence Application	-	-	134,912	160,647
Learners Certificate	-	-	29,766	-
Motor Vehicle Licence	-	-	1,426,605	1,268,313
Operators and Public Drivers Permits	-	-	59,699	72,237
Trading	-	-	22,936	18,235
Total Licences and Permits	**1,538**	**-**	**2,343,686**	**2,070,269**

24. TRANSFERS AND SUBSIDIES RECEIVED

Capital Grants	161,687,671	45,732,542
Allocations In-kind	591,455	437,519
Monetary Allocations	161,096,216	45,295,022
Operational Grants	68,052,814	63,784,924
Allocations In-kind	-	-
Monetary Allocations	68,052,814	63,784,924
Total Transfers and Subsidies Received	**229,740,485**	**109,517,466**

24.1 Summary of Grants:

24.1.1 Capital Grants

	Allocations In-kind		Monetary Allocations	
	2025	2024	2025	2024
National Governments	-	-	19,191,352	37,899,333
Private Enterprises	591,455	137,519	1,953,667	18,250
Provincial Government	-	-	139,951,197	7,377,439
Public Corporations	-	300,000	-	-
Total Capital Grants Received	**591,455**	**437,519**	**161,096,216**	**45,295,022**

			2025 R	2024 R
24.1.2 Operational Grants				
	Allocations In-kind		**Monetary Allocations**	
	2025	**2024**	**2025**	**2024**
Departmental Agencies and Accounts	-	-	78,442	346,386
National Governments	-	-	3,698,300	3,625,409
National Revenue Fund	-	-	63,158,000	59,164,000
Private Enterprises	-	-	301,333	-
Provincial Government	-	-	816,739	649,130
Total Operational Grants Received	-	-	**68,052,814**	**63,784,924**
Total Transfers and Subsidies Received	**591,455**	**437,519**	**229,149,030**	**109,079,947**

24.2 Detailed Summaries

24.2.1 Equitable Share

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	63,158,000	59,164,000
Conditions Met - Transferred to Revenue (Operating)	(63,158,000)	(59,164,000)
Unspent Balance at the End of the Year	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury. This grant is used to subsidise the provision of basic services to indigent community members and to subsidise income. All registered indigents receive a monthly subsidy equal to the basic monthly charges for water supply, refuse removal and sanitation based on the monthly billing towards the consumer account. The subsidy is determined annually by Council.

Level of Income	Subsidy
R0 - amount equal 2 x State Pension p.m	- 100% Basic Service Charges - 6 Kl Water - 50 kWh Electricity - 100% Property Rates up to a market value of R850 000
2 x State Pension - R4 600.00 p.m	- 50% Basic Service Charges - 6 Kl Water - 50 kWh Electricity - 50% Property Rates up to a market value of R850 000

24.2.2 Local Government Financial Management Grant (FMG)

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	1,700,000	1,550,000
Conditions Met - Transferred to Revenue (Operating)	(1,700,000)	(1,550,000)
Unspent Balance at the End of the Year	-	-

The Local Government Financial Management Grant is paid by National Treasury to municipalities to implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

24.2.3 Expanded Public Works Programme (EPWP)

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	1,236,000	1,174,000
Conditions Met - Transferred to Revenue (Operating)	(1,236,000)	(1,174,000)
Unspent Balance at the End of the Year	-	-

The EPWP is to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised.

24.2.4 Municipal Infrastructure Grant (MIG)

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	15,228,000	16,625,000
Conditions Met - Transferred to Revenue (Operating)	(762,300)	(772,951)
Conditions Met - Transferred to Revenue (Capital)	(14,465,700)	(15,852,049)
Unspent Balance at the End of the Year	-	-

The Municipal Infrastructure Grant to be used to provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

	2025 R	2024 R
24.2.5 Integrated National Electrification Programme (Municipal) Grant		
Unspent Balance at the Beginning of the Year	385	-
Current Year Receipts	4,162,000	5,300,000
Conditions Met - Transferred to Revenue (Capital)	(4,162,000)	(5,299,615)
Adjustments / Refunds	(385)	-
Unspent Balance at the End of the Year	**-**	**385**

The Integrated National Electrification Programme Grant to be used to reduce backlogs through funding of household connections and bulk infrastructure to ensure constant supply of electricity..

24.2.6 Human Settlements Development Grant		
Unspent Balance at the Beginning of the Year	3,127,525	3,218,629
Conditions Met - Transferred to Revenue (Operating)	(142,325)	(91,104)
Adjustments / Refunds	(3,127,525)	-
Unspent Balance at the End of the Year	**(142,325)**	**3,127,525**

This grant from the Departement of Local Government and Housing is used for transfer costs.

24.2.7 Municipal Capacity Building Grant		
Unspent Balance at the Beginning of the Year	165,360	87,703
Current Year Receipts	363,200	200,000
Conditions Met - Transferred to Revenue (Operating)	(284,450)	(34,640)
Adjustments / Refunds	(165,360)	(87,703)
Unspent Balance at the End of the Year	**78,750**	**165,360**

The grant to be used for external bursaries to enable municipalities to attract top performing learners within the municipal area to succeed in Higher Education Institutions.

24.2.8 Community Development Workers		
Unspent Balance at the Beginning of the Year	384	-
Current Year Receipts	38,000	38,000
Conditions Met - Transferred to Revenue (Operating)	(38,000)	(37,616)
Adjustments / Refunds	(384)	-
Unspent Balance at the End of the Year	**-**	**384**

24.2.9 Department Economic Development & Tourism - SMME Booster Fund		
Unspent Balance at the Beginning of the Year	-	89,855
Adjustments / Refunds	-	(89,855)
Unspent Balance at the End of the Year	**-**	**-**

The grant is used to support the development of infrastructure projects which promote medium to long-term economic gains and to increase the sustainability and growth of SMME's.

24.2.10 Local Economic Development - Capacity Building		
Unspent Balance at the Beginning of the Year	203,086	299,164
Conditions Met - Transferred to Revenue (Operating)	-	(46,914)
Adjustments / Refunds	(203,086)	(49,164)
Unspent Balance at the End of the Year	**-**	**203,086**

24.2.11 Fire Service Capacity Building		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	558,000	-
Conditions Met - Transferred to Revenue (Capital)	(558,000)	-
Unspent Balance at the End of the Year	**-**	**-**

A grant was received from the Western Cape Provincial Government to procure a vehicle for fire fighting.

24.2.12 Accelerated Community Infrastructure Programme		
Balance unspent at the beginning of the year	30,907	30,907
Conditions Met - Transferred to Revenue	-	-
Unspent Balance at the End of the Year	**30,907**	**30,907**

	2025 R	2024 R
24.2.13 Human Settlement Asset Finance Reserves		
Balance unspent at the beginning of the year	-	-
Current year receipts	14,508,367	-
Conditions Met - Transferred to Revenue (Operating)	(12,080,935)	-
Unspent Balance at the End of the Year	**2,427,432**	-
To fund housing within municipalities that demonstrated capacity to plan and deliver housing rapidly.		
24.2.14 Informal Settlements Grant		
Balance unspent at the beginning of the year	-	-
Current year receipts	2,049,974	109,000
Conditions Met - Transferred to Revenue (Operating)	-	(109,000)
Conditions Met - Transferred to Revenue (Capital)	(2,049,974)	-
Unspent Balance at the End of the Year	-	-
24.2.15 Human Settlement Development Grant Beneficiaries		
Balance unspent at the beginning of the year	260,926	-
Current year receipts	10,939,350	22,556,401
Conditions Met - Transferred to Revenue (Operating)	(11,047,175)	(22,295,475)
Adjustments / Refunds	(260,926)	-
Unspent Balance at the End of the Year	**(107,825)**	**260,926**
To provide funding for the creation of sustainable human settlements		
24.2.16 Energy Effieciency and Demand Side Management Grant		
Balance unspent at the beginning of the year	40,000	-
Current year receipts	-	4,000,000
Conditions Met - Transferred to Revenue (Operating)	-	(128,458)
Conditions Met - Transferred to Revenue (Capital)	-	(3,831,542)
Adjustments / Refunds	(40,000)	-
Unspent Balance at the End of the Year	-	**40,000**
Funds to be used to implement electricity saving projects in municipal infrastructure		
24.2.17 Africana Centre Grant		
Balance unspent at the beginning of the year	103,037	103,037
Conditions Met - Transferred to Revenue (Operating)	-	-
Unspent Balance at the End of the Year	**103,037**	**103,037**
This grant was utilised for maintenance and general expenditure.		
24.2.18 Development Contractors		
Balance unspent at the beginning of the year	-	-
Current year receipts	1,500,000	-
Conditions Met - Transferred to Revenue (Operating)	(285,408)	-
Conditions Met - Transferred to Revenue (Capital)	(1,214,592)	
Unspent Balance at the End of the Year	-	-
This grant is used for the acquisition and installation of water meters in housing schemes.		
24.2.19 Tourism Grant		
Balance unspent at the beginning of the year	-	-
Current year receipts	480,000	-
Conditions Met - Transferred to Revenue (Operating)	(6,964)	-
Conditions Met - Transferred to Revenue (Capital)	(473,036)	
Unspent Balance at the End of the Year	-	-
This grant is earmarked for projects in previously disadvantaged areas.		
24.2.20 Public Participation Strategy Grant		
Balance unspent at the beginning of the year	57,086	57,086
Conditions Met - Transferred to Revenue (Operating)	-	-
Unspent Balance at the End of the Year	**57,086**	**57,086**
This grant is used for public participation initiatives.		

	2025 R	2024 R
24.2.21 SETA Grant		
Balance unspent at the beginning of the year	886,919	863,747
Current year receipts	406,666	369,558
Conditions Met - Transferred to Revenue (Operating)	(78,442)	(346,386)
Adjustments / Refunds	(21,558)	-
Unspent Balance at the End of the Year	**1,193,585**	**886,919**
This grant is utilised for various staff skills development programmes		
24.2.22 Emergency Loadshedding Relief		
Balance unspent at the beginning of the year	5,220	3,800,000
Conditions Met - Transferred to Revenue (Capital)	-	(3,794,780)
Adjustments / Refunds	(5,220)	-
Unspent Balance at the End of the Year	**-**	**5,220**
Contribution towards the purchase and installation of back-up energy supply.		
24.2.23 Municipal Water Resilience Grant		
Balance unspent at the beginning of the year	239,325	309,771
Conditions Met - Transferred to Revenue (Operating)	-	(70,446)
Adjustments / Refunds	(239,325)	-
Unspent Balance at the End of the Year	**-**	**239,325**
Financial assistance to municipalities to enhance water resilience.		
24.2.24 Water Service Infrastructure Grant		
Balance unspent at the beginning of the year	222	-
Current year receipts	257,000	8,300,000
Conditions Met - Transferred to Revenue (Capital)	(257,000)	(8,299,778)
Adjustments / Refunds	(222)	-
Unspent Balance at the End of the Year	**-**	**222**
24.2.25 Transport Infrastructure		
Balance unspent at the beginning of the year	105,548	-
Current year receipts	195,000	931,389
Conditions Met - Transferred to Revenue (Operating)	(195,000)	(128,981)
Conditions Met - Transferred to Revenue (Capital)		(696,860)
Adjustments / Refunds	(105,548)	-
Unspent Balance at the End of the Year	**-**	**105,548**
24.2.26 Municipal Energy Resilience Grant		
Balance unspent at the beginning of the year	68,213,186	-
Current year receipts	67,700,000	69,000,000
Conditions Met - Transferred to Revenue (Capital)	(135,913,186)	(786,814)
Unspent Balance at the End of the Year	**-**	**68,213,186**
24.2.27 Regional Socio-Economic Project (RSEP) Grant		
Balance unspent at the beginning of the year	1,014	-
Current year receipts	700,000	2,100,000
Conditions Met - Transferred to Revenue (Capital)	(700,000)	(2,098,986)
Adjustments / Refunds	(1,014)	-
Unspent Balance at the End of the Year	**-**	**1,014**
24.2.28 Thusong Service Centre Grant		
Balance unspent at the beginning of the year	19,571	-
Current year receipts	150,000	150,000
Conditions Met - Transferred to Revenue (Operating)	(150,000)	(130,429)
Adjustments / Refunds	(19,571)	-
Unspent Balance at the End of the Year	**-**	**19,571**

	2025 R	2024 R
24.2.29 Municipal Disaster Relief		
Balance unspent at the beginning of the year	563,652	-
Current year receipts		5,180,000
Conditions Met - Transferred to Revenue (Capital)	(563,652)	(4,616,348)
Unspent Balance at the End of the Year	-	563,652
24.2.30 Syntell		
Balance unspent at the beginning of the year	757,018	-
Current year receipts		775,268
Conditions Met - Transferred to Revenue (Capital)	(755,000)	(18,250)
Unspent Balance at the End of the Year	2,018	757,018
24.2.31 Total Grants		
Balance unspent at the beginning of the year	74,780,373	8,859,901
Current year receipts	185,329,557	197,522,616
Conditions Met - Transferred to Revenue (Operating)	(91,164,999)	(86,080,400)
Conditions Met - Transferred to Revenue (Capital)	(161,112,140)	(45,295,022)
Adjustments / Refunds	(4,190,125)	(226,722)
Unspent Balance at the End of the Year	3,642,666	74,780,373

24.2.32 Changes in levels of Government Grants

Based on the allocations set out in the Division of Revenue Act, (Act No 2 of 2025), government grant funding is expected to not change significantly over the forthcoming three financial years.

25. SERVICE CHARGES

	Exchange Transactions 2025 R	Exchange Transactions 2024 R	Non-Exchange Transactions 2025 R	Non-Exchange Transactions 2024 R
Sale of Electricity;	236,043,645	204,276,607	5,794,713	5,671,621
- Service Charges	241,488,133	209,641,086	5,794,713	5,671,621
- Revenue Foregone	(5,444,489)	(5,364,479)	-	-
Sale of Water:	59,596,191	53,166,681	2,407,631	2,351,459
- Service Charges	72,662,744	66,636,149	2,407,631	2,351,459
- Revenue Foregone	(13,066,552)	(13,469,468)	-	-
Refuse Removal:	37,892,418	34,191,835	-	-
- Service Charges	50,740,759	47,252,346	-	-
- Revenue Foregone	(12,848,342)	(13,060,511)	-	-
Sewerage and Sanitation Charges:	31,841,798	28,865,299	3,171,419	3,118,630
- Service Charges	44,893,051	40,679,987	3,171,419	3,118,630
- Revenue Foregone	(13,051,252)	(11,814,688)	-	-
Total Service Charges	**365,374,052**	**320,500,422**	**11,373,763**	**11,141,710**
- Service Charges	409,784,687	364,209,568	11,373,763	11,141,710
- Revenue Foregone	(44,410,635)	(43,709,146)	-	-

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

Revenue Forgone can be defined as any income that the municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

	2025 R	2024 R
26. SALES OF GOODS AND RENDERING OF SERVICES		
Advertisements	38,071	28,894
Application Fees for Land Usage	14,973	2,054
Building Plan Approval	2,487,767	2,330,013
Camping Fees	14,851,387	14,833,255
Cemetery and Burial	255,753	160,026
Cleaning and Removal	18,113	9,380
Construction Contract Revenue	23,128,110	22,295,475
Encroachment Fees	5,229	6,076
Entrance Fees	30,722	34,054
Photocopies and Faxes	125,343	144,293
Removal of Restrictions	526,945	467,064
Sale of Goods	2,174	-
Scrap, Waste & Other Goods	4,850	-
Shared Services	9,729,556	9,749,350
Valuation Services	681,223	450,456
Total Sales of Goods and Rendering of Services	51,900,214	50,510,390
27. INCOME FROM AGENCY SERVICES		
Commission on Driver's Licenses	247,782	249,734
Commission on Vehicle Registration	2,965,384	2,747,279
Total Income from Agency Services	3,213,166	2,997,013

Refer to Note 55.2 for more detail on Agency Services rendered.

28. RENTAL FROM FIXED ASSETS		
Straight-lined Operating Lease Revenue		
Investment Property	3,915,669	3,288,064
Other Fixed Assets:	4,165	(24,061)
Property Plant and Equipment	4,165	(24,061)
Other Rental income		
Contingent Rental Income from Other Fixed Assets:	85	501
Property Plant and Equipment	85	501
Ad-hoc Rental Income from Other Fixed Assets:	511,212	497,977
Property Plant and Equipment	511,212	497,977
Total Rental of Facilities and Equipment	4,431,129	3,762,481

Rental income generated are at market related premuins. All rental income recognised is therefore market related.

	2025 R	2024 R
29. INTEREST, DIVIDENDS AND RENT ON LAND EARNED		
Non-exchange Receivables:		
Outstanding Billing Debtors	837,080	819,760
Total Non-exchange Interest, Dividends and Rent on Land Earned	**837,080**	**819,760**
External Investments:		
Bank Account	1,118,621	1,059,087
Investments	45,186,515	42,327,320
	46,305,136	**43,386,407**
Outstanding Exchange Receivables:		
Housing Debtors:	2,184	-
Land Sales	2,184	-
Outstanding Billing Debtors:	3,438,232	2,840,266
Electricity	471,566	399,884
Service Charges	166,821	127,526
Sporting and Other Bodies	11,063	107,588
Waste Management	789,574	619,292
Waste Water Management	808,175	621,445
Water	1,193,032	964,531
	3,440,417	**2,840,266**
Total Exchange Interest, Dividends and Rent on Land Earned	**49,745,553**	**46,226,673**
Total Interest, Dividends and Rent on Land Earned	**50,582,632**	**47,046,433**
30. OPERATIONAL REVENUE		
Exchange Transactions		
Bursary Repayment	6,168	3,918
Collection Charges	127,229	517,932
Commission	103,765	99,247
Development Charges	4,139,006	5,600,057
Incidental Cash Surpluses	7,170	3,772
Registration Fees	554,062	506,714
Request for Information	98,272	178,024
Staff Recoveries	(43,643)	5,358
	4,992,028	6,915,022
Non-exchange Transactions		
Insurance Refund	36,119	405,052
	36,119	**405,052**
Total Operational Revenue	**5,028,147**	**7,320,075**

The amounts disclosed above for Other Revenue are in respect of services, other than described in Notes 21 to 29, rendered which are billed to or paid for by the users as the services are required according to approved tariffs.

		2025 R	2024 R
31. EMPLOYEE RELATED COSTS			
Salaries, Wages and Service Related Benefits:		160,995,842	151,758,945
Basic		150,178,764	140,247,698
In-kind Benefits		180	1,020
Bonusses		1,045,403	1,170,705
Leave Payments		1,397,248	1,567,472
Overtime		8,374,248	8,772,050
Allowances:		23,997,081	21,478,958
Accommodation, Travel and Incidental		4,960,808	4,597,296
Bonus Allowance		11,421,353	10,901,403
Cellular and Telephone		917,173	420,163
Housing Benefits		1,380,375	771,276
Non-pensionable		199,891	44,947
Standby Allowance		4,319,194	4,025,905
Travel or Motor Vehicle		798,288	717,967
Social Contributions:		36,586,230	34,788,354
Bargaining Council		84,355	80,570
Group Life Insurance		253,125	298,441
Medical		7,639,826	7,130,248
Pension		26,043,349	24,797,968
Unemployment Insurance		1,231,882	1,183,369
Workmen's Compensation Fund		1,333,693	1,297,758
Post-retirement Benefits:		10,416,000	10,316,657
Service Cost	Refer Note 17.2.1.1	994,000	1,062,000
Interest Cost	Refer Note 17.2.1.1	7,214,000	7,137,657
Long Term Service Awards	Refer Note 17.2.1.3	2,208,000	2,117,000
Total Employee Related Costs		**231,995,154**	**218,342,914**
31.1 Remuneration of Key Management Personnel:			
Remuneration of the Municipal Manager			
Annual Remuneration		1,185,901	1,214,683
Performance Bonus		209,648	209,650
Car Allowance		155,900	155,835
Other Allowances (Acting, Housing, Remote, etc)		14,543	14,537
Company Contributions to UIF, Medical and Pension Funds		215,588	208,900
Total		**1,781,580**	**1,803,604**
Remuneration of the Chief Financial Officer - L. Viljoen (1 July 2023 - 31 December 2023)			
Annual Remuneration		-	546,081
Performance Bonus		107,211	180,244
Car Allowance		-	107,500
Leave Payout		-	74,292
Other Remuneration (Telephone, Bargaining Council, etc)		-	3,668
Company Contributions to UIF, Medical and Pension Funds		-	112,215
Total		**107,211**	**1,023,999**
Remuneration of the Chief Financial Officer - G. Gollath (1 February 2024 - 30 June 2024)			
Annual Remuneration		734,450	324,607
Performance Bonus		71,405	-
Car Allowance		288,963	119,880
Other Allowances (Acting, Housing, Remote,Long Service etc)		-	19,880
Other Remuneration (Telephone, Bargaining Council, etc)		122,650	48,004
Company Contributions to UIF, Medical and Pension Funds		134,326	58,419
Total		**1,351,795**	**570,790**

The CFO was on leave for the period 16 August 2023 to 8 September 2023 and the post was vacant after the CFO retired 1 January 2024 to 31 January 2024, for which periods an Acting Allowance of R 4 976.78 was paid for Allison Carelse for acting as the Chief Financial Officer.

	2025 R	2024 R
Remuneration of Director: Community Services - D Lewis Micheals (1 December 2024 - 30 June 2025)		
Annual Remuneration	467,727	-
Car Allowance	98,619	-
Other Allowances (Acting, Housing, Remote, etc)	-	-
Other Remuneration (Telephone, Bargaining Council, etc)	88,868	-
Company Contributions to UIF, Medical and Pension Funds	102,651	-
	757,865	-
The Director: Community Services became vacant as from 1 July 2024 to 30 November 2024. Acting allowance of R 17 007,75 was paid to D Lewis- Michaels for acting during this period.		
Remuneration of Director: Community Services - C Onrust (1 July 2023 - 30 June 2024)		
Annual Remuneration	-	1,138,685
Performance Bonus	168,475	174,084
Car Allowance	-	80,000
Other Remuneration (Telephone, Bargaining Council, etc)	-	7,337
Company Contributions to UIF, Medical and Pension Funds	-	312,906
Total	**168,475**	**1,713,011**
Remuneration of Director: Corporate Services - Griesel		
Annual Remuneration	1,320,170	1,265,862
Performance Bonus	214,423	217,678
Other Remuneration (Telephone, Bargaining Council, etc)	7,343	7,337
Company Contributions to UIF, Medical and Pension Funds	288,345	270,667
Total	**1,830,281**	**1,761,543**
The post was vacant for the period 18 December 2023 to 29 January 2024, for which period an Acting Allowance was paid out of R 4 939.02 to Deon Lewis Michaels for acting as the Director: Corporate Services.		
Remuneration of Director: Planning Services		
Annual Remuneration	1,205,697	1,217,678
Performance Bonus	214,423	217,678
Car Allowance	60,000	60,000
Other Remuneration (Telephone, Bargaining Council, etc)	7,337	7,337
Company Contributions to UIF, Medical and Pension Funds	271,056	253,913
Total	**1,758,512**	**1,756,606**
Remuneration of Director: Technical Services		
Annual Remuneration	855,902	887,196
Performance Bonus	171,372	171,372
Car Allowance	194,805	194,752
Other Allowances (Acting, Housing, Remote, etc)	13,373	12,797
Other Remuneration (Telephone, Bargaining Council, etc)	7,343	7,337
Company Contributions to UIF, Medical and Pension Funds	211,717	210,393
Total	**1,454,512**	**1,483,847**
The following compensation was payable to key management personnel in terms of GRAP 25 as at 30 June:		
Post-employment Benefits:-		
Director: Community Services	-	255,824
Director: Corporate Services	908,565	839,791
Director: Planning Services	376,910	318,925
Director: Technical Services	122,177	84,383
Total	**1,407,652**	**1,498,923**
Staff Leave Benefits:-		
Municipal Manager	84,490	100,587
Chief Financial Officer	47,754	24,305
Director: Community Services	61,669	213,219
Director: Corporate Services	38,578	63,584
Director: Planning Services	45,323	49,728
Director: Technical Services	159,307	158,463
Total	**437,119**	**609,886**

	2025 R	2024 R
Other Long-term Benefits:-		
Director: Community Services	-	366,623
Director: Corporate Services	77,634	-
Director: Planning Services	148,206	81,947
Total	**225,840**	**448,570**

32. REMUNERATION OF COUNCILLORS

Executive Mayor	1,049,659	969,731
Deputy Executive Mayor	843,615	782,708
Speaker	868,446	785,066
Executive Committee Members	2,372,214	2,212,281
Total for All Other Councillors	3,994,180	3,720,902
Total Councillors' Remuneration	**9,128,113**	**8,470,688**

Remuneration Disclosure - Related Parties:

Designation	Basic Salary	Allowances	Contributions	Total	Total
Executive Mayor	649,601	285,651	114,407	1,049,659	969,731
Deputy Executive Mayor	743,331	47,004	53,279	843,615	782,708
Speaker	809,442	59,004	-	868,446	785,066
Executive Committee Members	2,026,373	197,412	148,429	2,372,214	2,212,281
Councillors	2,738,884	933,496	321,796	3,994,180	3,720,902
				9,128,113	**8,470,688**

In-kind Benefits

The Executive Mayor, Executive Deputy Mayor, Speaker, Chief Whip and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the municipality.

The Executive Mayor may utilise official Council transportation when engaged in official duties.

Councilors' allowances and benefits are within the upper limits of the framework envisaged in section 219 of the Constitution.

33. DEPRECIATION AND AMORTISATION

Depreciation: Property, Plant and Equipment	44,301,871	42,554,540
Amortisation: Intangible Assets	13,333	13,456
Total Depreciation and Amortisation	**44,315,205**	**42,567,996**

The prior year amount for Depreciation and Amortisation has been adjusted. Refer to Note 45.2 on "Correction of Error" for details of the restatement.

	2025 R	2024 R
34. IMPAIRMENT LOSSES		
Impairment Losses on Fixed Assets	(67,000)	-
Impairment Losses on Financial Assets	40,013,147	58,171,578
Total Impairment Losses	**39,946,147**	**58,171,578**
34.1 Impairment Losses on Fixed Assets		
Impairment Losses	-	-
Investment Property	-	-
Reversal of Impairment Losses	(67,000)	-
Investment Property	-	-
	(67,000)	**-**
34.2 Impairment Losses on Financial Assets		
Impairment Losses	32,007,480	9,763,395
Receivables from Exchange Transactions	3,299,350	8,567,056
Statutory Receivables from Non-exchange Revenue	28,708,130	1,196,339
Bad Debts Written Off	8,211,779	48,408,183
Reversal of Impairment Losses	(206,112)	-
Receivables from Exchange Transactions	(100,594)	-
Statutory Receivables from Non-exchange Revenue	(105,518)	-
	40,013,147	**58,171,578**
35. INTEREST, DIVIDENDS AND RENT ON LAND PAID		
Interest Paid:	21,681,441	22,035,450
Borrowings	13,599,664	15,785,282
Interest costs non-current Provisions	8,081,776	6,250,168
Total Interest, Dividends and Rent on Land Paid	**21,681,441**	**22,035,450**
36. BULK PURCHASES		
Electricity	187,076,907	157,153,258
Total Bulk Purchases	**187,076,907**	**157,153,258**

Bulk Purchases are the cost of commodities not generated by the municipality which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom.

37. CONTRACTED SERVICES		
Outsourced Services	9,333,185	9,094,232
Consultants and Professional Services	7,606,144	8,391,701
Contractors	54,980,515	49,236,921
Total Contracted Services	**71,919,845**	**66,722,855**

The prior year amount for Contracted Services has been adjusted. Refer to Note 45.2 on "Correction of Error" for details of the restatement.

	2025 R	2024 R
37.1 Outsourced Services		
Administrative and Support Staff	-	231,108
Animal Care	123,130	117,950
Burial Services	328,819	58,342
Business and Advisory	-	95,482
Cleaning Services	1,181,339	1,043,707
Clearing and Grass Cutting Services	632,985	11,105
Meter Management	-	251,160
Security Services	502,588	502,465
Swimming Supervision	1,223,217	1,023,715
Traffic Fines Management	5,112,157	5,510,418
Translators, Scribes and Editors	10,568	10,903
Veterinary Services	218,381	237,877
	9,333,185	9,094,232
37.2 Consultants and Professional Services		
Business and Advisory	3,998,775	2,723,025
Infrastructure and Planning	851,472	1,263,023
Laboratory Services	574,158	557,650
Legal Cost	2,181,738	3,848,004
	7,606,144	8,391,701
37.3 Contractors		
Aerial Surveillance	355,829	238,754
Artists and Performers	30,000	38,000
Building	23,149,754	22,295,475
Catering Services	271,889	244,065
Electrical	256,563	-
Event Promoters	-	180,197
Fire Protection	222,957	297,872
Fire Services	3,714,600	3,672,580
Gas	19,525	7,146
Graphic Designers	18,870	18,635
Haulage	1,518,209	1,494,000
Maintenance of Buildings and Facilities	2,726,811	2,925,846
Maintenance of Equipment	5,142,378	2,570,513
Maintenance of Computer Software	15,775,080	13,978,825
Prepaid Electricity Vendors	784,122	383,491
Safeguard and Security	967,278	862,072
Stage and Sound Crew	24,650	29,450
	54,980,515	49,236,921

	2025 R	2024 R

38. INVENTORY CONSUMED

Agricultural	-	-
Capitalisation of inventory consumed	-	-
Consumables	13,002,372	17,162,309
Finished Goods	-	-
Housing Stock	-	-
Land	-	-
Materials and Supplies	19,531,227	18,332,813
Water	7,833,938	7,242,247
Total Inventory Consumed	**40,367,537**	**42,737,368**

Water Consumed is the cost of commodities not generated by the municipality which the municipality distributes in the municipal area for resale to the consumers. Water is purchased from Overberg Water and Korente Vetterrivier Irrigation Board.

39. TRANSFERS AND SUBSIDIES PAID

Operational Grants	2,612,716	1,835,047
Allocations In-kind	223,874	242,487
Monetary Allocations	2,388,842	1,592,560
Total Transfers and Subsidies Paid	**2,612,716**	**1,835,047**

39.1 Operational Grants

	Allocations In-kind		Monetary Allocations	
	2025	2024	2025	2024
Households	53,037	82,449	126,661	-
Non-profit Institutions	-	-	2,015,159	1,592,560
Private Enterprises	170,836	160,039	247,022	-
Total Operational Grants Paid	**223,874**	**242,487**	**2,388,842**	**1,592,560**

40. OPERATING LEASES

Furniture and Office Equipment	797,987	748,135
Investment Properties	1,039,975	974,819
Machinery and Equipment	-	100,041
Total Operating Leases	**1,837,962**	**1,822,995**

	2025 R	2024 R

41. OPERATIONAL COSTS

Included in General Expenses are the following:

Achievements and Awards	43,319	45,019
Advertising, Publicity and Marketing	671,643	817,146
Bank Charges, Facility and Card Fees	1,373,069	832,527
Bursaries (Employees)	150,208	202,824
Cash Discount	202,689	217,072
Cleaning Services	2,600	2,001
Commission	773,101	846,195
Communication	3,244,641	2,843,854
Courier and Delivery Services	56,592	19,569
Deeds	89,571	61,238
Drivers Licences and Permits	53,490	50,629
Entertainment	79,913	83,445
External Audit Fees	5,024,686	5,620,610
External Computer Service	6,494,031	7,012,272
Fines and Penalties	889,897	790,420
Full Time Union Representative	155,341	144,833
Hire Charges	563,603	422,271
Honoraria (Voluntarily Workers)	214,987	104,030
Insurance Underwriting	3,953,839	3,331,650
Learnerships and Internships	78,513	665,294
Levies Paid - Water Resource Management Charges	529,813	491,656
Licences	632,004	541,431
Municipal Services	1,500	-
Printing, Publications and Books	124,269	126,606
Professional Bodies, Membership and Subscription	2,194,755	2,128,780
Registration Fees	644,600	774,798
Remuneration to Ward Committees	284,710	271,976
Resettlement Cost	34,540	35,400
Servitudes and Land Surveys	3,250	23,719
Signage	329,045	63,646
Skills Development Fund Levy	1,863,383	1,745,131
Transport Provided as Part of Departmental Activities	232,399	190,809
Travel Agency and Visa's	-	230
Travel and Subsistence	2,151,189	1,642,625
Uniform and Protective Clothing	1,955,913	1,685,559
Vehicle Tracking	401,436	361,923
Total Operational Costs	**35,498,516**	**34,197,187**

The prior year amount for Operational Costs has been adjusted. Refer to Note 45.2 on "Correction of Error" for details of the restatement.

The amounts disclosed above for Other General Expenses are in respect of costs incurred in the general management of the municipality and not direct attributable to a specific service or class of expense.

41.1 Travel and Subsistence

Domestic	**2,090,732**	**1,550,012**
Accommodation	334,840	234,138
Daily Allowance	8,470	11,170
Food and Beverage (Served)	19,388	17,818
Incidental Cost	18,663	20,546
Transport without Operator	1,645,199	1,176,153
Transport with Operator	64,171	90,187
Non-employees	60,457	92,612
	2,151,189	**1,642,625**

	2025 R	2024 R
41.2 Material Losses	**20,286,521**	**12,698,995**
Distribution Losses:		
Electricity Losses	17,631,831	11,484,806
Water Losses	2,654,690	1,214,189

The amounts disclosed above for **Electricity and Water Losses** are in respect of costs incurred in the general management of the municipality and not directly attributable to a specific service or class of expense (See Note 52.1.09).

No other extra-ordinary expenses were incurred.

42. GAINS AND LOSSES ON OTHER OPERATIONS

Gains on Other Operations		
Fair Value Gains on Actuarial Assessments	1,462,707	6,153,368
Fair Value Gains on Investment Property	18,212,976	12,920,816
Fair Value Gains on Landfill Sites	755,713	-
Total Gains on Other Operations	**20,431,396**	**19,074,184**
Losses on Other Operations		
Fair Value Losses on Investment Property	253,500	-
Fair Value Losses on Landfill Sites	-	183,070
Water Losses	2,654,690	1,214,189
Total Losses on Other Operations	**2,908,190**	**1,397,259**
Net Gains and Losses on Other Operations	**17,523,206**	**17,676,925**

The prior year amount for Gains and Losses has been adjusted. Refer to Notes 45.1 and 45.2 on "Correction of Error" for details of the restatement.

No other gains or losses have been recognised in respect of Loans and Receivables or Held-to-Maturity Investments, and Impairment Losses recognised/reversed in respect of Trade Receivables (see Notes 4, 5 and 34).

43. GAINS / LOSSES ON DISPOSAL OF CAPITAL ASSETS

Gains on Disposal of Capital Assets		
Intangible Assets	-	-
Investment Property	563,101	852,597
Property, Plant and Equipment	694,730	-
Total Gains on Disposal of Capital Assets	**1,257,831**	**852,597**
Losses on Disposal of Capital Assets		
Intangible Assets	-	1,335
Investment Property	454,000	38,000
Property, Plant and Equipment	611,401	1,352,125
Total Loss on Disposal of Capital Assets	**1,065,401**	**1,391,460**
Net Gains / (Losses) on Disposal of Capital Assets	**192,429**	**(538,862)**

44. RECLASSIFICATION OF ANNUAL FINANCIAL STATEMENTS

44.1 Reclassification and correction of prior period error in Accumulated Surplus

The prior year figures of Accumulated Surplus has been restated to correctly disclose the monies held by the municipality in terms of the disclosure notes indicated below.

The effect of the changes are as follows:

		Accumulated Surplus
Balance published as at 30 June 2023		1,216,821,017
Correction of Error:-		
Adjustment for Feasibility Cost capitalised	(50,000)	
Adjustment for Output VAT on Library Grants	(1,567,159)	
Adjustment for Rounding Errors	-	(1,617,159)
Restated Balance as at 30 June 2023		**1,215,203,857**
Transactions incurred for the Year 2023/24		43,220,520
Correction of Error:-		
Adjustment for Capital Assets as per Revised Asset Register	868,535	
Adjustment for Feasibilty Cost capitalised	(696,860)	
Adjustment for Traffic Fines	10,296,100	
Adjustment for Output VAT on Library Grants	(784,186)	
Adjustment for Capital Funding from CRR	7,987,193	
Adjustment for Rounding Errors	-	17,670,782
Restated Balances as at 30 June 2024		**1,276,095,160**

44.2 Reclassification of Revenue

The prior year figures of Revenue Classes have been restated to correctly classify the nature of Revenue of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2023/24 Audited	Change in Accounting Policy	Restatements	Restated Amount 2023/24
Property Rates	130,038,262	-	(0)	130,038,262
Fines, Penalties and Forfeits	54,907,461	-	10,296,100	65,203,561
Licences and Permits - Non-exchange	2,070,269	-	-	2,070,269
Transfers and Subsidies - Non-exchange	109,517,466	-	0	109,517,466
Service Charges - Non-exchange	11,141,710	-	-	11,141,710
Interest, Dividends & Rent on Land - Non-Exchange	819,760	-	-	819,760
Service Charges - Exchange	320,500,422	-	(0)	320,500,422
Sales of Goods and Rendering of Services	50,510,390	-	-	50,510,390
Income from Agency Services	2,997,013	-		2,997,013
Rental from Fixed Assets	3,762,481	-	-	3,762,481
Interest, Dividends & Rent on Land - Exchange	46,226,673	-	-	46,226,673
Operational Revenue	7,320,075	-	-	7,320,075
Gains on Disposal of PPE	852,597	-	-	852,597
Gains on Other Operations	19,031,283	-	42,900	19,074,184
	759,695,861		10,339,000	770,034,862

44.3 Reclassification of Expenditure

The prior year figures of Expenditure Classes have been restated to correctly classify the nature of Expenditure of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2023/24 Audited	Change in Accounting Policy	Restatements	Restated Amount 2023/24
Employee Related Costs	218,342,914	-	(0)	218,342,914
Remuneration of Councillors	8,470,688	-	-	8,470,688
Depreciation and Amortisation	42,605,142	-	(37,147)	42,567,996
Impairment Losses	58,171,578	-	-	58,171,578
Interest, Dividends and Rent on Land	22,035,450	-	-	22,035,450
Bulk Purchases	157,153,258	-	(0)	157,153,258
Contracted Services	66,857,383	-	(134,528)	66,722,855
Inventory Consumed	42,737,368	-	-	42,737,368
Transfers and Subsidies Paid	1,835,047	-	-	1,835,047
Operating Leases	1,822,995	-	-	1,822,995
Operational Costs	33,413,001	-	784,186	34,197,187
Loss on Disposal of PPE	1,391,460	-	-	1,391,460
Losses on Other Operations	1,354,359	-	42,900	1,397,259
	656,190,644	-	655,411	656,846,055

44.4 Reclassification of Statement of Financial Position

The prior year figures of Classes in the Statement of Financial Position have been restated to correctly classify the nature of Assets, Liabilities and Net Assets of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2023/24 Audited	Change in Accounting Policy	Restatements	Restated Amount 2023/24
Current Assets				
Inventories	4,772,960	-	-	4,772,960
Receivables from Exchange Transactions	35,254,197	-	-	35,254,197
Receivables from Non-exchange Transactions	24,150,786	-	10,296,100	34,446,886
VAT Receivable	1,014,368	-	(1,014,368)	-
Cash and Cash Equivalents	3,849,570	-	-	3,849,570
Call Investment Deposits	483,671,681	-	(0)	483,671,681
Lease Receivables	700,365	-	-	700,365
Non-Current Assets				
Property, Plant and Equipment	1,136,381,621	-	121,675	1,136,503,296
Intangible Assets	192,223	-	-	192,223
Investment Property	105,082,106	-	-	105,082,106
Heritage Assets	8,451,512	-	-	8,451,512
Current Liabilities				
Consumer Deposits	(13,965,404)	-	-	(13,965,404)
Trade and Other Payables	(64,733,323)	-	-	(64,733,323)
Unspent Conditional Grants and Receipts	(74,780,373)	-	-	(74,780,373)
Lease Payables	(46,190)	-	-	(46,190)
Borrowings	(21,950,521)	-	-	(21,950,521)
Employee Benefit Liabilities	(25,292,426)	-	-	(25,292,426)
Provisions	(7,454,870)	-	7,454,870	0
Non-Current Liabilities				
Borrowings	(122,421,483)	-	0	(122,421,483)
Employee Benefit Liabilities	(61,110,700)	-	-	(61,110,700)
Provisions	(87,945,266)	-	-	(87,945,266)
Net Assets				
Reserves	(63,779,296)	-	7,987,193	(55,792,103)
Accumulated Surplus / (Deficit)	(1,260,041,537)	-	(16,053,623)	(1,276,095,160)
	-	-	-	-

44.5 Reclassification of Cash Flow Statement

The prior year figures of the Cash Flow Statement have been restated to correctly classify the nature of cash receipts and expenditures of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2023/24 Audited	Change in Accounting Policy	Restatements	Restated Amount 2023/24
Receipts				
Property Rates	128,763,409	-	0	128,763,409
Fines, Penalties and Forfeits	11,618,462	-	-	11,618,462
Transfers and Subsidies	198,789,893	-	(1,494,000)	197,295,894
Service Charges	322,274,270	-	(0)	322,274,270
External Interest and Dividends Received	43,386,407	-	-	43,386,407
Other Receipts	44,753,617	-	-	44,753,617
VAT Received	-	-	1,206,199	1,206,199
Payments				
Employee Related Costs	(208,965,563)	-	0	(208,965,563)
Remuneration of Councillors	(8,470,688)	-	-	(8,470,688)
External Interest and Dividends Paid	(15,818,645)	-	-	(15,818,645)
Suppliers Paid	(297,005,931)	-	(39,607,029)	(336,612,960)
VAT Paid	(1,071,986)	-	1,071,986	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	**218,253,245**	**-**	**(38,822,844)**	**179,430,401**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(122,793,465)	-	38,822,844	(83,970,622)
Proceeds on Disposal of Investment Property	852,597	-	-	852,597
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(121,940,868)**	**-**	**38,822,844**	**(83,118,025)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in Borrowings (Loans Taken-on)	-	-	-	-
Decrease in Borrowings (Loans Redeemed)	(23,704,728)	-	-	(23,704,728)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(23,704,728)**	**-**	**-**	**(23,704,728)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**72,607,648**	**-**	**-**	**72,607,648**
Cash and Cash Equivalents at Beginning of Period	414,913,603	-	(0)	414,913,603
Cash and Cash Equivalents at End of Period	487,521,251	-	(0)	487,521,251

45. CORRECTION OF ERROR

Corrections were made on disclosures of the previous financial year. These disclosures are limited to re-classification of line items within the different categories of the financial statements. Details of the corrections are described below:

45.1 Reclassification of Revenue

Prior year amounts of items in **Revenue** included in the Statement of Financial Performance have been restated as indicated below:

	Fines, Penalties and Forfeits	Gains on Other Operations
Balance previously reported	**54,907,461**	**19,031,283**
Correction of Errors:-		
Adjust Traffic Fines as per Working Papers	10,296,100	-
Adjust Actuarial Gains	-	42,900
	65,203,561	19,074,184

Fines, Penalties and Forfeits:
The **prior year amounts** for Fines, Penalties & Forfeits and Receivables from Non-xchange Transactions have been restated to correctly disclose the revenue for Traffic Fines, adjusted to agree to Provincial Listings.

Gains on Other Operations:
The **prior year amounts** for Gains on Other Operations and Losses on Other Operations have been restated to correctly disclose the gains for Actuarial Changes on Pension Fund in terms of actuarial report, previously recorded as losses.

45.2 Reclassification of Expenditure

Prior year amounts of items in **Expenditure** included in the Statement of Financial Performance have been restated as indicated below:

	Depreciation and Amortisation	Contracted Services	Operational Costs	Losses on Other Operations
Balance previously reported	**42,605,142**	**66,857,383**	**33,413,001**	**1,354,359**
Correction of Errors:-				
Adjust Depreciation recalculated on PPE	(37,147)	-	-	-
Adjust Asset Purchases as per Revised Asset Register	-	(831,388)	-	-
Adjust Feasibility Costs as per COMAF 09	-	696,860	-	-
Adjust SARS Penalties as per COMAF 10	-	-	784,186	-
Adjust Actuarial Gains	-	-	-	42,900
	42,567,996	66,722,855	34,197,187	1,397,259

Depreciation and Amortisation:
The **prior year amounts** for Depreciation & Amortisation and Property, Plant & Equipment have been restated to correctly disclose depreciation, recalculated for Remaing Useful Lives of assets amended to avoid the carrying value running out.

Contracted Services:
The **prior year amounts** for Contracted Services and Property, Plant & Equipment have been restated to correctly disclose the expenditure for Contracted Services in terms of the Asset Register compiled.

Furthermore, the **prior year amounts for** Contracted Services have been restated to correctly disclose the expenditure for Feasibility Costs, previously capitalised to WIP and restated in terms of COMAF 09/2025.

Operational Costs:
The **prior year amounts** for Operational Costs have been restated to correctly disclose the expenditure for Interest & Penalties accrued on Library VAT Liability in terms of COMAF 10/2025.

Losses on Other Operations:
The **prior year amounts** for Losses on Other Operations and Gains on Other Operations have been restated to correctly disclose the gains for Actuarial Changes on Pension Fund in terms of actuarial report, previously recorded as losses.

45.3 Reclassification of Statement of Financial Position

Opening Balances and **Prior Year Amounts** of items in the Statement of Financial Position have been restated as indicated below:

	Receivables from Non-exchange Transactions	Property, Plant and Equipment	Reserves
Balances previously published per AFS as at 30 June 2023	**24,674,678**	**1,040,720,697**	**(3,078,791)**
Correction of Errors:-			
Adjust Feasibility Costs as per COMAF 09	-	(50,000)	-
	24,674,678	1,040,670,697	(3,078,791)
Transactions incurred for the Year 2023/24	(523,892)	95,660,924	(60,700,505)
Correction of Errors:-			
Adjust Receivables for Traffic Fines	10,296,100	-	-
Cost			
Adjust Acquisition of Vehicles	-	831,388	-
Adjust Feasibility Costs as per COMAF 09	-	(696,860)	-
Depreciation			
Depreciation on Adjusted Remaining Useful Lives	-	37,147	-
Adjustment for Capital Funding from CRR	-	-	7,987,193
Balances now published per AFS as at 30 June 2024	34,446,886	1,136,503,296	(55,792,103)

Receivables from Non-exchange Transactions:
The **prior year amounts** of Receivables from Non-exchange Transactions and Fines, Penalties & Forfeits have been restated to correctly disclose the receivables for Traffic Fines, adjusted to agree to Provincila Listings.

Property, Plant and Equipment:
The **opening balances** for Property, Plant & Equipment have been restated to correctly disclose the expenditure for Feasibility Costs, previously capitalised to WIP and restated in terms of COMAF 09/2025.

The **prior year amounts** of Property, Plant and Equipment and Contracted Services have been restated to correctly disclose the value of Vehicles, the cost thereof previously expensed and not capitalised.

Furthermore, the **prior year amounts** for Property, Plant & Equipment have been restated to correctly disclose the expenditure for Feasibility Costs, previously capitalised to WIP and restated in terms of COMAF 09/2025.

Furthermore, the **prior year amounts** for Property, Plant & Equipment and Depreciation have been restated to correctly disclose the value od Assets, depreciation recalculated for Remaing Useful Lives of assets amended to avoid the carrying value running out.

Reserves:
The prior year amounts of Reserves and Accumulated Surplus have been restated to correctly disclose the Liability for the Capital Replacement Reserve, Capital Expense funded from the CRR not previously appropriated.

	VAT Receivable	VAT Payable	Provisions
Balances previously published per AFS as at 30 June 2023	-	**(1,342,677)**	**(5,960,870)**
Correction of Errors:-			
Adjust Provisions VAT on Library Grants	-	(5,960,870)	5,960,870
Adjust Penalties on Library VAT	-	(1,567,159)	-
	-	**(8,870,706)**	-
Transactions incurred for the Year	1,014,368	1,342,677	(1,494,000)
Correction of Errors:-			
Adjust VAT Receivable as per COMAF 10/2025	(1,014,368)	1,014,368	-
Adjust Provisions VAT on Library Grants	-	(1,494,000)	1,494,000
Adjust Penalties on Library VAT	-	(784,186)	-
Balances now published per AFS as at 30 June 2024	-	(8,791,846)	0

VAT Receivable:
The prior year amounts of VAT Receivable have been restated to correctly disclose the value of VAT Receivable, restated in terms of COMAF 10/2025 for Library VAT Liability.

VAT Payable:
The opening balances of VAT Payable have been restated in terms of COMAF 10/2025 to transfer Provision for VAT on Library Grants to the VAT Liability Account.

Furthermore, the **opening balances** of VAT Payable have been restated in terms of COMAF 10/2025 to accrue for Interest & Penalties on the Library VAT Liability.

The prior year amounts of VAT Payable have been restated to correctly disclose the value of VAT Payable, restated in terms of COMAF 10/2025 for Library VAT Liability.

Furthermore, **the prior year amounts** of VAT Payable have been restated in terms of COMAF 10/2025 to transfer Provision for VAT on Library Grants to the VAT Liability Account.

Furthermore, the **prior year amounts** of VAT Payable have been restated in terms of COMAF 10/2025 to accrue for Interest & Penalties on the Library VAT Liability.

Provisions:
The **opening balances** of Provisions have been restated in terms of COMAF 10/2025 to transfer Provision for VAT on Library Grants to the VAT Liability Account.

Furthermore, the **prior year amounts** of Provisions have been restated in terms of COMAF 10/2025 to transfer Provision for VAT on Library Grants to the VAT Liability Account.

45.4 Reclassification of Cash Flow Statement

Prior Year Amounts of items in the Cash Flow Statement have been restated as indicated below:

	Transfers & Subsidies	VAT Received	VAT Paid
Balance previously reported	**198,789,894**	-	**(1,071,986)**
Correction of Errors:-			
Adjust Library Funding	(1,494,000)	1,206,199	287,801
Adjust Interest Liability on Library VAT Payable	-	-	784,186
	197,295,894	1,206,199	(0)

Transfers & Subsidies:
The prior year amounts of Transfers & Subsidies have been restated to correctly disclose the cash inflow from Library Grants, restated in terms of COMAF 10/2025.

VAT Received:
The prior year amounts of VAT Received have been restated to correctly disclose the cash inflow from VAT on Library Grants, restated in terms of COMAF 10/2025.

VAT Paid:
The prior year amounts of VAT Paid have been restated to correctly disclose the cash outflow from VAT on Library Grants, restated in terms of COMAF 10/2025.

Furthermore, the **prior year amounts** of VAT Paid have been restated to correctly disclose the cash outflow from VAT on Library Grants, restated for Interest & Penalties accrued on the Library VAT Liability.

	Suppliers Paid	Purchase of PPE
Balance previously reported	**(297,005,931)**	**(122,793,465)**
Correction of Errors:-		
Adjust Capitalisation of Work-in-Progress	(38,125,984)	38,125,984
Adjust Feasibility Cost as per COMAF 09/2025	(696,860)	696,860
Adjust Interest Liability on Library VAT Payable	(784,186)	-
	(336,612,960)	(83,970,622)

Suppliers Paid:
The prior year amounts of Suppliers Paid have been restated to correctly disclose the cash outflow from Suppliers Paid, restated for additions to Work-in-Progress previously recognised as Transfers to PPE.

Furthermore, the **prior year amounts** of Suppliers Paid have been restated to correctly disclose the cash outflow from Suppliers Paid, restated for Feasibility Costs previously capitalised to WIP.

Furthermore, the **prior year amounts** of Suppliers Paid have been restated to correctly disclose the cash outflow from Suppliers Paid, restated for Interest & Penalties accrued on the Library VAT Liability.

Purchase of Property, Plant and Equipment:
The prior year amounts for Purchase of Property, Plant and Equipment have been restated to correctly disclose expenditure for the acquisition of assets, restated for additions to Work-in-Progress previously recognised as Transfers to PPE.

	2025 R	2024 R
46. CHANGE IN ACCOUNTING ESTIMATES		
46.1 Provision for the Rehabilitation of Landfill Site:	(310,415)	16,528,712

As per note 18.2 a GRAP 3 adjustment was made, due to changes in the estimated closure cost and remaining useful lives of landfill sites as a result of more accurate estimations made in the current year, that resulted from more accurate data that was gathered in 2025. Significant lifespan changes have occurred due to the incorporation of respective town population growth rates when compared to the 2024 analysis. Which used a flat population growth rate for all towns.

There was also an adjustment of the discount rate from 11,55% in 2023 to 10,08% in 2024.

The change in estimate has resulted in a increase of R16 528 712 of the provision.

The detailed adjustments per site are as follows:

Albertinia:	1,194,245	1,069,998
The expected date for the rehabilitation of the landfill site was adjusted from 2032 to 2030 decreasing the remaining useful life by 2 years.		
Droëkloof:	1,542,892	2,662,151
The expected date for the rehabilitation of the landfill site was adjusted from 2038 to 2037 decreasing the remaining useful life by 1 year.		
Gouritsmond:	(513,770)	84,688
The expected date for the rehabilitation of the landfill site was adjusted from 2029 to 2031 increasing the remaining useful life by 2 years.		

Jongensfontein:	195,885	183,069
The landfill site has reached its capacity and is to be closed.		
Melkhoutfontein:	7,204,059	8,904,041
The expected date for the rehabilitation of the landfill site was adjusted from 2050 to 2043 decreasing the remaining useful life by 7 years.		
Slangrivier:	(1,238,986)	52,771
The expected date for the rehabilitation of the landfill site was adjusted from 2027 to 2033 increasing the remaining useful life by 6 years.		
Steynskloof:	(9,039,248)	3,037,468
The expected date for the rehabilitation of the landfill site was adjusted from 2034 to 2047 increasing the remaining useful life by 13 years.		
Uitsig:	344,508	144,878
The expected date for the rehabilitation of the landfill site was adjusted from 2030 to 2029 decreasing the remaining useful life by 1 year.		
Total Decrease:	(310,415)	16,139,064

47. CASH GENERATED BY OPERATIONS

Surplus / (Deficit) for the Year	240,420,397	113,188,807
Unresolved Correction of Prior Year Errors	37,147	415,807
Adjustment for Non-cash Transactions included in Surplus / (Deficit):		
Transfers and Subsidies Received	(591,455)	(437,519)
Employee Related Costs	13,235,439	13,510,895
Depreciation and Amortisation	44,315,205	42,567,996
Impairment Losses	31,734,368	9,763,395
Interest, Dividends and Rent on Land	8,077,199	6,216,805
Gains on Other Operations	(20,431,396)	(19,074,184)
Losses on Other Operations	2,908,190	1,397,259
Gains / Losses on Disposal of Assets	1,065,401	1,391,460
Adjustment for Cash Transactions not included in Surplus / (Deficit):		
Transfer of Property, Plant and Equipment	1,165,198	(39,375,129)
Transfer of Investment Property	(1,196,860)	-
Expenditure from Current Employee Benefit Liabilities	(6,912,971)	(6,617,403)
Adjustment for Non-cash Transactions included in Working Capital:		
Inventories	(2,654,690)	(1,214,189)
Decrease/(Increase) in Impairment of Exchange Receivables	(3,172,009)	(9,211,423)
Decrease/(Increase) in Impairment of Non-exchange Receivables	(506,561)	(640,692)
Decrease/(Increase) in Impairment of Statutory Non-exchange Receivables	(28,602,612)	(1,196,339)
Adjustment for Transactions included in Surplus / (Deficit) directly recognised in Cash Flow:		
Gains / (Losses) on Disposal of Capital Assets	(1,257,831)	(852,597)
Operating Surplus before Working Capital Changes	**277,632,160**	**169,832,949**
Decrease/(Increase) in Inventories	(2,448)	(744,621)
Decrease/(Increase) in Receivables from Exchange Transactions	(11,663,200)	(249,592)
Decrease/(Increase) in Receivables from Non-exchange Transactions	401,960	194,774
Decrease/(Increase) in Statutory Receivables from Non-exchange Transactions	5,479,819	(9,966,982)
Decrease/(Increase) in Operating Lease Receivables	(119,057)	8,651
Increase/(Decrease) in Consumer Deposits	1,634,650	970,714
Increase/(Decrease) in Payables from Exchange Transactions	56,656	12,234,244
Increase/(Decrease) in Unspent Conditional Grants and Receipts	(71,137,707)	65,920,471
Increase/(Decrease) in Taxes	6,378,513	1,206,199
Increase/(Decrease) in Operating Lease Payables	(26,016)	23,594
Cash Generated by / (Utilised in) Operations	**208,635,329**	**179,430,401**

48. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

48.1 Unauthorised Expenditure

Opening Balance:	5,604,018	5,985,966
- As previously stated	5,604,018	5,985,966
Unauthorised Expenditure Current Year:	-	5,471,718
- Current Year	-	5,471,718
Approved/Condoned by Council:	(5,604,018)	(5,853,667)
- Prior Year	(5,604,018)	(5,853,667)
	(0)	5,604,018

The current year over-expenditure incurred by municipal departments during the year is attributable to the following categories:

- Non-cash	-	-
- Cash	-	5,471,718
	-	5,471,718

Incident	Disciplinary Steps / Criminal Proceedings
Operating Budgeted Votes Exceeded:-	
- Waste Management - R0 (2024: R5,471,718)	To be condoned by Council

48.2 Fruitless and Wasteful Expenditure

Opening Balance	-	-
- As previously stated	-	-
Fruitless and Wasteful Expenditure	12,253	11,366
- Current Year	12,253	11,366
Expenditure investigated and approved by Council	(12,253)	(11,366)
- Current Year	(12,253)	(11,366)
Fruitless and Wasteful Expenditure awaiting condonement	-	-

The fruitless and wasteful expenditure relates to the following:

- Official did not attend the seminar. This is currently being investigated.

48.3 Irregular Expenditure

Opening Balance:	13,021	5,322,679
- As previously stated	13,021	5,322,679
Irregular Expenditure Current Year:	105,732	13,454
- Current Year	105,732	13,454
Condoned/Written-off by Council:	(118,753)	(5,322,679)
- Current Year	(118,753)	-
- Prior Year	-	(5,322,679)
Recovered	-	(433)
- Current Year	-	(433)
Irregular Expenditure awaiting condonation	(0)	13,021

The amounts disclosed for Irregular Expenditure are inclusive of VAT.

Attention is directed to the fact that with the improvement of own controls due to the increase in its maturity the Municipality identified potential irregular expenditure with regards to the payment of invoices within 30 days as contemplated by section 65(2)(e) of the MFMA. The full population could only be considered after the closure of the financial year, and its veracity is currently being investigated. Once concluded, treated as prescribed and consequence management affected, the data would be included in the AFS notes for 2024/2025, and where necessary the required augmentations will be made.

Current Year:

Incident	Deviation	Disciplinary Steps / Criminal Proceedings
Non-compliance with Municipal SCM Regulations:		
- Deviations from SCM Procedures - R0 (2024: R0)	Irregular Payment without following SCM processes	Condoned and Written off by Council
- Preferentiel Procurement Regulations - R0 (2024: R0)	Supplier not registered on CSD / Accredited Supplier Database	Condoned and Written off by Council
- Preferential Procurement Regulations - R105,732 (2024: R13,021)	Incorrect Preference Points system applied (2023/24 and 2024/25)	Condoned and Written off by Council
- Regulation 11 Preferential Procurement Policy Framework Act, 2000 - R0 (2024: R0)	The contract not awarded to the tenderer who scores the highest points	Condoned and Written off by Council
Non-compliance with Municipal Finance Management		
- Section 65 - R0 (2024: R0)	Creditor Payment in excess of 30 days	Condoned and Written off by Council
Other Non-compliance Issues:		
- Irregular salary payment - R0 (2024: R433)	Irregular salary payment	Recovered

49. ADDITIONAL DISCLOSURES IN TERMS OF APPLICABLE LEGISLATION

49.1 MUNICIPAL FINANCE MANAGEMENT ACT

49.1.1 Contributions to Organised Local Government - SALGA

Opening Balance	-	-
Council Subscriptions	2,151,218	2,091,007
Amount Paid - current year	(2,151,218)	(2,091,007)
Balance Unpaid (included in Creditors)	-	-

49.1.2 Pension and Medical Aid Deductions

Opening Balance	-	-
Current Year Contributions	56,717,582	53,614,171
Amount Paid - current year	(56,717,582)	(53,614,171)
Balance Unpaid (included in Creditors)	-	-

49.1.3 Audit Fees

Opening Balance	-	-
Current year Audit Fees	5,106,252	5,707,592
External Audit - Auditor-General	5,024,666	5,620,610
Audit Committee	81,586	86,982
Amount Paid - current year	(5,106,252)	(5,707,592)
Balance Unpaid (included in Creditors)	-	-

49.1.4 PAYE, Skills Development Levy and UIF

Opening Balance	-	-
Current year Payroll Deductions	33,840,318	30,607,068
Amount Paid - current year	(33,840,318)	(30,607,068)
Balance Unpaid (included in Creditors)	-	-

49.1.5 VAT

The amount of VAT input receivables is shown in Note 4. All VAT returns have been submitted by the due date throughout the year.

The amount of VAT output payable is shown in Note 14. All VAT returns have been submitted by the due date throughout the year.

49.1.6 Councillor's arrear Consumer Accounts

During the financial year under review no Councillor (present or past) was in arrear with the settlement of their municipal accounts.

Interest charged on outstanding debtors - [MFMA 64 (2)(g)]

In terms of section 64 (2)(g) of the MFMA the municipality must charge interest on arrears, except where the council has granted exemptions in accordance with its budget related policies and within a prescribed framework. The municipality charges interest on long outstanding debtors.

The following deviations from the tender stipulations in terms of the municipality's Supply Chain Management Policy were ratified by the Municipal Manager and reported to Council:

30 June 2025

Commodity	Tenderer	Reason	Amount (R)
Goods / Services	Various (10)	Exceptional case where it is impractical or impossible to follow the official procurement processes.	9,467,752
Goods / Services	Various (4)	Emergency (*)	350,621
Goods / Services	Directech (Pty) Ltd	Goods or services are produced or available from a sole supplier.	377,760

30 June 2025

			Type of Deviation		
	Total	Amount (R)	Sole Supplier	Emergency	Exceptional Circumstances
July	10	556,131	-	-	556,131
August	11	1,160,195	-	-	1,160,195
September	16	681,640	6,155	-	675,485
October	12	1,743,959	108,473	-	1,635,486
November	14	1,893,619	29,808	-	1,863,811
December	9	701,745	185,535	-	516,210
January	4	9,960	-	-	9,960
February	18	533,754	-	190,139	343,615
March	15	1,210,262	19,320	144,485	1,046,477
April	11	274,420	28,469	-	245,951
May	19	1,041,025	-	15,997	1,025,028
June	11	389,403	-	-	389,403
	150	**10,196,133**	**377,760**	**350,621**	**9,467,752**

A complete list, including reasons for deviation per transaction, is available. Below are details of a selection of the larger deviations.

30 June 2025

Department	Tenderer	Reason	Amount (R)
Corporate Services	Business Engineering	EXCEPTIONAL CASE: Hessequa Municipality is part of the Garden Route District Municipality, and makes use of the contract concluded between Garden Route District Municipality (on behalf of municipalities) and Business Engineering. GRDM has not indicated that the current contract will be renewed and therefor the reason for the deviation, should the agreement not be renewed. Following a new procurement process would be impractical as be developed the administrative system for Hessequa Municipality, with specific modules to satisfy the needs of the Municipality. following a procurement process would cause delays and the risk of the Municipality paying more for the service than what is currently paid.	2,407,348
Technical Services	Coastal Armature Winders	EXCEPTIONAL CASE: it would be impractical to follow a procurement process, as the municipality has conducted two prior unsuccessful competitive bidding processes and require a contract to be in place for emergencies & risk mitigation while a third competitive bidding process is researched and conducted.	2,280,016
Corporate Services	Microsoft Ireland Operations Limited	SOLE SUPPLIER: Microsoft Ireland is the sole provider of the standardised software platform used by Hessequa Municipality	1 816 611
Financial Services	Advisory cost for 2024/2025	EXCEPTIONAL CASE: it would be impractical to follow a procurement process as business connexion is the current service provider of the financial system.	600,001

Technical Services	Saltech (Pty) Ltd	EXCEPTIONAL CASE: It would be impractical to follow a procurement process, because Saltech discovered the problem when they stripped the pump and determined it was beyond repair. Following a procurement process would lead to delays and possible higher cost and the plant would have to stand still under the process is finalised.	566,046
Technical Services	Vodacom (Pty) Ltd	EXCEPTIONAL CASE: Vodacom (Pty) Ltd was appointed via Contract RFB 1183/2022. Contract with the supplier. Approved by the BAC on 03-05-2024.	313,512
Technical Services	Saltech (Pty) Ltd	EXCEPTIONAL CASE: It would be impractical to follow a procurement process, as municipalities are not allowed to advertise project according to the Instruction Note from NT. Also, following a procurement process would case delays and the possibility that the Municipality would not be able to supply water to residents during this time, where the demand is high.	271,182
Technical Services	Coastal Armature Winders	EXCEPTIONAL CASE: During routine inspection, it was found that one of the two pumps that rotate was not functionaing and did not pump any sewerage. The two pumps rotate to prevent overheating. Coastal Armature Winders was appointed by the BAC on 30 August 2024 till 30 June 2025 to repair pumps in such situations.	265,857
Technical Services	M Briers Landboudienste (Pty) Ltd	EXCEPTIONAL CASE: It would be impractical to follow a procurement process as the machine must be stripped to ascertain the comprehensive scope of the damage, thereby enabling the suppliers to provide accurate quotes.	191,459
Technical Services	Kishugu Aviation (Pty) Ltd	EMERGENCY: The services were needed immediately from the supplier, to assist during the fire on 25 December 2025.	190,139
Technical Services	The Wildlife and Enviroment Society of South Africa	EXCEPTIONAL CASE: It would be impractical to follow a procurement process, as the Municipality must pay the registration fee to WESSA to be part of the Blue Flag Beach Program.	185,535

30 June 2024

Commodity	Tenderer	Reason	Amount (R)
Goods / Services	Various (10)	Exceptional case where it is impractical or impossible to follow the official procurement processes.	11,847,665
Goods / Services	Various (4)	Emergency (*)	23,868
Goods / Services	Directech (Pty) Ltd	Goods or services are produced or available from a sole supplier.	39,330

30 June 2024

			Type of Deviation		
	Total	Amount R	Sole Supplier	Emergency	Exceptional Circumstances
July	25	348,899	-	-	348,899
August	23	574,949	-	-	574,949
September	18	455,046	-	-	455,046
October	18	608,387	-	3,385	605,002
November	13	4,364,389	-	2,522	4,361,867
December	17	579,840	-	1,499	578,341
January	25	385,520	-	-	385,520
February	8	1,566,800	12,880	-	1,553,920
March	13	956,278	26,450	-	929,828
April	18	702,418	-	-	702,418
May	5	65,122	-	-	65,122
June	42	1,303,215	-	16,462	1,286,753
	225	**11,910,863**	**39,330**	**23,868**	**11,847,665**

A complete list, including reasons for deviation per transaction, is available. Below are details of a selection of the larger deviations.

30 June 2024

Department	Tenderer	Reason	Amount (R)
Technical Services	National Sea Rescue Institute of South Africa CC	Exceptional Case: A recruitment and selection process was followed to appoint lifeguards. However successful appointments could not be made due to insufficient time to follow another process, three qoutations were obtained from the suppliers who have rendered this service before. NSRI was the cheapest supplier and was appointed by the BAC.	3 407 233 (estimate)
Corporate Services	Collaborative It Services	Exceptional case: Hessequa Municipality standardised on Nutanix. They are the developer of the software. Following a procurement process at this stage would lead to downtime and possibly higher cost, as the entire system will have to be rebuild as only Nutanix software can be used on the current infrastructure. The resellers, as provided by the developer were approached to provide quotations and collaborative it provided the cheapest quote.	1,282,294.60
Technical Services	Saltech (Pty) Ltd	Exceptional case: During the start-up of the desalination plant and alarm was encountered. The alarm warning was due to the HP pump not providing sufficient pressure. Due to the low pressure, the plant was unable to operate and produce water and the plant would switch off automatically.Failure to inspect the HP pump and program settings and resolve the alarm warning, would result in the residents of Witsand being without water during the summer season, as consumption during this time is also very high. Suppliers were contacted, but only Saltech, who is a local supplier and specialises in desalination plants could assist immediately to avoid a water crisis in Witsand.	1,165,222.50
Corporate Services	Eden FM	Exceptional case:The South African Constitution has identified communications with communities as a fundamental duty of every municipality. Hessequa Municipality takes its directive for communication from the constitutional imperative of freedom of information and the objectives of building a truly democratic state. Coupled to that and deeply enshrined in the Bill of Rights, is the right of people to participate in and be informed about the processes of government, in adherence to the Constitution (Section 152 (1) (e) and the Municipal Systems Act (Section 18). Hessequa Municipality utilises radio bradcasts as one of the communication channels. Eden FM is the only radion station in the Garden Route area whose broadcast range covers the entire Hessequa region.	316 607.16 (estimate)
Technical Services	Saltech (Pty) Ltd	Exceptional case: To avoid a water crisis in Witsand just before the Easter holiday season, the user department instructed Saltech (Pty) Ltd, who was on site for repairs and servicing of the enire desaltination plant, to repair the fault that was detechted on the I-save pump. It would be impractical to follow a procurement process for the repairs of the I-save pump, because doing this would cause delays and potential extra costs if another supplier is appointed and would have to familiarise themselves with the fault before repairing the I-save pump.	258,900.00
Technical Services	Vikings Pony Africa Pumps (Pty) Ltd T/A Tricom	Exceptional case: 'Viking Pony Africa Pumps (Pty) Ltd T/A Tricom was appointed to a panel of service providers for the repairs of pumps in the Hessequa Area. Appointment was made by the BAC in July 2024. Due to the smell around the pumpstation an investigation was done and it found that the pumpstation was overflowing on the inside. This was due to the wiring of the motor that became faulty. This short circuting led to the gearbox burning and caused damage to the pump as well.	211,872.24
Eletrical Services	WS Forestry Equipment Repairs CC	Exceptional case: The TLB was faulty, as it did not want to start and had an oil leak on the engine as well. Other problems with the TLB were faulty lights, faulty driving shaft, faulty boom-log, faulty drivers seat and wipers. It would be impractical to follow a procurement process, as the vehicle must be stripped for a supplier to provide a accurate quotation. It would also impact service delivery as the TLB is used for removal of rubbish at dumping sites, pipe breaks, digging of ditches to lay electrical calbes and digging of holes in the cemetary.	180,461.00

Corporate Services	Ayakhawuzela Agencies (Pty) Ltd	Exceptional case: Morpho is a brandname and the software used by Hessequa Municipality, only works on Morpho devices. It would be impractical to follow a procurement process, because according to legislation, brandnames must be followed by the wording 'or equivalent'. Three quotations were obtained from suppliers and Ayakhawuleza Agencies (Pty) Ltd was the cheapest supplier.	177,600.00
Community Services	Working on Fire/Kushugu Training (Pty) Ltd	Exceptional case: Working on Fire/Kishugu avails there resources when the Municipality is in need during a fire or needs other related resources. A condition to the contract is that the Municipality is responsible for fuel cost for the kilometres travelled during such an event. It would be impractical to follow a procurement process for fuel for kilometres travelled as a contract has already been entered into.	162,646.80
Technical Services	Coastal Armature Winders	Exceptional case: Coastal Armature Winders was appointed to a panel of service providers for the repairs of pumps in the Hessequa Area. Appointment was made by the BAC in July 2024. during inspection it was found that the only pump operating at Olive Grove needed repairs as it was not pumping any water, which meant that it was not producing any water. Coastal Armature was the only supplier who could supply the Municipality with a pump, for the pumpstation to still produce water and repair the faulty pump.	159,380.00

49.1.7 Awards to close family members of persons in the service of the state

In terms of section 45(1) of the Municipal Supply Chain Management Policy approved by the Council, the accounting officer must ensure that particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, must be disclosed in the notes to the Annual Financial Statements.

The following awards to close family members of persons in the service of the state in terms of the municipality's Supply Chain Management Policy were made:

				2025 R	2024 R
Company Name	Employee Name	Relationship Capacity	Organ of State Capacity	Purchases for the Year	Purchases for the Year
HAH Motors T/A Pro Motors	A. Stroebel	Owner	Councillor: Hessequa Mun	1,344,384	2,023,272
Henna's Catering	E du Preez J. du Preez G. du Preez	Owner	Clerk Teacher:WCED Kannaland Municipality	299,150	205,510
Story Team	BJ Loristou	Director	Western Cape Department of Education	30,000	38,000
Conlog	N Moodley	Director	Director: Department of Health	68,845	-
SA Hofmeyer en Seun	Monique Hofmeyr	Owner	Electrician: Department of	917,518	630,784
Willvest Twenty Three (Pty) Ltd T/A Urhwebo e Transand	Craig Mostert	Owner	Health and Safety: Mosselbay Municipality	1,084,683	48,935,428
Aurecon/Zutari	HC Ahlschlager	Owner	Legal Representative		
	S. Seegers		Head: Security Architecture - City of Cape Town	-	687,281
	K. Nadasen		Director: National Dept of Public Works		
	T. Mncube		Specialist Category - Manager SCM: ACSA		
DC en AC Transport	Cynrol Saayman	Owner	Teacher: Molenrivier Primary	22,460	8,850
Stephens Transport	Ms. D. Stevens	Owner	Staff Member:WCED	28,000	9,720
Crawford and Pfeiffers Uyathembeka Services	Nignon Crawford	Owner	Contract worker - Mossel Bay Municipality	47,677	57,163
Neil Lyners	H. Lyners	Owner	Engineer: Western Cape Government	-	2,137,061
Hendrik Johannes Cronje	Charlene Cronje	Owner	Secretary: Langenhoven High School	-	120,042
National Validation Services	Reginald Cox	Owner	Security Agency	39,344	67,550
Jaco Arendse	Petronella Arendse	Owner	Teacher: Voorwaarts Primary	-	500
Seasons Find 962 CC	YJ Daniels	Owner	Admin Clerk: Hessequa Municipality	-	12,189
CRR Enterprise	CJ Riddels	Owner	Nandy Intern: Hessequa Municipality	809,356	597,999

N Cronje t/a WG Pompe	M Cronje	Owner	Head: Employee relations - Hessequa Municipality	18,795	3,478
Silverstar Construction	J Michaels	Owner	Clerk: Hessequa Mun	427,414	394,397
Paulsen Maintenance and General Dealers/Carl Paulsen	E Snyers	Owner	Staff Member - Hessequa	-	250
NSRI	SR Modack-Robertson	Owner	District Manager: Provinsial Government (WC)	1,735,350	1,032,938
Polyrub Linnings	A Groenwald	Owner	Staff Member - Hessequa Municipality	-	11,755
Jordaan Hardware	A Jordaan	Owner	Chemist - Riversdale Provincial Hospital	10,060	36,121
Virgo Goods And Services (Pty) Ltd	R Rossouw	Owner	Staff Member - Hessequa	17,454	46,914
DPI Truck	H Pienaar	Owner	Staff Member - Hessequa Municipality	-	65,401
Ducharme Assets Management and Accounting (Pty) Ltd	L Mbekeni	Owner	Department of Rural Development and Land Reform	122,303	647,134
Hessequa Tactical First Responders	HM Gunter / A Stroebel	Owner	Senior Clerk: Hessequa Municipality / Mayor: George Municipality	28,417	-
G and M Chemicals	G Hoogbaard	Owner	Driver: Hessequa Municipality	44,292	-
Labour Guide	I Bekker-Senekal	Owner	Department of Correctional Services	4,981	-
Ian Dickie	Ian Dickie	Owner	South African Police Service	571,424	-
Total Purchases				7,672,107	57,769,737

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

49.1.8 Bulk Electricity and Water Losses in terms of Section 125 (2)(d)(i) of the MFMA

Material Electricity and Water Losses were as follows and are not recoverable:

Electricity:

		Lost Units	Tariff	Value R
30 June 2025	Unaccounted Electricity Losses	8,338,877	2.1144	17,631,831
30 June 2024	Unaccounted Electricity Losses	6,020,553	1.9076	11,484,806

Technical losses are the losses within the distribution network caused by the resistance to the flow of electricity forming part of items such as overhead lines, cables and transformers. Since Hessequa Municipality provides power to a number of towns (holiday destinations), with a very low load factor, which is also developed along the coast in long narrow sections resulting in long radial electrical feeders, the technical losses are higher than that of the other towns. Faulty meters are replaced as soon as they are reported. Losses increased from 7.47% in 2022/2023 to 7.52% in 2023/2024. Generators are used generate power during load shedding and the units generated are not measured. This has a significant influence on the reduction of line losses and mechanisms will need to be put in place to measure these losses.

	2025	2024
Volumes in kWh/year:		
System Input Volume	86,519,396	80,063,935
Billed Consumption	78,180,519	74,043,383
Unaccounted	8,338,877	6,020,553
Normal distribution losses - 8% of electricity purchases	-	-
	8,338,877	6,020,553
Percentage Distribution Loss	9.64%	7.52%

Water:

		Lost Units	Tariff	Value R
30 June 2025	Unaccounted Water Losses: Stilbaai	514,356	1.9047	979,679
	Unaccounted Water Losses: Albertinia	54,115	8.2166	444,641
	Unaccounted Water Losses: Gouritzmond	12,296	7.3630	90,531
	Unaccounted Water Losses: Slangriver	35,762	14.2400	509,245
	Unaccounted Water Losses: Heidelberg and Witsand	29,363	16.9800	498,591
	Unaccounted Water Losses: Riversdal	145,440	0.9076	132,004
				2,654,690
30 June 2024	Unaccounted Water Losses: Riversdal	119,123	0.9077	108,128
	Unaccounted Water Losses: Heidelberg and Witsand	45,850	13.7300	629,521
	Unaccounted Water Losses: Slangrivier	44,872	10.6200	476,541
				1,214,189

Water Losses occur due to inter alia, leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repaired as soon as they are reported. The loss of water is further indicative of ageing infrastructure assets requiring improved maintenance and upgrading. Council is however currently investigating further possibilities to reduce the loss. The water infrastructure is very old, and millions of rands is required to finance the backlog.

	2025	2024
Volumes in Kl/year:		
System Input Volume	3,937,694	1,479,563
Billed Consumption	3,146,362	1,269,718
Distribution Loss	791,332	209,845
Percentage Distribution Loss	20.10%	14.18%

49.2 BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

Information on compliance with the B-BBEE Act is included in the Annual Report under the section titled B-BBEE Compliance Performance Information.

50. COMMITMENTS FOR EXPENDITURE

	2025 R	2024 R
50.1 Capital Commitments		
- Approved and Contracted for:-	**60,332,531**	**2,455,898**
Infrastructure	60,332,531	2,455,898
Total Capital Commitments	**60,332,531**	**2,455,898**
This expenditure will be financed from:		
Government Grants, internal and external finance	60,332,531	2,455,898
	60,332,531	**2,455,898**

The Capital Commitments are VAT inclusive.

50.2 Lease Commitments

Non-cancellable Operating Lease Commitments are disclosed in Note 15.1.

51. FINANCIAL INSTRUMENTS

51.1 Classification

FINANCIAL ASSETS:
In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:

Financial Assets at Amortised Cost:			
Receivables from Exchange Transactions	Electricity	23,836,702	17,167,575
Receivables from Exchange Transactions	Refuse	2,858,677	3,403,327
Receivables from Exchange Transactions	Sewerage	2,407,518	2,883,614
Receivables from Exchange Transactions	Merchandising, Jobbing and Contracts	4,209,925	1,065,540
Receivables from Exchange Transactions	Water	8,186,962	6,011,544
Receivables from Exchange Transactions	Other Service Charges	561,410	537,461
Receivables from Exchange Transactions	Property Rental Debtors	244,973	186,391
Receivables from Exchange Transactions	Deposits for Land	244,767	226,782
Receivables from Non-exchange Transactions	Availability Charges	839,395	1,241,355
Cash and Cash Equivalents	Call Deposits	432,578,444	483,671,681
Cash and Cash Equivalents	Bank Balances	6,265,874	3,742,110
Cash and Cash Equivalents	Cash Floats and Advances	112,460	107,460
Total Financial Assets		482,347,108	520,246,839

FINANCIAL LIABILITIES:
In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:

Financial Liabilities at Amortised Cost:			
Non-current Borrowings	Annuity Loan	98,254,333	122,421,483
Consumer Deposits	Electricity	12,479,552	11,290,628
Consumer Deposits	Other Deposits	3,120,502	2,674,776
Trade and Other Payables	Other Payables	6,114,830	8,403,728
Trade and Other Payables	Retentions	16,914,066	8,524,244
Trade and Other Payables	Trade Creditors	33,543,410	37,901,360
Current Borrowings	Development Bank of South Africa	24,207,337	21,950,521
Total **Financial Liabilities**		194,634,031	213,166,741

No Financial Instruments of the municipality have been reclassified during the year.

51.2 Fair Value

The following methods and assumptions were used to estimate the Fair Value of each class of Financial Instrument for which it is practical to estimate such value:

The Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

	30 June 2025		30 June 2024	
	Carrying Amount R	Fair Value R	Carrying Amount R	Fair Value R
FINANCIAL ASSETS				
Measured at Amortised Cost:	482,347,108	482,347,108	520,246,839	520,246,839
Receivables from Exchange Transactions	42,550,935	42,550,935	31,484,234	31,484,234
Receivables from Non-exchange Transactions	839,395	839,395	1,241,355	1,241,355
Call Deposits	432,578,444	432,578,444	483,671,681	483,671,681
Bank Balances	6,265,874	6,265,874	3,742,110	3,742,110
Cash and Cash Equivalents	112,460	112,460	107,460	107,460

Total Financial Assets	482,347,108	482,347,108	520,246,839	520,246,839
FINANCIAL LIABILITIES				
Measured at Amortised Cost:	194,634,031	194,634,031	213,166,741	213,166,741
Annuity Loan	98,254,333	98,254,333	122,421,483	122,421,483
Consumer Deposits	15,600,054	15,600,054	13,965,404	13,965,404
Trade and Other Payables:				-
- Payables from Exchange Transactions	56,572,306	56,572,306	54,829,332	54,829,332
Current Borrowings	24,207,337	24,207,337	21,950,521	21,950,521
Total Financial Liabilities	194,634,031	194,634,031	213,166,741	213,166,741
Net Financial Instruments	287,713,077	287,713,077	307,080,099	307,080,099

51.3 Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2024.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 16, Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note 20 and the Statement of Changes in Net Assets.

Gearing Ratio

	2025 R	2024 R
The gearing ratio at the year-end was as follows:		
Debt	122,461,670	144,372,004
Cash and Cash Equivalents	(432,690,904)	(483,779,141)
Net Debt	(310,229,234)	(339,407,137)
Equity	1,572,344,806	1,331,887,262
Net debt to equity ratio	-19.73%	-25.48%

Debt is defined as Long-term Liabilities, together with its Short-term Portion.

Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance and Net Debt as described above.

51.4 Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes to market conditions and the municipality's activities, and compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

The Department Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Further quantitative disclosures are included throughout these Annual Financial Statements.

51.5 Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in Financial Instruments:

- Credit Risk;
- Liquidity Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

Market Risk
Market Risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the municipality's income or the value of its holdings in Financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Refer to Note 51.6 below for more detail

Credit Risk
Credit Risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investments held with registered financial institutions. Refer to Note 51.8 below for more detail.

Liquidity Risk
Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

A maturity analysis for Financial Liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in Note 51.9 to the Annual Financial Statements.

51.6 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 51.6 below). No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

51.6.1 Foreign Currency Risk Management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in foreign currency.

51.6.2 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy. Consumer Deposits are increased accordingly.

The municipality is exposed to interest rate risk as the municipality borrows funds at both fixed and floating interest rates. The risk is managed by the municipality by maintaining an appropriate mix between fixed and floating rate borrowings, such borrowing being below market related rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis

The sensitivity analysis has been determined based on the exposure to interest rates at the Statement of Financial Position date. The analysis is prepared by averaging the amount of the investment at the beginning of the financial year and the amount of the investment at the end of the financial year. A 25 basis point increase or decrease was used, which represents management's assessment of the reasonably possible change in interest rates. The short and long-term financial instruments at year-end with variable interest rates are set out in Note 51.9 below:

Cash and Cash Equivalents:

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the municipality's:

- Surplus for the year ended 30 June 2025 would have increased / decreased by R1,157,823 (30 June 2024: R1,127,775). This is mainly attributable to the municipality's exposure to interest rates on its variable rate investments.

The municipality's sensitivity to interest rates has increased during the current period mainly due to the increase in variable rate debt instruments.

Finance Lease Liabilities:

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the municipality's:

- Surplus for the year ended 30 June 2025 would have decreased / increased by R0 (30 June 2024: decreased / increased by R0). This is mainly attributable to the municipality's exposure to interest rates on its variable rate borrowings; and

The municipality's sensitivity to interest rates has decreased during the current period mainly due to the reduction in variable rate debt instruments.

Sensitivity analysis - Interest rate

Financial Assets:

30 June 2025

Actual average interest rate for the year		10.00%

Input variables	Values	Values	Values	Values
Floating Rate Financial Assets Balance (Average)	R 463,129,055	R 463,129,055	R 463,129,055	R 463,129,055
Finance Income - Variable Rates	R 46,305,136	R 47,462,959	R 48,620,781	R 50,936,427
Average Interest Rate for the year - Floating Rate Investments	10.00%	10.25%	10.50%	11.00%
Change in Interest Rate		0.25%	0.50%	1.00%
Intermediate Calculations				
Total Revenue excluding Finance Income	R 862,779,167	R 862,779,167	R 862,779,167	R 862,779,167
Finance Income - Fixed Rates	R -	R -	R -	R -
Total Revenue	R 909,084,303	R 910,242,126	R 911,399,948	R 913,715,594
Total Expenditure	R 686,379,542	R 686,379,542	R 686,379,542	R 686,379,542
Performance Measure				
Annual Profit	R 222,704,762	R 223,862,584	R 225,020,407	R 227,336,052
Increase / (Decrease in Profit	R -	R 1,157,823	R 2,315,645	R 4,631,291

30 June 2024

Actual average interest rate for the year		9.62%

Input variables	Values	Values	Values	Values
Floating Rate Financial Assets Balance (Average)	R 451,109,967	R 451,109,967	R 451,109,967	R 451,109,967
Finance Income - Variable Rates	R 43,386,407	R 44,514,182	R 45,641,956	R 47,897,506
Average Interest Rate for the year - Floating Rate Investments	9.62%	9.87%	10.12%	10.62%
Change in Interest Rate		0.25%	0.50%	1.00%
Intermediate Calculations				
Total Revenue excluding Finance Income	R 706,721,674	R 706,721,674	R 706,721,674	R 706,721,674
Finance Income - Fixed Rates	R -	R -	R -	R -
Total Revenue	R 750,108,081	R 751,235,856	R 752,363,631	R 754,619,180
Total Expenditure	R 654,057,336	R 654,057,336	R 654,057,336	R 654,057,336
Performance Measure				
Annual Profit	R 96,050,745	R 97,178,520	R 98,306,295	R 100,561,845
Increase / (Decrease in Profit	R -	R 1,127,775	R 2,255,550	R 4,511,100

Sensitivity analysis - Interest rate

Financial Liabilities:

30 June 2025

Actual average interest rate for the year		0.00%

Input variables	Values	Values	Values	Values
Floating Rate Loans Balance (Average)	R 33,182	R 33,182	R 33,182	R 33,182
Finance Cost - Variable Rates	R -	R -	R -	R -
Average Interest Rate for the year - Floating Rate Loans	0.00%	0.25%	0.50%	1.00%
Change in Interest Rate		0.25%	0.50%	1.00%
Intermediate Calculations				
Total Revenue	R 909,084,303	R 909,084,303	R 909,084,303	R 909,084,303
Total Expenditure excluding Finance Cost	R 680,922,771	R 680,922,771	R 680,922,771	R 680,922,771
Finance Cost - Fixed Rates	R 5,456,771	R 5,456,771	R 5,456,771	R 5,456,771
Total Expenditure	R 686,379,542	R 686,379,542	R 686,379,542	R 686,379,542
Performance Measure				
Annual Profit	R 222,704,762	R 222,704,762	R 222,704,762	R 222,704,762

Increase / (Decrease in Profit	R -17,715,635	R -	R -	R -

30 June 2024

Actual average interest rate for the year	**0.00%**

Input variables	**Values**	**Values**	**Values**	**Values**
Floating Rate Loans Balance (Average)	R 34,394	R 34,394	R 34,394	R 34,394
Finance Cost - Variable Rates	R -	R -	R -	R -
Average Interest Rate for the year - Floating Rate Loans	0.00%	0.25%	0.50%	1.00%
Change in Interest Rate		0.25%	0.50%	1.00%
Intermediate Calculations				
Total Revenue	R 750,108,081	R 750,108,081	R 750,108,081	R 750,108,081
Total Expenditure excluding Finance Cost	R 648,600,565	R 648,600,565	R 648,600,565	R 648,600,565
Finance Cost - Fixed Rates	R 5,456,771	R 5,456,771	R 5,456,771	R 5,456,771
Total Expenditure	R 654,057,336	R 654,057,336	R 654,057,336	R 654,057,336
Performance Measure				
Annual Profit	R 96,050,745	R 96,050,745	R 96,050,745	R 96,050,745
Increase / (Decrease in Profit	R -17,138,062	R -	R -	R -

51.7 Liquidity Risk Management

The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Entity's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market. The municipality's risk to liquidity is a result of the funds necessary to cover future commitments. The municipality manages liquidity risk through an on-going review of future commitments and available funds. Cash flow forecasts are prepared to ensure adequate utilisation and optimisation of funds.

51.8 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

Investments/Bank, Cash and Cash Equivalents

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Trade and Other Receivables

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

	2025 R	2024 R
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:		
Receivables from Exchange Transactions	79,981,559	65,742,849
Receivables from Non-exchange Transactions	7,574,115	7,469,514
Bank, Cash and Cash Equivalents	438,956,778	487,521,251
Maximum Credit and Interest Risk Exposure	526,512,452	560,733,614

The major concentrations of credit risk that arise from the municipality's receivables in relation to customer classification are as follows:

	%	%
Exchange Debtors:		
- Service Debtors	90.32	89.20
- Other Receivables	4.66	5.61
- Prepayments and Advances	4.75	4.90
- Other Minor Classes	0.27	0.29
Total Credit Risk	100.00	100.00

The municipality holds deposits to the amount of R15,600,054 (2024: R13,965,404) as security for oustanding debt of its receivables.

Refer to Note 3.1 for the analysis of the age of financial assets that are past due as at the end of the reporting period but not impaired.

Bank and Cash Balances

Call investments and current account	438,844,318	487,413,791
Cash Equivalents	112,460	107,460
Total Bank and Cash Balances	438,956,778	487,521,251

None of the financial assets that are fully performing, have been renegotiated in the last year.

51. FINANCIAL INSTRUMENTS (Continued)

51.9 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and Interest Risk Tables

The municipality ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay.

Description	Note ref in AFS	Average effective Interest Rate	Total	12 Months or less	Between 2 and 5 Years	Between 6 and 10 Years	More than 10 Years
		%	R	R	R	R	R
30 June 2025							
Non-interest Bearing			72,172,360	72,172,360	-	-	-
- Consumer Deposits			15,600,054	15,600,054	-	-	-
- Payables from Exchange transactions			56,572,306	56,572,306	-	-	-
Fixed Interest Rate Instruments			163,797,051	35,509,742	98,551,091	29,736,218	-
- Annuity Loan		10.90%	163,797,051	35,509,742	98,551,091	29,736,218	-
			235,969,412	**107,682,102**	**98,551,091**	**29,736,218**	-
30 June 2024							
Non-interest Bearing			68,794,737	68,794,737	-	-	-
- Consumer Deposits			13,965,404	13,965,404	-	-	-
- Payables from Exchange transactions			54,829,332	54,829,332	-	-	-
Fixed Interest Rate Instruments			199,307,828	35,509,998	113,725,789	50,072,041	-
- Annuity Loan		10.90%	199,307,828	35,509,998	113,725,789	50,072,041	-
			268,102,565	**104,304,735**	**113,725,789**	**50,072,041**	-

52. MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

The municipality makes provision for post-retirement benefits to eligible employees, who belong to different pension schemes. Employees belong to a variety of approved Pension and Provident Funds as described below.

Council contributes to the LA Retirement Fund, a defined contribution scheme, and the National Fund for Municipal Workers and SAMWU National Provident Fund, which is a defined contribution fund. In terms of the schemes' rules, pension is being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

These funds are governed by the Pension Funds Act, 1956, and include both defined benefit and defined contribution schemes.

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.

(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.

(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R26,043,349 (2024: R24,797,968) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

52.1 DEFINED BENEFIT SCHEMES

LA Retirement Fund, previously Cape Joint Pension Fund (Defined Benefit Scheme):
The last statutory valuation was performed as at 30 June 2022.

The actuarial valuation report at 30 June 2023 indicated that the defined contribution scheme of the fund is in a sound financial position, with a assets amounting to R2 163 627 000 (30 June 2022 : R1 976 184 000), net investment reserve of R0 (30 June 2022 : R0) and with a funding level of 100% (2022 : 100%).

Consolidated Retirement Fund, previously Cape Joint Retirement Fund:
The most recent valuation for the Consolidated Retirement Fund was performed for the year ended 30 June 2023. As at the valuation date, the total value of net assets of the Fund was R42.710 billion (2022: R36.503 billion).

An effective investment return of 15% (2022: 5.9%) per annum was awarded for the Growth Portfolio.

A pension increase of 8% (2022: 9%) was granted to pensioners effective 01 March 2023. A Pensioner bonus of 200% of monthly pension was payable in December 2022. A special pensioner bonus of 300% of annual pension was payable June 2023.

The funding level for the Member Share Account, Preservation Account and Living Annuity Account were 100.2% as at valuation date. The Processing Reserve Account represents -0.1% of the sum of the Members' shares and Living Annuity Accounts.

SALA Pension Fund
The SALA Pension Fund operates both as a defined benefit and defined contribution scheme. It is a multi-employer plan and the contribution rate payable is 9% by the members and 18% by Council. The most recent valuation satement was the monthly report as at 30 June 2023.

The total market value of the investments held by the Fund on the valuation date was R14.4 billion.

53. RELATED PARTY TRANSACTIONS

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

Councilors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality. The remuneration of councillors is set out in note 33 of the Annual Financial Statements.

53.1 Current Employee Benefits

The Municipality has current employee benefit obligations and made other non-Employee Related Cost payments towards senior management. The details have been disclosed in note 32.

53.2 Loans granted to Related Parties

In terms of the MFMA section 164 (1) (c), the Municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. No loans were granted to Councillors, Management, Staff and Public by the municipality.

53.3 Compensation of Related Parties

The compensation of key management personnel is set out in note 32 to the Annual Financial Statements.

53.4 Purchases from Related Parties

The municipality bought goods from the following companies, which are considered to be Related Parties:

Company Name	Related Person	Municipal Capacity	Nature of relationship	2025 R Purchases for the Year	2024 R Restated Purchases for the Year
HAH Motors T/A Pro Motors	A Stroebel	Councillor: Hessequa Mun	Owner	1,344,384	2,023,272
DPI TRUCK	H Pienaar	Staff Member - Hessequa Municipality	Owner	-	65,401
Polyrub Linnings	A Groenwald	Staff Member - Hessequa Municipality	Owner	-	11,755
Virgo Goods And Services (Pty) Ltd	R Rossouw	Staff Member - Hessequa Municipality	Owner	17,454	46,914
Paulsen Maintenance and General Dealers/Carl Paulsen	E Snyers	Staff Member - Hessequa Municipality	Owner	-	250
Seasons Find 982 CC	YJ Daniels	[illegible]	Owner	-	12,189
CRR Enterprise	CJ Riddels	[illegible]	Owner	809,356	597,999
N Cronje t/a WG Pompe	M Cronje	[illegible]	Owner	18,795	3,478
Silverstar Construction	J Michaels	[illegible]	Owner	427,414	394,397
Henna's Catering	E du Preez	[illegible]	Owner	299,150	205,510
Hessequa tactical first responders	HM Gunter/ A Stroebel	[illegible]	Owner	28,417	-
G and M chemicals	G Hoogbaard	municipality	Owner	44,292	-
Total Purchases				2,989,261	3,361,165

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

54. CONTINGENT LIABILITIES

54.1 Court Proceedings:	8,080,206	8,180,206
DB Joubert V HM: Applicant claimed damages from the Municipality regarding flood damage suffered a number of years ago. The matter is still ongoing and the Municipality has appointed Attorneys in this regard. R14 708 has already been paid but further costs will be incurred.	40,000	40,000
T. Lots - Labour Court Application - Unfair Labour Practice	100,000	150,000
J Pieters / HM: High Court Application - Injury on Duty - Matter is moot		30,000
Minister of Water & Sanitation / HM: Litigation regarding water sources used and charges relating to water sources. Summons from the High Court was received on 30 November 2020. There have been delays in the matters and correspondence from the Minister was not always clear. The initial conclusion was that the matter would not go ahead.	2,541,904	2,541,904
Laser Quiz cc//Trustees in their capacity of the Johannes van Waart Familytrust and other - Dispute regarding approval of building plans. This matter was settled between the parties. The Applicant believe that the municipality must pay part of the legal costs incurred.	372,499	372,499
Eric Petersen v Albertinia Rangers Rugby Club / HM : Applicant alleges that he entered into an oral agreement with the Municipality for the development of municipal land. Applicant claims damages from the Municipality.	4,595,803	4,595,803
C. Michiel - Labour Court Application - Unfair Labour Practice - The appeal has been dismissed and no costs was ordered.	-	50,000
Amelia Punt/ Hessequa Municipality and Western Cape Dept. of Transport and Public Works - Claim for damages (Plaintiff fell on a section of a sidewalk and mis-stepped into a hole in the pavement and consequently broken her shoulder)	50,000	50,000
A. Voss - Labour Court Application - Unfair Labour Practice	50,000	50,000
B Hendriks - Labour Court Application - Unfair Labour Practice	-	150,000
E Jackson - Labour Court Application - Unfair Labour Practice	-	150,000
Amelda & Jacobus Kleinhans - Equality Court matter - Rental Housing - Erf 3889 RD)	10,000	-
Martin Malunsi - Equality Court matter - Housing subsidy matter)	10,000	-
E Mokoena - Equality Court matter - Request for information	10,000	-
Marbestel Trust / Hessequa Municipality - fire damage claim	300,000	-

55. ANALYSIS OF PRINCIPAL / AGENCY ACCOUNTING

55.1 Municipality acting as the Principal

55.1.1 Prepaid Electricity Vendor

Hessequa Municipality requires a prepayment vending and management system. The system must provide for all types of payment methods. System must be operational on a 24 hour per day, 7 days a week, 365 days in a year basis.

The municipality entered into binding agreements with different vendors to distribute pre-paid electricity to third parties and the vendors pay the revenue received over to the municipality.

Compensation paid for Agency Activities:

Commission to various	773,101	846,195
Compensation to Ontec	784,122	634,651
Total Compensation Paid	1,557,224	1,480,846

The municipality paid between 0% and 2% commission to vendors for acting as agents on its behalf during the financial year.

In the event that the arrangement is terminated and the municipality decides to provide the service and not make use of a contractor, the municipality will as a minimum have to procure an operating vending and management system for prepaid electricity, related licences and possibly employ additional staff to manage the system and network. Commission will still be payable to the various retail outlets where our hardware will be based.

55.2 Municipality acting as the Agent

55.2.1 Motor Vehicle Licensing and Registration

The municipality acts as agent for the Western Cape's Department of Transport and Public Works where it provides motor vehicle registration and licensing services on behalf of the department.

As per Circular R12, 1994 the executive committee at the provincial administration of the Cape of Good Hope and the Department of State expenditure granted authority that an agency fee be paid to local authorities who have been appointed as registering authorities in the Western Cape province for the registration and licensing of motor vehicles in terms of the National Road Traffic Act 93 of 1996.

Hessequa municipality is the agent in this binding agreement and uses its own resources in performing the service delivery and capturing the information on the ENATIS (Electronic National Administration Traffic Information System).

Agency Fee Circular R5.2005 further states that all municipalities must perform weekly pay-overs in terms of MFMA 56 of 2003 section 64(4).

The municipality was paid 12% commission by the Western Cape province for acting as an agent for acting on its behalf during the financial year.

The services are rendered in Riversdale, Still Bay, Heidelberg and Albertinia in the municipality's district. The costing system does not have the functionality to account for the principal-agent expense transactions separately. Therefore no principal-agent specific costs could be disclosed.

	2025 R	2024 R
Drivers licenses		
Revenue received from third parties	568,680	573,160
Payment to provincial traffic department	(320,898)	(323,426)
	247,782	249,734
Vehicle Registrations		
Revenue received from third parties	25,989,540	26,115,086
Payment to provincial traffic department	(23,024,156)	(23,367,808)
	2,965,384	2,747,279

55.2.2 Western Cape Provincial Department of Human Settlements

The municipality acts as agent for the Western Cape's Provincial Department of Human Settlements where it provides housing services on behalf of the department.

The municipality undertakes transactions on behalf of the Department in relation to beneficiaries of the housing programme whereby the municipality:

(i) Receives application forms from potential beneficiaries and submits them to the Department or processes the application forms on the HSS.

(ii) Communicates the approved list of beneficiaries to the applicants after approval has been received from the Department.
(iii) Hands the completed houses over to the beneficiaries based on the approved list received from the Department.

The municipality has assessed the criteria set out in GRAP 109.25 against the arrangement entered into and concluded that the municipality is an agent in terms of the arrangement.

The municipality does not generate any revenue from this arrangement.

56. EVENTS AFTER THE REPORTING DATE

No events after the reporting date were identified by management that will effect the operations of the municipality or the results of those operations significantly.

57. COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of Prior Period Errors (Note 45.).

58. GOING CONCERN ASSESSMENT

Management also considered the following matters in relation to the Going Concern position of Hessequa Municipality:

(i) The municipality's Budget is subjected to a very rigorous independent assessment process to assess its cash-backing status before it is ultimately approved by Council.

(ii) Strict daily cash management processes are embedded in the municipality's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the Budget. The cash management processes is complemented by monthly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.

(iii) As the municipality has the power to levy fees, tariffs and charges, this will result in an on-going inflow of revenue to support the on-going delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.

Taking the aforementioned into account, management has prepared the Annual Financial Statements on the Going Concern Basis.

59. SEGMENT REPORTING

For management purposes the municipality is broadly organised into business units based on the nature of operations and the services they provide. The municipality has eight primary reportable segments:

- **The segment for Executive and Council Services:-**
- This segment consists of executive services and support services to the executive.

- **The segment for Finance and Administration Services:-**
- This segment consists of services such as finance & administration.

- **The segment for Community and Social Services:-**
- This segment consists of all services for community & social development, public safety, providing of health to the community and sport & recreation.

- **The segment for Road Transport Services:-**
  - This segment consists of all services for providing roads & storm water in the municipal area.

- **The segment for Energy Sources:-**
  - This segment consists of all services for energy supply to the community.

- **The segment for Waste Management:-**
  - This segment consists of all services for the management of solid waste in the municipal area.

- **The segment for Waste Water Management:-**
  - This segment consists of all services for the management of waste water, including sewage, in the municipal area.

- **The segment for Water Management:-**
  - This segment consists of all services for water supply to the community.

No individually material operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on non-financial metrics and the segment's operating surplus or deficit, measured consistently with the accounting policies applied in the Annual Financial Statements. However, the municipality's financing (including finance costs and finance income) and revenue from taxes are managed on a group basis and are not allocated to operating segments.

Inter-business unit services are set off against each other as internal charges, and are therefore eliminated and not reported in Segment Reporting. The quality of services provided internally is monitored as part of the service performance information.

The municipality does not monitor operating results for these geographical segments, and operational results are only monitored within the business units as previously disclosed.

