



DRAKENSTEIN

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

Paarl | Wellington | Gouda | Saron | Simondium

Annual Report

2024/25

This Annual Report is compiled in terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

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A city of excellence

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GLOSSARY

Definitions	
Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give <i>“full and regular”</i> reports on the matters under their control to parliament and provincial legislatures as prescribed by the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). This includes plans, budgets, in-year and annual reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>“what we do”</i> .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). Such a report must include the annual financial statements as submitted to the Auditor-General.
Approved Budget	The annual budget for a year, as approved by Council.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided, it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.

Definitions	
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are " <i>what we use to do the work</i> ". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans.
National Key Performance Areas	Five national key performance areas are: • Service delivery and infrastructure; • Economic development; • Municipal transformation and institutional development; • Financial viability and management; and • Good governance and community participation.
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are " <i>what we wish to achieve</i> ".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as " <i>what we produce or deliver</i> ". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a key result area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the

Definitions	
	outputs and related activities of a job by describing what the required result should be. In this employee performance management and development system (EPMDS), performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery and Budget Implementation Plan	Detailed plan annually approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
VARs	The monthly Municipal Newsletter to the general public.
Vote	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>"(a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>(b) Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned."</i>

ACRONYMS

Acronyms	
AAPAM	Association of African Public Administration and Management
AC	Audit Committee
ACDP	African Christian Democratic Party
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
APC	Appeal Committee
APR	Annual Performance Report
AQMP	Air Quality Management Plan
ASB	Accounting Standards Board
ASNAPP	Agribusiness in Sustainable Natural African Plant Products
CAE	Chief Audit Executive
CBD	Central Business District
CCAP	Climate Change Adaption Plan
CFO	Chief Financial Officer
CIGFARO	Chartered Institute of Government Finance Audit and Risk Officers
CLLR	Councillor
CM	City Manager
CPIP	Capital Projects Implementation Plan
CRO	Chief Risk Officer
CSIR	Council for Scientific and Industrial Research
DA	Democratic Alliance
DCAS	Department of Cultural Affairs and Sport
DEA	Department of Environmental Affairs
DEA & DP	Department of Environmental Affairs and Development Planning
DLTA	Drakenstein Local Tourism Association
DM	Drakenstein Municipality
DoA	Department of Agriculture
DoRA	Division of Revenue Act
DRDLR	Department of Rural Development and Land Reform
ECD	Early Childhood Development
EEA	Employment Equity Act
EFF	Economic Freedom Fighters
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Programme
FARMCO	Fraud-and-Risk Management Committee
FD	Federation of Democrats
FEIR	Final Environment Impact Report

Acronyms	
FRM	Fraud Risk Management
GIS	Geographic Information System
GRAP	Generally Recognised Accounting Practice
GV	General Valuation
GVA	Gross Value Added
HIV	Human Immunodeficiency Virus
HR	Human Resources
IAS	Invasive Alien Species
ICOSA	Independent Civic Organisation of South Africa
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IEM	Integrated Environmental Management
IERM	Institute of Environment and Recreation Management
IGR	Inter-Governmental Relations
ILASA	Institute for Landscape Architecture in South Africa
INEP	Integrated National Electrification Funding
IOD	Injury on Duty
IRDP	Integrated Residential Development Program
IRM	Integrated Risk Management
ISAMAO	Institute of South African Municipal Accounting Officers
ISSP	Informal Settlements Support Programme
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
JSE	Johannesburg Stock Exchange
KFA	Key Focus Area
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LLF	Local Labour Forum
LSDF	Local Spatial Development Framework
MFMA	Municipal Finance Management Act
MGRO	Municipal Governance Review and Outlook
MICE	Meetings, Incentives, Conferences and Exhibitions
MIG	Municipal Infrastructure Grant
MMCs	Members of the Mayoral Committee
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
mSCOA	Municipal Standard Chart of Accounts

Acronyms	
NBR	National Building Regulations
NEMAQA	National Environmental Management Air Quality Act
NEMBA	National Environmental Management: Biodiversity Act
NERSA	National Energy Regulator of South Africa
NGO	Non-Governmental Organisation
NPC	Non-Profit Company
NPO	Non-Profit Organisation
NQF	National Qualification Framework
PDM	Peoples Democratic Movement
PMS	Performance Management System
PMS	Pavement Management System
PPP	Public Private Partnership
RBIG	Regional Bulk Services Infrastructure Grant
RLEDF	Regional Local Economic Development Forum
SAHRA	South African Heritage Resources Agency
SALGA	South African Local Government Association
SAPS	South African Police Service
SATSA	South African Tourism Services Association
SCADA	Supervisory Control and Data Acquisition
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SDLC	Systems Development Life-Cycle
SEAR	Sustainable Ecological and Agricultural Resource
SEDA	Small Enterprise Development Agency
SEM	Staff Employee Monitoring
SMMEs	Small Medium and Micro Enterprises
SMT	Strategic Management Team
SO	Strategic Objective
SOER	State of Environment Report
SOP	Standard Operating Procedure
SPCA	Society for the Prevention of Cruelty to Animals
STATSSA	Statistics South Africa
SV	Supplementary Valuation
TASK	Tuned Assessment of Skills and Knowledge
TMP	Transportation Master Plan
TRANCRAA	Transformation of Certain Rural Areas Act, Act 94 of 1998
UIF	Unemployment Insurance Fund
UISSP	Upgrade of Informal Settlements Support Programme

Acronyms	
VF PLUS	Vryheidsfront Plus
VPUU	Violence Prevention through Urban Upgrading Programme
WTE	Waste-to-Energy
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works

1. EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD

1.1 EXECUTIVE MAYOR'S FOREWORD

In 2017, Council adopted its Vision 2032 strategy in recognition of Drakenstein Municipality's secondary city status and the need to meet the requirements of our rapidly changing and growing city. The Vision, which encapsulates our drive for excellence, is aligned to the Western Cape Growth and Development Strategy and the National Development Plan. It seeks to create an enabling environment for growth; development; employment and job creation; enhancing the quality of life of our residents; maintaining good corporate governance; and sound financial management.

Good governance entails addressing the needs of the public through consultation and communication; and being accountable to the citizens of Drakenstein as required by the Municipal Systems Act, 2000 (Act 32 of 2000). Council undertook a number of processes to achieve this goal, including establishing ward committees; issuing a monthly e-newsletter called *Vars* as well as press releases; communicating via social media and online platforms such as the municipal website; and holding consultative meetings with a wide range of stakeholders. Accountability is enforced through performance contracts signed by the Members of the Mayoral Committee (MMCs) and Senior Management and is monitored by the Executive Mayor and Council on a monthly basis.

Drakenstein's population has grown to an estimated 311,742 according to Quantec Research. The 2024 midyear population estimates recorded the number of households in Drakenstein to be 72,855. Drakenstein's unemployment rate for 2025 is 17.4% of the economically active population, which is much lower than both the provincial and national unemployment figures. The growth in population goes hand in hand with various challenges, in particular the ongoing demand for state-provided accommodation. The Municipality has a verified demand waiting list of 21,605 persons. The Municipality has responded by planning and rolling out a number of projects, including the Vlakkeland housing project (some 2,556 mixed typology and affordability opportunities) and the Erf 16161 Development (1,978 GAP and social rental opportunities).

To develop a vibrant and resilient economy, several projects have been launched to promote the industrial, financial and commercial sectors of Drakenstein. Given the need to focus and maximise our resources, five catalytic zones were identified throughout Drakenstein, namely: the N1 Corridor; South City Corridor; Paarl East/West Integration Corridor; North City Corridor;

and the Hinterland catalytic zones. Development and resources will be concentrated in these zones over the next 15 years.

The Annual Report for 2024/25 provides detail on various infrastructure projects being undertaken to facilitate the envisioned accelerated growth. These projects are only possible through strategic partnerships with other spheres of government, the private sector and the community of Drakenstein, without whom we cannot meet the challenges that we face.

I remain grateful to Council, the Deputy Executive Mayor, the Mayoral Committee and the City Manager, all of whom continue to guide our staff, resources and operations to make Drakenstein Municipality a city of excellence.

CLLR STEPHEN KORABIE
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.2 CITY MANAGER'S OVERVIEW

Drakenstein Municipality, the largest secondary city in the Western Cape is a Category B municipality with powers and functions assigned in terms of Sections 155 and 156 of the Constitution of the Republic of South Africa, 1996 (local government matters referred to in Schedules 4 and 5). These powers and functions are exercised subject to Chapter 5 of the Municipal Structures Act, 117 of 1998 and Chapter 3 of the Local Government Municipal Systems Act, 32 of 2000. The Municipality covers an area of 1,538 km² and consists of 33 wards. It comprises five towns of which Paarl and Wellington are the primary urban nodes.

In presenting the 2024/25 Annual Report we affirm that Drakenstein Municipality has made tremendous strides in achieving its vision of a city of excellence, guided by the values of transparency, excellence, responsiveness, accountability, accessibility and integrity. These are supported by the following strategic objectives:

- To ensure good governance and compliance;
- To ensure financial sustainability to meet the statutory requirements;
- To ensure an efficient and effective organisation supported by a competent and skilled workforce;
- To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services;
- To plan, promote investment, and facilitate economic growth; and
- To facilitate, support and promote social and community development.

Drakenstein Municipality received an unqualified audit opinion from the Auditor-General of South Africa for the 2024/25 financial year. This is our 18th consecutive unqualified audit opinion and seventh consecutive clean audit. This bears testament to good governance and excellent financial management.

The overall financial performance of the Municipality in 2024/25 is the result of sound financial management and fiscal discipline. In previous financial years, increased capital infrastructure investment funded through borrowing was necessary to unlock economic growth and cater for future demand. Today, this stands us in good stead.

The 2024/25 financial year realised an operating surplus of R721.5 million compared with budgeted operating surplus of R484.4 million for the year under review. The Municipality's current assets exceeded current liabilities in the year under review with a ratio of 2.32:1, which is a further improvement from the 2023/24 financial year.

The cash and cash equivalents and investment balances increased from R697.5 million to R1.029 billion and the gearing ratio decreased from 47.3% to 39.6% on 30 June 2025. Employee-related costs stood at 26.7% of the total expenditure; debtor collection days (after provision for doubtful debt) decreased from 42.1 days to 34.5 days at 30 June 2025; and the debt collection ratio increased from 95.8% to 98.2% for the year under review.

Incidents of irregular and fruitless and wasteful expenditure were reported. The cases of fruitless and wasteful expenditure are currently under investigation, while those related to irregular expenditure have been investigated, reported to Council, and subsequently written off. The fruitless and wasteful expenditure arose mainly from unauthorised travel arrangements and interest charged on overdue accounts, whereas the irregular expenditure resulted from strip-and-quote procurement transactions and the premature payment of a contractor.

Drakenstein has become an investment destination of choice for both international and local investors. Promoting economic development, the Municipality's strong governance ethos provides a soft landing for any investor who is looking for a red-carpet investment experience. Our Development and Investment Desk ensures that municipal processes are streamlined and at the core of our investment drive is delivering speedy, simplified and sterling service to potential investors and developers.

To address unemployment and poverty in Drakenstein, it is vital that we grow the economy and create much needed job opportunities.

Despite various challenges, the Municipality continued to provide the necessary basic services and ensured that the 43 registered informal settlements in Drakenstein had access to waste removal, sanitation services, and clean drinking water.

Only one of the 12 strategic risks identified are currently above the risk appetite, namely: Increasing Indigents and Unemployment. These 12 strategic risks are all linked to tactical and operational risks and are managed on a tactical as well as operational level.

Throughout the financial year, we maintained a positive payment culture through the effective implementation of credit control. This is evident in the ability of the Municipality to fund its operations and service its debts. We remain steadfast in our commitment to provide affordable and quality services in an efficient and effective manner to all our residents.

At 30 June 2025, the Municipality consisted of: The Office of the City Manager, the Division: Communication and Marketing; the Division: Risk Management; the Division: Internal Audit; the Department: Corporate and Planning Services; the Department: Financial Services; the

Department: Community Services; the Department: Public Safety; and the Department: Engineering Services.

The position Executive Director: Community Services became vacant on 30 September 2024. The delay and prolonged uncertainty about Senior Management's remuneration hampers the filling of senior positions.

Drakenstein Municipality looks forward to a year in which we will continue to promote investment and development to stimulate economic growth and job creation – all while retaining our area's natural splendour and country charm.

Our core business remains delivering excellent, reliable basic services to our community, and we will keep on building and maintaining key infrastructure to do just that. We will also continue to keep our community informed and engaged through effective communication and public participation.

DR JOHAN LEIBBRANDT
CITY MANAGER

1.3 DRAKENSTEIN IN A NUTSHELL



1.4 MUNICIPAL OVERVIEW

Drakenstein Municipality is the second largest municipality in the Western Cape, 18th top municipality in South Africa and 10th Secondary City in terms of the budget size. The Municipality is characterised by scenic landscape, precious natural and cultural heritage, quality educational institutions and sporting facilities, thriving agricultural economy and unrivalled access to the regional and logistics networks.

1.4.1 Vision 2032

In broad terms the vision statement expresses the type of city we envisage for the future: ***“A city of excellence.”***

1.4.2 Values

The Long-term Strategic Plan (Vision 2032) is grounded in the following values which define the character of Drakenstein Municipality and can be observed in the conduct of the leadership and employees as they perform the mandate and responsibilities bestowed upon them:

- Transparency;
- Excellence;
- Responsiveness;
- Accountability;
- Accessibility; and
- Integrity.

1.4.3 Demographics and socio-economic information

This section provides a succinct overview of the socio-economic status of Drakenstein Municipality. This profiling is important to assist the Municipality when determining the optimal allocation of resources between the municipal wards and across the population in a manner that provides and assures sustainable growth and equity.

Most importantly, the socio-economic information below compliments and informs the Integrated Development Plan (IDP) to ensure effective use of resources, improved service delivery, attract additional funding and strengthen democratic values.

1.4.3.1 Socio-Economic Status information

According to Quantec Research, the narrow unemployment rate in Drakenstein was estimated to be 19.9% in 2022. In 2023 it dropped to 17.1% before increasing slightly to 17.4% in 2024. Youth unemployment also decreased from 28.3% in 2022 to 24.8% in 2023 and increased slightly to 25.1% in 2024. Actual unemployment figures within the municipal area are likely to be much higher than the estimates provided by Quantec Research. A high unemployment rate is often associated with a lack of skills due to a high number of illiterate people.

The Gini coefficient is a statistical measure of income or wealth distribution within a geographic boundary. The coefficient ranges from 0, perfect equality, to 1, total inequality. A higher coefficient means greater inequality. Drakenstein's Gini coefficient is considerably high, recorded at 0.638 over the past three years.

Table 1: Socio-Economic Status

Socio-Economic Status						
Serial No.	Year	Unemployment rate	Youth unemployment	Percentage of working age population in low skilled employment	Gini coefficient	Illiterate people older than 20 years
Column Ref.	A	B	C	D	E	F
1	2022/23	19.9%	28.3%	15.6%	0.638	11.8%
2	2023/24	17.1%	24.8%	15.7%	0.638	12.0%
3	2024/25	17.4%	25.1%	15.5%	0.638	11.9%

Source: Quantec Research 2025.

Quantec data is regularly updated and figures may be different from those previously reported.

**With the seasonality of many jobs available in Drakenstein, the unemployment rate should not only be based on persons who are actively seeking work as per the official definition of unemployment. Based upon the extended definition of unemployment and research undertaken by the Economic Development section, it is estimated that the unemployment rate for the municipal area is around 30%. Youth unemployment is estimated to be in the range of 35-40%.*

1.4.3.2 Demographic Profile

Quantec Research estimates Drakenstein's population in 2024 to be 311,742, up from 305,821 in 2023, and 298,818 in 2022. A report by the Western Cape Government in 2024 estimated the population for the municipal area to be 311,600 while the Department of Social Development estimated a population of 304,590 for 2023. It is believed that an increasing number of people have migrated into the municipal area as the City experiences growth. An increase in the population creates many opportunities for growth and development. Channelled properly, it may be a source of labour for different economic sectors and also provide a market for produced goods.

The table below provides a snapshot of Drakenstein’s estimated population by gender and age distribution based on Quantec Research data.

Table 2: Population by gender and age group

Population by gender and age group										
Serial No.	Age	2022/23			2023/24			2024/25		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Column Ref.	A	B	C	D	E	F	G	H	I	J
1	0-4	13,023	12,619	25,642	13,047	12,647	25,694	13,064	12,666	25,730
2	5-9	11,771	11,745	23,516	11,842	11,820	23,662	11,885	11,864	23,749
3	10-14	12,160	12,066	24,226	12,156	12,069	24,225	12,124	12,041	24,165
4	15-19	11,875	11,962	23,837	12,486	12,607	25,093	13,013	13,154	26,167
5	20-29	25,399	24,382	49,781	25,502	24,397	49,899	25,523	24,375	49,898
6	30-39	27,140	25,694	52,834	27,554	26,030	53,584	27,741	26,180	53,921
7	40-49	19,055	19,644	38,699	20,316	20,621	40,937	21,473	21,618	43,091
8	50-59	14,249	15,870	30,119	14,817	16,362	31,179	15,271	16,796	32,067
9	60-69	7,532	10,383	17,915	7,885	10,832	18,717	8,239	11,300	19,539
10	70+	4,081	8,168	12,249	4,220	8,611	12,831	4,387	9,028	13,415
11	Total	146,285	152,533	298,818	149,825	155,996	305,821	152,720	159,022	311,742

Source: Quantec, 2025

1.4.3.3 Household Profile

Table 3 shows the number of households by different ethnic groups as estimated by Quantec in 2025. Coloured households represented 54.83% of the total number of households in Drakenstein in 2024/25, followed by Black Africans at 29.40% and Whites at 15.37%. Indian/Asian households represent the smallest portion of households at 0.34%.

Table 3: Household Composition by Ethnic Group

Household breakdown by ethnic group						
Serial No.	Ethnic Group	2022/23	2023/24	% share 2023/24	2024/25	% share 2024/25
Column Ref.	A	B	C	D	E	F
1	Black African	20,405	21,051	29.40%	21,538	29.56%
2	Coloured	38,284	39,189	54.83%	39,938	54.82%
3	Indian or Asian	240	244	0.34%	248	0.34%
4	White	10,956	10,988	15.37%	11,131	15.27%
5	Total	69,885	71,472	99.94%	72,855	99.99%

Source: Quantec Research, 2025

StatsSA census 2022 data reported the number of households in Drakenstein as 76,776 and a 2024 report by the Western Cape Government determined it to be 77,999.

1.4.3.4 Labour Profile

The Drakenstein municipal area experienced slight decreases in employment across all sectors of the economy except general government which added about 55 new jobs in 2024. The total number of people employed in Drakenstein was recorded to be 111,966, which is a drop of 975 jobs from 112,940 reported previously. The decrease in jobs does not augur well for the municipality as it means more people may become indigent and dependant on the municipality for free basic services. Job decreases were recorded in most sectors of the economy, with the most jobs lost by the community and personal services (334 jobs), followed by agriculture (222 jobs), manufacturing (212 jobs), and finance, insurance, real estate and business services (153 jobs). A lower number of jobs were shed by the transport, storage and communication, and the wholesale, retail trade, catering and accommodation (1,240 jobs).

Table 4: Employment by Sector

Employment by Sector				
Serial No.	Sector	Number of jobs		
		2022/23	2023/24	2024/25
Column No.	A	B	C	D
1	Agriculture, forestry and fishing	17,396	18,859	18,637
2	Mining and quarrying	70	73	70
3	Manufacturing	9,299	9,609	9,397
4	Electricity, gas and water	356	366	378
5	Construction	6,990	7,105	7,037
6	Wholesale, retail trade, catering and accommodation	23,224	24,644	24,603
7	Transport, storage and communication	3,452	3,767	3,759
8	Finance, insurance, real estate and business services	18,442	19,088	18,935
9	General government	6,616	6,547	6,602
10	Community, social and personal services	21,478	22,882	22,548
11	Total	107,323	112,940	111,966

Source: Quantec, 2025

There are a number of temporary and casual jobs that were also created due to major road upgrades, new retail outlets and new residential estates within the municipal area in 2024/25.

1.4.3.5 Economic Profile

The Drakenstein economy was valued at R33.6 billion in 2024/25, an increase from R32.5 billion recorded in 2023 and R30.4 billion in 2022 according to Quantec Easydata as economic activity continues to pick up pace after the devastating effects of the COVID-19 pandemic. Table 5 indicates the municipal Gross Value Added (GVA) at basic prices. The

economic sectors that are contributing the most to the Drakenstein economy are finance, insurance, real estate and business services (R9.17 billion or 27.3%); wholesale, retail trade, catering and accommodation (R5.355 billion or 15.9%); manufacturing (R5.340 billion or 15.8%), community, social and personal services (R3.9 billion or 11.6%), transport, storage and communication (R2.5 billion or 7.6%), agriculture (R2.5 billion or 7.0%), general government (R1.9 billion or 5.7%), and construction (R1.6 billion or 5%). Economic activity per sector in Drakenstein is listed in Table 5 below.

Table 5: Employment Activity by Sector

Employment Activity by Sector				
Serial No.	Sector	R'000 000		
		2022/23	2023/24	2024/25
Column No.	A	B	C	D
1	Agriculture, forestry and fishing	2,499	2,554	2,542
2	Mining and quarrying	70	63	68
3	Manufacturing	4,992	5,289	5,340
4	Electricity, gas and water	805	920	1,066
5	Construction	1,561	1,645	1,667
6	Wholesale, retail trade, catering and accommodation	4,754	5,290	5,355
7	Transport, storage and communication	2,211	2,453	2,553
8	Finance, insurance, real estate and business services	7,964	8,454	9,178
9	General government	1,798	1,894	1,958
10	Community, social and personal services	3,975	3,971	3,931
11	Total	30,629	32,533	33,658

Source: Quantec Easydata, 2025

Economic sectors that recorded increases in gross value added include finance, insurance, real estate and business services; manufacturing; wholesale, retail trade, catering and accommodation sector and transport, storage and communication.

1.4.3.6 Safety and Security Profile

The Drakenstein Smart Safety Network (DSSN) collaborates with the South African Police Services (SAPS), provincial government, various Farm Watches and Neighbourhood Watches, Municipal Law Enforcement and Traffic Services to ensure the safety of all Drakenstein Municipality residents.

The table below summarises the safety-related statistics in the municipal area:

Table 6: Safety and Security Statistics

Safety and Security Statistics				
Serial No.	Crime	Year		
		2022/23	2023/24	2024/25
Column No.	A	B	C	D
1	Murder	117	24	17
2	Sexual offences	294	68	81
3	Drug-related crime	2,088	635	861
4	Burglary residential premises	1,085	203	222
5	Driving under the influence of alcohol or drugs	56	19	29

Source: SAPS Crime Statistics 2024/25

1.4.3.7 Environment

Drakenstein Municipality is situated within the unique natural environment of the Cape Floristic Region, a biodiversity hotspot and one of only six floral kingdoms. The natural environment forms the basis on which economic and social systems depend. If Drakenstein Municipality is to continue to provide a stimulating environment for residents that promotes health and well-being and a flourishing economic base, it is imperative that natural resources and ecosystems are utilised in a sustainable manner. While the natural environment of Drakenstein is still in a relatively good state, some indicators are showing that the current state of the environment requires intervention to ensure that resources are protected or utilised sustainably. Potential environmental threats are caused by habitat destruction, alien invasive species, pollution and climate change, which all require measures to mitigate their associated impacts. Drakenstein Municipality will continue to monitor the state of the environment and develop new responses to counter potential threats to ensure that the unique character of the local environment is preserved.

1.5 SERVICE DELIVERY OVERVIEW

One of the objectives of local government is to ensure the provision of services to communities in a sustainable manner. Basic services rendered to the community of Drakenstein Municipality is water, waste water, electricity, waste management and roads and stormwater. Other services are planning and economic development, environmental, housing, library, cemeteries, community, sport and recreation, traffic as well as fire and disaster services. These services are discussed in detail in Chapter 3 of the Annual Report.

1.5.1 Basic service delivery performance highlights

Water and Wastewater Services invested R352.6 million in water and wastewater infrastructure for the year under review. These investments were for the replacement of water and wastewater reticulation systems, associated system upgrades and equipment and the two projects under the BFI Grant. A total of 4.km of water reticulation and a total of 1 158 water meters were either replaced or repaired. The National Treasury BFI Grant to a total of R1.4 billion over the next 3 years, commenced in September 2023 for the upgrade of the bulk sewer to Southern Paarl and upgrade of the Wastewater Treatment Works in Paarl.

A total of R68.1 million was spent on various electrical infrastructure upgrade projects to ensure reliable service delivery. The largest project, amounting to R8.04 million, focused on upgrading the Dalweiding 66/11kV substation, which remains a priority to create additional capacity for residential and commercial development.

Solid Waste Management Division completed the construction and upgrade of the Material Recovery Facility (MRF) to a total value of R5.3 million allocated in 2024/25. Wheelie bins to the value of R2.4 million were acquired to ensure that basic service delivery standards are complied with. Waste skips to the value of R564 thousand were purchased. These skips are placed at businesses, factories and farms and illegal dumping hotspot areas to dispose of bulky waste.

1.5.2 Basic service delivery challenges

The biggest challenge for rendering water services is to secure water during periods of drought. The current funding needs to invest in water infrastructure is R1.77 billion and this will have to be addressed over the next 20 years.

The current funding needs to invest in waste water infrastructure is R1.47 billion and this will have to be addressed over the next five to ten years.

To ensure electricity supply to all Drakenstein future consumers and to accommodate all future developments, substantial investment in electricity infrastructure needs to take place.

Four additional 132/66/11kV substations are required to fulfil the future load demand of developments, as indicated in the special development framework (SDF). The existing 15MVA transformers at Palmiet and Parys 66/11kV substations must also be upgraded to 20MVA, including the secondary 11kV switching stations with their respective feeder and ring feeder cables. The supply from Eskom will have to be extended to conform to the future load demand for upcoming developments.

1.5.3 Proportion of households with access to basic services

The 43 registered informal settlements comprising of 9,047 households and an estimated 16,852 residents do have access to interim water, wastewater and waste management services.

1.6 FINANCIAL HEALTH OVERVIEW

The Municipality is on the path of recovery following the severe droughts experienced in the past few years, the general downturn of the economy, even before the economic effect of the COVID-19 lockdown hit, which necessitated Drakenstein to restructure certain current ten year external loans of the Development Bank of Southern Africa, Standard Bank and Nedbank in December 2019 to be repaid over a period of up to 17.5 years, as well as the devastating effect of the COVID-19 lockdown on the economy.

The current ratio (current assets/current liabilities) of the organisation as at 30 June 2025, was 2.32 as opposed to the ratios of 1.85 (2023/24) 1.72 (2022/23), 1.46 (2021/22), 1.06 (2020/21), for the previous four financial years. The increase in the current ratio is a positive indication of the interventions implemented.

The Municipality has a significant revenue base that continues to grow substantially compared with previous years. The Municipality is still confident that the growth in medium to high income developments are increasing, albeit slower than previously estimated. This is seen in the developments south of Boland Cricket Stadium, Paarl South of the N1 as well as around Wellington. The increase of the Municipality's revenue base will reduce the current gearing ratio from the current 39.6% to an estimated 34.1% in the 2025/26 financial year. The Municipality has not defaulted on payment of its creditors, i.e. Eskom (bulk electricity purchases), SARS (VAT and PAYE), City of Cape Town (bulk water purchases), third party payments (pension and medical aid funds) and any other trade creditors.

1.6.1 Statement of Financial Performance Overview

The actual surplus of R721.5 million for the 2024/25 financial year compared with the final adjustments budget surplus of R484.4 million resulted in a positive variance of R237.2 million.

Table 7: Statement of Financial Performance Overview 2024/25

Statement of Financial Performance Overview 2024/25						
Serial No.	Details	Original budget	Adjustments budget	Actuals	Positive/ (Negative) Variance (Column B & D)	Positive/ (Negative) Variance (Column C & D)
Column Ref.	A	B	C	D	E	F
1	Grants	247,115,347	254,691,650	251,502,850	4,387,503	(3,188,801)
2	Taxes, Levies and Tariffs	2,803,741,962	2,874,073,854	2,939,533,684	135,791,722	65,459,830
3	Other	280,343,492	314,631,746	339,700,300	59,356,808	25,068,554
4	Total Operating Revenue (Capital Grants Excluded)	3,331,200,801	3,443,397,250	3,530,736,834	199,536,033	87,339,584
5	Less: Expenditure	3,328,778,915	3,432,265,248	3,285,100,566	43,678,349	147,164,682
6	Surplus / (Deficit) (Capital Grants Excluded)	2,421,886	11,132,002	245,636,268	243,214,382	234,504,266
7	Plus: Capital Grants	664,439,131	473,229,630	475,899,836	(188,539,295)	2,670,206
8	Surplus / (Deficit)(Capital Grants included)	666,861,017	484,361,632	721,536,103	54,675,086	237,174,471

1.6.2 Financial viability highlights

The Capital Budget spending for the financial year yielded a result of 98.52% when compared with the Final Capital Adjustments Budget for 2024/25. Delays in the spending of housing capital grants was the biggest contributor to the underspending.

1.6.3 Financial viability challenges

Consumer debt remains a challenge and a number of initiatives were implemented. Consumer debt (property rates, service charges, housing and sundry debtors – VAT and year-end accruals excluded) increased from R499.9 million at 30 June 2024 to R515.8 million at 30 June 2025. The relationship between the ever-increasing tariffs and outstanding debtors is an indication that consumers are struggling to meet their obligations in terms of payment for services. The worsening economic climate puts pressure not only on the world economy, but also filters down to households in municipalities globally.

The debtors' payment period for the 2024/25 financial year (before considering the provision for impairment) was 67.8 days, which is below the targeted number of 70 days. This is mainly due to credit control measures that cannot be exercised in Hermon, Saron, and Gouda, as electricity is provided by ESKOM. The number of days for the 2023/24 financial year (before considering the provision for impairment) was 72.3 days, which is above the targeted number of 70 days.

The Municipality's debtors' collection period in days (after impairment) decreased to 34.5 days at 30 June 2025 compared with the to 42.1 days at 30 June 2024. The Municipality's debtors' collection period in days (before impairment) improved by 4.5 days and the Municipality's

debtors' collection period in days (after impairment) improved by 4.6 days during the financial year under review.

The ability of Council to finance the capital programme from internally generated funds remains a big challenge. This challenge has an inverse relationship with the external loan debt of Council, which amounted to 39.6% of total operating revenue (conditional capital and operational grants excluded) at the end of the 2024/25 financial year. Although Council policy has capped the gearing ratio percentage at 50%, urgent upgrades in revenue generating bulk infrastructure to enable increased development and therefore an increased revenue base necessitated that we accelerate our capital programme in prior years. This investment is now starting to bear fruit, as can be seen in the rapid decrease in the gearing ratio in the next five years. It is envisaged that the gearing ratio will decrease to about 34.1% in the 2025/26 financial year (lower than the National Treasury norm of 45%) and to about 21.0% in accordance with the Long Term Financial Plan by the 2029/30 financial year.

1.6.4 Operating ratios

The operating ratios as depicted below compare favourably with the current industry norms. The employee cost (including Councillor Remuneration) of 26.7% of total operating expenditure is at the lower level of the 25% to 40% range regarded as the industry norm (depending on the size and type of municipality), which means that the salary bill of the organisation is well within the required norms. It slightly decreased from 27.6% in 2023/24.

Table 8: Operating Ratios

Operating Ratios				
Serial No.	Details	2022/23	2023/24	2024/25
Column Ref.	A	B	C	D
1	Employee Cost (Incl Councillor Remuneration) as a % of Operating Expenditure	28.2%	27.6%	26.7%
2	Repairs and Maintenance as a % of Operating Expenditure	10.2%	10.5%	10.3%
3	Repairs and Maintenance as a % of Carrying Value of PPE	4.2%	4.5%	4.7%
4	Finance Charges and Depreciation as a % of Operating Expenditure	15.5%	14.1%	12.4%
5	Finance Charges and Redemption as a % of Operating Expenditure	9.4%	8.5%	7.6%

The Municipality's spending on repairs and maintenance to total operating expenditure amounts to 10.3% for the 2024/25 financial year compared with the 10.5% for the 2023/24 financial year. The ratio of repairs and maintenance as a percentage of the carrying value of property, plant and equipment was 4.7% for the 2024/25 financial year and 4.5% for the

2023/24 financial year, which could be viewed as unfavourable if compared with National Treasury's norm of 7% to 8%. The norm is not reasonable, simply because all municipalities' asset registers are not compiled on the same measurement basis. If Drakenstein wants to adhere to this norm, the Municipality will have to increase all current property taxes and service charges (electricity tariffs that is regulated by NERSA excluded) with a further 21.7%, which in the current economic climate is not a economically viable or sustainable. No adverse impact – due to the non-achievement of the norm - on assets are foreseen, as there has been considerable capital expenditure in the past decade on the upgrading and replacement of existing infrastructure. There will also be a significant spending on the waste water networks in the foreseeable future with the R1.4 billion BFI grant that was awarded to the Municipality over the period 2023/24 – 2025/26.

Finance charges and depreciation expenditure represent 12.4% of total operating expenditure for 2024/25 compared with the 14.1% for 2023/24. Finance charges and capital redemption represent 7.6% of total operating expenditure for 2024/25 compared with the 8.5% for 2023/24. This compares unfavourably with National Treasury's norm of 6% to 8%, but it is an improvement if compared to 2023/24.

1.6.5 Capital expenditure

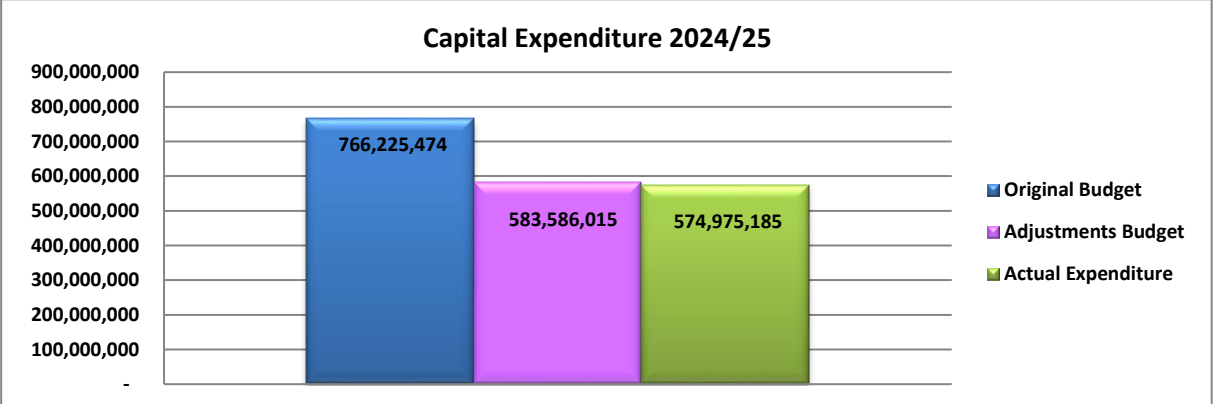
Investment in bulk and other infrastructure increased from R487.7 million in the 2023/24 financial year to R575.0 million in 2024/25. Actual capital expenditure as a percentage of the 2024/25 original budget amounts to 75.0% compared with the 106.6% and 146.2% for the 2023/24 and 2022/23 financial years. Actual expenditure as a percentage of the 2024/25 final adjustments budget amounts to 98.5% compared with the 98.4% and 97.4% for the 2023/24 and 2022/23 financial years.

Table 9: Total Capital Expenditure

Total Capital Expenditure				
Serial No.	Details	2022/23 (R)	2023/24 (R)	2024/25 (R)
Column Ref.	A	B	C	D
1	Original Budget	130,609,152	457,423,210	766,225,474
2	Final Adjustments Budget	196,053,922	495,742,138	583,586,015
3	Actual Expenditure	190,904,487	487,715,852	574,975,185
4	Actual Expenditure as a % of Original Budget	146.2%	106.6%	75.0%
5	Actual Expenditure as a % of Adjustments Budget	97.4%	98.4%	98.5%

The original budget for the 2024/25 financial year amounted to R766.2 million. After roll-over capital projects the final adjustments budget amounted to R583.6 million. Actual expenditure amounted to R575.0 million leading to an under-expenditure of R8.6 million. Delays in the spending of housing capital grants was the biggest contributor to the underspending.

Graph 1: Capital Expenditure 2024/25



1.6.6 Municipal Standard Chart of Accounts (mSCOA)

Drakenstein Municipality had implemented mSCOA as a pilot site on 1 July 2015 on version 5.3 of mSCOA and for the 2024/25 financial year the Municipality was on version 6.8.

1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW

In this financial year, no major changes were made to the organisational structure. The municipality is planning an organisational structure review in the 2025/26 financial year, to ensure that the structure aligns with strategic objectives and service delivery plans.

The municipality appointed a service provider to refresh staff on management and development system, in line with the Municipal Staff Regulations. The municipality has also piloted the roll out of departmental moderation committees. This committee is responsible for moderating performance assessment outcomes for employees (particularly non-senior managers). It ensures fairness, consistency, and standardization in performance ratings across departments. The municipal moderation committee will be functional before the end of the 2025/26 financial year.

All posts that are advertised internally and externally; and the total number of posts filled during the period under review is 205 posts inclusive of seasonal workers and promotions.

1.7.1 Municipal Transformation and Organisational Development Highlights

The main organisational development highlights include:

- Long Service Awards;
- Re-training of online leave administrators for non-computer users;
- Awarding bursaries to internal and external applicants, the Training and Development Section went an extra mile and secured funding for post graduate students/employees. The funding ranges for PhD, Masters and Honours level studies.
- Continuation of the Job Description Review Committee;
- Filling of 205 permanent and seasonal vacancies;
- Submission of the Workplace Skills Plan to the LGSETA;
- Submission of the Employment Equity Report to the Department of Labour;
- Continuous implementation of the new Municipal Staff Regulations such as Performance Management and Development System;
- Sharing best practice in terms of the implementation of Municipal Staff Regulations at SALGA and CoGTA level;
- Review of HR Policies; and
- Further rollout on upgrading the Time and Attendance System.

1.7.2 Municipal Transformation and Organisational Development Challenges

There was a delay in the implementation of the skills audit and analysis process. The municipality received training from the provincial government on the Gap Skills System, but due to a technical failure, it is currently inoperable. As a result, the skills audit is now being conducted manually.

1.7.3 MFMA Minimum Competencies

The Municipal Regulations on Municipal Competency Levels, 2007 aims to ensure that all municipal officials with financial management responsibilities comply with the issued minimum competency levels for their positions. All nineteen (19) prescribed officials are in compliance with the regulations. Over and above the Regulations required target, Drakenstein Municipality has successfully trained a pool of officials through bursary mode and funded MFMP programmes.

Table 10: Financial Competency Development - Progress Report

Financial Competency Development : Progress Report							
Serial No.	Description	B- Total number of officials employed by municipality [Regulation 14(4)(a) and (c)]	C- Total number of officials employed by municipal entities [Regulation 14(4)(a) and (c)]	Consolidated Total of B and C	Consolidated: Competency assessments completed for B and C [Regulation 14(4)(b) and (d)]	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 [Regulation 14(4)(f)]	Consolidated: Total number of officials that meet prescribed competency levels [Regulation 14(4)(e)]
Column No.	A	B	C	D	E	F	G
1	Financial Officials						
2	Accounting Officer	1	0	1	1	1	1
3	Chief Financial Officer	1	0	1	1	1	1
4	Senior Managers	4	0	4	4	4	4
5	Any other Financial Officials	9	0	9	9	9	9
6	Supply Chain Management Officials						
7	Heads of Supply Chain Management Units	1	0	1	1	1	1
8	Supply Chain Management Senior Managers	3	0	3	3	3	3
9	Total	19	0	19	19	19	19

1.8 AUDITOR-GENERAL REPORT

For the eighteenth (18th) consecutive year, Drakenstein Municipality received an unqualified audit opinion for the 2024/25 financial year. This is also the seventh (7th) consecutive “clean” audit opinion. All these unqualified audits were achieved with in-house capacity and without the appointment of any consultants. The audit opinions received for the last eighteen (18) financial years clearly indicate an improvement in leadership and control on the matters that the Auditor-General focuses on during its audits:

1.8.1 Audited outcomes

- 2024/25: Unqualified audit opinion with no other matters (clean audit opinion);
- 2023/24: Unqualified audit opinion with no other matters (clean audit opinion);
- 2022/23: Unqualified audit opinion with no other matters (clean audit opinion);
- 2021/22: Unqualified audit opinion with no other matters (clean audit opinion);
- 2020/21: Unqualified audit opinion with no other matters (clean audit opinion);
- 2019/20: Unqualified audit opinion with no other matters (clean audit opinion);
- 2018/19: Unqualified audit opinion with no other matters (clean audit opinion);
- 2017/18: Unqualified audit opinion with other matters;
- 2016/17: Unqualified audit opinion with no other matters (clean audit opinion);
- 2015/16: Unqualified audit opinion with no other matters (clean audit opinion);
- 2014/15: Unqualified audit opinion with no other matters (clean audit opinion);
- 2013/14: Unqualified audit opinion with no other matters (clean audit opinion);
- 2012/13: Unqualified audit opinion with other matters;

- 2011/12: Unqualified audit opinion with other matters;
- 2010/11: Unqualified audit opinion with other matters;
- 2009/10: Unqualified audit opinion with other matters;
- 2008/09: Unqualified audit opinion with other matters;
- 2007/08: Unqualified audit opinion with other matters;
- 2006/07: Qualified audit opinion with other matters;
- 2005/06: Qualified audit opinion with other matters; and
- 2004/05: Qualified audit opinion with other matters.

The unqualified and qualified audit opinions are on the Annual Financial Statements. The other matters deal with predetermined objectives and legislative compliance issues.

Further details can be found in the Audit Outcome Improvement Plan attached as Volume III to the Annual Report 2024/25.

1.9 STATUTORY ANNUAL REPORT PROCESS

The statutory processes to follow to compile an Annual Report are depicted in the table below. The process starts in July each year with the compilation of the Annual Report and continues until the end of March the following year when Council accepts the Annual Report and the Oversight Report on the Annual Report.

Table 11: Statutory Annual Report Process

Statutory Annual Report Process		
Serial No.	Activity	Timeframe
Column Ref.	A	B
1	Consideration of next financial year's budget and IDP Process Plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feed seamlessly into the Annual Report Process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commence. (In-year financial reporting.)	
3	Finalise 4th Quarter Performance Report for previous financial year.	
4	Submit Draft Annual Performance Report to Internal Audit and Audit Committee.	
5	Audit/Performance Committee considers Draft Annual Performance Report of municipality.	August
6	Municipality submits Annual Financial Statements and Annual Performance Report including Draft Annual Report to Auditor-General.	
7	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP analysis phase.	
8	Auditor-General assesses Annual Financial Statements and Annual Performance Report data, including Draft Annual Report.	September - November
9	Municipality receives and addresses the Auditor-General's Request for Information and Communication of Findings.	
10	Executive Mayor tables Draft Annual Report and Audited Annual Financial Statements and Annual Performance Report to Council complete with the Auditor-General's Report.	January
11	Draft Annual Report is made public and representation is invited.	February - March
12	Oversight Committee (MPAC) assess Draft Annual Report and issues and Oversight Report.	
13	Council considers Oversight Report.	
14	Oversight Report is made public.	
15	Oversight Report is submitted to relevant provincial departments.	
16	Commencement of Draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Report to be used as input.	

2. GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 INTRODUCTION

In the quest to realise Drakenstein Municipality's vision of *"A city of excellence"*, it is imperative that the Municipality is governed in a way that promotes good governance. The Municipality strives to achieve excellence by balancing the needs of all residents and the constitutional and legal framework applicable to local government with the available resources in such a way that service delivery takes place in an efficient, economic and effective manner.

2.2 GOOD GOVERNANCE PERFORMANCE HIGHLIGHTS

During the reporting year the Municipality focussed on maintaining good governance and strengthening governance and oversight where possible. Dedicated units focussed on applying professional risk management principles, anti-corruption and fraud monitoring and internal auditing functions. Political governance was maintained by way of a fixed monthly meeting schedule for all Section 80 Committees advising the Executive Mayor in order to ensure that matters are duly debated by public representatives prior to such matters being considered by the Mayoral Committee and/or Council.

In addition, hereto a fixed meeting schedule was also adopted for the Municipal Public Accounts Committee (MPAC) in order to ensure oversight on behalf of Council, over the executive functionaries of Council.

2.3 POLITICAL AND INDEPENDENT GOVERNANCE

In compliance with Section 151(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); Section 53 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), Drakenstein's Municipal Council governs the local government affairs of the local community on its own initiative. The roles and areas of responsibility of each political structure and each political office-bearer of the Municipality and of the City Manager are defined and adhered to accordingly.

The Executive Mayor assisted by the Deputy Executive Mayor and the Mayoral Committee heads the political executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-

day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation. Although he is accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in close conjunction with the Deputy Executive Mayor and the Mayoral Committee.

2.3.1 Full-time Officer Bearers

Table 12: Political Structure

Political Structure		
Serial No	Designation	Functions
Column Ref.	A	B
1	 Executive Mayor Cllr SE Korabie	The Executive Mayor represents the public and is the chief political principal of the Municipality. In terms of legislation the Executive Mayor has the following functions: • Identify the needs of the Municipality; • Review and evaluate those needs in order of priority; • Recommend to the Municipal Council strategies, programmes and services to address priority needs through the Integrated Development Plan and the Operating and Capital Budgets, taking into account any applicable national and provincial development plans; and • Recommend or determine the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the benefit of the community.
2	 Deputy Executive Mayor Ald GC Combrink	The Deputy Executive Mayor of the Municipality exercises the power and performs the duties of the Executive Mayor if the Executive Mayor is absent or not available or if the office of the Executive Mayor is vacant. In addition, hereto the Deputy Executive Mayor performs the duties as assigned by the Executive Mayor as member of the Mayoral Committee responsible for the Finance Portfolio.

Political Structure		
Serial No	Designation	Functions
Column Ref.	A	B
3	 Speaker Ald JF le Roux	The Speaker of the Municipal Council: • Presides at meetings of the Council; • Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); • Must ensure that the Council meets at least quarterly; • Must maintain order during meetings; • Must ensure compliance in Council and Council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and • Must ensure that Council meetings are conducted in accordance with the Rules and Orders of the Council.
4	 Chief Whip Ald C Kearns	The function of the Chief Whip is to create synergy and to maintain discipline among Councillors from various political parties. The role of the Chief Whip of Council covers both the political and administrative domains of Council with the emphasis on the political aspect. Seven political parties are represented in Council and the Chief Whip has to ensure that relationships are constructive and focused on key issues aimed at improving the lives of the residents of Drakenstein. The Chief Whip further acts as a link between the Speaker, the Executive and the Administration. The Chief Whip ensures that there is equitable representation on committees of Council.

2.3.2 Council

Council's primary role is to govern the Municipality in a democratic and accountable manner, to perform legislative and executive functions and generally to fulfil its roles and responsibilities as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). It focuses on legislation, decision-making, oversight and participatory roles and has delegated executive functions to the Executive Mayor, other office bearers, the City Manager and other staff members where applicable.

Drakenstein Municipal Council consists of 33 Ward Councillors and 32 proportionally elected Councillors.

As at 30 June 2025, the political parties were represented through elected councillors from the DA (36), ANC (13), GOOD (4); VF Plus (3); CDR (3); EFF (1), ACDP (1), PA (1); ICOSA (1); PAC of Azania (1) and Al- Jama-Ah (1).

2.3.2.1 Political Decision Making

Section 160(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) prescribes the manner in which Council takes decisions. A quorum of all Councillors must be present to take any decision, and the majority of the votes cast results in a legal decision. The exception to this rule is that when any of the following issues are determined, it is determined by a decision taken with a supporting vote of a majority of all its members:

- The passing of bylaws;
- The approval of budgets;
- The imposition of rates and other taxes, levies and duties; and
- The raising of loans.

2.3.3 Mayoral Committee

The Executive Mayor is supported by a Mayoral Committee. Each member of the Mayoral Committee has a portfolio with specific functions. The Executive Mayor may delegate specific responsibilities to each member of the Mayoral Committee. Any powers and duties delegated to the Executive Mayor by the Municipal Council must be exercised and performed by the Executive Mayor together with the other members of the Mayoral Committee.

The Executive Mayor reshuffled his Mayoral Committee several times during the during the period 1 July 2024 to 30 June 2025. The following Councillors served on the Mayoral Committee and were responsible for the undermentioned portfolios:

Table 13: Mayoral Committee (July 2024 until November 2024)

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
1	 Ald GC Gert Combrink Financial Services	 Cllr D America Corporate and Governance	 Ald RA Koegelenberg Electricity and Roads
2	 Cllr J Miller Water and Sanitation	 Cllr TG Bester Waste Management	 Cllr E Baron Urbanisation and Human Settlements

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
3	 Cllr AMB Appollis Public Safety	 Cllr L Arendse Sport, Recreation, Arts and Culture	 Cllr L Cyster Parks, Waste and Cemeteries
4	 Cllr LT van Niekerk Planning, Economic Development and Tourism	 Cllr MA Andreas Communication and IGR	

Table 14: Revised Mayoral Committee (November 2024 until January 2025)

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
1	 Ald GC Gert Combrink Finance and Coordination	 Cllr D America Corporate Services	 Ald RA Koegelenberg Waste, Roads and Stormwater Management
2	 Cllr J Miller Governance, Planning, Economic Development and Implementation Support	 Cllr EA Solomons Municipal Buildings	 Cllr E Baron Urbanisation and Human Settlements

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
3	 Cllr AMB Appollis Public Safety and Social Development	 Cllr L Arendse Electricity, Water and Wastewater	 Cllr L Cyster Parks, Resorts, Cemeteries and Open Spaces
4	 Cllr LT van Niekerk Tourism, Sport and Recreation	 Cllr MA Andreas Communication and IGR	

Table 15: Revised Mayoral Committee (January 2025 until June 2025)

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
1	 Ald GC Gert Combrink Finance and Coordination	 Cllr D America Corporate Services	 Ald RA Koegelenberg Waste, Roads and Stormwater Management
2	 Cllr J Miller Governance, Planning, Economic Development and Implementation Support	 Cllr EA Solomons Municipal Buildings	 Cllr E Baron Urbanisation and Human Settlements

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
3	 Cllr AMB Appollis Public Safety and Social Development	 Cllr L Arendse Electricity, Water and Wastewater	 Cllr L Cyster Parks, Resorts, Cemeteries and Open Spaces
4	 Cllr LT van Niekerk Tourism, Sport and Recreation	 Cllr MA Andreas Communication and IGR	

2.3.4 Portfolio Committees

Six (6) Section 80 Committees were established, namely: Corporate and Governance, Planning and Development Services, Engineering Services, Financial Services, Community Services and Public Safety to advise the Executive Mayor on policy matters and any other matter to be considered by the Executive Mayor.

They are assigned to focus on specific functional areas of the Municipality and can only make decisions on specific functional issues if delegations have been granted to them (granted to them, otherwise the committee acts as an advisory committee to the Executive Mayor). The

members are appointed by Council. The chairpersons appointed by the Executive Mayor are full-time Councillors and form part of the Mayoral Committee.

2.3.4.1 Corporate and Governance Portfolio Committee

The Corporate and Governance Portfolio Committee consists of 11 councillors under the rotating leadership of Cllr D America and J Miller* who held eleven (11) meetings (one a non-quorated meeting) during the period 1 July 2024 to 30 June 2025.

Table 16: Corporate and Governance Portfolio Committee

Corporate and Governance Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	D America	Chairperson	11
2	J Miller	Chairperson	
3	MA Andreas	Committee Member	
4	E Baron	Committee Member	
5	PBA Cupido	Committee Member	
6	TC Mangena	Committee Member	
7	LC Matthee	Committee Member	
8	AM Stulweni	Committee Member	
9	Ald RH van Nieuwenhuyzen	Committee Member	
10	J van Schalkwyk	Committee Member	
11	M Zwinye	Committee Member	

**Based on membership of 12 June 2025.*

2.3.4.2 Planning and Development Portfolio Committee

The Planning and Development Portfolio Committee consists of 11 councillors under the rotating leadership of Cllr J Miller and Cllr E Baron* who held ten (10) meetings during the period 1 July 2024 to 30 June 2025.

Table 17: Planning and Development Portfolio Committee

Planning and Development Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	E Baron	Chairperson	10
2	J Miller	Chairperson	
3	MM Adriaanse	Committee Member	
4	D America	Committee Member	
5	J Anderson	Committee Member	
6	LE Bolani	Committee Member	
7	D Carolissen	Committee Member	
8	A Fourie	Committee Member	
9	N Godongwana	Committee Member	
10	J Smit	Committee Member	
11	LT van Niekerk	Committee Member	

**Based on membership of 11 June 2025.*

2.3.4.3 Engineering Services Portfolio Committee

The Engineering Services Portfolio Committee consists of 11 councillors under the rotating leadership of Cllr LC Arendse and Ald RA Koegelenberg* who held twelve (12) meetings during the period 1 July 2024 to 30 June 2025.

Table 18: Engineering Services Portfolio Committee

Engineering Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	LC Arendse	Chairperson	12
2	RA Koegelenberg	Chairperson	
3	TG Bester	Committee Member	
4	AJ du Plessis	Committee Member	
5	S Ganandana	Committee Member	
6	N Godongwana	Committee Member	
7	S Gravel	Committee Member	
8	B Jacobs	Committee Member	
9	C Kroutz	Committee Member	
10	ND Sauerman	Committee Member	
11	E Solomons	Committee Member	

**Based on membership of 11 June 2025.*

2.3.4.4 Financial Services Portfolio Committee

The Financial Services Portfolio Committee consists of 7 councillors under the leadership of Ald GC Combrink* who held twelve (12) meetings during the period 1 July 2024 to 30 June 2025.

Table 19: Financial Services Portfolio Committee

Financial Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	Ald GC Combrink	Chairperson	12
2	JH Adams	Committee Member	
3	LC Arendse	Committee Member	
4	J Cupido	Committee Member	
5	J de Kock	Committee Member	
6	B Jacobs	Committee Member	
7	F Jacobs	Committee Member	
8	TP Mooi	Committee Member	

**Based on membership of 17 June 2025.*

2.3.4.5 Community Services Portfolio Committee

The Community Services Portfolio Committee consists of 12 councillors under the rotating leadership of Cllr AMB Appollis, Cllr E Baron, Cllr L Cyster and Cllr LT van Niekerk* who held ten (10) meetings during the period 1 July 2024 to 30 June 2025.

Table 20: Community Services Portfolio Committee

Community Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	AMB Appollis	Chairperson	10
2	E Baron	Chairperson	
3	L Cyster	Chairperson	
4	LT van Niekerk	Chairperson	
5	A Combrink	Committee Member	
6	C de Waal	Committee Member	
7	E Gouws	Committee Member	
8	MC Jooste	Committee Member	
9	TP Mooi	Committee Member	
10	EA Solomons	Committee Member	
11	Z Xhego	Committee Member	
12	Vacant (VC Booysen passed away on 10 May 2025)	Committee Member	

**Based on membership of 10 June 2025.*

2.3.4.6 Public Safety Portfolio Committee

The Public Safety Portfolio Committee consists of 11 councillors under the leadership of Cllr AMB Appollis* who held twelve (12) meetings (one a non-quorated meeting) during the period 1 July 2024 to 30 June 2025.

Table 21: Public Safety Portfolio Committee

Public Safety Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	AMB Appollis	Chairperson	12
2	R Arnolds	Committee Member	
3	FP Cupido	Committee Member	
4	L Cyster	Committee Member	
5	BP Duba	Committee Member	
6	KJ Gertse	Committee Member	
7	CO Klaaste	Committee Member	
8	S Landsberg	Committee Member	
9	S Ross	Committee Member	
10	B van Willingh	Committee Member	
11	N Zoya	Committee Member	

**Based on membership of 10 June 2025.*

2.3.5 Municipal Public Accounts Committee (MPAC)

Section 79 Committees are permanent committees appointed to advise the municipal Council. Council established the Municipal Public Accounts Committee (MPAC) to perform an oversight function on behalf of Council over the executive functionaries of the Council. The MPAC, inter alia serves as an oversight committee to make recommendations to the Council when it adopts the Oversight Report on the Annual Report in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

The MPAC is chaired by Councillor Cllr R Nell (ICOSA). The other members consist of five (5) DA councillors Cllr SJ Liebenberg; Cllr AJ van Santen; Cllr C Jacobs; ND Adams and Ald AC Stowman, two (2) ANC councillors Cllr AM Richards and Cllr LS Sambokwe and one (1) ACDP councillor, Cllr J September.

No members from the political executive arm are a member of the MPAC. The committee met on eight (8) occasions during the year under review and mainly dealt with the compilation of the Oversight Report on the 2023/24 Annual Report as well as the considering of matters relating to Unauthorised, Irregular, Fruitless and Wasteful Expenditure, the report from the Audit Committee and the Unethical Incident Report.

**Based on membership of 18 June 2025.*

2.3.6 Audit Committee

In compliance with Section 166(2) of the MFMA, Council has an Audit and Performance Committee which is an independent body advising the Municipal Council, the political office-bearers, the accounting officer and the management staff of the Municipality, on matters relating to:

- Internal control;
- Risk management;
- Accounting policies;
- Adequacy, reliability and accuracy of financial reporting and information;
- Annual financial statements;
- Performance management;
- Governance;
- Compliance with MFMA, DoRA and other applicable legislation;
- Issues raised by the Auditor-General and Internal Audit; and
- Monitoring and evaluation of the Internal Audit Unit.

The Audit and Performance Committee Terms of Reference is reviewed by Council annually to ensure compliance with legislation and governance best practices. The Audit and Performance Committee meets quarterly and detail regarding their recommendations to Council can be found in Appendix G of the Annual Report.

In terms of S79A of the Local Government: Municipal Structures Amendment Act, a municipal council must establish a committee called the municipal public accounts committee. The municipal council must determine the functions of the municipal public accounts committee which must include the review of the Auditor-General's reports and comments of the management committee and the audit committee and make recommendations to the municipal council. The municipal public accounts committee must also review the internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal council. Consequently, the Audit and Performance committee reports quarterly to the municipal public accounts committee on the matters outlined in the Municipal Structures Amendment Act, 2021.

The Audit and Performance Committee consists of four members with appropriate competence and experience required to perform the duties as outlined in the Charter. Members of the Audit and Performance Committee are appointed by Council for a three (3) year term. The appointment of the Audit and Performance Committee members is consistent with the Audit and Performance Committee Charter approved by Council, which allows for the appointment of members for a maximum of 2 terms. Audit and Performance Committee members are not permitted to engage in business with Council and are required to declare any conflict of interest they may have in any matters on the agenda in every meeting.

The following members served on the Audit and Performance Committee for the 2024/25 financial year:

Table 22: Audit Committee and Performance Committee

Audit and Performance Committee			
Serial No.	Name of member	Capacity	Qualifications
Column Ref.	A	B	C
1	Mr. P. Strauss	Chairperson from 01 August 2024 (Committee Member until 31 July 2024)	Chartered Accountant (Re-appointed till 31 July 2026)
2	Mr. M. Burton	Committee Member	Chartered Accountant (Appointed from 01 August 2024)
3	Mr. M. Basson	Committee Member	Bachelor of Commerce Certified Information Systems Auditor (ISACA) Certified Information Security Manager (ISACA) (Appointed from 01 August 2024)

Audit and Performance Committee			
Serial No.	Name of member	Capacity	Qualifications
Column Ref.	A	B	C
4	Ms. K. Talmakkies	Committee Member	Chartered Accountant (Appointed from 01 August 2024)
5	Mr R Najjaar	Chairperson (until 31 July 2024)	Hons B. Compt; CPA (USA) and Certified Internal Auditor (Appointed till 31 July 2024)
6	Mr RG Nicholls	Committee Member (until 31 July 2024)	Chartered Accountant; and Certified Internal Auditor (Appointed till 31 July 2024)
7	Mr C Whittle	Committee Member (until 31 July 2024)	Chartered Accountant (Appointed till 31 July 2024)

Audit and Performance Committee meetings are attended by the Mayor (or the appointed representatives (in this case Ald Combrink or Cllr Miller)), the Accounting Officer, Chief Audit Executive, Auditor General, Chief Risk Officer and members of the Strategic Management Team. The Audit and Performance Committee conducts an annual assessment of its performance which includes a self-assessment completed by the Committee Members as well as a performance assessment completed by the Accounting Officer, Mayor (or his representatives) and the Chief Audit Executive. The outcome of the performance assessment is reported to Council annually together with an improvement plan to address areas identified for improvement.

2.3.7 Fraud and Risk Management Committee (FARMCO)

FARMCO has been established by Council to assist the Accounting Officer (City Manager) to fulfil his fraud and risk management responsibilities in accordance with prescribed legislation and corporate governance principles. This is achieved by reviewing the effectiveness of the municipality's fraud and risk management systems, practices and procedures and providing recommendations for improvement. The following members served on FARMCO for the 2024/25 financial year:

Table 23: FARMCO Members

FARMCO Members			
Serial No.	Name of member	Capacity	Qualifications
Column Ref.	A	B	C
1	Mr T Blok (Term started January 2021)	Chairperson (External)	Certified Director Chartered Accountant (SA) Certified Internal Auditor (CIA) Certified Information Systems Auditor (CISA) B. Accountancy (Hons) (University of Stellenbosch) B. Comm (Hons) Information Systems

FARMCO Members			
Serial No.	Name of member	Capacity	Qualifications
Column Ref.	A	B	C
			(University of Cape Town)
2	Mr H Aylward	Committee Member	MA: Criminal Justice B. Tech: Forensic Investigations National Diploma: Management (IR) Diploma: Criminal Justice and Forensic Audit
3	Ms R Gani	Committee Member	B. Comm B. Comm (Hons) Certificate: Theory of Accountancy

The following permanent invitees also attend all meetings:

- City Manager: Dr J Leibbrandt;
- Chairperson of the Audit and Performance Committee: Pieter Strauss;
- Chief Audit Executive: Ms R Jaftha;
- Chief Financial Officer: Mr B Brown;
- Chief Risk Officer: Mr G Dippenaar;
- Executive Director Community Services (Acting 01/06/2024-31/03/2025: Ms E Barnard);
- Executive Director Community Services (Acting 01/04/2025-30/06/2025: Mr D Delaney);
- Executive Director Corporate and Planning Services: Mr S Johaar;
- Executive Director Engineering Services: Mr L Pienaar; and
- Executive Director Public Safety: Ms E Barnard.

Key areas of focus during the reporting period include quarterly oversight of all the various risk registers and the implementation of actions to mitigate those risks, reported unethical incidents and monitoring of the Risk Management Implementation Plan.

The committee is regulated by the Fraud and Risk Management Charter which stipulates that FARMCO shall meet at least four (4) times per annum in terms of a schedule of agreed meeting dates to be determined at the beginning of each financial year. FARMCO can convene further meetings to discuss urgent matters at the discretion of the FARMCO Chairperson.

In accordance with the Charter, four meetings were held on 16 August 2024, 15 November 2024, 19 March 2025 and 7 May 2025. FARMCO's Chairperson stated that the committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

2.4 ADMINISTRATIVE GOVERNANCE

The City Manager is the Accounting Officer of the Municipality and the head of the Administration. His primary function is to serve as chief custodian of service delivery and the implementation of political priorities and decisions.

He is assisted by his Strategic Management Team (SMT), which comprises of the Executive Directors of the five departments. There are also Divisional Managers reporting directly to the City Manager as indicated in the chart below. The Public Safety Services Department is a new department established at the end of May 2023 to prioritise service delivery in relation to Traffic and Fire Services, Municipal Law Enforcement and Disaster Management. The Executive Director for this department was appointed on 1 November 2023.

The SMT meets on at least a weekly basis to discuss current priorities, strategic interventions to improve service delivery and new initiatives based on feedback from political leadership, departments and the local community.

Figure 1: Macro Organisational Structure

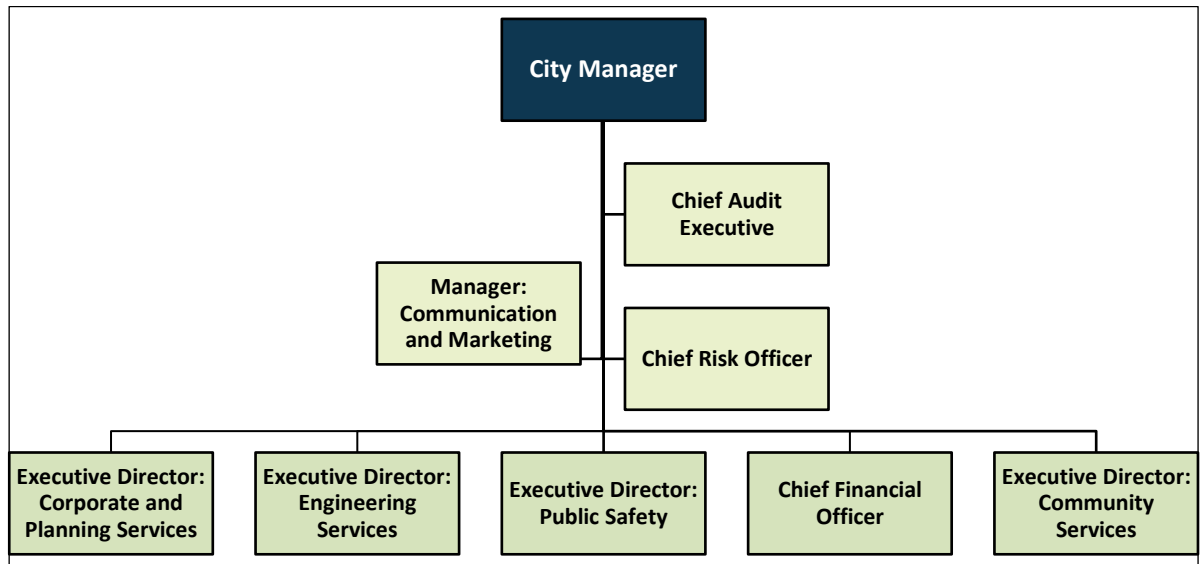


Table 24: Top Administrative Structure

Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
1	 City Manager Dr Johan H Leibbrandt	• Provides an independent appraisal of the adequacy and effectiveness of the systems of internal control, risk management and governance processes; • Evaluates and contributes to the improvement of governance management processes; • Manages financial services in order to ensure financial viability, compliance and reporting; • Provides corporate services to the institution to ensure efficient support of organisational processes; • Provides and manages planning, economic development and environmental management services; • Renders integrated community services to enhance community development in general and promotes a clean and safe environment; and • Maximises infrastructure development and delivers a service to all communities of Drakenstein.
2	 Corporate and Planning Services Mr Seraj Johaar	• Provides legal and administrative support services to the institution to facilitate proficient administrative practices and procedures; • Renders human resource management and support services to the Municipality that will sustain the optimum utilisation of the Municipality's human capital; • Provides effective and efficient information and communication technology services; • Provides comprehensive communication and intergovernmental relations services; • Coordinates and provides functional and administrative support to the political office-bearers; • Provides office management services to the Executive Mayor; and • Renders property and facilities management services. • Manages the rendering of spatial and land use planning, surveying, valuations and building control services; • Plans, develops and implements a coherent and Integrated Framework for Local Economic Development and Tourism; • Ensures the implementation of environmental management plans, policies and procedures and ensures compliance in accordance with applicable legislation; • Renders management and line function administrative support services;

Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
3	 Chief Financial Officer Mr Bradley Brown	• Manages and controls the implementation of budget policies, systems and procedures and financial statement processes to ensure legislative compliance and sound financial management practices; • Implements and maintains revenue and credit control policies and procedures to ensure sound revenue management practices and compliance; • Ensures the recording, authorisation and proper execution of expenditure systems, procedures and transactions; and • Manages supply chain management services to ensure proper systems, procedures and control for demand, acquisition, logistics, assets and disposal management.
4	 Public Safety Ms Eda Barnard	• Manages the rendering of protection services to ensure the safety of the community; • Manages Traffic and Law Enforcement; • Manages Fire and Rescue Services; • Manages Disaster Management Services; and • Manages Security Services.
5	 Engineering Services Mr Louis Pienaar	• Manages Civil Engineering Services including water, sewerage, streets, storm water and traffic engineering; • Manages Electrical Engineering Services; • Manages Solid Waste Services, including waste collection, disposal facilities, waste minimisation, awareness and education, waste diversion, street sweeping, community projects, area cleaning and Waste to Energy; and • Manages project and building projects/programmes.

Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
6	 Community Services Mr Gerald Esau (terminated on 30 September 2024)	• Manages the provisioning and maintenance/operation of parks, sport facilities and cemeteries; • Manages the rendering of protection services to ensure the safety of the community; • Provides for the development of human settlements administration and support services to address the housing needs in the area; and • Provides and manages the rendering of community development, library and information services.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.5 INTRODUCTION

Section 3 of the Local Government Municipal Systems Act, 200 (Act 32 of 2000) requires municipalities to exercise their executive and legislative authority within the constitutional system of co-operative government as stipulated in Section 41 of the Constitution which states that all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith by fostering friendly relations, assisting and supporting one another, informing one another and consulting one another on matters of common interest, coordinating their actions and legislation with one another, adhering to agreed procedures, and avoiding legal proceedings against one another.

2.6 COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Drakenstein Municipality participates in a range of intergovernmental activities, both formally and informally. Key staff members participate in professional institutes that govern the interests of various fields of work. Examples of such interaction and cooperation are:

2.6.1 National Intergovernmental Structures

- Accounting Standards Board (ASB) – Public Sector Accounting Forum;
- Electricity Distribution Regulation and Tariff Setting (NERSA);
- ESKOM-Main bulk supplier of electricity;
- Chartered Institute of Government Finance Audit and Risk Officers (CIGFARO);
- Institute for Landscape Architecture in South Africa (ILASA);
- Institute of Environment and Recreation Management (IERM);
- Institute of Fire and Emergency Safety of South Africa;
- Institute of Internal Auditors;
- Institute of Municipal and Licensing Officers of South Africa;
- Institute of Waste Management of South Africa;
- Institute of Municipal Public Safety of SA Institute of South African Municipal Accounting Officers (ISAMAO);
- National Government SETA Skills Development Forum;
- National Municipal Managers Forum;
- National Rental Task Team;
- South African Local Government Association (SALGA); and
- Southern African Tourism Services Association (SATSA).

2.6.2 Provincial Intergovernmental Structures

Information and best practices are shared and interaction with the Western Cape Government and other municipalities is valuable to ensure better coordination and cooperation. These structures provide important support and guidance to staff in maintaining and enhancement of professional work standards. Issues pertaining to service delivery and matters of common interest are discussed at the following forums:

- Accounting Standards Board (ASB) – Public Sector Accounting Forum;
- Berg River Partnership for Collaboration;
- Berg River Improvement Project Steering Committee;
- Business Economy and Tourism Cluster Working Group;
- CFO Forum;
- Chief Risk Officer Forum;
- Chief Audit Executive Forum;
- Chief Finance Officers’ Forum;
- City of Cape Town Water Resilience Advisory Committee;
- Department of Cultural Affairs and Sport;
- Department of Environmental Affairs and Development Planning – WCRAAG;
- Department of Environmental Affairs and Development Planning;
- Department of Water and Sanitation Water Care Forum;
- DOE-INEP and EEDSM and electrification grants;
- Disaster Management Forum;
- EPWP coordinating meetings;
- Environmental Management Committee;
- Informal Settlements Support Programme (ISSP);
- IPC2 Intermodal Planning Committee;
- Joint District and Metro Approach (JDMA);
- Legislative and Constitutional Task Team;
- MIG coordinating meetings;
- Ministerial Mayors’ Forum (MinMay);
- MPRA Forum;
- Municipal Accountant Forum;
- Municipal Governance Review and Outlook (MGRO);
- Municipal Managers’ Forum;
- MPRA Forum;
- Municipal Planning Heads Forum;
- Natural Resources Reference Group;
- Premier’s Coordinating Forum;
- Provincial Affordable and Social Housing Steering Committee;

- Provincial IDP Managers' Forum;
- Provincial Local Government SETA Skills Development Forum;
- Provincial Public Participation and Communications Forum;
- Provincial SCM Forum;
- PSG4 Sustainable Ecological and Agricultural Resource Base (SEAR) Work Group;
- Public Participation and Communications Forum;
- Records Management Forum;
- SALGA Provincial Speakers' Forum;
- SALGA Working Groups;
- Supply Chain Management Provincial Working Group;
- Title Deeds Restoration Project;
- TDA Cape Town;
- Waste Management Officers' Forum;
- Waste Minimisation Interest Group;
- Western Cape Accounting Working Committee;
- Western Cape Air Quality Officers' Forum;
- Western Cape Building Control Officer's Forum;
- Western Cape Climate Change Forum;
- Western Cape Collaborator User Group Steering Committee;
- Western Cape ICT Strategic Forum;
- Western Cape Municipal Planning Heads Forum;
- Western Cape Provincial Asset Management Forum;
- Western Cape LGSETA SDF Forum;
- Western Cape Library and Information Service Forum; and
- Whole of Society Approach (WoSA).

2.6.3 District Intergovernmental Structures

The following are district forums in which the Municipality participates in focusing on service delivery and information sharing:

- Breede Valley Municipal Land Use Planning Appeal Committee;
- Cape Winelands Biosphere Reserve;
- Cape Winelands District CRO and CAE Forum;
- Cape Winelands Human Settlements Regional Forum;
- Cape Winelands Regional Local Economic Development Forum (RLEDf);
- Cape Winelands Regional Forum (Human Settlements);
- Cape Winelands Skills Development Facilitators' Forum;
- Cape Winelands Waste Managers' Forum;
- Disaster Management Institute of SA;

- District Co-ordinating Forum;
- District IDP Managers' Forum;
- District Public Participation and Communications Forum;
- District SCM Forum;
- Drakenstein Heritage Committee;
- EPWP District Forum;
- Greater Cape Metro Regional Spatial Implementation Plan Intergovernmental Steering Committee;
- Municipality's Local Labour Forum (LLF);
- Rural Development District Joint Operational Committee;
- District TASK Evaluation Committee;
- Paarl Mountain Nature Reserve Advisory Board;
- Regional Tourism Liaison Committee (RTLCL);
- Winelands Fire Protection Association (FPA); and
- Vlakkeland Coordination Committee.

2.6.4 Municipal Entities

No municipal entities have been established within the Drakenstein Area.

2.6.5 Municipal Partnerships

Drakenstein Municipality is in partnership with the City of Neumarkt in Germany. The partnership revolves around climate change-related aspects and involves municipal development cooperation, migration and development on a local level.

The Municipality is also partnering with GIZ and has conducted a Flood Alleviation Study to address floods and their impact on communities. In addition, the Municipality hosted the 1st International Fair Trade City Conference on African soil in September 2024.

2.7 SHARING OF FUNCTIONS WITH SECTOR DEPARTMENTS

The functions of Government are divided between national, provincial, and local spheres. The Municipality shares its area and community with other spheres of Government and the various sector departments. It must work closely with the departments to ensure the effective implementation of various projects and functions. The table below provides details of such projects and functions.

Table 25: Sharing of functions with Sector Departments

Sharing of functions with Sector Departments				
Serial No	Name of Project/ Function	Expected Outcome	Sector Department/s involved	Contribution of Sector Department
Column Ref.	A	B	C	D
1	JDMA (Joint District and Metro Approach)	Central to this approach is the principles of co-planning, co-budgeting, co-implementation and its translation into service delivery to communities. As such is it envisions a District Single Implementation Plan (DSIP)– developmental initiatives, planning and strategic priorities, service delivery and capacity building – to be developed	Western Cape Provincial Departments of DTPW, WCED, DSD, DoCS, DCAS, DoH, DEDAT and DEADP / Cape Winelands District Municipality	Alignment of budget and resources in terms of the WCDM and local municipalities into a JDMA Implementation Plan

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.8 INTRODUCTION

In terms of Section 6 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) the administration of a municipality must:

- “(a) Be responsive to the needs of the local community;*
- (b) Facilitate a culture of public service and accountability amongst staff;*
- (c) Take measures to prevent corruption;*
- (d) Establish clear relationships, and facilitate cooperation and communication between itself and the local community;*
- (e) Give members of the local community full and accurate information about the level and standard of municipal services they are entitled to receive; and*
- (f) Inform the local community how the municipality is managed, of the costs involved and the persons in charge.”*

To comply with the above, the Municipality has established the legislatively required structures such as Section 80 Portfolio Committees advising the Executive Mayor as well as Council committees such as the Municipal Public Accounts Committee (MPAC), Section 62 Appeal Committee, and Special (Disciplinary) Committee dealing with the Code of Conduct for Councillors, as well as a Fraud and Risk Management Committee. In addition, hereto an Audit Committee comprising of independent external professionals also advises Council. The Audit Committee also serves as the Municipality’s Performance Audit Committee and meets quarterly. A quarterly report reflecting the Audit Committee’s recommendations relating to the areas of financial management and control, performance management, internal control, risk management and governance matters is tabled in Council.

These structures represent a segregation of duties amongst public representatives and staff to ensure accountability, oversight, transparency and good governance and also assist the Municipality to discharge the necessary public accountability responsibilities.

2.9 PUBLIC MEETINGS

Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) compels municipalities to establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of a municipality. During the year under review, the Municipality used the following mechanisms to comply with this legislative requirement:

- Ward committee meetings (discussed in more detail below);
- Public notices in local and regional newspapers;

- Monthly public newsletters distributed to all account holders;
- Press releases as and when required;
- Receipt and consideration of petitions and objections;
- Public IDP and consultative meetings; and
- Functioning of a municipal website, regularly updated with recent news.

Stakeholder and community engagements to determine and undertake development priorities forms the cornerstone of the IDP. Needs are dynamic and by virtue of its changing nature, have to be reviewed frequently. The annual review of the IDP is a process which assist the Municipality to further enhance its service delivery outputs and outcomes and through the Performance Management System, implemented by the Municipality, it ensures that the Municipality remains accountable to the local community, the various sectors and businesses alike.

The Municipal Council ensures that its oversight role is sufficiently mandated by the populace voice of its local community, through fully embracing the principles of participatory democracy. This is being achieved through a well-functioning Ward Committee System, robust public participation through our various development planning processes and regular communication with the community through public meetings, community newsletters, radio and various other print and electronic media including the Municipal Website.

2.9.1 IDP/Budget Public Open Days

The IDP is about determining stakeholder and community needs and priorities which need to be addressed in order to contribute to the improvement of the quality of life of residents within the Municipal Area. Various stakeholders and sectors were involved during the draft IDP development process.

During 2024, Drakenstein Municipality embarked on a series of “Open Days”, whereby wards were clustered, and community members could come to a central venue from 16:00 until 19:00 to engage the municipality on the IDP, the Budget as well as service delivery queries. In addition, the Municipality utilised online platforms such as email, SMS’s, WhatsApp, pamphlet distribution, loud-hailing and Facebook to obtain input from communities.

2.9.2 IDP Sector Engagements

Drakenstein Municipality must play a role in ensuring integration and co-ordination between the various sectors and cross-sectoral dimensions of development, to achieve social, economic and ecological sustainability.

To ensure that municipal priorities are addressed, and in the spirit of cooperative governance, the planning process of all spheres of government must be aligned with and inform each other. This requires that municipal planning processes take into account the legislative, policy, and strategic approaches of the line departments of national and provincial government.

Whilst the IDP is the overall strategic development plan for a municipality, prepared in terms of the Municipal Systems Act 32 of 2000, that guide decision-making, budgeting and development in a municipality, the Spatial Development Framework (SDF) presents the long-term vision of the desired spatial form of a municipality. The SDF is thus a critical component to the IDP to direct municipal and private sector spending and investment by providing spatial proposals and strategies (thus the location and nature of development) which will support economic growth and integrated human settlements.

The IDP and SDF information was interrogated in order to support the notion that the two strategic documents are aligned as required in terms of the Municipal Systems Act 32 of 2000, Spatial Planning and Land Use Management Act 16 of 2013 and the Land Use Planning Act 3 of 2014.

2.10 REPRESENTATIVE FORUMS

In accordance with Section 15 of the Local Government: Municipal Planning and Performance Regulations (No. 796, 24 August 2001), Drakenstein Municipality established an IDP Representative Forum to enhance community participation in:

- The drafting and implementation of the Municipality's IDP; and
- The monitoring, measurement and review of the Municipality's performance in relation to the key performance indicators and performance targets set by the Municipality.

2.10.1 IDP Representative Forum

The participation of stakeholders in the IDP Representative Forum has been very influential in further strengthening the sectoral integration of operational and strategic planning with civil society and other spheres of government. Stakeholders provided input utilising email submissions, Facebook, via text messages as well as written submissions.

2.11 WARD COMMITTEES

Section 73 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) deals with the establishment of ward committees and stipulates the following:

- “(1) If a metropolitan or local council establishes ward committees, it must establish a ward committee for each ward in the municipality.*
- (2) A ward committee consists of:*
- (a) The councillor representing that ward in the council, who must also be the chairperson of the committee; and*
 - (b) Not more than 10 other persons.”*

Drakenstein Municipality has successfully established all 33 Ward Committees, and they are functional. The ward committee agendas and minutes are monitored by the Office of the Speaker who also assists with logistical support regarding meeting venues.

Ward committees meet regularly, and vacancies are filled to ensure functionality and available members to take reporting responsibilities for allocated portfolios in assisting the ward councillor.

COMPONENT D: CORPORATE GOVERNANCE

2.12 INTRODUCTION

Governance in Drakenstein Municipality encompasses line functions pertaining to political and administrative governance, internal audit, risk management, organisational and individual performance management, public participation and IDP, intergovernmental relations, public communication, human resource management, organisational development and legal services. The governance function is supported by an independent Audit Committee, comprising of external specialists having the necessary skills to provide effective oversight of the Municipality's systems of internal control, risk management and governance processes. The Audit Committee is supported in its role by the Internal Audit function which performs audits in terms of an approved audit plan and reports to the Audit Committee on a quarterly basis.

The Municipal Public Accounts Committee (MPAC) who performs political oversight, comprises of independent councillors. In order to promote independence and objectivity, the MPAC is chaired by a councillor from a political party other than the majority party in Council.

2.13 ETHICAL CULTURE

Section 195(1) of the Constitution prescribes the various basic values and principles for public administration, which include, amongst others, the following:

“(1)(a) A high standard of professional ethics must be promoted and maintained.”