HESSEQUA LOCAL MUNICIPALITY

59.1 Segmental Analysis of Financial Performance

Year Ended 30 June 2025

Description	Executive and Council	Finance and Administration	Community and Social Services	Road Transport	Energy Sources	Waste Management	Waste Water Management	Water Management	Total for Municipality
	R	R	R	R	R	R	R	R	R
REVENUE									
Revenue from Non-exchange Transactions									
Property Rates	-	140,196,506	-	-	-	-	-	-	140,196,506
Fines, Penalties and Forfeits	-	402,621	44,494,882	-	1,478	-	-	-	44,898,981
Licences and Permits	-	-	2,343,686	-	-	-	-	-	2,343,686
Transfers and Subsidies	20,258,458	4,955,191	3,841,455	9,343,179	145,310,511	12,920,883	16,701,845	16,408,963	229,740,485
Service Charges	-	-	-	-	5,794,713	-	3,171,419	2,407,631	11,373,763
Interest Earned - Non-exchange Receivables	-	837,080	-	-	-	-	-	-	837,080
Operational Revenue	4,988	165	4,814	26,151	-	-	-	-	36,119
Revenue from Exchange Transactions									
Licences and Permits	-	-	1,539	-	-	-	-	-	1,538
Service Charges	-	-	-	-	236,043,645	37,892,418	31,841,798	59,596,191	365,374,052
Sales of Goods and Rendering of Services	-	26,895,005	24,976,783	11,278	-	17,148	-	-	51,900,214
Income from Agency Services	-	-	3,213,166	-	-	-	-	-	3,213,166
Rental from Fixed Assets	-	3,898,054	496,480	36,596	-	-	-	-	4,431,129
Interest, Dividends and Rent on Land Earned	-	46,485,205	-	-	471,566	789,574	806,175	1,193,032	49,745,553
Operational Revenue	127,229	4,310,737	554,062	-	-	-	-	-	4,992,028
Total Revenue	**20,390,675**	**227,980,566**	**79,926,866**	**9,417,205**	**387,621,913**	**51,620,022**	**52,521,238**	**79,605,818**	**909,084,303**
EXPENDITURE									
Employee Related Costs	18,633,016	63,045,327	57,677,607	27,578,067	17,732,907	15,022,696	14,523,851	16,447,990	230,661,461
Remuneration of Councillors	9,128,113	-	-	-	-	-	-	-	9,128,113
Depreciation and Amortisation	79,925	2,595,766	3,580,682	15,896,758	6,241,752	3,998,976	6,708,841	5,210,505	44,315,205
Bad Debts Written Off	-	828,723	1,055,000	-	429,933	1,307,635	1,252,795	3,337,694	8,211,779
Impairment Losses	-	(273,112)	28,708,130	-	414,182	1,268,052	1,321,170	295,947	31,734,368
Interest, Dividends and Rent on Land	-	242,625	609,708	2,969,907	3,381,881	8,246,645	3,959,249	2,271,425	21,681,441
Bulk Purchases	-	-	-	-	187,076,907	-	-	-	187,076,907
Contracted Services	402,767	32,843,684	15,797,747	6,413,691	3,672,124	3,545,588	6,022,785	3,221,457	71,919,845
Inventory Consumed	66,231	1,760,824	6,851,315	9,084,368	3,606,331	3,063,781	3,243,426	12,691,260	40,367,537
Transfers and Subsidies Paid	1,076,566	297,498	1,238,652	-	-	-	-	-	2,612,716
Operating Leases	-	1,572,907	206,017	-	59,037	-	-	-	1,837,962
Operational Costs	6,008,019	12,718,757	3,953,122	2,639,000	4,167,957	1,053,428	1,375,333	4,160,880	36,076,496
Total Expenditure	**35,394,638**	**115,632,999**	**119,677,980**	**64,583,792**	**226,783,010**	**37,506,800**	**38,407,449**	**47,637,159**	**685,623,829**
Gains and Losses:									
Gains on Other Operations	1,462,707	18,212,976	-	-	-	-	-	-	19,675,683
Losses on Other Operations	-	(253,500)	(0)	-	0	(0)	-	(2,654,690)	(2,908,190)
Disposal of Fixed and Intangible Assets:									
Gains on Disposal of Property, Plant and Equipment	898	572,155	104,726	226,099	287,078	-	59,009	7,866	1,257,831
Loss on Disposal of Property, Plant and Equipment	(22,924)	(699,272)	(136,084)	(126,471)	(15,071)	(982)	(64,598)	-	(1,065,401)
Surplus/(Deficit) for the Year	**(13,563,283)**	**130,179,926**	**(39,782,472)**	**(55,066,959)**	**161,110,910**	**14,112,240**	**14,108,200**	**29,321,834.52**	**240,420,397**

HESSEQUA LOCAL MUNICIPALITY

Year Ended 30 June 2024

Description	Executive and Council	Finance and Administration	Community and Social Services	Road Transport	Energy Sources	Waste Management	Waste Water Management	Water Management	Total for Municipality
	R	R	R	R	R	R	R	R	R
REVENUE									
Revenue from Non-exchange Transactions									
Property Rates		130,038,262	-	-	-	-	-	-	130,038,262
Fines, Penalties and Forfeits	-	358,341	64,836,575	-	8,645	-	-	-	65,203,561
Licences and Permits	-	-	2,070,269	-	-	-	-	-	2,070,269
Transfers and Subsidies	16,476,054	4,668,888	653,258	19,901,672	14,985,414	13,300,695	16,251,600	23,279,885	109,517,466
Service Charges	-	-	-	-	5,671,621	-	3,118,630	2,351,459	11,141,710
Interest, Dividends and Rent on Land Earned	-	819,760	-	-	-	-	-	-	819,760
Operational Revenue	1,839	307,038	58,826	22,806	2,957	11,586	-	-	405,052
Revenue from Exchange Transactions									
Licences and Permits	-	-	-	-	-	-	-	-	-
Service Charges	-	-	-	-	204,276,607	34,191,835	28,865,299	53,166,681	320,500,422
Sales of Goods and Rendering of Services	-	25,616,304	24,885,055	-	-	9,030	-	-	50,510,390
Income from Agency Services	-	-	2,997,013	-	-	-	-	-	2,997,013
Rental from Fixed Assets	-	3,242,437	491,654	28,390	-	-	-	-	3,762,481
Interest, Dividends and Rent on Land Earned	-	43,621,520	-	-	399,884	619,292	621,445	964,531	46,226,673
Operational Revenue	517,932	5,833,512	563,578	-	-	-	-	-	6,915,022
Total Revenue	**16,995,825**	**214,506,063**	**96,556,227**	**19,952,868**	**225,345,129**	**48,132,439**	**48,856,973**	**79,762,557**	**750,108,081**
EXPENDITURE									
Employee Related Costs	17,529,058	58,607,379	55,456,255	26,172,419	16,430,353	14,455,280	13,610,970	14,784,442	217,045,156
Remuneration of Councillors	8,470,686	-	-	-	-	-	-	-	8,470,688
Depreciation and Amortisation	77,899	2,174,152	3,545,610	14,102,152	5,550,041	5,992,093	6,350,294	4,775,755	42,567,996
Bad Debts Written Off	-	844,278	43,687,310	-	127,795	1,137,862	1,105,528	1,505,410	48,408,183
Impairment Losses	-	1,927,300	(226,565)	-	1,244,660	1,911,144	1,868,017	3,038,839	9,763,395
Interest, Dividends and Rent on Land	-	270,768	698,851	3,352,852	4,222,633	6,467,417	4,435,462	2,587,467	22,035,450
Bulk Purchases	-	-	-	-	157,153,258	-	-	-	157,153,258
Contracted Services	2,016,634	30,299,057	16,318,345	4,215,370	2,935,456	3,346,836	4,121,832	3,469,325	66,722,855
Inventory Consumed	42,674	1,660,493	6,426,154	9,415,811	4,457,676	2,777,933	4,512,306	13,444,321	42,737,368
Transfers and Subsidies Paid	1,347,759	160,039	327,250	-	-	-	-	-	1,835,047
Operating Leases	-	1,389,685	325,470	52,833	20,847	-	34,160	-	1,822,995
Operational Costs	5,386,801	13,683,521	3,343,133	2,152,110	4,012,718	2,095,422	1,261,814	3,742,494	35,678,014
Total Expenditure	**34,871,514**	**111,016,673**	**129,900,813**	**59,463,546**	**196,155,437**	**38,183,985**	**37,300,384**	**47,348,053**	**654,240,486**
Gains and Losses:									
Gains on Other Operations	6,153,368	12,920,816	-	-	-	-	-	-	19,074,184
Losses on Other Operations	(0)	(0)	-	-	-	0	-	(1,214,189)	(1,214,189)
Disposal of Fixed and Intangible Assets:									
Gains on Disposal of Property, Plant and Equipment	-	852,597	-	-	-	-	-	-	852,597
Loss on Disposal of Property, Plant and Equipment	(33,524)	(193,591)	(141,126)	(353,998)	(605,614)	(924)	(49,493)	(13,190)	(1,391,460)
Surplus/(Deficit) for the Year	**(11,755,846)**	**117,069,212**	**(33,485,712)**	**(39,864,676)**	**28,584,079**	**9,947,529**	**11,507,096**	**31,187,124.57**	**113,188,807**

HESSEQUA LOCAL MUNICIPALITY

59.2 Other Segmental Analysis Disclosures

Year Ended 30 June 2025

Description	Executive and Council	Finance and Administration	Community and Social Services	Road Transport	Energy Sources	Waste Management	Waste Water Management	Water Management	Total for Municipality
	R	R	R	R	R	R	R	R	R
Financial Position									
The main components of the Financial Position that is	currently considered	and managed, wit	n the defined munic	pal segments have	been determined a	follows:			
Receivables from Exchange Transactions:									
- Deposits	-	244,767	-	-	-	-	-	-	244,767
- Electricity	-	-	-	-	23,836,702	-	-	-	23,836,702
- Refuse	-	-	-	-	-	2,858,677	-	-	2,858,677
- Sewerage	-	-	-	-	-	-	2,407,518	-	2,407,518
- Water	-	-	-	-	-	-	-	8,186,962	8,186,962
- Other Receivables	-	9,382,771	-	-	-	-	-	-	9,382,771
	-	9,627,537	-	-	23,836,702	2,858,677	2,407,518	8,186,962	46,917,397
Statutory Receivables from Non-exchange Transactio	s:								
- Fines	-	-	19,938,607	-	-	-	-	-	19,938,607
- Property Rates	-	7,787,106	-	-	-	-	-	-	7,787,106
- Service Charges	-	-	-	-	440,526	-	232,739	166,129	839,395
	-	7,787,106	19,938,607	-	440,526	-	232,739	166,129	28,565,108
Capital Assets:									
- Property, Plant and Equipment	-	1,328,076,041	-	-	-	-	-	-	1,328,076,041
- Intangible Assets	-	178,890	-	-	-	-	-	-	178,890
- Investment Property	-	123,788,855	-	-	-	-	-	-	123,788,855
- Heritage Assets	-	8,451,512	-	-	-	-	-	-	8,451,512
	-	1,460,495,297	-	-	-	-	-	-	1,460,495,297
Total for Financial Position	-	**1,477,909,941**	**19,938,607**	-	**24,277,229**	**2,858,677**	**2,640,257**	**8,353,092**	**1,535,977,802**
Capital Expenditure									
Property, Plant and Equipment	-	237,138,919	-	-	-	-	-	-	237,138,919
Investment Property	-	4,413	-	-	-	-	-	-	4,413
Total for Capital Expenditure	-	**237,143,332**	-	-	-	-	-	-	**237,143,332**

HESSEQUA LOCAL MUNICIPALITY

Year Ended 30 June 2024

Description	Executive and Council	Finance and Administration	Community and Social Services	Road Transport	Energy Sources	Waste Management	Waste Water Management	Water Management	Total for Municipality
	R	R	R	R	R	R	R	R	R
Financial Position									
The main components of the Financial Position that is	currently considered	and managed, wit	n the defined munic	pal segments have	been determined as	follows:			
Receivables from Exchange Transactions:									
- Deposits	-	226,782	-	-	-	-	-	-	226,782
- Electricity	-	-	-	-	17,167,575	-	-	-	17,167,575
- Refuse	-	-	-	-	-	3,403,327	-	-	3,403,327
- Sewerage	-	-	-	-	-	-	2,883,614	-	2,883,614
- Water	-	-	-	-	-	-	-	6,011,544	6,011,544
- Other Receivables	-	5,561,355	-	-	-	-	-	-	5,561,355
	-	5,788,137	-	-	17,167,575	3,403,327	2,883,614	6,011,544	35,254,197
Statutory Receivables from Non-exchange Transactio	s:								
- Fines	-	-	22,795,383	-	-	-	-	-	22,795,383
- Property Rates	-	10,410,149	-	-	-	-	-	-	10,410,149
- Property Rates	-	-	-	-	651,821	-	340,659	248,875	1,241,355
	-	10,410,149	22,795,383	-	651,821	-	340,659	248,875	34,446,886
Capital Assets:									
- Property, Plant and Equipment	-	1,136,503,296	-	-	-	-	-	-	1,136,503,296
- Intangible Assets	-	192,223	-	-	-	-	-	-	192,223
- Investment Property	-	105,082,106	-	-	-	-	-	-	105,082,106
- Heritage Assets	-	8,451,512	-	-	-	-	-	-	8,451,512
	-	1,250,229,137	-	-	-	-	-	-	1,250,229,137
Total for Financial Position	-	**1,266,427,422**	**22,795,383**	-	**17,819,396**	**3,403,327**	**3,224,273**	**6,260,419**	**1,319,930,220**
Capital Expenditure									
Property, Plant and Equipment	-	84,408,141	-	-	-	-	-	-	84,408,141
Investment Property	-	-	-	-	-	-	-	-	-
Total for Capital Expenditure	-	**84,408,141**	-	-	-	-	-	-	**84,408,141**

APPENDIX A

HESSEQUA LOCAL MUNICIPALITY

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2025

Details	Interest Rate	Loan Number	Redeemable	Balance at 30 June 2024	Received during the Period	Interest Capitalised	Redeemed/ Written Off during Period	Balance at 30 June 2025
				R	R		R	R
ANNUITY LOANS								
ABSA Bank	10.20%	4068858722	30/06/2027	8,194,012	-	(4,577)	(2,460,134)	5,729,301
Development Bank South Africa	8.90%	61007148	30/06/2023	-	-	-	-	-
Development Bank South Africa	9.98%	61007233	30/06/2024	-	-	-	-	-
Development Bank South Africa	9.20%	61007562	30/06/2029	18,319,253	-	-	(3,028,655)	15,290,598
Standard Bank	11.26%	536633	30/06/2026	12,714,780	-	-	(6,009,530)	6,705,250
Standard Bank	7.78%	606256	30/06/2030	20,318,353	-	-	(2,767,314)	17,551,039
Standard Bank	8.75%	654745	30/06/2031	47,112,805	-	-	(5,094,280)	42,018,525
Standard Bank	11.54%	797131	30/06/2033	37,712,801	-	-	(2,545,844)	35,166,957
Total Annuity Loans				**144,372,004**	**-**	**(4,577)**	**(21,905,757)**	**122,461,670**
TOTAL EXTERNAL LOANS				**144,372,004**	**-**	**(4,577)**	**(21,905,757)**	**122,461,670**

APPENDIX D

HESSEQUA LOCAL MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

2024 Actual Income	2024 Budgeted Income	2024 Actual Expenditure	2024 Budgeted Expenditure	2024 Surplus/ (Deficit)	Description	2025 Actual Income	2025 Budgeted Income	2025 Actual Expenditure	2025 Budgeted Expenditure	2025 Surplus/ (Deficit)
R	R	R	R	R		R	R	R	R	R
					Municipal Governance and Administration Services					
23,149,192	17,576,054	31,707,955	33,443,032	(8,558,763)	Executive and Council	21,373,981	21,008,588	32,051,305	35,445,994	(10,677,324)
196,317,326	164,137,820	62,684,170	72,161,883	133,633,157	Finance and Administration	213,507,409	185,445,246	78,089,406	88,999,367	135,418,003
-	-	1,933,826	2,341,624	(1,933,826)	Internal Audit	-	-	2,058,974	2,207,470	(2,058,974)
					Community and Public Safety Services					
10,648,063	13,006,800	24,726,098	28,118,317	(14,078,035)	Community and Social Services	10,799,901	12,603,618	22,292,451	26,343,866	(11,492,550)
70,419,773	63,838,893	76,758,322	85,525,738	(6,338,549)	Public Safety	51,626,912	42,715,729	63,303,312	70,209,742	(11,676,400)
14,940,218	16,665,674	31,810,553	34,391,318	(16,870,335)	Sport and Recreation	16,995,051	16,406,002	27,978,068	30,248,065	(10,983,016)
					Housing Services					
22,665,786	38,823,111	24,633,901	34,810,322	(1,968,115)	Housing	25,538,386	28,265,319	25,625,762	28,813,076	(87,376)
					Economic and Environmental Services					
548,174	660,341	5,720,564	6,071,648	(5,172,391)	Environmental Protection	609,728	684,551	6,240,233	6,470,033	(5,630,506)
9,296,363	7,053,990	11,336,540	13,797,601	(2,040,177)	Planning and Development	7,719,903	23,707,625	12,870,604	14,240,742	(5,150,701)
19,952,868	20,623,030	59,684,539	61,678,712	(39,731,671)	Road Transport	9,643,303	9,349,953	64,710,263	66,543,776	(55,066,959)
					Trading Services					
225,345,129	295,423,780	190,221,375	197,428,847	35,123,754	Energy Sources	387,908,991	380,358,131	226,798,082	232,214,142	161,110,910
48,132,439	46,801,608	41,733,750	36,262,032	6,398,688	Waste Management	51,620,022	48,644,353	37,507,782	43,065,200	14,112,240
48,856,973	48,537,804	45,039,461	49,929,616	3,817,513	Waste Water Management	52,580,247	51,024,201	38,472,047	39,067,183	14,108,200
79,762,557	77,822,798	47,591,743	50,654,059	32,170,813	Water Management	79,613,684	74,449,346	50,291,849	50,652,140	29,321,835
					Other Services					
-	-	1,263,257	1,291,739	(1,263,257)	Other	480,296	500,000	1,307,283	1,343,318	(826,985)
770,034,862	**810,971,703**	**656,846,055**	**707,906,488**	**113,188,807**	**Total**	**930,017,817**	**895,162,662**	**689,597,420**	**735,864,114**	**240,420,397**

APPENDIX F
HESSEQUA LOCAL MUNICIPALITY
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grants and Subsidies Received

Name of Grant	Balance as at 30 June 2024	Total Receipts	Conditions Met & Transferred to Revenue		Repaid Paid back to National Revenue Fund	Balance as at 30 June 2025
			Operating Expenditure	Capital Expenditure		
	Total	Total	Total	Total	Total	Total
National Government Grants						
Equitable Share	-	63,158,000	(63,158,000)	-	-	-
Accelerated Community Infrastructure Programme	30,907	-	-	-	-	30,907
Energy Efficiency and Demand Side Management Grant	40,000	-	-	-	(40,000)	-
Skills Development	686,919	406,666	(78,442)	-	(21,558)	1,193,585
Expanded Public Works Programme	-	1,236,000	(1,236,000)	-	-	-
Integrated National Electrification Grant	385	4,162,000	-	(4,162,000)	(385)	-
Finance Management Grant	-	1,700,000	(1,700,000)	-	-	-
Municipal Infrastructure Grant	-	15,228,000	(762,300)	(14,465,700)	-	-
Water Service Infrastructure Grant	222	257,000	-	(257,000)	(222)	-
Municipal Desaster Relief Grant	563,652	-	-	(563,652)	-	-
Total National Government Grants	**1,522,086**	**86,147,666**	**(66,934,742)**	**(19,448,352)**	**(62,165)**	**1,224,493**
Provincial Government Grants						
Community Development Workers	384	38,000	(38,000)	-	(384)	-
Department Economic Development & Tourism SMME Booster Fun	0	-	-	-	-	0
Human Settlement Asset Finance Reserve	-	14,508,367	(12,080,935)	-	-	2,427,432
Human Settlement Development Grant - Beneficeries	260,926	10,939,350	(11,047,175)	-	(260,926)	(107,825)
Informal Settlements	-	2,049,974	-	(2,049,974)	-	-
Human Settlement Development Grant - Transfer Fees	3,127,525	-	(142,325)	-	(3,127,525)	(142,325)
Municipal Energy Resilience Grant	68,213,187	67,700,000	-	(135,913,187)	-	-
Library Municipal Replacement Funding		-	-		-	-
Library Conditional Grant			-		-	-
Fire Service Capacity Building	-	558,000	-	(558,000)	-	-
Municipal Service Delivery and Capacity Building Grant	203,086	-	-	-	(203,086)	0
Transport Infrastructure	105,548	195,000	(195,000)	-	(105,548)	-
Western Cape Financial Management Capability Grant	165,360	363,200	(284,450)	-	(165,360)	78,750
Municipal Water Resilience Grant	239,325	-	-	-	(239,325)	0
Emergency Loadshedding Relief	5,220	-	-	-	(5,220)	-
Tourism Growth Grant	-	480,000	-	(480,000)	-	-
Regional Socio-Economic Project (RSEP) Grant	1,014	700,000	-	(700,000)	(1,014)	-
Thusong Service Centre Grant	19,571	150,000	(150,000)	-	(19,571)	-
Total Provincial Government Grants	**72,341,147**	**97,681,891**	**(23,937,885)**	**(138,701,161)**	**(4,127,959)**	**2,256,033**
Other Grant Providers						
Africana Centre	103,037	-	-	-	-	103,037
Development Contractors	-	1,500,000	(284,075)	(1,215,925)	-	-
Public Participation Strategy	57,086	-	-	-	-	57,086
Syntell	757,017	-	-	(755,000)	-	2,017
Total Other Grant Providers	**917,141**	**1,500,000**	**(284,075)**	**(1,970,925)**	**-**	**162,141**
Total Grants and Subsidies	**74,780,373**	**185,329,557**	**(91,156,702)**	**(161,120,438)**	**(4,190,124)**	**3,642,668**

9.14 DRAFT REVIEW REPORT 2022-2027 INTEGRATED DEVELOPMENT PLAN (IDP)

File number / Verwysingsnommer: 15/1/8

Meeting date / Vergadering datum: 26 March 2026

Report by / Verslag deur: Manager: Strategic Services – L de Villiers

PURPOSE OF REPORT / DOEL VAN VERSLAG

To present the Draft Review Report Integrated Development Plan to Council for approval and subsequent publication for public comment.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

In accordance with Section 34 of the Local Government: Municipal Systems Act, a municipal Council must review its Integrated Development Plan (IDP) annually and based on the review process outcomes, propose amendments to the IDP.

An amendment to an Integrated Development Plan (IDP) during a 5-year term is typically triggered by the need to ensure that the plan remains relevant, aligned with changing circumstances, and compliant with legislation.

Under the Municipal Systems Act, Section 34, while an annual review is mandatory, specific amendments are required when there are significant shifts in internal, external, or financial conditions

In accordance with Section 3 of the Local Government: Municipal Planning and Performance Regulations of 2001, a member or Committee of Council may introduce a proposal for amending the IDP and this item presents a review report of the IDP. The reasons for the review and not an amendment is because there are no significant changes to the key components of the IDP.

In August 2025 a process plan was approved for the review of the IDP with extended public participation processes highlighted and reviews of existing planning documentation.

IDP- AND BUDGET TIME SCHEDULE FOR 2025/26			
ACTION	**DEADLINE**	**Did it take Place?**	**Result of Participation**
Participation Opportunity: Development of CCTV Policy	**Nov-25**	No	Not done due to various risks being address by other municipalities who have developed a CCTV policy. Hessequa will consider lessons learnt.
Participation Opportunity: Review / Development of Informal Settlement Policy	**Mar-26**	Yes	Draft Policy will appear before the Portfolio Committee on 18/03/2026

Participation Opportunity: Development of Petition Policy	**Sept-25**	Yes	Advertised in SKF, website, Facebook and WhatsApp groups, served at Ward Committees for comment. Two comments received which were dealt with when Council approved the Policy in November 2025
Participation Opportunity: Review of Zoning Scheme By-Law	**Sept-25**	Yes	Public Participation was followed (newspaper, Facebook, website, WhatsApp groups). Comments from the public included that it be translated to Afrikaans. Once the translated version is received, the public participation process will be followed again. It will also serve at Ward Committees.
Participation Opportunity: Review of Land Use Planning By-Law	**Sept-25**	Yes	Public Participation was followed (newspaper, Facebook, website, WhatsApp groups). Comments from the public included that it be translated to Afrikaans. Once the translated version is received, the public participation process will be followed again. It will also serve at Ward Committees.
Participation Opportunity: Review of Hall / Facility Leasing Policy	**Nov-25**	Yes	No policy changes identified during the revision of the policy.
Participation Opportunity: Review of Property Management Policy	**Nov-25**	No	Proposed amendments to the Property Management Policy are currently still under internal review and discussion. The policy will be submitted for public comment once the internal consultation process has been concluded and a revised draft has been finalised.
Participation Opportunity: Post-Season Review with Camp Committees	**Feb-26**	Yes	No policy changes were identified. Remedial actions identified to be addressed.
Public workshops: Determining tariffs and review of policies and by-laws	**19- 30 January 2026**	Yes	Policy review workshops were held, inputs received and discussed at Budget Steercom meeting.
Consultation and Prioritization with Ward Committees on remainder of IDP & Budget period for 2022/2027	**Sept-25**	Yes	Ward Committees provided priority inputs to IDP & Budget

Reasons for not amending the Integrated Development Plan during the 2025/2026 review were:

- No changes to the Spatial Development Framework, which is a core component of the IDP.
- Review to the Medium-Term Revenue and Expenditure planning of the municipality.
- Updates to community needs following an extended public consultation process.
- Updates on Turn-key projects are highlighted in the content of the IDP in response to community needs.

- Then IDP is still in alignment to new Provincial Government development goals and objectives as set out in the new Provincial Strategic Plan 2025-2030.
- To reflect the outcomes of a Communication Survey that has been completed.
- Reflect service delivery highlights as a response to the implementation of the 2022 – 2027 IDP.
- Updates to various sector plans in the IDP after annual review and/or availability of external funding, such as the Workplace Skills Plan, Long Term Financial Plan and inclusion of investment planning of other spheres of government.

Based on these components of the IDP being reviewed, no significant changes were found to justify an amendment to the IDP during the current review. Therefor it is proposed that the IDP be approved as a review reflecting annual updates to IDP document.

EXECUTIVE MAYORAL COMMITTEE

The item is tabled at the **Executive Mayoral Committee** meeting of **26 March 2026** and feedback will be given at the Council meeting on the same day.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

The content of the report is noted and the recommendations are supported.

COMMENTS: DIRECTOR DEVELOPMENT PLANNING AFFAIRS / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

The content of the report is noted and the recommendations are supported.

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

The content of the report is noted and the recommendations are supported.

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

The content of the report is noted and the recommendations are supported.

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

The content of the report is noted and the recommendations are supported.

COMMENTS: MANAGER STRATEGIC SERVICES / KOMMENTAAR: BESTUURDER STRATEGIESE DIENSTE

The review process confirmed that the implementation of the IDP is in line with various developmental frameworks. This resulted in minor changes to the content of the document, to reflect budget implementation. The recommendations are supported.

COMMENTS: OTHER / KOMMENTAAR: ANDER

Manager: Spatial and Economic Development – Mr B Hayward

The Draft Review Report demonstrates that the IDP remains relevant and responsive without requiring amendments at this stage. From a spatial and economic development perspective, the review adequately addresses community priorities, maintains alignment with provincial strategies, and ensures that sectoral and financial planning supports sustainable growth. I support the recommendation that the reviewed IDP be approved for public comment and submission to the Garden Route District Municipality.

RECOMMENDATION / AANBEVELING

1. That Council approve of the draft Review Report 2022-2027 Integrated Development Plan.
2. That the draft Reviewed 2022-2027 Integrated Development Plan be made public for comment.
3. That the draft Reviewed 2022-2027 Integrated Development Plan be sent to the Garden Route District Municipality to give effect to Section 3(6) of the Municipal Planning and Performance Regulations of 2001.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Municipal Manager – Mr ASA de Klerk

ATTACHMENTS / STAWENDE DOKUMENTE

Draft 2022-2027 Integrated Development Plan (Reviewed)

INTEGRATED DEVELOPMENT PLAN

2022-2027

Reviewed Draft 2026











HESSEQUA

CONTENTS

1 INTRODUCTION 1

1.1 Foreword: Executive Mayor 2

1.2 Foreword: Municipal Manager 3

1.3 Hessequa Council 4

1.4 Hessequa Executive Mayoral Committee 4

1.5 Ward Councillors 5

1.6 Legislative Framework for Integrated Development Planning 5

2 HESSEQUA: A STATISTICAL OVERVIEW 9

2.1 Disclaimer: Statistical Overview and Data Correctness 10

2.2 Population and Households 10

2.3 Accounts Analysis 2020 - 2025 12

2.4 Comparative Service Delivery in the District 15

2.5 Socio-Economic Levels of Development 16

2.6 Environmental Status Quo 21

2.7 Basic Service Delivery Overview 27

2.8 All Municipal Services/Functions 28

3 VISION & KEY PERFORMANCE AREAS 29

3.1 Background and Introduction 29

3.2 Long Term Vision 31

3.3 Key Performance Areas 31

3.4 Strategic Alignment: National Government of National Unity 33

3.5 Western Cape Strategic Plan (PSP) 34

3.6 District Level Alignment 36

3.7 Core Values 37

3.8 IDP Implementation: 2022 – 2025: 37

3.9 Organisational Structure: Directorates & Departments 40

4 KPA 1: AFFORDABLE & QUALITY SERVICE DELIVERY 41

4.1 Service Levels, Needs and Town Overviews 41

4.2 Medium Term Goals / Objectives 70

4.3 Services Overview 70

4.4 IDP & Budget Alignment / Reconciliation (Budget Schedules SA 4,5,6) 73

4.5 Capital Expenditure Framework for 2026 -2029 74

4.6 Energy Resilience Framework 75

5 KPA 2: GOOD GOVERNANCE & PERFORMANCE DRIVEN ORGANISATION 81

5.1 Public Participation & Participatory Processes 81

5.2 Medium Term Goals / Objectives 82
5.3 Communication Strategy 83
5.4 Risk Environment & Management 86
5.5 Strategic Risk Response Strategy 89
5.6 Operational Risk Summary by Category 89
5.7 Information & Communication Technology 91
5.8 Library Services 94
5.9 Status of By-Laws & Sector Plans 96
5.10 WORKPLACE SKILLS DEVELOPMENT 98
6 KPA 3: SAFE COMMUNITIES & ENVIRONMENT 100
6.1 Medium Term Goals / Objectives 100
6.2 Spatial Development Framework 101
6.3 Location & Nature of Development Within Each Town 108
6.4 Disaster Management Plan 118
6.5 Integrated Environmental Management 124
7 KPA 4: SOCIO-ECONOMIC DEVELOPMENT 141
7.1 Medium Term Goals / Objectives 141
7.2 Human Settlements Plan 141
7.3 Economic Development Strategy 144
7.4 The Hessequa Tourism Destination Strategy 153
7.5 Implementation of the Hessequa Tourism Destination Strategy 156
7.6 Thusong Centre Programme 158
8 KPA 5: SUSTAINABLE FINANCIAL MANAGEMENT 163
8.1 Medium Term Goals / Objectives 163
8.2 Long term Financial Plan 164
9 INVESTMENT FACILITATION PROCEDURE 169
10 INTER-GOVERNMENTAL RELATIONS AND GOVERNMENT SPENDING 171
10.1 Garden Route District Projects 171
10.2 Government Spending 176
Annexure A: Circular 88 Monitoring & Reporting 177

FIGURES

Figure 1 - Hessequa in Garden Route District 9
Figure 2 - Map of Hessequa Region 9
Figure 3 - Population growth comparison between Census publications 10
Figure 4 - Population growth by Population Group 10
Figure 5 - Age group comparison 2001 - 2022 11
Figure 6 - Age group growth comparison between 2001 - 2022 11
Figure 7 Hessequa GDPR & Employment performance 16
Figure 8 GDPR Sectoral Contributions in 2015 Prices, Hessequa 2022-2023 17
Figure 9 - Basic Service Delivery Levels - Source: Socio-Economic Profile 2024 - DLG 27
Figure 10 - Strategic Framework Illustration 29
Figure 11 - Hessequa Objectives & GRDM Objectives 36
Figure 12 - Proposed Conceptual Vision Statement for Hessequa 105
Figure 13 - Hessequa Urban & Rural Development 107
Figure 14 - Hessequa Spatial Connectivity & Accessibility 107

TABLES

Table 1 - Household Service Levels 2025 27
Table 2 - Existing Municipal Services / Functions 28
Table 3 - Albertinia Capital Expenditure Plan 44
Table 4 - Gouritsmond Capital Expenditure Plan 47
Table 5 - Heidelberg Capital Expenditure Plan 51
Table 6 - Riversdale Capital Expenditure Plan 59
Table 7 - Slangrivier Capital Expenditure Plan 62
Table 8 - Stilbaai / Jongensfontein / Melkhoutfontein Capital Expenditure Plan 67
Table 9 - Witsand Capital Expenditure Plan 69
Table 10 - Services Capacity Overview 70
Table 11 - Reconciliation of IDP strategic objectives and budget (revenue) 73
Table 12 - Reconciliation of IDP strategic objectives and budget (operating expenditure) 73
Table 13 - Reconciliation of IDP strategic objectives and budget (capital expenditure) 73
Table 14 – Capital expenditure by Cost Centre 74
Table 15 - Capital expenditure by Ward 74
Table 16 - Capital expenditure by Town 75
Table 18 - Mechanisms for Public Participation 81
Table 19 - Disaster Management Key Components 119
Table 20 – Revised Housing Project Pipeline May 2025 143
Table 21 - Thusong 2025/2026 Operational Plan 160
Table 22 - Thusong Focus Areas 161

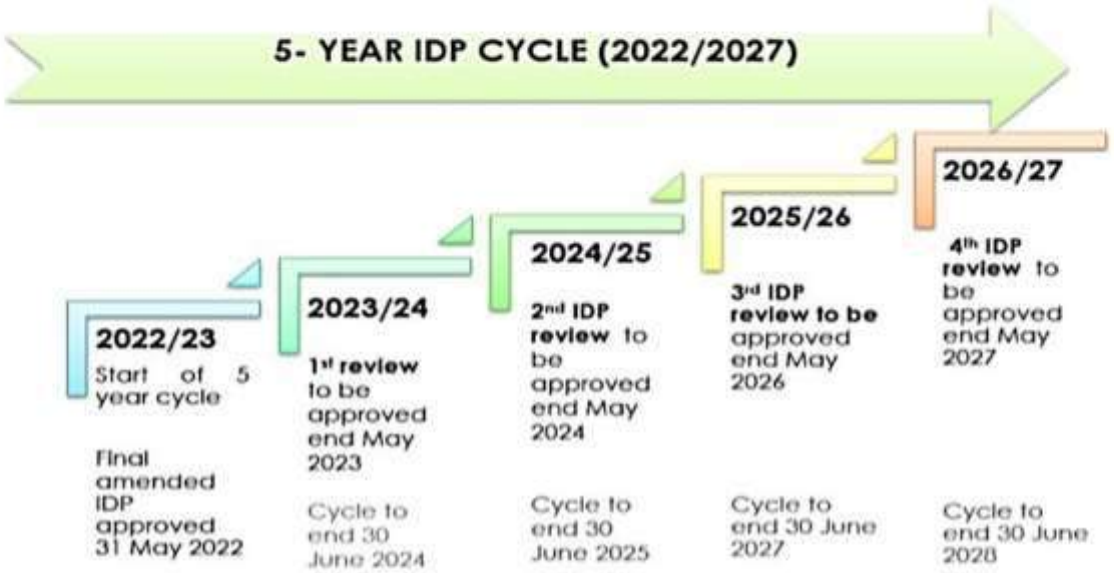
1 INTRODUCTION

This document represents the 4th review of the approved 5-year Amended IDP 2022- 2027. For this 2026/27 IDP review the strategic direction of Council remains unchanged. The Council's Vision, Mission, and Objectives remain despite minor adjustments.

The active process of integrated planning should then be based on the constructive and meaningful participation of stakeholders. The results of the integrated development planning process are:

- Long term vision for the municipality.
- Analysed development needs and priorities.
- Defined key performance areas and pre-determined objectives that are set for the term of office of Council.
- Resource allocations to deliver and the mandate of locale government.
- Coordinated inter-governmental cooperation within the municipal area.
- A consolidated plan that sets out the above-mentioned results in a summative document, also known as the Integrated Development Plan.

The Integrated Development Plan (IDP) is the single, inclusive, and strategic plan of Council for the term of 2022-2027. The plan will be annually reviewed in terms of the approved process. To ensure successful implementation of this single plan, the IDP should continuously be considered as part of the governance cycle of local government. The following diagram illustrates the various processes that allows for monitoring and evaluating the implementation of the IDP.



The annual review is not a replacement of the five-year IDP, and its purpose is not to interfere with the long-term strategic orientation of the municipality. The annual review reflects and reports on progress made with respect to the five-year strategy (and key outcomes) and may proposes adjustments to the strategy, if necessary, because of changing internal and external circumstances that impact on the appropriateness of the IDP. The approved 2022-2027 amended IDP should therefore be read in conjunction with this 2024/25 IDP review.

The IDP Review process considers the current levels of development in collaboration with all relevant stakeholders. This document integrates all the inputs from various planning processes and communicates the implementation plan as approved by Council.

1.1 Foreword: Executive Mayor

For inclusion in final document.



1.2 Foreword: Municipal Manager



For inclusion in final document.

1.3 Hessequa Council

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Hessequa Council consist of 17 Councillors representing different political parties that participated in the 2021 local government elections.

Hessequa Council is represented as follows: Democratic Alliance – 9 seats, African National Congress- 6 seats, Freedom Front Plus- 1 seat, and Patriotic Alliance- 1 seat.

1.4 Hessequa Executive Mayoral Committee



Executive Mayor

Grant Riddles



Deputy Mayor

Gerald Boezak



Councillor

Benjamin Smith



Councillor

Hendrik Saayman



Councillor

Betsie van Noordwyk

The Executive Mayoral Committee as led by the Executive Mayor and consist of the following Portfolios:

- Finance & Corporate Management: Councillor Benjamin Smith
- Development Planning: Councillor Hendrik Saayman
- Community Services: Councillor Gerald Boezak
- Technical Services: Councillor Betsie van Noordwyk.

1.5 Ward Councillors

WARD	AREAS INCLUDED	COUNCILLOR
WARD 1	Gouritsmond, Stilbaai-East, Melkhoutfontein	Cllr Rénee Grant Davids (DA)
WARD 2	Albertinia Town	Cllr Hendrik Jacobus Saayman (DA)
WARD 3	Stilbaai-West and Jongensfontein	Cllr Marthinus Coenraad van den Berg (DA)
WARD 4	Witsand, Slangrivier and Vermaaklikheid	Cllr Gerald Leonard Boezak (DA)
WARD 5	Heidelberg Duivenhoks and surrounding areas	Cllr Abraham Paul Daniëls (ANC)
WARD 6	Riversdale Town Centre and Riverville Area	Cllr Nadia Ann Joseph (ANC)
WARD 7	Riversdale Aalwynfleur and Kwanokuthula	Cllr Betsie van Noordwyk (DA)
WARD 8	Riversdale Môrestond, Aloeridge, Panorama	Cllr Christopher Philip Taute (ANC)
WARD 9	Heidelberg Town and rural area	Cllr Sonja le Roux (DA)

1.6 Legislative Framework for Integrated Development Planning

The Constitution of the Republic of South Africa, 1996

The Constitution of South Africa is the supreme law of the Republic of South Africa. It provides the legal foundation for the existence of the republic; it sets out the rights and duties of its citizens and defines the structure of the Government. Moreover, the Constitution looks for a complete transformation of the local government system in which local government plays an important role in building democracy and promoting socio-economic development.

The Constitution envisages a developmental role for local government. This means municipalities must plan to achieve the Constitutional objects of local government; give priority to meeting the basic needs of local communities; promote social and economic development; and together with other organs of state, contribute to the progressive realisation of the fundamental rights contained in the Constitution.

Municipalities is the government which is closest to the residents and is responsible for legislative mandates relating to the overall developmental agenda of government. Section 152 of the Constitution places a responsibility on local government to improve the democratic development outcomes by performing the following objects as stipulated:

- Provide a democratic and an accountable government for local communities
- Provision of service delivery to residents in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment
- Encourage the participation of communities and non-governmental organisations in the affairs of local government

The White Paper on Local Government (1998)

The Local Government: Municipal Structures Act 117 of 1998 defines a municipality as an organ of state within the local sphere of government consisting of political structures, office-bearers and administration of the municipality, a geographic area (as determined by the Local Government: Municipal Demarcation Act 27 of 1998), and the community of the municipality.

Developmental Local Government is commitment from local government to working with citizens and groups within the community to find long-term or sustainable ways to meet the social, economic and material needs and improve the quality of the lives of the community." "The White Paper requires active participation of citizens at four levels, as:

1. Voters
2. Participants in the policy process
3. Consumers and service-users
4. Partners in resource mobilisation.

The White Paper further states that: municipalities must represent the interests of the people in the community and work with all sections of the community to build a shared vision and to set goals for development.

Section D of the White Paper on Local Government (1998:5) maintains that the most important role of the municipality is to promote local democracy. The White Paper on Local Government (1998:5) further alludes to the importance of the local sphere of government as a space where citizens can participate to shape their own living environments and extend their democratic rights.

Local Government: Municipal Structure Act (32 of 2000):

The Structures Act, 1998 is the key piece of legislation that outlines the mechanisms and procedures that regulate the establishment, constitution and operation of ward committees.

However, in keeping with section 73 of the Structures Act and section 120 read with section 22 of the Systems Act, 2000, the Minister responsible for local government has issued guidelines and regulations pertaining to ward committees, and these include:

- The Guidelines for the Establishment and Operation of Municipal Ward Committees
- (2005).
- Draft National Policy Framework for Public Participation of 2007; and
- National Framework: Criteria for Determining Out of Pocket Expenses for Ward Committee Members, 2009.

The Municipal Structures Act (2000) provides the legislative basis for the establishment and operation of ward committees; the guidelines provide much more substantive information regarding the practical mechanisms governing the operation and functioning of ward committees.

Local Government: Municipal Systems Act (2000)

Section 25 of the Local Government: Municipal Systems Act (MSA) stipulates that:

Each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, all-inclusive and strategic plan for the development of the municipality which:

- Links, integrates and co-ordinates plans and considers proposals for the development of the municipality
- Aligns the resources and capacity of the municipality with the implementation plan
- Complies with the provisions of this Chapter; and

- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation

The Integrated Development Plan (IDP) is the principal strategic planning instrument of a municipality and serves as a road map for the Council to determine its short-, medium- and long-term development objectives. The IDP is underpinned by a Service Delivery & Budget Implementation Plan (SDBIP) which incorporates measurable indicators linked to a comprehensive Performance Management System (PMS) to continuously monitor and evaluate the progress of implementation.

Chapter 4 of this Act calls for municipalities to develop a culture of municipal governance that works together with formal representative government (that is elected leaders) with a system of participatory governance (that is community participation).

The Municipal Systems Act of 2000 (MSA) defines a municipality as follows:

- It is an organ of state within the local sphere of government.
- It exercises legislative and executive authority within boundaries as determined by the Demarcation Board (Demarcation Act 1998).
- It consists of (1) the political structures (2) administration and (3) communities of the municipality.
- It functions within its area according to statutory and other relationships; and
- It is a separate legal personality, and this means that its community is not liable for the actions of the municipality.

The Act also requires that municipalities develop mechanisms, processes, and procedures for community participation.

Section 26 of the MSA prescribes to municipalities of what must be the core components included in an IDP:

a) The Council's vision for the long-term development of the municipality with special emphasis on the most critical development and internal transformation needs
b) An assessment of the existing level of development in the municipality, which must include and identification of communities which do not have access to basic municipal services
c) The Council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs
d) The Council's development strategies which must be aligned with any national and provincial sectoral plans and planning requirements biding on the municipality in terms of legislation
e) A Spatial Development Framework (SDF) which must include the provision of basic guidelines for a land use management system for the municipality
f) The Council's operational strategies.
g) Applicable Disaster Management Plans
h) A financial plan, which must include a budget projection for at least the next three years; and the key performance indicators and performance targets determined in terms of Section 41 of the MSA

The Municipal Finance Management Act (2003:40)

"Requires municipalities to engage communities in the following activities of the budget process:

- the preparation, tabling, and approval of the annual budget.
- the annual review of:
    - the IDP in terms of Section 34 of the Municipal System Act.
    - budget related policies"

Spatial Planning and Land Use Management Act (Act No. 16 Of 2013)

One of the fundamental reforms introduced by the Spatial Planning and Land Use Management Act (SPLUMA) is the regulating and prescripts for Spatial Development Frameworks (SDF's) of national, provincial, and local governments. With the promulgation of the Act, it became essential for municipalities to review its existing SDF's and ensure that it becomes SPLUMA compliant. It puts a particular responsibility on municipalities to use credible, accurate, and up to date spatial data and information to guide its spatial planning processes. The lack of such information to implement the SPLUMA provisions in the planning and delivery of services is indicative of the data challenges facing municipalities.



2 HESSEQUA: A STATISTICAL OVERVIEW

The Hessequa municipal area is bordered by the Indian Ocean and traversed by the N2. It is the largest municipal area in the Garden Route District in terms of geographical spread, covering 5 733km^2. The Hessequa municipal area has several scattered settlements, the largest of which include Riversdale, Albertinia and Heidelberg. Coastal towns in the municipal area include Witsand, Jongensfontein, Still Bay and Gouritsmond. These are also popular tourist areas.



Figure 1 - Hessequa in Garden Route District

The following map shows the locations of the various towns referenced in previous paragraph. The following sections will assess the existing levels of assorted services and reflect on the development need within these different towns within the Hessequa region.



Figure 2 - Map of Hessequa Region

2.1 Disclaimer: Statistical Overview and Data Correctness

When existing levels of development are being considered it is important to note that there are various sources of information being used and considered. All state institutions must reference statistics provided by Stats SA as the only statistics authority in South Africa. At the time of developing this document, the Census 2022 data has only been published on a municipal level and is the Census2022 data used for a municipal overview. A more detailed data analysis is included in the section where each town is being discussed, with the last 6-year history of accounts for each town.

2.2 Population and Households

From the following graph, it is clearly visible that population growth has accelerated in Hessequa from this comparison of 2001-2011 and 2011-2022.

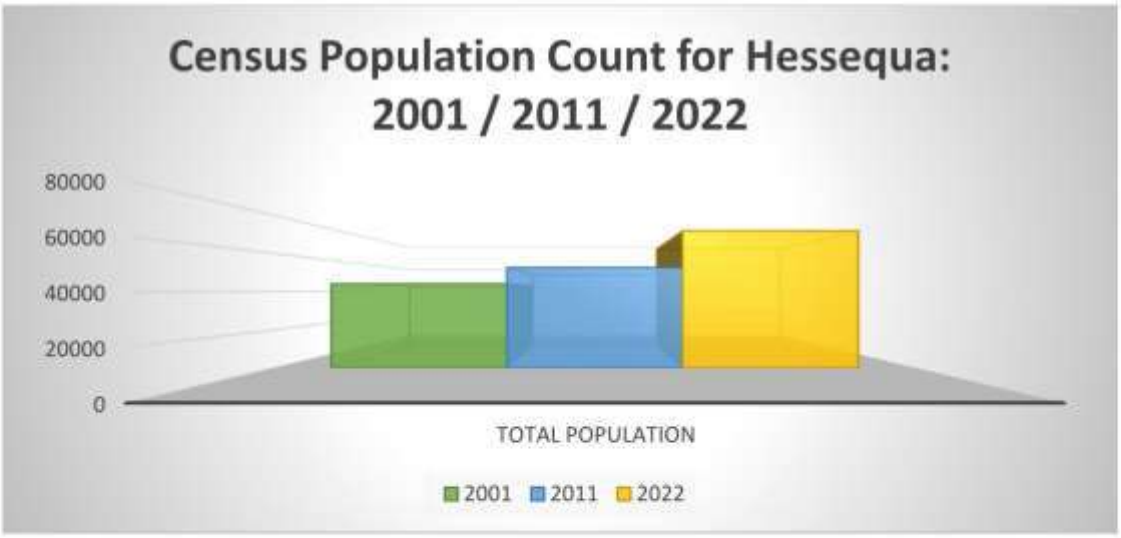
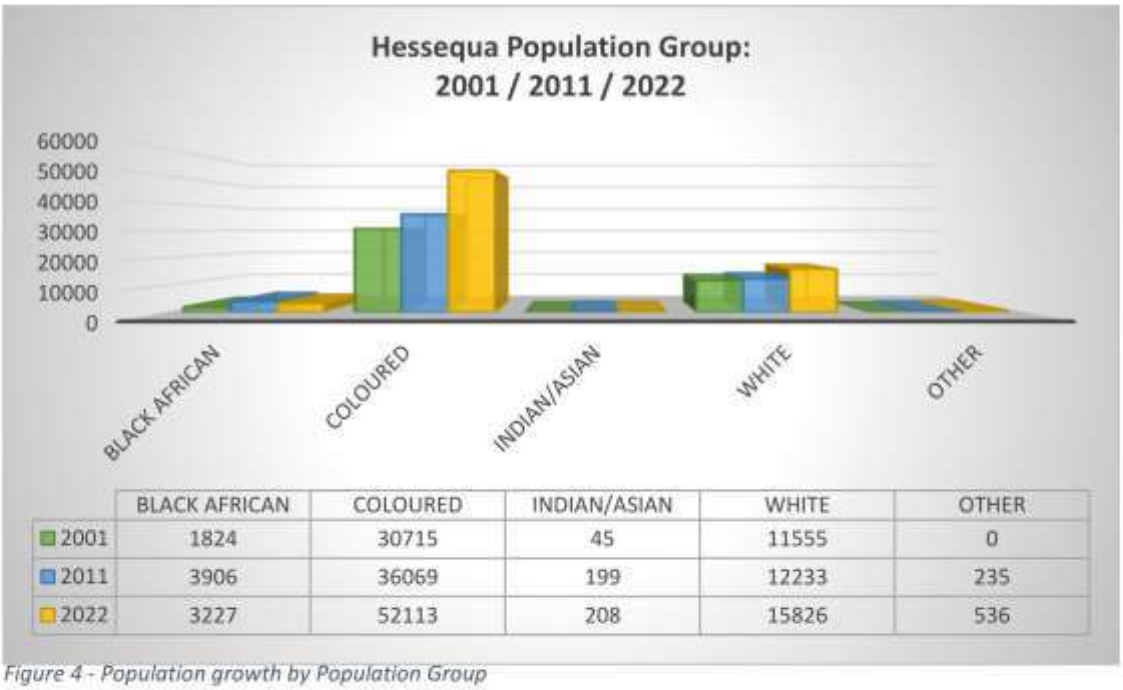
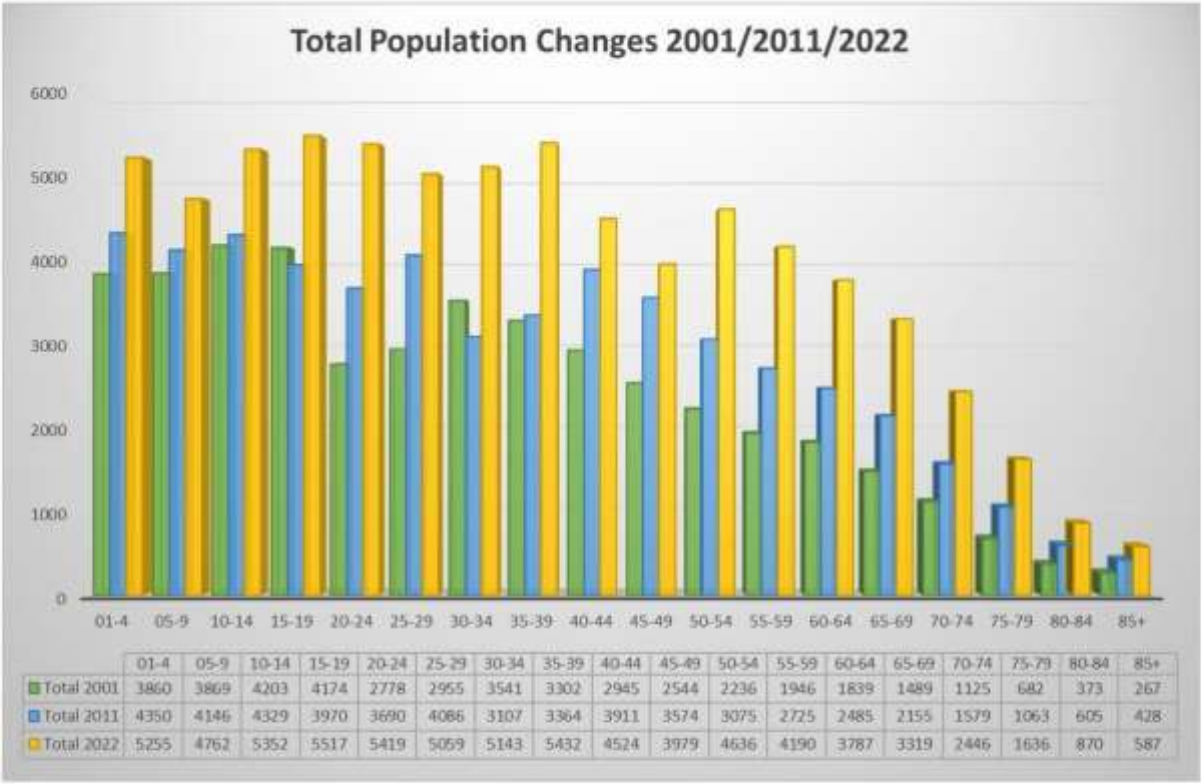


Figure 3 - Population growth comparison between Census publications



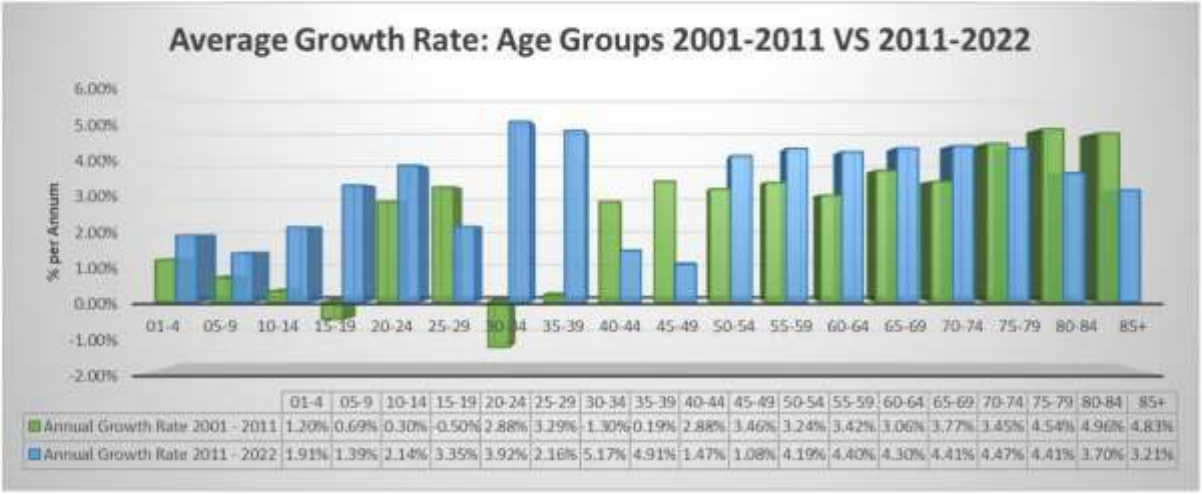
	BLACK AFRICAN	COLOURED	INDIAN/ASIAN	WHITE	OTHER
2001	1824	30715	45	11555	0
2011	3906	36069	199	12233	235
2022	3227	52113	208	15826	536

Figure 4 - Population growth by Population Group



	01-4	05-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85+
Total 2001	3860	3869	4203	4174	2778	2955	3541	3302	2945	2544	2236	1946	1839	1489	1125	682	373	267
Total 2011	4350	4146	4329	3970	3690	4086	3107	3364	3911	3574	3075	2725	2485	2155	1579	1063	605	428
Total 2022	5255	4762	5352	5517	5419	5059	5143	5432	4524	3979	4636	4190	3787	3319	2446	1636	870	587

Figure 5 - Age group comparison 2001 - 2022



	01-4	05-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85+
Annual Growth Rate 2001 - 2011	1.20%	0.69%	0.30%	-0.50%	2.88%	3.29%	-1.30%	0.19%	2.88%	3.46%	3.24%	3.42%	3.06%	3.77%	3.45%	4.54%	4.96%	4.83%
Annual Growth Rate 2011 - 2022	1.91%	1.39%	2.14%	3.35%	3.92%	2.16%	5.17%	4.91%	1.47%	1.08%	4.19%	4.40%	4.30%	4.41%	4.47%	4.41%	3.70%	3.21%

Figure 6 - Age group growth comparison between 2001 - 2022

From figures 5 and 6 it is clearly visible that the age breakup of the Hessequa population has changed. In the past young adults seem to have left the area more than they have in the last 10 years. This negative growth has completely changed during the 2011-2022 period on average.

2.3 Accounts Analysis 2020 - 2025

For the analysis, the following tariff codes are used to define account types:

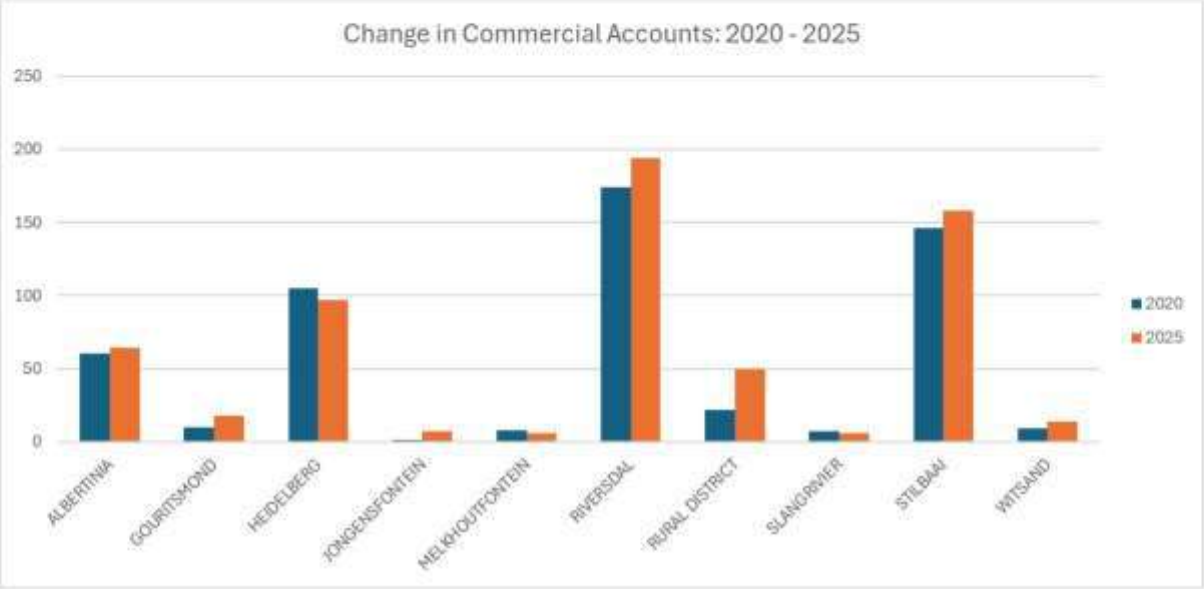
- BUSIMP: Business improved.
- BUSVAC: Business vacant land
- FARAGR: Farm agricultural use
- FARRES: Farm residential / lifestyle use
- INDIMP: Industrial improved
- INDVAC: Industrial vacant land
- RESIMP: Residential improved
- RESVAC: Residential vacant land



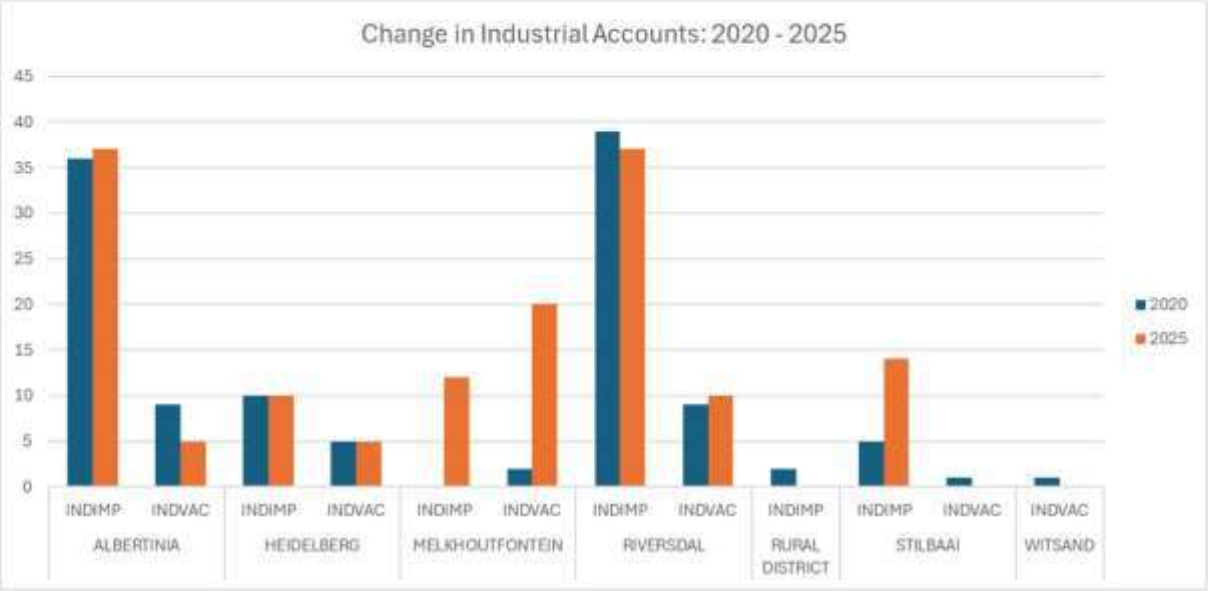
The graph indicates that most accounts are residential and serve as primary tax base for Hessequa as a result. The following graph represents the change in residential accounts in each town from 2020 to 2025.



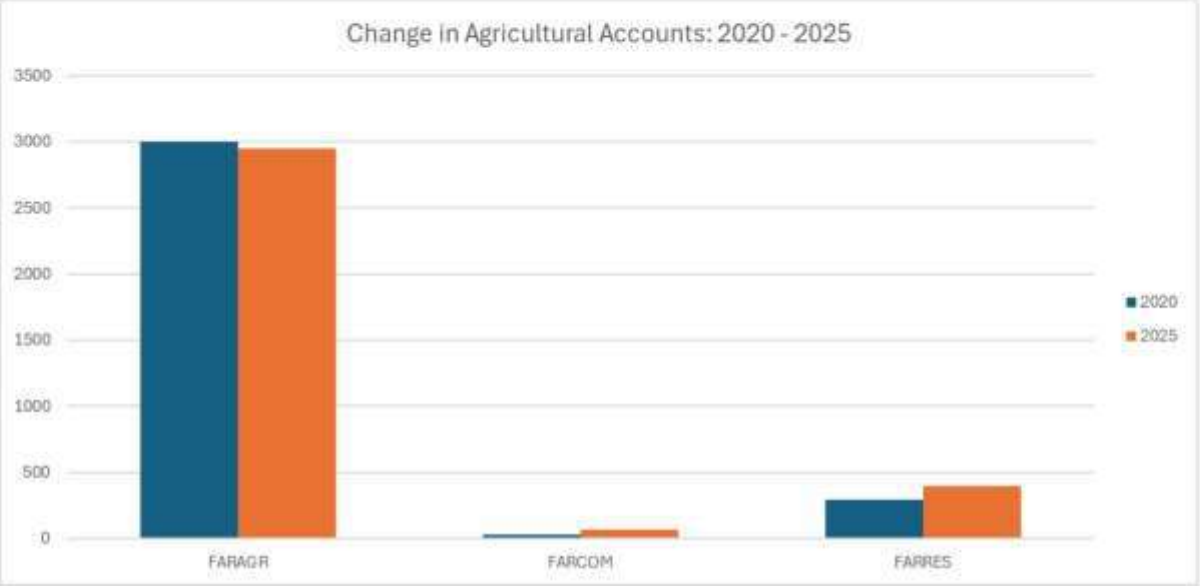
The graph represents the change in number of business accounts in each town from 2020 to 2025.



The graph represents the change in number of industrial accounts in each town from 2020 to 2025.



The following graph represents the change in number of agricultural accounts in Hessequa for 2020 to 2025.



From the previous table and graphs, it can be deduced that Hessequa is experiencing growth in accounts and more specifically, more in certain towns than other. Rural residential units are also indicating growth in the lifestyle farming sector. Valuations increase as demand for land escalates and there is no immediate indication that it will stabilize.

2.4 Comparative Service Delivery in the District

Name	Formal dwellings	Rank
Hessequa	**95,3%**	**1**
Kannaland	95,2%	2
Mossel Bay	92,5%	3

Name	Weekly refuse disposal service	Rank
Mossel Bay	92,5%	1
Hessequa	**92,3%**	**2**
Knysna	89,3%	3

Name	Electricity for lighting	Rank
Bitou	98,6%	1
Hessequa	**98,5%**	**2**
Mossel Bay	98,2%	3

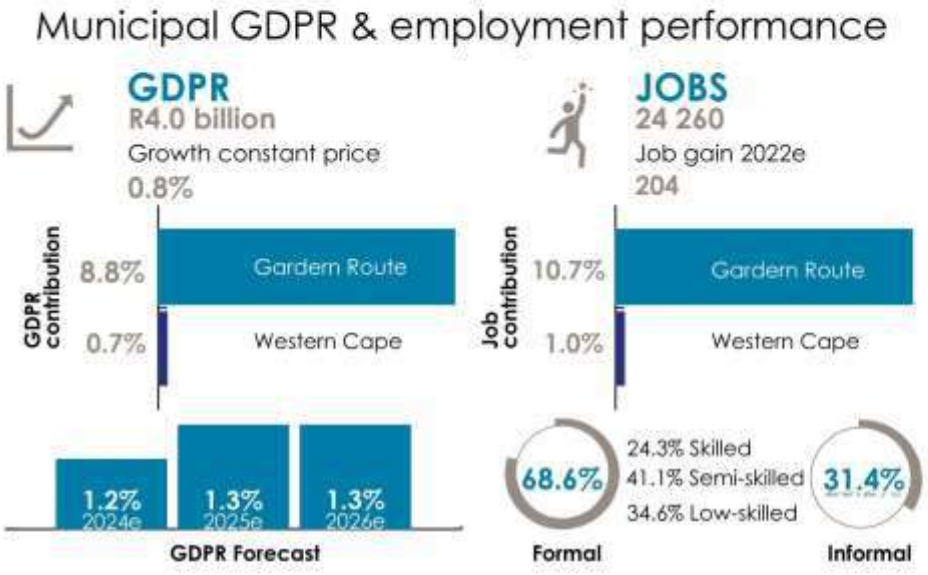
Name	Flush toilets connected to sewerage	Rank
Hessequa	**97,5%**	**1**
Bitou	97,3%	2
Mossel Bay	97,1%	3

Name	Access to piped water in the dwelling	Rank
Hessequa	**94,5%**	**1**
Mossel Bay	90,2%	2
Kannaland	86,3%	3

These tables reflect the average service delivery levels of municipalities in the Garder Route District Municipality, ranking the census results for 2022. Hessequa consistently measuring the highest, or second highest, service delivery levels in the district.

2.5 Socio-Economic Levels of Development

Figure 7 Hessequa GDPR & Employment performance



The Hessequa economy contributed 8.8 per cent to the District's GDPR, amounting to R4.0 billion in 2023. The area also accounted for 10.7 per cent of employment in the district, providing 24 260 jobs. A notable proportion of these jobs involve semi-skilled work (41.1 per cent) and low-skilled work (34.6 per cent), while skilled workers make up 24.3 per cent of the workforce. The agriculture, forestry, and fishing sector are a major absorber of low-skilled workers, while semi-skilled workers are typically employed in finance, trade, and manufacturing sectors.

In recent years, property sales in Hessequa have increased, driven by a rising population and the growing demand for services. This has led to higher employment, particularly in education and social work. The trend has continued into 2023, resulting in ongoing demand for skilled and semiskilled workers. As the economy expands and urbanisation progresses, the need for workforce skills development is becoming increasingly critical to meet these evolving demands.
This diverse sector mix in Hessequa yielded a modest growth in GDPR of 0.8 per cent in 2023. While the overall economic contribution showed an increase, some sectors displayed relatively more resilience. The finance, insurance, real estate, and business services sector was the best performing from a growth perspective, contributing 0.8 percentage points to GDPR growth. The transport, storage, and communication sector also made a significant positive contribution of 0.7 percentage points, with additional positive contributions from the manufacturing sector (0.4 per cent) and the community, social, and personal services sector (0.1 per cent).

Most prominently, the agriculture, forestry, and fishing sector contributed the most to a decline in the GDPR growth rate, with a -0.7-percentage point impact. Other sectors such as wholesale and retail trade, catering, and accommodation (-0.2 per cent), construction (-0.2 per cent), and electricity, gas, and water (-0.1 per cent) also contributed negatively. This decline in certain sectors reflects the ongoing risks associated with environmental factors, such as climate change, which continue to affect local farming and fishing industries, as well as other challenges faced by these sectors.

The varied outcomes across these sectors emphasize the necessity for Hessequa to broaden its economic foundation, concentrating on strategies that enhance resilience to buffer against external shocks. By fortifying essential sectors like finance, transport, and manufacturing, and tackling infrastructure issues, Hessequa can work towards a more balanced and sustainable economic future.

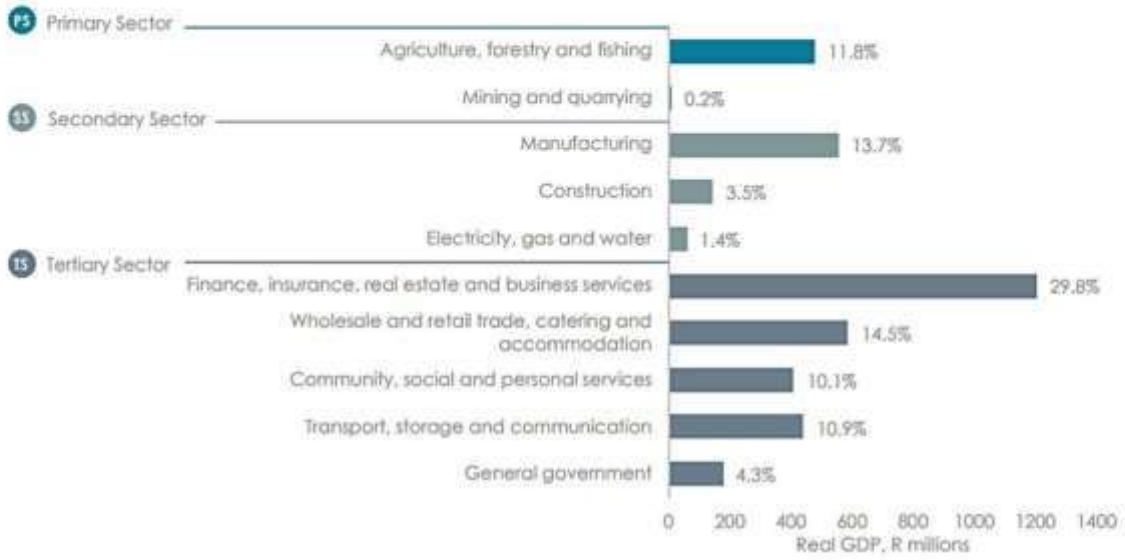


Figure 8 GDPR Sectoral Contributions in 2015 Prices, Hessequa 2022-2023

Source: Quantec 2024

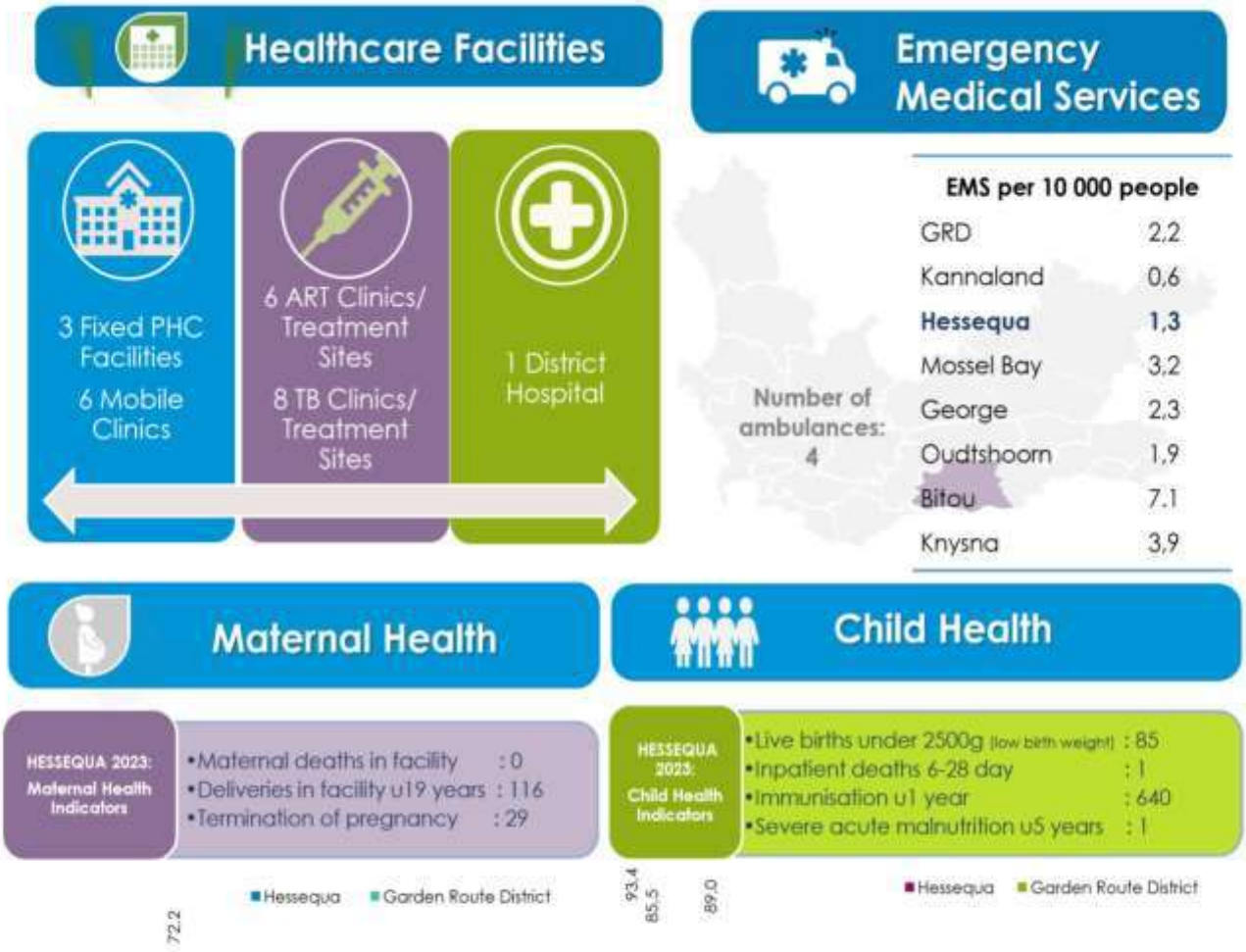
Hessequa's economy is characterised by a diverse range of sectors, with the finance, insurance, real estate, and business services sector being the largest contributor to GDPR, accounting for 29.8 per cent (R1.2 billion). The wholesale and retail trade, community services, and transport, storage, and communication sectors also make significant contributions, playing vital roles in the local economy. The manufacturing sector contributes 13.7 per cent to GDPR, underlining its importance to the economic fabric of the municipal area, while agriculture, despite challenges, remains a cornerstone of the local economy, contributing 11.8 per cent to GDPR.

Healthcare Facilities

In the year 2022, the Hessequa municipal area was equipped with a total of 3 fixed primary healthcare facilities. Moreover, the area boasted 6 mobile/satellite clinics, 6 sites dedicated to Antiretroviral Treatment (ART), and 8 clinics specifically designated for tuberculosis (TB) treatment. It's important to note that there was one district and no regional hospitals present in the municipal area. Hessequa accounted for 137 out of the 1301 healthcare facilities, representing approximately 10.5 per cent of the healthcare infrastructure within the broader Garden Route region. This distribution has socio-economic implications for healthcare access and services within the municipality.

Emergency Medical Services

Increasing the availability of operational ambulances can expand the scope of emergency medical service coverage. In 2022, the Hessequa municipal area had a total of 4 ambulances, while the Garden Route District had 28 ambulances during the same period. When considering the ratio of ambulances per 10 000 people, Hessequa had 1.3 ambulances, whereas the Garden Route had 2.2 in 2021. It's essential to note that this calculation exclusively pertains to provincial ambulances and does not encompass the presence of private service providers. This difference in ambulance provision has implications for emergency healthcare accessibility in the respective regions.



HIV/AIDS/TB

The number of registered patients receiving antiretroviral treatment (ART) in the Hessequa municipal area increased by 133 patients between 2021/22 to 2022/23, In total, 70 new registered patients received antiretroviral treatment in the Hessequa municipal area in 2021/22 growing to 97 in 2022/23. There has been an average annual increase of 1.2 per cent between 2021/22 (399) and 2022/23 (404) in the number of registered patients receiving TB treatment in the Hessequa municipal area.

Child Health

There were slight shifts in key health metrics between 2022 and 2023 as Immunisation coverage for infants under one year declined modestly from 93.4 per cent to 89.0 per cent during this period. It's worth noting, however, that this rate remains considerably higher than the overall 85.5 per cent coverage in the Garden Route District. The number of malnourished children under five years per 100 000 people remained at 0.3 between 2022 and 2023 lower that the Garden Route District of 2.4 during the same period.

The neonatal mortality rate, measuring deaths per 1000 live births within 28 days, displays a declining trend between 2022 and 2023, however the Garden Route District displays the opposite and is growing over the same period. Furthermore, the rate of low-birth-weight infants, those born under 2 500 grams, within Hessequa is declining marginally along with the district average over the same period

Maternal Health

Maternal health has significant socio-economic implications for an area, influencing the well-being of both mothers and their communities. Maternal health, furthermore, has implications for healthcare expenditure, employment, childcare development, poverty alleviation, etc. The number of maternal deaths per 100 000 live births in Hessequa, was impressive at zero in 2022 and 2023 compared to the Garden Route average of 72.2 over the same period. On the other hand, the percentage of babies born to mothers under the age of 18 years remained above the district average in both 2022 and 2023. The termination of pregnancy rate remained below the district average between 2022 and 2023. Addressing maternal health issues involves a comprehensive approach, including improving healthcare access, promoting education, and addressing social determinants of health. Such efforts contribute not only to the health of mothers but also to the overall socio-economic development and resilience of communities.

Crime

Murder

Murder is defined as the unlawful and intentional killing of another person.



In the Hessequa municipal area, the actual counts of murder declined from 14 in 2021 to 9 in 2022. However, the murder rate in Hessequa, measured per 100,000 people, increased from 13 in 2020 to 28 in 2021 and thereafter to 18 in 2022. This rate is lower than the Garden Route District's murder rate of 34 per 100,000 people in 2022. It's worth noting that, according to the United Nations Office on Drugs and Crime in 2019, the global murder rate in 2017 stood at 6.1 per 100,000 people, significantly lower than both the District and the Municipality's reported rates.

Sexual Offences

Sexual offences include rape (updated to the new definition of rape to provide for the inclusion of male rape), sex work, pornography, public indecency and human trafficking.

In 2022, there were 30 sexual offenses reported in the Hessequa area. The incidence of sexual offenses per 100 000 people in the Hessequa municipal area (57) was lower than that of the district (135) in 2022. It's noteworthy that South Africa is among the top 5 countries globally in terms of reported rape cases, underscoring the magnitude of this issue, which necessitates addressing. In response, a National Strategic Plan on gender-based violence and femicide has been developed.

Drug-related Offences

Drug-related crimes refer to the situation where the perpetrator is found to be in possession of, under the influence of, or selling illegal drugs.

In the Hessequa area, drug-related crimes increased from 577 cases in 2021 to 797 cases in 2022. When considering the rate per 100 000 people, Hessequa had 1 525 drug-related offenses per 100 000 people in 2022, which is higher than the Garden Route District's rate of 1 063 per 100 000 population.

Driving under the influence (DUI)

A situation where the driver of a vehicle is found to be over the legal blood alcohol limit.

The number of DUI cases in the Hessequa area increased from 80 in 2021 to 120 in 2022. This translates to a rate of 232 cases per 100 000 people in 2022, which is more than the Garden Route District's rate of 290 cases per 100,000 people

Residential Burglaries

The unlawful entry of a residential structure with the intent to commit a crime, usually a theft.

The number of residential burglaries in the Hessequa area increased from 313 in 2021 to 328 in 2022. The Hessequa municipal area's rate of 633 residential burglaries per 100,000 population were on par with the district's rate in 2022. These crime trends have significant socio-economic implications for the community's safety and well-being.

2.6 Environmental Status Quo

Biodiversity Introduction

The diversity of life in the Hessequa area, measurable as the variety between species, within species and the variety of ecosystems. Hessequa has a substantial share of biodiversity within its borders, owing to its variety of landscapes between the scenic coastline, across the Langeberg to the Little Karoo. Our biological heritage is important in many ways, providing us with ecosystem services like clean water, contributing to the economy through industries like fishing and tourism, providing food, medicines and building materials as well as improving human health and well- being. The value of biological diversity has several components. Many species have a direct value through the products that can be harvested like medicines where active ingredients are extracted from plants and animals. The pollination of agricultural crops by insects is an example of indirect value. There is also an ethical value to the diversity of life, appreciating the beauty of different animals and plants. Biodiversity is under threat through the most powerful human influence, habitat destruction and ill-conceived development. To counteract this extinction, conservation action is needed that is effective in maintaining the ecosystem services like fishing, grazing, clean water and air provided by high levels of biodiversity. Biodiversity encompasses more than just species richness. As many types of communities and ecosystems must also be protected. By conserving suitable habitat, the survival chances of the species and populations contained therein, are also improved. In order to protect biodiversity effectively, conservation of a representative sample of all biodiversity and the ecological and evolutionary processes that allow this biodiversity to persist over time, is needed.

A systematic approach to conservation planning involves setting quantitative conservation targets, such as the number of hectares of river corridor that need to be set aside to remain undeveloped. The quantitative conservation targets show how much is needed to conserve in order to achieve the goal of living landscapes.

The overall aim of the Biodiversity Sector Plan is to avoid the loss of natural habitat in Critical Biodiversity Areas (CBA) and prevent the degradation of Ecological Support Areas (ESA), while encouraging sustainable development in Other Natural Areas (ONA). The broad objective is to ensure appropriate land-use for the best possible sustainable benefits of society, and to promote integrated use and management of natural resources. The importance of Critically

Endangered Ecosystems occurring in the municipal area give cause for the identification of Protected Areas (PA).

Drivers

Important driving forces putting pressures on the biodiversity resources of Hessequa include the population growth, demand for economic growth and housing, unsustainable extraction of natural resources, poor land use practices, veld fire regimes, poor waste and pollution management, climate change and the lack of understanding of the importance of conserving biodiversity. Unsustainable extraction of natural resources is the result of poverty or greed. Poor land use practices promote soil erosion and infestation by invasive alien vegetation.

As a result of the population growth and immigration during vacation periods, the basic needs for food, freshwater and fuel are making unprecedented demands on the local ecosystems. Beyond the necessities of survival there is increasing demand of society for more material goods and services.

Ignorance of the importance of conserving biodiversity through lack of understanding is a contributing factor. Subjects dealing with the conservation of our biological heritage are only recently included in the school curriculum. The demand for environmental education by appropriately qualified teachers exceeds the supply, especially out-of-town places where it is most needed.

State of the Environment

The approach of using land classes as stand-ins for biodiversity is accepted as realistic. A total of 27 land classes covering in excess of 573,000 ha have been identified in Hessequa. The classification of how intact and to what degree they are functioning their optimal standard, is based on four categories namely, Least Threatened, Vulnerable, Endangered and Critically Endangered.

Definition of Classifications:

Least threatened: Still largely intact.

Vulnerable: Reasonably intact but nearing the threshold beyond which they will start to lose ecosystem functioning.

Endangered: Have lost significant amounts of their original natural habitat, impairing their functioning.

Critically endangered: Have little of the original habitat left and not only their functioning has been severely impaired, but species are being lost.

However, land classes according to the SANBI classification of CBA's, can be identified in terms of the following three classes: Protected Areas, Critical Biodiversity Areas, Other Natural Areas, and No Natural Remaining Areas. This classification gives an indication of the suitability of an area for future development.

The ecosystem status measures the amount of habitat lost in ecosystems (measured as land classes) relative to the conservation targets for those ecosystems. In Hessequa 22% of land

classes are Endangered or Critically endangered with a further 11% Vulnerable to lose their ecosystem function. In terms of the area occupied by the land classes in Hessequa, the Endangered and Critically endangered account for 19% and 27% respectively.

The western and central coastal lands, the Langeberg Mountains and the areas north of it are still largely intact, whereas the western midland areas are under greater threat to lose their ecological integrity. The Critically Endangered parts of Hessequa are all lying in the west, representing Renosterveld and Cape Lowland Alluvial Vegetation in river valleys. They are critically endangered because of conversion to agriculture owing to high soil fertility. Only 19% and 22% of the original extent of Eastern Ruens Shale Renosterveld and Ruens Silcrete Renosterveld, respectively, are remaining today. Cape Lowlands Alluvial Vegetation has been reduced and cannot sustain further loss of habitat. In practical terms this means that all land lying fallow for more than 10 years should receive environmental authorization for ploughing as required by the NEMA Amendment Bill of 2008.

Formally conserved areas in Hessequa are very important for biodiversity conservation, but not all types of conservation areas are equally valuable, like private game farms that are not part of a conservancy.

- Formally conserved areas of type 1 and 2 include the following:
- Conservancies: 32 319 ha
- Local Authority nature Reserves: 678 ha
- Private Nature Reserves: 6 159 ha
- Mountain Catchment Areas: 29 801 ha
- Provincial Nature Reserves: 17 680 ha
- Sum of all formally conserved areas: 86 637 ha / Hessequa area: 573 000 ha

With a total area of 15% under formal type 1 and 2 protection, Hessequa exceeds the national average considerably. However, this impressive total was only attained largely through the goodwill of private landowners along the coast and along the lower Breede River.

Biodiversity corridors, of which there are five, are identified by regional conservation planners. These are a system of natural pathways for plants and animals meant to safeguard their future survival by means of the exchange of genetic information between species members and to promote natural evolutionary processes. These corridors are therefore instrumental in preventing further loss of biodiversity and must be open for uninterrupted movement of wild animals. Similarly, plant propagation relies on the presence of free-flowing water along drainage lines, on insect pollination, attachment to animals or being swallowed by birds to be transported. The coastal and the east-west corridors are supported by declared conservation areas. However, the Gouritz, the inland koppies and the Succulent Karoo corridors remain unsupported.

By comparing the level of ecosystem functioning with the protection level enjoyed by each of the land classes in Hessequa, the performance of the protected area network in terms of representing terrestrial biodiversity can be assessed. As can be expected, the highest urgency of conservation action is assigned to Critically Endangered and poorly protected land classes. While Least Threatened and well protected land classes score further down the urgency list.

Desired Management Objectives refers to both biodiversity pattern

and ecological process. In formal Protected Areas and Critical Biodiversity Areas, it is important to maintain both biodiversity pattern and ecological processes, while in Ecological Support Areas the emphasis is on safeguarding ecological processes.

Land cover categories for Hessequa include Natural, Near natural, Degraded, Production and Transformed. Natural refers to pristine natural vegetation and aquatic features. Near natural includes those areas where some degree of degradation is evident but where restoration and rehabilitation should be considered. Degraded lands are those areas which are severely impacted, usually due to dense invasive alien plants and which can be rehabilitated, but at great financial cost and over an extensive period. Production areas are agricultural lands which are currently under production. Transformed refers to land which has undergone irreversible development and includes the urban built-up environment and infrastructure such as dams and mining areas.

The relative areas covered by these categories in Hessequa are: Natural: 28,34%, Near Natural: 27,14%, Degraded: 9,37%, Production: 34,40% and Transformed: 0.75 %.

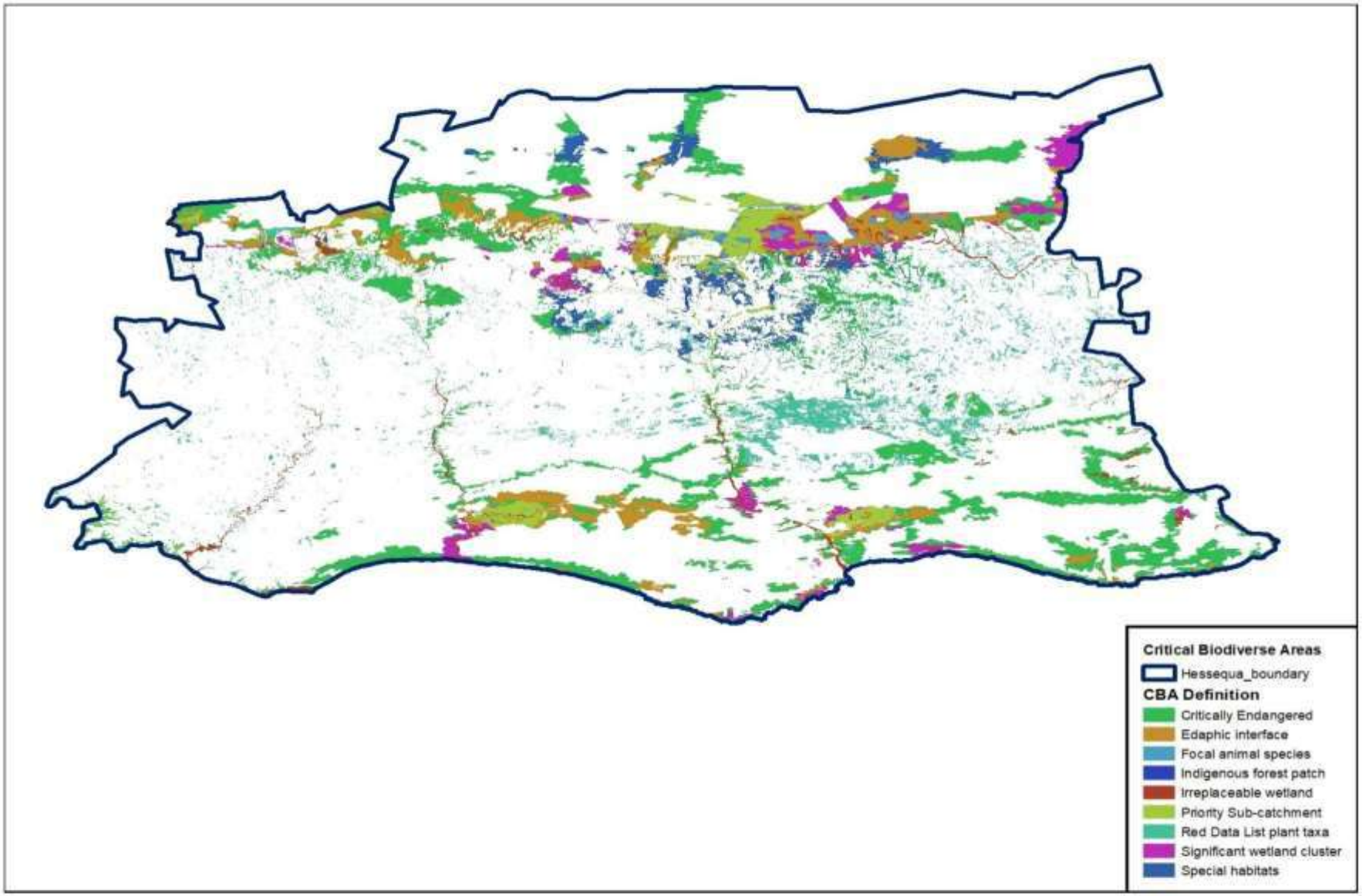
Natural plus Near-Natural covers more than half of the area in Hessequa. Production raises this cover to 90%. Degraded plus Transformed areas only covers some 10% of the Hessequa Area.

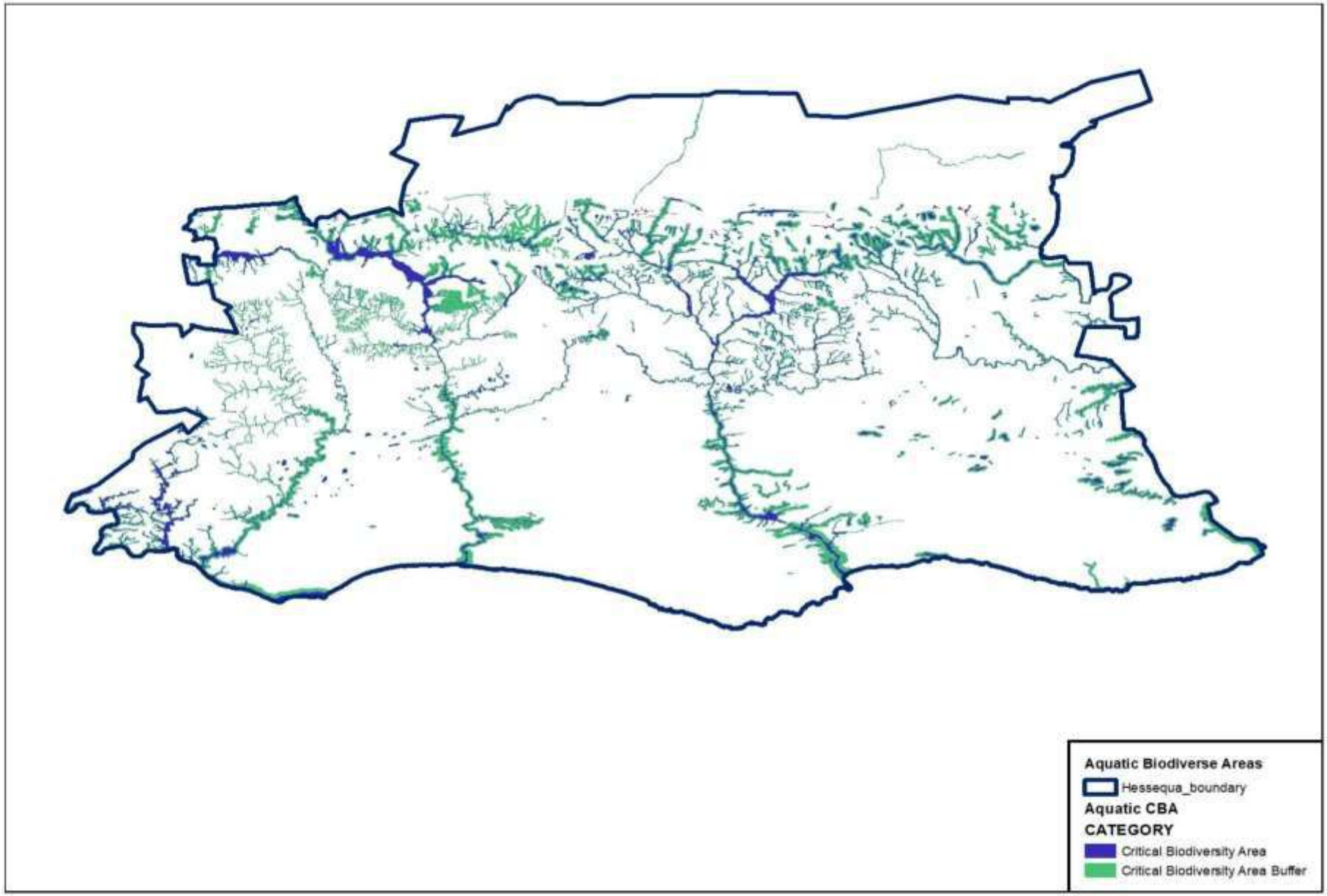
In respect of Fynbos vegetation, three different variations of Sandplain Fynbos occur in the coastal Plain area in Hessequa, namely Albertinia, Buffelskop and Canca Thicket-Sandplain Fynbos. This habitat type supports key commercial industries, such as the thatching, fynbos flower and fynbos honey industries in the area.

The Municipality has a range of nature reserves with an assortment of critically endangered biomes and the municipality is at present registering these under the Stewardship Programme as rolled out by Cape Nature.

- Hessequa Municipality Local Nature Reserves
- Riversdale 1. Aloe Ridge, and 2. Werner Frehse Nature Reserves
- Still Bay 1. Pauline Bohnen, and 2. Skulpiesbaai Nature Reserves
- Gouritsmond Nature Reserve
- Heidelberg Nature Garden
- Witsand Nature Reserve

Besides Private and Municipal Nature Reserves, some Provincial Nature Reserves also occur on the Langeberg mountains. The following pages contains maps that illustrate various aspects of the environment and the status of biodiversity in Hessequa.


Critical Biodiverse Areas
Hessequa_boundary
CBA Definition
Critically Endangered
Edaphic interface
Focal animal species
Indigenous forest patch
Irreplaceable wetland
Priority Sub-catchment
Red Data List plant taxa
Significant wetland cluster
Special habitats


Aquatic Biodiverse Areas
Hessequa_boundary
Aquatic CBA
CATEGORY
Critical Biodiversity Area
Critical Biodiversity Area Buffer

2.7 Basic Service Delivery Overview

Table 1 - Household Service Levels 2025

Top Layer KPI	Target	Actual	P
The number of registered indigent account holders (poor households) with access to free basic services (TL3)	5 026	4 524	O
Provision of electricity to residential properties connected to the municipal infrastructure network for both prepaid and credit electrical metering (TL4)	14 135	14 567	G2
Provision of refuse removal and solid waste disposal for residential account holders (TL5)	15 202	15 930	G2
Provision of sanitation/sewerage services to residential account holders (TL6)	13 886	13 959	G2
Provision of water to residential properties connected to the municipal infrastructure network for both prepaid and credit metering (TL7)	13 984	13 875	O

The figures indicated in this table is annually discussed and reviewed by the Auditor General of South Africa (AGSA) and various oversight bodies within the municipal structure such as the Municipal Public Accounts Committee (MPAC) who is responsible for oversight on the Annual Report on behalf of Council. When these service levels are compared within the district, province and even on national level, Hessequa shows some of the highest service delivery levels. These figures only reflect services to households, and the following diagram compares service levels to all customers.

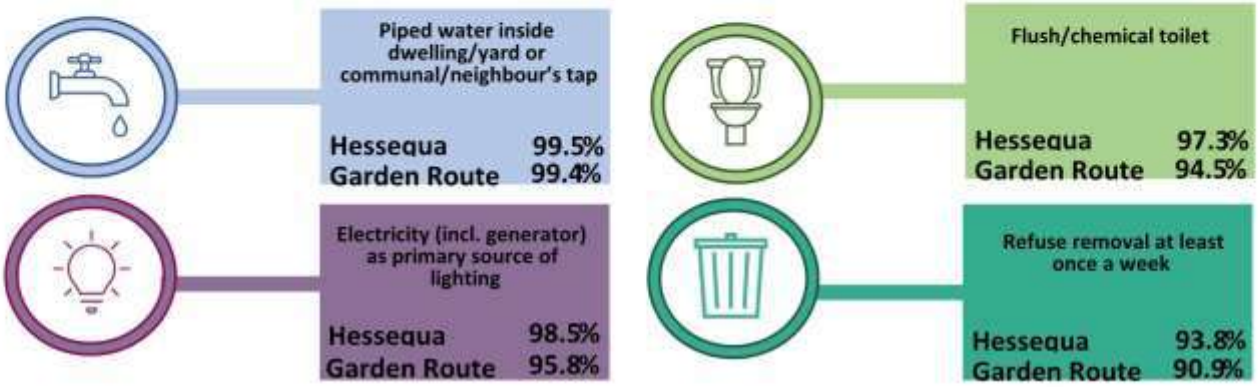


Figure 9 - Basic Service Delivery Levels - Source: Socio-Economic Profile 2024 - DLG

Please note that variances in number of households receiving services are based on connection types and the municipality are not responsible to deliver services in certain areas. Examples of this is Slangrivier that is supplied with electricity by Eskom directly and the rural areas where the municipality provide a partial waste disposal service, but not water and electricity.

Service access levels within the Hessequa municipal area exceeded the access to formal housing in certain cases. Approximately 99.5 per cent of households had access to piped water either inside the dwelling/yard or through communal/neighbour's taps. An impressive 97.3 per cent had access to flush toilets or chemical toilets, and 98.5 per cent had access to electricity (including generators) for lighting. Additionally, local authorities removed refuse at least weekly for 93.8 per cent of households in the area. These disparities in housing and service access have socio-economic implications, impacting the living conditions and quality of life for the local population.

2.8 All Municipal Services/Functions

Table 2 - Existing Municipal Services / Functions

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	No
Electricity reticulation	Yes
Structural Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes
Storm water management systems in built-up areas	Yes
Treatment of Dogs and Cats	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes

Municipal Function	Municipal Function Yes / No
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

3 VISION & KEY PERFORMANCE AREAS

As part of a strategic planning process with the Executive Mayoral Committee and Senior Management as key stakeholders, various priorities for development and addressing backlogs were presented and discussed. Master planning, asset registers, risk environments, operational reports and various focused inputs provided a platform for the development of a strategic framework. Various Key Performance Areas(KPA's) were identified which provides the foundation for measuring IDP implementation and the setting of organisational performance targets.

3.1 Background and Introduction

Due to the 2021 Local government elections that took place late in the calendar year, the subsequently newly elected Council could not develop and approve a new and credible IDP which could be implemented from July 2022 in time. As a result, in March 2022 Council adopted their predecessor's IDP with the set goal of developing their new vision and key performance areas during the first review of the IDP. This allowed enough time to consult relevant stakeholders and communities they serve. As indicated in section 2, various opportunities for consultation were provided in the development of the IDP.

The diagram on the right illustrates a very basic strategic framework which provides the platform for municipal planning. It needs to be state that it is by no means a singular and one-dimensional process as all functions within a municipality

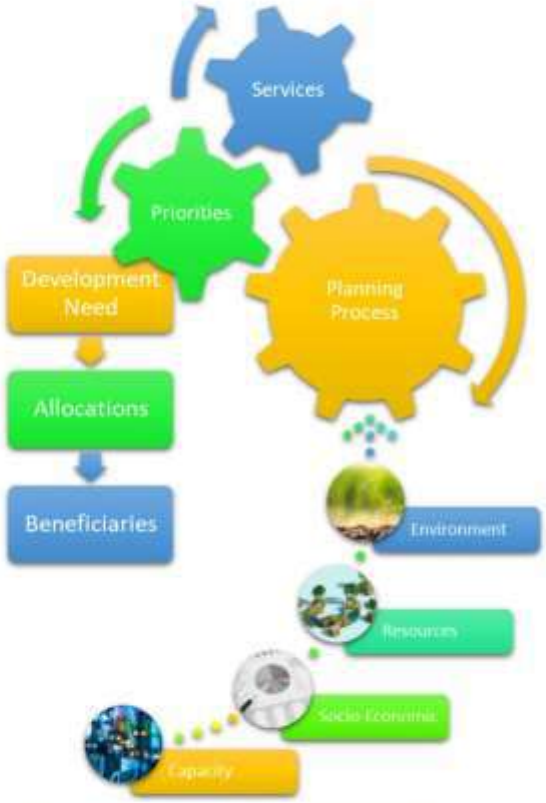


Figure 10 - Strategic Framework Illustration

should be in a continuous cycle of analysis, strategy development, project design, implementation, and reporting.

The complex nature of the environment in which municipalities function, makes planning extremely organic and dynamic in nature, which cannot be contained in one single strategic planning methodology, but rather a collection of planning processes that includes other processes to provide an integrated plan for development.

As the diagram illustrates, are there various external factors that should be considered in any planning process that takes place on an operational, tactical and/or strategic level. The environment (PESTLE) provides opportunities and limitations due to resources, socio-economic realities and current capacity levels and constraints. These need to be considered and fundamentally included in all planning processes. Critical planning processes that are included in the development process of this IDP are:

- Environmental Analysis
- Strategic Risk and Disaster Planning
- Financial Analysis
- Infrastructure Master Planning
- Spatial Development
- Provincial and National Government Investment
- Socio-Economic Analysis
- Organisational Capacity Assessment
- Service Standards Review
- Revenue and Expenditure Planning

These are but a few and would it be impossible to reflect on all the detail within these processes within the IDP document. As part of Council's Development Strategies, executive summaries of the following documents are included to provide a comprehensive overview within the IDP:

- Long Term Financial Plan
- Disaster Management Plan
- Spatial Development Plan
- Capital Expenditure Framework
- Various Operational Strategies
- Governance Overview (Enterprise Risk Management and Performance Management)

3.2 Long Term Vision

The strategic engagements also identified that Council is not in need of a new vision or any major strategies for complete reconstruction of planning or priorities.

A CARING, SERVING AND GROWING HESSEQUA

3.3 Key Performance Areas

3.3.1 Good Governance & Performance Driven Organisation

The Constitution clearly states that local governments should practice good governance and Hessequa Council expresses the fact that mere "compliance" is not good enough and should its resources be applied to perform above a minimum standard.

3.3.2 Sustainable Financial Management

This performance area relates closely to the previous KPA but expresses Councils mandate to include section 152(2) of The Constitution that all efforts to implement development and duties, should be done within the financial and administrative capacity of the municipality.

3.3.3 Affordable & Quality Service Delivery

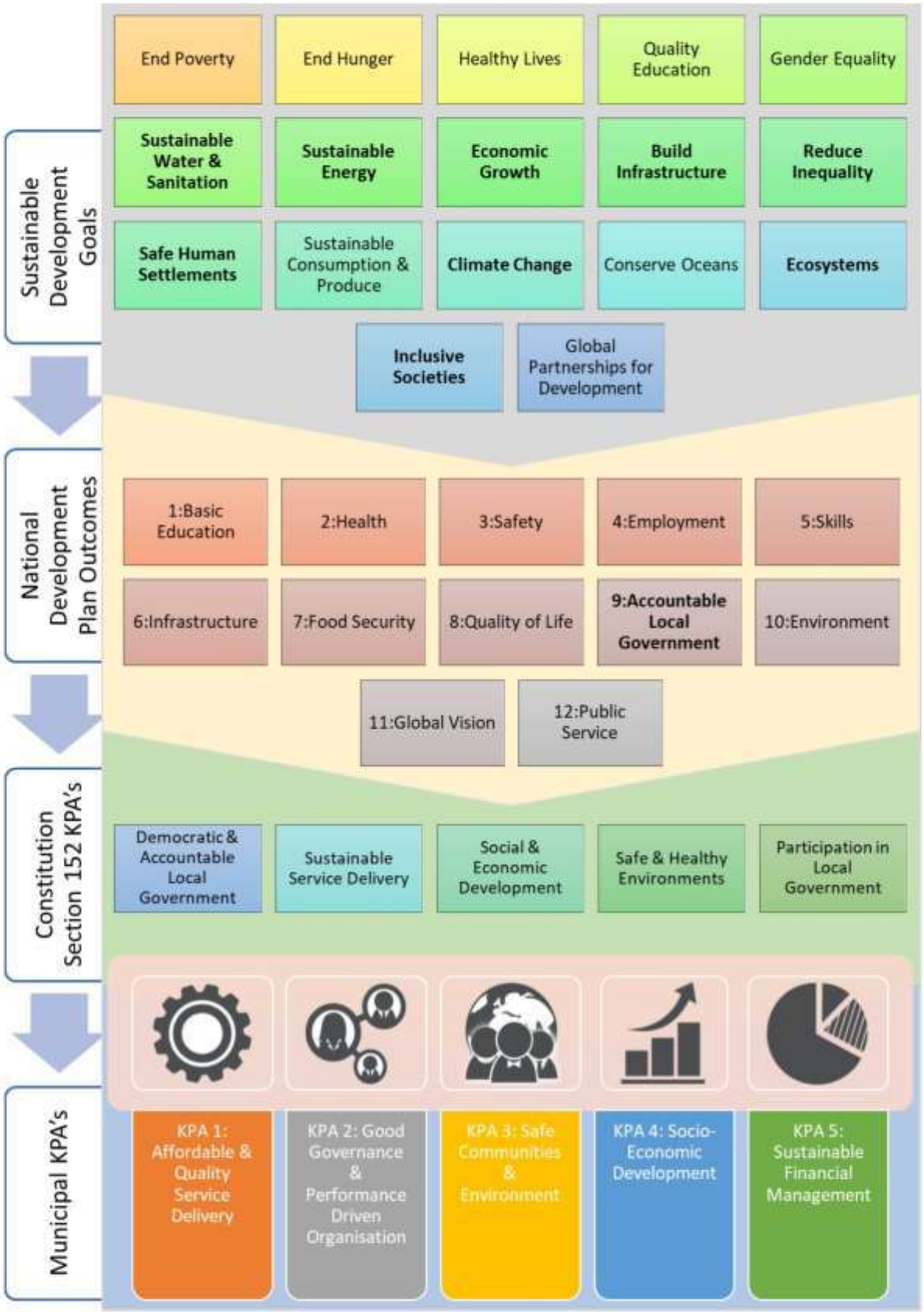
As an extension of the previous two KPA's, services should be rendered at a standard, in a way that it remains sustainable for members of the community to live and grow in the Hessequa area. Residents should be part of the Hessequa community and be able to afford the quality of life the Hessequa region provides.

3.3.4 Safe Communities & Environment

This KPA speaks to the built and natural environment in which our residents live, work, learn and play. This environment should be safe to live, work, learn and play.

3.3.5 Socio-Economic Development

Even though the social well-being and economic development of our communities are not the direct function of a municipality, the Hessequa Council expresses the priority of creating an environment in which communities can develop socially and economically. Hessequa endeavours to work with, and support partners in the socio-economic arena, with initiatives that benefits the Hessequa community.


Sustainable Development Goals
End Poverty
End Hunger
Healthy Lives
Quality Education
Gender Equality
Sustainable Water & Sanitation
Sustainable Energy
Economic Growth
Build Infrastructure
Reduce Inequality
Safe Human Settlements
Sustainable Consumption & Produce
Climate Change
Conserve Oceans
Ecosystems
Inclusive Societies
Global Partnerships for Development
National Development Plan Outcomes
1:Basic Education
2:Health
3:Safety
4:Employment
5:Skills
6:Infrastructure
7:Food Security
8:Quality of Life
9:Accountable Local Government
10:Environment
11:Global Vision
12:Public Service
Constitution Section 152 KPA's
Democratic & Accountable Local Government
Sustainable Service Delivery
Social & Economic Development
Safe & Healthy Environments
Participation in Local Government
Municipal KPA's
KPA 1: Affordable & Quality Service Delivery
KPA 2: Good Governance & Performance Driven Organisation
KPA 3: Safe Communities & Environment
KPA 4: Socio-Economic Development
KPA 5: Sustainable Financial Management

3.4 Strategic Alignment: National Government of National Unity

After the establishment of the national Government of National Unity (GNU), a medium-term set of priorities were published by the national Department of Planning, Monitoring and Evaluation. The publication titled "Medium Term Development Plan" identifies three priorities. The following diagram illustrates these priorities. From this diagram clear alignment from the municipal perspective can be done to illustrate the role Hessequa plays in implementation of a national strategy, within a local government context.

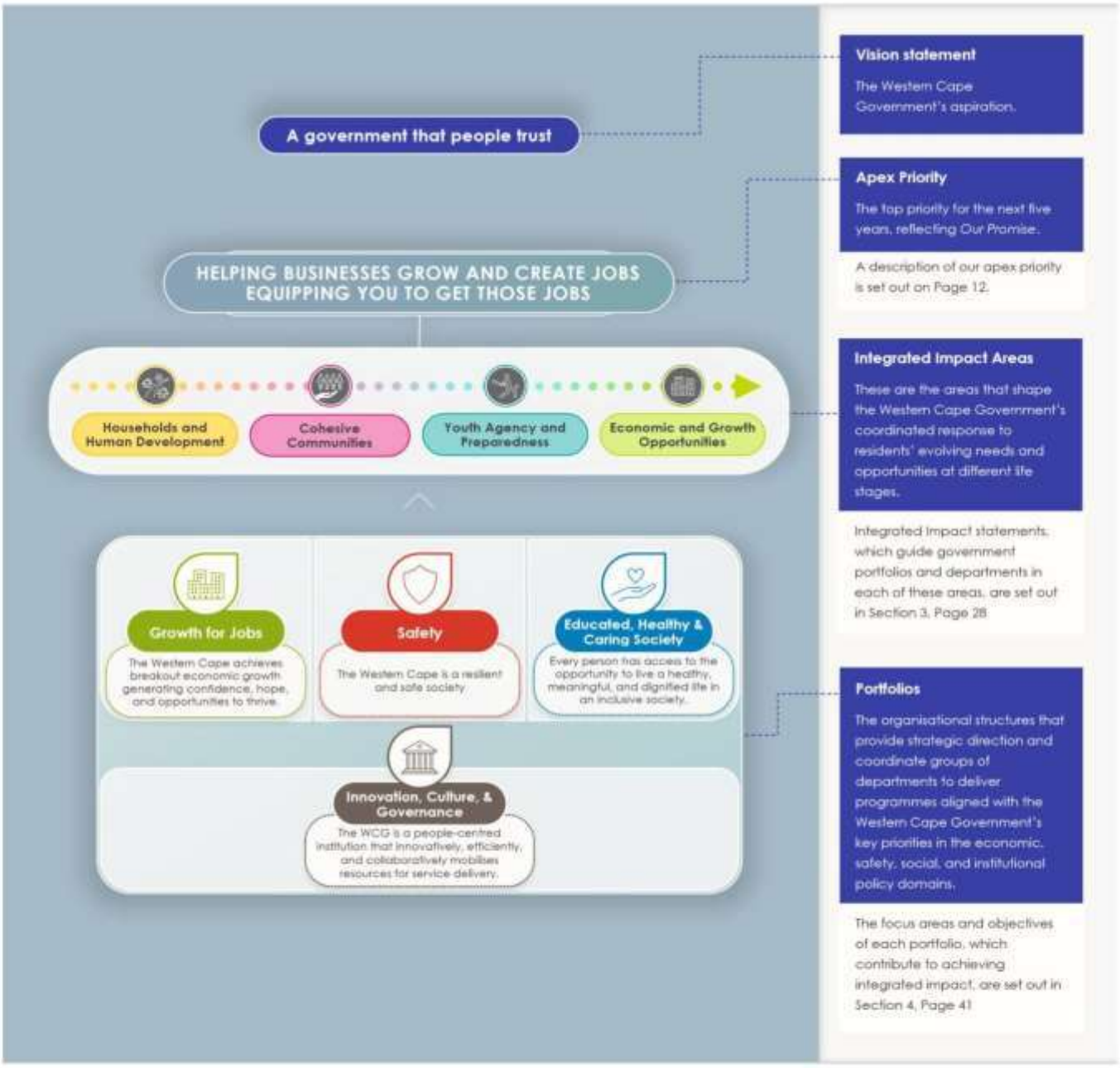


3.5 Western Cape Strategic Plan (PSP)

The PSP defines the overarching priorities and strategic direction for the WCG, providing a framework for integrated and coordinated action across departments. It establishes high-level outcomes and priorities to achieve shared, resident centric development, guiding departmental and portfolio-level planning.

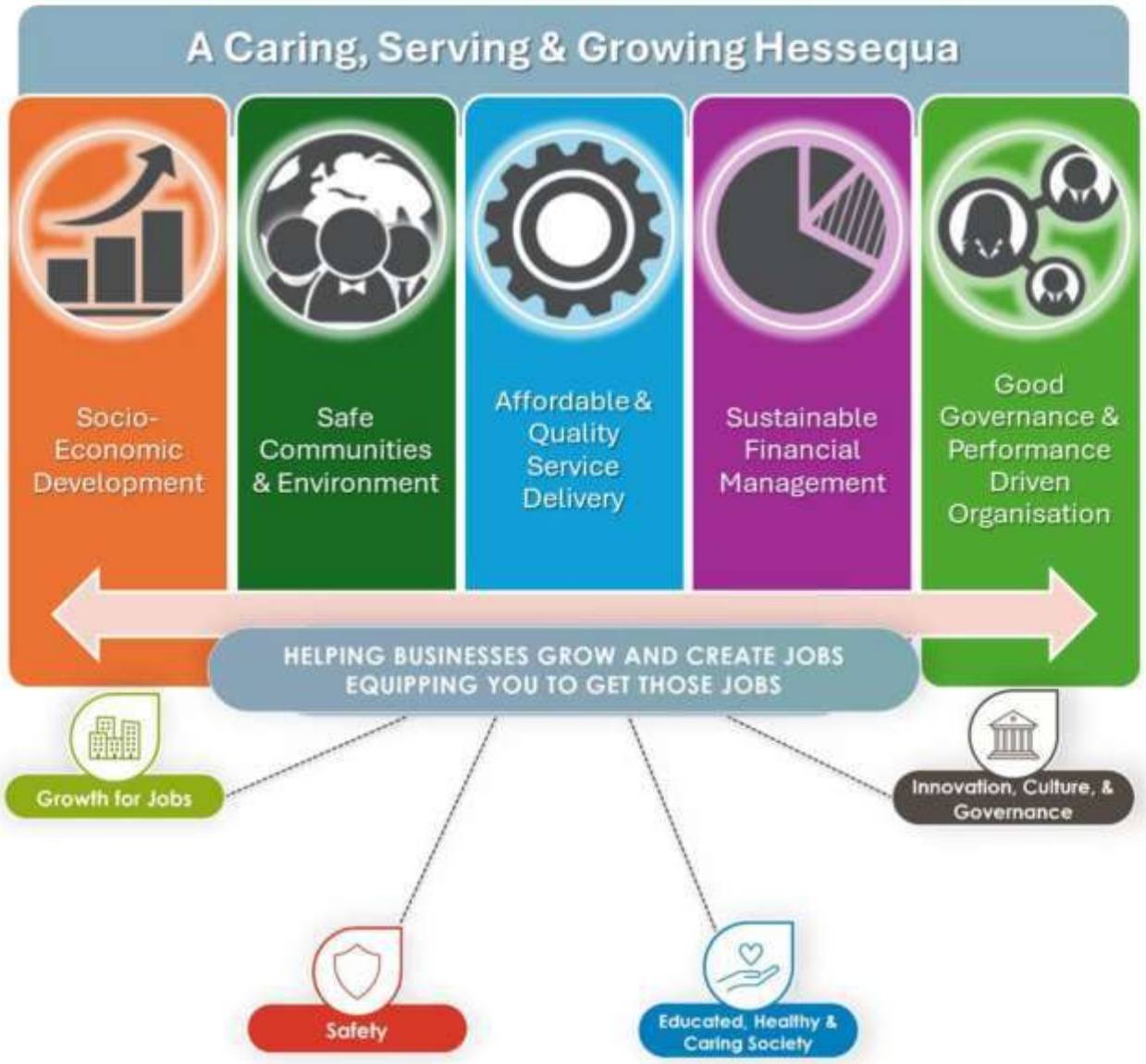
Departments are responsible for operationalising the PSP by implementing projects and programmes within their respective mandates. Departmental Strategic Plans (SPs), set every five years, reflect institutional outcomes and targets. The SPs inform Annual Performance Plans (APPs) which outline departmental outputs, targets, and budgets, reflecting strategic alignment and resource allocation.

Portfolios consist of high-priority departmental projects and programmes that are collectively managed to ensure a cohesive approach to achieving shared outcomes. By translating PSP direction



into actionable programmes, portfolios foster integration and promote collective impact across the province.

When the priority of the PSP is overlayed with the key performance areas of the municipality, the alignment becomes more evident. The following illustration reflects how the collective contributions of all key performance areas of the municipality, align and contribute to the vision and priorities of the Provincial Strategic Plan.



3.6 District Level Alignment

Hessequa Municipality have aligned its Integrated Development Plan to the Garden Route District Municipality's Integrated Development Plan. The district framework for the GRDM is used for improving inter-governmental alignment and service delivery integration.

The Hessequa Municipality participates in all district IDP and IGR engagements aimed at strengthening the horizontal alignment with the District Municipality as well as the neighbouring local municipalities in the region

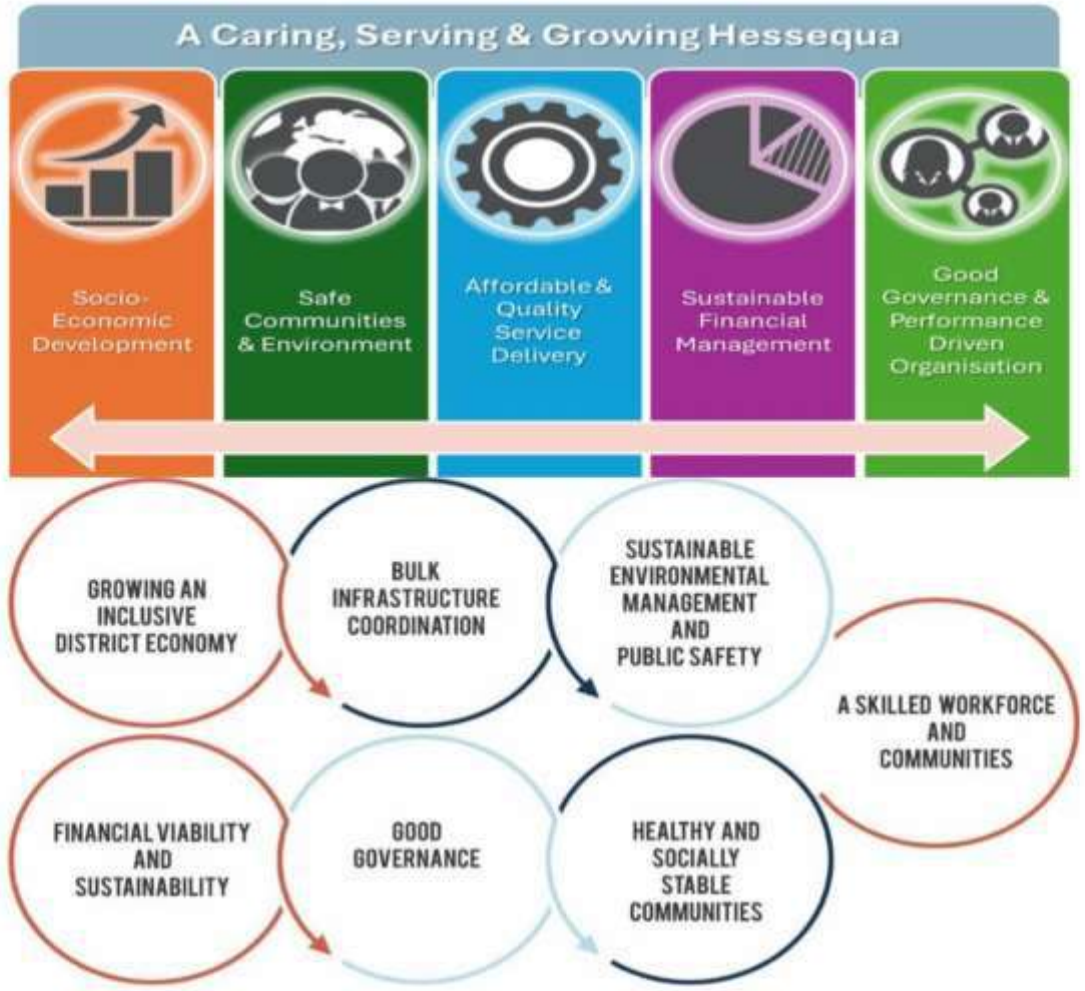


Figure 11 - Hessequa Objectives & GRDM Objectives

3.7 Core Values

During the previous review cycle of the IDP, the need to develop a values framework for Hessequa was identified and have five core values been identified. These values are being developed into institutional references with all personnel to not only "brand" the organisation with values, but to develop and foster a new culture in the work environment that aspires to improve the day-to-day experience of the Hessequa clients. The following illustration reflects the five core values of Hessequa.



Initiatives identified to establish a culture of ethical leadership and ethical governance are:

- Awareness initiatives to communicate the Hessequa core values: "This is who we are".
- Inclusion of initiatives in the operational management performance agreements.
- Ensuring that all ethical governance metrics, as set out by the adopted Code of Ethical Leadership in Local Government, are implemented.

3.8 IDP Implementation: 2022 – 2025:

To review the IDP implementation since the adoption of the 2022 – 2027 IDP an assessment of what was planned or prioritised as strategic initiatives, against what was actually done to achieve the strategic objectives

As identified in the previous section relating to the vision set for the term of the IDP, Hessequa's primary focus is sustainable service delivery. This is also in line with objectives set by the Constitution, National Development Plan, Provincial and District strategies. To respond to these clear objectives, Hessequa prioritised investment in service infrastructure. The following table summarises the capital investment from 2021/2022 to 2024/2025.

CAPEX Type	2021/2022	%	2022/2023	%	2023/2024	%	2024/2025	%
Electricity	R9 840 000	16%	R59 791 530	20%	R23 972 593	22%	R103 487 000	53%
Solid Waste	R100 000	0%	R150 000	0%	R150 000	0%	R120 000	0%
Road & Transport	R6 650 000	11%	R54 400 557	18%	R32 606 050	30%	R43 064 528	22%
Sanitation	R9 678 705	16%	R65 464 291	22%	R12 955 710	12%	R11 632 000	6%
Water	R3 700 000	6%	R39 800 647	13%	R18 550 000	17%	R14 882 000	8%
Basic Services & Fleet Sub-Total	**R34 118 705**	**57%**	**R239 284 923**	**80%**	**R94 204 353**	85%	**R184 411 700**	**95%**
Other Capital Expenditure	**R25 922 396**	**43%**	**R60 230 950**	**20%**	**R16 178 075**	**15%**	**R10 361 000**	**5%**
Total	**R60 041 101**	**100%**	**R299 515 873**	**100%**	**R110 382 428**	**100%**	**R194 772 700**	**100%**

As is visible from the table, the expenditure on service-related infrastructure as a priority, has increased dramatically. The last figure of 95% was heavily influenced by the large investment in the Riversdale Solar PV Electricity Plant.

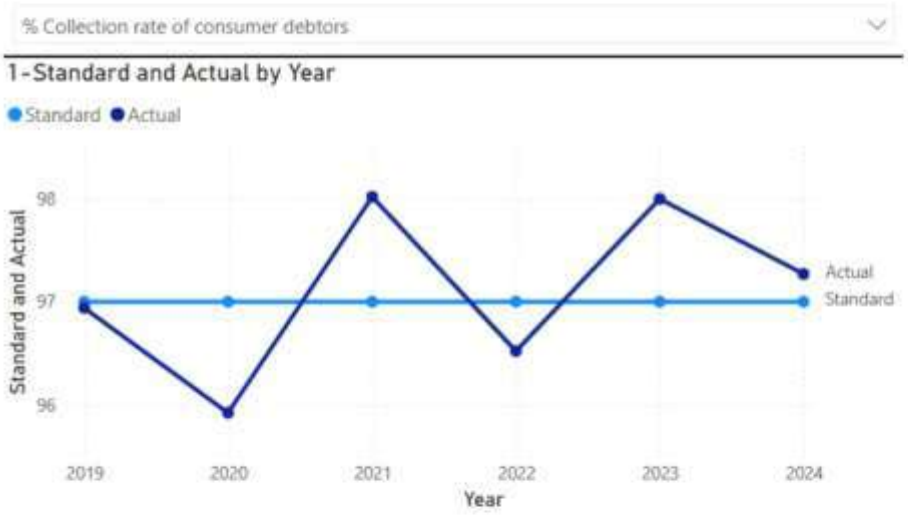
These priorities continue in the medium-term capital expenditure framework. The following table reflects the planning of investment in capital spending:

Expenditure Type	2026/27	2027/28	2028/29
Community Facilities	R2 240 000	R815 000	R1 986 500
Computer Equipment	R840 650	R359 000	R301 000
Electrical Infrastructure	R31 572 362	R24 536 000	R22 578 000
Furniture And Office Equipment	R1 356 800	R725 200	R624 500
Information And Communication Infrastructure	R1 040 000	R300 000	R200 000
Machinery And Equipment	R2 970 800	R2 604 000	R4 907 000
Operational Buildings	R11 530 000	R12 250 000	R4 970 000
Roads Infrastructure	R36 540 000	R35 199 622	R42 327 809
Sanitation Infrastructure	R26 659 150	R16 936 603	R34 160 426
Solid Waste Infrastructure	R60 000	R310 000	R12 896 365
Sport And Recreation Facilities	R15 298 000	R3 990 000	R1 150 000
Storm Water Infrastructure	R2 200 000	R1 000 000	R2 000 000
Transport Assets	R9 380 000	R4 630 000	R7 050 000
Water Supply Infrastructure	R33 682 000	R37 163 025	R37 300 000
Grand Total	**R175 369 762**	**R140 818 450**	**R172 451 600**

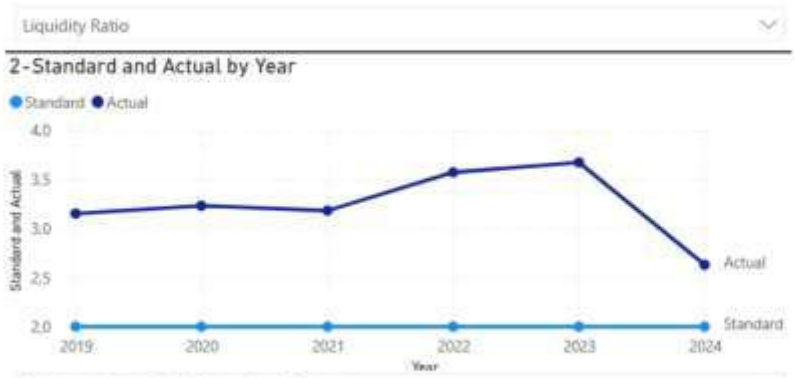
In terms of financial sustainability, the municipality has implemented a trend of good governance and sound financial management. The following graphs represent year-on-year actual values as presented in the annual financial statements, which was externally audited for correctness.

Various metrics can be used, but this section highlights a few measures that reflect the resulting trend of managing the financial well-being of Hessequa Municipality.

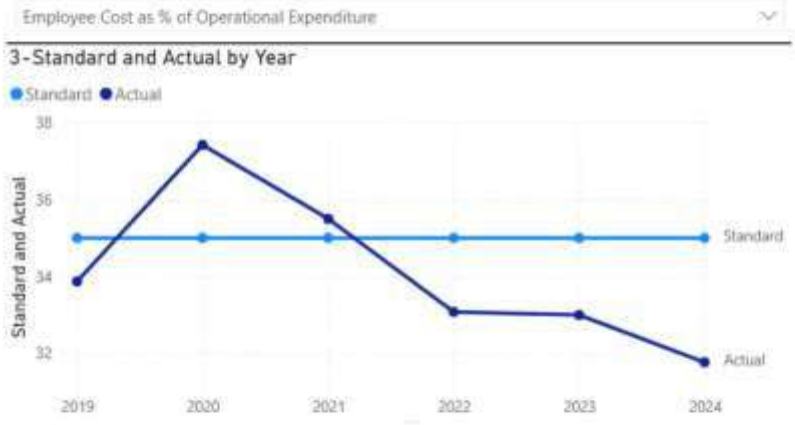
The graph on the right reflects the trend for collection of revenue since 2019. The standard of 97% is 2% higher than what is prescribed by National Treasury, but to ensure Hessequa's sustainability, a collection rate of 97% and above is ideal.



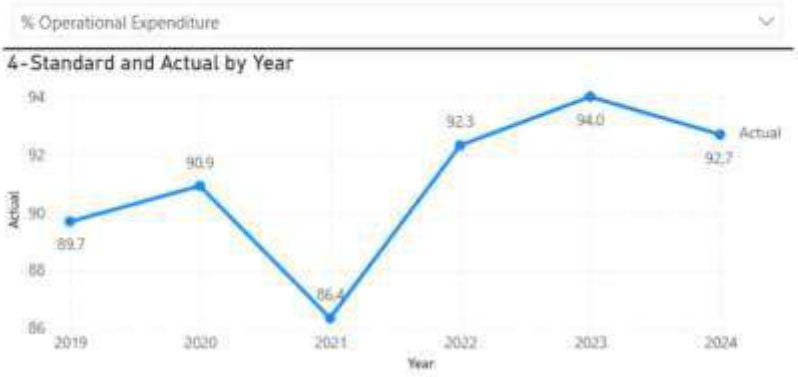
The following graph reflects the liquidity ratio of the municipality. It considers the assets against the liabilities and a has a norm of 2:1 been set as minimum for Hessequa, even though National Treasury have set a ratio of 1.5:1 as a minimum.



The next graph highlighted in this section considers the employee related cost against the operational budget of the municipality. The national norm for municipalities are in the region of below 37%. Hessequa. Hessequa has been strict in not making any unneeded appointments of staff and have managed to decrease employee related cost over the past six years. This was able to be controlled and improved due to growth in municipal revenue.



The next and final graph reflects the trends in terms of operational spending. The previous section covered the capital spending and investment done, but it is important that municipalities are able to spend their budget to ensure continued, or sustainable, service delivery. Hessequa reflects a general trend of a 90%+ expenditure rate of operating expenses.



There are more measures that can be considered to discern the well-being and sustainability of a municipality, but these basic metrics are provided to create awareness regarding the consistency of implementing the IDP as approved by Council.

3.9 Organisational Structure: Directorates & Departments



Municial Manager

Mr ASA de KLerk

- Internal Audit
- Strategic & Governance Support



Community Services

Mr GS Lewis-Michaels

- Community Development
- Protection Services
- Human Settlements

Corporate Management

VACANT

- Legal and Administration
- Information & Communication Technology
- Human Resource
- Property Management
- Municipal Resorts & Occupational Health & Safety



Development Planning

Mr H Visser

- Town Planning
- Building Control
- Environmental Management
- Spatial and Economic Development



Finance

Mr G Goliath

- Revenue
- Expenditure
- Supply Chain Management
- Budget & Reporting



Technical Services

Mr RW Manho

- Civil
- Civil Planning & Project Management
- Electro-Mechanical Services
- Waste Management

4 KPA 1: AFFORDABLE & QUALITY SERVICE DELIVERY

4.1 Service Levels, Needs and Town Overviews

4.1.1 Albertinia

Albertinia, situated within the picturesque Hessequa region, holds a significant place in South Africa's spatial planning landscape, shaped by its rich history and natural resources.

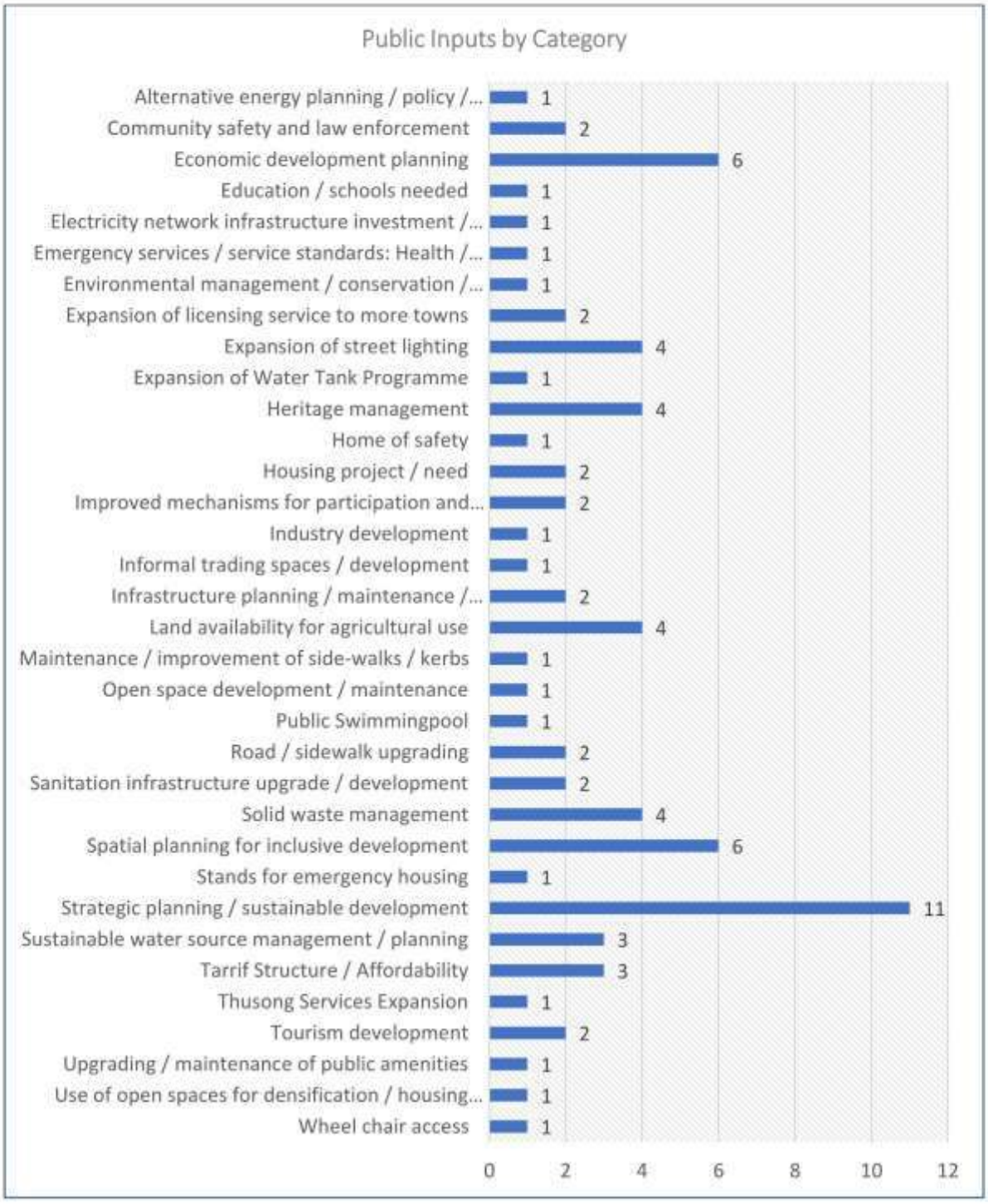
Established in 1900 on the farm Grootfontein, Albertinia's development into a thriving municipality in 1920 marked the beginning of its spatial evolution. The town's layout and expansion over the years reflect the interplay between agricultural activities, community development, and environmental considerations.

Named after Reverend Johannes Rudolph Albertyn, Albertinia's spatial planning is deeply intertwined with its historical roots. The town's urban form, characterized by its central core and surrounding agricultural lands, reflects its origins as a farming community.

3.3.5.2 Socio-Economic Considerations

Key considerations include:

- Foster the growth of industrial activities to diversify the local economy and create job opportunities.
- Develop more economical housing options to accommodate residents and relieve pressure on the residential market caused by semigration.
- Support the expanding local tourism and eco-tourism industries, which are attracting international tourists.
- Encourage the development of retirement villages and old age homes to cater to the growing demand.
- Leverage the growth of transport along the N2 between Cape Town and Port Elizabeth to boost local economic activity.
- Address the growing need for middle-income housing to accommodate a diverse population.
- Explore the potential for establishing a logistics hub to support the nearby Mossel Bay harbour, enhancing the town's strategic importance.


Public Inputs by Category
Alternative energy planning / policy /... 1
Community safety and law enforcement 2
Economic development planning 6
Education / schools needed 1
Electricity network infrastructure investment /... 1
Emergency services / service standards: Health /... 1
Environmental management / conservation /... 1
Expansion of licensing service to more towns 2
Expansion of street lighting 4
Expansion of Water Tank Programme 1
Heritage management 4
Home of safety 1
Housing project / need 2
Improved mechanisms for participation and... 2
Industry development 1
Informal trading spaces / development 1
Infrastructure planning / maintenance /... 2
Land availability for agricultural use 4
Maintenance / improvement of side-walks / kerbs 1
Open space development / maintenance 1
Public Swimmingpool 1
Road / sidewalk upgrading 2
Sanitation infrastructure upgrade / development 2
Solid waste management 4
Spatial planning for inclusive development 6
Stands for emergency housing 1
Strategic planning / sustainable development 11
Sustainable water source management / planning 3
Tarrif Structure / Affordability 3
Thusong Services Expansion 1
Tourism development 2
Upgrading / maintenance of public amenities 1
Use of open spaces for densification / housing... 1
Wheel chair access 1
0 2 4 6 8 10 12

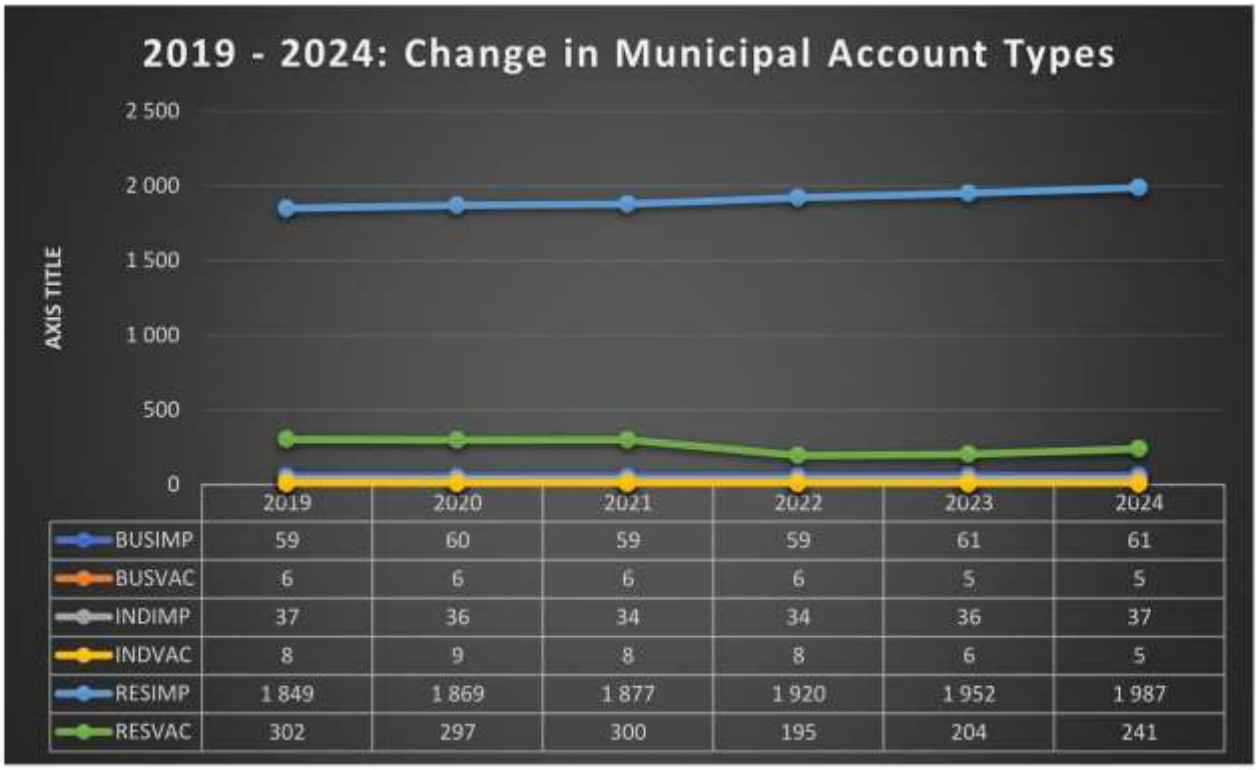
Capital Expenditure Plan

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Community Facilities	**R330 000**	**R180 000**	
Illuminated Advertising/ welcome structure for Albertinia		R100 000	
OUTDOOR GYMNASIUM ALBERTINIA		R80 000	
Upgrading of Ablution Facilities for Staff- Albertinia	R330 000		
Electrical Infrastructure	**R6 200 000**	**R3 000 000**	
MS MATOPPO (MP 5.2.1) A/B	R1 200 000		
MV OVERHEAD CONNECTION AT PMT F (RING FEED) - ALB	R800 000		
NETWORK EXTENSION AND REFURBISHMENT- A/B	R2 000 000	R2 000 000	
RMU LOERIE - ALBERTINIA	R1 200 000		
STASIE STREET MV AND LV - A/B	R1 000 000	R1 000 000	
Furniture And Office Equipment	**R57 500**	**R164 250**	**R38 250**
Air conditioners Fire Station - Albertinia		R20 000	
Aircons - Albertinia	R30 000	R18 000	R22 000
Curtains/Blinds - Albertinia	R20 000	R10 000	R10 000
Fridge Fire Station - Albertinia		R6 000	
Microwave Fire Station - Albertinia		R1 000	
Mop trolleys - Community Hall A/B	R5 000		R5 000
New office carpets - Albertinia		R100 000	
Office Desk & 2 Office Chairs Fire Station - Albertinia		R4 000	
Stove Fire Station - Albertinia		R4 000	
Urns Community Halls_AB	R2 500	R1 250	R1 250
Machinery And Equipment	**R70 000**		**R101 500**
6 X Personal alert safety devices (Fire Services)(Albertinia)			R10 000
6 X Portable spotlights Battery operated (Fire Services) (Albertinia)			R1 500
FIRE HYDRANTS - ALBERTINIA - FIRE	R50 000		R50 000
Self-contained breathing apparatus (Fire Services)(Albertinia)			R40 000
Weedeaters - Parks - A/B	R20 000		
Operational Buildings	**R250 000**	**R100 000**	**R925 000**
Expansion of learners and eye testing services to Albertinia			R300 000
REFURBISHMENT OF BUILDINGS - ALBERTINIA	R250 000	R100 000	
Temporary Informal Housing_Albertinia			R600 000
Upgrading of Informal Trading Areas_Albertinia			R25 000
Roads Infrastructure	**R21 240 000**	**R8 957 000**	
Nywerheidslaan Upgrade of Stormwater Infrastructure	R500 000		
UPGRADE ROADS & STORMWATER - A/B	R3 000 000		
UPGRADING OF STASIE STREET ALBERTINIA	R17 740 000	R8 957 000	
Sanitation Infrastructure	**R1 000 000**	**R1 000 000**	
Chlorination tank, Clarifier and Sand beddings (Albertinia WWTW)			
NEW RETICULATION - ALBERTINIA	R1 000 000	R1 000 000	
Sport And Recreation Facilities	**R12 318 000**		
SWIMMING POOL A/B	R9 318 000		
Swimming pool Albertinia	R3 000 000		
Transport Assets	**R1 440 000**	**R600 000**	
REPLACE CIVIL SERVICES FORD RANGER 2.2 (2013) CCC 5998 WITH LDV	R470 000		

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
REPLACE CIVIL SERVICES LANDINI 7500 (2000) CES 2176 WITH NEW TRACTOR		R600 000	
REPLACE FIRE SERVICES FORD RANGER 2.2 (2009) CCC 2172 with LDV	R470 000		
REPLACE LAW ENFORCEMENT TOYOTA HILUX 2.5 (2013) CCC 7583 WITH LDV	R500 000		
Water Supply Infrastructure	**R2 000 000**	**R3 000 000**	
Albertinia Borehole connection	R1 000 000		
PRJ-HAW-001: NETWORK REINFORCEMENT (PHAS- A/B	R1 000 000	R3 000 000	
Grand Total	**R44 905 500**	**R17 001 250**	**R1 064 750**

Table 3 - Albertinia Capital Expenditure Plan

2019 – 2024 Municipal Account Trends



	2019	2020	2021	2022	2023	2024
BUSIMP	59	60	59	59	61	61
BUSVAC	6	6	6	6	5	5
INDIMP	37	36	34	34	36	37
INDVAC	8	9	8	8	6	5
RESIMP	1 849	1 869	1 877	1 920	1 952	1 987
RESVAC	302	297	300	195	204	241

4.1.2 Gouritsmond

Gouritsmond, located on the western side of the Gouritz River estuary and the Indian Ocean, is a small settlement with a population of 515 residents in 206 households as of 2011. While it has a relatively short history as an official administrative settlement, European settlers have been farming in the area since 1730. Originally known as "The Fisheries" due to its significance as a fishing ground, the town was granted official status in 1915 and underwent name changes before settling on its current name.

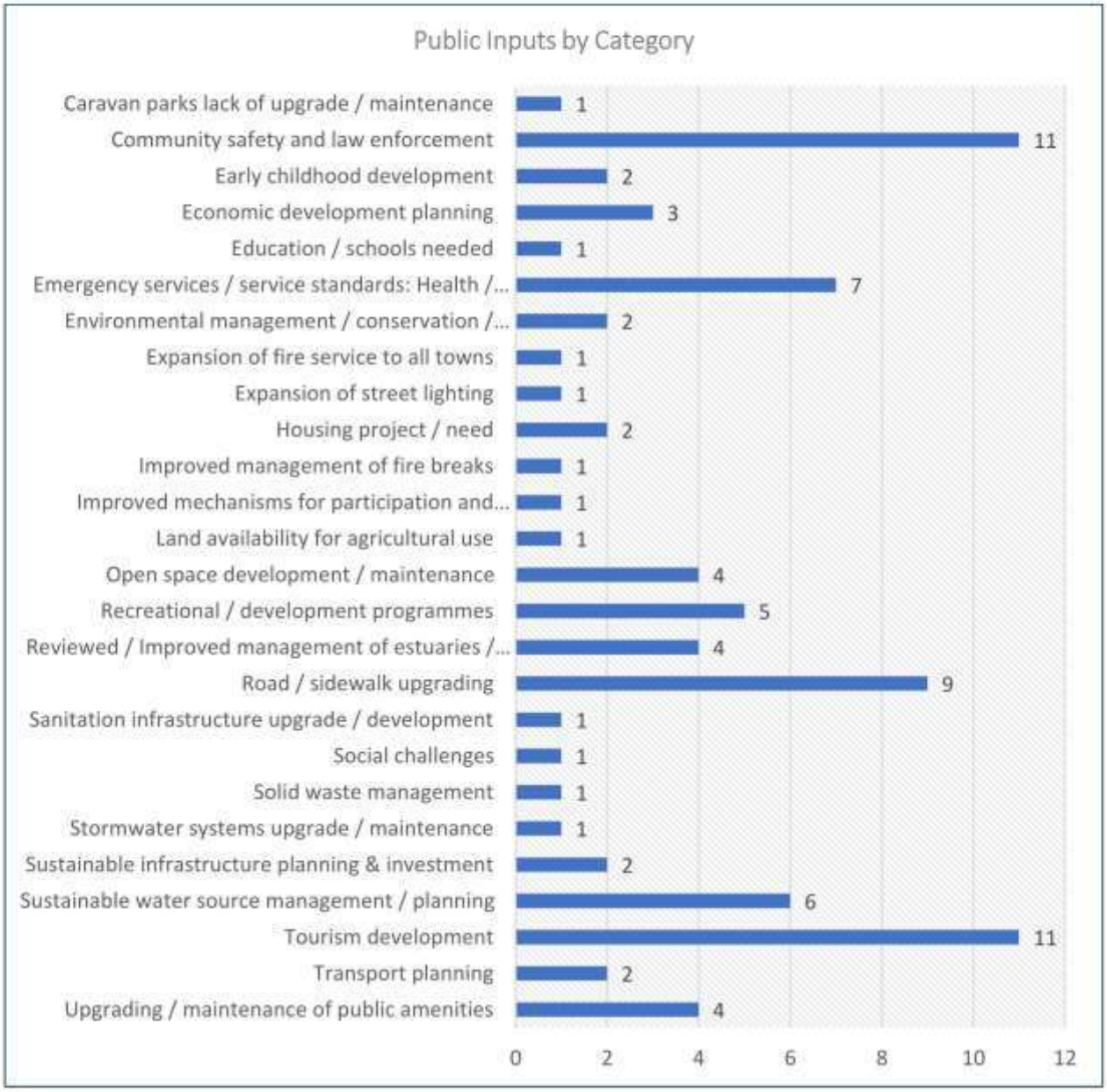
Tourism plays a vital role in Gouritsmond' s economy, with its scenic location offering opportunities for activities such as sea fishing, surfing, and wildlife watching. The village boasts a beachfront location and a large sandbank within the river estuary, attracting visitors interested in outdoor recreation. Additionally, there are four designated hiking routes catering to varying levels of difficulty.

The Gouritsmond Conservation Trust, supported by the local community, provides information about the region's diverse plant life, particularly within the Fynbos biome, enhancing the hiking experience. Access to the town is primarily via the R325 regional road, which connects to the N2 national road between Albertinia and Mossel Bay. A bridge over the Gouritz River provides a rural road link to Mossel Bay, significantly improving accessibility since the construction of a tarmac road in 1938, replacing the previous gravel route with numerous gates.

Key spatial planning guidelines for Gouritsmond include:

- Prioritise the protection of fynbos vegetation, estuaries, coastal dunes, and other ecologically sensitive areas through zoning regulations and conservation initiatives. Designate buffer zones and greenbelts to safeguard these natural assets from development.
- Implement restrictions on the scale and intensity of development to prevent overcrowding and maintain the town's low-key atmosphere. Consider establishing building height limits, and setback requirements to preserve views and open spaces.
- Encourage tourism activities that are compatible with the town's character and natural surroundings. Develop eco-friendly tourism infrastructure such as walking trails, birdwatching hides, and interpretive signage to showcase the area's biodiversity and cultural heritage.
- Improve public amenities and recreational facilities to enhance the quality of life for residents and visitors alike. Invest in the maintenance and beautification of parks, and waterfront areas to create inviting gathering spaces that reflect the town's identity.
- Encourage mixed-use development that integrates commercial, residential, and recreational functions within the town centre. Promote pedestrian-friendly design principles to enhance walkability and reduce reliance on cars, fostering a sense of community and vitality.
- Identify and protect heritage sites, and cultural landmarks that contribute to the town's unique identity.
- Foster active participation and collaboration among residents, local businesses, government agencies, and community organizations in the planning process.
- Integrate climate change adaptation measures into spatial planning efforts to mitigate risks associated with sea-level rise, storm surges, and coastal erosion. Consider nature-based solutions such as dune restoration, mangrove planting, and wetland conservation to enhance the town's resilience to environmental hazards.
- Invest in essential infrastructure such as water supply, sanitation, drainage, and transportation to support sustainable growth and development. Prioritize infrastructure upgrades and maintenance projects that minimize environmental impact and enhance the overall liveability of the town.
- The Urban Edge System is designed to meet development needs until 2030, with flexibility for further development until 2040 if necessary.
- Ensure that municipal services are sufficient before any developments are approved. Relevant committees (i.e. Ratepayers Association and Nature Conservation Organisation) within

Gouritsmond should be contacted for comment on any new development to ensure a transparent public participation process.

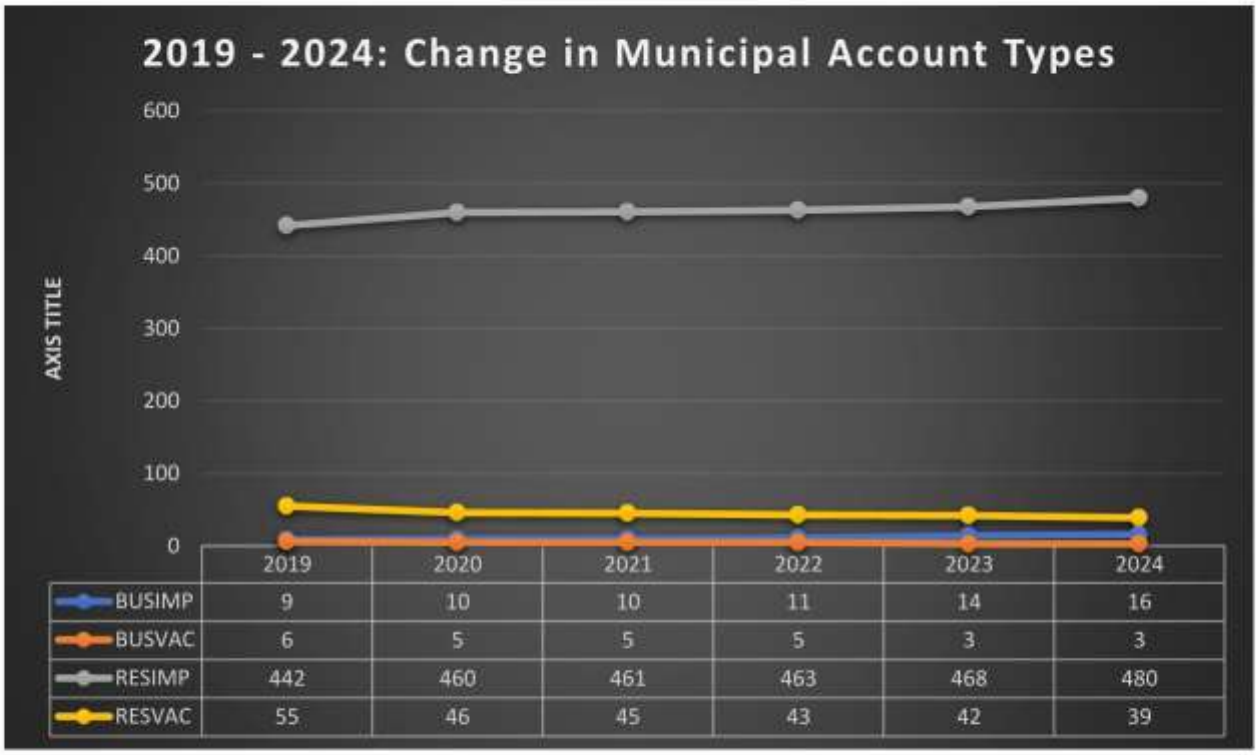


Capital Expenditure Plan

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Community Facilities	**R105 000**	**R10 000**	**R10 000**
Upgrading of Ablution Facilities for Staff- Gouritsmond	R100 000		
UPGRADING OF TOURISM FACILITIES GM	R5 000	R10 000	R10 000
Electrical Infrastructure	**R3 000 000**	**R100 000**	**R2 000 000**
EMERGENCY ERVEN - ELECTRICITY SERVICES - Bitouville		R100 000	
MS BITOU - GOURITSMOND	R1 500 000		
MS INDUSTRY - GOURITSMOND	R1 500 000		
NETWORK EXTENSION AND REFURBISHMENT G/M			R2 000 000
Furniture And Office Equipment	**R29 000**	**R28 000**	**R32 000**
Aircons - Gouritsmond	R23 000	R18 000	R22 000
Curtains/Blinds - Gouritsmond	R6 000	R10 000	R10 000
Machinery And Equipment	**R70 000**		**R50 000**
FIRE HYDRANTS - GOURITSMOND - FIRE	R50 000		R50 000
Weedeaters - Public Works - G/M	R20 000		
Operational Buildings		**R250 000**	**R250 000**
Expansion of Testing Stations/ Thusong/ E-Centre_GM		R250 000	R250 000
Roads Infrastructure	**R1 000 000**		
UPGRADE ROADS & STORMWATER - G/M	R1 000 000		
Sanitation Infrastructure		**R100 000**	
Emergency Erven - Sanitation Services - Bitouville Public Participation Input Nr 8 & 9		R100 000	
Sport And Recreation Facilities	**R160 000**	**R230 000**	
Fencing and resealing of Tennis court -Gouritsmond		R230 000	
LIFESAVER TOWER - GOURITSMOND	R160 000		
Transport Assets	**R470 000**		
REPLACE CIVIL SERVICES NISSAN NP300 2.5 (2012) CCC 8837	R470 000		
Water Supply Infrastructure	**R1 000 000**		
Refurbishment of Gouritsmond WTW	R1 000 000		
Grand Total	**R5 834 000**	**R718 000**	**R2 342 000**

Table 4 - Gouritsmond Capital Expenditure Plan

2019 – 2024 Municipal Account Trends



	2019	2020	2021	2022	2023	2024
BUSIMP	9	10	10	11	14	16
BUSVAC	6	5	5	5	3	3
RESIMP	442	460	461	463	468	480
RESVAC	55	46	45	43	42	39

4.1.3 Heidelberg

In 1716, Louis Fourie (1690s–1767) obtained grazing rights from Governor van der Stel and he settled alongside the Duivenhoks River. This is where he later constructed the Doornboom Homestead - registered in 1728 - and the Doornboom Farm was established. The area was initially part of the greater Riversdale district until the Riversdale Dutch Reformed church council in 1855 bought a portion of the farm Doornboom on which to lay out the town when a new Dutch Reformed congregation was created for the farmers between Swellendam and Riversdale. The town grew around the church, and it was named in honour of the German town, Heidelberg, because of the Heidelberg catechism that was practised in the church. The first erven were sold in the Town, in November 1855 and by 1862 the first Town management board was inaugurated. Fourie House on Fourie Street is the oldest House in Heidelberg. In 1903 Heidelberg became part of the railway network and became an important transport link for the wool, wheat, fruit, and tobacco industries of the area.

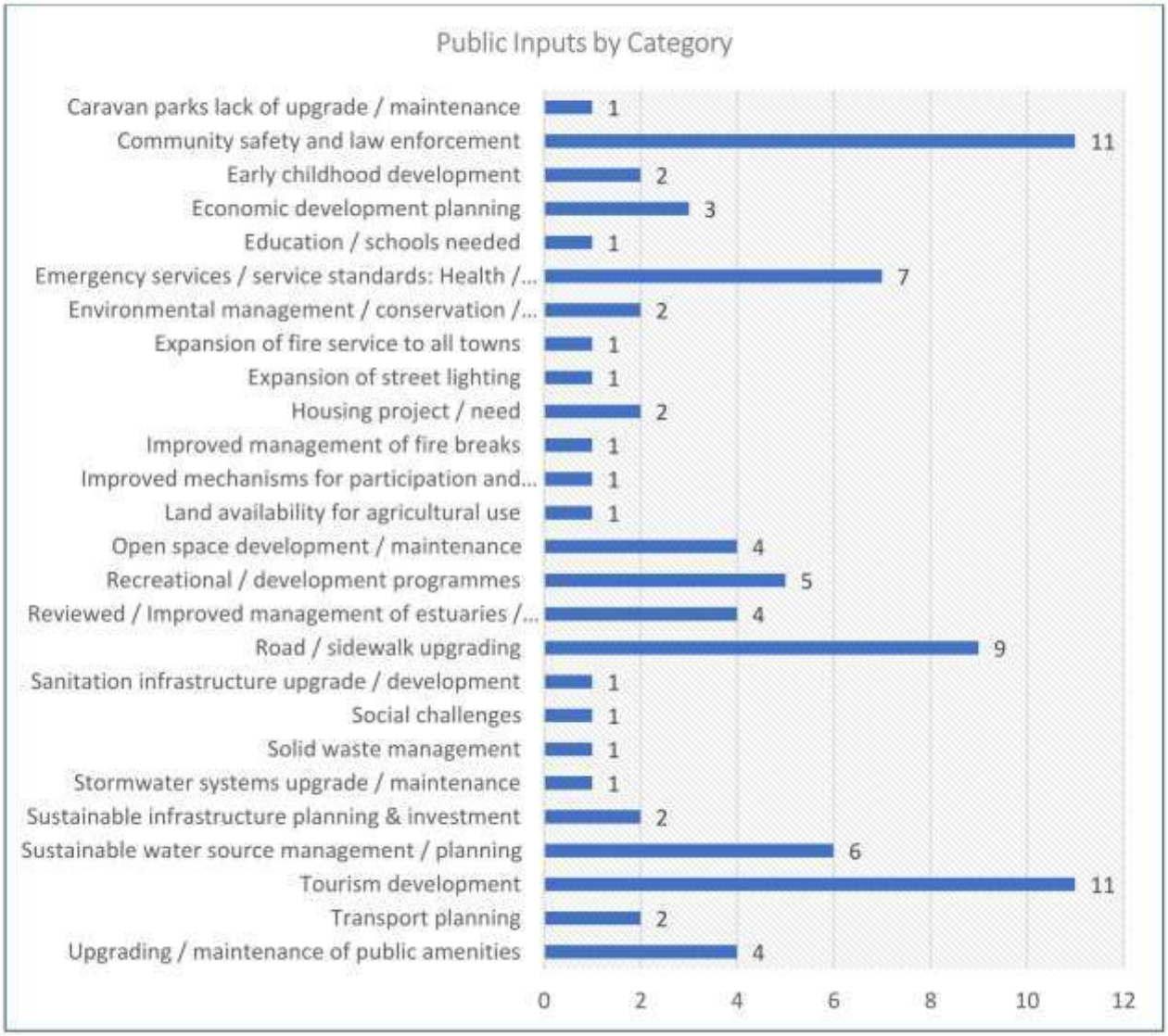
These days Heidelberg is a quiet place to experience peace and tranquillity, with many surrounding farmlands! Activities in and around Heidelberg are plentiful. This Area offers many trails for hikers and nature lovers and day drives for Outdoor enthusiasts. The town is also home to various historical buildings that still boast the traditional Victorian-era building styles that give the town a unique look and feel.

3.3.4.2 Socio-Economic Considerations

Key considerations include:

- Promote the development of the arts and crafts sector, which is showing significant growth.
- Recognize the need and potential for the film industry, providing opportunities for local talent and economic diversification.
- Encourage tourism development and related uses along the N2, capitalizing on the town's location and natural beauty.

- Support the growth of agricultural activities, a vital component of Heidelberg's economy.



Capital Expenditure Plan

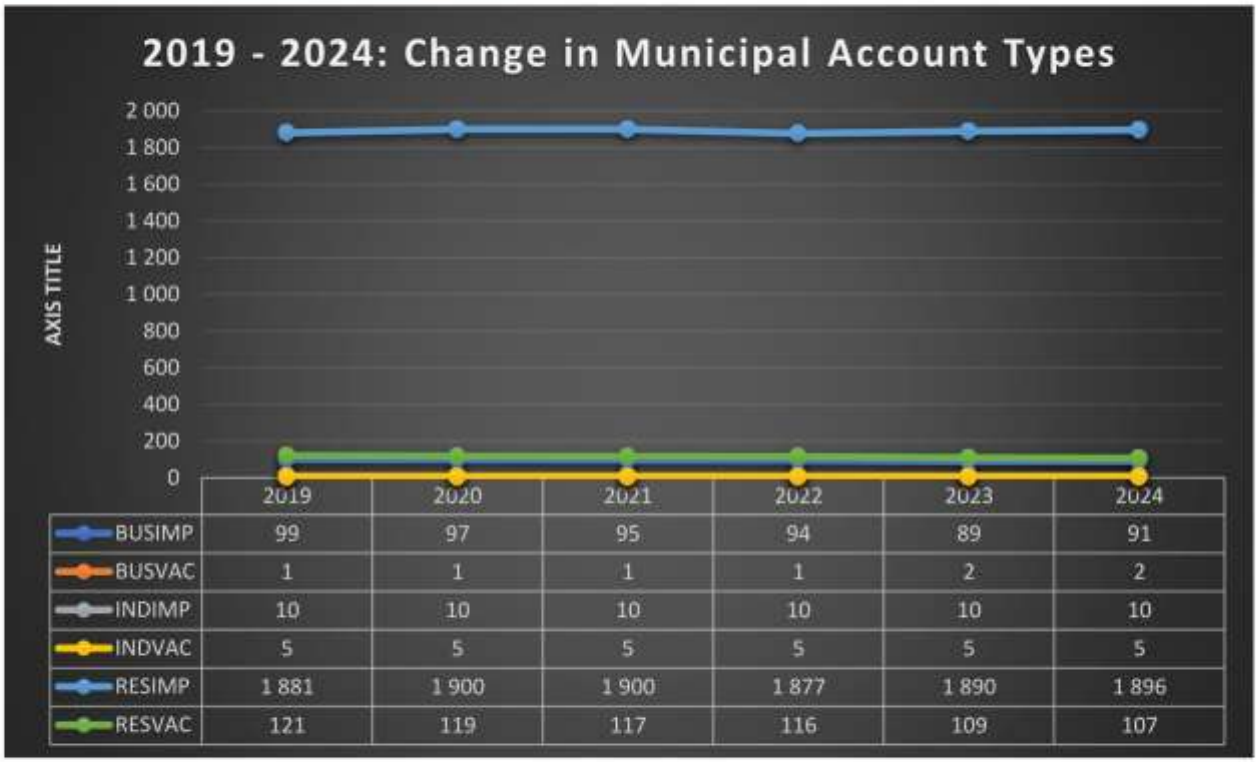
Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Community Facilities	**R42 500**	**R15 000**	**R2 500**
Upgrading of Ablution Facilities for Staff- Heidelberg	R40 000		
UPGRADING OF TOURISM FACILITIES HB	R2 500	R15 000	R2 500
Electrical Infrastructure	**R5 500 000**	**R3 000 000**	**R4 500 000**
NETWORK EXTENSION AND REFURBISHMENT H/B	R2 000 000	R1 000 000	R2 500 000
NETWORK EXTENSIONS - DIEPKLOOF H/B	R2 000 000	R2 000 000	R2 000 000
Upgrading of LV line at Eksteen Street	R1 500 000		
Furniture And Office Equipment	**R101 500**	**R78 000**	**R57 000**
2 x HIGH BACK OFFICE CHAIR ELECTRICAL - HB	R7 000		
Air conditioners Fire Station - Heidelberg		R20 000	
Aircons - Heidelberg	R12 500	R18 000	R22 000
Curtains/Blinds - Heidelberg	R40 000	R10 000	R10 000
Fridge Fire Station - Heidelberg		R6 000	
GAZEBO COMBINATION SET AND CHAIRS - FIRE	R22 000		

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Microwave Fire Station - Heidelberg		R1 000	
Office Desk & 2 Office Chairs Fire Station - Heidelberg		R4 000	
Stove Fire Station - Heidelberg		R4 000	
Wood top tables - Community Halls HB	R20 000	R15 000	R25 000
Machinery And Equipment	**R300 000**		**R101 500**
1 X WATERTANK MOUNTED ON TRAILER - FIRE STATION HB	R100 000		
6 X Personal alert safety devices (Fire Services)(Heidelberg)			R10 000
6 X Portable spotlights Battery operated (Fire Services) (Heidelberg)			R1 500
Creepy Crawley Swimming Pool - Heidelberg	R30 000		
FIRE HYDRANTS - HEIDELBERG - FIRE	R50 000		R50 000
Self-contained breathing apparatus (Fire Services)(Heidelberg)			R40 000
Walk Behind Roller Trailor	R100 000		
Weedeaters - Parks - Heidelberg	R20 000		
Operational Buildings	**R150 000**	**R225 000**	**R850 000**
REFURBISHMENT OF BUILDINGS - HEIDELBERG	R150 000	R100 000	
Temporary Informal Housing_Heidelberg			R600 000
Upgrading of Fire Station Building_Heidelberg		R125 000	R250 000
Roads Infrastructure	**R5 000 000**	**R2 042 622**	
UPGRADE ROADS & STORMWATER - WYK 9 - H/B	R5 000 000		
UPGRADE ROADS IN DIEPKLOOF H/BERG		R2 042 622	
Sanitation Infrastructure	**R2 000 000**	**R5 800 000**	**R2 000 000**
Bulk Irrigation line from Heidelberg WWTW to the Sport grounds			R2 000 000
LINING OF EMERGENCY STORAGE DAMS H/B		R1 000 000	
NEW RETICULATION - HEIDELBERG	R2 000 000	R2 000 000	
Refurbishment at WWTW Heidelberg		R300 000	
UPGRADE BULK SEW LINE AND PUMPSTAT H/B		R2 500 000	
Transport Assets	**R1 540 000**	**R1 600 000**	**R3 000 000**
Crane Truck Electrical (Heavy Load)			R3 000 000
LDV - ELECTRICITY- (CUSTOMISED)		R700 000	
Light Duty Vehicles - Fire Services Heidelberg		R400 000	
REPLACE CIVIL SERVICES (FLEET) NISSAN NP300 2.5 (2010) CCC 5241 WITH LDV		R500 000	
REPLACE CIVIL SERVICES ISUZU KB250 2.5 (2014) CCC 15642 WITH LDV	R470 000		
REPLACE ELECTRICAL SERVICES NISSAN NP300 3.0 (2007) CCC 11217 WITH NEW LDV	R470 000		
REPLACE TRAFFIC SERVICES TOYOTA AVANZA 1.3 (2014) CCC19956 WITH HATCH XI	R300 000		
REPLACE TRAFFIC SERVICES VOLKSWAGEN POLO VIVO SEDAN 1.6 (2014) CCC 18450 WITH HATCH XI	R300 000		
Water Supply Infrastructure	**R16 582 000**	**R13 000 000**	**R7 000 000**
HEIDELBERG WATER RETICULATION REPLACEMENT	R1 500 000		
NEW WATER TREATMENT WORKS HB (Bloekombom dam lining)		R10 000 000	R7 000 000
NEW WATER TREATMENT WORKS HEIDELBERG	R13 582 000		
PRJ-HHW-002: NETWORK REINFORCEMENT - RES H/B		R3 000 000	
UPGRADING OF WATER INFRASTRUCTURE - H/B	R1 500 000		

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Grand Total	**R31 216 000**	**R25 760 622**	**R17 511 000**

Table 5 - Heidelberg Capital Expenditure Plan

2019 – 2024 Municipal Account Trends



	2019	2020	2021	2022	2023	2024
BUSIMP	99	97	95	94	89	91
BUSVAC	1	1	1	1	2	2
INDIMP	10	10	10	10	10	10
INDVAC	5	5	5	5	5	5
RESIMP	1 881	1 900	1 900	1 877	1 890	1 896
RESVAC	121	119	117	116	109	107

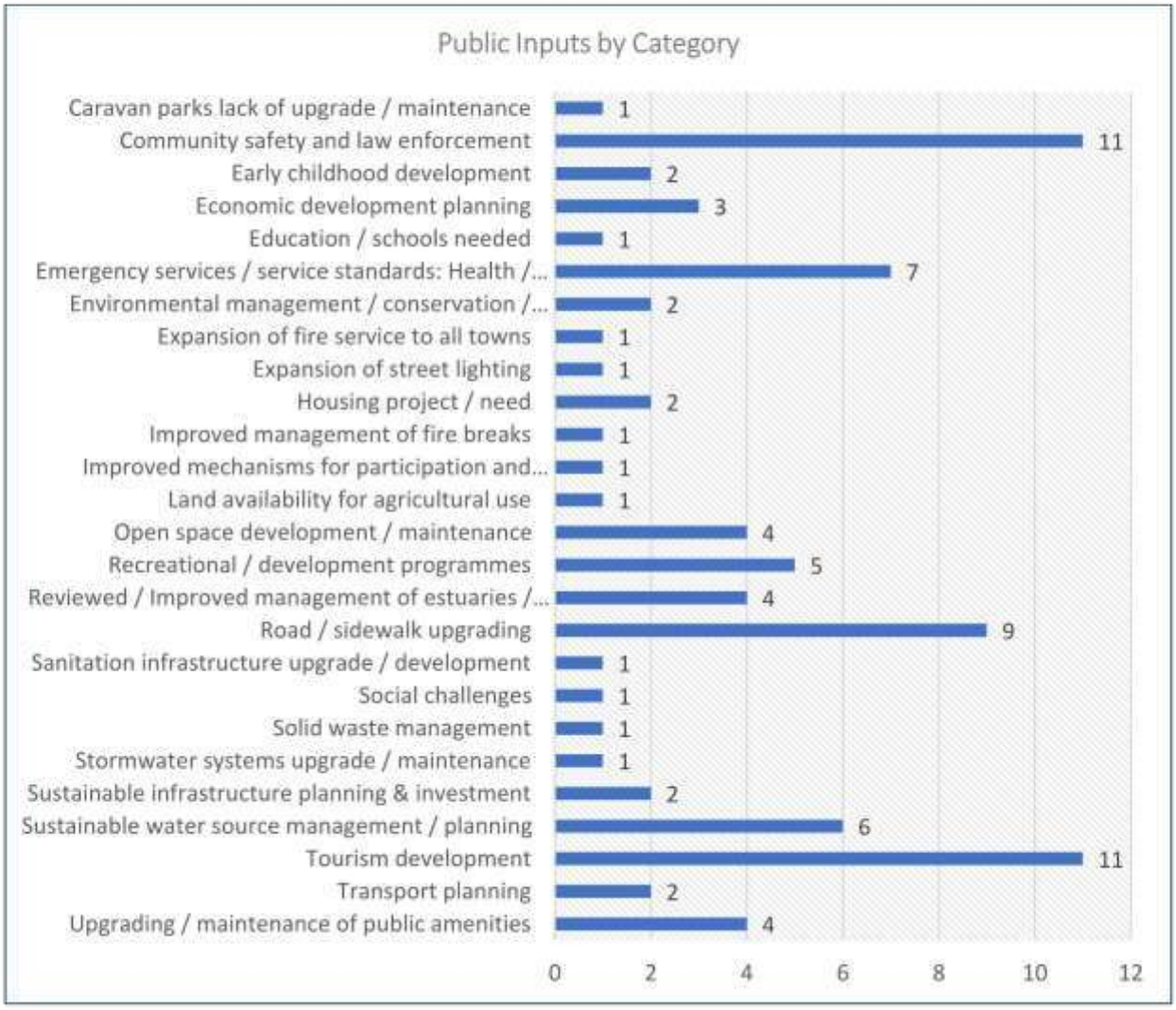
4.1.4 Melkhoutfontein

Melkhoutfontein, located in the Hessequa region of the Garden Route in South Africa, was established in the 1850s as a settlement for fishermen. Originally a large farm, Melkhoutfontein was gradually subdivided and sold, with the Anglican Church purchasing a portion in 1872. The village became home to various families who resided in traditional thatch-roof houses. In 1876, the Melkhoutfontein Mission School was founded. The village is renowned for its rich heritage and distinctive architecture, characterized by whitewashed walls and thatched roofs, exemplified by St. Augustine's Church. During the apartheid era, Melkhoutfontein was segregated from Stilbaai. Despite this separation, the village has successfully preserved its cultural heritage.

The population growth in Melkhoutfontein is based on historical data and projected trends, reflecting the overall growth patterns within the Hessequa Local Municipality. The municipal population in 1996 was 38,553, which increased to 44,114 by 2001. By 2011, the population had risen to 52,642, showing a consistent growth pattern. In 2016, the population further grew to 54,237, and by 2022, it reached 71,918. The population of Melkhoutfontein was 2,533 in 2011.

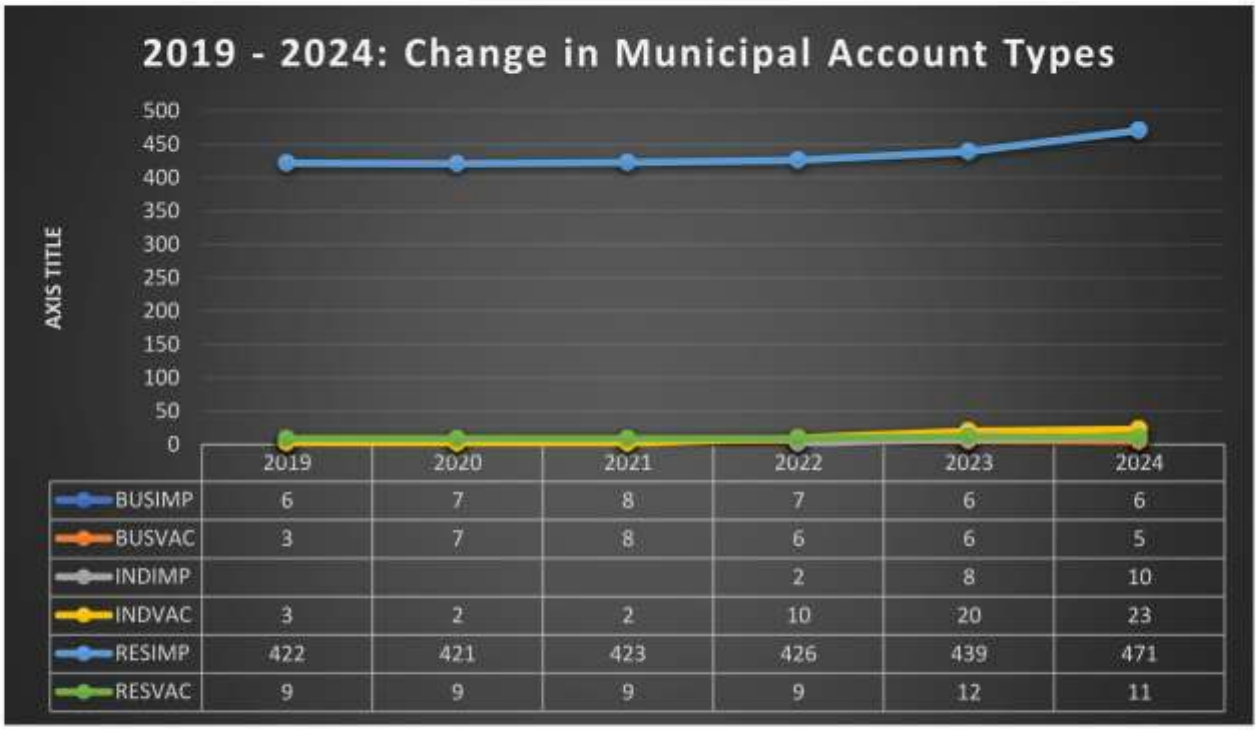
The assumed growth rates during these periods varied, indicating different phases of development. From 1996 to 2001, the growth rate was 2.73%, suggesting moderate urban development and economic activities. Between 2001 and 2011, the growth rate was 1.78%, showing continued but moderated expansion. The period from 2011 to 2016 saw a further reduction in the growth rate to 0.60%, possibly reflecting economic challenges or saturation in certain areas. However, from 2016 to 2022, the growth rate accelerated to 4.82%, suggesting renewed development, increased migration, or other favourable factors.

For the projected analysis, a High Growth projection of 4.82% per annum will be adopted, aligning with the anticipated demand for sustainable human settlements and future planning in Melkhoutfontein.



Capital Expenditure Plan included as part of Stilbaai

2019 – 2024 Municipal Account Trends



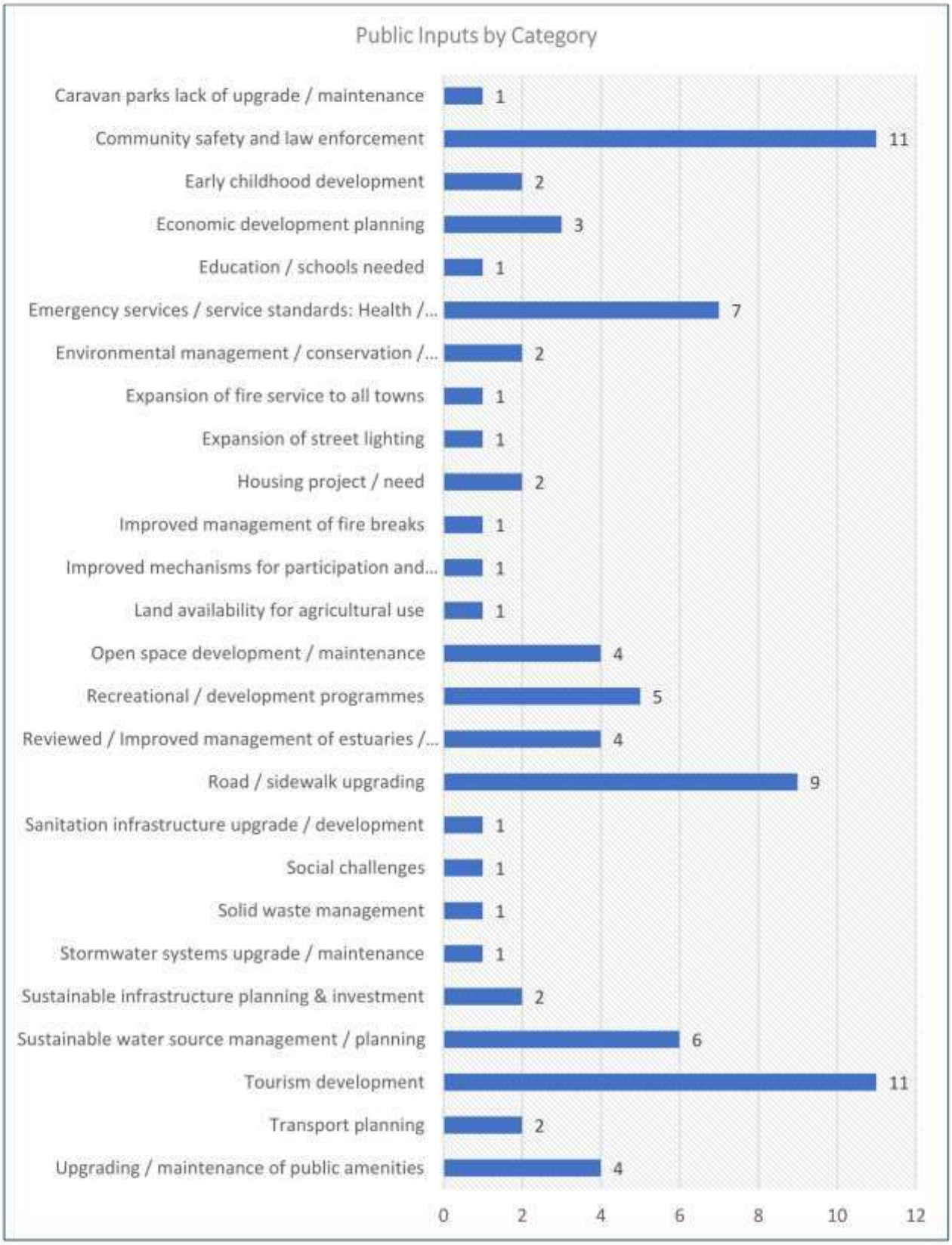
	2019	2020	2021	2022	2023	2024
BUSIMP	6	7	8	7	6	6
BUSVAC	3	7	8	6	6	5
INDIMP				2	8	10
INDVAC	3	2	2	10	20	23
RESIMP	422	421	423	426	439	471
RESVAC	9	9	9	9	12	11

4.1.5 Riversdale

Riversdal, located in the Western Cape, traces its origins back to August 1838 when the Dutch Reformed Church established a new Parish on the farm 'Doornkraal', situated along the Vet River near the Langeberg foothills. Named after Harry Rivers, the incumbent Civil Commissioner of Swellendam at the time, the town was officially proclaimed on 30 August 1838. Sir Harry Smith declared Riversdale a magistracy on 9th March 1848, with Major Barnes appointed as the first magistrate. Subsequently, on 6th June 1849, it was declared a Municipality with three commissioners appointed. The governance of the town saw the involvement of prominent families like the Doornkraal Steyns, such as Jacobus J Steyn. By 1882, Riversdale boasted around 250 dwellings, many of them elegant structures, with social and economic life centred around its main oak-lined street. Census records indicate a steady population growth, with 1,025 residents in 1865, 1,177 in 1875, and 1,802 in 1891. By 1904, the population had risen to 2,643, with a significant portion being literate.

Population growth in Riversdal aligns with trends within the Hessequa Local Municipality. Historical data shows that the municipal population grew from 38,553 in 1996 to 52,642 in 2011, with an average annual growth rate of 1.78% during this period. By 2022, the population increased to 71,918, indicating periods of accelerated growth driven by economic development, migration, and local factors.

Future population projections for Riversdal consider historical trends and different growth scenarios within the municipality. For the projected analysis, a Medium Growth projection of 0.2% per annum will be adopted, representing balanced development and planning assumptions. Based on this projection, Riversdale's population is expected to reach approximately 30,378 by 2040.


Public Inputs by Category
Caravan parks lack of upgrade / maintenance
1
Community safety and law enforcement
11
Early childhood development
2
Economic development planning
3
Education / schools needed
1
Emergency services / service standards: Health /...
7
Environmental management / conservation /...
2
Expansion of fire service to all towns
1
Expansion of street lighting
1
Housing project / need
2
Improved management of fire breaks
1
Improved mechanisms for participation and...
1
Land availability for agricultural use
1
Open space development / maintenance
4
Recreational / development programmes
5
Reviewed / Improved management of estuaries /...
4
Road / sidewalk upgrading
9
Sanitation infrastructure upgrade / development
1
Social challenges
1
Solid waste management
1
Stormwater systems upgrade / maintenance
1
Sustainable infrastructure planning & investment
2
Sustainable water source management / planning
6
Tourism development
11
Transport planning
2
Upgrading / maintenance of public amenities
4
0
2
4
6
8
10
12

Capital Expenditure Plan

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Community Facilities	**R737 500**	**R75 000**	**R194 000**
BROCHURE WALL DISPLAY RACK - TOURISM			R2 500
Cremation walls- H/Q		R50 000	
FENCING BUSINESS HUB KWANOKUTHULA			R150 000
FENCING OF RIVERSDALE WWTW - R/D	R300 000		
RETRACTABLE SECURITY GATE - TOURISM			R4 000
TOURISM PUBLIC ART PROGRAMMES			R30 000
UPGRADE OF PLAYPARKS - H	R300 000		
Upgrading of Ablution Facilities for Staff- Riversdale	R130 000		
UPGRADING OF TOURISM FACILITIES RD	R7 500	R25 000	R7 500
Computer Equipment	**R239 150**	**R221 000**	**R241 000**
5 X THERMAL IMAGE CAM F/SERVICES - HESS			R110 000
1 X PORTABLE WIRELESS CONFERENCE MICROPHONE		R1 000	R1 000
1x Camera (Community Services)			R10 000
26"-29" Wide Screen for PMS Administrator	R5 000		
4 U Cabinet	R6 000		
55" Screen Monitors- Finance	R20 000	R20 000	
Camera system N2 - Ward 7	R150 000	R200 000	
CLOCK-IN DEVICES X 10 (REPLACEMENTS AND BACKUPS)	R48 000		R120 000
DIGITAL CAMERA PHOTOGRAPHY TRI-POD - TOURISM	R2 500		
PORTABLE PROJECTOR FOR HR	R5 150		
SMART PHONE PHOTOGRAPHY STABILISER - TOURISM	R2 500		
Electrical Infrastructure	**R6 270 000**	**R13 836 000**	**R14 278 000**
3 Way RMU Progress Estate RD	R1 000 000		
DC to AC 24VDC to 230VDC 3000W inverter - Elec - R/D	R20 000		
ENERGY EFFICIENCY & DEMAND SIDE LOAD MAN		R4 000 000	R4 000 000
MEDIUM VOLTAGE NETWORK UPGRADE - LCH - H		R3 136 000	R3 278 000
NETWORK EXTENSION AND REFURBISHMENT	R2 500 000	R2 500 000	R2 500 000
Network Extensions _ Riversdale_Erf 21			R1 000 000
RENEWABLE ENERGY PLANT - R/D		R2 000 000	
Ring feed Aloeridge Bali 11kV RD			R3 500 000
TELEMETRY/COMMUNICATION - RD	R1 000 000	R500 000	
Upgrading of LV Network MS Cumming RD		R900 000	
Upgrading of LV Network MS Kerk RD (Police station)		R800 000	
Upgrading of LV network MS Kerk South RD	R900 000		
Upgrading of LV Network MS Museum RD	R850 000		
Furniture And Office Equipment	**R838 600**	**R204 300**	**R262 000**
1 x Ergonomic High-back Chair to prevent sciatica pain	R9 500		
1 X Gazebo - Protection Services & Disaster Management		R8 000	
1 X High back Chair - (Motor Vehicle Registration)			R8 000
1 X TWO DRAWER OFFICE DESK - TOURISM		R5 000	R5 000
1x Air conditioner (Committee Room Community Services)			R30 000
1X High Back Chair - Archives	R3 000		
2 High back Office Chairs- Office of the Speaker	R4 000		

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
2 X FOLD-UP OUTDOOR CHAIRS - TOURISM		R2 000	R2 000
2 X OFFICE HIGHBACK CHAIRS - TOURISM		R10 000	R10 000
2 X Pop-Up Banners - Protection Services & Disaster Management		R8 000	
2X Branded Gazebo's Thusong Centre			R20 000
3 X Office Chairs- Property Management	R8 000	R4 000	
4 x High-back chairs	R10 000		
4 X High back chairs (Control Room) (Disaster Management)			R20 000
4X High back Office Chairs Thusong Centre			R15 000
A3 Laminator (Community Services)			R3 500
Air conditioner - Control Room(Disaster Management)			R20 000
Air conditioners Fire Station - Riversdale		R20 000	
Aircons - Riversdale	R89 500	R18 000	R22 000
Banner wall	R8 000		
Blinds Development Planning			R30 000
Blinds for office of the MM	R14 000		
Book shelf- Office of Manager Thusong Centre			R5 000
Curtains/Blinds - Riversdale	R74 000	R10 000	R10 000
Executive Office desk: Thusong Centre			R8 000
Executive Office High Back Chairs- TOWN PLANNING & BUILDING CONTROL	R12 000	R12 000	
Fridge Fire Station - Riversdale		R6 000	
FRIDGES - HALLS - Riversdale	R6 600	R6 800	
Furniture (couches) Reception Area	R20 000		
Gazebo and Banner combination set (Housing)			R7 500
Gazebo and Banner combination set (Law Enforcement)			R7 500
High Back Office Chairs (Electrical & Mechanical)	R15 000		
High Duty Laminating Machine Thusong Centre Riversdale			R6 000
Microwave Fire Station - Riversdale		R1 000	
Mop trolleys - Community Hall R/D	R5 000		R5 000
New Carpets - Office of the MM & MMPA	R100 000		
New Carpets- Office of the CFO (change to Finance Dept or new vote)	R300 000		
New office carpets - Riversdale	R100 000		
Office Desks Fire Station - Riversdale		R2 000	
Projector and Screen - Occupational Health		R15 000	
Shredder - Community Services		R30 000	
Stackable Chairs (Black with Upholstery) (Electrical &Mechanical)	R15 000		
Stove Fire Station - Riversdale		R4 000	
Urns Community Halls_RD WARD 6	R2 500	R1 250	R1 250
Urns Community Halls_RD WARD 7	R2 500	R1 250	R1 250
Wood top tables - Community Halls RD	R40 000	R40 000	R25 000
Information And Communication Infrastructure	**R1 040 000**	**R300 000**	**R200 000**
4 X MANAGED SWITCHES -ICT - STORE ITEM		R200 000	R200 000
Firewall Solution- ICT	R90 000	R100 000	
STORAGE AREA NETWORK - ICT DR SITE	R950 000		
Machinery And Equipment	**R1 808 800**	**R2 340 000**	**R3 636 500**
1 X BOAT TRAILER - ENVIRONMENTAL - PLANN	R50 000		

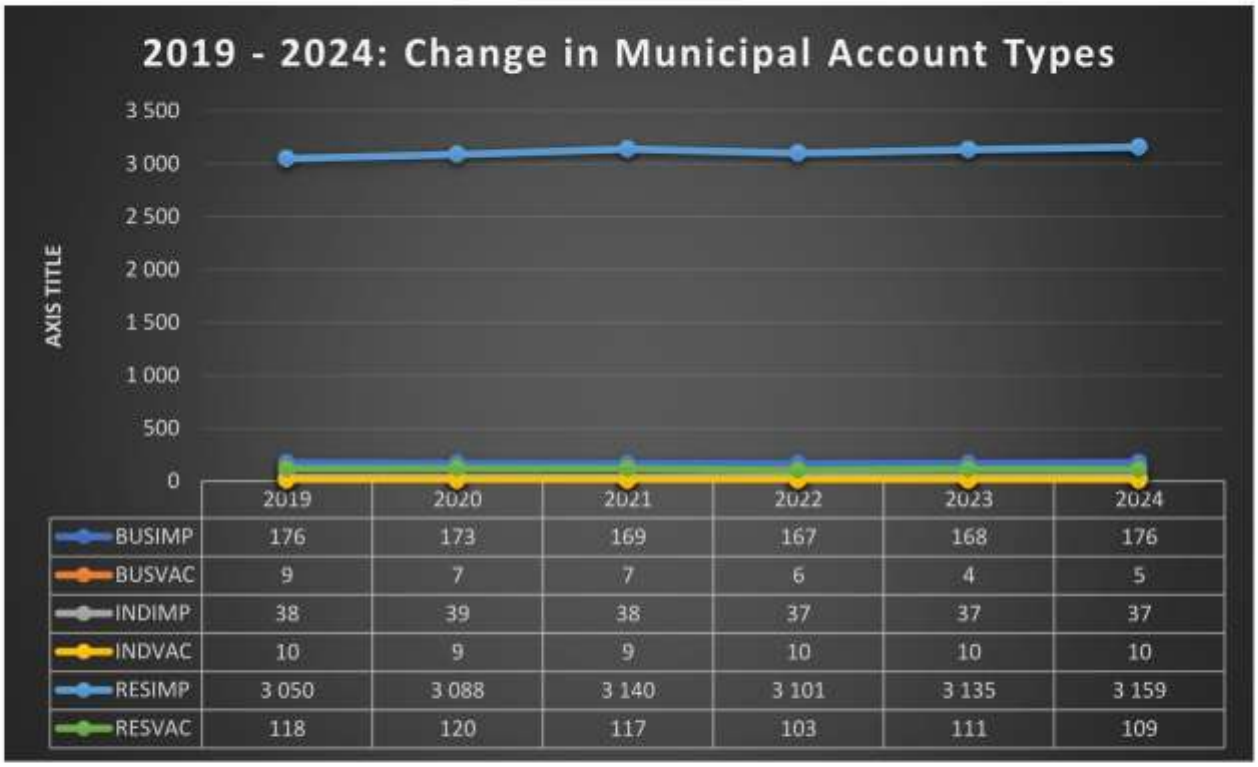
Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
1 x Vehicle trailer impoundment -modified (Traffic)			R100 000
1x Positive pressure ventilator (Fire Services) Riversdale			R30 000
20X Anti Riot Shields (Law Enforcement)			R40 000
20X Riot Helmets with neck flaps (Law Enforcement)			R30 000
2x Brush cutters (Law Enforcement)			R8 000
2x Metal detectors (Law Enforcement)			R4 000
2x Tar Cutter	R50 000		
3 x firearm safes (Traffic)			R50 000
5 X NAP SACK - FIRE	R5 800		
6 X Personal alert safety devices (Fire Services)(Riversdale)			R10 000
6 X Portable spotlights Battery operated (Fire Services) (Riversdale)			R1 500
Acoustic imager for overhead fault detection x 1			R300 000
Baby grinder(Traffic Technical Team)			R3 000
Battery pack for charging (starting) of vehicles (Traffic)			R10 000
Blowers (Traffic Technical Team)			R10 000
BRANDBLUSSERS 4.5KG	R5 000		
BRUSHCUTTER - ENVIRONM.	R13 000		
CABLE & FAULT DETECTOR - LOW & HIGH TENS	R300 000		
Chain saw(Traffic Technical Team)			R4 000
Concrete Mixer- Environmental Management	R40 000		
Decibel Meter (Law Enforcement)			R17 000
Drill(Traffic Technical Team)			R5 000
Drone - Solar Plant			R280 000
Extension ladders Fibre glass			R20 000
FIRE HYDRANTS - RIVERSDALE - FIRE	R50 000		R50 000
Firearms/Handguns- Traffic			R50 000
First Responder Trailor - Fire Services		R100 000	
Grinder(Traffic Technical Team)			R5 000
HOSES - 65MM - FIRE	R30 000		
HOSES û 38MM - FIRE	R30 000		
Jackhammer		R40 000	
Jackhammer	R30 000		
LABELLING MACHINES			R15 000
Lawn Mower (Traffic Technical Team)			R8 000
Lawnmowers - Property management Riversdale			R10 000
Line Marking Machine: Thusong Centre Riversdale			R20 000
Minisub with RMU coastal spec 630kva		R800 000	
Minisub with RMU coastal spec 315kva			R1 000 000
Minisub with RMU coastal spec 500kva	R650 000		R650 000
NOZZLE - FIRE	R15 000		
Pole Pruner RD	R20 000		
Rescue Tools Extrication - Fire Services		R900 000	
Self-contained breathing apparatus (Fire Services)(Riversdale)			R40 000
TELESCOPING HOT STICK 12M			R30 000
Tools / Testers / Measurement Equipment - Electrical	R500 000	R500 000	R500 000

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Trolley Jack- Environmental Management			R5 000
Weed eaters - Property management Riversdale			R6 000
Weed eaters(Traffic Technical Team)			R10 000
Weedeaters - Parks - Riversdale	R20 000		
Wood Chipper- Environmental Management			R300 000
Workshop trolley with tools (Environmental)			R15 000
Operational Buildings	**R10 430 000**	**R10 275 000**	**R975 000**
Chairs Committee Room Thusong Centre	R30 000		
Construction of New Municipal Buildings	R10 000 000	R10 000 000	
REFURBISHMENT OF BUILDINGS - RIVERSDALE	R400 000	R150 000	R100 000
Temporary Informal Housing_Riversdale			R600 000
Upgrading of Fire Station Building_Riversdale		R125 000	R250 000
Upgrading of Informal Trading Areas_Riversdale			R25 000
Roads Infrastructure	**R700 000**	**R4 200 000**	**R17 277 809**
DEV OF ROADS & STORMW_ALOERIDGE			R7 000 000
DEV OF ROADS & STORMW_KWANOKUTHULA SITE C			R4 000 000
DEV RDS/STORMW KWANOKUTHULA THEMBANI STR			R4 000 000
Paving Thusong Centre Riversdale			R30 000
RESEAL OF MOTOR VEHICLE TESTING TRACK		R500 000	
UPGRADE ROADS & STORMWATER - WYK 6 - R/D		R3 700 000	R1 547 809
UPGRADE ROADS & STORMWATER - WYK 7 - R/D			
Upgrading of Motor cycle testing track / range (Motor Vehicle Registrations)	R700 000		R700 000
Sanitation Infrastructure	**R16 159 150**	**R5 736 603**	**R19 160 426**
Bulk Irrigation line from Riversdale WWTW to the Steg and Riverville Sport fields			R2 500 000
HRS(1.7) - 549M X 250DIA UPGRADE OF EXIS	R1 000 000		
INST SAN INFRKWANOKUTHULA THEMBANI STR			R4 000 000
INSTALL OF SAN INFR_ALOERIDGE			R6 000 000
INSTALL OF SAN INFR_KWANOKUTHULA SITE C			R4 000 000
UPGRADING OF SEWERAGE NETWORK IN MORESTO		R5 736 603	R2 660 426
Upgrading of Waste Water Treatment Works in Riversdale Ph3 (Ref 343289)	R15 159 150		
Solid Waste Infrastructure			**R12 576 365**
Material Recovery Facility			R12 576 365
Sport And Recreation Facilities	**R2 100 000**	**R2 300 000**	**R200 000**
Enlargement of De Mist Swimming Pool	R2 000 000	R2 000 000	
Resealing Tennis Court Riversdale		R100 000	
SAFETY NET SWIMMING POOL - DE MIST	R100 000		
Upgrading of Pleintjie Smousarea - Riversdal (Water en Ablution facilities / Lockable areas		R200 000	R200 000
Transport Assets	**R3 750 000**	**R1 930 000**	**R4 050 000**
1 x LDV (paint)(Traffic Technical Team)			R550 000
1 x LDV 4x4 with canopy and roof racks - Env			R750 000
1x Toyota Quantum Minibus (Law Enforcement)			R700 000
Light Duty Vehicles - Fire Services Riversdale		R400 000	R800 000

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
NEW BRANDED LIGHT-DUTY VEHICLE / VAN FOR EXHIBITIONS & TRADE SHOWS - TOURISM			R650 000
NEW LDV VEHICLE PMU	R500 000		
REPLACE CIVIL SERVICES (FLEET) FORD RANGER 2.2 (2009) CCC 2171 with 6MT LDV	R470 000		
REPLACE CIVIL SERVICES ISUZU KB200 2.0 (2008) CCC 14427	R470 000		
REPLACE CIVIL SERVICES ISUZU KB250 2.5 (2014) CCC 15154 WITH LDV	R470 000		
REPLACE CIVIL SERVICES NISSAN NP300 2.5 (2012) CCC 8373	R470 000		
REPLACE COMMUNITY SERVICES TOYOTA ETIOS 1.5 (2013) CCC 7444 WITH POOL HATCH	R300 000		
REPLACE ELECTRICAL SERVICES NISSAN NP300 2.5 (2010) CCC 5238 WITH LDV		R500 000	
REPLACE ENVIRONMENTAL SERVICES ISUZU KB250 2.5 (2008) CCC 14426 WITH NEW LDV		R700 000	
REPLACE FINANCE SERVICES VOLKSWAGEN POLO VIVO SEDAN 1.4 (2011) CCC 8204 WITH POOL HATCH		R330 000	
REPLACE FIRE SERVICES FORD RANGER 2.2 (2009) CCC 1835 with LDV	R470 000		
REPLACE HUMAN RESOURCES MANAGEMENT TOYOTA ETIOS 1.5 (2014) CCC 2011 WITH POOL HATCH	R300 000		
REPLACE TRAFFIC SERVICES CHEVROLET AVEO 1.6 (2013) CCC 5928 WITH POOL HATCH	R300 000		
Single Cab Bakkie Technical Team (Traffic)			R600 000
Water Supply Infrastructure	**R2 500 000**	**R7 113 025**	**R18 000 000**
Bulk water line through Industrial area to erf 21 Developer		R1 000 000	R1 000 000
Fencing: Municipal Infrastructure RIV WTW	R2 000 000		R2 000 000
INST WATER INFRKWANOKUTHULA THEMBANI STR			R4 000 000
INSTALL OF WATER INFR_ALOERIDGE			R7 000 000
INSTALL OF WATER INFR_KWANOKUTHULA SITE C			R4 000 000
Refurbishment at WTW Riversdale		R200 000	
Refurbishment/Upgrading of Reticulation	R500 000	R1 000 000	
UPGRADING OF WATER NETWORK IN MORESTOND-		R4 913 025	
Grand Total	**R46 573 200**	**R48 530 928**	**R91 051 100**

Table 6 - Riversdale Capital Expenditure Plan

2019 – 2024 Municipal Account Trends



	2019	2020	2021	2022	2023	2024
BUSIMP	176	173	169	167	168	176
BUSVAC	9	7	7	6	4	5
INDIMP	38	39	38	37	37	37
INDVAC	10	9	9	10	10	10
RESIMP	3 050	3 088	3 140	3 101	3 135	3 159
RESVAC	118	120	117	103	111	109

4.1.6 Slangrivier

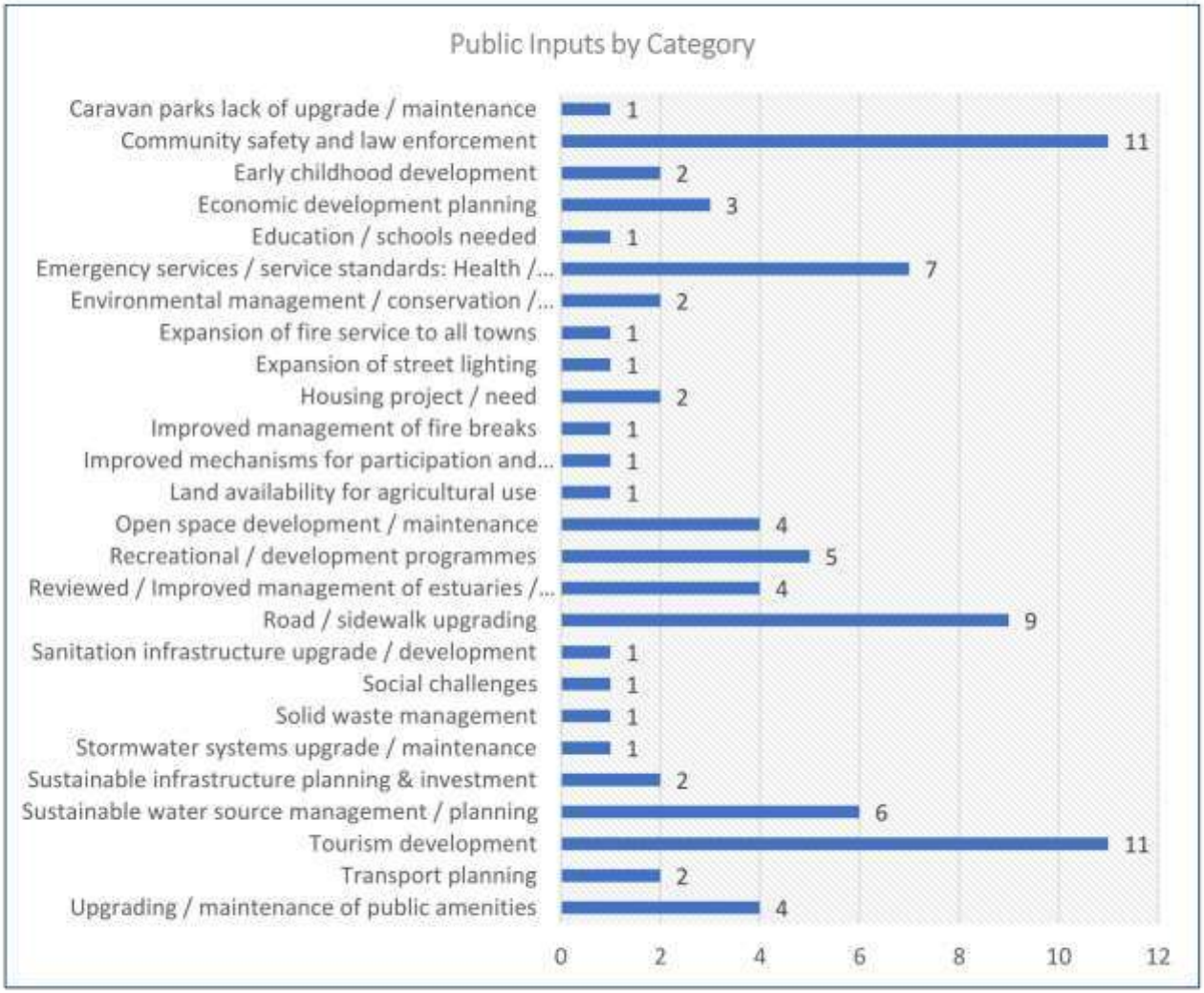
The name of the village, which is located 15 km from Heidelberg, means "snake river". It was established in 1838 when Sir George Grey awarded the small settlement to 20 local men and their families as a sign of gratitude for their loyalty during the Cape Frontier Wars. Locals of the town however give a more fascinating backstory claiming the first inhabitants of the town were survivors from a shipwreck that went to ground near what is now known as Stilbaai. These survivors made their way along the coastline and settled under a large tree in a relatively secluded inland area after a run-in with one of the local farmers. This then formed the settlement originally known as Askraal which later became Slangrivier.

The population growth in Slangrivier is based on historical data and projected trends, reflecting the overall growth patterns within the Hessequa Local Municipality. The municipal population in 1996 was 38,553, which increased to 44,114 by 2001. By 2011, the population had risen to 52,642, showing a consistent growth pattern. In 2016, the population further grew to 54,237, and by 2022, it reached 71,918. The population of Slangrivier was 3,011 in 2011.

The assumed growth rates during these periods varied, indicating different phases of development. From 1996 to 2001, the growth rate was 2.73%, suggesting moderate urban development and economic activities. Between 2001 and 2011, the growth rate was 1.78%, showing continued but moderated expansion. The period from 2011 to 2016 saw a further reduction in the growth rate to 0.60%, possibly reflecting economic challenges or saturation in certain areas. However, from 2016 to 2022, the growth rate accelerated to 4.82%, suggesting renewed development, increased migration, or other favourable factors.

The population growth in Slangrivier is projected based on historical data and trends within the Hessequa Local Municipality. Considering the need for sustainable human settlements, a medium growth projection of 1.78% per annum will be adopted for future planning and development in Slangrivier. Based on this projection, the population is expected to grow from 4,114 in 2022 to

approximately 5,654 by 2040, ensuring adequate planning for housing, services, and infrastructure to support this growth



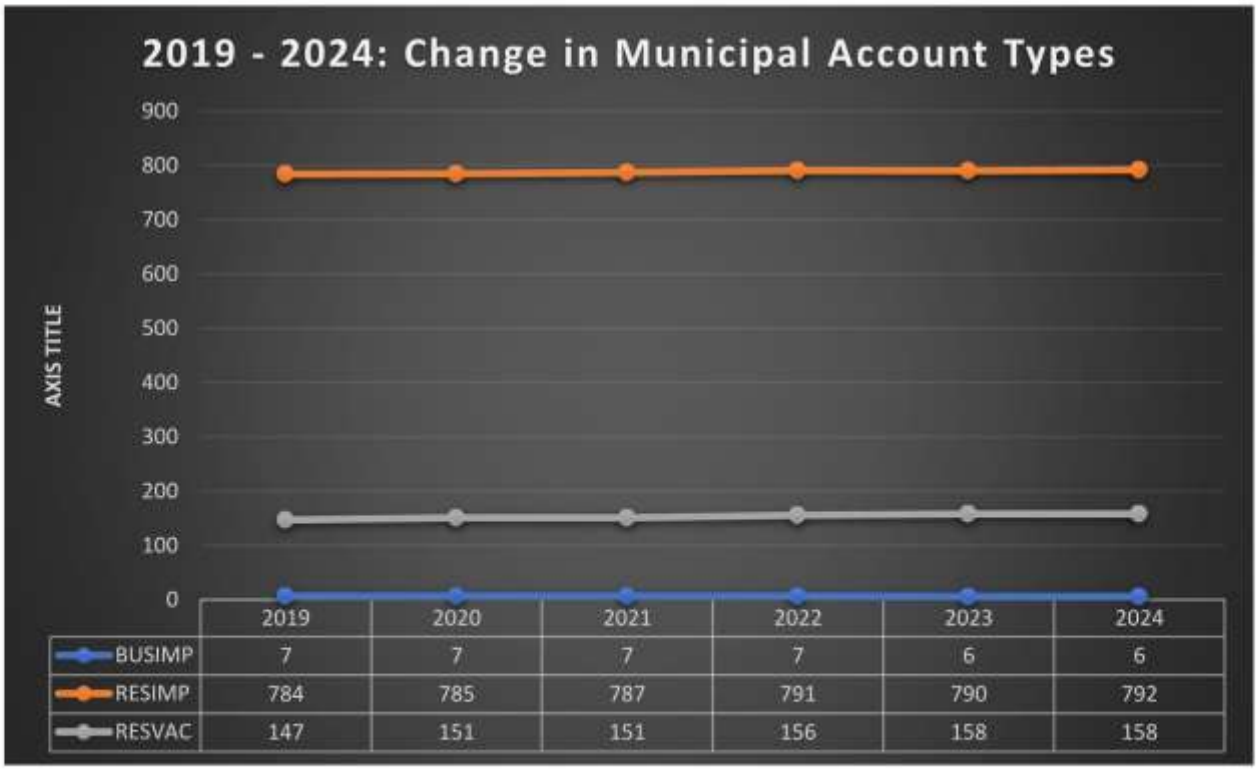
Capital Expenditure Plan

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Community Facilities		**R65 000**	
FENCING GROENIE DIE DRAKIE		R65 000	
Electrical Infrastructure	**R50 000**	**R500 000**	
Flood Lights - Slangrivier		R500 000	
Streetlights (Slangrivier)	R50 000		
Furniture And Office Equipment	**R20 000**	**R15 000**	**R25 000**
Wood top tables - Community Halls SR	R20 000	R15 000	R25 000
Machinery And Equipment	**R70 000**		**R50 000**
FIRE HYDRANTS -SLANGRIVIER - FIRE	R50 000		R50 000
Weedeaters - Public Works - S/R	R20 000		
Operational Buildings	**R150 000**	**R125 000**	**R350 000**
REFURBISHMENT OF BUILDINGS - SLANGRIVIER	R150 000		R100 000
Upgrading of Fire Station Building_Slangrivier		R125 000	R250 000
Roads Infrastructure			
UPGRADE ROADS & STORMWATER - S/R			

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Sanitation Infrastructure	**R1 000 000**	**R500 000**	
Construction of bulk line from Slangrivier Pompstasie 2 to Slangrivier Sports Grounds	R500 000	R500 000	
Upgrading of Slangrivier Pompstasie2	R500 000		
Transport Assets	**R470 000**		
REPLACE CIVIL SERVICES ISUZU FRR 500 (2006) CCC 12336	R470 000		
Grand Total	**R1 760 000**	**R1 205 000**	**R425 000**

Table 7 - Slangrivier Capital Expenditure Plan

2019 – 2024 Municipal Account Trends



	2019	2020	2021	2022	2023	2024
BUSIMP	7	7	7	7	6	6
RESIMP	784	785	787	791	790	792
RESVAC	147	151	151	156	158	158

4.1.7 Stilbaai / Jongensfontein

Introduction to Stilbaai

Translated from Afrikaans, the name means 'Still Bay', a place known for its safety, tranquillity, and harmony. For nearly two hundred years, Stilbaai has been a popular holiday destination and retirement village. It boasts long stretches of white sandy beaches, mild weather, and a river navigable for 15 km. The town has a population of about 4,000 permanent residents and includes two villages, Jongensfontein and Melkhoutfontein, within its boundaries.

Archaeological finds show that this region has a rich history. Artefacts dating back to 75,000 years from the Middle Stone Age were discovered in the Blombos Cave near Jongensfontein. The name Hessequa, meaning 'people of the trees,' is of Khoikhoi origin. Early ancestors of the Khoi people left behind numerous ancient heritage sites, including ancient fish traps dating back to 1000 BC (BCE).

Stilbaai offers excellent water-sport facilities, including fishing and scuba diving, among others. In Jongensfontein, the historic little White House serves as a local museum and information centre. The Stilbaai Tourism Bureau features a historical exhibition and is adjacent to a nature garden. Visitors can also explore the 'Jagersbosch Homestead', a National Monument and the headquarters of the well-known Jagersbosch Community Care Centre. The Palinggat Homestead in Stilbaai, built-in 1814 when the area was untamed with elephants, wildlife, and snakes, has been beautifully restored and stands as one of several historical buildings in Still Bay.

Melkhoutfontein, once a large farm, was sold off in pieces, one of which was bought by the Anglican Church in 1872. Various families lived in these small traditional thatch-roof houses, and in 1876, the Melkhoutfontein Mission School was established.