Ethics is one of the core organisational values as reflected in the IDP. Giving effect to this broad framework which requires an ethical culture, Council adopted the Code of Ethics Policy. This policy provides a solid basis in an effort to instil a culture of ethical conduct in the Administration as well as the political processes.

In terms of the Global Internal Audit Standards, Internal Audit is required to assess the municipality systems of internal control, risk management and governance. The Internal Audit Plan which is approved by the independent Audit and Performance Committee includes various aspects of governance which is covered in terms of the 1 year operational and 3-year strategic plan. The outcome of the audits are reported to the Audit Committee on a quarterly basis. The Audit Committee also considers a quarterly report from management on the municipality's ethics awareness initiatives.

Ethical values and considerations should be seen as an integral part of a fraud prevention strategy as part of the Fraud and Risk Management Policy

Ethical considerations play a vital role in a zero-tolerance approach towards fraud, theft and corruption and to cultivate a commitment to eradicate fraud throughout the municipality.

In the fraud awareness campaigns, the Fraud Risk Management Section is committed to place strong emphasis on the fundamentally unethical nature of fraud and to ensure that it is always communicated to staff.

Whistle blowers will be willing to report suspicions of fraud if they are assured that the reporting system can be trusted, that they will remain anonymous if they have opted for anonymity when reporting their suspicions, and that they are protected from retaliation.

To ensure that a trusted reporting system is in place, KPMG FairCall was appointed to administer the tip-off hotline. Allegations of theft, fraud and corruption in the municipality can be reported anonymously to KPMG FairCall.

2.14 RISK MANAGEMENT

Section 62(i)(c) of the MFMA requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

There is a danger that risks which fall outside traditional functions may go unmanaged and have serious consequences on the institutional objectives. The need for broad-based risk management is thus critical as it will also ensure that risks which were not previously given adequate attention are now properly managed. Risk management processes that are integrated in the institution's existing structures are likely to be more effective in producing the desired service delivery and other objectives.

The Risk Management Division supports the Municipality's governance structure by aligning its operations and practices, which includes the identification, assessment and mitigation of future risks, with the principles contained in the King IV Report on Corporate Governance for South Africa 2016 (King IV). A Combined Assurance Policy is in place that guides the development and implementation of the municipality's Combined Assurance Plan.

The Risk Management Division is responsible for the risk management function at Drakenstein Municipality through facilitation and advising on fraud and risk management issues. This entails the development of policies, strategies, plans and processes.

Drakenstein Municipality established a Fraud and Risk Management Committee (FARMCO), which meets on a quarterly basis and assists in the development and revision of all policies, strategies, plans and processes. The Risk Management Policy was revised in the 2024/2025 financial year. The high-level risk register, linked to key performance areas "strategic

objectives” and key focus areas, were reviewed with all the departments through a facilitation process.

Risk management is an integral part of the internal processes of a municipality. It is a systematic process to identify, evaluate, and continually address risks. The assurance response is risk-based, prioritising key risks to assess the efficiency of the Municipality’s systems of internal control to mitigate risk, thereby ensuring the achievement of objectives.

A total of twelve strategic risks were identified and addressed by the Strategic Management Team. These risks may have a major impact on service delivery and the sustainability of any municipality if it should realise and if it is not well managed and mitigated

Table 26: Strategic Risks identified for 2025/26

Strategic Risks identified							
Ref	Strategic Risk	KPA 1	KPA 2	KPA 3	KPA 4	KPA 5	KPA 6
SR001	Financial non-sustainability		X	X	X	X	X
SR002	Sub-standard service delivery	X	X	X	X	X	X
SR003	Lack of evolving human capital	X		X			
SR004	Lack of local economic growth		X		X		
SR005	Inadequate infrastructure		X		X	X	X
SR006	Inadequate plant and equipment		X		X	X	X
SR007	Weakness in governance and accountability	X	X	X			
SR008	Uncontrolled urbanisation and land invasion		X		X	X	X
SR009	Ineffective communication and public participation	X					
SR010	Inadequate cyber security and ICT continuity	X		X			
SR011	Water and Energy insecurity		X		X	X	
SR012	Deteriorating community safety environment				X		X

2.15 INTERNAL AUDIT

Internal Audit is an independent function reporting administratively to the City Manager and functionally to the Audit and Performance Committee. Internal Audit performs audits in terms of a three-year strategic and one-year operational plan which is approved by the Audit and Performance Committee at the commencement of each financial year. The priorities in the Internal Audit Plan can be categorised in terms of audits focusing on the systems of internal control, risk management and governance processes. The prioritisation of audits in these three categories is based primarily on the Municipality’s risk profile as well as legislative requirements. Internal Audit reports to the Audit and Performance Committee quarterly regarding progress with the implementation of the approved plan as well as the outcome of audits conducted in terms of the approved plan. Internal Audit also performs follow-up audits to assess the implementation of agreed management action plans in response to reported internal audit findings. Internal Audit executes its duties in terms of the International Standards

for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors. In January 2025, the Global Internal Audit Standards came into effect and replaced the International Standards for the Professional Practice of Internal Auditing (Standards). The Audit and Performance Committee assess the performance of the Internal Audit quarterly, based on a range of key performance indicators linked to the operations of the Internal Audit function.

The following assurance engagements were approved, completed and reported to the Audit and Performance Committee in terms of the 2024/25 Internal Audit Plan:

- Customer Care Review;
- Inventory Management Review;
- Contract Management Review (SCM Contracts);
- Maintenance Planning Review (Water and Wastewater)
- Informal Settlement Management Review;
- Risk Management Review;
- Mechanical Workshop Review;
- Financial Statements Review (High Level);
- Adhoc – Payments Process;
- MFMA Compliance;
- DoRA Compliance;
- Quarter 4 Review of Performance Results;
- Review of Annual Performance Report;
- Functionality of the Performance Management System;
- Compliance with the Municipal Systems Act;
- Quarter 1 Review of Performance Results;
- Quarter 2 Review of Performance Results;
- Quarter 3 Review of Performance Results;
- Review of Annual Report;
- ICT Continuity; and
- Annual Inventory Count.

The Internal Audit function maintains a quality assurance and improvement program that includes an external quality assurance assessment performed by an independent assessor every 5 years. The municipality's Internal Audit function received a rating of "Generally Conforms" at the external quality assurance assessment conducted in December 2024. This is the highest rating on a scale of three ratings prescribed by the Institute of Internal Auditors. The rating of "Generally Conforms", confirm that the relevant structures, policies and procedures of the Internal Audit activity, as well as the processes by which they are applied, generally conform to the requirements of the individual Standard or element of the Code of

Ethics in all material respects. An ongoing quality assurance improvement program was also maintained in 2024/25 which included peer reviews of audit working papers.

2.16 ANTI-CORRUPTION AND FRAUD

The Fraud and Risk Management Committee (FARMCO) meets on a quarterly basis and assists with the development and revision of all policies, strategies, plans and processes relating to Fraud Risk Management. The Fraud Prevention Policy and Strategy are incorporated in the Risk Management Policy and the last revision was approved by Council on 26 July 2024, with the next review due in the 2027/2028 financial year.

FARMCO review the effectiveness of prevention initiatives, detection techniques as well as progress made in any forensic investigations, and thereby also function as an oversight body. Drakenstein Municipality appointed, KPMG FairCall (Toll free number 0800 555 337) to provide an anonymous fraud and ethics hotline service for the reporting of alleged theft, fraud and corruption.

2.17 SUPPLY CHAIN MANAGEMENT

The SCM Policy and the Preferential Procurement was reviewed during the 2024/25 financial year. No amendments to the SCM Policy were required. The Municipality has established a Supply Chain Management Policy and Delegations Review Committee that reviews the SCM Policy and its delegations on an annual basis. As part of the annual budget cycle, the Municipality is required to forward its SCM Policy and Preferential Procurement Policy to the Western Cape Provincial Treasury on an annual basis for scrutiny and compliance verifications against the legislative framework. Drakenstein Municipality's SCM Policy and Preferential Procurement Policy complies with the regulatory framework.

2.17.1 Overview of Supply Chain Management

The Supply Chain Management functions cuts across all departments. Although governance is at its core, Supply Chain Management plays a vital role in contributing towards service delivery in a manner that is fair, equitable, transparent, competitive and cost-effective.

2.17.2 Bid Committees

The Municipality applies the bid committee system for procurement above R300,000 (Value Added Tax included) and for the procurement of long-term contracts. The Bid Committees namely the Bid Specification Committee, the Bid Evaluation Committee and the Bid Adjudication Committee are all functioning effectively.

2.17.2.1 Bid Committees Structure

The Bid Committee members are appointed by the City Manager in line with the relevant legislation and is reviewed on an annual basis. In addition to this, the Chief Audit Executive is serving as an independent observer to these committees in order to provide assurance to the Accounting Officer through the submission of regular reports regarding the committees' functions and powers.

2.17.2.2 Awards made by the Bid Adjudication Committee

For the 2024/25 financial year the Bid Adjudication Committee made 36 awards.

2.17.2.3 Awards made by Accounting Officer

For the 2024/25 financial year the Accounting Officer approved 50 awards that were recommended by the Bid Adjudication Committee.

2.17.2.4 Objections lodged

For the year under review, one objection was lodged by an aggrieved bidder. In terms of paragraph 49 of Council's Supply Chain Management Policy, the objection will be dealt with by an independent and impartial person, not directly involved in the supply chain management processes.

2.17.3 Formal Quotations (Above R30,000 and below R300,000) Procurement Processes

For the year under review a total of 261 formal written price quotations were advertised of which 189 were awarded and 72 were cancelled.

2.17.4 Disposal Management

The following immovable assets were disposed of during the year under review:

Table 27: Immovable assets disposed

Properties for which final approval was granted from 1 July 2024 – 30 June 2025			
Serial No.	Properties sold	To	Purpose
Column Ref.	A	B	C
1	Portion of remainder Erf 5058 Paarl, Distillery Street alongside Berg River Boulevard	Adjacent landowner Erf 19147 Paarl	Parking purposes
2	Erf 39379 Paarl	Dangold South Africa	Business/Industrial

Properties for which final approval was granted from 1 July 2024 – 30 June 2025			
Serial No.	Properties sold	To	Purpose
Column Ref.	A	B	C
3	Portions of Erf 606 Gouda and The Farm Halfgewaagd No 412 Tulbagh	Eskom	Powerline Servitude

2.18 BYLAWS

Section 11(3) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) provides municipal councils with the legislative authority to pass and implement bylaws for the betterment of the community within the terms of the legislation.

In terms of Section 160(4) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996):

- The bylaws serve before the various structures of the Council;
- The bylaws are advertised in the local media for objections or comment;
- The bylaws are open for inspection at all municipal offices and libraries; and
- The bylaws are forwarded to the local radio station for broadcasting.

During the 2024/25 financial year the Drakenstein Municipality: Bylaw relating to the Installation of Telecommunications Infrastructure 1 of 2025 was promulgated on 6 June 2025.

2.19 WEBSITE

The purpose of the municipal website is to inform Drakenstein's ratepayers about the services, projects, achievements and initiatives of the Municipality. It features important municipal documentation required in terms of legislation, including public policies, bylaws, supply chain documents, notices and press releases.

The Communication and Marketing Division manages this content and constantly updates and populates the website, as well as develops new interactive features to enhance users' online service experience.

The division makes provision for the mobile version of the most popular webpages to be coded so that they can automatically update and instantly reflect when their desktop versions are updated or changed. The plan is for the rest of this desktop/mobile interactive, integrated feature to be rolled out across the remaining webpages within the next two years.

The Communication and Marketing Division continued to assist various municipal departments and divisions, such as Investment Area Management, Traffic Services, and Economic Development and Tourism, with bespoke website solutions, features and functionalities. For

the 17th Fair Trade Cities and Towns International Conference hosted by Drakenstein Municipality in Paarl on 20-22 September 2024, the division created a dedicated conference webpage (information hub) featuring a delegate registration platform.

Further effort went into reflecting political structural changes and macrostructure changes, and into updating departmental information and contact details.

Table 28: Municipal Website Content and Currency of Material

Municipal Website: Content and Currency of Material			
Serial No.	Documents published on the Municipality's website	Yes/No	Publishing Date
Column Ref.	A	B	C
1	Annual and adjustments budgets and all budget-related documents	Yes	01/07/2024 – 30/06/2025
2	All budget-related policies	Yes	31/05/2024 – final
3	The previous Annual Report 2023/24	Yes	28/03/2024
5	All current performance agreements (2024/25) and resulting scorecards required in terms of Section 57(1)(b) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)	Yes	07/11/2024
6	All service delivery agreements (2024/25)	Yes	01/07/2024 – 30/06/2025
7	All long-term borrowing contracts (2024/25)	No	None
8	All Supply Chain Management Contracts above a prescribed value (above R 300,000) for 2024/25	Yes	01/07/2024 – 30/06/2025
9	All information statements containing a list of assets over a prescribed value that have been disposed of in terms of the MFMA Section 14(2) or (4) during 2024/25	No	01/07/2024-30/06/2025 No disposals
10	Contracts agreed in 2024/25 to which the MFMA Sub-section (1) of Section 33 applies, subject to Sub-section (3) of that Section	No	None concluded
11	Public-private partnership agreements referred to in the MFMA Section 120 made in 2024/25	No	None concluded
12	All quarterly reports tabled before Council in terms of the MFMA Section 52(d) during 2024/25	Yes	01/07/2024 – 30/06/2025

2.20 COMMUNICATION

Communication with the community of Drakenstein continued through following the integrated PESO (Paid, Earned, Shared and Owned) media model – issuing creative, relevant and topical content, tailor-made for the Municipality's different communication channels and platforms, and their target audiences.

The Communication and Marketing Division compiled and sent out press releases to media (print, radio and online); invited media to events and responded to media enquiries; arranged radio programmes; recorded and distributed sound clips; as well as shared news regarding municipal projects, programmes, initiatives and achievements through its five social media platforms, the municipal website, its monthly *Vars* external digital newsletter, display screens,

the Intranet, and internal broadcast emails. It further communicated urgent, service-related news via bulk SMSs, and SeeClickFix app notifications.

At the same time the municipal brand was reinforced and enhanced by developing and distributing quality promotional items; displaying branding and banners at key events; and exercising the Municipality's marketing rights at supported events. To strengthen the Municipality's events branding presence, the division acquired a large inflatable arch banner which it introduced at the Absa Cape Epic Mountain Bike Race in Paarl in March 2025.

Reputation management was also done to uphold the brand.

In this financial year the division again appointed a media monitoring agency to assist in monitoring the Municipality's media coverage, including tracking its social media performance, and reporting monthly on the coverage breakdowns, share of voice, and brand sentiment. Benchmarking Drakenstein Municipality's performance with that of the two other secondary cities in the Western Cape, these reports serve to inform the Municipality's media, communication and reputation management strategy.

Guided by its corporate identity manual, the Municipality continued to reinforce its corporate identity and logo, embodying its vision of a city of excellence. Extensive communication and marketing support was rendered to the Municipality's dedicated campaigns, such as promoting its new My Municipal Meter app, #GetNotified feature, SeeClickFix app, Fair Trade City, 365 Days of Activism against Gender-Based Violence, and War on Waste.

In the 2023/24 financial year, the Communication and Marketing Division – together with Legal Services - initiated the process to get the Municipality's trademark registered officially in terms of Section 29(2) of the Trade Marks Act, 1993, in various applicable classes. In the 2024/25 financial year this process started to bear its first fruit when the Municipality obtained registration for a 10-year period in the first of these classes.

The Municipality's pioneering monthly *Vars* digital newsletter, becoming a popular online magazine (or e-zine) in its own right, continued to be a real game-changer for the Municipality's communication and marketing function. Central to the Municipality's integrated communication strategy, *Vars* allows for greater and more streamlined content integration, a better and more cost-effective use of resources, and improved messaging alignment. Delivering on its brand promise, this vibrant publication's stories and videos continued to be fresh and its content original - all packaged in a visually appealing manner.

In line with the Municipality's focus on promoting Drakenstein as a preferred business, development, investment and tourism destination, the division continued to give *Vars* more of a business and development focus. This has been evident specifically in its captivating frontpage images and business content – both targeted at developers and investors.

In addition, *Vars* includes videos, photographs, municipal and community-focused articles, tender announcements, notices, and job opportunities, as well as features and profiles on members of the community, councillors and municipal staff members. The monthly emailer – sent to 12,406 subscribers – is linked to a fully-fledged online flipbook with embedded videos, which are also hosted on the Municipality’s YouTube channel.

The division further continued to render communication and marketing assistance to various departments and divisions, as well as key events such as the 17th Fair Trade Cities and Towns International Conference; receiving the Municipality’s Sustainability Impact Award for Anglophone Africa from Schneider Electric; the Executive Mayor’s Budget Speech; and preparation for the implementation of the new General Valuation Roll on 1 July 2025.

In this financial year the Municipality’s Facebook page, launched on 1 June 2018, continued to achieve consistent growth. Much of this growth was once again organic – thanks to original, compelling, engaging and relevant content directly affecting the community of Drakenstein, as well as creative videos and “how-to” posts. By the end of June 2025, the Drakenstein Municipality Facebook page had 62,313 followers, reaching 2,1 million people and achieving 1,2 million visits over the 2024/2025 financial year. This indicates that the content resonates well with the current audience and consistently attracts more followers.

The themed grid design of the Municipality’s Instagram platform continued to be very popular. By the end of June 2025, this platform’s followers grew to 2,445. Populated with exquisite and impactful images and videos, the Instagram platform showcases the people, stories and beautiful area of Drakenstein, as well as municipal staff making a real difference in the workplace and to the Drakenstein community. The Instagram platform was launched in November 2019.

Another addition to the Municipality’s social media ecosystem, its LinkedIn platform, grew significantly over the financial year, reaching 6,258 followers by the end of June 2025. It was launched in November 2021. Publishing bespoke content for the professional and business audience, this platform continues to penetrate this market and further promote Drakenstein as a fast-growing, progressive and strategically located investment destination. Vacancy posts are especially well received on LinkedIn.

Another exciting addition to the Municipality’s owned media stable is its new Intranet that was launched in May 2022, sporting a fresh, contemporary design and a range of useful features. Built on Microsoft SharePoint as an enabling and centralised platform, the Intranet allows for more synergy and serves as a bridge between the different departments and divisions. In the 2024/2025 financial year, the division started to monthly track the data metrics of all pages of the Intranet to determine which pages are most popular.

Not only does the new Intranet feature a complete new look and feel, but the page is personalised and simple to navigate. Staff members have all the system links they need at their fingertips, and easy access to essential documents, Council information, events calendars, and colleagues' contact details (through an advanced search facility). It also features staff profiles and polls, feeds from the Municipality's Facebook, LinkedIn, Instagram and YouTube platforms, and even the Drakenstein area's weather reports.

Received incredibly well by the Drakenstein community and attracting 686 followers on the first day it was launched, the Municipality's public WhatsApp channel continued to prove its power as a targeted communication channel. A year later, in June 2025, the channel had almost 4 900 followers. The Municipality mainly communicates service delivery news and notices on this channel, which can be easily shared by users via this popular app to their own circles of influence.

In June 2025, the Communication and Marketing division proudly soft-launched its 10th new communication platform in eight years: centralised display screens. Built on Microsoft SharePoint, the division developed a solution to disseminate curated content from a centralised point to various display screens, fitted with small single-board computers, across the Municipality. The first phase of this project involves the installation of four display screens in key public areas, including municipal cashier halls, targeting captive audiences. More display screens will be rolled out in traffic centres and other key areas.

When the Annual Report is completed, it is made available at all the municipal libraries and the two Thusong Centres, in addition to the required distribution to other spheres of government. The MPAC scrutinises the report and also invites public comment on it.

2.21 CUSTOMER SATISFACTION SURVEYS

A Customer Complaints Management System, SeeClickFix, manages service delivery standards and complaints. No surveys were done during the year under review.

2.22 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

2.22.1 Management Control

Refer to section 4.3 on Employment Equity.

2.22.2 Skills Development

The table below sets out the skills development within Drakenstein Municipality for Black (African, Coloured and Indian) employees during the 2024/25 year.

Table 29: Skills Development

Skills Development						
Serial No.	Categories	Number of each Category	Race Classification (Indicate number in terms of A, C and I)	Gender (Indicate number in terms of F and M)	Age (Provide nr in chronological order)	Disability (Indicate number in terms of F and M)
Column No.	A	B	C	D	E	F
1	Black employees	1,556	A = 475 C = 1,072 I = 9	M = 965 F = 591	N/A	M = 7 F = 3
2	Black people on Internships, Apprenticeships, Learnerships	174	A = 85 C = 89 I = 0	M = 89 F = 85	Under 35 = 64 Under 35 = 5	M = 2 F = 0
3	Black People absorbed at the end of Learnership, Internship and Apprenticeship	10	A = 8 C = 2 I = 0	M = 5 F = 5	Under 35 = 10	Disability = 0

2.22.3 Enterprise, and Supplier Development

Developing enterprises, entrepreneurs and suppliers is a core function of the Economic Development and Tourism Division. Growth of the Drakenstein economy hinges on the continuous development of these economic agents. The Division received various requests during the year from formal enterprises operating within the municipal area, ranging from the extension of trading days or hours and doing promotions for new products and services on municipal pavements, among others. There were also numerous requests for trading spaces and land. The Economic Development and Tourism Division ensures that enterprise development interventions are pursued across all economic sectors, while cognisant of the high income and employment sectors such as agriculture; wholesale, retail trade, catering and accommodation; finance, real estate, insurance and business services; community, social and personal services; and transport, storage and communication.

For informal businesses, highlights for enterprise development included the installation of solar panels and inverters in two Council-owned buildings used for informal trading in Mbekweni and Wellington. The inverters enable informal traders to continue operating during power outages. The inverters and solar panels were sponsored by the Western Cape Government Department of Economic Development and Tourism. Funding was also received from Cape Winelands District Municipality as a contribution to the refurbishment of the Arendsnes Small Business Complex in Wellington. Infrastructure was maintained in all the five small business hives and three informal trading bays which cater for over 100 small informal traders.

Considering that the Municipality spends millions of rands in the procurement of goods and services annually from suppliers, contractors and service providers, the Economic Development and Tourism Division ensures local suppliers get a share of the income from procurement. One of the biggest opportunities for contractor development emanated from the upgrade of the Paarl Wastewater Treatment Works, a project which is ongoing and

scheduled to be completed in the next two years. Contractors focusing on bricklaying, demolishing, civil engineering and security services, among others, are benefiting from this project. On a smaller scale, the Division engaged three informal traders in a contract aimed at sourcing brooms made from mountain grass for usage by the Waste Management Division. Opportunities for contractor development programs offered by the Western Cape Government, SANRAL and other institutions were shared with local contractors.

The following table sets out what the actual expenditure per BBBEE level and location of that supplier (within or outside of Drakenstein Municipality) was during the 2024/25 financial year.

Table 30: Broad Based Economic Empowerment (BBBEE): Actual Expenditure per BBBEE Level and location

Broad Based Black Economic Empowerment (BBBEE): Actual Expenditure per BBBEE Level and location				
Serial No.	BBBEE Level	Outside Drakenstein	Within Drakenstein	Grand Total
Column Ref	A	B	C	D
1	Level 0	4,037,025.62	9,216,024.31	13,253,049.93
2	Level 1	651,822,205.34	150,918,744.12	802,740,949.46
3	Level 2	84,545,574.35	16,845,368.53	101,390,942.88
4	Level 3	23,589,679.83	258,330.80	23,848,010.63
5	Level 4	20,509,285.64	15,160,062.68	35,669,348.32
6	Level 5	2,211,798.38	-	2,211,798.38
7	Level 6	539,839.49	525,021.58	1,064,861.07
8	Level 7	4,025.00	283,812.96	287,837.96
9	Level 8	7,799,479.37	1,902,830.37	9,702,309.74
10	Non-compliant contributor	4,799,101.06	-	4,799,101.06
11	Grand Total	799,858,014.08	195,110,195.35	994,968,209.43

2.22.4 Socio Economic Development

The main socio-economic focus of the Economic Development and Tourism Division is to ensure that residents and businesses operating within the municipal area are exposed to and engaged in income-earning opportunities. For residents, especially unemployed youth, people with disabilities, and women, the division facilitated employment opportunities through various development projects taking place through the municipality, including road and infrastructure upgrades. The division ensured that unemployed residents looking to earn an income from trading are given all the guidance and necessary support, including trading spaces at affordable prices.

Table 31: Broad Based Economic Empowerment (BBBEE): Actual Expenditure per BBBEE Level and location

Informal Trading development - BBBEE		
Serial No.	Categories	Number
Column Ref.	A	B
1	Informal Trading	Permits issued
2	Paarl	292
3	Wellington	70
4	Informal Trading spaces	Trading kiosks/Hives
5	Gouda	5
6	Arendsnes - Wellington	6
7	Wamkelekile - Mbekweni	5
8	Mphakalasi - Mbekweni	5
9	Groenheuwel – Paarl East	5
10	New Street – Paarl CBD	21

3. SERVICE DELIVERY PERFORMANCE

COMPONENT A: OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

3.1 INTRODUCTION

Performance management is a process that measures the implementation of the organisation's strategic objectives. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with the strategic objectives as set by the organisation.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management. The idea of a government that is accountable is important to meet the needs of Drakenstein Municipality. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:

- Promote the effective, efficient and economic use of resources;
- Ensure accountable public administration;
- Be transparent by providing information;
- Be responsive to the needs of the community; and
- Facilitate a culture of public service and accountability.

The Local Government: Municipal Systems Act (MSA) of 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organisational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report is made public after the Council has been informed of the quarterly progress against set targets.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that *"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and*

processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.” Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

3.1.1 Legislative Requirements

In terms of section 46(1)(a) of the Local Government: Municipal Systems Act, a municipality must prepare an Annual Performance Report (APR) for each financial year that reflects the municipality’s and any service provider’s performance during the financial year. The APR must furthermore indicate the development and service delivery priorities, and the performance targets set by the municipality for the financial year, and based on the results indicate what corrective measures were or are to be taken to improve performance. The 2024/25 APR is attached to this Annual Report as Volume V.

3.1.2 Organisational Performance

Strategic performance assessment indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is effective, efficient and economical. Municipalities must develop strategic plans and allocate resources for implementation. Implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to implement corrective measures timeously as and when required.

The APR highlights the strategic performance in terms of the Municipality’s Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the Municipality and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act of 2000.

3.1.3 Performance Management Policy

The Municipality adopted a Performance Management (PM) Policy during 2011. The last review of the policy was during the 2022/23 financial year and is under review again for this financial year. The PM Policy articulates the Municipality’s objectives in order to promote accountability and the overall strategy of the Municipality. Therefore, the main principles of the PM Policy are that it must be feasible in terms of the available resources to the Municipality and that the PM Policy must serve as an enabling mechanism for employees to achieve their performance objectives and targets.

Performance management has been introduced in the Local Government: Municipal Systems Act, Act 32 of 2000 (hereafter referred to as the MSA). The MSA is specific with regards to performance management. Each municipality must develop a performance management system (PMS) in order to enhance service delivery inputs in order to maximise outputs to the community. The MSA emphasise the amplified role of Council in performance management.

Legislative enactments which govern performance management in municipalities are found in various documents. As outlined in Section 40 of the MSA, Drakenstein Municipality must establish mechanisms to monitor and reviews its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and lower levels.

3.1.4 The IDP and the Budget

The Municipality has developed a long term 15-year strategy (2017-2032) for Drakenstein to realise a vision: to evolve into “*A city of excellence*” within the next fifteen years. Key facets of the vision are economic dynamism; quality of life for all; a strong well-governed brand; and financial sustainability.

The 2024/25 IDP (inclusive of Vision 2032) details a comprehensive needs analysis and big moves, key initiatives, projects and programmes to address these challenges in partnership with other spheres of government, the private sector and civil society.

The Integrated Development Plan, together with its long-term trajectory, will be reviewed annually to accommodate changes in the municipal environment, including community priorities. In turn, the revised IDP will inform changes to the budget, key performance indicators and targets of the Municipality.

The Municipal IDP must be reviewed every year to ensure that:

- Municipalities and communities keep track of progress in implementing development projects and spending the municipal budget; and
- Communities are provided with an opportunity to review their needs and make possible changes to the priorities listed in the municipal IDP.

The IDP is the principal planning instrument that guides and informs the municipal budget. The Drakenstein Municipality’s PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to measure the progress made in achieving the objectives as set out in the IDP.

The Five-Year Performance Framework reflects the connection between the strategic framework of the Municipality, as detailed in the previous chapter and IDP implementation

through Key Performance Indicators and Targets to measure performance of the IDP for the five years.

These are annually revised in line with Section 34 of the Local Government: Municipal Systems Act, No. 32 of 2000 which compels a municipal council to review its integrated development plan annually in accordance with an assessment of its performance measurements in terms of section 41 to the extent that changing circumstances so demand.

A conducive performance management culture will ensure that the developmental objectives as construed in the IDP gets relevance in the performance agreements of senior managers and consequence implementation thereof.

3.2 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

The organisational performance is evaluated by means of a municipal scorecard (Top-Layer SDBIP). Performance objectives, as reflected in the municipal scorecard, are required to be practical, measurable and based on the key performance indicators.

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where and when the strategies, objectives and normal business processes of the Municipality are implemented.

It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A1, General Notice 393 in Government Gazette 32141 and prescribes that:

- The IDP and Budget must be aligned;
- The Budget must address the strategic priorities;
- the SDBIP should indicate what the Municipality is going to do during the next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the Budget/IDP processes.

The Top-Layer SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor, Cllr Stephen Korabie on 28 June 2024 in terms of section 53(1)(c)(ii) of the Local Government: Municipal Finance Management Act of 2003. It was made public on the municipal website within fourteen (14) days after approval by the Executive Mayor.

3.2.1 The Municipal Scorecard (Top-Layer SDBIP)

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by Council/Executive Management and provides an overall picture of the performance of the Municipality as a whole, reflecting performance in its strategic priorities for the 2024/25 financial year. The scorecard is the performance evaluation tool and is used during the informal and formal performance assessment of the City Manager and Executive Directors. Components of the Top-Layer SDBIP include:

3.2.1.1 *One-year detailed plan with the following components:*

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial, measurable performance objectives in the form of targets and indicators;
- Output management objectives; and
- Level and standard of service being provided to the community.

3.2.1.2 *Top-Layer KPI's were prepared based on the following:*

- Key Performance Indicators (KPIs) for the programmes/activities identified to address the strategic objectives as documented in the IDP in co-operation with the community who identifies developmental priorities;
- KPIs identified during the IDP public participation process and KPIs that need to be reported to key municipal stakeholders; and
- KPIs to address the required national minimum reporting requirements.

3.2.2 Amendment of the Top-Layer SDBIP

The Top-Layer SDBIP was amended during the 2024/25 financial year by Council at a Council meeting held on 26 February 2025.

3.2.3 Actual Performance

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

- The actual result in terms of the set target;
- A performance comment; and
- Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated and provide it to the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.

3.2.4 Monitoring of the SDBIP

Municipal performance is measured as follows:

- Mid-year assessment and submission of the mid-year report to the Executive Mayor in terms of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the Municipality during the first half of the financial year;
- Quarterly performance was subjected to an internal audit and the results of their findings were submitted to the Audit Committee; and
- Quarterly performance reports are submitted to Council for information.

3.3 INDIVIDUAL PERFORMANCE

The Human Resources Management Division is responsible for Individual Performance and Management Development System of employees who, before the implementation of the municipal staff regulations, did not undergo formal performance evaluations. A service provider has held roadshows with management and staff to ensure that everyone understands the performance management and development system.

Agreements are signed annually by 31 July annually. Staff is encouraged to be actively involved in setting up their score cards and setting up weights for each KPI that is going to be measured. Performance evaluations are conducted annually for the December and June periods.

3.3.1 Executive Directors and Managers Directly Accountable to the City Manager

The Municipal Systems Act (MSA), 2000 (Act 32 of 2000) prescribes that the Municipality must enter into performance-based agreements with all section 57-employees and that performance agreements must be reviewed annually and published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

The performance agreements for the section 57 appointments for the 2024/25 financial year were signed during June 2024 as prescribed. They include performance agreements for the:

- City Manager;
- Chief Financial Officer;
- Executive Director: Corporate and Planning Services;
- Executive Director: Public Safety; and
- Executive Director: Engineering Services.

The Executive Director: Community Services post is vacant hence no performance agreement was concluded for the 2024/25 financial year.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluations of the City Manager and Executive Directors for the 2023/24 financial year took place on 11 April 2025.

3.3.2 Other Municipal Officials

The Human Resources Management Division is responsible for Individual Performance Management System of employees. The first three reporting lines of performance management (organisational performance) is managed by the Performance Management and IDP Division. This system has been rolled out to all employees as per the Municipal Staff Regulations.

Through Performance Management, supervisors will be required to engage with staff, coach and mentor, transfer skills and enhances communication between managers, supervisors and employees.

3.4 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (TOP-LAYER)

The SDBIP results for the year under review are reflected in the Annual Performance Report attached as Volume V to the Annual Report.

COMPONENT B: ENGINEERING SERVICES

Water, electricity, wastewater and refuse removal services are fundamentally important basic services to ensure a healthy and safe environment for all Drakenstein inhabitants. These basic services sections play a very important part in the planning and implementation of basic services in all formally established township developments as well as informal settlements in the Drakenstein Area over which the Municipality has control.

3.5 WATER AND WASTE WATER

The main objective of the Water and Waste Water Division is to provide water services in an effective, efficient and sustainable manner in respect of service delivery and to ensure that all people in Drakenstein Municipality's Management Area have access to adequate, safe, appropriate and affordable water services, using water wisely. Government Gazette No.52814 of 6 June 2025 include the Revised Compulsory National Water and Sanitation Standards in Terms of Section 9(1) of the Water Services Act, with which Municipalities need to comply with regard to basic, interim and higher level of water and sanitation services.

Other objectives are to upgrade existing water mains to new and higher standards and to extend the service life of existing bulk water infrastructure in accordance with the Water Master Plan.

The rapid rate of urbanisation is resulting in many cities and towns in South Africa facing major challenges of providing their increasing population with adequate and sustainable water services. On top of this, extensive parts of the continent are currently water-stressed, and these areas struggle to reconcile the water requirements and the water resources.

Apart from providing potable water to all our urban residents, we are obliged to fulfil our other basic functions of upgrading the existing infrastructure, extending the network and to effectively maintain the existing network.

3.5.1 Service Statistics - Water

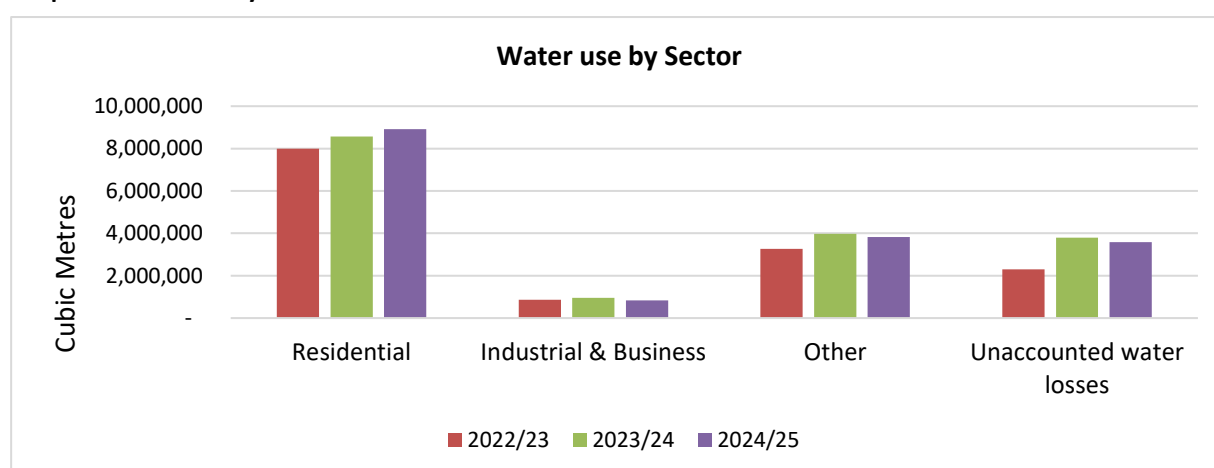
The water usage during the 2024/25 financial year was slightly less than the 2023/24 financial year. Billed metered consumption (water sales) increased from 13,237 MI consumed in 2023/24 to 13,204 MI sold during 2024/25. The water losses decreased during the last financial year from 21.9% in 2023/24 to 20.9% in 2024/25. The non-revenue water also decreased slightly from 23.43% in 2023/24 to 23.07% in 2024/25.

Table 32: Total use of water by sector (cubic metres)

Water Use Details								
Serial No.	Year	Kilolitres						% Water Losses (Tech.)
		Residential	Industrial/ Business	Other	Total Water Consumed	Water Losses (technical)	Water Bought/ Produced	
Column Ref.	A	B	C	D	E	F	G	H
1	2022/23	7,988,383	867,400	*3,293,512	12,149,295	2,305,452	14,454,747	15.9
2	2023/24	8,565,772	953,334	*3,972,893	13,491,999	3,794,139	17,286,138	21.9
3	2024/25	8,917,505	839,461	*3,826,538	13,583,504	3,579,531	17,163,035	20.9

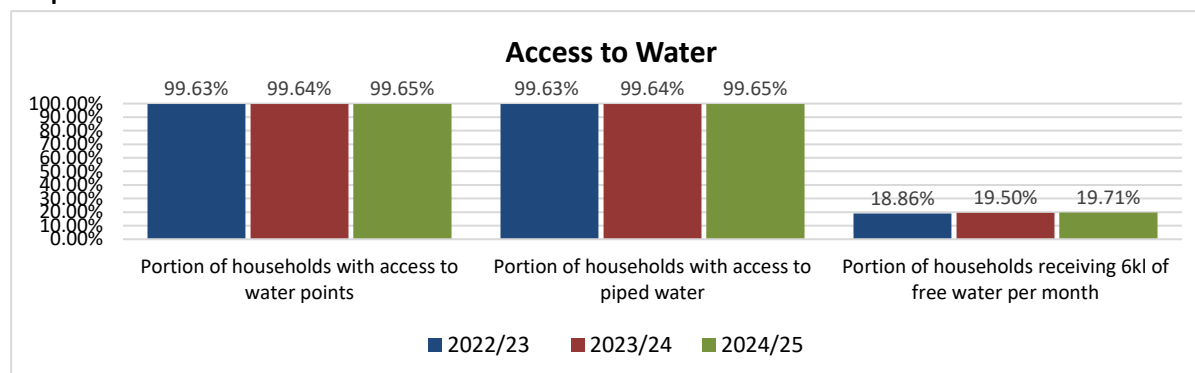
* Other includes unbilled consumption of 145,397 kl for 2022/23; 255,210 kl for 2023/24 and 379,627 kl for 2024/25.

Graph 2: Water use by Sector



In the graph below households' access to water are depicted, it must be noted that since 2018/19 financial year only indigent households received 6kl of free water per month.

Graph 3: Households Access to Water



*Note that the percentage of households with access to water indicated in the graph does not include rural households.

Within the constraints of the budget, the Water Section performed satisfactorily.

- A total of 4,016 meters of water reticulation mains were upgraded in the Drakenstein Area;
- 110 new water connections were installed in the Drakenstein Area;
- 422 burst pipes were repaired on reticulation networks;
- 977 water connections were repaired;
- 527 water meters were replaced during the year;
- 246 water meters were stolen and replaced by the Municipality; and
- 2,035 water leaks on municipal water systems were repaired during the financial year.

3.5.2 Service Delivery Levels - Water

The 2024/25 Annual WSDP Performance and Water Services Audit Report on water service delivery levels in Drakenstein indicates that 84,948 households (99.65%) receive a water service of the minimum level and above and that 297 households (0.35%) receive a water service below the minimum level.

The Audit Report indicates that there is an estimated 84.926 permanent households and 319 non-permanent households at the end of June 2025 in Drakenstein compared with the 76,776 permanent households listed in the STATSSA 2022 Census data.

Table 33: Water Service Delivery Levels

Water Service Delivery Levels				
Serial No.	Description	Households		
		2022/23 Actual No.	2023/24 Actual No.	2024/25 Actual No.
Column Ref.	A	B	C	D
1	Water: (Minimum level and above)			
	Piped water inside dwelling	41,754	42,165	42,706
	Piped water inside yard (but not in dwelling)	30,137	31,294	32,788
	Using public tap (standpipes)	8,051	8,694	9,047
	Other water supply (within 200m)	*407	*407	*407
	Minimum Level and Above Sub-total	80,349	82,560	84,948
7	Water: (Below minimum level)			
8	Using public tap (more than 200m from dwelling)	0	0	0
9	Other water supply (more than 200m from dwelling)	*163	*163	*163
10	No water supply (rural)	*134	*134	*134
11	Below Minimum Service Level sub-total	297	297	297
12	Total number of households*	80,646	82,857	85,245
13	Minimum Service Level and above Percentage	99.63%	99.64%	99.65%
14	Below Minimum Service Level Percentage	0.37%	0.36%	0.35%

**Farms which do not form part of the Municipal Water Reticulation System. Figures based on 2011 Census data. The 2022 Census data is not yet available per Sub-Place.*

***STATSSA 2016 Community Survey indicated that there were 71,686 households in Drakenstein.*

All formal erven in the urban areas of Drakenstein Municipality's Management Area are provided with individual water connections inside the erven (higher level of service). Communal standpipes are provided in the informal areas as a temporary emergency service. Drakenstein Municipality's Norms and Standards for communal water services in informal areas is a target of at least one (1) communal standpipe within a 100m radius of each household in an informal area.

Within formal settlements, there are 297 households (0.39%) of 76,198 households receiving a water service below the minimum water service level. These households are on farms, which do not form part of the Drakenstein water reticulation system. Within informal settlements, there are 8,699 households with communal water services within 100m and 348 households with communal water services further than 100m.

Table 34: Households - Water Service Delivery Levels below the minimum level

Households – Water Service Delivery Levels below the minimum level				
Serial No.	Households			
	Description	2022/23 Actual No.	2023/24 Actual No.	2024/25 Actual No.
Column Ref.	A	B	C	D
1	Formal Settlements			
2	Total households	72,595	74,163	76,198
3	Households below the minimum service level	*297	*297	*297
4	Proportion of households below the minimum service level	0.41%	0.40%	0.39%
5	Informal Settlements			
6	Total households	8,051	8,694	9,047
7	Households below minimum service level	762	247	348
8	Proportion of households below minimum service level	9.46%	2.84%	3.85%

**Farms which do not form part of the Municipal Water Reticulation System. Figures based on 2011 Census data. The 2022 Census data is not yet available per sub-place.*

The increase for the "Households below minimum service levels" for the informal settlements in the above table during the last two financial years was because the number of households below minimum service levels was calculated against the Municipality's Norms and Standards of at least one communal standpipe within a 100m radius of each household in an informal area. The National norm is that communal standpipes must be located within 200 meters of households.

3.5.3 Major Projects Implemented - Water

During 2024/25 the following major projects were implemented:

- A total of 4,016 metres of reticulation water pipe systems were upgraded in the Drakenstein Area;
- The Municipality continued with the provision of communal water services for the informal settlements. An additional 18 communal taps were provided at informal settlements.

3.5.4 Service Statistics – Waste Water

Service statistics for the year under review are listed in the table below.

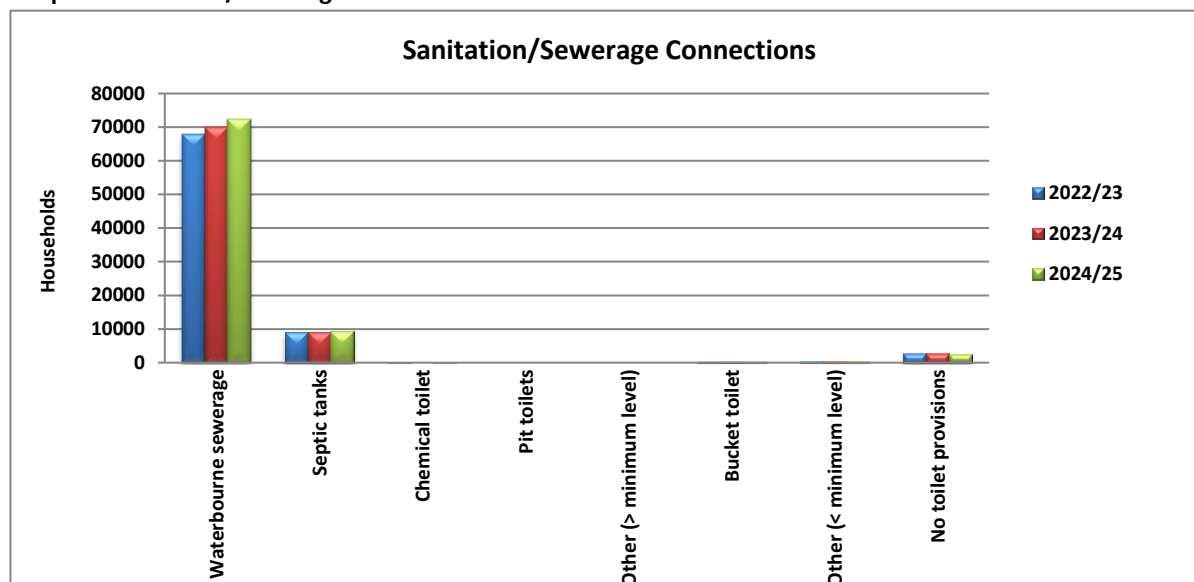
Table 35: Service Statistics - Waste Water (Sanitation Services)

Waste Water (Sanitation Services)				
Serial No	Description	2022/23	2023/24	2024/25
		Actual Number	Actual Number	Actual Number
Column Ref.	A	B	C	D
1	Total sewerage blockages serviced	6,405	4,135	6,911
2	Installation of new domestic sewer connections	10	20	108
3	Newly installed / refurbished (through pipe-cracking) sewers/pipelines (in meter)	2,838	972	1,190

The primary functions of the Waste Water Section (Sanitation) are to upgrade existing sewerage infrastructure (as to meet future requirements); to extend the wastewater/sewerage network (provide higher level of service to consumers); to maintain the existing wastewater/sewerage network (ensure adequate rehabilitation and maintenance); to monitor water resources; and, to ensure the prevention of pollution thereof.

The graph below depicts the households' type of sanitation/sewerage connections.

Graph 4: Sanitation/Sewerage Connections



3.5.5 Service Delivery Levels -Waste Water

All formal erven in the urban areas of Drakenstein Municipality's Management Area are connected either to the waterborne sewer system or serviced by septic tanks or conservancy tanks inside the erven (higher level of service). Communal ablution facilities are provided in the informal areas as a temporary emergency service. Drakenstein Municipality's Norms and Standards for communal sanitation services in informal areas is at least one (1) toilet seat for every ten (10) households.

The 2024/25 Annual WSDP Performance- and Water Services Audit Report on wastewater service delivery levels in Drakenstein indicates that 81,936 households (96.12%) receive a wastewater service of the minimum level and above, and that 3,309 households (3.88%) receive a wastewater service below the minimum level.

The Audit Report indicates that there are an estimated 84,926 permanent households in Drakenstein at the end of June 2025 compared with the 76,776 permanent households listed in the STATSSA 2022 Census data and the Quantec data of 2025, that shown 72,855 households.

Table 36: Sanitation Service Delivery Levels - Households

Sanitation Service Delivery Levels *Households				
Serial No	Description	2022/23 Actual No.	2023/24 Actual No.	2024/25 Actual No.
Column Ref.	A	B	C	D
1	Flush toilet (connect to sewerage)	67,799	69,815	72,269
2	Flush toilet (with septic tank)	9,046	9,201	9,357
3	Chemical toilet	165	155	168
4	Pit toilet (ventilated)	*142	*142	142
5	Other toilet provisions (above minimum service level)	0	0	0
6	Sub-Total: Minimum service level and above	77,152	79,313	81,936
7	Bucket toilet	*378	*378	*378
8	Other toilet provisions (below minimum service level)	*451	*451	*451
9	No toilet provisions (Farms)	*354	*354	*354
10	No toilet provisions (informal settlements)	2,311	2,361	2,126
11	Sub-Total: Below minimum service level	3,494	3,544	3,309
12	Total households	80,646	82,857	85,245
13	Minimum service level and above percentage	95.67%	95.72%	96.12%
14	Below minimum service level percentage	4.33%	4.28%	3.88%

*Farms which do not form part of the Municipal Sewer Drainage System. Figures based on 2011 Census data.

The increase for the “no toilet provisions” for the informal areas in the above table during the last three financial years was because the number of households below minimum service levels was calculated against the Municipality’s Norms and Standards of at least one toilet seat for every ten households.

Within formal settlements, there are 1,183 households (1.6%) of 76,198 households receiving a waste water service below the minimum waste water service level. Within informal settlements, there are 2,126 households (23.5%) of 9,047 households receiving a waste water service below the minimum waste water service level.

Table 37: Households - Sanitation Service Delivery Levels below the minimum

Households – Sanitation Service Delivery Levels below the minimum				
Serial No.	Description	2022/23 Actual Number	2023/24 Actual Number	2024/25 Actual Number
Column Ref.	A	B	C	D
1	Formal Settlements			
2	Total Households	72,595	74,163	76,198
3	Households below minimum service level	*1,183	*1,183	*1,183
4	Proportion of households below minimum service level	1.6%	1.6%	1.6%
5	Informal Settlements			
6	Total Households	8,051	8,694	9,047
7	Households below minimum service level	2,311	2,361	2,126
8	Proportion of households below minimum service level	28.7%	27.2%	23.5%

*Households not budgeted for as sanitation on farms is done by farm owners. Farms which do not form part of the municipal water reticulation system. Figures from 2011 Census Data. The 2022 Census data is not yet available per sub-place.

3.5.6 Major Projects Implemented – Waste Water

The following major projects were implemented during the 2024/25 financial year:

- Provision of basic sanitation services, where a total of 86 additional toilets were provided in eight (8) informal settlements of which 1 was registered in March 2025;
- The Municipality continued with the upgrading of the Paarl WWTW and the Southern Paarl Bulk Sewer funded by the BFI Grant;
- Paarl WWTW - Upgrade of the Liquid Stream (CES 1/2023 & CES 4/2023) and
- Bulk Sewer Upgrades in Paarl South (CES 2/2023).

3.5.7 Capital Expenditure – Water and Waste Water

The Water and Waste Water Division spent R352.6 million or 100% of the final adjustments budget on waste water (sanitation) infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 38: Capital Expenditure 2024/25 – Water and Waste Water

Capital Expenditure 2024/25: Water and Waste Water					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Rehab & Upgrade of Paarl WWTW	481,939,130	286,981,954	286,981,954	0.0%
2	Southern Paarl Bulk Sewer	39,800,000	39,105,002	39,105,000	0.0%
3	Replace Upgrade of Water Reticulation System	11,677,536	11,970,800	11,970,799	0.0%
4	Upgrading of Reactors Paarl WWTW	3,000,000	4,076,335	4,076,334	0.0%
5	Replace Upgrade Sewerage System	5,000,000	3,905,360	3,905,360	0.0%
6	Sewerage	2,000,000	1,974,090	1,974,089	0.0%
7	Extension of Basic Services: Informal Settlements Water	1,000,000	1,025,911	1,025,911	0.0%
8	Installation of Water Meters	-	929,879	929,879	0.0%
9	Replace 2 * Ras Pumps, Paarl WWTW	789,600	820,807	820,807	0.0%
10	Pentz Street Sewerage Pumpstation - Replace Pump	450,000	370,681	370,681	0.0%
11	Upgrade Access Road to Newton Pump Station	500,000	360,796	360,795	0.0%
12	Other Capital Projects	1,235,400	1,080,034	1,080,030	0.0%
13	Total Capital Expenditure	547,391,666	352,601,649	352,601,640	0.0%

3.5.8 Operating Expenditure – Water and Waste Water

Water and Waste Water, as an economic service, generated an operating surplus of R626.6 million for the 2024/25 financial year. Included in this is a R383.9 million RBIG (BFI) capital grant and a R59.6 million IUDG capital grant. Surpluses from trading services are utilised, in part, to support the delivery of community and social services, as well as roads and stormwater functions, which are not directly revenue-generating. A portion of the surplus is also prudently ring-fenced within the Capital Replacement Reserve to ensure the sustainable funding of future capital needs from own funds.

Table 39: Operating Revenue and Expenditure: Water and Waste Water

Operating Revenue and Expenditure: Water and Waste Water						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(832,953,121)	(1,150,208,113)	(938,939,506)	(944,586,225)	0.6%
2	Total Operating Revenue	(832,953,121)	(1,150,208,113)	(938,939,506)	(944,586,225)	0.6%
3	Employee related costs	68,939,358	79,288,463	80,962,493	74,933,142	7.4%
4	Interest paid	62,055,128	46,706,614	58,705,761	58,533,106	0.0%
5	Contracted services	35,219,177	42,459,034	36,692,622	32,580,551	11.2%
6	Depreciation and amortisation	53,504,140	59,368,458	73,119,337	63,655,746	12.9%
7	Inventory consumed	3,506,166	4,215,518	5,170,213	4,062,512	21.4%
8	Operational Costs and Losses	79,328,881	76,131,527	81,095,589	84,233,427	-3.9%
9	Total Operating Expenditure	302,552,850	308,169,614	335,746,015	317,998,485	5.3%
10	Operating (Surplus) / Deficit	(530,400,271)	(842,038,499)	(603,193,491)	(626,587,741)	3.9%

3.5.9 Employee Statistics – Water and Waste Water

The Water and Waste Water Division has 336 posts on the organisational structure approved by Council on 15 October 2024 of which 112 posts are frozen and 224 posts funded at year-end. The division had 179 filled posts and 45 vacancies at year-end, indicating a 20.1% vacancy rate.

Table 40: Employees – Water and Waste Water

Employees: Water and Waste Water								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies (Funded)	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	1	0	1	1	0	0.0%
2	T15 - T17	2	4	1	3	3	0	0.0%
3	T12 - T14	10	19	5	14	11	3	21.4%
4	T09 - T11	13	30	11	19	13	6	31.6%
5	T06 - T08	52	88	26	62	49	13	21.0%
6	T03 - T05	105	194	69	125	102	23	18.4%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	183	336	112	224	179	45	20.1%

3.6 ELECTRO-TECHNICAL ENGINEERING

Drakenstein Municipality purchases bulk electricity from Eskom at six main distribution substations at voltages varying from 11.5kV to 132kV and with a NMD (Notified Maximum Demand) of 180MVA.

Reticulation to Drakenstein Municipal consumers are at 11,500 volt, 400 volt and or 230 volt mains.

The Electro-Technical Engineering Division is divided into three sections namely:

- Operations and Maintenance: Operate and to maintain the power network;
- Planning and Customer Services: Planning, design and construction of power networks; and
- Electrical Engineering Efficiency Management: Functions relating to energy efficiency.

Drakenstein supplies consumers within the borders of the demarcated municipal area. Saron, Hermon and Gouda and a few farmlands in the Wellington area are supplied by Eskom.

3.6.1 Service Statistics – Electro-Technical Engineering

The table below depicts the number of electricity meter connections to households that Drakenstein Municipality supplies electricity to. It must be noted that the exact number of households (backyarders included) on a metered erf is not known. The electricity meter connections show a slight increase annually. The recent updated Informal Settlement Register indicates an influx of informal structures which reduce the overhaul percentage of service connection rendered versus households with no electricity. At the end of the year under review 4,856 households in informal settlements had no access to electricity within Drakenstein's electricity distribution area.

Drakenstein does not supply electricity in Saron, Gouda, Hermon and portions of the rural farming areas. Eskom has the electricity distribution licence to sell electricity in these areas. The exact number of households that Eskom supplies electricity to, is unknown.

Table 41: Electricity Service Delivery Levels

Electricity Service Delivery Levels Electricity Connections				
Serial No.	Description	2022/23 Actual No.	2023/24 Actual No.	2024/25 Actual No.
Column Ref.	A	B	C	D
1	Electricity – conventional (min. service level)	6,797	6,750	6,722
2	Electricity – prepaid (min. service level)	40,237	40,890	41,285
3	Sub-Total: Minimum service level and above	47,034	47,640	48,007
4	Electricity (< min. service level)	0	0	0
5	Electricity – prepaid (<min. service level)	3,638	4,663	4,856
6	Other energy sources	0	0	0
7	Below minimum service level sub-total	0	0	0
8	Total number of households	50,672	52,303	52,863
9	Minimum service level and above percentage	92.8%	91.1%	90.8%
10	Below minimum service level percentage	7.2%	8.9%	9.2%

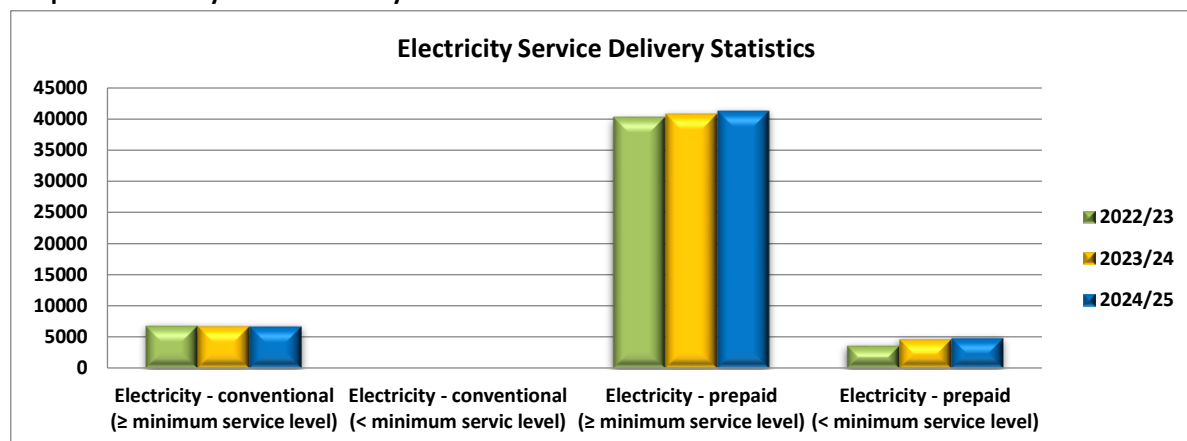
Note: Estimated figures of Eskom electricity provision within Drakenstein is unknown.

**STATSSA 2022 Community Survey indicated that there were 76,776 households in Drakenstein.*

The STATSSA 2022 Census refers to 97.9% of households that have electricity for lightning. The survey percentage however does not indicate if the electricity provision is legal or illegal.

The same statistics as in the table above are depicted in the graph below. It is clear that the vast majority of electricity connections are through pre-paid electricity connections.

Graph 5: Electricity Service Delivery Statistics



From the table below it is clear that 3,838 households (44.1%) in informal settlements have access to electricity. Drakenstein Municipality has budgeted for R2 million of its own funds for the 2024/25 financial year to eradicate these backlogs due to the fact that the INEP grant allocations do not suffice to eradicate backlogs and to cater for new low-cost housing projects.

Within formal settlements, there are 46,342 electricity meter connections (100.0%) providing an electricity service to households at the minimum electricity service level.

Table 42: Electricity Service Delivery Levels below the minimum - Formal and Informal Settlements

Electricity Service Delivery Levels below the minimum Formal and Informal Settlements				
Serial No.	Description	2022/23 Actual No.	2023/24 Actual No.	2024/25 Actual No.
Column Ref.	A	B	C	D
1	Formal Settlements			
2	Formal households with electricity	43,466	42,927	46,342
3	Formal households without electricity	0	0	0
4	Totals: Formal households	43,466	42,927	46,342
5	Formal households with minimum and above service level	100%	100%	100%
6	Formal households below minimum service level	0.0%	0.0%	0.0%
7	Informal Settlements			
8	Informal households with electricity	3,568	3,767	3,838
9	Informal households without electricity	3,638	4,663	4,856
10	Total: Informal households	7,206	8,430	8,694
11	Informal households with minimum and above service level	49.5%	44.7%	44.1%
12	Informal households below minimum service level	50.5%	55.3%	55.9%

3.6.2 Service Delivery Levels – Electro-Technical Engineering

Service delivery levels are required to be performed within time limits as set by NRS 047.

To facilitate the process, the Electro-Technical Engineering Division has a 24 hour, 365 days, Call Centre facility. This call centre will receive all electricity and other emergency type of calls from the public and initiate the required actions required to remedy the complaints.

In addition, the Control Centre instructed a SMS information service to affected wards within the municipal area where service repairs will be affected for periods longer than 30 minutes. Social media messages on the Facebook site are used as an additional information platform during prolonged incidents.

3.6.3 Capital Expenditure – Electro-Technical Engineering

The Electricity Services Section spent R68.1 million or 100% of the final adjustments budget on electricity infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 43: Capital Expenditure 2024/25 – Electro-Technical Engineering

Capital Expenditure 2024/25 Electro-Technical Engineering					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	New Connection BICL's	8,000,000	32,400,000	31,164,933	3.8%
2	Replacement Program for Old and Redundant	4,805,000	6,080,416	8,744,003	-43.8%
3	Increase Existing MT Network Capacity	4,000,000	5,436,238	5,436,238	0.0%
4	Transformers 50 KVA 3 Phase	-	3,198,779	3,881,395	-21.3%
5	Increase Existing HT Network Capacity	3,010,000	3,010,000	3,009,993	0.0%
6	Electrical Transformer Upgrade Dalweide	2,904,348	2,904,348	2,904,348	0.0%
7	Vandalism and Theft to Infrastructure	4,025,000	2,585,000	2,573,531	0.4%
8	Electrification of Informal Areas	2,000,000	2,000,019	2,000,018	0.0%
9	Increasing Existing LT Network Capacity	1,367,536	1,612,484	1,412,235	12.4%
10	Quality of Supply (Upgrading of SCADA System)	1,200,000	1,199,539	1,199,538	0.0%
11	LV Networks	-	1,169,037	1,169,037	0.0%
12	Lighting in Hermon Saron and Gouda	1,000,000	1,031,267	1,031,266	0.0%
13	Other Capital Projects	3,450,000	5,451,616	3,552,163	34.8%
14	Total Capital Expenditure	35,761,884	68,078,743	68,078,699	0.0%

3.6.4 Major Projects Implemented - Electro- Technical Engineering

- Increase existing high tension network capacity: The grant allocation of R2.9 million from INEP was utilised towards the upgrading of Dalweiding 66/11kV substation, prior to creating spare capacity for social development.

- Replacement program for old and redundant equipment: The replacement of streetlights in Charlston Hill as well as the upgrading of Ou Tuin 11kV switching station was completed.
- Increase existing medium voltage network capacity: The 11kV distribution network was upgraded at Northern Paarl, Wemmershoek and Simondium areas. The upgrading of the 11kV distribution network at Wemmershoek and Simondium areas is part of the road upgrade to facilitate load growth in the area.

3.6.5 Operating Expenditure – Electro-Technical Engineering

Electricity services, as a trading service, generated an operating surplus of R306.9 million for the 2024/25 financial year. The surplus is used to subsidise operating expenditure of community services that do not generate revenue to sustain themselves. Surpluses from trading services are utilised, in part, to support the delivery of community and social services, as well as roads and stormwater functions, which are not directly revenue-generating. A portion of the surplus is also prudently ring-fenced within the Capital Replacement Reserve to ensure the sustainable funding of future capital needs from own funds

Table 44: Operating Revenue and Expenditure: Electro-Technical Engineering

Operating Revenue and Expenditure: Electro-Technical Engineering						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(1,649,517,918)	(1,703,884,233)	(1,804,043,321)	(1,865,328,362)	3.4%
2	Total Operating Revenue	(1,649,517,918)	(1,703,884,233)	(1,804,043,321)	(1,865,328,362)	3.4%
3	Employee related costs	64,545,354	71,313,451	71,744,398	67,307,377	6.2%
4	Interest paid	62,608,274	59,229,052	59,229,052	59,054,858	0.3%
5	Contracted services	38,277,564	38,144,137	35,987,944	34,801,520	3.3%
6	Depreciation and amortisation	50,409,706	55,741,291	47,731,134	38,215,779	19.9%
7	Inventory consumed	1,118,832,867	1,227,165,484	1,348,502,866	1,345,526,077	0.2%
8	Operational Costs and Losses	16,876,699	24,331,633	22,276,584	13,554,025	39.2%
9	Total Operating Expenditure	1,351,550,465	1,475,925,048	1,585,471,978	1,558,459,636	1.7%
10	Operating (Surplus) / Deficit	(297,967,453)	(227,959,185)	(218,571,343)	(306,868,726)	40.4%

3.6.6 Employee Statistics – Electro-Technical Engineering

The Electro-Technical Engineering Division has 200 posts on the organisational structure approved by Council on 15 October 2024 of which 50 posts are frozen and 150 posts funded at year-end. The section had 127 filled and 23 vacant posts at year-end, with a vacancy rate of 15.3%.

Table 45: Employees – Electro-Technical Engineering

Employees: Electro-Technical Engineering								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	1	0	1	1	0	0.0%
2	T15 - T17	3	5	0	5	2	3	60.0%
3	T12 - T14	16	25	5	20	16	4	20.0%
4	T09 - T11	23	41	9	32	22	10	31.3%
5	T06 - T08	33	41	5	36	33	3	8.3%
6	T03 - T05	52	87	31	56	53	3	5.4%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	127	200	50	150	127	23	15.3%

3.7 SOLID WASTE AND LANDFILL MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING)

The key responsibility of this division is to deliver a sustainable waste management service to keep areas clean and free of illegal dumping. Primary focus areas are the provision of refuse collection services, not only formalised, but also to all registered informal settlements, managing disposal facilities, area cleaning as well as street sweeping. In addition, the division also focuses on ways to encourage waste minimisation, waste diversion and the implementation of various waste treatment strategies.

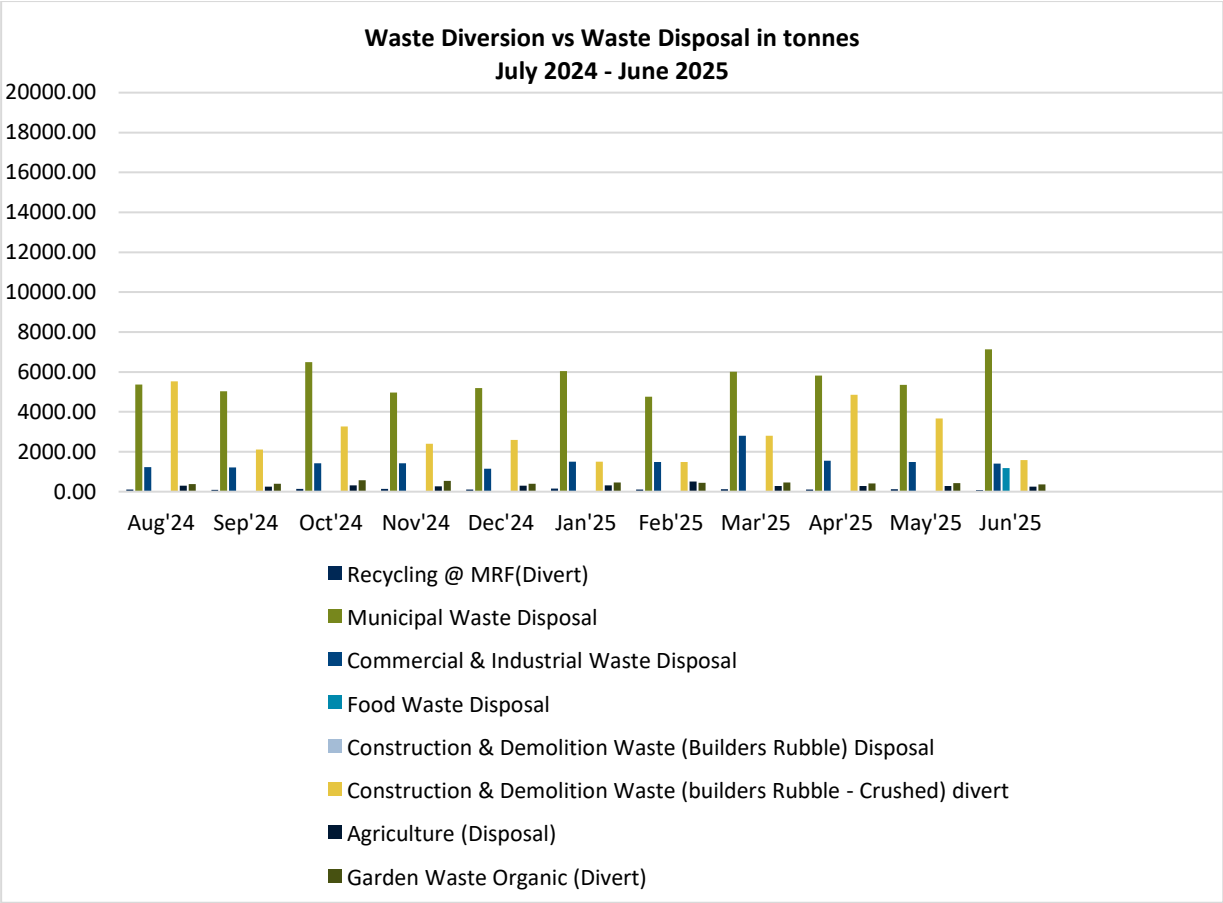
The Organic Waste Diversion Plan has been compiled and indicates the status quo of organic waste management in the Municipality as well as strategies to be implemented to optimize organic waste diversion in compliance with Provincial targets. A Waste Management Sector Plan has also been compiled which focusses on the medium and long-term plans for effective management of the different waste streams.

3.7.1 Service Statistics – Solid Waste and Landfill Management

Waste minimisation, diversion, and recycling

A separate collection of recyclable waste is implemented in certain residential areas, contributing to waste being diverted from landfill. Clear bags are issued to participating residents and collected on the same day as refuse collection. Businesses have shown an increased commitment to divert waste from landfill, by recycling the waste.

Graph 6: Solid Waste Disposal and Diversion Statistics



3.7.2 Service Delivery Levels - Solid Waste and Landfill Management

The table below indicates that a kerbside refuse removal service is delivered to 46,342 formal households within Drakenstein, using a 240L wheelie bin. A total of 43 registered informal settlements, consisting of 8,864 structures, receive a weekly door-to-door refuse bag waste removal service. 54 Communal skips and 100 commercial skips are placed in high-density and informal areas to provide demarcated disposal facilities to communities. These facilities are serviced at least once a week. Illegal dumping remains a challenge despite the presence of localised disposal facilities.

No services are rendered below the minimum service level by the Municipality.

Table 46: Solid Waste Removal Service Delivery Levels

Solid Waste Removal Service Delivery Levels				
Serial No.	Description	2022/23 Actual Number	2023/24 Actual Number	2024/25 Actual Number
Column Ref.	A	B	C	D
1	Solid Waste Removal (Minimum level and above)			
2	Removed at least once a week (bins)	43,971	45,766	46,342
3	Removed at least once a week (black bags)	8,430	7,398	8,864
4	Sub-Total: Minimum service level and above	52,401	53,164	55,206
5	Minimum service level and above percentage	100%	100%	100%
6	Solid Waste Removal: (Below minimum level)			
7	Removed at least once a week	0	0	0
8	Removed less frequently than once a week	0	0	0
9	No rubbish disposal	0	0	0
10	Sub-Total: Below minimum service level	0	0	0
11	Below minimum service level percentage	0%	0	0
12	Total number of household service points	52,401	53,164	55,206

Wastepreneurs

Drakenstein Municipality has since 2018 provided separate working area to approximately 30 former illegal recyclers on Wellington Landfill Site. In 2018 these informal recyclers earned an estimate R250 per week.

Since 2021 these Wastepreneurs are accommodated at Paarl Refuse Transfer Station (RTS) and Material Recovery Facility (MRF), provided recycling material from public, businesses and Drakenstein from recycling material collected from households. Monthly average 115,74 tons material recycled/diverted by these Wastepreneurs resulted in average income of R1,500 per week per person.

The Producer Responsibility Organisation PETCO, one of several partners of Drakenstein, provided PPE to the Wastepreneurs and recently provided the use of a bailer for bailing of recycling material. In addition to the bailing machine, training was provided by Akura Manufacturing Engineering Company (PTY)LTD to all the Wastepreneurs. All Wastepreneurs have been formally trained and are certified to use the bailing machine which has been provided to the municipality by the Producer Responsibility Organisation PETCO.

Drakenstein Municipality is one if not the only municipality which successfully integrated former informal recyclers into its formal Solid Waste Programme. Two electronic waste bins have been provided to the municipality by E-waste Recycling Authority a Producer Responsibility Organisation for the handling of electronic waste. The purpose of these electronic waste bins is to provide the public with an outlet to dispose of their electronic waste

within a responsible manner. The waste bins will be serviced by the Wastepreneurs therefore allowing an additional waste stream to become available. The additional waste stream will create an opportunity for the Wasteprenuers to increase their revenue. The responsible disposal of the electronic waste will save important airspace at the municipal landfill site.

Organic Waste Diversion Pilot Project (Food 2050)

Food-2050 began developing its technology in 2017 with the goal of becoming the most cost-effective converter of food waste in urban areas, promoting a circular economy that is both environmentally friendly and more economical than traditional landfill-based waste disposal methods. This approach aligns with the Western Cape Government's 2018 legislation, which mandates that only 50% of organic waste can be sent to landfills by 2022, with a complete ban by 2027. The legislation addresses the issue of overburdened and expensive landfill sites, emphasizing the need for sustainable and cost-effective alternatives.

The Food-2050 demonstration machine installed at the Regional Transfer Station, has proven effective in converting food waste into a valuable product in a 24-hour continuous process. It reduces waste mass by 80-85%, operates without producing odors or harmful methane gas, and can potentially reduce operational costs to zero when factoring in the value of the converted product. Over the past 18 months, the machine has successfully processed all food waste from Mediclinic Paarl, demonstrating its efficiency. However, the current machine processes around 50kg of waste per day, meaning larger volumes, such as 800kg per week, would require a larger system, which is the next phase of the project.

Landfill Management

Tender SWM01/2021 was awarded to Enviroserv Waste Management for the provision of waste disposal and waste diversion activities at the Wellington Landfill Site for a period of 5 years. The Section 33 process of the MFMA was followed to indicate Council's intention to enter into a longer-term contract with a service provider.

The facility has been successfully operated in compliance to the license conditions by Enviroserv Pty Ltd. A Landfill Monitoring Committee, consisting of members from the public, Department of Environmental Affairs, Drakenstein Municipality and Cape Winelands Municipality, meets at least once a year, as per License conditions. The Committee functions as a "watch dog" in order to ensure License compliance.

Internal and external audits are done as per license conditions and submitted to DEA&DP for regulating compliance. Recent Topographical Survey (January 2025) indicated that over a period of 12 months of operation (December 2023 – December 2024), another 1 month of airspace was saved. The estimate closure of the landfill site for available airspace, is March 2030. Several investigations were done on how more available airspace can be saved on site. Several discussions between neighbouring Municipalities such as Stellenbosch,

Swartland, Cape Winelands District Municipality and private companies commenced. Temporary different methods for solid waste disposal at the Wellington Landfill Site are currently being investigated by Drakenstein.

Illegal dumping

Illegal dumping remains a challenge in the Municipality despite efforts implemented by the Solid Waste Section. Initiatives include the provision of disposal facilities in high-density and informal areas by means of mini drop-off facilities. These facilities are not optimally used as waste is thrown outside the structure instead of inside it.

In total 65 Illegal dumping hotspots areas were identified and with the assistance of GIS, mapped. During March 2025, a new EPWP Illegal Dumping Hotspot Programme was launched in several Wards. The pilot project launched by the Executive Mayor, proofed to be successful. The new EPWP Illegal Dumping Hotspot Programme differs from the existing EPWP Project in the following categories: Performance incentives for workers implemented, Ward Councillors are assisting with Supervision and service levels are applicable. EPWP workers participated during the pilot project, attended the workplace daily and performed above expectations.

Ward Projects

Ward Councillors identified cleaning projects in the respective wards. These projects created work opportunities to people in the wards, based on a one-month employment period. Activities included street sweeping, hoeing and litter picking.

3.7.3 Capital Expenditure - Solid Waste and Landfill Management

Solid Waste and Landfill Management spent R8.3 million or 100% of the final adjustments budget on waste management infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

**Table 47: Capital Expenditure 2024/25 -Solid Waste and Landfill Management
(Refuse Collection, Waste Disposal and Recycling)**

Capital Expenditure 2024/25: Solid Waste and Landfill Management (Refuse Collection, Waste Disposal and Recycling)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Organic Waste Diversion Infrastructure	5,600,000	5,271,415	5,271,414	0.0%
2	Wheelie Bins	1,250,000	2,353,662	2,353,662	0.0%
3	Solid Waste Skips	750,000	564,200	564,200	0.0%
4	Other Capital Projects	130,000	85,000	85,000	0.0%
5	Total Capital Expenditure	7,730,000	8,274,277	8,274,276	0.0%

3.7.4 Major Projects Implemented - Solid Waste and Landfill Management

Phase 1 proceeded of the construction and upgrade of the Material Recovery Facility (MRF), commenced during the financial year. An additional R5.2 million has been allocated for 2024/25 financial year to complete the project. This phase includes upgrading the ISO compaction units, disposal area, and increasing the roof height to allow refuse compactors to offload waste at the facility. Phase 2 will focus on further upgrades, including the installation of conveyor belts to support Wastepreneurs operating within a fully equipped recovery facility.

The use of EPWP workers is a crucial element in enhancing the division's service delivery capacity. The table below shows the jobs created under the EPWP Programme during the financial year.

Table 48: EPWP Projects Solid Waste 2024/25

EPWP Solid Waste 2024/25					
Serial No.	Project	Total Workers	Area of Service	Type of Service	Duration Contracts
Column Ref	A	B	C	D	E
1	Community Informal Settlement and Hot Spot Cleaning	189	43 registered Informal Settlements	- Door-to- door refuse bag service - Area cleaning - Litter picking - Illegal dumping	6 months
2	Rapid Response Team and Bomb Squad	91	Paarl Wellington Mbekweni	- Street sweeping - Area cleaning - Litter Picking - Public complaints	6 months
3	Main routes and CBD cleaning	66	Paarl Wellington Mbekweni Gouda Saron Hermon	- Street sweeping - Area cleaning - Litter picking - Public complaints	6 months
4	Machine Handlers	60	Paarl Wellington Mbekweni Gouda Saron Hermon	Formal refuse collection	12 months

3.7.5 Operating Expenditure - Solid Waste and Landfill Management

Solid Waste Services, as an economic service, generated an operating surplus of R126.5 million for the 2024/25 financial year. Surpluses from trading services are utilised, in part, to support the delivery of community and social services, as well as roads and stormwater functions, which are not directly revenue-generating. A portion of the surplus is also prudently ring-fenced within the Capital Replacement Reserve to ensure the sustainable funding of future capital needs from own funds

Table 49: Operating Revenue and Expenditure: Solid Waste and Landfill Management

Operating Revenue and Expenditure: Solid Waste and Landfill Management						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(237,793,711)	(249,712,078)	(251,585,604)	(252,721,982)	0.5%
2	Total Operating Revenue	(237,793,711)	(249,712,078)	(251,585,604)	(252,721,982)	0.5%
3	Employee related costs	36,058,906	39,088,392	38,841,347	36,284,053	6.6%
4	Interest paid	26,369,973	5,996,455	24,946,680	24,873,312	0.0%
5	Contracted services	22,327,319	22,538,360	23,134,074	23,005,453	0.6%
6	Depreciation and amortisation	11,347,177	9,943,522	10,079,463	8,491,572	15.8%
7	Inventory consumed	2,347,129	1,995,716	3,550,794	3,209,007	9.6%
8	Operational Costs and Losses	29,264,645	37,556,885	31,963,698	30,344,609	5.1%
9	Total Operating Expenditure	127,715,150	117,119,330	132,516,056	126,208,006	4.8%
10	Operating (Surplus) / Deficit	(110,078,561)	(132,592,748)	(119,069,548)	(126,513,977)	6.3%

3.7.6 Employee Statistics – Solid Waste and Landfill Management

The Solid Waste and Landfill Management Division (Refuse Collection, Waste Disposal and Recycling) has 213 posts on the organisational structure approved by Council on 15 October 2024 of which 80 posts are frozen and 133 posts funded at year-end. The section had 99 filled and 34 vacant posts at year-end, with a vacancy rate of 25.6%.

Table 50: Employees – Solid Waste and Landfill Management (Refuse Collection, Waste Disposal and Recycling)

Employees: Solid Waste and Landfill Management (Refuse Collection, Waste Disposal and Recycling)								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	2	3	0	3	2	1	33.3%
3	T12 - T14	2	5	1	4	2	2	50.0%
4	T09 - T11	5	8	2	6	5	1	16.7%
5	T06 - T08	30	50	7	43	32	11	25.6%
6	T03 - T05	65	147	70	77	58	19	24.7%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	104	213	80	133	99	34	25.6%

3.8 TECHNICAL SUPPORT, PROJECTS AND PROGRAMMES

The Technical Support Projects and Programmes Division consists of the EPWP Funding and Projects, Fleet Management and Mechanical Workshop and Facilities and Building Maintenance Sections.

3.8.1 FACILITIES AND BUILDING MAINTENANCE

The Facilities and Building Maintenance Section provides building repairs and alterations; new construction works and day-to-day and preventative maintenance of all facilities and rental stock. The section also provides assessments, repairs and assistance during emergencies like storm damaged roofs, as well as asbestos abatement regulations and other legislated activities.

The main focus for the section in 2024/25 was to improve responsiveness to rental stock maintenance requests, implement asbestos abatement regulations for the municipal buildings and roof replacement on the worse affected rental stock buildings

3.8.1.1 *Service Statistics – Facilities and Building Maintenance*

Most of the reactive building maintenance are channelled through the SeeClickFix Reporting System used by Drakenstein Municipality. While auditing the actual completion of the work associated with the maintenance request, too many discrepancies were found. The burden of proof to close maintenance requests on SeeClickFix was increased to include tenant and foreman sign-off which drastically reduced the closure rates, but address reliability of the statistics.

3.8.1.2 Service Delivery Levels – Facilities and Building Maintenance

These maintenance requests categories were reduced from 35 to 4, according to the building trades involved, with service delivery standard durations between 3 hours and 12 weeks, depending on the nature of the work. The target to close 90% of the service requests within the stipulated Service Level Agreement (SLA) duration was not reached due to the additional proof required to close the service request.

3.8.1.3 Major Projects Completed – Facilities and Building Maintenance

Major projects that include maintenance are completed by Engineering Services .