Jongensfontein was also originally a farm divided among servitude holders. Since 1920, people began building small reed and mud houses, which they rented out to holidaymakers, marking the beginning of Jongensfontein as a town.

Socio-Economic Considerations

Key considerations include:

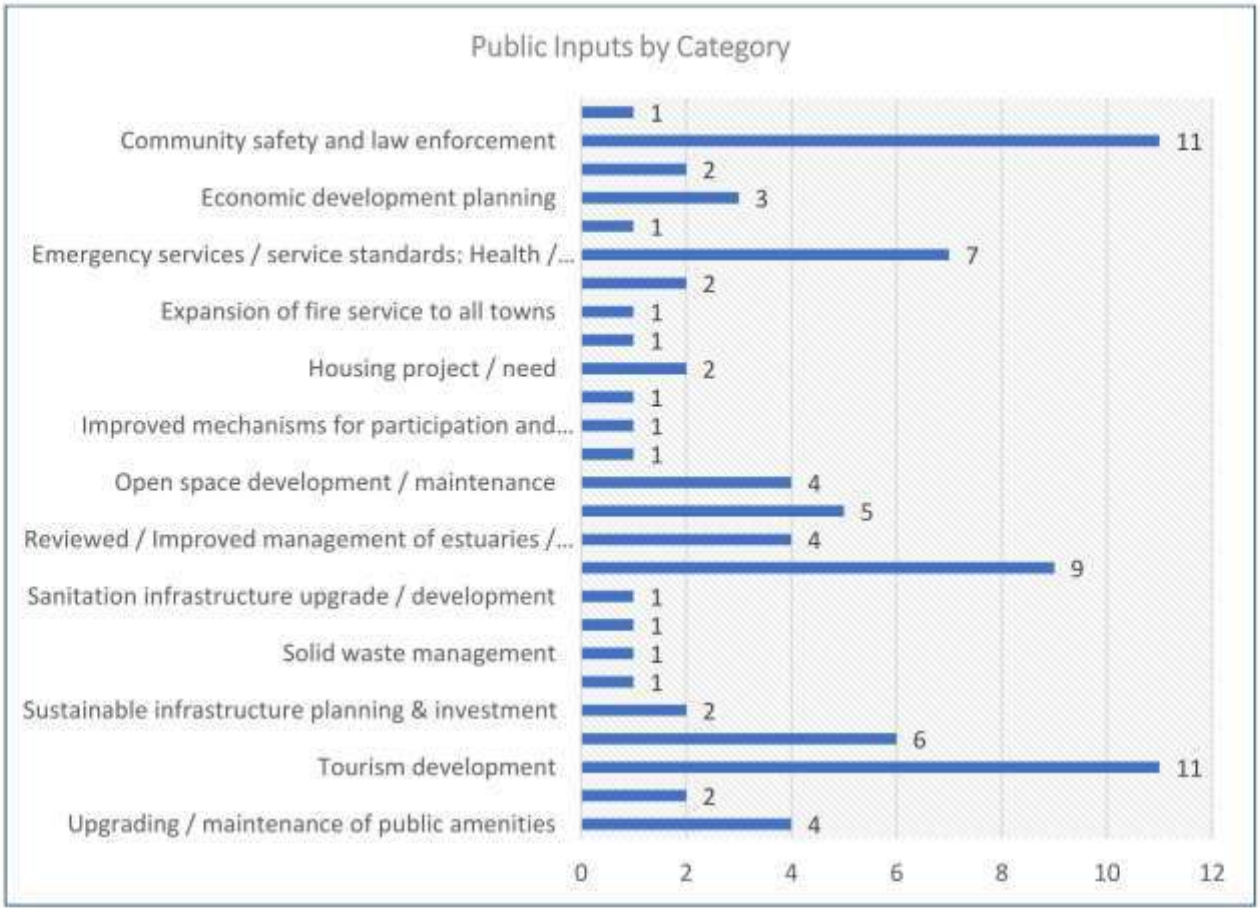
- Support the continuous growth and need for high-income residential, leisure, and coastal resort developments.
- Encourage more mixed-use developments to support a growing number of permanent residents, sustaining the local business and retail sectors.
- Prioritize the upgrading of infrastructure to meet the needs of a growing population.
- Leverage the construction sector's job creation as new houses are continuously being built, supporting local economic growth.
- Foster mixed-use and industrial development potential towards the north of Still Bay at Melkhoutfontein.
- Improve public transportation corridors and networks between Jongensfontein, Still Bay, and Melkhoutfontein.
- Plan and upgrade a future bypass road to enhance connectivity between these towns.
- Upgrade and develop the small harbour at Still Bay into a waterfront development.
- Develop leisure, sports, and recreation facilities to generate employment opportunities and activities for residents.

Introduction to Jongensfontein

The official opening of Jongensfontein as a township only occurred in 1968 when the Cape Provincial Administration approved the Divisional Council of Riversdale's application to establish the township. However, the earliest mention of Jongensfontein in recorded history is a land deed in 1762 referring

to the farm "Swarte Jongens Fonteyn". Later, Zwarte Jongensfontein also became known as Groote Jongensfontein. In 1762 Governor Ryk Tulbach granted permission to Michiel Muller to utilise the farm Zwarte Jongensfontein for grazing. In 1855 the farm became an "erfpagplaas" (perpetual quitrent farm) and "erfpag" was granted to 7 persons who used this farm for grazing and watering livestock, in the area which now includes the caravan park. This area was known as "Die Suiping." A common trough provided the animals with water from the perennial spring. In 1916 a subdivision of the farm took place, and 31 persons received property rights.

Since 1920 some servitude holders started to build small mud and reed houses which were sometimes leased to other persons as holiday accommodation and the start of Jongensfontein as a holiday location was realised. One of these houses the" Fonteinhuis" built in 1940 is still standing and being used as a museum and information centre. Another of these historic buildings is used as a library and is known as the Rondavel Library due to the building design. It is estimated to have been built in 1932 as a holiday house and is the oldest structure still standing in Jongensfontein.



Capital Expenditure Plan

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Community Facilities	**R520 000**	**R70 000**	**R1 470 000**
CREATING A BRIDGE WITH STEPS THAT WILL BE WHEELCHAIR FRIENDLY AT PREEKSTOEL CAMP			R300 000
DEVELOPMENT TUIN OP DIE B	R30 000		
Environmental and Info Signage Material Beaches and Public places- H/Q	R50 000	R50 000	R50 000
FENCING HOUSING PROJECT - MHFN	R300 000		
FENCING OF ELLENSRUST CARAVAN PARK			R500 000
Upgrading of Ablution Facilities for Staff- Stilbaai	R130 000		

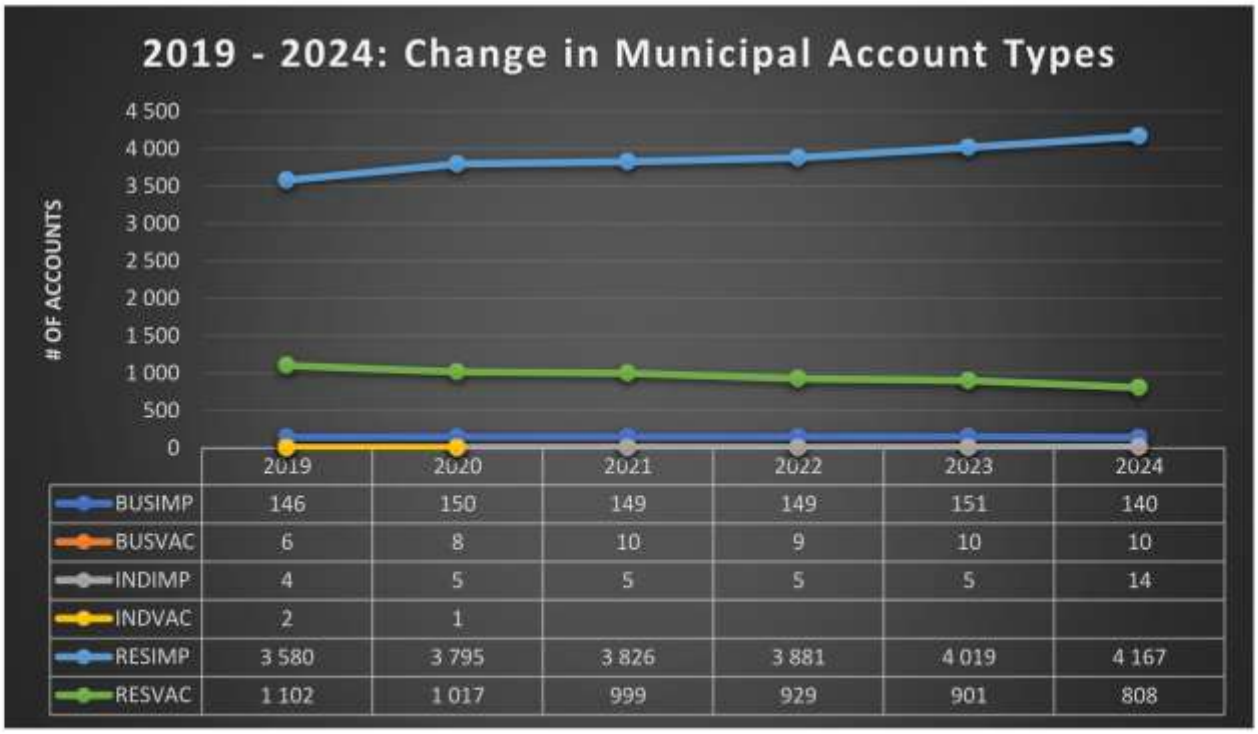
Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Upgrading of Goukou Jetty/Slipway			R600 000
UPGRADING OF TOURISM FACILITIES JFT	R5 000	R10 000	R10 000
UPGRADING OF TOURISM FACILITIES SB	R5 000	R10 000	R10 000
Computer Equipment			**R60 000**
CCTV CAMERAS (ELLENSRUST)			R20 000
CCTV CAMERAS (JONGENSFONTEIN)			R20 000
CCTV CAMERAS (PREEKSTOEL)			R20 000
Electrical Infrastructure	**R6 052 362**	**R2 500 000**	
Jongensfontein Powerline	R2 352 362		
Lighting at Lapskuit Park area	R200 000		
Main Road Reticulation - SB	R2 500 000	R2 500 000	
Replace MS at Stedfrey Lane 315kVA	R700 000		
Upgrade the power line between Old Anglican Church Melkhoutfontein Substation	R300 000		
Furniture And Office Equipment	**R258 200**	**R185 650**	**R160 250**
2 x HIGH BACK OFFICE CHAIR ELECTRICAL - SB	R7 000		
Air conditioners Fire Station - Still Bay		R20 000	
Aircons - Stilbaai	R75 000	R18 000	R22 000
CROCKERY & CUTLERY - CARAVAN PARK JFT	R20 000	R20 000	R25 000
CURTAINS - VARIOUS CARAVAN PARKS			R100 000
Curtains/Blinds - Stilbaai	R60 000	R10 000	R10 000
Fridge Fire Station - Still Bay		R6 000	
FRIDGES - CARAVAN PARK JFT	R22 500	R25 000	
Ketels - Jongensfontein	R3 000	R2 000	R2 000
MATRASSES BEDS & MATRESS COVERS - C/PARK JFT	R32 500	R35 000	
Microwave Fire Station - Still Bay		R1 000	
MICROWAVES - CARAVAN PARK JFT	R13 200	R14 400	
Office Desk & 2 Office Chairs Fire Station - Still Bay		R4 000	
Stove Fire Station - Still Bay		R4 000	
STOVES - CARAVAN PARK JFT	R22 500	R25 000	
Urns Community Halls_SB	R2 500	R1 250	R1 250
Machinery And Equipment	**R390 000**	**R20 000**	**R917 500**
6 X Personal alert safety devices (Fire Services)(Stilbay)			R10 000
6 X Portable spotlights Battery operated (Fire Services) (Stilbay)			R1 500
Chainsaw - Electrical S/B		R20 000	
FIRE HYDRANTS - STILLBAAI - FIRE	R50 000		R50 000
Lawnmowers - Property management Stilbaai			R10 000
Leave Blower	R40 000		
REPLACEMENT OF BOILER SYSTEMS AT PREEKST	R200 000		
REPLACEMENT OF VENTRAC GRASS CUTTING MACHINE - E/R			R800 000
Self-contained breathing apparatus (Fire Services)(Stilbay)			R40 000
Water/Sludge pump	R80 000		
Weed eaters - Property management Stilbaai			R6 000
Weedeaters - Parks - S/B	R20 000		
Operational Buildings	**R500 000**	**R1 275 000**	**R1 495 000**

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
ADDITIONAL EMERGENCY EXITS AT ELLENSRUST CAMP			R200 000
Expansion of learners and eye testing services to Stilbaai		R300 000	
Expansion of Testing Stations/ Thusong/ E-Centre_SB		R250 000	R250 000
REFURBISHMENT OF BUILDINGS - MHFT	R100 000		
REFURBISHMENT OF BUILDINGS - STILBAAI	R400 000	R100 000	R100 000
REPLACEMENT OF THATCH ROOFS AT ELLENSRUST			R70 000
REPLACEMENT OF THTATCH ROOFS AT JONGENSFONTEIN			R200 000
REPLACEMENT OF WOODEN BRIDGE AT ELLENSRUST			R200 000
REPLACEMENT OF WOODEN WINDOWS WITH ALLUMINIUM WINDOWS AT VARIOUS CARAVAN PARKS			R200 000
Upgrading of Fire Station Building_Melkhoutfontein		R125 000	R250 000
Upgrading of Informal Trading Areas_MHFT			R25 000
Upgrading of Law Enforcement Offices		R500 000	
Roads Infrastructure	**R6 000 000**	**R2 000 000**	**R3 000 000**
DRAAISIKELS - S/B		R2 000 000	R3 000 000
INTERSECTION ORCHID RYLAAN	R2 000 000		
UPGRADE ROADS & STORMWATER - MHFT - S/B	R1 000 000		
UPGRADE ROADS & STORMWATER - S/B EAST			
WIDENING OF ROADS (DR 1528 MFT HOUSING P	R3 000 000		
Sanitation Infrastructure	**R5 000 000**	**R2 700 000**	**R13 000 000**
BULK SEWER UPGRADE PHASE		R2 500 000	
BULK SEWER UPGRADE PHASE 1 (GLS) - STIL	R1 000 000		
NEW SEWER PUMPSTATION 3 -SB	R3 000 000		
NEW SLUDGE BED AT WWTW- SB			R5 000 000
REFURBISHMENT OF GRAVITY DISTRIBUTION	R1 000 000		R1 000 000
UPGRADE SEWER PUMPSTATION 1 -SB			R7 000 000
Upgrading of Ablution facility at Ellensrust Camping Site - Block E		R200 000	
Solid Waste Infrastructure	**R60 000**		
2 Ton Skips x 6 - H/Q	R60 000		
Sport And Recreation Facilities	**R220 000**	**R860 000**	
build two squash courts in Melkhoutfontein or Still Bay next to tennis courts		R500 000	
FENCING AND RESEALING OF TENNIS COURTS JONGENSFONTEIN	R220 000		
LIFESAVER TOWER - PREEKSTOEL		R180 000	
LIFESAVER TOWER - STILBAAI WEST		R180 000	
UPGRADING OF SPORTSFIELDS			
Storm Water Infrastructure	**R2 200 000**	**R1 000 000**	**R2 000 000**
STONE PITCHING OF STORMWATER SERVITUDES	R1 200 000		
STORMWATER & COLLECTION CHAMBERS & GABIONS JONGENSFONTEIN OOG	R1 000 000	R1 000 000	R2 000 000
Transport Assets	**R1 710 000**	**R500 000**	
REPLACE CIVIL SERVICES TOYOTA HILUX 2.5 (2013) CCC 10586 WITH LDV	R470 000		
REPLACE CIVIL SERVICES TOYOTA HILUX 2.5 (2013) CCC 7748 WITH LDV	R470 000		
REPLACE FIRE SERVICES TOYOTA HILUX 3.0 (2011) CCC 6050 WITH LDV		R500 000	
REPLACE FLEET FORD RANGER 2.2 (2013) CCC 12314 WITH POOL LDV	R470 000		
Skip loaders x 2 H/Q	R300 000		
Water Supply Infrastructure	**R5 800 000**	**R6 500 000**	**R10 000 000**

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Booster pump Olive Grove SB	R500 000		
Bulk Waterline Upgrade		R1 000 000	R5 000 000
LINK WATER MAIN WITH AIR/SCOUR VALVES AN	R500 000	R500 000	
New 1 ML Reservoir- Jongensfontein	R4 000 000		
New 2ML Reservoir, Bulk Water Main and Borehole P/S - SB		R5 000 000	R5 000 000
REFURBISHMENT OF WATER PURIFI JFN	R500 000		
Upgrading of water network - Die Poort	R300 000		
Grand Total	**R28 710 562**	**R17 610 650**	**R32 102 750**

Table 8 - Stilbaai / Jongensfontein / Melkhoutfontein Capital Expenditure Plan

2019 – 2024 Municipal Account Trends



	2019	2020	2021	2022	2023	2024
BUSIMP	146	150	149	149	151	140
BUSVAC	6	8	10	9	10	10
INDIMP	4	5	5	5	5	14
INDVAC	2	1				
RESIMP	3 580	3 795	3 826	3 881	4 019	4 167
RESVAC	1 102	1 017	999	929	901	808

4.1.8 Witsand

Nestled at the mouth of the Breede River, the quaint town of Witsand was once a bustling port, its natural anchorage attracting steamboats bound for Cape Town during the 1800s. Today, with fewer than 400 local residents, Witsand retains its sleepy coastal charm against the backdrop of pristine natural surroundings. It serves as an idyllic retreat, offering respite from the frenetic pace of city life.

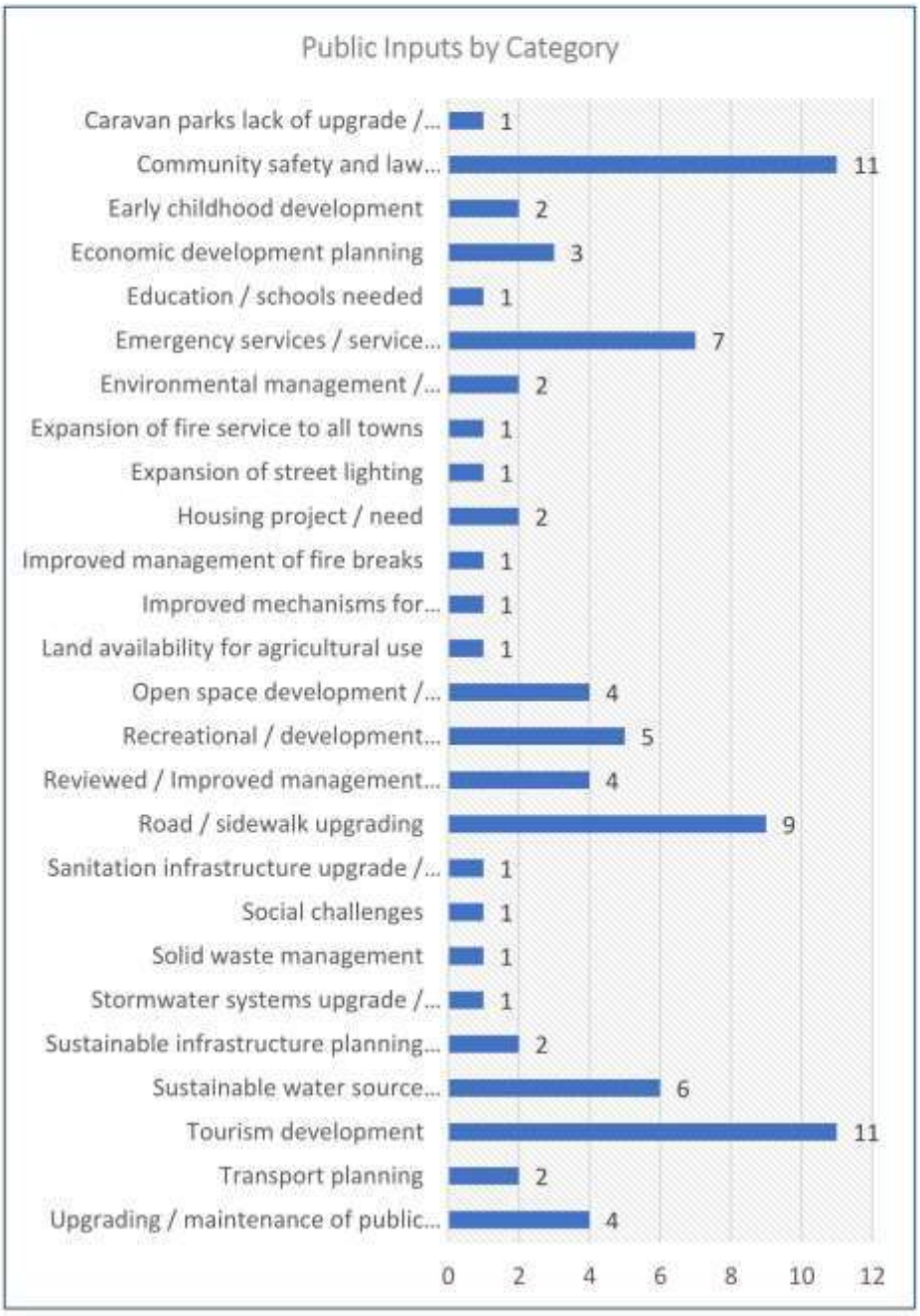
Located amidst the captivating landscapes of the Cape Floral Kingdom, one of the planet's most biodiverse regions, Witsand beckons nature enthusiasts seeking solace in the great outdoors. Here, amidst the harmonious convergence of land and sea, one can truly reconnect with the elements.

Witsand offers a treasure trove of historical landmarks and artefacts harkening back to its bustling maritime past. Noteworthy among these is the Barry Memorial Church, erected in 1849 by the influential Barry family, prominent merchants who once called Witsand home. As visitors traverse the town's cobblestone streets and explore its heritage sites, they are transported back in time, discovering the rich tapestry of Witsand' s storied past.

The population growth in Witsand is based on historical data and projected trends, reflecting the overall growth patterns within the Hessequa Local Municipality. The municipal population in 1996 was

38,553, which increased to 44,114 by 2001. By 2011, the population had risen to 52,642, showing a consistent growth pattern. In 2016, the population further grew to 54,237, and by 2022, it reached 71,918. The population of Witsand was 321 in 2011.

The assumed growth rates during these periods varied, indicating different phases of development. From 1996 to 2001, the growth rate was 2.73%, suggesting moderate urban development and economic activities. Between 2001 and 2011, the growth rate was 1.78%, showing continued but moderated expansion. The period from 2011 to 2016 saw a further reduction in the growth rate to 0.60%, possibly reflecting economic challenges or saturation in certain areas. However, from 2016 to 2022, the growth rate accelerated to 4.82%, suggesting renewed development, increased migration, semigration, or other favourable factors.



Considering the need for sustainable human settlements within the Hessequa Local Municipality, a low growth projection of 0.60% per annum will be adopted for future planning and development in Witsand. Based on this projection, wit sand's population is expected to grow from 439 in 2022 to approximately 488 by 2040, ensuring alignment with sustainable infrastructure and service planning.

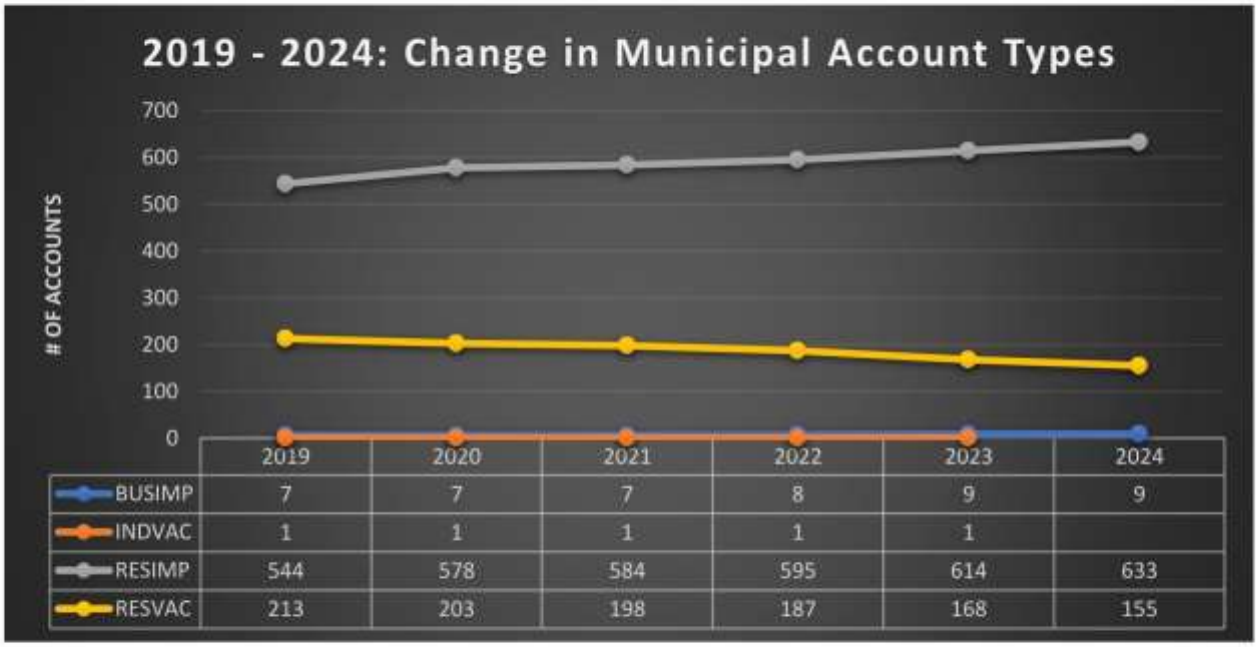
Capital Expenditure Plan

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Community Facilities	**R5 000**	**R100 000**	**R10 000**
PAVING DE DUINE COMMUNITY HALL		R90 000	
UPGRADING OF TOURISM FACILITIES WS	R5 000	R10 000	R10 000

Expenditure Type & Project Description	Draft 2026/27	Draft 2027/28	Draft 2028/29
Electrical Infrastructure	**R4 500 000**	**R1 500 000**	**R1 800 000**
Network extension and refurbishment	R2 000 000	R1 500 000	
RENEWABLE ENERGY PLANT - W/S	R2 500 000		
Witsand Desalination Plant Inverter & Battery Pack			R1 800 000
Machinery And Equipment	**R70 000**		**R50 000**
FIRE HYDRANTS - WITSAND - FIRE	R50 000		R50 000
Weedeaters - Public Works - W/S	R20 000		
Operational Buildings	**R50 000**		**R125 000**
REFURBISHMENT OF BUILDINGS - WITSAND	R50 000		R100 000
Upgrading of Informal Trading Areas_Witsand			R25 000
Roads Infrastructure	**R500 000**	**R750 000**	
Stormwater upgrade in Witsand	R500 000	R750 000	
UPGRADE ROADS & STORMWATER - W/S			
Sport And Recreation Facilities			**R350 000**
REPLACE HEAT EXCHANGE W/S M C/PARK			R350 000
Water Supply Infrastructure	**R2 500 000**	**R5 000 000**	
OLD INFRASTR AND NEW 2ML RESERVOIR W/S		R5 000 000	
Witsand Sand filter for Boreholes	R500 000		
WITSAND WATER RETICULATION REPLACEMENT	R2 000 000		
Grand Total	**R7 625 000**	**R7 350 000**	**R2 335 000**

Table 9 - Witsand Capital Expenditure Plan

2019 – 2024 Municipal Account Trends



4.2 Medium Term Goals / Objectives

Outcome / Term Objective	Desired Outcome Definition / Description
Development of rural waste management strategy	Consulted, approved and reasonably billed/subsidised solid waste service to rural residents
Long term strategy for energy sustainability in Hessequa	Realistic roadmap reflecting future energy needs with key actions to mitigate energy risks
Review vehicle and drivers licence agency service agreement	Improved / larger commission earned from implementing licensing agency service
Service backlog eradication	Identification of all service backlogs in all communities and presenting implementable eradication capital expenditure programmes
Long term investment planning	Consolidated plan containing detail of future growth and development needs for infrastructure investment and realistic funding mechanisms
Improvement of % spent on Repairs and Maintenance	Increasing actual % of operational expenditure (less staff expenses) to ensure continuity and realisation of expected life of assets

4.3 Services Overview

Table 10 - Services Capacity Overview

Service	Process	Town	Measure	Measure Cycle	Design Capacity	Functional Capacity
Water	Source					
		Albertinia	Kl/d	Daily	987	987
		Garcia	Kl/d	Daily	100	80
		Gouritsmond	Kl/d	Monthly	538	538
		Heidelberg	Kl/d	Daily	1649	1649
		Jongensfontein	Kl/d	Daily	430	387
		Melkhoutfontein	Kl/d	Daily	1030	765
		Riversdale	Kl/d	Monthly	3288	2485
		Slangrivier	Kl/d	Daily	334	334
		Stilbaai	Kl/d	Daily	3686	3512
		Vermaaklikheid	Kl/d			
		Witsand	Kl/d	Daily	210	
Water	Purification					
		Albertinia	Kl/d	Daily	2074	850
		Garcia	Kl/d	Daily	100	80
		Gouritsmond	Kl/d	Daily	2330	286
		Heidelberg	Kl/d	Daily	1649	1165
		Jongensfontein	Kl/d	Daily	2500	387
		Melkhoutfontein	Kl/d	Daily	1030	765

Service	Process	Town	Measure	Measure Cycle	Design Capacity	Functional Capacity
		Riversdale	Kl/d	Daily	5800	2485
		Slangrivier	Kl/d	Daily	334	282
		Stilbaai	Kl/d	Daily	5270	1536
		Vermaaklikheid	Kl/d			
		Witsand	Kl/d	Daily	210	
Water	Storage					
		Albertinia	Kl/d	Daily	3800	3800
		Garcia	Kl/d	Daily	280	280
		Gouritsmond	Kl/d	Daily	800	800
		Heidelberg	Kl/d	Daily	2250	2250
		Jongensfontein	Kl/d	Daily	1150	1150
		Melkhoutfontein	Kl/d	Daily	1900	1900
		Riversdale	Kl/d	Daily	16015	16015
		Slangrivier	Kl/d	Daily	1260	1260
		Stilbaai	Kl/d	Daily	10730	10730
		Vermaaklikheid				
		Witsand	Kl/d	Daily	4560	4560
Sanitation	Waste Water Treatment					
		Albertinia	kl/d	Daily	700	700
		Garcia	kl/d	Daily	46	46
		Gouritsmond	kl/d	Daily	300	300
		Heidelberg	kl/d	Daily	3000	3000
		Jongensfontein	kl/d	Daily	250	250
		Melkhoutfontein	kl/d	Daily	450	450
		Riversdale	kl/d	Daily	4000	4000
		Slangrivier	kl/d	Daily	3900	3900
		Stilbaai	kl/d	Daily	3900	3900
		Vermaaklikheid				
		Witsand	kl/d	Daily	160	160
Solid Waste	**Process**	**Town**	**Measurement**	**Measure Cycle**	**Available Airspace**	**Type of Waste**
	Storage - All					
		Albertinia	Years	Annually	7	Garden and Building Waste
		Garcia	Years	Annually	-	Transfer Station only
		Gouritsmond	Years	Annually	5	Garden and Building Waste
		Heidelberg	Years	Annually	19	Domestic, Building and Garden Waste
		Jongensfontein	Years	Annually	-	Transfer Station only
		Melkhoutfontein	Years	Annually	19	Garden and Building Waste
		Riversdale	Years	Annually	20	Domestic, Building and Garden Waste
		Slangrivier	Years	Annually	6	Garden and Building Waste

Service	Process	Town	Measure	Measure Cycle	Design Capacity	Functional Capacity
		Stilbaai	Years	Annually	-	Garden and Building Waste transported to Melkhoutfontein
		Vermaaklikheid	Years	Annually	-	Transfer Station only
		Witsand	Years	Annually	39	Garden and Building Waste
Electricity Supply	**Process**	**Town**	**Maximum Notified Demand (kVA)**	**Average Usage**	**Peak Demand (kVA)**	**Comment**
	Bulk Supply					
		Albertinia	2500	64%	2369	
		Gouritsmond	800	41%	417	
		Heidelberg	2500	70%	3146	
		Riversdale	7050	69%	6822	
		Slangrivier	ESKOM	ESKOM	ESKOM	
		Stilbaai	6500	50%	6583	
		Witsand	1250	51%	1188	

4.4 IDP & Budget Alignment / Reconciliation (Budget Schedules SA 4,5,6)

Table 11 - Reconciliation of IDP strategic objectives and budget (revenue)

To be included in the final document.

Table 12 - Reconciliation of IDP strategic objectives and budget (operating expenditure)

To be included in the final document.

Table 13 - Reconciliation of IDP strategic objectives and budget (capital expenditure)

To be included in the final document.

4.5 Capital Expenditure Framework for 2026 -2029

The following summary of the capital expenditure plan provides an overview of asset classes and provide a categorical preview or nature of capital expenditure for the following medium term expenditure on capital projects. The first summary reflects the expenditure on different "cost centres". This indicates "on what" funds are being spent for capital investment.

Expenditure Type	2026/27	2027/28	2028/29
Community Facilities	R2 240 000	R815 000	R1 986 500
Computer Equipment	R840 650	R359 000	R301 000
Electrical Infrastructure	R31 572 362	R24 536 000	R22 578 000
Furniture And Office Equipment	R1 356 800	R725 200	R624 500
Information And Communication Infrastructure	R1 040 000	R300 000	R200 000
Machinery And Equipment	R2 970 800	R2 604 000	R4 907 000
Operational Buildings	R11 530 000	R12 250 000	R4 970 000
Roads Infrastructure	R36 540 000	R35 199 622	R42 327 809
Sanitation Infrastructure	R26 659 150	R16 936 603	R34 160 426
Solid Waste Infrastructure	R60 000	R310 000	R12 896 365
Sport And Recreation Facilities	R15 298 000	R3 990 000	R1 150 000
Storm Water Infrastructure	R2 200 000	R1 000 000	R2 000 000
Transport Assets	R9 380 000	R4 630 000	R7 050 000
Water Supply Infrastructure	R33 682 000	R37 163 025	R37 300 000
Grand Total	**R175 369 762**	**R140 818 450**	**R172 451 600**

Table 14 – Capital expenditure by Cost Centre

The following table summarizes the capital expenditure by ward.

Ward	2026/27	2027/28	2028/29
1	R12 096 500	R2 447 250	R8 271 750
2	R44 905 500	R17 001 250	R1 070 750
3	R16 031 062	R3 861 400	R15 917 000
4	R9 385 000	R8 755 000	R2 760 000
5	R2 122 000	R7 102 622	R2 901 500
6	R2 332 250	R5 748 050	R4 314 059
7	R17 809 300	R21 502 250	R41 169 750
8	R302 500	R10 664 628	R22 662 926
9	R18 794 500	R830 000	R5 027 500
1,3	R6 417 000	R12 020 000	R10 250 000
5,9	R10 299 500	R17 828 000	R9 582 000
6,7,8	R26 129 150	R7 480 000	R19 626 365
7,8		R3 136 000	R3 278 000
HQ	R8 745 500	R22 442 000	R25 620 000
Grand Total	**R175 369 762**	**R140 818 450**	**R172 451 600**

Table 15 - Capital expenditure by Ward

*HQ refers to expenditure that benefits all wards

The following table summarises capital expenditure per town.

Ward	2026/27	2027/28	2028/29
A/B	R44 905 500	R17 001 250	R1 064 750
G/M	R5 834 000	R718 000	R2 342 000
H/B	R31 216 000	R25 760 622	R17 511 000
H/Q	R8 745 500	R22 642 000	R25 620 000
J/F	R8 661 062	R1 131 400	R2 257 000
R/D	R46 573 200	R48 530 928	R91 051 100
S/B	R20 049 500	R16 479 250	R29 845 750
S/R	R1 760 000	R1 205 000	R425 000
W/S	R7 625 000	R7 350 000	R2 335 000
Grand Total	**R175 369 762**	**R140 818 450**	**R172 451 600**

Table 16 - Capital expenditure by Town

*Hessequa / HQ refers to expenditure that benefits all Towns

4.6 Energy Resilience Framework

4.6.1 Introduction

Energy resilience has become an increasingly important priority for Hessequa Municipality as instability within the national electricity supply system continues to affect municipal service delivery, economic activity and environmental management. Reliable electricity supply is critical for the operation of water treatment works, wastewater treatment facilities, pump stations and municipal infrastructure, as well as for supporting local economic activities within the municipal area.

South Africa's electricity system has experienced persistent supply constraints over the past decade due to ageing generation infrastructure, delays in new generation capacity and increasing electricity demand. These structural challenges have resulted in recurring loadshedding events that disrupt economic activity and municipal operations. Eskom has indicated that the national electricity system remains constrained, particularly during periods of high demand or generation outages (Eskom, 2023).

Electricity supply interruptions create operational risks for municipalities responsible for providing essential services. Continuous electricity supply is required to ensure compliance with national water quality standards and environmental regulations, particularly for water purification plants and wastewater treatment facilities.

Within Hessequa Municipality, Riversdale functions as the primary economic and administrative centre and hosts several electricity-intensive industries including agricultural processing facilities, food manufacturing operations, cold storage facilities and retail businesses. Electricity supply interruptions have resulted in operational disruptions, increased operating costs and economic risks for these sectors.

Historically, the municipality has relied on diesel-powered standby generators to mitigate the impact of loadshedding on critical infrastructure. However, the escalating cost of diesel fuel and generator maintenance has made this approach financially unsustainable as a long-term strategy.

In response to these challenges, Hessequa Municipality has begun implementing several energy resilience initiatives aimed at improving electricity supply reliability and reducing reliance on the

national grid. These initiatives include renewable energy generation projects, battery energy storage systems and mechanisms to support distributed electricity generation.

The municipality is also planning the development of a Municipal Energy Master Plan, which will provide a comprehensive roadmap to guide long-term energy security planning, renewable energy development and integration of distributed energy resources within the municipal electricity network.

4.6.2 Renewable Energy and Storage Initiatives

A key component of the municipality's energy resilience strategy is the development of renewable energy infrastructure integrated with battery energy storage systems.

Solar photovoltaic technology has become one of the most cost-competitive electricity generation technologies globally due to significant reductions in capital costs over the past decade. According to the International Renewable Energy Agency, the cost of solar photovoltaic electricity has declined by more than 80% since 2010 (IRENA, 2022).

Battery energy storage systems are increasingly deployed alongside renewable generation to improve electricity network stability. Storage systems allow electricity generated during daylight hours to be stored and utilised during peak demand periods or during electricity supply interruptions.

The municipality has therefore prioritised the development of solar photovoltaic generation combined with battery storage as a practical approach to improving electricity supply resilience.

4.6.3 Riversdale Solar PV and Battery Energy Storage Project

The Riversdale Solar PV and Battery Energy Storage Project forms the foundation of the municipality's renewable energy programme.

The project consists of a 10 MWp solar photovoltaic power plant combined with a 10 MWh battery energy storage system, integrated into the Riversdale municipal electricity distribution network.

As at 03 March 2026, the project has progressed through environmental authorisation, engineering design, procurement and construction phases, with final grid integration testing and commissioning activities underway.

The project is expected to achieve commercial commissioning during the 2026 financial year and will contribute to improved electricity supply stability within the Riversdale electricity network.

Future infrastructure planning for Riversdale includes the development of an additional 30 MWh battery energy storage facility, which will further enhance the municipality's ability to mitigate loadshedding events and manage peak electricity demand.

4.6.4 Distributed Renewable Energy Development

In addition to the Riversdale project, the municipality is exploring opportunities to develop renewable energy infrastructure and battery storage systems across multiple towns within the municipal area.

Indicative infrastructure opportunities currently being assessed include:

Town	Solar PV Capacity	Battery Storage
Riversdale	10 MWp	10 MWh + 30 MWh planned
Albertinia	5 MWp	10 MWh
Heidelberg	5 MWp	10 MWh
Gouritsmond	3 MWp	6 MWh

Witsand	—	5 MWh
Jongensfontein	—	4 MWh
Still Bay	Renewable IPP hub	40 MWh

These initiatives aim to progressively strengthen electricity supply resilience across the municipal area by diversifying local electricity generation sources and integrating energy storage technologies.

The town of Still Bay has been identified as a potential location for a renewable energy hub, which may include a combination of solar photovoltaic generation, wind energy generation, distributed rooftop solar generation and battery storage infrastructure.

Private sector participation through Independent Power Producers may also form part of future renewable energy development within the municipal area.

4.6.5 Rooftop Solar and Embedded Generation

Hessequa Municipality recognises that a growing number of households, farms and businesses within the municipal area have installed rooftop solar photovoltaic systems in response to electricity supply disruptions.

The municipality currently allows electricity exports through its Small-Scale Embedded Generation (SSEG) framework, with an approved feed-in tariff of R1.24 per kWh (excluding VAT) for electricity exported to the municipal electricity network.

Electricity exported under this framework is credited against electricity charges within the customer's municipal electricity account.

4.6.6 Enabling Distributed Generation Participation

To unlock additional distributed renewable energy capacity, the municipality is exploring mechanisms that would enable residents and businesses to participate more actively in electricity generation.

Beyond traditional net-metering arrangements, enabling customers to participate as distributed generators would allow surplus electricity generated from rooftop solar installations to be supplied into the municipal electricity network and financially settled under structured arrangements.

Should the municipality move towards procuring electricity from distributed generators beyond traditional billing offset mechanisms, engagement with national regulatory authorities may be required regarding the appropriate regulatory framework, including potential processes under Section 34 of the Electricity Regulation Act.

This approach presents a potentially low-capital intervention that could unlock existing privately funded solar generation capacity already installed within the municipal area.

Distributed rooftop solar generation therefore represents an important opportunity to increase local electricity supply without significant municipal capital investment.

4.6.7 Development of a Municipal Energy Master Plan

To support a coordinated and evidence-based approach to energy planning, Hessequa Municipality intends to develop a Municipal Energy Master Plan.

The Energy Master Plan will provide a long-term roadmap to guide:

- electricity demand forecasting and load growth analysis
- renewable energy development opportunities

- deployment of battery energy storage systems
- integration of distributed rooftop solar generation
- electricity network strengthening and hosting capacity analysis
- opportunities for independent power producer participation
- engagement with national regulatory frameworks where required.

The Energy Master Plan will assist the municipality in identifying cost-effective pathways to strengthen electricity supply resilience while supporting sustainable economic development and environmental objectives.

4.6.8 Expected Outcomes

The implementation of these energy resilience initiatives is expected to contribute to:

- improved electricity supply reliability for municipal infrastructure
- reduced reliance on Eskom bulk electricity purchases
- increased renewable energy generation within the municipal electricity system
- reduced municipal expenditure on diesel backup generation
- improved environmental sustainability through reduced carbon emissions
- increased participation of residents and businesses in electricity generation.

Through the gradual development of renewable energy infrastructure, distributed generation and energy storage systems, Hessequa Municipality aims to strengthen long-term electricity supply resilience and support sustainable economic growth within the municipal area.

4.6.9 Potential Renewable Energy and Storage Capacity within Hessequa Municipality

Based on current initiatives, preliminary planning work and identified opportunities across the municipal area, Hessequa Municipality has the potential to progressively develop a diversified renewable energy and energy storage portfolio.

The combination of municipal renewable energy projects, battery energy storage systems and distributed rooftop solar generation could significantly strengthen electricity supply resilience while reducing dependence on Eskom bulk electricity purchases.

Table below summarises the indicative renewable energy and storage capacity opportunities currently being assessed within the municipal area.

Town / Area	Solar PV Capacity (MWp)	Battery Energy Storage (MWh)	Notes
Riversdale	10 MWp (existing project)	10 MWh + 30 MWh planned	Municipal solar plant and planned storage expansion
Albertinia	5 MWp	10 MWh	Potential municipal renewable energy development
Heidelberg	5 MWp	10 MWh	Renewable energy and storage opportunity
Gouritsmond	3 MWp	6 MWh	Distributed generation and storage
Witsand	—	5 MWh	Storage to support seasonal demand
Jongensfontein	—	4 MWh	Storage to support coastal electricity demand

Still Bay	Renewable IPP hub	40 MWh	Blended renewable generation (solar, wind, SSEG)

These projects represent long-term infrastructure opportunities that may be implemented progressively based on technical feasibility, regulatory approvals, funding availability and municipal planning priorities.

Rooftop Solar Embedded Generation Potential

In addition to municipal renewable energy infrastructure, there is growing deployment of privately owned rooftop solar photovoltaic systems within the municipal area.

Many residential, agricultural and commercial properties have installed solar PV systems in response to electricity supply disruptions. While many of these systems are currently configured primarily for self-consumption, a portion of their generation capacity could potentially be exported to the municipal grid.

Through the municipality's Small-Scale Embedded Generation framework, customers may export electricity to the municipal electricity network and receive compensation through the approved feed-in tariff of R1.24 per kWh (excluding VAT).

Distributed rooftop solar generation therefore represents an important opportunity to increase local electricity supply without requiring significant municipal capital investment.

As part of the planned Municipal Energy Master Plan, the municipality will assess the potential contribution of rooftop solar generation across the municipal area and identify appropriate mechanisms to unlock additional distributed generation capacity.

Strategic Significance

The combination of municipal renewable energy projects, battery storage systems and distributed rooftop solar generation has the potential to significantly transform the municipal electricity supply system over the medium to long term.

If progressively implemented, these initiatives could contribute to:

- improved electricity supply resilience across the municipal area

- reduced reliance on Eskom bulk electricity purchases
- reduced operational expenditure associated with diesel backup generation
- increased participation of residents and businesses in electricity generation
- improved environmental sustainability through increased renewable energy adoption.
- The development of a Municipal Energy Master Plan will assist the municipality in prioritising and coordinating these opportunities to ensure that future energy investments are technically feasible, financially sustainable and aligned with municipal infrastructure planning.

5 KPA 2: GOOD GOVERNANCE & PERFORMANCE DRIVEN ORGANISATION

5.1 Public Participation & Participatory Processes

5.1.1 Introduction

As indicated in the introduction of section 1, the municipality consists of the community, political and administrative components. When considering needs of communities, it is done through various mechanisms of public participation. The following table indicates specific opportunities created for communities to participate in the development of the IDP.

Table 17 - Mechanisms for Public Participation

Process	Mechanism	Timeframe
Annual Report Oversight	Written comments	Annually: Feb / March 2025
Review of the Spatial Development Framework	Community meetings Written comments	September 2024 & March 2025
Inputs to IDP	Community meetings, written comments	October 2025 & April 2026
Written inputs to Budget	Community meetings, written comments	October 2025 & April 2026
Comments on Draft IDP and Budget	Community meetings, written comments	October 2025& April 2026
Comments on Budget Policies, including tariffs	Community meetings, written comments	October 2025 & April 2026
Monthly Ward Committee Meetings	Ward meetings	Monthly from February – November
Councillor Feedback Meetings	Ward meetings	Quarterly
Consultations with Recognised Community Organisations	Meetings, written comments	Annually / Bi-Annually
Advisory Committees: Social Forum, Economic Forum, etc.	Meetings, written comments	Quarterly

From the different participatory processes provided to have input to the IDP process, there are three basic mechanisms that were provided. Firstly, the public review process of the SDF. Secondly, community meetings held in all towns for the IDP itself. Thirdly, the public comment procedure to the IDP and Budget processes. The following graph summarises all 637 inputs received.

The graph illustration above presents the service delivery and development inputs received from the greater Hessequa.

The top category of inputs received is the need for emergency services. The inputs range from ambulance, clinic staff / operating hours, doctor availability, police presence / response and health services. This is evident in all communities' inputs. The need to address their concerns, from a municipal perspective, should be dealt with through inter-governmental relations as none of the above-mentioned service needs, are municipal services.

Second most prominent community need presented is related to the previous, community safety and law enforcement challenges. The inputs range from complaints of unlawful behaviour of residents during holiday seasons, to policing of municipal by-laws. Council did prioritise community safety as a strategic enabler for growth and development and will resources from municipal revenue be made available for strategic initiatives to respond to the community safety need.

Following are Economic / Tourism Development, Housing Need and Recreational facilities. The inputs to these categories range from Job Creation, Marketing of Tourist Attractions, Industry Development, SMME Development Programmes, Housing Projects, Access to Recreational Facilities / Development thereof.

When the details of the participatory inputs are considered, it is clear that the communities in Hessequa are vastly different in levels of development. Some communities still need paved / surface roads in from of their houses, while other communities ask for the development of sport or recreational facilities.

It is important to note that the number of inputs for a given category should not be interpreted as the only inputs that will be addressed. As indicated in previous sections, there are other sources of inputs that many times carry more weight or priority when resources are being prioritised. The need to address service delivery issues in one town may be far more critical than a collective priority in the greater Hessequa. Critical issues that should be addressed are:

- Heidelberg Water Purification Challenges / Overberg Water
- Albertinia Water Source Sustainability
- Housing project pipeline / project approvals by Provincial Department of Human Settlements
- Bulk Infrastructure needs in growing communities to provide for development needs.
- Development and completion of the Riversdale Solar PV Renewable Energy Plan

The following sections will reflect the needs identified in each community and the levels of service delivery in terms of the four main services a municipality is responsible for namely:

- Provision of potable water
- Provision of electricity
- Provision of sanitation services
- Provision of solid waste services

Refer to section 2.7 for a full list of services provided by Hessequa Municipality.

5.2 Medium Term Goals / Objectives

Outcome / Term Objective	Desired Outcome Definition / Description
Development and implementation of individual performance management system	Successful completion and institutionalisation of individual performance monitoring, evaluation and reporting.
Development and implementation of useful language policy	Development and implementation of approved language policy in all processes and publications.
Implementation of centralized complaints / service request management system	Developing a central complaints / service request system that is able to track the full cycle of a complaint/service request and report on operational and management levels

Reduction of employee cost component in relation to total operating expenditure	Realistic action plan to minimise the employee cost of operational expenditure.
Achievable Integrated Development Planning and Reporting	Comprehensive analysis of growth trends, consumer trends, service demand trends as it relates to population growth and development trends. Identification of clear targets for IDP cycle to measure and report on progress made

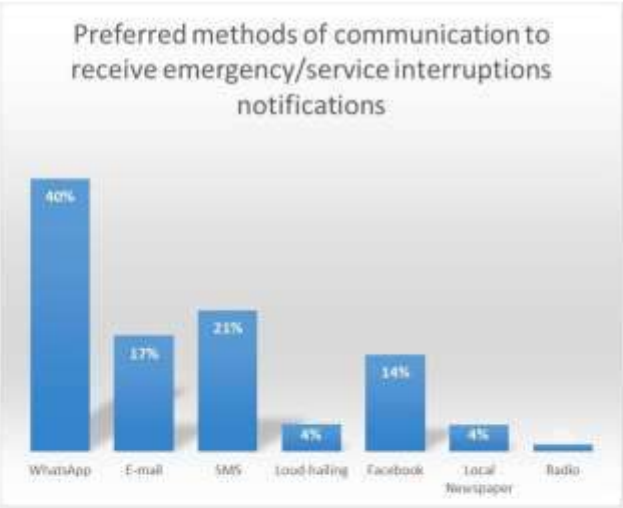
5.3 Communication Strategy

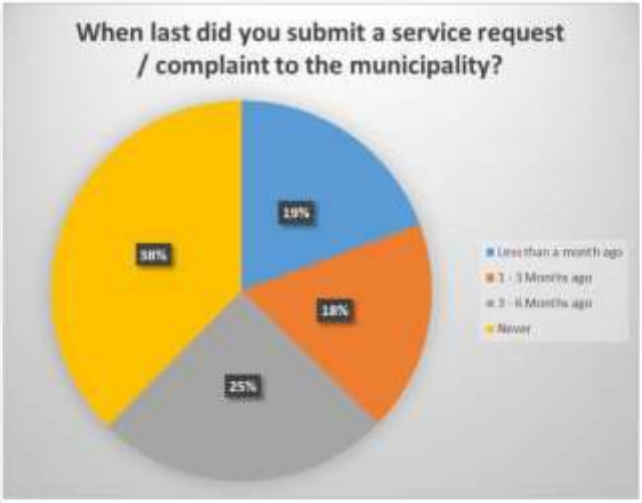
As is the case with any institution, communication with all stakeholders remains the key to ensure that relationships are managed and maintained. Challenges have been experienced in communicating with communities in Hessequa as there are various root causes that result in failed, or ineffective communication.

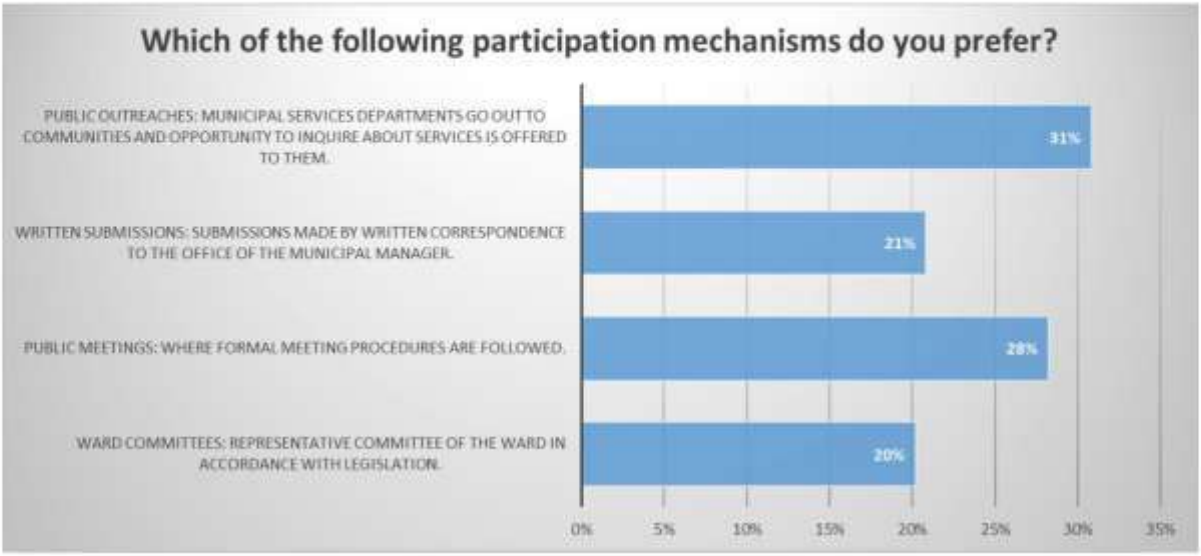
Challenges identified are:

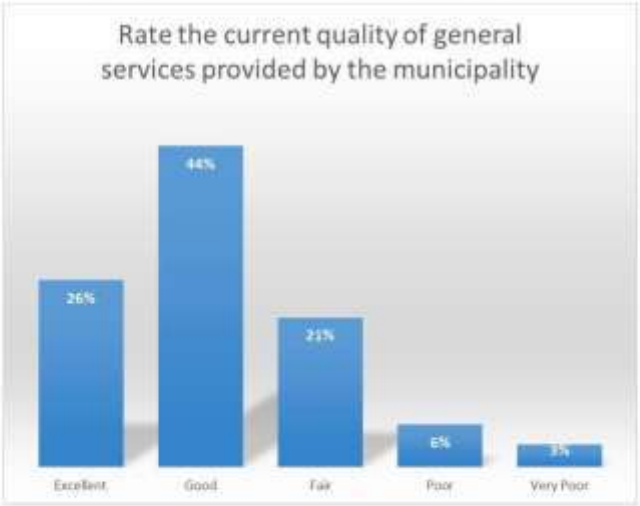
- Geographic layout of Hessequa
- Socio-economic diversity
    - Traditional VS Modern mechanisms of communication
    - Communities not being organised or formally represented
    - Access cost to more modern mechanisms hampering reach
- Age diversity
- Language diversity

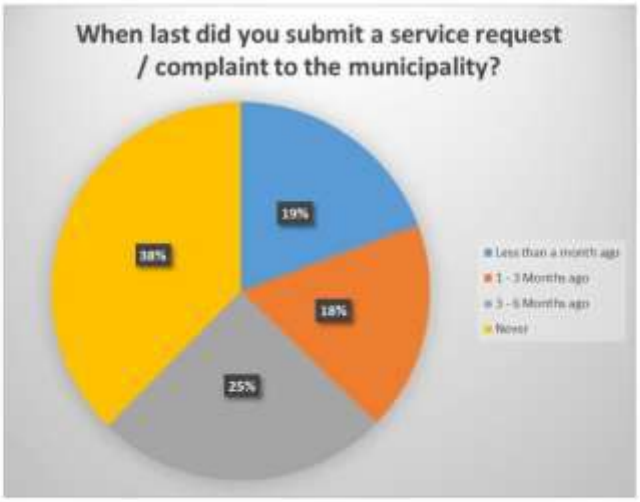
In the 2024/2025 financial year a project was initiated to survey the public communication preferences. The following graphs reflect the responses received. The objective of the survey focused on communication, preferred participation and current experience when matters or service delivery complaints are communicated with the municipality. The survey was conducted over a period of three months (December 2024 – February 2025) to ensure optimal opportunity for participation. It was also distributed and made available for completion through various mechanisms.

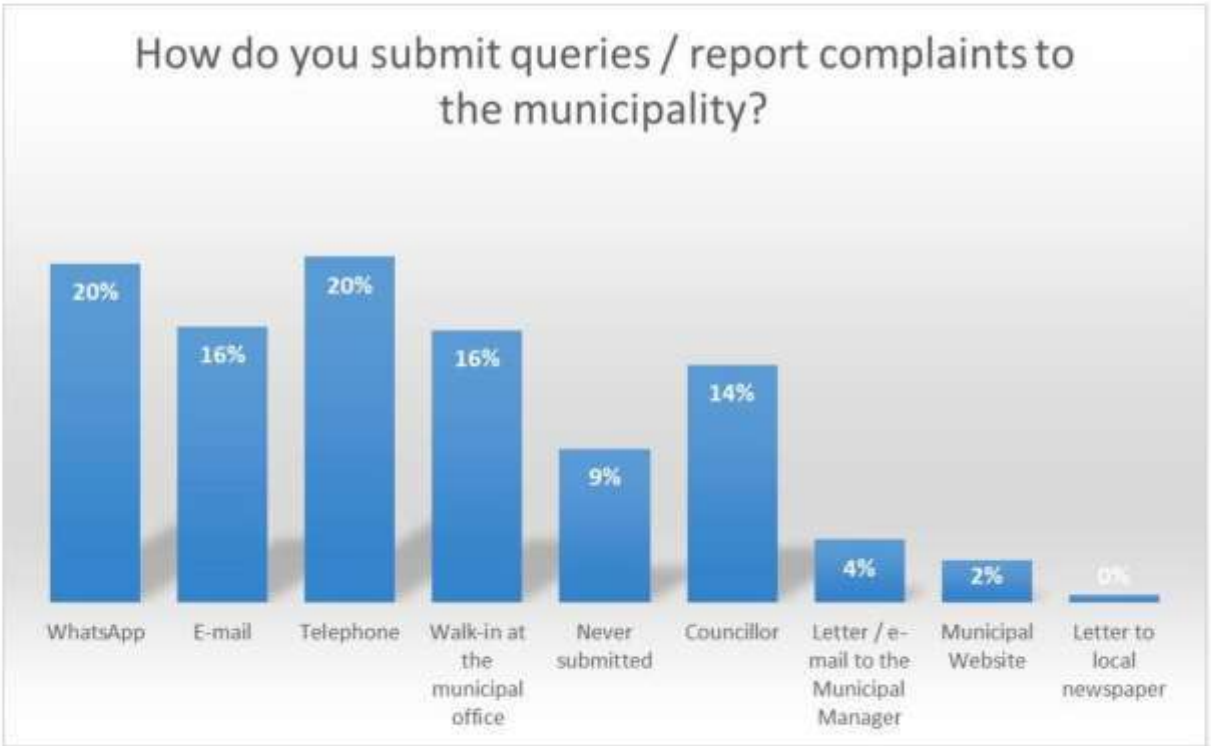


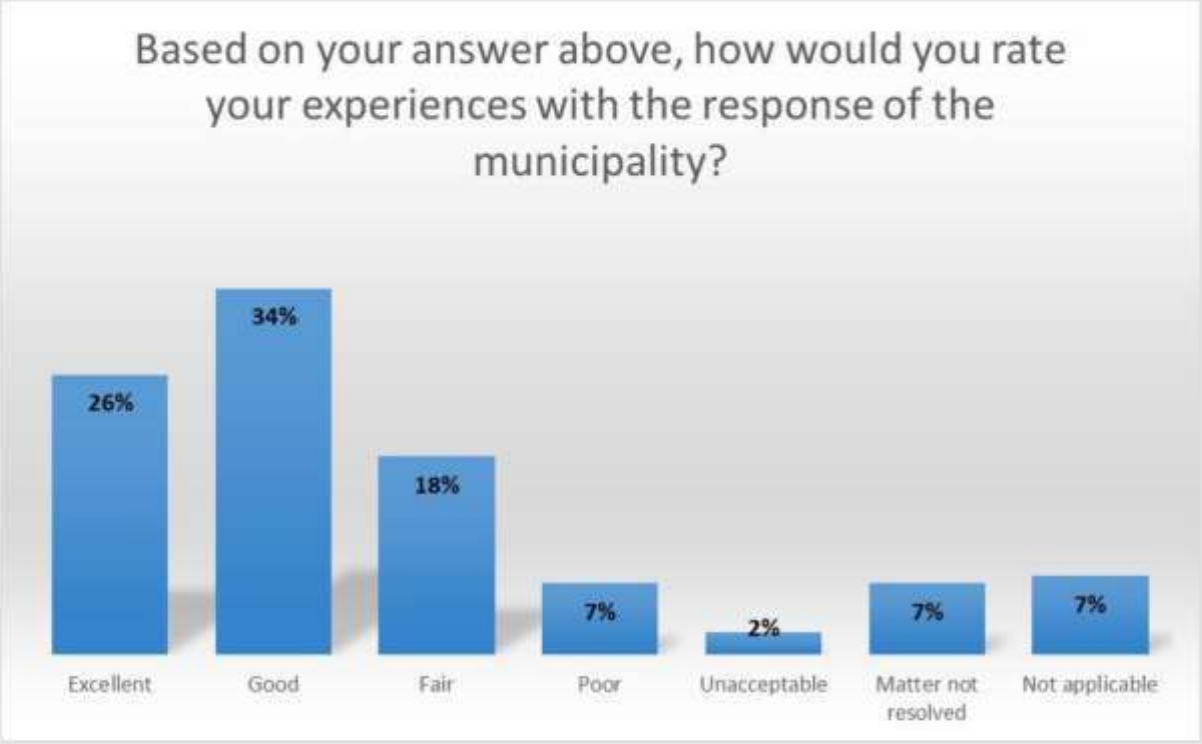


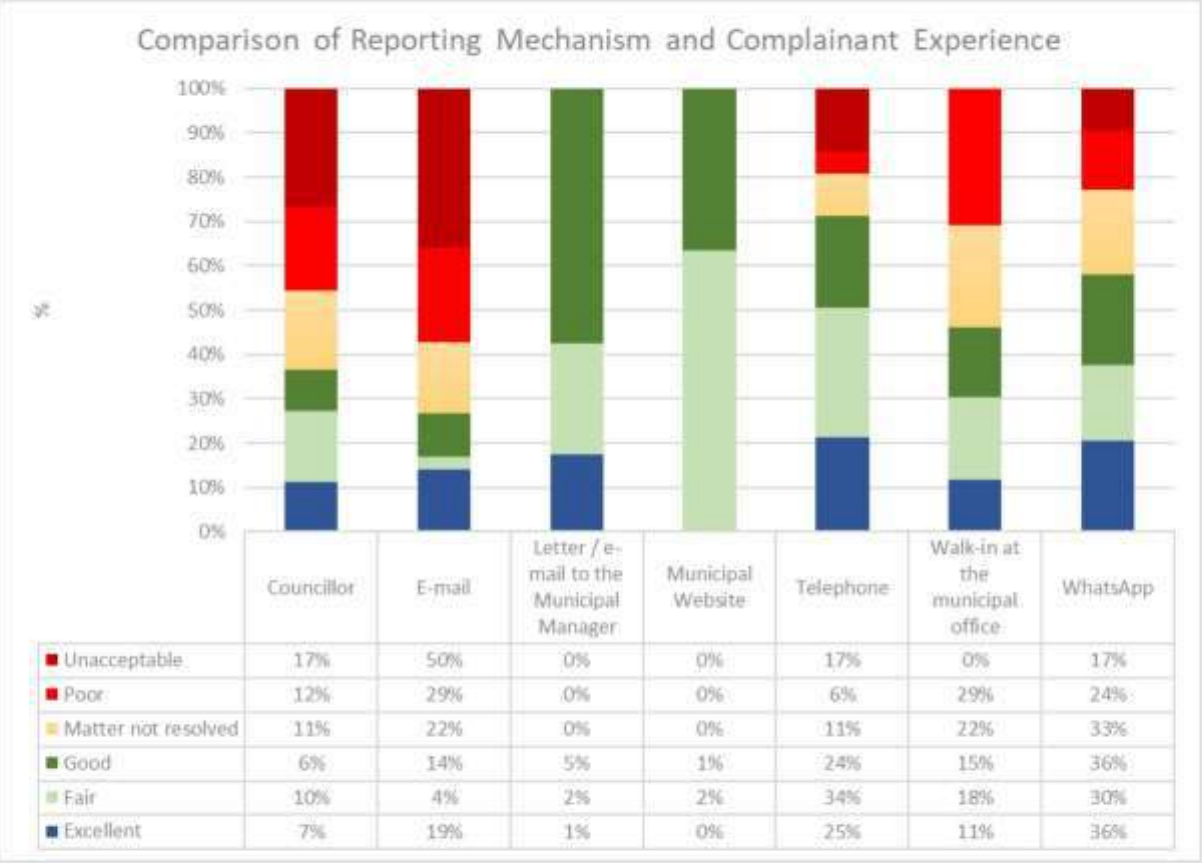

Which of the following participation mechanisms do you prefer?
PUBLIC OUTREACHES: MUNICIPAL SERVICES DEPARTMENTS GO OUT TO COMMUNITIES AND OPPORTUNITY TO INQUIRE ABOUT SERVICES IS OFFERED TO THEM.
31%
WRITTEN SUBMISSIONS: SUBMISSIONS MADE BY WRITTEN CORRESPONDENCE TO THE OFFICE OF THE MUNICIPAL MANAGER.
21%
PUBLIC MEETINGS: WHERE FORMAL MEETING PROCEDURES ARE FOLLOWED.
28%
WARD COMMITTEES: REPRESENTATIVE COMMITTEE OF THE WARD IN ACCORDANCE WITH LEGISLATION.
20%
0%
5%
10%
15%
20%
25%
30%
35%


Rate the current quality of general services provided by the municipality
26%
44%
21%
6%
3%
Excellent
Good
Fair
Poor
Very Poor


When last did you submit a service request / complaint to the municipality?
19%
18%
25%
38%
Less than a month ago
1 - 3 Months ago
3 - 6 Months ago
Never


How do you submit queries / report complaints to the municipality?
20%
16%
20%
16%
9%
14%
4%
2%
0%
WhatsApp
E-mail
Telephone
Walk-in at the municipal office
Never submitted
Councillor
Letter / e-mail to the Municipal Manager
Municipal Website
Letter to local newspaper





	Councillor	E-mail	Letter / e-mail to the Municipal Manager	Municipal Website	Telephone	Walk-in at the municipal office	WhatsApp
Unacceptable	17%	50%	0%	0%	17%	0%	17%
Poor	12%	29%	0%	0%	6%	29%	24%
Matter not resolved	11%	22%	0%	0%	11%	22%	33%
Good	6%	14%	5%	1%	24%	15%	36%
Fair	10%	4%	2%	2%	34%	18%	30%
Excellent	7%	19%	1%	0%	25%	11%	36%

The outcomes of the survey were reported to Council in May 2025, with basic recommendations that the Communications Strategy and Public Participation Framework of Hessequa Municipality be reviewed and improved to ensure that communication with stakeholders on all matters can improve. The results also reflected major changes from the same type of survey completed in 2016, which

clearly shows the Hessequa residents have changed in the way they interact with information being communicated.

5.4 Risk Environment & Management

The following table identifies three main categories within the Hessequa risk universe, each with its own set of subcategories for use within the ERM system of Hessequa Municipality.

RISK UNIVERSE	
Strategic Risk	Internal Risk
Economic	Compliance and Regulatory Risk
Environmental	Disaster / Business Continuity Risk
Legislative	Financial Risk
Tech / Infrastructure	Fraud and Corruption Risk
Social	Health and Safety Risk
Political	Human Resource Risk
	Information and Technology Risk
External Risk	Litigation Risk
Legislative Environment	Loss and Theft of Assets
Natural Environment	Reputational Risk
Economic Environment	Service Delivery Risk
Political Environment	Cultural Risk
Social Environment	Knowledge and Information Risk
Technological Environment	Material Resources Risk
	Third Party Performance Risk

During a Risk Committee meeting in Q4 of the 2022/2023 financial year, the Risk Officer submitted a report to the committee detailing the different risks relating to the risk universe. The Municipal Manager (Chairperson of the Risk Committee) expressed his concern about the responsiveness of the risk register to emerging risk that is strategic in nature. Operational risk are being reported and assessed, but requested that a full review of the strategic risk category be conducted with a special emphasis on collaboration between departments in the mitigation of risk.

The session was scheduled for quarter 1 of the 2023/2024 financial year and was held on the 27th of September. The following sections reflect the discussions surrounding emerging strategic risk. It is also important to note the definition of strategic risk, which focuses on risks that threaten the objectives of Council as set out in the Integrated Development Plan (IDP) and requires an organisational response through control processes. This approach also moves from outputs to checking if control processes can provide assurance to the delivery of expected outcomes.

The risk assessment methodology which was applied during the session was the evaluation of the existing register which is immediately followed by a completeness self-assessment. This methodology uses group dynamics to ascertain the relevance of existing items, but also creates awareness of "blind spots" due to the group working as a collective with different perspectives of the organisational exposure. Please note that the following assessments are all done without consideration to current control processes, and represent an INHERENT risk assessment.

5.4.1 Ageing/limited capacity of bulk infrastructure and performance degradation

Risk Title	II	IL	IR
Ageing/limited capacity of bulk infrastructure and performance degradation	4	4	16

This is an existing strategic risk on the register which remained valid due to the given reality of natural degradation of assets, but also the awareness of increased load on bulk service assets. As other contributing factors (root causes) have been identified such as the effect of energy uncertainty on the ability of infrastructure assets to perform as planned and / or designed.

5.4.2 Cash flow shortage due to equitable share not being enough to maintain existing levels of indigent support

Risk Title	II	IL	IR
Cash flow shortage due to equitable share not being enough to maintain existing levels of indigent support	4	4	16

A general concern is the rising demand for indigent support towards households which can not afford the cost of services according to the indigent policy of Council. With a fixed allocation in terms of equitable share grants from National Treasury, the cost of services to poor households can dramatically affect the cash flow of the organisation if the national allocations decrease or cease. This will require significant change in the availability of resources for daily operations of the municipality.

5.4.3 Damage to Municipal Services / Assets due to rising sea levels

Risk Title	II	IL	IR
Damage to Municipal Services / Assets due to rising sea levels	4	4	16

The risk of coastal assets being exposed to various environmental phenomenon that literally destroys assets or shortens the useful life dramatically. This is not a new risk on the register, but it has been escalated to the strategic level due to the repetitive nature of recent incidents. Recent upgrades to assets that has been done to mitigate the gradual and increased decay due to sea levels have been seriously damaged with the most recent incidents along coastal areas and river estuaries.

5.4.4 Damages to property and possible loss of life due to fires

Risk Title	II	IL	IR
Damages to property and possible loss of life due to fires	4	4	16

With the increase in disparate weather cycles, Hessequa remains the highest risk areas for veld fires during summer times. Historic incidents remain a concern and should be planned for. With the municipal responsibility remaining structural fires, the growing need for fire safety in informal structures are higher than ever. This risk has been elevated to the strategic level due the relevance to various departments, and not only the Community Safety Services Department. Control processes such as maintenance of fire breaks, replacement, service and installation of fire hydrants, management of safety vehicles, etc. are all relevant to the risk.

5.4.5 Decline in positive revenue collection due to affordability of services not being sustainable

Risk Title	II	IL	IR
Decline in positive revenue collection due to affordability of services not being sustainable	4	4	16

Even thought this risk may be interpreted similarly than 1.3, this risk focuses on the effect of rising cost of services on revenue collection for all accounts and not only indigent households. The cost of service delivery vs affordability. The control processes are vastly different than just credit control, even though it is related. This risk requires control processes relating to long term financial planning, resource allocations, investment considerations, financial policy, etc.

5.4.6 Disruption of service delivery- including communication systems due to loadshedding and the high fuel prices and costs for alternative energy systems

Risk Title	II	IL	IR
Disruption of service delivery- including communication systems due to loadshedding and the high fuel prices and costs for alternative energy systems	4	5	20

During the extended loadshedding schedules, increased pressure on backup energy solutions to critical service infrastructure exposed various challenges to ensure continuity of services. Pumpstations, processing plants, and communications infrastructure where interrupted at various locations. Some towns experienced complete loss of certain cellular telephony services and caused communications to fail in critical times. These incidents lead to a likelihood rating of 5/5 which anticipates the energy disruptions to remain a challenge in the medium term. Furthermore, Council allocated funds for remedying critical backup energy solutions and should the justification for these expenditures be found in a response to address organisational risk.

5.4.7 Loss of Municipal Property and ICT infrastructure due to civil unrest, climate change, fires.

Risk Title	II	IL	IR
Loss of Municipal Property and ICT infrastructure due to civil unrest, climate change, fires.	4	4	16

With the recent incidents in a neighbouring municipality, the collective efforts of all departments to mitigate such incidents should be recorded and tested. Hessequa has not been exposed to violent and destructive mass actions in the recent past, but did management identify this risk due to varying contributing factors present in Hessequa. Inherently the risk is assessed as probable with a major impact on the ability to render services. Hessequa can not afford the loss of information and/or infrastructure to various environmental, being natural or social, factors. Service continuity planning is critical to ensure sustainable service delivery.

5.4.8 Social Unrest / Community Safety Challenges due to in-migration of economic inactive citizens

Risk Title	II	IL	IR
Social Unrest / Community Safety Challenges due to in-migration of economic inactive citizens	3	5	15

Recent incidents in a community between different people groups are a symptom of underlying challenges communities are facing with in-migration of either undocumented individuals or labourers being used from other parts of the country by certain industries. These issues have also been highlighted in various public engagements with communities during the IDP review process. The likelihood has been assessed as 5/5 due to recent incidents occurring without any form of control to mitigate the effects of the contributing factors.

5.4.9 Systems vulnerability and data leakages as a result of cybercrime (Ransomware/Malware/Spyware/Virus Outbreaks)

Risk Title	II	IL	IR
Systems vulnerability and data leakages as a result of cybercrime (Ransomware/Malware/Spyware/Virus Outbreaks)	4	5	20

This risk originated as an operational risk, but due to the major impact it can have on disrupting municipal services and ability to account for service delivery, as in the case of various municipalities which have been impacted by this risk in the recent past, it has be prioritised as a risk that directly affects the ability to deliver on the IDP objectives. The likelihood has been assessed as 5/5 due to recent incidents in other municipalities in the Western Cape.

5.5 Strategic Risk Response Strategy

Strategic risks are those risks that can impact the competitive advantage and sustainability of the organization while operational risks deal with the day-to-day business activities of the organization. Therefor, traditional risk response strategies to operational risk will not be comprehensive enough in terms of scope and would focus mainly on control processes, instead of operational controls. Control processes are normally aligned with organisational structure and responsibilities assigned to units to deliver certain medium-term outcomes in relation to the organisational / strategic goals, which is exposed to strategic risk.

In practice a strategic risk response requires a "package of controls" linked to a given process. This can be illustrated at the hand of the Outcomes Based Planning pyramid.



5.6 Operational Risk Summary by Category

The following summary represents risk exposure by category.

Risks by Category	Inherent Risk	Residual Risk
External Risk	**6.7**	**4.3**
Legislative Environment	2.9	2.9

Natural Environment	7.5	4.0
Social Environment	11.8	4.1
Technological Environment	6.6	5.7
Internal Risk	**11.1**	**6.8**
Assurance Risk	12.0	12.0
Compliance and Regulatory Risk	8.3	5.4
Cultural Risk	0.0	0.0
Disaster / Business Continuity Risk	12.0	12.0
Financial Risk	12.1	7.6
Fraud and Corruption Risk	13.3	9.6
Health and Safety Risk	12.6	11.1
Human Resource Risk	13.4	5.4
Information and Technology Risk	13.9	8.1
Knowledge and Information Risk	0.0	0.0
Litigation Risk	10.2	6.0
Loss and Theft of Assets	10.5	10.5
Reputational Risk	10.0	9.0
Service Delivery Risk	11.2	6.3
Third Party Performance Risk	9.0	4.5
Strategic Risk	**13.0**	**10.0**
Environmental	14.0	11.9
Tech / Infrastructure	12.0	8.2
Overall Average	**10.8**	**6.7**

5.7 Information & Communication Technology

Introduction

Hessequa Municipality is currently undergoing a transformational initiative to enhance its utilisation of Information and Communication Technology (ICT). This transformative initiative is aimed at strategically positioning the municipality to elevate service delivery and streamline operational efficiency. This business enabling ICT Strategic Plan (herein called the Plan) sets out to provide a developmental path to strengthen its current business use of, and the ICT ecosystem to align the municipality with international trends to improve services, performance, and operations.

The municipality is currently facing challenges not only in their ICT environment, but also in the enablement of its business. This includes, but is not limited to:

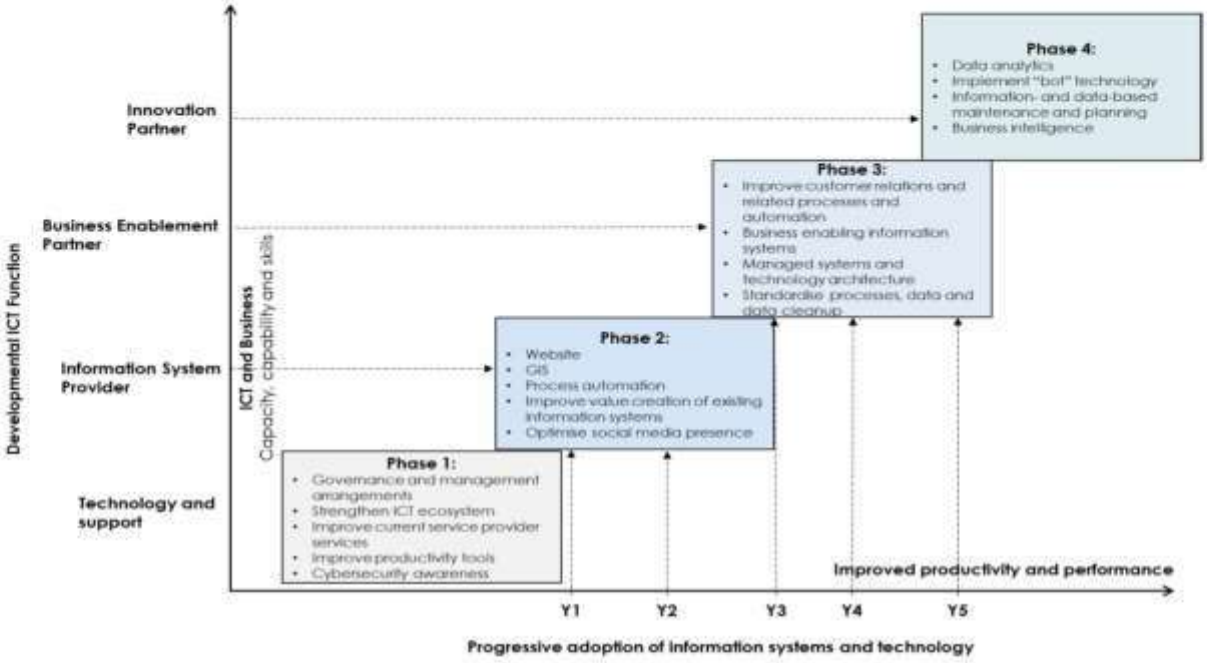
1. The SOLAR ERP, Payday, and the GIS systems integration.
2. Ageing ICT operating platforms in use.
3. Ageing infrastructure in use.
4. Lack of incident response and ICT continuity measures.
5. Lack of basic technological security mechanisms.
6. Lack of ICT human resources and skills.
7. Level of cyber risk exposure.

The Municipality is committed to enhancing its agility and adherence to established governance structures and processes in a rapidly changing technological environment. The following will remain priority focus area's as per the approved ICT Strategy.

HESSEQUA MUNICIPALITY STRATEGIC OBJECTIVES

Objective	Description	Functions
KPA1	**Affordable and Quality Service Delivery**	• **Enabling ICT infrastructure**
KPA2	**Good Governance & Performance Driven Organisation**	• **ICT Governance Implementation Access to Information**
KPA3	**Safe Communities & Environment**	• Management of E-Waste • Expand Tele-communication to accommodate CCTV monitoring.
KPA4	**Socio-Economic Development**	• **Enabling ICT Infrastructure** • **Guest Wi-Fi Network – Admin Buildings**
KPA5	**Sustainable Financial Management**	• **Development, maintenance of** • **efficient and secure ICT Systems.**

Hessequa Municipality (HM) is dedicated to enhancing the efficiency and effectiveness of its delivery service to citizens, including the administration of its daily operations. The following is a phased implementation was approved subject to available funds over a 5-year period ending 2029.



Priority attention will be given to implementing and enhancing security controls to mitigate the risk of cybersecurity. To improve IT resilience and recovery capabilities, the following areas of improvement were identified:

1. **Enrich Cybersecurity Awareness:** Implement function-relevant targeted training and programs and communication campaigns to improve user awareness.
2. **Improve Cybersecurity threat intelligence:** Develop a cybersecurity improvement strategy and maintain it as intelligence becomes available.
3. **Address Third- Party Risks:** Ensure the municipality receives assurance of the cybersecurity posture of its third-party service providers.
4. **Expedite Multi-Factor Authentication:** Implement multi-factor authentication to enhance user access security.
5. **Enhance Vulnerability Management:** Over and above current measures, facilitate independent reviews to identify and address possible technology vulnerabilities in the municipality's systems.

Hessequa Municipality implemented adequate contextual risk based foundational cybersecurity measures, practices, processes, and controls. The controls effectiveness was independently reviewed with shared support provided by Provincial Department of Local Government (DLG) with reference to the ICT strategic risk which included under the top ten organizational risks on the risk register.

4	Information Communication Technology	Systems vulnerability and data leakages as a result of cybercrime (Ransomware/Malware/Spyware/Virus Outbreaks)	14	External Risk	Technological Environment

Systems vulnerability and data leakages as a result of cybercrime (Ransomware/Malware/Spyware/Virus Outbreaks)	4	5	20	- CP-Approved DR policies & DR Site - CP-Communication Initiatives: Pro-Active Media / Incident Driven Communication / Assistance with resources to establish a JOC - CP-Formal Backup procedures & infrastructure - CP-ICT control mechanisms & technologies (AV, MS UPDATES, FIREWALL, DARKTRACE) - CP-Personnel education / awareness - CP-Possible Penalties implemented by Information Regulator for breaches / Possible litigation against Council / Advice in terms of legislation, bylaws and policies / High legal fees - CP-SLA for IT specialised support	4	5

It was also found that a related sound monitoring, evaluation, and oversight regime is in effect.

The following tables include financial commitments to give effect to the HM strategic objectives with regard to CAPEX budget inputs for 2025/26.

No Kap 1	Dept	Cost Centre	Project Description	Ward	Ref	Fund	
34	54	10	Camera system N2 - Ward 7	7	R/D	CRR	120,000.00
37	24	10	Online Meeting Solution- Council Chambers	6,7,8	R/D	CRR	430,00.00
21- 40	Various	Various	Replace Computer Equipment	HQ	H/Q	CRR	1,044,500.00
150	24	10	1 X HYPER CONVERGE SERVER - ICT	HQ	H/Q	Loan	1,800,000.00
151	24	10	STORAGE AREA NETWORK - ICT DR SITE	HQ	H/Q	CRR	980,000.00
152	24	10	4 X MANAGED SWITCHES -ICT - STORE ITEM	HQ	H/Q	CRR	200,000.00
153	24	10	Secondary Firewall Solution- ICT	HQ	H/Q	CRR	150,000.00

In conclusion, while the Hessequa Municipality established a solid foundation for cyber protective mechanisms and practices, there are areas where enhancements will add value. By systematically implementing the recommended actions, the municipality can further strengthen its defenses against cyber threats, protect its valuable assets, and maintain the trust of its citizens. Continuous monitoring, evaluation, and adaptation of cybersecurity measures will be essential in ensuring long-term resilience.

5.8 Library Services

In the Hessequa Municipal district a total of 17 service points are available, consisting of:

- 9 main libraries
- 4 mini-libraries
- 2 libraries of the blind and
- 2 satellite libraries

Our goal is to develop, transform and promote sustainable library service in the Hessequa Area. Provide in the information, recreational and educational needs of our people and to promote a culture of library usage and lifelong learning.

5.8.1 Current Services

Hessequa Library Service endorses the vision of the local governing body and Provincial Library Service by striving to act as agents and to continuously promote through activities and awareness campaigns. Our libraries are information hubs that are continuously changing to be relevant and keep up with the diverse needs of our communities.

Service Point	Services	Electronic service (free)
Albertinia Public Library	General library service Photocopy, printing and scanning services	Computer and internet access Wi-fi access E-books
Bietouville Satellite Library	Basic library service Outreach activities	
Brakfontein Mini-Library	Basic library service Photocopy, printing and scanning services Outreach activities	Computer and internet access E-books
Duivenhoks Public Library	General library service Photocopy, printing and scanning services Commissioner of Oaths	Computer and internet access Wi-fi access E-books
Gouritsmond Public Library	General library service Photocopy, printing and scanning services Commissioner of Oaths	Computer and internet access Wi-fi access E-books
Heidelberg Public Library	General library service Photocopy, printing and scanning services	Computer and internet access Wi-fi access E-books
Kwanokuthula Satellite Library	Basic library service Outreach activities	Computer and internet access
Melkhoutfontein Public Library	General library service Photocopy, printing and scanning services Commissioner of Oaths	Computer and internet access Wi-fi access E-books
Molenrivier Mini-Library	Basic library service Outreach activities	E-books
Protea Public Library	General library service Photocopy, printing and scanning services Commissioner of Oaths	Computer and internet access Wi-fi access E-books
Riversdale Public Library	General library service Photocopy, printing and scanning services	Computer and internet access Wi-fi access E-books

Slangrivier Public Library	General library service Photocopy, printing and scanning services	Computer and internet access Wi-fi access E-books
Stilbaai Public Library	General library service Photocopy, printing and scanning services	Computer and internet access Wi-fi access E-books
Vermaaklikheid Mini-Library	Basic library service Outreach activities Activity room Commissioner of Oaths	E-books
Vondeling Mini-Library	Basic library service Outreach activities	E-books
Library of the Blind (Riversdale Library)	Audio material	Computer and internet access Wi-fi access E-books
Library of the Blind (Stil Bay Library)	Audio material	Wi-fi access E-books

5.8.2 Current Needs

Hessequa Library Services is 100% funded by two grants which consist of the Conditional Grant and Municipal Replacement Fund. Hessequa Municipality undertakes responsibility for the library service, utilising the financial contribution received to provide a service to the community.

Below is a summary of needs per Library Services PDO:

PDO	Current Service Point	Current Needs
Continued Delivery of Public Library Service	Bietouville Satellite Library	Free wi-fi access
	Duivenhoks Public Library	eKiosk service
	Gouritsmond Public Library	eKiosk service
	Kwanokuthula Satellite Library	Free wi-fi access
	Melkhoutfontein Public Library	eKiosk service
	Protea Public Library	eKiosk service
	Slangrivier Public Library	eKiosk service
	Vermaaklikheid Mini-Library	Free wi-fi access Computer centre
	Vondeling Mini-Library	Free wi-fi access
PDO Expand Library Access and Service	Heidelberg Library	Expanding current Heidelberg Library
	Kwanokuthula Satellite Library	Upgrade the satellite library to a modular library
	Albertinia Library	Expanding current Albertinia Library
	Vondeling mini library	Witsand – new library service point

5.9 Status of By-Laws & Sector Plans

The following list reflects all gazetted by-laws.

1. Aerodromes	**2. Sporting Facilities**
3. Air Pollution Control	**4. Liquor Trading Hours & Days**
5. Cemetries & Crematoria	**6. Storm Water Management**
7. Commonage	**8. Street Trading**
9. Events	**10. Tariffs**
11. Fencing & Fences	**12. Rules Of Order**
13. Heritage Resources & Cultural Institutions	**14. Customer Care & Revenue Management**
15. Irrigation Water	**16. Fireworks**
17. Outdoor Advertising	**18. Management & Use Of Rivers**
19. Public Amenities	**20. Electricity Supply**
21. Public Busses & Taxis	**22. Impoundment Of Animals**
23. Prevention Of Public Nuisance & Public Nuisance Arising From The Keeping Of Animals	**24. Water Supply & Sanitation Services & Industrial Effluent**
25. Rates	**26. Fire Safety**
27. Roads	**28. Land Use Planning**
29. Solid Waste Disposal & Refuse Removal	**30. Keeping and Treatment of Dogs and Cats**

The following is a list of Sector Plans and their status.

SECTOR/MASTER PLAN	STATUS	NOTE/COMMENTS
Human Settlement Plan	Approved in 2016	A review is done annually to update the housing pipeline
Coastal Management Plan	At GRDM	District Mandate
Air Quality Management Plan	Updated and Council Approved	Updated and Council Approved
Disaster Management Plan	Approved 2024	A review is done annually to update the plan
Municipal Spatial development Framework	Approved	The MSDF was approved in March 2025
Local Economic Development Strategy	Approved	Council approved Strategy October 2023
Water Services Development Plan	Approved 2012	In the process to update the WSDP

SECTOR/MASTER PLAN	STATUS	NOTE/COMMENTS
Pavement Management System	Approved 27-Jun-24	Road Master Plan replaced PMS. Done internally by Technical Department
Storm Water Master Plan	Approved 2007	Updating in process. Stormwater masterplan for Gouritsmond is completed. We are busy with the Stormwater Masterplan of Stillbay which will be done over two financial years. Due to limited funding the masterplan is updated in phases.
Integrated Transport Plan	at GDRM	Managed by Garden Route District Municipality
Solid Waste Implementation Plan	Approved 2020	Review will start in July 2026 in the new Financial year.
Electrical Master Plan	Approved 2018	Review is due in 2028. The department is currently in process reviewing the masterplans.
Workplace Skills Plan		A review is done annually to update the plan
Roads Master Plan	N/A	Hessequa Municipality recently approved a live pavement management system (PMS) and do not have a separate roads masterplan in place.
Street and Storm Water Maintenance Plan	Implementation plans	Weekly maintenance plans are used, as asset maintenance scheduled is compiled for implementation.
Integrated Waste Management Plan	At GRDM	The upgrading of the IWMP plan is the Garden Route District responsibility for all 7 local municipalities. They are busy with the project and Dept of Environmental Affairs extending the current IWMP until 2027.
Climate Change Adaptation & Mitigation Strategy	The plan is reviewed annually	The plan is reviewed each year, will be concluded by the end of financial year
Sewer Master Plan	Feb-25	Review and updated masterplan were approved in February 2025.
Water Master Plan	Feb-25	Review and updated masterplan were approved in February 2025.
ICT Governance Framework	Approved 2025	Up to date.
Hessequa tourism Strategy	Approved November 2023	The Hessequa Tourism Strategy was approved by Council on 29 November 2023

5.10 WORKPLACE SKILLS DEVELOPMENT

The HR Department is reviewing Personal Development Plans (PDPs) of all officials to set-up a 5-year Workplace Skills plan that will be reviewed annually as per the Municipal Staff Regulations in the Government Gazette nr 45181 of 20 September 2021 section 45. The revision of the PDPs commenced after the Council's strategic sessions were completed to ensure that the objectives are captured and incorporated into the PDPs of staff that includes training initiatives. Training and development initiatives are ongoing in the safety, security and fire services areas.

The Municipality's training objectives are also aligned to the Local Government Seta's (LG SETA) priority areas which includes Electricity, Water and Trade Apprenticeships.

The following Workplace Skills Plan (WSP) served at the Local Labour Forum on 18 March 2025 and were submitted to the LGSeta.

Workplace Skills Plan (May 2025 to April 2026)				
	No. of Officials	Target group	Council	(Excl VAT)
Workplace Skills Plan (May 2025 to April 2026)				
Protection Services (Safety and Security)				
High Angle Rescue	1	Fire Department	R23 000,00	
Fire Instructor	1	Fire Department	R23 000,00	
Fire Officer	1	Fire Department	R23 000,00	
Examiner of Vehicles (Grade A)	2	Traffic Staff	R29 369,21	
Examiner of Drivers License (Grade L-F)	2	Traffic Staff	R36 300,00	
Technical (Service Delivery)				
Roadworks	25	Technical	R80 000,00	
Conveying of Dangerous Goods New	8	Technical	R8 000,00	
Conveying of Dangerous Goods Refresher	40	Technical	R40 000,00	
Handle of Dangerous Goods New	8	Technical	R7 200,00	
Handle of Dangerous Goods Refresher	40	Technical	R38 000,00	
Licensing Project	10	Various staff	R60 000,00	
EC & EC1 License	8	Technical & Environmental	R48 812,00	
Machinery (Service Delivery)				
Compactor (New)	4	Technical	R7 400,00	
Cherry Picker (New)	4	Technical	R7 400,00	
Cherry Picker (Refresher)	8	Technical	R6 400,00	

Workplace Skills Plan (May 2025 to April 2026)				
	No. of Officials	**Target group**	**Council**	**(Excl VAT)**
Crane Truck (New)	5	Technical	R7 400,00	
Crane Truck (Refresher)	8	Technical	R6 400,00	
Digger Loader (New)	4	Technical	R7 400,00	
Digger Loader (Refresher)	12	Technical	R10 200,00	
Roller (New)	4	Technical	R7 400,00	
Tractor (New)	4	Technical	R7 400,00	
Dozer (New)	4	Technical	R7 400,00	
Training Interventions (Competent Administration)				
First Aid Level 3	20	Various staff	R28 842,93	
Fire Marshall	15	Various staff	R26 469,00	
Health and Safety Representative	10	Various staff	R16 321,35	
Counselling	2	HR	R8 000,00	
Recruitment and Selection Online training	1	HR	R5 000,00	
Python Scripting	1	ICT	R10 900,00	
Microsoft Azure AI Fundamentals	1	ICT	R2 000,00	
Internal Audit Technical	1	Office of the MM	R25 000,00	
	196	**Budget**	**R614 014,49**	
Special Project				
VARIOUS - Should there be savings				
Firearm Training	5	Protection	R32 000,00	
Working At Heights	30	Technical & Electrical	R30 850,00	
Law enforcement training	5	Law Enforcement	TBC	
DISCRETIONARY GRANTS				
Roadworks NQF Level 3	2 (unemployed)	10 (employed)		
Water and Wastewater NQF 4	2 (unemployed)	10 (employed)		
Plumbing	2 (unemployed)	10 (employed)		
Electrical	2 (unemployed)	10 (employed)		
Solar	2 (unemployed)	10 (employed)		

6 KPA 3: SAFE COMMUNITIES & ENVIRONMENT

6.1 Medium Term Goals / Objectives

Outcome / Term Objective	Desired Outcome Definition / Description
Compliance certification of all municipal buildings	Programme for systematic compliance certification of municipal buildings / facilities
Detailed coastal management plan development and implementation	Realistic multi-year programme with annual targets set for management of coastal regions in accordance with applicable legislation.
Development of comprehensive Back-yard Dweller Support Programme	Research and development of a realistic support programme to assist informal household structures located on formal residential properties
Eradication of title deed backlogs from old housing schemes	Pre and post 1994 schemes
Stabilisation and management of dunes in coastal towns	Can be included in Coastal Management Plan, but specifically relating to dune management within urban areas in coastal towns.
Improvement and expansion of law enforcement operations	Securing a safer future for residents and protecting the strategic advantage Hessequa presents to possible investors and communities for growth



6.2 Spatial Development Framework

6.2.1 Introduction

The Spatial Development Framework (SDF) for the Hessequa Local Municipality is envisioned as a comprehensive blueprint for enhancing sustainable development, fostering innovation, and promoting economic prosperity within our vibrant community. With a steadfast commitment to excellence and transparency, this framework aims to provide a clear and coherent planning roadmap that aligns with the principles of the Spatial Planning and Land Use Management Act (SPLUMA).

At its core, this SDF seeks to address the challenges of uncoordinated planning while leveraging the unique opportunities inherent to the Hessequa Municipality. Recognising our role as a gateway between the Eastern Cape and Western Cape, we are poised to capitalize on our diverse array of assets, including thriving tourism destinations, abundant conservation resources, a robust agricultural sector, and a legacy of innovative development.

By fostering strategic partnerships and embracing a forward-thinking approach, we aim to fast-track human settlement development, strengthen support for tourism, and promote agricultural diversification. This framework serves as a guiding beacon for future planning decisions, providing invaluable insights and guidelines for effective land use management.

In line with the Municipal Systems Act and SPLUMA, our vision is to cultivate a resilient and inclusive community that thrives on sustainable growth and equitable opportunities. As stewards of our region's rich heritage and natural beauty, we are committed to preserving and enhancing our coastal and inland towns, cultural assets, and environmental treasures for generations to come.

Moreover, the SDF is not only a tool for planning but also a robust spatial transformation tool, instrumental in realising our development vision. Through its implementation, we aim to facilitate meaningful spatial transformation, ensuring that our municipality evolves in a manner that is both socially inclusive and environmentally sustainable.

To achieve this, we will utilise various development levers, drivers, and action areas as key strategic mechanisms directed by the National Spatial Development Framework. Furthermore, we recognise the importance of aligning our SDF with the three (3) themes of the Western Cape Provincial Spatial Development Framework. Horizontal and vertical alignment with neighbouring municipalities will also be prioritised to ensure seamless integration and cooperation in our collective pursuit of regional prosperity.

Through collaborative efforts and a shared vision for excellence, we are poised to unlock the full potential of the Hessequa Municipality and chart a course towards a prosperous and sustainable future.

6.2.2 SPATIAL VISION & Objectives

Spatial Vision Statement:

"Our vision for the Hessequa Spatial Development Framework is to foster a thriving, inclusive, and sustainable region that serves as a model of balanced development and environmental stewardship. Through strategic planning and collaboration, we aspire to create dynamic communities where residents enjoy a high quality of life, businesses flourish, and natural resources are preserved for future generations."

Key Elements of Our Vision:

- We envision vibrant, resilient communities with access to essential services, infrastructure, and affordable housing, promoting social cohesion and well-being.
- Our goal is to stimulate economic growth and diversification, leveraging the region's strengths in agriculture, tourism, and emerging industries such as Renewable Energy to create jobs and enhance prosperity for all.
- We are committed to safeguarding our natural environment, promoting conservation, sustainable resource management, and climate resilience to ensure the long-term health and vitality of our ecosystems.
- Embracing mixed-use development principles, we aim to create walkable, interconnected neighbourhoods that blend residential, commercial, and recreational spaces, fostering a sense of place and community.
- We seek to enhance connectivity through integrated transportation networks, digital infrastructure, and smart planning solutions, facilitating the seamless movement of people, goods, and ideas.
- By adopting a proactive approach to planning, we will anticipate future challenges and opportunities, guiding growth, and development strategically and sustainably.
- We will identify and mitigate risks associated with climate change, natural hazards, and other vulnerabilities, promoting resilience and adaptive strategies to protect our communities and assets.
- Our vision embraces innovation and fosters a spirit of independence, empowering local stakeholders to explore creative solutions and leverage their unique strengths to drive progress.
- Positioned as a gateway between the Western Cape and Eastern Cape Provinces (along the N2), we aim to capitalize on our strategic location within the Garden Route area, facilitating regional cooperation and economic integration.
- Building on our rich cultural heritage and natural attractions, we will harness the potential of tourism as a driver of economic growth, while preserving and celebrating our built environment's unique identity and heritage.
- Our development initiatives will prioritise social equity and inclusivity, promoting opportunities for all residents to participate in and benefit from the region's economic prosperity.
- We will manage development pressure responsibly, balancing growth with environmental conservation and community needs to ensure a sustainable and liveable future for generations to come.
- Our streamlined decision-making processes will facilitate efficient land use management, enabling timely responses to development opportunities and challenges.
- Through a clear spatial targeting framework, we will guide development priorities and investments, optimizing resource allocation and maximizing the benefits for our communities.

6.2.3 Spatial Reconstruction

Drivers of change:

- Population growth
- Economic Development
- Urbanisation
- Trade
- Technological advancements

Action Areas:

- Infrastructure Development: Upgrade and expand road networks, bridges, and public transportation systems.
- Transport Planning: Develop strategies to optimise transportation networks and improve accessibility for all residents.
- Digital Connectivity: Enhance broadband infrastructure to ensure reliable internet access across the municipality.
- Public Transport: Develop effective and reliable public transport systems to provide affordable and safe transport for residents.
- Non-motorised Transport (NMT): Encouraging NMT infrastructure development in all settlements to allow cycling and walking as a safe and viable option within urban areas.
- Spatial Structuring Elements:
- Corridors: Upgrade key transportation corridors linking urban centres, industrial zones, and residential areas.
- Nodes: Develop transportation hubs at strategic locations along major corridors to facilitate intermodal connectivity.
- Zones: Designate transit-oriented development zones around transportation nodes to encourage mixed-use development and maximize accessibility. Housing Restructuring Zones should be supported by the required infrastructure to aid human settlement development on strategically located state and municipal land.

6.2.4 Key Initiatives for Future Development:

The Hessequa Municipal Spatial Development Framework (MSDF) Composite Framework provides a comprehensive overview of spatial planning and development priorities for the municipality. It integrates key zones, corridors, routes, linkages, and settlement typologies to guide sustainable development and infrastructure investment across the region.

Key Zones

The Framework delineates various zones such as Conservation Areas, Extensive Agriculture, Renewable Energy Development, and Marine Protected Zones. These zones highlight the emphasis on preserving biodiversity, supporting sustainable agriculture, and promoting eco-friendly energy initiatives.

Corridors

The Framework identifies critical development corridors, including:

- Agriculture Development Corridors, supporting agricultural expansion.
- CBA (Critical Biodiversity Area) Housing Development Zones, balancing housing needs with biodiversity conservation.

- Proposed Tourism Corridors, emphasizing the economic potential of tourism along coastal and inland areas.
- These corridors ensure targeted and aligned growth while protecting natural assets and promoting economic sectors such as agriculture and tourism.

Key Routes and Linkages

The Framework underscores the importance of horizontal and vertical linkages:

- Horizontal Linkages: Key roads like the N2 and R323 serve as major regional connectors, linking settlements such as Riversdale, Albertinia, and Stilbaai to broader markets and service areas.
- Vertical Linkages: Routes connecting coastal and inland nodes ensure accessibility to remote villages like Vermaaklikheid and Witsand, enabling the flow of goods, services, and tourism.
- The framework also proposes route upgrades, such as the Coastal Route Upgrading, which aims to strengthen the tourism and transport networks.

Settlement Typologies and Node Hierarchy

The settlement typologies emphasize the diversity of urban and rural nodes, categorized based on their size, function, and regional importance:

- 1ST ORDER Node (Riversdale): A regional hub offering administrative, agricultural, institutional, and economic services with mixed-use developments.
- 2nd Order Nodes (Stilbaai, Albertinia, Heidelberg): Service centres supporting specialized functions such as tourism, industry, and cultural activities.
- 3rd Order Nodes (Melkhoutfontein, Witsand, Slangrivier, Gouritsmond): Small-scale settlements focusing on tourism, social services, and low-density residential development.
- Other Nodes (Jongensfontein, Vermaaklikheid, Garcia): Smaller settlements prioritizing historical, eco-tourism, and social services.

Integration and Sustainability

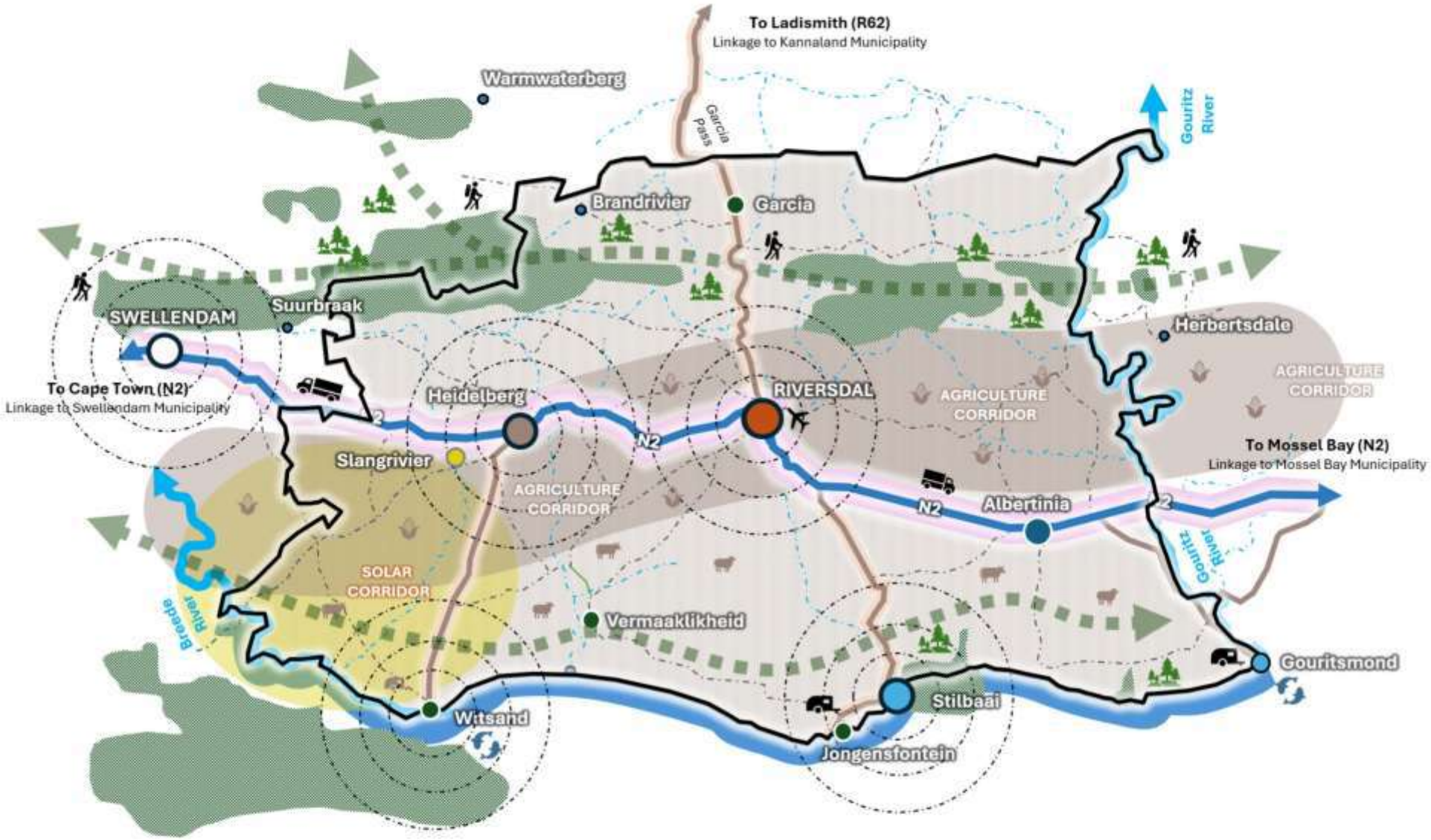
The MSDF's strategic spatial planning ensures:

- Alignment with biodiversity-sensitive areas, as seen in the Ecological Conservation Zones and CBA Corridors.
- Promotion of tourism and eco-development in coastal and inland areas.
- Sustainable expansion of settlements with mixed-use and low-density developments, as seen in towns like Stilbaai and Witsand.
- Inclusion of basic services in remote nodes like Melkhoutfontein and Garcia to ensure equitable development.

In conclusion, the Hessequa MSDF Framework integrates environmental sustainability, economic growth, and community upliftment through a well-structured spatial and nodal framework. It balances development pressures with the municipality's ecological and cultural assets, ensuring a cohesive and sustainable future for all settlements.

**The following maps presented are for overview purposes only, if more detailed information is required, please refer to the approved Spatial Development Framework documentation publicised on the municipal website or local municipal offices.*

Figure 12 - Proposed Conceptual Vision Statement for Hessequa




Kannaland Local Municipality
Oudtshoorn Local Municipality
Swellendam Local Municipality
Barrydale
Herbertsdale
Garcia
Suurbraak
Mossel Bay Local Municipality
Riversdale
Heidelberg
Hessequa Local Municipality
Slangrivier
Albertinia
Boggomsbaai
Vleesbaai
Vermaaklikheid
Melkhoutfontein
Gouritsmond
Malgas
Puntjie
Stilbaai
Witsand
Jongensfontein
Infanta
0 7.5 15 22.5 30 Kilometers
Western Cape Towns
Dams
Rivers
National Road
Main Road
WC Roads
Upgrade Inland to Coastal Routes
Coastal Route Maintenance Priority
Existing National East West Route
Hessequa ICT Lines
Railway Lines
Railway Stations
Fuel Stations
Priority Maintenance Road
Hellipad
Airfields
Cellphone Towers (with 10 km Buffer)
Railway Stations
Mountian Passes
Still Bay Harbour (SEDF's)
Intermodal Facility
Proposed E-Centre
Proposed Wifi Towers
Coastal Route Upgrading
Proposed Link Route
Tourism Gateway
Public Transport Infrastructure
Proposed Tourism Corridor
SECTOR ANALYSIS:
Connectivity and Accessibility
Source: NSDF, DALRRD, SANRAL, Garden Route RSDF
CITEPLAN
HESSEQUA Local Municipality
Hessequa Municipal Spatial Development Framework

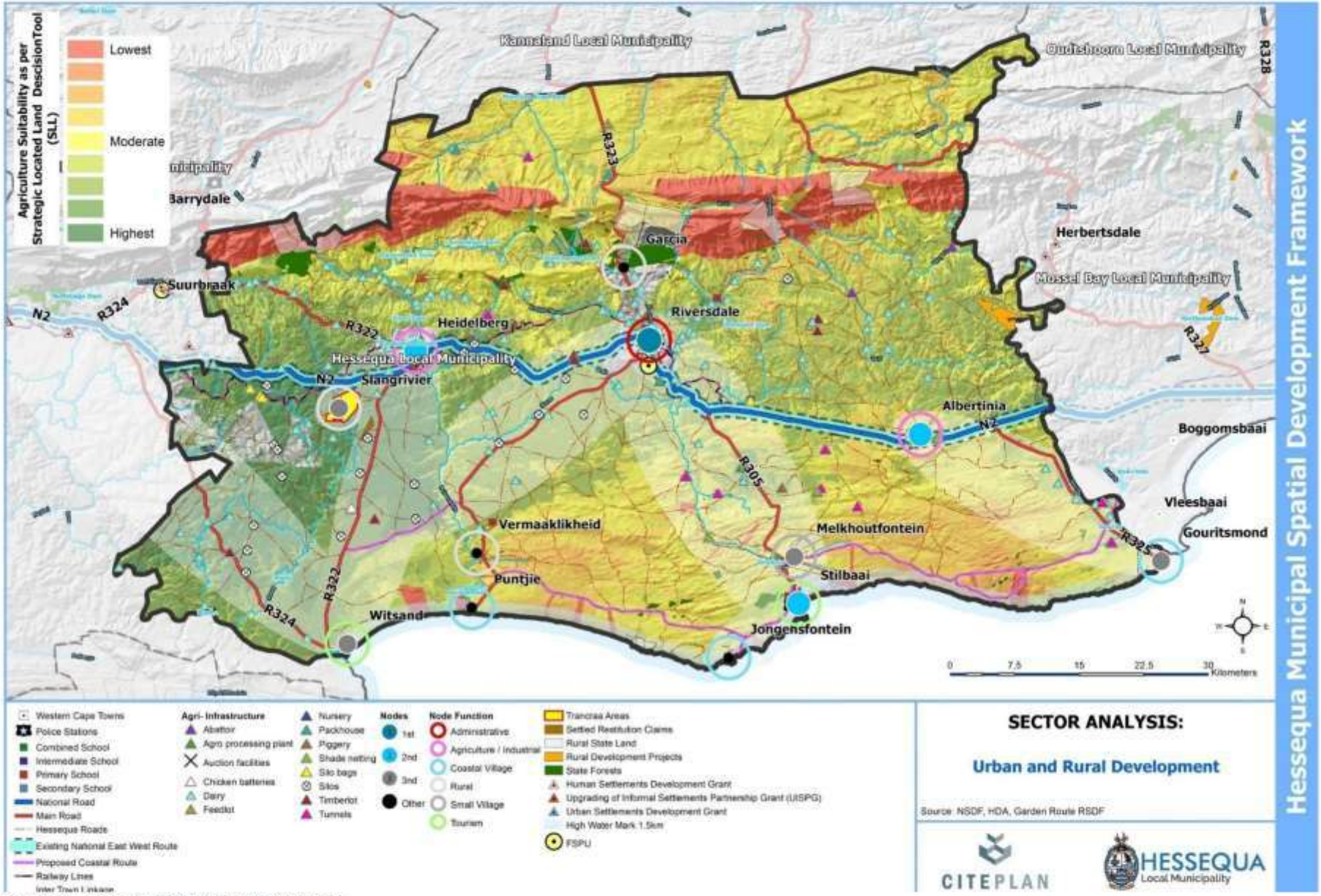
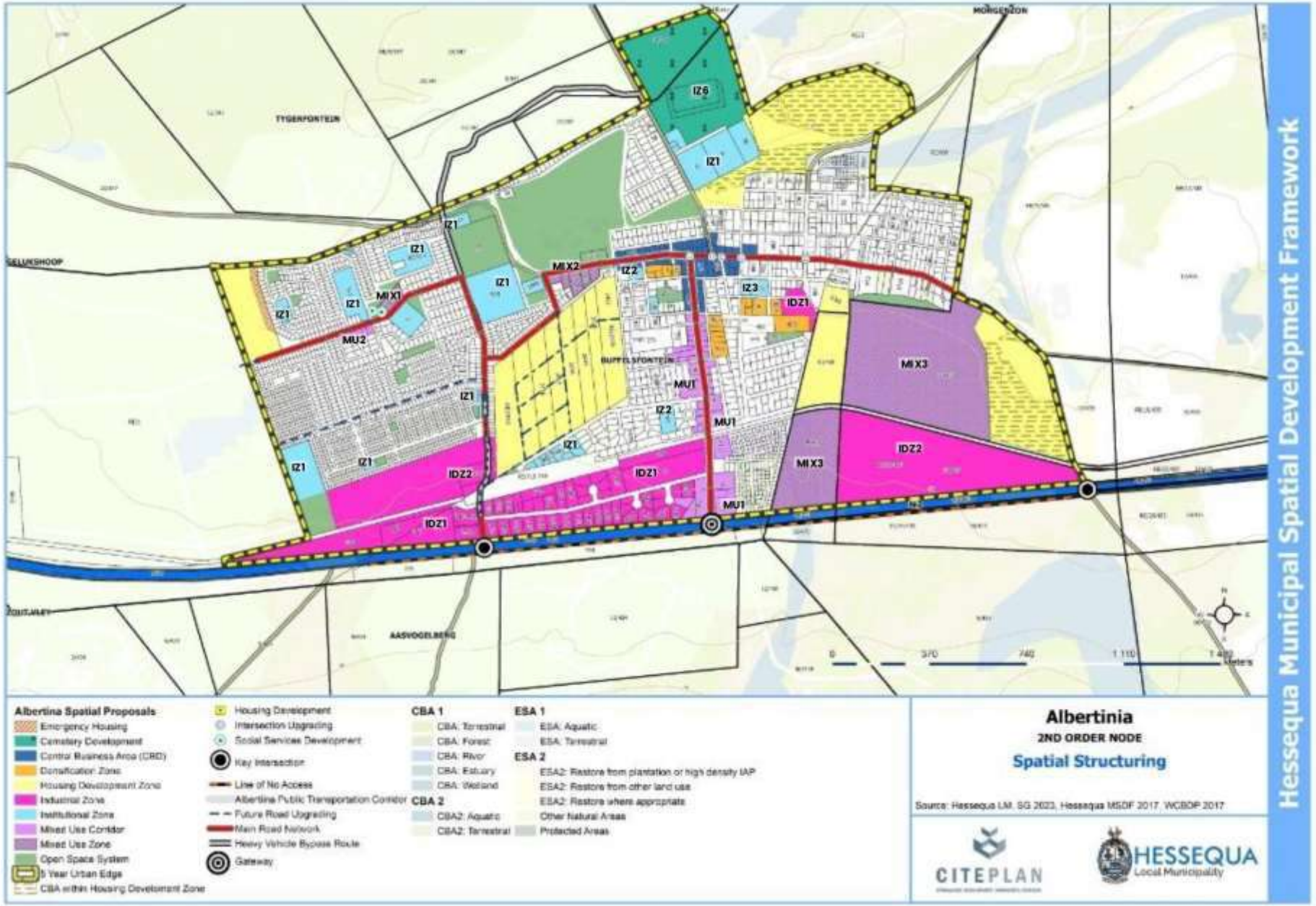


Figure 13 - Hessequa Urban & Rural Development

6.3 Location & Nature of Development Within Each Town

**Note these maps are presented as extracts from the approved Spatial Development Framework. For more information please refer to the Spatial Development Framework documentation on the municipal website or municipal offices.*

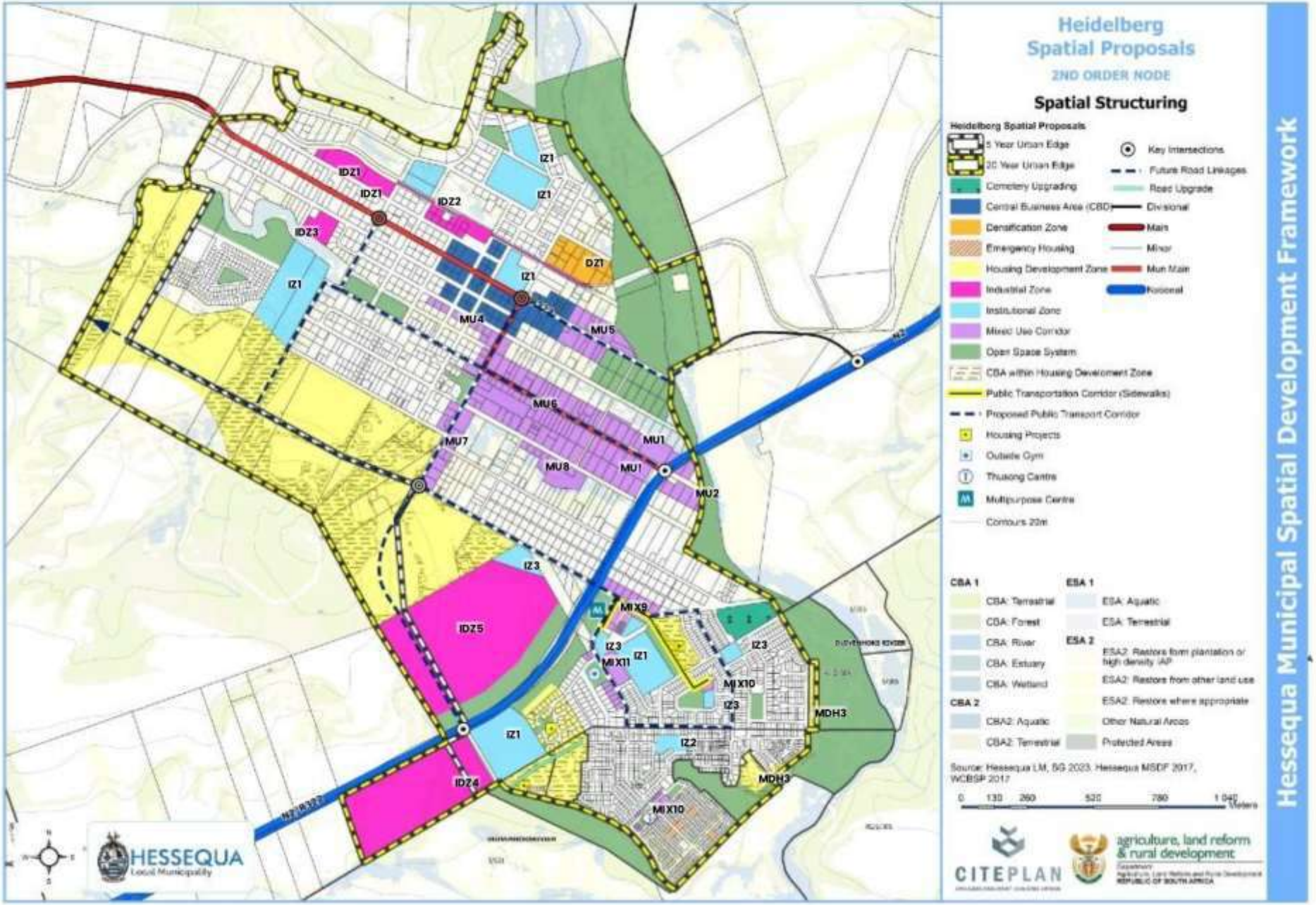
6.3.1 Albertinia



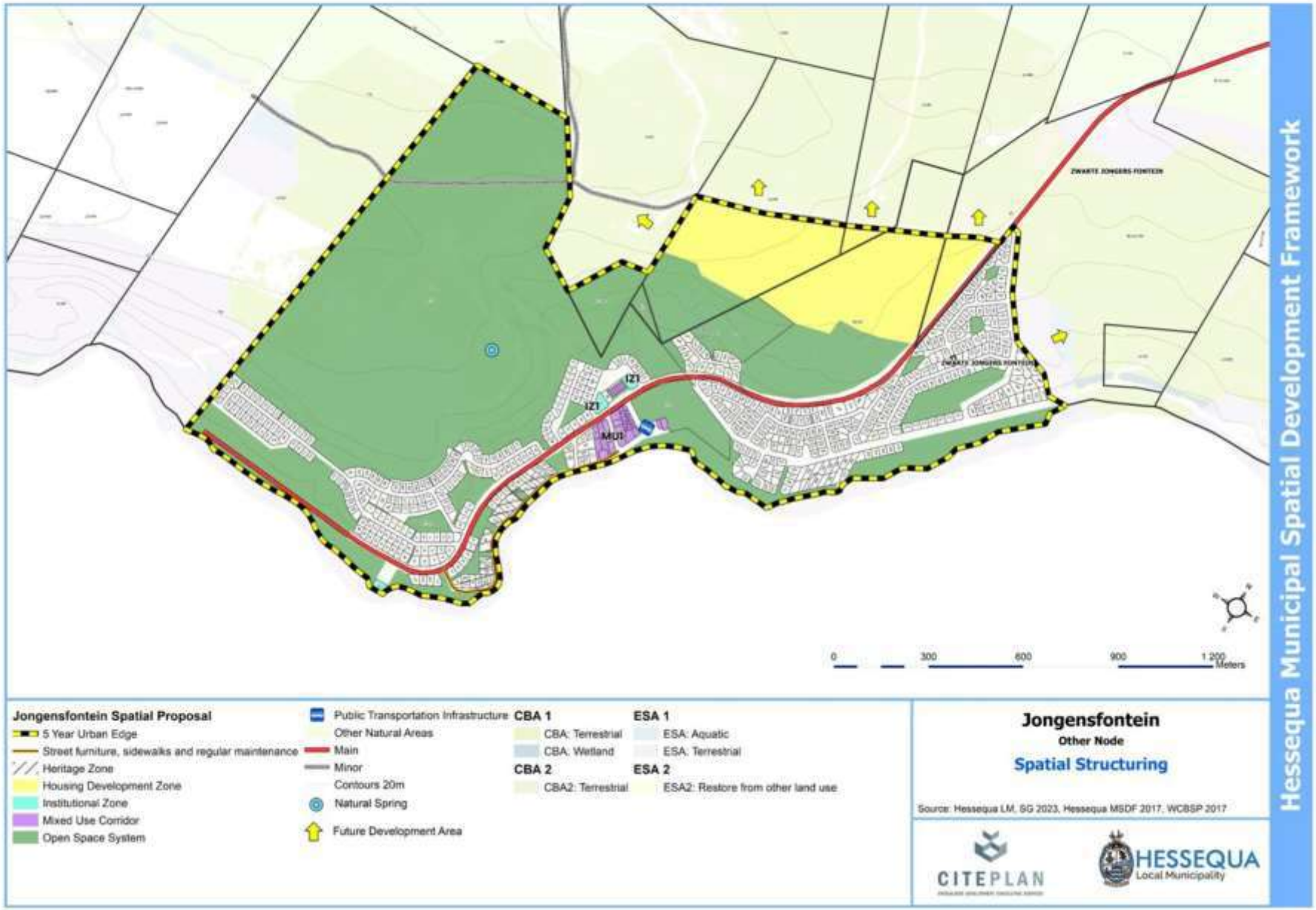
6.3.2 Gouritsmond



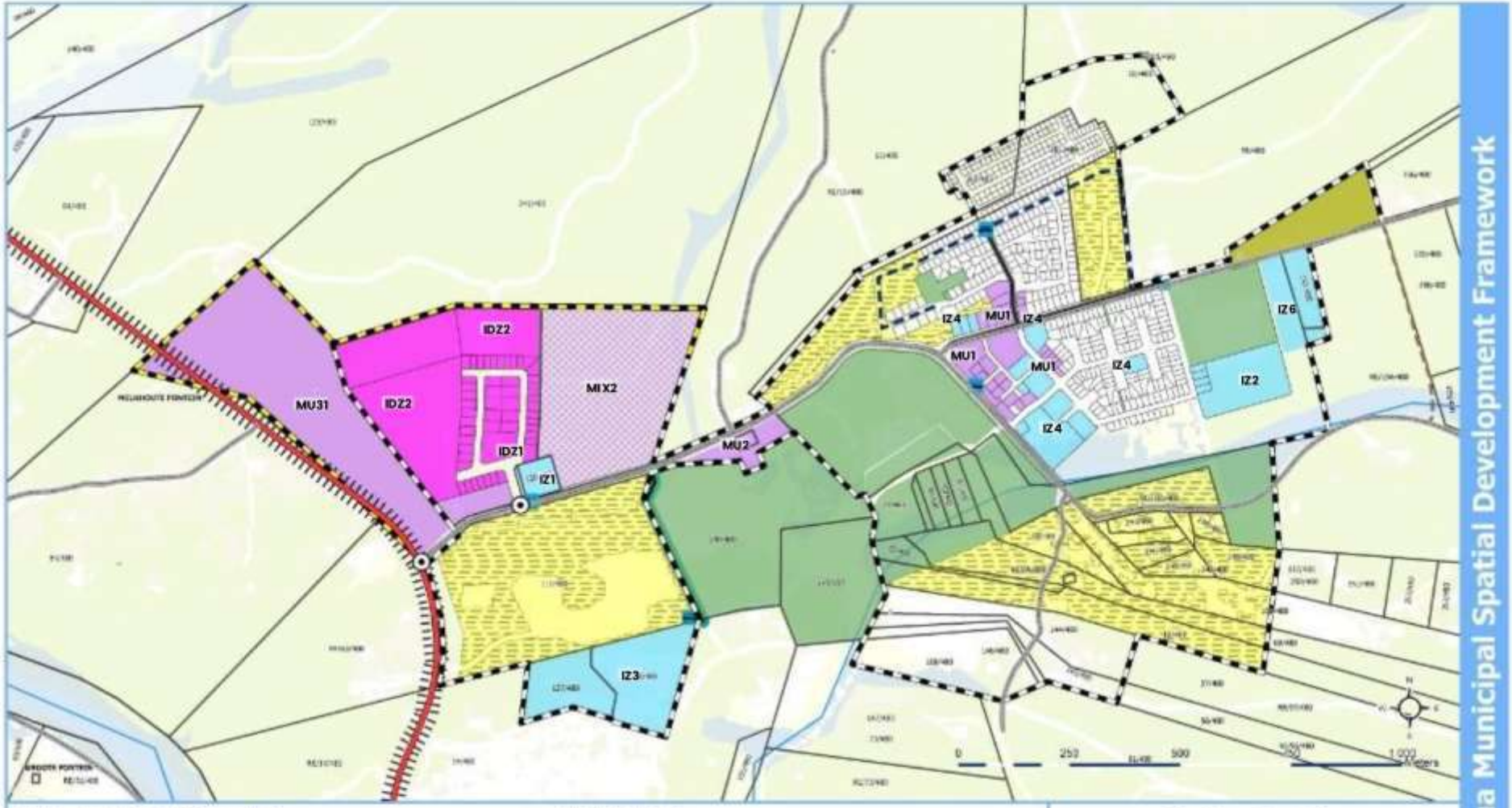
6.3.3 Heidelberg



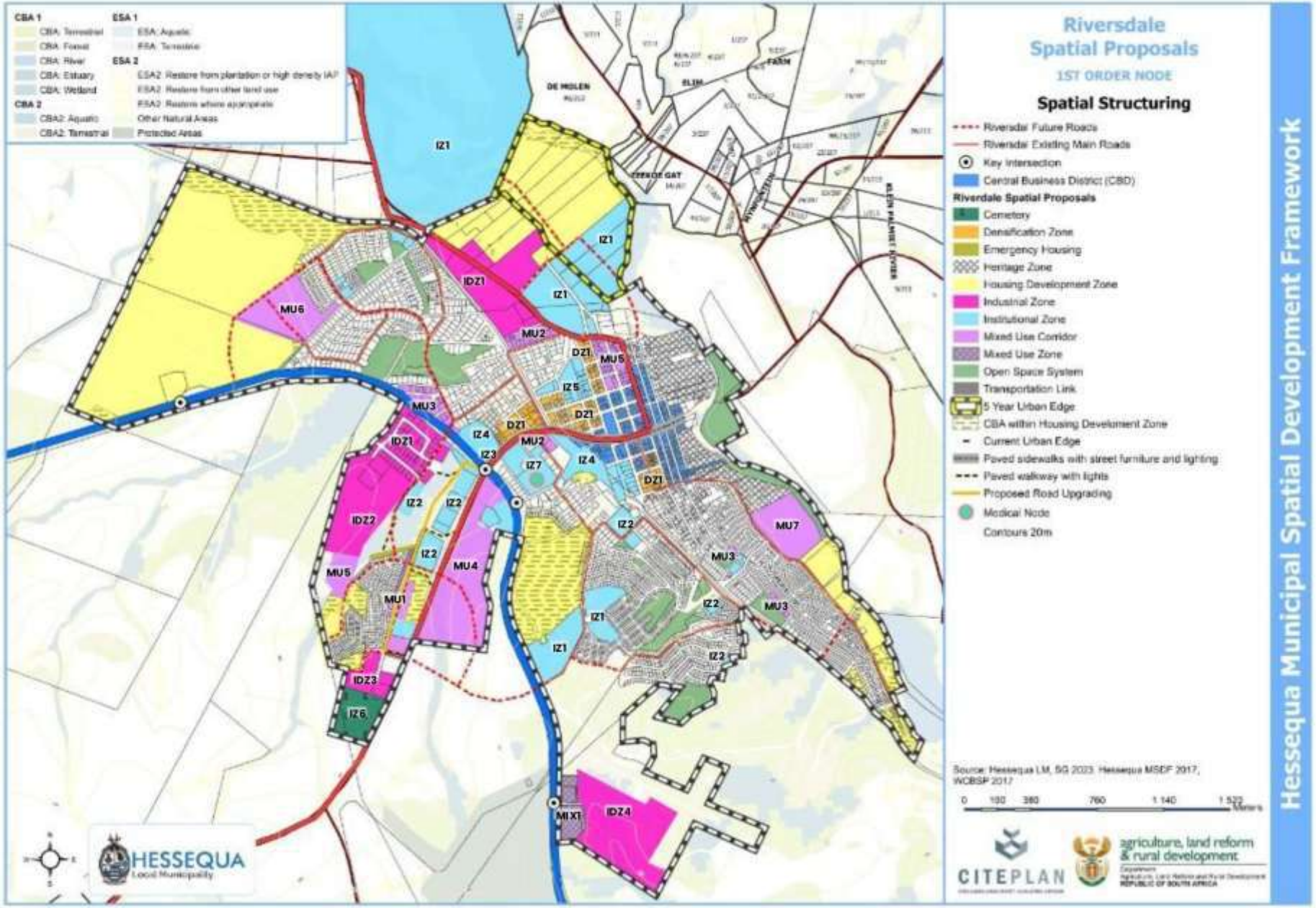
6.3.4 Jongensfontein



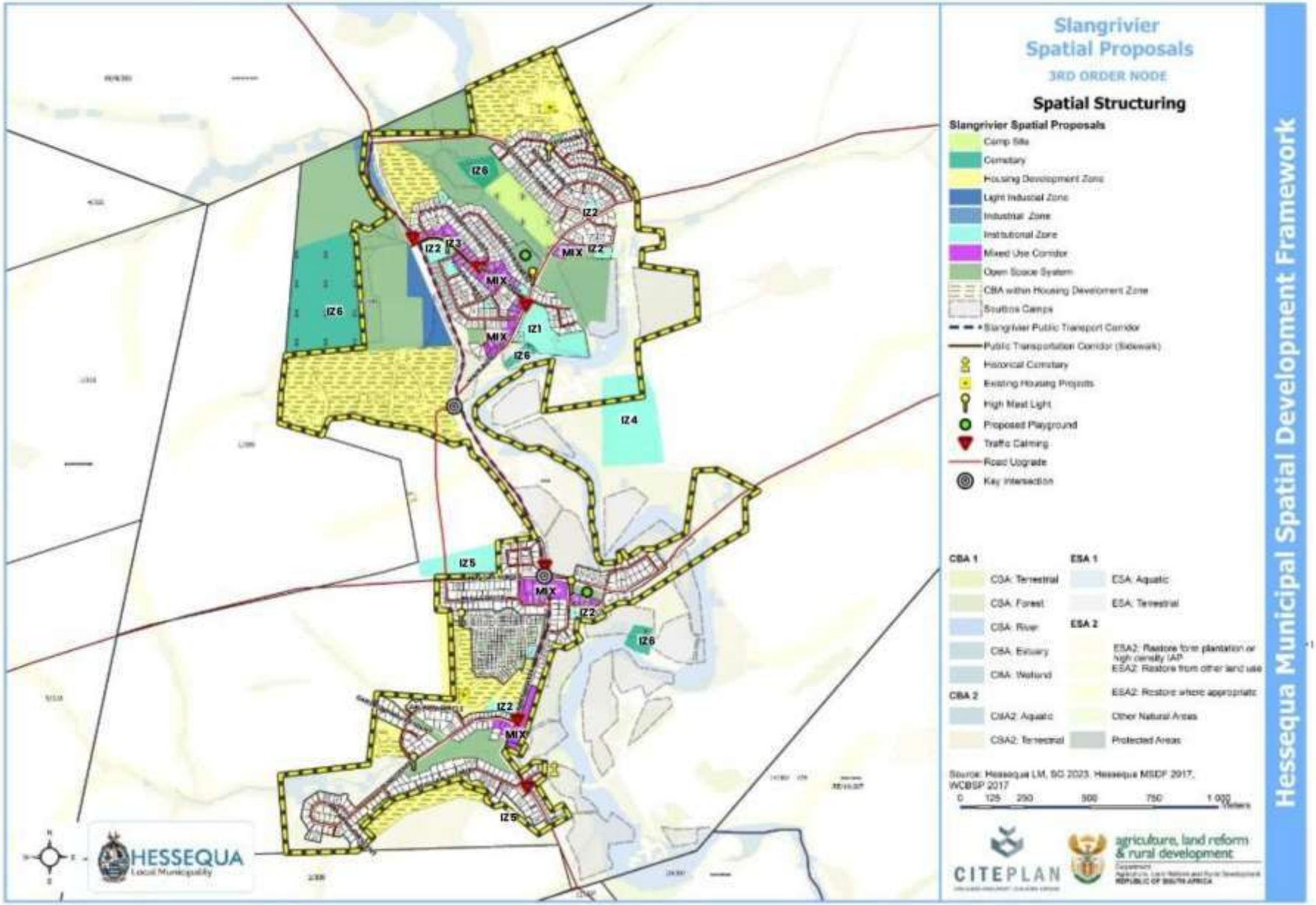
6.3.5 Melkhoutfontein



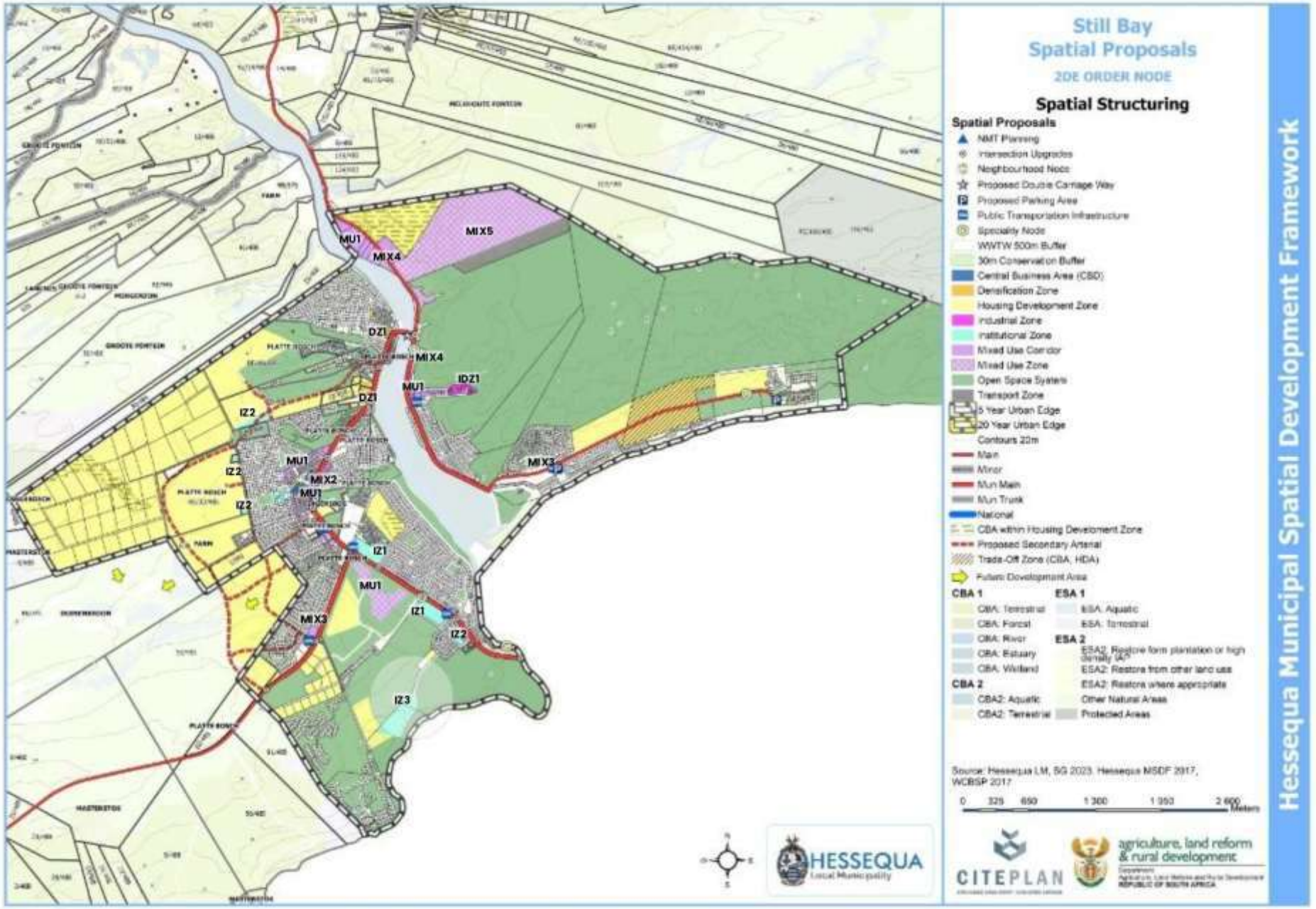
6.3.6 Riversdale



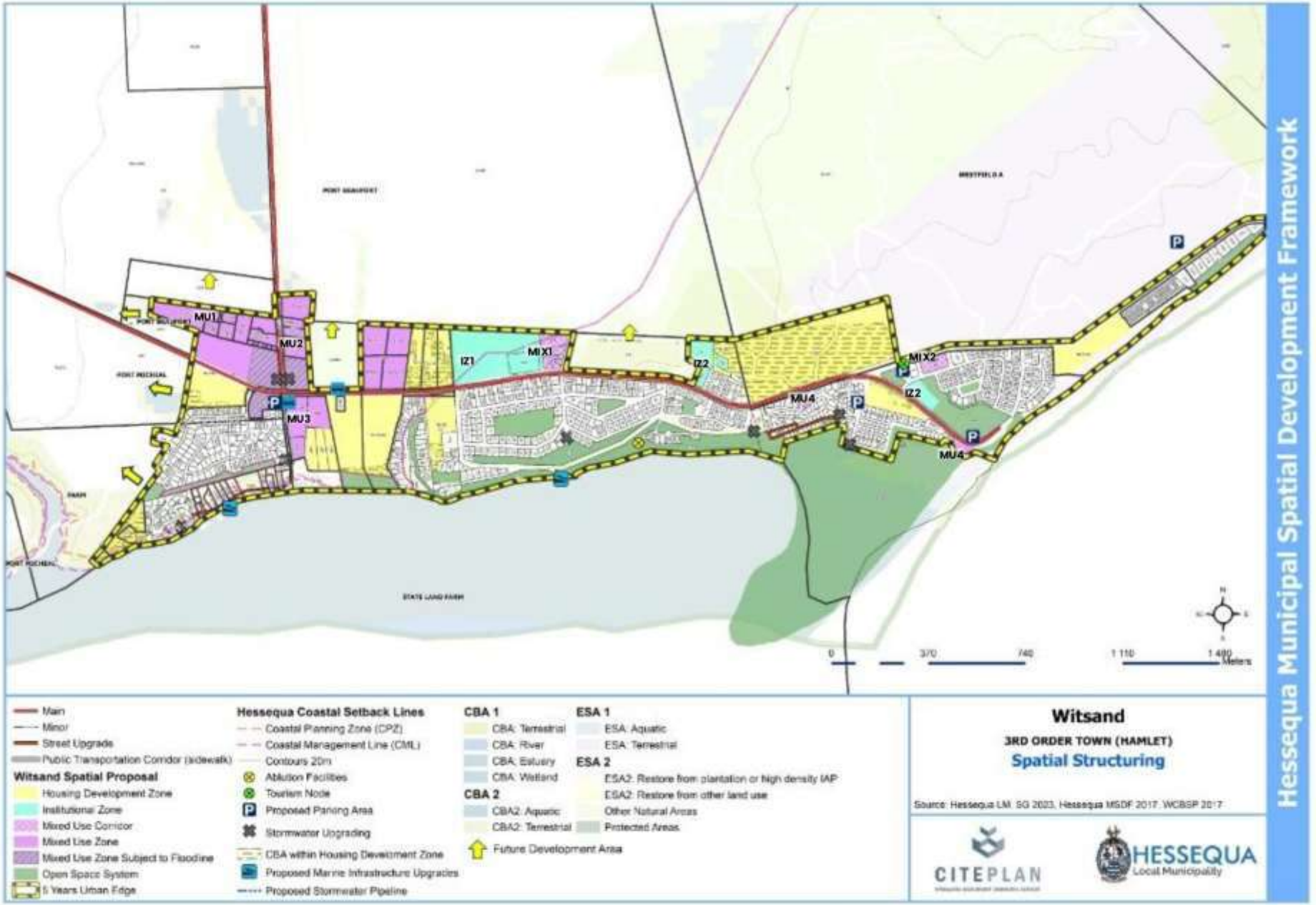
6.3.7 Slangrivier



6.3.8 Stilbaai



6.3.9 Witsand


MU1
MU2
MU3
IZ1
MIX1
IZ2
MU4
MIX2
IZ2
MU4
P
0
370
740
1 110
1 480
Meters
Main
Minor
Street Upgrade
Public Transportation Corridor (sidewalk)
Witsand Spatial Proposal
Housing Development Zone
Institutional Zone
Mixed Use Corridor
Mixed Use Zone
Mixed Use Zone Subject to Floodline
Open Space System
5 Years Urban Edge
Hessequa Coastal Setback Lines
Coastal Planning Zone (CPZ)
Coastal Management Line (CML)
Contours 20m
Ablution Facilities
Tourism Node
Proposed Planing Area
Stormwater Upgrading
CBA within Housing Development Zone
Proposed Marine Infrastructure Upgrades
Proposed Stormwater Pipeline
CBA 1
CBA: Terrestrial
CBA: River
CBA: Estuary
CBA: Wetland
CBA 2
CBA2: Aquatic
CBA2: Terrestrial
ESA 1
ESA: Aquatic
ESA: Terrestrial
ESA 2
ESA2: Restore from plantation or high density IAP
ESA2: Restore from other land use
Other Natural Areas
Protected Areas
Future Development Area
Witsand
3RD ORDER TOWN (HAMLET)
Spatial Structuring
Source: Hessequa LM: SG 2023, Hessequa MSDF 2017, WCBSP 2017
CITEPLAN
HESSEQUA
Local Municipality
Hessequa Municipal Spatial Development Framework

6.4 Disaster Management Plan

In terms of Act 57 of 2000 stipulates that each Municipality must prepare a Disaster Management Plan/Framework for its area according to the circumstances prevailing in the area after consulting with District Municipality. The formulation and implementation of a Disaster Management plan/framework forms part of the IDP process for the Hessequa Municipality.



In accordance with Section 53(2) (a) of the Disaster Management Act, 2002 (Act 57 of 2002) the level 3 disaster management plan for a municipality must form an integral part of the municipality's integrated development plan. (IDP).

The National Policy Framework of 2005 as well as the Provincial Policy Framework of 2010 also provide for the importance of disaster management planning and state that plans are to be revised at least bi-annually.

The Hessequa Disaster Management Plan is in Draft format and will be table before council in May 2020.

Risk Assessments

Key Performance Area 2 of the National Disaster Management Framework states the importance of disaster risk assessments which will inform disaster risk management planning and prioritise disaster risk reduction and preparedness.

The Western Cape Disaster Management Centre assisted Hessequa Municipality in developing their Risk Assessment in 2017 and was tabled to council in April 2017.



The following was identified as the highest risk factors:

- Veld and Wildland Fires
- Floods
- Drought
- Transport of hazardous material, and
- Alien Invasive Species

Reduction Projects

Technical projects to reduce the risk (structural changes, etc)

(vulnerable groups/ communities/ households/ disabled/ elderly/children)

Preparedness Strategies

Departmental preparedness (general)

Hazard specific contingency plans will be attached as annexures (Contingency Plans)

Table 18 - Disaster Management Key Components

HAZARD	MITIGATION AND PREPAREDNESS - MEASURES	RESPONSIBLE STAKEHOLDERS/PARTNERS
1.Veld fires	Implementing a fuel management plan	Disaster management Hessequa Fire Department Garden Route Fire Department Cape Nature WOF EPWWP
	Education and awareness campaigns	Disaster Management Hessequa Fire Department WOF
	Creation of fire breaks (buffer zones around infrastructure)	Hessequa Fire Department Cape Nature WOF
	Incorporating integrated veld fire management	Hessequa Fire Department Garden Route Fire Department Cape Nature WOF EPWWP
	Developing community wild fire adaption plan	Hessequa Fire Department
2. Floods	Incorporate flood mitigation in local planning	Technical Services Disaster Management
	Form partnerships to support flood plain management	Environmental Department Cape Nature SANParks Disaster Management
	Limit or restrict development in flood plain areas	Town planning and Development IDP Disaster Management Environmental Department
	Improve storm water management planning	Technical services
	Monitoring rainfall, for possibility of flash flooding and have early warning devices in	Fire Department Garden Route Fire Transport operators

HAZARD	MITIGATION AND PREPAREDNESS - MEASURES	RESPONSIBLE STAKEHOLDERS/PARTNERS
	high situated areas and catchment areas.	Law Enforcement Traffic Department SAPS (Explosives, Radioactive) SANRAL Provincial Traffic Department SAWS
	Education and awareness campaigns on correct procedures to follow in case of flooding.	Hessequa Fire Department Disaster Management Law Enforcement Communication
	Flood proof residential and non-residential structures	Community member Disaster management Town Planning and development
	Protect and restore natural flood mitigation futures	Environmental Department Town planning and Development
3. HAZMAT: Road & Rail	Ensure compliance with legislation for all industry and transport owners. Ensure compliance with all municipal by laws with regards to hazardous substances.	Fire Department Garden Route Fire Department Environmental Control Law Enforcement Traffic Department Provincial Traffic Department Disaster Management
	Education and awareness campaigns on correct storage, transport and safe handling of hazardous substances.	Disaster Management Fire Department Garden Route Fire Environmental Control Traffic Department Provincial Traffic Department
	Monitoring industry and transport of hazardous substances	Fire Department Garden Route Fire Transport operators Law Enforcement Traffic Department SAPS (Explosives, Radioactive)

HAZARD	MITIGATION AND PREPAREDNESS - MEASURES	RESPONSIBLE STAKEHOLDERS/PARTNERS
		SANRAL Provincial Traffic Department
	Combat and Support agency agreements (establishing an advisory forum?)	Transnet Petrol SA Hessequa Fire Department Garden Route Fire Department Disaster management SAPS EMS Traffic
	Establish adequate communication structures with relevant stakeholders (information purposes of transport schedules)	Transnet Petrol SA Hessequa Fire Department Garden Route Fire Department Disaster management
	Conduct vehicle inspections	Local traffic Provincial traffic Hessequa Fire Department
	Ensure all relevant agencies involved know their roles and responsibilities	Transnet Petrol SA Hessequa Fire Department Garden Route Fire Department Disaster management SAPS EMS Traffic
	Disseminate information regarding Hazard	Local and Provincial Traffic
	Fire department to develop SOP	Garden Route Fire Department
4. Alien Invasive Species	Drafting of Invasive Plant Control Plan for municipal properties as per National Environmental Management: Biodiversity Act.	Environmental Management Parks and Recreation South African National Parks SCFPA/farmers association National Dept Environmental Affairs

HAZARD	MITIGATION AND PREPAREDNESS - MEASURES	RESPONSIBLE STAKEHOLDERS/PARTNERS
	Education and awareness campaigns	Environmental Management Fire Department South African National Parks
	Compliance monitoring	Environmental Management Parks and Recreation National Department of Environmental Affairs
5. Drought	Community Education/awareness	Technical services Disaster Management Communication
	Monitor drought conditions	Disaster Management Technical services
	Monitor water supply	Disaster Management Technical services Cape Nature Health
	Plan for drought	Disaster Management Technical services Cape Nature Farmers Hessequa Fire Department
	Require water conservation during drought conditions	Technical service Cape Nature Communication Farmers Agriculture Disaster Management
	Prevent overgrazing	Farmers Agriculture
	Retrofit water supply systems	Technical Services Disaster Management Garden Route District Municipality
	Enhance landscaping and design measure	Environmental department Town Planning Disaster management

HAZARD	MITIGATION AND PREPAREDNESS - MEASURES	RESPONSIBLE STAKEHOLDERS/PARTNERS
		Housing
	Educate residence on water saving techniques	Technical services Disaster management Communication
	Educate farmers on soil and water conservation practices	Department of Agriculture Communication
	Identifying secondary water sources	Technical services Department of agriculture Financial IDP
	Clearing of catchment areas	EPWWP Environmental departments Parks and recreational Technical services Cleansing services

Development Strategies

1) Initiate a process of Disaster mitigation within the Hessequa Municipal area.

2) Undertake an audit of the preparedness of the Hessequa Municipality and other relevant role-players in dealing with disasters and potential disaster and devise mechanisms to deal with such disasters.

3) Develop appropriate response mechanisms, procedures protocol and methodology to effective deal with disasters.

4) Identify specific locations and/or communities at risk of disaster and put plans and procedures in place to ensure maximum readiness to deal with such disasters. Suggested actions and projects in this regard include the following.

5) Enhance and expand fire stations in the Hessequa area.

6) Devise and implement appropriate recovery mechanisms as part of the integrated approach to disaster management in the Hessequa Municipality is an effort to minimize the future potential of hazards, risk and vulnerability.





6.5 Integrated Environmental Management

6.5.1 Introduction

Hessequa Municipality is located within an area of world class biodiversity and of a unique conservation value. This is a result of both the inland aquatic and terrestrial ecosystems as well as the diverse coastal and marine habitats. For this reason, Hessequa Municipality made sustainable development as one of their key objectives and as proof we have nature reserves in each town and supports all conservancies, conservation and greening strategies as well as private nature reserves within our jurisdiction. It should be noted that while Hessequa literally means "*the prosperous tribe which comes from the place of the trees*" our region is currently more known for its fynbos rather than for our trees. Thousands of years ago this area was dominated by indigenous forest but over the years and with increasing pressure from us as humans the biomes changed to what is now known as the Cape Floristic Kingdom. The Hessequa Municipality therefore promotes sustainable development: sustainable use of resources, sustainable transport, energy efficiency, recycling, sustainable use of water resources, the use of renewable energy and other environmentally friendly practices.

The latest edition to the Hessequa Integrated Development Plan is the introduction of an Environmental Management Framework (EMF). The EMF can be defined as a spatial decision support tool which can be used in forward planning, environmental governance as well as land use management within the Hessequa municipal domain and should be complementary to Hessequa Spatial Development Framework. Aspects covered in the EMF is as follow:

1. Geomorphology
- Topography, Geology and mineral deposits, Soils, Land Cover and land use
2. Climate Change
- Description of municipal climate/climate change e.g. average temperature/precipitation, rainfall, sunshine, pressure, or wind temperature, drought
3. Biodiversity & Conservation
- Sensitive ecosystem, wetlands, red data species, protected areas
4. Integrated Coastal Management
- Coastline, infrastructure opportunities, accessibility to the coast for socio-economic
5. Water Sources
- Catchment characteristics, Surface water resources, Ground water sources, Wetlands, Aquifers
6. Invasive Plants
- Invasive Vegetation Management
7. Nature Reserves
- Municipal Nature Reserves

6.5.2 Environmental Management Overview

AIR QUALITY MANAGEMENT	Description/Detail	Supporting Information
Air Quality Management Plan developed and adopted/approved by Council?	The Air Quality Act and the National Framework both gives directive for municipalities to compile air quality management plans (AQMPs) to guide them in their air quality management activities. As can be expected, a municipal AQMP must be in line with the AQMP of the province in which it is located and provincial AQMPs must be in line with the National AQMP, i.e. the National Framework. However, cognisance must be taken of the differences between regions and municipalities, implying that each municipality's AQMP must be uniquely applicable to its operations. Hessequa Municipality has its own AQMP which is in line with that of Garden Route District Municipality. The initial 2014 plan has been revised and substituted with a 2019 – 2023 version.	Council Approval: - 25.09.2019 Document Available Link (Environmental Management Folder): https://www.hessequa.gov.za/document-library/ Validity: - 2019 - 2023
Submission of AQO Annual Report & report on implementation of air quality management plan	This is done annually to all relevant stakeholders including Council. Information captured in the report includes: - Status of air quality in the Hessequa region - Atmospheric dispersion modelling - Permitted small fuel burning appliances - Licensed facilities - Listed Activities - Inspections/Complaints - Ambient air quality monitoring - Emission Monitoring	Annually after conclusion of the specific financial year.
Developed Air Quality Management By-Laws	Approved Hessequa Municipality Air Quality Management By-laws.	Promulgated: January 2009 Document Available Link (Environmental Management Folder):

AIR QUALITY MANAGEMENT	Description/Detail	Supporting Information
		https://www.hessequa.gov.za/document-library/
Air quality monitoring stations and monitoring of ambient air quality pollutants	Garden Route District Municipality's portable ambient air quality analyser is commission and stationed in potential hotspot areas in the Hessequa Region.	Frequency: Annually or as per complaints received
Designation of Air Quality Management Officer	Hessequa Municipality has a designated Air Quality Management Officer.	Designated Official: Manager: Environmental Management Council Approval: 03.06.2013
Compliance, Monitoring and Enforcement by Environmental Management Inspectors	Hessequa Municipality have two designated EMIs.	Grading: Grade 2
Allocation and availability of Air Quality Management related work budget	An annual budget is made available for Air Quality Management.	Budget is also utilised for awareness initiatives.
BIODIVERSITY AND CONSERVATION		
Availability of Alien Invasive Species Eradication Plan	Alien invasive species eradication plan has been compiled and gravitates into the EMF as a spatial layer. An annual budget is made available for the implementation of the Alien Invasive Species Eradication Plan.	Invasive vegetation control plans specific to certain areas flow from the plan.
Alien clearing initiatives and projects implemented by the municipality	Hessequa Municipality have various invasive vegetation eradication projects as it flows from the Alien Invasive Species Eradication Plan. New projects are identified and annually implemented and follow-ups conducted on previously cleared properties.	Various partners are involved in the management of invasive vegetation in the Hessequa Region, which includes, but are not limited to: - Gouritz Cluster Biosphere Reserve - Local Farmers - Southern Cape Fire Protection Agency - Various Conservancies - Department of Forestry, Fisheries and the Environment (under their Working for… programmes)
Municipal Protected areas/ nature reserves	There are individual management plans compile the municipal	Nature Reserve Management Plans:

AIR QUALITY MANAGEMENT	Description/Detail	Supporting Information
	nature reserves. The focus of the management plans is to provide guidelines for veld management and infrastructure management. The plans are intended to be a "hands-on" practical guideline for the management of the reserves irrespective of who will do the implementation. It will also serve to guide annual financial planning for the reserves, and the use thereof will ensure continuity of management actions. Implementation of the plans are budgeted for annually.	- Gouritsmond Commonage, - Pauline Bohnen Nature Reserve, - Werner Frehse Nature Reserve, - Witsand Nature Reserve, - Skulpiesbaai Nature Reserve, and - Jongensfontein Nature Reserve.
Protection and conservation of sensitive ecosystem such as wetlands and others & rehabilitation of degraded areas such as erosion	Various projects have been identified and implemented within the Hessequa region. This range from upper-catchment rehabilitation to mitigating the impact of coastal erosion. Hessequa Municipality have approved dune management plans for various dynamic dune systems in the municipal area.	Partners and project implementers: - Gouritz Cluster Biosphere Reserve - CapeNature - DFFE (EPIP and Working for the Coast) - DEA&DP
Availability of Open Space management plan	The management of public open spaces are being guided by a series of policies, management plans and strategies.	Tree Policy Alien Invasive Vegetation Management Plan Environmental Policy
Availability of Biodiversity By-Laws	Hessequa Municipality have a range of by-laws which deals with biodiversity management.	Applicable by-laws: - Public Amenities - Commonage
Allocation and availability of Biodiversity related work budget	Biodiversity related budgets are made available annually.	
CLIMATE CHANGE		
Climate Change Response Plans/Strategies	**<u>Climate Change Strategy 2016</u>** This document is in line with the provincial climate change strategy and objectives. The Western Cape is at risk from projected changes in rainfall patterns and warming induced by changes in the global energy balance and atmospheric water balance. Hessequa will therefore be affected by climate change in the foreseeable future.	

AIR QUALITY MANAGEMENT	Description/Detail	Supporting Information
	Climate change is caused by human activities resulting in the rise of greenhouse gas concentrations in the atmosphere, in turn increasing the average temperature of the atmosphere. Within the municipal area there are several green economy initiatives that aim to ensure sustainable natural resource utilisation as well as programs that actively combat the effects of climate change, this document seeks to act as a synopsis of these initiatives. **Hessequa Climate Change Adaptation Plan** This document is in line with the draft climate Change Adaption Plan of the Garden Route Municipality and was developed in partnership with the Climate Change Sub Directorate of the Western Cape Department of Environmental Affairs and Development Planning as part of the Climate Change Municipal Support Programme. This plan is a first step that aims to create an enabling environment which will support a district-wide and a coordinated response to climate change in the Garden Route. Hessequa Municipality assisted in the collation of the draft climate Change Adaption Plan of the Garden Route Municipality and features as a Section within.	
Amendment of Disaster Management Plans to include Climate Change Response	Refer to Disaster Management Section	
Climate Change response related initiatives and projects	There are several climate change related projects initiated by the municipality.	Projects includes but are not limited to: - Dune management - Air quality monitoring - Waste recycling, reduction and reuse

AIR QUALITY MANAGEMENT	Description/Detail	Supporting Information
		- Invasive vegetation management - Erosion control - Desalinisation (water security)
Mainstreaming of climate change in sector and strategic plans	Climate Change and the impacts there off is considered in all Hessequa municipal strategic documentation as well as sector plans i.e. LED, Infrastructure, Water, Waste etc.	
Allocation and availability of Climate Change related budgets	No fixed budget but can be linked to the various climate change action projects	List of Climate change action projects – check adaptation plan
INTERGRATED COASTAL MANAGEMENT		
Coastal Management Programme	**Garden Route District Municipality: Coastal Management Programme** The Garden Route District Municipality: Coastal Management Programme (CMP) was developed in accordance with the requirements of Chapter 6 (Section 48, 49 and 50) of the National Environmental Management: Integrated Coastal Management Act (Act 24 of 2008) (ICMA), which was promulgated to establish the statutory requirements for integrated coastal and estuarine management in South Africa. Hessequa municipality co-funded the program as it included our coast. The Coastal Management Program is a tool that the ICM Act uses to achieve its aims and are viewed as policy directives that will enable a coordinated strategic approach to coastal management within a 5-year timeframe. According to the DEA guideline document, the main objective of a CMP is to collect and combine environmental, economic and political factors that influence the sustainable utilization of coastal	For the benefit of the reader, ICMA (Act 24 of 2008) provides the following definition of municipality: ***"municipality*** *–* *(b) in relation to the implementation of a provision of this Act in an area which falls within both a* *local municipality and a district municipality, means -* *(i) the district municipality; or* *(ii) the local municipality, if the district municipality, by agreement with the local municipality,* *has assigned the implementation of that provision in that area to the local municipality;"* Although discussions have taken place, the district municipality has not yet assigned the function of coastal management to the Hessequa Municipality. By implication, even though Hessequa Municipality have various coastal management initiatives which is currently being implemented, the mandate to

AIR QUALITY MANAGEMENT	Description/Detail	Supporting Information
	resources into plans of action that provide for a coordinated approach for coastal managers and practitioners. The plan has lapsed but revision thereof by District is imminent.	develop and implement a CMP does not reside with the local authority, but with the relevant district municipality.
Promotion of Coastal Access	With increasing population growth and visitor numbers within coastal cities and towns, is it important that coastal accesses be easily and equally be made available to all who wish to enjoy this natural public resource. Historically, the provision of coastal access in South Africa has been inequitable. Both physical access as well as access to resources was denied to most South African citizens. The National White Paper for Sustainable Coastal Development (DEAT, 2000), detailed the national intent to redress this imbalance and details specific management goals as follows: • *"to ensure that the public has the right of physical access to the sea, and along the sea shore, on a managed basis;* • *to ensure that the public has the right of equitable access to the opportunities and benefits of the coast, on a managed basis;* • *to preserve, protect or promote historical and cultural resources and activities of the coast; and* • *to ensure that the State fulfils its duties as the legal custodian off all coastal State assets on behalf of the people of South Africa."* These goals were later enacted via the National Environmental Management: Integrated Coastal Management Act, 2008 (Act No 24 of 2008, as amended) (ICM Act)	

AIR QUALITY MANAGEMENT	Description/Detail	Supporting Information
	cementing the South African public's right to access the coastal zone. As part of the larger project to determine coastal management lines as well as development setbacks for the Garden Route District (as was undertaken by the Western Cape Government) a smaller coastal audit was also undertaken. This audit includes existing and historic coastal access land as well as admiralty reserves and included recommendations in respect to land that could be designated as coastal access land. This audit was in support of the Garden Route District Municipality as well as the Hessequa Municipality and is an ongoing process which will be included in the Garden Route Coastal Management Programme (new revision) as well as that of the Hessequa Municipality (once the function of coastal management has been assigned).	
Availability of Coastal Management By-Laws	A Coastal Management By-Law will and can only be developed and adopted once the Garden Route Coastal Management Programme has been revised.	For the benefit of the reader, ICMA (Act 24 of 2008) dictates as follow: ***"50. By-laws*** *A municipality may administer its coastal management programme and may make by-laws to provide for the implementation, administration and enforcement of the coastal management programme."*
Availability and participation of Coastal Management Committee	The Hessequa Municipality is an active member of the following Committees: 1. Garden Route Coastal Committee (MCC) 2. Garden Route Estuaries Task Team 3. Gouritz Estuary Advisory Committee 4. Goukou Estuary Advisory Committee	

AIR QUALITY MANAGEMENT	Description/Detail	Supporting Information
	5. Breede River Estuary Advisory Committee 6. Liaison Committee (Lower Breede River Conservation Trust)	
Allocation and availability Integrated Coastal Management related budgets	Coastal management is budgeted for annually under the budget of the Department: Environmental Management as well as that of the Directorate: Technical Services.	Most of the budget spending is included in the Department's general Operational budget. However, the availability of separate/specific budgets should also be taken cognisance of, this included, but are not limited to: - Blue Flag Beaches - Dune management programmes - Coastal infrastructure - Working for the Coast Programs as well as that of Environmental Protection and Infrastructure Programmes.
WASTE MANAGEMENT		
Designation of Waste Management Officer	The Hessequa Municipality has a designated Waste Management Officer which resides in the Directorate: Technical Services	Designated Official: Director: Technical Services Council Approval: 26.03.2020
Availability of the Integrated Waste Management Plan (IWMP)	Hessequa IWMP was adopted and approved by the Hessequa municipal council as well as submitted to the MEC for assessment and endorsement.	Council Approval: - 26.03.2020 Document Available Link (Environmental Management Folder): https://www.hessequa.gov.za/document-library/ Validity: 2020 - 2025
Availability and status of waste bylaw, aligned to the NEM: Waste Act	Approved Hessequa Municipality Waste Management By-laws.	Promulgated: December 2008 Document Available Link (Environmental Management Folder): https://www.hessequa.gov.za/document-library/

AIR QUALITY MANAGEMENT	Description/Detail	Supporting Information
Availability and status of landfill site - licenced or not compliance to licence	There are 8 waste management facilities in the Hessequa Municipal area, one of which is not operational anymore. They are the Albertinia Waste Disposal Facility, Droëkloof Waste Disposal Facility, Steynskloof Waste Disposal Facility, Slangrivier Waste Disposal Facility, Jongensfontein Waste Disposal Facility, Gouritsmond Waste Disposal Facility, Witsand Waste Disposal Facility and Melkhoutfontein Waste Disposal Facility.	
Percentage of households that receive basic waste removal services	The percentage of households that receive waste removal services is 82%.	
Indicate percentage of indigent households that receive free basic waste removal services	Refer to Waste Management section.	
Status of waste collection in business and urban areas	Waste collection for business is three times a week and urban areas are once per week.	
Status of waste collection in informal settlement areas	All the towns in the municipal area have a solid waste programme in place and all households are serviced once a week.	
Status of waste collection in rural areas	Transfer stations are strategically place throughout the Hessequa rural community and serviced once a week.	
Availability and status of other waste facilities	Drop-offs and transfer stations are provided, and recycling buy-back centres are made provision for. List of waste facilities are provided in the IWMP.	Recycling buy-back centres includes: - Henque Waste
Availability and status of alternative waste treatment/diversion/minimization initiatives	This information is captured on the IWMP	
SAWIS and IPWIS reporting	Reporting on IPWIS and SAWIS are done as required.	
Allocation and availability of waste management related budgets	Hessequa Municipality have a dedicated waste management budget	

AIR QUALITY MANAGEMENT	Description/Detail	Supporting Information
ENVIRONMENTAL GOVERNANCE AND CROSS CUTTING ISSUES		
Municipal projects consider EIAs	All new municipal infrastructure projects are screened for potential environmental impacts that might require authorization. Project planning and budgeting makes allowance for the appointment of EAP's with the associated timeframes. All new developments are screened for the activation of listed activities and where required referred to the Department of Environmental Affairs and Development Planning (DEA&DP) as and when required. Building plans and land-use applications are therefore only considered upon positive confirmation from DEA&DP.	This is done by the municipal internal screening process with the assistance of; - Screening tool - CapeFarmMapper - Hessequa EMF - Relevant regulations as it stems from NEMA (Act 107 of 1998)
Commenting on EIA as Affected and Interested Parties (I&AP)	Hessequa Municipality where identified as an I&AP provides comments on proposed developments/EIAs/Mining Applications/Permitting and Land-Use Applications.	Various internal directorates and departments are regarded as commenting bodies: - Directorate: Technical Services - Department: Town Planning - Department: Environmental Management
Environmental advocacy/ empowerment/ education and awareness	Addresses air quality management, biodiversity, conservation, climate change, coastal management, waste management, water management, environmental impact assessment as it stems from the Hessequa Environmental Education Strategy 2016.	**Hessequa Environmental Education Strategy** Strategy was compiled to give direction to the environmental education initiatives and activities of the municipality. Awareness raising encompasses most of the service delivery objectives of the municipality such as water and waste management and this strategy aims to act as overarching document. Document Available Link (Environmental Management Folder):

AIR QUALITY MANAGEMENT	Description/Detail	Supporting Information
		https://www.hessequa.gov.za/document-library/
Examples of Environmental Awareness Initiatives	**#100000TreeCampaign** #100000TreeCampaign" is an environmentally friendly initiative which was established by Hessequa Municipality with the goal of creating a sense of belonging and wellbeing for all citizens in our area. The municipality therefore encourages community involvement in making Hessequa 110% green. Through this campaign the municipality also aims to facilitate the restoration of ecosystems which underwrite the health and livelihood of these communities. **Various awareness materials** are developed for distribution amongst the public including: - Posters - Pamphlets - Promotional Materials - Puppet shows - Themes vary from wetlands, coastal management, waste management and fire management. - Exhibitions at various environmental events - Working on Fire EE Program Other environmental Awareness initiatives: - Vehicle emission testing - Radio talks	
Organizational structure supporting environmental functions such as Air Quality Management, Biodiversity and Conservation, Climate Change, Coastal Management, Waste Management, Integrated	These function except for Integrated Waste Management resides with the Department: Environmental Management. Integrated Waste Management falls under Directorate Technical Services which have a formal structure in place dedicated to the	

AIR QUALITY MANAGEMENT	Description/Detail	Supporting Information
Environmental Management, Environmental Advocacy and designation of officers in line with NEMA/SEMA requirements	provision of these services as it stems from the relevant statutes.	
Allocation and availability of budgets for staffing of environmental unit, environmental advocacy, EMF, SEA and EIA	Hessequa Municipality have an operational environmental management department which deals with amongst others, environmental related functions.	Environmental management have its own budget

6.5.3 National Department Of Environmental Forestry And Fisheries Supported Programmes

Working for the Coast Programme

The Department of Environmental Affairs provides national leadership for promoting sustainable coastal development. This is primarily achieved through Working for the Coast, a partnership involving the private and public sectors.

Working for the Coast provides financial and technical assistance for:

- Coastal development projects;
- Institutional capacity building of coastal management organisations;
- Legal development to support policy;
- Awareness education and training initiatives;
- Coastal resource planning;
- Applied research; and
- Coastal information management projects

Environmental Protection and Infrastructure Programme (EPIP)

The Environmental Protection and Infrastructure Programme (EPIP) is managed by the Environmental Programmes (EP) branch of the Department of Environmental Affairs (DEA). EPIP focuses on infrastructure-related projects that contribute towards environmental protection, conservation and sustainability, while creating work opportunities and providing skills development. Hessequa Municipality is also a beneficiary under this program as various projects have been approved and funded for. These projects are orientated around coastal infrastructure.

Youth Community Outreach Programme

The Youth Community Outreach Programme (YCOP) is a community based environmental education and awareness programme aimed at nurturing a cohort of young people to be Environment Ambassadors who will educate their communities about environmental management on the basis that youth are regarded as agents of change.

The expected outcomes of this programme is active participation of communities in environmental management, awareness about conservation and sustainable use of the environment, improved

waste management, patriotism, active participation of youth in environmental management, socio-economic opportunities for youth (work opportunities, SMME development and skills development).

6.5.4 Provincial Department Of Environmental Affairs And Development Planning (DEA&DP) Supported Programmes

Estuary Management Plan for the Duivenhoks Estuary

This estuary was identified by both National as well as Provincial government as a priority estuary which needed an Estuary Management Plan. As a result, the WESTERN CAPE GOVERNMENT in collaboration with Hessequa Municipality are in the process of developing an Estuarine Management Plan for the Duivenhoks in accordance with the National Environmental Management: Integrated Coastal Management Act (No. 24 of 2008) and the National Estuarine Management Protocol. The process was started in 2017 and is ongoing.

Coastal Management Lines

The Western Cape Government is under obligation to protect and preserve the inherent value of the Western Cape's coastal zone. This implies that it has the responsibility to arrest ongoing degradation driven by uninformed decision-making or irresponsible development, whilst promoting development that is responsive to the dynamic nature and risks associated with the coastal zone. One of the key mechanisms through which this task is to be performed, is the delineation of coastal management set-back lines. These lines demarcate areas along the shoreline that are considered either too risky for development (i.e. coastal processes pose a risk to properties or people), or considered sensitive from a social or biophysical point of view and therefore worthy of conservation and preservation. Following similar delineations for the West Coast and Overberg Districts, a process was undertaken to determine a coastal management line (CML) for the Garden Route District as per the provisions of the National

Environmental Management: Integrated Coastal Management Act, 2008 (Act 24 of 2008). This line takes into consideration:

- Coastal risks such as long-term erosion trends, sea level rise and storm surges
- The littoral active zone
- Sensitive coastal vegetation, especially coastal vegetation identified as being provincial conservation importance
- Areas of particular coastal quality or value such as primary dune systems and steep coastal cliffs
- Protected areas
- Flood risks and the estuarine functional zone around estuaries

The line demarcates a zone along the shore seawards of which intensification of development should not be allowed. This is an ongoing process and will be included in the Garden Route Coastal Management Programme as well as that of the Hessequa Municipality.

Coastal Access

With increasing population growth and visitor numbers within coastal cities and towns, it is vital that coastal access is sufficient and easily and equally available to all who wish to enjoy this natural public resource.

Historically, the provision of coastal access in South Africa has been inequitable. Both physical access as well as access to resources was denied to most South African citizens. The National White Paper for Sustainable Coastal Development (DEAT, 2000), detailed the national intent to redress this imbalance and details specific management goals as follows:

"to ensure that the public has the right of physical access to the sea, and along the sea shore, on a managed basis; to ensure that the public has the right of equitable access to the opportunities and benefits of the coast, on a managed basis; to preserve, protect or promote historical and cultural resources and activities of the coast; and to ensure that the State fulfils its duties as the legal custodian off all coastal State assets on behalf of the people of South Africa."

These goals were later enacted via the National Environmental Management: Integrated Coastal Management Act, 2008 (Act No 24 of 2008, as amended) (ICM Act) cementing the South African public's right to access the coastal zone. As part of the larger project to determine coastal management lines as well as development setbacks for the Garden Route District, being undertaken by the Western Cape Government, a smaller coastal audit undertaken. This audit includes existing and historic coastal access land and admiralty reserve and included recommendations in respect to land that could be designated as coastal access land. This audit is in support of the Garden Route District Municipality as well as the Hessequa Municipality. This is an ongoing process and will be included in the Garden Route Coastal Management Programme as well as that of the Hessequa Municipality.

Witsand Dunes EMP and Rehabilitation Plan

The purpose of the Environmental Management Plan (EMP) is to translate recommendations identified from the Interim Report and Background Situation Report and the specifications for "good environmental practice" into a contractual environmental specification for application during construction and stabilisation. This document further includes the stabilisation specifications for the construction and stabilisation of the dune system.

Lappiesbaai Management Plan

The Hessequa Municipality appointed the CSIR to update the 1993 Management Plan for the sandpit east of the Goukou Estuary Mouth, the Lappiesbaai public beach and the fore dune located seaward of the houses east of the parking area (CSIR, 1993). Where-as the study area for the 1993 Management Plan included the fore dune area between the Goukou Estuary mouth eastwards to the municipal parking area at Lappiesbaai, the focus of the updated report is the buffer dune located seawards of the public parking area, restaurant and the eight privately owned houses located directly to the east of the parking area. The study area comprises of a total alongshore distance of approximately 400m.

Breede Estuary Management Plan

The Estuary Management Plan culminated from various stakeholder and authority engagements, and the Situation Assessment Report. The Estuary Management Plan must be seen as a living document that must be adapted as new information becomes available and or management priorities change. The management of the estuary is in accordance to the Estuary Management Plan. An outflow of the EMP is the Breede River Estuary Advisory Committee which meets quarterly.

Goukou Estuary Management Plan

The C.A.P.E. Estuaries Programme was developed to ensure the conservation and sustainable utilisation of the estuarine biodiversity in the Cape Floral Region (CFR). The Programme follows a strategic, integrated approach to estuarine management. Cooperative governance is seen as a key requirement for the success of the project. The management of the estuary is in accordance with the Estuary Management Plan.

Gouritz Estuary Management Plan

Enviro-Fish Africa (Pty) Ltd. (EFA) has been contracted to address the development of an Estuary Management Plan, based on a Generic Estuary Management Plan Framework developed in terms of the NEMP, for the Gouritz Estuary. The management of the estuary is in accordance to the Estuary Management Plan.

Informed Decision-Making for Building Control/Town Planning & Technical Department

This booklet was compiled by the Department: Environmental Management to give guidance with the EIA process and the EIA Regulations to the Building Control, Town Planning and Technical Department. Environmental Impact Assessments (EIAs), are a key tool in effective environmental management. Section 24 of the Constitution of the Republic of South Africa, 1996, calls on the State to secure everyone the right to an environment that is not harmful to health or well-being. An important component of ensuring a healthy environment is in understanding the impact of human activities on the environment and the health and wellbeing

of those who live in and depend on that environment. The document act as a guiding document for informed decision-making & activities pertaining to listed activities.

Indigenous Vegetation Information & Management Guideline

Section 3 of the National Forests Act of 1998, (Act No. 84 of 1998) stipulates that natural forests may not be destroyed. Section 7 of this Act also states that trees in a natural forest may not be cut, destroyed, pruned or damaged without a licence. For this reason, the Environmental Section of the municipality compiled this booklet to inform other departments in the municipality about indigenous vegetation management.

Hessequa Biodiversity Sector Plan

The Biodiversity Sector Plan provides planners and land-use managers with a synthesis of biodiversity related information that should be integrated into land-use planning and decision-making. By identifying those sites that are critical for conserving biodiversity, this Biodiversity Sector Plan supports 'mainstreaming' or the proactive consideration of biodiversity in planning and decision-making. Mainstreaming is crucial to overcoming the misconception that we need to choose "either conservation or development" and for ensuring sustainable development.

Lower Breede River Conservancy Trust (LBRCT)

Hessequa Municipality and Swellendam Municipality have a Service Level Agreement (SLA) with the LBRCT regarding the control of recreational activities on the estuary. The SLA stipulates that both municipalities will annually contribute an equal amount to the LBRCT for the management of the estuary.

Please click the following link to access the SLA under the Environmental Management Folder:

https://www.hessequa.gov.za/document-library

Hessequa Environmental Policy

This policy aims to serve as an over-riding consideration with regard to municipal strategic goals as far as environmental management issues are concerned. The purpose of this policy is to interject key environmental principles into the activities of Hessequa Municipality.

The principles are:

- The minimize its impact on the biophysical environment and strives to reduce its ecological footprint on the environment
- To have a positive impact on the quality of life of all citizens
- Ensures the sustainability of all developments within the municipal area
- Strives for a greater equity in the distribution of and access to resources
- For a sustainable use and protection of natural resources where mandated to do so and
- co-operate with other state organs where co-operation is required

The policy was accepted by Council towards the end of 2015.

Please click the following link to access the Plan under the Environmental Management Folder:

https://www.hessequa.gov.za/document-library/

Gouritz Cluster Biosphere Reserve (GCBR)

The GCBR was established in 2011 and finally designated by UNESCO in 9 June 2015. It is a community based initiative that aims to protect and restore the natural environment of the Gouritz catchment. Hessequa Municipality is affiliated with the GCBR and are one of the main contributing municipalities.

7 KPA 4: SOCIO-ECONOMIC DEVELOPMENT

7.1 Medium Term Goals / Objectives

Outcome / Term Objective	Desired Outcome Definition / Description
Accelerated home ownership programmes	Diversified strategy to improve home ownership levels in Hessequa
Development and implementation of indigent development programmes	Strategy that focuses on inclusion of indigent households in development programmes of Council / other programmes
Development of Rural Residence opportunities	Expansion of housing opportunities by locating residential opportunities for rural workers on rural land
Expansion of drivers licensing functions to Heidelberg and Albertinia	Decentralisation of drivers licensing services to Heidelberg and Albertinia
Expansion of Thusong Service to Heidelberg and Albertinia	Expansion of Thusong Service to Heidelberg and Albertinia
Improving local procurement from 25% to 50%	Research and development of a strategy to improve local spending by the municipality within the current term of office as an outcome.

7.2 Human Settlements Plan

The delivery of housing is a National and Provincial function, but it is being implemented by Local Government on an agency basis. The increasing responsibilities that are placed on local municipalities in this regard have a direct effect on their financial viability. The demand is significantly higher than the resources available to deliver houses. Big challenges are the lack of reasonable unoccupied land. Additional critical concerns are the existing housing backlogs, the backlogs in infrastructure, water and electric services and the rate of housing delivery of the municipality due to lack of funding.

The Western Cape Minister for Human Settlements approved the "Western Cape Provincial Framework Policy for the Selection of Housing Beneficiaries in September 2012. In terms of the Framework Policy each municipality must approve its own selection policy that is consistent with the Framework Policy before 30 June 2014.

Hessequa developed Housing Selection policy, and it can be found on the municipal website. The main objective of the policy is to set out the relevant processes and procedures that must

be followed when selecting beneficiaries for new housing projects that result in the beneficiary receiving ownership of a subsidized opportunity.

- The Framework Policy aims to enhance fairness and transparency of processes used by municipalities to select subsidy beneficiaries.
- It sets out the core principles and mechanisms and processes for selection and requires that municipalities develop their own selection policies that are consistent with its core principles.

Housing Options:

The two main available categories for housing in the Hessequa municipal area are,

- Government Subsidy Houses : This is an option for households earning less than R3 500.00 per month
- GAP/FLISP/FHF subsidies are available for households earning between R3 501. 00 and R22 000. 00 per month.

Revised Housing Project Pipeline

Table 19 – Revised Housing Project Pipeline May 2025

PROJECT NAME	PRIORITY	PROGRAMMES	STANDS/ UNITS	ERF NR	FUNDING / COSTING	PROPOSED TIMELINE	STATUS / PROGRESS
Melkhoutfontein West Top Structures Solar Geysers Deferred Ownership / Ownership/ Incremental / Front Door	1	IRDP (Mixed Development)	585	Erf 111/480	24/25 (R4 582 000, 00) 25/26 (R12 969 000, 00) **R40 080 649, 00** 24/25 (R10 622 000, 00) 25/26 (R1 422 000, 00) 24/25 (R4 000 000, 00) 25/26 (R6 000 000, 00)	2025/2026	**BNG** 300 Complete 40 (25/26) **FLISP / GAP** 84 **Deferred Ownership / Incremental / Front-Door** 25 (24/25) 25 (25/26)
Heidelberg Site 4 - Kairos	3	IRDP (mixed)	160	Erf 1938 Farm 521/2 Erf 1251	Nil R894 704, 00	TBC	Revised PIRR to be submitted to water challenges.
Heidelberg Site 1	2	IRDP	75	Erf 1213	**Site 1** 24/25 (R338 000, 00)	TBC	PID submitted – No approval due to water challenges – PID to be revised.

7.3 Economic Development Strategy

7.3.1 Proposed Strategic Themes & Interventions To Promote Growth

During 2018, the initial Draft SMART Strategy was designed and consulted placing emphasis on building on existing community assets, rather than pursuing jobs or tax base growth without regard for location or synergies among these existing assets. The proposed interventions were based on the foundations laid by the recent approved integrated development plan, the spatial development framework, sector plans and regional research reports i.e., municipal economic review outlook report.

In 2022, the above draft strategy was reviewed in totality mindful of the fact that during the period 2018 to 2022 the country was challenged with the COVID-19 pandemic and two specific COVID-19 recovery resource documents were released which indirectly impacts the Hessequa Municipality, namely the:

1) Garden route recovery plan [March 2021].
2) Western Cape Recovery Plan [March 2021].

Additional to the above, the Council also considered and adopted the following documents:

1) Hessequa - The explorer's garden route, Tourism Strategy [2017-2022] – Tourism strategy.
2) Hessequa Accelerated LED and Preferential Procurement Policy [2021/2022] and the later interim procurement arrangements due to the invalidity ruling of the PPPFA Regulations of 2017.
3) Hessequa Investment Facilitation Standard Operating Procedure Implementation process [2018].

Methodology:

In the review of the SMART strategy of 2018, the following methodology was applied:

1) **Step 1**: Review relevant resource documents.
2) **Step 2**: Analyse the principles relevant to each resource document and compare it against the principles listed in the SMART strategy.
3) **Step 3:** Analyse the objectives relevant to each resource document and compare it against the objectives listed in the SMART strategy.
4) **Step 4:** Analyse the relevant industry sectors to which a proposed intervention applies and compare it against the industry sectors affected in the SMART strategy.
5) **Step 5:** Analyse the relevant affected municipal services to which a proposed intervention applies and compare it against the municipal services affected in the SMART strategy.
6) **Step 6:** Map the SMART strategy against the following elements:
    i. Alignment with principles.
    ii. Alignment with objectives.
    iii. Impact on industry sectors.
    iv. Impact on municipal services.
    v. Remarks, highlighting additional considerations for inclusion or reference in the SMART strategy.

7) **Step 7:** Augment draft SMART strategy of 2018.
8) **Step 8:** Submit and consult outcome of diagnostic with Council on 6 April 2022.
9) **Step 9:** Consult draft augmented SMART strategy and improvement recommendation with the public sector on 11 May 2022.
10) **Step 10:** Solicit broader public inputs with a due date of 23 May 2022.

Public participation outcome:

The most prominent outcome of the public participation[1] process was that the SMART strategy is a much-needed intervention, but its implementation is dependent on the establishment of a holistic consultative and advisory body between the Municipality and business to jointly:

1) Review past studies, papers, and diagnostics.
2) Review lessons learnt of past similar interventions that failed.
3) Consider the business environment and interventions to improve their economic development opportunities, inclusive of municipal service delivery improvement and red-tape reduction mechanisms.
4) Determine detailed actions, timelines and expected outcomes to activate the SMART strategy.
5) Review activation of the SMART strategy.

7.3.2 Strategic intervention themes:

The following strategic intervention themes have been agreed to:

1) **Theme 1: Improved transversal management structures.**
2) **Theme 2: Improved economic intelligence.**
3) **Theme 3: Business development.**
4) **Theme 4: Spatial development.**
5) **Theme 5: Green economy.**
6) **Theme 6: Skills development.**
7) **Theme 7: Tourism.**
8) **Theme 8: Emerging farmer support programme.**
9) **Theme 9: Cross sector focus areas.**
10) **Theme 10: Communication.**

7.3.3 Smart Strategy Implementation Plan

The implementation plan of the SMART strategy ***[attached hereto marked Annexure A], was*** consulted and activated via the Local Economic Development Forum which is consultative and an advisory body between the Municipality and business designed to address the following elements/columns:

1) Strategic theme.
2) Intervention.
3) Actions.
4) Alignment with principles.
5) Alignment with objectives.
6) Impact on industry sectors.

7) Impact on municipal services.
8) Interdependencies/linkages.
9) Target date
10) Expected outcomes.
11) Remarks, highlighting additional considerations for consideration when finalising the implementation plan.

Accepting that the strategy will be implemented within a 5-year period, a priority rating scoring mechanism will be applied to determine priority areas. The following criteria assessment and scoring per activity will be applied:

SUPPORTS NINE [9] PRINCIPLES	SUPPORTS FOURTEEN [14] OBJECTIVES	IMPACT ON NINE [9] INDUSTRIES	80/20 IMPACT vs EFFORT
5 points = 1-2 principles 10 points = 3-4 principles 15 points = 5-6 principles 20 points = 7-8 principles 25 points = All 9 principles	5 points = 1-4 objectives 10 points = 5-8 objectives 15 points = 9-11 objectives 20 points = 12-13 objectives 25 points = All 14 objectives	5 points = 1-2 industries 10 points = 3-4 industries 15 points = 5-6 industries 20 points = 7-8 industries 30 points = All 9 industries	5 points = low impact and high effort 10 points = low impact and low effort 15 points = high impact and high effort 20 points = high impact and low effort
			TOTAL = 100 points

7.3.4 Hessequa's Approach

REALISE SMART LOCAL AND SOCIAL ECONOMIC DEVELOPMENT

The term "smart local and social economic development" refer to a strategy that builds u*pon existing assets, takes incremental actions to strengthen communities, and builds long term value to attract a range of investments.*

Many communities are finding success cultivating a competitive advantage by using their unique assets to attract new investment and support existing businesses. The place-based assets include residents and its skills, local architecture and infrastructure, local and regional business and employment concentrations, cultural, natural, and artistic resources, and general quality of life.

What distinguishes this SMART strategy from conventional economic development is the emphasis on building on the aforesaid existing community assets, rather than pursuing jobs or tax base growth without regard for location or synergies among existing assets. The core components of the SMART strategy are:

- Supporting businesses.
- Supporting workers.
- Supporting quality of life.

SMART GROWTH ECONOMIC DEVELOPMENT PRINCIPLES

Local economic development aims at creating favourable locational factors, i.e., qualities which make the municipal area a good place to do business. This includes obvious elements such as improving the infrastructure and training workers, but also less obvious elements such as the business-mindedness and efficiency of the local administration. The following generic principles complement recent strategic reforms and form part of this document to ensure a SMART strategy that is: 1) Accountable.

2) Efficient.
3) Equitable.

4) Promoting good governance.
5) Innovative.
6) Quality service delivery focussed.
7) Responsive and resilient.
8) Limiting red-tape through standardisation. 9) Sustainable.

These principles, where relevant, are underpinned by the following interpretation:

PRINCIPLE	IMPLICATION RE SMART STRATEGY
ACCOUNTABLE ***To inform, explain and justify decisions and actions***	○ Projects that embrace strong accountability tend to perform well. On the other hand, those that display weak accountability tend to perform poorly and are, consequently, unable to benefit communities and subsequent economic development. ○ Accountability for performance of the SMART strategy objectives, will ensure that decision-makers are held to account for their deeds.

PRINCIPLE	IMPLICATION RE SMART STRATEGY
EQUITABLE ***Access to opportunities for those most in need***	○ Equitable economic development will unlock the full potential of the local economy by dismantling barriers and expanding opportunities for low-income people and communities of colour.
INNOVATIVE ***Interventions focussing on strengthening innovative solutions and/or systems***	○ Promotion of innovation along entire value-chains, specifically advancing the development of the agro- and tourism industry will contribute to the economic transformation of the Municipal economy. ○ Promote the building of innovation capabilities of firms through technology and knowledge transfer. ○ Build competencies of LED planners to undertake innovative forms of LED planning by clarifying the LED planning priorities of the Municipality and provide guidelines on how to promote innovation led.
QUALITY SERVICE DELIVERY ***Understand the relationship between service delivery and local economic development***	○ Identify the relationship between and align service delivery and LED. ○ The following serves as examples of where improving service delivery will improve local and social economic development: ○ As businesses need to be supported financially to create jobs and retain existing jobs, forms of financial assistance to small businesses by private and public institutions will enable development. ○ Financial incentives will play a major role in the sustainability of local and social economic development. ○ Improving poor safety and security will draw industries and wealthy people to invest in Hessequa.

PRINCIPLE	IMPLICATION RE SMART STRATEGY
	○ Improving the infrastructure and providing quality service delivery will have a positive impact on the development potential within the municipal area. .
LIMIT RED TAPE THROUGH STANDARISATION – ***Red tape not only affects the ability of a specific organisation to perform its functions, but also influences performance of other stakeholders and organisations.***	**O** Onerous and inconsistent rules and regulations which are unnecessary or do not help to achieve policy goals make it more difficult for officials to do their jobs, even when there is no enforcement. Unnecessary or complicated procedures and systems also create additional 'no value adding' costs such as there might be increased training costs, compliance enforcement costs and performance monitoring costs for management and staff to use the procedures and systems. **O** New technologies and ICT create many opportunities to redesign or optimise the performance of procedures and systems to reduce costs.
RESPONSIVE, RESILIENCE AND SUSTAINABLE ***Tactical and strategic implementation and finding the right partners for specific goals will ensure sustainable growth and investment.***	**O** Not all communities are necessarily growing. In most cases, businesses, individuals and/or public agencies continue to make investments in the community even during periods of population decline. **O** Building on ongoing investment(s), rather than growth as defined by increasing employment, population, or tax base is essential to reinvigorate and sustain a struggling economy. **O** The SMART strategy should include **broad, long-term strategies** that set **overall direction and objectives for any economic development** related activities and investments and be dynamic enough to be adapted where required. **O** Successful economic development efforts rely on partnerships across public agencies, especially when different types of funding are involved. Engaging these partners for specific and mission-appropriate goals is more effective than trying to seek support for broad or poorly defined initiatives.

PRINCIPLE	IMPLICATION RE SMART STRATEGY
PRINCIPLE	IMPLICATION RE SMART STRATEGY
	○ Communities might also set goals to align with specific funding sources to improve the odds of securing money for implementation
EFFICIENCY ***Be focused and start where there is already momentum***	○ Investments of time, money, resources, and other community resources are most effective when targeted to an area that is both big enough to offer opportunities for change and small enough to make tangible, visible improvements that will spur investment. ○ Over time, small focus areas can be expanded to build on successes. ○ Economic development is most effective in places where there is already private sector activity so that public investments can reinforce and support investment by homeowners, businesses, commercial property owners etc. If these initial investments start to show success, it will be easier to attract additional investment to nearby locations, thus spreading the momentum incrementally.
GOOD GOVERNANCE ***Communicate and coordinate***	○ Good communication and coordination among groups and agencies can help ensure that all available resources support the community's vision. For small cities with limited resources, this coordination can help achieve goals at minimal cost by avoiding redundancy, conflicting efforts, and/or spreading resources too thin for meaningful improvement.

7.3.5 Smart Growth Economic Development Objectives

The ultimate objective of any local development strategy must be to overcome identified weaknesses and build on potential strengths. Well defined objectives need to prompt focused efforts to create, maintain or improve economic and social conditions of the place, whether for an underperforming area or for an already steadily growing local economy.

The following generic objectives complement recent strategic reforms and form part of this document to ensure a SMART strategy that is:

1) Environmental promotion.
2) Improved communication.
3) Improved SCM.
4) Investment promotion.
5) Job creation.
6) LED promotion.
7) Partnership promotion.
8) Access promotion.
9) Wellbeing promotion.
10) Revenue enhancement.
11) SED promotion.
12) Skills development
13) SMME promotion.

These objectives, where relevant, are underpinned by the following interpretation:

OBJECTIVES	DESCRIPTION
JOB CREATION	O To reduce unemployment, achieve economic stability, and increase the standard of living for all citizens. O To maintain a broad community consensus regarding the direction of economic development efforts.
LED PROMOTION	O To promote diversification of the commercial/industrial base. O To encourage access to economic incentives for quality job creation and/or tax base enhancement. O To continue to use a unified economic development team, with public/private sector involvement, to tackle the region's economic development goals. O To reduce barriers to economic growth, while recognizing regulatory function. O To identify additional resources to aid in economic development. O To maintain a community socio-demographic database as an information clearinghouse for economic development. O The promotion of LED signals the drive for rooting employment creation by building on the comparative advantages and the unique characteristics of localities. O The Garden Route District Municipality has an investment prospectus focusing on promotion of economic enhancements within the Hessequa Municipal region. O The Hessequa Spatial Development Framework will also make provision for opportunities for future growth and expansion of new and existing projects whereby projects will be spatially mapped.
SKILLS DEVELOPMENT	O To build a highly skilled, flexible workforce. O To cooperate with local educational institutions to coordinate training/skill requirements to meet the needs of local employers. O To reduce barriers to obtaining necessary or upgraded job skills. O To utilize the talents and experience of mature workers who bring special skills and knowledge to the work force. O To maintain an informational clearinghouse that coordinates job training, placement, and skills development. O To develop and deliver educational programmes. O To provide information on work skills development and available employment opportunities through print, electronic, and telecommunications media.

OBJECTIVES	DESCRIPTION
ENVIRONMENTAL PROMOTION	• To encourage development that is environmentally sensitive. • To target environmentally sensitive business and industry in recruitment efforts. • To promote development of businesses and industries that are committed to enhancing local environmental quality. • To promote and encourage sound environment practices with existing businesses and industries. • To promote and encourage the use of alternative and/or renewable fuel and energy sources for vehicle fleets, building operations, and manufacturing processors. • To encourage Green Building concepts in building design for new and existing facilities
ACCESS PROMOTION	• To concentrate on retaining and expanding existing local businesses. • To cooperate with business, educational institutions, community organizations, and government to provide information to local businesses. • To assist local firms in finding appropriate development sites for expansion. • To encourage existing neighbourhood employers to grow "in place," keeping jobs close to where people live. • To retain existing manufacturing firms and facilitate their expansion. • To maintain and strengthen the region's position as an agricultural centre within the Garden Route.
	• To maintain and expand the local health care industry's share of the regional market. • To retain and expand the base of service industry employment. • To encourage downtown revitalization and neighbourhood business development. • To encourage diversified retail shopping. • To retain and expand – river-, sea- and mountain dependent uses, while recognizing environmental constraints. • To maintain and strengthen region's position as a tourist destination. • To promote existing attractions. • To promote a variety of additional year-round tourist attractions. • To focus resources on future tourism initiatives, including those identified in the community visioning process. • To foster enhanced recreational access to local attractions as an economic development strategy.

SMART GROWTH ECONOMIC DEVELOPMENT INDUSTRY SECTORS

The following impacted industry sectors were identified and will be linked with the different interventions:

1. **Agriculture** - Agriculture remains one of the most labour-intensive goods-production sectors with substantial employment linkages.
2. **Construction** - The construction building sector's stakeholders such as industry players and labour and regulating bodies must ensure that best practices exist to accelerate construction

sector training and skills development and that these practices align with the trend towards this sector's demand and development taking place within the region.

3. **Electricity** - Production requires energy to carry out work to convert materials into desired products and to transport raw materials, goods, and people. Electricity use and access are strongly correlated with economic development.
4. **Tourism** - Tourism is globally recognised as one of the largest and fastest growing economic sectors. In developing countries, tourism is specifically seen as a tool to promote economic development and alleviate poverty as an alternative to other traditional economic sectors such as construction and industrialization.
5. **Transport** - Transport is a catalyst for local economic growth. Investment in transport infrastructure is a tool for regional development. Inadequate transport investment can hold back economic development.
6. **Wholesale and retail** – Local economic growth is firmly based on tertiary services such as wholesale, retail, and business services.
7. **Services** - In any country economic development depends on the growth and evolution of the three sectors of the economy. However, in recent years the service sector growing at a very faster rate in the developing countries and is contributing a major share in terms of output, income, and employment. Even the productivity per worker is becoming higher in-service sector when compared to agriculture and industrial sectors.
8. **Informal sector** - The municipality acknowledges the contributions of the informal business sector in local economic development from a job creation (self-employment) and poverty alleviation perspective. However, the business environment of the informal business actors requires urgent development and support to stimulate and encourage the gains of this sector and the role that it plays on local economic development.
9. **Culture and heritage** – Strategies must look at aiming to contribute to the local economic development and make Hessequa more innovative.
10. **Manufacturing** - The decline in both manufacturing value added, and manufacturing employment shares is primarily caused by the failures of manufacturing development, and the Municipality should specifically focus on addressing this industry sector when new development initiatives are considered. The manufacturing sub sectors is very diversified in Eden: with the following subsectors contributing the most to the GDPR in 2015, being (i) Food, beverages, and tobacco, (ii) Petroleum products, chemicals, rubber, and plastic, (iii) Wood, paper, publishing, and printing and (iv) Metals, metal products, machinery, and equipment. The main food products being produced are dairy, as well as ostrich meat in Oudtshoorn and fish processors in Mossel Bay Area. PetroSA in Mossel Bay produces petroleum from natural gas obtained offshore contributing 26.2% to the manufacturing sector.

7.3.6 Municipal Services

The following impacted municipal services were identified and aligned with the analysis findings:

1. **Cultural and ecological heritage** – The rich cultural and ecological heritage of the region place emphasis on the forming of sector groups to create and support local economic interventions.

2. **Electricity** – The availability of electricity and the fact that Hessequa Municipality is also impacted by load-shedding has a detrimental effect on local economic development, but opportunities rise for green economy.
3. **Tourism** - Tourism sector development is regarded as a key ingredient for local economic development (LED) by both the National Development Plan (NDP) and the National Tourism Sector Strategy (NTSS). The hosting of events, commonly known as event tourism, is an important tourism sub-sector that can be used as a tool for promoting LED
4. **Transport** - A particular transport service or activity may affect a particular industry. Improving that type of transport can support those industries, which may support strategic economic development. For example, improving visitors' ability to reach an area supports tourist industries, and improving customer access supports local retail industry.
5. **Waste** - An integral part of the economic policy of modern economies is the development of a green economy and the state's orientation to its development on the national and international level. It affects the increase environmental jobs mainly in waste management, renewable energy, and water, by developing new ecological enterprises and encouraging eco-innovation. However, there are challenges and constraints that economies faced in achieving sustainable development.
6. **Water** – The close link between water and the economy makes the case that investing in water management and sanitation services is essential for the eradication of poverty and for enabling sustained economic growth.

7.4 The Hessequa Tourism Destination Strategy

The aim of this tourism destination strategy is to increase domestic and international bed nights, increase tourism spending throughout the year and position The Explorer's Garden Route brand as a pristine and acclaimed destination for nature-based leisure holidays and internationally recognised outdoor events. The tourism sector has the potential to create and retain jobs; promote investment opportunities; promote social cohesion; facilitate access to jewel experiences and contribute to economic growth.

The tourism mission and vision will be achieved through six (6) strategic growth and development clusters, namely Tourism Information & Visitor Services; Tourism Product Development &Revitalization; Destination Branding & Tourism Marketing; Tourism Skills Development, Training and Capacity Building; Tourism Sector Transformation & Inclusivity and Sustainable Tourism Growth &Conservation.

The strategic growth and development clusters are explained below.

7.4.1 CLUSTER 1: Tourism Information & Visitor Services

Design tourism maps; destination brochures; and town tourism brochures, advertising the existing tourism experiences. Develop and design a database of restaurants and accommodation establishments within The Explorer's Garden Route and populate it through the destination website. Ensure that the tourism sector is represented on the Local Economic Development Forum. Maintain The Explorer's Garden Route destination website and ensure it is user-friendly, and Google analytics enabled. The website should be populated to ensure all local experiences list and update their listing detail. Establish a Hessequa Tourism Visitor Information Centre / Office, which has adequate visitor facilities and information. This VIC should serve the destination and manned by the tourism section

personnel. Utilisation of technology to populate tourism surveys within all quarters to gain insights to the visitor profiles associated with the Hessequa region. Another source of information is the VIC's within the region. Compliment the promotional initiatives of the existing Local Tourism Bureaus within the area, through various collaborated marketing and developmental efforts. Facilitating access to Hessequa tourism information by exploring various cost-effective tourism information and brochure distribution channels including the local libraries The compilation and distribution of a destination events calendar The hosting of regular tourism engagements and distribution of industry toolkits for service excellence The facilitation of tourism signage to tourism experiences and enhancement of the towns, through the elimination of signage pollution and official tourism signage application process. The promotion of wireless internet and internet access facilities the design and procurement of exhibition and marketing material.

7.4.2 CLUSTER 2: Tourism Product Development & Revitalization

Packaging of the town products to promote the individual towns as packages. Create an enabling environment that allows the private sector to package, promote and sell day- and multi-day tour packages within the region. Hiking Trail Development linking towns and offering multi-day experiences. Package and introduce Hessequa's Marvels Development, support, and maintenance of the Heidelberg Nature Route and Werner Frehse Trail Run as sustainable flagship local tourism projects. Facilitating access to hidden gems and niche experiences by aesthetically improving Municipal tourist infrastructure and facilities. Facilitate the ease of doing business through cost effective and red tape reducing electronic application processes.

Local Tourism Bureau business support.

Grow and support the tourism events industry across the region, by reviewing the event support programme criteria and grant funding model to allow for rejuvenated tourism events and festivals. Establish Historical Tours and Routes / "Open House Days" The introduction and promotion of industry star-grading to adhere to industry norms and standards Support the creation of pet-friendly experiences, through the establishment of strategically located and aesthetically pleasing dog parks, equipped with basic dog playgrounds and kiddies' playgrounds.

The introduction of strategically placed and themed selfie-frames to capture the most memorable / "Instagram able" experiences. The enhancement of Whale Watching experiences, by creating dedicated and equipped land-based Whale Watching locations

The creation and distribution of industry service excellence guidelines and e-booklets The facilitation of township tourism and promotion of existing township products e.g. Melkhoutfontein Homestays The development and implementation of a developmental programme for low-impact tourism events and festivals, to enable event growth and development .Development and support of an ecosystem of aesthetically pleasing public art murals and sculpture experiences across the region to ensure "Instagram able" moments.

7.4.3 CLUSTER 3: Destination Branding & Tourism Marketing

Re-launch the Explorer's Garden Route brand; the Hessequa Marvels; ethos; brand values and brand messages through media launch, media coverage and attendance by industry champions. Inviting travel; trade and media stakeholders on familiarisation trips at strategic times during the year to promote the region. This includes nationally acclaimed travel influencers. Develop guidelines on the utilisation of the Explorer's Garden Route logo and social tags for local stakeholders.

Attend relevant domestic; national and international tourism trade shows and exhibitions to promote the Hessequa region. The launching of a promotional campaign through carefully considered and approved Hessequa Brand Ambassador businesses to actively promote the destination. This can be

through the displaying of Hessequa branding on stakeholder vehicles, showcasing / displaying Hessequa flags at venues and including the Hessequa Tourism logo on niche and exported products.

Hosting annual summer tourism activations / pop-up info markets in the coastal towns. Development and implementation of a tourism corporate social media brand identity; personality and appropriate hashtags. Strategic marketing initiatives in local; regional; national and international printed and multi-media platforms. Compile tourism teasers to sell the region to national and international tour operators.

The creation of a destination teaser video, which could be utilised at all major trade shows. Include the historical elements in the branding and marketing initiatives e.g. Archaeology and Historical Art

7.4.4 CLUSTER 4: Tourism Skills Development

Training &Capacity Building

Liaise with existing tourism establishments to identify training needs. Liaise with parastatals to identify suitable tourism skills development and training opportunities for the private sector. Liaise with stakeholders to identify tourism hosting employers to facilitate skills transfers to graduates and parastatal

Skills. Development programmes.

Development of Tour Guides for the Municipal area and link these to existing opportunities within governmental spheres. Facilitating e-commerce and the introduction of creative business models within the create sector. Tourism soft skills, cv writing and social media marketing training. Facilitate tourism film and media development and training, including a film policy and creative sector promotions. Advancing the volunteering / voluntourism market with Hessequa to attract visitors from national and international markets.

Capacitating and growing the Hessequa Tourism section, through cost-effective short; medium- and long-term projects and initiatives. The promotion of the Tourism Monitors Programme, with linkage to the Municipal Law Enforcement to advance tourist safety.

7.4.5 CLUSTER 5: Tourism Sector Transformation & Inclusivity

Measure the impact of events on local communities, especially indigent households through job creations Facilitate the inclusion of and opportunities for marginalised individuals related to creative tourism programmes and developmental initiatives.

Strategic partnerships with industry bodies and parastatals to facilitate development opportunities within the region. The assurance that marginalised communities benefit through the hosting of grant funded events through subsidised or free stalls and the promotion of start-up businesses.

Facilitate development partnerships with film industry stakeholders to unlock the potential of the film industry.

7.4.6 CLUSTER 6: Sustainable Tourism Growth & Conservation

Continuous alignment of the Tourism Destination Strategy with industry strategic documents. Facilitate development partnerships with industry bodies to advance tourism growth and development Promote and encourage star grading as a tool to facilitate access to marketing opportunities like N2 tourism signage.

Developing and Maintenance of local tourism event; tourism signage and events strategic policies and documents. Lobby for the strengthening of the tourism section to address the shortage of human

resources. Motivate the re-evaluation of the Municipal overnight accommodation financial policies to allow for sector growth.

The hosting of clean-up campaigns across the destination to strengthen cleaner communities and environment. Initiate neighbourhood beautification projects to instil local pride and values, linked to town safety. Support and promote environmental services eco-tourism and antipollution initiatives and outreach programmes.

7.5 Implementation of the Hessequa Tourism Destination Strategy

The Hessequa Tourism Destination Strategy has an approved implementation plan. The following projects are linked to the Tourism Strategy Implementation Plan for 2025/2026:

- **Tourism Information and Visitor Services**

A Tourism Accommodation, Restaurant and Events List (online PDF version)

B Exhibition Material / Promotional Material

C Monthly Tourism Newsletter

- **Tourism Product Development and Revitalization**

A Tourism Growth Fund

-Development of a Mountain Bike Bumper Track

-Large Photo Frames

-Whale Information Signage Boards

-Walking Trail Information Signage Boards

-Nature Reserve Maintenance

B Implement Hessequa Tourism Product Development Fund 2025/2026

- **Destination Branding and Tourism Marketing**

A Attending Tourism Exhibitions

-KykNet Outdoor Expo

-World Travel Market Africa

B Promotional Campaigns and Platforms

-Rove SA Magazine

-South Magazine

-Tourism Brochure: design, print and distribute

-Tourism Website: maintain and update content

- **Tourism Skills Development, Training and Capacity Building**

-Soft Skills Training / Customer Care Training

- **Tourism Sector Transformation and Inclusivity**

-Review of Hessequa Tourism Event Support Programme Framework

-Implement Event Support Programme 2025/2026.

7.5.1 TOURISM EVENTS SUPPORT PROGRAMME

The Hessequa Tourism Section administers the Tourism Event Support Programme with the objective of stimulating local tourism and economic growth. The most notable impact of events includes:

- Events generate bed nights for accommodation establishments
- Events generate free publicity for the hosting town and destination in general
- Events build local pride in the destination
- Events generate significant destination loyalty, with competitors and other festival goers returning year after year; and
- Events expose the destination to the festival goers for the first time, and many may return as leisure visitors.

The following events were approved for support during the 2024/2025 financial year:

- Stilbaai Christmas in July
- Stilbaai Galjoen Derby
- Hessequa Harmonie Festival
- Stilbaai Fynbos Festival
- Hessequa Adventure Race
- Vlakte Marathon
- Hessequa Art Exhibition
- Gouritsmond Trail Run
- Stilbaai Touchies
- Hessequa Open Bowls Tournament
- Hessequa 6-A-Side Cricket Tournament
- Riversdale Agricultural Show / Landbouskou
- Heidelberg Agricultural Show / Landbouskou
- Stilbaai Kayak Fishing Classic Tournament
- Heidelberg Giant Pumpkin Festival / Groot Pampoenfees
- Ultra Trail Sleeping Beauty
- Stilbaai Triathlon
- Windpomp XCO
- Dibiki Mountain Bike Challenge & Trail Run

7.6 Thusong Centre Programme

7.6.1 Introduction

All municipalities strive to achieve the objects for local government as set out in the Constitution of the RSA. To achieve a balance between the provision of services to communities in a sustainable manner, the promotion of social development and to encourage the involvement of communities in a decentralised municipality is a huge challenge. Hessequa consist of six previous towns and more than 10 different residential areas with different levels of services and social development.

The Hessequa Thusong Centre Programme fulfils the role to promote integrated social development and developmental social services that is accessible, affordable, and appropriate to the disadvantaged communities. The programs are aimed at the youth, the aged, disabled persons, and the empowerment of the vulnerable groups. Through the provision of accessible developmental community services, the quality of life of the community is improved. The recreational needs of the community are satisfied through the integration of arts, cultural and sport programmes.

During 2007 the Hessequa Thusong Centre was incorporated in the Hessequa IDP and utilised as a special purpose vehicle to implement council's objectives through programmes and to fill the gap that exist, due to the fact, that certain national departments (Home Affairs, SARS, Labour, etc.) do not have permanent offices in the Hessequa Municipal area. This is strengthened by the commitment of the Hessequa Municipal Council to serve the total community through an integrated approach.

The Hessequa Thusong Centre Programme give priority to the basic needs of the community and promote the social development of the broader community.

7.6.2 Current Status

The Hessequa Thusong Service Centre is situated in Riversdale and serves as hub for the other service points in the greater Hessequa area.
The Hessequa Thusong Centre serves as a Thusong Zone because all anchor Departments could not be housed within the Centre due to limited space.
The departments surrounding the Thusong Centre, within a 10km radius, includes.

1) SASSA – 5minutes walk from the centre.
2) Dept. Social Development – 5minutes walk from the centre.
3) Dept. Health – 5minutes walk from the centre.
4) The South African Police Service – 500m from the centre.
5) Public Transport – 100m from the centre.
6) The Local Municipality – 100m from the centre

Thusong Centre Service Points



Diepkloof Satellite Thusong Service Centre in Heidelberg

Following the completion of the first-generation centre in Riversdale as a Hessequa service centre, a strategy, which seeks to establish one centre per town, was developed to further roll out these services within the Hessequa Municipal area

An amount of R150 000 for the 2023/24 Financial Year, R150 000 for 2024/25 and R150 000 for the 25/26 Financial Year has been approved by the Department of Local Government for maintenance work at the Diepkloof building.

The building is currently being utilized by the Department of Education for the provision of basic education training and the Community Development Workers. The E-computer centre is also currently operating from the premises.