Table 51: Capital and Maintenance Projects

Capital, Operational and Maintenance Projects		
Serial No.	Project Description	Rand
Column Ref.	A	B
1	Various boundary fence projects	3,159,479
2	Paarl Civic Centre ground, first and second floor upgrades	3,053,468
3	Replacing carpet tiles	928,567
4	Prefab and workshop	859,510
5	Addressing start-up incorporation on the installed 650 kVA generator at Market Street Building	657,658
6	Containers at Wellington Night Shelter	600,096
7	Paarl Civic Centre carports	525,529
8	Rethatching of Paarl Museum and Heemkring buildings	499,182
9	Colibri Hall roof repairs	472,865
10	Paarl Squash Club roof replacement	200,000
11	Repair Paarl Town Hall clock	101,739
12	Asbestos AIA Appointment - Monitoring, Safe Work Plan and Clearance	25,229
13	Asbestos Survey Reports X 48	281,998
14	Paarl Civic Centre: Installation of blinds at SCM - 2nd Floor	26,011
15	Paarl Civic Centre: Install palisade fence at basement	100,000
16	Market Street: Tinting of building windows - Phase1	29,900
17	Market Street: Paarl Library - Supply drop box	17,700
18	Market Street: Installation of GSM units	22,489
19	Wellington CCC : Supply and fit new trellidoor	27,300
20	Wellington CCC: Install new gate motor	15,555
21	Mbekweni CCC Building maintenance	895,000
22	Mbekweni CCC - Install new gate motor	3,036
23	Paarl-East Housing: Fit and supply aluminium frame at reception desk	17,700
24	Interior painting and minor repairs Old Mill Theatre	67,200
25	Repairs at Dal Josaphat Stadium	110,000
26	Asbestos Assessment Project	95,000

Capital, Operational and Maintenance Projects		
Serial No.	Project Description	Rand
27	Blake Street 3 House renovations and upgrades	16,245

3.8.2 FLEET MANAGEMENT AND MECHANICAL WORKSHOP

The focus areas remained to improve operations in terms of the number of vehicles serviced inside the mechanical workshop, making refuse compactors available for service delivery and motivating the appropriate expenditure on fleet replacement items. In terms of the internal services performed in the mechanical workshop the target of 300 internal services was exceeded for the second year with 326 vehicles serviced inside the mechanical workshop. The risk of refuse compactors from the same manufacturer, to be serviced and repaired by the same supplier was identified and an alternative tender introduced to bring in refuse trucks manufactured and maintained by other service providers. One such alternative vehicle was purchased in 2024/25.

In general the quality of the repair works and number of time vehicles must be returned to the service provider is a concern. Therefore the Municipality appointed a dedicated Quality Control Mechanic and a refuse truck specialist to assist with the quality review of new built vehicles and maintenance and repairs on our fleet.

During the 2024/25 the Auditor General found that the Municipality is not allowed to continue to use the strip-and-quote deviation process as a procurement mechanism, to be reported as minor deviations from the procurement process. This forced the Section to implement new tenders for the procurement of parts and mechanical repair services but delayed the repair process as a result.

3.8.3 EPWP FUNDING AND PROJECTS (EPWP JOB CREATION)

The Municipality obtained a conditional grant from the National Department of Public Works and topped it up with own funding to impact more beneficiaries. In order to extend job creation further, Drakenstein Municipality also allocate a large portion of the ward project budgets to short term work opportunities. Our own funding contribution in 2024/25 was R18.74 million, while the grant amounted to R2.062 million.

During 2024/25, 763 work opportunities were created for EPWP workers. The EPWP also completed 534 existing contracts from appointments in the 2023/24 financial year.

The following table depicts the number of EPWP Projects, funding and the number of jobs created through EPWP Projects over the last three financial years.

The reduction in the number of new contracts entered into comes from a deliberate shift towards longer appointments to create meaningful opportunities and drive a training focus, and as a result of a smaller grant allocation implemented across all municipalities.

Table 52: Job creation through EPWP Projects

Job creation through Expanded Public Works Programme (EPWP) Projects					
Serial No.	Financial Year	DTPW EPWP & Local Government Grant allocation	Drakenstein Municipal Funding	Number of EPWP Projects	Number of new jobs created through EPWP Projects
Column Ref.	A	B	C	D	E
1	2022/23	R4,139,000	R18,989,357	25	1,380
2	2023/24	R4,636,000	R18,261,070	16	1,039
3	2024/25	R2,062,000	R18,737,567	16	763

3.8.4 Operating Expenditure – Technical Support Projects and Programmes

Technical Support Projects and Programmes Division generated an operating deficit of R134.6 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 53: Operating Revenue and Expenditure: Technical Support Projects and Programmes

Operating Revenue and Expenditure: Technical Support Projects and Programmes (includes Fleet Management and Mechanical Workshop)						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(13,591,171)	(4,049,533)	(5,182,153)	(31,916,748)	515.9%
2	Total Operating Revenue	(13,591,171)	(4,049,533)	(5,182,153)	(31,916,748)	515.9%
3	Employee related costs	56,088,283	56,434,472	58,244,134	54,971,478	5.6%
4	Interest paid	0	16,510,752	0	0	0.0%
5	Contracted services	14,531,379	41,969,785	38,673,585	36,734,370	5.0%
6	Depreciation and amortisation	18,460,266	20,613,365	25,612,038	24,577,393	4.0%
7	Inventory consumed	3,423,825	49,695,528	35,601,953	34,751,489	2.4%
8	Operational Costs and Losses	11,462,559	14,240,392	17,296,592	15,442,219	10.7%
9	Total Operating Expenditure	103,966,311	199,464,294	175,428,302	166,476,947	5.1%
10	Operating (Surplus) / Deficit	90,375,141	195,414,761	170,246,149	134,560,200	21.0%

3.8.5 Capital Expenditure – Technical Support Projects and Programmes

The Technical Support Projects and Programmes Division spent R28.7 million or 99.1% of the final adjustments budget on capital projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

A big focus of the capital purchases was to address the problems regarding refuse collection and four new refuse collection vehicles were introduced in the 2024/25 financial year to alleviate the problems with availability.

Table 54: Capital Expenditure 2024/25 - Technical Support Projects and Programmes (includes Fleet Management and Mechanical Workshop)

Capital Expenditure 2024/25: Technical Support and Programmes (includes Fleet Management and Mechanical Workshop)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Fleet Annual Supplement Programme	5,682,876	20,239,579	20,453,783	-1.1%
2	Upgrading of Municipal Buildings Corporate	8,515,000	6,325,634	5,868,244	7.2%
3	Depot and Office Renovations	-	665,471	665,471	0.0%
4	Machinery and Equipment	550,000	662,917	662,916	0.0%
5	Corporate Facility Aircons	230,000	550,366	550,365	0.0%
6	Other Capital Projects	2,009,588	532,795	512,788	3.8%
10	Total Capital Expenditure	16,987,464	28,976,762	28,713,567	0.9%

3.9 ROADS, STORMWATER AND TRAFFIC ENGINEERING

In accordance with the principles of Key Performance Area 4: Physical Infrastructure and Services as well as Key Focus Area 26 relating to Transport, Traffic Engineering, Roads and Stormwater, the activity of this section focuses on the development and maintenance of infrastructure for the conveyance of people and goods in all its forms. Further functions include the installation and maintenance of regulatory items to effectively safeguard residents and users of the infrastructure as well as the maintenance and installation of infrastructure to mitigate risk resulting from adverse weather conditions.

3.9.1 Transport

The main means of public transport are minibus taxis for both local and long-distance commuting as well as train and bus for long distance travel. The section refurbished a total of 5 bus shelters and installed 4 new bus shelters for the 2024/25 financial year.

3.9.2 Traffic Engineering

The Traffic Engineering Section is responsible for the maintenance of all traffic light installations, traffic signage, road markings as well as directional and tourism signage as may be required.

On provincial roads of mutual interest, the installation of traffic signals is executed in collaboration with the Provincial Department of Transport, with the municipality being responsible for all maintenance and burning costs.

As flouting of rules and regulations are becoming the order of the day, the section also determines whether traffic calming installations are warranted and installs the infrastructure as determined in accordance with available budget in support of law enforcement actions.

The section performed very well during the year. In total approximately 25,551.05 square metres of general road markings were maintained in the Drakenstein Municipal area; 151 intersections; 1,180 parking spaces, 1,142 stop signs; 331 yield signs were remarked

3.9.3 Roads

The function of the Roads Section is to attend to the upgrade of the existing roads and streets, to extend and improve the network, and maintain all classes of roads.

The Pavement Management System has been utilised to determine the required actions in preventative maintenance of the network in order to reduce the need for major reconstruction of streets. It is currently planned to advice Pavement Management System to determine the future major maintenance and reconstruction requirements of streets.

Provincial main roads of mutual interest are maintained and upgraded in collaboration with the Provincial Department of Infrastructure whereby that department provides 80% of funding required and Drakenstein Municipality 20%, if funds are approved by the Provincial Department of Infrastructure.

The upgrade of Drommedaris Street is about 65% completed in this financial year. The target for employing local labour and enterprises is at 101% and 109% respectively. The project is due to be complete by February 2026.

3.9.3.1 Roads Statistics

A total of 5,773 meters of streets were resealed; 14,145 potholes were repaired; and 84,556m² of tarring work was done.

The Roads Section performed very well during the year and managed to mitigate most of the formation of potholes and surface breakdowns. The crack sealing program also commenced and 9,450m of crack sealing was completed in this financial year.

Budgetary constraints are resulting in a serious backlog in attending to the preventative maintenance of the roads infrastructure which could result in the deterioration of service levels.

Table 55: Gravel Road Infrastructure

Gravel Road Infrastructure					
Serial No	Kilometres				
	Year	Total Gravel Roads	New Gravel Roads Constructed	Gravel Roads Upgraded to Tar Roads	Gravel Roads Graded / Maintained
Column Ref.	A	B	C	D	E
1	2022/23	36.85	0.00	0.00	36.85
2	2023/24	36.85	0.215	0.00	37.06
3	2024/25	36.85	0.00	0.00	36.85

Table 56: Asphalted Road Infrastructure

Asphalted Road Infrastructure						
Serial No	Kilometres					
	Year	Total Asphalted roads	New Asphalt roads	Existing Asphalt Roads Re-asphalted	Existing Asphalt Roads Re-sheeted	Asphalt Roads Maintained
Column Ref.	A	B	C	D	E	F
1	2022/23	510.23	0.00	0.00	2.181	507.77
2	2023/24	510.23	0.00	0.00	8.217	510.23
3	2024/25	510.23	0.00	0.00	9,450	510.23

3.9.4 Stormwater Drainage

The Stormwater Section is responsible for the planning of expansion, installation and maintenance of the storm water network, including ±377 km of existing pipelines and culverts, manholes, catch pits and 40 km of rivers and streams.

Within the budgetary constraints, the system is kept free of obstructions as far as possible in order to mitigate possible flooding during high intensity downpours. The section endeavours to clean the complete system at least twice annually, with quarterly actions at known hotspots. Continued and increasing irresponsible littering and intentional dumping of rubbish

in the storm water systems remains a major cause of blocked drains. This illegal action results in flooding of property especially in low lying areas.

The compilation of the Storm Water Master Plan and flood lines remains an absolute critical aspect which will have to be attended to, to provide for the maintenance and upgrading of the existing system, and planning of storm water system requirements in terms of the SDF.

3.9.4.1 Stormwater Statistics

Upgrading of the aging pipe stormwater system is required in many instances. Where pipes have deteriorated to such an extent that they need replacing, the upgrading is done by slip-lining the pipelines instead of replacing the pipelines. This work is done in situ with no need for excavation, thereby reducing the negative effect of construction work on the residents and their movements. The cost of this method is dramatically less than conventional replacement of pipes, thereby enabling more rehabilitation work within the limited budget available.

A total of 1,273m storm water pipes of varying diameters were refurbished using CIPP technology during the financial year. All 377.18 km of the system was cleaned at least twice; 7,439 manholes were cleaned; 1,424 blockages attended to; 695 repairs to installations undertaken; and 62 sinkholes repaired. Taking cognisance of the limited resources, the section performed very well.

Table 57: Stormwater Infrastructure

Stormwater Infrastructure					
Serial No.	Kilometres				
	Year	Total Stormwater measures	New Stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Column Ref.	A	B	C	D	E
1	2022/23	377.37	0.131	0	377.37
2	2023/24	377.37	0	0.969	377.37
3	2024/25	377.18	0	0	377.18

3.9.5 Capital Expenditure – Roads, Stormwater and Traffic Engineering

The Roads, Stormwater and Traffic Engineering Division spent R78.5 million or 100% of the final adjustments budget on roads and stormwater infrastructure projects (traffic engineering included) for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 58: Capital Expenditure 2024/25 – Roads, Stormwater and Traffic Engineering

Capital Expenditure 2024/25: Road, Stormwater and Traffic Engineering					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Drommedaris Neighbourhood Grant	26,086,957	32,462,108	32,462,108	0.0%
2	Reseal of Streets in Terms of the RAMS	13,307,319	19,611,925	19,611,925	0.0%
3	Upgrading of Provincial Roads	9,826,087	8,586,957	8,586,957	0.0%
4	Refurbish Storm Water Systems	6,900,000	7,542,147	7,542,147	0.0%
5	Reseal of Roads	1,965,217	3,186,309	3,186,309	0.0%
6	Traffic Lights (Drakenstein)	1,500,000	2,278,388	2,269,472	0.4%
7	Reseal of Streets /Road Network Paarl	-	1,799,154	1,799,153	0.0%
8	Upgrading of Sidewalks	850,000	849,932	849,932	0.0%
9	Upgrading of Taxi Rank	700,000	515,708	515,708	0.0%
10	Other Capital Projects	2,030,000	1,647,144	1,645,664	0.1%
11	Total Capital Expenditure	63,165,580	78,479,772	78,469,373	0.0%

3.9.6 Major Projects Completed – Roads, Stormwater and Traffic Engineering

- The initiative to install UPS (Uninterrupted Power Supply) traffic signalling equipment in underground chambers was completed for all 48 major traffic intersections in the municipal area. This project received a silver award in April 2024 at the Western Cape Service Excellence Awards.
- The project to upgrade Drommedaris Road was awarded to a contractor and commenced in the 2024/25 financial year, with a duration of approximately 18 months. This project is currently at 60% completed and completion date is estimated at early February 2026.

3.9.7 Operating Expenditure – Roads, Stormwater and Traffic Engineering

Roads, Stormwater and Traffic Engineering, as a community service, generated an operating deficit of R100.0 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 59: Operating Revenue and Expenditure: Roads, Stormwater and Traffic Engineering

Operating Revenue and Expenditure: Roads, Stormwater and Traffic Engineering						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(11,098,969)	(41,311,434)	(49,213,858)	(55,559,939)	12.9%
2	Total Operating Revenue	(11,098,969)	(41,311,434)	(49,213,858)	(55,559,939)	12.9%
3	Employee related costs	44,942,856	48,943,855	50,359,968	47,936,259	4.8%
4	Interest paid	16,569,386	25,185,096	15,675,070	15,628,969	0.3%
5	Contracted services	6,726,350	8,823,292	14,557,470	14,239,716	2.2%
6	Depreciation and amortisation	54,034,750	59,878,131	42,998,305	41,727,015	3.0%
7	Inventory consumed	3,429,354	3,587,299	3,400,731	3,211,133	5.6%
8	Operational Costs and Losses	11,707,384	31,110,338	32,930,227	32,853,304	0.2%
9	Total Operating Expenditure	137,410,080	177,528,011	159,921,771	155,596,397	2.7%
10	Operating (Surplus) / Deficit	126,311,111	136,216,577	110,707,913	100,036,459	9.6%

3.9.8 Employee Statistics – Roads, Stormwater and Traffic Engineering

The Roads, Stormwater and Traffic Engineering Division has 241 posts on the organisational structure approved by Council on 15 October 2024 of which 80 posts are frozen and 161 posts funded at year-end. The section had 144 filled and 17 vacant posts at year-end, with a 10.6% vacancy rate.

Table 60: Employees – Roads, Stormwater and Traffic Engineering

Employees: Roads, Stormwater and Traffic Engineering								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	2	2	0	2	2	0	0.0%
3	T12 - T14	4	8	4	4	2	2	50.0%
4	T09 - T11	6	12	5	7	7	0	0.0%
5	T06 - T08	29	49	19	30	28	2	6.7%
6	T03 - T05	102	170	52	118	105	13	11.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	143	241	80	161	144	17	10.6%

3.10 EXECUTIVE DIRECTOR: ENGINEERING SERVICES

The Executive Director: Engineering Services consists of the administrative portion of the Department.

Secretarial Support

- Manage and control the provision of a comprehensive executive administrative support service regarding daily office management and other functional responsibilities that need to be attended to by the Executive Director; and
- Enhances effectiveness by managing activities and requirements associated with the Office.

Administrative Support

- Manage the direction and overall functioning of the Administration Support and Customer Care Section of the Engineering Services.
- Manage the provision of an effective and efficient administrative, financial and logistical support structure based on compliance and implementation of administrative and financial legislation.
- Implement policies and procedures, processes and best practices to ensure that the sections' service delivery objectives are met.

3.10.1 Service Delivery Levels – Executive Director: Engineering Services and Administration

All service levels are complied with.

3.10.2 Capital Expenditure – Executive Director: Engineering Services and Administration

The Executive Director: Engineering Services had no capital projects for the 2023/24 year.

3.10.3 Operating Expenditure – Executive Director: Engineering Services and Administration

Executive Director: Engineering Services (including the infrastructure development section), as a support service, generated an operating deficit of R29.9 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 61: Operating Revenue and Expenditure: Executive Director: Engineering Services and Administration

Operating Revenue and Expenditure: Executive Director: Engineering Services and Administration						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	102,436	(1,844,077)	(4,167,830)	(2,253,682)	-45.9%
2	Total Operating Revenue	102,436	(1,844,077)	(4,167,830)	(2,253,682)	-45.9%
3	Employee related costs	21,589,609	29,491,543	27,754,096	24,188,807	12.8%
4	Contracted services	16,880,938	2,950,125	2,924,563	2,772,727	5.2%
5	Depreciation and amortisation	1,800,750	1,967,491	1,500,149	1,345,373	10.3%
6	Inventory consumed	23,853,218	135,694	145,181	208,391	-43.5%
7	Operational Costs and Losses	5,821,922	7,035,521	3,709,531	3,647,542	1.7%
8	Total Operating Expenditure	69,946,438	41,580,374	36,033,520	32,162,840	10.7%
9	Operating (Surplus) / Deficit	70,048,874	39,736,297	31,865,690	29,909,158	6.1%

3.10.4 Employee Statistics - Executive Director Engineering Services and Administration

The Executive Director: Engineering Services and Administration has 35 posts on the organisational structure approved by Council on 15 October 2024 of which 3 posts are vacant and 5 post frozen at year-end. The section had 27 filled posts at year-end with a 10.0% vacancy rate.

Table 62: Employees - Executive Director: Engineering Services and Administration

Employees: Executive Director Engineering Services and Administration								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	Sec 56	1	1	0	1	1	0	0.0%
2	T18 - T20	2	0	0	0	0	0	0.0%
3	T15 - T17	8	3	0	3	2	1	33.3%
4	T12 - T14	0	12	2	10	9	1	10.0%
5	T09 - T11	5	7	1	6	5	1	16.7%
6	T06 - T08	6	8	2	6	6	0	0.0%
7	T03 - T05	4	4	0	4	4	0	0.0%
8	T01 - T02	0	0	0	0	0	0	0.0%
9	Total	26	35	5	30	27	3	10.0%

COMPONENT C: CORPORATE AND PLANNING SERVICES

3.11 INTRODUCTION

The Corporate and Planning Services Department includes inter alia, the Division: Land Development Management (Building Control, Land Surveying and Land Use Planning), the Division: Spatial Planning and Environmental Management (Spatial Planning, Heritage, Geographical Information Services and Environmental Management), and the Division: Economic Growth and Tourism. The divisions are responsible for sustainable and pro-active planning and compliance monitoring of the natural and built environment and to facilitate physical, social and economic development and growth.

3.12 HUMAN RESOURCES

The Human Resources Division consists of four sections namely, Training and Development, Personnel Administration, Benefits and Recruitment Services, Labour Relations, OHS and Employee Assistance Services and Organisational Efficiency Services.

The Human Resources Division coordinated the appointment of 205 employees inclusive of seasonal workers and promotions. The Municipality is committed to the principles of employment equity legislation and will continue to strive to appoint suitably qualified applicants while ensuring that the workforce is representative of the clients it serves. The Municipality also recognises the skills that our internal staff possesses hence it has embarked on a process of promoting internal staff through advertising some posts internally.

The Human Resources Division has driven the Municipal Staff Regulations to ensure the effective implementation of the regulations. The focus of the regulations is the Organisational Structure, Job Descriptions, Performance Management, Recruitment and Selection, and Training and Development. We are still embarking and encouraging departments to be effectively involved in promoting Succession Planning, coaching and mentoring and transferral of skills. To ensure succession planning and sharing of information within HR, rotation of staff is encouraged in the within the Human Resources Division.

Human Resources is continuously playing a vital role in terms of the Extended Public Works Programme (EPWP) by assisting various departments by creating all appointed EPWP employees on the HR/Payroll System, the division also provides them with the UI19 forms when their contracts end so that they can go and register as unemployed with the Department of Home Affairs.

The Municipality has complied with the Employment Equity Act (EEA) by ensuring that the Employment Equity Report was prepared and electronically submitted to the Department of

Labour on 15 January 2025. The Workplace Skills Plan and Annual Report were also submitted on 30 April 2025.

We pride ourselves with contributing positively to “*A city of excellence*” vision.

3.12.1 Service Statistics – Human Resources

Table 63: Service Statistics for Human Resources Services

Service Statistics for Humane Resources Services			
Serial No.	Submission Date	To	Document
Column Ref.	A	B	C
1	30 April 2025	LGSETA	Workplace Skills Plan
2	30 April 2025	LGSETA	Annual Training Report
3	30 June annually	Office of the City Manager	A report on the numbers of employees that are appointed on the first three levels of management
4	15 January annually	Department of Labour	Employment Equity Report
5	Monthly	Department. of Local Government	Municipal Finance Management Programme Reports
6	Monthly	Corporate and Planning Services Committee	Monthly Human Resources Report
7	Quarterly	Employment Equity Committee	Employment Equity report progress on the implementation of EE report

3.12.2 Service Delivery Levels - Human Resources

A significant number of job descriptions have been re-evaluated in the financial year 2024/25. Additional staff from different departments have been trained to write job descriptions as per the prescribed format.

3.12.3 Capital Expenditure – Human Resources

The Human Resources Division spent R1.07 million or 100% of the final adjustments budget on financial services infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 64: Capital Expenditure 2024/25: Human Resources

Capital Expenditure 2024/25: Human Resources					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	ICT Equipment : Time and Attendance System	1,000,000	1,033,288	1,033,287	0.0%
2	Other Capital Projects	45,000	32,597	32,597	0.0%
3	Total Capital Expenditure	1,045,000	1,065,885	1,065,884	0.0%

3.12.4 Major Projects Completed – Human Resources

- Internal and External Bursary Awards, continuous Implementation of Municipal Staff Regulations, Performance Management and Development, diversity and change management sessions and continuous reviewal of HR policies.
- Construction Education and Training Authority (CETA), trained 70 learners in various fields: Plumbing, Carpentry, Electrical, and Bricklaying. The Local Government Sector Education and Training Authority (LG SETA), provided training of two learners in N6 Engineering Studies.

3.12.5 Operating Expenditure

Human Resources, as a support service, generated an operating deficit of R40.3 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 65: Operating Revenue and Expenditure: Human Resources

Operating Revenue and Expenditure: Human Resources						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(3,142,012)	(750,000)	(1,600,000)	(1,638,393)	2.4%
2	Total Operating Revenue	(3,142,012)	(750,000)	(1,600,000)	(1,638,393)	2.4%
3	Employee related costs	20,896,355	22,176,188	21,935,814	20,735,174	5.5%
4	Contracted services	3,687,766	4,150,329	4,718,999	4,034,779	14.5%
5	Depreciation and amortisation	427,820	474,971	245,970	184,135	25.1%
6	Inventory consumed	380,242	157,458	374,711	488,401	-30.3%
7	Operational Costs and Losses	16,214,661	17,215,229	17,384,960	16,519,363	5.0%
8	Total Operating Expenditure	41,606,843	44,174,175	44,660,454	41,961,852	6.0%
9	Operating (Surplus) / Deficit	38,464,832	43,424,175	43,060,454	40,323,459	6.4%

3.12.6 Employee Statistics - Human Resources

The Human Resources Division has 51 posts on the organisational structure approved by Council on 15 October 2024 of which 10 posts are frozen and 41 posts funded at year-end. The section had 35 filled posts at year-end with a 14.6% vacancy rate.

Table 66: Employees - Human Resources

Employees: Human Resources								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	4	5	0	5	4	1	20.0%
3	T12 - T14	10	12	1	11	9	2	18.2%
4	T09 - T11	7	10	1	9	6	3	33.3%
5	T06 - T08	9	18	5	13	13	0	0.0%
6	T03 - T05	4	6	3	3	3	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	34	51	10	41	35	6	14.6%

3.13 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Senior Manager Information and Communication Technology is responsible for the effective management and functional supervision of the following three sections:

- ICT Governance and Administration;
- Information Systems; and
- ICT Operations and Support.

3.13.1 ICT Governance and Administration

The section is responsible for the:

- Administration of the ICT Division;
- Processing of financial data;
- Technical management of the processes related to the SOLAR financial system; and
- Development and implementation of governance mechanisms and controls for the management of information and communication technology.

The following audits were conducted by independent auditors as part of the ICT Audit Plan with a positive outcome.

Review the adequacy and effectiveness of ICT Continuity with specific focus on controls in respect of Backups and Disaster Recovery procedures.:

- Backup coverage, technologies and scheduling;
- Backup procedures;
- Off-site storage;
- The role of backups in records retention;
- Testing the recoverability of backups; and
- Maintenance contracts in respect of key infrastructure.

3.13.2 Information Systems

Information Systems are primarily responsible for:

- Business process redesign and optimisation;
- Managing all business system changes as part of the Change Management principles or new IT systems development projects.
- Developing and managing business application systems and user access.
- Developing and managing MS SQL databases and user access.
- Development and maintenance of an Enterprise Architecture in Business Application Systems.

In the 2024/25 this section was responsible for the successful project management of the Time and Attendance renewal project. Other major projects we were consulted on included:

- VAT Management Assistance Solution – the solution facilitates full compliance to SARS and MSCOA prescripts.
- Centralised Screens Project – the implementation of big TV screens in the foyers of the waiting rooms to display information to constituents.
- Conversion of In-house Clarion applications to web-based applications.

3.13.3 Operations and Support

This section is responsible for:

- Planning, implementing and managing the ICT operations environment;
- Providing facilities to ensure the secure and optimal availability of all ICT infrastructure; telecommunications systems and data;
- ICT service desk and support function; and
- All ICT hardware deployed within Drakenstein Municipality resides under this section.

All ICT service infrastructure are currently hosted in a server room with a backup site to ensure continuity of service. This includes:

- Five host servers that houses the virtual server farm consisting of 55 virtual servers;

- 3 Physical servers for production and backups are also in use;
- 120 TB storage unit containing all data that is generated and stored;
- Core network node that provides connectivity to 68 sites using 129 switches and 53 wireless links;
- 35 Wi-Fi Access Points;
- Voice over internet protocol to all connected offices;
- Firewall and connectivity to the internet service provider; and
- Backup equipment with off-site storage and data replication.

Currently there are 880 users connecting to the network using the various systems. These users are supported from the ICT Service Desk. Support is provided online as well as through physical intervention. During the period under review, a total of 708 calls were resolved.

3.13.4 Capital Expenditure – Information and Communication Technology (ICT)

The ICT Division spent R4.2 million or 100% of the final adjustments budget on ICT infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 67: Capital Expenditure 2024/25 - Information and Communication Technology (ICT)

Capital Expenditure 2024/25: Information and Communication Technology (ICT)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	ICT Equipment Computer Related	2,559,000	4,170,204	4,170,204	0.0%
2	Total Capital Expenditure	2,559,000	4,170,204	4,170,204	0.0%

3.13.5 Major Projects Completed - Information and Communication Technology (ICT)

- Moved IP Phones (Mitel) to the Vodacom Cloud ;
- Fiber installations to Dal Traffic were completed;
- Network Access Control (NAC) -Partial completion;
- Network Segmentation – Partial completion;
- Automation of Email Signatures;
- Obsolete computer equipment was replaced and upgraded as part of our ICT Infrastructure Replacement Program; and
- Migration of Internet and related services to a new service provider.

3.13.6 Operating Expenditure - Information and Communication Technology (ICT)

Information and communication technology, as a support service, generated an operating deficit of R28.5 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 68: Operating Revenue and Expenditure: Information and Communication Technology (ICT)

Operating Revenue and Expenditure: Information and Communication Technology (ICT)						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	9,647,536	10,045,573	10,345,187	10,176,870	1.6%
2	Contracted services	2,267,993	3,029,933	2,406,183	1,985,694	0.0%
3	Depreciation and amortisation	4,219,027	4,685,868	5,112,466	4,929,913	3.6%
4	Inventory consumed	149,391	144,410	144,410	144,485	0.0%
5	Operational Costs and Losses	9,571,293	11,043,056	11,170,356	11,238,017	-0.6%
6	Total Operating Expenditure	25,855,240	28,948,840	29,178,602	28,474,979	2.4%
7	Operating (Surplus) / Deficit	25,855,240	28,948,840	29,178,602	28,474,979	2.4%

3.13.7 Employee Statistics - Information and Communication Technology (ICT)

The ICT Division has 14 posts on the organisational structure approved by Council on 15 October 2024 of which 3 post are frozen and 11 posts funded at year-end. The section had 10 filled posts at year-end with a 9.1% vacancy rate.

Table 69: Employees - Information and Communication Technology (ICT)

Employees: Information and Communication Technology (ICT)								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	2	4	2	2	2	0	0.0%
3	T12 - T14	6	8	1	7	6	1	14.3%
4	T09 - T11	2	2	0	2	2	0	0.0%
5	T06 - T08	0	0	0	0	0	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	10	14	3	11	10	1	9.1%

3.14 LEGAL AND ADMINISTRATIVE SERVICES

Legal and Administrative Services Division consist of the following sections:

- Legal Services;
- Municipal Court;
- Administrative Support Services;
- CRM and Political Office Support;
- Property Administration; and
- Rental Housing.

3.14.1 Legal Services

Legal Services within the Municipality supports the Council and Administration with legal advice and support. In addition to general legal support, administering of own legislation, vetting of contracts and litigation management, the Legal Services Section also administers immovable property transactions which are governed in terms of the Asset Transfer Regulations. Property transactions are administered in close co-operation and consultation with technical line departments in order to ensure that these transactions play a key role in the implementation of strategic goals that align with the constitutional duties of local government. The section therefore does not only play a role in protecting the interests of the Municipality in relation to legal matters, but also fulfil a facilitating role in furthering developmental goals such as the promoting of social and economic development through property transactions, in collaboration with other divisions of the Municipality. The administrative support of the section is currently performed by one permanent staff member.

Legal compliance supporting ethical conduct and good citizenship:

- Through the general legal support and advice provided by the Legal Services Section, the section supports ethical conduct by the administration as well as the political arm of the Municipality. Similarly, these processes foster good governance in general since it provides the necessary guidance to ensure that policies, processes and procedures as well as applicable legislation are complied with.
- Good citizenship is furthermore also promoted by supporting the law enforcement processes of the Municipality. Consistent and effective law enforcement compels citizens to acknowledge and adhere to legislation and thereby a culture of good citizenship is instilled.

3.14.1.1 Service Statistics

The following statistics reflect activities in the Legal Services Section in respect of litigation matters:

Table 70: Service Statistics - Legal Services

Serial No.	Category of litigation matters	Total cases registered		
		2022/23	2023/24	2024/25
Column Ref.	A	B	C	D
1	Eviction Cases	71	57	65
2	Evictions lodged out of municipal property	2	1	0
3	Litigation against Drakenstein	9	16	4
4	Litigation initiated by Drakenstein	0	0	0

3.14.2 Municipal Court

The Municipal Court was promulgated during March 2022 and has been operational since 1 November 2022.

The Municipal Court was established to promote law enforcement within the Municipality's jurisdiction and further enhance bylaw enforcement with a strong focus on the following areas:

- Traffic Bylaws;
- Provincial Traffic Bylaws;
- Law Enforcement Bylaws;
- Fire Bylaws;
- Building and Land Use Regulations;
- Environmental Bylaws;
- Electrical Bylaws;
- Nuisance Bylaw; and
- All other Bylaw contraventions.

3.14.2.1 Service Statistics

The following statistics reflect activities in the Municipal Court Section in respect of Building Control and Traffic matters:

Table 71: Service Statistics – Municipal Court: Building Control Cases

Municipal Court – Building Control Cases		
Serial No.	Category of Cases	Total Cases registered
		2024/25
Column Ref.	A	B
1	New Cases	77
2	Cases on Court Roll	426
3	Cases finalised	23
4	Trials finalised	6
5	Total cases pending	1,469

Table 72: Service Statistics - Municipal Court: Building Control Cases

Municipal Court – Building Control Cases		
Serial No.	Category of Cases	Total Cases registered
		2024/25
Column Ref.	A	B
1	Total Cases	16,479
2	Warrants	14,637
3	Struck of Court Roll	278
4	Cases postponed	64
5	Cases paid	98

3.14.3 Property Administration

The main objective of the section is to administer Council's property portfolio in accordance with the Asset Transfer Regulations which include the lease or hire of immovable assets, the granting or obtaining of rights in properties as well as the alienation or acquisition thereof. These processes are implemented in close co-operation and consultation with technical line departments to ensure that these transactions play a key role in the implementation of strategic goals that align with the constitutional duties of local government.

The activities of this section further contribute towards economic growth and development as well as social and community development by making properties available through the sale or lease thereof and thereby creating economic opportunities while also providing for the development and empowerment of the poor and most vulnerable.

3.14.3.1 Service Statistics

Table 73: Properties sold

Properties for which final approval was granted from 1 July 2024 – 30 June 2025			
Serial No.	Properties sold	To	Purpose
Column Ref	A	B	C
1	Portion of remainder Erf 5058 Paarl, Distillery Street alongside Berg River Boulevard	Adjacent landowner Erf 19147 Paarl	Parking purposes
2	Erf 39379 Paarl	Dangold South Africa	Business/Industrial
3	Portions of Erf 607 Gouda and Halfgewaagd Farm No 412 Tulbagh	Eskom	Construction of powerline servitude

Table 74: Properties leased

Properties leased			
Serial No	Property	To	Purpose
Column No.	A	B	C
1	Erf 671 Wellington	Ubuntu Development Initiative NPC	Information Technology Training Centre; after school support internet café and related activities
2	Portion of Erf 1893 Paarl	La Rochelle Girls' Primary School	Parking
3	Portion of Erf 5810, Coode Street, Wellington	Lollypop Educare Centre	Crèche, aftercare and Educare Centre
4	Portion of Erf 31005, Market Street, Paarl	Paarl Bowling Club	Sports purposes
5	Portion of Erf 31005, Paarl	Shift Academy	Cycling Academy, social economic and youth sports development
6	Portion of Erf 589, Mbekweni	Hamba Vangeli	Sport
7	Erf 1113 Wellington	Wellington Cricket Club	Sport
8	Erf 1750 Mbekweni	Lukhanyo Youth Development Organisation	Community/social
9	Erf 33035 (an unregistered portion of Erf 8431) Paarl	Paarl Canoe Club	Sport
10	Farm No 888, Paarl	Vodacom	Cellphone communication base station
11	Portion Erf 589 Mbekweni	IHS	Cellphone antenna
12	Erven 2014 and 2018, Breedts Street, Wellington	Wamakersvallei Training Centre NPO	Training facility and related activities
13	Erf 1585 Paarl	Paarl Museum	Museum and related activities
14	Portion Erf 8431 Paarl	Paarl Cricket Club	Sport
15	Portion Erf 29318 Paarl	Gratefulness Community Soup Kitchen NPO	Soup kitchen
16	Erf 10558 Paarl	Community Aftercare Sanitation and Education NPO	Social, welfare and community purposes
17	Portion Erf 4916, Oosbosch Street, Paarl	Trailer Hire Paarl (Pty) Ltd	Commercial purposes

3.14.4 Rental Housing

The Rental Support and Operational Services Section is responsible for the management and maintenance of 2,873 municipal rental housing units.

The following projects were successfully completed.

Table 75: Rental Stock and Support Services Projects implemented

Rental Stock and Support Services Projects implemented		
Serial No.	Projects	Cost (Rand)
Column Ref.	A	B
1	Asbestos AIA Appointment – Monitoring, Safe Work and Clearance	25,229
2	Asbestos Survey Reports x48	281,998
3	Asbestos Assessment Project	95,000
4	Blake Street 3 House Renovations and Upgrades	16,245

Challenges

The following challenges are experienced by the Rental Support and Operational Services Section:

- Illegal occupation;
- Vandalism due to social behaviour;
- Fire incidents at rental stock and backyarders;
- Illegal erection of informal structures against Council's Rental Stock;
- Illegal erection of carports, fences and steel-cages; and
- Dealing with illegal or unpermitted formal structures (extensions and fencing).

3.14.4.1 Rental Housing Statistics

Table 76: Rental Housing Statistics

Housing Statistics			
Serial No	Description	Totals	Remarks
Column No.	A	B	C
1	Transfers of rental units	114	Transfers completed. (passing of tenant).
2	Renewal of Lease Agreements	388	Successfully completed renewals of lease agreements.
3	New allocations – Public units	10	Allocations of vacant rental units, to applicants on the official Housing Demand Database, considering the Government prescriptions regarding the size of the family stipulated in the Housing Administration Policy.
4	New allocations – Employee units	8	Allocations of employee units, in terms of his/her date of employment on the employee housing database or recommendation from the relevant department.
5	Housing Consumer Education	505	Consumer Education conducted with existing and new tenants.

Housing Statistics			
Serial No	Description	Totals	Remarks
Column No.	A	B	C
6	Demolishing of illegal structures, adjacent Council's rental units.	23	Successfully demolishing of illegal structures adjacent Council's rental units/open spaces.
7	Fire incidents – Rental Stock	11	Attended to fire incidents.
8	Fire incident – Backyarders	10	Attended to fire incidents.
9	Housing starter kits issued	15½	Fire victims, residing as backyarders at Council's rental stock.

3.14.4.2 Evictions

At the end of the financial year, Drakenstein Municipality had approximately 1,568 evictions cases registered (ESTA 606 and PIE 962) which is a slight decrease from the previous year. Evictions, particularly ESTA Evictions are posing a huge risk to the municipal resources. Land and finances for resettlement are resources that are not necessarily readily available given all of the other challenges already faced by local government. Instances where landowners apply for mass evictions are especially challenging since this puts a huge strain on already limited resources.

3.14.4.3 Summary of Prevention of Illegal Eviction and Unlawful Occupation of Land (PIE) Data Base

- Registered cases = 962
- Cases pending in court = 558
- Orders granted = 42
- Cases withdrawn = 84
- Struck from roll = 80

3.14.4.4 Summary of Extension of Security of Tenure Act (ESTA) Data Base

- Registered cases = 616
- Cases pending in court = 194
- Orders granted = 167
- Cases withdrawn = 36
- Cases struck from roll = 34

3.14.5 CRM and Political Office Support and Administration

A council must annually review:

- The needs of the community;
- Its priorities to meet those needs;
- Its processes for involving the community;
- Its organisational and delivery mechanisms for meeting those needs; and
- Its overall performance in achieving the objects of local government as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

In terms of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), the municipal council must elect an executive mayor and other office-bearers. The executive mayor appoints a mayoral committee to assist the executive mayor. The municipal council may establish committees to assist the municipal council and/or the executive mayor. Under the Executive Mayor of Drakenstein Municipality, Cllr SE Korabie, the Council have made substantial strides towards implementing the revised vision of Drakenstein, “*A city of excellence*” throughout the operations of Council and the Administration in the year under review.

3.14.5.1 Service Statistics

The Municipal Council adopted priorities for the Municipality, Executive Mayor and other political structures to meet on a regular basis in order to ensure that decision-making takes place in an efficient and effective manner.

Regular performance reports in terms of the Performance Management System, together with monthly reports to the Mayoral Committee and Council, provide these structures with continuous information on progress made with the achievement of targets as well as the implementation of decisions taken by them. These systems have been further enhanced by the issuing of electronic devices to Councillors and the procurement of an electronic system generating reports to the Portfolio Committees, the Mayoral Committee and Council.

Table 77: Service Statistics for the Executive and Council

Service Statistics for the Executive and Council				
Serial No	Council and Committee Structures	No. of meetings		
		2022/23	2023/24	2024/25
Column Ref.	A	B	C	D
1	Mayoral Committee	12	12	11
2	Special Mayoral Committee	1	1	1
3	Council	12	12	12
4	Special Council	1	1	3
5	Special Confidential Council	0	4	1
6	Corporate Services Portfolio Committee	9	8	11
7	Community Services Portfolio Committee	6	8	10
8	Finance Portfolio Committee	10	10	12
9	Engineering Services Portfolio Committee	4	7	12
10	Planning and Development Portfolio Committee	5	7	10
11	Governance and Compliance Portfolio Committee	1	3	n/a
12	Municipal Public Accounts Committee (MPAC)	8	5	8
13	Appeal Committee	0	0	0
14	Audit and Performance Committee	8	12	9
15	Fraud and Risk Management Committee	4	4	4
16	IDP, SDF and Budget Steering Committee	6	3	7

3.14.5.2 Service Delivery levels

All agendas are in terms of the approved Standard Operating Procedures of Administration distributed at least three calendar days before a meeting and in the case of minutes within five working days after the meeting was held.

3.14.6 Capital Expenditure (Legal and Administrative Services)

The Legal and Administrative Services spent R1.8 million or 100% of the final adjustments budget on capital projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 78: Capital Expenditure 2024/25 - Legal and Administrative Services

Capital Expenditure 2024/25: Legal and Administrative Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Acquisition of Erf 1894	1,700,000	1,760,220	1,760,220	0.0%
2	Other Capital Projects	-	74,373	74,365	0.0%
3	Total Capital Expenditure	1,700,000	1,834,593	1,834,585	0.0%

3.14.7 Major Projects Completed - Legal and Administrative Services

In view of the nature of the service, being an internal legal support service, no capital projects were undertaken.

3.14.8 Operating Expenditure - Legal and Administrative Services

Legal and Administrative Services (inclusive of rental housing and administration), as a support service, generated an operating deficit of R114.6 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 79: Operating Revenue and Expenditure: Legal and Administrative Services

Operating Revenue and Expenditure: Legal and Administrative Services						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(16,721,734)	(16,490,021)	(16,955,021)	(18,213,849)	7.4%
2	Total Operating Revenue	(16,721,734)	(16,490,021)	(16,955,021)	(18,213,849)	7.4%
3	Employee related costs	58,992,060	75,875,335	63,560,087	74,133,400	-16.6%
4	Councillor related costs	34,340,227	39,276,957	39,276,957	34,841,767	11.3%
5	Interest paid	0	230,002	0	0	0.0%
6	Contracted services	9,314,286	5,765,458	11,743,808	11,331,312	3.5%
7	Depreciation and amortisation	486,670	549,511	445,553	444,115	0.3%
8	Inventory consumed	1,549,024	1,075,877	1,266,189	1,077,187	14.9%
9	Operational Costs and Losses	13,709,590	13,628,517	14,766,603	10,972,915	25.7%
10	Total Operating Expenditure	118,391,858	136,401,657	131,059,197	132,800,697	-1.3%
11	Operating (Surplus) / Deficit	101,670,124	119,911,636	114,104,176	114,586,848	-0.4%

3.14.9 Employee Statistics - Legal and Administrative Services

The Legal and Administrative Services Division (inclusive of the Housing Rental section) has 99 posts on the organisational structure approved by Council on 15 October 2024 of which 12 posts are frozen and 87 posts funded at year-end. The section had 69 filled posts at year-end with a 20.7% vacancy rate.

Table 80: Employees - Legal and Administrative Services

Employees: Legal and Administrative Services								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	1	0	1	1	0	0.0%
2	T15 - T17	4	6	2	4	4	0	0.0%
3	T12 - T14	3	5	1	4	3	1	25.0%
4	T09 - T11	6	10	2	8	6	2	25.0%
5	T06 - T08	34	47	5	42	34	8	19.0%
6	T03 - T05	23	30	2	28	21	7	25.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	71	99	12	87	69	18	20.7%

3.15 SPATIAL PLANNING SERVICES AND ENVIRONMENTAL MANAGEMENT (EXCLUDING IDP)

The Division: Spatial Planning and Environmental Management is responsible to ensure that orderly spatial and sustainable development occurs within the Drakenstein Municipal area, through the formulation and implementation of various policies and frameworks, inclusive of the municipal spatial development framework, local spatial development frameworks, and the municipal environmental management framework.

The Division: Spatial Planning and Environmental Management attends to technical land development and investment support, spatial planning, geographical information services, heritage management, environmental planning and sustainability, natural resource management, and environmental compliance and enforcement.

3.15.1 Section: Spatial Planning

The Spatial Planning Section consists of a Spatial Planning Sub-Section, a Heritage Management Sub-Section and a Geographical Information Services Sub-Section.

3.15.1.1 Sub-Section: Spatial Planning

The purpose of the sub-section is to formulate and implement policies and frameworks in order to achieve the spatial developmental objectives of Drakenstein Municipality.

The Sub-Section Spatial Planning is responsible for:

- Formulating, amending and reviewing the Municipal Spatial Development Framework;

- Formulating, amending and reviewing Local Spatial Development Frameworks for certain identified geographical areas within Drakenstein Municipality;
- Developing spatial planning related policies, guidelines and strategies;
- Providing comment on land use and environmental applications; and
- Participating in the process of formulating provincial and national town planning policies, strategies, guidelines and legislation.

The Sub-Section Spatial Planning initiated the following projects during the 2024/25 year:

- Compilation of the 2025/26 Amended Drakenstein Spatial Development Framework;
- Compilation of the Drakenstein West Local Spatial Development Framework;
- Compilation of the Northern Paarl Extension Local Spatial Development Framework;
- Coordination of the public participation process for the Municipal Demarcation Board's Ward Delimitation Process; and
- Compilation of the Lady Grey Street and Surrounds Investment and Management Plan.

3.15.1.2 Sub-Section: Heritage Management

The purpose of the sub-section is to identify, protect and manage the heritage resources and cultural landscapes within Drakenstein Municipality. The afore-mentioned are achieved through the implementation of heritage policies and legislation at a municipal level, in conjunction with Heritage Western Cape.

The Sub-Section Heritage initiated the following projects during the 2024/25 year:

- Compilation of the Klippiesdal and Rabiesdal Heritage Survey; and
- Formulation of the Standard Operating Procedure for heritage applications.

3.15.1.3 Sub-Section: Geographical Information Services (GIS)

The main purpose of the GIS Sub-Section is to provide and maintain Geographic Information System services and products for the department, provide GIS related guidance and support to managers and staff, and to take an active role in the development and maintenance of organisational Geographic Information System Services.

The Sub-Section initiated the following projects during the 2024/25 year:

- Compilation of the Land Ownership Audit.

3.15.1.4 Major Projects Completed – Spatial Planning Services

Major projects undertaken during the year under review include:

- Amendment of the Drakenstein Spatial Development Framework (SDF): The amendment of the Drakenstein Spatial Development Framework was initiated in September 2024 and concluded in May 2025. The SDF was approved, as part of the Drakenstein Integrated Development Plan (IDP), by Council on 28 May 2025.
- Endorsement of the Denneburg Heritage Survey: A Heritage Survey for the Denneburg Suburb was submitted to Heritage Western Cape to identify all heritage resources that must be retained, and which buildings can be exempted from certain prescriptions of the National Heritage Resources Act, 1999. Heritage Western Cape, during May 2025, resolved to endorse the Denneburg Heritage Survey.
- Neighbourhood Development Partnership Grant Funding Application: An application for grant funding to conduct various studies and compile an investment plan, as well as an area management plan, for the Lady Grey Street and surround area was submitted to National Treasury. National Treasury allocated a total of R3 million to the Municipality over a two-year period for the aforementioned purposes.

3.15.2 Section: Technical Development Support

The purpose of the section is to assist and guide the private sector, as well as internal and external departments, to coordinate land development projects that have a major beneficial economic and social impact.

The Section: Technical Development Support is responsible for:

- Identifying municipal owned land for private and public development;
- Formulation of development specifications;
- Coordinating internal development and investment committees;
- Providing inter-departmental support, from a town planning and land development perspective, on project execution;
- Advise private developers on required applications and processes for the execution of developments;
- Execute land value capture exercise on municipal owned properties; and
- Establish new and strengthen existing partnerships to enhance development delivery.

3.15.2.1 Major Projects Completed - Spatial Planning Services

Major projects undertaken during the year under review include:

- Facilitation of land transaction: A land transaction to alienate municipal owned Erf 39379 Paarl to Dangold South Africa was facilitated. The transaction will enable Dangold to develop a beverage manufacturing, storage and distribution facility within Paarl.

3.15.3 ENVIRONMENTAL MANAGEMENT

The Environmental Management Section forms part of the Spatial Planning and Environmental Management Division of the Corporate and Planning Services Department. The Section consists of three Sub-Sections including, Environmental Planning and Sustainability; Environmental Monitoring and Compliance; as well as Natural Resource Management. The Section's service delivery focus is to ensure that residents live in an environment that is safe, not harmful to their well-being and is protected for future generations by managing and enhancing the Municipality's natural assets.

The Environmental Planning and Sustainability Sub-Section plays a proactive role in planning for sustainable development through several initiatives including the implementation of the Climate Change Response Plan, providing environmental input on development applications and coordinating the Climate Partnership with Stadt Neumarkt, a municipality located in Germany.

The Environmental Monitoring and Compliance Sub-Section plays an active role in monitoring threats to the environment and ensuring compliance with environmental legislation. This is achieved through managing and coordinating environmental emergency incidents in accordance with Section 30 of the National Environmental Management Act 107 of 1998, responding to environmental complaints, and executing the air quality management and noise control functions in terms of the relevant legislation and bylaws. The Environmental Management Section has three officials that are, over and above their primary duties, designated as Environmental Management Inspectors. These officials have powers in terms of the National Environmental Management Act to enforce compliance to the relevant environmental legislation and regulations. These officials are also designated peace officers to enforce municipal bylaws.

The Natural Resource Management Sub-Section plays an active role in the management of natural resources by implementing projects aimed at improving the state of natural resources, for example developing and implementing management plans for municipal conservation areas, managing invasive alien vegetation on these municipal conservation areas and conducting environmental awareness campaigns with schools and the public in general.

3.15.3.1 Service Statistics – Environmental Management

Table 81: Service Statistics - Environmental Management

Service Statistics - Environmental Management				
Serial No	Description	2022/23	2023/24	2024/25
Column Ref.	A	B	C	D
1	Environmental Education and Awareness Events	34	31	27
2	Environmental Applications commented on	24	39	29
3	Land Use Applications commented on	30	24	26
4	Noise Exemptions issued	20	16	11
5	Noise Complaints attended to	35	50	11
6	Pollution Incidents attended to	45	0	22

3.15.3.2 Major Projects Completed - Environmental Management

The Section continued with the monitoring of air quality, especially in areas where complaints are received. This is done with two portable ambient air quality analysers and a weather station that the Section procured in the previous financial year. This cuts operating costs significantly as the Air Quality Officer is no longer dependent on external service providers to provide air quality monitoring services.

A Standard Operating Procedure (SOP) for the handling of illegal dumping complaints was developed. The purpose of the SOP is to provide clear direction for the handling of these complaints as many line departments are often required to take action.

Drakenstein Municipality was supported by the C40 Cities Finance Facility (CFF) to develop flood alleviation interventions along vulnerable river systems, with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) as the implementing agent for this programme. The Hybrid Flood Alleviation Programme was developed in November 2024. Under this programme, municipal property was identified along 3 river catchments where hybrid flood interventions can be implemented to alleviate flood risks for surrounding communities. Hybrid flood interventions considers both engineering and nature-based solutions to mitigate flooding. Nature-based solutions usually have a range of co-benefits that surrounding communities can benefit from. The catchments that were considered in the programme include the Palmiet-, Groenheuwel- and Drommedaris (including the Mbekweni River) catchment areas. The project also considers future climate change impacts to be anticipated within these catchments. Six priority sites have been selected for implementation in the short- to medium term. One of these prioritised sites will be taken forward into the next phase towards implementation in 2025/26 as internal funds were made available to undertake a Conceptual Design for the proposed flood alleviation intervention. The CFF continues its support to undertake a detailed costing exercise for the six prioritised sites as well as

undertaking a Cost Benefit Analysis to state a business case for these projects. This project is co-led by the Environmental Management and Stormwater Maintenance Sections.

The need for a comprehensive Rivers Management Programme to restore and protect rivers was identified while working on the Hybrid Flood Alleviation Programme. The Section held the first workshop in May 2025 with relevant line departments to frame the scope for this programme. Key deliverables of this programme would not only be to protect and enhance ecological infrastructure and build resilience for communities around them but will also support economic development in the Municipality. For example, protecting municipal and private infrastructure from damage and promoting tourism around these areas. The Stormwater Maintenance Section (representing the Civil Engineering Services Department) and the Environmental Management Section will co-lead this project. A process to develop this programme will continue in the 2025/26 financial year.

Drakenstein Municipality has a climate partnership with Stadt Neumarkt, a municipality located in the Free State of Bavaria in Germany. This climate partnership focusses on various initiatives and projects that address the impacts of climate change within the municipality. The partnership is facilitated by the German Federal Ministry for Economic Cooperation and Development through an organisation called Engagement Global and creates opportunities for Drakenstein to have access to international knowledge and expertise on various issues. The partnership also provides access to funding programmes that are funded by the German government. The partnership's Joint Programme of Action is continuously implemented, with some of the highlights being:

- Strengthening fair trade relations within the municipal area. Drakenstein hosted the 17th International Fair Trade Towns Conference in September 2024. Delegates from around the world participated in the conference. One of the topics discussed at the conference is what fair trade means in the South African context.
- Online partnership between a school in Drakenstein and one school in Neumarkt. The learners learnt about the different cultures in each country during virtual interactions and exchanged handmade gifts. This partnership concluded in early 2025 and the Section is currently seeking a new high school in Drakenstein to participate in this initiative.
- Undersigning of a Memorandum of Understanding between the Cape Peninsula University of Technology (Agriculture Campus in Wellington) and the Nuremberg Technical University (Neumarkt Campus) to collaborate on research / projects pertaining to sustainable agriculture and organic farming. The universities are currently investigating options for student exchanges, among others.

- The two municipalities submitted a funding application to Engagement Global to undertake a feasibility study for a project to promote economic sustainability in one of the rural areas of the municipality.

This Section initiated the process to place three municipal owned sites under formal conservation with Cape Nature. The sites include portions of the Parys, Orleans Park and Wellington Industrial Municipal Conservation Sites. These sites contain vegetation of conservation significance and will expand the municipality's protected areas footprint.

A biological burn was successfully undertaken at the Orleans Park Municipal Conservation Site. The site was threatened by a parasitic species called *Cuscuta Campestris* which is more commonly known as Dodder. The conservation significance of this site is particularly special as it is home to the last known wild population of *Marasmodes Undulata* (*Orleans Autumnaster*). The Custodians of Rare and Endangered Wildflowers (CREW), with the support of the Municipality, continues its efforts to improve the conservation status of this species on the site by monitoring the population that was grown previously. CREW received a grant from the Mohammed Bin Zayed Species Conservation Fund to propagate species from 300 seeds that have been collected by the Millenium Seed Bank Project team and grow them in natural habitats. CREW also assists the Municipality to effectively manage this site.

3.15.4 Capital Expenditure - Spatial Planning Services and Environmental Management

The Environmental Management Division spent R251.2 thousand or 100% of the final adjustments budget on environmental management infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 82: Capital Expenditure 2024/25 - Spatial Planning Services and Environmental Management

Capital Expenditure 2024/25: Spatial Planning Services and Environmental Management (Excluding IDP, Reseach and Development)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	255,000	251,175	251,174	0.0%
2	Total Capital Expenditure	255,000	251,175	251,174	0.0%

3.15.5 Operating Expenditure: Spatial Planning Services and Environmental Management

(Spatial Planning Services and Environmental Management) as a community service, generated an operating deficit of R18.7 million for the 2024/25 financial year.

Table 83: Operating Revenue and Expenditure: Spatial Planning and Environmental Management

Operating Revenue and Expenditure: Spatial Planning and Environmental Management						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(610,993)	(228,490)	(178,490)	(127,774)	-28.4%
2	Total Operating Revenue	(610,993)	(228,490)	(178,490)	(127,774)	-28.4%
3	Employee related costs	16,065,787	17,600,680	17,525,622	17,246,883	1.6%
4	Contracted services	866,952	1,278,616	1,544,497	1,191,661	22.8%
5	Depreciation and amortisation	70,051	77,759	196,911	196,911	0.0%
6	Inventory consumed	73,070	81,597	107,759	90,481	16.0%
7	Operational Costs and Losses	310,450	265,771	254,635	133,078	47.7%
8	Total Operating Expenditure	17,386,310	19,304,423	19,629,424	18,859,013	3.9%
9	Operating (Surplus) / Deficit	16,775,318	19,075,933	19,450,934	18,731,239	3.7%

3.15.6 Employee Statistics – Spatial Planning and Environmental Management

Spatial Planning and Environmental Management has 21 posts on the organisational structure approved by Council on 15 October 2024 of 5 posts are frozen and 16 posts funded at year-end. The section had 15 filled posts at year-end with a 6.3% vacancy rate.

Table 84: Employees: Spatial Planning and Environmental Management

Employees: Spatial Planning and Environmental Management								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	1	0	1	1	0	0.0%
2	T15 - T17	3	3	0	3	3	0	0.0%
3	T12 - T14	5	7	2	5	5	0	0.0%
4	T09 - T11	5	6	1	5	4	1	20.0%
5	T06 - T08	2	4	2	2	2	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	16	21	5	16	15	1	6.3%

3.16 LAND DEVELOPMENT MANAGEMENT

3.16.1 Section: Building Control

National and Provincial Laws, as well as Municipal Bylaws inter alia manage the way in which land within the Municipal area of jurisdiction is used, inter alia how buildings are erected. The Building Control Section deals with building activities, which entails new buildings, additions and alterations to existing buildings and temporary structures.

All municipalities administer the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977), the Regulations embodied in the act and the South African Standard Code of Practice (SANS 10400 for the application of the Regulations). The purpose thereof is to ensure that buildings are designed and built in such a manner that people can live, learn, work and play in a healthy and safe built environment.

The National Building Regulations require that no person may erect, alter, add on or convert a building without the prior written approval of the local authority. Building plans are assessed against the requirements of the building standards, regulations, any other applicable legislation, and 23 sections of the SANS 10400, that deal with various aspects of a building.

Once building plans are approved, the building inspectors carry out three compulsory inspections, namely:

- The inspection of all foundation trenches and the positioning of the building onsite;
- The inspection of all new drainage installations; and
- On completion of a building, a final inspection (completion) is carried out as no building may be occupied without a certificate of occupation.

Prior to the issuing of the certificate of occupation, the building inspectorate ensures compliance with the structural aspects, fire installation, health requirements, electrical installation, roads and storm water requirements, drainage installation and energy efficiency of the structure in compliance with the approved building plan.

Furthermore, it is the responsibility of the building inspectorate to address unauthorised structures and unsafe structures, be a witness in court cases on behalf of Council, implement legal action when required, control building rubble, enhance public safety, assist the general public and professionals with information on building control related matters and performs administrative tasks associated with these functions.

Local authorities act in the interest of the owner when carrying out the compulsory inspections and have no financial or any other interest in such buildings. For this reason, the owner of a building must appoint his/her own clerk of works to inspect and control the quality and workmanship of the building work. There is thus no obligation on the Council's building inspectors to control the quality of workmanship and materials, but the owner may be informed by Council of poor quality workmanship and/or materials when observed.

3.16.1.1 Building Control Statistics

A total of 2,120 new building plan applications, for various types of projects, have been submitted for consideration over the year under review. This amounts to a total of 352,314m² of potential development area with an estimated value of R3.7 billion in building cost.

Although 2,120 new applications were received, a total of 5,140 determinations, consisting of 1,870 approvals and 3,270 non-approvals requiring amendment and resubmission, were made. Determinations consist of approvals and non-approvals of plans submitted during the financial year and plans of the previous financial year which was not finalised during the financial year submitted.

R10,914,846 of revenue was created through building plan and associated applications administered by the Building Control Unit.

Table 85: Applications for Land Use Development

Applications for Land Use Development										
Serial No.	Detail	Formalisation of Townships			Rezoning			Building Environment		
		2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Column Ref.	A	B	C	D	E	F	G	H	I	J
1	Planning application received	19	14	13	9	11	12	1,906	1,764	2,120
2	Determination made in year of receipt	5	0	1	0	2	2	5,048	4,647	5,140
3	Determination made in following year	1	14	0	0	0	0	159	59	72
4	Applications withdrawn	0	0	0	0	0	0	0	0	0
5	Applications outstanding at year end	14	14	12	9	9	7	59	72	96

Below is a breakdown of new building plan applications approved during the financial year:

Table 86: Building Plan Applications Approved 2024/25

Building Plan Applications Approved 2024/25					
Serial No.	Application Type	Total	%	Floor Area	Value (R)
Column Ref.	A	B	C	D	E
1	Residential	1,648	88.1	229,803.31m ²	R2,751,029,915.00
2	Non-Residential	222	11.9	119,558.56m ²	R993,044,619.00
3	Total	1,870	100	349,361.87m²	R3,744,074,534.00

Over the past 12 months the municipal Building Inspectors were responsible for carrying out 6,439 building inspections throughout the Municipality. These include beacon inspections (2,193), commencement/foundation inspections (906), drainage inspections (550), completion inspections (1696) as well as certificate of occupation applications (1094). A total of 517 certificates of occupation were issued during the financial year.

Furthermore, a total of 14 demolition applications were processed during the financial year, and 266 Building Control related complaints were received and addressed at an average of 22.17 complaints per month.

3.16.1.2 Major Projects Completed – Building Control

No major projects have been completed that relates to Building Control.

3.16.2 Section: Land Use Planning and Surveying

The Land Use Planning and Surveying Section is responsible to ensure the orderly and sustainable development and management of the built environment.

Land-use planning refers to a wide range of activities that direct the future use of land and manage the current use thereof in order to ensure the optimal use of land within a political, social, cultural, environmental and economic context.

The section is mainly responsible for the processing of applications for land use changes (by means of township establishment, rezoning, consent uses, departures, temporary departures, amendment of conditions of approval and removal of restrictive title conditions), as well as farm subdivisions, urban subdivisions and exempted subdivisions. The section is furthermore responsible for the scrutinising of building plans for compliance with zoning parameters and site dimensions, as well as attending to illegal land uses.

The most important instruments used in land use management is the Zoning Scheme Bylaw and the Bylaw on Municipal Land Use Planning, which have been adopted for the whole of the Municipal area. In terms of these bylaws, more streamlined application processes have been catered for, and more types of land use rights have been allocated under specific zoning categories. This has proved to be beneficial in unlocking development, as the normally complex and time-consuming change of land use right applications, are not required.

In order to cater for more streamlined application processes an electronic land use planning application processing system has been developed and implemented. The system consists of an external internet portal for application submission purposes and an electronic on-premises solution for processing purposes, within the framework of the existing Collaborator platform. The primary objective of this Collaborator System is to allow external stakeholders to interact with the Land Use Planning and Surveying Section via the internet and applications to be electronically processed. In order to further streamline the processing of applications, the system is on a continual basis adapted and refined.

With regard to the year's performance it needs to be noted that the upward application submission trend of the previous two years was sustained, thus indicating that the recovery of the economy of the Municipality has stabilised. The actual execution of development approvals is however also showing an upward trend.

3.16.2.1 Service Statistics – Land Use Planning and Surveying

Table 87: Service Statistics - Land Use Planning and Surveying

Service Statistics – Land Use Planning and Surveying				
Serial No.	Applications	2022/23	2023/24	2024/25
Column Ref.	A	B	C	D
1	Simultaneous rezoning and subdivision (inclusive of township establishment)	3	10	8
2	Rezoning	10	17	15
3	Consent Uses	17	15	8
4	Temporary Departures	0	1	0
5	Removal of restrictive Title conditions	1	0	0
6	Amendment of Conditions of Approval	6	7	7
7	Farm Subdivisions	0	1	0
8	Urban Subdivisions	14	14	12
9	Exempted Subdivisions	14	33	19
10	Consolidations	11	3	0
11	Homeowners Association Constitution approval / amendments	7	8	5
12	Zoning determinations	0	0	0
13	Extension-of-time	3	0	1
14	Site Development plan approvals	1	6	4
15	House Shops	0	0	0
16	Departures/Technical approval	10	14	5
17	Departures as part of Building Plan approvals	121	102	113

3.16.2.2 Major Projects Completed – Land Use Planning and Surveying

No major projects have been completed that relates to Land Use Planning and Surveying.

3.16.2.3 Capital Expenditure - Land Development Management

The Planning Services Department spent R64.60 thousand or 100% of the final adjustments budget on machinery, equipment and professional fees for infrastructure for the year under review.

Table 88: Capital Expenditure 2024/25 - Land Development Management

Capital Expenditure 2024/25: Land Development Management					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	91,000	64,642	64,641	0.0%
2	Total Capital Expenditure	91,000	64,642	64,641	0.0%

3.16.2.4 Operating Expenditure: Land Development Management

Land Development Management, as a community service, generated an operating deficit of R13.0 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 89: Operating Revenue and Expenditure: Land Development Management

Operating Revenue and Expenditure: Land Development Management						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(9,410,143)	(7,751,439)	(9,056,439)	(11,598,294)	28.1%
2	Total Operating Revenue	(9,410,143)	(7,751,439)	(9,056,439)	(11,598,294)	28.1%
3	Employee related costs	22,242,939	23,906,812	23,884,134	23,697,420	0.8%
4	Contracted services	0	503,832	466,832	353,484	24.3%
5	Depreciation and amortisation	146,492	162,647	139,480	108,344	22.3%
6	Inventory consumed	108,014	87,280	124,437	89,925	27.7%
7	Operational Costs and Losses	272,634	528,920	557,820	386,420	30.7%
8	Total Operating Expenditure	22,770,079	25,189,491	25,172,703	24,635,593	2.1%
9	Operating (Surplus) / Deficit	13,359,936	17,438,052	16,116,264	13,037,299	19.1%

3.16.2.5 Employee Statistics - Land Development Management

The Land Development Management Division has 39 posts on the organisational structure approved by Council on 15 October 2024 of which 1 post is frozen and 38 posts funded at year-end. The section had 37 filled and 1 vacant post at year-end, with a 2.6% vacancy rate.

Table 90: Employees – Land Development Management

Employees: Land Development Management								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	6	7	1	6	6	0	0.0%
3	T12 - T14	7	7	0	7	7	0	0.0%
4	T09 - T11	11	14	0	14	14	0	0.0%
5	T06 - T08	8	9	0	9	8	1	11.1%
6	T03 - T05	2	2	0	2	2	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	34	39	1	38	37	1	2.6%

3.17 ECONOMIC DEVELOPMENT AND TOURISM

Drakenstein has a good economic story to tell and continues to grow as the second largest economy in the Western Cape. This is evident as the city continues to experience an increase in residential developments, economic upgrades, expansion of industrial facilities and the establishment of new businesses in the area. The latest data by Quantec indicates that the top four performing economic sectors during this financial year are finance, real estate, insurance and business services at R9.2 billion; Wholesale, retail trade, catering and accommodation at R5.3 billion, manufacturing at R5.3 billion and Community, Social and Personal Services at R3.9 billion. There was an overall decrease in the Employment rate which reflects the national state of the economy.

3.17.1 Economic Growth

Business confidence remains high despite the macro-economic challenges facing South Africa. This is evident from the diverse range new investments and existing business expansion projects Drakenstein secured during the 2024/25 financial year. In addition to this, the Municipality must enable a suitable enabling environment to ensure that the Western Cape achieves a more inclusive and sustainable economy, with a constant growth of between 4 and 6%.

As such the Municipality continues to focus on cutting down red tape to facilitate the ease of doing business. The Municipality's efforts to enhance the Development Facilitation Unit's capacity and streamlining development planning application processes are indicative of the strides it has made to attract ongoing investment in the area.

3.17.1.1 Economic Growth Environment

Key divisional highlights for the 2024/25 financial year include the following:

- Strengthening partnerships with private sector and public sector Institutions to accelerate economic growth.
- Achieving ongoing success with the Investment Area Management's function through monitoring of service delivery related matters attended to. The section secured private sector partners to implement Corporate Social Responsibility Projects in beautifying parts of the demarcated investment areas, visited 365 businesses and conducted 79 investment area specific site visits. The section also achieved a 98% service delivery facilitation rate.
- Facilitating access to funding and marketing support for emerging entrepreneurs to grow their business.
- Strengthening SMME business support in the outlying areas through establishing Library Business Corners;

- Hosting the 17th Fair Trade Cities and Towns International Conference for the first time in Africa; and
- Hosting four stages of the ABSA Cape Epic which demonstrated the Municipality's capacity to host world class Sports Tourism Events.

3.17.1.2 *Economic Growth Achievements*

The achievements reaffirms the Municipality's commitment towards providing a stable enabling environment to facilitate economic growth. This includes:

- Strengthening business retention and expansion facilitation in 12 Investment Areas throughout Drakenstein.
- Investment promotion and facilitation
- Continued Public sector infrastructure investment to enable the growth of the economy;
- Specific interventions in respect of Contractor Development;
- More business support interventions towards micro-entrepreneurs in the outlying rural areas; and
- Strengthening interventions to promote Fair Trade sustainable practices to build a more resilient and an inclusive economy.

3.17.1.3 *Economic Growth Challenges*

- Scarcity of job opportunities and lack of economic opportunities;
- Insufficient access to available and investment ready land to promote economic growth; additional sufficient built infrastructure to facilitate access to trading spaces;
- SMME and Entrepreneurship Development
- Access to free Internet and Wi-Fi;
- Localising procurement opportunities to ensure the localisation of the global value chain;
- Vandalism of economic infrastructure built to enable economic growth;
- Macro-economic impact on local economy;
- Lack of affordable broadband and water security are important to ensure large scale investment;
- The matching of relevant skills to the market and high youth unemployment remain major risks;
- Intermittent loadshedding and cheaper energy generation options;
- Lack of a one stop business support service center to serve investors and SMMEs; and
- Reliable and Integrated Public Transport System;
- Jobless economic growth; and
- Proliferation of informality in traditional Central Business Districts in Drakenstein.

3.17.2 Tourism and Market places

The tourism sector is key in economic development as there was a contribution of 3.5% to the GDP (Stats SA, 2024). Drakenstein Municipality has adopted a new strategic approach to Tourism which is to facilitate a suitable environment for the Private sector to drive Tourism in the area.

3.17.2.1 Tourism Achievements

Below are some of the highlights we achieved during the 2024/25 financial year:

- The municipality endorsed three Local Tourism Associations as privately owned Tourism Associations responsible for the promotion of Tourism in Drakenstein which allowed the three LTAs to attend the Africa Travel Indaba , the biggest Tourism Tradeshow in Africa to market the destination;
- Hosted the ABSA Cape Epic;
- Successful hosting of Four domestic marketing campaigns;
- Growing #visitpaarl and #visitwellington social media presence; and
- Reopening of Paarl Visitor Information Centre

3.17.2.2 Tourism Challenges

The following challenges prevail:

- Brand Confidence;
- Building community based tourism products;
- Seasonality;
- Additional tourism signage infrastructure to enhance the visitor's experience was initiated;
- A suitable Events Policy
- A suitable Film Locations Policy;
- A need to increase revenue, visitor numbers and length of stay;
- A need for a unified brand identity to promote Paarl-Wellington as a destination;
- A need for sufficient statistical data to better understand the local Tourism sector value chain locally; and
- A need to provide specific Tourism SMME business support.
- A need to deploy Artificial Intelligence systems to enhance dynamic destination marketing communication.

3.17.3 Capital Expenditure

The Economic Growth Division spent R97.8 thousand or 100% of the final adjustments budget on capital items for the year under review.

Table 91: Capital Expenditure 2024/25 - Economic Development and Tourism

Capital Expenditure 2024/25: Economic Development and Tourism					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	-	97,769	97,768	0.0%
2	Total Capital Expenditure	-	97,769	97,768	0.0%

3.17.4 Major Projects Completed

- Hosting of the 17th Fair Trade Cities and Towns International Conference for the first time in Africa in September 2024;
- Hosting of four stages of the ABSA Cape Epic between 17 and 21 March 2025;
- Hosted the 2nd Entrepreneurship Expo in November 2024; and
- Launch of Drakenstein Citizens Academy in March 2025.

3.17.5 Operating Expenditure

Economic Development and Tourism, as a community service, generated an operating deficit of R10.0 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 92: Operating Revenue and Expenditure: Economic Development and Tourism

Operating Revenue and Expenditure: Economic Development and Tourism						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(371,480)	(145,616)	(1,275,616)	(1,209,776)	-5.2%
2	Total Operating Revenue	(371,480)	(145,616)	(1,275,616)	(1,209,776)	-5.2%
3	Employee related costs	4,864,249	5,436,329	5,039,638	4,620,246	8.3%
4	Contracted services	1,952,648	3,801,657	2,845,928	2,409,604	15.3%
5	Depreciation and amortisation	54,821	60,852	119,535	119,535	0.0%
6	Inventory consumed	73,034	36,745	82,681	65,094	21.3%
7	Operational Costs and Losses	1,069,526	3,160,200	4,480,590	4,001,518	10.7%
8	Total Operating Expenditure	8,014,278	12,495,783	12,568,372	11,215,996	10.8%
9	Operating (Surplus) / Deficit	7,642,798	12,350,167	11,292,756	10,006,220	11.4%

3.17.6 Employee Statistics - Economic Development and Tourism

The Economic Development and Tourism has 10 posts on the organisational structure approved by Council on 15 October 2024 of which 0 posts are frozen and 10 posts funded at year-end. The section had 8 filled posts at year-end with a 20% vacancy rate.

Table 93: Employees - Economic Development and Tourism

Employees: Economic Development and Tourism								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	3	3	0	3	3	0	0.0%
3	T12 - T14	2	2	0	2	2	0	0.0%
4	T09 - T11	1	2	0	2	1	1	50.0%
5	T06 - T08	2	3	0	3	2	1	33.3%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	8	10	0	10	8	2	20.0%

3.18 DRACKENSTEIN AS A FAIR TRADE CITY

Drakenstein Municipality remains steadfast in its commitment to being a Fair Trade City. By entrenching Fair Trade values into local economic development, education, procurement, and tourism, the Municipality is fostering an inclusive and ethical environment that promotes sustainable growth.

The Fair Trade City of Drakenstein is focused on implementing the following key performance areas:

- Promoting the creation of sustainable Social Enterprises;
- Encouraging businesses to adopt more sustainable ethical and fair trade practices;
- Encouraging sustainability ethical and fair-trade information adoption in education institutions;
- Encouraging consumers to adopt sustainability practices; and
- Promoting triple bottom line focused enterprises.

Table 94: Fair Trade Projects / Initiatives

Rural Development Projects Initiatives		
Serial No.	Project/Initiative	Description/Value added to improve service delivery
Column Ref	A	B
1	Business library corners	All Libraries within Drakenstein Municipality are equipped with a Library Business Corner. Businesses are able to access information on programmes run by the Municipality and stakeholders. Information sessions are hosted at the libraries with business. The objective of the initiative is to create spaces where businesses can easily access (funding and business development) information without the additional cost of transportation.
2	Relocation of Vlakkeland Small Farmers.	The relocation of the Vlakkeland Small Scale farmers will encourage the inclusion of previously disadvantaged communities in agri- processing and further encourage the creation of jobs in rural areas. A process with National and Provincial departments has commenced to relocate farmers to the suggested farming sites.
3	SMME Expo	The objective of this initiative is to provide business to business linkages. During this financial year 20 exhibitors attended the event. 4 Masterclasses were held during the event as well.
4	17 th Fair Trade Cities and Towns International Conference.	Drakenstein hosted the 17 th Fair Trade Cities and Towns International Conference for the first time in Africa. The Conference served as a fadad.

3.19 EXECUTIVE DIRECTOR: CORPORATE AND PLANNING SERVICES AND ADMINISTRATION

The Executive Director: Corporate and Planning Services consists of the administrative portion of the Department.

3.19.1 Capital Expenditure – Executive Director: Corporate and Planning Services and Administration

The Executive Director: Corporate and Planning Services and Administration had no capital projects for the 2024/25 year.

3.19.2 Operating Expenditure - Executive Director: Corporate and Planning Services and Administration

Executive Director: Corporate and Planning Services, as a support service, generated an operating deficit of R2.8 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 95: Operating Revenue and Expenditure: Executive Director: Corporate and Planning Services and Administration

Operating Revenue and Expenditure: Executive Director: Corporate and Planning Services and Administration						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	3,762,277	2,968,998	2,880,757	2,706,494	6.0%
2	Contracted services	192,839	0	0	0	0.0%
3	Depreciation and amortisation	60,559	49,398	42,845	36,835	14.0%
4	Inventory consumed	242,670	0	0	0	0.0%
5	Operational Costs and Losses	59,191	14,791	14,791	28,200	-90.7%
6	Total Operating Expenditure	4,317,537	3,033,187	2,938,393	2,771,529	5.7%
7	Operating (Surplus) / Deficit	4,317,537	3,033,187	2,938,393	2,771,529	5.7%

3.19.3 Employee Statistics - Executive Director: Corporate and Planning Services and Administration

The Executive Director: Corporate and Planning Services and Administration has 3 posts on the organisational structure approved by Council on 15 October 2024 of which 0 posts are frozen and 3 posts funded at year-end. The section had 3 filled posts at year-end with a 0% vacancy rate.

Table 96: Employees - Executive Director: Corporate and Planning Services and Administration

Employees: Executive Director Corporate and Planning Services and Administration								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	Sec 56	1	1	0	1	1	0	0.0%
2	T18 - T20	0	0	0	0	0	0	0.0%
3	T15 - T17	0	0	0	0	0	0	0.0%
4	T12 - T14	0	1	0	1	1	0	0.0%
5	T09 - T11	2	1	0	1	1	0	0.0%
6	T06 - T08	0	0	0	0	0	0	0.0%
7	T03 - T05	0	0	0	0	0	0	0.0%
8	T01 - T02	0	0	0	0	0	0	0.0%
9	Total	3	3	0	3	3	0	0.0%

COMPONENT D: COMMUNITY SERVICES

3.20 INTRODUCTION

The Community Services Department consists of Human Settlements, Library and Information Services, Cemeteries and Resorts, Sport and Recreation, Parks and Open Spaces, Community Halls and Thusong Centres, and Public Ablution Facilities, Services to Childcare, the Aged Care and Social Development Programmes rendered during the year under review.

3.21 HUMAN SETTLEMENTS DIVISION

The Human Settlements Division is responsible for the provision of housing opportunities via a range of housing programs, including Integrated Residential Development Programme (IRDP), (green fields) projects, upgrade of informal settlements, emergency housing accommodation as well as social and affordable housing. In addition, the division also manages provision and maintenance of basic services within informal settlements and housing demand (waiting list) management. Various Sections within the Human Settlements Division are responsible to implement the functions.

3.21.1 Housing Projects Section

The Housing Projects Section is primarily responsible for the development of new housing opportunities, facilitate access to social and affordable housing and the upgrade of informal settlements with the aim to formalise these settlements. It further manages the municipal housing pipeline (list of potential housing projects planned and implemented) and human settlement plan.

Achievements/important events during the year include:

- Delivery of 155 housing opportunities;
- Obtained development rights (rezoning and subdivision approval) for the Lovers Lane and Chester Williams Informal Settlements;
- Completion of 18 service connections to sites at the Siyahlala and Fairyland Informal Settlements respectively;
- Hosting of two successful Title Deed hand-over ceremonies;
- Registration of 186 title deeds at the Deeds Office across all project types; and
- Hosting of four demand database (waiting list) awareness drives.

3.21.2 Support Services and projects completed

The following projects were successfully completed.

Table 97: Support Services projects implemented

Support Services Projects implemented		
Serial No.	Projects	Comments
Column Ref.	A	B
1	Improve access to basic services in Informal Settlements	Construction of 86 precast waterborne toilets and 18 water standpipes to improve access to basic services in various informal settlements.
2	Provision of emergency housing to evictees	22 families were assisted with alternative emergency accommodation.
3	Restructuring of the Gouda Informal Settlement	The intent to restructure the settlement was to improve access for municipal service delivery vehicles to undertake maintenance and secondly, to allow ESKOM to install electricity to the settlement which is set for the 2025/26 financial year.

The following challenges are prevalent:

- A high housing demand of 21,605 applications.
- Forty-four registered (44) informal settlements comprising of 8,864 structures and housing an estimated 16,425 people.
- Informal settlement structures encroaching onto bulk municipal infrastructure.
- Land for emergency housing and decanting; and
- Illegal dumping, especially within informal settlements.

3.21.3 Housing Pipeline

The housing delivery business plan for the 2024/25 financial year is indicated in the table below.

Table 98: Housing Pipeline Projects 2024/25

Housing Pipeline Projects 2024/25			
Serial No.	Project	Description	Progress for 2024/25
Column Ref.	A	B	C
1	Vlakkeland Housing Development	Development of 2,556 housing opportunities in phases over multiple financial years.	49 Houses handed over in the financial year. 755 completed to date
2	Chester Williams (92 opportunities)	Formalisation and upgrade of informal settlement.	All development rights obtained to proceed to project implementation
3	Lovers Lane (168 opportunities)	Formalisation and Upgrade of informal settlement.	All development rights obtain to proceeded to project implementation.

Housing Pipeline Projects 2024/25			
Serial No.	Project	Description	Progress for 2024/25
Column Ref.	A	B	C
4	Dignified Informal Sites (360 opportunities)	Formalisation and Upgrade of 9 informal settlements.	The settlements are currently in planning with various settlements at various stages of planning
5	Paarl East (IRDP) Project	Greenfields development catering for 538 housing opportunities.	The development rights were obtained for the project. An appeal was submitted and must be dealt with by the Appeal Authority.
6	Simondium	Development of 384 housing opportunities.	Project implementation was suspended, due to a requirement to obtain an amended environmental authorisation. The amended authorisation was obtained, and recommencement of the project is set for early in the 2025/2026 financial year.
7	Erf 557, Mbekweni	Proposed mix use development catering for approximately 400-500 opportunities.	The project is currently in planning phase. Funding was approved by Provincial department of Infrastructure to obtain development rights (land use approval and environmental authorisation) which is set to commence early in the 2025/26 financial year.

3.21.4 Housing Statistics

Table 99: Housing Statistics

Housing Statistics			
Serial No	Description	Totals	Remarks
Column No.	A	B	C
1	New applications captured on the Western Cape Housing Demand Database (WCHDDDB)	340	Daily capturing of new applications.
2	Number of cancelled applications.	16,241	Cancelled application involves persons who did not update their information when required.
3	Number of persons assisted.	6,075	The number of persons assisted with housing opportunities.
4	Number of active persons on the waiting list.	21,521	Active persons refer to persons who updated their information regularly.
5	Total number of persons on the demand database	44,040	The total number of persons on the demand database (waiting list), including the active, cancelled and assisted.

Housing Statistics			
Serial No	Description	Totals	Remarks
Column No.	A	B	C
6	Issuing of starter kits for fire victims	344	This includes issuing of kits to fire victims of the New Rest Informal Settlement Fire Disaster which affected over 250 families.

3.21.5 Capital Expenditure – Human Settlements

The Human Settlements Division spent R4.3 million or 45.9% of the final adjustments budget on bulk and internal infrastructure projects needed for housing projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 100: Capital Expenditure 2024/25 - Human Settlements

Capital Expenditure 2024/25: Human Settlements					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Schoongezicht Electrification	-	1,412,009	1,412,009	0.0%
2	Simondium Electrification	-	840,000	839,825	0.0%
3	Fairyland Siyashala Electrification	-	719,035	719,034	0.0%
4	Simondium Booster Pump and Reservoir	-	558,000	557,741	0.0%
5	Fairyland Siyashala Water Meters	1,000,000	418,831	376,205	10.2%
6	Other Capital Projects	63,000,000	7,975,943	380,623	95.2%
7	Total Capital Expenditure	64,000,000	11,923,818	4,285,437	64.1%

3.21.6 Operating Expenditure – Human Settlements

Human Settlements, a Schedule 4 of the Constitution of the Republic of South Africa functional area of concurrent national and provincial legislative competence, generated an operating deficit of R71.1 million for the 2024/25 financial year. The deficit is subsidised through surpluses of trading services. It remains an underfunded mandate from National and Provincial Government.

Table 101: Operating Revenue and Expenditure: Human Settlements

Operating Revenue and Expenditure: Human Settlements						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(32,919,354)	(52,889,470)	(22,871,918)	(7,314,424)	-68.0%
2	Total Operating Revenue	(32,919,354)	(52,889,470)	(22,871,918)	(7,314,424)	-68.0%
3	Employee related costs	29,712,944	32,589,637	32,966,567	30,717,775	6.8%
4	Interest paid	0	4,238,590	0	0	0.0%
5	Contracted services	2,476,256	9,549,347	11,584,614	582,091	95.0%
6	Depreciation and amortisation	33,545,063	37,229,375	44,882,118	42,365,551	5.6%
7	Inventory consumed	8,027,659	8,495,819	4,559,571	4,290,432	5.9%
8	Operational Costs and Losses	513,472	945,312	842,138	433,210	48.6%
9	Total Operating Expenditure	74,275,394	93,048,080	94,835,008	78,389,059	17.3%
10	Operating (Surplus) / Deficit	41,356,039	40,158,610	71,963,090	71,074,635	1.2%

*The employee cost for the housing rental division is still included in that of Housing Projects and Informal Settlements (see above), as the housing rental officials have not been allocated to a separate cost centre on the Payday system.

3.21.7 Employee Statistics – Human Settlements

The Human Settlements Division has 43 posts on the organisational structure approved by Council on 15 October 2024 of which 10 posts are frozen and 33 posts funded at year-end. The section had 28 filled and 5 vacant posts at year-end and based on the number of vacancies (5) had a vacancy rate of 15.2%.

Table 102: Employees – Human Settlements

Employees: Human Settlements								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	2	2	0	2	2	0	0.0%
4	T09 - T11	4	7	3	4	4	0	0.0%
5	T06 - T08	19	28	4	24	20	4	16.7%
6	T03 - T05	2	5	3	2	1	1	50.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	28	43	10	33	28	5	15.2%

3.22 SPORT AND RECREATION

The Sport and Recreation Section's mandate is to maintain swimming pools, and sport facilities and to coordinate recreation activities.

3.22.1 Sport Grounds and Halls

Sports fields and halls in Drakenstein were prepared for 2,116 events/games for the year under review. The following table provides a comparison between 2022/23, 2023/24 and 2024/25 of the different sports codes' utilisation of the facilities

3.22.1.1 Service Statistics – Sport Grounds and Halls

Table 103: Sport codes utilisation of sport facilities

Sport codes utilisation of sport facilities					
Serial No	Sport Code	2022/23	2023/24	2024/25	Number of fields
Column Ref.	A	B	C	D	E
1	Rugby	420	364	416	10
2	Cricket	392	417	366	7
3	Soccer	624	582	670	6
4	Cycling	139	144	147	1
5	Hockey	6	47	3	3
6	Athletics	96	116	94	4
7	Netball	144	186	78	12
8	Darts, Karate, Kickboxing & Volleyball (Halls)	408	384	342	1

The Sport and Recreation Section continued to provide accessible and well-utilised facilities across various sport codes. Notable increases in usage were recorded for soccer (rising from 582 to 670 bookings) and rugby (from 364 to 416 bookings), showing growing demand for facility usage. Other codes such as cycling and athletics remained stable.

3.22.1.2 Service Delivery Levels – Sport Grounds and Halls

In 2024/25, service delivery continued to improve through coordinated maintenance, facility upgrades, and enhanced operational support. This allowed the division to sustain high-quality recreational spaces and respond efficiently to community needs. The necessary tools of the trade were procured to enable our workstream to deliver more effective and efficient service. Our mandate remain access to all and with the resources available we commit to maintain our facilities to a standard to enable accessibility. We have also realised the importance of collaborating with external stakeholders in the sport facility maintenance space.

3.22.2 Swimming Pools

All five municipal swimming pools under the Sport and Recreation Division opened successfully on 1 October 2024. The swimming pools operated without major incidents throughout the season, with only minor injuries reported. This reflects positively on the Municipality's commitment to safety and effective management of public recreational facilities. Minor maintenance was completed for during the off-season.

3.22.2.1 Service Statistics – Swimming Pools

Table 104: Service Statistics - Swimming Pools

Services Statistics - Swimming Pools				
Serial No.	Swimming Pool	Number of patrons 2022/23	Number of patrons 2023/24	Number of patrons 2024/25
Column Ref.	A	B	C	D
1	Drakenstein	18,876	24,306	21,250
2	Pentz Street	4,079	14,968	10,756
3	Faure Street	18,072	19,878	11,621
4	Mbekweni	11,073	17,424	11,022
5	Weltevrede	16,595	5,911	11,780

Weltevrede Swimming Pool demonstrated a notable improvement in attendance during the 2024/25 season. This positive trend can be attributed to increased security measures and renewed public confidence following the safety concerns experienced in the prior year. In contrast, patron numbers dropped at the Faure Street, Pentz Street, and Mbekweni Pools due to strictly enforced capacity limits, implemented to ensure the safety of patrons.

3.22.2.2 Service Delivery Levels – Sport and Recreation

The filling of most of the vacant positions in the Sport and Recreation Division enabled us to deliver improved service delivery to our sport communities. Relationships with most of the sport codes has improved due to constant and effective communication with stakeholders.

3.22.3 Capital Expenditure – Sport and Recreation

The Sport and Recreation Section spent R7.6 million or 96.3% of the final adjustments budget on sport and recreation infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 105: Capital Expenditure 2024/25 – Sport and Recreation

Capital Expenditure 2024/25: Sport and Recreation					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Dal Sports Stadium Upgrading Facility	7,400,000	6,996,928	6,996,927	0.0%
2	Tools of Trade	400,000	465,966	455,165	2.3%
3	Other Capital Projects	-	464,383	180,358	61.2%
4	Total Capital Expenditure	7,800,000	7,927,277	7,632,451	3.7%

3.22.4 Major Projects Completed – Sport and Recreation

Various capital projects were undertaken by Sport and Recreation up until the 2024/25 financial year:

- The installation of containerised spectator seating at Dal Josaphat.
- The purchasing of a pitch roller and other tools of trade.
- The construction of the parking area (phase 1) at Dal Josaphat.

3.22.5 Operating Expenditure – Sport and Recreation

Sport and Recreation, as a community service, generated an operating deficit of R28.3 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 106: Operating Revenue and Expenditure: Sport and Recreation

Operating Revenue and Expenditure: Sport and Recreation						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(751,700)	(700,825)	(700,825)	(642,317)	-8.3%
2	Total Operating Revenue	(751,700)	(700,825)	(700,825)	(642,317)	-8.3%
3	Employee related costs	17,300,765	21,264,384	17,727,016	18,059,426	-1.9%
4	Contracted services	89,447	194,279	645,626	513,292	20.5%
5	Depreciation and amortisation	7,142,317	7,928,301	8,456,516	7,950,227	6.0%
6	Inventory consumed	1,026,106	1,037,054	1,348,920	1,270,194	5.8%
7	Operational Costs and Losses	681,530	936,176	1,252,405	1,148,063	8.3%
8	Total Operating Expenditure	26,240,165	31,360,194	29,430,483	28,941,202	1.7%
9	Operating (Surplus) / Deficit	25,488,465	30,659,369	28,729,658	28,298,886	1.5%

3.22.6 Employee Statistics – Sport and Recreation

The Sport and Recreation Section has 181 posts on the organisational structure approved by Council on 15 October 2024 of which 62 posts are frozen and 119 posts funded at year-end. The section had 61 filled and 58 vacant posts at year-end which resulted in a 48.7% vacancy rate.

It should be noted that the majority of vacancies at year end, are for posts that are filled seasonally (October – March/April), when the swimming pools are open.

Table 107: Employees - Sport and Recreation

Employees: Sport and Recreation								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	0	1	0	1	1	0	0.0%
4	T09 - T11	1	1	0	1	1	0	0.0%
5	T06 - T08	19	43	15	28	21	7	25.0%
6	T03 - T05	40	135	47	88	37	51	58.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	61	181	62	119	61	58	48.7%

3.23 PARKS AND OPEN SPACES

Parks play a crucial role in enhancing the health of a community and significantly contribute to the overall quality of life for its residents. It served as essential recreational areas that allow individuals to engage with nature and enjoy outdoor activities

Parks and Open Spaces have 291 playparks and open spaces that are maintained regularly. The GIS application (app) is under review. This information helps the section to spatially view where trees have been planted and where the maintenance of dangerous trees must be prioritised including, the cycles of maintenance servicing of parks and open spaces as per rollout plan.

3.23.1 Service Statistics – Parks and Open Spaces

Drakenstein Municipality maintains a total of 195 parks, which are categorised into three primary types. These include the Arboretum, five (5) Heritage Parks—such as the Victoria

Parks located in Paarl and Wellington—and an impressive collection of 190 neighbourhood play parks dispersed throughout the municipality. In the reporting year, the Parks Section undertook various initiatives and projects that resulted in the planting of 134 trees.

Invasive Alien Plants (IAPs) represent a significant threat to South Africa’s biodiversity, water security, the ecological integrity of natural ecosystems, and the effective utilisation of land resources. The efforts to eliminate these invasive species have been primarily concentrated in the Paarl Mountain Nature Reserve (PMNR) as part of a broader Invasive Alien Plant Eradication Strategy. During the reporting period, 24.25 hectares of IAPs were successfully removed from the PMNR.

To further support these eradication efforts, various wood permits were issued to local wood harvesters. This initiative aimed to manage biomass in particularly dense regions that had been cleared during the initial removal phases.

3.23.2 Service Delivery Levels – Parks and Open Spaces

There are three distinct service levels for park maintenance, which are determined by the existing infrastructure within the park. Typically, regular maintenance includes mowing the grass every six weeks, pruning trees as necessary, managing weeds, and repainting equipment when required.

3.23.3 Capital Expenditure - Parks and Open Spaces

Parks and Open Spaces spent R888 thousand or 100% of the final adjustments budget on bulk and internal infrastructure projects needed for housing projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 108: Capital Expenditure 2024/25 - Parks and Open Spaces

Capital Expenditure 2024/25: Parks and Open Spaces					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Upgrading of Parks and Main Roads	1,200,000	867,588	867,588	0.0%
2	Other Capital Projects	-	20,368	20,368	0.0%
3	Total Capital Expenditure	1,200,000	887,956	887,955	0.0%

3.23.4 Major Projects Completed - Parks and Open Spaces

The primary initiatives undertaken involve the procurement of essential equipment, which include vehicles (bakkies), brush cutters, chainsaws, blowers, and various power tools. Additionally, the gravel roads within the nature reserve were preserved and enhanced to optimise water management and improve surface conditions.

3.23.5 Operating Expenditure - Parks and Open Spaces

Parks and Open Spaces, as a community service, generated an operating deficit of R45.4 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 109: Operating Revenue and Expenditure: Parks and Open Spaces

Operating Revenue and Expenditure: Parks and Open Spaces						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(451,439)	(277,482)	(753,982)	(1,079,917)	43.2%
2	Total Operating Revenue	(451,439)	(277,482)	(753,982)	(1,079,917)	43.2%
3	Employee related costs	36,802,002	39,807,103	40,288,152	40,019,520	0.7%
4	Contracted services	957,837	2,488,866	2,425,192	1,930,212	20.4%
5	Depreciation and amortisation	731,799	812,327	1,826,916	2,268,526	-24.2%
6	Inventory consumed	1,430,597	1,986,944	1,797,990	1,659,671	7.7%
7	Operational Costs and Losses	1,019,733	589,210	777,701	631,609	18.8%
8	Total Operating Expenditure	40,941,967	45,684,450	47,115,951	46,509,538	1.3%
9	Operating (Surplus) / Deficit	40,490,528	45,406,968	46,361,969	45,429,621	2.0%

3.23.6 Employee Statistics - Parks and Open Spaces

The Parks and Open Spaces Section has 187 posts on the organisational structure approved by Council on 15 October 2024 of which 54 posts are frozen and 133 posts funded at year-end. The section had 119 filled at year-end and with a 10.5% vacancy rate.

Table 110: Employees – Parks and Open Spaces

Employees: Parks and Open Spaces								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	0	1	0	1	1	0	0.0%
3	T12 - T14	2	3	0	3	2	1	33.3%
4	T09 - T11	0	0	0	0	0	0	0.0%
5	T06 - T08	23	36	5	31	25	6	19.4%
6	T03 - T05	94	147	49	98	91	7	7.1%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	119	187	54	133	119	14	10.5%

3.24 CEMETRIES AND RESORTS

3.24.1 Holiday Resorts

Drakenstein Municipality has three resorts. Orleans Resort situated in Paarl, Antoniesvlei Resort in Wellington and Saron Resort. During the off-season Antoniesvlei is closed. (May to September). Orleans and Saron Resorts are open to the public all year round however, the swimming pool at the resort in Saron and the splash Pool at Orleans stay closed for off-season maintenance.

3.24.1.1 Service Statistics - Resorts

Below are the statistics for the number of visitors per resort

Table 111: Population utilisation of holiday resorts

Population utilisation of holiday resorts				
Serial No.	Resorts	Number of Visitors 2022/23	Number of Visitors 2023/24	Number of Visitors 2024/25
Column Ref.	A	B	C	D
1	Orleans Park	16,691	16,074	17,030
2	Saron Holiday Resort	3,319	13,706	13,978
3	Antoniesvlei Holiday Resort	11,454	13,954	15,236

3.24.1.2 Service Delivery Levels - Resorts

The resorts are maintained to ensure service delivery and maximum use of the facilities to the public in general as well as residents from neighbouring towns.

3.24.2 Cemeteries

Drakenstein Municipality manages 13 cemeteries under its area of jurisdiction that stretches from Simondium in the South to Saron in the North. The COVID-19 impeded negatively on the available burial space especially in the urban edge of the municipality that leads to reaching capacity of all cemeteries in the urban edge except Parys Cemetery with relative limited burial space. Available space has been carefully managed with all stakeholders.

Pauper burials used to take place in Dal Josaphat Cemetery which has now also reached its full capacity. Pauper burials however had to be moved to Parys Cemetery during this financial year. The section is currently reviewing the Pauper/Indigent Policy to investigate at various alternative burial methods.

The Cemetery Section also experience an abnormal high number of burials during the winter season for the financial year under review. The impact of these statistics influences negatively on current burial space. The below information reflects on the available burial space per cemetery.

Table 112: Available burial space per cemetery

Available burial space per cemetery			
Serial No.	Cemetery	Available space	Lifespan
Column Ref.	A	B	C
1	Parys / Klein Parys	Full	0
2	Klein Parys (Only to be utilised in Summer)	600	2 years
3	Hillcrest	Full (Only re-openings)	0
4	Champagne	Full (Only re-openings)	0
5	Voorstraat	Full (Only re-openings)	0
6	Bloekom Avenue	Full (Only re-openings)	0
7	Dal Josaphat	Full	0
8	Saron	1200	10 years
9	Gouda	11	2 years
10	Simondium	6	3 months
11	Hermon	756	10 years
12	Houtstraat	Full	0
13	Bosmanstraat	Full	0

The Cemetery Section finalised the clearing of alien vegetation in Parys Cemetery that provides additional space, mainly during the summer.

3.24.2.1 Service Statistics - Cemeteries

During the year under review, 1,389 burials took place at an average of 110 burials per month. Drakenstein Municipality does not have a municipal crematorium.

Table 113: Summary of burials

Summary of burials				
Serial No.	Month	Year		
		2022/23	2023/24	2024/25
Column Ref.	A	B	C	D
1	July	137	147	101
2	August	103	140	125
3	September	101	131	92
4	October	118	131	122
5	November	108	99	102
6	December	103	106	82
7	January	82	88	91
8	February	101	102	114
9	March	97	120	114
10	April	119	85	107
11	May	113	100	131
12	June	130	140	145
13	Total	1,312	1,389	1,326

3.24.2.2 Service Delivery Levels - Cemeteries

The aim is to perform maintenance at cemeteries every 6 to 8 weeks and includes horticultural maintenance and minor grave maintenance.

3.24.3 Capital Expenditure - Cemeteries and Resorts

The Cemeteries and Resorts Section spent R3.5 million or 100% of the final adjustments budget on cemetery services infrastructure projects for the year under review.

Table 114: Capital Expenditure 2024/25 - Cemeteries and Resorts

Capital Expenditure 2024/25: Cemeteries and Resorts					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Develop Nieuwedrift Cemeteries	3,000,000	2,418,659	2,418,659	0.0%
2	Upgrading of Facilities	2,500,000	866,916	866,915	0.0%
3	Other Capital Projects	300,000	251,076	251,076	0.0%
4	Total Capital Expenditure	5,800,000	3,536,651	3,536,650	0.0%

3.24.4 Major Projects Completed - Cemeteries and Resorts

The Consulting Engineers was appointed as a consultant to provide multi-disciplinary services for the development of Nieuwedrift Cemetery. The scope of works includes the conceptualisation, development, and construction of Nieuwedrift Cemetery. During the year the development of burial space at Nieuwedrift Cemetery commenced and a total of 678 graves are available from July 2025.

3.24.5 Operating Expenditure - Cemeteries and Resorts

Cemeteries and Resorts, as a community service, generated an operating deficit of R13.8 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 115: Operating Revenue and Expenditure: Cemeteries and Resorts

Operating Revenue and Expenditure: Cemeteries and Resorts						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(3,893,654)	(4,161,930)	(4,111,930)	(4,200,913)	2.2%
2	Total Operating Revenue	(3,893,654)	(4,161,930)	(4,111,930)	(4,200,913)	2.2%
3	Employee related costs	14,151,215	18,091,497	17,371,779	15,944,488	8.2%
4	Contracted services	23,180	436,365	118,634	18,241	84.6%
5	Depreciation and amortisation	60,942	67,651	368,575	364,364	1.1%
6	Inventory consumed	775,691	702,672	688,199	830,710	-20.7%
7	Operational Costs and Losses	210,340	235,008	421,194	891,189	-111.6%
8	Total Operating Expenditure	15,221,368	19,533,193	18,968,381	18,048,992	4.8%
9	Operating (Surplus) / Deficit	11,327,715	15,371,263	14,856,451	13,848,079	6.8%

3.24.6 Employee Statistics - Cemeteries and Resorts

The Cemeteries and Resorts function has 125 posts on the organisational structure approved by Council on 15 October 2024 of which 45 posts are frozen and 80 posts funded at year-end. The section had 55 filled at year-end with a 31.3% vacancy rate.

Table 116: Employees - Cemeteries and Resorts

Employees: Cemeteries and Resorts								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	0	1	0	1	1	0	0.0%
3	T12 - T14	2	2	0	2	2	0	0.0%
4	T09 - T11	0	3	2	1	0	1	100.0%
5	T06 - T08	9	20	7	13	10	3	23.1%
6	T03 - T05	43	99	36	63	42	21	33.3%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	54	125	45	80	55	25	31.3%

Note: The vacancy rate includes seasonal worker posts that will only be filled during holiday season.

3.25 LIBRARY SERVICES

Drakenstein Municipality provide Library and Information Services in 19 registered libraries of which 17 are operational, providing a range of services for reading development, community interaction and support educational needs of the communities. Libraries are spaces where communities can grow and develop to their full potential and achieve their goals and dreams. Librarians and staff are always available to help with the educational, recreational, informational and individual concerns of the public.

The South African Library Week Theme 2025: *“Libraries for Sustainable Communities”* focussed on fostering sustainability, resilience programmes, inclusivity of all human beings and accessibility to all citizens. Library week was celebrated by having well organised programmes and themed activities during the third quarter.

Provincial Library Services Yeboneer Project continued in this financial period to provide the young people between 18 and 25 years old to work in the libraries and support staff with reading development and computer literacy. Drakenstein Libraries provided support to 39 young adults by guiding them with workplace skills and preparation for further studies.

The libraries had a vigorous patron clean-up action by removing inactive members from the system resulting in a membership decline. The current totals reflect the actual active library membership and correlate with the book circulation.

Library staff plan programmes that enrich cultural, educational, social awareness, and community development within Drakenstein.

3.25.1 Service Statistics – Library Services

Drakenstein has 65,443 library members and all libraries accounted for 579,563 library visits during the year under review. A total of 289,603 library items were circulated, and ICT computer usages amounted to 24,271 times.

Table 117: Service Statistics for Libraries 2024/25

Service Statistics for Libraries 2024/25						
Serial No.	Programme	Q1	Q2	Q3	Q4	Full Year
Column Ref.	A	B	C	D	E	F
1	Community Outreach	355	227	255	391	1,228
2	Book Discussions/Book clubs	174	205	122	137	638
3	Learner Support	4,093	1,594	1,583	1,798	9,068
4	Reading Development	1,485	1,876	1,406	1,257	6,024
5	Literacy Activities	1,878	361	721	1,474	4,434
6	Storytelling	445	512	345	296	1,598
7	Displays	185	186	195	176	742
8	Circulation	82,554	64,474	70,222	72,353	289,603
9	ICT Usages	7972	4875	5286	6138	24,271
10	Total library visits	182,466	112,742	143,019	141,336	579,563
11	Membership			2023/24	2024/25	
				100,491	65,443	
12	Library stock			Province	Own	Total
				193,128	61,445	254,573

3.25.2 Service Delivery Levels – Library Services

Drakenstein Libraries and Information Services focus on providing service that are effective and efficient and strive to always offer quality informational and welcoming recreational facilities to all library users and our communities within the framework of the norms and standards of the Western Cape Library Services.

3.25.3 Capital Expenditure – Library Services

The Library Services Section spent R101 thousand or 100% of the final adjustments budget on library services infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 118: Capital Expenditure 2024/25 - Library Services

Capital Expenditure 2024/25: Library Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	-	101,021	101,020	0.0%
2	Total Capital Expenditure	-	101,021	101,020	0.0%

3.25.4 Major Projects Completed – Library Services

The establishment of the Wagenmakersvallei and the Groenberg Libraries were commenced with, but the project was not completed. The Simondium Library moved from the school to a municipal building.

3.25.5 Operating Expenditure – Library Services

Library services, as a subsidised service, generated an operating deficit of R9.6 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates. This remains an underfunded mandate from the Provincial Department of Library Services.

Table 119: Operating Revenue and Expenditure: Library Services

Operating Revenue and Expenditure: Library Services						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(19,111,817)	(21,224,136)	(21,279,136)	(18,615,720)	-12.5%
2	Total Operating Revenue	(19,111,817)	(21,224,136)	(21,279,136)	(18,615,720)	-12.5%
3	Employee related costs	23,194,365	25,903,085	24,743,463	24,413,685	1.3%
4	Contracted services	18,994	130,000	121,909	21,408	82.4%
5	Depreciation and amortisation	4,611,636	5,119,128	1,393,805	1,328,015	4.7%
6	Inventory consumed	342,337	301,078	387,729	385,865	0.5%
7	Operational Costs and Losses	1,841,762	799,864	626,228	2,074,999	-231.3%
8	Total Operating Expenditure	30,009,093	32,253,155	27,273,134	28,223,973	-3.5%
9	Operating (Surplus) / Deficit	10,897,277	11,029,019	5,993,998	9,608,253	-60.3%

3.25.6 Employee Statistics – Library Services

The Library Services Section has 107 posts on the organisational structure approved by Council on 15 October 2024 of which 30 posts are frozen and 77 posts funded at year-end. The section had 73 filled posts at year-end with a 5.2% vacancy rate.

Table 120: Employees - Library Services

Employees: Library Services								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	5	11	4	7	5	2	28.6%
4	T09 - T11	2	12	9	3	1	2	66.7%
5	T06 - T08	50	59	6	53	53	0	0.0%
6	T03 - T05	14	24	11	13	13	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	72	107	30	77	73	4	5.2%

3.26 COMMUNITY HALLS, PUBLIC FACILITIES AND THUSONG CENTRES

The Social Development Section manages two town halls, seven community halls, two Multi-Purpose Thusong Centres and 14 public ablution facilities. The Multi-Purpose Thusong Centres are one-stop facilities that provide opportunities to access a compendium of government services to surrounding communities. These services include social services, service point access social pension and grants, consumer protection and numerous municipal services. The municipal halls are also managed by this section, and these include the Wellington Town Hall and Paarl City Hall, as well as the Simondium, Huguenot, Fairyland, Mbekweni, Colibri, Gouda and Saron Community Halls.

3.26.1 Service Statistics – Community Hall, Public Facilities and Thusong Centres

The total number of people that accessed services for the year under review from the Paarl-East Thusong Centre is 17,948 and the total number for Mbekweni Thusong Centre is 12,586 people. Note that the visitors decreased rapidly since SASSA moved from the PETSC.

Other relevant information includes the number of functions at the halls and Thusong Centres as reflected below.

Table 121: Town Halls, Community Halls and Thusong Centres

Town Halls, Community Halls and Thusong Centres				
Serial No	Facility	Number of Functions		
		2022/23	2023/24	2024/25
Column Ref.	A	B	C	D
1	Paarl Town Hall	59	95	46
2	Wellington Town Hall	56	58	192
3	Huguenot Community Hall	98	97	98
4	Fairyland Community Hall	123	118	56
5	Mbekweni Community Hall	43	44	285
6	Colibri Community Hall	81	84	108
7	Safmarine Community Hall	0	0	0
8	Simondium Community Hall	46	32	102
9	Gouda Community Hall	53	37	52
10	Saron Community Hall	52	61	55
11	Paarl-East Thusong Service Centre	127	154	91
12	Mbekweni Thusong Service Centre	82	128	373

3.26.2 Service Delivery Levels - Community Hall, Public Facilities and Thusong Centres

The halls are frequently used, and this has an impact on the standard times of readiness in terms of minimum quality standards required at such facilities. Upgrades at the halls and Thusong Centres will further positively impact the level of services available.

3.26.3 Capital Expenditure - Community Hall, Public Facilities and Thusong Centres

The Community Development Section spent R86.5 thousand or 36% of the final adjustments budget on capital projects for the year under review.

Table 122: Capital Expenditure 2024/25 - Community Halls, Public Facilities and Thusong Centres

Capital Expenditure 2024/25: Community Halls, Public Facilities and Thusong Centres					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	-	240,400	86,450	64.0%
2	Total Capital Expenditure	-	240,400	86,450	64.0%

3.26.4 Major Projects Completed - Community Hall, Public Facilities and Thusong Centres

Upgrades were made to the Huguenot Community Hall.

3.26.5 Operating Expenditure - Community Hall, Public Facilities and Thusong Centres

Community Halls, Public Facilities and Thusong Centres, as a community service, generated an operating deficit of R17.6 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 123: Operating Revenue and Expenditure: Community Halls, Public Facilities and Thusong Centres

Operating Revenue and Expenditure: Community Halls, Public Facilities and Thusong Centres						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(966,435)	(495,691)	(685,061)	(771,457)	12.6%
2	Total Operating Revenue	(966,435)	(495,691)	(685,061)	(771,457)	12.6%
3	Employee related costs	12,814,238	13,610,456	14,792,354	14,605,472	1.3%
4	Contracted services	164,022	50,000	106,695	125,823	-17.9%
5	Depreciation and amortisation	3,589,103	3,984,070	3,191,990	3,058,755	4.2%
6	Inventory consumed	654,745	472,009	418,943	405,410	3.2%
7	Operational Costs and Losses	157,428	112,732	112,732	145,511	-29.1%
8	Total Operating Expenditure	17,379,537	18,229,267	18,622,714	18,340,970	1.5%
9	Operating (Surplus) / Deficit	16,413,102	17,733,576	17,937,653	17,569,514	2.1%

3.26.6 Employee Statistics – Community Halls, Public Facilities and Thusong Centres

The Community Halls, Public Facilities and Thusong Centres Section has 75 posts on the organisational structure approved by Council on 15 October 2024 of which 12 posts are frozen and 63 posts funded at year-end. The section had 58 filled at year-end with a 7.9% vacancy rate.

Table 124: Employees - Community Halls, Public Facilities and Thusong Centres

Employees: Community Halls, Public Facilities and Thusong Centres								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0
2	T15 - T17	0	0	0	0	0	0	0
3	T12 - T14	0	0	0	0	0	0	0
4	T09 - T11	0	2	2	0	0	0	0
5	T06 - T08	10	11	1	10	10	0	0
6	T03 - T05	51	62	9	53	48	5	0
7	T01 - T02	0	0	0	0	0	0	0
8	Total	61	75	12	63	58	5	7.9%

3.27 SOCIAL DEVELOPMENT

The Drakenstein Municipality's Integrated Development Plan guides the Social Development Section on what programmes must be rolled out, to address an array of topics forming part of Social Development. Programmes such as poverty relief initiatives, support to vulnerable groups, which include youth, gender, the elderly, the disabled, street people and the Early Childhood Development (ECD) Sector are included various social ills and challenges.

Municipal environment and society in general especially most vulnerable groupings; thus, the municipality responds with a holistic plan to address these challenges.

3.27.1 Service Statistics – Social Development

Services are rendered to all 33 wards in Drakenstein.

Elderly:

- Drakenstein Municipality enrolled 19 Elderly clubs in the Cape Winelands District Municipality Annual Golden Games sport event. Drakenstein Municipality hosted the Golden Games Sport Event in 2024/25 on Dal Josaphat Stadium.

Gender Based Violence (GBV):

- Drakenstein Municipality believes that all forms of violence against women and children should be eradicated from society. The Drakenstein Gender Forum shares this sentiment and that all rights as enshrined in the Bill of Rights should be respected and protect all the vulnerable groups in our communities. As a Municipality, we will play our role and work together with all spheres of government, law enforcement agencies and NGOs, to ensure the safety of our female colleagues and all women and vulnerable people of Drakenstein municipal area. Various awareness programmes were rolled out within the communities, rural areas, and schools.
- This advocates gender-based violence for 365 days, together with trusted stakeholders believing in educating and conducting continuous awareness drive in our respective communities.

Youth:

- In a joint effort among stakeholders and youth representatives, Drakenstein Municipality strives to be all-inclusive and supports the youth aligned to the National Youth Policy.
- Youth Development is essential in helping the youth of Drakenstein to build a better life and ultimately succeed in life. There are far more prospective workers than there are jobs available for them, and many youths are not able to study further and become more specialised.

- Youth Development Programmes offering young people job readiness programmes, opportunities to advance their education and make a difference in their communities, are some of the interventions in youth development.
- Relationship building amongst young people as positive interaction between peers is important when entering the work force.

Homeless:

- The establishment of an overnight shelter in Paarl on erf 28699 was completed in the 2024/25 financial year. The shelter was officially opened on 8 July 2025. Both the Paarl and Wellington overnight shelters will be extended in 2025/26 financial year.

Early Child Development (ECD):

- The ECD Skills Development conducted First Aid Training Courses with the ECD teachers. The first-ever Early Childhood Development (ECD) Indaba was held on 20 June 2025.

3.27.2 Service Delivery Levels – Social Development

The Social Development Section's aim is to provide effective, efficient and quality social services to communities within Drakenstein and work in collaboration with other departments and spheres of government to optimally share and use resources available.

3.27.3 Capital Expenditure – Social Development

The Social Development Section spent R756.8 thousand or 75.2% of the final adjustments budget on capital projects for the year under review.

Table 125: Capital Expenditure 2024/25 – Social Development

Capital Expenditure 2024/25: Social Development					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Upgrading of Containerised Night Shelter	1,000,000	612,810	612,809	0.0%
2	Other Capital Projects	-	393,987	143,986	63.5%
3	Total Capital Expenditure	1,000,000	1,006,797	756,795	24.8%

3.27.4 Major Projects Completed – Social Development

Two new soup kitchens were established in Mbekweni. Upgrades were completed at the Huguenot Community Hall, which includes the flooring, painting, the stage areas were refurbished, and new blinds were installed. These improvements have enhanced the overall look and functionality of the venue, creating a more welcoming space for community use.)

3.27.5 Operating Expenditure – Social Development

Social Development (including Child Care, Aged Care and Social Programmes), as a community service, generated an operating deficit of R16.1 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 126: Operating Revenue and Expenditure: Social Development (includes Child Care, Aged Care & Social Programmes)

Operating Revenue and Expenditure: Social Development (includes Child Care, Aged Care & Social Programmes)						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	9,279,836	9,800,474	10,069,124	9,797,016	2.7%
2	Contracted services	277,761	34,071	360,450	269,438	25.2%
3	Depreciation and amortisation	209,153	232,166	2,379,301	1,788,522	24.8%
4	Inventory consumed	2,650,254	1,990,235	2,474,470	2,525,887	-2.1%
5	Operational Costs and Losses	1,211,418	1,202,000	1,658,378	1,693,518	-2.1%
6	Total Operating Expenditure	13,628,423	13,258,946	16,941,723	16,074,381	5.1%
7	Operating (Surplus) / Deficit	13,628,423	13,258,946	16,941,723	16,074,381	5.1%

3.27.6 Employee Statistics – Social Development

The Social Development Section has 7 posts on the organisational structure approved by Council on 15 October 2024 of which 0 post is frozen and 7 posts funded at year-end. The section had 5 posts filled at year-end with a 28.6% vacancy rate.

Table 127: Employees - Social Development

Employees: Social Development								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	0	0	0	0	0	0	0.0%
3	T12 - T14	1	1	0	1	1	0	0.0%
4	T09 - T11	4	4	0	4	3	1	25.0%
5	T06 - T08	1	2	0	2	1	1	50.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	6	7	0	7	5	2	28.6%

3.28 EXECUTIVE DIRECTOR: COMMUNITY SERVICES AND ADMINISTRATION

The office of the Executive Director consists of the following sections:

- Section Secretarial Support;
- Section Technical Programmes and Projects;
- Section Compliance and Financial Management; and
- Section Technical Planning.

Secretarial Support

- Daily administrative support service;
- Functional responsibilities linked to the office; and
- Improved effectiveness of required office activities.

Technical Programmes and Projects

- Assistance regarding building maintenance and building works required by the various technical units within the department.

Compliance and Financial Management

- Assist with adherence to legislative compliance matters applicable to the management of the department; and
- Assist the technical units with adherence to financial management.

Technical Planning

- Provision of planning and project management services to the technical units within the department.

3.28.1 Capital Expenditure – Executive Director: Community Services and Administration

The Executive Director: Community Services and Administration spent R1,7 thousand or 100% of capital projects for the 2024/25 year.

Table 128: Capital Expenditure 2024/25 Executive Director: Community Services and Administration

Capital Expenditure 2024/25: Executive Director Community Services and Administration					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	-	1,735	1,735	0.0%
2	Total Capital Expenditure	-	1,735	1,735	0.0%

3.28.2 Operating Expenditure - Executive Director: Community Services and Administration

Executive Director: Community Services, as a support service, generated an operating deficit of R6.4 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 129: Operating Revenue and Expenditure: Executive Director: Community Services and Administration

Operating Revenue and Expenditure: Executive Director: Community Services and Administration						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	8,420,009	10,835,337	8,081,389	5,992,067	25.9%
2	Contracted services	8,111,211	250,000	250,000	161,900	35.2%
3	Depreciation and amortisation	252,560	245,793	197,888	185,872	6.1%
4	Inventory consumed	8,572,841	72,390	72,390	56,280	22.3%
5	Operational Costs and Losses	231,189	70,582	68,947	28,200	59.1%
6	Total Operating Expenditure	25,587,811	11,474,102	8,670,614	6,424,319	25.9%
7	Operating (Surplus) / Deficit	25,587,811	11,474,102	8,670,614	6,424,319	25.9%

3.28.3 Employee Statistics - Executive Director: Community Services and Administration

The Executive Director: Community Services has 27 posts on the organisational structure approved by Council on 15 October 2024 of which 12 posts are vacant and 3 posts frozen at year-end. The section had 12 filled posts at year-end with a 50% vacancy rate.

Table 130: Employees - Executive Director: Community Services and Administration

Employees: Executive Director Community Services and Administration								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	Sec 56	1	1	0	1	0	1	100.0%
2	T18 - T20	0	0	0	0	0	0	0.0%
3	T15 - T17	2	5	1	4	1	3	75.0%
4	T12 - T14	2	2	0	2	2	0	0.0%
5	T09 - T11	1	3	0	3	1	2	66.7%
6	T06 - T08	6	9	0	9	5	4	44.4%
7	T03 - T05	3	7	2	5	3	2	40.0%
8	T01 - T02	0	0	0	0	0	0	0.0%
9	Total	15	27	3	24	12	12	50.0%

COMPONENT E: PUBLIC SAFETY

3.29 INTRODUCTION

This part of the report deals with the Public Safety (Traffic Law Enforcement and Licensing, Municipal Law Enforcement and Security, and Fire Rescue and Emergency Services, Disaster Management and Events) services rendered for the year under review.

3.30 TRAFFIC LAW ENFORCEMENT AND LICENSING

During 2024/25, a large number of offences were dealt with. The main purpose of this section is not only to prosecute, but also to educate offenders. The main activities undertaken were:

- Apprehending offenders talking on cell phones while driving, red light and stop street violations, failure to wear seatbelts, excessive speeding, taxis, red and yellow line offences, illegal number plates and driving under the influence of alcohol – all of the aforementioned contributed to a high accident rate;
- Our service provider, Traffic Management Technology (TMT) is responsible for automatic speed enforcement and effective in dealing with excessive speed;
- The appointment of a new service provider for automatic speed enforcement is effective in dealing with excessive speed;
- Traffic safety talks at various institutions to address irresponsible driver behaviour and pedestrian safety; and
- We've launched drag racing operations in Paarl and Wellington with the assistance of SAPS and Provincial Traffic with fairly huge successes.

3.30.1 Service Statistics

Table 131: Traffic Law Enforcement and Licensing Service Data

Traffic, Licensing Service Data				
Serial No.	Details	2022/23 Actual	2023/24 Actual	2024/25 Actual
Column Ref.	A	B	C	D
1	Number of road traffic accidents during the year	3,039	2,987	2,448
2	Number of traffic infringements attended	1,139	9,198	7,566
3	Number of traffic officers in the field on an average day	4 – Early Shift 4 – Late Shift 8 - Traffic Officers per day	4 – Early Shift 5 – Late Shift 9 - Traffic Officers per day	4 – Early Shift 4 – Late Shift 8 - Traffic Officers per day

Traffic, Licensing Service Data				
Serial No.	Details	2022/23 Actual	2023/24 Actual	2024/25 Actual
Column Ref.	A	B	C	D
4	Number of traffic officers on duty on an average day	10 – Testing Station 4 – Early Shift 4 – Late Shift 18 - Traffic Officers per day	10 – Testing Station 4 – Early Shift 4 – Late Shift 18 – Traffic Officers per day	12 – Testing Centre 4 – Early Shift 4 – Late Shift 20 – Traffic Officers per day

3.30.2 Service Delivery Levels – Traffic Law Enforcement and Licensing

The mission of Traffic Law Enforcement and Licensing is to render an effective and high-quality service through a process of consultation and transparency in all facets of the Traffic Services, and in rendering a service to the community of Drakenstein and its visitors by ensuring the free flow of traffic and creating a safe environment to make Drakenstein “A City of Excellence”.

3.30.3 Capital Expenditure - Traffic Law Enforcement and Licensing

The Traffic Section spent R2.2 million or 100% of the final adjustments budget on traffic, licensing services infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 132: Capital Expenditure 2024/25 – Traffic Law Enforcement Licensing

Capital Expenditure 2024/25: Traffic Law Enforcement and Licensing					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Shift Patrol Vehicles	1,800,000	1,868,090	1,868,090	0.0%
2	Other Capital Projects	100,000	370,182	370,181	0.0%
3	Total Capital Expenditure	1,900,000	2,238,272	2,238,270	0.0%

3.30.4 Major Projects Completed - Traffic Law Enforcement and Licensing

Licensing Services - Computerised Learners License Testing, was rolled out to Saron, Wellington and Dal Josaphat.

3.30.5 Operating Expenditure - Traffic Law Enforcement and Licensing

Traffic Law Enforcement and Licensing, as a community service, generated an operating surplus of R6.9 million for the 2024/25 financial year.

Table 133: Operating Revenue and Expenditure: Traffic Law Enforcement and Licensing

Operating Revenue and Expenditure: Traffic Law Enforcement and Licensing						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(118,052,904)	(143,820,500)	(146,639,819)	(125,985,425)	-14.1%
2	Total Operating Revenue	(118,052,904)	(143,820,500)	(146,639,819)	(125,985,425)	-14.1%
3	Employee related costs	27,193,499	29,243,492	30,359,135	30,812,430	-1.5%
4	Interest Paid	0	230,000	0	0	0.0%
5	Contracted services	8,543,023	7,334,892	6,669,631	9,087,762	-36.3%
6	Depreciation and amortisation	198,869	170,172	291,838	274,784	5.8%
7	Inventory consumed	557,604	472,143	486,330	558,407	-14.8%
8	Operational Costs and Losses	79,483,908	99,523,060	103,162,817	78,388,469	24.0%
9	Total Operating Expenditure	115,976,903	136,973,759	140,969,751	119,121,851	15.5%
10	Operating (Surplus) / Deficit	(2,076,001)	(6,846,741)	(5,670,068)	(6,863,574)	21.0%

3.30.6 Employee Statistics – Traffic Law Enforcement and Licensing

The Traffic Law Enforcement and Licensing Division has 91 posts on the organisational structure approved by Council on 15 October 2024 of which 18 posts are frozen and 73 posts funded at year-end. The section had 68 filled posts at year-end and based with a 6.8% vacancy rate.

Table 134: Employees – Traffic Law Enforcement and Licensing

Employees: Traffic Law Enforcement and Licensing								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	1	4	1	3	2	1	33.3%
4	T09 - T11	22	30	5	25	24	1	4.0%
5	T06 - T08	19	29	2	27	26	1	3.7%
6	T03 - T05	20	29	10	19	17	2	10.5%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	63	93	18	75	70	5	6.7%

3.31 MUNICIPAL LAW ENFORCEMENT AND SECURITY

The main purpose of the Law Enforcement and Security Division is to enforce municipal bylaws and safety and security at municipal buildings and infrastructure. The section does not only focus on prosecuting but also educate the community before they offend. The Law Enforcement and Security Division deployed a dedicated Officer to do awareness and educational programmes during this year.

During 2024/25 the Law Enforcement Section dealt with many bylaw offences and recorded 1 297 bylaw infringements, which shows an increase of 18 % from the previous year.

3.31.1 Service Statistics – Municipal Law Enforcement and Security

Table 135: Law Enforcement Service Data

Law Enforcement Service Data				
Serial No.	Details	2022/23 Actual	2023/24 Actual	2024/25 Actual
Column Ref.	A	B	C	D
1	Number of bylaw infringements attended	1,139	1,099	1,297
2	Number of Bylaw Officers in the field on an average day	10 – Early Shift 9 – Late Shift 19 – Traffic Officers per day	10 – Early Shift 9 – Late Shift 19 - Traffic Officers per day	6 – Early Shift 7 – Late Shift 13 - Traffic Officers per day

3.31.2 Service Delivery Levels - Municipal Law Enforcement and Security

The mission of Traffic Services is to render an effective and high-quality service through a process of consultation and transparency in all facets of the traffic services, and in rendering a service to the community of Drakenstein and its visitors by ensuring the free flow of traffic and creating a safe environment to make Drakenstein "A City of Excellence".

3.31.3 Capital Expenditure - Municipal Law Enforcement and Security

The Law Enforcement spent R1.2 million or 100% of the final adjustments budget on law enforcement services infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 136: Capital Expenditure 2024/25 - Municipal Law Enforcement and Security

Capital Expenditure 2024/25: Municipal Law Enforcement and Security					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Vehicles (Law Enforcement)	1,000,000	505,904	505,904	0.0%
2	Other Capital Projects	1,870,000	671,214	671,212	0.0%
3	Total Capital Expenditure	2,870,000	1,177,118	1,177,116	0.0%

3.31.4 Major Projects Completed - Municipal Law Enforcement and Security

Licensing Services - Computerised Learners License Testing, was rolled out to Saron, Wellington and Dal Josaphat.

3.31.5 Operating Expenditure - Municipal Law Enforcement and Security

The Municipal Law Enforcement and Security, as a community service, generated an operating deficit of R67.5 million for the 2024/25 financial year.

Table 137: Operating Revenue and Expenditure: Municipal Law Enforcement and Security

Operating Revenue and Expenditure: Municipal Law Enforcement and Security						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(639,044)	(797,800)	(602,162)	(286,951)	-52.3%
2	Total Operating Revenue	(639,044)	(797,800)	(602,162)	(286,951)	-52.3%
3	Employee related costs	21,913,617	23,192,188	24,918,629	22,427,551	10.0%
4	Contracted services	43,597,494	43,602,500	45,114,401	44,573,328	1.2%
5	Depreciation and amortisation	15,751	17,483	286,685	286,685	0.0%
6	Inventory consumed	56,300	241,711	283,443	42,273	85.1%
7	Operational Costs and Losses	552,761	457,670	488,647	487,929	0.1%
8	Total Operating Expenditure	66,135,923	67,511,552	71,091,805	67,817,765	4.6%
9	Operating (Surplus) / Deficit	65,496,879	66,713,752	70,489,643	67,530,814	4.2%

3.31.6 Employee Statistics – Municipal Law Enforcement and Security

The Municipal Law Enforcement and Security Division has 99 posts on the organisational structure approved by Council on 15 October 2024 of which 44 posts are frozen and 55 posts funded at year-end. The section had 37 filled posts at year-end and with a 32.7% vacancy rate.

Table 138: Employees - Municipal Law Enforcement and Security

Employees: Municipal Law Enforcement and Security								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	0	2	2	0	0	0	0.0%
4	T09 - T11	26	57	21	36	24	12	33.3%
5	T06 - T08	2	22	18	4	2	2	50.0%
6	T03 - T05	10	17	3	14	10	4	28.6%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	39	99	44	55	37	18	32.7%

3.32 FIRE, RESCUE AND EMERGENCY SERVICES & DISASTER MANAGEMENT AND EVENTS

3.32.1 Fire, Rescue and Emergency Services

The Fire Department is divided into five functional areas, namely: Operations, Training, Support Services, Fire Safety and the Disaster Relief Management Division. These functional areas focus on the following key areas:

- **Operations:** The division operates a 24-hour service and an Emergency Control Centre, which responds to all incidents in the municipal area immediately within predetermined response times. The Municipality is proud to report that it achieved these goals more than 85% of the time due to the geographical location of all fire stations. The Fire Service has four fire stations that are located in Paarl, Wellington, Mbekweni and Saron.
- **Professional Training:** Drakenstein Municipality is accredited as a Fire Training Centre and provides Professional Fire Fighting Training to all appointed Fire Service personnel and to neighboring Fire Services. The Training Centre also complements other accredited Training Centres in the region. The objective of continuous training is to improve the skills and development of the firefighting personnel in order to provide a professional service to the communities we serve.
- **Public and Life Safety Training and Awareness Sessions-** A total of 4,340 children from primary and pre-primary schools were part of the Fire and Life Safety Programme: Stop, Drop and Roll, Learn Not to Burn and Crawl Low under Fire. These programmes are aimed at fire and life safety and to reduce the number of incidents within at-risk communities.

- **Support Services:** The Fire Service operates a 24-hour emergency control and dispatch centre. All emergency calls received by the centre and depending on the emergency, the relevant vehicles are dispatched to attend to the incidents. The incidents are not limited to fire calls only. Professionally trained fire fighters respond to rescue and medical incidents, chemical incidents, and other special service calls such as flooding, natural incidents etc.
- **Fire Safety:** This section focuses on risks, and building inspections, in compliance with the National Building Regulations and the Building Standards Act, and related bylaws.

3.32.1.1 Service Statistics – Fire, Rescue and Emergency Services

Table 139: Fire Service Data

Fire Service Data				
Serial No.	Detail	2022/23 Actual	2023/24 Actual	2024/25 Actual
Column Ref.	A	B	C	D
1	Total fires and MVA's attended to in the year	867	1,496	1,308
2	Average attendance time – urban areas (minutes)	10	10	10
3	Average attendance time – rural areas	23	23	23
4	All Fire Officers and Operational Firefighters in post at year end	64	55	76
5	Total fire appliances at year end	9	8	8
6	Average number of appliances on the road during the year	8	7	6

Table 140: Fire Safety – Activities/Inspections

Fire Safety Activities/Inspections				
Serial No	Description	2022/23	2023/24	2024/25
Column Ref.	A	B	C	D
1	Fire safety inspections	165	108	102
2	Buildings plans scrutinised and approved	2,407	2,399	2,615
3	Events Management and Risk Visits	151	336	384 (7 cancelled)

The following training was conducted and attended by fire service personnel:

Table 141: Fire Fighter Training

Firefighter Training				
Serial No	Description	Number of Officials Attended		
		2022/23	2023/24	2024/25
Column Ref.	A	B	C	D
1	Practical Pump Operations and Driving	1	6	0
2	Advanced Fire Safety Course	48	0	0
3	Daily drills and instruction per shift	18	54	254
4	Breathing Apparatus refresher course	7	0	0
5	Fire Investigation Course	N/A	0	0
6	Chainsaw Operator Course	16	2	14
7	First Aid level 3 course	16	0	0
8	Firefighter 2 Course	1	0	14
9	Hazmat Awareness	48	16	10
10	Customer care and telephone etiquette	0	5	0
11	OHS Representatives	0	5	2
12	HIRA (Health and Safety reps)	0	7	0
13	Peace Officer Course	0	7	2
14	Incident Investigation	0	11	0
15	Coaching and Mentoring	0	16	0
16	Confined space rescue	0	2	0

3.32.1.2 Service Delivery Levels - Fire, Rescue and Emergency Services

- Responding to emergency calls within predetermined times, constantly striving to achieve this standard of 75% or more at a time.
- Conducting Public and Life Safety-Awareness Session within our municipal area with the aim to create and have safer communities with specific focus in informal settlement areas.
- Scrutinising building plans and provide fire service comments within 5 days for plans smaller than 500 square metres.
- Scrutinising building plans and provide fire service comments within 10 days for plans bigger than 500 square metres.
- Conducting of 48 fire risk building inspections per annum in our municipal area focusing on compliance to fire safety requirements as legislatively required.
- Conducting of 152 continuous professional firefighter-training sessions as prescribed by SANS 10090.
- Annual review and update of the Corporate Disaster Management Plan.
- Ensuring Stakeholder Engagements with intergovernmental parastatals.

As an accredited Training Centre, a serious focus is placed on continuous professional firefighter training for our own firefighters as well as neighbouring fire services. The table above indicates the number of training activities and programmes that were conducted over the past year. Our aim is to become a Fire Training Academy of excellence in providing quality training and skills development.

3.32.2 Disaster Management and Events

This service delivery priority is aimed at the annual review of the Corporate Disaster Management Plan, which was reviewed and submitted for final approval and implementation. All Senior Managers were updated and informed of the plan regarding their specific functional responsibilities.

The Municipality renders relief services to fire victims by handing out food parcels and blankets. During 2024/25, 1,009 blankets and 306 food parcels were handed out. Informal fires remain a challenge, but the Fire Prevention Plan has been implemented, and reaction times have improved.

3.32.2.1 Service Delivery Levels – Fire, Rescue and Emergency Services & Disaster Management and Events

The Fire Service aims to attend to all emergencies within the prescribed attendance times.

3.32.3 Capital Expenditure - Fire, Rescue and Emergency Services & Disaster Management and Events

The Fire, Rescue and Emergency Services and Disaster Management and Events only spent R9.6 million or 100% of the final adjustments budget on fire and disaster capital projects for the year under review. The capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 142: Capital Expenditure 2024/25 - Fire, Rescue and Emergency Services & Disaster Management and Events

Capital Expenditure 2024/25: Fire, Rescue and Emergency Services & Disaster Management and Events					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Fire Fighting Vehicle	3,700,000	9,098,743	9,098,743	0.0%
2	Other Capital Projects	30,000	474,144	474,141	0.0%
3	Total Capital Expenditure	3,730,000	9,572,887	9,572,884	0.0%

3.32.4 Major Projects Completed - Fire, Rescue and Emergency Services & Disaster Management and Events

On the 20th of December 2024, Drakenstein Municipal Fire Services received a new Medium-pumper vehicle. In addition, after the accident and loss of the Mercedes Warrior Major-pumper a new Scania Major pumper was procured and delivered in May 2025.

3.32.5 Operating Expenditure - Fire, Rescue and Emergency Services & Disaster Management and Events

Fire, Rescue and Emergency Services and Disaster Management and Events, as a community service, generated an operating deficit of R53.9 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 143: Operating Revenue and Expenditure: Fire, Rescue and Emergency Services & Disaster Management and Events

Operating Revenue and Expenditure: Fire, Rescue and Emergency Services & Disaster Management and Events						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(1,278,084)	(88,368)	(690,085)	(767,137)	11.2%
2	Total Operating Revenue	(1,278,084)	(88,368)	(690,085)	(767,137)	11.2%
3	Employee related costs	47,523,392	50,842,501	51,266,246	50,315,543	1.9%
4	Contracted services	243,995	547,447	517,940	377,273	27.2%
5	Depreciation and amortisation	230,667	256,051	1,691,097	1,690,777	0.0%
6	Inventory consumed	156,903	112,383	728,579	767,350	-5.3%
7	Operational Costs and Losses	1,856,138	1,746,412	1,657,064	1,531,725	7.6%
8	Total Operating Expenditure	50,011,095	53,504,794	55,860,926	54,682,668	2.1%
9	Operating (Surplus) / Deficit	48,733,011	53,416,426	55,170,841	53,915,531	2.3%

3.32.6 Employee Statistics - Fire, Rescue and Emergency Services & Disaster Management and Events

The Fire, Rescue and Emergency Services and Disaster Management and Events Divisions has 144 posts on the organisational structure approved by Council on 15 October 2025 of which 50 posts are frozen and 94 posts funded at year-end. The section had 89 filled posts at year-end with a 5.3% vacancy rate.

Table 144: Employees – Fire, Rescue and Emergency Services & Disaster Management and Events

Employees: Fire, Rescue and Emergency Services & Disaster Management and Events								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	3	3	0	3	3	0	0.0%
3	T12 - T14	7	11	2	9	7	2	22.2%
4	T09 - T11	12	26	12	14	11	3	21.4%
5	T06 - T08	49	99	34	65	65	0	0.0%
6	T03 - T05	3	5	2	3	3	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	74	144	50	94	89	5	5.3%

3.33 EXECUTIVE DIRECTOR: PUBLIC SAFETY AND ADMINISTRATION

The Executive Director for Public Safety plays a pivotal role in contributing towards the safety of the community of Drakenstein Municipality remains a top priority. The responsibility of the Department encompasses the development, implementation, and oversight of policies, bylaws and strategies aimed at maintaining law and order, preventing crime, and safeguarding community well-being. This includes co-operation and liaison with external stakeholders like the District Municipality (Cape Winelands), SAPS, Private security companies, emergency services, and community organisations to foster a safe environment for residents and visitors alike.

For an administrative perspective, it is the responsibility of the Office of the Executive Director to ensure that local safety initiatives are adequately funded, effectively managed, and aligned with national safety standards and legislative frameworks. Regular monitoring and evaluation of safety programs are essential to identify gaps, measure impact, and adapt strategies accordingly. Additional to the above, they are tasked with promoting community engagement and awareness campaigns to empower citizens in their own safety, fostering a culture of vigilance and cooperation between the public and local authorities.

The Department remains committed to ensure transparency, accountability, and compliance with public safety regulations, leading crisis management and emergency response planning, preparing local governments for hazards like natural disasters in the whole Drakenstein Municipality.

3.33.1 Service Statistics – Executive Director: Public Safety and Administration

During the year the following key miles stones were achieved:

- Successful implementation of the Green Rangers in the Arboretum as well as Paarl Mountain Reserve;
- Additional to the above, two (2) quad bikes were purchased to assist with the Green Ranger’s patrols in the Arboretum;
- Various operations were held to clean up the CBD’s of Wellington and Paarl, whilst continuously monitoring and patrolling of the areas to avoid the regression thereof;
- LEAP officer training was successfully completed with twenty (20) LEAP Officers qualifying and assisting our current workforce to attend to any illegal and bylaw contraventions within the Drakenstein area;
- At the Dal Josaphat and Wellington Traffic Offices an electronic Learner Licence System is fully integrated and operational in line with the province strategic plan for the district;
- We also implemented smoke detectors in New Rest Informal Settlement and will continue this gesture into other settlements in the new financial year as funds become available; and
- We purchased a new Major Pumper Fire vehicle into our fleet and is very proud of this accomplishment.

3.33.2 Service Delivery Levels – Executive Director: Public Safety and Administration

All of the Division’s service levels were fully complied with.

3.33.3 Capital Expenditure – Executive Director: Public Safety and Administration

The Executive Director: Public Safety had no capital projects for the 2024/25 year.

3.33.4 Operating Expenditure – Executive Director: Public Safety and Administration

Executive Director: Public Safety, as a support service, generated an operating deficit of R2.4 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 145: Operating Revenue and Expenditure: Executive Director: Public Safety and Administration

Operating Revenue and Expenditure: Executive Director: Public Safety and Administration						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	1,903,191	5,620,615	3,838,047	2,357,559	38.6%
2	Interest Paid	0	230,002	0	0	0.0%
3	Contracted services	1,101,769	0	10,275	10,275	0.0%
4	Depreciation and amortisation	15,948	17,702	29,306	29,306	0.0%
5	Inventory consumed	916,876	0	556	556	0.0%
6	Operational Costs and Losses	24,848	0	39,300	32,292	17.8%
7	Total Operating Expenditure	3,962,631	5,868,319	3,917,484	2,429,988	38.0%
8	Operating (Surplus) / Deficit	3,962,631	5,868,319	3,917,484	2,429,988	38.0%

3.33.5 Employee Statistics - Executive Director: Public Safety and Administration

The Executive Director: Public Safety and Administration has 4 posts on the organisational structure approved by Council on 15 October 2024 of which 0 post is vacant and 1 post frozen at year-end. The section had 3 filled posts at year-end with a 0% vacancy rate.

Table 146: Employees - Executive Director: Public Safety and Administration

Employees: Executive Director Public Safety and Administration								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	Sec 56	1	1	0	1	1	0	0.0%
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	0	1	1	0	0	0	0.0%
3	T12 - T14	0	1	0	1	1	0	0.0%
4	T09 - T11	1	1	0	1	1	0	0.0%
5	T06 - T08	0	0	0	0	0	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	2	4	1	3	3	0	0.0%

COMPONENT F: FINANCIAL SERVICES

3.34 FINANCIAL SERVICES

Financial Services consists of the Revenue and Expenditure; Budgets, Assets and Financial Reporting; Supply Chain Management and Financial Planning & Accounting Divisions. For purposes of reporting, the Revenue and Expenditure; Budgets, Assets and Financial Reporting; Supply Chain Management; Financial Planning and Accounting Divisions and the Office of the Chief Financial Officer are grouped together. The major key performance area is the focus on long-term financial sustainability. It is imperative that the generated revenue base is of such a nature that the Municipality is able to fund its short-, medium- and long-term operations in order to ensure continuity and a financially sound and stable organisation. The major key functional areas that have been identified and linked to financial sustainability are revenue enhancement, credit control measures and expenditure management.

Consumer debt remains a challenge, and a number of initiatives were implemented. Consumer debt (property rates, service charges, housing and sundry debtors – VAT and year-end accruals excluded) increased from R499.9 million at 30 June 2024 to R515.8 million at 30 June 2025. The relationship between the ever-increasing tariffs and outstanding debtors is an indication that consumers are struggling to meet their obligations in terms of payment for services. The worsening economic climate puts pressure not only on the world economy, but also filters down to households in municipalities globally.

The debtors' payment period for the 2024/25 financial year (before considering the provision for impairment) was 67.8 days, which is below the targeted number of 70 days. This is mainly due to credit control measures that cannot be exercised in Hermon, Saron and Gouda, as electricity is provided by ESKOM. The number of days for the 2023/24 financial year (before considering the provision for impairment) was 72.3 days which is above the targeted number of 70 days.

The Municipality's debtors' collection period in days (after impairment) increased to 35.6 days at 30 June 2025, compared with 42.1 days as at 30 June 2024. The Municipality's debtors' collection period in days (before impairment) improved by 4.5 days and the Municipality's debtors' collection period in days (after impairment) improved by 7.6 days during the financial year under review.

The ability of Council to finance the capital programme from internally generated funds remains a big challenge. This challenge has an inverse relationship with the external loan debt of Council, which amounted to 39.6% of total operating revenue (conditional capital and operational grants excluded) at the end of the 2024/25 financial year. Although Council policy has capped the gearing ratio percentage at 50%, urgent upgrades in revenue generating bulk

infrastructure to enable increased development and therefore an increased revenue base necessitated that we accelerate our capital programme in prior years. This investment is now starting to bear fruit, as can be seen in the rapid decrease in the gearing ratio in the next five years. It is envisaged that the gearing ratio will decrease to about 34.1% in the 2025/26 financial year (lower than the National Treasury norm of 45%) and to about 21.0% in accordance with the Long Term Financial Plan by the 2029/30 financial year.

3.34.1 Service Statistics – Financial Services (Revenue)

Table 147: Debt Recovery

Serial No.	Revenue Service	2023/24 (R'000)			2024/25 (R'000)		
		Billed	Collected	% Collection Rate	Billed	Collected	% Collection Rate
Column Ref.	A	B	C	D	E	F	G
1	Property Rates	576,316,312	567,011,768	98.4%	674,682,824	675,270,909	100.1%
2	Electricity	1,218,166,340	1,191,696,419	97.8%	1,402,804,074	1,403,033,626	100.0%
3	Water	250,877,832	219,301,948	87.4%	275,115,981	251,619,970	91.5%
4	Sanitation	170,705,583	159,685,598	93.5%	204,246,069	194,694,411	95.3%
5	Refuse	213,552,859	196,680,845	92.1%	254,988,923	239,572,548	94.0%
6	Other	43,145,034	33,500,291	77.6%	41,556,257	38,272,399	92.1%
7	Totals	2,472,763,960	2,367,876,870	95.8%	2,853,394,129	2,802,463,862	98.2%

The statistics of the free basic services delivered per service to consumers for the 2024/25 are depicted in the table below. Drakenstein provided indigent subsidies (free basics services) to the amount of R192.2 million during the 2024/25 financial year. The remainder of the equitable share of R41.1 million was used for the maintenance and provision of basic services in informal settlements.

Table 148: Free basic services delivered per service

Free basic services delivered per service							
Serial No.	Service	2022/23		2023/24		2024/25	
		Number of Consumers	Rand Value Provided	Number of Consumers	Rand Value Provided	Number of Consumers	Rand Value Provided
Column Ref.	A	B	C	D	E	F	G
1	Property Rates and Rentals	11,198	22,803,271	8,823	20,849,955	9,307	22,105,232
2	Refuse Removal and Sanitation	15,210	73,805,361	16,155	83,425,653	16,805	92,450,486
3	Water	15,210	14,478,370	18,625	17,166,936	16,805	18,622,065
4	Electricity	19,050	47,316,267	18,625	52,360,073	18,428	58,973,494
5	Total		158,403,269		173,802,617		192,151,277

3.34.2 Service Delivery levels - Financial Services (Revenue)

Service delivery levels are determined in the Standard Operating Procedures for every service rendered by this section. These standards are incorporated as key performance indicators in the Service Delivery and Budget Implementation Plan, thereby ensuring measurement and compliance to the set service standards.

The provision of free basic services in Drakenstein Municipality is regulated by the Indigent Support Policy. The free basic services are funded through the Equitable Share allocation to the Municipality in the Division of Revenue Act. The free basic services are provided to consumers based on qualifying criteria set out in the Indigent Support Policy. This criteria is reviewed annually to enable the provision of free basic services to all consumers who are eligible. For the 2024/25 financial year, the free basic services were provided to qualifying pensioners, disabled persons, unemployed consumers and to employed consumers earning less than R5,000 per month with a sliding scale to an amount of R7,000 per month.

In the 2024/25 financial qualifying indigent consumers were classified into 4 categories, where category A consumers with earnings up R5,000 per month received a 100% subsidy, category B consumers with earnings up R5,500 per month received an 80% subsidy, category C consumers with earnings up to R6,500 per month received a 50% subsidy and category D consumers with earnings up to R7,000 received a 20% indigent subsidy.

Until February 2017 all consumers in Drakenstein Municipality received 6kl of water free per month. This practice was changed by the Council as a result of the drought conditions, where only the qualifying indigent consumers are provided with 6kl of free water per month. In addition to the free water, all indigent consumers on a monthly basis receive either 50 or 85 units of free electricity depending on their indigent subsidy categorisation, free refuse removal service, free sanitation services and free property rates up to a valuation of R700,000.

3.34.3 Service Statistics -Financial Services (Supply Chain Management)

For the 2024/25 financial year, purchase orders to the value of R1,450,025,482 were generated, an increase from the previous year's R1,192,792,584. The total value of deviations from the official procurement process decreased to R62,553,698 from R76,017,030 of the previous financial year.

3.34.4 Service Delivery Levels – Financial Services (Supply Chain Management)

Service delivery levels are determined in the Standard Operating Procedures for every service rendered by this division. A number of standard operating procedures were drafted, approved

and rolled out to departments for implementation. This improved efficiencies and reporting requirements.

3.34.5 Major Projects Completed – Financial Services

The Financial Services Department, early adopted GRAP 104 (revised) – Financial Instruments, With Drakenstein Municipality being the first and only Municipality to do so, setting a benchmark for all other municipalities in the country to follow with their adoption in 2025/26 only.

3.34.6 Capital Expenditure – Financial Services

The Financial Services Department spent R844.7 thousand or 100% of the final adjustments budget on financial services infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 149: Capital Expenditure 2024/25 - Financial Services

Capital Expenditure 2024/25: Financial Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Computer Equipment	-	605,778	605,778	0.0%
2	Other Capital Projects	500,000	238,924	238,923	0.0%
3	Total Capital Expenditure	500,000	844,702	844,701	0.0%

3.34.7 Operating Expenditure – Financial Services

Financial Services, as a support service, generated an operating surplus of R511.6 million for the 2024/25 financial year. The surplus, due to property rates revenue, is subsidising other community services operating at a loss.

Table 150: Operating Revenue and Expenditure: Financial Services

Operating Revenue and Expenditure: Financial Services						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(592,744,830)	(575,608,696)	(614,394,124)	(652,378,314)	6.2%
2	Total Operating Revenue	(592,744,830)	(575,608,696)	(614,394,124)	(652,378,314)	6.2%
3	Employee related costs	81,329,616	95,063,881	93,798,500	88,069,473	6.1%
4	Interest Paid	219,061	434,841	91,769	107,081	-16.7%
5	Contracted services	4,611,466	11,226,874	8,442,216	7,640,894	9.5%
6	Depreciation and amortisation	3,417,486	3,800,304	1,116,078	719,448	35.5%
7	Inventory consumed	2,270,389	876,585	1,345,480	1,331,245	1.1%
8	Operational Costs and Losses	35,019,397	47,268,519	47,746,066	42,930,104	10.1%
9	Total Operating Expenditure	126,867,414	158,671,004	152,540,109	140,798,243	7.7%
10	Operating (Surplus) / Deficit	(465,877,416)	(416,937,692)	(461,854,015)	(511,580,071)	10.8%

3.34.8 Employee Statistics - Financial Services

The Financial Services Department has 273 posts on the organisational structure approved by Council on 15 October 2024 of which 209 approved posts was funded. The section had 185 filled posts at year-end with a 11.5% vacancy rate.

Table 151: Employees - Financial Services

Employees: Financial Services								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	Sec 56	1	1	0	1	1	0	0.0%
2	T18 - T20	2	2	0	2	2	0	0.0%
3	T15 - T17	7	7	0	7	6	1	14.3%
4	T12 - T14	19	30	6	24	21	3	12.5%
5	T09 - T11	18	30	6	24	19	5	20.8%
6	T06 - T08	92	142	35	107	98	9	8.4%
7	T03 - T05	39	61	17	44	38	6	13.6%
8	T01 - T02	0	0	0	0	0	0	0.0%
9	Total	178	273	64	209	185	24	11.5%

COMPONENT G: SECTIONS REPORTING TO THE CITY MANAGER

3.35 OFFICE OF THE CITY MANAGER

The Office of the City Manager consists of the following main functions:

Executive Office Support, inclusive of Intergovernmental Relations (IGR)

- Manage and control the provision of a comprehensive executive administrative support service regarding daily office management and other functional responsibilities that need to be attended to by the City Manager; and
- Enhances effectiveness by managing activities and requirements associated with the Office.

Strategic Performance Management (PM) and Monitoring and Evaluation (M&E)

- Implement monitoring and evaluating systems of key strategic programmes and initiatives in the municipality, supporting the strategic planning processes; and
- Execute an effective and efficient strategic performance management system within the ambit of applicable legislation, policies and frameworks.

3.35.1 Service Statistics – Office of the City Manager

Not applicable

3.35.2 Service Delivery Levels - Office of the City Manager

All service levels are complied with.

3.35.3 Capital Expenditure – Office of the City Manager

The Office of the City Manager spent R9.8 thousand or 100% of the final adjustments budget on capital projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 152: Capital Expenditure - Office of the City Manager

Capital Expenditure 2024/25: Office of the City Manager					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	11,500	9,752	9,752	0.0%
2	Total Capital Expenditure	11,500	9,752	9,752	0.0%

3.35.4 Operating Expenditure – Office of the City Manager

Office of the City Manager, as a support service, generated an operating deficit of R5.8 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 153: Operating Revenue and Expenditure: Office of the City Manager

Operating Revenue and Expenditure: Office of the City Manager						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	4,136,439	4,487,846	5,543,523	5,483,098	1.1%
2	Contracted services	23,324	796,747	393,295	175,156	55.5%
3	Depreciation and amortisation	125,336	139,155	101,255	78,995	22.0%
4	Inventory consumed	72,862	72,151	92,403	71,296	22.8%
5	Operational Costs and Losses	53,258	36,582	56,582	40,900	27.7%
6	Total Operating Expenditure	4,411,219	5,532,481	6,187,058	5,849,445	5.5%
7	Operating (Surplus) / Deficit	4,411,219	5,532,481	6,187,058	5,849,445	5.5%

3.35.5 Employee Statistics – Office of the City Manager

The Office of the City Manager has 6 posts on the organisational structure approved by Council on 15 October 2024 of which 0 post is vacant and 0 posts frozen at year-end. The section had 6 filled posts at year-end with a 0% vacancy rate.

Table 154: Employees - Office of the City Manager

Employees: Office of the City Manager								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	Sec 57	1	1	0	1	1	0	0.0%
2	T18 - T20	0	0	0	0	0	0	0.0%
3	T15 - T17	0	0	0	0	0	0	0.0%
4	T12 - T14	2	2	0	2	2	0	0.0%
5	T09 - T11	1	1	0	1	1	0	0.0%
6	T06 - T08	0	1	0	1	1	0	0.0%
7	T03 - T05	1	1	0	1	1	0	0.0%
8	T01 - T02	0	0	0	0	0	0	0.0%
9	Total	5	6	0	6	6	0	0.0%

3.36 RISK MANAGEMENT

The Risk Management Division consists of two main functions, the Integrated Risk Management Section (IRM) as well as the Fraud Risk Management Section (FRM).

The IRM Section is responsible for two functions, the Risk Management function through a process of facilitation and providing advice to all stakeholders, as well as the Business Continuity function.

The FRM Section is based on four pillars, Prevention, Detection, Investigation and Feedback with regards to lessons learned.

3.36.1 Service Statistics – Risk Management

A Fraud and Risk Management Committee (FARMCO) meeting, providing oversight over the division's function, is scheduled for each quarter of the financial year and took place as scheduled.

A total of 26 Risk Champions were nominated from current employment during the 2024/25 financial year and formally appointed. Training was provided by a representative of the Governance Department of Provincial Government and follow up training provided by the IRM Section during June 2025.

One Annual Risk Identification and Assessment Workshop was performed for each of the five departments and four divisions reporting to the City Manager, to compile a register where tactical risks were identified. Quarterly risk assessment updates were performed with the above departments and divisions.

The Strategic Risk Register is revised on an annual basis at the strategy session during the first quarter of each calendar year.

3.36.2 Service Delivery Levels – Risk Management

All of the Division's service levels were fully complied with.

3.36.3 Capital Expenditure – Risk Management

The Risk Management Services Division spent R25.8 thousand or 100% of the final adjustments budget on capital projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 155: Capital Expenditure 2024/25: Risk Management

Capital Expenditure 2024/25: Risk Management					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	-	25,770	25,770	0.0%
2	Total Capital Expenditure	-	25,770	25,770	0.0%

3.36.4 Major Projects Completed – Risk Management

A comprehensive Business Continuity Master Plan was approved, as well as individual plans per directorate and divisions reporting to the City Manager.

3.36.5 Operating Expenditure – Risk Management

Risk Management, as a support service, generated an operating deficit of R2.7 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 156: Operating Revenue and Expenditure: Risk Management

Operating Revenue and Expenditure: Risk Management						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	2,366,236	2,555,640	2,706,271	2,584,276	4.5%
2	Contracted services	42,000	52,653	52,653	37,100	29.5%
3	Depreciation and amortisation	11,284	9,196	11,574	10,451	9.7%
4	Inventory consumed	18,637	12,516	12,516	23,781	-90.0%
5	Operational Costs and Losses	56,993	94,582	119,582	59,094	50.6%
6	Total Operating Expenditure	2,495,150	2,724,587	2,902,596	2,714,703	6.5%
7	Operating (Surplus) / Deficit	2,495,150	2,724,587	2,902,596	2,714,703	6.5%

3.36.6 Employee Statistics – Risk Management

The Risk Management Division has 6 posts on the organisational structure approved by Council on 15 October 2024 of which 1 post is vacant and 1 post frozen at year-end. The section had 4 filled posts at year-end with a 20% vacancy rate.

Table 157: Employees - Risk Management

Employees: Risk Management								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	1	2	0	2	2	0	0.0%
4	T09 - T11	2	3	1	2	1	1	50.0%
5	T06 - T08	0	0	0	0	0	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	4	6	1	5	4	1	20.0%

3.37 INTERNAL AUDIT

S165(1) and (2) of the Municipal Finance Management Act 56 of 2003 states “Each municipality and each municipal entity must have an Internal Audit unit. The Internal Audit unit of a municipality and each municipal entity must-

- Prepare a risk-based audit plan and an internal audit program for each financial year;
- Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to-
 - Internal audit;
 - Internal controls;
 - Accounting procedures and practices;
 - Risk and risk management;
 - Performance management;
 - Loss control; and
 - Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and
 - Perform such other duties as may be assigned to it by the accounting officer.

3.37.1 Service Statistics – Internal Audit

The approved 2024/25 Internal Audit Plan, listed 21 audit areas which were completed by 30 June 2025.

3.37.2 Major Projects Completed – Internal Audit

- Implementation of the 2024/25 Internal Audit Plan approved by the Audit and Performance Committee;
- Development of the Combined Assurance Plan for the municipality;
- Implementation of the Data Analytics Pilot Project; and
- Completion of the external Quality Assurance assessment performed by an independent assessor.

3.37.3 Operating Expenditure – Internal Audit

Internal Audit generated an operating deficit of R11.0 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 158: Operating Revenue and Expenditure: Internal Audit

Operating Revenue and Expenditure: Internal Audit						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	9,767,426	10,295,419	10,637,062	10,371,246	2.5%
2	Contracted services	377,910	438,400	424,753	260,869	38.6%
3	Depreciation and amortisation	24,798	27,527	34,270	34,270	0.0%
4	Inventory consumed	52,895	68,436	71,483	38,213	46.5%
5	Operational Costs and Losses	314,977	400,957	411,557	362,869	11.8%
6	Total Operating Expenditure	10,538,006	11,230,739	11,579,125	11,067,467	4.4%
7	Operating (Surplus) / Deficit	10,538,006	11,230,739	11,579,125	11,067,467	4.4%

3.37.4 Capital Expenditure – Internal Audit

The Internal Audit Division spent R2.5 thousand or 100% of the final adjustments budget on capital projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure.

Table 159: Capital Expenditure 2024/25: Internal Audit

Capital Expenditure 2024/25: Internal Audit					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	-	2,530	2,530	0.0%
2	Total Capital Expenditure	-	2,530	2,530	0.0%

3.37.5 Employee Statistics – Internal Audit

The Internal Audit Division has 10 posts on the organisational structure approved by Council on 15 October 2024 of which 1 post is vacant and 0 post frozen at year-end. The section had 9 filled posts at year-end with a 10% vacancy rate.

Table 160: Employee Statistics - Internal Audit

Employees: Internal Audit								
Serial No.	Job Level	2023/2024	2024/2025					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	1	0	1	1	0	0.0%
2	T15 - T17	2	2	0	2	2	0	0.0%
3	T12 - T14	3	3	0	3	3	0	0.0%
4	T09 - T11	3	3	0	3	2	1	33.3%
5	T06 - T08	1	1	0	1	1	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	10	10	0	10	9	1	10.0%

3.38 IDP, RESEARCH AND DEVELOPMENT

The functions of the IDP, Research and Development Division includes coordinating, facilitating and compiling the IDP Document within legislative prescripts. The division furthermore is responsible for ensuring that public participation takes place and is responsible for all logistical arrangements in terms of the IDP and Budget Open Day Public Engagements. The division also performs an intergovernmental function and coordinates and responds to, as well as participate in all relevant engagements with provincial and/or national government departments as well as other stakeholders. Lastly, the division performs a Research and Development function.

3.38.1 Service Statistics – IDP, Research and Development

All functions assigned to the IDP Division has been fully complied with.

3.38.2 Service Delivery Levels - IDP, Research and Development

All of the Division's service levels were fully complied with.

3.38.3 Capital Expenditure - IDP, Research and Development

The IDP Services Section had no capital projects for the 2024/25 year.

3.38.4 Major Projects Completed - IDP, Research and Development

The major project for this division is to coordinate and compile the IDP Document, to ensure its adoption of both the draft and final document within the legislative prescripts. The division furthermore also had the project to ensure that public participation takes place during this process.

3.38.5 Operating Expenditure - IDP, Research and Development

IDP Services, as a support service, generated an operating deficit of R5.7 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 161: Operating Revenue and Expenditure: IDP, Research and Development

Operating Revenue and Expenditure: IDP, Research and Development						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	4,332,411	4,531,529	4,595,757	4,622,664	-0.6%
2	Contracted services	739,730	821,500	1,151,915	980,300	14.9%
3	Depreciation and amortisation	36,102	40,074	7,650	7,650	0.0%
4	Inventory consumed	18,939	30,701	30,701	8,591	72.0%
5	Operational Costs and Losses	67,332	275,460	100,045	70,558	29.5%
6	Total Operating Expenditure	5,194,514	5,699,264	5,886,068	5,689,762	3.3%
7	Operating (Surplus) / Deficit	5,194,514	5,699,264	5,886,068	5,689,762	3.3%

3.38.6 Employee Statistics – IDP, Research and Development

The IDP, Research Development Division has 4 posts on the organisational structure approved by Council on 15 October 2024 of which 0 post is vacant and 0 post frozen at year-end. The section had 4 filled posts at year-end with a 0% vacancy rate.

Table 162: Employees – IDP, Research and Development

Employees: IDP, Research and Development								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	0	0	0	0	0	0	0.0%
4	T09 - T11	1	1	0	1	1	0	0.0%
5	T06 - T08	1	1	0	1	1	0	0.0%
6	T03 - T05	1	1	0	1	1	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	4	4	0	4	4	0	0.0%

3.39 COMMUNICATION AND MARKETING

The Communication and Marketing Division's main function is to build and enhance the Municipality's brand and to share news regarding municipal projects, programmes, initiatives and achievements with the community of Drakenstein.

The division consists of a multi-disciplined, integrated marketing team planning and executing the Municipality's communication and marketing activities. These include compiling a communication and marketing framework, and implementation plans; launching and maintaining communication platforms (including the municipal website (desktop and mobile); Intranet; Facebook page; Instagram page; YouTube channel; LinkedIn page; WhatsApp channel; *Vars* digital newsletter (emailer and online magazine or flipbook); centralised display screens; bulk SMSs; media liaison; photography; branding and promotional items; and events support.