7.6.3 Hessequa Thusong Mobile Outreach Programme

Table 20 - Thusong 2025/2026 Operational Plan

TOWN	FOCUS AREAS	VENUE
Albertinia	Albertinia, Gouritsmond, Klipfontein & surrounding farm areas	**Theronsville Community Hall**
Gouritsmond	Gouritsmond & surrounding farm areas	**Gouritsmond Community Hall**
Slangrivier	Slangrivier & surrounding farm areas	**Slangrivier Community Hall**
Heidelberg	Heidelberg & surrounding farms	**Duivenhoks Community Hall**
Melkhoutfontein	Melkhoutfontein, Still Bay and surrounding farm areas	**Melkhoutfontein Community Hall**
Riversdale	Riversdale & surrounding farm areas	**Thusong Service Centre & Civic Hall**
Gouritsmond	Gouritsmond & surrounding farm areas	**Gouritsmond Community Hall**
Slangrivier	Slangrivier & surrounding farm areas	**Slangrivier Community Hall**
Riversdale	Riversdale & surrounding farm areas	**Thusong Service Centre & Civic Hall**
Heidelberg	Heidelberg & surrounding areas	**Duivenhoks Community Hall**
Melkhoutfontein	Melkhoutfontein, Still Bay and surrounding farm areas	**Melkhoutfontein Community Hall**
Slangrivier	**Slangrivier & surrounding farm areas**	**Slangrivier Community Hall**



7.6.4 Key Focus Areas

Table 21 - Thusong Focus Areas

Youth Development	Create an environment where the youth can develop, in order for them to tap into the opportunities available.
Sport & Culture	To promote sport and cultural development as a tool of crime prevention and healthy live stiles within the community
Institutional capacity	To equip people with the necessary skills to better their working environment
HIV & AIDS, TB & STI's & Teenage pregnancy	Create partnership between government and civil society to limit and reverse the spread of HIV&AIDS and TB
Food security	To collectively utilise resources, knowledge, and skills to effectively address food insecurity and hunger in the area.
Early Child development	Enhancing the Early Childhood Development initiatives
Elderly	Create an environment where they can add value to
Substance Abuse	To co-ordinate and facilitate services rendered by role players focusing on older people
People with disabilities	To ensure a more integrated collaborative approach to facilitate the mainstreaming of issues of people with disabilities
Women & Children	To co-ordinate and facilitate services rendered by role players focusing on women & Children

Education	Youth	Vulnerable groups forum	Community Health Forum	Community Safety forum	Arts and Culture Forum	Rural Development	Sport Development	Moral Development
FET	Youth volunteers	Women	HIV/AIDS	Community policing	Performing Arts	Cross cutting	Cross cutting	Religious Groups
Secondary	Sport development	Elderly	Home-based care	SAPS	Creative arts		Sport Council	
Primary	Leadership nurturing	People with Disability	Food security	Corrections	Heritage preservation			
ECD	Capacity building	Abused	Health care	Safety Forum				
	Youth Cafe	Orphans	Substance Abuse					
		Indigents	LDAC					
Hessequa Community								

7.6.5 Hessequa Social Development Advisory Forum

A key strategy of Hessequa Municipality to engage communities in a more useful manner, is through the establishment and consultation of "Article 17 Committees". These committees are appointed as committees of council in terms of article 17(4) of the Municipal Systems Act, which stipulates that a municipal council may establish advisory committees.

The HSDAF is an advisory forum for the Hessequa LM to discuss and consult with stakeholders on Social Development demands and needs. The Community Safety Forum is part of the Social Development Advisory Forum addressing the safety and security issues within the Hessequa region.

7.6.6 Hessequa Local Drug Action Committee

The Hessequa Local Drug Action Committee (LDAC) was established during 2023. The aim of the LDAC is to establish a group of role-players, which includes governmental departments, Law Enforcement agencies, NGO's, CBO's and other individuals who will be able to give effect to the National Drug Master Plan. One of the main goals of the LDAC is to drastically reduce substance abuse and illicit drug trafficking.

Gap Analysis

We need to look at the current basket of services and compare it with the Thusong service centre activity model. This will give us an indication what gaps there are and with identifying such fields we can start discussions with stakeholders to fill these gaps.

7.6.7 The Ideal Thusong Service Centre Generic Thusong Activity Model

Current Services Basket at the Riversdale Thusong Centre

- Cape Access
- South African Revenue Services (SARS)
- Dept. of Home Affairs
- Dept. of Labour
- CCMA
- Dept. Health
- SARS
- Dept. Education

List of outstanding Services/ Needs

Office space Allocation (Permanent) for:
• Dept. Labour / Unemployment Insurance fund

8 KPA 5: SUSTAINABLE FINANCIAL MANAGEMENT

8.1 Medium Term Goals / Objectives

Outcome / Term Objective	Desired Outcome Definition / Description
Development and implementation of a long-term investment strategy	Development of a long-term investment strategy that would secure continuity between budgets and identify critical investments to ensure sustainability.
Cost effective management / disposal of municipal properties	Review cost effectiveness of all municipal properties and formulation of a strategy to eliminate losses and optimise revenue.
Decrease expenses on office space	Decrease expenses on office space
Long term revenue and expenditure strategy	Review of tariffs and current revenue sources given future development or relating circumstantial challenges that requires pro-active management
Maintaining a >96% revenue collection rate	What needs to be done to maintain a >96% revenue collection rate, given the current economic trends
Reducing operating costs through efficient use of systems	Research where current human resources can be reapplied with greater efficiency through the utilisation of systems.
Review and improvement of traffic fine revenue management	Review current traffic fine processes and develop realistic alternatives to address poor collection rate and increase revenue levels





8.2 Long term Financial Plan

The Hessequa Municipality appointed INCA Portfolio Managers in 2020 to develop a Long-Term Financial Plan. The deliverable of that assignment was a report entitled Hessequa; Long-Term Financial Plan: 2019/20 – 2028/29; July 2020. The estimates in that Plan will be referred to as the 2019 Estimate as they were based on the FY2019 Annual Financial Statements. The initial report was updated in 2021-2024. This 2025 update, done in terms of a new contract with Hessequa Municipality, aims to update the LTFP based on the latest available information and report on the findings.

The objective of a Long-Term Financial Plan is to recommend strategies and policies that will maximise the probability of the municipality's financial sustainability into the future. This is achieved by forecasting future cash flows and affordable capital expenditure based on the municipality's historic performance and the environment in which it operates.

A summary of the demographic-, economic- and household infrastructure perspective was updated with the latest available information as published by S&P
Global Market Intelligence. The historic financial analysis was updated with the information captured in the municipality's audited financial statements of 30 June 2024. IPM's Long-Term Financial Model (latest and updated version) was populated and run with this latest information, and the outcome thereof is reflected in this report. In particular, the model was calibrated against the municipality's unaudited financial statements as well as the Tabled Budget for the 3 years from 2025/2026 to 2027/2028.

HIGHLIGHTS FROM THE FY2023/24 FINANCIAL RESULTS

- While the liquidity ratio declined during FY2023/24 to 2.60:1 from 3.57:1 in the prior year, the driving factor for this was the unspent conditional grants liability of R74.7 million. With the impact of this one-off event removed, the liquidity ratio stood at a healthy 3.33:1.

- The collection rate declined during the year to 96.6% from 98.6% in the prior year. This contributed to the reduction in the liquidity ratio.

- The debtors age analysis revealed that current debtors remained the largest pool of debtors, constituting 55.8% of gross consumer debtors as at FYE2023/24. Debtors older than 90 days accounted for 37.2% of gross consumer debtors. These aged debtors have been fully provided for through the provision for bad debts.

- Financial performance improved during FY2023/24, with the operating surplus improving to R57.5 million, up from R54.0 million in the prior year. Cash generated by operations (excluding capital grants) increased to R174.5 million, up from R79.7 million in the prior year.

- Electricity services remained the main revenue stream for the municipality, contributing 29% to revenue in FY2023/24. This is followed by property rates (18%) and equitable share (8%). Staff costs remained the predominant expenditure item, accounting for 29% of expenditure in FY2023/24. This was followed by electricity bulk purchases (20%). Contracted services accounted for 10% of expenditure in FY2023/24.

- No borrowing was undertaken during FY2023/24. This resulted in a decline in the gearing ratio to 20.2% as at FYE2023/24. The debt service to total expense ratio increased marginally to 6.0%, up from 5.8% in the prior year. This indicates scope to borrow over the MTREF period, the extent of borrowing must, however, be carefully monitored.

- Hessequa utilised its healthy liquidity reserves to accelerate capital investment during FY2023/24. The capital outlay of R122.8 million in FY2023/24 represents a peak for the review period.

- The municipality posted cash surpluses over the minimum liquidity requirements in excess of R100 million throughout the review period (R333.5 million in FY2023/24).

LONG-TERM FINANCIAL PLAN UPDATE

Hessequa LM has budgeted for a deterioration of financial performance that is contrary to the historic performance in which operating surpluses were posted throughout the review period. As such, we are of the view that the Tabled Operating Budget will likely be outperformed. An MTREF Case was developed utilising the unadjusted figures from the Adopted Operating and Capital Budgets, whilst maintaining other metrics such as the collection rate, days payable etc. at their respective FY2023/24 levels. This is done to assess the long-term forecasts of the LTFM should the Tabled Budget be implemented and the status quo be maintained. The outcome of the MTREF Case, while sustainable, reflects a deterioration of financial performance and liquidity. This was driven by the conservative Operating Budget, as well as the extent of leverage expected to be undertaken. The overleveraged debt profile would begin to erode the liquidity position over the long-term. The assumptions made in arriving at the Base Case were cultivated to address the underlying issues responsible for the undesirable outcome in the MTREF Case. The key assumptions made in arriving at the Base Case are listed below:

1. A collection rate of 98% is assumed to be maintained throughout the planning period. The collection rate for fines was set at 16.87%, in line with the budgeted figure.
2. Due to the conservatism shown in compiling the operating budget, operating expenditure was cut by 2% to reflect more realistic financial performance.
3. The Tabled Capital Budget was maintained for FY2025/26 & FY2026/27, while capital expenditure of R130 million was assumed in FY2027/28. Assumed annual growth beyond FY2027/28 is 5% p.a.
4. The Tabled Budget borrowing programme was adjusted as follows:
    - FY2025/26: R60 million (from R50 million) • FY2026/27: R50 million (from R20 million)
    - FY2027/28: R35 million (from R70 million)

    The borrowing in this scenario consists of 13-year amortising loans at an interest rate of 7% above forecast CPI. Assumed annual growth beyond FY2027/28 is 6% p.a.
5. Repairs and maintenance expenditure was maintained at 8.6% of PPE & IP throughout the planning period.
6. Electricity and water distribution losses were maintained at their current levels of 7.52% and 14.18% respectively.

7. Creditors days were reduced to 30 days from 77 days over the planning period.
8. Tariff increases were included as put forward in the Tabled Budget Document.

The Base Case presents a sustainable outcome that is characterised by an affordable acceleration of capital investment underpinned by a sustainable debt profile. The reduction of operating expenditure results in a more realistic forecast for financial performance. These adjustments will result in a sustainable liquidity position and healthy bank balance. The Base Case assumptions double up as recommendations for the municipality to follow in order to promote long-term sustainability.

Recommendations

Based on the results of the Long-Term Financial Model, ***it is recommended that*** Hessequa:

1. Maintain an optimised funding mix that strikes a balance between the utilisation of external borrowings and own cash as a supplement to capital grant funding. The municipality must be wary of not overleveraging the debt profile. The Base Case borrowing programme provides an indication as to the municipality's affordable debt absorption capacity.

2. Maintain a balanced approach for the long-term capital investment programme which prioritises investments that contribute to economic growth and revenue generation and prioritise timeous investment in bulk infrastructure.

3. Formalise a capital investment prioritisation and tracking system to optimise management's capital investment decisions and mitigate the risk of underspending on capital projects. The affordable envelope presented in this report reflects the available capacity for affordable capital investment. This should inform the capital prioritisation programme, the outcome of the which should be run through the LTFM.

4. Prevent a deterioration of the collection rate through the implementation of measures such as strict credit control, debt collection procedures, etc. The Base Case collection rate of 98% must be achieved and maintained. The importance of meeting the Base Case collection rate cannot be understated. Failure to do may necessitate a reduction the affordable envelope for capital investment or may require cuts in operation expenses.

5. Institutionalise the utilisation of a sophisticated tariff model to ensure that tariffs reflect the true cost of delivering the service, on an organisation-wide approach (also considering property rates and organisational overheads).

6. Update the long-term financial plan at least annually with the most recent information to remain a relevant and valuable strategic tool that serves as input to the annual budgeting process. Institutionalisation of the long-term financial model to support strategic financial decision-making in the municipality will provide immense benefits to the municipality.

7. Finally, Hessequa has maintained a healthy financial position throughout the review period due to a sustained period of sound operational and financial management. The municipality must be commended for this. Following the recommendations included in this LTFP Update will assist the municipality in maintaining the healthy financial position over the long-term.

Outcome of Final Assessment

Hessequa's financial performance improved during FY2023/24, with the operating surplus (excluding capital grants) increasing from R54.0 million to R57.5 million. Cash to the value of R174.5 million was generated by operations (excluding capital grants) during FY2023/24 (R79.7 million in FY2022/23). This was despite a decline in the collection rate to 96.6%, down from 98.6% in the prior year. The respite felt from the energy crisis dissipating was reflected in the 14% increase in electricity services revenue during FY2023/24. This underpinned electricity services remaining the predominant revenue generator for Hessequa, accounting for 29% of revenue in FY2023/24. This was followed by property rates (18%) and equitable share (8%). Hessequa has managed to post operating surpluses and generate cash from operations throughout the review period, indicative of sustained healthy financial performance and the maintenance of high collection rates.

Staff costs accounted for 29% of operating expenditure during FY2023/24, down from the 32% contribution in the prior year. This is followed by electricity bulk purchases (20%) and repairs and maintenance expenditure (14%). Contracted services constitute 10% of operating expenditure during FY2023/24, high relative to the NT norm range of 2-5%. The combined contribution of staff costs and contracted services came in at 39%, thus placing Hessequa's employee related expenditure profile near the maximum norm of 40%, as prescribed by NT. Repairs and maintenance expenditure came in at 8.7% of PPE & IP.

The accelerated capital investment programme observed in recent years continued in FY2023/24, with the capital outlay of R122.8 million a peak for the review period. The total capital outlay over the 8-year review period totalled R727.7 million, for an annual average of R91.0 million. The Adopted Capital Budget suggests a further acceleration of capital investment is expected over the MTREF period.

Hessequa has borrowed intermittently over the review period, with borrowings undertaken in 4/8 years under review. No borrowing was undertaken during FY2023/24. This resulted in a reduced gearing ratio of 20.2%, down from 25.4% in the prior year. The debt service to total expense ratio increased marginally to 6.0%, up from 5.8% in the prior year. This suggests that scope exists to access borrowings in future, as is expected in the Adopted Capital Budget. The level of debt undertaken must be carefully monitored and perhaps a staggered approach, as undertaken in the past, may be most suitable for long-term financial sustainability.

The liquidity ratio declined during the year, dropping to 2.60:1 from 3.57:1 at the prior year end. While this would ordinarily be a cause for concern, the predominant reason therefore was the unspent conditional grants balance. When the impact of this is removed, the liquidity ratio stood at 3.33:1. This remains healthy. The municipality has maintained healthy liquidity throughout the review period. This has been underpinned by sustained sound operational and financial management, for which the municipality must be commended. Further evidence of this lies in the consistent posting of cash surpluses above the minimum liquidity requirements over the review period.

STRENGTHS

- Healthy collection rate of 96.6%.
- Healthy liquidity ratio (adjusted for unspent grants) of 3.33:1.
- Strong financial performance.
- Ability to generate cash from operations.
- Balanced funding mix over review period.

WEAKNESSES

- Excessive expenditure on contracted services.
- Employee related expenditure profile approaching upper limits.

Conclusion

Optimistic Forecast vs. Realistic Plan: The Tabled Budget initially presented an overly conservative outlook, whereas the Base Case provides a more realistic and sustainable financial strategy.

Financial Stability: Through maintaining stability in financial performance, maintaining a healthy collection rate and continuing prudent management of the municipality's capital investment and borrowing programmes, Hessequa will maintain the sustainable financial position over the long-term. This will provide a basis for further growth and development to be fostered.

Financial Sustainability and Resilience: The report serves as a roadmap for fostering financial sustainability and resilience. The municipality must apply the recommendations to strengthen its financial position while navigating economic challenges and potential financial shocks.

9 INVESTMENT FACILITATION PROCEDURE

Sections 152 read with 153 of the Constitution, 1998, prescribes that the Municipality must strive to promote social and economic development and structure its administration and budgeting accordingly.

The afore-mentioned prescript is further augmented by section 23 of the Municipal Systems Act, 2000 which prescribes that a Municipality must be developmentally oriented, through the development of an Integrated Development Plan [IDP]. Section 55 of the latter Act further prescribes that the Municipal Manager must ensure the implementation of the said IDP.

In compliance with these provisions, this Investment Facilitation Standard Operating Procedure [IFSOP] was developed to direct investment opportunities within the Hessequa municipal area. The main purpose of the IFSOP is to create uniform investment promotion and facilitation processes and procedures in the municipality in order to attract new investors and retain existing ones.

In response to the regulatory and operational environment, Hessequa aims to:

a) Provide clarity of the relevant legal and legislative framework in relation to Investment Opportunities.
b) Assist in the streamlined management and finalisation of Investment Applications.
c) Enable the correct identification and classification of Investment Opportunities.
d) Provide a SCM system process that will ensure clarity and consistency.
e) Provide an Investment Opportunity recording process that will ensure transparency.
f) Provide further guidelines and procedures (the 'HOW').
g) Make officials aware of the treatment and/or management of Investment Opportunities.
h) Instil best practice.
i) Strengthen the control environment.
j) Establish a single point of access for the management of Investment Opportunities.
k) Assist management to appropriately act on Investment Opportunities.
l) To strengthen the ability to manage Investment Opportunities.
m) To create a central capacity to manage Investment Opportunities.

The procedure was designed to represent the logical process steps required to implement and maintain Investment Facilitation, as follows:

- Investment Policy Statement [Policy]
- Investment Strategy Planning [Strategy]
- Investment Implementation [what, how, who, when]
- Application [what, how, who, when]
- Approval [what, how, who, when]
- SCM Investment Chapter [what, how, who, when]
- Contract Management [what, how, who, when]
- Accounting and Asset Management [what, how, who, when]
- Enforcement, Monitoring & Reporting [what, how, who, when]

1. INVESTMENT POLICY STATEMENTS

- Investment Opportunities will be guided by one set of Policy Statements incorporated in the Municipal IDP.
- The Policy Statements will consider all relevant municipal prescripts, norms, plans and strategies.
- The Policy statements will allow for:
  - The establishment of a Municipal Development Fund [MDF]
  - Development charges
  - Investment donations
  - Investment incentives
  - Investment planning processes
  - Investment approval processes
  - Establishment of the following governance structures (*to prevent duplication of effort these structures are aligned to the LUPBL structures*):
    - Investment Unit
    - Appeal Authority
  - Appointment of Investment Administrator

2. PLANNING

- Align Investment Strategy with HQ IDP, SDBIP, SDF, LDS and EDS
- Investment Strategy to be verified and recommended for approval by the Investment Unit prior to adoption by the HQ Council

3. IMPLEMENTATION

- The implementation process must guide investors on which issues are relevant and how to address such if found relevant:
  - Land issues, inclusive of Environmental issues
  - Municipal Services
  - Economic issues
  - Financial issues
  - Risk management

4. APPLICATION

- The application process must guide the investor to understand application requirements
- Only the Investment Administrator may receive investment opportunity applications

5. APPROVAL

- Investment applications must be endorsed by the Investment Unit prior to submission to Council or responsible functionary for approval

6. SUPPLY CHAIN MANAGEMENT

- A separate Chapter must be developed for incorporation into the Municipal SCM Policy, called the SCM Investment Chapter
- The Chapter must indicate how investment opportunities will be classified and which SCM processes will apply

7. CONTRACT

- Each approved investment opportunity must have a dedicated Contract Manager who will manage the Contract and maintain the Portfolio of Evidence [PoE]

8. ACCOUNTING AND ASSET MANAGEMENT

- All assets acquired or disposed will be treated according to the Municipal Accounting Policies

9. ANFORCEMENT, MONITORING AND REPORTING

- Enforcement per discipline will be executed as per the relevant prescripts and municipal operations.
- The Investment Administrator will monitor performance on investment opportunities on a monthly basis and report quarterly to Council and the Investment Unit

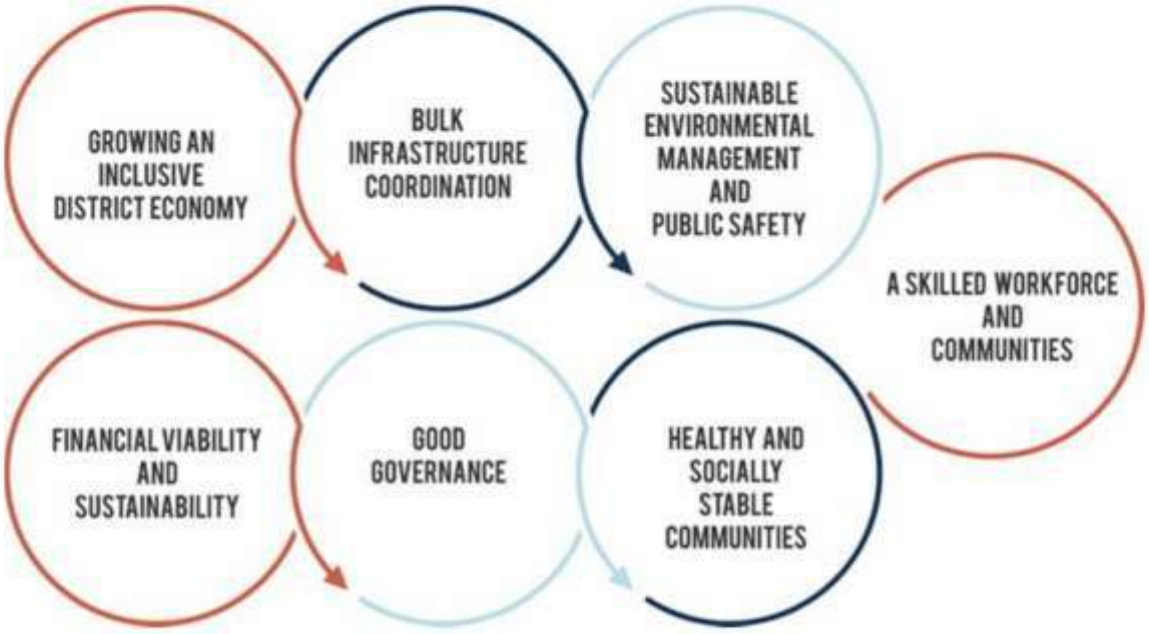
10INTER-GOVERNMENTAL RELATIONS AND GOVERNMENT SPENDING

10.1 Garden Route District Projects

Garden Route, the leading, enabling and inclusive district, characterised by equitable and sustainable development, high quality of life and equal opportunities for all.

STRATEGIC OBJECTIVES

Strategic Objective 1	A Skilled Workforce and Communities
Strategic Objective 2	Bulk Infrastructure Co-ordination
Strategic Objective 3	Financial Viability& Sustainability
Strategic Objective 4	Good Governance.
Strategic Objective 5	Growing an inclusive district economy.
Strategic Objective 6	Healthy and socially stable communities
Strategic Objective 7	Sustainable Environmental Management and Public Safety.



10.1.1 Regional Waste Management Facility

Project Objective	Develop a regional waste management facility that meets the immediate need for landfill space, while supporting green/circular economy objectives onsite and in distributed initiatives within the local municipalities
Project Lead	GRDM Waste Management
Project Implementers	GRDM/ B-municipalities
Time Frame	The facility will be running within a year, and operation will be ongoing
Status	Construction phase to be completed by February – March 2027

Other relevant information:

- This project is based around a landfill site for Bitou, Knysna, Mossel Bay and George (at the moment)
- In 2021, there was a research report on biomass available for waste to energy; however, the results are inconclusive.
- The GRDM has raised debt finance to fund facility construction; tariffs are used to generate revenues to cover cost recovery, administration and could be used to fund more innovative work.

10.1.2 National Skills Fund Tourism and Hospitality Project

Project Objective	The objective behind this project is to develop and train a total of 300 students in the Hospitality and Tourism industry by means of a Quality Council for Trade and Occupation-approved (QTCO) learnership with number 25Q250013661624: National Certificate: Professional Cookery , SAQA Qualification ID Number 14111 (NQF level 4, 145 credits), throughout the Garden Route, as well as creating Work Integrated Learning (WIL) employment opportunities for 100 graduates for 18 months with the particular focus on TVET college N6 graduates.
Project Lead	GRDM
Project Implementers	GRDM
Time Frame	Three Years
Status	In Progress

10.1.3 District Bulk Water Master Plan

Project Objective	Support the implementation of an integrated bulk water system, managed by a designated water authority, with the power to convene stakeholders and co-ordinate all actions
Project Lead	Disaster Management, GRDM
Project Implementers	GRDM, B-Municipalities, DWS, BGCMA
Time Frame	Plan to be in place by 2025
Status	The review of the Garden Route District Bulk Water Master Plan is currently on hold pending the completion of the Department of Water and Sanitation's reliability study and improved regional coordination among key stakeholders.

Other relevant information:

- This plan will also cover water governance.
- Actions required: The description, implementation lead, key outputs, and deadlines should be confirmed and updated as appropriate.

10.1.4 Facilitate alignment of marketing for the Garden Route through District Marketing Organisation (DMO)

Project Objective	A partnership with WESGRO, SATSA, and FEDHASA, as well as Local Tourism Offices in the Garden Route. The purpose of the project is to collaborate for the purposes of tourism promotion of the Garden Route and Klein Karoo region in a manner that embodies strategic cohesiveness and the efficient utilisation of resources between the stakeholders. The stakeholders have all recognised the need for a coordinated approach when implementing the Project and to this end have committed themselves to conclude a Memorandum of Understanding. The areas of collaboration include but are not limited to marketing and promotion, events, strategic initiatives (including cruise and air route development), and tourism, with the purpose of conducting joint marketing and development initiatives, as amended from time to time by the Steering Committee.
Project Lead	DMO
Project Implementers	DMO, B Municipalities, GRDM, WESGRO, SATSA, FEDHASA, LOCAL TOURISM ORGANISATIONS
Time Frame	3 years
Status	On hold

10.1.5Skills Mecca District Wide Projects (DRAFT – to be updated)

The Garden Route Skills Mecca continues to coordinate skills development initiatives across the district through partnerships with Sector Education and Training Authorities (SETAs), the National Skills Fund and other stakeholders. Current programmes focus on priority sectors such as municipal infrastructure, water and sanitation services, artisan development, emergency services, tourism and hospitality.

The current portfolio of Skills Mecca projects implemented through LGSETA and the National Skills Fund is valued at approximately **R55.9 million**, benefiting both employed and unemployed participants across the Garden Route district.

NO.	FUNDER	Project name	Amount Awarded	Project Fees	NQF LEVEL	Employed	Unemployed
2	LGSETA / 20246908	NC: Water and wastewater Reticulation Services	R 1 620 000,00	R 121 500,00	2	0	29
3	LGSETA / 20240078	NC: Water and wastewater Reticulation Services	R 220 000,00	R 16 500,00	3	0	30
4	LGSETA / 20244872	NC: Water and wastewater Reticulation Services	R 1 620 000,00	R 121 500,00	3	10	0
5	LGSETA / 20247128	NC: Water and wastewater Treatment Process Operations	R 1 620 000,00	R 121 500,00	2	0	27
6	LGSETA / 20241583	NC: Water and Wastewater Process Control	R 432 000,00	R 33 000,00	3	0	8
7	LGSETA / 20247247	FETC: Water and Wastewater Treatment Process Control Supervision	R 572 000,00	R 42 900,00	4	26	0
8	LGSETA / 20246380	FETC: Water and Wastewater Treatment Process Control Supervision	R 540 000,00	R 40 500,00	4	0	9
10	LGSETA / 20249124	NC: Local Economic Development	R 1 056 000,00	R 79 200,00	4	48	0
11	LGSETA / 20241587	OC: Electrician	R 1 769 202,00	R 132 690,15	4	18	0
12	LGSETA / 20249158	OC: Electrician	R 6 248 670,00	R 468 650,25	4	0	28
13	LGSETA / 20248523	OC: Firefighter	R 543 000,00	R 40 725,00	4	50	0
14	LGSETA	OC: Firefighter (RPL)	R 900 000,00	R 67 500,00		50	0
15	LGSETA / 20235656	OC: Electrician	R 1 415 260,00	R 106 144,50	4	0	20
16	LGSETA / 20237446	OC: Electrician (RPL)	R 550 375,00	R 41 278,13	4	17	0
17	LGSETA / 2024	NC: Water and Wastewater Process Control NQF 3	R 440 000,00	R 33 000,00	3	20	0
18	LGSETA / 2024	Project Management Training	R420 000,00	R	5	1	11
19	LGSETA / 2024	NSF Cooks Program	R13 360 000,00	R 1 002 000,00	4	0	200

NO.	FUNDER	Project name	Amount Awarded	Project Fees	NQF LEVEL	Employed	Unemployed
20	LGSETA / 2024	NSF WIL Program	R 22 640 000,00	R 1 698 000,00	4	0	200
	TOTAL		**R 55 966 507,00**	**R 4 166 588,03**		**240**	**562**

Skills Mecca – Funding Proposals Submitted

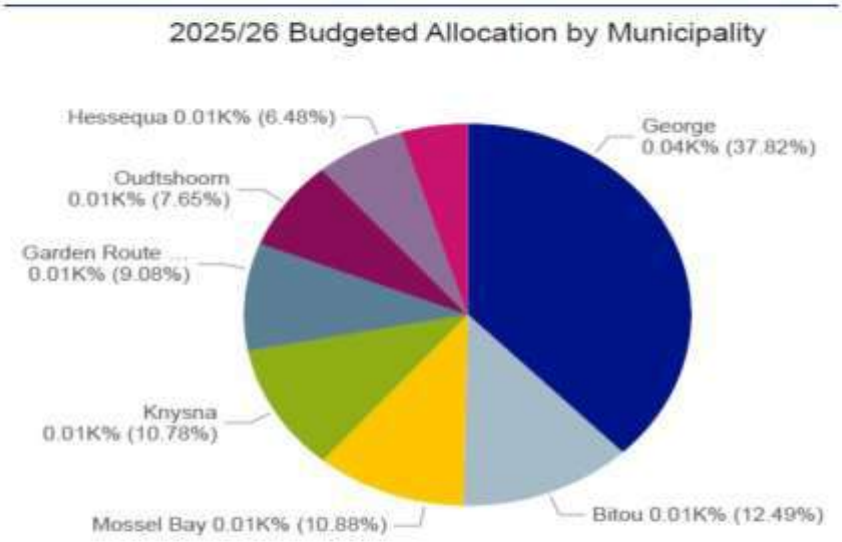
In addition to the current projects, the Garden Route District Municipality has submitted several funding proposals to SETAs to expand skills development opportunities. These include LGSETA Discretionary Grant proposals valued at approximately R73.2 million, LGSETA targeted training proposals valued at R8.32 million, and MICTSETA proposals valued at approximately R11.17 million focusing on ICT and digital skills development.

The total value of the submitted proposals therefore represents a potential investment of approximately R92.7 million. Additional proposals have also been submitted to the SERVICES SETA, targeting approximately 560 beneficiaries, and are currently awaiting feedback.

If approved, the Skills Mecca pipeline programmes could provide training opportunities for more than 3 000 beneficiaries across the Garden Route district, further strengthening critical skills, improving employability and supporting socio-economic development within the region.

10.2Government Spending

Below is an illustration of the allocations across the entire Garden Route District area from the National and Provincial Government Departments.



The table quantifies the allocations from each National or Provincial department to be spent in the Hessequa Municipal area

Hessequa: Budgeted National and Provincial Allocations (R'000)

Source	Department	Municipality	Transfer description	2025/26	2026/27	2027/28
National	National Treasury	Hessequa	Equitable Share	67378	71173	74368
WCG	Local Government	Hessequa	Municipal Energy Resilience Grant	37000	0	0
WCG	Department of Infrastructure	Hessequa	Human Settlements Development Grant (Beneficiaries)	21592	10383	13333
National	Cooperative Governance	Hessequa	Municipal Infrastructure Grant	15812	16812	17392
WCG	Department of Infrastructure	Hessequa	Provincial Contributions towards to Acceleration of Housing Delivery	7422	0	0
WCG	Cultural Affairs and Sport	Hessequa	Library service: Replacement funding for most vulnerable B3 Municipalities	7298	7527	7445
WCG	Cultural Affairs and Sport	Hessequa	Community library services grant	4496	4541	5333
National	National Treasury	Hessequa	Local Government Financial Management Grant	1800	1900	2000
WCG	Local Government	Hessequa	Municipal Water Resilience Grant	1550	0	0
National	Public works and Infrastructure	Hessequa	Expanded Public Works Programme Integrated Grant for Municipalities	1351	0	0
WCG	Department of Infrastructure	Hessequa	Informal Settlements Upgrading Partnership Grant	1241	1328	2000
WCG	Provincial Treasury	Hessequa	Western Cape Financial Management Capability Grant	1050	0	0
WCG	Department of Environmental Affairs & Development Planning	Hessequa	Regional Socio-Economic Projects (RSEP) Programme - Municipal Projects	810	0	0
WCG	Department of Infrastructure	Hessequa	Title Deeds Restoration Grant	692	0	0
National	Mineral Resources and Energy	Hessequa	Integrated National Electrification Programme (Eskom) Grant	659	0	0
WCG	Department of Economic Development and Tourism	Hessequa	Tourism Growth Fund	469	0	0
WCG	Local Government	Hessequa	Thusong Service Centres Grant (Sustainability: Operational Support Grant)	150	0	0
WCG	Department of Infrastructure	Hessequa	Financial assistance to Municipalities for maintenance and construction of transport infrastructure	135	15105	7782
WCG	Local Government	Hessequa	Community Development Worker Operational Support Grant	56	56	56
National	Mineral Resources and Energy	Hessequa	Energy Efficiency and Demand Side Management Grant	0	0	4000
National	Mineral Resources and Energy	Hessequa	Integrated National Electrification Programme (Municipal) Grant	0	3000	3136
Total				**170961**	**131825**	**136845**

.

Annexure A: Circular 88 Monitoring & Reporting

For inclusion in final document



HESSEQUA MUNICIPALITY
P.O Box 29/ Civic Centre, van der Berg Street, Riversdale, 6670
028 713 8000
info@hessequa.gov.za

9.15 HERSIENING VAN DIE GOEDGEKEURDE 2025/2026 (3DE HERSIENING) DELEGASIE REGISTER

File number / Verwysingsnommer: 6/1/4

Meeting date / Vergadering datum: 26 Maart 2026

Report by / Verslag deur: Bestuurder: Regsdienste & Administrasie – Mev Sarah Sanders

PURPOSE OF REPORT / DOEL VAN VERSLAG

Vir die Raad om die insette vir hersiening soos ontvang vir die 2025/2026 Delegasie Register (3de hersiening) in terme van Artikel 59 van die Plaaslike Regering: Munisipale Stelselswet 32 van 2000, aan te beveel vir goedkeuring.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

Artikel 59 van die Plaaslike Regering: Munisipale Stelsels Wet, 2000 (Wet 32 van 2000) bepaal as volg:

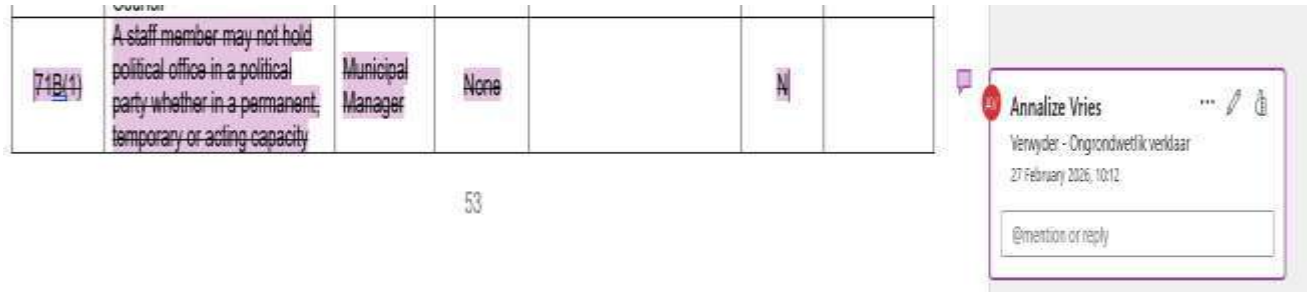
"(1) A municipal council must develop a system of delegation that will maximize administrative and operational efficiency and provide for adequate checks and balances."

Die volgende wysigings word nou aan die Komitee voorgehou vir oorweging:

1. LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 (ACT 32 OF 2000)

BLADSY 53

Verwydering artikel 71B(1): Die artikel is ongrondwetlik verklaar.



71B(1)	~~A staff member may not hold political office in a political party whether in a permanent, temporary or acting capacity~~	~~Municipal Manager~~	~~None~~		~~N~~	

53

2. LOCAL GOVERNMENT MUNCIPAL FINANCE MANAGEMENT ACT (56 OF 2003) MUNICIPAL ASSET TRANSFER REGULATIONS, 2008

BLADSY 201

Invoeging artikel 34(1)(b) – beginsel goedkeuring

Invoeging artikel 41 (2)(e) – gebruik van eiendom aan staatsorgane

3. LOCAL GOVERNMENT MUNICIPAL FINANCE MANAGEMENT ACT (56 OF 2003): MUNICIPAL ASSET TRANSFER REGULATIONS, 2008						
Section	**Power conferred**	**Delegating authority**	**Delegated body**	**Conditions**	**Sub-delegate**	**Delegatee**
34(1)(b)	Granting of in-principle approval	Council	Municipal Manager	Subject to the capital assest not exceeding the value of R10 million and for a period of no longer than 3 years	N	
34(4)	Granting of rights to use, control or manage municipal capital assets	Council	Municipal Manager	Subject to the capital asset not exceeding the value of R2 million and the term of lease not longer than 3 years	N	
41(2)(e)	Recommending the granting of a right to use, control or manage a municipal capital asset to another organ of state	Council	Municipal Manager	Subject that that the asset is surplus to the requirements of the municipality	N	



3. SCHEDULE 4

INCIDENTAL DELEGATION OF POWERS, BEING POWERS NOT EXPLICITLY CONFERRED BY ACTS

BLADSY 239

Invoeging: Huur van eiendom minder as 3jaar

108.	Leasing of property for a period not exceeding 3 years	Council	Executive Mayoral Committee			
108.	Approval of acting appointment as Senior Manager (Section	Council	Municipal Manager	In consultation with the Executive Mayor	N	



4. SCHEDULE 6: DELEGATION OF POWERS IN TERMS OF BY-LAWS

BLADSY 269 – 305

Kosmetiese verandering Head: Disaster Management & Law Enforcement na Chief: Law Enforcement

	the year					
4(3)	Impounding of an animal found in a camp which has been closed	Municipal Manager	Director: Community Services		Y	~~Head: Disaster & Management~~

6. COMMONAGE BY-LAW						
COLUMN NUMBER						
1	2	3	4	5	6	7
Section	**Power Conferred**	**Delegating authority**	**Delegated body**	**Conditions**	**Sub-delegation**	**Delegatee**
						~~& Law Enforcement~~ Chief: Law Enforcement
7(1)	Determining the number and kinds of animals that may be accommodated on the commonage	Municipal Manager	None	Upon recommendation/s by the ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	N	
9(1)	Determining the grazing fees to be paid	Municipal Manager	None	Upon recommendation/s by the ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	N	

12. IMPOUNDMENT OF ANIMALS BY-LAW						
COLUMN NUMBER						
1	2	3	4	5	6	7
Section	**Power conferred**	**Delegating authority**	**Delegated body**	**Conditions**	**Sub-delegation**	**Delegatee**
4(1)	Approving the establishment of a pound	Municipal Manager	None	In consultation with the Manager: Protection Services and or ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	N	
Section	**Power Conferred**	**Delegating authority**	**Delegated body**	**Conditions**	**Sub-delegation**	**Delegatee**
11(2)	Burial of carcasses at the expense of the owner should an animal die on the commonage	Municipal Manager	None	Upon recommendation/s by the ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	N	
12(1)	Considering any applications in terms of the by-law	Municipal Manager	Director: Community Services	Upon recommendation/s by the ~~Head: Disaster Management & Law Enforcement~~ Chief Law Enforcement	Y	Manager: Protection Services

	Ensuring compliance with the by-law	Municipal Manager	Director: Community Services		Y	~~Head: Disaster Management & Law Enforcement~~ Chief Law Enforcement
11(3)	Impounding of an animal not under the control of a person in a public amenity	Municipal Manager	Director: Community Services		Y	~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement

16. PUBLIC NUISANCES AND ANIMALS BY-LAW						
COLUMN NUMBER						
1	2	3	4	5	6	7
Section	**Power conferred**	**Delegating authority**	**Delegated body**	**Conditions**	**Sub-delegation**	**Delegatee**
2(3) (a & b)	Granting approval for premises to be legally used for agricultural purposes or where the keeping of animals or the operation of pet parlours, pet shops or catteries and kennels	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services

COLUMN NUMBER						
1	2	3	4	5	6	7
Section	**Power conferred**	**Delegating authority**	**Delegated body**	**Conditions**	**Sub-delegation**	**Delegatee**
4	Granting written approval relating to keeping of animals	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services
6(2)	Furnishing of reasons for refusal of consent and imposing conditions (3)	Municipal Manager	Director: Community Services		Y	Manager: Protection Services
14(1)	Considering all application to keep more than two dogs or cats	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services
15(1)	Considering an application from a breeder of dogs and cats who wishes to keep more than two dogs or cats	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services

16. PUBLIC NUISANCES AND ANIMALS BY-LAW						
COLUMN NUMBER						
1	2	3	4	5	6	7
Section	**Power conferred**	**Delegating authority**	**Delegated body**	**Conditions**	**Sub-delegation**	**Delegatee**
16	Deciding whether to give written approval to a person who breeds pets	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services

19. ROADS AND STREETS BY-LAW						
COLUMN NUMBER						
1	2	3	4	5	6	7
Section	**Power conferred**	**Delegating authority**	**Delegated body**	**Conditions**	**Sub-delegation**	**Delegatee**
	may dump or place in a street any objects or substances		Director: Community Services			
14	Granting written permission for the use of explosives or blasting operations	Municipal Manager	None	In consultation with the Chief Fire Officer	N	
16	Granting written permission for the erection of a barbed-wire, razor wire or electrified fence on the boundary of a street	Municipal Manager	Director: Community Services	In consultation with the ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement		Manager: Protection Services

1	2	3	4	5	6	7
Section	**Power conferred**	**Delegating authority**	**Delegated body**	**Conditions**	**Sub-delegation**	**Delegatee**
4	Considering and deciding on any application in terms of this Bylaw	Municipal Manager	Director: Community Services	In consultation with Head: Traffic Services and ~~Head: Disaster Management & Law Enforcement~~	Y	Manager: Protection Services

26. EVENTS BYLAW						
COLUMN NUMBER						
1	2	3	4	5	6	7
Section	**Power conferred**	**Delegating authority**	**Delegated body**	**Conditions**	**Sub-delegation**	**Delegatee**
				Chief Law Enforcement		

5	Impose conditions to the permit to hold an event	Municipal Manager	Director: Community Services	In consultation with Head: Traffic Services and ~~Head: Disaster Management & Law Enforcement~~ Chief Law Enforcement	Y	Manager: Protection Services
10	Suspend or revocation of a permit in terms of this Bylaw	Municipal Manager	Director: Community Services	In consultation with Head: Traffic Services and ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services

3(3)	Considering all applications to keep more than two dogs	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services
4(1)	Considering all applications to breed and hawk dogs	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services
8(1)	Order the euthanization or destruction of a dog	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services
8(3)	Instruction for the sterilisation of a dog	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services
9(1)	Considering all applications to keep more than the permitted number of cats	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services
10	Instruction for the sterilisation of a cat	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services

11(1)	Considering all applications to breed and hawk cats	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services
14(1)	Withdraw of consent for the removal of dogs or cats from the premises for care and safekeeping by an animal welfare organisation or pound	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services
15	Granting of exemption to any person and class of persons from any or all the requirements of this by-law and may impose any other requirements it deems appropriate	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services
16(2)	Producing written proof of authorisation when entering a premises for inspection	Municipal Manager	Director: Community Services	In consultation with ~~Head: Disaster Management & Law Enforcement~~ Chief: Law Enforcement	Y	Manager: Protection Services

Die item het op **18 Maart 2026** op die **Korporatiewe Dienste Portefeulje Komitee** gedien, en het die Komitee as volg aanbeveel:

"1. Dat die Komitee die gewysigde Delegasie Register 2025/2026 (3de hersiening) ingevolge Artikel 59 van die Plaaslike Regering: Munisipale Stelselswet (Wet 32 van 2000) ondersteun en aanbeveel vir goedkeuring deur die Raad.

2. Dat die Item na die Raad verwys word vir goedkeuring."

Die Delegasie Register met die voorgestelde wysiging kan by die onderstaande skakel besigtig word:

Delegasie Register - 26 November 2025 - Wysigings Maart 2026.pdf

UITVOERENDE BURGEMEESTERSKOMITEE

Die item dien by die **Uitvoerende Burgemeesterskomitee** vergadering van **26 Maart 2026** en terugvoer sal tydens die Raadsvergadering gegee word.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Die aanbevelings word ondersteun.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Daar word kennis geneem van die verslag en die aanbevelings word ondersteun.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

Dat die Raad die gewysigde Delegasie Register 2025/2026 (3de hersiening) ingevolge Artikel 59 van die Plaaslike Regering: Munisipale Stelselswet (Wet 32 van 2000) goedkeur.

ATTACHMENTS / STAWENDE DOKUMENTE

Geen

9.16 AWARDING OF A CONTRACT WHICH WILL INCUR FINANCIAL OBLIGATIONS BEYOND THE BUDGET CYCLE: HES-CORP 07/2425 – THE SUPPLY AND INSTALLATION OF PHOTOCOPIERS, PRINTERS AND A SCANNER FOR A PERIOD OF THREE (3) YEARS

File number / Verwysingsnommer: 8/1

Meeting date / Vergadering datum: 26 March 2026

Report by / Verslag deur: Manager: Legal and Administration - Ms. S Sanders

PURPOSE OF REPORT / DOEL VAN VERSLAG

For Council to approve the contract in line with section 33 of the Municipal Finance Management Act, 56 of 2003.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

On **24 October 2025** the Bid Adjudication Committee (BAC) awarded Tender HES-CORP 07/2425 to Sky Metro Equipment (Pty) Ltd by for the supply and installation of photocopiers, printers and a scanner for a period of three (3) years in the amount of R4 408 043.07, subject to completion of the process as prescribed by section 33 of the Municipal Finance Management Act, 56 of 2003 (MFMA).

The services under this tender include the following:

- Provision of new equipment only.
- Maintenance, repairs, servicing, remote and onsite support.
- Provision of consumables and spare parts forming part of the rental agreement.
- Network printing and scanning functionalities.
- Defined response and resolution times as captured in the draft SLA.
- Installation of equipment across the Hessequa region, including libraries, administration offices and satellite facilities.

The contract contains financial obligations that extend beyond three financial years due to:

- The capital nature of office equipment,
- The rental-based service model,
- The need for continuity and stability in the Municipality’s printing and document-management environment, and
- The operational efficiencies gained from multi-year equipment and service agreements.

As the proposed contract will impose financial obligations on the municipality beyond three (3) financial years, commencing on 1 April 2026 and terminating on 31 March 2029, the prescribed section 33 process as outlined in the MFMA must be complied with. Section 33 of the MFMA provides as follows:

"33. Contracts having future budgetary implications

(1) A municipality may enter into a contract which will impose financial obligations on the municipality beyond a financial year, but if the contract will impose financial obligations on the municipality beyond the three years covered in the annual budget for that financial year, it may do so only if—

(a) the municipal manager, at least 60 days before the meeting of the municipal council at which the contract is to be approved—

(i) has, in accordance with section 21A of the Municipal Systems Act—

(aa) made public the draft contract and an information statement summarising the municipality's obligations in terms of the proposed contract; and

(bb) invited the local community and other interested persons to submit to the municipality comments or representations in respect of the proposed contract; and

(ii) has solicited the views and recommendations of—

(aa) the National Treasury and the relevant provincial treasury;

(bb) the national department responsible for local government; and

(cc) if the contract involves the provision of water, sanitation, electricity, or any other service as may be prescribed, the responsible national department;

(b) the municipal council has taken into account—

(i) the municipality's projected financial obligations in terms of the proposed contract for each financial year covered by the contract;

(ii) the impact of those financial obligations on the municipality's future municipal tariffs and revenue;

(iii) any comments or representations on the proposed contract received from the local community and other interested persons; and

(iv) any written views and recommendations on the proposed contract by the National Treasury, the relevant provincial treasury, the national department responsible for local government and any national department referred to in paragraph (a)(ii)(cc); and

(c) the municipal council has adopted a resolution in which—

(i) it determines that the municipality will secure a significant capital investment or will derive a significant financial economic or financial benefit from the contract;

(ii) it approves the entire contract exactly as it is to be executed; and

(iii) it authorises the municipal manager to sign the contract on behalf of the municipality."

In compliance with the requirements of section 33(1)(a) of the MFMA, the Municipal Manager has, in accordance with section 21A of the Municipal Systems Act, made public the draft contract (Annexure C) and information statement (Annexure D). The outcomes of this extensive consultation process are set out in the below table:

Legal Requirement	Date advertised	Comment Due Date	Public Participation Outcome
Public Notice (Annexure B) *Suid-Kaap Forum*	12 December 2025	6 February 2026	No comments received
Information Statement and Draft Contract made available at: - Municipal offices - Libraries - Municipal Website - SCM Office at ABSA Building	12 December 2025	6 February 2026	No comments received
Local Community and other interested persons	12 December 2025	6 February 2026	No comments received
Provincial Treasury and National Treasury	17 December 2025	6 February 2026	Comments received from Provincial Treasury (Annexure E) and National Treasury (Annexure F)
COGTA	10 February 2026	27 February 2026	No comments received

In line with section 33(1)(b)(i) of the MFMA, the financial obligation of the municipality for each financial year is set out below:

Financial Year	Period	Financial obligations per year (incl. VAT)	
		Rental	**Copies**
2025/2026 2026/2027	**Year 1:** 1 April 2026 – 31 March 2027	R 1 361 569.69	R107 778.00
2026/2027 2027/2028	**Year 2:** 1 April 2027 – 31 March 2028	R 1 361 569.69	R107 778.00
2027/2028 2028/2029	**Year 3:** 1 April 2028 – 31 March 2029	R 1 361 569.69	R107 778.00
		R 4 084 709.07	R 323 334.00
	TOTAL		**R 4 408 043.07**

It is confirmed that the above financial obligations will have no impact on the municipality's future tariffs and revenue as contemplated in section 33(1)(b)(ii) of the MFMA.

As indicated above, no comments or representations were received from the local community and/or other interested persons as provided for in section 33(1)(b)(iii).

Provincial Treasury:

In line with section 33(1)(b)(iv), Provincial Treasury provided its written views on the contract, attached as Annexure E, and confirmed that *"Given the Municipality's current financial position, Provincial Treasury (PT) has in principle no objections to the contract, subject to the required Supply Chain Management processes being followed and the requirements of the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA) (especially Section 33 and Section 116) being adhered to."*

Provincial Treasury furthermore confirmed that:

"*The Municipality has complied with the requirements of section 33(1)(a)(i) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA), which requires the solicitation of views from the local community, the relevant Provincial Treasury and National Treasury through written comments and representations in respect of the proposed contract."*

"The Municipality has further confirmed compliance with section 21A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) by making the draft contract and an information statement summarising the Municipality's financial obligations available on its official website."

The remainder of the comments received from Provincial Treasury are operational in nature and are aimed at ensuring ongoing compliance with the applicable legislation.

National Treasury:

National Treasury submitted their comments on the contract on 24 February 2026. The response to each of the comments are provided below:

Clause 3 of the draft contract outlines the appointment and duration and refers to a commencement date. We recommend that the municipality define the commencement date.

- The commencement date of the contract will be 1 April 2026 and is set out in the recommendation 3 below.

Sub-clause 6.2 requires the contractor to perform the obligations as "expeditiously as possible". This is too general as there is no response or restore times, including what should happen should a device be down. The municipality should review this clause and include reasonable timelines.

- the response and resolution timelines were stipulated in the tender specifications and requirements, which are incorporated by reference to this contract as stated in the Preamble.

Clause 9 matters relating to termination, the municipality should consider including a provision for termination due to non-performance beyond the GCC. This should include an exit plan, which should include de-installation at supplier cost.

- The GCC makes provision for dispute resolution and includes installation / commissioning of the goods as an incidental service. An exit plan is operational and will be addressed in a separate agreement with the service provider as this arrangement must be mutually agreed on between the parties.

The item served at the **Corporate Services Portfolio Committee** on **18 March 2026** with the following recommendations:

"1. That the Committee note the comments received from Provincial Treasury and National Treasury on the contract.

2. That the Committee determine that the municipality will secure a financial economic benefit from the contract for the supply and installation of photocopiers, printers and a scanner for a period of three (3) years.

3. That the Committee approve the entire contract exactly as it is to be executed for a period of three (3) years, commencing 1 April 2026 and terminating on 31 March 2029.

4. That the Municipal Manager be authorised to sign the contract on behalf of the municipality.

5. That the item be referred to Council for approval."

EXECUTIVE MAYORAL COMMITTEE

The item is tabled at the **Executive Mayoral Committee** meeting of **26 March 2026** and feedback will be given at the Council meeting on the same day.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Noted and supported.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

The contents of the report and annexures are noted and the recommendations are supported.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

The contents of the report and its annexures are noted. The recommendations are supported.

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

COMMENTS: HEAD STRATEGIC SERVICES / KOMMENTAAR: HOOF STRATEGIESE DIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

1. That Council note the comments received from Provincial Treasury and National Treasury on the contract.
2. That Council determine that the municipality will secure a financial economic benefit from the contract for the supply and installation of photocopiers, printers and a scanner for a period of three (3) years.
3. That Council approve the entire contract exactly as it is to be executed for a period of three (3) years, commencing 1 April 2026 and terminating on 31 March 2029.
4. That the Municipal Manager be authorised to sign the contract on behalf of the municipality.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Acting Director: Corporate Management: Mr D Lewis-Michaels

ATTACHMENTS / STAWENDE DOKUMENTE

Annexure A – BAC award

Annexure B – Public Notice in Suid-Kaap Forum

Annexure C – Draft Contract

Annexure D – Information Statement

Annexure E – Comment received from Provincial Treasury

Annexure F – Comment received from National Treasury.

MEMORANDUM OF AGREEMENT

FOR THE

SUPPLY AND INSTALLATION OF PHOTOCOPIERS, PRINTERS AND A SCANNER FOR A PERIOD OF THREE (3) YEARS

MADE AND ENTERED INTO BETWEEN

HESSEQUA MUNICIPALITY

AND

[redacted]

Registration No: [redacted]

Contract Number HES-CORP 07/2425

PREAMBLE

WHEREAS tender HES-CORP 07/2425 (the tender) was awarded to [redacted] (Pty) Ltd by the Bid Adjudication Committee (BAC) on 24 October 2025 for the supply and installation of photocopiers, printers and a scanner for a period of three (3) years, subject to completion of the process as prescribed by section 33 of the Municipal Finance Management Act, 56 of 2003 (MFMA);

AND WHEREAS the contract price was awarded in accordance with Section 2.3: MBD 3.1 Pricing Schedule, subject to being firm prices, comprising of (i) rental (including service and maintenance) and (ii) fixed cost per copies;

AND WHEREAS it is recorded that this agreement is governed by the General Conditions of Contract (GCC), specifications, special conditions, pricing schedule and contract form of the tender, which are incorporated by reference to this contract.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. THE PARTIES

The Parties to this contract are:

1.1 Hessequa Municipality, a municipality duly established in terms of Local Government: Municipal Structures Act 117 of 1998 (as amended), herein represented by the Municipal Manager duly authorized thereto (hereinafter referred to as (the Employer / Purchaser);

1.2 [redacted] (Pty) Ltd, a private company registered in terms of the laws of South Africa, with registration number [redacted] with its principal place of business situated at [redacted] herein represented by its duly authorized representative [redacted] in his capacity as Managing Director (the Contractor).

2. INTERPRETATION AND DEFINITIONS

2.1 Unless the context indicates otherwise, defined terms in the GCC bear the same meanings in this contract.

2.2 In the event of any conflict between the provisions of this contract, the GCC, or any other document incorporated by reference to this contract, save to the extent expressly stated to the contrary, the GCC shall prevail.

2.3 Additional definitions:

"Equipment" means the multifunction photocopiers, single/mono/colour printers, and one (1) inkjet plotter, copier and colour scanner, including accessories, firmware, embedded software, drivers and stand-alone applications supplied under this contract.

"Notice" bears the same meaning as set out in clause 31 of the GCC and shall also include email communication between the parties which shall be deemed to have been received at the time of transmission.

"Scope of Work" means the supply and installation of the equipment at the respective offices across the Hessequa region (Riversdale, Heidelberg, Slangrivier, Witsand, Still Bay, Jongensfontein, Gouritsmond, and Albertinia), including libraries and camp sites as per the tender specifications and conditions.

3. APPOINTMENT AND DURATION

3.1 The Municipality hereby appoints the Contractor to perform the Scope of Work for the Municipality from the commencement date, subject to the approval of this contract by the Municipal Council of Hessequa Municipality.

3.2 Unless terminated earlier in accordance with the provisions of the GCC, or any other provision in terms of the contract, this contract shall be for a period of three (3) years.

4. MUTUAL GOOD FAITH / COOPERATION

4.1 The Parties represent and undertake to do all such things, perform all such acts and take all steps to procure the doing of all such things and the performance of all such acts, as may be necessary or incidental to give effect to the execution of this contract.

4.2 The Parties shall at all times during the continuance of this contract observe the principles of good faith towards one another in the performance of their obligations in terms of this contract.

5. OBLIGATIONS OF THE EMPLOYER

5.1 The Employer undertakes to perform its obligations in accordance with the tender, including but not limited to those obligations as set out in Section 5.2: Contract Form: Part 2, subject to the satisfactory fulfilment of the obligations by the Contractor as set out in this contract.

5.2 The Employer shall monitor and evaluate the performance of the Contractor in respect of the requirements and specifications stipulated in the tender.

5.3 The Employer shall make payment for the goods/works delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

6. OBLIGATIONS OF THE CONTRACTOR

6.1 The Contractor undertakes to perform its obligations in accordance with the requirements and specifications stipulated in the tender at the price/s quoted, including but not limited to those obligations as set out in Section 5.1: Contract Form: Part 1.

6.2 The Contractor will perform the obligations as expeditiously as possible and furthermore agrees and undertakes to perform the services in accordance with the operational requirements of the Employer.

6.3 The Contractor shall ensure that its employees, agents, representatives, sub-contractors and suppliers comply with this contract and all applicable laws in the execution of the goods and/or services.

6.4 The Contractor will not conduct any activity of whatsoever nature which may be detrimental to the Purchaser's reputation and goodwill.

7. PRICING

7.1. The Contract Price for the Scope of Works is, as set out in Part 4: Price Schedule, the following:

RENTAL FIXED FOR 36 MONTHS

Description (Minimum Requirements)	Qty	Annual Rental Year 1 for specified quantities (VAT Exclusive)	Annual Rental Year 2 for specified quantities (VAT Exclusive)	Annual Rental Year 3 for specified quantities (VAT Exclusive)
RENTAL FIXED FOR 36 MONTHS				
35 - 40 PPM MONO A3 AND A4 MULTI–FUNCTIONAL COPIERS	14	R 315 216.72	R 315 216.72	R 315 216.72
50 - 55 PPM MONO A3 AND A4 MULTI–FUNCTIONAL COPIERS	21	R 705 010.32	R 705 010.32	R 705 010.32
36 - 40 PPM COLOUR A3 & A4 MULTI – FUNCTIONAL COLOUR COPIERS	4	R 105 159.84	R 105 159.84	R 105 159.84
A0 – A4 INKJET PLOTTER, COPIER AND COLOUR SCANNER	1	R 58 586.76	R 58 586.76	R 58 586.76
Total (VAT Exclusive)		R 1 183 973.64	R 1 183 973.64	R 1 183 973.64
Vat (15%)		R 177 596.05	R 177 596.05	R 177 596.05
Grand Total (VAT Inclusive)		R 1 361 569.69	R 1 361 569.69	R 1 361 569.69

FIXED COST PER COPIES FOR 36 MONTHS

Description	Estimated Average Copies Per Year	Year 1		Year 2		Year 3	
		Cost Per Copy (Excl. Vat)	Average Annual Cost (Excl. Vat)	Cost Per Copy (Excl. Vat)	Average Annual Cost (Excl. Vat)	Cost Per Copy (Excl. Vat)	Average Annual Cost (Excl. Vat)
35 -40 PPM MONO A3 AND A4 MULTI–FUNCTIONAL COPIERS	276 000	0.075	R 20 700.00	0.075	R 20 700.00	0.075	R 20 700.00

50 -55 PPM MONO A3 AND A4 MULTI– FUNCTIONAL COPIERS	336 000	0.075	R 25 200.00	0.075	R 25 200.00	0.075	R 25 200.00
36 -40 PPM COLOUR A3 & A4 MULTI – FUNCTIONAL COLOUR COPIERS	BLACK						
	240 000	0.071	R 17 040.00	0.071	R 17 040.00	0.071	R 17 040.00
	COLOUR						
	60 000	0.513	R 30 780.00	0.513	R 30 780.00	0.513	R 30 780.00
A0 – A4 INKJET PLOTTER, COPIER AND COLOUR SCANNER	1200 linear meter	N/A					
Sub-Total (VAT Exclusive)		R 93 720.00		R 93 720.00		R 93 720.00	
Vat (15%)		R 14 058.00		R 14 058.00		R 14 058.00	
Grand Total		R 107 778.00		R 107 778.00		R 107 778.00	

TENDERERS SHOULD USE THE PRICING SCHEDULES AS INDICATED ABOVE TO CALCULATE A UNIT PRICE COMPRISING OF BOTH THE RENTAL AND COPY CHARGES.

Description (Minimum Requirements)	Qty	Unit Price (Excl. VAT) YEAR 1	Unit Price (Excl. VAT) YEAR 2	Unit Price (Excl. VAT) YEAR 3
35 – 40 PPM Mono Copier	1	R335 916,72	R335 916,72	R335 916,72
50 – 55 PPM Mono Copier	1	R730 210,32	R730 210,32	R730 210,32
36 – 40 PPM Mono Copier Colour	1	R152 979,84	R152 979,84	R152 979,84
A0 – A4 Inkjet Plotter, Copier and Colour Scanner	1	R58 586,76	R58 586,76	R58 586,76
Sub-Total (VAT Exclusive)		R1 277 693,64	R1 277 693,64	R1 277 693,64
Vat (15%)		R191 654,05	R191 654,05	R191 654,05
Grand Total (VAT Inclusive)		R1 469 347,69	R1 469 347,69	R1 469 347,69

= R4 408 043,07.

TENDERERS SHOULD PRICE ON THE PRICING SCHEDULE AS INDICATED ABOVE.

PLEASE NOTE:

AN ESTIMATED AMOUNT OF FOURTY (40) MACHINES WILL BE REQUIRED. THE QUANTITY AND DURATION OF EACH SPECIFICATION/MACHINE WILL VARY DURING THE PERIOD. SERVICE PROVIDERS ARE REQUESTED TO QUOTE AS PER SPECIFIED QUANTITIES PER MACHINE FOR THE DIFFERENT SPECIFICATIONS. WHILE IT IS THE INTENTION OF THE MUNICIPALITY TO HAVE THE SPECIFIED NUMBER OF SOLUTIONS PLACED AT ALL THE MUNICIPAL SITES ACROSS THE REGION, THE MUNICIPALITY RESERVES THE RIGHT TO REDUCE OR INCREASE THE NUMBER OF SOLUTIONS REQUIRED FOR THE DURATION OF THE CONTRACT.

****TENDERERS MUST TENDER FOR ALL LINE ITEMS TO BE CONSIDERED FOR EVALUATION.**

PLEASE NOTE:

* Additional Set of 350ml Cartridge - R17 704,80 excl.

7.2 The Contractor shall not be entitled to any other consideration for the rendering of the Goods and/or Services other than as provided for in this Contract.

7.3 Any price adjustments must comply with the GCC and applicable procurement guidelines and be approved in writing by the Municipality or relevant delegated authority.

8. PROTECTION OF PERSONAL INFORMATION

8.1 The Contractor acknowledges that, for the purposes of this contract, they may come into contact with or have access to personal information and other information that may be classified or deemed as private or confidential and for which the Municipality is responsible in terms of the Protection of Personal Information Act (POPIA).

8.2 The Contractor agrees that it will at all times comply with the provisions of POPIA and it shall only collect, use and process personal information it comes into contact with pursuant to this agreement in a lawful manner, and only to the extent required to execute the services, or to provide the goods and to perform their obligations in terms of this contract.

8.3 The Contractor agrees that it shall put in place, and at all times maintain, appropriate physical, technological and contractual security measures to ensure the protection and confidentiality of the personal information that it, or its employees, its contractors or other authorised individuals come into contact in relation to this contract.

8.4 The Contractor agrees that it shall notify the Municipality immediately where there are reasonable grounds to believe that the personal information of a data subject has been accessed or acquired by any unauthorised person.

8.5 Unless so required by law, the Contractor agrees that it shall treat the personal information as confidential and further not disclose any personal information as defined in POPIA to any third party without the prior written consent of the Municipality.

8.6 The Contractor hereby indemnifies and holds the Municipality harmless against all claims, losses, damages and costs of whatsoever nature suffered by the Municipality arising from or in relation to the Contractor 's (and/or its employees', agents' and sub-contractors') non-compliance with applicable data protection laws and/or other legislation.

8.7 The Contractor agrees that the Municipality may conduct regular data protection audits on the Contractor and undertakes to give its full co-operation in this regard.

9 TERMINATION

9.1 In addition to termination for insolvency and default as provided for in the GCC, the contract may also be terminated by mutual agreement between the parties.

10 PERFORMANCE MONITORING

10.1 As required by section 116(2)(b) of the MFMA, the Municipality shall monitor the performance of the Contractor on a quarterly basis, and the contractor agrees to provide the Municipality with its full cooperation in this regard.

11. ENTIRE AGREEMENT

11.1 This contract, together with the tender and all its annexures, constitutes the entire agreement between the parties.

SIGNED at _____ on this ____ day of _____ 202___

AS WITNESSES:

1_____

2_____

_____

MUNICIPAL MANAGER
HESSEQUA MUNICIPALITY

SIGNED at _____ on this ____ day of _____ 202___

AS WITNESSES

1_____

2_____

_____

[redacted] **(PTY) LTD**

SECTION 5.1: CONTRACT FORM: PART 1 (TO BE FILLED IN BY THE BIDDER)

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SUCCESSFUL BIDDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

1. I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to HESSEQUA MUNICIPALITY in accordance with the requirements and specifications stipulated in bid number **HES-CORP 07/2425** at the price/s quoted. My offer/s remains binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.

2. The following documents shall be deemed to form and be read and construed as part of this agreement:

   (i) Bidding documents, *viz*
   - Invitation to bid;
   - Tax clearance certificate;
   - Pricing schedule(s);
   - Technical Specification(s);
   - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2022;
   - Declaration of interest;
   - Declaration of bidder's past SCM practices;
   - Certificate of Independent Bid Determination;
   - Special Conditions of Contract;

   (ii) General Conditions of Contract; and

   (iii) Other (specify)

3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.

5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) [redacted]

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

HESSEQUA MUNICIPALITY
SUPPLY CHAIN MANAGEMENT
SCM
04 JUL 2025
SIGNATURE: .....

Initials of Service Provider's Authority: [redacted]..

SECTION 5.2: CONTRACT FORM: PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I..... in my capacity as..... accept your bid under reference number .....dated.....for the supply of goods/works indicated hereunder and/or further specified in the annexure(s).

2. An official order indicating delivery instructions is forthcoming.

3. I undertake to make payment for the goods/works delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the delivery note.

ITEM NO.	PRICE (ALL APPLICABLE TAXES INCLUDED)	BRAND	DELIVERY PERIOD	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

4. I confirm that I am duly authorized to sign this contract.

SIGNED AT .....ON.....

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

WITNESSES

1. .....

2. .....

DATE .....

HESSEQUA MUNICIPALITY
SUPPLY CHAIN MANAGEMENT
SCM 52
04 JUL 2025
SIGNATURE: .....

Initials of Service Provider's Authority: .....

HESSEQUA
Munisipaliteit/Municipality/U Masipala

RIVERSDALE
Tel. : 028-713 8000
P.O. Box 29, RIVERSDALE, 6670
E-pos : info@hessequa.gov.za

INFORMATION STATEMENT

SECTION 33 OF THE MFMA

CONTRACT HAVING FUTURE BUDGETARY IMPLICATIONS:

SUPPLY AND INSTALLATION OF PHOTOCOPIERS, PRINTERS AND A SCANNER FOR A PERIOD OF THREE (3) YEARS

CONTENTS

1. BACKGROUND 2
2. SECTION 33 PROCESS: 2
3. PROPOSED SERVICE LEVEL AGREEMENT AND PROJECT 2
4. REASONS FOR CONTRACT EXTENDING BEYOND THREE FINANCIAL YEARS 3
5. FINANCIAL IMPLICATIONS 3
6. ACCESS TO INFORMATION 4
7. SUBMISSION OF COMMENTS 4
8. NEXT STEPS 5

1. BACKGROUND

Section 33 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) ("MFMA") requires a municipality to undertake a public participation process whenever it intends to enter into a contract that will impose financial obligations on the municipality for a period exceeding three financial years. This process includes publication of an information statement, making relevant documents available to the public, and soliciting comments from the local community, National Treasury, Provincial Treasury, and the relevant national departments.

Hessequa Municipality intends to enter into a contract for the supply and installation of photocopiers, printers and a scanner for a period of three years. Although the contract duration is three years, the resulting financial obligations extend beyond three financial years, thus invoking Section 33 of the MFMA.

2. SECTION 33 PROCESS:

In terms of Section 33(1) of the MFMA, the Municipal Manager must, at least 60 days before the matter is submitted to Council for approval:

- Issue an information statement summarising the Municipality's obligations under the proposed contract and invite comments from the local community and affected persons (Section 33(1)(a)(i)).

- Solicit written views from:
  - National Treasury
  - The Provincial Treasury
  - The national department responsible for local government
  - The national department with functional responsibility for the service provided (Section 33(1)(a)(ii)).

Before approving the contract, Council must consider:
- The financial obligations for each year of the contract (Section 33(1)(b)(i)).
- The impact of these obligations on municipal revenues (Section 33(1)(b)(ii)).
- Any comments, representations or objections received from the public (Section 33(1)(b)(iii)).
- Written views and recommendations received from the relevant national and provincial departments (Section 33(1)(b)(iv)).

Council must then adopt a resolution in terms of Section 33(1)(c) of the MFMA that:
- Determines that it will have adequate budget and revenue to meet the obligations,
- Approves the contract, and
- Authorises the Municipal Manager to sign the agreement.

This information statement is issued in accordance with these statutory requirements.

3. PROPOSED SERVICE LEVEL AGREEMENT AND PROJECT BACKGROUND

Hessequa Municipality intends to appoint Sky Metro Equipment (Pty) Ltd under tender HES-CORP 07/2425 for the supply and installation of photocopiers, printers and a scanner. Services include:

- Provision of new equipment only.
- Maintenance, repairs, servicing, remote and onsite support.
- Provision of consumables and spare parts forming part of the rental agreement.
- Network printing and scanning functionalities.
- Defined response and resolution times as captured in the draft Rental agreement.
- Quarterly performance review meetings.
- Installation of equipment across the Hessequa region, including libraries, administration offices and satellite facilities.

4. REASONS FOR CONTRACT EXTENDING BEYOND THREE FINANCIAL YEARS

The contract contains financial obligations that extend beyond three financial years due to:
- The capital nature of office equipment,
- The rental-based service model,
- The need for continuity and stability in the Municipality's printing and document-management environment, and
- The operational efficiencies gained from multi-year equipment and service agreements.

5. FINANCIAL IMPLICATIONS

In terms of the draft contract and the award recommendation issued to Sky Metro Equipment (Pty) Ltd, the financial obligation arising from Tender HES-CORP 07/2425 amounts to a total contract value of R4 408 043.07 (VAT Inclusive) over the full 36-month contract period. The financial commitments consist of two main cost components: (1) a fixed annual rental amount, and (2) fixed cost-per-copy charges for mono and colour printing volumes.

5.1. Fixed Rental Costs (36 Months)

The following equipment will be supplied and maintained for a 36-month period at a fixed annual rental cost:

Equipment Type	Quantity	Annual Rental (Excl. VAT)	Annual Rental (Incl. VAT)
35–40 PPM Mono A3/A4 MFPs	14	R315 216.72	R362 499.23
50–55 PPM Mono A3/A4 MFPs	21	R705 010.32	R810 761.86
36–40 PPM Colour A3/A4 MFPs	4	R105 159.84	R120 933.82
A0–A4 Inkjet Plotter/Scanner	1	R58 586.76	R67 374.77

Annual Rental Total (Excl. VAT): R1 183 973.64
Annual Rental Total (Incl. VAT): R1 361 569.69

This amount remains fixed for each of the three financial years, resulting in a three-year rental total of R4 084 709.07 (VAT Incl.).

5.2. Cost-Per-Copy Charges (36 Months)

In addition to the fixed rental charges, the Municipality will incur annual usage charges based on average estimated print volumes:

Equipment Category	Annual Estimated Volume	Cost Per Copy (Excl. VAT)	Annual Cost (Excl. VAT)
Mono MFPs (35–40 PPM)	276 000	R0.075	R20 700.00
Mono MFPs (50–55 PPM)	336 000	R0.075	R25 200.00

Equipment Category	Annual Estimated Volume	Cost Per Copy (Excl. VAT)	Annual Cost (Excl. VAT)
Colour MFPs – Black	240 000	R0.071	R17 040.00
Colour MFPs – Colour	60 000	R0.513	R30 780.00
A0 Inkjet Plotter	1200 linear metres	N/A	N/A

Subtotal (Excl. VAT): R93 720.00
VAT (15%): R14 058.00
Total Annual Cost-Per-Copy (Incl. VAT): R107 778.00

The cost-per-copy expenses are expected to remain stable across all three years, resulting in a three-year usage total of R323 334.00 (VAT Incl.).

5.3. Overall Financial Commitment

The total projected financial obligation for the full 36-month contract (rental + usage) is therefore:

- Rental Total (36 months, incl. VAT): R4 084 709.07
- Cost-per-copy Total (36 months, incl. VAT): R323 334.00

Total Contract Obligation (36 months): R4 408 043.07 (VAT Inclusive)

This amount will be incorporated into the Municipality's operational budgets and Medium-Term Revenue and Expenditure Framework (MTREF) for the duration of the contract. The expenditure is fully predictable due to the fixed rental and fixed cost-per-copy structure.

6. ACCESS TO INFORMATION

The following documents are available for public inspection for the duration of the public comment period:

- The draft contract;
- This Information Statement, setting out the Municipality's obligations and anticipated financial implications as required by Section 33 of the MFMA; and
- Any other relevant documents that informed the Municipality's decision-making process.

These documents are accessible:

- On the Municipality's website at www.hessequa.gov.za;
- At the Supply Chain Management (SCM) Offices, Absa Building, Corner of Dickson and Church Street, Riversdale, during normal office hours;
- At all Hessequa Municipal satellite offices and public libraries during normal opening hours.

7. SUBMISSION OF COMMENTS

Members of the public and interested/affected parties are invited to submit written comments or representations by any of the following methods:

BY POST:
Supply Chain Management
Hessequa Municipality
P.O. Box 29
Riversdale
6670

BY HAND:
SCM Offices
Absa Building
Corner of Dickson & Church Street
Riversdale

BY EMAIL:
sarah@hessequa.gov.za
hpienaar@hessequa.gov.za

All comments or representations must be received on or before Friday, 06 February 2026 at 13:00. The Municipality reserves the right not to consider late submissions.

8. NEXT STEPS

Following closure of the public comment period, Hessequa Municipality will:

1. Consider all comments and representations received;
2. Review the written views of National Treasury, Provincial Treasury and relevant national departments;
3. Finalise a comprehensive report to Council, including recommendations regarding approval of the contract;
4. Submit the matter to Council for final decision at the Council meeting of 25 March 2026 in accordance with Section 33 of the MFMA.

Drafted and issued by:

R. BENT
MANAGER: SCM, ASSETS AND INSURANCE

Western Cape Government

Provincial Treasury
Dian Cronje
MFMA Coordination
dian.cronje@westerncape.gov.za | Tel: 021 483 0390

Reference number: 11/07/2025
Enquires: D Cronje

Private Bag X9165
CAPE TOWN
8000

The Municipal Manager
Hessequa Municipality
P.O. Box 29
RIVERSDALE
6670

For attention: Mr. A de Klerk

COMMENTS SUBMITTED BY PROVINCIAL TREASURY TO THE HESSEQUA MUNICIPALITY IN TERMS OF SECTION 33(1) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT (ACT 56 OF 2003) (MFMA) – TENDER NUMBER: HES-CORP 07/2425: SUPPLY AND INSTALLATION OF PHOTOCOPERS, PRINTERS AND SCANERS.

Your correspondence dated 17 December 2025, indicating the Hessequa Municipality's intention to enter into a contract for the supply and installation of photocopiers, printers and scanners, refers.

The proposed contract will impose financial obligations beyond the current approved annual budget and is estimated at a total value of R4 408 043.07 (VAT inclusive) over a period of three (3) financial years. Given the Municipality's current financial position, Provincial Treasury (PT) has in principle no objections to the contract, subject to the required Supply Chain Management processes being followed and the requirements of the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA) (especially Section 33 and Section 116) being adhered to.

Provincial Treasury would however like to draw your attention to the following:

Financial implications

- The Municipality should thoroughly consider the financial carry-through implications beyond the MTREF to ensure the affordability and sustainability of the contract and ensure that the funding model is fully resolved for the duration of the contract. Accountability for ensuring that sufficient funds are available for the full contract period resides with the Accounting Officer (or a duly delegated official).
- The Municipality must ensure ongoing alignment with the MBRR budget formatting guidelines by ensuring that all contracts with future budgetary implications are fully and accurately reflected in the budget schedules. In this regard, it is noted with concern that the SA33 schedule for 2025/26 does not reflect any long-term contract between the Municipality and the service provider. The Municipality is therefore advised to ensure that all such commitments are appropriately disclosed in SA33 Schedule A1 in future budget submissions.
- The procurement plan for the 2025/26 financial year does not make provision for the supply and installation of photocopiers, printers and scanners. The Municipality is advised to update the procurement plan to ensure alignment with the proposed contract and approved budget.

top EMPLOYER South Africa 2026

- The Municipality must further ensure that the awarded contract is aligned with the approved demand plan and that all prescribed information relating to the contract is published on the Municipality's official website.

- The Municipality should ensure that a comparative cost assessment has been undertaken between renting and purchasing the equipment, including lifecycle costs, maintenance, refresh cycles, and residual value, to demonstrate that the selected procurement approach represents value for money over the contract period.

- The Municipality should implement appropriate usage monitoring and demand-rationalisation controls to manage printing volumes, avoid unnecessary cost escalation, and ensure that services are used efficiently throughout the contract period.

Supply Chain Management

- The Municipality has complied with the requirements of section 33(1)(a)(i) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA), which requires the solicitation of views from the local community, the relevant Provincial Treasury and National Treasury through written comments and representations in respect of the proposed contract.

- The Municipality has further confirmed compliance with section 21A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) by making the draft contract and an information statement summarising the Municipality's financial obligations available on its official website.

- Where the contract includes price escalation provisions, appropriate controls must be in place to monitor, assess and validate cost increases to safeguard affordability over the contract term. Any contract extensions must comply with section 33 of the MFMA, be limited to a maximum of 15 per cent of the original contract value or period, follow the prescribed approval processes, and remain formally linked to the original contract. Any expansion or variation exceeding this threshold must be managed in terms of section 116(3) of the MFMA and will constitute a contract amendment.

- In terms of section 116 of the MFMA, all contract amendments must be effected in writing, clearly stipulating the revised terms and conditions, and must include appropriate provisions for contract termination in cases of non-performance or underperformance, as well as dispute resolution mechanisms. Material amendments must be properly authorised, publicly disclosed and approved by Council in accordance with applicable legislative prescripts. Contracts of this nature must also be subject to ongoing periodic review.

- To mitigate contractual and operational risk, the Municipality must define clear contract-specific key performance indicators (KPIs), service standards and penalties within the service level agreement (SLA), and ensure that these are regularly monitored. Strong internal controls and a formal change-control process must be implemented to prevent unauthorised scope creep, including changes to device quantities, locations, specifications or service scope.

- A formal performance management system must be maintained to ensure that the contract is effectively enforced, with monthly monitoring and evaluation of the service provider's performance in accordance with the SCM policy.

- The Municipality must ensure that all payments are supported by documented verification of performance, confirming that services have been rendered in accordance with the approved SLA and KPIs prior to the processing of invoices.

- The Municipality must designate a contract owner and contract manager for the duration of the contract and ensure the existence of a clear escalation process to address instances of under-performance or repeated non-performance.

- The contract must include clear exit management provisions, including transition support, asset hand-back or removal arrangements, and continuity measures to prevent service disruption upon contract expiry or early termination.

- The Municipality must ensure that appropriate information security controls, aligned with the Protection of Personal Information Act, 2013 (Act 4 of 2013) (POPIA), are implemented. This includes access controls, secure device configurations and end-of-contract data cleansing for all equipment used to process municipal or personal information.

- Proper demand management and procurement planning must be undertaken, including the identification of contract-specific risks and the implementation of appropriate mitigation measures to ensure that service delivery requirements and performance targets are met.

- The Municipality is advised to confirm compliance with its Supply Chain Management Policy and all applicable legislation by ensuring that the bid specification, evaluation and adjudication committees exercised due diligence and provided informed recommendations on the proposed contract.

Please ensure that all documentation associated with the contract and tender process is retained for record keeping and audit purposes.

Yours sincerely,

Dian Cronje (55707416) Digitally signed by Dian Cronje (55707416) Date: 2026.02.05 12:24:03 +02'00'

MR D CRONJE
MFMA COORDINATION
PROVINCIAL TREASURY

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CONFIDENTIAL

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002 | Tel: +27 12 315 5111
@Treasury_RSA National Treasury RSA National Treasury RSA @treasuryrsa | www.treasury.gov.za

Mr ASA De Klerk
The Municipal Manager
Hessequa Municipality
PO Box 29
Riversdale
6670

Email: mm@hessequa.gov.za

Dear Mr De Klerk

RE: CONTRACT HAVING OF PHOTOCOPIERS BUDGETARY IMPLICATIONS: SUPPLY AND INSTALLATION OF PHOTOCOPIERS, PRINTERS AND A SCANNER FOR A PERIOD OF THREE (3) YEARS

We refer to the correspondence requesting the National Treasury's comments on the municipality's intention to enter into a long-term contract.

We note the contents of the documents. The municipality intends to enter into a contract for the supply and installation of photocopiers, printers and a scanner. The contract will be for a period of 36 months and the indicative cost is R4 084 709.07 (VAT inclusive).

In terms of section 33(1)(a)(i)(aa) of the MFMA, the municipality must make public the draft contract and an information statement summarising the municipality's obligations in terms of the proposed contract. We have noted the copy of the information statement including the notice inviting comments from the public. We trust that all documents have been published in line with section 21A of the Municipal Systems Act, as required in terms of section 33 of the MFMA. We further trust that comments received during the public participation process will be addressed appropriately.

We have noted the copy of the draft contract to be concluded between the municipality and the contractor. Clause 3 of the draft contract outlines the appointment and duration and refers to a commencement date. We recommend that the municipality define the commencement date.

Sub-clause 6.2 requires the contractor to perform the obligations as "expeditiously as possible". This is too general as there is no response or restore times, including what should happen should a device be down. The municipality should review this clause and include reasonable timelines.

Clause 9 matters relating to termination, the municipality should consider including a provision for termination due to non-performance beyond the GCC. This should include an exit plan, which should include de-installation at supplier cost.

RE: CONTRACT HAVING OF PHOTOCOPIERS BUDGETARY IMPLICATIONS: SUPPLY AND INSTALLATION OF PHOTOCOPIERS, PRINTERS AND A SCANNER FOR A PERIOD OF THREE (3) YEARS

We trust that the municipality will address the matters raised in this letter and ensure full compliance with section 116(1) and (2) of the MFMA.

It is our understanding that the municipality has sufficient in-house contract management capacity to ensure that any conditions or service level agreements are managed appropriately consistent with section 116 of the MFMA.

Kind regards



WAYNE MCCOMANS
Chief Director: MFMA Implementation
20 February 2026

Cc: Chief Financial Officer
Cc: MFMA Coordinator

For more information contact:

Name: MFMA Implementation Unit
Email: MFMA@treasury.gov.za

HESSEQUA MUNICIPALITY

BID ADJUDICATION COMMITTEE

Minutes of the virtual Bid Adjudication Committee (Goods and Services) meeting held at 09:00 on Friday, 24 October 2025 by means of the Microsoft Teams application

1. **Welcoming and Opening**
   Mr. G.J. Goliath — Chairperson

2. **Members Tuned In**

Mr. G.J. Goliath	Chairperson
Mr. R. Manho	Vice Chairperson
Mr. R. Bent	Member
Mr. D. Lewis-Michaels	Member
Mr. H. Visser	Member
Ms. A. de Lange	Secretary

3. **Representatives**

Ms. S. Sanders	Legal and Administration
Mr. S. Morris	Civil Infrastructure Services

4. **Members absent with apology**
   None

5. **Agenda items raised from previous minutes**
   None

Initialled by Chairperson: _____

6. Consideration of Tenders

THE COMMITTEE NOTED A REQUEST THAT ITEM 6.2 ON THE AGENDA, PERTAINING TO MS. SANDERS (INDEPENDENT PERSON), BE HANDLED FIRST TO ENSURE IMPARTIALITY.

6.2. HES-CORP 07/2425: SUPPLY AND INSTALLATION OF PHOTOCOPIERS, PRINTERS AND A SCANNER FOR A PERIOD OF THREE (3) YEARS

Resolved

1. That tender *HES-CORP 07/2425: Supply and installation of photocopiers, printers and a scanner for a period of three (3) years* be awarded to **Sky Metro Equipment (Pty) Ltd.** for the amount of R4 408 043.07 (VAT Incl.), with a delivery period of 14 days as follows:

RENTAL FIXED FOR 36 MONTHS

Description (Minimum Requirements)	Qty	Annual Rental Year 1 for specified quantities (VAT Exclusive)	Annual Rental Year 2 for specified quantities (VAT Exclusive)	Annual Rental Year 3 for specified quantities (VAT Exclusive)
RENTAL FIXED FOR 36 MONTHS				
35 - 40 PPM MONO A3 AND A4 MULTI-FUNCTIONAL COPIERS	14	R 315 216.72	R 315 216.72	R 315 216.72
50 - 55 PPM MONO A3 AND A4 MULTI-FUNCTIONAL COPIERS	21	R 705 010.32	R 705 010.32	R 705 010.32
36 - 40 PPM COLOUR A3 & A4 MULTI – FUNCTIONAL COLOUR COPIERS	4	R 105 159.84	R 105 159.84	R 105 159.84
A0 – A4 INKJET PLOTTER, COPIER AND COLOUR SCANNER	1	R 58 586.76	R 58 586.76	R 58 586.76
Total (VAT Exclusive)		R 1 183 973.64	R 1 183 973.64	R 1 183 973.64
Vat (15%)		R 177 596.05	R 177 596.05	R 177 596.05
Grand Total (VAT Inclusive)		R 1 361 569.69	R 1 361 569.69	R 1 361 569.69

FIXED COST PER COPIES FOR 36 MONTHS

Description	Estimated Average Copies Per Year	Year 1		Year 2		Year 3	
		Cost Per Copy (Excl. Vat)	Average Annual Cost (Excl. Vat)	Cost Per Copy (Excl. Vat)	Average Annual Cost (Excl. Vat)	Cost Per Copy (Excl. Vat)	Average Annual Cost (Excl. Vat)
35 -40 PPM MONO A3 AND A4 MULTI–FUNCTIONAL COPIERS	276 000	0.075	R 20 700.00	0.075	R 20 700.00	0.075	R 20 700.00
50 -55 PPM MONO A3 AND A4 MULTI–FUNCTIONAL COPIERS	336 000	0.075	R 25 200.00	0.075	R 25 200.00	0.075	R 25 200.00
36 -40 PPM COLOUR A3 & A4 MULTI – FUNCTIONAL COLOUR COPIERS	BLACK						
	240 000	0.071	R 17 040.00	0.071	R 17 040.00	0.071	R 17 040.00
	COLOUR						
	60 000	0.513	R 30 780.00	0.513	R 30 780.00	0.513	R 30 780.00
A0 – A4 INKJET PLOTTER, COPIER AND COLOUR SCANNER	1200 linear meter	N/A					
Sub-Total (VAT Exclusive)		R 93 720.00		R 93 720.00		R 93 720.00	
Vat (15%)		R 14 058.00		R 14 058.00		R 14 058.00	
Grand Total		R 107 778.00		R 107 778.00		R 107 778.00	

2. That this award is subject to section 33 prescripts of the MFMA.
3. That the expenditure be financed from vote numbers as follows:

Rentals

Vote No	Vote Description
301023815001GMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
311023815001GMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
33052381500LTMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
33102381500LTMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
33152381500LTMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
33202381500LTMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
33252381500LTMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT

33302381500LTMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
33352381500LTMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
33402381500LTMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
33452381500LTMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
400523815001GMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
402023815001GMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
403023815001GMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
511023815001GMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
531023815001GMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
652023815001GMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
653023815001GMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
653523815001GMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
741023815001AMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT
801023815001GMRCZZWM	OPR LEASES: FURNITURE & OFFICE EQUIPMENT

Copy charges

Vote No	Vote Description
301022836151GDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
311022836151GDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
33052283615LTDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
33102283615LTDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
33152283615LTDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
33202283615LTDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
33252283615LTDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
33302283615LTDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
33352283615LTDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
33402283615LTDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
33452283615LTDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
400522836151GDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
402022836151GDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
403022836151GDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
511022836151GDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
531022836151GDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
652022836151GDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
653022836151GDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
653522836151GDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
741022836151ADSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
801022836151GDSLZZWM	CONTR: M/NT EQUIP: PH/COPIER
Vote Descriptions	OPR LEASES: FURNITURE & OFFICE EQUIPMENT CONTR: M/NT EQUIP: PH/COPIER
Available Budget	2025/2026: R 1 361 107.00 2026/2027: R 1 513 661 2027/2028: R 1 259 202.00
Actual Amount	R 4 408 043.07 (VAT Incl.) R 3 833 080.93 (VAT Excl.)
Completion Period	1 December 2025 – 30 November 2028 The contract period of 3 years can only commence upon completion of the section 33 MFMA process and Council having approved the contract.

4. That it should be noted that no small acceptable deviations were applicable to the tender.
5. That the recommended bidder did not indicate own terms or conditions.
6. That the validity of claims and declarations are valid.
7. That the potential risks and mitigation factors were pointed out by the Senior SCM Practitioner: Contract, Risk and Performance Management.
8. That no additional contractual issues were identified.
9. That it should be noted that the Bid Adjudication Committee rejects any alternative offers, own terms and conditions made by the preferred bidder
10. That the following bidder were found non-responsive/invalid:

NON-RESPONSIVE BIDDERS (after compliance with specifications, conditions, special conditions and functionality)	
ALTRON DOCUMENT SOLUTIONS, A DIVISION OF ALTRON TMT (PTY) LTD	SECTION 2.2 EVALUATION CRITERIA 2.2.1 EVALUATION SCHEDULE "Prospective bidders must obtain a minimum of 60% (= or >27 out of 45) in order to qualify and be scored in respect of price and preference..." "Note: A minimum of 27 points is required in respect of the abovementioned evaluation criteria before your pricing will be considered." Bidder scored a total of 15 out of 45 points. Bidder failed to obtain the minimum required score for functionality, and therefore found to be non-responsive.
DATACENTRIX (PTY) LTD	SECTION 2.2 EVALUATION CRITERIA 2.2.1 EVALUATION SCHEDULE "Prospective bidders must obtain a minimum of 60% (= or >27 out of 45) in order to qualify and be scored in respect of price and preference..." "Note: A minimum of 27 points is required in respect of the abovementioned evaluation criteria before your pricing will be considered." Bidder scored a total of 20 out of 45 points. Bidder failed to obtain the minimum required score for functionality, and therefore found to be non-responsive.
MCHRIBEN (PTY) LTD	SECTION 2.2 EVALUATION CRITERIA 2.2.1 EVALUATION SCHEDULE "Prospective bidders must obtain a minimum of 60% (= or >27 out of 45) in order to qualify and be scored in respect of price and preference..." "Note: A minimum of 27 points is required in respect of the abovementioned evaluation criteria before your pricing will be considered." Bidder scored a total of 0 out of 45 points. Bidder failed to obtain the minimum required

	score for functionality, and therefore found to be non-responsive.
SATINSKY 171 (PTY)LTD T/A RICOH GARDEN ROUTE	SECTION 2.2 EVALUATION CRITERIA 2.2.1 EVALUATION SCHEDULE "Prospective bidders must obtain a minimum of 60% (= or >27 out of 45) in order to qualify and be scored in respect of price and preference..." "Note: A minimum of 27 points is required in respect of the abovementioned evaluation criteria before your pricing will be considered." Bidder scored a total of 10 out of 45 points. Bidder failed to obtain the minimum required score for functionality, and therefore found to be non-responsive.
TUMILE BAMBIX PROJECT (PTY) LTD	SECTION 2.2 EVALUATION CRITERIA 2.2.1 EVALUATION SCHEDULE "Prospective bidders must obtain a minimum of 60% (= or >27 out of 45) in order to qualify and be scored in respect of price and preference..." "Note: A minimum of 27 points is required in respect of the abovementioned evaluation criteria before your pricing will be considered." Bidder scored a total of 15 out of 45 points. Bidder failed to obtain the minimum required score for functionality, and therefore found to be non-responsive.
DIDO DIGITAL DOCUMENT (PTY) LTD	A0 – A4 INKJET PLOTTER, COPIER AND COLOUR SCANNER X 1 (One) (Print Black & white and scan in colour wide format machine) 1. Print Speed: Minimum of 6 x A1 copies per minute 2. Black and White Printer / Copier and Colour Scanner 3. Print Solution Minimum 600 x 1 200 dpi 4. Print Resolution Speed 300 x 600 dpi 5.Media Handling – Paper Rolls: Minimum of 2 rolls 6. Controller (a) Memory Minimum of 4 GB (b) Hard disk Minimum of 500 GB (c) Interface Ethernet Minimum of 1 Gbit/s plus SuperSpeed USB 3.0 (d) Supports Single page Secure PDF, PDF/A, JPEG, JPEG2000, PNG, TIFF, TIFF G4, TIFF LZW, PCX, BMP, AutoCAD DWF and Multi-page PDF and TIFF, with image edit features & user adjustable document pre-sets 7. Touch screen

	8. Direct print 9. Compatibility: PC; Mac; Network Mobile Devices; USB; Cloud; Direct from device 10. Standard Scanner: JPEG; TIFF; multi-TIFF; PDF; PDF/A; PDF multi; Secured PDF Contact image sensor (CIS) Dual LED (RGB) Scan width (153mm to 914.4mm) Speed – 10 inch/sec The plotter offered by the bidder does not comply with the specifications outlined in the tender document. Accordingly, the bidder is deemed non-responsive.
ZESTIROX (PTY) LTD T/A NASHUA GEORGE	A0 – A4 INKJET PLOTTER, COPIER AND COLOUR SCANNER X 1 (One) (Print Black & white and scan in colour wide format machine) 1. Print Speed: Minimum of 6 x A1 copies per minute 2. Black and White Printer / Copier and Colour Scanner 3. Print Solution Minimum 600 x 1 200 dpi 4. Print Resolution Speed 300 x 600 dpi 5.Media Handling – Paper Rolls: Minimum of 2 rolls 6. Controller (a) Memory Minimum of 4 GB (b) Hard disk Minimum of 500 GB (c) Interface Ethernet Minimum of 1 Gbit/s plus SuperSpeed USB 3.0 (d) Supports Single page Secure PDF, PDF/A, JPEG, JPEG2000, PNG, TIFF, TIFF G4, TIFF LZW, PCX, BMP, AutoCAD DWF and Multi-page PDF and TIFF, with image edit features & user adjustable document pre-sets 7. Touch screen 8. Direct print 9. Compatibility: PC; Mac; Network Mobile Devices; USB; Cloud; Direct from device 10. Standard Scanner: JPEG; TIFF; multi-TIFF; PDF; PDF/A; PDF multi; Secured PDF Contact image sensor (CIS) Dual LED (RGB) Scan width (153mm to 914.4mm) Speed – 10 inch/sec The plotter offered by the bidder does not comply with the specifications outlined in the

	tender document. Accordingly, the bidder is deemed non-responsive.
KONICA MINOLTA SOUTH AFRICA, A DIVISION OF BIDVEST OFFICE (PTY)LTD.	SECTION 2.1 SPECIFICATIONS TENDERER'S MUST QUOTE FOR A FIXED MONTHLY RENTAL RATE FOR 36 MONTHS, WHICH SHALL ALSO BE APPLICABLE TO ANY ADDITIONAL SOLUTION REQUESTED SECTION 2.3: MBD 3.1 PRICING SCHEDULE PLEASE NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED 2.1.5 SPECIAL CONDITIONS 4. Fixed monthly rate for rental and copy charges amounts over the 36-month period. The bidder's pricing schedule is subject to exchange rate, interest rate fluctuation and revival terms, which is contrary to the above, which specifically prescribes firm prices only. Bidder is therefore found non-responsive.
	INVALID BIDS
OMNI AFRICA	SECTION 1.1: INVITATION TO TENDER "A set of tender documents can be obtained at a non-refundable price of R200.00 per set..." "Payments must be made by a bank deposit payable to the Hessequa Municipality" Bidder failed to purchase and submit a full set of tender documents. Bidder is therefore disqualified.
INTROSTAT (PTY) LTD	SECTION 1.1: INVITATION TO TENDER "A set of tender documents can be obtained at a non-refundable price of R200.00 per set..." "Payments must be made by a bank deposit payable to the Hessequa Municipality" Bidder failed to purchase and submit a full set of tender documents. Bidder is therefore disqualified.

11. That none of the bidders indicated spouses and/or family members in the service of the state.
12. That the tax status of the preferred bidder, Sky Metro Equipment (Pty) Ltd, was verified on the CSD website on 24 October 2025 at 08:55 and found to be compliant.

Initialled by Chairperson: _____

Proposed by: Mr. H. Visser

Seconded by: Mr. R. Bent

Chairperson: 

MS. SANDERS WAS EXCUSED FROM THE MEETING FOLLOWING CONSIDERATION OF THE ITEM.

HESSEQUA
local Municipality

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN, in terms of Section 33 of the Municipal Finance Management Act (MFMA), Act 56 of 2003, that Hessequa Municipality intends to enter into a contract that will impose financial obligations on the Municipality for a period exceeding three (3) financial years, for the SUPPLY AND INSTALLATION OF PHOTOCOPIERS, PRINTERS AND A SCANNER FOR A PERIOD OF THREE (3) YEARS.

FURTHER NOTICE IS HEREBY GIVEN, in accordance with Section 21A of the Local Government: Municipal Systems Act, Act 32 of 2000, that:

1. The local community and all interested or affected parties are invited to submit written comments or representations regarding the proposed draft contract and the Municipality's intended commitments in terms thereof.
2. The following documents are available for public inspection for the duration of the commenting period:
   - The draft contract;
   - The information statement summarising the Municipality's obligations and the anticipated financial implications of the contract as required by Section 33 of the MFMA; and
   - Any other relevant documents that informed the Municipality's decision-making process.

These documents are accessible:

- On the Municipality's official website at www.hessequa.gov.za;
- At the Supply Chain Management (SCM) Offices at the Absa Building, Corner of Dickson and Church Street, Riversdale, during normal office hours; and
- At all Hessequa Municipal satellite offices and public libraries during their normal opening hours.

Members of the public may submit comments or representations by any of the following methods:

- By post: Supply Chain Management, Hessequa Municipality, P.O. Box 29, Riversdale, 6670
- By hand delivery: SCM Offices, Corner of Dickson and Church Street, Riversdale
- By e-mail: sarah@hessequa.gov.za or hpienaar@hessequa.gov.za

Enquiries may be directed to Ms. Sarah Sanders at 028-713 7941, email: sarah@hessequa.gov.za or Hendrik Pienaar at 028-713 7951, email: hpienaar@hessequa.gov.za.

All comments or representations must be received on or before Friday, 06 February 2026 at 13:00. The Municipality reserves the right not to accept or consider any submissions received after the closing date.

HESSEQUA
Plaaslike Munisipaliteit

PUBLIEKE KENNISGEWING

KENNIS GESKIED HIERMEE, ingevolge Artikel 33 van die Wet op Munisipale Finansiële Bestuurs Wet, Wet 56 van 2003,] dat Hessequa Munisipaliteit beoog om 'n kontrak te sluit wat finansiële verpligtinge vir die Munisipaliteit sal meebring vir 'n tydperk wat drie (3) finansiële jare oorskry, vir die VOORSIENING EN INSTALLERING VAN FOTOSTAATMASJIENE, DRUKKERS EN 'N SKANDEERDER VIR 'N TYDPERK VAN DRIE (3) JAAR.

VERDERE KENNIS WORD HIERMEE GEGEE, ingevolge Artikel 21A van die Wet op Plaaslike Regering: Munisipale Stelsels Wet, Wet 32 van 2000, dat:

1. Die plaaslike gemeenskap en alle belanghebbende of geaffekteerde partye uitgenooi word om skriftelike kommentaar of voorstelle in te dien rakende die voorgestelde konsepkontrak en die Munisipaliteit se voorgenome verpligtinge in terme daarvan..
2. Die volgende dokumente is vir die duur van die kommentaartydperk beskikbaar vir publieke inspeksie:
   - Die konsepkontrak;
   - Die inligtingsverklaring wat die Munisipaliteit se verpligtinge en die verwagte finansiële implikasies van die kontrak, soos vereis ingevolge Artikel 33 van die MFMA, uiteensit; en
   - Enige ander relevante dokumente wat die Munisipaliteit se besluitnemingsproses ingelig het.

Hierdie dokumente is beskikbaar:

- Op die Munisipaliteit se amptelike webtuiste by www.hessequa.gov.za;
- By die Voorsieningskanaalbestuur (VKB) kantore by die Absa-gebou, Hoek van Dickson- en Kerkstraat, Riversdal, gedurende normale kantoorure; en
- By al die Hessequa Munisipaliteit se satellietkantore en openbare biblioteke gedurende normale bedryfsure.

Lede van die publiek kan kommentaar of voorstelle op enige van die volgende maniere indien:

- Per pos: Voorsieningskanaalbestuur, Hessequa Munisipaliteit, Posbus 29, Riversdal, 6670;
- Per hand afgelewer: SCM kantore, hoek van Dickson- en Kerkstraat, Riversdal;
- Per e-pos: sarah@hessequa.gov.za of hpienaar@hessequa.gov.za.

Navrae in hierdie verband kan gerig word aan Ms. Sarah Sanders by 028 713 7941, e-pos: sarah@hessequa.gov.za, of Hendrik Pienaar by 028 713 7951, e-pos: hpienaar@hessequa.gov.za.

Alle kommentaar of voorleggings moet ontvang word voor of op Vrydag, 06 Februarie 2026 om 13:00. Die Munisipaliteit behou die reg voor om enige voorleggings wat na die sluitingstyd ontvang word, nie te oorweeg nie.

9.17 APPLICATION FOR DEVIATION FROM THE HOUSE SHOP POLICY: ERF 1992, HEIDELBERG

File number / Verwysingsnommer: 15/R

Meeting date / Vergadering datum: 26 March 2026

Report by / Verslag deur: Town Planner: Wessel van Brakel

PURPOSE OF REPORT / DOEL VAN VERSLAG

For Council to approve a request to deviate from the House Shop Policy (2025) in respect of the requirement that the erf owner must reside on the property and personally operate the house shop.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

An application was submitted in terms of Section 15(2)(o) of the Hessequa Municipality: By-law on Land Use Planning, 2015 (P.N. 287 of 2015), for Consent Use to operate a house shop on Erf 1992, Heidelberg.

Erf 1992, Heidelberg is zoned Single Residential Zone III in terms of the Hessequa Municipality Zoning Scheme By-law (2018) and is situated within a predominantly residential area. The proposed house shop complies with the spatial and operational requirements of the House Shop Policy (2025), including the limitation that the shop may not exceed 30% of the dwelling and that the primary land use remains residential in character. No other approved house shop exists within a 200-metre radius of the property.

The application was initially approved in the name of Mr Assefa Awono Chakiso, based on confirmation that he intended to purchase the property from the registered owner, Ms Venessa Rossouw. Subsequent to the approval, it came to light that a restrictive title deed condition prohibits the sale of the property within eight (8) years of acquisition due to the housing subsidy received by Ms Rossouw. The contemplated transfer could therefore not proceed, and Ms Rossouw remains the registered owner.

In terms of the House Shop Policy (2025), a “House Shop” is defined as the operation of a retail business from a residential unit by the erf owner, who must reside on the property, provided that the dominant use of the property remains residential.

Ms Rossouw has submitted an affidavit confirming that she currently resides in Riversdale due to family circumstances, including the special educational and medical needs of her child. A supporting letter from her legal representative explains that Mr Chakiso operates the spaza shop from the property for the financial benefit of their family. Mr Chakiso resides on the property and manages the business, while Ms Rossouw remains the registered owner.

The current arrangement does not comply with the House Shop Policy, as the owner does not reside on the property and does not personally operate the business. Any departure from the policy must therefore be approved by Council.

Council is accordingly requested to consider whether sufficient grounds exist to justify a deviation from the House Shop Policy in this specific instance, taking into account the personal circumstances presented, and the potential policy implications.

The item served at the **Development Planning Portfolio Committee** on **18 March 2026** with the following recommendations:

"1. That the Committee take note that the operation of the house shop on Erf 1992, Heidelberg, does not comply with the House Shop Policy (2025), as the registered owner does not reside on the property as required by the House Shop Policy definition.

2. That the item be referred to Council for a decision to approve a deviation from the House Shop Policy (2025) in this specific instance, to permit the registered owner, Ms Venessa Rossouw, to allow Mr Assefa Awono Chakiso to reside on the property and operate the house shop on her behalf.

3. That this approval for deviation is once-off and is not applicable to any other cases."

EXECUTIVE MAYORAL COMMITTEE

The item is tabled at the **Executive Mayoral Committee** meeting of **26 March 2026** and feedback will be given at the Council meeting on the same day.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Noted.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Noted.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

The content of the item is noted and the recommendation to refer for Council Consideration is supported.

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

The content of the report is noted and the recommendations are supported.

COMMENTS: MANAGER STRATEGIC SERVICES / KOMMENTAAR: BESTUURDER STRATEGIESE DIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

1. That Council take note that the operation of the house shop on Erf 1992, Heidelberg, does not comply with the House Shop Policy (2025), as the registered owner does not reside on the property as required by the House Shop Policy definition.
2. That Council approve a deviation from the House Shop Policy (2025) in this specific instance, to permit the registered owner, Ms Venessa Rossouw, to allow Mr Assefa Awono Chakiso to reside on the property and operate the house shop on her behalf.
3. That this approval for deviation is once-off and is not applicable to any other cases.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Director: Development Planning – Mr HS Visser

ATTACHMENTS / STAWENDE DOKUMENTE

Letter from the lawyer

Christi Olivier

Prokureur • Attorney

BA Regte/Law • LLB • Stellenbosch Universiteit - 1998

1ste Vloer • Nedbankgebou • Hoofstraat 26 Main Street • Riversdal

Ons verw. / Our ref: **Christi / Nelene**
U verw. / Your ref Mr Visser

24 Februarie 2026

The Municipal Manager
Hessequa Municipality
Riversdale
6670

Dear Sir / Madam

EXPLANATION REGARDING SPAZA SHOP APPLICATION – ERF 1992, HEIDELBERG

1. We hereby submit this letter to provide clarification regarding the application to operate a spaza shop from Erf 1992 Heidelberg, which is registered in the name of Ms Venessa Rossouw.

2. The application to operate the spaza shop has been submitted by her partner, Mr Assefa Awono Chakiso. This arrangement is due to practical, financial and family circumstances as explained below.

3. Ms Rossouw and Mr Chakiso have been in a committed relationship for more than eight (8) years, and they have two children together. Mr Chakiso is the primary financial provider for their two children, as well as for Ms Rossouw's children from previous relationships.

4. Ms Rossouw received a government housing subsidy to purchase Erf 1992. However, Mr Chakiso assisted her financially in improving and developing the property after it was acquired.

5. Ms Rossouw is required to live in Riversdale due to one of her children having special needs and mental health challenges, and the child attends Small Dreams School. In addition, her younger children require regular medical treatment at Riversdale Hospital due to ongoing health concerns.

6. For these reasons, Mr Chakiso operates the spaza shop business from Ms Rossouw's property for their mutual benefit and for the support of their family. The income generated from the business is used to pay the rent of their residence in Riversdale and to provide financially for all their children.

kantoor@ceolivier.co.za 082 874 2666 028 713 1191 726, Riversdal, 6670

7. We respectfully request that the Municipality consider this explanation when assessing the application, as the arrangement is made solely to ensure the financial stability and wellbeing of the family.

Yours faithfully,
Christi Olivier

kantoor@ceolivier.co.za 082 874 2666 028 713 1191 726, Riversdal, 6670

VOORWAARTS PRIMÊRE SKOOL

Olieslagerstraat, Riversdal, 6670
Tel: 028 713 1064
E-pos:
voorwaartsprimer@gmail.com

WIE DIT MAG AANGAAN

Hiermee bevestig ek, Vernon Evertse (Skoolhoof) dat die volgende leerder ingeskryf en skool gaan by Voorwaarts Primêr.

LEANDRE ROSSOUW GRAAD 2A

Die uwe

VERNON EVERTSE

Voorwaarts Primêre Skool
Olieslagerstraat
Posbus 236
Riversdal
6670



REPUBLIC OF SOUTH AFRICA
NATIONAL IDENTITY CARD

Surname:
ROSSOUW
Names:
VENESSA
Sex:
F
Nationality:
RSA
Identity Number:
8904010072085
Date of Birth:
01 APR 1989
Country of Birth:
RSA

Conditions:

This card has been issued by the Department of Home Affairs in terms of the Identification Act, Act 68 of 1997

If found please return to the Department of Home Affairs
For enquiry or verification purposes contact 0800 60 11 90

Date of Issue:
18 MAR 2022

118536811

9.18 DEPARTMENT OF LAND REFORM AND RURAL DEVELOPMENT: SCHOONGELEË AND SOEBATTERS VLAKTE FARMS

File number / Verwysingsnommer: 15/R

Meeting date / Vergadering datum: 26 March 2026

Report by / Verslag deur: Manager: Spatial and Economic Development – Mr B Hayward

PURPOSE OF REPORT / DOEL VAN VERSLAG

For Council to take note of the request received from the Department of Land Reform and Rural Development (DLRRD) regarding the provision of the municipal farmer database; and the request for Hessequa Municipality to participate collaboratively with the Garden Route District Municipality and DLRRD in a joint verification process for active farmers and animal numbers and approve.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

A: Kwanonqaba Small Scale Farmers (Mossel Bay Municipality)

On **13 January 2026** a Stakeholder Engagement Meeting was held at Mossel Bay Municipality with Municipal Bay Municipal Officials and Department of Land Reform and Rural Development (DLRRD) officials and the following matters were discussed:

Court Order Process, Recap and Updates;

General Discussions;

Farmer Details and Animal Updates; and

Way Forward (Schedule Farmer Meeting, Plan Farm Visit, Prepare Report for Hessequa Municipality).

The High Court of South Africa, Western Cape Division, delivered judgment in case number 14437/2018 on **17 June 2020**, presided over by Judge Mabindla Boqwana (see Annexure A). The matter concerned Joao da Nova Investments (Pty) Ltd as applicant against the Mossel Bay Municipality, pig farmers occupying Erf 1717 in Kwanonqaba, and the Departments of Agriculture and Rural Development and Land Reform. The applicant sought relief against the unlawful pig farming activities conducted on municipal land adjacent to its industrial property, citing public nuisance, environmental hazards, and negative impacts on property values. The municipality acknowledged the nuisance but argued that relocation without a proper plan would cause social unrest, given the community's dependence on pig farming.

The court found that the pig farming activities were illegal, contravening municipal by-laws, environmental legislation, and animal welfare statutes. It further held that the Mossel Bay Municipality had failed to enforce its own laws and had allowed the unlawful situation to persist for decades. However, the court recognised that immediate eviction would have catastrophic socio-economic consequences for the farmers, many of whom had operated there for over twenty years. The judgment therefore sought a balanced remedy, requiring the municipality to enforce its by-laws and resolve the matter within two years, while government departments

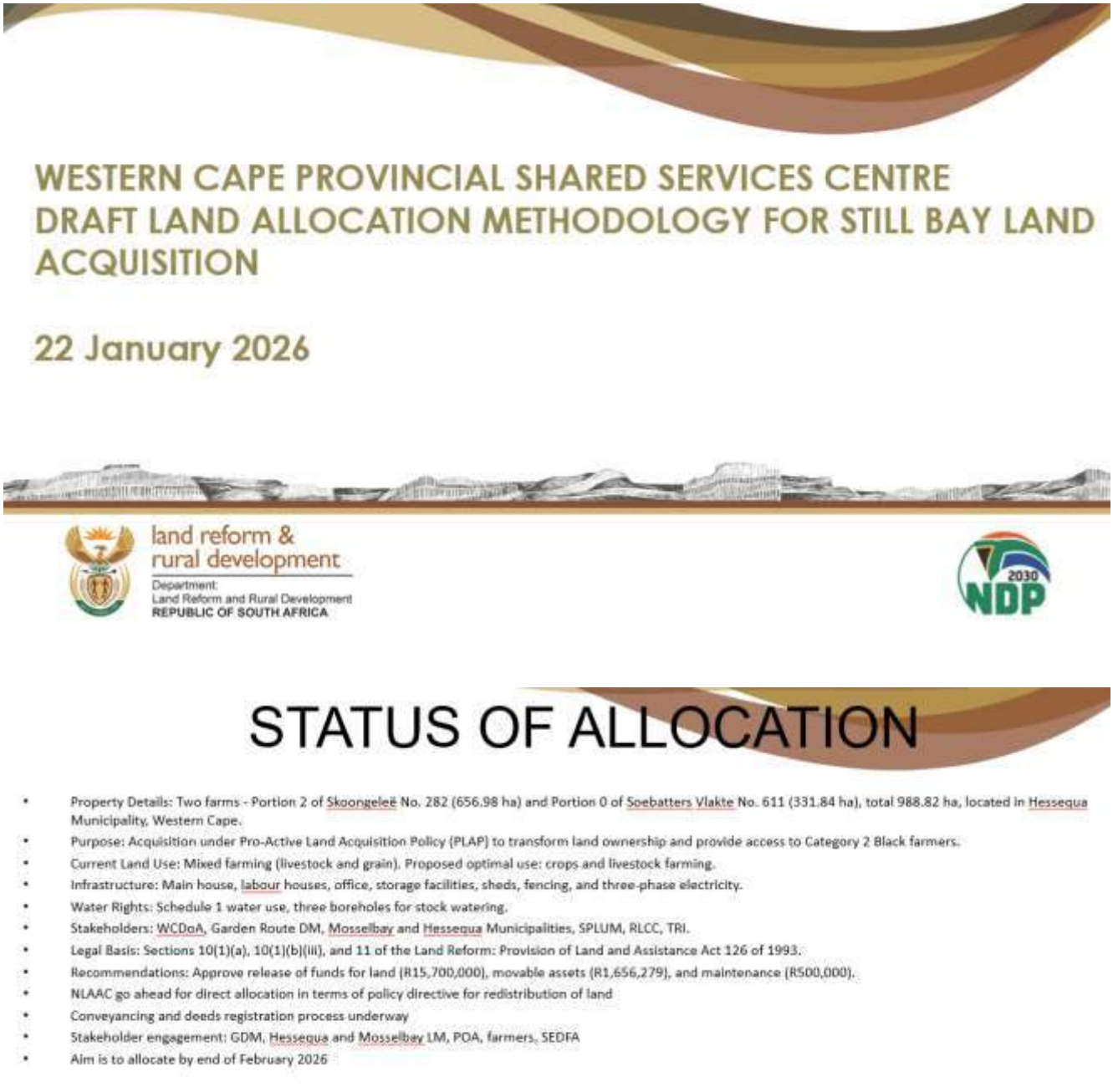
were tasked with identifying alternative land and supporting the farmers' transition. Each party was ordered to bear its own legal costs. In practical terms, the ruling obliges the municipality to restore legality while safeguarding the socio-economic rights of the affected community, ensuring that relocation and compliance occur in a structured and humane manner.

In parallel, a submission has been made for the acquisition of two farms: Portion 2 of Skoongeleë No. 282 (656.98 ha) and Portion 0 of Soebatters Vlakte No. 611 (331.84 ha), within the Hessequa Municipality, with a combined area of 988.82 ha. The acquisition is proposed under the Pro-Active Land Acquisition Policy (PLAP) to advance land reform objectives by providing access to Category 2 Black farmers. The properties are currently utilised for mixed farming, with infrastructure including residential dwellings, labour housing, offices, storage facilities, sheds, fencing, and three-phase electricity. Water rights are secured under Schedule 1, with three boreholes available for stock watering. The intended optimal use is for both crop and livestock farming.

The submission is supported by stakeholders including the Western Cape Department of Agriculture, Garden Route District Municipality, Mossel Bay and Hessequa Municipalities, SPLUM, RLCC, and TRI. The legal basis for acquisition rests on Sections 10(1)(a), 10(1)(b)(iii), and 11 of the Land Reform: Provision of Land and Assistance Act 126 of 1993. The recommendation is for the approval of funds amounting to R15,700,000 for land purchase, R1,656,279 for movable assets, and R500,000 for maintenance.

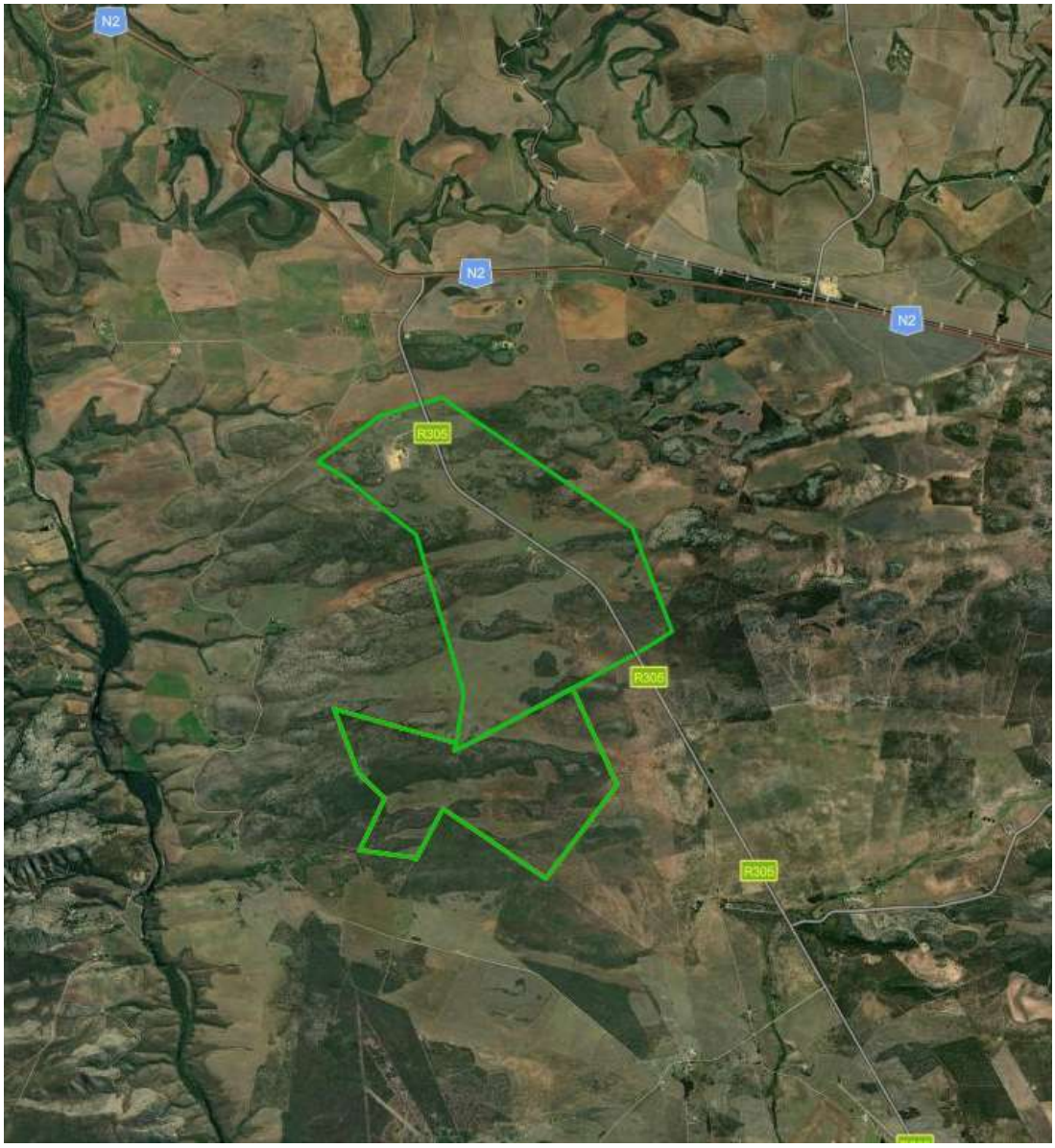
Together, the court order and the land acquisition proposal provide a conceptual framework for addressing the challenges of unlawful farming settlements while simultaneously advancing structured land reform initiatives in Hessequa Municipality. This approach balances the enforcement of legality with socio-economic considerations, ensuring that affected communities are supported through sustainable relocation and access to lawful farming opportunities.

On 22 January 2026 a presentation was done by DLRRD to the **Kwanonqaba Small Scale Farmers (Mossel Bay Municipality).**



B: Hessequa Municipality Situation

Towards the **end of 2025** the Department of Land Reform and Rural Development (DLRRD) bought Portion 2 of Farm Schoongeleë 282 Riversdale (658.52 Ha) and Farm Soebatters Vlakte 611 Riversdale (331.83 Ha) from a private owner on the road between the N2 and Stilbaai within the Hessequa Municipal Area (the Status Quo Report attached as Annexure B).



A meeting was held on **28 January 2026** with representatives from:

DLRRD;

Mosselbay Municipality;

Hessequa Municipality (Councillors and Officials);

Garden Route District Municipality, who also chaired the meeting; and

The Department of Agriculture.

Minutes of the meeting was requested on 12 February 2026 and the following response was received via electronic mail from DLRRD on *Thursday, 12 February 2026 12:24*:

"Mrs Botha drafted the minutes of the meeting but is off sick and not in office. When she is back on Monday she will distribute said minutes signed off by the chairperson (GRDM)."

Till date of writing this report the Minutes was not received.

The following draft list of activities, persons responsible and timeline leading up to 27 February 2026 was received from DLRRD on **2 February 2026**:

ACTIVITY	**RESPONSIBILITY**	**TIMELINE**
Meeting with Mossel Bay Municipality	DM and DLRRD	13 January 2026
Meeting with Farmers of Kwa Nonqaba	LM and DLRRD	22 January 2026
Meeting at farm by Officials	LM, DM, DLRRD, Land owner	28 January 2026
Attend skills indaba in Hessequa	DLRRD DM Stakeholders	29 January 2026
Care Taker Agreement	DLRRD	13 February 2026
Hessequa farmer database	Hessequa Municipality	13 February 2026
POA settlement plan	POA	TBC-URGENT
Survey to confirm farmer assets	DLRRD, LM and DM	17-20 February 2026
Kwa Nonqaba farmer visits the farm	LM, DLRRD, farmers	17-20 February 2026
Engagement with Escom And plan for farm occupiers	DM, DLRRD, ESCOM	TBC
Report to Mosselbay and Hessequa on project plan	DM, LM, POA, DLRRD	27 February 2026

On **11 February 2026** an updated database with animal numbers was forwarded to DLRRD with information received from Small Scale Farmers within Hessequa Municipal Area, whereafter the following electronic mail was received from Ms Brown, Director District Shared Service Center: Central Karoo and Garden Route from DLRRD on *Wednesday, 11 February 2026 17:25*:

"Good Day Mr Hayward

You will recall from the discussion that there was an agreement to:

1. Share the municipal data base.

This was received and reflect 384 from the 2020 Covid list. I have that same list as those were the farmers previously assisted by our Department. In follow up to the provided database, I asked: <u>Does the municipality have the detail of their farmers in terms of animal numbers?</u>

2. You will recall that in the meeting it was repeatedly stated:

Active farmers and animal numbers to verify and assist the task of POA to draft the settlement plan. This plan is scientific in nature and will guide allocation.

3. *It was stated that not all farmers would be assisted due to this settlement process.*

4. *A survey was designed to verify active farmers and animal numbers for the 62 farmers in Kwa Nonqaba. Same principal must apply for farmers in Hessequa. This survey was shared on whatsapp to all. As stated this will inform the settlement plan. And will make the process transparent.*

5. *In our latest telephone discussion this afternoon, I indicated that the process for verification will be a collaborative effort between officials from the district municipality, Hessequa municipality and DLDLR.*

I will request Dr Mbekeni to contact MM if further clarity is required.

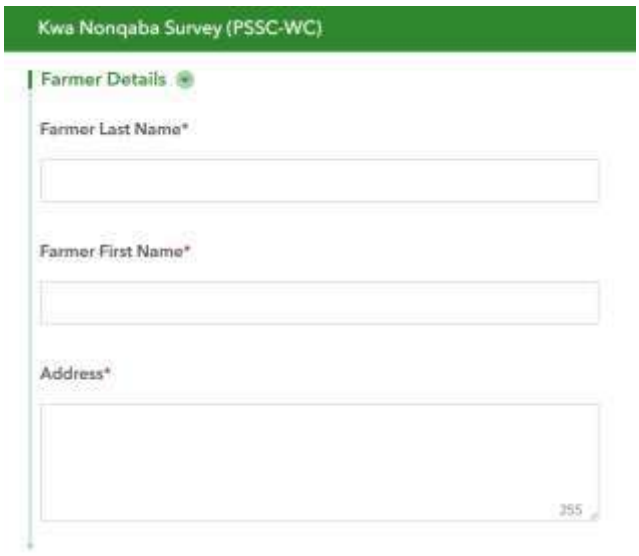
Regards

Lourette Brown"

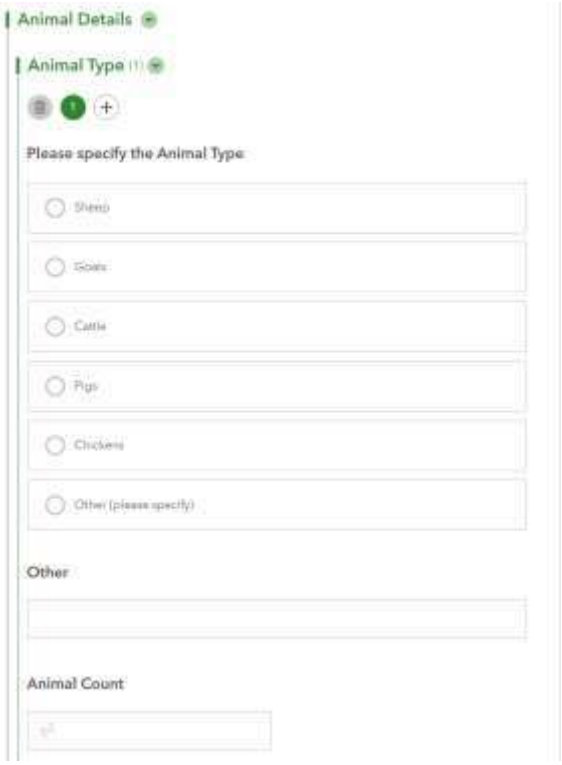
The following link was distributed by DLRRD via WhatsApp (without an explanation / instruction) which have to be completed for every small scale farmer (also for Hessequa Small Scale Farmers):

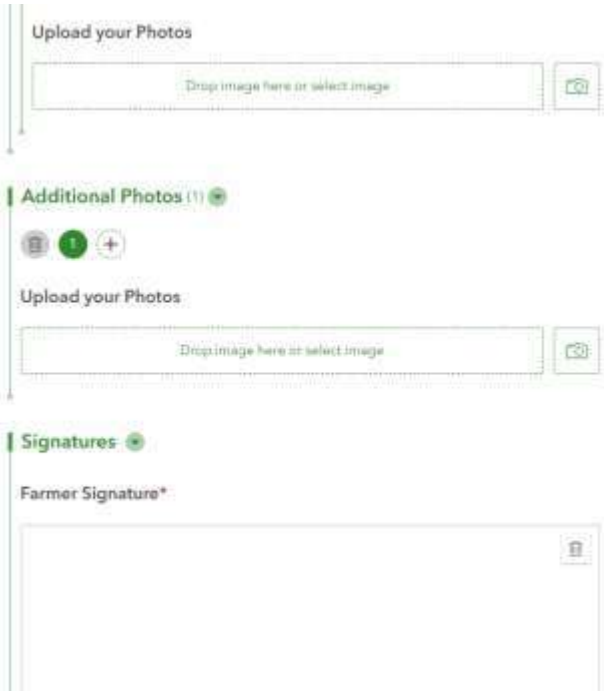
Survey Link (Please open in App - share with officials to access app, survey can also be downloaded directly from the app - search "Kwa Nonqaba")

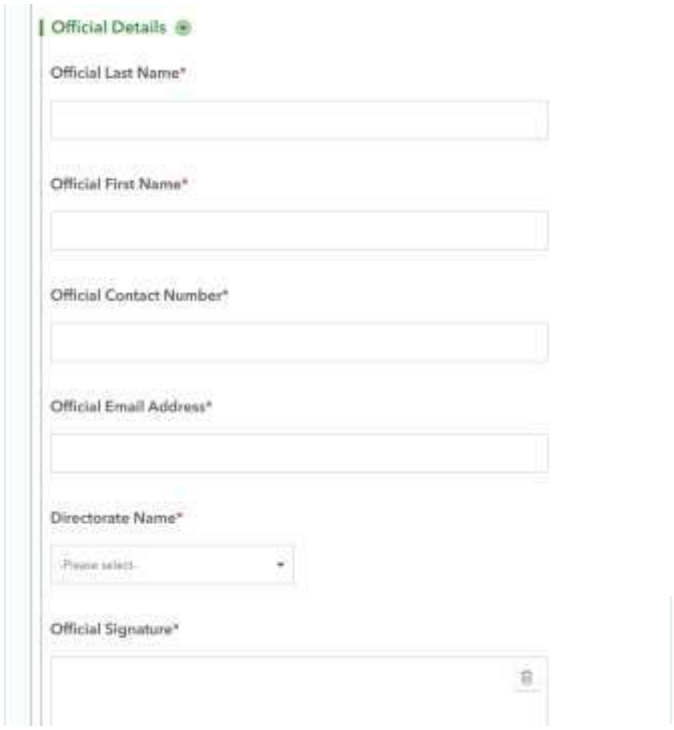
arcg.is













C: Discussion

The Department of Land Reform and Rural Development (DLRRD) has initiated a regional process to regularise and support small-scale livestock farmers within the Garden Route District, specifically those from KwaNonqaba (Mossel Bay Municipality) who are to be relocated in compliance with the High Court judgment of 17 June 2020. As part of this process, DLRRD has acquired two farms Portion 2 of Schoongeleë 282 and Farm Soebatters Vlakte 611,

situated within the Hessequa Municipal Area. These farms are intended to support a consolidated Settlement Plan that integrates both KwaNonqaba Small-Scale Farmers (Mossel Bay) and eligible Small-Scale Farmers from Hessequa.

1. Accommodation of Mossel Bay Small-Scale Farmers on Hessequa Land

DLRRD has confirmed that the Schoongeleë and Soebatters Vlakte properties will be used as *receiving farms* for the KwaNonqaba farmers. This includes pig and mixed-livestock farmers who currently occupy municipal land illegally in Mossel Bay as per the court ruling. The intention is to create a structured, regulated, and sustainable small-scale farming area where infrastructure, carrying capacity, land-use zoning, and animal-number control are managed consistently across all beneficiaries.

2. Inclusion of Hessequa Small-Scale Farmers

DLRRD has explicitly indicated that Hessequa Small-Scale Farmers will also be considered as potential beneficiaries, subject to verification of:

- Active farming status
- Species and number of livestock
- Current land-use constraints
- Farming experience and need

However, DLRRD has emphasised that not all farmers in Hessequa will automatically qualify, as the allocation will be determined by the scientific Settlement Plan.

3. Need for a Public Engagement Session in Hessequa

Given the complexity, possible misunderstandings, and community expectations linked to the project, a public meeting (imbizo) specifically with Hessequa Small-Scale Farmers must be convened by DLRRD.

- The purpose of this meeting should include:
- Providing clarity on the use of the Schoongeleë and Soebatters Vlakte farms
- Clarifying the relocation of Mossel Bay farmers into the area
- Explaining the scientific Settlement Plan methodology
- Outlining beneficiary criteria for Hessequa farmers
- Discussing the proposed verification process and required documentation
- Ensuring transparency in how beneficiary selection will be made

Hessequa Municipality should support the logistics and communication, but the responsibility for leading the engagement lies with DLRRD, as the project owner.

4. Verification of Farmers and Animal Numbers

DLRRD has confirmed in writing that the verification process:

- Will be a joint responsibility between

    DLRRD

Garden Route District Municipality (GRDM)

Hessequa Municipality

- Will use the same methodology applied to the 62 KwaNonqaba farmers, ensuring fairness and uniform criteria.

The verification will include:

- Site visits to each active farmer
- Physical counting of livestock
- Confirmation of farming activities and land availability
- Capturing data via the DLRRD-issued mobile survey application

The verification is essential because:

- The carrying capacity of the farms is limited
- A scientific allocation principle must guide stocking
- The final beneficiary list must be legally defensible and POPIA-compliant
- The Settlement Plan requires accurate, verified data before allocations are finalised

5. Which Hessequa Farmers Will Benefit?

Only farmers who meet the following criteria—as determined by DLRRD—will qualify for allocation consideration:

- Active livestock or crop farmers currently operating within Hessequa
- Farmers whose animal numbers and operations are verified on site
- Farmers who meet the Settlement Plan's carrying-capacity thresholds
- Farmers who fall within the land reform policy categories targeted under PLAP
- Farmers with a legitimate need for land access (as opposed to commercial operators with existing land)

The final beneficiary list will not be compiled by Hessequa Municipality DLRRD is the decision-maker and will report the verified outcomes to GRDM, Mossel Bay Municipality, and Hessequa Municipality.

6. Transparency and Good Governance

Because expectations among the farming community are high, the process must be:

- Documented in writing
- Conducted jointly (DLRRD, GRDM and HM) or by DLRRD
- POPIA-compliant
- Reported formally to the Municipal Committees and Council

The public participation and verification processes must demonstrate that the allocation criteria were fair, defensible, and consistently applied to both Mossel Bay and Hessequa farmers.

The **Portfolio Committee** took the following decision on **18 March 2026** (Item 5.2.4):

"1. That the Committee take note of the request by the Department of Land Reform and Rural Development (DLRRD) for access to the municipal farmer database and for collaboration in the verification of active farmers and animal numbers within the Hessequa municipal area.

2. That the Committee recommend that a public meeting be held with all the small scale farmers of Hessequa Municipal Area by DLRRD informing them of the process and the purposes of developing the scientific Settlement Plan.

3. That the Committee recommend that DLRRD complete the verification process of all active farmers and animal numbers.

4. That the Committee support and recommend that all information to be released comply with the Protection of Personal Information Act, Act 4 of 2013 (POPIA), and that only information required for the Settlement Plan be shared.

5. That the Committee support and recommend that the results of the verification process be formally reported back to the Committee and Council.

6. That the Committee recommend that Council do not prioritise which Hessequa small scale farmers / groups or co-op's will benefit from the verification process.

7. That the Committee take note of the small scale farmers from Mossel Bay Municipal Area that will be accommodated on Schoongeleë and Soebatters Vlakte Farms.

8. That the item be referred to Council for approval."

EXECUTIVE MAYORAL COMMITTEE

The item is tabled at the **Executive Mayoral Committee** meeting of **26 March 2026** and feedback will be given at the Council meeting on the same day.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

The recommendations are supported.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

Noted.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

The content of the report is noted and the recommendations are supported.

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

The content of the report is noted and the recommendations are supported.

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

The content of the report is noted and the recommendations are supported.

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

The content of the report is noted and the recommendations are supported.

COMMENTS: HEAD STRATEGIC SERVICES / KOMMENTAAR: HOOF STRATEGIESE DIENSTE

Content of the report is noted. It is recommended that a brief overview of this process be prepared by the end of the current financial year for inclusion in the Annual Report is to be developed from July 2026.

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

1. That Council take note of the request by the Department of Land Reform and Rural Development (DLRRD) for access to the municipal farmer database and for collaboration in the verification of active farmers and animal numbers within the Hessequa municipal area.
2. That Council approve that a public meeting be held with all the small scale farmers of Hessequa Municipal Area by DLRRD informing them of the process and the purposes of developing the scientific Settlement Plan.
3. That Council approve that DLRRD complete the verification process of all active farmers and animal numbers.
4. That Council approve that all information to be released comply with the Protection of Personal Information Act, Act 4 of 2013 (POPIA), and that only information required for the Settlement Plan be shared.
5. That Council approve that the results of the verification process be formally reported back to the Committee and Council.
6. That Council approve that Council do not prioritise which Hessequa small scale farmers / groups or co-op’s will benefit from the verification process.
7. That Council take note of the small scale farmers from Mossel Bay Municipal Area that will be accommodated on Schoongeleë and Soebatters Vlakte Farms.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Director: Development Planning – Mr Hendrik Visser

ATTACHMENTS / STAWENDE DOKUMENTE

Annexure A: Court Order

Annexure B: Status Quo Report

IN THE HIGH COURT OF SOUTH AFRICA
(WESTERN CAPE DIVISION, CAPE TOWN)

Case No: 14437/2018

In the matter between:

JOAO DA NOVA INVESTMENTS (PTY) LTD	**Applicant**
and	
MOSSELBAY MUNICIPALITY	**First Respondent**
ALL PERSONS OCCUPYING ERF 1717 KWANONQABA, MOSSELBAY, WESTERN CAPE	**Second Respondent**
DEPARTMENT OF AGRICULTURE WESTERN CAPE	**Third Respondent**
DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM, WESTERN CAPE	**Fourth Respondent**

JUDGMENT DELIVERED ELECTRONICALLY ON 17 JUNE 2020

MABINDLA-BOQWANA, J

Introduction

[1] The applicant brought an application against the first respondent seeking an order directing the first respondent to comply in all respects with the Mossel Bay Municipality By-Law Relating to Public Nuisances promulgated in the Western Cape Provincial Gazette Number 6688 of 18 January 2010 ("the by-law"), in respect of the property belonging to the first respondent, known as erf 1717, Kwanonqaba.

Mossel Bay, Western Cape ("first respondent's property") and more specifically with various by-laws it listed in the Notice of Motion. It also sought an order calling upon the first respondent to abate the nuisance caused on its property by removing from it all animals and structures and that the first respondent be interdicted from allowing onto the property any persons, structures or animals save in a manner that these would be compliant with the by-law and in no way constitute a nuisance.

[2] The second respondent was joined as a party to these proceedings in terms of the order dated 18 February 2019. I refer to the persons occupying the property as members of the second respondent.

Background facts

[3] The applicant is an owner and developer of several portions of land (erven 6945-7029), situated at the intersection of the N2 highway and Mayixhale Street in Mossel Bay ("applicant's property"/"the industrial park"). It purchased this property in 2007 and over time subdivided it and sold its portions for industrial purposes. This property is situated immediately adjacent to the first respondent's property. Mr Johannes Nel, a director of the applicant who deposed to the founding affidavit, alleges that when the applicant purchased the land in 2007, the first respondent's property was empty. He further alleges that in 2011 he noticed small structures erected on the first respondent's property, by some unknown persons, keeping a small number of pigs. At that time this was not a cause for concern, as the activity was of a small scale. He then started noticing interest waning in his property from potential buyers, and in 2013 it became apparent that the first respondent's property was becoming densely covered in structures which were being used for keeping pigs.

[4] This is disputed by Mr Basil Stuurman, the deponent to the second respondent's answering affidavit, who alleges that already during the period between 1998 and 2002, the first respondent had built nine permanent structures onto its property to allow the residents of Kwanonqaba to keep their livestock (including pigs) there instead of their residences. According to him, Mr Nel would have been

well aware of the existence of the farm when the applicant bought its adjacent property in 2007.

[5] On 29 August 2013, in an attempt to centralise and regulate the "pig farming", the Council of the first respondent took a unanimous resolution:

> "1. *That the pig farmers of Kwanonqaba establish an Association to enable the Municipality to negotiate with such Association on behalf of the pig farmers.*
>
> 2. *The approval be granted to lease a portion of Erf 1717 (±1 ha) to the newly established Pig Farmers Association for a period of three years, since it is not needed for municipal services.*
>
> 3. *That the newly established Pig Farmers Association pay a market related lease tariff of R 1560.00 per year with an escalation adjustment equal to the CPIX.*
>
> 4. *That a terrain of approximately 1 ha be jointly identified by the Pig Farmers Association and officials of the Directorate: Planning and Integrated Services.*
>
> 5. *That the pig farmers move their pigs at their own cost to the proposed premises.*
>
> 6. *That the pig farmers fence off the proposed premises at their own cost and will erect collective or individual pig cages depending on their needs.*
>
> 7. *That no housing be allowed on the proposed terrain.*
>
> 8. *That the proposed public participation process with regard to the lease of the land be followed and afterwards be submitted to Council.*" (Own emphasis)

[6] This was followed with an advertisement in 2014, where the first respondent gave notice of its intention to lease the property, for purposes of farming on the terms listed above. It called for objections. Meanwhile, the applicants had sent a letter to the first respondent's municipal manager on 2 May 2014, on both its own behalf and that of the Owner's Association at the industrial park, objecting to the presence of an unregulated and unhygienic pig farm in the area, which had prejudicial consequences to businesses in the area. On 26 June 2014 a letter was sent by the applicant's legal representatives, in direct response to the notice, detailing how the presence, slaughtering and selling of pigs on the pig farm affected the value of its

property, the property owners and investments, as well as the impression about the area and how it infringed the laws and regulations, among others. According to the applicant, despite this, the first respondent did nothing to bring an end to this unlawful conducting of pig farming in its property.

[7] The first respondent denies that it did nothing, stating that in the past three years it held discussions with the Western Cape Department of Rural Development and Land Reform ("DRDLR") as well at the Western Cape Department of Agriculture ("DOA"), prior to the bringing of the application, for them to help identify, and/or assist with the purchase of, alternative land where members of the second respondent could be relocated to. It further denies that the number of pigs kept, which was ever increasing, was becoming problematic in 2014; it asserts that the increase in pigs occurred in 2015.

[8] The first respondent further contends that the contemplated lease agreement was never concluded with the pig farmers and it would have been ultra vires its powers to do so. At the time the decision was taken, in 2013, to centralise and regulate the "pig-farming", the first respondent's property was situated relatively far from any occupied dwellings within the municipal boundaries.

[9] Currently the area is covered by dozens of enclosures used to keep animals. These are made of waste wood and plastic sheets with corrugated iron. It is not disputed that pigs roam around freely on first respondent property, patches of waste water, refuse, as well as the smell of animal waste, decay and ammonia is notable kilometres away, and the area is visible from the national road and Mossel Bay town. Effluent is not removed. The applicant alleges that this gets washed into a dam, or possibly seeps into groundwater. The applicant highlights the health and safety hazard this poses for the community. This is not denied by the first respondent.

[10] The first respondent alleges that in addition to having discussions with the Departments mentioned above, to identify and/or purchase land, its representatives had held informal discussions with the applicant's representatives, in an attempt to conclude an exchange land transaction to find a temporary solution; it also held discussions with the councillors residing in the area as well as with the pig farmers

and, in all these attempts, no solution was found. Members of the second respondent made it abundantly clear that it was a priority for them to live close to their pig farming operations (which can be attributed to a lack of transport and regular increases in fuel costs). They were also of the view that the keeping of animals, and especially close to where they lived, was part of their culture.

[11] The first respondent admits that the pig farming has escalated dramatically, and there can be no doubt that it does constitute a nuisance for other inhabitants, including the applicant's clients. The influx of residents into Mossel Bay has resulted in residential areas expanding close to the pig farming operations. It denies that the reduction of selling prices, and actual sales, of plots on applicant's property could be attributed exclusively to the adjacent pig farming activities. According to it, it is common knowledge that they could also be attributed to bad economic conditions and encroaching informal settlements. The second respondent adds that the reduction in value of the applicant's property could be caused by the rapidly developing township in the Asiapark area (furthest from the site of the pig farm), comprising formal and informal housing encroaching on the applicant's property.

[12] The first respondent's vacant land at Mossdustria was previously discussed with the pig farmers for potential relocation, but they said they were not interested, as it was too far (more than 10 kilometres) from their homes. In any event, this land is no longer an option, according to the first respondent, because the area falls within the urban edge in terms of the Mossel Bay Municipality's Spatial Development Framework (SDF) and is earmarked for the extension of industrial activity and most definitely not farming.

[13] Property situated in Herbertsdale, which falls within the jurisdiction of Mossel Bay and which is 50 kilometres from the current property, was offered to the pig farmers, but they declined it, stating it was too far for them. This was the only suitable property available to relocate the pig farmers. This does not appear to have featured in the further discussions between the parties, as well as the reports by the Departments, which I deal with later.

[14] By October 2018, there were approximately 52 pig farmers and 811 various animals, including 620 pigs, 90 goats, 36 cattle and 65 chicken. There is no facility available to temporarily relocate and nurture these large quantities of animals, pending the identifying of alternative available land, a process which could take some time.

[15] The first respondent claims that it if it is ordered to enforce its by-laws, as stated in the applicant's notice of motion, it will have to - practically speaking - slaughter the animals, which it says would most definitely result in riots and violence in the community. It also states that it cannot do so without a court order.

[16] Mr Stuurman raises the issue of the socio-economic consequences of the destruction of these pig farming activities. According to him pig farming serves a necessary purpose to the livelihood of the people of Kwanonqaba. For many of the farmers, selling this livestock is their only means of earning a living. He, among others, is a pensioner. Having regard to the high unemployment rate in the area, members of the second respondent would be left without any income if the farm were to be done away with. He also alleges that, although the lease was not formalised, the first respondent created an expectation that it intended to allow the pig farmers not only to remain on the farm, but also to formalise the arrangement in terms of which the pig farmers would be allowed to occupy the pig farm in future. He asserted that the first respondent had failed to enter into any meaningful discussions with the second respondent, or present the alternative property that it has mentioned in its answering affidavit.

[17] When the matter served before me for the first time and having regard to the issues stated above, it was clear that this was one of those matters, in my view, where there would be value in the parties talking to each other with the view of finding a solution, prior to the court adjudicating on the matter. Although there were issues of illegal conduct raised, socio-economic considerations cried out for somewhat a different approach to a court process, if possible. I therefore directed the parties to enter into meaningful discussions, with a view to finding a resolution regarding

possible relocation of the members of the second respondent to alternative premises. This was later followed by a suggested mediation process.

[18] Having been informed, and gleaning from the first respondent's answering affidavit, that the DRDLR, as well as the DOA, had been part of the discussions with the first respondent over a period of approximately three years prior to the bringing of the application by the applicant, to assist with identification and/or purchase of alternative land where members of the second respondent could be relocated, I requested them to participate in the discussions between the parties.

[19] Parties came back with a report dated 22 July 2019 that effectively indicated that they could not find common ground. It appears that the DOA could not attend the discussions, but indicated that it would provide the parties with an assessment of the report regarding the suitability of Mossdustria land being used as a pig farm. The DRDLR highlighted some issues and gave practical suggestions. It also appeared that the parties needed more time to find solutions. I decided that it would serve the administration of justice well to join[1] the two Departments (the DRDLR and the DOA) in the proceedings. I accordingly did so and requested them to file reports as to whether alternative land could be identified for the farming activities of the members of second respondent, their possible relocation and other aspects relevant to such relocation that may prove necessary.

Reports

The DRDLR's report

[20] The DRDLR reported that the issue involving the members of the second respondent came to its attention through a request by the first respondent's municipal manager, which led to a meeting between them and the first respondent, on 7 September 2018, in order to discuss a viable solution, including: establishing a pig farming committee of those using the first respondent's property; conducting a profile

[1] See *Erasmus, Superior Court Practice*, Second Edition, at D1-126 - D1-126A, where it is stated in commentary under Rule 10 that the Court's authority to do so is founded in common law.

of the users; identifying additional land for the livestock; as well entering into lease agreements with users whilst engaging with the DOA on a farm plan. A number of steps were undertaken. Alternative land was identified, but that was not suitable according to the DOA. The DRDLR indicates that it does not currently have alternative properties available that can accommodate the farmers, and that alternative land for acquisition processes in line with policy should be identified and investigated. It also reveals that a number of the pig farmers currently farming on the first respondent's property are members of an association, MAFU Communal Property Association (CPA), which owns property that was acquired through the programmes of the DRDLR, near Herbertsdale. The DRDLR receives an annual budget allocation for strategic land acquisition. It is committed in assisting with finding land within the ambits of the law and policies guiding land and allocation processes. In view of the size of the members of the second respondent's operations, accommodating all farmers on one property would infringe legislation and would not be in line with environmental guidelines and legislation. It noted a period of four years which was apparently indicated by the first respondent as a period during which it would accommodate the second respondent on the current property. According to the DRDLR, this will give it sufficient time to look for alternatives, depending on the availability of the budget.

The DOA's report

[21] The DOA on the other hand reported that it derives its mandate from section 104 (1) (b) of the Constitution and land reform is not its competency. It provides complimentary development support to beneficiaries of land reform. It is responsible for promotion of agriculture in the Western Cape. It provides development, research and support services to the agricultural community, including beneficiaries of land reform. In order to meet its provincial strategic goals, it has implemented various programmes and, of relevance, is the Farmer Support and Development Programme ("FSD"), which is to provide support to farmers through agricultural development programmes.

[22] It alleges that it got involved in the process when a request was made to it to conduct a farm assessment on portion 191 of the farm Vyf Brakkenfontein Mossel Bay, owned by the applicant ("the N2 property"). It conducted a site visit on 16 May 2019. It was invited to attend a meeting on 24 May 2019 with the first respondent but its officials were unable to attend. In short, it found the potential for agricultural production very low.

[23] A further meeting was convened by the first respondent on 9 July 2019 between itself and the two Departments (the DOA and the DRDLR), where the DOA confirmed the N2 property was not suitable for agricultural purposes, let alone pig farming. It reiterated that it does not have a mandate to provide land, but could offer support to farmers. It suggested that the number of animals on the first respondent's property be reduced to 250, to comply with the norms and standards of legislation. Further, in order to comply with legislation, pig farmers should be categorised in accordance with their respective profiles, all pigs should be clearly marked, allocated to the different pig farmers and recorded in a register. In this meeting a four-year grace period was proposed, by the first respondent, during which members of the second respondent would farm on the N2 property; this was based on the period required for the planning of a housing development for which that property has been earmarked by the first respondent. It was proposed that the reduced quantity of pigs be allocated to the individual pig farmers and lease agreements should be concluded between the first respondent and the individual pig farmers on the following conditions: (a) the pig farmers should be entitled to keep 250 animals on the N2 property for a period of four years (which would be the duration of the lease agreement), thereafter vacate the property; (b) the members of the second respondent should undertake to comply with the municipal by-laws to ensure that any further nuisance is terminated with immediate effect, failing which the first respondent should enforce existing by-laws; (c) during the four year period, the second respondent, assisted by the DRDLR and with the support of the DOA, would apply to acquire alternative properties in terms of the land reform programme in order to

relocate the pig farmers that had entered into lease agreements; and (d) no pig farmer would be entitled to keep any livestock on the property without a written lease.

[24] The DOA provided the first respondent with an Extensive Pig Production Report ("EPP report"), which detailed relevant norms and standards for pig production as well as legislative requirements for animal welfare and environmental sustainability, such as: the South African Pig Welfare Code, which deals with minimum requirements related to food, water and living conditions; the South African Pork Producer Organisation ("SAPPO")'s recommendations, which provide for minimum space of live mass required in order to prevent overcrowding, as well as certain biosecurity measures for pig farmers, including a proper waste management plan and disease prevention; the Animal Identification Act 6 of 2002 ("the AIA") which make it compulsory to mark all cattle, sheep, goats and pigs; and the Meat Safety Act 40 of 2000, which states that an animal owner can only slaughter two pigs within a period of 14 days for own consumption. The second respondent's members' exceed this amount and do not comply with the legislation applicable to trading with pork, such as grading, cold chain, health inspection and abattoir slaughter; the Animal Diseases Act 35 of 1984 which contains notifiable diseases applicable to pig producers and recommends a proper vaccination programme ; and finally, section 24 (2) (a) and (d) of the National Environmental Management Act 107 of 1998 ("NEMA"), in terms of which certain activities identified may not commence without authorisation from the competent authority and require investigation, assessment and communication of potential impact of the activities. An activity applicable to pig production includes the construction of facilities or infrastructure for the concentration of animals for the purpose of commercial production in densities that exceed 250 pigs per facility per year.

[25] The current piggery does not comply with the relevant legislative framework and this is not disputed by the first respondent. In addition to the number of pigs being slaughtered and non-compliance with regulations pertaining to trade in pork mentioned above, the number of pigs is approximately 600, which means the provisions of NEMA have been transgressed. Further, the current housing of the pigs

does not meet the minimum standards, and there is non-compliance with the swill processing.

[26] The DOA does not support farmers occupying land illegally for farming purposes. In the event the first respondent enters into lease agreements with the second respondents' members, the DOA recommends that the number of pigs be reduced to 250, the second respondent complies with the provisions of AIA, the housing conditions of the pigs be upgraded to ensure compliance with the above legislative framework, and the first respondent should, to the extent that it is lawfully able to do so, after the upgrading has been done, consider an exemption from by-laws.

[27] In view of the discussions and the further mediation process, which I was informed was held early this year, not yielding positive results, the court has had to determine the matter.

Discussion

[28] There is no doubt about the fact that the "farming operation" as it currently stands contravenes the by-laws and various legislation. The manner in which it does has been canvassed in detail in the various reports and factual matrix above and I do not find it necessary to repeat it.

[29] The question that remains is how the situation should be dealt with going forward, having regard to the considerations I have highlighted above. The manner in which the first respondent has dealt with the situation is most concerning. Apart from the fact that it allowed the condition to get to where it is, by not enforcing its by-laws, it enabled the farming to continue on its property and even attempted to formalise it by way of entering into lease agreements with the members of the second respondent.

[30] While I understand that it sought to assist the members of the second respondent as far as possible, I do not accept that it could not enforce its by-laws without a court order. The first respondent does not need a court order to tell it what its job is.

[31] The stance of the applicant is that the second respondent must be removed from the property with their livestock, outright. In the applicant's own version, the "farming operations" have been taking place for approximately 8 years before it brought this application. That is a long period. According to the second respondent, the "farmers" have been allowed to keep their livestock in the first respondent's property since 1998. It is well established that in terms of the *Plascon-Evans Rule*[2], the version of the second respondent must be accepted.

[32] The submission made on behalf of the second respondent that the "farming" is not unlawful is not sustainable and must be rejected. It flies in the face of what is glaringly apparent in the papers and the reports. While the members of the second respondent have farmed with the knowledge and acquiescence of the first respondent on its property, the land is not zoned for such operations and it infringes a series of statutes and by-laws. The first respondent is a statutory body which is obliged to observe and enforce the law. "*Being enjoined to observe and enforce the scheme, the applicant cannot acquiesce in any contraventions of the scheme. To do so would be unlawful and therefore ultra vires. Put differently, the applicant cannot by virtue of acquiescence be prevented from or excused from the performance of its statutory duty. See for example, City of Tshwane Metropolitan Municipality v RPM Bricks (Pty) Limited, 2008 (3) SA 1 (SCA) at paras 12 and 13 and cases there cited.*" (*City of Johannesburg v Ampcor Consulting CC* (7618/09) [2010] ZAGPJHC 136 (13 September 2010))

[33] I am aware and do agree with the applicant that "*the law cannot and does not countenance an ongoing illegality which is also a criminal offence. To do so would be to subvert the doctrine of legality and to undermine the rule of law*", as was put in *Lester v Ndlambe Municipality and Another* 2015 (6) SA 283 (SCA) at para 23.

[34] Notwithstanding that, the situation in this case warrants a sensible relief. While a finding of illegality should be made insofar as non-compliance with the by-laws is concerned, this case calls for a different treatment to an outright relief due to

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[2] *Plascon-Evans Paints (TVL) Ltd v Van Riebeeck Paints (Pty) Ltd* 1984 (3) SA 623 (A)

the fact that (a) the first respondent acquiesced in the continuation of farming operations and allowed it on its property for more 20 years, (b) pig-farming has for some become the only way of earning a living, (c) removing the pigs out-rightly may have negative consequences for the community of Kwanonqaba.

[35] I caused an order I had in mind, prior to finalising the matter to be placed before the parties for their comment. Such an order was along the lines suggested by the first respondent in the report dated 22 July 2019, following the parties' first discussions read with the two reports received from the DRDLR and the DOA. All parties gave their comments which I considered. Concerns, which I think have merit, were raised regarding the practical implementation and implications of that order. Having reflected on the comments, I am persuaded by the views that the order envisioned may result in uncertainty and possible overreach by the court. Furthermore, the court should have regard to the unique circumstances of this case as well as the rights of the applicant. In the circumstances, the period of four years may be too long, especially where it is not definite that a solution would be found in that period.

[36] Therefore, taking into account, the prevailing nuisance and the hardships that might be faced by the members of the second respondent if immediate cessation of the "farming" operations (which have been allowed for more than two decades), were to be ordered, I am of the view that the relief granted by the court should be no more than directing the first respondent to comply with its by-laws but affording it a period of two years in which to do so.

[37] In the two year period parties would have a further opportunity to investigate suitable alternative land where agricultural activity can take place in a legally compliant manner. In this respect co-operation between the first respondent and members of the second respondent is required, with the assistance of the ORDLR which should investigate alternative land in line with its policy frameworks and as reasonably practically as possible. The DOA should assist with programmes relating to agricultural activities and any issues of legal compliance. The Departments should

in collaboration with the first respondent, within their respective mandates as stated in the reports assist in accordance with what is stated in their reports.

[38] In light of the order the court is minded to issue, it is not necessary to grant other relief (interdict and abatement) sought in the Notice of Motion.

[39] As to costs, the applicant argued that the first respondent ought to pay it costs, because although it had indicated that it abides the court's decision, it has in fact entered the fray, by effectively opposing the relief. While that may be the case, my view is that the first respondent had to participate in these proceedings, not only to explain its conduct but to assist the court. If it had chosen to stay out, in all probability it would have been required to participate by the court. I accordingly take the view that each party should pay its own costs in this matter. The first respondent has sought to assist the farmers by engaging with the Departments to find possible solutions. While it must be criticised for its failure to enforce its by-laws, it would not be just to slap it with costs, given the circumstances of this case. The resolution of the matter is also not a simple one. The matter is of interest to the community of Kwanonqaba and the parties involved.

Order

[40] In the circumstances, the following order is made:

1. The first respondent is directed and ordered to comply with the "*Mossel Bay Municipality By-Law Relating to Public Nuisances*" promulgated in the Western Cape Provincial Gazette number 6688 of 18 January 2010 ("the by-law") in respect of the property known as erf 1717, Kwanonqaba, Mossel Bay, Western Cape ("the first respondent's property") and more specifically with various by-laws listed in paragraph 2 of the Notice of Motion.
2. The first respondent is given a period of two years in which to comply with the order in paragraph 1.
3. Each party is to pay its own costs.

NP MABINDLA-BOQWANA

Judge of the High Court

APPEARANCES

For the Applicant:	Adv. LF Wilkin
Instructed by:	Herbie Oosthuizen Attorneys, Mossel Bay C/O Van der Spuy Attorneys, Cape Town
For the First Respondent:	Adv RS Van der Riet SC with Adv E Smit
Instructed by:	Oosthuizen Marais & Pretorius C/O Mostert & Bosman, Bellville C/O MacRobert Inc., Cape Town
For the Second Respondent:	Ms R Carstens, Legal Aid, South Africa

land reform & rural development

Department:
Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

2030 NDP

Directorate: Spatial Planning and Land Use Management Services - Western Cape

Status Quo Report



Provincial Context



District Context



Local Context

Property Description/s:

(1) Portion 2 of the Farm Skoongeleë No. 282 Riversdale Registration Division

(2) Farm Soebatters No. 611 Riversdale Registration Division

situated in the
Riversdale Registration Division,
Hessequa Local Municipality,
Garden Route District Municipality,
within the Western Cape Province, South Africa.

November 2025

Table of Contents

1. Project Description 3
2. Project Intention 4
3. Mapping of Proposed Project 4
4. Farmer Production Support Unit (FPSU) 6
5. Spatial Planning Categories (SPCs) 7
6. Crop and Agricultural Infrastructure 9
7. Land Capability 11
8. Remarks by Professional Town & Regional Planner 13
9. Observations in the LUS 15
10. Observations in the Title Deed 15
11. General Conclusion 15

1. Project Description

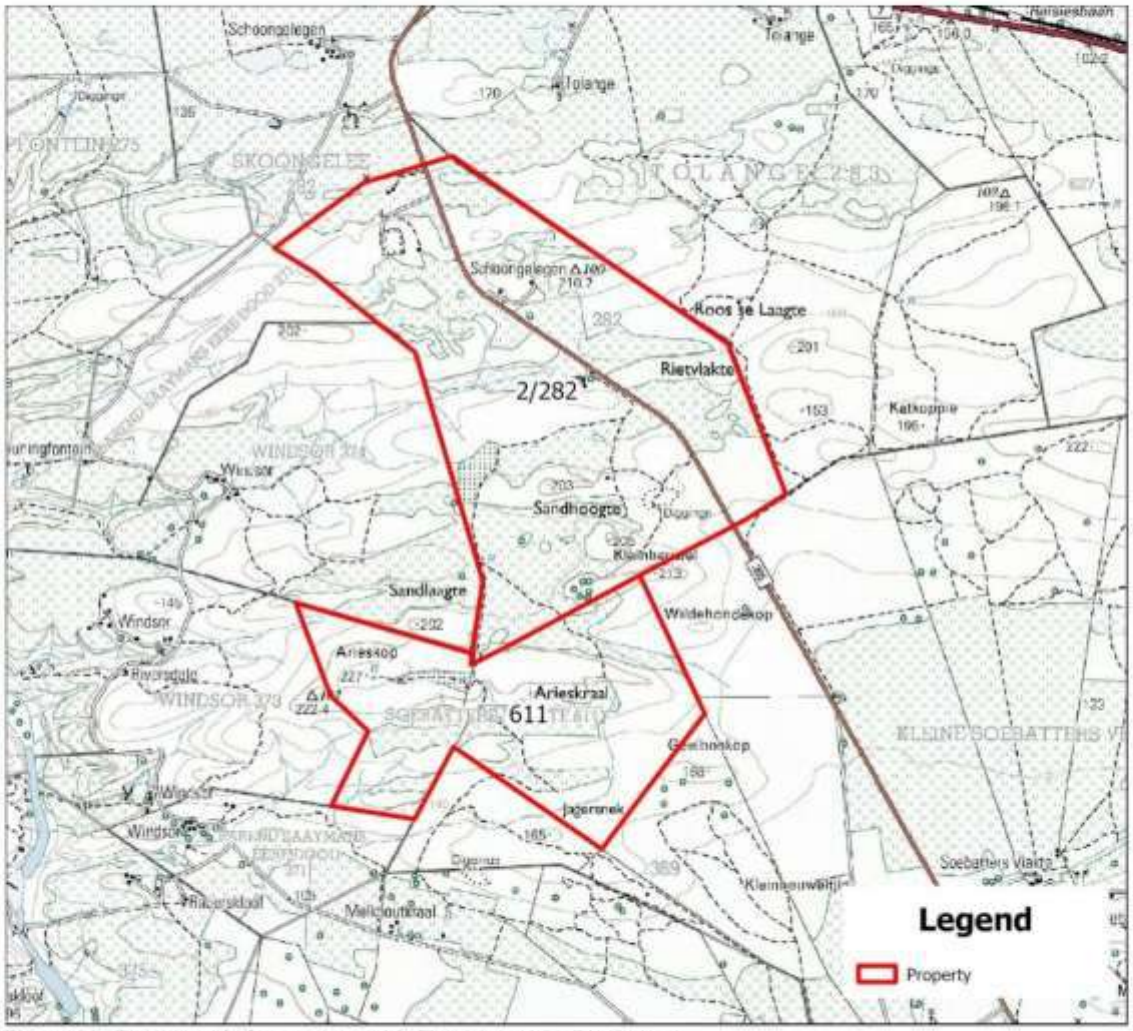


Figure 1: Property Information with Topographic Backdrop

Property Description	Title Deed Number	Extent (Ha)	Administrative District	Local Municipality	District Municipality	Province
Portion 2 of the Farm Skoongeleë No. 282	73438/2016	656.9847	Riversdale	Hessequa	Garden Route	Western Cape
Portion 0 of the Farm Soebatters Vlakte No. 611	73438/2016	331.8396	Riversdale	Hessequa	Garden Route	Western Cape

2. Project Intention

The Westen Cape Provincial Shared Services Centre (WC-PSSC) - Garden Route District Office hereby request for the status quo of the Farm Skoongeleë and Soebatters Vlakte.

Both farms are operating as one (1) economic unit. The project is to be presented at the Provincial Technical Committee for acquisition.

3. Mapping of Proposed Project

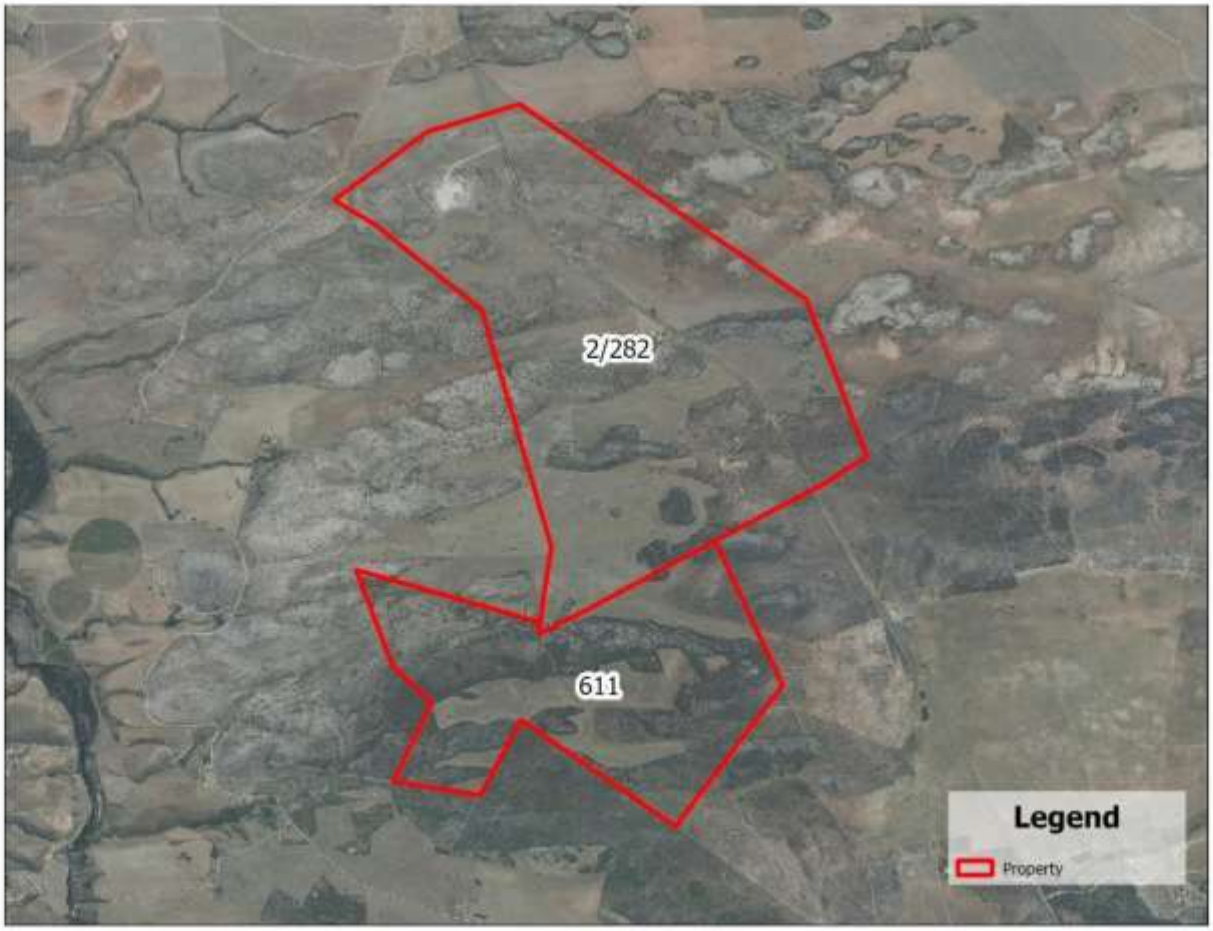


Figure 2: Property Information with 25cm RGB Orthomosaic - Western Cape (CDNGI Imagery Mosaics WMS)

General Remarks:

Here are general remarks of the two parcels, Portion 2 of the Farm No. **282** and Farm No. **611**.

Based on the Topographic Map: Relief is moderate, roughly 80–90 m from the lowest contours near **140–165 m** in the south to highs around **210–227 m** on the kopjes.

- The landscape is dissected by shallow valleys and sandy flats named on the map, for example **Sandlaagte**, **Sandhoogte**, and **Rietvlakte**, suggesting broad, gently graded bottoms with seasonal drainage.
- Rocky hills and koppies punctuate the area, notably **Wildehondekop**, **Geelboskop**, and the ridge west of **Arieskraal**. Slopes are steeper along the koppies and the central "neck" between the two parcels.
- Numerous ephemeral streams and drainage lines are mapped, converging toward the southern flats. A few "diggings" appear, and scattered water points are marked, implying boreholes or windmills.

Farming Implications

- The terrain and place-names point to **sandy, well-drained soils on the highs and midslopes**, with **deeper alluvial or colluvial soils** in the laagtes and vlaktes [This must be confirmed by an agricultural specialist].
- **Limited arable potential** exists in the broader valley bottoms on the gentlest slopes, where small fields or planted pastures might be feasible. Contour-aligned cultivation and controlled traffic would be advisable to limit sand movement and runoff.
- The koppies and stony slopes should be kept under veld, used as dry-season grazing, and protected from overuse to prevent erosion.
- Water development is naturally focused along the mapped drainage and existing points, with scope for small stock-watering dams in the flats, subject to careful siting and spillway design.
- Bush and woody patches around the koppies are likely; selective thinning and resting could improve grass cover and carrying capacity.

Undulating sandy veld with rocky hills, shallow valleys, and seasonal drainage. The topography suggests mostly a grazing unit, with occasional arable pockets on the flatter valley floors, and management that prioritises rotational grazing, erosion control, and water-point spacing.

4. Farmer Production Support Unit (FPSU)

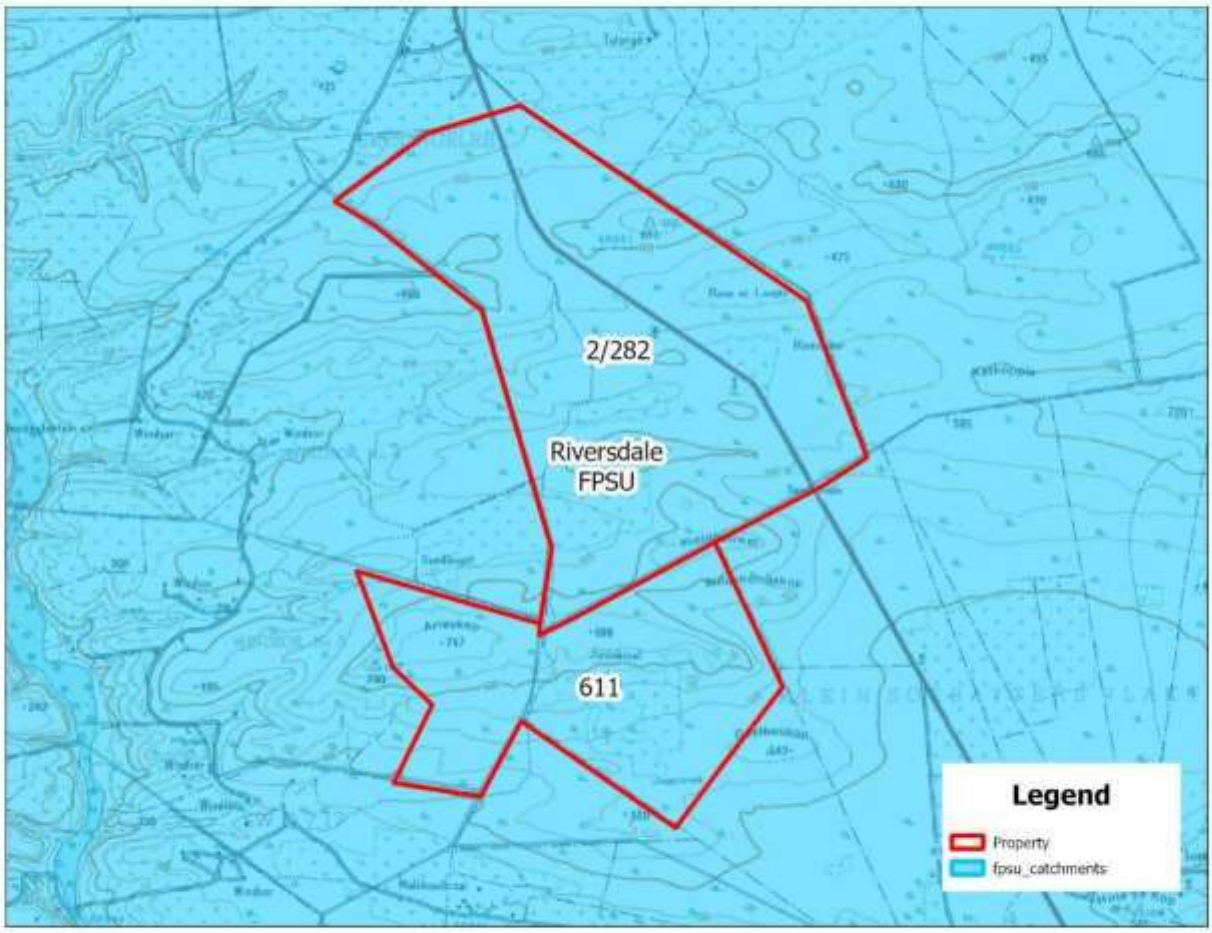


Figure 3: FPSU catchment for Portion 2 of the Farm No 282 and Farm No 611.

Portion 2 of the Farm No 282 and Farm No 611 falls within the Riversdale FPSU.

5. Spatial Planning Categories (SPCs)

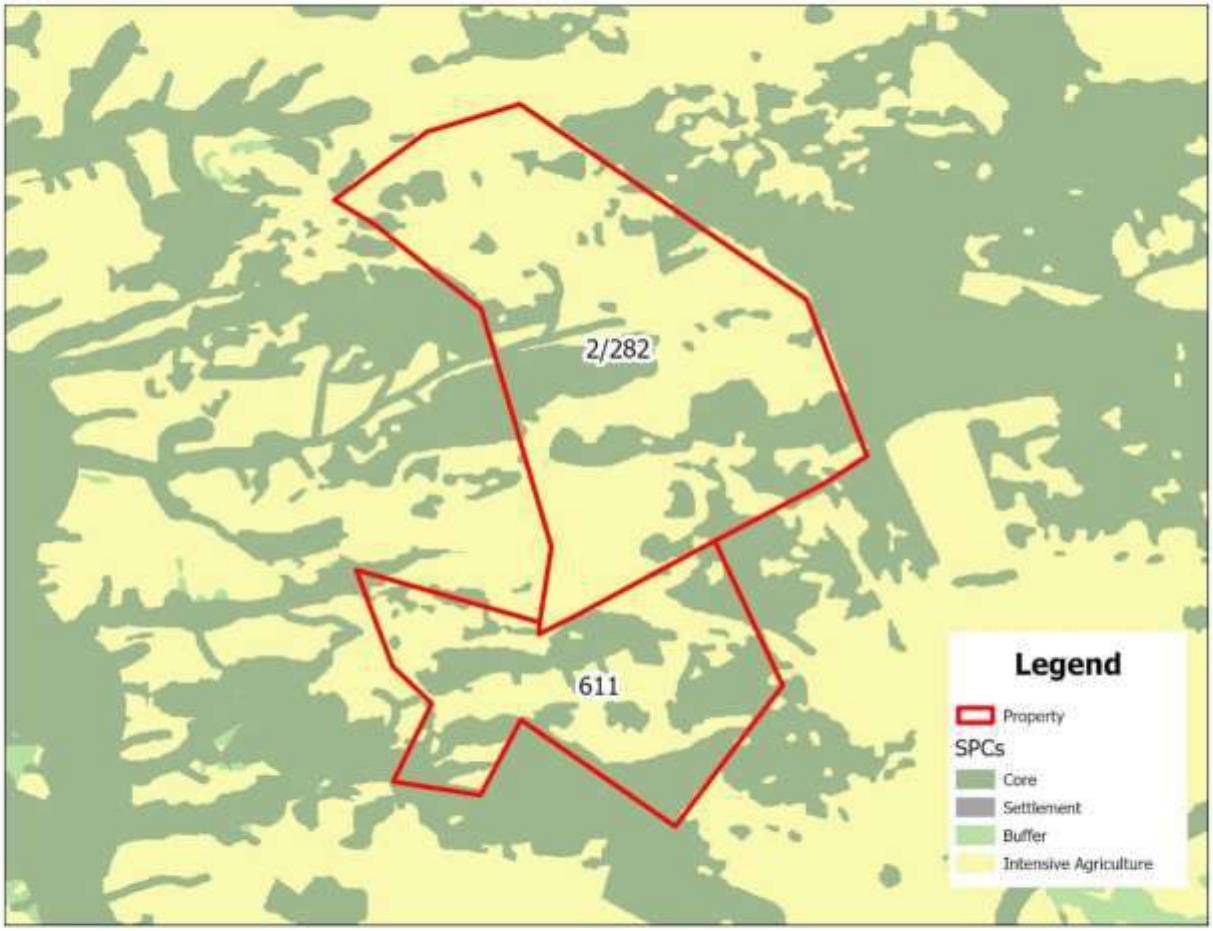


Figure 4: Spatial Planning Categories (SPCs)

For Portion 2 of the Farm No. 282 and Farm No. 611, figure 4 shows the Western Cape SDF Spatial Planning Categories (SPCs). Interpretation:

- The **background category is Intensive Agriculture**. Both properties lie largely in this SPC.
- There are **numerous embedded patches of Core** conservation land, especially in the southern parcel and along the dissected slopes and drainage lines.
- I do not see mapped Settlement areas within the boundaries, and there appears to be no Buffer SPC polygon crossing the properties on this extract.

Implications by SPC, Intensive Agriculture (dominant):

- **Policy intent**: protect high-value agricultural landscapes, consolidate farming, and direct non-agricultural uses away from these areas.

- **What this means here**: primary land use remains agriculture. Given the on-site limits, this is mostly extensive grazing with small pasture or fodder pockets on the gentler valley floors.
- **Typical controls**:
  - New non-farm development is discouraged, and resort or urban uses should not occur.
  - Subdivision is tightly controlled, with strong motivation needed to avoid fragmenting viable farm units.
  - Agricultural infrastructure, farm dams, and water points are generally consistent, subject to environmental and water approvals.

Implications by SPC, Core (scattered patches inside both properties):

- **Policy intent**: secure critical biodiversity, ecological processes, and climate-resilience corridors. Avoid further habitat loss.
- **What this means here**: treat these areas as **no-go for land transformation**. Keep them under natural veld and manage for conservation grazing.
- **Typical controls**:
  - New cultivation, quarrying, roads, and buildings trigger strict scrutiny and may require **NEMA environmental authorisation**, biodiversity assessments, and setbacks from rivers or wetlands.
  - Alien clearing, erosion control, and fire management are encouraged as positive interventions.
  - If an unavoidable linear service has to cross a Core patch, expect route optimisation, rehabilitation, and, if authorised, biodiversity offsets.

How to use the SPCs in applications

- **Site planning**: place any fields, camps, tracks, and infrastructure **within the Intensive Agriculture polygons**, keeping Core patches intact. Align camps to ridgelines and drainage so that Core areas function as ecological corridors.
- **Setbacks and buffers**: maintain riparian buffers along drainage lines intersecting Core, typically 30–50 m or as determined by a freshwater specialist. Avoid placing watering points inside Core polygons.
- **Compliance pack**: prepare a basic constraints map combining the SPC layer with the municipal SDF, the Western Cape Biodiversity Spatial Plan (CBAs/ESAs), watercourses,

and slopes. Use this to demonstrate avoidance and to screen whether any **Listed Activities** apply under NEMA, as well as CARA and the National Water Act for earthworks or dam construction.

- **Subdivision or rezoning**: motivate on agricultural viability, not just cadastral convenience, and show that Core areas remain intact under any new boundaries.
- **Stewardship options**: consider Biodiversity Stewardship, conservation servitudes, or a management plan for the Core patches. This can unlock incentives and strengthen approvals for compatible agricultural improvements elsewhere on the farm.

Both parcels sit **predominantly in the Intensive Agriculture SPC** with **meaningful embedded Core conservation patches**. Plan improvements and routine farming inside the Intensive Agriculture areas, and keep the Core patches untransformed, managed as conservation veld with careful grazing and fire discipline. This alignment will make future land-use applications cleaner and, in practice, reduce environmental approval risk.

6. Crop and Agricultural Infrastructure

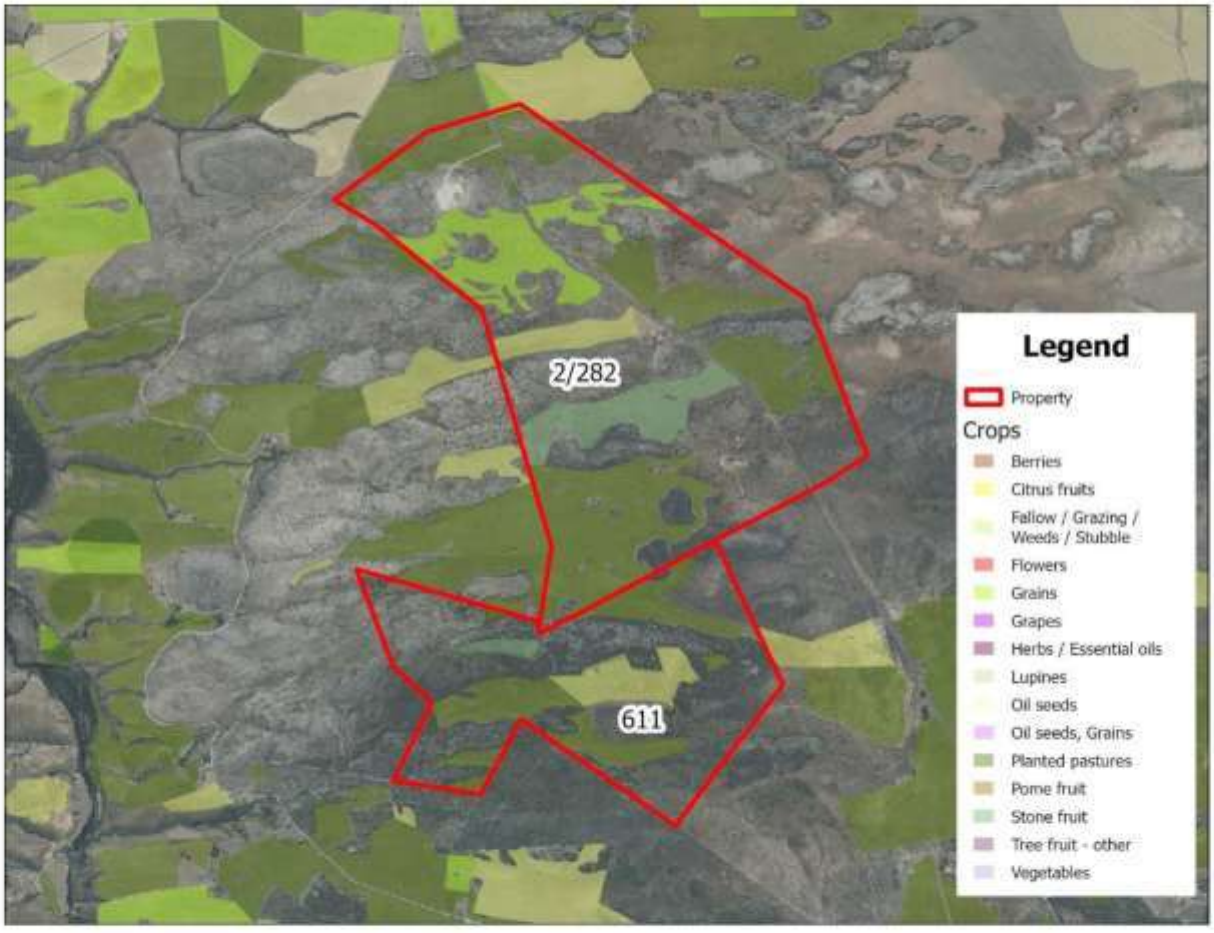


Figure 5: Crop and Agricultural Infrastructure

Across both parcels, only a minority of land is under active cultivation. Most of the area is mapped as fallow or grazing veld, with cultivated fields sitting in the broader, gentler valley floors.

Portion 2 of the Farm No. 282

- Several medium fields occur along the central valley and on the northern flats. These are mapped mainly as **planted pastures**, with a few blocks in a **grain** rotation.
- The higher, rockier slopes remain **fallow/grazing**, consistent with shallow soils.
- A quarry or borrow pit occupies the north-west corner, so no cropping there.

Farm No. 611

- A slightly higher concentration of cultivation than 2/282, again focused on the wider bottoms. Fields are shown largely as **planted pastures**, with scattered **grain** blocks and some land resting as **fallow/grazing**.
- The dissected koppie slopes are non-arable and left as veld.

In summary, the mapped pattern points to a **mixed livestock unit with supportive dryland cropping**, where planted pastures and occasional grains are used for winter feed or finishing, and the remainder is extensive veld grazing. In practice this means rotational grazing between veld and pastures, contour-aligned cultivation on the valley floors, and careful siting of water points along the drainage lines. Arable expansion looks limited by slope, stoniness, and fragmentation, so improving pasture quality and veld management will likely yield better returns than new cropping.

7. Land Capability

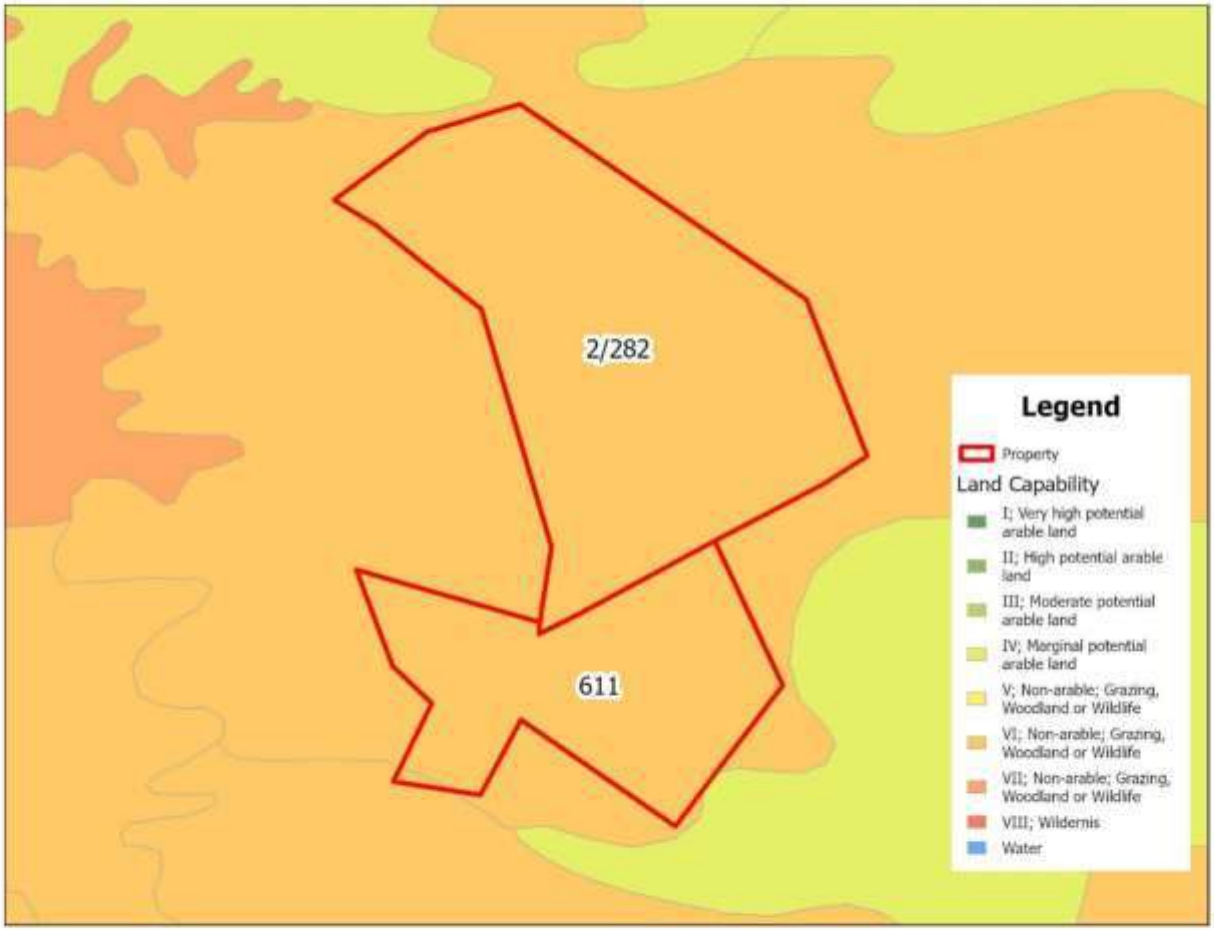


Figure 6: Land Capability

Unpacking the Department of Agricultures (DoA's) rating of **non-arable, grazing, woodland or wildlife** for Portion 2/282 and Farm No. 611.

What the classification means

This category indicates land that is **unsuitable for sustained crop cultivation** because of fixed natural limits, for example shallow or stony soils, variable slopes, seasonal waterlogging, or a short reliable growing season. In South African terms it usually aligns with the lower capability classes used for **veld grazing, bushland, or biodiversity uses**, rather than ploughed fields. You may still plant small pockets if conditions allow, yet the capability of the land as a whole is driven by the limitations above.

Why these properties fit

From the orthomosaic and topographical map, both parcels show undulating to hilly terrain, many rocky outcrops, and sandy or shallow soils, with drainage lines and pans confined to narrow valley bottoms. These traits restrict the depth, fertility, and trafficability needed for arable agriculture, and raise erosion risk if tilled. They do, however, support mixed **savanna or grassland veld**, which is well suited to extensive livestock or game.

What farming systems are suited

- The primary land use is extensive grazing for cattle, small stock, or game.
- Planted pastures can be used strategically on the gentlest, deeper soils in the valley bottoms to support winter feed, but broad arable expansion would be risky.
- The koppies and stony midslopes should remain under natural veld, used mainly for seasonal grazing and habitat.

Management implications, in practice

- **Stocking**: Set conservative, flexible stocking rates based on veld condition, then adjust with rainfall. Use rest periods and rotational camps to avoid selective overgrazing.
- **Soil and water**: Keep cultivation on the flattest ground. Align any fields or pastures with contours, maintain grass cover, and stabilise drainage lines with veld buffers.
- **Erosion control**: Repair head-cuts and tramlines early, place water points to spread grazing, and keep vehicles off wet soils.
- **Bush and invaders**: Expect patchy woody thickening on slopes and along drainage. Use targeted thinning or fire, paired with resting, to favour perennial grasses. Control declared invaders under CARA.
- **Fire**: Prepare a simple, risk-based fire plan with firebreaks on natural boundaries, coordinated with neighbours.
- **Biodiversity and wildlife**: Retain koppies, riparian strips, and pans as conservation areas. They provide grazing resilience and legal buffers, and support tourism or hunting options if desired.
- **Infrastructure**: Camp fencing should follow ridgelines and drainage to match grazing camps to landform and water. Maintain all-weather access on valley floors, not on steep slopes.
- **Water development**: Site small dams or troughs in existing drainage nodes with stable spillways. Protect riparian zones from continuous grazing.

Planning and compliance notes

Because the capability is non-arable, proposals for new cultivation, land levelling, or drainage in sensitive areas will need careful motivation, often with erosion and wetland assessments. Keeping most of the holding under veld, with limited pasture blocks and strong soil conservation, is the pathway most consistent with this classification.

These farms are best managed as **grazing and habitat units** with selective pasture support. Value comes from healthy veld, reliable water, and erosion-safe layouts, not from trying to force large-scale cropping where the land's natural limits would work against you.

8. Remarks by Professional Town & Regional Planner

Remarks from the SDF

The following is a concise unpacking of the portions, grounded in the Hessequa 2025 SDF.

Agricultural Development Corridor

Within the SDF's spatial structuring, agricultural corridors are used to protect and consolidate high-value farming landscapes and their value chains. The document explicitly calls for supporting and protecting **high-potential agricultural land within proposed agricultural corridors**, which largely coincide with Protected Agricultural Areas and agri-tourism nodes along key routes. In practice this means concentrating agricultural uses and agri-processing in the corridor, avoiding fragmentation, and keeping non-farm development out.

For day-to-day decisions, the SDF's land-use guidelines reinforce this:

- **Intensive agriculture** should be protected, use water-efficient practices, and avoid planting near CBAs.
- **Extensive agriculture** should maintain natural cover, keep buffers around wetlands and rivers, and base stocking on veld capacity.

These are the default tests your applications will be measured against inside the corridor.

Water services context

You are correct that the map scale makes the precise water services authority ambiguous between Overberg Water and Hessequa LM. The SDF takes a pragmatic stance: confirm the supply authority case-by-case, **align proposals with bulk water planning**, and demonstrate capacity and storage to municipal standards. The services framework sets municipality-wide water requirements and emphasises upgrading storage to meet peak demand and provide a 48-hour emergency buffer, with Riversdale–Stilbaai–Melkhoutfontein flagged as high-pressure systems. Any on-farm dams or boreholes will be screened against these service plans and the groundwater stewardship priorities.

Linked ecological policy is clear too: partner on **integrated catchment management**, improve aquifer monitoring, and restore riparian systems, which ties back to siting of water points, crossings, and minor works on the farms.

Strategically Located Land Tool: Agriculture "moderate"

An Agriculture-moderate SLLT rating fits the SDF's thrust to **protect productive land while allowing appropriate diversification**. The SDF's agricultural guidelines give you the practical tests: show that any intensification remains compatible with the corridor, avoids CBAs, and uses water-efficient, low-carbon methods; keep extensive grazing within veld-care limits; and place any agri-processing on suitable sites with access to regional routes. In short, moderate potential is not a prohibition, it is a steer toward careful, conservation-aligned agriculture rather than broad new cultivation.

CBA1: Terrestrial

Both portions lying in **CBA1** carries the strictest biodiversity test outside formal reserves. The SDF repeats the Western Cape BSP rules verbatim: **keep natural with no further loss of habitat**, rehabilitate degraded patches, and allow only low-impact, biodiversity-sensitive land uses. Development inside a CBA is only contemplated under exceptional circumstances, with offsets and rigorous assessments, and even then the starting point is avoidance.

What this adds up to for the two farms

- Treat the farms as part of a protected **agricultural corridor**: concentrate routine farming and any small agri-processing in already transformed or suitable areas, keep linear infrastructure tidy, and prevent ad hoc non-farm uses.
- **Confirm the water authority** during pre-application, then show capacity alignment and the 48-hour storage objective; if you propose new dams, pipelines, or boreholes, bring the catchment and groundwater stewardship evidence.
- Use the **SLLT "moderate"** signal to justify incremental, water-wise improvements rather than land conversion. Anchor any crops to the gentlest valley pockets and keep the koppies and slopes under veld.
- Inside **CBA1**, avoid new transformation, maintain riparian buffers, and use rehabilitation and alien clearing as positive actions that support grazing resilience.

9. Observations in the LUS

The LUS for farm portions was not found on the Municipal website and should be reviewed by the transferring attorneys to ensure no limitation is placed on the property that would prohibit the intended land used by DLRRD.

10. Observations in the Title Deed

The Title Deed supplied was reviewed during the preparation of this report. It seem to not have any restrictive conditions, but should be reviewed by the transferring attorneys to ensure no limitation is placed on the property that would prohibit the intended land used by DLRRD.

11. General Conclusion

Portion 2 of the Farm No. 282 and Farm No. 611 comprise a largely undulating to hilly landscape with koppies, shallow stony soils, and narrow sandy valleys that carry seasonal drainage. The orthomosaic and topographical evidence point to limited arable potential, with cultivation viable only in small, gentler valley pockets. The current crop layer aligns with this, showing scattered planted pastures and occasional grains within valley floors, while most of the terrain functions as veld.

The Department of Agriculture's classification of Non-arable, grazing, woodland or wildlife is therefore appropriate. In practice this means the properties are best managed as an extensive grazing unit, supported by strategically placed planted pastures, conservative and adaptive stocking, careful water-point placement, and on-going erosion, alien, and fire management.

From a planning perspective, both parcels fall predominantly within the Western Cape SDF Intensive Agriculture category, with embedded Core conservation patches. Routine farming and infrastructure should be concentrated within the Intensive Agriculture polygons, and Core areas should remain untransformed, managed as conservation veld with riparian buffers and ecological connectivity maintained.

In short, these are grazing-led farms with limited, site-specific cropping potential, where value will come from sound veld stewardship, water security, and soil conservation, not from broad expansion of cultivation.

Report drafted by SPLUM Western Cape
2025/11/07

9.19 TABLING OF PROVINCIAL TREASURY CIRCULAR MUN NO. 12/2025 – CONSISTENT ENFORCEMENT OF CREDIT CONTROL OVER THE FESTIVE SEASON

File number / Verwysingsnommer: 5/R

Meeting date / Vergadering datum: 26 March 2026

Report by / Verslag deur: Director: Financial Services (CFO) – Mr. GJ Goliath

PURPOSE OF REPORT / DOEL VAN VERSLAG

To table the Provincial Treasury Circular Mun No. 12/2025 before Council to inform Councillors and officials of their legal, financial risks, and procedural obligations regarding the credit control enforcement.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The Western Cape Government Provincial Treasury issued the circular (**Annexure A)** on 28 November 2025 to inform the Councillors and Officials of their responsibility with regards to implementing Consistent Credit Control measures. The contents of the circular reminds municipalities of the legal obligations on credit control and risks associated if it is not implemented consistently. The Council already had its last meeting of 2025 when the attached Circular was issued and hence not immediately tabled to Council.

The municipality has implemented its credit control policy effectively in recent years, and there were no amendments to the process over the festive season. The auxiliary percentages were reduced in May 2025 due to the billing payment date and other changes made to processes, and the conventional credit control disconnection was maintained subject to available staff capacity in the Electricity Section.

The councillors and officials must appraise themselves of the contents of the Treasury Circular Mun No. 12/2025 that highlights their respective responsibilities towards consistent credit control procedures.

EXECUTIVE MAYORAL COMMITTEE

The item is tabled at the **Executive Mayoral Committee** meeting of **26 March 2026** and feedback will be given at the Council meeting on the same day.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

The content of the item is noted.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

The content of the item is noted.

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

COMMENTS: MANAGER STRATEGIC SERVICES / KOMMENTAAR: BESTUURDER STRATEGIESE DIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

That Council note the contents of the Provincial Treasury Circular Mun No. 12/2025 issued on 28 November 2025.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Director: Financial Services – GJ Goliath

ATTACHMENTS / STAWENDE DOKUMENTE

Annexure A – Provincial Treasury Circular Mun No. 12/2025 Consistent Credit Control Implementation

Western Cape Government

Provincial Treasury
Victor Senna
Deputy Director-General: Fiscal and Economic Services
Victor.Senna@westerncape.gov.za | Tel: 021 483 2666

Reference number: RCS/C.5

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR MUN NO.12/2025

THE MAYOR, CITY OF CAPE TOWN
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY
THE MAYOR, MATZIKAMA MUNICIPALITY
THE MAYOR, CEDERBERG MUNICIPALITY
THE MAYOR, BERGRIVIER MUNICIPALITY
THE MAYOR, SALDANHA BAY MUNICIPALITY
THE MAYOR, SWARTLAND MUNICIPALITY
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY
THE MAYOR, WITZENBERG MUNICIPALITY
THE MAYOR, DRAKENSTEIN MUNICIPALITY
THE MAYOR, STELLENBOSCH MUNICIPALITY
THE MAYOR, BREEDE VALLEY MUNICIPALITY
THE MAYOR, LANGEBERG MUNICIPALITY
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY
THE MAYOR, OVERSTRAND MUNICIPALITY
THE MAYOR, CAPE AGULHAS MUNICIPALITY
THE MAYOR, SWELLENDAM MUNICIPALITY
THE MAYOR, GARDEN ROUTE DISTRICT MUNICIPALITY
THE MAYOR, KANNALAND MUNICIPALITY
THE MAYOR, HESSEQUA MUNICIPALITY
THE MAYOR, MOSSEL BAY MUNICIPALITY
THE MAYOR, GEORGE MUNICIPALITY
THE MAYOR, OUDTSHOORN MUNICIPALITY
THE MAYOR, BITOU MUNICIPALITY
THE MAYOR, KNYSNA MUNICIPALITY
THE MAYOR, CENTRAL KAROO DISTRICT
THE MAYOR, LAINGSBURG MUNICIPALITY
THE MAYOR, PRINCE ALBERT MUNICIPALITY
THE MAYOR, BEAUFORT WEST MUNICIPALITY

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR L MBANDAZAYO
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR D JOUBERT
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR L PHILLIPS
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR G MATTHYSE
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV H LINDE
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR H METTLER
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR R ESAU (ACTING)
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR J LEIBBRANDT
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METTLER
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR D LUBBE
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR R BOSMAN
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR W HENDRIKS
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: DR D O'NEILL
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR H KRÖHN (ACTING)
THE MUNICIPAL MANAGER, SWELLENDAM MUNICIPALITY: MS A VORSTER
THE MUNICIPAL MANAGER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M STRATU
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: ADV D SEREO
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR A DE KLERK
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: MR C PUREN
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR G LOUW
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR M YEKANI
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR C MAPEYI (ACTING)
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR L MAPHOLOBA
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: (ADV T MEA) (ACTING)
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR J BOOYSEN
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: ADV T GILIOMEE
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR A MAKENDLANA (ACTING)

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: DR J TESSELAAR
THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR E ALFRED
THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR J BOOYSEN
THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR P ERASMUS
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER
THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR M BOLTON
THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MS F DU RAAN-GROENEWALD
THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR C KRITZINGER
THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR B BROWN
THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR K CAROLUS
THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR R ONTONG
THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR A MATI (ACTING)
THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR S STANLEY
THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR P MABHENA (ACTING)
THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MR D LOUW (ACTING)
THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR W JONKER
THE CHIEF FINANCIAL OFFICER, SWELLENDAM MUNICIPALITY: MS E WASSERMANN
THE CHIEF FINANCIAL OFFICER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR R BOSHOFF
THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR L STEENKAMP (ACTING)
THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MR G GOLIATH
THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR S THYS
THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR R DU PLESSIS
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR G DE JAGER
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR C MAPEYI
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR C JULIES
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MS K MAKALIMA
THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS L MOKGOJE
THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR B METEMBO
THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR B JACOBS

THE HEAD OFFICIAL: PROVINCIAL TREASURY (MS J GANTANA)
THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (MR V SENNA)
THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR I SMITH)
THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MR M BOOYSEN) (ACTING)
THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK)
THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR S KENYON)
THE CHIEF DIRECTOR: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE (MR I SMITH) (PRO TEAM)
THE CHIEF FINANCIAL OFFICER (MS A SMIT)
THE HEAD OF MINISTRY (DR G CASWELL)
THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)
THE DIRECTOR: CORPORATE GOVERNANCE (MS M VAN NIEKERK)
THE DIRECTOR: FISCAL POLICY (MR K MTSWENI) (ACTING)
THE DIRECTOR: INFRASTRUCTURE (MR Z MAJIET)
THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR A RASOOL) (ACTING)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MS K NEETHLING)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR D CRONJE)
THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS S ROY)
THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS I JURAMS) (ACTING)
THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
THE DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS M NICHOLAS)
THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS L CUPIDO) (ACTING)
THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR X SPELETE) (ACTING)

THE ACCOUNTING OFFICER: DEPARTMENT OF LOCAL GOVERNMENT: LOCAL GOVERNMENT (MR G PAULSE)
CHIEF DIRECTOR, DEPARTMENT OF LOCAL GOVERNMENT: MUNICIPAL PERFORMANCE MONITORING AND SUPPORT (MS S GREYLING)
CHIEF DIRECTOR, DEPARTMENT OF LOCAL GOVERNMENT: INTEGRATED SERVICE DELIVERY (MS N ZAMXAKA)
CHIEF DIRECTOR, DEPARTMENT OF LOCAL GOVERNMENT: DISASTER MANAGEMENT & FIRE RESCUE SERVICES (MR C DEINER)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT

THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

CONSISTENT ENFORCEMENT OF CREDIT CONTROL OVER THE FESTIVE SEASON

1. PURPOSE

1.1 This circular is issued to reiterate the importance of consistently applying credit control measures throughout the year, including during the festive season. Municipal revenue is essential for the provision of services, and failure to bill or collect revenue undermines the financial sustainability of a municipality (outlined in sections 73(2)(b) and (c)of the Municipal Systems Act (No. 32 of 2000) ("the MSA"). Failure to consistently enforce the credit control and debt collection policies also places the municipality at risk of compromising section 9(1) of the Constitution, which provides that everyone is equal before the law and has the right to equal protection and benefit of the law. Failure to enforce applicable by-laws consistently may mean that municipalities are wilfully or inadvertently practising selective prosecution of debt, which infringes the equality provision of the Constitution.

1.2 This circular provides guidance to ensure that enforcement complies with statutory and constitutional obligations, safeguards vulnerable residents, and mitigates legal and financial risk.

2. LEGAL CONTEXT

2.1 The duty for municipalities to collect revenue for services is firmly established in the law. Section 96 of the MSA prescribes that, "A municipality must collect all money that is due and payable to it, subject to this Act and any other applicable legislation; and for this purpose, must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariffs policies and complies with the provision of this Act". For this purpose, municipalities shall adopt, maintain, and implement a credit control and debt collection policy which is consistent with rates and tariffs policies, complies with the provisions of the MSA, and is given effect through municipal by-laws as required in terms of section 98 of the MSA.

2.2 Section 100 of the MSA requires that the Municipal Manager must implement the municipality's credit control and debt collection policy and related by-laws. While section 100(3) further requires the Municipal Manager to report to the council on its implementation.

2.3 A council's role, as set out in section 99 of the MSA is to oversee and monitor the implementation of the policy and to evaluate and review the policy where necessary. The law makes clear that the council's role is in policy-making and oversight. The operational execution is delegated to the municipal administration.

2.4 The Mayor, as the executive authority, is responsible for providing general leadership and guidance in terms of section 52 of the Municipal Finance Management Act (No. 56 of 2003)("the MFMA"), to ensure the Municipality meets its obligations. Section 52 prescribes that: "The mayor of a municipality must provide general political guidance over the fiscal and financial affairs of the Municipality; in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer; but may not interfere in the exercise of those responsibilities."

2.5 Interference in the implementation of the municipality's approved credit control policy may constitute an offence in terms of section 173(5)(a) of the MFMA. Offences in terms of the MFMA can result in a fine or imprisonment for up to five years, if convicted.

2.6 In addition, the failure to properly implement the approved credit control policy of the municipality by an official may constitute financial misconduct in terms of section 171 of the MFMA. In such a case, the municipality must investigate and, where necessary, institute disciplinary proceedings.

2.7 All enforcement actions shall comply with procedural fairness requirements, including the provision of written notice, the opportunity to lodge disputes, and consideration of residents' circumstances prior to disconnection (see Joseph v City of Johannesburg [2009] ZACC 30). Pending disputes under section 102(2)of the MSA must be verified and resolved prior to any enforcement (City of Tshwane v Glofurn (Pty) Ltd (136/2023) [2024] ZASCA 101).

2.8 Notices shall be issued to the account holder and, where relevant, to property occupants. Indigent or vulnerable households shall be treated in accordance with the municipality's indigent policy (section 74 of the MSA; read with section 71 of the MFMA).

2.9 Enforcement actions shall only be undertaken in terms of the approved credit control policy and the corresponding municipal by-law.

3. FINANCIAL RISKS

3.1 Ensuring the long-term sustainability of municipal finances, and municipal service delivery, requires the consistent application of credit control policies throughout the year. Provincial Treasury has in the past observed a decline in municipal collection rates over the festive season in certain municipalities. These municipalities have struggled to recover from this loss of revenue, and it has led to financial difficulties in the new year, and in some cases to a financial crisis requiring intervention in terms of section 139(5) of the Constitution.

3.2 Municipalities should maintain proper records of notices issued, disputes lodged, and enforcement actions taken, to ensure that decisions can withstand review (City of Tshwane Metropolitan Municipality v Vresthena (Pty) Ltd [2024] ZASCA 51).

3.3 Lastly, failure to observe statutory or procedural requirements, including verification of disputes, protection of indigent households, and compliance with enabling by-laws, exposes municipalities to administrative review, urgent interdicts, and financial or criminal liability under the MFMA.

4. ACTIONS

4.1 This circular must be tabled at the next available council meeting to inform councillors and officials of their legal, financial risks, and procedural obligations regarding the credit control enforcement. This includes the risks associated with any interference or suspension of credit control measures.



VICTOR SENNA
DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES
PROVINCIAL TREASURY
28/11/2025

9.20 APPLICATION FOR ELECTRICITY TARIFF INCREASE FOR THE 2026-27 FINANCIAL YEAR

File number / Verwysingsnommer: 5/5/1

Meeting date / Vergadering datum: 26 March 2026

Report by / Verslag deur: Director: Financial Services (CFO) – Mr. GJ Goliath and Manager: Electrical Services – Mr S Chikamhi

PURPOSE OF REPORT / DOEL VAN VERSLAG

To seek approval from the municipal council to submit an electricity tariff increase application to the National Energy Regulator of South Africa (NERSA) for the 2026/27 financial year.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

The municipality has prepared its annual budget for tabling to Council in March of each year and thereafter submits its electricity tariff increase application to NERSA. Afriforum has, however challenged the process and suggested new timelines, which was ultimately agreed to by NERSA and made an order of the court. NERSA then proceeded to issue a letter, on 10 March 2026 (**Annexure A**), after revising the initial timelines to the municipality to submit its 2026/27 tariff application by 31 March 2026 with the following conditions:

Extract from NERSA Letter:

7. Additionally, municipalities are reminded to ensure compliance with the following conditions:

    - The tariff application must be signed and authorised by the relevant official authority;
    - Confirmation that tariffs applied for are authorised by the Municipal Council;
    - Confirmation that customers were consulted on the proposed tariffs; and
    - Submission of audited regulatory financial information for 2024/25 to NERSA.

In addition to the above the municipality must submit a Cost of Supply study with their tariff application should the Cost of Supply be older than 5 years. The last outsourced Cost of Supply study was done in 2018 and an internal Cost of Supply based on the NERSA framework was compiled in 2024 and 2025. The municipality has appointed an external consultant to conduct a more in-depth cost of supply study, which was delivered by December 2025. It was discussed internally and changes were requested by municipal officials. There were still minor matters outstanding when it was placed before Council on 25 February 2026 for approval. These changes have now been made and was only to the annexure of the COS.

It should be noted that this letter from NERSA changes the entire process of the normal electricity applications and results in the municipality submitting an application before the draft Budget is tabled to Council.

The Cost of Supply Study is based on what NERSA previously published as a guideline of 8.76% The municipality has factored this into its calculations and the cost of supply required a tariff increase of 8.95% to generate sufficient revenue to accurately cover all costs.

It must be noted that NERSA promulgated the final tariff increase that ESKOM can charge municipalities as 9.01% effective 01 July 2026 and this has a slight impact on the 8.95% believed to increase the required tariff increase to 9.20%.

The public consultation has commenced on 11 March 2026 with the finalisation of the Cost of Supply study publication and the announcement by NERSA. The notice, attached as **Annexure B**, was published on 11 March 2026 calling for submission of comments and inputs from the public by no later than 24 March 2026 at 15:00. An online presentation of the Cost of Supply Study, **Annexure C,** and the draft electricity tariff application, **Annexure D,** was scheduled for 16 March 2026 as per the notice published.

Any inputs relating to the tariff increase will therefore have to presented verbally to the Executive Mayoral Committee and Council on 26 March 2026 and will guide the decision for the approval to proceed with the draft tariff application.

The Council approved on 25 February 2026 that the municipality may apply for a 7.76% electricity tariff increase which was 1% lower than the anticipated ESKOM increase of 8.76% The Budget Committee held on 26 February 2026 after further consideration recommended that the electricity tariff increase be 2% lower than the anticipated ESKOM increase of 8.76% and based this recommendation on the earlier commencement of operations at the Riversdale Solar Plant.