The division is responsible for creating relevant and topical content, tailor-made for the Municipality's different communication channels and target audiences, and issuing this content timeously to keep the community of Drakenstein informed, entertained, in-the-know and empowered. It also monitors and analyses media coverage and sentiment, performs reputational management and, if needed, crisis communications.

3.39.1 Service Statistics – Communication and Marketing

By the end of June 2025, the Drakenstein Municipality Facebook page had 62,313 followers, reaching 2,1 million people and achieving 1,2 million visits over the 2024/25 financial year. Its Instagram platform's followers grew to 2,445, while its LinkedIn platform, growing significantly over the last financial year, reached 6,258 followers.

The Drakenstein WhatsApp channel was well received by the Drakenstein community and attracted 686 followers on the first day it was launched, and has continued to prove its power as a targeted communication channel. A year later, in June 2025, the channel had almost 4,900 followers.

The Vars digital newsletter, a monthly emailer linked to a fully-fledged online flipbook with embedded videos also hosted on the Municipality's YouTube channel, is sent to 12,406 subscribers.

During the 2024/25 financial year, the desktop version of the website attracted 1,743,036 page hits, the mobile version of the website attracted 136,140 page hits, and the Intranet 8,615,808 page hits.

3.39.2 Service Delivery Levels – Communication and Marketing

All the division's service levels were fully complied with.

3.39.3 Capital Expenditure – Communication and Marketing

The Communication and Marketing Section Division spent R167.8 thousand or 100% of the final adjustments budget on capital projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure.

Table 163: Capital Expenditure 2024/25: Communication and Marketing

Capital Expenditure 2024/25: Communication and Marketing					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	302,380	167,817	167,817	0.0%
2	Total Capital Expenditure	302,380	167,817	167,817	0.0%

3.39.4 Major Projects Completed – Communication and Marketing

A comprehensive Business Continuity Master Plan was approved, as well as individual plans per department and divisions reporting to the City Manager.

Other major projects of the Communication and Marketing Division included:

In June 2025, the division proudly soft-launched its 10th new communication platform in eight years: centralised display screens. Built on Microsoft SharePoint, the division developed a solution to disseminate curated content from a centralised point to various display screens, fitted with small single-board computers, across the Municipality. The first phase of this

project involved the installation of four display screens in key public areas, including municipal cashier halls, targeting captive audiences. More display screens will be rolled out in traffic centres and other key areas.

In the 2023/2024 financial year, the Communication and Marketing Division – together with Legal Services - initiated the process to get the Municipality's trademark registered officially in terms of Section 29(2) of the Trade Marks Act, 1993, in various applicable classes. In the 2024/2025 financial year this process started to bear its first fruit when the Municipality obtained registration for a 10-year period in the first of these classes.

The Communication and Marketing Division continued to assist various municipal departments and divisions, such as Investment Area Management, Traffic Services, and Economic Development and Tourism, with bespoke website solutions, features and functionalities. For the 17th Fair Trade Cities and Towns International Conference hosted by Drakenstein Municipality in Paarl on 20-22 September 2024, the division created a dedicated conference webpage (information hub) featuring a delegate registration platform.

3.39.5 Operating Expenditure – Communication and Marketing

Communication and Marketing Division, as a support service, generated an operating deficit of R6.9 million for the 2024/25 financial year. The deficit is subsidised with the surpluses made by trading services and property rates.

Table 164: Operating Revenue and Expenditure: Communication and Marketing

Operating Revenue and Expenditure: Communication and Marketing						
Serial No.	Description	2023/24 (Restated) Actual Results	2024/25			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	4,575,213	5,008,990	4,668,996	4,633,668	0.8%
2	Contracted services	424,241	640,000	680,200	507,788	25.3%
3	Depreciation and amortisation	18,689	20,747	80,438	80,438	0.0%
4	Inventory consumed	175,013	50,416	74,825	48,413	35.3%
5	Operational Costs and Losses	1,485,339	1,966,649	1,943,072	1,644,892	15.3%
6	Total Operating Expenditure	6,678,496	7,686,802	7,447,531	6,915,198	7.1%
7	Operating (Surplus) / Deficit	6,678,496	7,686,802	7,447,531	6,915,198	7.1%

3.39.6 Employee Statistics - Communication and Marketing

The Communication and Marketing Division has 7 posts on the organisational structure approved by Council on 15 October 2024 of which 0 post is vacant and 0 post frozen at year-end. The section had 7 filled posts at year-end with a 0% vacancy rate.

Table 165: Employees - Communication and Marketing

Employees: Communication and Marketing								
Serial No.	Job Level	2023/24	2024/25					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	2	2	0	2	2	0	0.0%
4	T09 - T11	4	4	0	4	4	0	0.0%
5	T06 - T08	0	0	0	0	0	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	7	7	0	7	7	0	0.0%

4. ORGANISATIONAL DEVELOPMENT PERFORMANCE

COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

4.1 INTRODUCTION

One major role that the Human Resources is tasked with is to ensure that employees are looked well after and that their morale is enhanced on a continuous basis.

The following mentioned programmes were successfully implemented in 2024/25:

- Internal and External Bursaries;
- Long Service Ceremonies; and
- Employee Assistance Programmes and Wellness Day 2025.

The Employee Assistance Program provides access to professional counselling services for all employees and those in need of professional assistance are encouraged to use the program. The EA Programme services available to employees are:

- Psycho-social interventions consisting of assessment, counselling, referral to external psychologist or psychiatrist, follow-up and assistance with re-integration.
- Employee Awareness Programmes implemented were employee health day, addictions awareness, financial wellness week, men's health and wellness, HIV/AIDS VCT campaign and women's health and wellness.
- Addictions Care Programme that provides assistance, counselling and referral of employees with substance abuse problems to rehabilitation programmes. Monthly support groups are offered to support employees in their recovery.
- Trauma support intervention is offered by providing individual and group trauma debriefing counselling to employees that are exposed to traumatic workplace incidents. Further external trauma counselling for affected employees and their families are also provided where required.

4.2 TOTAL EMPLOYMENT

The total number of employees at the end of June 2025 is 1,655 and 205 vacancies were filled in the 2024/25 financial year. Terminations were mainly due to early retirements, ill-health, disabilities, pensioners, death and dismissals.

4.2.1 Employee Totals per GFS Classification

The total number of employees 1,655 at the end of the 2024/25 financial year is depicted per GFS classification or functional area in the table below. The organisational structure approved by Council on 30 June 2024 provides for 2,784 posts taking Drakenstein's future growth into consideration. The number of budgeted vacant positions - excluding the funded seasonal positions is 274, which equates to a vacancy rate of 14.2% as at the end of the 2024/25 financial year, based on only budgeted positions.

Table 166: Total Employees per GFS Classification

Total Employees per GFS Classification									
Serial No. Column Ref.	Description of Departments/Divisions A	2023/24	2024/25						
		Number of Employees B	Number of Approved Posts C	Number of Frozen Posts (Unfunded) D	Number of Approved Funded Posts E	Number of Employees F	Number of Funded Vacancies (Excl. Seasonal) G	Vacancy Rate (Excl. Seasonal) I	Seasonal Vacancies (Funded) H
1	Water and Waste Water (Sanitation) Services	183	336	112	224	179	45	20.1%	0
2	Electricity Services	127	200	50	150	127	23	15.3%	0
4	Waste Management (Refuse Collections, Waste Disposals and Recycling)	104	213	80	133	99	34	25.6%	0
5	Technical Support, Projects and Programmes	83	124	29	95	77	18	18.9%	0
6	Roads and Stormwater	143	241	80	161	144	17	10.6%	0
7	Human Resources	34	51	10	41	35	6	14.6%	0
8	Information and Communication Technology (ICT) Services	10	14	3	11	10	1	9.1%	0
9	Legal and Administrative Services	71	99	12	87	69	18	20.7%	0
10	Spatial Planning Services and Environmental Management (Excl IDP)	16	21	5	16	15	1	6.3%	0
11	IDP, Research and Development	4	4	0	4	4	0	0.0%	0
12	Land Development Management	34	39	1	38	37	1	2.6%	0
13	Economic Development and Tourism	8	10	0	10	8	2	20.0%	0
14	Human Settlements	28	43	10	33	28	5	15.2%	0
15	Sport and Recreation	61	181	62	119	61	5	7.6%	53
16	Parks and Open Spaces	119	187	54	133	119	14	10.5%	0
17	Cemeteries and Resorts	54	125	45	80	55	4	6.8%	21
18	Library Services	72	107	30	77	73	4	5.2%	0
19	Community Halls, Facilities & Thusong Centres	61	75	12	63	58	5	7.9%	0
20	Social Development	6	7	0	7	5	2	28.6%	0
21	Traffic and Licensing	63	93	18	75	70	5	6.7%	0
22	Municipal Law Enforcement and Security	39	99	44	55	37	18	32.7%	0
23	Fire, Rescue and Disaster Management	74	144	50	94	89	5	5.3%	0
24	Financial Services	176	273	64	209	185	24	11.5%	0
25	Other	74	98	10	88	71	17	19.3%	0
26	Total	1,644	2,784	781	2,003	1,655	274	14.2%	74

4.2.2 Employee Vacancy Rate per Occupational Level

The Municipality filled a significant number of priority vacancies across all departments in the 2024/25 financial year. The vacancy rate for funded positions (excluding funded seasonal positions) is 14.2% for the financial year reflected below.

Table 167: Employee Vacancy Rate per Occupational Level

Vacancy Rate per Occupational Level 2024/25										
Serial No.	Designation	Total number of approved posts	Vacancies (approved posts)	Vacancy rate (approved posts)	Number of Frozen posts (unfunded)	Number of Approved Budgeted Posts	Number of Employees (Filled Vacancies)	Number Budgeted Vacancies (Unfilled Vacancies) (Excl. Seasonal)	Vacancy rate (budgeted posts) (Excl. Seasonal)	Number Budgeted Seasonal Vacancies
Column Ref.	A	B	C	D	E	F	G	H	I	J
1	City Manager	1	0	0%	0	1	1	0	0%	0
2	CFO	1	0	0%	0	1	1	0	0%	0
3	Section 57 Managers	4	0	0%	0	4	3	1	25%	0
4	Senior Management: Levels 16 - 18	62	12	19%	7	55	50	5	9%	0
5	Middle Management: Levels 13 - 15	107	27	25%	15	92	80	12	13%	0
6	Highly skilled supervision: Levels 9 - 12	492	209	42%	130	362	283	79	22%	0
7	Semi skilled: Levels 4 - 8	1547	663	43%	465	1082	884	127	12%	71
8	Unskilled: Levels 1 - 3	570	217	38%	164	406	353	50	12%	3
9	Total	2784	1128	41%	781	2003	1655	274	14%	74

4.2.3 Employee Turnover Rate

Based on the number of employees of 1,655 at year-end and the terminations of 17% for the year under review, the turnover rate is 5.2%.

Table 168: Turnover Rate

Turnover Rate				
Serial No.	Year	Number of Employees at year-end	Number of Terminations during the year	Turnover Rate*
Column Ref.	A	B	C	D
1	2022/23	1,653	101	6.1%
2	2023/24	1,651	104	6.2%
3	2024/25	1,655	86	5.2%

4.3 EMPLOYMENT EQUITY

The Employment Equity status of the Municipality is submitted on monthly basis to the Local Labour Forum, where both unions SAMWU and IMATU are present. The employer component is also represented at that forum. An Employment Equity Report is submitted to the Department of Labour on an annual basis. The Municipality also has an Employment Equity Forum that is merged with the Training and Development Committee. This committee/forum meets on a quarterly basis and provides reports to the Local Labour Forum.

4.3.1 Employment Equity Targets/Actuals by Race Classification

Based on the current staff demographics and established targets for all racial groups, the Municipality has not met its employment equity goals for African, Coloured, and White

employees in lower-level positions. The primary reason for not meeting the targets for White employees is a low number of applications for general worker positions.

Despite the relatively small Indian population in our region, the Municipality actively appoints individuals from this group.

Employment Equity (EE) targets are reviewed and adjusted with the adoption of any new organisational structure and upon confirmation of budgeted posts. For the purposes of this report, the gender classification targets will be based on the confirmed budgeted positions.

Table 169: Employment Equity Targets/Actuals by Race Classification

Employment Equity Targets/Actuals by Race Classification				
Serial No.	2024/25			
	Race Classification	Overall Target (as per 5-year EE Plan)	Actuals at Year-End	Target Achieved (C/B*100)
Column Ref.	A	B	C	D
1	African	562	475	84.5%
2	Coloured	1,205	1,072	89.0%
3	Indian	2	9	450.0%
4	Whites	162	99	61.1%
5	Total	1,931	1,655	85.7%

4.3.2 Employment Equity Targets/Actuals by Gender Classification

Table 170: Employment Equity Targets/Actuals by Gender Classification

Employment Equity Targets/Actuals by Gender Classification				
Serial No.	2024/25			
	Gender Classification	Overall Target (as per 5-year EE Plan)	Actuals at Year-End	Target Achieved (C/B*100)
Column Ref.	A	B	C	D
1	Male	1,179	1,034	87.7%
2	Female	752	621	82.6%
3	Total	1,931	1,655	85.7%

4.3.3 Employment Equity by Race and Gender within Occupational Levels

The overall number of employees by race and gender within the occupational levels at year-end are depicted in the table below.

Table 171: Number employees by Race and Gender within the Occupational Levels

Number of Employees by Race and Gender within the Occupational Levels											
Occupational Level Description	Male					Female					Grand Totals
	A	C	I	W	Total	A	C	I	W	Total	
Top Management	0	2	0	2	4	0	0	0	1	1	5
Senior Management	0	5	0	7	12	2	4	0	0	6	18
Professionally qualified and experienced specialists and mid-management	11	47	3	19	80	8	15	2	5	30	110
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	30	116	1	21	168	29	72	0	13	114	282
Semi-skilled and discretionary decision making	140	390	0	17	547	104	206	3	9	322	869
Unskilled and defined decision making	85	135	0	3	223	66	80	0	2	148	371
Total Employees	266	695	4	69	1,034	209	377	5	30	621	1,655

Note: The table above excludes the 6 interns.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.4 INTRODUCTION

All advertised posts are graded; and vacant graded positions are advertised and filled. New appointed staff is inducted on a monthly basis when the recruitment process has been completed. Induction is done both organisationally and departmentally. Staff is also encouraged to make use of bursaries, skills programmes and artisan training to ensure that they are properly skilled.

4.4.1 Policies

There is a continuous drive to review/write new or additional HR policies. The policies listed in the table below were developed and reviewed. The list includes policies that were developed and reviewed in 2024/25. The total number of policies that HR are responsible for is twenty-seven (27). Two additional policies have been developed and adopted by Council in the financial year under review.

Table 172: HR Policies and Plans

HR Policies and Plans			
Serial No.	Name of Policy	Reviewed/New	Date adopted by Council or comment on failure to adopt
Column Ref.	A	B	C
1	Acting Additional and Secondment Allowance Policy	Reviewed	30 June 2025
2	Mentoring Policy	New	30 June 2023
3	Dress Code Policy	To be reviewed	30 January 2019
4	Training and Development	Reviewed	30 June 2023
5	External Bursary Policy	To be reviewed	27 June 2018
6	HIV AIDS Policy	To be reviewed	31 July 2019
7	Job Evaluation Policy	To be reviewed	24 August 2017
8	Leave Policy	To be reviewed	27 June 2018
9	Essential Vehicle Allowance Policy	To be reviewed	30 June 2022
10	Occupational Health and Safety Policy	To be reviewed	31 July 2018
11	Overtime Policy	Reviewed	30 June 2023
12	Personal Protective Equipment and Clothing Policy	To be reviewed	31 July 2019
13	Placement Policy	To be reviewed	13 December 2012
14	Private Work Policy	To be reviewed	27 June 2018
15	Probation Policy	Reviewed	30 June 2023
16	Recruitment and Selection Policy	Reviewed	30 June 2023
17	Sexual Harassment Policy	To be reviewed	30 January 2019
18	Smoking Policy	To be reviewed	27 July 2017
19	Standby Policy	Reviewed	30 June 2023
20	Substance Abuse Policy	To be reviewed	31 January 2018

HR Policies and Plans			
Serial No.	Name of Policy	Reviewed/New	Date adopted by Council or comment on failure to adopt
Column Ref.	A	B	C
21	Talent Management and Succession Planning Policy	To be reviewed	26 June 2018
22	Performance Management and Development Policy	New	30 June 2025
23	COVID 19 Policy	n/a	29 July 2020
24	EE Plan	Reviewed	2023 – 2027
25	HR Plan	Reviewed	2022 -2027
26	Relocation Policy	New	30 June 2025
27	Benefits Policy	New	30 June 2025

4.4.2 Sick Leave

The next two tables depict the sick leave information per department and occupational levels.

4.4.2.1 Sick Leave per Department/Division

The following sick leave per Department/Division was taken in the 2024/25 financial year as depicted in the table below. The Department of Engineering Services (42.70%) and Community Services (20.87%) were the main contributors to sick leave as a percentage of total sick leave days taken.

Table 173: Sick Leave per Department/Division

Sick Leave per Department/Division					
Serial No.	Department/Division	2023/24		2024/25	
		Number of Sick Leave Days Taken	Percentage of Total Sick Leave Days Taken	Number of Sick Leave Days Taken	Percentage of Total Sick Leave Days Taken
Column Ref.	A	B	C	D	E
1	Office of the City Manager	61	0.32%	49	0.26%
2	Division: Risk Management	23	0.12%	66	0.36%
3	Division: Communication and Marketing	53	0.28%	40	0.22%
4	Division: Internal Audit	70	0.37%	44	0.24%
5	Division: Integrated Development Planning and Performance Management (under Corporate)	120	0.63%	Included under Corporate	Included under Corporate
6	Department: Corporate and Planning Services	2,391	12.60%	2,153	11.60%
7	Department: Financial Services	2,429.50	12.80%	2,432	13.10%
8	Department: Engineering Services	7,701	40.57%	7,929	42.70%
9	Department: Community Services	4,325.50	22.79%	3,876	20.87%
10	Department: Public Safety	1,806	9.52%	1,978	10.65%

Sick Leave per Department/Division					
Serial No.	Department/Division	2023/24		2024/25	
		Number of Sick Leave Days Taken	Percentage of Total Sick Leave Days Taken	Number of Sick Leave Days Taken	Percentage of Total Sick Leave Days Taken
11	Total	18,980	100%	1,8567	100%

4.4.2.2 Sick Leave per Occupational Level

From the table below it is clear that the semi-skilled occupational level (53.27%) and unskilled occupational level (22.57%) were the main contributors to sick leave as a percentage of total sick leave days taken.

Table 174: Sick Leave per Occupational Level

Sick Leave per Occupational Level					
Serial No	Occupational Level	2023/24		2024/25	
		Number of Sick Leave Days Taken	Percentage of Total Sick Leave Days Taken	Number of Sick Leave Days Taken	Percentage of Total Sick Leave Days Taken
Column Ref.	A	B	C	D	E
1	Top Management	33	0.17%	7	0.04%
2	Senior Management	83.5	0.44%	124.38	0.67%
3	Professionally qualified	1,224.50	6.45%	1,083.50	5.84%
4	Skilled technical	3,657	19.27%	3,269.76	17.61%
5	Semi-skilled	9,532	50.22%	9,891.51	53.27%
6	Unskilled	4,450	23.45%	4,190.74	22.57%
7	Total	18,980	100%	18,566.89	100%

4.4.3 Injuries

The number of injury leave days taken during the year under review amounts to 648 working days and the 186 employees involved represents 7.92% of the total employees (2,308) (Inclusive of temporary and EPWP) in employment as at 30 June 2025.

4.4.3.1 Injuries per Department

Table 175: Number of injuries on duty 2024/25

Serial No.	Type of Injury	Number of Injury Leave Days Taken	Number of Employees Taking Injury Leave	Average Injury Leave Days/Employee	*Percentage of total employees using injury leave
Column Ref.	A	B	C	D	E
1	Required basic medical attention only	281	133	2.11	5.76%
2	Temporary total disablement	272	49	5.55	2.12%
3	Permanent disablement	95	4	23.75	0.04%
4	Total	648	186	3.48	7.92%
5	*Based on total of 2308 employees comprising of 1,672 employees plus 636 EPWP employees as at 30 June 2025.				

Table 176: Injuries per Department

Serial No.	Department	No. of injuries		
		2022/23	2023/24	2024/25
Column Ref.	A	B	C	D
1	Engineering Services	63	113	100
2	Community Services	113	69	56
3	Public Safety	-	7	16
4	Planning and Development	12	4	-
5	Financial Services	6	6	11
6	Corporate Services	10	4	8
7	Office of the City Manager	0	0	0
8	Total	204	203	191

4.4.3.2 Injuries per Occupational Level

Table 177: Injuries per Occupational Level

Serial No.	Occupational Level	No. of injuries		
		2022/23	2023/24	2024/25
Column Ref.	A	B	C	D
1	Unskilled	122	126	114
2	Semi-skilled	59	54	56
3	Skilled	20	22	19
4	Professional	1	0	1
5	Senior Management	2	1	1
6	Total	204	203	191

4.4.3.3 Cost of Injuries

The total cost due to injuries amounts to **R501 012.96** for the year under review

4.4.3.4 Cost of Injuries per Department

The cost of injury leave is depicted per Department in the table below. The two Departments with the most employees, Engineering Services and Community Services, have the highest cost of injuries.

Table 178: Cost of Injuries per Department

Serial No.	Department	Cost of Injuries (R)		
		2022/23	2023/24	2024/25
Column Ref.	A	B	C	D
1	Engineering Services	R145,495.95	R255 565.76	R298, 968.00
2	Community Services	R276,755.39	R118 313.91	R125, 810.19
3	Public Safety	-	R28 824.10	R39, 293.75
4	Planning and Development	R34,654.13	R5 997.12	-
5	Financial Services	R19,445.91	R9 463.91	R23, 566.47
6	Corporate Services	R15,022.62	R42 894.30	R13, 433.55
7	Office of the City Manager	-	-	-
8	Total	R491,374.00	R461 059.10	R501 012.96

4.4.4 Suspensions

During the 2024/25 financial year a total of 8 (eight) suspension hearings were held and all these employees were placed on precautionary suspension pending disciplinary investigations into their involvement in cases of serious misconduct.

One (1) of the employees was found guilty and dismissed, and one (1) employee's suspension was withdrawn due to completion of the investigation. Six (6) disciplinary hearings of suspended employees are still ongoing and are to be finalised soon.

4.4.4.1 Suspensions per Department

The eight (8) employees placed on precautionary suspension during 2024/25 comprise of three (3) employees from the Community Services Department, two (2) from Engineering Services Department, two (2) employees from the Public Safety Department and one (1) from Financial Services Department.

4.4.4.2 Suspensions per Occupational Level

Out of the eight (8) 2024/25 suspended employees, three are skilled employees and five (5) are semi-skilled employees.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 INTRODUCTION

Drakenstein is implementing multiple flagship programmes to advance skills capacity and employee work-performance. This is in line with the National Skills Strategy, accelerated service delivery and contributes to economic expansion and an inclusive growth path.

During the 2024/25 financial year, the bursaries, workplace skills programme plan, occupational work-placements, professional membership /candidacy programmes, artisan development were amongst various programmes rolled out and funded for employee capacity building.

4.5.1 Skills Matrix

Eight hundred and three (803) officials have been trained in various capacity building interventions from 1 February 2024 until 30 April 2025. The total excludes bursary recipients and professional bodies affiliation, and memberships funded officials.

The table below indicates only the number of employees at professional and management levels that received training in the year under review.

Table 179: Professional and Management Training

Skills Matrix								
Serial No.	Management Level	Gender	Number of skilled employees required and actual as at 30 June 2025					
			Learnerships		Skills Programmes		Total	
			Actual 2025	Target	Actual 2025	Target	Actual 2025	Target
Column Ref	A	B	C	D	E	F	G	H
1	CM an S57	Female	0	0	0	0	0	0
2		Male	1	1	0	0	1	1
3	Councillors, Senior Officials	Female	3	3	5	5	8	8
4		Male	1	1	7	7	8	8
5	Technicians and Associate	Female	4	4	29	29	33	33
6		Male	1	1	35	35	36	36
7	Professionals	Female	1	1	15	15	16	16
8		Male	4	4	17	17	21	21
9	Sub-Totals	Female	8	8	49	49	57	57
10		Male	7	7	59	59	66	66
11	Total		15	15	108	108	123	123

4.5.2 Skills Development – Training Provided

The table below indicates the skills areas and learning programmes the employees undertook in the year under review.

Table 180: Skills Development - Training Provided

Serial No.	Sector Priority	Skills Areas	Learning Programmes
Column Ref.	A	B	C
1	Infrastructure and service delivery	- Infrastructure Asset and Maintenance - Labour Intensive Construction - Electricity Reticulation - Water Services Roads	- Truck Mounted Crane Full Course; - Truck Mounted Crane Refresher Course; - Confined Space Entry Full Course; - Chainsaw Operator Full Course; - Scaffolding Erection and Inspection; - Weedeater Full Course; - Weedeater Refresher Course; - Forklift Full Course; - Tractor Operator; - Working at Heights; - Cherry Picker Refresher Full Course; - Cherry Picker Refresher Course; - Fire Extinguisher Training; - Safe handling of Chlorine; - Overhead Crane Full Course; - ORHVS: Authorised Persons; - ORHVS: Responsible Persons; - Small Plant Operator/ Compactor ; - Ton-Sit on Roller Operator Refresher; - Electrical Metering Systems Level 1 -3; and - Confined Space Entry.
2	Financial Viability	- Property Valuation; - Audit and Procurement; - Municipal Finance; and - Accounting Technicians.	- Municipal Finance and Administration; - Chartered Certified Accountant Candidacy Programme; and - Control Self Assessment.
3	Community Based Participation and Planning	- IDP; - LED; - Ward Committees; and - Urban Planning.	- MS Office (Word/Excel/PowerPoint) Basic-Advance; - Basic Project Management; - Contact Centre Training;

Serial No.	Sector Priority	Skills Areas	Learning Programmes
			• Bursaries (Internal and LGSETA); • Internships / Graduate Placements; • Induction and Orientation Workshop; • Disaster Management Short Courses; • Peace Officer and Traffic Warden; • SC-200 Microsoft Security Operation Analyst Course; and • IGNITE Workshop.
4	Management and Leadership	• Municipal Leadership Development	• Municipal Minimum Competency Levels; • Integrated Councillor Induction Programme; • Diversity and Change Management; • Accredited Municipal Governance Programme- Political Stream; • Executive Development Programme; • SALGA Workshop Succession Planning and Scarce Skills Retention; • LED Masterclass ; • Emotional Intelligence; • Conflict Management; • Integrated Councillor Executive Development Programme; • Basic Advance Supervision; and • Coaching and Mentoring.
5	AET and Foundational Learning	• AET • Driver Training	• Driver Training Code 8, 10,11 and 14; and • Adult Education & Training Level 1-4.
6	Workplace Committee Training	• LLF Training; • ODETDP; and • Occupational Health & Safety.	• Occupational Health and Safety Act; Construction Regulations; • First Aid L1, L2 & L3; • Incident Investigation; • HIRAC; • Safe Handling of Pesticides; • Occupational Health and Safety Representative; • Flagging; • Asbestos Abatement Regulations; • Legal Liability; and

Serial No.	Sector Priority	Skills Areas	Learning Programmes
			Bin Lifter Machine Handler/Senior Operator.

4.5.3 Skills Development – Budget Allocation

The table below indicates that a total amount of R1,370,057 was allocated by Council towards the workplace skills plan interventions, excluding bursaries and the Local Government Sector Education and Training Authority (LGSETA) annual grants. An amount of R1,365,193 was spent on the Council Training Vote equating to 99% utility of the budget.

Table 181: Skills Development – Budget Allocation

Skills Development – Budget Allocation				
Serial No.	Financial Year	Allocated Budget	Actual Expenditure	% Expenditure
Column Ref.	A	B	C	D
1	2022/23	R1,006,903	R999,058	100%
2	2023/24	R1,009,311	R1,007,095	100%
3	2024/25	R1,370,057	R1,365,193	99%

Table 182: Skills Development – Expenditure 2024/25

Serial No.	Item	Allocated Budget	Actual Expenditure	Balance
Column Ref.	A	B	C	D
1	Council Training Budget 2023/24	R1,370,057	R1,365,193	R4,863
2	LGSETA Grants Vote 2023/24	R1,500,000	R1,268,670	R231,329
3	External Bursaries 2023/24	R550,000	R428,146	R121,853
4	Rural Bursaries 2023/24	R100,000	R81,740	R18,259
5	Internal Bursaries 2023/24	R1,400,000	R1,399,955	R44,00
6	WC Provincial Treasury Bursaries (FMG)2024/25	R100,000	R76,035	R23,965
7	Professional Bodies Affiliation and Annual Membership 2023/24	R48,993	R46,153	R2,839
8	Management and Leadership 2024/25	R300, 000	R274, 605	R25,394

4.5.4 MFMA Minimum Competencies

The Municipal Regulations on Municipal Competency Levels, 2007 aims to ensure that all municipal officials with financial management responsibilities comply with the issued minimum competency levels for their positions. All nineteen (19) prescribed officials are in compliance with the regulations. Over and above the Regulations required target, Drakenstein Municipality has successfully trained a pool of officials through bursary mode and funded MFMP Programmes.

Table 183: Financial Competency Development - Progress Report

Financial Competency Development : Progress Report							
Serial No.	Description	B- Total number of officials employed by municipality [Regulation 14(4)(a) and (c)]	C- Total number of officials employed by municipal entities [Regulation 14(4)(a) and (c)]	Consolidated Total of B and C	Consolidated: Competency assessments completed for B and C [Regulation 14(4)(b) and (d)]	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 [Regulation 14(4)(f)]	Consolidated: Total number of officials that meet prescribed competency levels [Regulation 14(4)(e)]
Column No.	A	B	C	D	E	F	G
1	Financial Officials						
2	Accounting Officer	1	0	1	1	1	1
3	Chief Financial Officer	1	0	1	1	1	1
4	Senior Managers	4	0	4	4	4	4
5	Any other Financial Officials	9	0	9	9	9	9
6	Supply Chain Management Officials						
7	Heads of Supply Chain Management Units	1	0	1	1	1	1
8	Supply Chain Management Senior Managers	3	0	3	3	3	3
9	Total	19	0	19	19	19	19

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

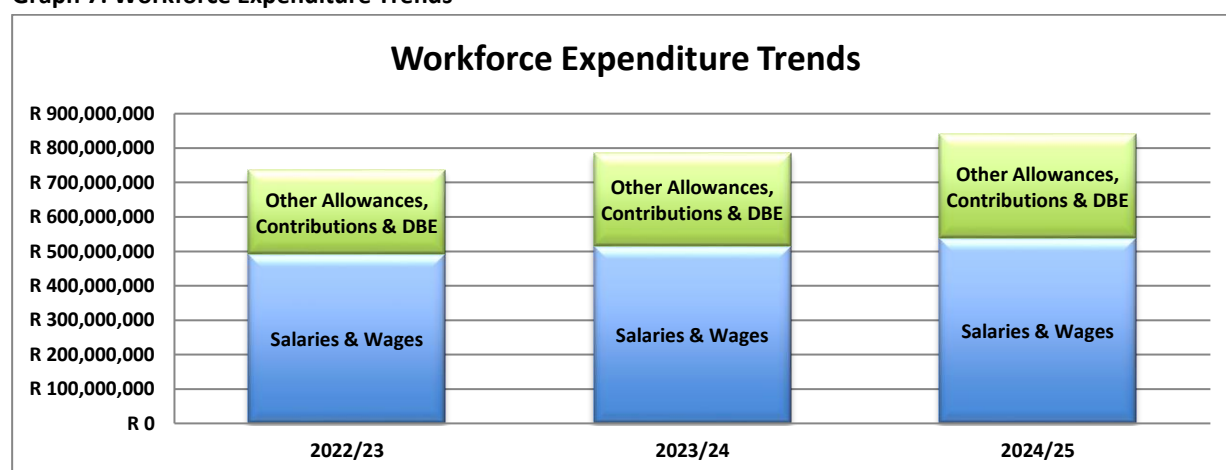
4.6 INTRODUCTION

Municipalities are required to carry out quality services in an effective, efficient and financially sound manner by supporting the principles of ensuring cost-effective and affordable service delivery. Accountability and transparency are, therefore, important when managing workforce expenditure. To be effective, it is important to ensure that the Municipality plans properly. To ensure that the Municipality adheres to legislation, only approved and budgeted posts on the structure are advertised. All positions are advertised on the Municipality's website and in the local media. Advertising in other media is based on the target market for the post. This saves on advertising costs and in the electronic age gives easy and quick access to applicants. Drakenstein strives to appoint employees who share the vision of "A city of excellence" and who will add value to the organisation. The training and development of internal staff is aimed at ensuring that they are able to perform their duties better.

4.6.1 Personnel Expenditure

Drakenstein's workforce expenditure of R785.3 million, depicted in the table below, and together with councillors remuneration, accounted for 27.7% of the total actual operating expenditure of R2.96 billion for the 2023/24 financial year.

Graph 7: Workforce Expenditure Trends



The total workforce expenditure of R785.3 million included R22.6 million of provisions for defined benefit plan (DBP) expenses as required by the SA Standards of GRAP. The 2023/24 workforce expenditure included R22.6 million of provisions for defined benefit plan (DBP) expenses as required by the SA Standards of GRAP. The 2022/23 workforce expenditure included R23.0 million of provisions for defined benefit plan (DBP) expenses as required by the SA Standards of GRAP..

It is clear from the above that the total workforce expenditure (incl council remuneration) as a percentage of the total actual operating expenditure has fluctuated over the last three financial years from 28.7% to 27.6 to 26.7%. This percentage is well within National Treasury's norm of 25% to 40% and will steadily rise over the next few years to Drakenstein's target of about 30%.

4.6.2 Personnel Expenditure per Line Item

The breakdown of personnel expenditure per line item for the 2023/24 and 2024/25 years is depicted in the table below. Salaries and wages have increased with R54.8 million year-on-year.

Table 184: Personnel Expenditure per Line Item

Personnel Expenditure per Line Item					
Serial No.	Description	2023/24 Actual Expenditure	2024/25 Actual Expenditure	Variance Amount	Variance %
Column Ref.	A	C	C	D	E
1	Salaries and Wages	514,968,139	538,231,722	23,263,583	4.5%
2	Salaries	514,968,139	538,231,722	23,263,583	4.5%
3	Other Allowances and contributions	247,750,790	261,310,725	13,559,935	5.5%
4	Social contributions - UIF, pensions and medical aid etc.	121,680,976	129,142,468	7,461,492	6.1%
5	Travel, accommodation and other allowances	31,635,238	34,241,902	2,606,664	8.2%
6	Housing benefits and allowances	3,732,572	5,800,051	2,067,479	55.4%
7	Overtime payments	55,245,847	55,692,870	447,023	0.8%
8	Acting Allowance	1,135,454	1,195,616	60,162	5.3%
9	Shift Allowance	2,369,012	2,537,727	168,715	7.1%
10	Standby Allowance	12,097,696	14,046,471	1,948,775	16.1%
11	Night Shift Allowance	3,419,433	3,522,090	102,657	3.0%
12	Cell Allowance	3,698,468	4,277,790	579,322	15.7%
13	Workman Compensation	4,616,563	5,083,785	467,222	10.1%
14	Contribution to leave reserve	7,294,466	4,622,606	(2,671,860)	-36.6%
17	Provision for performance bonuses	825,065	1,147,349	322,284	39.1%
18	Defined Benefit Plan Expense:	22,633,073	40,622,119	17,989,046	79.5%
19	Post Employment Health Care Benefits	15,789,098	30,870,868	15,081,770	95.5%
20	Ex Gratia Pension Benefits	(329,328)	(192,765)	136,563	-41.5%
21	Long Service Awards	7,173,303	9,944,016	2,770,713	38.6%
22	Expenditure Recharged	-	-	-	
23	Expenditure Recharged to Capital	-	-	-	
24	Total Employee Related Costs	785,352,002	840,164,566	54,812,564	7.0%

4.7 DISCLOSURES OF FINANCIAL INTERESTS

Disclosures have been made by officials and Councillors concerning their financial interests, as required by Municipal Performance Regulations 805 of 2006 and are set out in Appendix I. No transgressions due to financial interests occurred.

5. FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

5.1 INTRODUCTION

The following sections provide an overview of the financial results of the Municipality for the year under review per economic classification compared to the prior year audited results, the original budget and the final adjustments budget.

5.2 FINANCIAL SUMMARY

Drakenstein Municipality generated an overall operating surplus of R721.5 million compared with budgeted operating surplus of R484.4 million for the year under review as depicted in the table below. More information on the revenue collection performance by vote and by source is included in **Appendix J** of the Annual Report.

Table 185: Financial Summary

Financial Summary							
Serial No.	Description	2023/24	2024/25			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Column Ref.	A	B	C	D	E	F	G
1	Financial Performance						
2	Property rates	466,404,865	488,620,566	502,093,609	503,779,666	103.1%	100.3%
3	Service charges	2,096,677,278	2,213,672,628	2,297,453,508	2,360,118,361	106.6%	102.7%
4	Investment revenue	73,656,906	58,000,000	83,000,000	91,787,807	158.3%	110.6%
5	Transfers recognised – operational	234,426,759	247,115,347	254,691,650	251,502,850	101.8%	98.7%
6	Other own revenue	243,584,527	323,792,260	306,158,483	323,548,150	99.9%	105.7%
7	Total Revenue (excluding capital transfers and contributions)	3,114,750,336	3,331,200,801	3,443,397,250	3,530,736,834	106.0%	102.5%
8	Employee costs	801,749,439	895,618,879	885,046,454	837,838,650	93.5%	94.7%
9	Remuneration of Councillors	34,340,227	39,276,957	39,276,957	34,841,767	88.7%	88.7%
10	Depreciation	249,860,019	273,690,486	349,841,641	279,122,849	102.0%	79.8%
11	Finance charges	167,821,823	158,991,404	158,648,332	158,197,326	99.5%	99.7%
12	Materials and bulk purchases	1,228,068,745	1,351,003,014	1,458,951,643	1,449,436,744	107.3%	99.3%
13	Transfers and grants	14,850,554	36,689,772	38,991,198	38,008,550	103.6%	97.5%
14	Other expenditure	498,132,438	573,508,403	501,509,023	487,654,681	85.0%	97.2%
15	Total expenditure	2,994,823,246	3,328,778,915	3,432,265,248	3,285,100,567	98.7%	95.7%
16	Surplus (Deficit)	119,927,090	2,421,886	11,132,002	245,636,267	10142.4%	2206.6%
17	Transfers recognised – capital	458,472,645	664,439,131	473,229,630	461,487,777	69.5%	97.5%
18	Contributions recognised – capital and contributed assets	0	0	0	14,412,059	0.0%	0.0%
19	Surplus (Deficit) after capital transfers and contributions	578,399,735	666,861,017	484,361,632	721,536,103	108.2%	149.0%
20	Share of surplus/(deficit) of associate	0	0	0	0	0.0%	0.0%
21	Surplus (Deficit) for the year	578,399,735	666,861,017	484,361,632	721,536,103	108.2%	149.0%
22	Capital Expenditure and Fund Sources						
23	Transfers recognised – capital	401,278,924	664,439,130	473,229,630	462,498,804	69.6%	97.7%
24	Public contributions and donations	0	0	0	0	0.0%	0.0%
25	Borrowing	0	0	0	0	0.0%	0.0%
26	Internally generated funds	86,436,928	101,786,344	110,356,385	112,476,381	110.5%	101.9%
27	Total sources of capital funds	487,715,852	766,225,474	583,586,015	574,975,185	75.0%	98.5%
28	Financial Position						
29	Total current assets	1,275,602,068	1,334,782,791	1,308,111,036	1,620,802,195	121.4%	123.9%
30	Total non-current assets	6,889,019,898	7,399,267,224	6,956,457,868	7,245,179,374	97.9%	104.2%
31	Total current liabilities	(691,989,555)	(607,919,435)	(548,346,916)	(699,030,124)	115.0%	127.5%
32	Total non-current liabilities	(1,801,619,010)	(1,828,641,520)	(1,875,410,166)	(1,798,100,900)	98.3%	95.9%
33	Community wealth/ Equity	(5,671,013,401)	(6,297,489,060)	(5,840,811,822)	(6,368,850,547)	101.1%	109.0%

Financial Summary							
Serial No.	Description	2023/24	2024/25			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Column Ref.	A	B	C	D	E	F	G
34	Cash Flows						
35	Net cash from (used) operating	849,378,621	890,955,380	734,519,277	1,088,093,424	122.1%	148.1%
36	Net cash from (used) investing	(519,991,649)	(763,225,474)	(580,586,015)	(665,313,093)	87.2%	114.6%
37	Net cash from (used) financing	(77,151,583)	(90,824,744)	(90,824,744)	(91,353,285)	100.6%	100.6%
38	Movement in cash/cash equivalents	252,235,389	36,905,162	63,108,518	331,427,046	898.1%	525.2%
39	Cash Backing/Surplus Reconciliation						
40	Cash and investments available	229,099,916	185,974,801	427,362,416	229,099,916	123.2%	53.6%
41	Application of cash and investments	0	0	0	0	0.0%	0.0%
42	Balance – surplus (shortfall)	229,099,916	185,974,801	427,362,416	229,099,916	123.2%	53.6%
39	Asset Management						
40	Asset register summary (WDV)	6,881,939,594	7,399,267,224	6,956,457,868	7,246,764,253	97.9%	104.2%
41	Depreciation and asset impairment	249,860,019	273,690,486	273,690,486	247,456,205	90.4%	90.4%
42	Renewal and upgrade of existing assets	265,967,489	625,298,483	442,716,776	444,657,951	71.1%	100.4%
43	Repairs and maintenance	312,965,359	357,644,584	367,363,787	338,722,659	94.7%	92.2%

5.3 FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES

In the table below the operating expenditure performance by GFS Classification is depicted. Drakenstein Municipality has spent R3.275 billion of the final operating adjustments budget of R3.411 billion on operating activities and it represents 99.0% of the original approved budget and 96.0% of the final operating adjustments budget. This aligns to Appendix B1 to the Annual Financial Statements.

Table 186: Financial Performance of Operating Expenditure by GFS Classification

Financial Performance of Operational Expenditure by GFS Classification							
Serial No.	Description	2023/24	2024/25			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Column Ref.	A	B	C	D	E	F	G
1	Operating Cost						
2	Water	165,458,499	159,616,579	177,995,807	163,807,227	-2.63%	7.97%
3	Wastewater (Sanitation)	142,443,575	154,221,408	163,777,619	160,206,949	-3.88%	2.18%
4	Electricity	1,351,550,465	1,475,925,048	1,585,471,978	1,558,459,636	-5.59%	1.70%
5	Waste Management	127,715,150	117,119,330	132,516,056	126,208,006	-7.76%	4.76%
6	Other	0	0	0	0	0.00%	0.00%
7	Component A: Sub-total	1,787,167,689	1,906,882,365	2,059,761,460	2,008,681,817	-5.34%	2.48%
8	Roads	142,212,241	182,785,130	165,350,164	161,589,393	11.60%	2.27%
9	Planning	65,416,728	71,405,299	69,947,880	65,853,772	7.77%	5.85%
10	Environmental Protection	1,874,882	2,021,838	1,997,367	2,012,696	0.45%	-0.77%
11	Component B: Sub-total	209,503,851	256,212,267	237,295,411	229,455,861	10.44%	3.30%
13	Community and Social Services	41,761,835	43,514,128	45,776,649	45,667,311	-4.95%	0.24%
14	Sport and Recreation	66,165,972	75,767,315	75,750,842	75,273,989	0.65%	0.63%
15	Security and Safety	220,646,442	245,333,832	256,269,475	229,521,253	6.45%	10.44%
16	Housing	75,553,509	95,595,706	99,018,658	76,879,469	19.58%	22.36%
17	Health	0	0	0	0	0.00%	0.00%
18	Component C: Sub-total	404,127,758	460,210,981	476,815,624	427,342,022	7.14%	10.38%
19	Corporate Policy Offices and	566,239,248	686,273,302	636,692,753	610,181,795	11.09%	4.16%
20	Component D: Sub-total	566,239,248	686,273,302	636,692,753	610,181,795	11.09%	4.16%
21	Total Expenditure	2,967,038,547	3,309,578,915	3,410,565,248	3,275,661,495	1.02%	3.96%

5.4 GRANT PERFORMANCE

5.4.1 Grants received and its performance

Drakenstein utilised R787.4 million and 100% of the R787.4 million budgeted in the adjustment budget.

Table 187: Operating and Capital Transfers and Grants

Operating and Capital Transfers and Grants							
(Rand)							
Serial No.	Description	2023/24	2024/25			2024/25 Variance	
		Actual	Budget	Adjustment Budget	Actual	Original Budget (%)	Adjustment Budget (%)
Column Ref.	A	B	C	D	E	F	G
1	Operating Transfers and Grants						
2	National Government	596,823,446	721,666,542	721,666,542	721,666,542	100.0%	100.0%
3	Equitable Share	215,718,000	231,574,000	231,574,000	231,574,000	100.0%	100.0%
4	Expanded Public Works	4,363,000	2,062,000	2,062,000	2,062,000	100.0%	100.0%
5	Financial Management Grant	1,550,000	1,600,000	1,600,000	1,600,000	100.0%	100.0%
6	ludg Capital	58,615,997	68,545,993	68,545,993	68,545,993	100.0%	100.0%
7	Electrification Funding (Inep)	10,000,000	3,340,000	3,340,000	3,340,000	100.0%	100.0%
8	Neighbourhood Development Grant	2,668,576	37,331,424	37,331,424	37,331,424	100.0%	100.0%
9	Regional Bulk Infrastructure Services	290,310,000	374,999,998	374,999,998	374,999,998	100.0%	100.0%
10	Disater Relief Support Grant	197,873	2,213,127	2,213,127	2,213,127	100.0%	100.0%
11	Water Infrastructure	13,400,000	0	0	0	0.0%	0.0%
12	Provincial Department	40,856,010	21,753,840	18,005,757	18,005,757	82.8%	100.0%
13	Siyashlala	0	1,569,723	0	0	0.0%	0.0%
14	Fairylands	634,735	186,564	186,564	186,564	100.0%	100.0%
15	Mbekweni 557	1,590,391	693,182	0	0	0.0%	0.0%
16	Dignified Sites	4,678,750	542,009	0	0	0.0%	0.0%
17	1068 Houses	0	152,225	0	0	0.0%	0.0%
18	Disaster Funding	0	5,137,000	5,137,000	5,137,000	100.0%	100.0%
19	Kingston Town Transfers	0	53,000	0	0	0.0%	0.0%
20	Drommedaris St Ehp	0	168,249	0	0	0.0%	0.0%
21	Drom 181/1407 (HSDG):	0	569,695	0	0	0.0%	0.0%
22	Simondium	24,474,454	1,688,291	1,688,291	1,688,291	100.0%	100.0%
23	Deeds (Various Housing Projects)	84,903	68,573	68,573	68,573	100.0%	100.0%
24	Accelerated Housing (Schoongezicht)	1,843,465	0	0	0	0.0%	0.0%
25	Municipal Accreditation and Capacity Building	245,000	249,000	249,000	249,000	100.0%	100.0%
26	Capacity Building (Finance)	0	69,925	69,925	69,925	100.0%	100.0%
27	Community Development Workers	112,991	113,000	113,000	113,000	100.0%	100.0%
28	Disaster Relief (Smoke Alarm Project)		500,000	500,000	500,000	100.0%	100.0%
29	Maintenance Thusong Centre	73,630	42,369	42,369	42,369	100.0%	100.0%
30	Capacity Building (Employee Bursaries)	140,602	76,035	76,035	76,035	100.0%	100.0%
31	Municipal Energy Resilience	799,975	0	0	0	0.0%	0.0%
32	Fire Services Capacity Building	985,000	0	0	0	0.0%	0.0%
33	Western Cape Finance Capacity	668,115	0	0	0	0.0%	0.0%
34	Municipal Tourism Challenge Fund	189,999	0	0	0	0.0%	0.0%
35	Public Works and Transport (Roads)	4,334,000	9,875,001	9,875,001	9,875,001	100.0%	100.0%
36	Other Grants	3,593,293	1,844,412	1,844,412	1,844,412	100.0%	100.0%
37	Training Levy	2,647,808	1,268,670	1,268,670	1,268,670	100.0%	100.0%
38	Neumarkt	945,485	575,741	575,741	575,741	100.0%	100.0%
39	District Municipality	336,087	2,321,954	1,365,451	1,365,451	58.8%	100.0%
40	Carterville Housing Project	0	956,503	0	0	0.0%	0.0%
41	Cape Winelands District Municipality (Fair Trade)	0	555,000	555,000	555,000	100.0%	100.0%
42	Cape Winelands District Municipality	66,916	0	0	0	0.0%	0.0%
43	Cape Winelands District Municipality	36,958	0	0	0	0.0%	0.0%
44	Cape Winelands District Municipality	0	500,000	500,000	500,000	100.0%	100.0%
45	Cape Winelands District Municipality	232,213	285,951	285,951	285,951	100.0%	100.0%
47	International Fire Fighting Day	0	24,500	24,500	24,500	100.0%	100.0%

Operating and Capital Transfers and Grants							
(Rand)							
Serial No.	Description	2023/24	2024/25			2024/25 Variance	
		Actual	Budget	Adjustment Budget	Actual	Original Budget (%)	Adjustment Budget (%)
Column Ref.	A	B	C	D	E	F	G
48	Donations and Other Contributions	47,625,044	22,775,631	44,565,965	44,565,965	195.7%	100.0%
49	Sec 12 Fund	0	363,572	0	0	0.0%	0.0%
50	Developers Contribution	39,429,172	8,000,000	30,153,907	30,153,907	376.9%	100.0%
51	Newton	579,922	0	0	0	0.0%	0.0%
52	Le Parc	4,664,809	0	0	0	0.0%	0.0%
53	Honeydew	1,036,096	0	0	0	0.0%	0.0%
54	Sun Thatch	540,000	0	0	0	0.0%	0.0%
55	Western Cape Government	501,079	0	0	0	0.0%	0.0%
56	Western Cape Government	307,906	0	0	0	0.0%	0.0%
57	Cape Winelands District Municipality	559,060	0	0	0	0.0%	0.0%
58	Vesting Land Transfers	7,000	9,000	9,000	9,000	100.0%	100.0%
59	Electricity Bainsvallei	0	187,789	187,789	187,789	100.0%	100.0%
60	Food Lovers Intersection	0	1,469,909	1,469,909	1,469,909	100.0%	100.0%
61	Bartholomue Road	0	10,127,726	10,127,726	10,127,726	100.0%	100.0%
62	Optenhorst Water Pipe	0	164,990	164,990	164,990	100.0%	100.0%
63	Optenhorst Traffic Intersection	0	1,248,332	1,248,332	1,248,332	100.0%	100.0%
64	Hoof En Retief Street Intersection	0	1,204,314	1,204,314	1,204,314	100.0%	100.0%
65	Total Operating Transfers and Grants	689,233,880	770,362,379	787,448,128	787,448,128	102.2%	100.0%

5.4.2 Grants received from sources other than DoRA

Grants received during the year under review from sources other than the Division of Revenue Act (DoRA) amounted to R68.5 million compared with the R91.9 million of the 2023/24 financial year.

Table 188: Grants received from sources other than the Division of Revenue Act (DoRA)

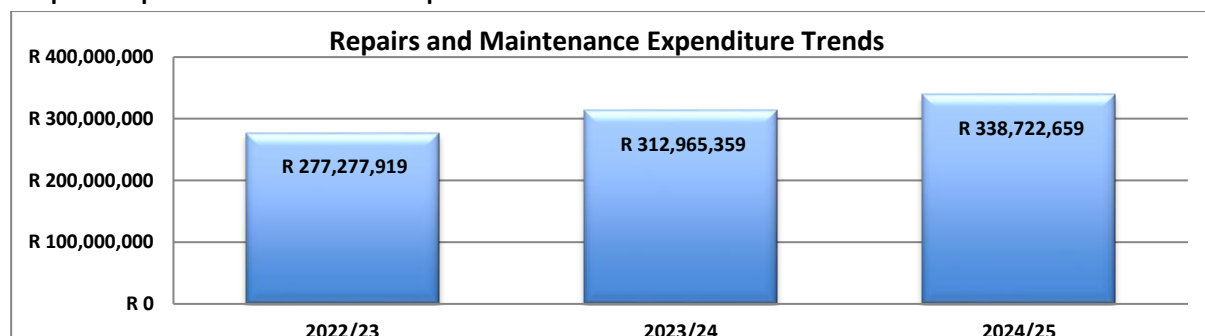
Grants received from sources other than Division of Revenue Act (DoRA)			
Serial No.	Description	2023/24 Actual	2024/25 Actual
Column Ref.	A	B	C
1	Grants other than from DORA		
2	Provincial Department	40,912,947	20,685,926
3	P59 Fairyland	844,725	17,000
4	Simondium	0	5,079,829
5	Mbekweni 557	897,209	0
6	Dignified Sites	4,309,887	0
7	Accelerated Housing (Simondium)	24,589,516	0
8	Deeds Transfers	84,903	115,097
9	Disaster funding	0	5,137,000
10	Accelerated Housing (Schoongezicht)	2,063,707	0
11	Municipal Accreditation and Capacity Building	245,000	249,000
12	Municipal Tourism Challenge Fund	190,000	0
13	Municipal Service Delivery and Capacity Building	500,000	0
14	Western Cape Finance Capability	740,000	0
15	Community Development Workers	113,000	113,000
16	Fire Services Capacity Building	985,000	0
17	Maintenance Thusong Centre	116,000	0
18	Capacity Building Grant External Bursaries	100,000	100,000
19	Municipal Energy Resilience	800,000	0
20	Proclaimed Roads	4,334,000	9,875,000
21	Other Grants	2,626,787	2,036,024
22	Traning Grant	2,350,494	2,036,024
23	Neumarkt	276,293	0
24	District Municipality	798,000	1,178,500
25	Cape Winelands (Fair Trade)	0	555,000
26	Cape Winelands (Fair Trade)	0	500,000
27	Cape Winelands (Community Safety)	0	99,000
28	International Fire Fighting Day	0	24,500
29	Cape Winelands	100,000	0
30	Cape Winelands	500,000	0
31	Cape Winelands	198,000	0
32	Other Grant Providers	47,045,122	44,565,966
33	Developers Contribution	0	30,153,907
34	Vesting Land and Transfers	0	9,000
35	Electricity Bainsvallei	0	187,789
36	Food Lovers Intersection	0	1,469,909
37	Bartholomue Road	0	10,127,726
38	Optenhorst Water Pipe	0	164,990
39	Optenhorst Traffic Intersection	0	1,248,332
40	Hoof en Retief Street Intersection	0	1,204,314
41	Le Parc	4,664,809.00	0
42	Honeydew Estate	1,036,096.00	0
43	Sun Thatch	540,000.00	0
44	Western Cape Government	501,079.00	0
45	Western Cape Government	307,906.00	0
46	Cape Winelands District Municipality	559,060.00	0
47	Vesting Transfers	7,000.00	0
48	Developers Contribution	39,429,172.00	0
49	Total Operating Transfers and Grants	91,382,856	68,466,416

**Note: It should be noted that funds received for the Library function is not treated as a grant but as funds received for goods and services and therefore will not reflect under grants and subsidies any more.*

5.5 REPAIRS AND MAINTENANCE EXPENDITURE

From the chart below, it can be seen that the investment in repairs and maintenance costs has substantially increased from R277.3 million in the 2022/23 year to R313.0 million in the 2023/24 to R338.4 million in the current year. The repairs and maintenance costs represents 10.6% of the total operating expenditure of R3.28 billion for the year under review.

Graph 8: Repairs and Maintenance Expenditure Trends



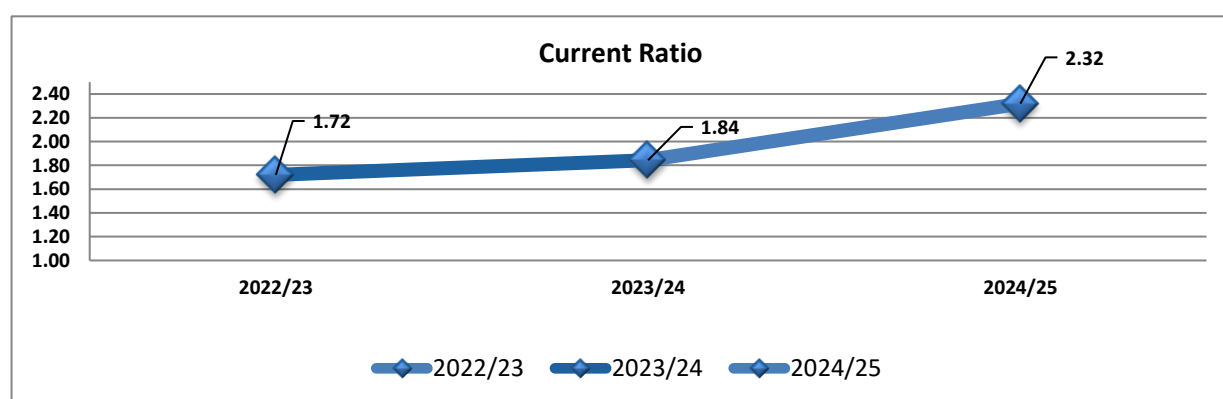
5.6 FINANCIAL RATIOS

The following section reflects the key financial ratios.

5.6.1 Current Ratio

The Current Ratio represents the ability of the Municipality's current assets to service its current liabilities. This ratio shows a upwards trend over the three years under review and the Municipality had a ratio of 2.32:1 at the end of the 2024/25 financial year.

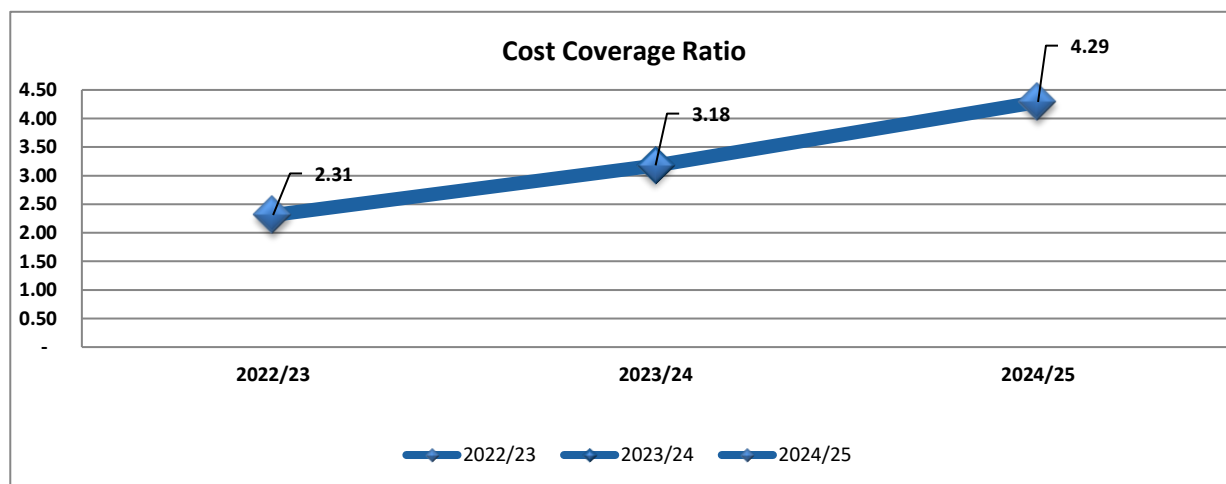
Graph 9: Current Ratio



5.6.2 Cost Coverage Ratio

This ratio represents the number of months' fixed expenditure that can be covered by the cash and liquid assets available to the Municipality. The cost coverage ratio year on year shows an upward trend from the 2022/23 year to the current 4.29 times coverage for the 2024/25 year. This is an indicator that the cash flow of the Municipality has recovered.

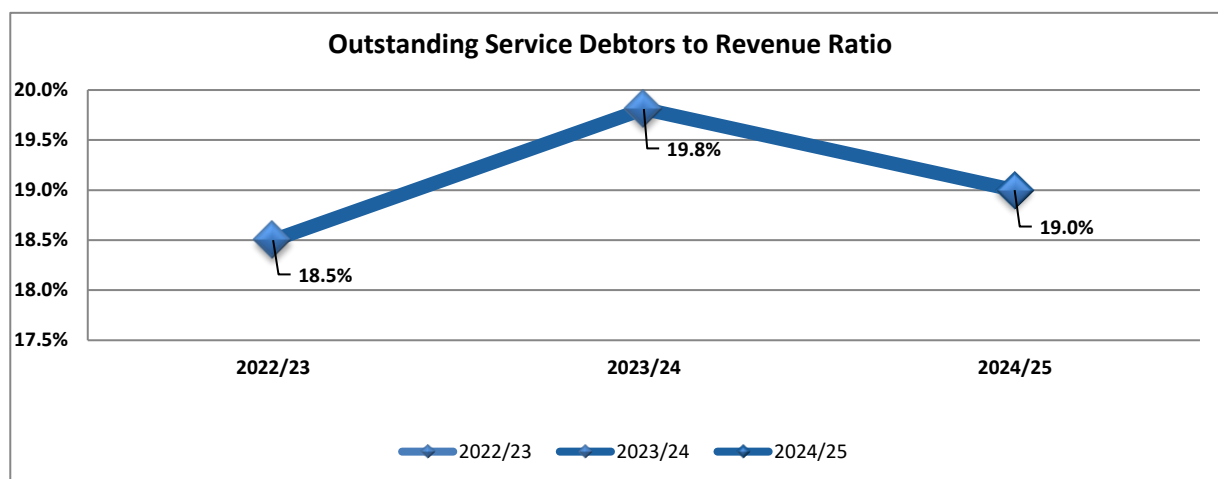
Graph 10: Cost Coverage Ratio



5.6.3 Outstanding Service Debtors to Revenue Ratio

This ratio measures how much money is owed by debtors when compared to the generated revenue. This is a measure of what the fraction of outstanding debt is from the total generated revenue. This ratio has decreased from 2023/24 to 2024/25.

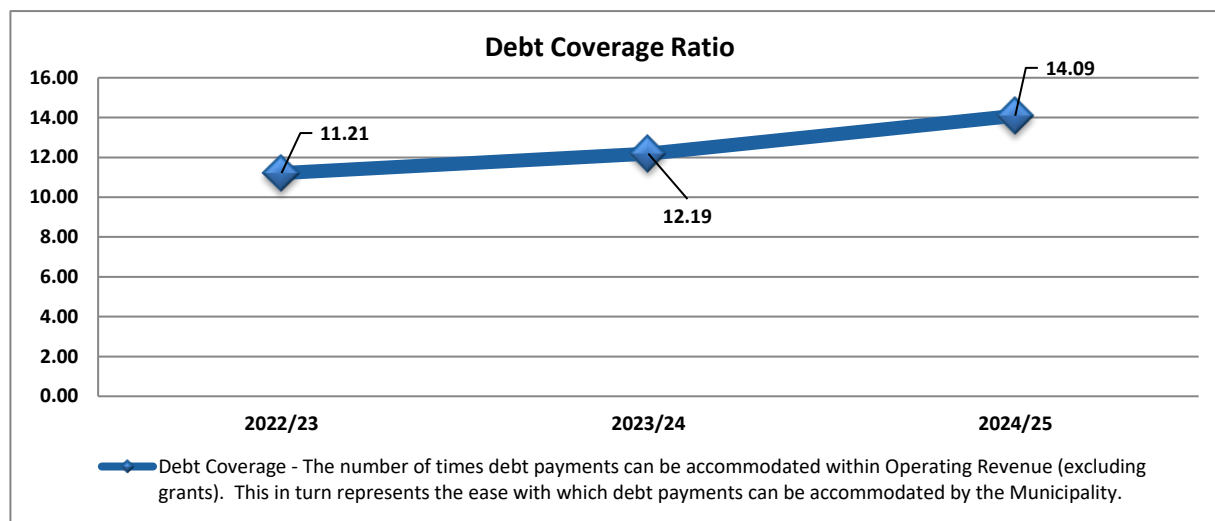
Graph 11: Outstanding Service Debtors to Revenue Ratio



5.6.4 Debt Coverage Ratio

This ratio shows an increase from 12.19 at the end of the 2023/24 financial year to 14.09 at the end of the 2024/25 financial year. This is due to the decrease in the outstanding borrowings and the fact that no new borrowings have been taken up.

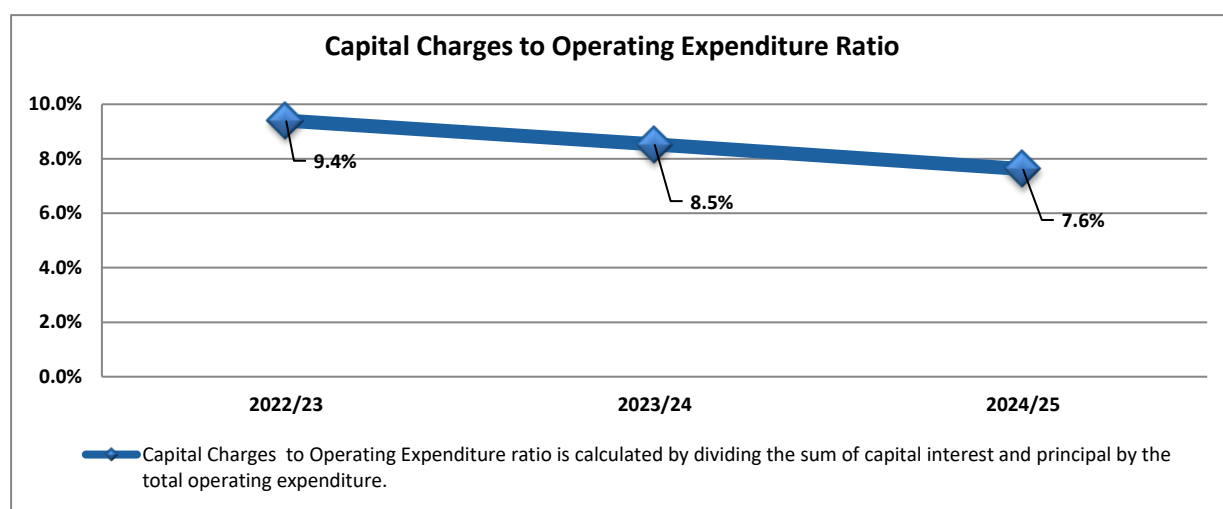
Graph 12: Debt Coverage Ratio



5.6.5 Capital Charges to Operating Expenditure Ratio

This ratio indicates the percentage that capital charges (interest and redemption on external borrowings) make out of the total operating expenditure. This is an indication of how geared the organisation is. The ratio has decreased from 8.5% in 2023/24 to 7.6% in 2024/25.

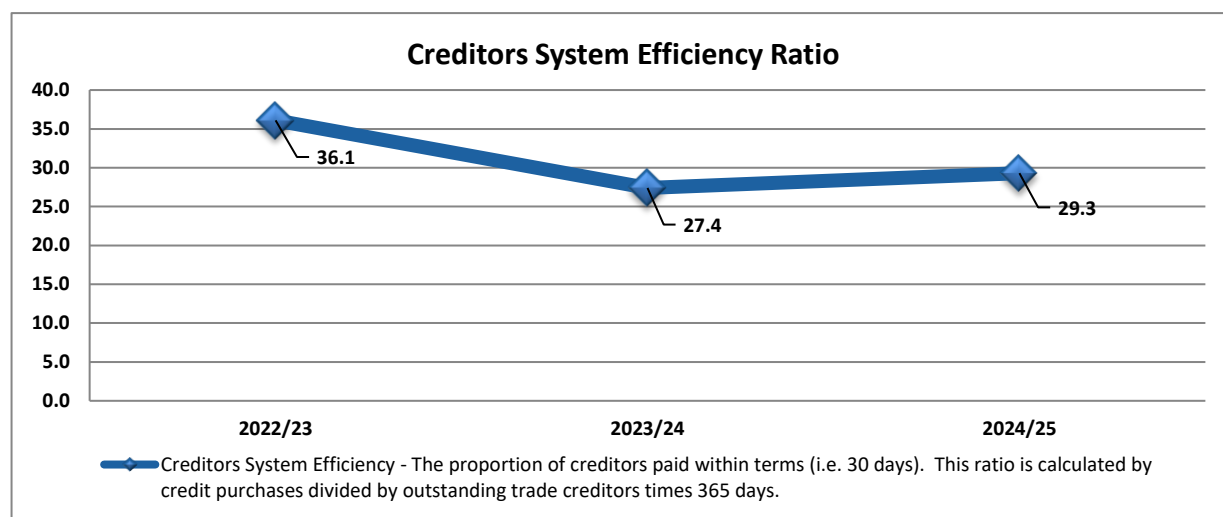
Graph 13: Capital Charges to Operating Expenditure Ratio



5.6.6 Creditors System Efficiency Ratio

The creditors' payment period has decreased from 36.1 days in 2022/23 to 27.4 days in the 2023/24 and increased to 29.3 days in the 2024/25 financial year, which is below the norm of 30 days..

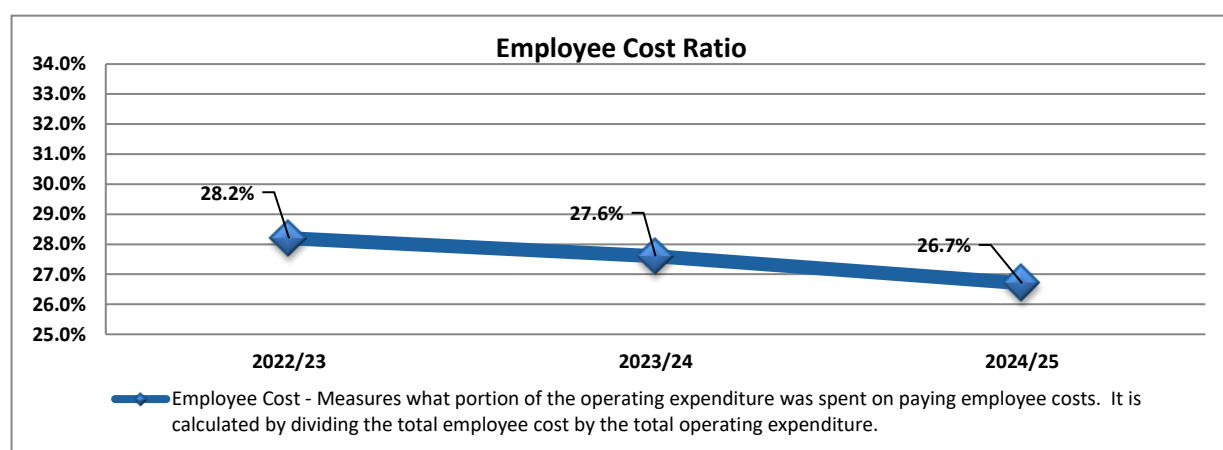
Graph 14: Creditors System Efficiency Ratio



5.6.7 Employee Cost Ratio

This ratio represents the percentage employee cost (including councillor remuneration) compared to the total expenditure of Council. This ratio has increased during the year under review due to higher than inflation increases. The ratio for 2024/25 26.7% is well within the norm of 25% to 40% of the industry.

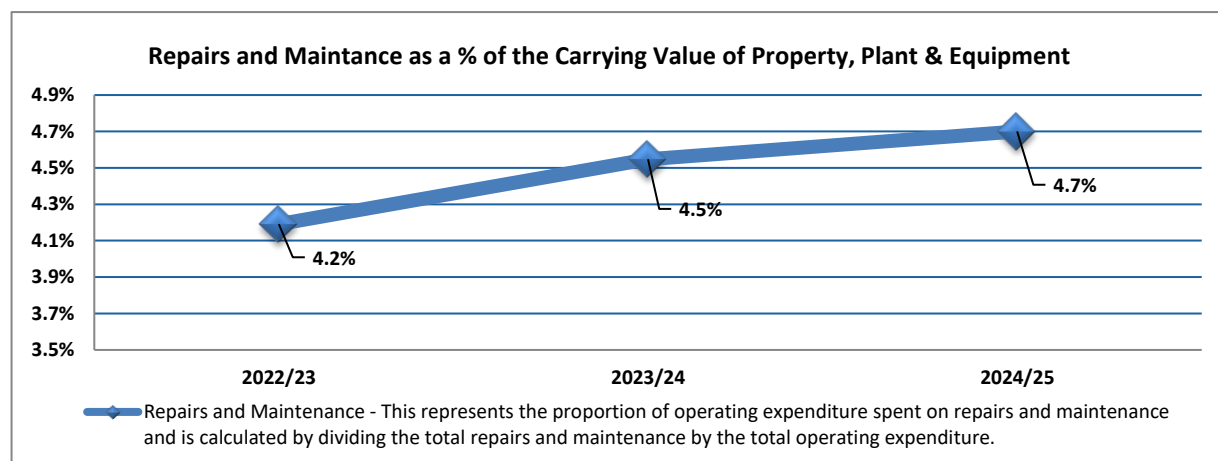
Graph 15: Employee Cost Ratio



5.6.8 Repairs and Maintenance as a Percentage (%) of the Carrying Value of Property, Plant and Equipment

Repairs and maintenance as a percentage (%) of the carrying value of property, plant and equipment increased from 4.5% in 2023/24 to 4.7% in the 2024/25 year. This is still well below the unreachable norm of 8% set by National Treasury for a municipality investing heavily in new and replacement infrastructure.

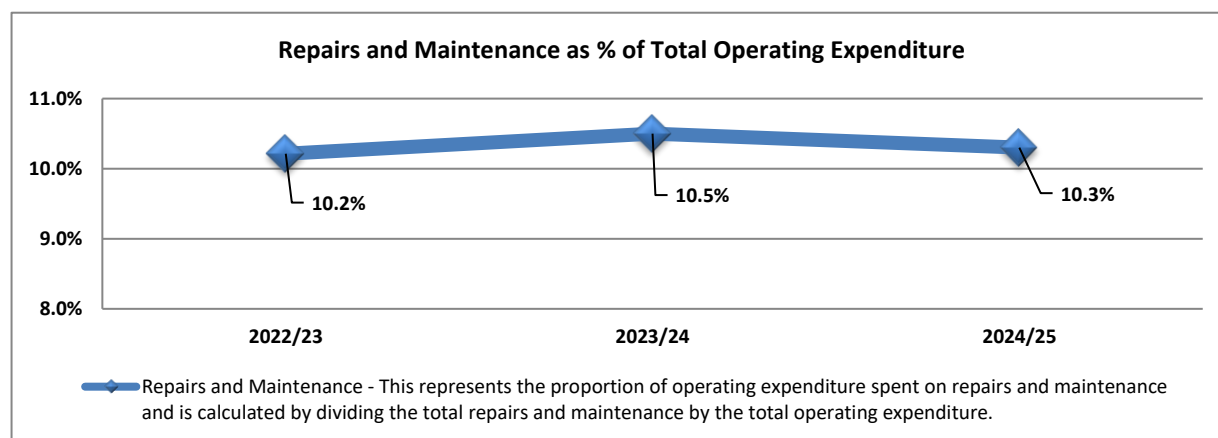
Graph 16: Repairs and Maintenance as a % of the Carrying Value of Property, Plant & Equipment



5.6.9 Repairs and Maintenance Ratio as a % of Total Operating Expenditure

The percentage amount of repairs and maintenance decreased from 10.5% in 2023/24 to 10.3% in 2024/25. This is above and better than the norm of 10% of the National Treasury. This clearly indicates that the norm of 8% in paragraph 5.6.8 above is not realistic.

Graph 17: Repairs and Maintenance as a % of Total Operating Expenditure



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.7 INTRODUCTION

As depicted in the report, R575.0 million or 98.52% of the final capital adjustments budget amount of R583.6 million was spent during the year under review. More information on the type of infrastructure spent will now be discussed below.

5.8 CAPITAL EXPENDITURE

The following three tables depict the information on capital spent on basic services, social services and operational services.

5.8.1 Capital Expenditure on Basic Services Infrastructure

An amount of R497.0 million was invested in basic services infrastructure (electricity, water, waste water, refuse, roads and stormwater) which represents 98.0% of the R507.2 million allocated for basic services infrastructure in the final adjustments budget.

Table 189: Capital Expenditure 2024/25: Basic Services Infrastructure

Capital Expenditure 2024/25: Basic Services Infrastructure							
Serial No.	Capital Project Description	Actual 2023/24	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & E	% Variance Column D & E
Column Ref.	A	B	C	D	E	F	G
1	Basic Services and Road Infrastructure	427,511,759	708,178,730	507,226,721	496,915,234	29.8%	2.0%
2	Total Capital Expenditure	427,511,759	708,178,730	507,226,721	496,915,234	29.8%	2.0%

5.8.2 Capital Expenditure on Social Infrastructure

An amount of R12.8 million was invested in social infrastructure which represents 96.0% of the R13.3 million allocated for social infrastructure in the final adjustments budget.

Table 190: Capital Expenditure 2024/25: Social and Economical Infrastructure

Capital Expenditure 2024/25: Social and Economical Infrastructure							
Serial No.	Capital Project Description	Actual 2023/24	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & E	% Variance Column D & E
Column Ref.	A	B	C	D	E	F	G
1	Social and Economical Infrastructure	5,825,031	15,750,000	13,284,469	12,750,438	19.0%	4.0%
2	Total Capital Expenditure	5,825,031	15,750,000	13,284,469	12,750,438	19.0%	4.0%

5.8.3 Capital Expenditure on Operational Infrastructure

An amount of R65.3 million was invested in operational infrastructure which represents 103.5% of the R63.1 million allocated for operational infrastructure in the final adjustments budget.

Table 191: Capital Expenditure 2024/25: Operational Infrastructure

Capital Expenditure 2024/25:Operational Infrastructure							
Serial No.	Capital Project Description	Actual 2023/24	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & E	% Variance Column D & E
Column Ref.	A	B	C	D	E	F	G
1	Operational Infrastructure	54,379,061	42,296,744	63,074,825	65,309,512	-54.4%	-3.5%
2	Total Capital Expenditure	54,379,061	42,296,744	63,074,825	65,309,512	-54.4%	-3.5%

5.9 CAPITAL EXPENDITURE SOURCES OF FINANCE

The funding sources of capital expenditure are depicted in the table below.

Table 192: Capital Expenditure - Funding Sources 2024/25

Capital Expenditure – Funding Sources 2024/25							
Serial No.	Details	2023/24	2024/25				R '000
		Actual	Original Budget (OB)	Adjustments Budget	Actual	Adjustments to OB Variance %	Actual to AB Variance (%)
Column Ref.	A	B	C	D	E	F	G
1	Source of finance						
2	External loans	0	0	0	0	0.00%	0.00%
3	Public contributions and donations	0	0	0	0	0.00%	0.00%
4	Grants and subsidies	401,278,924	664,439,130	473,229,630	462,498,803	28.78%	2.27%
5	Other	86,436,928	101,786,344	110,356,385	112,476,381	-8.42%	-1.92%
6	Total	487,715,852	766,225,474	583,586,015	574,975,185	23.84%	1.48%
7	Percentage of finance						
8	External loans	0%	0%	0%	0%	0%	0.00%
9	Public contributions and donations	0%	0%	0%	0%	0%	0.00%
10	Grants and subsidies	82%	87%	81%	80%	6%	0.80%
11	Other	18%	13%	19%	20%	-42%	-3.45%
12	Capital expenditure						
13	Water and sanitation	288,587,873	547,391,666	352,601,649	352,601,640	35.59%	0.00%
14	Electricity	76,886,555	35,761,884	68,078,743	68,078,699	-90.37%	0.00%
15	Housing	34,788,085	64,000,000	11,923,818	4,285,437	81.37%	64.06%
16	Roads and storm-water	32,099,190	63,165,580	78,479,772	78,469,373	-24.24%	0.01%
17	Other	55,354,150	55,906,344	72,502,033	71,540,036	-29.68%	1.33%
18	Total	487,715,852	766,225,474	583,586,015	574,975,185	23.84%	1.48%
19	Percentage of expenditure						
20	Water and sanitation	59%	71%	60%	61%	15%	-1%
21	Electricity	16%	5%	12%	12%	-150%	-1%
22	Housing	7%	8%	2%	1%	76%	64%
23	Roads and storm-water	7%	8%	13%	14%	-63%	-1%
24	Other	11%	7%	12%	12%	-70%	0%

5.9.1 Grants

Grants, as depicted in the table above, amounted to R462.5 million or 80.4% of the total capital expenditure of R575.0 million for the year under review. This is more than the R401.3 million or 82.3% of the total capital expenditure of R487.7 million for the 2023/24 financial year.

5.9.2 Own Revenue from CRR

Own revenue, as depicted in the table above, amounted to R112.5 million or 19.6% of the total capital expenditure of R575.0 million for the year under review. This is more than the R86.4 million or 17.7% of the total capital expenditure of R487.7 million for the 2023/24 financial year.

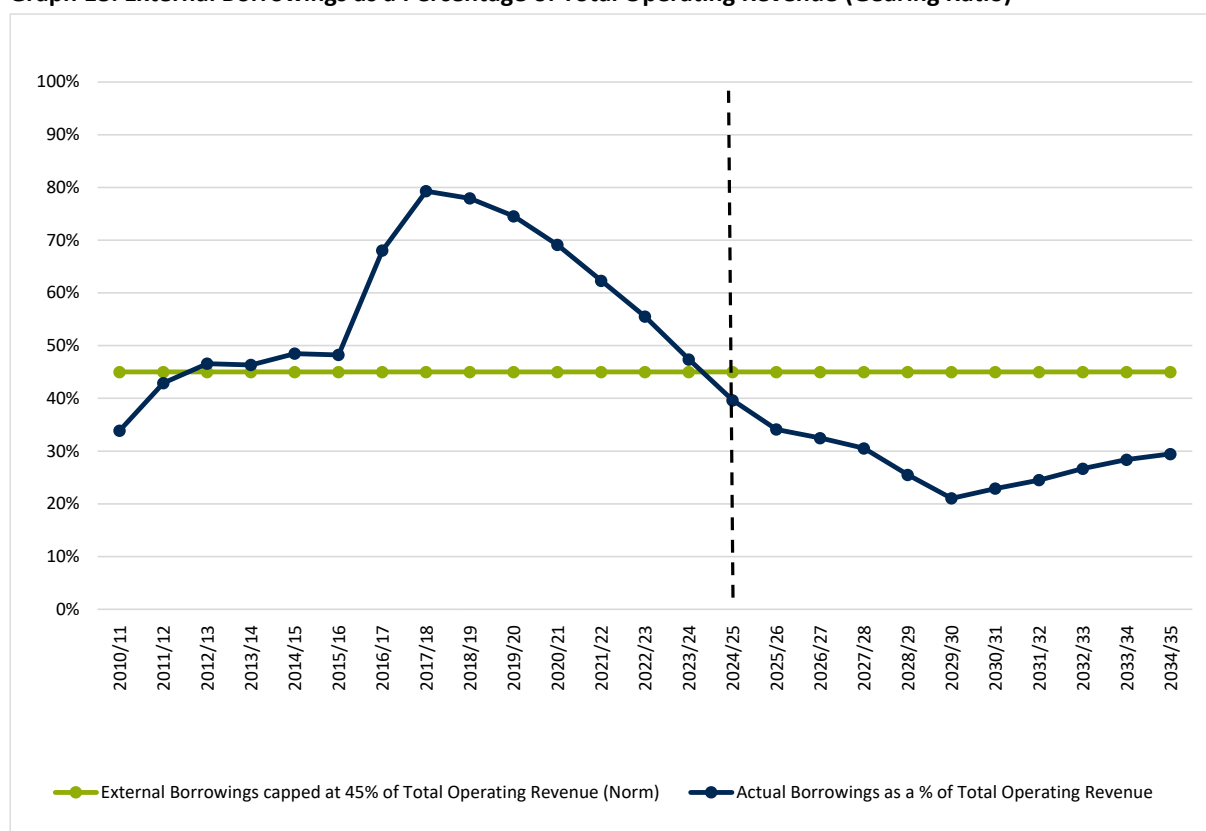
5.9.3 External Borrowings

No capital expenditure was funded from external borrowings, as no new loans were taken up.

5.9.3.1 Gearing Ratio

The gearing ratio stood at 39.6% at year-end as depicted in the graph below. This is based on total revenue excluding conditional capital and operating expenditure grants. It is estimated that the gearing ratio will decrease to 34.1% (2025/26) 32.5% (2026/27), 30.5% (2027/28), 25.5% (2028/29) and 21.0% (2029/30) as depicted Graph 18 below. This will result that the gearing ratio decrease to below the National Treasury norm of 45% and within the 50% norm of Council's External Borrowing Policy by 2024/25.

Graph 18: External Borrowings as a Percentage of Total Operating Revenue (Gearing Ratio)



5.10 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Table 193: Capital Spending of Five Largest Capital Projects

Capital Expenditure of Five Largest Projects						
Serial No.	Name of project	Current year			% Variance year	
		Original Budget	Adjustments Budget	Actual Expenditure	Original Variance	Adjustments Variance
Column Ref.	A	B	C	D	E	F
1	Rehab & Upgrade of Paarl WWTW	481,939,130	286,981,954	286,981,954	40.45%	0.00%
2	Southern Paarl Bulk Sewer	39,800,000	39,105,002	39,105,000	1.75%	0.00%
3	Drommedaris Neighbourhood Grant	26,086,957	32,462,108	32,462,108	-24.44%	0.00%
4	New Connection BICL's	8,000,000	32,400,000	31,164,933	-289.56%	3.81%
5	Fleet Annual Supplement Programme	5,682,876	20,239,579	20,453,783	-259.92%	-1.06%

5.11 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS

The Engineering Services Department render the core of basic services to the community. The Department is responsible for the supply of water, waste water, electricity and waste management services to the community.

5.11.1 Service Backlogs

The basic services backlogs are depicted in the table below. Drakenstein Municipality supplies basic water, waste water and waste management services to all its residents within the urban areas. Electricity is supplied to all Drakenstein's residents by the Municipality and Eskom together. Some estates are supplied with a bulk electricity connection and the homeowners associations do their own internal electricity reticulation.

About 4,856 structures in the informal settlements do not have access to electricity.

Table 194: Basic Services Backlogs as at 30 June 2025

Service Backlogs as at 30 June 2025					
Households (HHs)					
Serial No.	Basic Service	Service Level Above Minimum Standard		Service Level Below Minimum Standard	
		No. of HHs	% of HHs	No. of HHs	% of HHs
Column Ref.	A	B	C	D	E
1	Water	84,948	99.7%	*297	0.3%
2	Waste Water	81,936	96.1%	*3,309	3.9%
3	Electricity	48,007	90.8%	**4,856	9.2%
4	Waste Management	55,206	100%	0	0.0%
*Include farms which do not form part of the municipal water reticulation system.					
**Structures in informal settlements with no access to electricity.					

5.11.2 IUDG Expenditure on Service Backlogs

The IUDG allocations of R59.6 million (VAT inclusive) were spent as depicted in the table below.

Table 195: Integrated Urban Development Grant (IUDG) Expenditure on 2024/25 Service Backlogs

Integrated Urban Development Grant (IUDG) * Expenditure 2024/2025 on Service Backlogs							
Serial No.	Details	Original Budget	Adjustment Budget	Actual	Positive/ (Negative) % Variance		Major conditions applied by donor (continue below if necessary)
					Original Budget	Adjustment Budget	
Column Ref.	A	B	C	D	E	F	G
1	Infrastructure – Road transport	29,488,154	29,488,154	29,488,154	100.00%	100.00%	N/A
2	Roads, pavements and bridges	21,946,007	21,946,007	21,946,007	100.00%	100.00%	N/A
3	Storm water	7,542,147	7,542,147	7,542,147	100.00%	100.00%	N/A
4	Infrastructure – Electricity	508,145	508,145	508,145	100.00%	100.00%	N/A
5	Generation	0	0	0	0.00%	0.00%	N/A
6	Transmission and Reticulation	0	0	0	0.00%	0.00%	N/A
7	Street lighting	508,145	508,145	508,145	0.00%	0.00%	N/A
8	Infrastructure – Water	12,996,711	12,996,711	12,996,711	100.00%	100.00%	N/A
9	Dams and Reservoirs	0	0	0	0.00%	0.00%	N/A
10	Water purifications	0	0	0	0.00%	0.00%	N/A
11	Reticulation	12,996,711	12,996,711	12,996,711	100.00%	100.00%	N/A
12	Infrastructure – Sanitation	10,776,592	10,776,592	10,776,592	100.00%	100.00%	N/A
13	Reticulation	10,776,592	10,776,592	10,776,592	100.00%	100.00%	N/A
14	Sewerage purification	0	0	0	0.00%	0.00%	N/A
15	Infrastructure – Other	5,835,615	5,835,615	5,835,615	100.00%	100.00%	N/A
16	Waste Management	5,835,615	5,835,615	5,835,615	100.00%	100.00%	N/A
17	Transportation	0	0	0	0.00%	0.00%	N/A
18	Gas	0	0	0	0.00%	0.00%	N/A
19	Other specify	0	0	0	0.00%	0.00%	N/A
20	Traffic Lights (Drakenstein)	0	0	0	0.00%	0.00%	N/A
21	Total	59,605,217	59,605,217	59,605,217	100.00%	100.00%	N/A

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

5.12 INTRODUCTION

Cash flow is of vital importance to the health of a municipality. The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) requires that a municipality must establish an appropriate and effective cash management and investment policy. Under this policy framework, the municipality must:

- Conduct its cash management and investments; and
- Invest surplus cash that is not immediately required for expenditure purposes. This surplus could include income from rates and services, rents, fines, grants, subsidies, levies and interest earned on investments.

Investments are placed with top creditworthy institutions as rated by nationally recognised credit rating agencies.

The Department reports regularly to the Executive Mayor, the Finance Portfolio Committee, the Auditor-General, the National Treasury and Provincial Treasury in order to assess the performance of the investment portfolio and to ensure that the investments comply with policy objectives, guidelines, applicable laws and regulations.

5.13 CASH FLOW

Cash received from debtors has increased from the previous year, indicating an effective implementation of the Debtors' Policy. The cash available has overall increased due to the better cash management and planning.

Table 196: Cash Flow Outcomes

Cash Flow Outcomes					
Serial No.	Description	2023/24	Current Year 2024/25		
		Audited Outcome	Original Budget	Final Budget	Actual Outcome
		R	R	R	R
Column Ref.	A	B	C	D	E
1	Cash Flow from operating activities				
2	Net cash from (used) operating activities	849,378,621	890,955,380	734,519,277	1,081,794,908
3	Cash flow from investing activities				
4	Net cash from (used) investing activities	(519,991,649)	(763,225,474)	(580,586,015)	(665,313,091)
5	Cash flow from financing activities				
6	Net cash from (used) financing activities	(77,151,583)	(90,824,744)	(90,824,744)	(85,054,768)
7	Net increase/(Decrease) in cash held	252,235,389	36,905,162	63,108,518	331,427,049
8	Cash/cash equivalents at the beginning of the year	445,270,430	697,505,819	697,505,819	697,505,819
9	Cash/cash equivalents at the end of the year	697,505,819	734,410,981	760,614,337	1,028,932,868

5.14 BORROWINGS

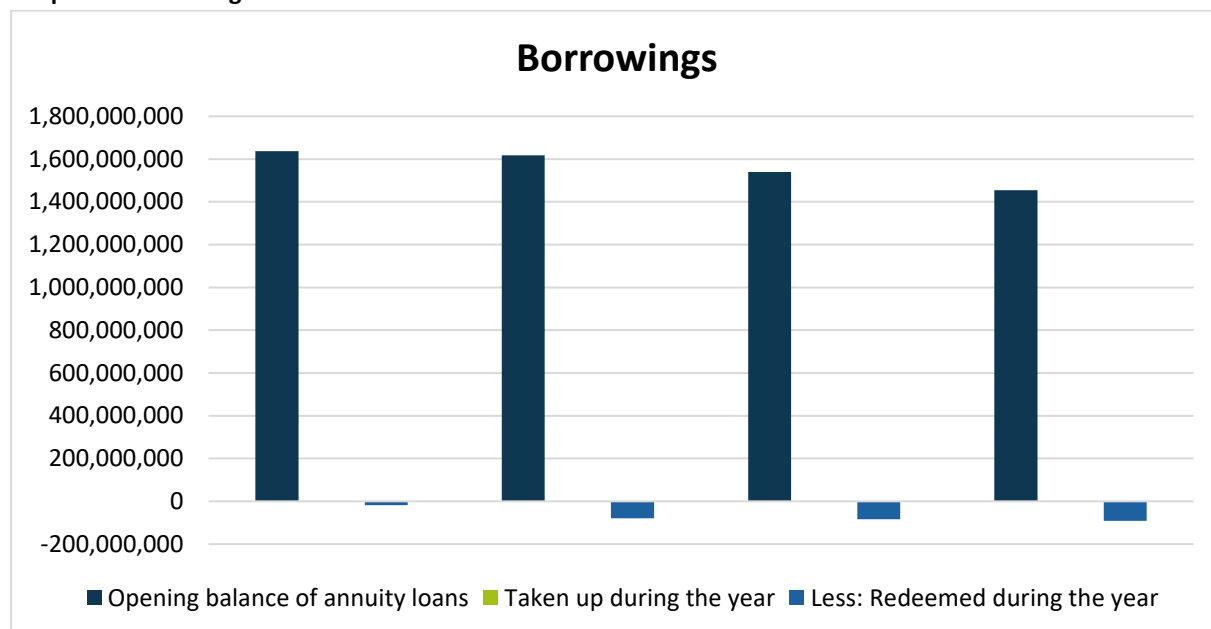
The application of the Municipality's Investment Policy aims to gain the optimal return on investments, without incurring undue risks, during those periods when cash revenue is not needed for capital or operational purposes, whereas the Borrowing Policy aims to gain the lowest interest rate on external borrowings.

During the year, R90.8 million of principle debt was repaid.

Table 197: Actual Borrowings

Actual Borrowings as at 30 June 2025					
Serial No.	Annuity Loans	2021/22	2022/23	2023/24	2024/25
Column Ref.	A	B	C	D	E
1	Opening balance of annuity loans	1,636,956,882	1,618,401,012	1,539,712,710	1,455,252,441
2	Taken up during the year	0	0	0	0
3	Less: Redeemed during the year	(18,555,870)	(78,688,302)	(84,460,269)	(90,824,744)
4	Closing Balance of Annuity Loans	1,618,401,012	1,539,712,710	1,455,252,441	1,364,427,697

Graph 19: Borrowings



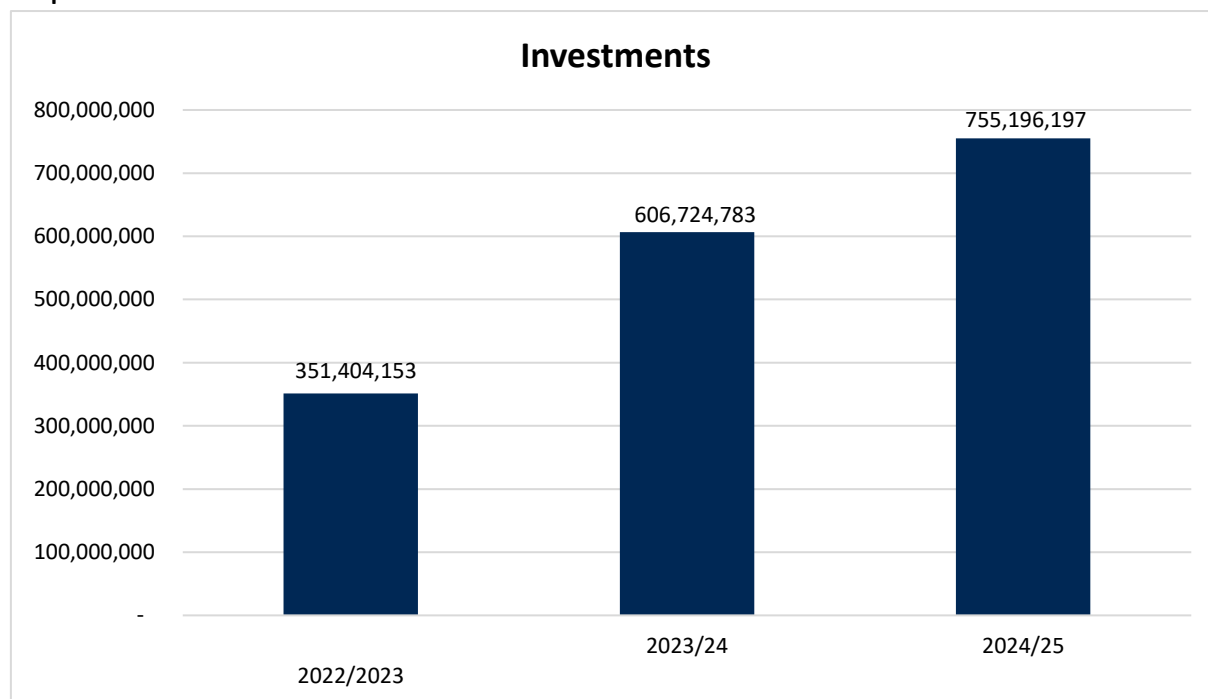
5.15 INVESTMENTS

Investments have increased since the previous financial year in line with the measures as set out for financial recovery in the Long Term Financial Plan. The bank deposits for 2024/25 were made up of call deposits to the value of R755.2 million, whilst the bank deposits for 2023/24 were made up of call deposits to the value of R606.7 million.

Table 198: Municipal and Entity Investments

Municipal and Entity Investments					
Serial No.	Instrument	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Actual
Column Ref.	A	B	C	D	E
1	Securities – National government	-	-	-	-
2	Listed Corporate Bonds	-	-	-	-
3	Deposits – Bank	209,942,000	351,404,153	606,724,783	755,196,197
4	Deposits – Public Investment Commissioners	-	-	-	-
5	Deposits – Corporation for Public Deposits	-	-	-	-
6	Bankers Acceptance Certificates	-	-	-	-
7	Negotiable Certificates of Deposit – Banks	-	-	-	-
8	Guaranteed Endowment Policies (sinking)	-	-	-	-
9	Repurchase Agreements – Banks	-	-	-	-
10	Municipal Bonds	-	-	-	-
11	Other	-	-	-	-
12	Municipality sub-total	209,942,000	351,404,153	606,724,783	755,196,197

Graph 20: Investments



5.16 PUBLIC PRIVATE PARTNERSHIPS

There were no public private partnerships during 2022/23.

COMPONENT D: OTHER FINANCIAL MATTERS

5.17 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Division consists out of the following sections which covers all elements as required by the Municipal Supply Chain Management Regulations.

5.17.1 Acquisitions

This section deals with procurements up to a value of R300,000 (VAT included).

5.17.2 SCM Compliance

This section deals with the compliance to SCM processes, reporting on SCM actions as required by legislation as well as assessing risk areas within the SCM environment.

5.17.3 Tender Evaluations and Contract Management

This section deals with procurements above the value of R300,000 (VAT included). It furthermore deals with contract management and implementation in conjunction with user departments.

5.17.4 Logistics and Disposal Management

This section deals with the management of the Main Stores as well as the disposal of movable assets.

5.17.5 Tender Committee Administration

This section deals with the administrative processes and logistical support associated with the bid committees.

5.18 GRAP COMPLIANCE

The Municipality has fully implemented the Standards of GRAP (Generally Recognised Accounting Practice) in accordance with the MFMA and Directive 5 issued by the Accounting Standards Board (ASB) and did not deviate from any standard.

Table 199: GRAP Compliance List

GRAP Compliance List		
Serial No	Reference	Topic
Column Ref.	A	B
1	GRAP Framework	Framework for the preparation and presentation of financial statements
2	GRAP 1	Presentation of Financial Statements
3	GRAP 2	Cash Flow Statements
4	GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
5	GRAP 4	The Effects of Changes in Foreign Exchange Rates
6	GRAP 5	Borrowing Costs
7	GRAP 6	Consolidated and Separate Financial Statements
8	GRAP 7	Investment in Associates
9	GRAP 8	Investment in Joint Ventures
10	GRAP 9	Revenue from Exchange Transactions
11	GRAP 10	Financial Reporting in Hyperinflationary Economies
12	GRAP 11	Construction Contracts
13	GRAP 12	Inventories
14	GRAP 13	Leases
15	GRAP 14	Events After the Reporting Date
16	GRAP 16	Investment Property
17	GRAP 17	Property, Plant and Equipment
18	GRAP 18	Segment Reporting
19	GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
20	GRAP 20	Related Party Disclosures (Revised)
21	GRAP 21	Impairment of Non-cash-generating Assets
22	GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
23	GRAP 24	Presentation of Budget Information in Financial Statements
24	GRAP 25	Employee Benefits
25	GRAP 26	Impairment of Cash-generating Assets
26	GRAP 27	Agriculture
27	GRAP 31	Intangible Assets
28	GRAP 32	Service Concession Arrangements: Grantor
29	GRAP 100	Discontinued Operations
30	GRAP 103	Heritage Assets
31	GRAP 104 (Revised)	Financial Instruments
32	GRAP 108	Statutory Receivables
33	GRAP 109	Accounting by Principals and Agents
34	GRAP 110	Living and Non-living Resources
35	IFRS 4	Insurance contracts
36	IAS 12	Income taxes
37	IGRAP 1	Applying The Probability Test On Initial Recognition Of Revenue
38	IGRAP 2	Changes in Existing Decommissioning Restoration and Similar Liabilities
39	IGRAP 3	Determining Whether an Arrangement Contains a Lease
40	IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
41	IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
42	IGRAP 6	Loyalty Programmes
43	IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
44	IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
45	IGRAP 9	Distributions of Non-cash Assets to Owners
46	IGRAP 10	Assets Received from Customers
47	IGRAP 11	Consolidation – Special Purpose Entities
48	IGRAP 12	Jointly Controlled Entities – Non-Monetary Contributions
49	IGRAP 13	Operating Leases – Incentives
50	IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
51	IGRAP 15	Revenue – Barter Transactions Involving Advertising Services
52	IGRAP 16	Intangible Assets – Website Costs
53	IGRAP 17	Service Concession Arrangements where Grantor Controls Significant Residual Interest
54	IGRAP 18	Recognition and Derecognition of Land
55	IGRAP 19	Liabilities to Pay Levies
56	IGRAP 20	Accounting for Adjustments to Revenue
57	IGRAP 21	The Effect of Past Decisions on Materiality
58	IFRIC 12	Service Concession Arrangements
59	SIC 25	Income Taxes – Changes in the status of an enterprise or its shareholders
60	SIC 29	Disclosure Service Concession
61	Directive 1	Deletion of Transitional Provisions in Standards of GRAP
62	Directive 3	Amended Transitional Provisions for High Capacity Municipalities
63	Directive 5	GRAP Reporting Framework
64	Directive 7	The Application of Deemed Cost
65	Directive 11	Changes in Measurement Bases following Initial Adoption of Standards of GRAP
66	ASB Guide	Accounting for Arrangements Undertaken i.t.o the National Housing Programme
67	ASB Guide	Accounting for Landfill Sites
68	ASB Guide	The Application of Materiality to Financial Statements

The adoption of the standards and interpretation above did not have a significant impact on the financial position, financial performance or cash flows of the Municipality.

6. AUDITOR-GENERAL AUDIT FINDINGS

The Annual Financial Statements as set out in Volume IV and the Annual Performance Report as set out in Volume V was submitted to the Auditor-General on 31 August 2025. The Auditor-General performed their audit during the months of September 2025 to November 2025 and submitted their Auditor-General's Report (attached hereto as Volume I) as required by Section 126(3) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) to the Municipality on 30 November 2025.

COMPONENT A: AUDITOR-GENERAL OPINION ON 2024/25 FINANCIAL YEAR

6.1 AUDITOR-GENERAL REPORT FOR 2024/25

In the tables below the Auditor-General's opinion on the 2024/25 annual financial statements and other legal and regulatory matters are discussed.

6.1.1 Auditor-General report on the 2024/25 financial statements

Drakenstein Municipality for the 2024/25 annual financial statements received an unqualified audit opinion. No material findings on the annual financial statements were received.

Table 200: Auditor-General Report on 2024/25 Financial Statements

Auditor-General Report on 2024/25 Financial Statements	
Description	Opinion
Audit report status	Unqualified audit opinion
Material non-compliance issues	Remedial action taken
None	Not applicable

6.1.2 Auditor-General report on other legal and regulatory matters

No material findings was identified on the audit of pre-determined objectives or compliance with legislation.

Table 201: Auditor-General Report on 2024/25 Other Matters

Auditor-General Report on 2024/25 Other Matters	
Description	Conclusion
Annual Performance Report	No material findings
Compliance with Legislation	No material findings

6.1.2.1 *Predetermined objectives*

Drakenstein Municipality received no material findings on the audit of pre-determined objectives as reported in the Annual Performance Report attached as Volume V to the Annual Report.

6.1.2.2 *Compliance with legislation*

Drakenstein Municipality received no material findings on compliance with key legislation as set out in the audit report (pages 343 and 344).

6.1.2.3 *Internal control*

The Auditor-General did not identify any significant deficiencies in internal control.

6.2 CONCLUDING COMMENT

The Auditor-General therefore gave Drakenstein Municipality an unqualified audit opinion with no material findings on pre-determined objective or compliance with key legislation.

COMPONENT B: AUDITOR-GENERAL OPINION FOR 2023/24 FINANCIAL YEAR

6.3 AUDITOR-GENERAL REPORT FOR 2023/24

In the tables below the Auditor-General's opinion on the 2023/24 annual financial statements and other legal and regulatory matters are discussed.

6.3.1 Auditor-General report on the 2023/24 financial statements

Drakenstein Municipality for the 2023/24 annual financial statements received an unqualified audit opinion. No material non-compliance issues on the annual financial statements were received.

Table 202: Auditor-General Report on 2023/24 Financial Statements

Auditor-General Report on 2023/24 Financial Statements	
Description	Opinion
Audit report status	Unqualified audit opinion
Material non-compliance issues	Remedial action taken
None	Not applicable

6.3.2 Auditor-General report on other legal and regulatory matters

No material findings was identified on the audit of pre-determined objectives or compliance with legislation.

Table 203: Auditor-General Report on 2023/24 Other Matters

Auditor-General Report on 2023/24 Other Matters	
Description	Conclusion
Annual Performance Report	No material findings
Compliance with Legislation	No material findings

6.3.2.1 *Predetermined objectives*

Drakenstein Municipality received no material findings on the audit of pre-determined objectives as reported in the Annual Performance Report attached as Volume V to the Annual Report.

6.3.2.2 *Compliance with legislation*

Drakenstein Municipality received no material findings on compliance with key legislation as set out in the general notice issued in terms of the PAA.

6.3.2.3 *Internal control*

The Auditor-General did not identify any significant deficiencies in internal control.

6.4 CONCLUDING COMMENT

The Auditor-General therefore gave Drakenstein Municipality an unqualified audit opinion with no material findings on pre-determined objective or compliance with key legislation.

7. ANNEXURES

ANNEXURE A: COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Table 204: Councillors, Committees allocated and Council attendance (1 July 2024-30 June 2025)

Councillors, Committees allocated and Council attendance							
Serial No.	Council members	Full-time	Part-time	Committees allocated	*Ward and/or party represented	Percentage Council Meetings attended	Percentage apologies for non-attendance
Column Ref.	A	B	C	D	E	%	%
1	Adams, Jaydine Henriette		√	Financial Services	Proportional	63	83
2	Adams, Noel David (Replaced L Landu as from 17/2/2025)		√	MPAC	Proportional	100	n/a
3	America, Derrick	√		Corporate and Governance Planning and Development LLF Training and Development	Proportional	94	100
4	Adriaanse, Miriam Maria		√	Planning and Development	Ward 24	100	n/a
5	Anderson, Joan Veronica		√	Planning and Development	Ward 26	75	100
6	Andreas, Margaretha Aletta	√		Corporate and Governance LLF	Proportional	100	n/a
7	Appollis, Avron Marchius Beres	√		Community Services Public Safety	Ward 29	100	n/a
8	Arendse, Lorenzo Clive	√		Engineering Services Financial Services	Ward 33	100	n/a
9	Arnolds, Ruth Belldine		√	Public Safety	Ward 7	81	100
10	Baron, Elizabeth	√		Corporate and Governance Planning and Development Community Services	Ward 18	88	100
11	Bester, Theunis Gerhardus		√	Engineering Services	Ward 19	94	100
12	Bolani, Luvuyo		√	Planning and Development	Ward 9	88	100
13	Booyesen, Vanessa Charmaine (passed away on 10 May 2025)		√	Community Services**	Ward 27	96	100
14	Carollissen, Doreen		√	Planning and Development	Proportional	81	100
15	Combrink, (Van Rooyen), Annelize		√	Community Services	Ward 3	100	n/a

Councillors, Committees allocated and Council attendance							
Serial No.	Council members	Full-time	Part-time	Committees allocated	*Ward and/or party represented	Percentage Council Meetings attended %	Percentage apologies for non-attendance %
Column Ref.	A	B	C	D	E	F	G
16	Combrink, Gert Cornelius	√		Financial Services	Proportional	100	n/a
17	Cupido, Felix Patric		√	Public Safety	Ward 22	100	n/a
18	Cupido, Jovan-Re Warnick		√	Financial Services	Proportional	88	100
19	Cupido Patricia Beverly Ann		√	Corporate and Governance	Ward 20	100	n/a
20	Cyster, Lorraine	√		Community Services Public Safety	Ward 17	100	n/a
21	De Kock, John		√	Financial Services	Proportional	94	100
22	Du Plessis, Adriaan Johannes		√	Engineering Services	Proportional	88	100
23	Duba, Bongiwe Primrose		√	Public Safety	Proportional	75	100
24	De Waal, Charlse		√	Community Services	Proportional	94	0
25	Fourie, Andrew		√	Planning and Development	Proportional	94	100
26	Ganandana, Sangolomzi		√	Engineering Services	Ward 32	100	n/a
27	Gertse, Keagan Je-Ron		√	Public Safety	Proportional	94	100
28	Godongwana, Ntombovuyo		√	Engineering Services	Ward 8	88	100
29	Gouws, Eva		√	Community Services	Ward 21	100	n/a
30	Gravel, Sindile		√	Engineering Services	Proportional	88	50
31	Jacobs, Bazil		√	Engineering Services Financial Services	Proportional	94	100
32	Jacobs, Catherine Maria		√	MPAC	Ward 31	88	100
33	Jacobs, Frances		√	Financial Services	Proportional	94	100
34	Jooste, Merencia, Charlotte, Charmain (Replaced Kulsen, Gavin on 2 August 2024)		√	Community Services	Proportional	93	100
35	Kearns, Christephine	√		Chief Whip	Ward 10	100	n/a
36	Klaaste (Davids), Claire Olivia		√	Public Safety	Proportional	75	100
37	Koegelenberg, Renier Adriaan	√		Engineering Services LLF	Proportional	100	n/a
38	Korabie, Stephen	√		Executive Mayor	Proportional	94	100
39	Kroutz, Calvin		√	Engineering Services	Ward 1	94	100
40	Kulsen, Gavin (left on 11 July 2024 and replaced by Jooste, Merencia, Charlotte, Charmain)		√	Engineering Services***	Proportional	n/a	n/a

Councillors, Committees allocated and Council attendance							
Serial No.	Council members	Full-time	Part-time	Committees allocated	*Ward and/or party represented	Percentage Council Meetings attended %	Percentage apologies for non-attendance %
Column Ref.	A	B	C	D	E	F	G
41	Landsberg, Stephan		√	Public Safety	Proportional	94	100
42	Landu, Linda (Resigned on 10 February 2025 and (Replaced by Adams, Noel David		√	Corporate and Governance****	Proportional	67	100
43	Le Roux, Jacobus Francois	√		Speaker	Proportional	100	n/a
44	Liebenberg, Stephanus, Johannes		√	MPAC	Ward 15	50	100
45	Mangena, Tembekile Christopher		√	Corporate and Governance	Proportional	81	100
46	Matthee, Leandra Chamaney		√	Corporate and Governance	Proportional	69	60
47	Miller, Johan	√		Corporate and Governance Planning and Development	Ward 4	88	100
48	Mooi, Thobani Patrick		√	Financial Services Community Services	Ward 5	88	100
49	Nell, Rodney Heinrich		√	MPAC	Proportional	94	100
50	Nongogo, Nothulu		√	Planning and Development	Ward 6	94	100
51	Richards, Abdul Moutie		√	MPAC	Proportional	100	n/a
52	Ross, Soudah		√	Public Safety	Ward 13	81	100
53	Sambokwe, Ludia Sindiswa		√	MPAC	Ward 12	94	100
54	Sauerman, Nicolaas Daniël		√	Engineering Services	Ward 2	100	n/a
55	September, Jerome Alex		√	MPAC	Proportional	88	100
56	Smit, Johannes		√	Planning and Development	Ward 30	56	100
57	Solomons, Elizabeth Aletta	√		Engineering Services Community Services	Ward 23	100	n/a
58	Stoffels, Johannes, Nicolaas Hendrick (left on 11 July 2024 and replaced by Van Schalkwyk, Johan)		√	Public Safety***	Proportional	n/a	n/a
59	Stowman, Aidan Charles		√	MPAC	Ward 11	100	n/a
60	Stulweni, Ahmed Mputumi		√	Corporate and Governance	Proportional	75	50
61	Van Nieuwenhuyzen, Reinhardt Heinrich		√	Corporate and Governance	Ward 28	94	100

Councillors, Committees allocated and Council attendance							
Serial No.	Council members	Full-time	Part-time	Committees allocated	*Ward and/or party represented	Percentage Council Meetings attended	Percentage apologies for non-attendance
Column Ref.	A	B	C	D	E	F	G
62	Van Niekerk, Laurichia Tylial	√		Planning and Development Community Services Training and Development	Ward 25	100	n/a
63	Van Santen, Aletta Johanna		√	MPAC	Proportional	100	n/a
64	Van Schalkwyk, Johan (Replaced Stoffels, Johannes, Nicolaas Hendrick on 2 August 2024)		√	Corporate and Governance	Proportional	93	100
65	Van Willingham, Brenda		√	Public Safety	Ward 14	75	100
66	Xhego, Zamikhaya		√	Community Services	Ward 16	75	100
67	Zoya, Nomzamo		√	Public Safety	Proportional	94	100
68	Zwinye, Mawuzeni		√	Corporate and Governance	Proportional	100	n/a

* Based on June 2025 information.

** Based on May 2025 information.

*** Based on June 2024 information.

**** Based on February 2025 information.

ANNEXURE B: COMMITTEES AND COMMITTEE PURPOSES

Table 205: Committees (other than Mayoral Committee) and purposes of committees

Committees (other than Mayoral/Executive Committee) and purposes of Committees		
Serial No.	Municipal Committees	Purpose of committee
Column Ref.	A	B
1	Municipal Public Accounts Committee	To perform an oversight function on behalf of Council over the executive functionaries of the Council.
2	Appeals Committee	To deal with appeals in terms of Section 62 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
3	Audit and Performance Committee	In terms of Section 166(2) of the MFMA, an audit committee must advise the municipal council, the political office bearers, the accounting officer and the management staff of a municipality, on matters relating to: • Internal financial control and internal audits; • Risk management; • Accounting policies; • The adequacy, reliability and accuracy of financial reporting and information; • Performance management; • Effective governance; • Compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation; • Performance evaluation; and • Any other issues referred to it by the municipality.
4	Fraud and Risk Management Committee (FARMCO)	To assist the City Manager to fulfil his fraud and risk management responsibilities in accordance with prescribed legislation and corporate governance principles. FARMCO assists the City Manager by reviewing the effectiveness of the Municipality's fraud and risk management systems, practices and procedures and providing recommendations for improvement.
5	IDP, SDF and Budget Steering Committee	To assist Council in ensuring that the budget reflects the strategic outcomes embodied in the IDP, SDF and related strategic policies.
6	Special Committee (Code of Conduct for Councillors)	To serve as administrative tribunal to conduct hearings of Councillors charged for contravention of the Code of Conduct for Councillors and to make recommendations to Council regarding proposed sanctions; and To consider any other matter of a disciplinary nature relating to Councillors and make a recommendation to Council.

ANNEXURE C: SECOND AND THIRD TIER ADMINISTRATIVE STRUCTURE

Table 206: Second and Third-tier Structure

Second and Third-tier Structure		
Serial No.	Department	Executive Manager/Manager
Column Ref.	A	B
1	Office of the City Manager	City Manager (Dr JH Leibbrandt)
2	Division: Communication and Marketing	Manager: Communication and Marketing (R Geldenhuys)
3	Division: Risk Management	Chief Risk Officer (GJ Dippenaar)
4	Division: Internal Audit	Chief Audit Executive (RJ Jaftha)
5	Section: Internal Audit	Manager: Internal Audit (D Korabie)
6	Section: Performance Audit	Manager: Performance Audit (N Magongo)
7	Financial Services	
8	Department: Financial Services	Chief Financial Officer (B Brown)
9	Division: Financial Planning and Accounting	Financial Planning and Accounting Analyst (I Engelmohr)
10	Division: Supply Chain Management	Manager: Supply Chain Management (H Vergotine)
11	Division: Revenue and Expenditure	Senior Manager: Revenue and Expenditure (NG Keketsi)
12	Section: Expenditure	Manager: Expenditure (DM Pikinini)
13	Section: Revenue	Manager: Revenue (Vacant)
14	Division: Budget, Assets and Financial Reporting	Senior Manager: Budget, Assets and Financial Reporting (C Lategan)
15	Section: Financial Systems	Head: Financial Systems (Vacant)
16	Section: Budget Control and Cost Accounting	Manager: Budget Control and Cost Accounting (L Crotz)
17	Section: Assets and Insurance Management Services	Manager: Assets and Insurance Management (C Wessels)
18	Section: Financial Statements, Reporting and Cash Management	Manager: Financial Statements, Reporting and Cash Management (A Viola)
19	Corporate and Planning Services	
20	Department: Corporate Services and Planning	Executive Director: Corporate and Planning Services (S Johaar)
21	Division: Human Resource Management	Senior Manager: Human Resource (N Matolengwe)
22	Section: HR Administration, Recruitment and Selection	Manager: Personnel Administration and Recruitment and Selection (T van der Westhuizen)
23	Section: Training and Development	Manager: Training and Development (M Sibeko)
24	Section: Labour Relations, Employee Wellness and OHS	Manager: Labour Relations, Employee Wellness and OHS (Vacant)
25	Section: Organisational Efficiency	Manager: Organisational Efficiency (P Chetty)
26	Division: Legal and Administrative Services	Senior Manager: Legal and Administrative Services (NC October)
27	Section: Legal Services	Manager: Legal Services (Vacant)
28	Section: Rental Housing	Manager: Rental Stock (U Johannesburg)
29	Section: Property Administration	Chief Administrative Officer (Vacant)
30	Section: Municipal Court	Legal Advisor (Prosecutor) (EC Cyster)
31	Section: Administrative Services	Manager: Administrative Services (F Goosen)
32	Section: CRM and Political Office Support	Customer Relations Officer (M Carolissen)
33	Division: Information Communication and Technology	Senior Manager: Information Communication and Technology (F Theron)

Second and Third-tier Structure		
Serial No.	Department	Executive Manager/Manager
Column Ref.	A	B
34	Section: ICT Operation and Support	Manager: Operation and Support (Vacant)
35	Section: MIS/Systems	Manager: MIS/System (I Claims)
36	Section: ICT Governance and Administration	Manager: ICT Governance and Administration (Vacant)
37	Division: Spatial Planning Services and Environmental Management	Senior Manager: Spatial Planning Services and Environmental Management (D Delaney)
38	Section: Spatial Planning	Manager: Spatial Planning (W Hendricks)
39	Section: Environmental Management	Manager: Environmental Management (C Winter)
40	Section: IDP, Research and Development	Manager: IDP, Research and Development (C September)
41	Section: Technical Development Support	Vacant
42	Division: Land Development Management	Manager: Land Development Management (HG Strijdom)
43	Section: Building Control	Manager: Building Control (CF Pietersen)
44	Section: Land Development Facilitation and Compliance	Head: Town Planner (HH Louw)
45	Section: Land Development Processing and Facilitation	Chief Town Planner (J Meyer)
46	Section: Land Surveying	Chief Surveyor (J Pekeur)
47	Division: Economic Development and Tourism	Senior Manager: Economic Development and Tourism (C Phillips)
48	Section: Economic Development	Manager: Economic Growth (M Mlangeni)
49	Section: Tourism	Senior Tourism Officer (C Carse)
50	Section: Development Projects	Project Coordinator (TC Mnisi)
51	Section: Investment Area Management	Manager: Investment Area Management (T Cloete)
52	Community Services	
53	Department: Community Services	Executive Director: Community Services (Vacant)
54	Section: Technical Planning	Manager: Technical Planning (RSA Sauls)
55	Section: Technical Programmes and Projects	Manager: Technical Programmes and Projects (Vacant)
56	Division: Parks, Cemeteries and Resorts	Senior Manager: Parks, Cemeteries and Resorts (Vacant)
57	Section: Parks and Open Spaces	Manager: Parks and Open Spaces (J Schoonraad)
58	Section: Cemeteries and Resorts	Manager: Cemeteries and Resorts (M Mdodo)
59	Division: Sports and Recreation	Manager: Sports and Recreation (Y Tsolo)
60	Division: Social Development and Library and Information Services	Senior Manager: Social Development and Library and Information Services (Vacant)
61	Section: Social Development	Senior Social Development Officer (G Veldsman)
62	Section: Thusong Centres	Facility Coordinator Thusong Centres (Vacant)
63	Section: Community Halls and Public Facilities	Vacant
64	Section: Library and Information Services	Manager: Library and Information Services (L Thomas)
65	Division: Human Settlements	Senior Manager: Human Settlements (F Rhoda)
66	Section: Housing Projects	Manager: Human Settlements Projects (C Jacobs)
67	Section: Informal Settlements	Senior Project Manager (T Khauoe)
68	Public Safety	
69	Department: Public Safety	Executive Director: Public Safety (E Barnard)

Second and Third-tier Structure		
Serial No.	Department	Executive Manager/Manager
Column Ref.	A	B
70	Section: Traffic, Law Enforcement and Licensing	Manager: Traffic Services (J Cornelissen)
71	Section: Fire, Rescue and Disaster Management	Manager: Fire, Rescue and Disaster Management (W Els)
72	Section: Municipal Law Enforcement and Security	Manager: Municipal Law Enforcement and Security (S Jacobs)
73	Engineering Services	
74	Department: Engineering Services	Executive Director: Engineering Services (L Pienaar)
75	Division: Roads, Stormwater & Traffic Eng. Services	Senior Manager: Roads, Stormwater and Traffic Engineering Services (H Liedeman)
76	Section: Traffic Engineering	Chief Engineering Technician (W Felix)
77	Section: Planning and Design	Engineer (E Schreuder)
78	Section: Storm Water Maintenance	Head: Storm Water Maintenance (Vacant)
79	Division: Infrastructure Development	Manager: Infrastructure Development (L Smith)
80	Section: Construction Approvals and Development Applications	Head: Construction Approvals and Development Applications (Vacant)
81	Section: GIS Management	Head: GIS Management
82	Division: Water and Waste Water Services	Senior Manager: Water and Wastewater Services (J Barnard)
83	Section: Water Technical Support, Water Quality, Demand and Loss Control	Engineer (SE Nkonyane)
84	Section: Waste Water Technical Support, Planning and Design	Engineer (Vacant)
85	Section: Water Operations and Sewerage Networks	Engineer (PH Henning)
86	Section: Waste Water Treatment	Engineer (MM Baloi)
87	Division: Technical Support and Project Management	Senior Manager: Technical Support & Project Management (P Pansegrouw)
88	Section: EPWP, Funding Projects	Manager: EPWP, Funding Projects (GG Petersen)
89	Section: Fleet Management and Maintenance	Manager: Fleet Management and Maintenance (FW Nieuwoudt)
90	Section: Facilities and Building Maintenance	Manager: Facilities and Building Maintenance (TE Tlhapane)
91	Division: Electro Technical Engineer	Senior Manager: Electro Technical Engineering (L Laing)
92	Section: Operations and Maintenance	Manager: Operations and Maintenance (M Fredericks)
93	Section: Planning and Customer Services	Manager: Planning and Customer Services (Vacant)
94	Section: Electrical Engineering Efficiency Management	Manager: Electrical Engineering Efficiency Management (Vacant)
95	Division: Solid Waste and Landfill Management	Senior Manager: Solid Waste and Landfill Management (MT Serfontein)
96	Section: Solid Waste Planning and Compliance Management	Manager: Solid Waste Planning and Compliance (Vacant)
97	Section: Solid Waste Operational Management	Manager: Solid Waste Operational Management (J Beasley)

ANNEXURE D: FUNCTIONS OF MUNICIPALITY

Table 207: Municipal Functions

Municipal Functions			
	Municipal Functions	Function applicable to Municipality	
		Yes	No
		Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Schedule 4, Part B functions:	
Column Ref.	A	B	C
1	Air pollution	✓	
2	Building regulations	✓	
3	Child care facilities	✓	
4	Electricity and gas reticulation	✓	
5	Firefighting services	✓	
6	Local tourism	✓	
7	Municipal airports		✓
8	Municipal planning	✓	
9	Municipal health services		✓
10	Municipal public transport		✓
11	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.	✓	
12	Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto		✓
13	Stormwater management systems in built-up areas	✓	
14	Trading regulations	✓	
15	Water and sanitation services limited to potable water supply systems and domestic waste - water and sewerage disposal systems.	✓	
16	Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Schedule 5, Part B functions:		
17	Beaches and amusement facilities		✓
18	Billboards and the display of advertisements in public places	✓	
19	Cemeteries, funeral parlours and crematoria	✓	
20	Cleansing	✓	
21	Control of public nuisances	✓	
22	Control of undertakings that sell liquor to the public	✓	
23	Facilities for the accommodation, care and burial of animals	✓	
24	Fencing and fences		✓
25	Licensing of dogs	✓	
26	Licensing and control of undertakings that sell food to the public	✓	
27	Local amenities	✓	
28	Local sports facilities	✓	
29	Markets		✓
30	Municipal abattoirs	✓	
31	Municipal parks and recreation	✓	
32	Municipal roads	✓	
33	Noise pollution	✓	
34	Pounds	✓	
35	Public spaces	✓	
36	Refuse removal, refuse dumps and solid waste disposal	✓	

Municipal Functions			
	Municipal Functions	Function applicable to Municipality	
		Yes	No
		Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Schedule 4, Part B functions:	
37	Street trading	✓	
38	Street lighting	✓	
39	Traffic and parking	✓	

ANNEXURE E: WARD REPORTING

The table below reflects ward reporting activities that occurred during the reporting period. The statistics include IDP meetings that took place during the period.

Table 208: Functionality of Ward Committees

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
1	WARD COUNCILLOR	Yes	4	4	2
	Cllr C Kroutz				
	WARD COMMITTEE MEMBERS				
	Mr Jack Botha				
	Mr Collin van der Westhuizen				
	Ms Let Hendricks				
	Mr Ivan Patel				
	Mr Ivan Marang				
	Mr Henry Valentyn				
	Ms Yolinda Botes				
	Ms Jo-Ann Johannes				
	Mr Jeffrey Bekeer				
	Ms Ida Plaatjies				
2	WARD COUNCILLOR	Yes	5	5	4
	Cllr N. Sauerma				
	WARD COMMITTEE MEMBERS				
	Ms Ronel Saayman				
	Mr Albertus Buckle				
	Mr Ockert Vermeulen				
	Mr Steven von Schlicht				
	Ms Thandi Buckle				
	Mr Adriaan van Niekerk				
	Ms Marlene Weyers				
	Mr Niel Schoeman				
	Mr Charles Barend				
3	WARD COUNCILLOR	Yes	4	4	1
	Cllr A. van Rooyen				
	WARD COMMITTEE MEMBERS				
	Mr Abel Mento				
	Ms Eleen Hugo				
	Ms Charmaine Lewis				
	Ms Christolene Lewis				
	Ms Jade Jaars				
	Mr Jakobus van der Westhuizen				
	Ms Beatrice Kachu				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
4	WARD COUNCILLOR	Yes	4	4	1
	Cllr J Miller				
	WARD COMMITTEE MEMBERS				
	Ms Amanda Du Toit				
	Ms Cornelia Jacoba van Eeden				
	Mr Bruce Hancock				
	Mr Ernest Derek Taylor				
	Mr Anton Els				
	Mr Jacques Stofberg				
	Ms Bets Engelmohr				
	Mr Dirk Breytenbach				
	Mr Johannes Frederick Kotze				
5	WARD COUNCILLOR	Yes	3	3	2
	Cllr T. Mooi				
	WARD COMMITTEE MEMBERS				
	Ms Asanda Mzamo				
	Mr Thulani Mahlabelo				
	Ms Evelin Pietersen				
	Ms Siphe Ngcobondwana				
	Ms Nokuthula Abraham				
	Mr Glentow Sonamzi				
	Ms Nontombizini Soga				
	Mr Saziso Ntsali				
	Mr Moses Pietersen				
	Mr Luthando Ntese				
6	WARD COUNCILLOR	Yes	5	5	4
	Cllr N. Wana/Nongogo				
	WARD COMMITTEE MEMBERS				
	Ms Phathiwe Juba				
	Mr Bangilizwe Joseph Nkukuma				
	Mr Luyanda Ngayo				
	Mr Ntsikelelo Zeyo				
	Mr Nicholus Sandise Goso				
	Ms Nolwandle Melele				
	Ms Zintle Njili				
	Mr Lindikhaya Magxala				
	Ms Sesethu Sogayise				
	Mr Hlomla Lucas Welem				
7	WARD COUNCILLOR	Yes	7	7	3
	Cllr RB Arnolds				
	WARD COMMITTEE MEMBERS				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Hendry Joseph				
	Mr Frederick Maasdorp				
	Ms Anneline Isaacs				
	Ms Saromeo Oliphant				
	Mr Martin Cloete				
	Mr Freek Jacobs				
	Ms Velensia September				
	Mr David Geduld				
	Ms Bellmordene Robson				
	Ms Diona Monk				
8	WARD COUNCILLOR	Yes	4	4	0
	Cllr C. Godongwana				
	WARD COMMITTEE MEMBERS				
	Ms Ntombifikile Koti				
	Ms Yandiswa Mbuzwana				
	Ms Ntomboxolo Godongwana				
	Mr Monde Maqungo				
	Mr Vuyo Mangaliso				
	Ms Victoria Thimbilili				
	Ms Theodora Makabane				
	Mr Nkosikhona Dlokweni				
	Ms Palesa Xaba				
	Ms Noncedo Mahlathi				
9	WARD COUNCILLOR	Yes	4	4	2
	Cllr L. Bolani				
	WARD COMMITTEE MEMBERS				
	Mr Ntsasa Adoro				
	Mr Mongezi Dlwathi				
	Ms Nontuthuzelo Kwini				
	Mr Sello Moahloli				
	Mr Mongezi Dlwathi				
	Mr Qondephi Yantolo				
	Ms Agnes Boniswa Sishuba				
	Ms Neliswa Sijaji				
	Mr Andile Human				
10	WARD COUNCILLOR	Yes	4	4	2
	Cllr C Kearns				
	WARD COMMITTEE MEMBERS				
	Mr Marshal Hendricks				
	Ms Audrey Mackay				
	Ms Maureen Cameron				
	Mr Henrich Appollis				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Sulaiman Abrahams				
	Mr Grant du Toit				
	Ms Chine Isaacs				
	Mr Richard Fortuin				
11	WARD COUNCILLOR	Yes	3	3	3
	Ald AC Stowman				
	WARD COMMITTEE MEMBERS				
	Ms Leezil Laubscher				
	Charles Botman				
	Ms Nereen Foster				
	Ms Merencia Jooste				
	Ms Suzette van der Heever				
	Mr Willem Mettler				
	Mr Carlo Demas				
	Ms Nokhanyo Dyosiba				
	Ms Leandra Smith				
	Ms Monica Samuels				
12	WARD COUNCILLOR	Yes	4	4	0
	Cllr L. Sambokwe				
	WARD COMMITTEE MEMBERS				
	Ms Asanda Mrawuzeli				
	Ms Nosithembele Madotyeni				
	Ms Ruth Jimlongo				
	Mr Bonakele Mnweba				
	Ms Ntombizanele Xabanisa				
	Ms Koliswa Sizani				
	Ms Thembisa Mfundisi				
	Mr Vuyani Desmond Hans				
	Ms Busisiwe Siyali				
13	WARD COUNCILLOR	Yes	4	4	2
	Cllr S Ross				
	WARD COMMITTEE MEMBERS				
	Mr Nugent Davis				
	Ms Angelique Mamani				
	Ms Veronica Koopman				
	Ms Johanna Muller				
	Ms Muneebah Jannicke				
	Ms Juliana Tessa Demas				
	Ms Shariefah/Katy Hendricks				
	Ms Boniwe Matiwana				
	Ms Vivienne Zungula				
	Ms Rowina van Staden				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
14	WARD COUNCILLOR	Yes	4	4	1
	Cllr B. van Willingh				
	WARD COMMITTEE MEMBERS				
	Ms Flora Kalipa				
	Mr Ayanda Ringane				
	Ms Sandiswa Tafane				
	Mr Trevor Davey				
	Ms Cleo Winter				
	Ms Christie Morris				
	Mr Simon Pietersen				
15	WARD COUNCILLOR	Yes	4	4	2
	Cllr S. Liebenberg				
	WARD COMMITTEE MEMBERS				
	Ms Chantel Hauptfleish				
	Mr Michael Sass				
	Mr Mark Human				
	Mr Louis Herold Louw				
	Ms Aletia Grundling				
	Mr Ludwig Thiar				
	Mr Paul Pieterse				
	Mr Johan Jordaan				
	Ms Ilse Human				
16	WARD COUNCILLOR	Yes	5	5	2
	Cllr Z. Xhego				
	WARD COMMITTEE MEMBERS				
	Mr Lungani Fihlani				
	Ms Nolubusiso Jaxa				
	Ms Olinda Njila				
	Ms Ntombikayise Menzi				
	Ms Funeka Ndarala				
	Ms Maseka Sifumba				
	Mr Sindisile Fundakubi				
	Mr Mlungiseleli Ndara				
	Ms Andisiwe Ncumeza- Dumbela				
17	WARD COUNCILLOR	Yes	3	3	3
	Cllr L Cyster				
	WARD COMMITTEE MEMBERS				
	Ms Margaret Lucille Fortuin				
	Mr TC Botha				
	Ms Annie Marie de Villiers				
	Mr Johannes Heyns				
	Ms Katriena Karolus				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Ms Mina Kock				
	Ms Fransiska Williams				
	Mr Kobus Conradie				
	Mr CHC Sadenbergh				
	Ms Marcelle Hanekom				
18	WARD COUNCILLOR	Yes	4	4	1
	Cllr E. Baron				
	WARD COMMITTEE MEMBERS				
	Mr Adanaan Arnold				
	Ms Anneline Lackay/Kammies				
	Mr Andre Snyders				
	Ms Anna van Wyk				
	Mr Ryan Ivir Goliath				
	Mr Carlyle Baron				
	Mr Martin Christians				
	Ms Rebecca Appollis				
	Ms Yolene September				
	Mr Jerry Kennedy				
19	WARD COUNCILLOR	Yes	6	6	4
	Cllr T Bester				
	WARD COMMITTEE MEMBERS				
	Ms Anna Barton				
	Mr John Barsby				
	Ms Geraldine Gordon				
	Mr Joachim Scholtz				
	Mr Wiaan Swart				
	Ms Browen Baayman				
	Mr Willem Esterhuizen				
	Ms Belinda Theron				
	Mr Johannes Andrews				
	Mr Hendrik du Toit				
20	WARD COUNCILLOR	Yes	4	4	2
	Cllr P Cupido				
	WARD COMMITTEE MEMBERS				
	Mr Brandon Jacobs				
	Ms Mariaane McKay				
	Ms Molly Hartzenberg				
	Mr Christopher Tromp				
	Ms Michelle Lamont				
	Ms Jeronay Paulse				
	Mr Abraham Bekeer				
	Ms Ulanda Manuel				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Nicolaas Cleophas				
	Ms Nicolette Davids				
21	WARD COUNCILLOR	Yes	5	5	2
	Cllr E Gouws				
	WARD COMMITTEE MEMBERS				
	Ms Freda Arendse				
	Mr Donovan Roelfse				
	Mr Marshal Goedeman				
	Ms Violet Moss				
	Ms Mary-Ann Leon				
	Mr Johnley Muller				
	Ms Alima Ficks				
	Ms Rayline Pedro				
	Mr Keith du Ploy				
	Ms Ingrid Davids				
22	WARD COUNCILLOR	Yes	5	5	4
	Cllr F Cupido				
	WARD COMMITTEE MEMBERS				
	Mr Aylmer Manko				
	Ms Samantha Kulsen				
	Ms Lindsay van der Berg				
	Mr Alexander Fisher				
	Mr David Arendse				
	Mr Johannes van Wyk				
	Mr Benjamin Collins				
	Mr Ivan Africa Martin				
23	WARD COUNCILLOR	Yes	4	4	2
	Cllr E. Solomons				
	WARD COMMITTEE MEMBERS				
	Ms Linda Poggenpoel				
	Ms Rozanne Botha				
	Mr David Frost				
	Mr Leon Bester				
	Ms Susan Rens				
	Mr Errol Beukes				
	Mr Lesley Agulhas				
	Mr Edmund Bam				
	Mr Saul Cookson				
	Mr Abraham Syster				
24	WARD COUNCILLOR	Yes	5	5	1
	Ald MM Adriaanse				
	WARD COMMITTEE MEMBERS				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Kervin Bowers				
	Ms Vanessa Adams				
	Ms Porchia Windvogel				
	Ms Selma Jolanda Claasen				
	Ms Ragel Claasen				
	Ms Helen van Wyk				
	Mr Vernon Steyn				
	Mr Andrais Gouws				
	Mr Adrian Simonse				
	Mr Khaashif Benjamin				
25	WARD COUNCILLOR	Yes	5	5	3
	Cllr L van Niekerk				
	WARD COMMITTEE MEMBERS				
	Ms Morencia Moses				
	Ms Nataley Mayekiso				
	Ms Edith Cupido				
	Ms Hayley-Ann Louw				
	Ms Vernita Poggenpoel				
	Ms Angeline Roman				
	Ms Jennifer Adonis				
	Mr John Roman				
	Mr Graham Claasen				
26	WARD COUNCILLOR	Yes	5	5	4
	Cllr J Anderson				
	WARD COMMITTEE MEMBERS				
	Ms Samantha Goosen				
	Ms Raylene Cupido				
	Mr Fiela de Wee				
	Mr Koos Fransman				
	Ms Lorraine Hendricks				
	Ms Jacoba Pietersen				
	Mr David Cameron				
	Ms Anneke van Niekerk				
	Ms Kalonna Abrhams				
	Ms Susan Pietbooi				
27	WARD COUNCILLOR	Yes	4	4	3
	Cllr V Booysen				
	WARD COMMITTEE MEMBERS				
	Ms Carluin-Lee Haupt				
	Ms Nadia Mayekiso				
	Ms Dawn Frantz				
	Ms Wilhelmina Hendricks				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Enslin Goedeman				
	Mr Karools Isaacs				
	Mr Peter Pietersen				
	Mr William Philander				
	Ms Angela Brown				
28	WARD COUNCILLOR	Yes	4	4	2
	Cllr RH van Nieuwenhuyzen				
	WARD COMMITTEE MEMBERS				
	Ms Cecilia Mitchell				
	Ms Gail Petersen				
	Ms Angelique Milly Stevens				
	Mr Karel Pienaar				
	Mr Christopher Andrews				
	Ms She-Earl Mitchell				
	Mr John Stevens				
	Ms Rozaan Minnaar				
	Mr Godwin Tiemie				
	Ms Mariaan Jacobs				
29	WARD COUNCILLOR	Yes	4	4	2
	Cllr A. Appollis				
	WARD COMMITTEE MEMBERS				
	Mr Jonathan Liebenberg				
	Mr Graham Hendricks				
	Mr Erasmus Spamer				
	Ms Chelsey le Roux				
	Mr Joseph Samuels				
	Mr Kelvin Antonie				
	Ms Stephanie Esau				
	Mr William Kearns				
	Mr Jeremy Williams				
	Ms Getruida Januarie				
30	WARD COUNCILLOR	Yes	4	4	3
	Cllr J Smit				
	WARD COMMITTEE MEMBERS				
	Ms Christene Loff				
	Ms Esmeralda Fielies				
	Ms Magrieta Marsh				
	Ms Shirley Adams				
	Ms Arthurina Siegelaar				
	Ms Anna de Vries				
	Mr Raymond Witbooi				
	Ms Sophia Hendricks				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Gert Engelbrecht				
	Mr Christopher Joachims				
31	WARD COUNCILLOR	Yes	6	6	3
	Cllr C. Jacobs				
	WARD COMMITTEE MEMBERS				
	Mr Gavin Lakey				
	Ms Elizabeth Fryer				
	Mr Rodney Louw				
	Ms Natalie Heyns				
	Ms Johanna Heynes				
	Mr Roger Oersen				
	Mr Tashwell Hendricks				
	Ms Elizabeth September				
32	WARD COUNCILLOR	Yes	4	4	2
	Cllr S. Ganandana				
	WARD COMMITTEE MEMBERS				
	Mr Lukholo Dyabooi				
	Ms Nolundi Kopisi/Santi				
	Ms Julia Oliphant				
	Ms Nonkosi Mbula				
	Ms Pinky Spaydeli				
	Ms Nomathandazo Tshona				
	Ms Nobomi Qashani				
	Mr Nolubabalo Nomchane				
	Mr Simphiwe Pantsula				
	Ms Nomthetho Nqoyo				
33	WARD COUNCILLOR	Yes	3	3	2
	Cllr L. Arendse				
	WARD COMMITTEE MEMBERS				
	Mr Shalin Williams				
	Ms Joyce Kroutz				
	Ms Batronesia Arendse				
	Mr Abri Pietersen				
	Ms Jody Jordaan				
	Ms Laura-Ann Adonis				
	Ms Charne Solomons				
	Mr Delton de Kock				
	Ms Haycil Scheffers				
	Mr Mornay Jones				

ANNEXURE F: WARD INFORMATION

Table 209: Capital Projects: Ten largest 2024/25

Ward Title: All Wards				
Capital Projects: Ten largest 2024/25 (Full list in Appendix N)				
Serial No.	Project Name and Detail	Start date	End date	Total value
Column Ref	A	B	C	D
1	Rehab & Upgrade of Paarl WWTW	1-Jul-24	30-Jun-25	286,981,954.30
2	Southern Paarl Bulk Sewer	1-Jul-24	30-Jun-25	39,105,000.21
3	Drommedaris Neighbourhood Grant	1-Jul-24	30-Jun-25	32,462,108.00
4	New Connection BICL's	1-Jul-24	30-Jun-25	31,164,933.28
5	Fleet Annual Supplement Programme	1-Jul-24	30-Jun-25	20,453,782.69
6	Reseal of Streets in Terms of the RAMS	1-Jul-24	30-Jun-25	19,611,924.82
7	Replace Upgrade of Water Reticulation System	1-Jul-24	30-Jun-25	11,970,799.24
8	Fire Fighting Vehicle	1-Jul-24	30-Jun-25	9,098,743.00
9	Replacement Program for Old and Redundant	1-Jul-24	30-Jun-25	8,744,003.35
10	Upgrading of Provincial Roads	1-Jul-24	30-Jun-25	8,586,957.00
None of the seven largest capital projects were allocated to a specific ward. Capital projects benefited more than one ward. See Appendix N.				

Table 210: Basic Service Provision

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	84,948	81,936	48,007	55,206	
Households without minimum service delivery	297	3,309	4,856	0	
Total households*	85,857	85,245	52,863	55,206	
Houses completed in year					155
Shortfall in housing units					21,605
*Indicating service points					

Table 211: Top four Service Delivery Priorities

Top four Service Delivery Priorities (Highest priority first)		
No.	Priority name and detail	Progress during 2024/25
1	Housing	155 opportunities provided.
2	Electricity	7.77% electricity losses.
3	Skills Development	- Drivers License Training with the Road Accident Fund: 20 Youth trained. - World Bank Sustainable Buildings Training: 11 Senior Staff trained.
4	Job creation	763 work opportunities on EPWP Projects were created.

ANNEXURE G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT AND PERFORMANCE COMMITTEE

Table 212: Municipal Audit and Performance Committee Recommendations

Municipal Audit and Performance Committee Recommendations		
Meeting Date	Recommendations during 2024/25	Adopted by Council on
28/08/2024 04/09/2024	<u>Internal Audit</u> The APC approves the risk based IA plan in July annually. The risk based IA Plan includes a number of audit areas based on the risk profile of the Municipality. Internal Audit reports to the APC quarterly on progress with the execution of the IA Plan and the results of audits completed in the quarter under review. The APC considered the IA 4th quarterly progress report for the 2023/2024 financial year. The APC considered the findings reported by IA and the agreed management action plans in response to the reported findings. The APC noted that the implementation of the agreed management action plans is monitored through the DAAP (Departmental Audit Action Plans) process and the APC receives a quarterly progress report in this regard.	12/12/2024
	<u>Combined Assurance</u> The Chief Audit Executive (CAE) presented the Combined Assurance Report and the APC noted that outcomes of the assurance assessments performed by the second line assurance providers as well as IA as the third line assurance provider. The APC noted the progress that has been made with the implementation of Combined Assurance. The APC requested the CAE to confirm whether there were any second line assurance provided relating to the ICT risks, and provide feedback at the next meeting.	
	<u>Review of the Performance Information</u> The CAE presented the results of the IA assessment of the Q4 Performance Information and the Annual Performance Report which is a legislative audit requirement. The APC noted that all findings reported on the Annual Performance Report review was addressed by management and the portfolio of evidence updated where required. IA verified the final APR and the supporting portfolio of evidence before submission to the Auditor General on 31 August 2024.	
	<u>Review of the Annual Financial Statements</u> The APC reviewed the draft AFS prior to submission to the Auditor General on 31 August 2024. The APC enquired whether the accounting policies are consistent with Generally Recognised Accounting Practice and relevant legislative requirements. The Chief Financial Officer (CFO) confirmed	

Municipal Audit and Performance Committee Recommendations		
Meeting Date	Recommendations during 2024/25	Adopted by Council on
	compliance with the standards issued by the Accounting Standards Board. The APC commended the municipality on the improvement in financial position.	
30/11/2024 05/12/2024	<u>Internal Audit</u> The APC approves the risk based IA plan in July annually. The risk based IA Plan includes a number of audit areas based on the risk profile of the Municipality. Internal Audit reports to the APC quarterly on progress with the execution of the IA Plan and the results of audits completed in the quarter under review. The APC considered the IA 1st quarterly progress report for the 2024/2025 financial year. The APC considered the findings reported by IA and the agreed management action plans in response to the reported findings. The APC noted that the implementation of the agreed management action plans is monitored through the DAAP (Departmental Audit Action Plans) process and the APC receives a quarterly progress report in this regard.	28/03/2025
	<u>Combined Assurance</u> The Chief Audit Executive (CAE) presented the Combined Assurance Report and the APC noted the outcomes of the assurance assessments performed by the second line assurance providers as well as IA as the third line assurance provider. The APC noted the progress that has been made with the implementation of Combined Assurance. The APC reviewed the Combined Assurance Plan 2024/25.	
	<u>Review of Performance Information</u> The CAE presented the results of the IA assessment of the Q1 Performance Information. The APC noted that the findings reported and the further action required from the ED: Engineering Services to ensure the credibility of the portfolio of evidence supporting 3 key performance indicators reviewed by Internal Audit.	
	<u>Review of Management Report and Audit Report</u> The APC reviewed the final management report and the audit report presented by the Auditor General. The municipal audit action plan will be compiled to track the implementation of management action plans to address the findings raised by the Auditor General. The APC commended the municipality on achieving a clean audit opinion for 2023/24.	

Municipal Audit and Performance Committee Recommendations		
Meeting Date	Recommendations during 2024/25	Adopted by Council on
	<u>Review of Annual Financial Statements</u> The APC reviewed the final annual financial statements with specific focus on the changes made to the initial draft annual financial statements submitted for audit review on 31 August 2024.	
06/03/2025 12/03/2025	<u>Internal Audit</u> The APC approves the risk based IA plan in July annually. The risk based IA Plan includes a number of audit areas based on the risk profile of the Municipality. Internal Audit reports to the APC quarterly on progress with the execution of the IA Plan and the results of audits completed in the quarter under review. The APC considered the IA 2nd quarterly progress report for the 2024/2025 financial year. The APC considered the findings reported by IA and the agreed management action plans in response to the reported findings. The APC noted that the implementation of the agreed management action plans is monitored through the DAAP (Departmental Audit Action Plans) process and the APC receives a quarterly progress report in this regard. The APC received the report on the External Quality Assurance Review of the municipality's Internal Audit function. The International Standards for the Professional Practice of Internal Audit requires that an external quality assurance assessment is performed every 5 years by an external accredited assessor. The assessor's opinion indicated that the municipality's Internal Audit function generally conforms to the mandatory elements of the International Professional Practices Framework.	27/06/2025
	<u>Combined Assurance</u> The Chief Audit Executive (CAE) presented the Combined Assurance report and the APC noted the outcomes of the assurance assessments performed by the second line assurance providers as well as IA as the third line assurance provider. The APC noted the progress that has been made with the implementation of Combined Assurance. The APC noted that further updates are required to the municipality's risk registers to improve the credibility of future Combined Assurance Plans.	
	<u>Review of the Performance Information</u> The CAE presented the results of the IA assessment of the Q2 Performance Information. The APC noted the findings reported and the further action required from the ED: Engineering Services to ensure the credibility of the portfolio of evidence supporting 3 key performance indicators reviewed by Internal Audit.	

ANNEXURE H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Table 213: Long-term Contracts (Largest contracts active in 2024/25)

Long-term Contracts (Largest contracts active in 2024/25)						
Serial No.	Name of Service Provider (Entity or Municipal)	Description of service rendered by the Service Provider	Start date of contract	Contract completion date	Project Manager	Contract Value Award amount (Including contingencies and including VAT)
Column Ref	A	B	C	D	E	F
1	Enviroserv (Pty) Ltd	SWM 01/2021 : Provision of Waste Diposal and Waste Diversion Activities at the Wellington Landfill Site	10-Oct-22	30-Jun-27	T Serfontein	R88,832,619
2	Stefanutti Stocks (Pty) Ltd	CES 1/2023 : Paarl Wastewater Treatment Works - Liquid Tream: Civil Works	30-Jun-23	30-Nov-24	J Barnard	R277,404,565
3	Inenzo Water (Pty) Ltd	CES 4/2023 : Paarl Wastewater Treatment Works - Liquid Stream: Mechanical and Electrical Installation	31-Aug-23	31-Dec-25	J Barnard	R134,370,455
4	Cornfield Construction 2004 (Pty) Ltd	CES 17/2023: Upgrade of Drommedaris Street, Paarl (Phase 1)	10-May-24	31-Dec-25	E Schreuder	R53,574,198

**Only the contract for Enviroserv (Pty) Ltd is a long-term contract longer than 3 years.*

Table 214: Public Private Partnerships entered into 2024/25

Public-Private Partnerships entered into 2024/25					
R`000					
Name and description of project	Name of partner(s)	Initiation date	Expiry date	Project manager	Value 2018/19
No PPP entered into during the year under review and none are in operation					

ANNEXURE I: DISCLOSURES OF FINANCIAL INTEREST

The councillors declared in terms Schedule 1 to the Municipal Systems Act 2000 (Act 32 of 2000) (Item 7) their financial interest held:

- (a) Shares and securities in any company;
- (b) Membership of any close corporation;
- (c) Interest in any trust;
- (d) Directorships;
- (e) Partnerships;
- (f) Other financial interests in any business undertaking;
- (g) Employment and remuneration;
- (h) Interest in property;
- (i) Pension; and
- (j) Subsidies, grants and sponsorships by any organisation.

Table 215: Disclosure of Financial Interests

Disclosure of Financial Interests		
Period 1 July 2024 to 30 June 2025		
No	Position	Name
Executive Mayor		
1	Executive Mayor	S Korabie
Deputy Executive Mayor		
2	Deputy Executive Mayor	Ald GC Combrink
Members of the Mayoral Committee:		
3	Portfolio: Urbanisation and Human Settlements	E Baron
4	Portfolio: Cemeteries and Municipal Buildings	E Solomons
5	Portfolio: Parks, Resorts and Open Spaces	L Cyster
6	Portfolio: Waste, Roads and Stormwater	A Koegelenberg
7	Portfolio: Tourism, Sport and Recreation	LT van Niekerk
8	Portfolio: Corporate Services	D America
9	Portfolio: Public Safety and Social Development	A Appollis
10	Portfolio: Electricity, Water and Wastewater	LC Arendse
11	Portfolio: Communication and IGR	MA Andreas
12	Portfolio: Governance, Planning, Economic Development and Implementation Support	J Miller
Speaker		
13	Speaker	JF le Roux
Chief Whip		
14	Chief Whip	C Kearns

Disclosure of Financial Interests		
Period 1 July 2024 to 30 June 2025		
No	Position	Name
Councillors:		
15	Councillor	J Stoffels (Replaced by M Jooste)
16	Councillor	C De Waal
17	Councillor	N Sauerman
18	Councillor	S Liebenberg
19	Councillor	A Fourie
20	Councillor	A van Santen
21	Councillor	S Landsberg
22	Councillor	T Mooi
23	Councillor	F Jacobs
24	Councillor	R Nell
25	Councillor	Z Xhego
26	Councillor	S Ganandana
27	Councillor	M Zwinye
28	Councillor	D Carolissen
29	Councillor	F Cupido
30	Councillor	B Duba
31	Councillor	A van Rooyen (surname Combrink)
32	Councillor	L Bolani
33	Councillor	L Sambokwe
34	Councillor	N Godongwana
35	Councillor	K Gertse
36	Councillor	J Adams
37	Councillor	T Mangena
38	Councillor	V Booysen (deceased)
39	Councillor	J Anderson
40	Councillor	C Jacobs
41	Councillor	N Zoya
42	Councillor	S Gravel
43	Councillor	G Kulsen (replaced by J Van Schalkwyk)
44	Councillor	T Bester
45	Councillor	P Cupido
46	Councillor	L Landu (Replaced by N Adams)
47	Councillor	M Richards
48	Councillor	J de Kock
49	Councillor	B Jacobs

Disclosure of Financial Interests		
Period 1 July 2024 to 30 June 2025		
No	Position	Name
50	Councillor	Adl A Stowman
51	Councillor	J Smit
52	Councillor	B van Willingh
53	Councillor	C Kroutz
54	Councillor	R Arnolds
55	Councillor	S Ross
56	Councillor	C Davids
57	Councillor	J September
58	Councillor	N Nongogo
59	Councillor	L Mathee
60	Councillor	A du Plessis
61	Councillor	A Stulweni
62	Councillor	M Adriaanse
63	Councillor	E Gouws
64	Councillor	J Cupido
65	Councillor	R van Nieuwenhuyzen

ANNEXURE J: REVENUE COLLECTION PERFORMANCE

ANNEXURE J (I): REVENUE COLLECTION BY VOTE

Table 216: Revenue Collection Performance by GFS Vote *

Revenue Collection Performance per GFS Vote							
Serial No.	Vote Description	2023/24	2024/25			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Column Ref.	A	B	C	D	E	F	G
1	Executive and Council	2,075,498	1,754,994	2,219,994	2,733,934	55.8%	23.2%
2	Finance and Administration	606,087,348	580,605,309	624,194,490	687,587,748	18.4%	10.2%
3	Community and Social Services	22,936,326	24,754,876	24,949,246	22,357,079	-9.7%	-10.4%
4	Sport and Recreation	2,018,644	1,924,489	2,350,989	2,700,409	40.3%	14.9%
5	Public Safety	119,970,032	144,706,668	147,932,066	127,039,513	-12.2%	-14.1%
6	Housing	47,565,590	67,623,925	37,606,373	22,794,339	-66.3%	-39.4%
7	Planning and Development	13,900,917	9,953,813	11,891,433	13,788,068	38.5%	15.9%
8	Road Transport	11,098,969	41,311,434	49,213,858	55,559,939	34.5%	12.9%
9	Energy Sources	1,649,517,918	1,703,884,233	1,804,043,321	1,865,328,362	9.5%	3.4%
10	Water Management	283,552,675	273,796,409	273,796,409	280,764,898	2.5%	2.5%
11	Waste Water Management	549,400,446	876,411,704	665,143,097	663,821,327	-24.3%	-0.2%
12	Waste Management	237,793,711	249,712,078	251,585,604	252,721,982	1.2%	0.5%
13	Total revenue by vote	3,545,918,074	3,976,439,932	3,894,926,880	3,997,197,598	0.5%	2.6%

* - Agrees to Appendix B1 to the Annual Financial Statements

ANNEXURE J (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Table 217: Revenue Collection Performance by Source

Revenue Collection Performance by Source							
Serial No.	Description	2023/24	2024/25			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Column Ref.	A	B	C	D	E	F	G
1	Services charges - Electricity	1,524,505,542	1,615,836,229	1,691,695,317	1,753,141,509	8.50%	3.63%
2	Services charges - Waste management	169,957,737	185,036,842	186,910,368	183,297,317	-0.94%	-1.93%
3	Services charges - Waste water management	153,561,418	166,674,104	172,722,370	164,906,162	-1.06%	-4.53%
4	Services charges - Water	236,510,660	246,125,453	246,125,453	246,784,285	0.27%	0.27%
5	Sales of goods and rendering of services	33,907,962	34,626,060	36,326,995	36,774,085	6.20%	1.23%
6	Rental from fixed assets	8,312,162	6,274,838	6,921,838	8,020,557	27.82%	15.87%
7	Interest on investments	73,656,906	58,000,000	83,000,000	91,787,807	58.25%	10.59%
8	Interest on receivables	19,480,489	18,039,908	18,039,908	20,626,499	14.34%	14.34%
9	Operational revenue	25,181,196	5,875,572	7,860,572	26,348,345	348.44%	235.20%
10	Licences or permits	21,786,042	24,390,024	23,278,024	22,758,756	-6.69%	-2.23%
11	Property rates	466,404,865	488,620,566	502,093,609	503,779,666	3.10%	0.34%
12	Availability charges - Electricity	2,527,545	0	0	2,430,860	-	-
13	Availability charges - Waste management	2,226,690	0	0	2,207,465	-	-
14	Availability charges - Waste water management	4,002,553	0	0	3,998,472	-	-
15	Availability charges - Water	3,385,134	0	0	3,352,292	-	-
16	Surcharges and taxes	3,084,653	95,173,930	67,604,899	67,615,100	-28.96%	0.02%
17	Fines, penalties and forfeits	97,292,325	120,211,928	124,426,247	104,330,737	-13.21%	-16.15%
18	Transfers and subsidies	687,684,125	911,554,478	727,921,280	722,984,679	-20.69%	-0.68%
19	Operational revenue (non-Exchange)	4,378,051	0	0	4,418,007	-	-
20	Construction Contract Revenue	6,755,000	0	0	27,635,000	-	-
21	Fair Value Adjustment	1,317,020	0	0	0	-	-
21	Total revenue (excluding capital transfers and contributions)	3,545,918,074	3,976,439,932	3,894,926,880	3,997,197,598	0.52%	2.63%

ANNEXURE K: CONDITIONAL GRANTS RECEIVED

Table 218: Conditional Grants excluding IUDG

Conditional Grants: excluding IUDG						
Serial No.	Details	Budget	Adjustment Budget	Actual	Positive / (Negative) % Variance	
					Budget	Adjustment Budget
Column Ref.	A	B	C	D	E	F
1	Expanded Public Works	2,062,000	2,062,000	2,062,000	0%	0%
2	Financial Management Grant	1,600,000	1,600,000	1,600,000	0%	0%
3	Electrification Funding (INEP)	3,340,000	3,340,000	3,340,000	0%	0%
4	Neighbourhood Development Grant	37,331,424	37,331,424	37,331,424	0%	0%
5	Regional Bulk Infrastructure Services	374,999,998	374,999,998	374,999,998	0%	0%
6	Disaster Relief Support Grant	2,213,127	2,213,127	2,213,127	0%	0%
7	Siyahlala	1,569,723	0	0	-100%	0%
8	Fairylands	186,564	186,564	186,564	0%	0%
9	Mbekweni 557	693,182	0	0	-100%	0%
10	Dignified Sites	542,009	0	0	-100%	0%
11	1068 Houses	152,225	0	0	-100%	0%
12	Disaster Funding	5,137,000	5,137,000	5,137,000	0%	0%
13	Kingston Town Transfers	53,000	0	0	-100%	0%
14	Drommedaris St Ehp	168,249	0	0	-100%	0%
15	Drom 181/1407 (HSDG):	569,695	0	0	-100%	0%
16	Simondium	1,688,291	1,688,291	1,688,291	0%	0%
17	Deeds (Various Housing Projects)	68,573	68,573	68,573	0%	0%
18	Municipal Accreditation and Capacity Building	249,000	249,000	249,000	0%	0%
19	Capacity Building (Finance)	69,925	69,925	69,925	0%	0%
20	Community Development Workers	113,000	113,000	113,000	0%	0%
21	Disaster Relief (Smoke Alarm Project)	500,000	500,000	500,000	0%	0%
22	Maintenance Thusong Centre	42,369	42,369	42,369	0%	0%
23	Capacity Building (Employee Bursaries)	76,035	76,035	76,035	0%	0%
24	Public Works and Transport (Roads)	9,875,001	9,875,001	9,875,001	0%	0%
25	Training Levy	1,268,670	1,268,670	1,268,670	0%	0%
26	Neumarkt	575,741	575,741	575,741	0%	0%
27	Carterville Housing Project	956,503	0	0	-100%	0%
28	Cape Winelands District Municipality (Fair Trade)	555,000	555,000	555,000	0%	0%
29	Cape Winelands District Municipality	500,000	500,000	500,000	0%	0%
30	Cape Winelands District Municipality	285,951	285,951	285,951	0%	0%
31	International Fire Fighting Day	24,500	24,500	24,500	0%	0%
32	Total	R 447,466,755	R 442,762,169	R 442,762,169	-1%	0%

ANNEXURE L: CAPITAL EXPENDITURE – NEW AND UPGRADE/RENEWAL PROJECTS

ANNEXURE L (I): CAPITAL EXPENDITURE – NEW ASSETS

Table 219: Capital Expenditure - New Assets

Capital Expenditure - New Assets								
Serial No.	Description	R' 000						
		2023/24	2024/25		Planned Capital Expenditure			
Column Ref.	A	Actual	Original Budget	Adjustments Budget (after virements)	Actual Expenditure	2025/2026	2026/2027	2027/2028
		B	C	D	E	F	G	H
1	Capital Expenditure by Asset Class							
2	Infrastructure	172,527	113,430	91,958	81,911	89,010	78,300	91,000
3	Roads Infrastructure	2,047	480	487	487	300	300	–
4	Roads	–	–	–	–	–	–	–
5	Road Structures	2,047	480	487	487	300	300	–
6	Road Furniture	–	–	–	–	–	–	–
7	Capital Spares	–	–	–	–	–	–	–
8	Storm water Infrastructure	69	–	–	–	–	–	–
9	Drainage Collection	69	–	–	–	–	–	–
10	Storm water Conveyance	–	–	–	–	–	–	–
11	Attenuation	–	–	–	–	–	–	–
12	Electrical Infrastructure	42,413	10,000	44,246	41,793	33,555	20,800	20,000
13	Power Plants	–	–	–	–	–	–	–
14	HV Substations	–	–	–	–	–	–	–
15	HV Switching Station	–	–	–	–	–	–	–
16	HV Transmission Conductors	–	–	–	–	–	–	–
17	MV Substations	–	–	–	–	–	–	–
18	MV Switching Stations	–	–	–	–	–	–	–
19	MV Networks	1,157	–	4,871	2,971	1,330	–	–
20	LV Networks	41,256	10,000	39,375	38,822	32,225	20,800	20,000
21	Capital Spares	–	–	–	–	–	–	–
22	Water Supply Infrastructure	16,349	150	455	235	3,295	–	–
23	Dams and Weirs	–	–	–	–	–	–	–
24	Boreholes	–	–	–	–	–	–	–
25	Reservoirs	–	–	–	–	–	–	–
26	Pump Stations	–	–	–	–	–	–	–
27	Water Treatment Works	279	–	–	–	–	–	–
28	Bulk Mains	–	–	–	–	–	–	–
29	Distribution	16,070	150	455	235	3,295	–	–
30	Distribution Points	–	–	–	–	–	–	–
31	PRV Stations	–	–	–	–	–	–	–
32	Capital Spares	–	–	–	–	–	–	–
33	Sanitation Infrastructure	111,650	102,800	46,771	39,396	51,860	57,200	71,000
34	Pump Station	–	–	–	–	–	–	–
35	Reticulation	111,650	102,800	46,771	39,396	51,860	57,200	71,000
36	Waste Water Treatment Works	–	–	–	–	–	–	–
37	Outfall Sewers	–	–	–	–	–	–	–
38	Toilet Facilities	–	–	–	–	–	–	–
39	Capital Spares	–	–	–	–	–	–	–
40	Solid Waste Infrastructure	–	–	–	–	–	–	–
41	Landfill Sites	–	–	–	–	–	–	–
42	Waste Transfer Stations	–	–	–	–	–	–	–
43	Waste Processing Facilities	–	–	–	–	–	–	–
44	Waste Drop-off Points	–	–	–	–	–	–	–
45	Waste Separation Facilities	–	–	–	–	–	–	–
46	Electricity Generation Facilities	–	–	–	–	–	–	–
47	Capital Spares	–	–	–	–	–	–	–
48	Rail Infrastructure	–	–	–	–	–	–	–
49	Rail Lines	–	–	–	–	–	–	–
50	Rail Structures	–	–	–	–	–	–	–
51	Rail Furniture	–	–	–	–	–	–	–
52	Drainage Collection	–	–	–	–	–	–	–
53	Storm water Conveyance	–	–	–	–	–	–	–
54	Attenuation	–	–	–	–	–	–	–
55	MV Substations	–	–	–	–	–	–	–
56	LV Networks	–	–	–	–	–	–	–
57	Capital Spares	–	–	–	–	–	–	–