With the ESKOM increase for municipalities adjusted to 9.01% the electricity tariff increase is proposed at **7.01%**

EXECUTIVE MAYORAL COMMITTEE

The item is tabled at the **Executive Mayoral Committee** meeting of **26 March 2026** and feedback will be given at the Council meeting on the same day.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

Noted

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

The content of the item is noted and the recommendations are supported.

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

COMMENTS: MANAGER STRATEGIC SERVICES / KOMMENTAAR: BESTUURDER STRATEGIESE DIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

1. That Council note that the Cost of Supply Study that is now finalised.
2. That Council note that a workshop was held on 18 February 2026 where the Cost of Supply study was presented.
3. That Council note that the municipality will submit a 2026/27 Financial Year Electricity Tariff Application to NERSA by 31 March 2026 of 7.01%.
4. That Council note that the public consultation was conducted from 11 March 2026 to 24 March 2026 with the finalisation of the Cost of Supply study publication and the results will be submitted to NERSA once finalised.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Director: Financial Services – GJ Goliath

ATTACHMENTS / STAWENDE DOKUMENTE

Annexure A – NERSA letter on revised municipal tariff determination timelines for FY2026-27

Annexure B – Notice to the Public for Consultation of Cost of Supply and Electricity Tariffs

Annexure C – Final Narrative Report on Cost of Supply Study – March 2026

Annexure D - Draft Electricity Tariff Application to NERSA

NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

Kulawula House
526 Madiba Street
Arcadia 0083
Pretoria, SOUTH AFRICA

PO Box 40343
Arcadia 0007
Pretoria
SOUTH AFRICA

Tel: +27(0)12 401 4600
Fax: +27(0)12 401 4700
Email: info@nersa.org.za
www.nersa.org.za

@NERSA_ZA

@NERSAZA

Enquiries: Rhulani Mathebula
Tel: 012 401 4600
Fax: 012 401 4700
Email: Rhulani.Mathebula@nersa.org.za
Ref: NER/D/WC047

Mr. Albert de Klerk
The Municipal Manager
Hessequa Municipality
P O Box 29
Riversdale
6670

Per E-mail: mm@hessequa.gov.za

Dear Mr de Klerk,

NOTIFICATION OF REVISED MUNICIPAL TARIFF DETERMINATION TIMELINES FOR FY2026/27 FOLLOWING COURT JUDGMENT AND APPROVAL OF ESKOM RETAIL TARIFF STRUCTURAL ADJUSTMENT (ERTSA).

1. On 5 March 2026, the National Energy Regulator of South Africa (NERSA) granted approval for Eskom's Retail Tariff and Structural Adjustment (ERTSA) application. As part of this approval, the Regulator authorized a 9.01% tariff increase for local authorities (municipalities), effective from 1 July 2026 to 30 June 2027.

2. The purpose of this letter is to formally inform municipalities of the revised timelines for the electricity tariff application process for the 2026/27 financial year. These updates are in accordance with the North Gauteng High Court judgment issued on 20 February 2026, as detailed in Annexure A. The updated timelines for municipal tariff applications are as follows:

3. **Submission of Municipal Tariff Applications**
Municipal licensees are required to submit their electricity tariff applications by no later than 31 March 2026. This is an amendment from the previous deadline of 20 March of every year. Failure to meet this deadline may result in no tariff increase being approved by NERSA.

Regulator Members:

Mr T Bukula (Chairperson) Ms R Govender (Deputy Chairperson) *Adv NP Sithole (Chief Executive Officer)
*Mr W Majola *Ms N Maseti *Mr MW Mkhize Ms T Semane Mr FK Sibanda Ms PN Sibiya
*Full-Time Regulator Members

NERSA is a Regulatory Authority established in terms of the National Energy Regulator Act, 2004 (Act No 40 of 2004)

4. **Public Participation**
   NERSA's public participation process in respect of municipal electricity tariff applications will conclude on 21 April 2026.

5. **Finalisation of Municipal Tariff Applications Process**
   NERSA will finalise the process of considering municipal electricity tariff applications that are timeously received and communicate its decisions on or before 11 May 2026. This is an amendment from the previous deadline of 5 May of every year.

6. **Municipalities Seeking Deviation from Revised Deadlines**
   Municipalities may apply for deviation from the revised deadlines, provided that good cause is shown. Any such application must be enrolled for hearing on the Urgent Court Roll on 17 March 2026, and respondents to such applications must be afforded not less than three (3) court days to file opposing papers. For further information on the above, please refer to the attached annexure.

7. Additionally, municipalities are reminded to ensure compliance with the following conditions:

   - The tariff application must be signed and authorised by the relevant official authority;
   - Confirmation that tariffs applied for are authorised by the Municipal Council;
   - Confirmation that customers were consulted on the proposed tariffs; and
   - Submission of audited regulatory financial information for 2024/25 to NERSA.

8. You are urged to take note of the revised timelines and ensure strict compliance. Failure to comply may impact the processing and approval of municipal electricity tariff applications.

9. NERSA appreciates your cooperation in ensuring compliance with regulatory requirements and the provision of electricity services.

Yours faithfully,



Adv Nomalanga Sithole
Chief Executive Officer
National Energy Regulator of South Africa

Date: 09/03/2026

ATTACHMENTS

Court Order – 20 February 2026

A1

IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

20/02/2026

Case Number: 2025-137620

Before The Honourable Mr. Justice Mooki (Court 4B)

Date of Hearing: 19 February 2026

In the matter between:

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION
PRETORIA
Private Bag X67, Pretoria 0001
2026 -02- 20
GD-PRET-017
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

NATIONAL ENERGY REGULATOR OF SOUTH AFRICA	Applicant
and	
AFRIFORUM NPC	1st Respondent
ESKOM SOC LIMITED	2nd Respondent
SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION	3rd Respondent
AMAHLATHI LOCAL MUNICIPALITY	4th Respondent
BLOUBERG LOCAL MUNICIPALITY	5th Respondent
DIHLABENG LOCAL MUNICIPALITY	6th Respondent
DIPALESENG LOCAL MUNICIPALITY	7th Respondent
DITSOBOTLA LOCAL MUNICIPALITY	8th Respondent
eDUMBE LOCAL MUNICIPALITY	9th Respondent
KAMIESBERG LOCAL MUNICIPALITY	10th Respondent
MERAFONG CITY LOCAL MUNICIPALITY	11th Respondent
MOSSEL BAY LOCAL MUNICIPALITY	12th Respondent
CITY OF EKURHULENI LOCAL MUNICIPALITY	13th Respondent
CITY OF CAPE TOWN METROPOLITAN MUNICIPALITY	14th Respondent
192 LOCAL MUNICIPALITIES	15th–18th Respondents

A1

A2

This Order is made an Order of Court by the Judge whose name is reflected herein, duly stamped by the Registrar of the Court and is submitted electronically to the Parties/their legal representatives by email. This Order is further uploaded to the electronic file of this matter on Caselines. The date of this Order is deemed to be 20 February 2026.

ORDER

HAVING READ THE PAPERS AND HAVING HEARD Counsel for the parties, the Court makes the following order:

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria 0001
2026 -02- 20
GD-PRET-017
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

1. The application is urgent.

2. The order made by this Court (per Labuschagne J) on 4 December 2025 in matter number 137620/2025 is varied as follows ('the order'):

2.1 Paragraph 2.1 of the order: the words "by 31 January of every year" are replaced with "by 6 March 2026";

2.2 Paragraph 2.2 of the order: the words "by 20 March of every year" are replaced with "31 March 2026";

2.3 Paragraph 2.5 of the order: the words "on or before 5 May" are replaced with "on or before 11 May 2026"

3 The variation in paragraph 2 relates only to municipal tariff applications for the 2026/2027 municipal financial year.

20/2/2026

A3

4 The applicant's ("NERSA") public participation process on the ERTSA consultation paper shall conclude on 28 February 2026.

5 NERSA's public participation process on the municipal electricity tariff applications shall conclude on 21 April 2026.

REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA
Private Bag X67, Pretoria, 0001
2026 -02- 20
GD-PRET-017
REGISTRAR OF THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

6 Any municipality may, in relation to the variation ordered in paragraph 2 and on good cause shown, seek leave of the Court for a further deviation:

6.1 Any application contemplated in paragraph 6 shall be enrolled to be heard in the Urgent Court on 17 March 2026.

6.2 Any such application shall give respondents at least three (3) court days to have filed opposing papers.

7 NERSA shall, forthwith, cause this order to be served on parties that are subject to the order referred to in paragraph 2, including on any respondent in this application who may not have been a party to the order referred to in paragraph 2.

8 Service of this order shall be effected as follows:

8.1 On all respondents' attorneys of record, where such attorneys have been appointed, by e-mail to their nominated e-mail addresses.

20/2/2026

A3

A4

8.2 On the third respondent (SALGA) by e-mail to its chief executive officer.

8.3 On the municipalities, by way of the official e-mail address of the municipal manager of a municipality.

8.4 SALGA is to forthwith issue a bulletin to its members, notifying those members of this order.

9 Each party is to bear its own costs in the application.



BY ORDER OF THE COURT

REGISTRAR

A4

HESSEQUA MUNISIPALITEIT

Kennisgewing: Raadpleging oor die Koste-van-Verskaffingstudie vir Elektrisiteit en die Voorgestelde 2026/2027 Elektrisiteitstariefaansoek

Die Hessequa Munisipaliteit het tydens 'n Raadsvergadering wat op **25 Februarie 2026** gehou is, die **Koste-van-Verskaffingstudie vir Elektrisiteit** voorlopig goedgekeur as deel van die voorbereiding vir die **2026/2027 voorgestelde elektrisiteitstariefaansoek** aan die Nasionale Energiereguleerder van Suid-Afrika (NERSA).

'n **Virtuele aanbieding** oor die Koste-van-Verskaffingstudie en die voorgestelde 2026/2027 elektrisiteitstariefaansoek sal soos volg plaasvind:
Datum: Maandag, 16 Maart 2026
Tyd: 15:00
Platform: Microsoft Teams
Skakel om aan te sluit:
https://teams.microsoft.com/meet/374595062422 49?p=32IOo0uOo8khmUCtGk
Vergaderings-ID: 374 595 062 422 49
Toegangskode: MU9Hu2uz

Elektroniese kopieë van die Koste-van-Verskaffingstudie en die voorgestelde tariefaansoek is beskikbaar op die munisipale webblad by **www.hessequa.gov.za**, of dit kan per e-pos aangevra word by **Matebuo@hessequa.gov.za**.
Harde kopieë sal vanaf **11 Maart 2026** by alle munisipale kantore en biblioteke beskikbaar wees.

Die publiek word hiermee uitgenooi om skriftelik insette vir die 2026/27 voorgestelde elektrisiteitstarief aansoek tot en met Maandag 24 Maart 2026 om 15:00 in te dien.

Die insette moet gerig word aan: Die Munisipale Bestuurder, Posbus 29, Riversdal, 6670, of per e-pos: gerard@hessequa.gov.za en info@hessequa.gov.za.
Insette kan ook ingehandig word by enige van die kantore te Gouritsmond, Albertinia, Stilbaai, Melkhoutfontein, Riversdal, Heidelberg, Slangrivier en Witsand

Terugvoer op ontvangde insette sal tydens die **openbare begrotingsvergaderings in April 2026** hanteer word en sal in die **Finale Begrotingsdokument** ingesluit word, tesame met NERSA se gepubliseerde beslissing in **Mei 2026**.

Persone wat nie kan lees of skryf nie, kan gedurende kantoorure enige munisipale kantoor besoek vir bystand.

A S A DE KLERK
MUNISIPALE BESTUURDER

BURGERSENTRUM
RIVERSDAL

HESSEQUA MUNICIPALITY

Consultation on the Electricity Cost of Supply and 2026/2027 Proposed Electricity Tariff Application

Hessequa Municipality, at a Council Meeting held on 25 February 2026, provisionally approved the Electricity Cost of Supply Study as part of the preparation for the 2026/2027 proposed electricity tariff application to the National Energy Regulator of South Africa (NERSA).

A **virtual presentation** on the Electricity Cost of Supply Study and the proposed 2026/2027 electricity tariff application will be held as follows:
Date: Monday, 16 March 2026
Time: 15:00
Platform: Microsoft Teams
Join via link:
https://teams.microsoft.com/meet/374595062422 49?p=32IOo0uOo8khmUCtGk
Meeting ID: 374 595 062 422 49
Passcode: MU9Hu2uz

Electronic copies of the Electricity Cost of Supply Study and the proposed tariff application are available on the municipal website at **www.hessequa.gov.za** or may be requested via email at **Matebuo@hessequa.gov.za**.
Hard copies will be available at all municipal offices and libraries from **11 March 2026**.

The public is hereby further invited to make written submissions for the 2026/27 proposed electricity tariff application until 24 March 2026 at 15:00.

The inputs must be submitted in writing to: The Municipal Manager, P.O. Box 29, Riversdale, 6670, or e-mailed to: gerard@hessequa.gov.za and info@hessequa.gov.za.
Inputs can also be handed in at any of the municipal offices at Gouritsmond, Albertinia, Still Bay, Melkhoutfontein, Riversdale, Heidelberg, Slangrivier and Witsand.

Feedback on submissions received will be addressed during the **public budget meetings in April 2026** and will be incorporated into the **Final Budget Document**, together with NERSA's published determination in **May 2026**.

Persons who cannot read or write may visit any municipal office during office hours for assistance.

A S A DE KLERK
MUNICIPAL MANAGER

CIVIC CENTRE
RIVERSDALE

Hessequa Municipality

Cost of Supply

FINANCIAL YEAR 2026/27

COST TO SERVE

Prepared By:

EMS SOLUTIONS: Helgaardt Geldenhuys
Tel: +27 76 483 7533 E-Mail: helgaardt@emssolutions.co.za Web Site: www.emssolutions.co.za

Reviewed by:

CONSULTING ENGINEERS: JB Snyman
Tel: 044 691 2074 E-Mail: jb.cvw@cvw-e.co.za E-mail: engineer@cvw-e.com Web Site: www.cvw-e.com

03 March 2026

CONTENTS

1. Introduction 3
2. Study Area Overview 3
3. COS Study Methodology 4
4. Overview of COS Study Key Results 4
5. COS Study Analysis 6
   5.1 Energy purchases analysis 6
   5.2 Operating expenses analysis 6
   5.3 Revenue requirement analysis 7
   5.4 Energy Purchases 8
   5.5 COS results 9
6. Rate design 10
7. Key Assumptions 11
8. Data observations and improvements 12
   8.1 Transition from Uniform % Increase to Cost-Reflective Pricing 12
   8.2 Address the Structural Imbalance Between Retail and Bulk Tariffs 13
   8.3 Reform the Alternative Tariff (Tariff 3.1.3.2) 13
   8.4 Review and Justify the Agricultural Subsidy 14
   8.5 Enhance Transparency and Fairness of Basic Charges 14
   8.6 Lack of comprehensive Tariff for SSEG 15
   8.7 Point of Delivery 15
9. Solar Plant 18

LIST OF FIGURES

Figure 1 Operating expense projection 6
Figure 2 Cost breakdown by function 8
Figure 3 Average costs by business area 9
Figure 4 Comparison of revenue and cost structure 9

LIST OF TABLES

Table 1 Municipal energy sales per customer category 3
Table 2 BAU revenue comparison (FY26/27 forecast) 5
Table 3 Cost reflective results by business area, class, season, TOU 10

1. Introduction

A critical first step in understanding the operational performance of an electricity distributor is to conduct a Cost of Service (COS) study and sometimes referred to as a Cost to Serve (CTS) study. The objective of this study is to fairly and equitably allocate all costs associated with servicing customers among different customer classes. To support this objective, the National Energy Regulator of South Africa (NERSA) has developed a COS Framework for all licensed electricity distributors ('licensees'), in the country. This framework will serve as a guideline for licensees when conducting their own COS studies.

2. Study Area Overview

Hessequa Municipality is a Category B municipality found in the South African province of Western Cape, and it has a population of 71,918. The total energy sales of the municipality were 77,842,932 kWh in the 2024/25 financial year. In 2024/25, the majority of the electricity sales (55%) came from domestic customers, while 17% came from industrial customers.

Table 1 Municipal energy sales per customer category

Consumer classification	Sales (kWh)		Number of customers
	Actual	% Sales	Actual
	2024/25		2024/25
Free Basic Electricity	*3 023 357*	*4%*	*5 500*
Domestic (Pre-Paid)	*30 138 333*	*39%*	*6 377*
Domestic (Conventional)	*12 466 800*	*16%*	*3 100*
Agriculture	*2 389 155*	*3%*	*61*
Manufacturing / Industrial	*13 178 971*	*17%*	*124*
Commercial (Pre-Paid)	*2 966 389*	*4%*	*415*
Commercial (Conventional)	*9 062 687*	*11%*	*390*
Electricity Department	*2 287 420*	*3%*	*271*
Sold to other Municipal Departments	*1 708 824*	*2%*	*132*
Street Lighting	*620 996*	*1%*	*1*
Total	**77 842 932**	**100%**	**16 371**

3. COS Study Methodology

The Hessequa Municipality cost of supply study is a sophisticated study that is inclusive of all requirements of NERSA's current COS framework and goes beyond it to accommodate electricity distribution businesses transitioning to a more infrastructure availability-based business.

The NERSA Cost Plus methodology has been used for both the wires and retail business revenue requirement determinations. The model has functionality to use the allowable return on the regulated asset base or asset values annuitized at selected discount rates to calculate the revenue requirement of the wires business.

The COS study is a multi-year model spanning across 3 years, namely, the most recent audited financial statement. The years are described as follows:

- *Year 0 (FY24/25) - The data input test year with the recently audited financial statements*
- *Year 1 (FY25/26) - The current year in which the study is taking place*
- *Year 2 (FY26/27) - The following year for which tariffs are being designed*

This multi-year approach introduces several complexities and requires forecasting of costs across years, but it does bring a range of benefits to the analysis.

4. Overview of COS Study Key Results

The following key results were noted from Hessequa Municipality's COS study:

Revenue requirement

- *The revenue requirement in FY26/27 is estimated as R292 321 575 (excluding the impact of subsidy), increasing from R273 522 095 in FY25/26.*
- *The wires costs are dominated by network related costs, namely network repairs and maintenance, depreciation, cost of losses and other OPEX costs.*
- *With regards to the retail business, the dominant cost in this regard is energy purchases from Eskom; and*
- *Overall, a greater proportion of total electricity costs are incurred by the retail part of the business (around 81%) whilst 19% of the cost is related to the wires business.*

Cost functionalisation

- *Energy purchases are significant within the cost breakdown and dominate when compared to other costs such as OPEX and Surplus.*
- *CAPEX costs do not contribute to the overall cost breakdown each year as result of the rate of return for the analysis assumed at 0%.*

Cost classification

- *Energy purchases and the cost of losses make up the energy driven cost, with the highest amount of costs incurred during the Low Season and Standard TOU – mostly due to the low season covering a greater proportion of the year.*
- *Demand driven costs are depreciation, network repairs and maintenance, along with energy purchase demand related costs. The period of greatest demand driven costs is during the Low Season.*
- *Finally, customer driven costs are incurred through offering the electricity distribution service to the customers, which includes salaries.*

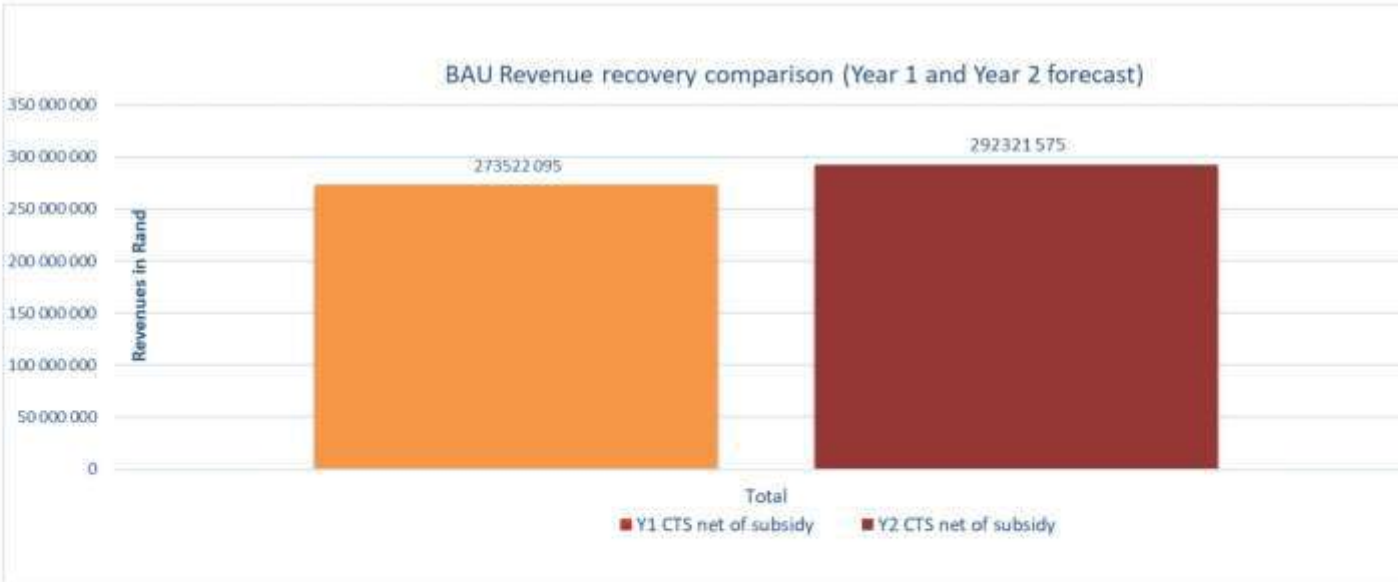
Cost allocation

- *The domestic customer category carries the largest proportion of costs, followed by the commercial customers.*
- *Other municipal departments and street lighting result in the lowest proportion of costs.*
- *Differences in results between customer classes are mainly driven by differences in voltage of connection point, load factors, coincidence factors, and average specific consumption.*

COS results

- *Under the current rate regime, it is found that 91.8% cost reflectivity is achieved for FY26/27.*
- *There is a mismatch between the structure of the revenue breakdown and cost breakdown.*
- *A 8.95% increase, with rate structure and refined TOU - pricing signals would make rates cost-reflective in FY26/27.*

Table 2 BAU revenue comparison (FY26/27 forecast)



5. COS Study Analysis

5.1 Energy purchases analysis

The municipality purchases all their energy from Eskom via 8 points of delivery (PODs). The COS model captures the tariffs of each POD as well as the volumes purchased at each intake point.

COS models and revenue forecasts are sensitive to sales forecasts. The Hessequa Municipality COS model assumes an increase in sales between Year 0 and Year 1 of 1.5%. Thereafter, sales are assumed to be increasing with a further 1.5% sales increase per year.

5.2 Operating expenses analysis

	Year 0 estimate (Rand)	Year 1 estimate (Rand)	Year 2 estimate (Rand)	Year 3 estimate (Rand)	Year 4 estimate (Rand)
General & Other	R 33 791 627	R 35 232 202	R 36 735 315	R 38 359 225	R 40 034 517
Salaries and allowances	R 16 361 785	R 17 114 427	R 17 901 691	R 18 689 365	R 19 511 697
Materials and supplies	R 3 606 331	R 3 768 615	R 3 938 203	R 4 115 422	R 4 290 328
Contracted Services	R 2 656 088	R 2 775 612	R 2 900 515	R 3 016 536	R 3 129 656
Salaries, wages and allowances (exclu. Repai	R 1 371 122	R 1 434 193	R 1 500 166	R 1 566 174	R 1 635 085
Payments to consultants (operational work)	R 1 022 938	R 1 068 970	R 1 117 074	R 1 161 757	R 1 205 323
Other creditors interests	R 3 381 881	R 3 517 156	R 3 657 843	R 3 804 156	R 3 956 323
Current year depreciation	R 5 391 483	R 5 553 227	R 5 719 824	R 6 005 815	R 6 306 106
	R -	R -	R -	R -	R -
Shared OPEX	R 18 650 563	R 19 495 135	R 20 378 995	R 21 327 577	R 22 225 647
Bad debts written-off	R 844 115	R 894 762	R 948 447	R 1 005 354	R 1 055 622
FBE paid to Eskom	R 5 444 489	R 5 743 936	R 6 059 852	R 6 443 441	R 6 824 570
Charges from other Municipal Departments	R 8 962 213	R 9 320 702	R 9 693 530	R 10 061 884	R 10 414 050
Operational Costs	R 3 399 746	R 3 535 736	R 3 677 165	R 3 816 898	R 3 931 405
Total	**R 52 442 190**	**R 54 727 337**	**R 57 114 310**	**R 59 686 801**	**R 62 260 164**

Figure 1 Operating expense projection

When analysing the expenditure over the 5 years, the following observations were made:

- *Salaries and allowances have increased over the years, but at a slower pace compared to electricity purchases.*
- *Materials and supplies have been inconsistent over the years.*
- *Contracted services have remained relatively constant.*
- *Payments to consultants have been inconsistent over the years.*
- *FBE paid to Eskom have remained relatively constant.*
- *Charges from other Municipal Departments have been inconsistent over the years.*
- *Operational costs have remained relatively constant.*
- *Depreciation and impairment have also increased over the years, indicating the aging of the infrastructure.*

Overall, the analysis suggests that the cost of electricity purchases has been the main driver of the increase in expenses, while revenue from electricity sales has been steadily increasing.

5.3 Revenue requirement analysis

Section 3.2.1.1 of the NERSA COS framework deals with the revenue requirement and states that NERSA adopted the Cost-Plus Methodology 'as an interim methodology for implementation by licensees, including small licensees with limited capacity and database challenges. This is because other regulatory methodologies such as the rate of return, price cap, revenue cap, yard stick regulation, will be difficult to implement for a number of reasons, including the fact that licensees might struggle to keep proper accounting and property records, among other reasons. Even though these are historical costs (since the test year for the study was FY24/25 it is important to adjust these costs for prudency and efficiency so that when they are allocated to different customers, the allocation results reflect the proper costs. The framework covers the key elements of the revenue requirement including purchases, operating costs, repairs and maintenance, and depreciation and return on assets or interest on loans. Various aspects can be ascertained from available data.

The revenue requirement in FY26/27 is estimated as R292 321 575 (excluding the impact of subsidy).

The wires costs are dominated by network related costs, namely network repairs and maintenance, depreciation and cost of losses;

- *With regards to the retail business, the dominant cost in this regard is energy purchases from Eskom; and*
- *Overall, a greater proportion of total electricity costs are incurred by the retail part of the business R242 837 590 (81%) whilst the costs related to the wires business is R55 637 830 (19%).*

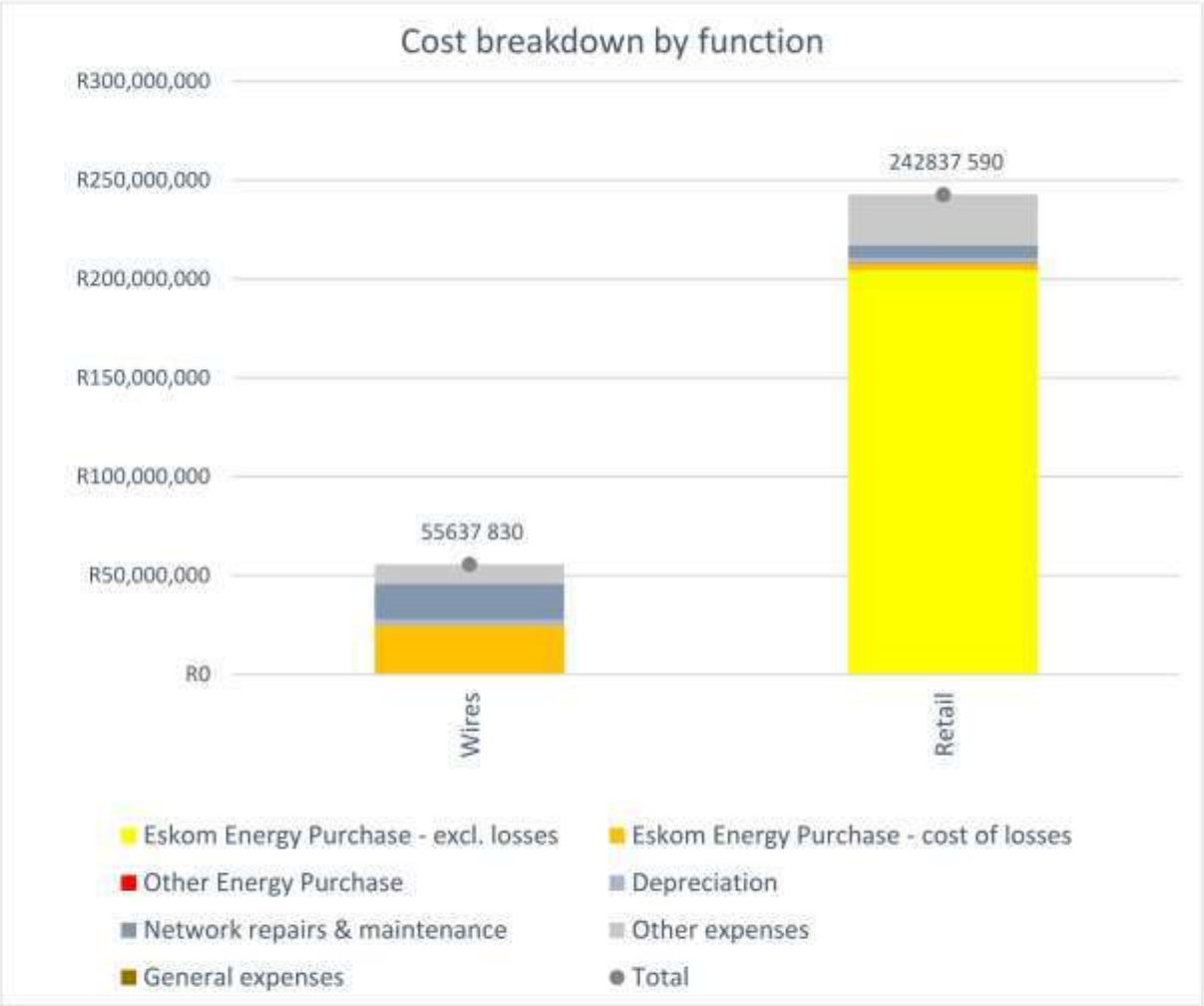


Figure 2 Cost breakdown by function

5.4 Energy Purchases

Hessequa Municipality has eight incoming electricity supplies from Eskom that it uses for distribution, namely Riversdale, Still Bay, Heidelberg, Gouritzmond, Witsand, Albertinia, Slangrivier and Jongensfontein.

The municipal energy purchases have been adjusted for losses since the COS framework only allows for only 12% of losses as per the benchmark. The municipality's projected losses for FY26/27 are 11%. The municipality buys electricity from Eskom and the total energy purchases were projected to be R232 049 668 in FY26/27.

The licensee used the purchases for the test period to forecast sales for the financial year that it is applying for. The forecasted purchases include street lighting electricity, own use electricity and the allowable loss or. Cost functionalisation, classification, and allocation.

The model follows the NERSA COS framework methodology for these methodological steps. Costs are first split into their function, and then classified according to their cost drivers, and finally allocated to the customer categories according to usage. These methodological steps are sound, and the key results have been summarised in the previous section.

5.5 COS results

The key finding is that the municipality needs to increase its tariffs by 8.9% to achieve full cost-reflectivity in FY26/27.

The municipality's COS results are shown per tariff category in the figure below. The Domestic (conventional) customers are the costliest to service.



Figure 3 Average costs by business area

The key insight is that prepaid customers are currently receiving electricity services at a price below cost (i.e., being cross-subsidized) while business scale customers are paying above cost for electricity. Interestingly, all the time-of-use tariffs are close to cost reflectivity.

The business as usual (BAU) rates as shown in the graph below indicate that existing tariff structures are not cost reflective. More than 85% of costs are recovered through a variable energy charge and this makes the municipality susceptible to volumetric risk. The cost of supply (CTS) results indicates that to achieve cost reflectivity, the municipality must recover less than 65% of their costs through variable energy charges, the remainder of costs through stable or fixed demand and customer charges. As the uptake of distributed generation increases in electricity distribution networks, a more cost reflective approach to setting tariffs is proposed.

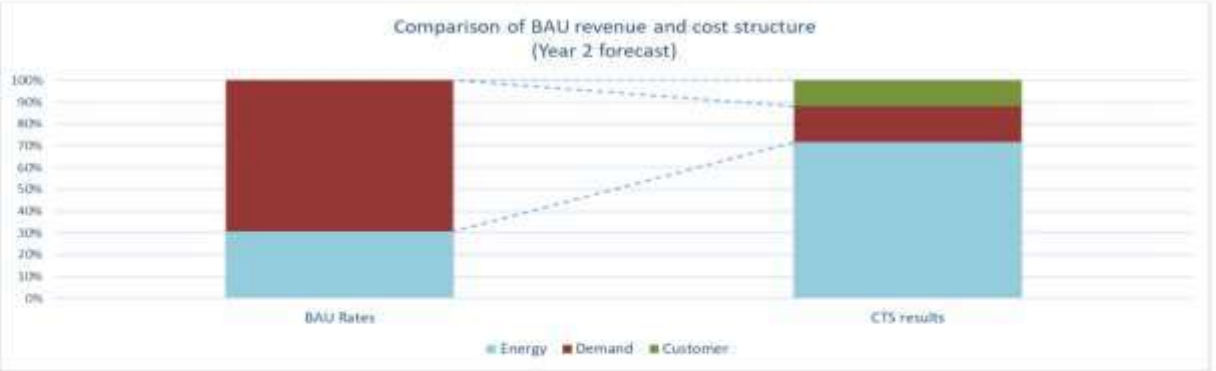


Figure 4 Comparison of revenue and cost structure

Cost reflective charges are shown in the table below. These are the result of the cost of supply study and indicate what the municipality should be charging customers to recover 100% of their revenue. However, due South Africa's socio-economic conditions and the municipality's revenue recovery strategy, the municipality may deviate from these cost reflective tariffs in the tariff design stage of the cost of supply study. Rate design is discussed in the next section and may deviate from these results based on the municipality's maximum tolerable tariff increase, subsidy policy, price signals, tariff design choices, etc.

Table 3 Cost reflective results by business area, class, season, TOU

Business area:	Total	Total	Total	Total
Cost class:	Energy	Energy	Demand	Customer
Season:	All	All	All	All
TOU:	All	All	All	All
Unit:	*cR/kWh*	*cR/kWh*	*R/kVA/month*	*R/POD/month*
Customer Categories				
Domestic (pre-paid)	303	32.20	160	151
Domestic (conventional)	278	32.20	160	201
Agriculture	243	32.20	125	953
Manufacturing / Industrial	243	32.20	126	953
Commercial (pre-paid)	253	32.20	134	251
Commercial (conventional)	253	32.20	134	301
Street lighting	278	32.20	160	351
Electricity department	278	32.20	160	301
FBE	-		160	151

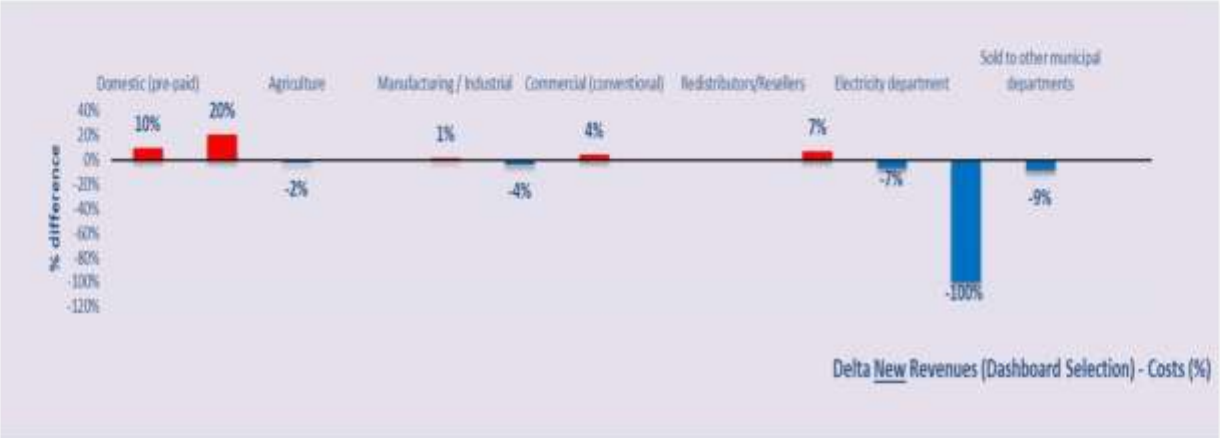
6. Rate design

Municipal tariff setting is guided by Municipal Tariff Policy, which is developed with reference to various pieces of legislation, but in particular Sections 4 and 74 of the Municipal Systems Act (32 of 2000) and the National Electricity Pricing Policy (2008), which also outlines the General Tariff Principles as set out in S16 of the Electricity Regulation Act of 2006. The regulatory framework on tariffs seeks to balance the often competing or contradictory tariff principles of revenue sufficiency, economic efficiency, equity, fairness and simplicity.

The COS is an important, but not deterministic, input to tariff design. It enables a municipality (and the Regulator) to assess:

a. *Revenue sufficiency of proposed tariffs and the financial sustainability of the utility.*
b. *That tariffs reflect the costs associated with rendering the services and those customers are treated equitably and pay in general proportion to use of services.*
c. *The reasonableness of the low-income tariff determination in line with guiding policy: including access to a free basic service plus lifeline tariff based on operation and maintenance only.*
d. *Whether environmental objectives are being encouraged; and*
e. *The transparency of subsidies and surcharges.*

The municipality is proposing increasing its tariffs by 8.95% to achieve cost-reflectivity. In doing so, it will increase some categories more than others to manage the cross-subsidies in the system. After the proposed changes are implemented, the under and over recovery per tariff category presents as follows:



The key takeaway from the proposed tariffs is that the time-of-use tariffs have moved above cost-reflectivity and are now able to subsidise the smaller prepaid customers.

The municipality is not proposing any major structural changes to their tariff schedule. Tariff structures are increased by an overall average increase of 8.9%.

7. Key Assumptions

This section of the report outlines key assumptions that were made in the development of this Cost of Supply study. These assumptions were essential due to granular data unavailability and lack of clear planning approaches in the municipality. These assumptions are as follows:

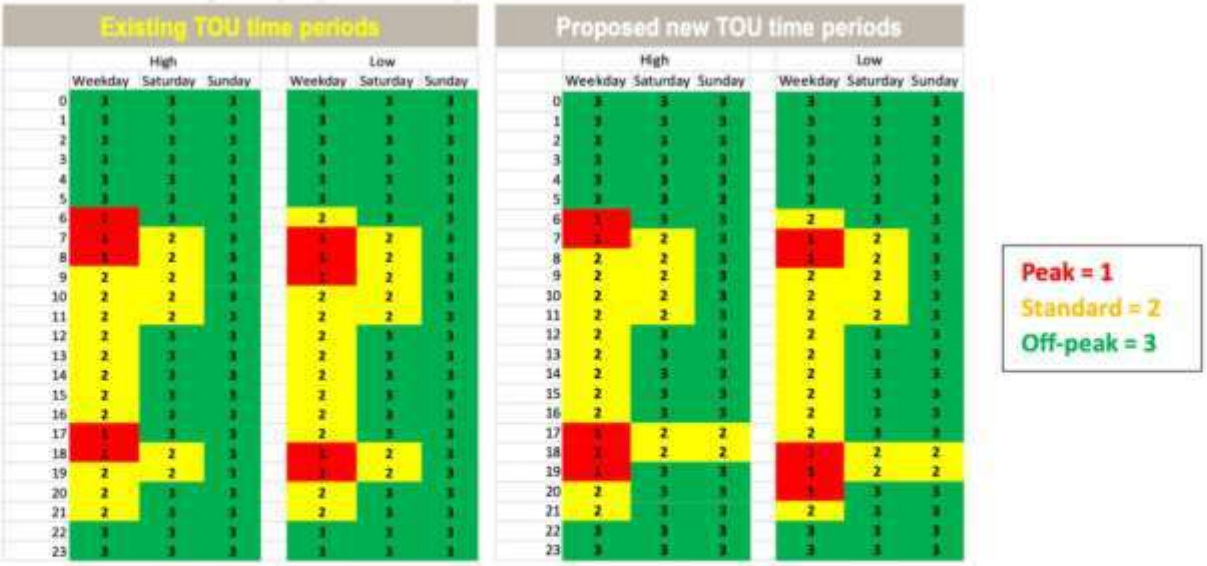
- *The energy forecasts will increase year on year by 1.5%.*
- *The total maximum demand of the municipality is 26.6 MVA.*
- *The Eskom bulk purchase energy price was assumed to increase by year on year by 8.8%.*
- *For customers with multiple tariffs within a single customer category, an average tariff across the individual tariffs was used as an input into the model*
- *The actual municipal energy losses for FY2024/25 were 11%, energy losses were capped at 12% as per the COS framework.*

8. Data observations and improvements

8.1 Transition from Uniform % Increase to Cost-Reflective Pricing

Current Issue:
The municipality applies a uniform increase across almost all tariff blocks and categories. This is not cost-reflective.

Eskom has amended its time of use, the Morning Peak (also known as red time) has decreased from three to two hours, while the evening peak has increased from two to three hours. Additionally, there is now a new standard period on a Sunday.



Problem:
The cost to serve different customer classes and at different times is not uniform. Bulk purchases from Eskom under the Municflex framework are heavily based on Time-of-Use (TOU) and Demand charges. A flat increase ignores this and spreads the cost inefficiency across all users.

Impact:
The municipality absorbs the financial risk of peak-time energy purchases from Eskom, which is not passed on to the consumers who cause that demand.

Recommendations:

- *Differentiate the percentage increase. Commercial and Industrial tariffs, which are more likely to contribute to peak demand, should bear a higher increase to better reflect the higher cost of "peak energy" and "network demand charges" from Eskom*
- *Migrate large users (Commercial, Industrial, High-Power Domestic) to TOU tariffs that mirror Eskom's Municflex structure (Peak, Standard, Off-Peak rates). This directly aligns retail costs with bulk purchase costs.*

8.2 Address the Structural Imbalance Between Retail and Bulk Tariffs

Current Issue:
Eskom charges the municipality using TOU-based energy rates and fixed demand charges, but the municipality charges most customers using flat energy rates or Inclining Block Tariffs (IBT).

Problem:
This creates a mismatch. The municipality's revenue is flat, but its largest cost (bulk purchases) is variable and peaks at specific times. The municipality is vulnerable to shifts in consumption patterns. If more consumption shifts to Eskom's peak periods, costs will rise without a corresponding increase in revenue.

Recommendations:

- **For Commercial:** *Introduce a "Network Demand Charge (R/kVA)" alongside the energy charge. This is an important step to make these tariffs cost-reflective and is a direct reflection of a significant Eskom cost component.*
- **For High-Usage Domestic:** *Consider a "Capacity Charge" or "Amp Charge" or a higher fixed basic charge to better reflect the cost of network capacity reserved.*
- **Industrial:** *Introduce a TOU tariff and a c/kVAhr in high season*

8.3 Reform the Alternative Tariff (Tariff 3.1.3.2)

Current Issue:
This tariff offers a lower energy rate with no basic charge, originally intended for low-income, high-use households.

NERSA requires electricity distributors (Eskom & municipalities) to separate electricity costs into two businesses i.e. Wires Business (Network / Cost of Supply) which is the physical electricity network and Retail Business (Energy & Customer Services).

This means, roughly speaking the businesses should function as Energy: ~60–70%, Network (wires): ~30–40% and Retail/service: ~2–5%.

Problem:
It subsidizes high-consumption users at the expense of other customers.

Impact:
Revenue leakage and unfair cross-subsidisation. The municipality will have to migrate the remaining +- 2700 customers to a tariff that align to their classification.

Recommendations:

- *The best solution is to phase out this tariff category entirely. Existing users should be migrated to the standard tariffs.*
- *The municipality should do public awareness campaigns to provide the public ample time to familiarise with the upcoming changes.*

8.4 Review and Justify the Agricultural Subsidy

Current Issue:
Agricultural tariffs are slightly lower than commercial tariffs.

Problem:
While there is a policy rationale (seasonal usage, supporting the agricultural sector), the discount is slightly lower. In the cost-reflectivity indicates it is a very small net contributor, which may not fully account for all network costs.

Impact:
Potential under-recovery from a customer class that often requires extensive and costly rural network infrastructure.

Recommendations:

- *Conduct a Cost-of-Service Study: Precisely calculate the cost to serve the agricultural class, including network infrastructure, maintenance, and peak demand impact.*
- *Gradually Reduce the Gap: Plan a gradual, multi-year reduction of the discount (e.g., from 20% to 15% to 10%) to move closer to cost-reflectivity while still providing support.*
- *Offer a TOU Alternative: Agriculture often has flexible loads (pumping). Offering a TOU tariff with very low off-peak rates could be more beneficial to farmers and the municipality than a flat discount.*

8.5 Enhance Transparency and Fairness of Basic Charges

Current Issue:
Basic charges for conventional domestic meters vary significantly (e.g., R362.95 for 0-32A single-phase, R725.90 for 33-63A single-phase). The rationale for this specific scaling is not explained.

Problem:
Without clear justification, these charges can be perceived as arbitrary. They should reflect the actual cost of service, such as meter reading, billing, and the capacity cost of the connection.

Impact:
Lack of transparency can lead to customer dissatisfaction and challenges during public participation.

Recommendations

- *Publicly Disclose the Costing Model: Explain how the basic charge is calculated. Is it based on the cost of the meter, the amortized cost of the service connection, administrative costs, or a combination.*
- *Align with Amperage: The approach of higher amperage = higher charge is correct, as it reflects a higher capacity connection. Ensure the step-up is directly tied to the cost differential of providing a 60A service vs. a 20A service.*

- *Is it recommended that the municipality include a fixed tariff for difference breaker sizes, 30A, 45A and 60A. This rate will only impact users using solar and still connected to the network.*

8.6 Lack of comprehensive Tariff for SSEG

Current Issue:
The report mentions that SSEG (rooftop solar) households on the 21-32A tariff must register and install bi-directional meters, but there is no overarching tariff for prosumers those who both consume and export).

Problem:
As solar adoption grows, the municipality needs a fair way to charge for the grid services used by these customers (e.g., grid as a backup battery) and potentially compensate for exports.

Impact:
Without a clear tariff, the municipality may lose revenue and face grid management challenges

Recommendations

- *Develop a Net Metering: Decide on a structure for crediting customers for exported energy. A common approach is a "buy-back" rate lower than the retail rate.*
- *Introduce a "Grid Access" or "Capacity" Charge": For all future solar connections, consider a fixed charge that contributes to the maintenance of the grid infrastructure they rely on when the sun isn't shining.*
- *The municipality should determine a feeding tariff at which electricity will be bought back from SSEG.*
- *The municipality should determine the correct electricity meter to be required by SSEG to monitor the electricity fed into the network by the SSEG and to credit the user for the supply accordingly.*

8.7 Point of Delivery

Jongensfontein

In January 2025, consumption doubled to 395,803 kWh, compared to an average of approximately 200,000 kWh per month. This resulted in a significantly higher bill of R 814,402.37, versus the typical range of R 450,000 - R 680,000. It is recommended that notified demand be increased to at least 1,350 kVA to avoid ongoing excess capacity penalty charges. Implementing load shifting and improved peak period management could lead to substantial cost savings.

It is noted that a new electricity line feeding electricity to Jongensfontein from Stibaai will assist the municipality in addressing the demand challenges in future.

Heidelberg

Demonstrates a consistent high baseload with minimal seasonal variation, and excellent capacity management that matches the contracted 3,000 kVA capacity.

Diepkloof

June 2025 saw a significant spike, with the bill reaching R1.5 million, 50% higher than the previous month. This is attributed to increased consumption and the switch to High Season tariffs for Peak and Standard energy. Frequent and costly NMD exceedances are a recurring issue, such as the 162.98 kVA excess in June 2025, incurring a penalty of R56,471.53. Proactive load management could yield monthly savings of between R10,000 and R60,000 by avoiding these penalties.

Gouritsmond

Monthly bills fluctuate considerably, influenced by both consumption volume and demand charges. January 2025 saw a notable spike, with charges of R603,000 compared to an annual average of R385,000, explained by consumption of 254,989 kWh—over 80% higher than other months. A costly NMD exceedance was resolved during the year.

Witsand

The peak energy rate in winter is more than three times higher than in summer, leading to excessive costs in July and August. Lowering the NMD could reduce the fixed Network Capacity charge, as most monthly demand readings are between 700 and 900 kVA, versus the current NMD of 1,250 kVA. The municipality incurred penalties in July 2024 (R 8,375), August 2024 (R 9,119), and June 2025 (R 8,214) for excess reactive energy, indicating inefficient power usage. Installing Power Factor Correction (PFC) equipment could offer rapid payback. By managing load shifting, maximum demand, and power factor, substantial annual savings could be achieved.

Riversdale Municipality

Exhibits extreme seasonal cost variation, with January 2025 (Low Season) total invoice at R4.7 million, compared to August 2024 (High Season) at R7.9 million. The driving factor for this big variance is the High Season Peak Energy Charge @ R6.4301 /kWh compared to the low season tariff of R2.0973 with relative comparable consumption for the two months. Reactive energy penalties were consistently incurred.

Stillbay Municipality

The account experiences notable seasonal and operational fluctuations in energy consumption and cost. The Network Demand Charge varies monthly (e.g., R 74,540 in Nov-24 vs. R 144,582 in Jul-24), with July 2024 seeing a demand surge to 7,169.92 kVA from around 4,500 kVA, significantly raising costs. Managing maximum demand (kVA) offers substantial savings—strategies like load-shedding or staggering equipment start-up can help prevent costly demand spikes.

Albertinia

The Notified Maximum Demand (NMD) for Albertinia is set at 2,500 kVA; however, actual usage often surpasses this threshold. For instance, in July 2024, the Utilised Capacity reached 3,145.61 kVA, resulting in the imposition of penalty charges in the form of the Network Capacity Charge. Continuous monitoring of Utilised Capacity and possible load shedding could avoid penalties. The account also frequently incurs charges for "Excess Reactive Energy," such as the charge of R 38,734 in July 2024. The installation of power factor correction equipment would resolve the problem whilst offering a rapid payback period by reducing excess reactive energy costs.

The below steps can be implemented by the municipality to assist with the high demand charges faced:

- **"Switch it Off" Campaign:** *Actively turning off non-essential appliances, particularly during peak hours, reduces immediate pressure and high demand.*
- **Managing High-Consumption Appliances:** *Geysers, pool pumps, and space heaters are the biggest contributors to peak demand. Use timers or manual switches to run them outside of peak hours (e.g., not between 5 PM and 9 PM).*
- **Insulation:** *Installing geyser blankets and insulating water pipes reduces the need for the geyser to constantly reheat water.*
- **Demand-Side Management (DSM):** *Encouraging consumers to shift energy usage from peak times (evening) to off-peak periods (daytime or late night).*

9. Solar Plant

Hessequa Municipality has undertaken a detailed assessment of its long-term electricity supply sustainability, driven by rapidly rising bulk supply costs, increasing load volatility, and the financial risks associated with sole reliance on Eskom.

To address these challenges, the Municipality commissioned a large-scale solar PV and battery storage System.

The simulation results show that the municipality at Riversdale Eskom Intake Substation currently consumes approximately 82,682 kWh per day, while the proposed system will produce an estimated 41,095 kWh per day, supporting substantial grid-independent supply.

Financial modelling indicates a projected 5% reduction in annual electricity expenditure in Year 1 following implementation of the Solar Facility. From Year 2 (2027/2028) projected savings increase to approximately 10% per annum, all the way through Year 20, reflecting the full operational benefit of the system.

These outcomes confirm that the renewable energy investment is financially justified and is a necessary intervention to secure long-term municipal energy stability.

The Municipality seeks approval from NERSA for a tariff increase that will support the implementation of its renewable energy programme and ensure long-term electricity supply sustainability.

The following is important to note regarding the solar plant:

- *As planned the plant is expected to be operational from December 2026.*
- *Teething problems are to be expected that might cause delays on the site*
- *The plant will not be operating at optimum efficiency during the first couple of months of operation due to teething problems and testing to be performed.*

This application is motivated by the following:

Rising Bulk Costs - *Current consumption levels result in annual bulk electricity costs escalating annually at approximately 8%. Without intervention, municipal energy costs will continue to grow unsustainably, threatening the financial viability of the electricity function.*

Strategic Need for Energy Diversification - *The proposed renewable system will offset Energy Charges (kwh), with 40% of municipal load (Riversdale) served by clean energy through self-generation, storage, and reduced peak demand. This reduces exposure to national supply risks and contributes to stabilizing long-term tariffs for consumers.*

Long-term Cost Savings for Consumers - *The investment yields a net present value of R1.44 billion and drives long-term tariff stability by lowering energy procurement costs. These savings substantially exceed the upfront capital requirement and enable future downward pressure on tariffs.*

Alignment with National Policy:

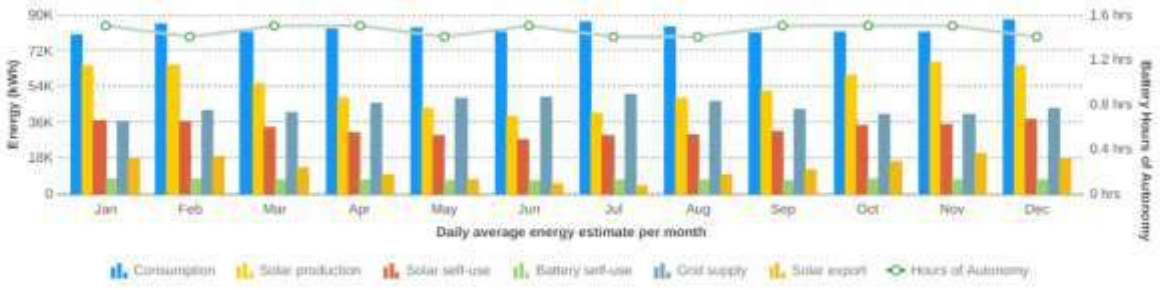
The investment supports:

- *The Electricity Regulation Act requirements for cost-reflective tariffs*
- *The IRP's call for municipal participation in renewable procurement*
- *NERSA guidelines encouraging efficiency and the reduction of technical losses*
- *Ensuring Future Reliability and Sustainability*

The battery component supplies 6.8 MWh per day, providing resilience during peak hours and reducing the municipality's reliance on the grid.

This ensures more reliable service delivery, reduced outages, and improved system flexibility.

This chart shows the average solar production potential per day for each month. In other charts you will see indications of the amount of solar you consume, that going to battery charging, exports to the grid, and possibly an unused proportion.





High-level CTS projections

This sheet provides a high level Cost To Serve forecast

		Financial Forecast Including Solar Plant				Financial Forecast Excluding Solar Plant		
		(2026/27)	(2027/28)	(2028/29)		(2026/27)	(2027/28)	(2028/29)
Total Sales	**kWh**	**80,195,735**	**81,398,671**	**82,619,651**	**kWh**	**80,195,735**	**81,398,671**	**82,619,651**
Non-Eskom Power Purchases (Solar + BESS)	kWh	7,722,000	15,350,000	15,350,000	kWh	222,000	350,000	350,000
Eskom Power Purchases	kWh	82,006,539	75,724,468	77,090,585	kWh	89,506,539	90,724,468	92,090,585
Total Energy Requirements	**kWh**	**89,728,539**	**91,074,468**	**92,440,585**	**kWh**	**89,728,539**	**91,074,468**	**92,440,585**
Electrical Technical losses	kWh	9,532,805	9,675,797	9,820,934	kWh	9,532,805	9,675,797	9,820,934
Energy purchases from Eskom - Excl. Losses	Rand	192,610,294	201,756,390	225,303,198	Rand	204,514,454	225,564,710	249,111,518
Energy purchases from Eskom - Losses	Rand	27,535,215	31,348,845	34,619,156	Rand	27,535,215	30,416,073	33,589,078
Other energy purchases (Solar Internal)	Rand	352,363	555,527	555,527	Rand	352,363	555,527	555,527
Total Cost of Purchases	**Rand**	**220,497,872**	**233,660,763**	**260,477,881**	**Rand**	**232,402,032**	**256,536,311**	**283,256,123**
Average Purchase Cost per kWh	**Rand**	**2.46**	**2.57**	**2.82**	**Rand**	**2.59**	**2.82**	**3.06**
OPERATIONAL COSTS	**%**	**34%**	**34%**	**34%**	**%**	**34%**	**34%**	**34%**
Average Rate per kWh Charged To Customers	**Rand**	**3.29**	**3.44**	**3.78**	**Rand**	**3.47**	**3.77**	**4.11**

HESSEQUA MUNICIPALITY
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ELECTRICITY TARIFFS 2026/2027 APPLICATION

INTRODUCTION

This draft tariff application is read together with the 2026/27 Cost of Supply Study and factors in potential savings from the Riversdale Solar Plant to be commissioned at an estimated date of October 2026. The application is subject to Council Approval on 26 March 2026 for application to NERSA, and subsequent NERSA approval.

DISCUSSION

The Cost of Supply study was based on a 8,76% bulk purchase increase from ESKOM and required a tariff increase of 8,95% to cover all the planned expenditure in the Electricity trading service. NERSA communicated on 10 March 2026 that the actual ESKOM increase applicable to Hessequa Municipality is 9,01% effective 01 July 2026 which would translate to a higher increase to consumers at approximately 9,20%

The Budget Steering Committee considered the potential savings from the Riversdale Solar Plant to be commissioned at an estimated date of October 2026 and decided to pass the initial saving to the consumer instead of repaying the Capital outlay made by the municipality and Western Cape Government for the construction of the plant. The Budget Steering Committee then recommended on 26 February 2026, to Council, that the electricity tariff increase passed on to customers should be 2% less than what ESKOM would charge the municipality and this therefore translates to a 7,01% tariff increase as contained in this draft application.

CONCLUSION

This draft application is for public consultation and will be considered by Council on 26 March 2026 prior application being made to the National Energy Regulator of South Africa (NERSA) by no later than 31 March 2026. NERSA will conduct its own public participation process prior approving the tariffs at an estimated date of 11 May 2026, for implementation from 01 July 2026.

HESSEQUA MUNICIPALITY
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ELECTRICITY TARIFFS 2026/2027 APPLICATION

ELECTRICITY TARIFFS	Unit	Approved Tariffs 2025/2026		TARIFF CODE	Proposed Tariffs 2026/2027		PERCENTAGE INCREASE
		VAT excluded Rand	VAT included Rand		VAT excluded Rand	VAT included Rand	
3. BASIC AND ENERGY TARIFFS							
3.1: PREPAID METERS							
3.1.1 TARIFF - SINGLE PHASE - INDIGENT HOUSEHOLDS / 1.2.1.1							
BASIC FIXED TARIFF:	monthly	0,00	0,00	Prepaid	0,00	0,00	
ENERGY CONSUMPTION PER kWh WITHIN IBT BLOCKS							
1 - 50 kWh (free units)	per kWh	1,9092	2,1956	Prepaid / EL20	2,0430	2,3495	7,01%
51 - 350 kWh	per kWh	1,9780	2,2747	Prepaid / EL20	2,1167	2,4342	7,01%
351 - 600 kWh	per kWh	3,4475	3,9646	Prepaid / EL20	3,6892	4,2425	7,01%
> 600 kWh	per kWh	4,0704	4,6810	Prepaid / EL20	4,3557	5,0091	7,01%
3.1.2 TARIFF - SINGLE PHASE - SMALL USERS / 1.2.1.3							
BASIC FIXED TARIFF							
Consumers 33 - 63 A: average 150 kWh p/m: (to be phased out, no new applications are possible on this tariff)	per month	181,47	208,69	Prepaid	194,19	223,32	7,01%
ENERGY TARIFF PER kWh WITHIN IBT BLOCKS							
1 - 50 kWh	per kWh	1,9092	2,1956	Prepaid	2,0430	2,3495	7,01%
51 - 350 kWh	per kWh	2,4339	2,7990	Prepaid	2,6045	2,9952	7,01%
351 - 600 kWh	per kWh	3,4475	3,9646	Prepaid	3,6892	4,2425	7,01%
> 600 kWh	per kWh	4,0704	4,6810	Prepaid	4,3557	5,0091	7,01%
3.1.3 NON-INDIGENT HOUSEHOLDS							
3.1.3.1 TARIFF - SINGLE PHASE: NON-INDIGENT HOUSEHOLDS / 1.2.1.2							
BASIC FIXED TARIFF							
1 - 32 amps - monthly fee	per month	181,47	208,69	Prepaid	194,19	223,32	7,01%
33 - 63 amps - monthly fee	per month	362,95	417,39	Prepaid	388,39	446,65	7,01%
ENERGY CONSUMPTION PER kWh WITHIN IBT BLOCKS							
1 - 50 kWh	per kWh	1,9092	2,1956	Prepaid	2,0430	2,3495	7,01%
51 - 350 kWh	per kWh	2,4339	2,7990	Prepaid	2,6045	2,9952	7,01%
351 - 600 kWh	per kWh	3,4475	3,9646	Prepaid	3,6892	4,2425	7,01%
> 600 kWh	per kWh	4,0704	4,6810	Prepaid	4,3557	5,0091	7,01%
3.1.3.2 TARIFF - SINGLE PHASE ALTERNATIVE							
BASIC FIXED TARIFF (to be phased out)							
21 - 32 amps	per day/per month	n/a	n/a	Prepaid	N/A	N/A	
ENERGY CONSUMPTION PER kWh WITHIN IBT BLOCKS							
1 - 50 kWh	per kWh	2,0910	2,4047	Prepaid	2,2376	2,5732	7,01%
51 - 350 kWh	per kWh	2,6489	3,0462	Prepaid	2,8346	3,2598	7,01%
351 - 600 kWh	per kWh	3,7006	4,2557	Prepaid	3,9600	4,5540	7,01%
> 600 kWh	per kWh	4,0814	4,6936	Prepaid	4,3675	5,0226	7,01%
3.1.3.3 TARIFF - 3-PHASE: NON-INDIGENT HOUSEHOLDS / 1.2.2.1							
BASIC FIXED TARIFF							
1 - 32 amps	per month	471,83	542,60	Prepaid	504,91	580,64	7,01%
33 - 63 amps	per month	943,66	1 085,21	Prepaid	1 009,81	1 161,28	7,01%
ENERGY CONSUMPTION PER kWh WITHIN IBT BLOCKS							
1 - 50 kWh	per kWh	1,9092	2,1956	Prepaid	2,0430	2,3495	7,01%
51 - 350 kWh	per kWh	2,4339	2,7990	Prepaid	2,6045	2,9952	7,01%
351 - 600 kWh	per kWh	3,4475	3,9646	Prepaid	3,6892	4,2425	7,01%
> 600 kWh	per kWh	4,0704	4,6810	Prepaid	4,3557	5,0091	7,01%

HESSEQUA MUNICIPALITY
DRAFT
ELECTRICITY TARIFFS 2026/2027 APPLICATION

ELECTRICITY TARIFFS	Unit	Approved Tariffs 2025/2026		TARIFF CODE	Proposed Tariffs 2026/2027		PERCENTAGE INCREASE
		VAT excluded Rand	VAT included Rand		VAT excluded Rand	VAT included Rand	
3.1.4 BUSINESS/COMMERCIAL - SINGLE AND THREE-PHASE							
3.1.4.1 TARIFF - SINGLE PHASE - / 2.2.1							
BASIC FIXED TARIFF							
1 - 32 amps	per month	222,12	255,44	Prepaid	237,69	273,34	7,01%
33 - 63 amps	per month	444,23	510,86	Prepaid	475,37	546,68	7,01%
Energy consumption	per kWh	2,9978	3,4475	Prepaid	3,2079	3,6891	7,01%
3.1.4.2 TARIFF - 3-PHASE - / 2.2.2							
BASIC FIXED TARIFF							
1 - 32 amps	per month	577,50	664,13	Prepaid	617,96	710,68	7,01%
33 - 63 amps	per month	1 023,76	1 177,32	Prepaid	1 095,53	1 259,85	7,01%
64 - 100 amps	per month	1 817,31	2 089,91	Prepaid	1 944,70	2 236,41	7,01%
Energy consumption	per kWh	2,9978	3,4475	Prepaid	3,2079	3,6891	7,01%
3.2: CONVENTIONAL METERS							
3.2.1 HOUSEHOLDS							
3.2.1.1 TARIFF - SINGLE PHASE - HOUSEHOLDS / 1.1.1							
BASIC FIXED TARIFF (SINGLE PHASE) + PER AMP							
1 - 32 amps	per month	362,95	417,39	AMHE32	388,39	446,65	7,01%
33 - 63 amps	per month	725,90	834,79	AMHE63	776,79	893,30	7,01%
ENERGY CONSUMPTION PER kWh WITHIN IBT BLOCKS							
1 - 50 kWh	per kWh	1,9092	2,1956	EL01	2,0430	2,3495	7,01%
51 - 350 kWh	per kWh	2,4339	2,7990	EL01	2,6045	2,9952	7,01%
351 - 600 kWh	per kWh	3,4475	3,9646	EL01	3,6892	4,2425	7,01%
> 600 kWh	per kWh	4,0704	4,6810	EL01	4,3557	5,0091	7,01%
3.2.1.2 TARIFF - THREE-PHASE - HOUSEHOLDS / 1.1.2							
BASIC FIXED TARIFF (THREE-PHASE) + PER AMP							
1 - 32 amps	per month	943,66	1 085,21	AMHD32	1 009,81	1 161,28	7,01%
33 - 63 amps	per month	1 887,33	2 170,43	AMHD63	2 019,63	2 322,58	7,01%
ENERGY CONSUMPTION PER kWh WITHIN IBT BLOCKS							
1 - 50 kWh	per kWh	1,9092	2,1956	EL01	2,0430	2,3495	7,01%
51 - 350 kWh	per kWh	2,4339	2,7990	EL01	2,6045	2,9952	7,01%
351 - 600 kWh	per kWh	3,4475	3,5614	EL01	3,6892	4,2425	7,01%
> 600 kWh	per kWh	4,0704	4,6810	EL01	4,3557	5,0091	7,01%
3.2.2 BUSINESSES AND COMMERCIAL CONSUMERS							
3.2.2.1 TARIFF - SINGLE PHASE - / 2.1.1							
BASIC FIXED TARIFF (SINGLE PHASE) + PER AMP							
1 - 32 amps	per month	459,50	528,43	AMKE32	491,71	565,47	7,01%
33 - 63 amps	per month	919,00	1 056,85	AMKE63	983,42	1 130,94	7,01%
Energy consumption	per kWh	2,9979	3,4476	EL09	3,2079	3,6891	7,01%
3.2.2.2 TARIFF - THREE-PHASE - / 2.1.2							
BASIC FIXED TARIFF (THREE-PHASE) + PER AMP							
1 - 32 amps	per month	1 194,71	1 373,92	AMKD32	1 278,46	1 470,23	7,01%
33 - 63 amps (previously 46 - 63 amps)	per month	2 173,96	2 500,05	AMKD63	2 326,35	2 675,31	7,01%
64 - 100 amps	per month	3 831,07	4 405,73	AMKD64	4 099,63	4 714,57	7,01%
Energy consumption	per kWh	2,9978	3,4475	EL09	3,2079	3,6891	7,01%
3.3 TARIFF - BULK CONSUMERS							
3.3.1 CONSUMPTION: 71 - 500 kVA / 3.1							
Basic: Bulk 71 - 500 kVA	per month	6 135,96	7 056,35	BE07	6 566,09	7 551,00	7,01%
Bulk 71 - 500 kVA per kVA	per kVA p.m.	378,58	435,37	EL12	405,12	465,89	7,01%
Energy consumption	per kWh	1,6439	1,8905	EL11	1,7591	2,0230	7,01%
3.3.2 CONSUMPTION: > 500 kVA / 3.2							
Basic: Bulk >500 kVA	per month	13 518,79	15 546,61	BEH001	14 466,46	16 636,43	7,01%
Bulk > 500 kVA per kVA	per kVA p.m.	378,58	435,37	EL14	405,12	465,89	7,01%
Energy consumption	per kWh	1,6439	1,8905	EL13	1,7591	2,0230	7,01%

HESSEQUA MUNICIPALITY
DRAFT
ELECTRICITY TARIFFS 2026/2027 APPLICATION

ELECTRICITY TARIFFS	Unit	Approved Tariffs 2025/2026		TARIFF CODE	Proposed Tariffs 2026/2027		PERCENTAGE INCREASE
		VAT excluded Rand	VAT included Rand		VAT excluded Rand	VAT included Rand	
3.4 TARIFF - AGRICULTURAL CONSUMERS							
3.4.1 RURAL: ≤ 25 kVA / 4.1							
Basic rural: ≤ 25 kVA	per month	1 433,80	1 648,87	BE09	1 534,31	1 764,46	7,01%
Energy consumption	per kWh	2,3978	2,7575	EL17	2,5659	2,9508	7,01%
3.4.2 RURAL: 26 - 50 kVA / 4.2							
Basic rural: 26 - 50 kVA	per month	2 867,60	3 297,74	BE10	3 068,62	3 528,91	7,01%
Energy consumption	per kWh	2,3978	2,7575	EL17	2,5659	2,9508	7,01%
3.4.3 RURAL: 51 - 100 kVA / 4.3							
Basic rural: 51 - 100 kVA	per month	5 735,21	6 595,49	BE11	6 137,25	7 057,84	7,01%
Energy consumption	per kWh	2,3978	2,7575	EL17	2,5659	2,9508	7,01%
3.5 TARIFF - SPECIAL AGREEMENTS							
3.5.1 HOUSE WALLACE ANDERSON / 5.1							
Basic fixed tariff	per month	2 071,00	2 381,65	AMNA01	2 217,00	2 549,55	7,05%
Energy consumption	per kWh	1,9449	2,2366	EL05	2,0812	2,3934	7,01%
3.5.2 STREET LIGHTS (LANGEZICHT - 1725100010)							
Basic fixed tariff	per month	459,50	528,43	AMKE32	491,71	565,47	7,01%
Energy consumption	per kWh	5,6874	6,5405	EL25	6,0861	6,9990	7,01%
3.5.3 STAFF - OFFICIAL DWELLINGS / CAMP MANAGERS							
BASIC FIXED TARIFF (SINGLE PHASE) + PER AMP							
1 - 32 amps	monthly	362,95	417,39	AMHA32 / n/a	388,39	446,65	7,01%
33 - 63 amps	monthly	725,90	834,79	AMHA63 / n/a	776,79	893,30	7,01%
ENERGY CONSUMPTION PER kWh WITHIN IBT BLOCKS							
1 - 50 kWh	per kWh	1,9092	2,1956	EL31 / EL30	2,0430	2,3495	7,01%
51 - 350 kWh	per kWh	2,4339	2,7990	EL31 / EL30	2,6045	2,9952	7,01%
351 - 600 kWh	per kWh	3,4475	3,9646	EL31 / EL30	3,6892	4,2425	7,01%
> 600 kWh	per kWh	4,0704	4,6810	EL31 / EL30	4,3557	5,0091	7,01%
3.5.4 LEASING OF MUNICIPAL FACILITIES							
BASIC FIXED TARIFF (SINGLE PHASE AND THREE-PHASE) + PER AMP							
Basic fixed tariff	per month	0,00	0,0000	n/a	0,00	0,00	
Energy consumption	per kWh	4,3080	4,9542	EL32	4,610	5,3015	7,01%
3.6 TARIFF: DEPARTMENTAL							
3.6.1 STREET LIGHTS / 6.0							
Energy consumption	per kWh	4,3080	4,9542	EL15	4,610	5,3015	7,01%
3.6.2 SINGLE PHASE / 7.0							
Energy consumption	per kWh	2,9979	3,4476	EL21	3,2079	3,6891	7,00%
3.6.3 THREE-PHASE / 7.0							
Energy consumption	per kWh	2,9979	3,4476	EL21	3,2079	3,6891	7,00%
3.6.4 BULK / 7.0							
Bulk 71 - 500 kVA	per month	0,00	0,00	n/a	0,00	0,00	
Bulk 71 - 500 kVA per kVA	per kVA p.m.	378,58	435,3670	EL24	405,12	465,89	7,01%
Energy consumption	per kWh	1,6440	1,8906	EL23	1,7592	2,0231	7,01%
3.7 SSEG TARIFF: Buy-back							
(Provided that all SSEG customers applying to feed back shall be moved to conventional tariffs)							
Feed-in rate	per kWh	1,2400	1,4260	SSEG01	1,240	1,4260	0,00%

9.21 DRAFT BUDGET FOR THE MTREF 2026/2027 PERIOD

File number / Verwysingsnommer: 5/1/1

Meeting date / Vergadering datum: 26 March 2026

Report by / Verslag deur: Director Financial Services: Gerard Goliath

PURPOSE OF REPORT / DOEL VAN VERSLAG

To table the draft budget for the MTREF 2026/27 financial year.

BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING

1. MAYOR'S 2026/27 BUDGET SPEECH

The mayor's budget speech is included in the draft budget report.

2. DRAFT BUDGET 2026/2027

See the following ATTACHED documents:

- Draft Budget Report
- Annexure A (Draft Tariffs)
- Annexure B (Draft Budget related Policies & By-Laws)
- Annexure C (National Treasury - Circular no. 129 and no. 130)
- Annexure D (Draft Procurement Plan)
- Annexure E (Draft Property Rates Reconciliation)
- Annexure F (MTREF & National Treasury formats)
- Annexure G (Draft Long-Term Financial Plan)
- Annexure H (SIME Assessment and Municipality's response)
- Annexure I (NERSA Communication)
- Annexure J (National Treasury Tariff Tool)
- Annexure K (Draft Mscoa Roadmap)

3. POLICIES

The following policies/by-laws were reviewed and workshopped with the public.

Below is an extract of the processes being followed:

- The current policies and by-laws were workshopped with the budget committee, after which the policies and recommendations of the committee were workshopped on the dates in the table below. After the workshops with the public the inputs were discussed with the budget committee, and the necessary amendments were made.

WORKSHOP DETAILS

Workshop principles for determining tariffs and reviewing policies and By-laws with the Hessequa community, businesses and agricultural.



WORKSHOP DETAILS

Workshop principles for determining tariffs and review of policies and By-laws with the Hessequa community, businesses and agricultural.

■ 19 January 2026	18:00	Riversdale - Civic Centre
■ 20 January 2026	15:00	Witsand - De Duine Community Hall
■ 20 January 2026	18:00	Heidelberg - Town Hall
■ 22 January 2026	15:00	Stilbaai / Jongensfontein - Stilbaai Community Hall
■ 22 January 2026	18:00	Melkhoutfontein - Community Hall
■ 26 January 2026	15:00	Gouritsmond Hall
■ 26 January 2026	18:00	Albertinia Town Hall
■ 27 January 2026	18:00	Slangrivier Community Hall

The following are extracts of the main proposed amendments:

Indigent Policy

7.3 For the ~~2025/2026~~ 2026/2027 financial year the Municipality will use household income as the targeting approach for the registration of indigent customers.

8. QUALIFICATION CRITERIA

The qualification criteria for indigent support shall be determined by the Municipality from time to time, provided that until the Hessequa Municipality determines otherwise, the following criteria shall apply:-

8.1 The applicant must be a resident within the Hessequa Municipal area.

8.2 The applicant must be in possession of a valid South African identity document.

8.3 The total monthly gross income or basic salary (for salaried individuals) of the registered owner/tenant and his/her spouse or life companion is not more than an amount as determined by Council from time to time. This amount includes any rental received from other occupants on the stand~~, but~~ excluding ~~as~~ any payments received from the applicant's children~~. Excluding~~, social grants received for children, foster care, ~~and~~ grant-in-aid, maintenance received for children (proven by court order) and Unemployment Insurance Fund (UIF) payments. This amount will be determined at the beginning of every financial year and will be applied for the duration of that particular financial year.

8.8 The applicant must not own a business or have a Spaza Shop on the premises.

~~9.3.3.1 The latest municipal account received by the household;~~

9.3.3.~~4~~5 If the applicant and his/her spouse/life companion is not the holder of any bank account, a sworn affidavit stating that the applicant and his/her spouse/life companion does not have any bank account in his/her name must be submitted upon application.~~on the prescribed application form referred to in paragraph 9.3.1.~~

~~9.5 Recommendation~~

~~Once the verification has been completed, the Programme Officer must submit the application to the relevant Ward Indigent Assistance Committee.~~

10.3.1 Category A - Support to qualifying households where the combined total gross income of the registered owner/ tenant and his/her spouse or life companion is equal or less than ~~R5 000.00~~ R5 500.00 excluding ~~grant in aid, child support and foster care~~ exclusions as per 8.3 above.

~~10.3.2 Category B is hereby abolished with effect from 01 July 2025 and will be included under Category A with the higher combined total gross income.~~

10.3.6 Category G – Senior Citizens Clubs where more than 50% of the members are registered as indigents in terms of Council's Indigent Policy the property will be subsidized to the same extent as an indigent household provided that the property utilized is not utilized for any other purpose than activities of the club. Proof of property rental or ownership of the property must be provided upon application.

RURAL AREAS UP TO 5500

16 CATEGORY G – SENIOR CITIZENS CLUBS

16.1 Clubs where more than 50% of the members are registered as indigents in terms of the Council's Indigent Policy shall be eligible to qualify for assistance and support in terms of this Policy to the same extent as an indigent household.

16.2 The onus will be on the chairperson/managing agent of the club to submit proof of the number of members registered as indigents in terms of the Council's Indigent Policy. This must be done through submission of the ID numbers, accompanied by original certified copies of identity documents of the members qualifying and an affidavit in respect of the total number of members belonging to the club.

16.3 The property utilized must not be utilized for any other purpose than activities of the club and confirmd by the club in a sworn affidavit.

16.4 Proof of property rental or ownership of the property.

~~5.3~~ **16.5 No subsidy will be payable in respect of any vacant stands.**

TARIFF AND FREE BASIC SERVICES POLICY

Inclusion of Category G as per Indigent Policy.

WRITE-OFF POLICY

6.4 Untraceable Debtors

6.4.1 Where for any reason the forward address of a debtor becomes untraceable or the debtor becomes untraceable from the current address, ~~such account must be handed over to a collection agent for recovery of the debt. The collection agent will be paid an all-inclusive fee of not more than 10% of the amount that was actually collected. The Terms of Reference for such collection agent must include the appointment of a tracing agent to locate the debtor. Should a debtor be untraceable,~~ the collection agent must report to the Municipality on the actions that were taken to attempt to trace the debtor.

6.4.2 Any amount owed by a debtor that has become untraceable must, after notification and recommendation by the collection agent, be written off ~~or sold to a debt collection agency at a discount~~.

6.4.3 Debt written off in the above instances will automatically result in the debtor being reported to the credit bureau by the Municipality.

6.5 Special Arrangements in order to obtain a Clearance Certificate

6.5.1 In terms of legislation the Municipality will under normal circumstances not issue a clearance certificate on any property unless all outstanding amounts are paid to date. However due to the possible inefficiency of the Municipality to implement its credit control policy it might be possible that such a property may have accumulated such a significant outstanding balance over a period of time that it may not be within the ability of the ~~new owner~~ seller to pay such an amount in order to obtain a clearance certificate.

6.5.2 Where such circumstances may prevail the ~~prospective new owner~~ seller may apply to the Municipality for relief of such outstanding debt or a portion thereof.

6.5.3 Upon receiving, such application must be submitted to the committee for consideration. In reviewing such application, the committee must ensure that:-

6.5.3.1 All reasonable measures have already been taken to recover the outstanding amount from the current debtor.

6.5.3.2 The ~~prospective buyer~~ seller of the property is not in a financial position to settle the outstanding amount before a clearance certificate is issued.

CREDIT CONTROL AND DEBT COLLECTION POLICY

~~(13) Any connection date between the 1st and 15th of the month will be levied for a full month whilst any connection date after the 15th of the month will only be levied from the 1st of the following month.~~

(ii) where the discovery is in favour of the customer or the municipality, any such

correction in terms of accounts billed monthly may apply in respect of an account from a date no more than 3 (three) years / 36 months back from the date on which the error on the account was discovered; and the correction shall be based on the tariffs applicable during the period.

~~(iii) where the discovery is in favour of the municipality, any such correction in terms of accounts billed monthly shall only apply in respect of an account from the date on which the error on the account was discovered~~

~~(iv) where the discovery is in favour of the customer, any such correction in terms of basic charges levied annually may apply in respect of an account from a date no more than 3 (three) years / 36 months back from the date on which the error on the account was discovered; and~~

~~(v) the correction shall be based on the tariffs applicable during the period.~~

(h) Any water leakage discovered on the side of the customer will be the responsibility of the customer.

(i) A customer may qualify for a 75% reduction in levy as determined by Council on his/her account in the event of a water leakage, if:

(iii) the application must be submitted to the Chief Financial Officer for approval.

(iv) ~~the rebate will be calculated on the actual consumption minus the average of the previous 12 months consumption as per the applicable tariffs;~~ Charges due to water leaks on the account of a domestic consumer will be reduced by 75% of the excess (above average consumption for the previous 12 months)

23

(c) The writing off of any arrears is strictly subject to the provision that the property may not be sold within a period of ~~eight~~ three years from the date that the owner qualify as a registered indigent. In the case of the property being sold inside a period of ~~eight~~ three years the arrear debt, excluding any further accumulated interest, will be recovered before a clearance certificate is issued.

29. WRITE OFF OF IRRECOVERABLE DEBT

(1) The objective to write off irrecoverable debt is to have a debt book that does not reflect irrecoverable debt.

(2) For this purpose Council should adopt and implement a write off policy to formalize the processes for writing off such debts.

(3) The writing off of any arrears is strictly subject to the provision that the property may not be sold within a period of three years from the date that the accountholder(s) on the property qualified for any write-off. In the case of the property being sold inside a period

36

HESSEQUA LOCAL MUNICIPALITY
DRAFT POLICY TO REGULATE CUSTOMER CARE MANAGEMENT, CREDIT CONTROL AND DEBT COLLECTION FOR THE 2026/2027 FINANCIAL YEAR – FINAL FOR IMPLEMENTATION FROM 1 JULY 2026

of three years the arrear debt, excluding any further accumulated interest, will be recovered before a clearance certificate is issued.

~~(2)~~

Property rates policy:

"agricultural ~~purpose~~ property" ~~in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism or for the trade in or hunting of game;~~ means property

3

HESSEQUA LOCAL MUNICIPALITY
DRAFT PROPERTY RATES POLICY FOR 2026/2027 FINANCIAL YEAR
FOR IMPLEMENTATION ON 1 JULY 2026

that is used primarily for agricultural purposes but, without derogating from section 9, excludes any prortion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game;

properties;

~~If 40% or more of the extent of farms is being used for commercial, business or industrial purposes (such as truck depots, construction yards or factories), these properties do not qualify for the residential rate, any rebates or valuation reductions;~~

b. on mineral rights within the meaning of paragraph (b) of the definition for "property" in section 1 of the Act.

c. on the first R15 000 of the market value of all residential properties contemplated in terms of section 17(1)(h) of the Act. Vacant land does not qualify for this rebate.

9.2.2.2 The Municipality grants a rebate, to be determined on an annual basis, for retired and disabled persons that do not qualify in terms of Council's approved Indigent Policy. For the 2026/2027 financial year rebates will be applied as follows: -

~~(a) Gross income (prior to any deductions, excluded PAYE and medical aid contributions to a medical scheme registered in terms of the Medical Schemes Act or medical insurance underwritten by a registered financial services provider) R0 – R3 500 per month – 25%; and~~

(~~a~~b) Gross income (prior to any deductions, excluded PAYE and medical aid contributions to a medical scheme registered in terms of the Medical Schemes Act or medical insurance underwritten by a registered financial services provider)) ~~R5 000.01 to R12 000.00~~ R0-R12 540.00 per month – ~~15~~ 25%.

9.2.2.3 Additional rebates for owners who qualify in terms of clause 9.2.2.2 (additional to 9.2.2.2 on balance of rates) can be granted to owners or usufructuaries if they can be categorised in one of the following age categories: -

(a) 60 to 70 years – 25%;
(b) 71 to 80 years – 50%; and
(c) 81 years and older – 75%.

4. TARIFF INCREASES

4.1 PROPERTY RATES - increase by 4.5%

4.2 WATER – increase by 4.5%

4.3 ELECTRICITY

All customers except indigent customers		Average 7.01%
Basic Fees		7.01%
Indigent 0 – 50kwh	Tariffs Annexure A	Free
51 – 350kwh	Tariffs Annexure A	7.01%

4.4 SOLID WASTE - increase by 4.5%

4.5 SEWERAGE – increase by 4.5%

4.6 SUNDRY TARIFFS – increase between 0 – 5.6%

4.7 RENTALS – per contract

4.8 DEVELOPMENT CHARGES

- Approvals in terms of Hessequa Municipal Planning Bylaw of 2015 before 1 July 2023 – unchanged from 2025/2026.
- Approvals in terms of Hessequa Municipal Planning Bylaw of 2015 after 1 July 2023 – per table below (unchanged from 2025/2026)

		VAT excluded Rand	VAT included Rand
Water	Kiloliter per day	31 726.00	36 484.90
Sewerage	Kiloliter per day	32 564.00	37 448.60
Stormwater	Run-off Coeficient per hectare	281 250.00	323 437.50
Solid Waste	Removals per week	12 800.00	14 720.00
Roads	Vehicle trip generation per day	3 267.00	3 757.05

5. REBATES

As per policies in Annexure B

6 INDIGENT SUBSIDIES

The budget makes provision for the following categories of indigent subsidy-

CATEGORY A:

- Income per household – R5 500
- Water – 6kl per household - free
- Electricity – 50KwH per household – free
- 100% Rebate – Property Rates (Valuation up to R850 000)
- No basic fees for Sewerage, Refuse and Water

CATEGORY B:

- Discontinued (Included in Category A)

CATEGORY C: OLD AGE HOMES

- R150 contribution per qualifying person

CATEGORY D – Residents who do not receive accounts

- As per category A

CATEGORY E – CHURCHES

- 100% of basic services if 50% of the members of the church are on the indigent register of the municipality.

CATEGORY F – CRECHE

- 100% of basic services if 50% of the learners' parents are on the indigent register of the municipality.

CATEGORY G – SENIOR CITIZENS CLUBS

- 100% of basic services if 50% of the members of the club are on the indigent register of the municipality.

EXECUTIVE MAYORAL COMMITTEE

The item is tabled at the **Executive Mayoral Committee** meeting of **26 March 2026** and feedback will be given at the Council meeting.

COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER

The recommendations are supported.

COMMENTS: DIRECTOR CORPORATE MANAGEMENT / KOMMENTAAR: DIREKTEUR KORPORATIEWE BESTUUR

The content of the report and annexures is noted and the recommendations are supported.

COMMENTS: DIRECTOR FINANCIAL SERVICES / KOMMENTAAR: DIREKTEUR FINANSIËLE DIENSTE

Draft Operating budget:

The draft budget, excluding capital contributions, reflects surpluses of approximately R0,625 million, R17,831 million and R1,226 million over the 2026/27 MTREF period. The current year adjustment budget provides for a surplus of R8,194 million.

The Draft MTREF expenditure budget does reflect the costs necessary to provide services efficiently and effectively:

- An *effective* budget is one that is adequate to deliver a service of the necessary quality on a sustainable basis.
- An *efficient* budget is one that delivers services at the lowest possible cost.

DRAFT REVENUE BUDGET

Municipalities are required to **justify all increases in excess of the projected inflation target for 2026/27** in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. Consumer Price Index (CPI) inflation is forecasted to be 3.7%.

The budget provides for a 4.5% increase on property rates and services, excluding electricity. The councils budget guidelines provided for the following:

Property rates and service tariffs (excluding electricity) increase to a maximum of 4.5%.

A growth factor of 1%, based on current and past actual results, has been factored into the revenue forecasts for 2026/2027.

Comment:

After the 4.5% increase on property rates and service tariffs, the budget reflects a surplus of R625 126.

- **Water increases by 4,5%**

  Water is a scarce commodity, and its usage must be managed carefully by everyone. The budget provides for an increase of 4.5%, while the approved bulk purchases from Overberg Water increases by 10,0%. The municipality did query the high proposed increases but the request for a lower increase was not granted by Overberg Water.

- **Refuse increases by 4,5%**

  There is an increase in the percentage Gross Profit from 39.26% in 2025/26 to 42.83% in 2026/27. The adopted budget of 2025/26 had a Gross Profit of 35.31% but this has been adjusted upward during the adjustment budget because of savings identified during the main adjustments budget. The savings were moved to other functions within the municipality where it was needed. The refuse removal service continues to fund the reprioritised funds and the profit also subsidises property rates which are intended to fund the non-remunerative and administrative functions of the municipality.

- **Property Rates increases by 4,5%**

  The following table show the property rates levies per area for the MTREF period:

RATES REVENUE PER TOWN	
RIVERSDALE	15 219 649
RIVERSDAL NEDERSETTINGS	1 889 675
STILBAAI EAST	15 269 739
STILBAAI WEST	60 560 877
MELKHOUTFONTEINDORP	913 900
JONGENSFONTEIN	15 343 830
STILBAAI - FARMS	444 156
SLANGRIVIER	565 505
GOURITSMOND X1	6 389 487
ALBERTINIA	5 149 445
THERONSVILLE	1 812 389
HEIDELBERG	7 555 331
WITSAND	14 786 469
MOSSEL BAY RD	149 852
SWELLENDAM RD	6 352 368
RIVERSDALE RD	15 750 827
	168 153 499.58

The table below sets out the rates income per category.

Categories	Anticipated Income
BUSINESS AND COMMERCIAL	8 677 832
INDUSTRIAL PROPERTIES	1 440 615
PUBLIC BENEFIT ORGANISATI	96 244
VACANT LAND RESIDENTIAL	12 548 465
AGRICULTURAL PROPERTIES	15 978 989
VACANT LAND BUSINESS	250 549
VACANT LAND INDUSTRIAL	256 305
PRIVATE OPEN PLACE/SPACE	47 454
RESIDENTIAL PROPERTIES	126 533 503
PUBLIC SERVICE PURPOSES PF	2 190 974
VACANT LAND PRIVATE OPEN	132 569
	168 153 500

Residential properties contribute the most to Councils revenue from property rates. Larger municipalities depend on businesses and industries to subsidise the residential tariff. Therefore, comparisons between municipalities with different revenue bases does not make sense.

- **<u>Sewerage increases by 4,5%</u>**

  The budget for 2025/26 has been adjusted downwards from a profit of R13.261 million to R11.793 million. This is attributed to increased costs related to the treating of sewerage. Budgeted profit for 2026/27 increases to R19.864 million (41.05%). As with the other services, the sewerage service profit subsidises property rates which are intended to fund the non-remunerative and administrative functions of the municipality.

- **<u>Electricity increases by an average of 7.01%</u>**

  A press release by NERSA recommends bulk purchase of electricity increase by 9.01% for municipal customers. The Budget Steering Committee recommended on 26 February 2026, that the electricity tariff increase passed on to customers should be 2% less than

what ESKOM would charge the municipality and this therefore translates to a 7,01% tariff increase as contained in the draft electricity tariff application to NERSA

<u>For indigent households the tariff increases for electricity consumption (51 to 350 Kwh) per month will also increase by 7.01%. – (0 - 50Kwh free)</u>

The following has been included in the tariff policy from the 2023/2024 budget year and remains effective:

9.1.2.2 As an option, consumers that are in the category single-phase, non-indigent households 21-32A, or consumers who downgrade to this category, have the opportunity to convert to an alternative one-part tariff, only if the Municipal valuation for the property does not exceed R 850 000.00 as at 31 December in the preceding financial year.

<u>Revenue by source and as a percentage of the total revenue budget is reflected in the table below:</u>

WC042 Hessequa - Table A4 Budgeted Financial Performance (revenue)

Description			2026/27 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget 2025/26	% Share	Budget Year 2026/27	% Share	Budget Year 2027/28	% Share	Budget Year 2028/29	% Share
Revenue By Source								
Property rates	148 312	17.5%	156 655	17.8%	165 109	17.7%	174 021	18.1%
Service charges - electricity revenue	258 387	30.5%	276 282	31.3%	300 678	32.3%	327 228	34.0%
Service charges - water revenue	58 186	6.9%	61 386	7.0%	64 148	6.9%	67 035	7.0%
Service charges - sanitation revenue	32 413	3.8%	34 195	3.9%	35 734	3.8%	37 342	3.9%
Service charges - refuse revenue	37 496	4.4%	39 599	4.5%	41 381	4.4%	43 243	4.5%
Rental from fixed assets	4 622	0.5%	4 992	0.6%	5 391	0.6%	5 822	0.6%
Interest earned from Current and Non Current Assets	36 046	4.3%	31 761	3.6%	30 585	3.3%	32 410	3.4%
Interest earned from Receivables	3 019	0.4%	3 511	0.4%	3 669	0.4%	3 834	0.4%
Interest (Non- Exchange)	911	0.1%	1 021	0.1%	1 030	0.1%	1 035	0.1%
Fines, Penalties And Forfeits	110 061	13.0%	102 834	11.7%	107 458	11.5%	112 291	11.7%
Licences and permits (Exchange)	7	0.0%	2	0.0%	2	0.0%	2	0.0%
Licences and permits (Non-Exchange)	2 552	0.5%	2 691	0.3%	2 812	0.3%	2 938	0.3%
Agency services	3 716	0.4%	3 884	0.4%	4 012	0.4%	4 144	0.4%
Transfers recognised - operational	79 731	9.4%	89 081	10.1%	90 921	9.8%	92 835	9.6%
Sale of Goods and Rendering of Services	33 267	3.9%	41 811	4.7%	24 523	2.6%	23 933	2.5%
Operational revenue (Exchange)	11 390	1.3%	11 293	1.3%	11 751	1.3%	12 231	1.3%
Operational revenue (Non- Exchange)	13 264	1.6%	13 396	1.5%	13 396	1.4%	13 396	1.4%
Gains on disposal of Assets	14 000	1.7%	8 000	0.9%	28 000	3.0%	10 000	1.0%
Total Revenue (excluding capital transfers and contributions)	**847 377**	**100.2%**	**882 392**	**100.0%**	**930 600**	**100.0%**	**963 740**	**100.0%**
Total Revenue from Rates & Service Charges	**534 793**	**63.1%**	**568 117**	**64.4%**	**607 050**	**65.2%**	**648 869**	**67.3%**

Electricity remains Council's main revenue source, and this will have to be protected.

Hessequa Municipality has undertaken a detailed assessment of its long-term electricity supply sustainability, driven by rapidly rising bulk supply costs, increasing load volatility, and the financial risks associated with sole reliance on Eskom. To address these challenges, the Municipality commissioned a large-scale solar PV and battery storage assessment from Herholdts Group.

The simulation results show that the municipality currently consumes approximately 82,682 kWh per day, while the proposed system will produce an estimated 53,619 kWh per day, supporting substantial grid-independent supply.

Financial modelling demonstrates a projected 14% reduction in year 1 annual electricity expenditure. These outcomes confirm that the renewable energy investment is financially justified and is a necessary intervention to secure long-term municipal energy stability.

The Municipality seeks approval from NERSA for a tariff increase that will support the implementation of its renewable energy programme and ensure long-term electricity supply sustainability.

The Cost of Supply study was based on a 8,76% bulk purchase increase from ESKOM and required a tariff increase of 8,95% to cover all the planned expenditure in the Electricity trading service. NERSA communicated on 10 March 2026 that the actual ESKOM increase applicable to Municipalities is 9,01% effective 01 July 2026 which would translate to a higher increase to consumers at approximately 9,20%

The Budget Steering Committee considered the potential savings from the Riversdale Solar Plant to be commissioned at an estimated date of October 2026 and decided to pass the initial saving to the consumer instead of repaying the Capital outlay made by the municipality and Western Cape Government for the construction of the plant.

The Budget Steering Committee then recommended on 26 February 2026, to Council, that the electricity tariff increase passed on to customers should be 2% less than what ESKOM would charge the municipality and this therefore translates to a 7,01% tariff increase as contained in the draft electricity tariff application to NERSA.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) in December 2019 and since 2019, has encouraged municipalities to utilise the tool. An updated Tool has been made available with the release of Mscoa Budget Circular 132 in December 2025. The Tool is submitted as an annexure to this budget document.

EXPENDITURE BUDGET

- **Employee Related Cost increase by 8,16%**

  The following positions are included in the MTREF budget for 2026/27.

POST DESIGNATION	DEPARTMENT	DIRECTORATE	T-GRADING	COST TO COMPANY
LAW ENFORCEMENT OFFICER	LAW ENFORCEMENT	COMMUNITY SERVICES	T6	R 308 239
LAW ENFORCEMENT OFFICER	LAW ENFORCEMENT	COMMUNITY SERVICES	T6	R 308 238
ASSISTANT TOWN PLANNER	TOWN PLANNING	DEVELOPMENT PLANNING	T12	R 617 447
MEDIA OFFICER	CORPORATE SERVICES	CORPORATE MANAGEMENT	T6 (Subject to Task evaluation)	R 191 872
				R 1 425 796

Ratio's:

The table below reflects expenditure per classification. Employee related costs represents 32.90% (34.09% including council remuneration) of the total expenditure budget. New posts in future will have to be limited to an absolute minimum. The non-filling of posts will adversely affect service delivery in the medium to long term.

Expenditure by type and as a percentage of the total expenditure budget is reflected in the table below:

CATEGORY OF EXPENDITURE

Expenditure By Type	Adjusted Budget 2025/26	%	Budget 2026/27	%	Budget 2027/28	%	Budget 2027/28	%
Employee related costs	269 389	32.10%	290 063	32.90%	303 304	33.23%	318 955	33.14%
Remuneration of councillors	10 039	1.20%	10 537	1.19%	10 969	1.20%	11 418	1.19%
Debt impairment	93 814	11.18%	82 667	9.38%	86 358	9.46%	90 216	9.37%
Irrecoverable debts written off	9 918	1.18%	10 473	1.19%	10 944	1.20%	11 436	1.19%
Depreciation & asset impairment	52 188	6.22%	54 556	6.19%	60 965	6.68%	65 676	6.82%
Interest	20 309	2.42%	23 438	2.66%	24 391	2.67%	30 378	3.16%
Bulk purchases	214 192	25.52%	223 018	25.29%	240 257	26.32%	258 829	26.89%
Inventory Consumed	45 274	5.40%	49 636	5.63%	51 434	5.63%	53 105	5.52%
Contracted services	70 372	8.39%	82 577	9.36%	67 266	7.37%	63 199	6.57%
Transfers and grants	2 509	0.30%	2 775	0.31%	2 874	0.31%	2 972	0.31%
Operational costs	51 179	6.10%	52 026	5.90%	54 006	5.92%	56 330	5.85%
Total	**839 183**	100.00%	**881 766**	100.00%	**912 769**	100.00%	**962 514**	100.00%

CAPITAL BUDGET

It is crucial for the municipality to promote growth and to be able to balance its revenue and expenditure. NT has requested municipalities to increase their budget out of own funds for the following reasons:

- To be financially sustainable in future
- To alleviate pressure on tariff increases
- To be less dependent on grants

1. The capital budget for the MTREF period amounts to 488 639 812. The budget is funded as follows:

Capital Financing

	Actual 2024/25	Adj. Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
Own funds	93 729 039	77 208 844	99 570 612	38 333 200	69 789 000
External loans	0	50 000 000	20 000 000	70 000 000	34 600 000
Grants & Subsidies	143 409 880	55 169 275	55 799 150	32 485 250	68 062 600
	237 138 918	**182 378 119**	**175 369 762**	**140 818 450**	**172 451 600**

The budget for 2026/27 from own funds is R119,571 million, which is R 9,571 million more than the updated Long-Term Financial Plan. The approval of excessive capital budgets will lead to serious cash flow problems in future. All capital expenditure, either out of own funds or from grants, has a big impact on the operating budget, and the municipality becomes more expensive year on year.

It is absolutely of the utmost importance that the capital budget mainly be spent on revenue generating assets. Large spending on non-revenue generating assets will result in debtors not being able to pay their accounts. Capital spending must be done in such a way that service delivery can take place in a sustainable manner.

2. Spending per ward, consolidated wards and the whole Hessequa area

The following table shows the capital spending per ward

WARDS	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
Ward 1	12 096 500	2 447 250	8 271 750
Ward 2	44 905 500	17 001 250	1 070 750
Ward 3	16 031 062	3 861 400	15 917 000
Ward 4	9 385 000	8 755 000	2 760 000
Ward 5	2 122 000	7 102 622	2 901 500
Ward 6	2 332 250	5 748 050	4 314 059
Ward 7	17 809 300	21 502 250	41 169 750
Ward 8	302 500	10 664 628	22 662 926
Ward 9	18 794 500	830 000	5 027 500
Wards 7, 8	-	3 136 000	3 278 000
Wards 6,7,8 (13)	26 129 150	7 480 000	19 626 365
Wards 5,9 (11)	10 299 500	17 828 000	9 582 000
Wards 4,5,9 (11)	-	-	-
Wards 1,3 (10)	6 417 000	12 020 000	10 250 000
Wards 6,8	-	-	-
Hessequa (HQ)	8 745 500	22 442 000	25 620 000
TOTAL	**175 369 762**	**140 818 450**	**172 451 600**

3. Spending per Town in the whole Hessequa area

The following table shows the spending per Town.

TOWNS	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
Albertinia	44 905 500	17 001 250	1 064 750
Heidelberg	31 216 000	25 760 622	17 511 000
Witsand	7 625 000	7 350 000	2 335 000
Riversdal	46 573 200	48 530 928	91 051 100
Stilbaai	20 049 500	16 479 250	29 845 750
Jongensfontein	8 661 062	1 131 400	2 257 000
Gouritsmond	5 834 000	718 000	2 342 000
Slangrivier	1 760 000	1 205 000	425 000
Hessequa	8 745 500	22 642 000	25 620 000
TOTAL	**175 369 762**	**140 818 450**	**172 451 600**

Full detail of the capital budget is in the report. The procurement plan for the capital budget is attached per Annexure D.

COMMENTS: DIRECTOR DEVELOPMENT PLANNING / KOMMENTAAR: DIREKTEUR ONTWIKKELINGSBEPLANNING

The recommendations are supported.

COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE

The content of the report is noted and the recommendations supported.

COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR GEMEENSKAPSDIENSTE

The content of the report is noted and the recommendations are supported.

COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE

COMMENTS: MANAGER STRATEGIC SERVICES / KOMMENTAAR: BESTUURDER STRATEGIESEDIENSTE

COMMENTS: OTHER / KOMMENTAAR: ANDER

RECOMMENDATION / AANBEVELING

1. That Council approve the 2026/27 Draft MTREF operating budget as follows:

Description	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
Total Revenue	882 391 564	930 599 843	963 740 175
Total Expenditure	881 766 438	912 769 327	962 514 383
Surplus/(Deficit)	625 126	17 830 516	1 225 792
Capital Transfers & Subsidies	55 799 150	32 485 250	68 062 600
Surplus/(Deficit) after capital transfers	56 424 276	50 315 766	69 288 392

2. That the following draft tariff increases for 2026/27 be approved:

PROPERTY RATES: 4.5%

WATER: 4.5%

SOLID WASTE: 4.5%

SEWERAGE: 4.5%

ELECTRICITY

All customers except indigent customers		Average 7.01%
Basic fees		7.01%
Indigent 0 – 50kwh	Tariffs Annexure A	Free
51 – 350kwh	Tariffs Annexure A	7.01%

SUNDRY TARIFFS: 0 – 5.6%

RENTALS: Per Contracts

DEVELOPMENT CHARGES

1. Approval in terms of Hessequa Municipal Planning Bylaw of 2015 before 1 July 2023 – **unchanged from 2025/2026**
2. Approval in terms of Hessequa Municipal Planning Bylaw of 2015 after 1 July 2023 – as per table below (unchanged from 2025/2026):

		VAT excluded Rand	VAT included Rand
Water	Kiloliter per day	31 726.00	36 484.90
Sewerage	Kiloliter per day	32 564.00	37 448.60
Stormwater	Run-off Coeficient per hectare	281 250.00	323 437.50
Solid Waste	Removals per week	12 800.00	14 720.00
Roads	Vehicle trip generation per day	3 267.00	3 757.05

3. That the draft tariffs as set out in Annexure A be approved with effect from 1 July 2026.

4. That the draft electricity tariffs be approved, **subject to NERSA's approval**.
5. That the following positions are included in the draft MTREF budget for 2026/27.

POST DESIGNATION	DEPARTMENT	DIRECTORATE	T-GRADING	COST TO COMPANY
GOVERNANCE AND SECURITY OFFICER	INFORMATION AND COMMUNICATION TECHNOLOGY	CORPORATE MANAGEMENT	T12	R 571 461
				R 571 461

6. That the 2026/27 draft MTREF capital budget be approved and financed as follows:

	Budget 2026/27	Budget 2027/28	Budget 2028/29
Capital Expenditure	**175 369 762**	**140 818 450**	**172 451 600**
Finance Source			
Internally Generated funds	99 570 612	38 333 200	69 789 000
Borrowing	20 000 000	70 000 000	34 600 000
Grants & Subsidies	55 799 150	32 485 250	68 062 600

7. That the budget related policies and By-Laws as set out in Annexure B be approved.
    - Draft Property Rates Policy & By-Law (B1)
    - Draft Indigent Policy (B2)
    - Draft Credit Control and Debt Collection Policy & By-Law (B3)
    - Draft Principles and Policy on Tariffs and Free Basic Services & By-Law (B4)
    - Draft Write-off Policy (B5)
    - Draft Cash Management and Investment Policy (B6)
    - Draft Asset Management Policy (B7)
    - Draft SCM Policy (B8)
    - Draft Virement Policy (B9)
    - Draft Liquidity Policy (B10)
    - Draft Borrowing Funds and Reserve Policy (B11)
    - Draft Cost Containment Policy (B12)
    - Draft Development Charges Policy (B13)
    - Draft Budget Policy (B14)
    - Draft Long- Term Financial Policy (B15)
    - Draft UIFW Reduction Strategy Policy and Procedures (B16)
    - Prioritisation Progress Capital Expenditure Framework (B17)
8. That National Treasury's Circular no. 132 as per annexure C, be noted.
9. That the draft capital procurement plan as per Annexure D, be approved.
10. That the draft Property Rates Reconciliation as per Annexure E, be approved.
11. That the Draft MTREF and National Treasury budget schedules attached as Annexure F, be approved.

12. That National Treasuries tariff tool as per Annexure G, be approved.
13. That the Provincial Government SIME report/ presentation and Councils response as per Annexure H, be noted.
14. That the draft mScoa Roadmap as per Annexure I, be approved.
15. That the draft Long Term Financial Plan as per Annexure J, be approved.

AGENDA ITEM APPROVED BY / AGENDA ITEM GOEDGEKEUR DEUR:

Director Financial Services – G Goliath

ATTACHMENTS / STAWENDE DOKUMENTE

Please refer to agendas 2 & 3 for the following attachments:

- Draft Budget Report- Will be distributed via email
- Annexure A (Draft Tariffs)
- Annexure B (Budget related Policies & By-Laws)
- Annexure C (National Treasury - Circular no. 132)
- Annexure D (Procurement Plan)
- Annexure E (Property Rates Reconciliation)
- Annexure F (MTREF & National Treasury formats) Will be distributed via email
- Annexure G (National Treasury Tariff Tool) Will be distributed via email
- Annexure H (SIME Assessment and Municipality's response)
- Annexure I (Draft Mscoa Roadmap) Will be distributed via email
- Annexure J (Draft LTFP)