Capital Expenditure - New Assets								
R' 000								
Serial No.	Description	2023/24	2024/25			Planned Capital Expenditure		
		Actual	Original Budget	Adjustments Budget (after virements)	Actual Expenditure	2025/2026	2026/2027	2027/2028
Column Ref.	A	B	C	D	E	F	G	H
58	Coastal Infrastructure	–	–	–	–	–	–	–
59	Sand Pumps	–	–	–	–	–	–	–
60	Piers	–	–	–	–	–	–	–
61	Revetments	–	–	–	–	–	–	–
62	Promenades	–	–	–	–	–	–	–
63	Capital Spares	–	–	–	–	–	–	–
64	Information and Communication Infrastructure	–	–	–	–	–	–	–
65	Data Centres	–	–	–	–	–	–	–
66	Core Layers	–	–	–	–	–	–	–
67	Distribution Layers	–	–	–	–	–	–	–
68	Capital Spares	–	–	–	–	–	–	–
69	Community Assets	2,062	3,000	3,298	2,814	2,062	3,708	3,550
70	Community Facilities	1,251	3,000	2,860	2,660	1,251	3,296	3,150
71	Halls	–	–	–	–	–	–	–
72	Centres	485	–	329	130	485	136	250
73	Crèches	–	–	–	–	–	–	–
74	Clinics/Care Centres	–	–	–	–	–	–	–
75	Fire/Ambulance Stations	–	–	–	–	–	–	–
76	Testing Stations	–	–	–	–	–	–	–
77	Museums	–	–	–	–	–	–	–
79	Galleries	–	–	–	–	–	–	–
80	Theatres	–	–	–	–	–	–	–
81	Libraries	–	–	–	–	–	60	–
82	Cemeteries/Crematoria	401	3,000	2,419	2,419	401	1,400	2,750
83	Police	165	–	112	112	165	–	–
84	Purls	199	–	–	–	199	70	150
85	Public Open Space	–	–	–	–	–	–	–
86	Nature Reserves	–	–	–	–	–	–	–
87	Public Ablution Facilities	–	–	–	–	–	–	–
88	Markets	–	–	–	–	–	–	–
89	Stalls	–	–	–	–	–	1,630	–
90	Abattoirs	–	–	–	–	–	–	–
91	Airports	–	–	–	–	–	–	–
92	Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–
93	Capital Spares	–	–	–	–	–	–	–
94	Sport and Recreation Facilities	811	–	438	154	811	412	400
95	Indoor Facilities	–	–	–	–	–	–	–
96	Outdoor Facilities	811	–	438	154	811	412	400
97	Capital Spares	–	–	–	–	–	–	–
99	Heritage assets	–	–	–	–	–	–	–
100	Monuments	–	–	–	–	–	–	–
101	Historic Buildings	–	–	–	–	–	–	–
102	Works of Art	–	–	–	–	–	–	–
103	Conservation Areas	–	–	–	–	–	–	–
104	Other Heritage	–	–	–	–	–	–	–
105	Investment properties	–	–	–	–	–	–	–
106	Revenue Generating	–	–	–	–	–	–	–
107	Improved Property	–	–	–	–	–	–	–
108	Unimproved Property	–	–	–	–	–	–	–
109	Non-revenue Generating	–	–	–	–	–	–	–
110	Improved Property	–	–	–	–	–	–	–
111	Unimproved Property	–	–	–	–	–	–	–
112	Other assets	9,541	855	886	886	2,300	2,846	2,236
113	Operational Buildings	9,541	855	886	886	2,300	2,846	2,236
114	Municipal Offices	9,541	855	886	886	2,300	2,846	2,236
115	Pay/Enquiry Points	–	–	–	–	–	–	–
116	Building Plan Offices	–	–	–	–	–	–	–
117	Workshops	–	–	–	–	–	–	–
118	Yards	–	–	–	–	–	–	–
119	Stores	–	–	–	–	–	–	–
120	Laboratories	–	–	–	–	–	–	–
121	Training Centres	–	–	–	–	–	–	–
122	Manufacturing Plant	–	–	–	–	–	–	–
123	Depots	–	–	–	–	–	–	–
124	Capital Spares	–	–	–	–	–	–	–

Capital Expenditure - New Assets								
R' 000								
Serial No.	Description	2023/24	2024/25			Planned Capital Expenditure		
		Actual	Original Budget	Adjustments Budget (after virements)	Actual Expenditure	2025/2026	2026/2027	2027/2028
Column Ref.	A	B	C	D	E	F	G	H
125	Housing	–	–	–	–	–	–	–
126	Staff Housing	–	–	–	–	–	–	–
127	Social Housing	–	–	–	–	–	–	–
128	Capital Spares	–	–	–	–	–	–	–
129	Biological or Cultivated Assets	–	–	–	–	–	–	–
130	Biological or Cultivated Assets	–	–	–	–	–	–	–
131	Intangible Assets	219	–	–	–	300	–	–
132	Servitudes	–	–	–	–	–	–	–
133	Licences and Rights	219	–	–	–	300	–	–
134	Water Rights	–	–	–	–	–	–	–
135	Effluent Licenses	–	–	–	–	–	–	–
136	Solid Waste Licenses	–	–	–	–	–	–	–
137	Computer Software and Applications	219	–	–	–	300	–	–
138	Load Settlement Software Applications	–	–	–	–	–	–	–
139	Unspecified	–	–	–	–	–	–	–
140	Computer Equipment	6,104	3,769	6,129	6,129	7,135	4,004	4,000
141	Computer Equipment	6,104	3,769	6,129	6,129	7,135	4,004	4,000
142	Furniture and Office Equipment	1,137	1,295	2,086	1,915	1,199	795	724
143	Furniture and Office Equipment	1,137	1,295	2,086	1,915	1,199	795	724
144	Machinery and Equipment	10,017	6,156	6,632	6,568	10,300	6,488	7,096
145	Machinery and Equipment	10,017	6,156	6,632	6,568	10,300	6,488	7,096
146	Transport Assets	20,140	12,422	29,880	30,094	32,410	36,939	40,680
147	Transport Assets	20,140	12,422	29,880	30,094	32,410	36,939	40,680
148	Land	–	–	–	–	2,777	400	1,000
149	Land	–	–	–	–	2,777	400	1,000
150	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
151	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
152	Total Capital Expenditure on New Assets	221,748	140,927	140,869	130,317	147,493	133,480	150,286

ANNEXURE L (III): CAPITAL EXPENDITURE – UPGRADE PROJECTS

Table 220: Capital Expenditure – Upgrade / Renewal Programme

Capital Expenditure – Upgrade/Renewal Programme*								
R' 000								
Serial No.	Description	2023/24 Actual	Original Budget	2024/25 Adjustment Budget	Actual Expenditure	Planned Capital Expenditure		
Column Ref	A	B	C	D	E	F	G	H
1	Capital Expenditure by Asset Class	-	-	-	-	-	-	-
2	Infrastructure	15,411	45,394	59,592	59,590	41,569	10,259	2,000
3	Roads Infrastructure	11,991	39,394	53,920	53,919	38,869	6,259	-
4	Roads	11,991	39,394	53,920	53,919	38,869	6,259	-
5	Road Structures	-	-	-	-	-	-	-
6	Road Furniture	-	-	-	-	-	-	-
7	Capital Spares	-	-	-	-	-	-	-
8	Storm water Infrastructure	-	-	-	-	-	-	-
9	Drainage Collection	-	-	-	-	-	-	-
10	Storm water Conveyance	-	-	-	-	-	-	-
11	Attenuation	-	-	-	-	-	-	-
12	Electrical Infrastructure	218	400	400	400	2,700	-	-
13	Power Plants	-	-	-	-	-	-	-
14	HV Substations	-	-	-	-	-	-	-
15	HV Switching Station	-	-	-	-	-	-	-
16	HV Transmission Conductors	-	-	-	-	-	-	-
17	MV Substations	218	400	400	400	1,500	-	-
18	MV Switching Stations	-	-	-	-	-	-	-
19	MV Networks	-	-	-	-	1,200	-	-
20	LV Networks	-	-	-	-	-	-	-
21	Capital Spares	-	-	-	-	-	-	-
22	Water Supply Infrastructure	202	-	-	-	-	-	-
23	Dams and Weirs	-	-	-	-	-	-	-
24	Boreholes	-	-	-	-	-	-	-
25	Reservoirs	-	-	-	-	-	-	-
26	Pump Stations	-	-	-	-	-	-	-
27	Water Treatment Works	-	-	-	-	-	-	-
28	Bulk Mains	-	-	-	-	-	-	-
29	Distribution	202	-	-	-	-	-	-
30	Distribution Points	-	-	-	-	-	-	-
31	PRV Stations	-	-	-	-	-	-	-
32	Capital Spares	-	-	-	-	-	-	-
33	Sanitation Infrastructure	1	-	-	-	-	-	-
34	Pump Station	1	-	-	-	-	-	-
35	Reticulation	-	-	-	-	-	-	-
36	Waste Water Treatment Works	-	-	-	-	-	-	-
37	Outfall Sewers	-	-	-	-	-	-	-
38	Toilet Facilities	-	-	-	-	-	-	-
39	Capital Spares	-	-	-	-	-	-	-
40	Solid Waste Infrastructure	2,999	5,600	5,271	5,271	-	4,000	2,000
41	Landfill Sites	-	-	-	-	-	-	-
42	Waste Transfer Stations	-	-	-	-	-	-	-
43	Waste Processing Facilities	-	-	-	-	-	-	-
44	Waste Drop-off Points	2,999	5,600	5,271	5,271	-	4,000	2,000
45	Waste Separation Facilities	-	-	-	-	-	-	-
46	Electricity Generation Facilities	-	-	-	-	-	-	-
47	Capital Spares	-	-	-	-	-	-	-
48	Rail Infrastructure	-	-	-	-	-	-	-
49	Rail Lines	-	-	-	-	-	-	-
50	Rail Structures	-	-	-	-	-	-	-
51	Rail Furniture	-	-	-	-	-	-	-
52	Drainage Collection	-	-	-	-	-	-	-
53	Storm water Conveyance	-	-	-	-	-	-	-
54	Attenuation	-	-	-	-	-	-	-
55	MV Substations	-	-	-	-	-	-	-
56	LV Networks	-	-	-	-	-	-	-
57	Capital Spares	-	-	-	-	-	-	-

Capital Expenditure – Upgrade/Renewal Programme*								
R' 000								
Serial No.	Description	2023/24	2024/25			Planned Capital Expenditure		
		Actual	Original Budget	Adjustment Budget	Actual Expenditure	2025/26	2026/27	2027/28
Column Ref	A	B	C	D	E	F	G	H
58	Coastal Infrastructure	–	–	–	–	–	–	–
59	Sand Pumps	–	–	–	–	–	–	–
60	Piers	–	–	–	–	–	–	–
61	Revetments	–	–	–	–	–	–	–
62	Promenades	–	–	–	–	–	–	–
63	Capital Spares	–	–	–	–	–	–	–
64	Information and Communication Infrastructure	–	–	–	–	–	–	–
65	Data Centres	–	–	–	–	–	–	–
66	Core Layers	–	–	–	–	–	–	–
67	Distribution Layers	–	–	–	–	–	–	–
68	Capital Spares	–	–	–	–	–	–	–
69	Community Assets	–	–	–	–	–	–	–
70	Community Facilities	–	–	–	–	–	–	–
71	Halls	–	–	–	–	–	–	–
72	Centres	–	–	–	–	–	–	–
73	Crèches	–	–	–	–	–	–	–
74	Clinics/Care Centres	–	–	–	–	–	–	–
75	Fire/Ambulance Stations	–	–	–	–	–	–	–
76	Testing Stations	–	–	–	–	–	–	–
77	Museums	–	–	–	–	–	–	–
78	Galleries	–	–	–	–	–	–	–
79	Theatres	–	–	–	–	–	–	–
80	Libraries	–	–	–	–	–	–	–
81	Cemeteries/Crematoria	–	–	–	–	–	–	–
82	Police	–	–	–	–	–	–	–
83	Parks	–	–	–	–	–	–	–
84	Public Open Space	–	–	–	–	–	–	–
85	Nature Reserves	–	–	–	–	–	–	–
86	Public Ablution Facilities	–	–	–	–	–	–	–
87	Markets	–	–	–	–	–	–	–
88	Stalls	–	–	–	–	–	–	–
89	Abattoirs	–	–	–	–	–	–	–
90	Airports	–	–	–	–	–	–	–
91	Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–
92	Capital Spares	–	–	–	–	–	–	–
93	Sport and Recreation Facilities	–	–	–	–	–	–	–
94	Indoor Facilities	–	–	–	–	–	–	–
95	Outdoor Facilities	–	–	–	–	–	–	–
96	Capital Spares	–	–	–	–	–	–	–
97	Heritage assets	–	–	–	–	–	–	–
98	Monuments	–	–	–	–	–	–	–
99	Historic Buildings	–	–	–	–	–	–	–
100	Works of Art	–	–	–	–	–	–	–
101	Conservation Areas	–	–	–	–	–	–	–
102	Other Heritage	–	–	–	–	–	–	–
103	Investment properties	–	–	–	–	–	–	–
104	Revenue Generating	–	–	–	–	–	–	–
105	Improved Property	–	–	–	–	–	–	–
106	Unimproved Property	–	–	–	–	–	–	–
107	Non-revenue Generating	–	–	–	–	–	–	–
108	Improved Property	–	–	–	–	–	–	–
109	Unimproved Property	–	–	–	–	–	–	–
110	Other assets	484	920	1,397	1,397	3,210	117	117
111	Operational Buildings	484	920	1,397	1,397	3,210	117	117
112	Municipal Offices	484	920	1,397	1,397	3,210	117	117
113	Pay/Enquiry Points	–	–	–	–	–	–	–
114	Building Plan Offices	–	–	–	–	–	–	–
115	Workshops	–	–	–	–	–	–	–
116	Yards	–	–	–	–	–	–	–
117	Stores	–	–	–	–	–	–	–
118	Laboratories	–	–	–	–	–	–	–
119	Training Centres	–	–	–	–	–	–	–
120	Manufacturing Plant	–	–	–	–	–	–	–
121	Depots	–	–	–	–	–	–	–
122	Capital Spares	–	–	–	–	–	–	–

Capital Expenditure – Upgrade/Renewal Programme*								
R' 000								
Serial No.	Description	2023/24	2024/25			Planned Capital Expenditure		
Column Ref		Actual	Original Budget	Adjustment Budget	Actual Expenditure	2025/26	2026/27	2027/28
	A	B	C	D	E	F	G	H
123	Housing	–	–	–	–	–	–	–
124	Staff Housing	–	–	–	–	–	–	–
125	Social Housing	–	–	–	–	–	–	–
126	Capital Spares	–	–	–	–	–	–	–
127	Biological or Cultivated Assets	–	–	–	–	–	–	–
128	Biological or Cultivated Assets	–	–	–	–	–	–	–
129	Intangible Assets	–	–	–	–	–	–	–
130	Servitudes	–	–	–	–	–	–	–
131	Licences and Rights	–	–	–	–	–	–	–
132	Water Rights	–	–	–	–	–	–	–
133	Effluent Licenses	–	–	–	–	–	–	–
134	Solid Waste Licenses	–	–	–	–	–	–	–
135	Computer Software and Applications	–	–	–	–	–	–	–
136	Load Settlement Software Applications	–	–	–	–	–	–	–
137	Unspecified	–	–	–	–	–	–	–
138	Computer Equipment	–	–	–	–	–	–	–
139	Computer Equipment	–	–	–	–	–	–	–
140	Furniture and Office Equipment	–	–	–	–	–	–	–
141	Furniture and Office Equipment	–	–	–	–	–	–	–
142	Machinery and Equipment	–	–	–	–	–	–	–
143	Machinery and Equipment	–	–	–	–	–	–	–
144	Transport Assets	91	1,822	1,921	1,921	–	500	240
145	Transport Assets	91	1,822	1,921	1,921	–	500	240
146	Land	–	–	–	–	–	–	–
147	Land	–	–	–	–	–	–	–
148	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
149	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
150	Total Capital Expenditure on renewed assets	15,986	48,136	62,910	62,909	44,779	10,876	2,357

ANNEXURE L (III): CAPITAL EXPENDITURE – RENEWAL PROJECTS

Table 221: Capital Expenditure – Upgrade Renewal Programme

Capital Expenditure – Upgrade/Renewal Programme*								
R' 000								
Serial No.	Description	2022/2023	2023/2024			Planned Capital Expenditure		
Column Ref.	A	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/2025	2025/2026	2026/2027
		B	C	D	E	F	G	H
1	Capital Expenditure by Asset Class	-	-	-	-	-	-	-
2	Infrastructure	246,552	553,898	362,377	364,777	498,499	402,466	196,389
3	Roads Infrastructure	14,158	16,301	16,471	16,462	6,156	10,823	30,993
4	Roads	10,408	14,601	14,956	14,947	3,926	8,823	30,993
5	Road Structures	3,751	1,700	1,514	1,514	2,230	2,000	-
6	Road Furniture	-	-	-	-	-	-	-
7	Capital Spares	-	-	-	-	-	-	-
8	Storm water Infrastructure	5,661	6,990	7,640	7,640	6,000	5,000	-
9	Drainage Collection	-	-	-	-	-	-	-
10	Storm water Conveyance	5,661	6,990	7,640	7,640	6,000	5,000	-
11	Attenuation	-	-	-	-	-	-	-
12	Electrical Infrastructure	34,564	23,270	24,742	27,194	26,552	23,628	42,671
13	Power Plants	-	-	-	-	-	-	-
14	HV Substations	-	-	-	-	-	-	-
15	HV Switching Station	-	-	-	-	-	-	-
16	HV Transmission Conductors	5,965	3,010	3,010	3,010	1,500	5,059	13,633
17	MV Substations	8,696	2,904	2,904	2,904	10,557	10,369	10,837
18	MV Switching Stations	-	-	-	-	-	-	-
19	MV Networks	4,000	4,000	5,436	5,436	5,620	5,000	15,000
20	LV Networks	15,903	13,356	13,392	15,844	8,875	3,200	3,200
21	Capital Spares	-	-	-	-	-	-	-
22	Water Supply Infrastructure	13,825	13,908	15,124	15,081	20,985	5,805	1,500
23	Dams and Weirs	-	-	-	-	-	-	-
24	Boreholes	-	-	-	-	-	-	-
25	Reservoirs	-	-	-	-	-	-	-
26	Pump Stations	-	-	-	-	-	-	-
27	Water Treatment Works	-	-	-	-	-	-	-
28	Bulk Mains	10,270	-	558	558	350	-	-
29	Distribution	2,179	12,908	13,217	13,217	18,785	5,700	1,500
30	Distribution Points	1,376	1,000	1,349	1,306	1,850	105	-
31	PRV Stations	-	-	-	-	-	-	-
32	Capital Spares	-	-	-	-	-	-	-
33	Sanitation Infrastructure	178,345	493,429	298,400	298,400	438,807	357,211	121,225
34	Pump Station	-	1,490	1,462	1,462	1,000	-	-
35	Reticulation	5,495	7,000	5,879	5,879	7,100	7,559	8,225
36	Waste Water Treatment Works	172,850	484,939	291,058	291,058	430,707	349,652	113,000
37	Outfall Sewers	-	-	-	-	-	-	-
38	Toilet Facilities	-	-	-	-	-	-	-
39	Capital Spares	-	-	-	-	-	-	-
40	Solid Waste Infrastructure	-	-	-	-	-	-	-
41	Landfill Sites	-	-	-	-	-	-	-
42	Waste Transfer Stations	-	-	-	-	-	-	-
43	Waste Processing Facilities	-	-	-	-	-	-	-
44	Waste Drop-off Points	-	-	-	-	-	-	-
45	Waste Separation Facilities	-	-	-	-	-	-	-
46	Electricity Generation Facilities	-	-	-	-	-	-	-
47	Capital Spares	-	-	-	-	-	-	-
48	Rail Infrastructure	-	-	-	-	-	-	-
49	Rail Lines	-	-	-	-	-	-	-
50	Rail Structures	-	-	-	-	-	-	-
51	Rail Furniture	-	-	-	-	-	-	-
52	Drainage Collection	-	-	-	-	-	-	-
53	Storm water Conveyance	-	-	-	-	-	-	-
54	Attenuation	-	-	-	-	-	-	-
55	MV Substations	-	-	-	-	-	-	-
56	LV Networks	-	-	-	-	-	-	-
57	Capital Spares	-	-	-	-	-	-	-

Capital Expenditure – Upgrade/Renewal Programme*								
R' 000								
Serial No.	Description	2022/2023	2023/2024			Planned Capital Expenditure		
		Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/2025	2025/2026	2026/2027
Column Ref.	A	B	C	D	E	F	G	H
58	Coastal Infrastructure	–	–	–	–	–	–	–
59	Sand Pumps	–	–	–	–	–	–	–
60	Piers	–	–	–	–	–	–	–
61	Revetments	–	–	–	–	–	–	–
62	Promenades	–	–	–	–	–	–	–
63	Capital Spares	–	–	–	–	–	–	–
64	Information and Communication Infrastructure	–	–	–	–	–	–	–
65	Data Centres	–	–	–	–	–	–	–
66	Core Layers	–	–	–	–	–	–	–
67	Distribution Layers	–	–	–	–	–	–	–
68	Capital Spares	–	–	–	–	–	–	–
69	Community Assets	2,094	13,150	10,492	10,492	9,502	6,369	7,221
70	Community Facilities	–	3,250	2,628	2,628	1,900	1,169	3,871
71	Halls	–	1,700	1,760	1,760	–	160	250
72	Centres	–	–	–	–	–	–	–
73	Crèches	–	–	–	–	–	–	–
74	Clinics/Care Centres	–	–	–	–	–	–	–
75	Fire/Ambulance Stations	–	–	–	–	–	100	100
76	Testing Stations	–	–	–	–	–	–	–
77	Museums	–	–	–	–	–	–	–
78	Galleries	–	–	–	–	–	–	–
79	Theatres	–	–	–	–	–	–	–
80	Libraries	–	–	–	–	–	–	–
81	Cemeteries/Crematoria	–	–	–	–	–	–	–
82	Police	–	–	–	–	–	–	–
83	Purls	–	1,200	868	868	1,900	580	1,375
84	Public Open Space	–	–	–	–	–	–	–
85	Nature Reserves	–	–	–	–	–	100	250
86	Public Ablution Facilities	–	–	–	–	–	–	–
87	Markets	–	–	–	–	–	–	–
88	Stalls	–	350	–	–	–	229	1,896
89	Abattoirs	–	–	–	–	–	–	–
90	Airports	–	–	–	–	–	–	–
91	Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–
92	Capital Spares	–	–	–	–	–	–	–
93	Sport and Recreation Facilities	2,094	9,900	7,864	7,864	7,602	5,200	3,350
94	Indoor Facilities	–	–	–	–	–	–	–
95	Outdoor Facilities	2,094	9,900	7,864	7,864	7,602	5,200	3,350
96	Capital Spares	–	–	–	–	–	–	–
97	Heritage assets	–	–	–	–	–	–	–
98	Monuments	–	–	–	–	–	–	–
99	Historic Buildings	–	–	–	–	–	–	–
100	Works of Art	–	–	–	–	–	–	–
101	Conservation Areas	–	–	–	–	–	–	–
102	Other Heritage	–	–	–	–	–	–	–
103	Investment properties	–	–	–	–	–	–	–
104	Revenue Generating	–	–	–	–	–	–	–
105	Improved Property	–	–	–	–	–	–	–
106	Unimproved Property	–	–	–	–	–	–	–
107	Non-revenue Generating	–	–	–	–	–	–	–
108	Improved Property	–	–	–	–	–	–	–
109	Unimproved Property	–	–	–	–	–	–	–
110	Other assets	1,335	10,115	6,938	6,481	9,855	244	224
111	Operational Buildings	1,335	10,115	6,938	6,481	9,855	244	224
112	Municipal Offices	1,335	10,115	6,938	6,481	9,855	220	200
113	Pay/Enquiry Points	–	–	–	–	–	–	–
114	Building Plan Offices	–	–	–	–	–	–	–
115	Workshops	–	–	–	–	–	–	–
116	Yards	–	–	–	–	–	24	24
117	Stores	–	–	–	–	–	–	–
118	Laboratories	–	–	–	–	–	–	–
119	Training Centres	–	–	–	–	–	–	–
120	Manufacturing Plant	–	–	–	–	–	–	–
121	Depots	–	–	–	–	–	–	–
122	Capital Spares	–	–	–	–	–	–	–

Capital Expenditure – Upgrade/Renewal Programme*								
R' 000								
Serial No.	Description	2022/2023	2023/2024			Planned Capital Expenditure		
		Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/2025	2025/2026	2026/2027
Column Ref.	A	B	C	D	E	F	G	H
123	Housing	–	–	–	–	–	–	–
124	Staff Housing	–	–	–	–	–	–	–
125	Social Housing	–	–	–	–	–	–	–
126	Capital Spares	–	–	–	–	–	–	–
127	Biological or Cultivated Assets	–	–	–	–	–	–	–
128	Biological or Cultivated Assets	–	–	–	–	–	–	–
129	Intangible Assets	–	–	–	–	–	–	–
130	Servitudes	–	–	–	–	–	–	–
131	Licences and Rights	–	–	–	–	–	–	–
132	Water Rights	–	–	–	–	–	–	–
133	Effluent Licenses	–	–	–	–	–	–	–
134	Solid Waste Licenses	–	–	–	–	–	–	–
135	Computer Software and Applications	–	–	–	–	–	–	–
136	Load Settlement Software Applications	–	–	–	–	–	–	–
137	Unspecified	–	–	–	–	–	–	–
138	Computer Equipment	–	–	–	–	–	–	–
139	Computer Equipment	–	–	–	–	–	–	–
140	Furniture and Office Equipment	–	–	–	–	–	–	–
141	Furniture and Office Equipment	–	–	–	–	–	–	–
142	Machinery and Equipment	–	–	–	–	–	–	–
143	Machinery and Equipment	–	–	–	–	–	–	–
144	Transport Assets	–	–	–	–	–	–	–
145	Transport Assets	–	–	–	–	–	–	–
146	Land	–	–	–	–	–	–	–
147	Land	–	–	–	–	–	–	–
148	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
149	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
150	Total Capital Expenditure on renewed assets	249,982	577,163	379,807	381,749	517,856	409,079	203,834

ANNEXURE M: CAPITAL PROGRAMME BY PROJECT

Table 222: Capital Programme by Main Project 2024/25

Capital Programme by Main Project 2024/25						
Serial No.	Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act – Adj) %	Variance (Act – OB) %
Column Ref.	A	B	C	D	E	F
1	Water					
2	Replace Upgrade of Water Reticulation System	11,677,536	11,970,800	11,970,799	0.00%	2.51%
3	Extension of Basic Services: Informal Settlements Water	1,000,000	1,025,911	1,025,911	0.00%	2.59%
4	Installation of Water Meters	0	929,879	929,879	0.00%	100.00%
5	Sanitation/Sewerage					
6	Rehab & Upgrade of Paarl WWTW	481,939,130	286,981,954	286,981,954	0.00%	-40.45%
7	Southern Paarl Bulk Sewer	39,800,000	39,105,002	39,105,000	0.00%	-1.75%
8	Upgrading of Reactors Paarl WWTW	3,000,000	4,076,335	4,076,334	0.00%	35.88%
9	Electricity					
10	New Connection BICL's	8,000,000	32,400,000	31,164,933	-3.81%	289.56%
11	Replacement Program for Old and Redundant	4,805,000	6,080,416	8,744,003	43.81%	81.98%
12	Increase Existing MT Network Capacity	4,000,000	5,436,238	5,436,238	0.00%	35.91%
13	Road Transport					
14	Drommedaris Neighbourhood Grant	26,086,957	32,462,108	32,462,108	0.00%	24.44%
15	Reseal of Streets in Terms of the RAMS	13,307,319	19,611,925	19,611,925	0.00%	47.38%
16	Upgrading of Provincial Roads	9,826,087	8,586,957	8,586,957	0.00%	-12.61%
17	Housing					
18	Schoongezicht Electrification	0	1,412,009	1,412,009	0.00%	100.00%
19	Simondium Electrification	0	840,000	839,825	-0.02%	100.00%
20	Fairyland Siyashala Electrification	0	719,035	719,034	0.00%	100.00%
21	Refuse Removal					
22	Organic Waste Diversion Infrastructure	5,600,000	5,271,415	5,271,414	0.00%	-5.87%
23	Wheelie Bins	1,250,000	2,353,662	2,353,662	0.00%	88.29%
24	Solid Waste Skips	750,000	564,200	564,200	0.00%	-24.77%
25	Economic Development					
26	Other Capital Projects	0	97,769	97,768	0.00%	100.00%
27	Sports, Art and Culture					
28	Dal Sports Stadium Upgrading Facility	7,400,000	6,996,928	6,996,927	0.00%	-5.45%
29	Upgrading of Parks and Main Roads	1,200,000	867,588	867,588	0.00%	-27.70%
30	Tools of Trade	400,000	465,966	455,165	-2.32%	13.79%
31	Executive and Council					
32	Other Capital Projects	11,500	9,752	9,752	0.00%	100.00%
33	Corporate Services					
34	Fleet Annual Supplement Programme	5,682,876	20,239,579	20,453,783	1.06%	259.92%
35	Upgrading of Municipal Buildings Corporate	8,515,000	6,325,634	5,868,244	-7.23%	-31.08%
36	ICT Equipment Computer Related	2,559,000	4,170,204	4,170,204	0.00%	62.96%
37	Budget and Treasury Office					
38	Computer Equipment	0	605,778	605,778	0.00%	100.00%
41	Community and Social Services					
42	Develop Nieuwedrift Cemeteries	3,000,000	2,418,659	2,418,659	0.00%	-19.38%
43	Safety and Security					
44	Fire Fighting Vehicle	3,700,000	9,098,743	9,098,743	0.00%	145.91%
45	Shift Patrol Vehicles	1,800,000	1,868,090	1,868,090	0.00%	3.78%
46	Vehicles (Law Enforcement)	1,000,000	505,904	505,904	0.00%	-49.41%

ANNEXURE N: CAPITAL PROGRAMME BY PROJECT BY WARD

Table 223: Capital Programme by Project by Ward 2024/25

Capital Programme by Project by Ward 2024/25			
Serial No.	Capital Programme	Wards affected	Works completed (Yes/No)
Column Ref.	A	B	C
1	Water		
2	Replace Upgrade of Water Reticulation System	All	Yes
3	Extension of Basic Services: Informal Settlements Water	All	Yes
4	Installation of Water Meters	All	Yes
5	Sanitation/Sewerage		
6	Rehab & Upgrade of Paarl WWTW	All	Yes
7	Southern Paarl Bulk Sewer	All	Yes
8	Upgrading of Reactors Paarl WWTW	All	Yes
9	Electricity		
10	New Connection BICL's	All	Yes
11	Replacement Program for Old and Redundant	All	Yes
12	Increase Existing MT Network Capacity	All	Yes
13	Housing		
14	Schoongezicht Electrification	All	Yes
15	Simondium Electrification	All	Yes
16	Fairyland Siyashala Electrification	All	Yes
17	Refuse Removal		
18	Organic Waste Diversion Infrastructure	All	Yes
19	Wheelie Bins	All	Yes
20	Solid Waste Skips	All	Yes
21	Economic Development		
22	Other Capital Projects	All	Yes
23	Sports, Art And Culture		
24	Dal Sports Stadium Upgrading Facility	All	Yes
25	Upgrading of Parks and Main Roads	All	Yes
26	Tools of Trade	All	Yes
27	Road And Transport		
28	Drommedaris Neighbourhood Grant	All	Yes
29	Reseal of Streets in Terms of the RAMS	All	Yes
30	Upgrading of Provincial Roads	All	Yes
31	Executive and Council		
32	Other Capital Projects	All	Yes
33	Corporate Services		
34	Fleet Annual Supplement Programme	All	Yes
35	Upgrading of Municipal Buildings Corporate	All	Yes
36	ICT Equipment Computer Related	All	Yes
37	Budget and Treasury Office		
38	Computer Equipment	All	Yes
41	Community and Social Services		
42	Develop Nieuwedrift Cemeteries	All	Yes
43	Safety and Security		
44	Fire Fighting Vehicle	All	Yes
45	Shift Patrol Vehicles	All	Yes
46	Vehicles (Law Enforcement)	All	Yes

ANNEXURE O: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Table 224: Service Backlogs - Schools and Clinics

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Waste
Schools				
None	None	None	None	None
Clinics				
None	None	None	None	None

ANNEXURE P: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Table 225: Service backlogs experienced by the community where another sphere of government is the service provider

Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the municipality acts on agency basis)		
Service and locations	Scale of backlogs	Impact of backlogs
Clinics		
General health services – Windmeul	The facility is too small and cannot serve all the needs of the people in this rural farming area. No doctor. Only referrals from general health nurse. Current service a mobile service and a fixed clinic.	The mobile clinic in Windmeul is also complemented by a fixed clinic at the school.
Mbekweni CDC Centre	The facility is too small and cannot serve all the needs of the people who require general health services.	Facility inadequate to serve all the people who require services and not conducive to dispensary services. New clinic to be built in Groenheuwel in progress.
Soetendal Clinic – Wellington	No shelter for the patients during winter months or whilst waiting for transport to collect them to be transported to the nearest hospital. Hermon patients require transport to Soetendal Clinic on a regular basis.	Matter was referred to Department of Health for further investigation.
Van Wyksvlei CDC (Wards 5, 7, 10 and 11)	A fully-fledged hospital is needed in the area as the clinic is insufficient.	Facility is more central and adequate to serve in full capacity in the area.
Nederburg Clinic – Ward 25	Request for the Clinic at Nederburg to be enlarged and more staff should be appointed.	This clinic was closed by the Department of Health. Drakenstein Municipality has lease to a NGO.
Housing		
Informal Settlements Drakenstein Municipality	Estimated informal households (8,864) encompassing approximately 16,425 persons in 44 informal settlements.	Increase pressure on need for access to basic services and well-located land. Constant land threats of land invasions that need to be managed.
Housing Demand	21,605 active applications.	Considering limited resources, it will take longer than 20 years for an applicant to be assisted with a housing opportunity.
Electrification	There are 44 registered informal settlements of which 28 has been completed ($28/44 * 100 = 63.6\%$).	Limited funding, resources and existing infrastructure that require upgrading to facilitate future growth and development.

Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the municipality acts on agency basis)		
Service and locations	Scale of backlogs	Impact of backlogs
Driving Licensing and Testing Centre		
Paarl Testing Centre (Dal Josaphat)	35,061 transactions	New upgrading of facilities are required to accommodate the needs of the community and will be addressed as funds become available.
Reservoirs		
None	None	None
Schools (Primary and High)		
Windmeul (Ward 3)	Train youth to assist the Health Workers on the Farm.	Department of Health through NoRSA should appoint and/train health care workers.
	Clinic in Windmeul only services half of the whole Ward 3	Refer matter to Department of Health.
Carterville (Ward 5)	Visibility and patrol of SAPS in ward.	This is a national competency for SAPS, and the matter was referred to CPF in Mbekweni.
	Development of Neighbourhood Watches	This is a national competency for SAPS, and the matter was referred to all local SAPS branches.
Silvertown, Mbekweni (Ward 6)	Development of Arts Centre in Mbekweni	There is already a development centre within the Mbekweni area.
New Primary School (Ward 5)	Community requests new primary school for Ward 5.	Van Wyksvlei Primary and Hillcrest Primary Schools are accessible for Ward 5.
Mbekweni, Drommedaris (Ward 16)	Drommedaris needs a primary school	They are building a new school in Groenheuwel
Newton, Van Wyksvlei, Safmarine (Ward 11)	Wheelchair access to the day hospital needed	The Safmarine is leased to a Non-Profit Organisation

ANNEXURE Q: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Table 226: Declaration of loans and grants made by the Municipality 2024/25

Declaration of loans and grants made by the Municipality 2024/25				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2024/25
Column Ref.	A	B	C	D
1	*No loans were granted to any organisation			
2	Grants made by the Municipality			
3	Bursaries (Employees and Non-Employees)	Study Bursaries	None	515,025
4	Abantwana Boxolo Ad	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
5	Abbeyfield Society Of South Africa Wellington	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
6	ACVV Fyngoud Dienssentrum Wellington	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	25,000
7	ACVV Wellington	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	20,000
8	ACVV Wellington Silwerkruin	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	20,000
9	Adama Foundation Trust	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
10	African Methodist Episcopal Church	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
11	African Youth Boxing Club	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
12	Alfons Primary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	17,000
13	Amstelhof Primer	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	15,000
14	Angel of Hope NPO	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	28,875
15	Asakhe Home Base Care NPO	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
16	Batalion Football Club	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000

Declaration of loans and grants made by the Municipality 2024/25				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2024/25
Column Ref.	A	B	C	D
17	Bergendal Primere Skool Skoolfonds	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
18	Bergriver High School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
19	Bergrivier NGK Primere Skool	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	7,000
20	Bethel Congregation Church	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	1,000
21	Boland Atletiek Paalspring Akademie	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	16,000
22	Boland Autism School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	20,000
23	Boland Cricket	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	6,000
24	Boland Laerskole Rugby Unie	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	4,000
25	Boland Landbou High School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
26	Boland Rugby Union	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	50,000
27	Boland Sentraal Rugby-Wellington	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	16,875
28	Bonokuhle After School Care Association	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	16,875
29	Breakthru Restoration Community Church	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	224,000
30	Bubble Buddies	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	9,000
31	Calvyn Protestantse Kerk SA Newton	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	4,000
32	Cancer Association Of South Africa NPC	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	15,000

Declaration of loans and grants made by the Municipality 2024/25				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2024/25
Column Ref.	A	B	C	D
33	Cape Epic (Pty) Ltd	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	450,000
34	Cape Winelands	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	2,000
35	Cape Winelands Cycling Union	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	75,000
36	Cape Winelands Karate	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
37	Charleston Hill Secondary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	15,000
38	Cheve Neighbourhood Watch	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	25,000
39	Christelike Gereformeerde Kerk	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	23,704
40	Christian Restoration Church	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	20,000
41	Church Of Ascension	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	1,000
42	City Killers Football Club	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
43	Civinovus	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	8,500
44	Cure Ibbean Pirates	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	1,000
45	Daljosaphat Primere Skool	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
46	Dark Shadow Dance Crew	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	2,000
47	Dennerburg Noodgroep NPO	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
48	Desmond Mpilo Tutu High School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000

Declaration of loans and grants made by the Municipality 2024/25				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2024/25
Column Ref.	A	B	C	D
49	Die Verenigde Voorstrewende Pinksterkerk Gouda	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
50	Donation - Taxi Associations	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	385,721
51	Dr Mbekweni United RFC One	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
52	Drakenstein Dance Studio	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	2,000
53	Drakenstein Majorettes	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	7,000
54	Drakenstein Palliative Hospice	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	11,000
55	Drakenstein Recreational Club	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	80,000
56	Eeko Kleen Hub	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	9,000
57	Eva Paulse Blokwag	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
58	Fire Victims	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	1,785
59	Fishers Of Man Daycare and Aftercare	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	2,500
60	Frank Pietersen Music Centre	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
61	God's Property Outreach Projects NPO	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
62	Gouda Cricket Club	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
63	Gouda Dienssentrum	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	22,875
64	Noorder Paarl High School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	13,000

Declaration of loans and grants made by the Municipality 2024/25				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2024/25
Column Ref.	A	B	C	D
65	Hillcrest United Rugbyklub	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	16,875
66	HJS Oudstudent Unie	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
67	Hoërskool Gimnasium Paarl	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
68	Hoog En Droog Neighbourhood Watch NPO	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	25,000
69	Hugenote High School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
70	Hugenote Primary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
71	Huis Andrew Murray Kinder-en-Jeugsorgsentrum	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	13,000
72	Humble Nations NPO	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
73	Ihlumelo Senior School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
74	Ikapa United	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	4,000
75	Inspirational Events	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	2,000
76	Kersboslaagte (SSKV) Primere Skool	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	7,000
77	Klakousies Early Childhood Development Forum	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	16,875
78	Klein Nederburg Secondary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	34,000
79	Klein Parys Neighbourhood Watch	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
80	Koplande Speelskool	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000

Declaration of loans and grants made by the Municipality 2024/25				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2024/25
Column Ref.	A	B	C	D
81	La Rochelle Girl's Primary	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	1,000
82	Labori Highschool	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
83	Laerskool Slot Van Die Paarl	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	7,000
84	Laerskool Sonop	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	30,000
85	Laerskool W A Joubert	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	14,000
86	Landbou BTVP	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
87	Legioene Senior Club	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
88	Ligstraal Skool Vir Leerders Met Spesiale Onderwys	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
89	Lions Club of Paarl	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	12,500
90	Lithalethu Educare Centre	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	16,875
91	Little Acorns Daycare (Pty)Ltd	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
92	Little Mermaid Daycare	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	6,000
93	Little Miracles Day Care	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
94	Lofkleuters	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
95	Love Paarl NPC	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	16,875
96	Luksethu Development and Entertainment	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000

Declaration of loans and grants made by the Municipality 2024/25				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2024/25
Column Ref.	A	B	C	D
97	Magnolia Primary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
98	Ma's Vir Wellington	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	16,875
99	Maude Tabata Soccer Development Academy	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
100	Mbekweni Cricket Club	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
101	Mbekweni Kuyasa Elderly Centre 230-466 NPO	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	40,000
102	Mbekweni Sundowns Football Club	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
103	Mbekweni United Football Club	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
104	Meghal Hendricks Foundation NPC	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	3,000
105	MIQLAT NPC	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	2,384,932
106	Nederburg Primary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	6,000
107	Networking For Christ SA NPO	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	817,078
108	New Orleans Secondary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	25,000
109	New Season Family Worship Centre South Africa NPO	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	8,000
110	Newton Dienssentrum	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	15,000
111	Newtown Primary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
112	Ng Kerk Wellington-Oos	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	37,000

Declaration of loans and grants made by the Municipality 2024/25				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2024/25
Column Ref.	A	B	C	D
113	Nieuwe Drift Primary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	15,000
114	Noorder-Paarl High School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
115	Oase Dienssentrum	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	21,000
116	Oceans United Rvk	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
117	Paarl Boys High School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	2,000
118	Paarl Boys High School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
119	Paarl Central Neighbourhood Watch	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	7,000
120	Paarl Hockey Club	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	3,000
121	Paarl Jeug Inisiatief (Ver Ingelyf Kragtens Art 21)	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	15,000
122	Paarl Museum	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	100,000
123	Paarl School Of Skills	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
124	Pacific Brass Band	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	3,000
125	Parish of Wellington	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	2,000
126	Paulus Joubert Primary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
127	Paulus Joubert Secondary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
128	Percy Bilton Dienssentrum	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	40,000

Declaration of loans and grants made by the Municipality 2024/25				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2024/25
Column Ref.	A	B	C	D
129	Philadelphia Pentecostal Ministries SA	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
130	Pool South Africa	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	17,000
131	Radio KC	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	13,000
132	Rise Up with Advocacy and Action	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	187,000
133	Roodezandt High School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
134	Roses United Rugbyklub	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	16,875
135	Rusoord Tehuis vir Oues Van Dae Paarl	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	45,000
136	Rusthof Ouetehuis	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	23,000
137	Saron Vereniging vir Gestremdes	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	30,000
138	Simona Village Buurtwag Simona	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
139	Simondium Primary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
140	Simondium RFC Club	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	15,000
141	Simunye General Service Provider (Pty) Ltd	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	248,934
142	Siyakhula Day Care	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	21,875
143	Disaster packs	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	46,458
144	Social Stars Football Club	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	1,500

Declaration of loans and grants made by the Municipality 2024/25				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2024/25
Column Ref.	A	B	C	D
145	Soetendal United Rugby Voetbalklub	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	16,875
146	Soup Kitchen Donations	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	122,800
147	South African Hockey	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	2,000
148	South African Underwater Hockey	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	3,000
149	St Albans Primary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	23,000
150	Strelitzia Senior Burgers Klub	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	2,000
151	Sunfield Home (Wellington)	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
152	Temperance Rugby Voetbalklub Association	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
153	The Apostolic Church in Zion Of South Africa	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
154	The Compassionate Friend	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	1,000
155	The Concern Group NPO	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
156	Ronwe Primary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	25,000
157	The Pebbles Project Trust	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
158	The Sprouts Organisation NPC	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
159	The Wellington/Paarl Chapter of the Compassionate	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
160	Tiny Todd's Day Care	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000

Declaration of loans and grants made by the Municipality 2024/25				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2024/25
Column Ref.	A	B	C	D
161	Titans Fitness and Martial Arts Academy	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	6,000
162	Uhambo Procurement and Distribution Cc	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	28,559
163	Umtha Welanga Educare NPO	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	2,500
164	Uprising Arts Project	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
165	Verenigende Gereformeerde Kerk in Suider Afrika	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
166	VGK Huguenot Church	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
167	VGK Wellington-Bergrivier	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	20,000
168	Vrykyk Neighbourhood Watch	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	25,000
169	Wagom Of Hope Foundation	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	3,000
170	Wamakersvallei Training Centre	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	145,000
171	Wamakersvallei Voortrekkerskommando	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
172	Wellington DBV NPO	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
173	Wellington High School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
174	Wellington Horticultural Society	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
175	Wellington Museum	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	100,000
176	Wellington Rugbyvoetbalklub	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000

Declaration of loans and grants made by the Municipality 2024/25				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2024/25
Column Ref.	A	B	C	D
177	Wellington Sentinel NGO (Pty)Ltd	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	30,000
178	Wellington Vereniging vir Bejaardes	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
179	Wellington Warriors Sport Academy	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
180	Weltevrede High School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
181	Western Cape Canoe Union/Berg River Canoe Marathon	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	60,000
182	Wielie Walie Versorgingsoord	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	10,000
183	William Lloyd Primary School	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	26,000
184	Windmeul United Rugbyklub	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	9,000
185	Women Empowerment Movement NPO	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	16,875
186	Wynland Gimnastiekkklub	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	2,000
187	Young Gardens Rugby Club	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	17,875
188	Young Super Stars RFC	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	15,000
189	Zama Home Base	Council Grants and Donations/ Ward Project Donations	MFMA Sec 67 reporting	5,000
190	Western Cape Government	Contribution to R301		30,000,000

ANNEXURE R: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

Table 227: MFMA S71 returns not made during 2024/25 according to reporting requirements

MFMA Section 71 returns not made during 2024/25 according to reporting requirements	
Return	Reason return has not been properly made on due date
All returns were submitted timely	

ANNEXURE S: PRESIDENTIAL OUTCOME FOR LOCAL GOVERNMENT

Table 228: Presidential outcome for Local Government

Presidential outcome for Local Government			
Serial No.	Outcome/Output	Progress to date	Number or percentage achieved
Column Ref.	A	B	C
1	Output: Improving access to basic services		
2	Provision of Basic Services	Formal households having access to all basic services.	Water 99.61% Sanitation 98.40% The difference is due to services a farms
3		Informal households having access to water, sanitation and refuse removal services at the minimum level.	Water 96.15% Sanitation 76.50% Refuse 100% Refuse 100%
4		Informal households having access to electricity services.	44.1%
5	Output: Implementation of the Community Work Programme		
6	The Community Works Programme functions in the Municipality, but is managed on behalf of National Government by an external service provider.	The number of work opportunities could not be provided for the 2024/25 year. <u>Note</u> Disclaimer: Work opportunities can be allocated to the same beneficiary more than once during the employer cycle of 12 months.	The number of work opportunities could not be provided for the 2024/25 year.
7	Output: Deepen democracy through a refined Ward Committee Model		
8	All Ward Committees are 100% functional.	New ward committees were established.	All Ward Committees are 100% functional.
9	Output: Administrative and financial capability		
10	Debt Collection and Indigent Support Policy as well as the Writing Off of Irrecoverable Debt Policy were reviewed.	These policies were approved by Council to ensure that consumers who are struggling financially can be accommodated without severe negative effects to the Municipality.	98.2% debt collection rate for 2024/25

8. VOLUMES

VOLUME I: REPORT OF THE AUDITOR-GENERAL

The report of the Auditor-General to the Western Cape Provincial Parliament and the Municipal Council on Drakenstein Municipality's 2024/25 Annual Financial Statements, Annual Performance Report, compliance with legislation, other information and internal control deficiencies now follows on the next 10 pages. Note that the page numbers referenced in the audit reports are per the separate financial statement page numbers included in vol IV.

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Drakenstein Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Drakenstein Municipality set out on pages 8 to 169, 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 comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Drakenstein Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 49 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 impairment

8. As disclosed in notes 9.1 and 9.2 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R245 million (2023-24: R202 million).
9. As disclosed in note 10.1 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions of R203 million (2023-24: R187 million).

Material bad debts written off

10. As disclosed in note 40 to the financial statements, the municipality has written off bad debt of R102 million (2023-24: R98 million).

Other matters

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

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

13. The supplementary information set out on pages 170 to 178 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 thereon.

Responsibilities of the accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of MFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

16. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 7 to the auditor's report, forms part of my auditor's report.

Report on the audit of the annual performance report

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance area (KPA) presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
19. I selected the following KPA presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected a KPA that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Key performance area	Page numbers	Purpose
KPA 4 – infrastructure and services	19-22	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services

20. I evaluated the reported performance information for the selected KPA 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.
21. In performing the audit, my procedures focused on the material indicators relating to water, sanitation, human settlements and related infrastructure, as well as electricity and energy.
22. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable, so that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance, as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and measures taken to improve performance.

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

24. I did not identify any material findings on the reported performance information for the selected KPA 4: infrastructure and services.

Other matter

25. I draw attention to the matter below.

Achievement of planned targets

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

27. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 19 to 22.

KPA4: infrastructure and services

<i>Targets achieved: 91%</i> <i>Budget spent: 95.8%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
TL 18: Limit water network losses to less than 19% measured annually (Difference between water units supplied and water units billed as a percentage of water supplied)	<19%	20.86%

Report on compliance with legislation

28. 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.

29. 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.
30. 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.
31. 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 does not include the financial statements, the auditor's report and the selected key performance area 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 key performance area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
35. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
36. I have nothing to report in this regard.

Internal control deficiencies

37. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
38. I did not identify any significant deficiencies in internal control.

Other reports

39. I draw attention to the following engagement conducted by various parties. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
40. An independent consultant investigated an allegation of fraud and corruption at the request of the municipality. The investigation was concluded in August 2022. Criminal charges were formally filed against the employees implicated in the report with the South African Police Service (SAPS). The case was subsequently transferred to the Directorate for Priority Crime Investigation (Hawks), and this investigation was still in progress at the date of this auditor's report.

Auditor-General

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 the selected key performance area and on the municipality's compliance with selected requirements in key legislation.

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)

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

VOLUME II: AUDIT OUTCOME IMPROVEMENT PLAN

Table 229: Audit Outcome Improvement Plan

AUDITOR-GENERAL REPORT 2024/25	
Report on the audit of the financial statements	Unqualified opinion
Report on the audit of the pre-determined objectives	No material findings
Report on the audit of compliance with legislation	No material findings
Issues Raised	Corrective Measures Required
Emphasis of Matters	
Restatement of corresponding figures	
As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of errors in the financial statement of the municipality at, and for the year ended, 30 June 2025.	None. Simply an information statement by the Auditor-General.
Material Losses/Impairments – Trade Debtors	
As disclosed in note 9.1 and 9.2 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R245 million (2023-24: R202 million).	None. Simply an information statement by the Auditor-General.
As disclosed in note 10.1 to the financial statements, the municipality provided for an impairment of receivables from non-exchange transactions of R203 million (2023-24: R187 million).	
As disclosed in note 40 to the financial statements, the municipality has written off bad debt of R102 million (2023-24: R98 million).	None. Simply an information statement by the Auditor-General.

AUDIT COMMITTEE RESPONSIBILITY

The achievement of good governance within the Drakenstein Municipality requires effective oversight and monitoring by governance structures. Critical to the achievement of this is an independent Audit Committee that is supported by the leadership structures within the Municipality. Section 166 of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA), as amended, requires every municipality to establish an independent Audit Committee which must advise the Municipal Council, accounting officer and management staff of the municipality on matters relating to internal financial controls and internal audits, risk management and accounting policies; as well as provide advice on the adequacy, reliability and accuracy of financial reporting and information within the municipality. In addition, the committee advises on performance management, effective governance, compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation, performance evaluation, and/or other issues referred to it by the municipality.

The Committee is pleased to report that it has fulfilled all its responsibilities arising from the Terms of Reference and the annual work plan for the year under review, including relevant legislative requirements.

The Committee Chairperson openly and honestly reported the committee's activities to Council on a quarterly basis, with detailed approved minutes also being tabled at the Council meetings.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

In terms of its Charter, the Audit Committee listed below, is required to meet at least 4 times per annum, although additional meetings may be scheduled as the need arises. Nine (9) meetings were held during the 2024/25 financial year.

Table 230: Audit Committee Members and Attendance

Audit Committee Member	Qualifications	Date appointed/ reappointed as Committee Member	Meetings Attended
Mr. P. Strauss (Chairperson)	Chartered Accountant	Chairperson from 01 August 2024; Committee Member until 31 July 2024 (Re-appointed) till 31 July 2026	9
Mr. M. Basson	Bachelor of Commerce Certified Information Systems Auditor (ISACA) Certified Information Security Manager (ISACA)	Appointed from 01 August 2024	8
Ms. K. Talmakkies	Chartered Accountant	Appointed from 01 August 2024	6
Mr. M. Burton	Chartered Accountant	Appointed from 01 August 2024	7
Mr. R. Najaar	Hons B. Compt; CPA (USA) and Certified Internal Auditor	Chairperson (Appointed till 31 July 2024)	1
Mr. R. G. Nicholls	Chartered Accountant; and Certified Internal Auditor	Committee Member (until 31 July 2024)	1
Mr. C. Whittle	Chartered Accountant	Committee Member (until 31 July 2024)	0

The terms of Mr R Najaar, RG Nicholls and C Whittle came to an end at 31 July 2024. The Committee want to thank them for the positive contribution they have made to the municipality. Mr M Burton, Mr M Basson and Ms K Talmakkies have been appointed from 01 August 2024 for a period of 3 years.

The Deputy Mayor, the MMC for Governance, Planning, Economic Development and Implementation Support, City Manager, members of the Executive Management Team attend all meetings. Where required, relevant officials will be invited. The Office of the Auditor-General South Africa (AGSA) has a standing invitation to all committee meetings and attended the meetings. The meeting agendas are substantial and Committee members all participate in meetings with the highest levels of commitment and objectivity.

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Committee reviewed the annual financial statements prior to submission to the AGSA and discussed them with management. These financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Municipal Finance Management Act of South Africa, 2003

(Act No.56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, (Act No 24 of 2024). The Committee did not have unresolved matters with the annual financial statements when submitted for external audit.

The Committee is pleased that the AGSA issued an unqualified audit opinion, with no material findings / misstatements on the financial statements of the municipality for the year ended 30 June 2025. Management has expressed commitment to implementing the necessary controls to prevent and reduce the re-occurrence of audit findings.

The Committee is of the opinion that the audited financial statements should be accepted and read together with the Report of the AGSA.

PERFORMANCE MANAGEMENT

The Committee reviewed the quarterly performance results presented by Management as well as the quarterly reports of Internal Audit on the verification of the reported performance results. The Committee noted the enhancements of the information management system that supports the results of performance information. This is reflected in the positive outcome of the AGSA's review of the Municipality's pre-determined objectives. The accuracy and verification process of the performance information is crucial and has to be maintained in order to ensure that the performance management information is credible.

INTERNAL CONTROL AND RISK MANAGEMENT

The Municipality is required to develop and maintain systems of internal control that would improve the likelihood of achieving its objectives, to adapt to changes in the environment it operates in and to promote efficiency and effectiveness of operations, supports reliable reporting and compliance with laws and regulations.

The Drakenstein Municipality adopted a Combined Assurance Framework which identifies and integrates assurance providers to enhance and maintain effective internal controls, adherence to policies, procedures, norms, standards and frameworks.

Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

The Committee considered the work performed by Internal Audit on a quarterly basis and reviewed the Internal Audit Annual Statement on the Internal Control environment within the Municipality for the year ended 30 June 2025. The Internal Audit Annual Statement concluded

that improvement is needed in some of the Municipality's system of internal control, however the Committee is satisfied, that in general, the controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are managed and/or objectives are met. Management has accepted the recommendations and agreed to implement the necessary corrective actions to address the weaknesses.

The Committee reviewed the risk profile of the Municipality when the Internal Audit Plan priorities were determined. The Municipality has a Risk Management Function as one of its assurance levels and a Fraud and Risk Committee (FARMCO), with an independent chairperson and members as its advisory oversight structure. The overall Municipal Enterprise Risk Management Framework is aimed at delivering an effective and efficient Municipal-wide Risk Management, Risk controls, Risk Finance and business continuity management function for the Municipality's departments. A member of the Audit Committee is a standing invitee to FARMCO meetings.

The Committee noted the AGSA's report and related recommendations and findings on internal control, governance and compliance.

CONCLUSION

The Committee is satisfied that it has, during the past financial year, met its responsibilities as stipulated in its charter and that it has complied with its legal, regulatory and other responsibilities. The Committee wants to take this opportunity to congratulate the Municipality on the audit outcome achieved and the commitment by management to enhance the control effectiveness going forward.



PAL. Strauss
Audit Committee Chairperson
Date: 9/12/2025

VOLUME IV: 2024/2025 ANNUAL AUDITED FINANCIAL STATEMENTS

The Audited 2024/25 Annual Financial Statements will now follow for the next 179 pages. Drakenstein Municipality received an unqualified audit opinion from the Auditor-General for the 2024/25 financial year.



DRAKENSTEIN

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AUDITED ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2025

A city of excellence

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Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

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Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

General Information

Executive mayor and mayoral committee

Portfolio	Councillor
EXECUTIVE MAYOR AND CHAIRPERSON OF MAYORAL COMMITTEE	SE KORABIE
DEPUTY EXECUTIVE MAYOR & MAYORAL COMMITTEE MEMBER OF FINANCE	GC COMBRINK
MAYORAL COMMITTEE MEMBER OF GOVERNANCE, PLANNING, ECONOMIC DEVELOPMENT AND IMPLEMENTATION SUPPORT	J MILLER
MAYORAL COMMITTEE MEMBER OF ELECTRICITY AND WATER AND WASTE WATER	LC ARENDSE
MAYORAL COMMITTEE MEMBER OF URBANISATION AND HUMAN SETTLEMENTS	E BARON
MAYORAL COMMITTEE MEMBER OF CEMETERIES, PARKS, RESORTS AND OPEN SPACES	L CYSTER
MAYORAL COMMITTEE MEMBER OF CORPORATE SERVICES	D AMERICA
MAYORAL COMMITTEE MEMBER OF PUBLIC SAFETY AND SOCIAL DEVELOPMENT	AMB APPOLLIS
MAYORAL COMMITTEE MEMBER OF COMMUNICATION AND INTERGOVERNMENTAL RELATIONS (IGR)	R ANDREAS
MAYORAL COMMITTEE MEMBER OF TOURISM, SPORT AND RECREATION	LT VAN NIEKERK
MAYORAL COMMITTEE MEMBER OF WASTE, ROADS AND STORMWATER MANAGEMENT	A KOEGELENBERG
MAYORAL COMMITTEE MEMBER OF MUNICIPAL BUILDINGS	E SOLOMONS

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

General Information

Executive management

Position	Name
CITY MANAGER	DR JH LEIBBRANDT
CHIEF FINANCIAL OFFICER	MR B BROWN
EXECUTIVE DIRECTOR: CORPORATE AND PLANNING SERVICES	MR S JOHAAR
EXECUTIVE DIRECTOR: PUBLIC SAFETY	MS E BARNARD
EXECUTIVE DIRECTOR: ENGINEERING SERVICES	MR L PIENAAR
EXECUTIVE DIRECTOR: COMMUNITY SERVICES (ACTING)	MR D DELANEY

Members of the Audit Committee

CHAIRPERSON	MR P STRAUSS
MEMBER	MR M BURTON
MEMBER	MR M BASSON
MEMBER	MS K TALMAKKIES

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

General Information

Council members as at 30 June 2025

Nr	Surname	Initials	Nr	Surname	Initials
1	ADAMS	JH	34	JOOSTE	MC
2	ADAMS	ND	35	KEARNS *	C
3	AMERICA	D	36	KLAASTE	CO
4	ADRIAANSE *	MM	37	KOEGELENBERG *	RA
5	ANDERSON	JV	38	KORABIE	SE
6	ANDREAS	MA	39	KROUTZ	C
7	APPOLLIS	AMB	40	LANDSBERG	S
8	ARENDSE	LC	41	LE ROUX *	JF
9	ARNOLDS	RB	42	LIEBENBERG	SJ
10	BARON	E	43	MANGENA	TC
11	BESTER	TG	44	MATTHEE	LC
12	BOLANI	LE	45	MILLER	J
13	BOOYSEN **	VC	46	MOOI	TP
14	CAROLLISEN	D	47	NELL	RH
15	COMBRINK	A	48	NONGOGO / WANA	N
16	COMBRINK *	GC	49	RICHARDS	AM
17	CUPIDO	FP	50	ROSS	S
18	CUPIDO	JW	51	SAMBOKWE	LS
19	CUPIDO	PBA	52	SAUERMAN	ND
20	CYSTER	L	53	SEPTEMBER	JA
21	DE KOCK	J	54	SMIT	J
22	DU PLESSIS	AJ	55	SOLOMONS	EA
23	DUBA	BP	56	STOWMAN *	A
24	DE WAAL	C	57	STULWENI	AM
25	FOURIE	A	58	VAN NIEKERK	LT
26	GANANDANA	S	59	VAN NIEUWENHUYZEN *	RH
27	GERTSE	KJ	60	VAN SANTEN	AJ
28	GODONGWANA	N	61	VAN SCHALKWYK	J
29	GOUWS *	E	62	VAN WILLINGH	B
30	GRAVEL	S	63	XHEGO	Z
31	JACOBS	B	64	ZOYA	N
32	JACOBS	CM	65	ZWINYE	M
33	JACOBS	F			

* The "Alderman / Alderlady" status were bestowed onto these councillors.

** Councillor passed away on 10 May 2025.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

General Information

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
Legislation governing the municipality's operations	CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA (ACT 108 OF 1998) LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT (ACT 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 OF 6 2004) DIVISION OF REVENUE ACT (ACT 1 OF 2007)
Other information	
Executive Mayor	COUNCILLOR SE KORABIE
Executive Deputy Mayor	ALDERMAN GC COMBRINK
Speaker	ALDERMAN JF LE ROUX
Registered head office	DRAKENSTEIN MUNICIPALITY CIVIC CENTRE BERG RIVER BOULEVARD PAARL 7646
Physical address	CIVIC CENTRE BERG RIVER BOULEVARD PAARL 7646
Postal address	P O BOX 1 PAARL 7622
Telephone	(021) 807 - 4500
Fax	(021) 872 - 8054
Bankers	NEDBANK
Auditors	AUDITOR-GENERAL OF SOUTH AFRICA (AGSA)
Demarcation code	WC023
VAT registration number	4500109717

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Officer's Statement

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 audited annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the audited 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 year then ended. The external auditors are engaged to express an independent opinion on the audited annual financial statements and was given unrestricted access to all financial records and related data.

The audited 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 audited 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) acknowledges 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 audited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 38 to these audited 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 audited annual financial statements set out on pages 8 to 169, in terms of Section 126(1) of the Municipal Finance Management Act (Act 56 of 2003), which have been prepared on the going concern basis and which I have signed on behalf of the municipality on 31 August 2025:



DR. J. H. LEBRANDT
ACCOUNTING OFFICER

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Abbreviations

DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
IUDG	Integrated Urban Development Grant
LGSETA	Local Government Services Sector Education and Training Authority
RBIG	Regional Bulk Infrastructure Grant
NDPG	Neighbourhood Development And Partnership Grant
SRAC	Sports, Recreation, Arts and Culture
ASB	Accounting Standards Board
IPSASB	International Public Sector Accounting Standards Board
IFRS	International Financial Reporting Standards
BNG	Breaking New Ground
SAMWU	South African Municipal Workers Union
SARS	South African Revenue Service
VAT	Value Added Taxation
MFMA	Municipal Finance Management Act
GFS	Goverment Finance Statistics
IASB	International Accounting Standards Board
DCAS	Western Cape Department of Culural Affairs and Sports
mSCOA	Municipal Standard Chart of Accounts

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figure in Rand	Note(s)	2025	2024 Restated*
Assets			
Non-Current Assets			
Property, plant and equipment	3	7,078,633,761	6,749,679,486
Heritage assets	4	47,633,645	47,633,645
Intangible assets	5	2,621,968	3,051,767
Investment property	6	116,290,000	88,655,000
Total Non-Current Assets		7,245,179,374	6,889,019,898
Current Assets			
Inventory	8	50,012,538	44,006,655
Trade and other receivables from exchange transactions	9	379,191,169	381,112,793
Receivables from non-exchange transactions	10	112,660,141	110,499,746
Cash and cash equivalents	11	1,028,932,868	697,505,821
Current portion of non-current receivables	12	-	802
VAT Receivable	13	50,005,481	42,476,251
Total Current Assets		1,620,802,197	1,275,602,068
Total Assets		8,865,981,571	8,164,621,966
Liabilities			
Non-Current Liabilities			
Borrowings	14	1,262,256,026	1,364,427,699
Finance lease liabilities	15	724,181	-
Employee benefits	16	269,450,354	247,664,000
Provisions	17	265,670,339	189,527,311
Total Non-Current Liabilities		1,798,100,900	1,801,619,010
Current Liabilities			
Consumer deposits	18	86,665,894	80,367,377
Trade and other payables from exchange transactions	19	402,081,670	338,751,965
Unspent conditional grants and receipts	20	11,860,416	17,540,042
Borrowings	14	102,171,671	90,824,743
Finance lease liabilities	15	351,619	472,639
Employee benefits	16	95,557,300	94,358,362
Provisions	17	341,554	69,674,427
Total Current Liabilities		699,030,124	691,989,555
Total Liabilities		2,497,131,024	2,493,608,565
Net Assets		6,368,850,547	5,671,013,401
Net assets presented by:			
Housing Development Fund	21	32,857,535	31,607,100
Reserves and Funds	22	1,600,117,535	1,657,380,108
Accumulated surplus	23	4,735,875,477	3,982,026,193
Total Net Assets		6,368,850,547	5,671,013,401

* See Note 49

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance for the year ended 30 June 2025

Figure in Rand	Note(s)	2025	2024 Restated*
Revenue			
Exchange Revenue			
Services charges – Electricity	24	1,753,141,508	1,524,505,542
Services charges – Water management	24	246,784,284	236,510,660
Services charges – Waste management	24	183,297,316	169,957,737
Services charges – Waste water management	24	164,906,162	153,561,417
Sales of goods and rendering of services	25	36,774,085	33,907,961
Rental from fixed assets	26	8,020,557	8,312,161
Interests on investments	27	91,787,807	73,656,906
Interest earned from receivables	28	20,626,499	19,480,489
Operational revenue	29	26,403,345	25,181,197
Licences and permits	30	22,703,756	21,786,042
Total Exchange Revenue		2,554,445,319	2,266,860,112
Non-Exchange Revenue			
Property rates	31	503,779,667	466,404,866
Availability charges – Electricity	32	2,430,860	2,527,545
Availability charges – Water management	32	2,207,465	2,226,690
Availability charges – Waste management	32	3,998,472	4,002,553
Availability charges – Waste water management	32	3,352,292	3,385,134
Surcharges and taxes	31	3,168,263	3,084,653
Fines, penalties and forfeits	33	104,330,736	97,292,325
Transfers and subsidies	34	787,431,517	687,684,123
Operational revenue	29	4,418,007	4,378,051
Construction contract revenue	35	-	1,317,020
Fair value adjustment	36	27,635,000	6,755,000
Total Non-Exchange Revenue		1,442,752,279	1,279,057,960
Total Revenue		3,997,197,598	3,545,918,072
Expenditure			
Employee related cost	38	840,164,566	785,352,002
Remuneration of councillors	39	34,841,767	34,340,227
Bad Debts Written Off	40	101,986,105	98,252,872
Depreciation and amortisation	41	246,555,305	249,259,735
Impairment losses on financial assets	40	31,666,644	29,903,348
Impairment losses on PPE, IA and HA	42	900,901	600,287
Finance costs	43	158,197,327	167,821,823
Bulk purchases	44	1,378,144,797	1,149,421,997
Inventory consumed	8	71,291,953	78,646,749
Contracted services	45	223,345,318	212,598,966
Transfers and subsidies	65	38,008,550	14,850,554
Operational cost	46	110,752,796	109,157,815
Operating leases	47	19,938,979	20,106,781
Fair value and loss on disposal adjustment of assets	37	19,866,508	16,725,424
Total Expenditure		3,275,661,516	2,967,038,580
Surplus for the year		721,536,082	578,879,492

* See Note 49

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement for the year ended 30 June 2025

Figure in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Property rates		507,528,660	457,254,080
Service charges		2,608,334,493	2,266,430,816
Transfers, subsidies and construction contracts revenue received		736,651,259	708,946,130
Interest		96,928,826	72,977,684
Other receipts and fines received		282,187,216	263,333,238
Payments			
Employees cost		(856,959,114)	(811,651,058)
Suppliers		(2,082,322,697)	(1,886,903,479)
Interest charges		(158,663,645)	(166,944,742)
Net VAT paid		(45,591,574)	(46,245,953)
Net cash from(used) operating activities	48	1,088,093,424	857,196,716
Cash flows from investing activities			
Receipts			
Proceeds on disposal of fixed and intangible assets		582,239	3,593,465
Payments			
Capital assets		(665,895,331)	(523,749,178)
Net cash flows from investing activities		(665,313,092)	(520,155,713)
Cash flows from financing activities			
Payments			
Decrease in finance leases		(528,540)	(345,347)
Decrease in borrowing long-term		(90,824,745)	(84,460,267)
Net cash flows from financing activities		(91,353,285)	(84,805,614)
Net increase/(decrease) in cash		331,427,047	252,235,389
Cash and cash equivalents at year begin		697,505,821	445,270,431
Cash and cash equivalents at year end		1,028,932,868	697,505,820

* See Note 49

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Statement of changes in net assets as at 30 June 2025

	Housing development fund	Revaluation reserve	Accumulated surplus	Total net assets
Figure in Rand				
Opening balance as previously reported	30,625,309	1,713,429,005	3,339,909,797	5,083,964,111
Adjustments				
Correction of errors	-	(649,093)	8,778,379	8,129,286
Balance at 01 July 2023 as restated*	30,625,309	1,712,779,912	3,348,688,176	5,092,093,397
Surplus for the year	-	-	578,879,492	578,879,492
Transfers to Housing Development Fund	981,791	-	(941,280)	40,511
Decrease in revaluation reserve	-	-	55,507,622	55,507,622
Offsetting depreciation	-	(53,998,522)	-	(53,998,522)
Offsetting of sale of land	-	(1,509,100)	-	(1,509,100)
Offsetting Correction	-	107,819	(107,819)	-
Total changes	981,791	(55,399,803)	633,338,015	578,920,003
Restated* Balance at 01 July 2024	31,607,100	1,657,380,109	3,982,026,191	5,671,013,400
Remeasurement due to the implementation of GRAP 104 (Revised) 48.7	-	-	(23,691,144)	(23,691,144)
Surplus for the year	-	-	721,536,082	721,536,082
Transfers to Housing Development Fund	1,250,434	-	(1,258,261)	(7,827)
Decrease in revaluation reserve	-	-	57,262,574	57,262,574
Offsetting depreciation	-	(53,510,714)	-	(53,510,714)
Offsetting of sale of land	-	(3,751,860)	-	(3,751,860)
Total changes	1,250,434	(57,262,574)	777,540,395	721,528,255
Balance at 30 June 2025	32,857,534	1,600,117,535	4,735,875,477	6,368,850,546
Note(s)	21	22	23	

* See Note 49

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Comparison of Budget and Actual Amounts for the year ended 30 June 2025

	Original budget	*Budget adjustments	Final adjustments budget	***Virement	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Figure in Rand									
2025									
Statement of financial performance									
Property rates	488,620,566	13,473,043	502,093,609		502,093,609	503,779,666	1,686,057	100.34 %	103.10 %
Services charges	2,213,672,628	83,780,880	2,297,453,508		2,297,453,508	2,360,118,361	62,664,853	102.73 %	106.62 %
Investment revenue	58,000,000	25,000,000	83,000,000		83,000,000	91,787,807	8,787,807	110.59 %	158.25 %
Transfer recognised - operational	247,115,347	7,576,303	254,691,650		254,691,650	251,502,850	(3,188,800)	98.75 %	101.78 %
Other own revenue	323,792,260	(17,633,777)	306,158,483		306,158,483	323,548,150	17,389,667	105.68 %	99.92 %
Total Revenue (excl. capital transfers and contributions)	3,331,200,801	112,196,449	3,443,397,250		3,443,397,250	3,530,736,834	87,339,584	102.54 %	105.99 %
Employee costs	(895,618,879)	10,572,425	(885,046,454)	-	(885,046,454)	(837,838,650)	47,207,804	94.67 %	93.55 %
Remuneration of councillors	(39,276,957)	-	(39,276,957)	-	(39,276,957)	(34,841,767)	4,435,190	88.71 %	88.71 %
Depreciation and amortisation	(273,690,486)	(76,151,155)	(349,841,641)	-	(349,841,641)	(279,122,849)	70,718,792	79.79 %	101.98 %
Finance charges	(158,991,404)	343,072	(158,648,332)	-	(158,648,332)	(158,197,326)	451,006	99.72 %	99.50 %
Inventory consumed and bulk purchases	(1,351,003,014)	(73,429,628)	(1,424,432,642)	(34,519,001)	(1,458,951,643)	(1,449,436,744)	9,514,899	99.35 %	107.29 %
Transfers and subsidies	(36,689,772)	(2,173,695)	(38,863,467)	(127,731)	(38,991,198)	(38,008,550)	982,648	97.48 %	103.59 %
Other expenditure	(573,508,403)	37,352,648	(536,155,755)	34,646,732	(501,509,023)	(487,654,681)	13,854,342	97.24 %	85.03 %
Total Expenditure	(3,328,778,915)	(103,486,333)	(3,432,265,248)	-	(3,432,265,248)	(3,285,100,567)	147,164,681	95.71 %	98.69 %
Surplus	2,421,886	8,710,116	11,132,002	-	11,132,002	245,636,267	234,504,265	2,206.58 %	10,142.35 %
Transfers and subsidies - capital	664,439,131	(191,209,501)	473,229,630		473,229,630	461,487,777	(11,741,853)	97.52 %	69.46 %
Transfers and subsidies - capital (in-kind)	-	-	-		-	14,412,059	14,412,059	- %	- %
Surplus for the year	666,861,017	(182,499,385)	484,361,632	-	484,361,632	721,536,103	237,174,471	148.97 %	108.20 %

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Comparison of Budget and Actual Amounts for the year ended 30 June 2025

	Original budget	*Budget adjustments	Final adjustments budget	***Virement	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Figure in Rand									
Capital expenditure and funds sources									
Capital expenditure	766,225,475	(182,639,460)	583,586,015	-	583,586,015	574,975,185	(8,610,830)	98.52 %	75.04 %
Transfers recognised – capital	664,439,130	(191,209,500)	473,229,630	-	473,229,630	462,498,804	(10,730,826)	97.73 %	69.61 %
Borrowings	-	-	-	-	-	-	-	- %	- %
Internally generated funds	101,786,344	8,570,041	110,356,385	-	110,356,385	112,476,381	2,119,996	101.92 %	110.50 %
	766,225,474	(182,639,459)	583,586,015	-	583,586,015	574,975,185	(8,610,830)	98.52 %	75.04 %
Financial position									
Total current assets	1,334,782,791	(26,671,755)	1,308,111,036	-	1,308,111,036	1,620,802,197	312,691,161	123.90 %	121.43 %
Total non-current assets	7,399,267,224	(442,809,356)	6,956,457,868	-	6,956,457,868	7,245,179,374	288,721,506	104.15 %	97.92 %
Total current liabilities	(607,919,435)	59,572,519	(548,346,916)	-	(548,346,916)	(699,030,124)	(150,683,208)	127.48 %	114.99 %
Total non-current liabilities	(1,828,641,520)	(46,768,646)	(1,875,410,166)	-	(1,875,410,166)	(1,798,100,900)	77,309,266	95.88 %	98.33 %
Community wealth/ Equity	(6,297,489,060)	456,677,238	(5,840,811,822)	-	(5,840,811,822)	(6,368,850,547)	(528,038,725)	109.04 %	101.13 %
Cash flow									
Net cash from/(used) operating activities	890,955,380	(156,436,103)	734,519,277	-	734,519,277	1,088,093,424	353,574,147	148.14 %	122.13 %
Net cash from/(used) investing activities	(763,225,474)	182,639,459	(580,586,015)	-	(580,586,015)	(665,313,092)	(84,727,077)	114.59 %	87.17 %
Net cash from/(used) financing activities	(90,824,744)	-	(90,824,744)	-	(90,824,744)	(91,353,285)	(528,541)	100.58 %	100.58 %
	36,905,162	26,203,356	63,108,518	-	63,108,518	331,427,047	268,318,529	525.17 %	898.05 %

Commentary

*Budget adjustments done in terms of section 28 and section 31 of the MFMA.

***Virement in terms of Council Approve Policy, virements must offset each other so that virements in Total Expenditure column equals zero.

All explanations of variances greater than 10% for Final Budget and Actual Amounts are listed and explained in note 68.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

Basis of preparation

These audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

The audited annual financial statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

In the absence of issued and effective Standards of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with GRAP 3 as read with Directive 5. Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The material accounting policies, applied in the preparation of the unaudited annual financial statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior period unaudited annual financial statements, unless specified otherwise. Details of any changes in the accounting policies are provided in the note relating to Changes in accounting policies.

A summary of the material accounting policies, which have been consistently applied in the preparation of these audited annual financial statements, is disclosed below:

1. Summary of significant accounting policies

These standards are summarised as follows:

Reference	Description
GRAP Framework	Framework for the Preparation and Presentation of Financial Statements
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investment in Associates
GRAP 8	Investment in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 20	Related Party Disclosures (Revised)
GRAP 21	Impairment of Non-cash-generating Assets
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 26	Impairment of Cash-generating Assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 32	Service Concession Arrangements: Grantor
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104 (Revised)	Financial Instruments
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1. Summary of significant accounting policies (continued)

GRAP 110	Living and Non-living Resources
IFRS 4	Insurance Contracts
IAS 12	Income Taxes
IGRAP 1	Applying The Probability Test On Initial Recognition Of Revenue
IGRAP 2	Changes in Existing Decommissioning Restoration and Similar Liabilities
IGRAP 3	Determining Whether an Arrangement Contains a Lease
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
IGRAP 6	Loyalty Programmes
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 12	Jointly Controlled Entities – Non-Monetary Contributions
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue – Barter Transactions Involving Advertising Services
IGRAP 16	Intangible Assets – Website Costs
IGRAP 17	Service Concession Arrangements where Grantor Controls Significant Residual Interest
IGRAP 18	Recognition and Derecognition of Land
IGRAP 19	Liabilities to Pay Levies
IGRAP 20	Accounting for Adjustments to Revenue
IGRAP 21	The Effect of Past Decisions on Materiality
IFRIC 12	Service Concession Arrangements
SIC 25	Income Taxes – Changes in the Status of an Enterprise or its Shareholders
SIC 29	Disclosure Service Concession
Directive 1	Deletion of Transitional Provisions in Standards of GRAP
Directive 3	Amended Transitional Provisions for High Capacity Municipalities
Directive 5	GRAP Reporting Framework
Directive 7	The Application of Deemed Cost
Directive 11	Changes in Measurement Bases following Initial Adoption of Standards of GRAP
Guideline	Accounting for Arrangements Undertaken i.t.o the National Housing Programme
Guideline	Accounting for Landfill Sites
Guideline	The Application of Materiality to Financial Statements

The cash flow statement is prepared using the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed.

Accounting policies for material transactions, events or conditions not covered by the above GRAP standards have been developed in accordance with GRAP 3. Where required, accounting policies were developed for standards of GRAP that have been issued by the ASB, but for which an effective date have not been determined by the Minister of Finance.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.1 New standards and interpretations

Standards, amendments to standards and interpretations effective and adopted in the current year

The municipality has elected to early adopt GRAP 104 (Revised): Financial Instruments, effective 1 July 2024, in accordance with the transitional provisions of the standard as issued by the Accounting Standards Board (ASB).

GRAP 104 (Revised) introduces updated principles for the recognition, measurement, presentation, and disclosure of financial instruments, aligning more closely with international standards and improving the relevance and reliability of financial information related to financial assets and liabilities.

The early adoption was undertaken to:

- Enhance comparability with peers who are applying similar guidance,
- Align the municipality's accounting policies with updated best practice, and
- Ensure timely compliance ahead of the mandatory effective date.

Impact of Early Adoption:

- The classification of financial assets has been revised in accordance with the new measurement categories: amortised cost, fair value through surplus or deficit, and fair value through other comprehensive income.
- The impairment methodology has been updated to the expected credit loss (ECL) model, which incorporates forward-looking information.
- Additional disclosure requirements regarding credit risk, expected credit losses, and the assessment of significant increase in credit risk have been implemented.

The adoption of GRAP 104 (Revised) has been applied retrospectively except where transitional provisions have been applied.

The impact on the financial statements is as follows:

- The most significant impact was the remeasurement of the impairment on trade and other receivables from exchange transactions (that are financial assets), on date of adoption (1 July 2024), in accordance with the Standard and the Transitional Provisions.
- Other than the item listed above, there was no material impact on the financial position, financial performance, or cash flows.

Full disclosures as required by GRAP 104 (Revised) have been included in these financial statements.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.1 New standards and interpretations (continued)

Standards, amendments to standards and interpretations issued, but not yet effective

GRAP 1	Presentation on Financial Statements (Revised)
GRAP 103	Heritage Assets (Revised)
GRAP 105	Transfer of Functions Between Entities Under Common Control (Revised)
GRAP 106	Transfer of Functions Between Entities Not Under Common Control (Revised)
GRAP 107	Mergers (Revised)
iGRAP 22	Foreign Currency Transactions and Advance Consideration
Amendments	Improvements to Standards of GRAP

The revisions/ improvements better align the Standards of GRAP with recent international developments.

All other standards as listed above will only be effective on the date it is announced by the Minister of Finance.

The Accounting Standards Board Directive 5 sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board or, International Financial Reporting Standards. Where a standard of GRAP has been issued, but is not in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying the Standards of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Management has considered all of the above-mentioned GRAP standards issued but not effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

1.2 Presentation currency

These audited annual financial statements are presented in South African Rand and are rounded off to the nearest Rand.

1.3 Going concern assumption

These unaudited annual financial statements have been prepared on a going concern basis.

1.4 Offsetting

Financial assets and liabilities are offset and the net amount reported on the Statement of Financial Position when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.5 Comparative information

Current year comparatives

The annual budget figures have been prepared in accordance with the Municipal Budget and Reporting Regulations (MBRR). The amounts are scheduled as a separate additional financial statement, called the Statement of comparison of budget and actual amounts, based on the classifications as contained in the A Schedule, specifically Table A1 – Budget Summary. Actual performance is expressed based the budget classifications as contained in Budget Schedule A, table A1. A reconciliation of the base as presented in the Statement of Financial Performance and Cash Flow Statement is presented in the notes.

Explanatory comment is provided in the notes to the audited annual financial statements giving motivations for over- or under spending on line items where it is found to be material. In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the audited annual financial statements in determining whether a difference between the budgeted and actual amount is material.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.5 Comparative information (continued)

The annual budget figures included in the audited 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 01 July 2024 to 30 June 2025.

Prior year comparatives

The comparative figures of one prior period is disclosed. When the presentation or classification of items in the audited annual financial statements is amended, prior period comparative amounts are restated. The nature and reasons for the reclassification are disclosed.

1.6 Housing development reserve

The Housing Development Fund was established in terms of the Housing Act (Act No. 107 of 1997).

Housing Development Fund

Sections 15(5) and 16 of the Housing Act, 1997 (Act 107 of 1997), which came into operation on 1 April 1998, requires that the municipality maintain a separate housing operating account. This legislated separate operating account will be known as the Housing Development Fund.

The Housing Act also requires in terms of section 14(4)(d)(iii)(aa) read with, inter alia, section 16(2) that the net proceeds of any letting, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be utilised by the municipality for housing development, development in accordance with the National Housing Policy.

The following provisions are set for the creation and utilisation of the Housing Development Fund:

- 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 National Minister of Human Settlements.
- Any contributions to or from the fund must be shown as transfers in the Statement of changes in net assets as at 30 June 2025.
- Interest earned on the investments backing up this fund must be recorded as part of interest earned in surplus or deficit for the year in the Statement of Financial Performance.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.6 Housing development reserve (continued)

Un-realized housing proceeds

In order to comply with Section 14(4)(d)(i) and (ii) of the Housing Act, (Act 107 of 1997) where all net proceeds need to be paid into the Housing Development Fund, it was necessary to create a holding account which represents the un-realized funds due by long-term housing selling schemes and sponsored loan debtors. This account is reduced when debtors are billed for their payment.

1.7 Internal reserves and revaluation reserve

Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus / (deficit). On disposal, the net revaluation surplus is transferred to the accumulated surplus / (deficit) while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

1.8 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 will be required to settle the obligation and a reliable estimate of the provision can be made.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity 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.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

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 the Statement of Financial Performance.

Environmental rehabilitation provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure and post monitoring cost, 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 the Statement of Financial Performance.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.9 Property, plant and equipment

Initial recognition

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 during 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 are initially recognised at cost on its acquisition date. 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 a 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.

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

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.

Subsequent measurement – cost model

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all property, plant and equipment, excluding land and buildings, are measured at cost, less accumulated depreciation and accumulated impairment losses.

Subsequent measurement – revaluation model

Subsequent to initial recognition, land and buildings are carried at a revalued amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by external independent values every four years to coincide with the implementation of the general valuation such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

An increase in the carrying amount of land and buildings as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Where items of property, plant and equipment 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 except where the impairment reverses a previous revaluation.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.9 Property, plant and equipment (continued)

When revalued assets are sold or retired, the amounts included in the revaluation reserve in respect of that assets, are transferred to accumulated surplus or deficit.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated using the straight-line method, to allocate their cost or revalued amounts less their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets' future economic benefits or service potential are expected to be consumed by the municipality. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation rates are based on the following estimated useful lives:

Asset class	Useful lives as applied in the Asset Register (years)
Infrastructure	
• Roads	5 - 100
• Stormwater	5 - 100
• Electricity	5 - 75
• Water	5 - 100
• Sewerage	5 - 100
• Solid Waste	5 - 100
Buildings	
• Buildings	30 - 50
• Recreational and sports facilities	5 - 100
• Resorts	5 - 100
• Housing assets	30 - 50
Other Structures and facilities	
• Parks, gardens and cemeteries	5 - 100
• Parking structures	30 - 50
• Other structures	5 - 50
• Communication assets	30 - 50
• Leasehold improvements	30 - 50
• Containerized structures	5 - 50
Moveable assets	
• Transport assets	5 - 20
• Computer equipment	3 - 10
• Furniture and office equipment	3 - 10
• Machinery and equipment	5 - 10
• Other movable assets	3 - 10

The useful lives, residual values and depreciation method are reviewed annually at the end of the financial year where there is any indication that the municipality's expectations about the residual amount and the useful life of an asset has changed since the preceding reporting date. Any adjustments arising from the annual review are applied prospectively.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.9 Property, plant and equipment (continued)

Historical reviews have impacted the lives of the assets. The following table indicates the impact on the actual lives of the assets as a result of historical reviews and adjustments made:

Asset class	Useful lives as applied in the Asset Register (years)
Infrastructure	
• Roads	5 - 100
• Stormwater	5 - 100
• Electricity	5 - 80
• Water	5 - 140
• Sewerage	5 - 120
• Solid Waste	5 - 100
Buildings	
• Buildings	1 - 60
• Recreational and sports facilities	1 - 100
• Resorts	1 - 100
• Housing assets	1 - 60
Other Structures and facilities	
• Parks, gardens and cemeteries	1 - 100
• Parking structures	30 - 50
• Other structures	3 - 50
• Communication assets	30 - 50
• Leasehold improvements	30 - 50
• Containerized structures	5 - 50
Moveable assets	
• Transport assets	5 - 40
• Computer equipment	1 - 30
• Furniture and office equipment	1 - 35
• Machinery and equipment	1 - 35
• Other movable assets	1 - 50

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease.

De-recognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

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.

Gains or losses are calculated as the difference between the carrying values of assets (Cost less accumulated depreciation and accumulated losses) and any proceeds received or receivable on disposal, is included in the Statement of Financial Performance and Financial Position as a gain disposal of property, plant and equipment.

1.10 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible assets.

Drakenstein Municipality

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Accounting Policies

1.10 Intangible assets (continued)

Initial recognition and measurement

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and if the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. The cost of an intangible assets is the purchase price and other costs attributable to bring the intangible assets to the location and condition necessary for it to be capable of operating in the manner intended by the municipality, or where an intangible assets is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost.

Subsequent measurement

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated on cost, using the straight-line method, over the useful lives of the assets, which is estimated to be between 3 to 10 years upon initial recognition. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are annually tested for impairment and the estimated useful life, residual values and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible assets is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.11 Investment property

Investment property includes property 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. Investment property also includes land held for an undetermined future use.

Accounting Policies

1.11 Investment property (continued)

Initial recognition

Investment property shall be recognised as an asset when, and only when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity; and the cost or fair value of the investment property can be measured reliably.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. 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.

Where the classification of an investment property is based on management's judgement, the following criteria have been applied to distinguish investment properties from owner-occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as investment properties;
- Land held for a currently undetermined future use;
- A building owned (or held by under a finance lease) and leased out under one or more operating leases;
- Leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held;
- A building that is vacant but is held to be leased out under one or more operating leases;
- Property that is being constructed or developed for future use as investment property.

Subsequent measurement – fair value model

Investment property is subsequently measured using the fair value model. Investment property is carried at fair value, representing open market value determined by external valuer on reporting date. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. 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.

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.

Derecognition/Disposal

Investment properties are derecognised (eliminated from the Statement of Financial Position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.12 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.

The municipality classifies assets as heritage assets where the significance as a heritage asset can be determined. In regards to land and buildings all graded sites are classified heritage assets. Furthermore, land with a natural significance is not componentised but seen as a single heritage asset due to all parts contributing together to make up its significance.

GRAP 103 requires that land and buildings that qualify as heritage asset, but of which a significant portion of that land and buildings is held for use in the production or supply of goods or services or for administrative purposes, should be recognised as property, plant and equipment, rather than heritage asset.

Accounting Policies

1.12 Heritage assets (continued)

Initial recognition and measurement

The cost of an item of heritage assets 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.

Heritage assets are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of heritage assets 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 heritage assets acquired in exchange for a 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.

Subsequent measurement

Subsequent expenditure relating to heritage assets is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in the Statement of Financial Performance to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in the Statement of Financial Performance.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in the Statement of Financial Performance. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Subsequently all heritage assets (excluding heritage assets which are land and buildings) are measured at cost less accumulated impairment losses. Heritage assets are not depreciated.

Subsequent to initial recognition, land and buildings which qualify as heritage assets are carried at a revalued amount based on municipal valuations less subsequent accumulated impairment losses. Revaluations are performed by external independent valuers every four years to coincide with the implementation of the general valuation such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

De-recognition of heritage assets

The carrying amount of an item of heritage assets is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated impairment losses) and the disposal proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of heritage assets.

1.13 Inventory

Inventory consist of raw materials, work in progress, consumables and finished goods, which are valued at the lower of cost, determined on the first in first out basis, and net realisable value, except for items which are valued at the tariffs charged. Where it is held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value.

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Accounting Policies

1.13 Inventory (continued)

Cost of inventory comprises all costs of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Inventories shall be 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 entity; and the cost of the inventories can be measured reliably. Inventories that qualify for recognition as assets shall initially be measured at cost. Where inventories are acquired through a non-exchange transaction, their cost shall be measured at their fair value as at the date of acquisition.

Redundant and slow-moving inventory are identified and written down to their estimated net realisable values estimated by management. Inventories are written down according to their age, condition and utility. Differences arising on the measurement of such inventory at the lower of cost and net realisable value are recognised in the Statement of Financial Performance in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory were sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

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, and is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at Statement of Financial Position 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 is 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.

Land inventory for BNG housing projects

The Accounting Standards Board issued the guideline on Accounting for Arrangements Undertaken in terms of the National Housing Programme.

In terms of the guideline, land currently controlled by the municipality and recognised as either property, plant and equipment or investment property, that has been designated for the purposes of a Breaking New Ground (BNG) housing development - in terms of Council's approved housing pipeline projects - meets the definition of inventory and requires reclassification to inventory.

The municipality only reclassifies the portion of land that it would not control after entering into an arrangement with the provincial Department of Human Settlements, to inventory.

Once the township development is completed, revisions that may need to be made to the values of the land initially reclassified as inventory is treated as a change in accounting estimate in terms of GRAP 3.

The carrying amount of the land up until the date of reclassification, as determined in accordance with the accounting policy of property, plant and equipment or investment property, is the cost amount on the date of reclassification.

Land inventory is derecognised once an agreement has been entered into with the provincial Department of Human Settlement, that passed control to the department.

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Accounting Policies

1.14 Living and non-living resources

Living resources are those resources that undergo biological transformation, whilst non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Non-living resources, other than land, are not recognised as assets.

A living resource is regarded as an asset when the municipality controls the right or access to future economic benefits or service potential of the resource. This is done by considering whether the following indicators that conclude that control, exists:

- The intervention by a municipality in the management of the physical condition of the living resource.
- The ability to restrict the movement of living resource.
- The ability to direct the use of the living resource.

The municipality is in terms of its mandate responsible for management and/or conservation of the environment as a whole, inclusive of natural resources such as plants and trees within parks and recreational facilities, but it does not manage the physical condition of each individual plant within that environment. As a result, the municipality concludes that it does not control these trees and plants as living resources, and does not regard them as separate assets.

1.15 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets

The municipality classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. A commercial return means that the return charged by the entity is commensurate with the risk associated with holding the asset and the asset is intended to generate positive cash inflows. All other assets are classified as non-cash-generating assets.

Impairment of cash-generating assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the individual asset.

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 best evidence of fair value less cost to sell is the price in a binding sale agreement in an arm's length transaction, adjusted for the incremental cost that would be directly attributable to the disposal of the asset.

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.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

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 of assets carried at revalued amount 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 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.

A 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.

Accounting Policies

1.15 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets (continued)

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

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 any such indication exists, the municipality estimates the recoverable service amount of the asset.

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 cash-generating unit to which the asset belongs is determined.

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal.

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 is treated as a revaluation decrease.

A 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. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.16 Employee benefits

The municipality provides short term benefits, long term benefits and retirement benefits for its employees and councillors.

Short-term employee benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service.

Post-employment benefits: Defined contribution plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees.

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Accounting Policies

1.16 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement.

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 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 by independent qualified actuaries regularly, as may be required for fair presentation.

Actuarial gains or losses are recognised immediately in the Statement of Financial Performance.

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.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Past-service costs are recognised immediately, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

The liability in respect of current pensioners is regarded as fully accrued and is therefore not split between a past (or accrued) and future in-service element.

Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Ex-gratia pension benefits

The municipality provides pension and retirement gratuity benefits to certain employees who were in the employment of the former Paarl, Wellington, Gouda and Saron Municipalities (now incorporated into the Drakenstein Municipality) at 31 December 1994 (Paarl) and 31 March 1995 (Wellington) and still in the employment of Drakenstein Municipality at date of normal retirement, medical disability, retrenchment or death. The gratuity is calculated on the salary benefits during 1994/1995.

The Municipality's obligation under these plans is valued by independent qualified actuaries, and the corresponding liability is raised.

Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

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 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of Financial Performance.

Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Drakenstein Municipality

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Accounting Policies

1.16 Employee benefits (continued)

National- and provincially administered defined benefit plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. 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 every 3 years 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.

The municipality does not apply defined benefit accounting to the defined benefit funds to which it is a member where these funds are classified in terms of the Standard of GRAP 25 on Employee Benefits as multiemployer plans, as sufficient information is not available to apply the principals involved. As a result, this standard of GRAP is applied and such funds are accounted for as defined contribution funds.

Salaried personnel are members of the Cape Joint Pension fund established in terms of the Local Authorities Pension Fund Ordinance, 1969 (Ordinance 23 of 1969), and the provisions of the Pension Fund Act, 1956 (Act 24 of 1956) or the SAMWU National Provident Fund, SALA pension fund, Consolidated retirement fund, Municipal Councillors' pension fund, National fund for municipal workers.

Leave pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end and is shown as an accrual in the Statement of Financial Position. Rand value is used to determine the leave pay, such as the remuneration package of the employee. Accumulated 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.

Provision for bonus

The municipality recognises the expected cost of bonuses as a provision only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made at reporting date.

The performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.17 Leases

Lease classification

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Municipality as lessee

Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. 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.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on the straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Drakenstein Municipality

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Accounting Policies

1.17 Leases (continued)

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 income 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.

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease.

1.18 Borrowing costs

Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis. Borrowings are initially recognised at fair value, net of transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

Borrowing costs are recognised as an expense in the Statement of Financial Performance in the period in which they are incurred.

1.19 Financial instruments (GRAP 104 - 2009) (For Comparative Information)

The municipality has various types of financial instruments, broadly categorised as either financial assets or financial liabilities. A financial instrument is recognised if the municipality becomes a party to the contractual provisions of the instrument.

1.19.1 Classification of financial instruments

Financial assets

A financial asset is any asset that is a cash or contractual right to receive cash. In accordance with GRAP 104 the Financial Assets of the municipality are classified as follows into the three categories allowed by this standard:

Financial asset at amortised cost being a non-derivative financial asset with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Financial assets measured at fair value being financial assets that meet either of the following conditions:

- Derivatives;
- Combined instruments that are designated at fair value;
- Instruments held for trading;
- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
- Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Financial assets measured at cost being investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

The municipality's financial assets are classified into three categories based on its management model and the contractual cash flow characteristics of the instruments

- **Financial assets at amortised cost:** These are financial assets held within a management model whose objective is to collect the contractual cash flows and whose contract terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal.
- **Financial assets measured at fair value:** These are financial assets not categorised as measured at amortised cost.
- **Financial assets measured at cost:** Investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured

Drakenstein Municipality

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Accounting Policies

1.19 Financial instruments (GRAP 104 - 2009) (For Comparative Information) (continued)

The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

Type of financial asset	Classification in terms of GRAP 104
Finance lease receivables	Financial assets at amortised cost
Non-current receivables from exchange transactions	Financial assets at amortised cost
Current portion of long-term receivables	Financial assets at amortised cost
Receivables from exchange transactions	Financial assets at amortised cost
Receivables from non-exchange transactions	Financial assets at amortised cost
Short-term investments	Financial assets at amortised cost
Cash and cash equivalents	Financial assets at amortised cost
Investments in stock	Financial assets at fair value

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets at amortised cost.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

The following main categories of financial liabilities and the classification determining how they are measured exist:

- Financial liabilities measured at amortised cost; or
- Financial liabilities measured at fair value.

The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

Type of financial liability	Classification in terms of GRAP 104
Long-term liabilities	Financial liability at amortised cost
Current portion of long-term liabilities	Financial liability at amortised cost
Payables from Exchange Transactions	Financial liability at amortised cost
Bank overdraft	Financial liability at amortised cost
Consumer Deposits	Financial liability at amortised cost

Financial liabilities that are measured at fair value are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments or are part of a portfolio of financial liabilities where there is recent actual evidence of short-term profiteering or are derivatives).

Any other financial liabilities should be classified as financial liabilities at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Accounting Policies

1.19 Financial instruments (GRAP 104 - 2009) (For Comparative Information) (continued)

1.19.2 Initial and subsequent measurement

Initial recognition and measurement

Financial assets:

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 assets. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an effective yield basis.

Trade and other receivables (excluding Value Added Taxation, prepayments and operating lease receivables), loans to municipal entities and loans that have fixed and determinable payments that are not quoted in an active market are classified as financial assets at amortised cost.

Financial assets measured at fair value are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the Statement of Financial Performance, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the Statement of Financial Performance.

Financial liabilities:

Financial liabilities measured at fair value are stated at fair value, with any resultant gain or loss recognised in the Statement of Financial Performance.

Any other financial liabilities classified at amortised cost (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 the Statement of Financial Performance by applying the effective interest rate.

Bank borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and overdrafts are recorded at the proceeds received. Finance costs are accounted for using the accrual basis and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

1.19.3 Impairment of financial assets

Financial assets, other than those measured 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 in accordance with GRAP 104.

Trade receivables encompass long term debtors, consumer debtors and other debtors. A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

According to GRAP 104, the assessment for impairment needs to be made for each individual financial asset separately or for groups of financial assets with similar credit risks. The following methodology was followed to make a provision for bad debts for the year under review:

Consumer debtors

Consumer debtors are assessed individually thereafter collectively, considering factors such as payment histories and ratios, qualitative factors e.g. correspondence from attorneys, disputes about certain accounts, etc.

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Accounting Policies

1.19 Financial instruments (GRAP 104 - 2009) (For Comparative Information) (continued)

Other debtors

Other debtors are reviewed individually considering payment histories and disputes about certain amounts. Provision for impairment is made accordingly.

Long-term debtors

Housing loans

The loans in this group are assessed by reviewing their payment histories and ratios. Provision for impairment is made accordingly.

Other long-term loans

No provision for impairment is made for Other long-term loans, because it is envisaged that these debts will be fully recovered.

Other financial assets at amortised cost are assessed individually for impairment.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off directly through the Statement of Financial Performance. Subsequent recoveries of amounts previously written off are recognised in the Statement of Financial Position. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance and Financial Position.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance and Financial Position to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.19.4 Derecognition

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 assets 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 assets, the municipality continues to recognise the financial assets and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The municipality derecognises financial liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.20 Financial Instruments (GRAP 104 Revised - 2019) (for periods after 1 July 2024)

The municipality has various types of financial instruments, broadly categorised as either financial assets or financial liabilities. A financial instrument is recognised if the municipality becomes a party to the contractual provisions of the instrument.

1.20.1 Classification of Financial Instruments

Financial Assets

A financial asset is any asset that is cash or a contractual right to receive cash. The municipality's financial assets are classified into three categories based on its management model and the contractual cash flow characteristics of the instruments.

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Accounting Policies

1.20 Financial Instruments (GRAP 104 Revised - 2019) (for periods after 1 July 2024) (continued)

- **Financial assets at amortised cost:** These are financial assets held within a management model whose objective is to collect the contractual cash flows and whose contract terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal.
- **Financial assets measured at fair value:** These are financial assets not categorised as measured at amortised cost.
- **Financial assets measured at cost:** Investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

The municipality has the following classes of financial assets:

Classes of Financial Asset

Finance lease receivables
Non-current receivables (exchange)
Current portion of non-current receivables
Receivables from exchange transactions
Receivables from non-exchange transactions
Short-term investments
Cash and cash equivalents

Classification in terms of GRAP 104

Financial assets at amortised cost
Financial assets at amortised cost
Financial assets at amortised cost
Financial assets at amortised cost
Financial assets at amortised cost
Financial assets at amortised cost
Financial assets at amortised cost

Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality's financial liabilities are categorised as financial liabilities measured at amortised cost.

The municipality has the following classes of financial liabilities:

Classes of Financial Liability

Long-term borrowings
Current portion of long-term borrowings
Payables from Exchange Transactions
Bank overdraft
Consumer Deposits

Classification in terms of GRAP 104 Revised

Financial liability at amortised cost
Financial liability at amortised cost
Financial liability at amortised cost
Financial liability at amortised cost
Financial liability at amortised cost

1.20.2 Initial and Subsequent Measurement

Financial Assets:

- Financial assets at amortised cost are initially measured at fair value plus directly attributable transaction costs. The fair value of short-term receivables is the transaction price where the initial credit period granted is no longer than 30 days. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an effective yield basis. All gains and losses, interest and impairment losses are recognised in surplus or deficit.
- Financial assets measured at fair value are initially measured at fair value. Directly attributable transaction costs are recognised in surplus or deficit. They are subsequently measured at fair value, with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the Statement of Financial Performance, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the Statement of Financial Performance.

Financial Liabilities:

- Financial liabilities measured at fair value are initially measured at fair value. Directly attributable transaction costs are recognised in surplus or deficit. They are subsequently measured at fair value with any resulting gains or losses recognised in surplus or deficit.

Accounting Policies

1.20 Financial Instruments (GRAP 104 Revised - 2019) (for periods after 1 July 2024) (continued)

- Financial liabilities at amortised cost are initially measured at fair value less directly attributable transaction costs. The fair value of short-term payables is the transaction price where the initial credit period granted is no longer than 30 days. Subsequently, these liabilities are measured at amortised cost using the Effective Interest Method, with interest recognised on an effective yield basis. All gains and losses and interest are recognised in surplus or deficit.

1.20.3 Impairment of Financial Assets (GRAP 104 Revised)

The municipality recognises a loss allowance for expected credit losses on all financial assets measured at amortised cost.

In compliance with the GRAP 104 simplified approach, the municipality recognizes a loss allowance for expected credit losses (ECL) on all financial assets measured at amortised cost, requiring recognition of the loss allowance for all trade receivables at lifetime expected credit losses from initial recognition until derecognition. The municipality considers a financial asset to be in default when it is more than 90 days past due on its contractual payments, or when there is evidence that the debtor is unlikely to pay their credit obligations in full without the municipality's recourse, such as legal action or a credit-enhancing guarantee.

The provision matrix approach is used, which involves applying historical loss rates to ageing buckets of receivables. The methodology for calculating impairment values on outstanding receivable balances is as follows:

- Grouping of Receivables (Step 1):** Receivables are grouped by similar credit risk characteristics. This involves distinguishing by receivable type: Business, Residential, and Other (including government, councillors, and employees).
- Historical Period of Sales (Step 2):** The model uses monthly exposure (gross balance due) and payment data from 1 September 2022 to the current date.
- Historical Payment Profile (Step 3):** For each group and ageing bucket, the probability of repayment (RPx) is calculated by dividing the total value of payments received by the total outstanding balances.
- Historical Loss Rate (Step 4):** The probability of non-payment (impairment probability) for each ageing bucket is estimated using a conditional probability approach, assessing the likelihood that a debtor will ultimately fail to settle their balance. These probabilities are derived from historical payment patterns and applied to each exposure group. The impairment probability for the 1830+ bucket is set at 100%.
- Adjustment for Current and Forward-Looking Information (Step 5):** While GRAP 104 requires considering current conditions and reasonable, supportable forward-looking information, it was concluded that there is no significant evidence to suggest that current or forward-looking economic conditions materially impact debtor payment behavior beyond what is reflected in the historical data, particularly given the short-tailed nature of outstanding balances. Collateral, specifically consumer deposits, is not consistently applied and therefore not included in the ECL model. The discounting of impairment values is not considered necessary as the impact is immaterial.
- Calculation of Expected Credit Loss (Step 6):** The expected loss rates are applied to the ageing profile of receivables at the reporting date to determine the total expected credit loss (ECL) amount.

The carrying amount of the receivables is reduced through the use of an allowance account with the movement (impairment loss or gain) being recognised in surplus or deficit.

General approach

The general approach is applied to cash and cash equivalents and non-current receivables. The approach determines the loss allowance based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not significantly increased since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses. For the instruments where the credit risk has increased significantly, lifetime expected credit losses are recognised. The municipality assumes that the credit risk has increased significantly if the balance is more than 30 days past due and that the credit risk has not increased when the credit risk is assessed as low.

The municipality considers financial assets to be in default when the balance is more than 90 days past due or the debtor is unlikely to pay their credit obligations in full, without recourse by the municipality.

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Accounting Policies

1.20 Financial Instruments (GRAP 104 Revised - 2019) (for periods after 1 July 2024) (continued)

The municipality assesses the credit risk rating of cash and cash equivalents by using the latest published credit ratings from Moody's. The municipality considers cash and cash equivalents to have a low credit risk when the credit risk rating is Baa3 or higher.

ECLs are a probability-weighted estimate of credit losses. These probabilities of non-payment are derived from historical payment patterns and where necessary, these are adjusted for current conditions and reasonable, supportable forward-looking information. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the municipality per the contract and the cash flows that the municipality expects to receive). The ECL is discounted using the effective interest rate of the financial asset.

Write offs

The gross carrying amount of a financial asset is written off when the municipality has no reasonable expectation of recovering the outstanding balance and the Council has approved the write-off. When financial assets are considered uncollectible, it is written off directly through the Statement of Financial Performance. The amounts written off are not subject to enforcement activities. Subsequent recoveries of amounts previously written off are recognised in the Statement of Financial Performance. However, the municipality does not expect a significant recovery of the amounts written off.

1.20.4 Derecognition

Financial Assets

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire, are cancelled or waived, or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. Any resulting gain or loss is recognised in surplus or deficit.

Financial Liabilities

The municipality derecognises financial liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire. Any resulting gain or loss is recognised in surplus or deficit.

1.21 Statutory receivables

1.21.1 Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The municipality has the following major categories under the ambit of statutory receivables:

- VAT receivables
- Rates debtors
- Traffic fine debtors
- Availability charges debtors:
 - Electricity;
 - Water;
 - Waste; and
 - Waste water.

1.21.2 Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Drakenstein Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

1.21.3 Measurement

The municipality initially measures statutory receivables at their transaction amount.

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

1.21.4 Impairment of statutory receivables

Statutory receivables, other than those measured at fair value, are assessed for indicators of impairment at the end of each reporting period. Statutory receivables are impaired where there is objective evidence of impairment of Statutory receivables (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 108.

A provision for impairment of receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

According to GRAP 108, the assessment for impairment needs to be made for each individual financial asset separately or for groups of statutory receivables with similar credit risks. The following methodology was followed to make a provision for bad debts for the year under review:

Rates debtors and availability charge debtors

Rates debtors are assessed individually thereafter collectively, considering factors such as payment histories and ratios, qualitative factors e.g. correspondence from attorneys, disputes about certain accounts, etc.

Traffic fine debtors

Traffic fine debtors are reviewed collectively considering payment histories and disputes about certain amounts. Provision for impairment is made accordingly.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.21.5 De-recognition of statutory receivables

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers control of the statutory receivable and substantially all the risks and rewards of ownership of the asset to another entity; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

Drakenstein Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.22 Revenue

Revenue, excluding value-added taxation where applicable, 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.

Recognition and measurement

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. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.22 Revenue (continued)

1.22.1 Revenue from exchange transactions

Service charges

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. Basic fees are calculated per the size of connection.

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 from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, using 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.

Pre-paid electricity

Revenue from the sale of pre-paid electricity are recognised at the point of sale. Revenue from the sale of prepaid electricity are recognised based on an estimate of the pre-paid electricity consumed as at the reporting date.

Interest earned and rentals received

Interest and rentals are recognised on a time proportion basis that takes into account the effective yield on the investment.

Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Traffic 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 licenses and permits.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Drakenstein Municipality

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Accounting Policies

1.22 Revenue (continued)

Housing rental and instalments

Finance income from the sale of housing by way of instalment sale agreements or finance leases is recognised on a time proportion basis.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.22.2 Revenue from non-exchange transactions

Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the municipality is entitled to collect.

Subsequent to initial recognition and measurement, the municipality assess the collectability of the revenue and recognises a separate impairment loss where appropriate.

Donations and contributions

Donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met.

Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

Assets acquired in non-exchange transactions are measured at fair value in accordance with the Standards of GRAP.

Drakenstein Municipality

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Accounting Policies

1.22 Revenue (continued)

Government grants and receipts

- Unconditional grants

Equitable share allocations are recognised in revenue upon receipt of funds during financial year.

- Conditional grants and receipts

Conditional grants recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

Revenue is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

- Interest earned on unspent grants and receipts

Interest earned on unspent grants and receipts 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 the Statement of Financial Performance and Financial Position in accordance with GRAP 9.

Services received in-kind

Services in kind are recognised at its fair value when it is material to the operations and/or service delivery objectives and when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably. If the services in-kind are not material to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, only the nature and type of services in-kind received during the reporting period is disclosed.

Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from 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 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

Revenue recognition of unclaimed deposits

Unclaimed deposits older than three (3) years are recognised as revenue.

Availability fees

Revenue arising from legislation is recognised in accordance with the approved tariffs.

1.23 Accounting by principal and agents

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.

Drakenstein Municipality

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Accounting Policies

1.23 Accounting by principal and agents (continued)

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 binding 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 it 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 of 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.

1.24 Housing arrangements

The ASB issued the guideline on Accounting for Arrangements Undertaken in terms of the National Housing Programme.

Top structures

Where the municipality acts as a project manager in a housing arrangement, it is regarded as an agent in terms of the principles of GRAP 109 - Accounting by Principals and Agents.

Drakenstein Municipality

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Accounting Policies

1.24 Housing arrangements (continued)

Where the municipality is regarded as an agent, costs related to the construction of top structures and the related recovery thereof (revenue) is not be recognised in the Statement of Financial Performance of the municipality.

Where the municipality is identified as a project developer, the construction of the houses is performed by the municipality or by the appointment of a sub-contractor to undertake the construction on the municipality's behalf. The municipality applies the GRAP 11, Construction Contracts to account for these construction activities.

Where the municipality is regarded as the project developer and if the outcome of the construction contract can be estimated reliably, then contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Contract revenue will be in the form of a grant from the Department of Human settlements and presented and disclosed under transfers and subsidies in the Statement of Financial Performance.

Contract costs are recognised as an expense in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Other transactions related to housing arrangements:

Other transactions may also arise from the Housing Arrangements and fall within the ambit of GRAP 11: Construction Contracts, others with GRAP 9: Revenue from Exchange Transactions, GRAP 23: Revenue from Non-exchange Transactions and GRAP 109: Principal Agent Arrangements.

- Income from grants pertaining to the planning and construction of civil services of a project is considered to be grants and subsidies in terms of GRAP 23: Revenue from Non-exchange Transactions.
- Receipts directly attributable to the administration of beneficiaries are accounted for under Operational Revenue as Housing services rendered in terms of GRAP 9: Revenue from Exchange Transactions.
- Receipts that are received to register the title deed in the name of the beneficiary are regarded as receipts and payments on behalf of the beneficiaries in terms of GRAP 109: Principal Agent Arrangements, and as such the municipality is regarded as an agent.

1.25 Value Added Tax

The municipality is registered with the South African Revenue Service (SARS) for Value Added Tax (VAT) on the payments basis, in accordance with Section 15(2)(a) of the Value-Added Tax Act No 89 of 1991.

The Municipality distinguishes between the following categories of VAT:

- **VAT Control (VAT Return Balance)**
The balance due to or receivable from SARS at year-end is classified as a statutory payable or -receivable and presented as part the VAT Receivable or VAT Payable line item on the Statement of Financial Position.
- **VAT Input (Accrual VAT Transactions)**
VAT incurred on goods and services acquired, where the related trade payables remain unpaid at year-end, is classified as a statutory receivable and is presented as part of VAT Receivable or VAT Payable on the Statement of Financial Position. In line with the payment basis principles, such VAT is only claimable once payment has been effected to the creditor.
- **VAT Accrual on receivable**
The contra account of VAT arising on revenue transactions, where amounts are accrued or invoiced to debtors but not yet received, is classified as a statutory payable and presented under payables from exchange transactions. Such VAT becomes payable to SARS only once the related debtor has settled the outstanding balance and thus presented separately from other VAT balances
- **VAT on provision for Impairment**
Contra account of VAT associated with the provision for impairment of receivables is presented under payables from exchange transactions.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.26 Grants-in-aid

The municipality transfers money to individuals, organizations and other sectors of government from time to time. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in the audited annual financial statements as expenses in the period that the events giving rise to the transfer occurred.

1.27 Unauthorised expenditure

Section 1 of the MFMA, defines Unauthorised expenditure as follows:

- Overspending of the total amount appropriated in the municipality's approved budget;
- Overspending of the total amount appropriated for a vote in the approved budget;
- Expenditure from a vote unrelated to the department or functional area covered by the vote;
- Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- Spending of an allocation referred to in the above paragraphs of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- A grant by the municipality otherwise than in accordance with this Act.

Section 1 of the MFMA also defines a Vote as:

- One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

The municipality uses the Municipal Standard Chart of Accounts (mSCOA) Functions and Sub-functions, previously the Government Finance Statistics (GFS) functions, as well as departments as the main groupings of segments of the municipality's budget segments within the municipality are grouped per department to facilitate greater accountability and budget implementation by the respective Executive Directors as well as per mSCOA classification to facilitate comparisons on a higher level.

All expenditure relating to unauthorised expenditure is recognised as an expense in the Statement of Financial Performance 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 the Statement of Financial Performance. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

1.28 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act 56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy.

1.29 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 recognised as an expense in the Statement of Financial Performance 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 the Statement of Financial Performance. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

1.30 Foreign currencies

Transactions in foreign currencies are translated to the functional currency of the municipality at exchange rates at the dates of the transactions.

Accounting Policies

1.30 Foreign currencies (continued)

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gains or loss on monetary items is the difference between amortised cost or fair value in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in surplus or deficit.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Cash flows arising from transactions in a foreign currency are recorded in Rand's by applying, to the foreign currency amount, the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.31 Change in accounting policies, estimates and errors

Changes in accounting policies that are affected 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.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

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 changes in accounting policies, changes in estimates and correction of errors are disclosed in the notes to the audited annual financial statements where applicable.

1.32 Related parties and related party transactions

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, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Close members of the family of an individual are those family members who may be expected to influence or be influenced by that individual in their dealings with the municipality. An individual is considered to be a close member of the family of another individual if they are married or live together in a relationship similar to a marriage; or if they are separated by no more than two degrees of natural or legal consanguinity or affinity.

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.

In the case of permanent employees acting in management positions, only the remuneration received additionally for acting in that position is disclosed.

Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the municipality.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.32 Related parties and related party transactions (continued)

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.

1.33 Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the audited annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the audited annual financial statements.

1.34 Segmental reporting

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

The reportable segments identified are those functional segments reported in the Government Finance Statistics (GFS's) format and the Municipal Vote (Departmental) format per the Monthly Section 71 Management Reports. The information that will be reported is aligned to the Monthly Section 71 reports which are reviewed by the executive management. The Government Finance Statistics (GFS's) format allows for universal comparability of segments. The main factors considered in selecting the segments were the level of comparability with other preparers and a level of aggregation that does not detract from presenting the separate revenue or service delivery components.

The Municipality uses the Municipal Vote (Departmental) as Primary and the GFS as Secondary segment reporting levels.

The report will not be aggregated.

The municipality manages its assets and liability as a whole. Only capital expenditure is reviewed based on the location. All other asset and liability management techniques are focused on the asset base as a whole rather than the asset and liability management for a specific area. Service delivery staff are organised in such a manner that service delivery takes place timeously in each town, but it's not a strategic principle to organise assets and liabilities in such a manner that each town is its own small economic/service delivery unit that can operate separately from the rest of the organisation. Segment reporting per geographic area is therefore not deemed relevant.

The assets and liabilities are not reviewed at all on a segregated basis.

The reporting measurement basis for the management reports is the same as that of the Annual Financial Statements.

1.35 Contingent assets and contingent liabilities

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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the municipality.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.36 Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortised cost. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are carried at amortised cost.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts.

1.37 Capital commitments

Capital commitments disclosed in the financial statements represent the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.38 Consumer deposits

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with the council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.39 Unspent conditional grants and receipts

Unspent conditional grants are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies, and contributions from government organs. Unspent conditional grants are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. The revenue is driven by legislation.

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, which is considered a financial instrument

The liability must always be cash-backed.

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.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

2. Key judgements and sources of estimation uncertainty

In the application of the municipality's accounting policies, which are described above, management is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. 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 on-going 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.

2.1. Judgements

The following are the critical judgements, apart from those involving estimations, that the 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 audited annual financial statements:

Materiality

Materiality is judged by reference to the size and nature of the item. The deciding factor is whether the omission or misstatement could, individually or collectively, influence the decisions that users make on the basis of these audited annual financial statements.

In preparation of the audited annual financial statements materiality has been considered in:

- Deciding what to report in the audited annual financial statements and how to present it.
- Assessing the effect of omissions, misstatements and errors on the audited annual financial statements

In assessing whether an item, transaction or event is material, specific thresholds for specific items, transactions and events, or aggregations thereof has been developed. These thresholds are used to make decisions about the reporting of information (i.e. how to recognise, measure, present and disclose items, transactions and events), and used as a margin of error or framework within which to assess misstatements and errors.

	2025	
	Base Rand	Level of materiality Rand
Classes of transactions		
Revenue	3,916,626,880	19,583,134
Capital and Operational Expenditure	4,015,851,263	20,079,256
Total Assets	8,157,538,553	40,787,693
Equity (Net Assets)	5,667,385,065	28,336,925

Based on professional judgement the quantitative value of materiality for the 2025 financial year is set at R19.6 million.

The municipality has also considered whether certain transactions or balances may be qualitatively material based on the inherent characteristics thereof, even though the transaction or balance is quantitatively immaterial, if:

- The item, transaction or event relates to legal or regulatory requirements.
- Related party transactions.
- The regularity or frequency with which an item, transaction or event occurs.
- The item, transaction or event results in the reversal of a trend.
- The item, transaction or event is likely to result in a change in accounting policy.
- The commencement of a new function, or the reduction or cessation of an existing function.
- The degree of estimation or judgement that is needed to determine the value of an item, transaction or event.
- An item, transaction or event that affects the going concern assumption of the municipality.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

2. Key judgements and sources of estimation uncertainty (continued)

Lease classification – Municipality as lessor

The municipality has entered into commercial property leases on its investment property portfolio. The municipality has determined that it retains all the significant risks and rewards of ownership of these properties, and so accounts for them as operating leases.

Lease classification – Municipality as lessee

The municipality has entered into a number of leases for office equipment. In determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the municipality.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. The municipality has exercised its judgement on the appropriate classification of equipment leases, and has determined a number of lease arrangements are finance leases.

Classification of property as held for strategic purposes

The municipality classifies vacant land that is earmarked for future development in terms of the municipality's Spatial Development Framework, as property, plant and equipment, rather than investment property.

Criteria for the classification of properties as investment property rather than property, plant and equipment, when classification is difficult

All properties held to earn market-related rentals or for capital appreciation or both and that are not for administrative purposes and that will not be sold in the ordinary course of operations are classified as investment property.

Land held for currently undetermined future use

Leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment property. The rental revenue generated is incidental to the purposes for which the property is held.

Componentisation of infrastructure assets

All infrastructure assets, acquired before the adoption of GRAP where the acquisition cost could not be obtained, with significant components relating to different useful lives are unbundled into their components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market replacement cost of each component, depreciated for age and condition and recalculated to deemed cost at the acquisition date if known or to the date of initially adopting the standards of GRAP. All infrastructure assets acquired after the adoption of GRAP with significant components relating to different useful lives are unbundled into their components based on the actual expenditure incurred.

Determination of repairs and maintenance cost

Repairs and maintenance is based on management's own judgement of costs incurred in cost centres responsible for the maintenance and repair of municipality owned assets.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

2. Key judgements and sources of estimation uncertainty (continued)

2.2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Pension and other post-employment benefits

The cost of defined benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Classification of financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. The Accounting Policy on Financial Instruments describes the factors and criteria considered by the management of the municipality in the classification of financial assets and liabilities.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP 104: Financial Instruments.

Impairment of receivables

The Municipality applies the Expected Credit Loss (ECL) model as required by GRAP 104: Financial Instruments for its financial assets. For trade receivables and lease receivables, the simplified approach is applied, requiring the recognition of lifetime expected credit losses from initial recognition until derecognition.

In making the estimation of the impairment, management uses a provision matrix methodology, which involves grouping receivables with similar credit risk characteristics, analysing historical payment profiles across ageing buckets, and applying impairment probabilities to determine expected losses.

Key judgements and estimations involved in the ECL model include:

- **Grouping of Receivables:** Debtors are grouped by debtor type (Business, Residential, and Other, including government, councillors, and employees) to ensure a consistent assessment of credit risk within each segment.
- **Ageing Buckets:** Historical payment patterns are consolidated into specific ageing buckets (e.g., 0, 30, 60, 90, 120, 150, 180, 210-360, 390-720, 750-1080, 1110-1440, and 1470-1830 days) to ensure statistical credibility and reliable estimation of payment behaviour.
- **Impairment Probability:** The likelihood that an account holder will ultimately fail to settle their outstanding balance is derived from historical non-payment rates using a conditional probability approach. An assumption is made that the impairment probability for balances aged 1830+ days is 100%.
- **Forward-Looking Information:** GRAP 104 requires expected credit loss estimates to consider historical loss experience, current conditions, and reasonable, supportable forward-looking information. Management considered general macroeconomic indicators (GDP, unemployment rate, prime interest rate) and business/entity-specific conditions. Based on available data and analysis, it was judged that these factors did not materially impact debtor payment behaviour beyond what is reflected in historical data, and thus, historical loss rates were not adjusted.
- **Discounting:** Interest is levied on outstanding balances at the prime lending rate. However, it was concluded that discounting the impairment values to present value is not necessary as the impact on the impairment value is immaterial.

Management is satisfied that the impairment of financial assets recorded during the year is appropriate and reflects the expected credit losses in accordance with the adopted methodology.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

2. Key judgements and sources of estimation uncertainty (continued)

For property rates and availability charges receivables under GRAP 108: Statutory Receivables for statutory receivables grouped receivables with similar credit risk characteristics, analysed historical payment profiles across ageing buckets, and applied impairment probabilities to determine expected losses.

The calculation in respect of the impairment of fine receivables (receivables from non-exchange transactions) is based on an assessment of the past payment history of fines per category.

Valuation of financial assets at fair value

Where the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgment is required in establishing fair values. Judgment includes the consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Assessment of control over land

Land is regarded under control of the municipality, where it holds legal ownership and/or the right to direct access to land, and to restrict or deny the access of others to land (substantive rights).

Land for which the municipality holds legal title, but is not recognised as under its control, include properties under the house selling schemes, or where a transfer/sales agreement has been entered into with a prospective buyer/transferee, that obtains the right control by means of a binding agreement, if specified that by that agreement that the right transfers before legal title transfers.

Land for which the municipality does not hold legal title or have custodian of land appointed in terms of legislation, but which is recognised as under the control of the municipality, are in instances where the municipality has existing infrastructure such as substations or waste water treatment works or permanent facilities, such as office buildings and community facilities, that it receives the sole economic and service potential from.

Review of useful lives of property, plant and equipment and intangible assets

The useful lives of assets are based on management's estimation. Management considers whether there is any indication that expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. These include changes in the composition, condition and nature of the asset, its susceptibility and adaptability to changes in technology and processes, the nature of the processes and environment in which the asset is deployed availability of funding to replace the asset and changes in the market in relation to the asset, as well as planned repairs and maintenance including refurbishments.

Valuation of land and buildings and fair value estimations of investment property

Land and buildings were valued and the fair value of investment property determined, by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Impairment of property, plant and equipment, intangible assets, heritage assets and inventory

The Accounting Policies on impairment of cash and non-cash generating assets as well as inventory describes 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 the impairment of property, plant and equipment, intangible assets and heritage assets and the write down of Inventories to the lowest of Cost and Net Realisable Values (NRV).

In making the above-mentioned estimates and judgement, management considers the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21: Impairment of non-cash generating Assets and GRAP 26: Impairment of cash generating assets.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

2. Key judgements and sources of estimation uncertainty (continued)

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions, and when measuring contingent liabilities. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Assumptions were used in determining the provision for rehabilitation of landfill sites. Provision is made for the estimated cost to be incurred on the long-term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the landfill. The provision is based on the advice and judgment of qualified engineers. The estimates are discounted at a pre-tax discount rate that reflect current market assessments of the time value of money. The increase in the rehabilitation provision due to passage of time is recognised as finance cost in the Statement of Financial Performance.

Revenue recognition

The Accounting Policies on Revenue from Exchange Transactions and Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality. 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.

In particular, in regard to revenue from exchange revenue - when goods are sold, whether the management had transferred to the buyer the significant risks and rewards of ownership of the goods; and, when services is rendered, whether the service has been rendered.

Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. In regard to revenue from non-exchange transactions - significant estimations were made to the initial recognition and measurement of revenue on fines, on the estimated reductions on initial recognition and measurement. Based on past experience, of the amount of revenue the municipality is entitled to collect was calculated as 3.47% of the value of the fines issued, whereas it was estimated that 82.15% of the value of the fines issued were impaired. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Budget information

Management assumes deviations between budget and actual amounts to be material when a deviation of more than 10% exists. All material differences are explained in the notes to the audited annual financial statements.

Management also calculates and supplies some estimates to the calculation of:

- Water inventory;
- Bonus provision accrual;
- Performance bonus accrual;
- Staff leave accrual; and
- Prepaid electricity accrual.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

3. Property, plant and equipment

3.1 Reconciliation summary

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1,087,045,382	(73,689)	1,086,971,693	1,084,632,843	(73,689)	1,084,559,154
Buildings	1,178,461,252	(277,690,307)	900,770,945	1,163,264,611	(208,217,072)	955,047,539
Other Structures and Facilities	56,327,489	(18,538,127)	37,789,362	51,272,213	(15,777,470)	35,494,743
Electrical Infrastructure	2,649,622,173	(1,400,639,301)	1,248,982,872	2,588,174,679	(1,370,302,958)	1,217,871,721
Water Supply Infrastructure	1,745,497,842	(748,432,291)	997,065,551	1,733,409,344	(716,572,720)	1,016,836,624
Solid Waste Infrastructure	183,217,407	(121,118,291)	62,099,116	185,053,536	(115,211,315)	69,842,221
Sanitation Infrastructure	2,335,282,655	(673,394,584)	1,661,888,071	2,015,313,402	(646,601,143)	1,368,712,259
Roads Infrastructure	1,654,937,019	(950,486,244)	704,450,775	1,571,832,337	(913,071,085)	658,761,252
Storm Water Infrastructure	275,826,907	(132,495,323)	143,331,584	270,657,270	(128,963,039)	141,694,231
Transport Assets	262,983,150	(112,046,661)	150,936,489	232,115,705	(106,157,614)	125,958,091
Machinery and Equipment	52,383,236	(39,596,975)	12,786,261	48,455,942	(36,882,927)	11,573,015
Furniture and Office Equipment	56,215,070	(46,673,656)	9,541,414	54,515,124	(43,742,244)	10,772,880
Computer Equipment	63,727,192	(46,146,565)	17,580,627	57,829,116	(40,359,581)	17,469,535
Other Movable Assets	36,950,928	(21,629,011)	15,321,917	34,033,066	(19,034,902)	14,998,164
Capital Spares	29,117,084	-	29,117,084	20,088,057	-	20,088,057
Total	11,667,594,786	(4,588,961,025)	7,078,633,761	11,110,647,245	(4,360,967,759)	6,749,679,486

Included in the carrying value for land is an amount of R2,945,685 (2024: R2,945,685) for land assets where the municipality is not the legal owner or the appointed custodian in terms of legislation, but the land to be under the control of the municipality in terms of iGRAP 18. Please refer to note 2 for key judgements and assumptions made regarding control of land.

The prior year comparatives have been restated, please refer to note 49 for more detail information.

Included in the above are the following work-in-progress projects:

	2025		2024	
	Cost / Valuation	Carrying value	Cost / Valuation	Carrying value
Buildings	36,335,200	36,335,200	35,228,665	35,228,665
Other Structures and Facilities	5,422,630	5,422,630	1,554,679	1,554,679
Electrical Infrastructure	142,232,450	142,232,450	137,526,657	137,526,657
Water Supply Infrastructure	47,048,717	47,048,717	46,434,861	46,434,861
Solid Waste Infrastructure	1,999,999	1,999,999	5,387,943	5,387,943
Sanitation Infrastructure	480,421,164	480,421,164	281,293,233	281,293,233
Roads Infrastructure	55,168,111	55,168,111	14,494,794	14,494,794
Storm Water Infrastructure	5,899,245	5,899,245	5,899,245	5,899,245
Transport Assets	409,592	409,592	-	-
Machinery and Equipment	75,900	75,900	75,900	75,900
Total	775,013,008	775,013,008	527,895,977	527,895,977

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

3. Property, plant and equipment (continued)

3.2 Reconciliation of carrying value

2025

	Opening balance	Additions	Disposals	Transfers received	Transfers made	Other changes, movements	Depreciation	Impairment loss/ reversal	Total
Land	1,084,559,154	7,532,679	(5,120,140)	-	-	-	-	-	1,086,971,693
Buildings	955,047,539	16,350,641	(930,886)	-	-	-	(69,696,348)	-	900,770,946
Other Structures and Facilities	35,494,742	5,334,358	(118,351)	-	-	-	(2,921,388)	-	37,789,361
Electrical Infrastructure	1,217,871,721	72,616,485	(3,991,116)	-	-	(142,013)	(37,372,205)	-	1,248,982,872
Water Supply Infrastructure	1,016,836,624	15,397,099	(760,626)	-	-	(730,977)	(33,676,569)	-	997,065,551
Solid Waste Infrastructure	69,842,220	5,294,808	-	665,283	(7,796,220)	-	(5,441,846)	(465,129)	62,099,116
Sanitation Infrastructure	1,368,712,259	337,852,741	(2,667,795)	-	-	730,977	(42,304,340)	(435,772)	1,661,888,070
Roads Infrastructure	658,761,252	84,556,979	(627,374)	-	-	142,013	(38,382,094)	-	704,450,776
Storm Water Infrastructure	141,694,230	5,697,725	(74,461)	-	-	-	(3,985,910)	-	143,331,584
Transport Assets	125,958,091	32,095,550	(293,789)	-	-	-	(6,823,364)	-	150,936,488
Machinery and Equipment	11,573,015	4,064,234	(44,832)	-	-	-	(2,806,157)	-	12,786,260
Furniture and Office Equipment	10,772,881	1,705,674	(493)	-	-	-	(2,936,648)	-	9,541,414
Computer Equipment	17,469,535	5,992,110	(70,406)	-	-	-	(5,810,612)	-	17,580,627
Other Movable Assets	14,998,164	2,917,862	-	-	-	-	(2,594,109)	-	15,321,917
Capital Spares	20,088,050	-	-	-	-	9,029,031	-	-	29,117,081
Total	6,749,679,477	597,408,945	(14,700,269)	665,283	(7,796,220)	9,029,031	(254,751,590)	(900,901)	7,078,633,756

The remaining useful lives of all assets were adjusted during 2025. This was treated as a change in accounting estimates. All changes in accounting estimates are applied prospectively and accordingly no prior year adjustments were made due to the review of remaining useful lives of assets.

Refer to Note 17 for more information on transfers received and transfers made.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

3. Property, plant and equipment (continued)

Included in the above are the following work-in-progress projects:

	Opening balance	Additions	WIP Converted to Capital	Total
Buildings	35,228,665	1,135,926	(29,390)	36,335,201
Other Structures and Facilities	1,554,679	3,867,950	-	5,422,629
Electrical Infrastructure	137,526,657	27,967,441	(23,261,648)	142,232,450
Water Supply Infrastructure	46,434,861	2,535,963	(1,922,107)	47,048,717
Solid Waste Infrastructure	5,387,943	-	(3,387,945)	1,999,998
Sanitation Infrastructure	281,293,233	288,514,131	(89,386,200)	480,421,164
Roads Infrastructure	14,494,794	41,622,880	(949,563)	55,168,111
Storm Water Infrastructure	5,899,245	-	-	5,899,245
Transport Assets	-	409,592	-	409,592
Machinery and Equipment	75,900	-	-	75,900
Total	527,895,977	366,053,883	(118,936,853)	775,013,007

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

3. Property, plant and equipment (continued)

2024

	Opening balance	Additions	Disposals	Transfers received	Transfers made	Other changes, movements	Depreciation	Impairment loss/ reversal	Total
Land	1,086,860,202	7,000	(2,308,047)	-	-	-	-	-	1,084,559,155
Buildings	1,008,737,983	16,200,506	(376,677)	-	-	-	(69,514,272)	-	955,047,540
Other Structures and Facilities	36,956,073	1,449,070	-	-	-	-	(2,910,401)	-	35,494,742
Electrical Infrastructure	1,181,810,287	84,954,438	(4,988,525)	-	-	148,898	(44,053,377)	-	1,217,871,721
Water Supply Infrastructure	1,018,665,225	42,933,974	(374,419)	-	-	(10,865,859)	(33,522,296)	-	1,016,836,625
Solid Waste Infrastructure	89,241,457	2,999,000	-	50,834	(15,555,111)	-	(6,893,960)	-	69,842,220
Sanitation Infrastructure	1,134,313,514	272,434,261	(165,342)	-	-	942,675	(38,812,849)	-	1,368,712,259
Roads Infrastructure	662,796,265	26,652,640	(1,104,486)	-	-	7,677,733	(37,260,900)	-	658,761,252
Storm water Infrastructure	131,991,120	11,626,855	(67,655)	-	-	2,096,553	(3,952,642)	-	141,694,231
Transport Assets	113,558,711	19,935,228	(304,265)	-	-	-	(6,631,296)	(600,287)	125,958,091
Machinery and Equipment	9,481,413	4,518,010	(10,903)	-	-	-	(2,415,506)	-	11,573,014
Furniture and Office Equipment	11,685,494	2,589,624	(22,100)	-	-	-	(3,480,138)	-	10,772,880
Computer Equipment	17,918,912	5,225,692	(33,087)	-	-	-	(5,641,983)	-	17,469,534
Other Movable Assets	12,866,240	4,297,580	-	-	-	-	(2,165,656)	-	14,998,164
Capital Spares	12,410,324	-	-	-	-	7,677,725	-	-	20,088,049
Total	6,529,293,220	495,823,878	(9,755,506)	50,834	(15,555,111)	7,677,725	(257,255,276)	(600,287)	6,749,679,477

The remaining useful lives of assets were reviewed and adjusted where necessary during 2024. This was treated as a change in accounting estimate. All changes in accounting estimates are applied prospectively and accordingly no prior year adjustments were made due to the review of remaining useful lives of assets.

Refer to Note 17 for more information on transfers received and transfers made.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

3. Property, plant and equipment (continued)

Included in the above are the following work-in-progress projects:

	Opening balance	Additions	WIP Converted to Capital	Total
Buildings	32,419,452	6,132,599	(3,323,387)	35,228,664
Other Structures and Facilities	7,618,322	401,157	(6,464,800)	1,554,679
Electrical Infrastructure	120,196,344	47,008,514	(29,678,201)	137,526,657
Water Supply Infrastructure	43,799,705	19,115,160	(16,480,004)	46,434,861
Solid Waste Infrastructure	3,207,078	2,999,000	(818,135)	5,387,943
Sanitation Infrastructure	27,837,377	257,604,762	(4,148,905)	281,293,234
Roads Infrastructure	6,563,626	8,004,537	(73,369)	14,494,794
Storm water Infrastructure	-	5,899,245	-	5,899,245
Machinery and Equipment	75,900	-	-	75,900
Total	241,717,804	347,164,974	(60,986,801)	527,895,977

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

3. Property, plant and equipment (continued)

3.3 Land and buildings carried at revalued value

Land and buildings were revalued to fair value during the 2021/2022 financial year. The effective date of revaluation was 01-Jul-2021 and the valuation was performed by registered and independent valuers. The independent valuers are not connected to the municipality.

3.4 Property, plant and equipment pledged as security

No assets have been pledge as security.

3.5 Impairment of property, plant and equipment

The municipality assessed its items of property, plant and equipment for any potential impairment losses or reversal of impairment losses on assets.

The following impairment losses were recognised during the year:

Impairments

Infrastructure assets	900,900	-
Transport assets	-	600,287
Total	900,900	600,287

Impairment losses on vehicles were predominately due to the assets being damaged beyond repair.

Impairment losses on Infrastructure assets relate to assets impaired as part of the Paarl WWTW upgrade and the discontinuation of the mini-drop-off sites.

3.6 Change in estimate

Useful life of property, plant and equipment

A review of the useful lives and residual values of items of property, plant and equipment has been performed. The change in the estimated useful lives and residual values of various assets of the municipality has resulted in a decrease in depreciation of R 9,383,580 (2024: R 7,018,593). It is difficult to predict and estimate the effect of these changes on future periods.

3.7 Property, plant and equipment under construction

Work in progress projects related to the Simondium Low-Cost housing development and associated infrastructure were delayed for an effective period of 12 months during the financial year ending 30 June 2025. The delay was due to additional environmental approvals which had to be obtained. Additional environmental authorization was obtained on 17 June 2025, and construction is set to continue in September/October 2025. The carrying value of property, plant and equipment that was delayed amounts to R 25,987,082 as of 30 June 2025.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
3. Property, plant and equipment (continued)		
3.8 Maintenance of property, plant and equipment		
Preventative and corrective Maintenance		
Electrical Infrastructure	75,842,775	64,227,538
Water Supply Infrastructure	30,265,215	27,720,216
Sanitation Infrastructure	38,774,026	34,739,698
Solid Waste Infrastructure	33,634,580	31,923,513
Machinery and Equipment	38,252,793	45,103,093
Furniture and Office Equipment	2,747,419	1,891,784
Computer Equipment	5,866,133	5,736,583
Roads Infrastructure	16,194,966	8,848,542
Buildings	89,215,759	85,745,442
Other Structures and Facilities	265,715	498,478
Total	331,059,381	306,434,887

4. Heritage assets

4.1 Reconciliation of carrying value

2025

	Land and buildings	Conservation areas and nature reserves	Other assets	Total
Opening carrying value as at 01 July 2024				
Cost	24,295,000	22,250,000	1,088,645	47,633,645
Cost	24,295,000	22,250,000	1,088,645	47,633,645
Accumulated impairment losses	-	-	-	-
Closing carrying value as at 30 June 2025	24,295,000	22,250,000	1,088,645	47,633,645

2024

	Land and buildings	Conservation areas and nature reserves	Other assets	Total
Opening carrying value as at 01 July 2023				
Cost	24,295,000	22,250,000	1,088,645	47,633,645
Cost	24,295,000	22,250,000	1,088,645	47,633,645
Accumulated impairment losses	-	-	-	-
Closing carrying value as at 30 June 2024	24,295,000	22,250,000	1,088,645	47,633,645

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

4. Heritage assets (continued)

4.1.1 Heritage assets

Land, Conservation areas, Nature reserves and Buildings Heritage assets were revalued to fair value during the 2021/2022 financial period. The effective date of revaluation was 1 July 2021 and the valuation were performed by registered and independent valuers.

The comparative sales method was applied to land (historical sites and conservation areas), where comparable valid sales in a specific area was used, compared to the specific property, and market valuation derived. Due to the nature of historical buildings and monuments, i.e. where there are no comparable property sales, the generally accepted methodology of these was limited to the discounted replacement cost of the physical structures.

Included in the historical and naturally significant Conservation areas above is the Paarl Mountain (Paarlberg) and the Paarl Arboretum. Paarl Mountain is particularly known for its mountain or "Paarl Rock". The huge granite rock is formed by three rounded outcrops that make up Paarl Mountain and is the second largest granite outcrop in the world and forms part of the Nature Reserve. The site is a Provincial Heritage Site (SAHRA Nr 9/2/069/0028).

The Paarl Arboretum is situated on the eastern bank of the Berg River, is 2.8 km long and occupies approximately 31 ha. Divided into 6 "continents" a unique feature is that trees and shrubs are grouped according to continents of origin. In excess of 2 600 trees and shrubs, entering some 650 different species can be observed.

The following buildings owned by the Municipality, declared Provincial Heritage sites, have been classified as Heritage assets:

1. De Oude Woning, 214 Main Street, Paarl (SAHRA Nr 9/2/069/0105) dating from the late 1780's.
2. The Old Dutch Reformed Church Parsonage (now the Paarl Museum), Van der Lingen plein, Paarl (SAHRA Nr 9/2/069/0071). The Parsonage was built in 1787.
3. Coronation Arch, Victoria Jubilee Park, Church Street, Wellington (SAHRA Nr 9/2/106/0019/1), dating to 1902.

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.

No restrictions apply to any of the Heritage Assets of the municipality.

4.2 Maintenance of heritage assets

2025

The following maintenance costs were incurred:

	Land and buildings	Conservation areas and nature reserves	Other assets	Total
Contracted Services	539,025	721,622	-	1,260,647
Employee Related Cost	-	6,322,436	-	6,322,436
Inventory	-	80,195	-	80,195
Operational Cost	-	-	-	-
Total	539,025	7,124,253	-	7,663,278

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

4. Heritage assets (continued)

2024

The following maintenance costs were incurred:

	Land and buildings	Conservation areas and nature reserves	Other assets	Total
Contracted Services	-	575,752	-	575,752
Employee Related Cost	-	5,836,025	-	5,836,025
Inventory	-	118,695	-	118,695
Operational Cost	-	-	-	-
Total	-	6,530,472	-	6,530,472

5. Intangible assets

5.1 Reconciliation of carrying value

2025

	Computer software	Plans and designs	Licence and rights	Total
Opening carrying value as at 01 July 2024				
Cost	9,546,926	-	163,699	9,710,625
Accumulated depreciation and impairment	(6,501,375)	-	(157,483)	(6,658,858)
	3,045,551	-	6,216	3,051,767
Amortisation	(423,583)	-	(6,216)	(429,799)
Carrying value of disposals / transfers				
Cost	(1,744,489)	-	(163,699)	(1,908,188)
Accumulated depreciation and impairment	1,744,489	-	163,699	1,908,188
	-	-	-	-
Closing carrying value as at 30 June 2025	2,621,968	-	-	2,621,968
Cost	7,802,436	-	-	7,802,436
Accumulated amortisation and impairment	(5,180,468)	-	-	(5,180,468)
	2,621,968	-	-	2,621,968

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand		2025	2024		
5. Intangible assets (continued)					
2024					
		Computer software	Plans and designs	Licence and rights	Total
Opening carrying value as at 01 July 2023					
Cost		9,667,731	-	887,832	10,555,563
Accumulated amortisation and impairment		(6,011,003)	-	(855,102)	(6,866,105)
		3,656,728	-	32,730	3,689,458
Amortisation	41	(611,178)	-	(13,489)	(624,667)
Carrying value of disposals / transfers					
Cost		(120,805)	-	(724,133)	(844,938)
Accumulated amortisation and impairment		120,805	-	711,107	831,912
		-	-	(13,026)	(13,026)
Closing carrying value as at 30 June 2024					
		3,045,550	-	6,215	3,051,765
Cost					
Cost		9,546,926	-	163,699	9,710,625
Accumulated amortisation and impairment		(6,501,375)	-	(157,483)	(6,658,858)
		3,045,551	-	6,216	3,051,767

The amortisation expense has been included in the line item 'Depreciation and Amortisation' in the Statement of financial performance (see Note 41).

The amortisation method and useful life of intangible assets is set out in the accounting policy note of intangible assets.

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.

No restrictions apply to any of the Intangible Assets of the municipality.

5.2 Change in estimate

A review of the remaining useful lives for intangible assets has been performed. The change in the estimated remaining useful lives of various intangible assets of the municipality has resulted in a decrease in amortisation of R 181,249 (2024: R 62,511). It is impracticable to estimate the effect of these changes on future periods.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
6. Investment property		
6.1 Reconciliation of carrying value		
Opening carrying value		
Cost	88,655,000	81,900,000
Accumulated depreciation and impairment losses	-	-
	88,655,000	81,900,000
Fair Value Adjustments	27,635,000	6,755,000
Closing carrying value	116,290,000	88,655,000
Cost	116,290,000	88,655,000
Accumulated depreciation and impairment losses	-	-
	116,290,000	88,655,000

Criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business is set out in the accounting policy note of investment property.

Method of asset valuation 2024/2025

The date of fair value assessment was on 30 June 2025.

Valuations were performed by an independent valuer, (Reg no. 4729), Jean Marais, of Real Direct Property Valuations. The independent valuers are not connected to the municipality and have recent experience in location and category of the investment property being valued.

Each property was identified and inspected and fair values adjusted where appropriate. An investment property could be described as a real estate property that has the ability of earning a return on investment, either through rental income and/or the future resale of the property or both. The methodology applied was therefore based on open market value, taking into account the zoning status of the property, the cost implications of the rezoning process and any other limitations.

A register containing the information required by section 63 of the Municipal Finance Management Act (Act 56 of 2003) is available for inspection at the registered offices of the municipality.

Revenue and expenditure disclosed in the Statement of financial performance include rental revenue earned from investment property the amount of R 268,106 (2024: R 215,224).

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.

There are no restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal.

There are contractual obligations for repairs to certain investment property which are leased out.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand		2025	2024
7. Non-current receivables			
Other receivables			
Housing selling schemes		-	802
Transferred to current receivables	12	-	(802)
Total non-current other receivables	7.1	-	-

7.1 Non-current receivables from non-exchange transactions

	2025			2024		
	Gross	Impairment	Total	Gross	Impairment	Total
Housing selling schemes	-	-	-	11,658	(10,856)	802

7.1.1 Impairment reconciliation of non-current receivables from non-exchange transactions

	2025			2024		
	Opening balance (Revised)	Impairment reversed / debt written off	Closing balance	Opening balance	Impairment reversed / debt written off	Closing balance
Housing selling schemes	9,646	(9,646)	-	20,163	(9,307)	10,856
Public organisations	-	-	-	77,834	(77,834)	-
Total	9,646	(9,646)	-	97,997	(87,141)	10,856

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
8. Inventory		
Consumables	5,877,391	7,521,803
Materials and supplies	64,664,939	47,897,619
Water	577,787	706,470
Spare parts for Plant & Equipment	395,797	404,248
Plants held for resale	223,151	174,011
Land for BNG housing	7,390,540	7,390,540
Less: Inventory held as spare parts for infrastructure assets	(29,117,067)	(20,088,036)
Total Inventories	50,012,538	44,006,655

No inventories were pledged as security for liabilities.

During the year inventory to the amount of R 412,200 (2024: R248,064) was written off due to discrepancies identified during the annual stock count. An amount of R 1,316,715 (2024: R 91,673) was written off due to valuation of inventory at the lower of cost and NRV in accordance with GRAP 12. Some prior year comparatives have been restated, please refer to note 49 for more detail information.

Inventories of R 29,117,067 (2024: R 20,088,036) are held as major spare parts for infrastructure assets and has been transferred to property, plant and equipment.

R 71,291,953 (2024: R78,646,749) of total inventory was recognised as an expense in the current year.

9. Trade and other receivables from exchange transactions

Trade service and consumer service debtors	9.1		
Electricity		237,212,296	234,559,415
Water		59,796,285	57,500,939
Waste management		31,694,690	33,579,534
Waste water management		26,418,972	27,135,794
Housing rental scheme		1,577,224	1,667,824
Housing selling scheme		208,341	102,078
		356,907,808	354,545,584
Other receivables from exchange transactions	9.2		
Sundry debtors		23,150,721	24,653,714
Other receivables from exchange transactions		15,201,758	15,295,472
Less: Provision for impairment		(16,069,118)	(13,381,977)
		22,283,361	26,567,209
Total trade and other receivables from exchange transactions		379,191,169	381,112,793

The prior year comparatives have been restated, please refer to note 49 for more detail information.

9.1 Consumer receivables

The average credit period for consumer receivables is 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of consumer receivables.

The management of the municipality is of the opinion that the carrying value of consumer receivables approximate their fair values.

The fair value of consumer receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and consumer receivables as well as the current payment ratio's of the municipality's consumer receivables.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

9. Trade and other receivables from exchange transactions (continued)

	2025			2024		
	Gross	Impairment	Total	Gross	Impairment	Total
Consumer receivables from exchange transactions						
Electricity	275,064,011	(37,851,717)	237,212,294	259,876,921	(25,317,505)	234,559,416
Water	141,501,404	(81,705,119)	59,796,285	130,466,826	(72,965,886)	57,500,940
Waste management	94,556,018	(62,861,328)	31,694,690	85,631,129	(52,051,595)	33,579,534
Waste water management	65,172,122	(38,753,150)	26,418,972	58,109,502	(30,973,708)	27,135,794
Housing rental scheme	7,917,716	(6,340,492)	1,577,224	7,509,950	(5,842,126)	1,667,824
Housing selling scheme	1,412,582	(1,204,241)	208,341	1,209,240	(1,107,162)	102,078
Total	585,623,853	(228,716,047)	356,907,806	542,803,568	(188,257,982)	354,545,586

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

9. Trade and other receivables from exchange transactions (continued)

9.1.1 Ageing of impaired consumer receivables

2025

Consumer receivables

Ageing by debt type

	Not due		Past due			
	Current	Current impaired	31 - 60	31 - 60 impaired	61 - 90	61 - 90 Impaired
Electricity	222,919,368	4,428,257	7,555,427	1,524,494	3,798,101	1,215,442
Water	33,227,237	1,683,389	6,951,841	2,166,904	4,797,093	2,047,451
Waste management	14,752,979	1,230,392	4,015,310	1,264,228	3,039,445	1,309,130
Waste water management	15,257,911	1,031,697	3,007,277	888,424	2,202,880	891,838
Housing rental scheme	533,607	55,844	270,952	93,117	250,187	115,979
Housing selling scheme	25,452	2,675	23,631	8,214	22,731	10,566
Total	286,716,554	8,432,254	21,824,438	5,945,381	14,110,437	5,590,406



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

9. Trade and other receivables from exchange transactions (continued)

	Past due				
	91 - 120+	91 - 120+ impaired	Total	Total impaired	Total - Past due but not impaired
Consumer receivables					
Ageing by debt type					
Electricity	40,791,115	30,683,524	275,064,011	37,851,717	18,721,183
Water	96,525,233	75,807,375	141,501,404	81,705,119	28,252,437
Waste management	72,748,285	59,057,578	94,556,019	62,861,328	18,172,104
Waste water management	44,704,054	35,941,191	65,172,122	38,753,150	12,192,758
Housing rental scheme	6,862,969	6,075,552	7,917,715	6,340,492	1,099,460
Housing selling scheme	1,340,768	1,182,786	1,412,582	1,204,241	185,564
Total	262,972,424	208,748,006	585,623,853	228,716,047	78,623,506
	Not Due		Past due		
	Current	Current Impaired	31-60	31-60 Impaired	61-90
					61-90 Impaired
Other Receivables - Sundry debtors and deposits					
Ageing by debt type					
Sundry debtors and deposits	3,306,205	223,480	856,638	235,250	817,245
Total	3,306,205	223,480	856,638	235,250	266,496

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand

9. Trade and other receivables from exchange transactions (continued)

	Past Due				
	91+	91+ Impaired	Total	Total Impaired	Total - past due but not impaired
Other Receivables - Sundry debtors and deposits					
Ageing by debt type					
Sundry debtors and deposits	18,170,633	15,343,892	23,150,721	16,069,118	3,998,877
Total	18,170,633	15,343,892	23,150,721	16,069,118	3,998,877

2024

	Not Due		Past Due			
	Current	Current impaired	31 - 60	31 - 60 impaired	61 - 90	61 - 90 Impaired
Consumer receivables						
Ageing by debt type						
Electricity	199,846,177	1,914,443	8,074,515	1,834,729	3,239,024	1,538,380
Water	33,287,704	1,857,601	6,521,072	2,124,167	5,852,521	3,298,865
Waste management	14,673,893	481,486	3,958,306	511,610	2,932,054	1,142,762
Waste water management	14,719,200	435,046	2,890,945	445,888	1,963,173	821,543
Housing rental schemes	566,351	4,407	354,644	9,162	269,622	36,849
Housing selling scheme	26,036	943	22,028	944	20,475	784
Total	263,119,361	4,693,926	21,821,510	4,926,500	14,276,869	6,839,183

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

9. Trade and other receivables from exchange transactions (continued)

	Past due				
	91 - 120+	91 - 120+ impaired	Total	Total impaired	Total - Past due but not impaired
Consumer receivables					
Ageing by debt type					
Electricity	48,717,205	20,029,953	259,876,921	25,317,505	36,627,682
Water	84,805,529	65,685,253	130,466,826	72,965,886	26,070,837
Waste management	64,066,876	49,915,737	85,631,129	52,051,595	19,387,127
Waste water management	38,536,184	29,271,231	58,109,502	30,973,708	12,851,640
Housing rental scheme	6,319,333	5,791,708	7,509,950	5,842,126	1,105,880
Housing selling scheme	1,140,701	1,104,491	1,209,240	1,107,162	76,985
Total	243,585,828	171,798,373	542,803,568	188,257,982	96,120,151
	Not due		Past due		
	Current	Current Impaired	31 - 60	31 - 60 Impaired	61-90 61-90 Impaired
Other Receivables - Sundry debtors and deposits					
Ageing by debt type					
Sundry debtors and deposits	3,322,733	45,769	770,799	89,708	591,066 146,497
Total	3,322,733	45,769	770,799	89,708	591,066 146,497

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Notes to the Audited Annual Financial Statements

Figure in Rand

9. Trade and other receivables from exchange transactions (continued)

	Past due				
	91 +	91 + Impaired	Total	Total Impaired	Total - past due but not impaired
Other Receivables - Sundry debtors and deposits					
Ageing by debt type					
Sundry debtors and deposits	19,969,113	13,100,003	24,653,711	13,381,977	7,994,770
Total	19,969,113	13,100,003	24,653,711	13,381,977	7,994,770

The impairment provision for consumer receivables is calculated in accordance with GRAP 104's forward-looking Expected Credit Loss (ECL) model, specifically applying the simplified approach for trade receivables which requires recognition of lifetime expected credit losses from initial recognition until derecognition. This is achieved by developing an impairment model that utilizes historical exposure and payment data, grouped by similar credit risk characteristics such as debtor type (Business, Residential, and Other). The model estimates the probability of non-payment for each ageing bucket using a conditional probability approach, reflecting the likelihood that an outstanding balance will ultimately not be repaid over its lifetime. While GRAP 104 requires consideration of current and forward-looking information, the historical loss rates were deemed appropriate without adjustment due to the lack of significant evidence of material impact from macroeconomic factors and the short-tailed nature of the outstanding balances. The concentration of credit risk is limited due to the customer base being large and unrelated.

Included in the Allowance for impairment are individually impaired Consumer receivables with a balance of R1,224,749 (2024: R2,807,846) which have been placed under liquidation. The impairment recognised represents the difference between the carrying amount of these Consumer receivables and the present value of the expected liquidation proceeds. The municipality holds no collateral over these balances.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

9. Trade and other receivables from exchange transactions (continued)

9.2 Other receivables

	2025			2024		
	Gross	Impairment	Total	Gross	Impairment	Total
Other receivables from exchange transactions						
Sundry debtors	23,150,721	-	23,150,721	24,653,714	-	24,653,714
Other receivables from exchange transactions	15,201,758	-	15,201,758	15,295,472	-	15,295,472
Less: Provision for impairment	-	(16,069,118)	(16,069,118)	-	(13,381,977)	(13,381,977)
Total	38,352,479	(16,069,118)	22,283,361	39,949,186	(13,381,977)	26,567,209

9.2.1 Impairment reconciliation of other receivables from exchange transactions

	2025					2024			
	Opening balance	Implementation of GRAP 104 (Revised)	Remeasurement of loss allowance	Debt written off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
Other receivables from exchange transactions									
Consumer receivables	188,257,984	21,674,723	48,920,019	(30,136,678)	228,716,048	162,447,154	49,117,072	(23,306,242)	188,257,984
Other receivables	13,381,977	4,346,356	2,148,377	(3,807,592)	16,069,118	13,098,111	925,121	(641,255)	13,381,977
Total	201,639,961	26,021,079	51,068,396	(33,944,270)	244,785,166	175,545,265	50,042,193	(23,947,497)	201,639,961

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
9. Trade and other receivables from exchange transactions (continued)		
The movement in the allowance for impairment in respect of consumer receivables from exchange transactions during the year was as follows:		
Opening balance: Impairment under GRAP 104		(201,639,959)
Change due to the implementation of GRAP 104 (Revised)		(26,021,079)
New carrying amount under GRAP 104 (Revised 2019) on 1 July		(227,661,038)
Amounts written off		33,944,270
Amounts derecognized		-
Remeasurement of loss allowance		-
Receivables and leases		(51,068,396)
Closing balance at 30 June		(244,785,164)

The increase in the loss allowance of R17,124,126 is a direct result of the increase in the gross carrying amount of financial assets, which grew by R47,632,225 during the period. The municipality applies the simplified approach for trade receivables, recognizing a loss allowance for lifetime expected credit losses from initial recognition until derecognition. This is done using a provision matrix methodology, which applies historical loss rates to different aging buckets of receivables. The increase in the gross carrying amount of receivables, particularly in older aging buckets, directly contributes to the increase in the loss allowance as the methodology uses these gross amounts to calculate expected credit losses. The increase in the gross balances for electricity, water, waste management, and wastewater management directly drove the increase in the loss allowance.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand		2025	2024
10. Receivables from non-exchange transactions			
Consumer receivables	10.1		
Property rates		46,128,877	52,418,725
Electricity		530,278	833,436
Water		747,951	958,984
Waste management		1,837,245	1,939,735
Waste water management		1,138,462	1,335,724
Fines		28,232,958	28,986,334
		78,615,771	86,472,938
Other receivables	10.1		
Grants and subsidies		18,893,967	9,716,813
Prepayments		10,772,707	9,064,682
Other receivables		4,377,696	5,245,313
		34,044,370	24,026,808
Total receivables		112,660,141	110,499,746

10.1 Receivables from non-exchange transactions

	2025			2024		
	Gross	Impairment	Total	Gross	Impairment	Total
Consumer receivables						
Property rates	72,523,266	(26,394,389)	46,128,877	74,017,297	(21,598,572)	52,418,725
Electricity	1,255,167	(724,889)	530,278	1,376,039	(542,602)	833,436
Water	2,859,123	(2,111,172)	747,951	2,784,573	(1,825,590)	958,984
Waste management	4,879,940	(3,042,695)	1,837,245	4,442,034	(2,502,299)	1,939,735
Waste water management	4,065,200	(2,926,738)	1,138,462	3,806,358	(2,470,634)	1,335,724
Fines	196,672,297	(168,439,339)	28,232,958	186,575,754	(157,589,420)	28,986,334
	282,254,993	(203,639,222)	78,615,771	273,002,055	(186,529,117)	86,472,938
Other receivables						
Grants and subsidies	18,893,967	-	18,893,967	9,716,813	-	9,716,813
Prepayments	10,772,707	-	10,772,707	9,064,682	-	9,064,682
Other receivables	4,377,696	-	4,377,696	5,245,313	-	5,245,313
	34,044,370	-	34,044,370	24,026,808	-	24,026,808
Total	316,299,363	(203,639,222)	112,660,141	297,028,863	(186,529,117)	110,499,746

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

10. Receivables from non-exchange transactions (continued)

10.1.1 Impairment reconciliation of receivables from non-exchange transactions

	2025				2024			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
Consumer receivables								
Property rates	(21,598,571)	(5,709,120)	913,302	(26,394,389)	(21,087,787)	(1,286,977)	776,192	(21,598,572)
Availability charges receivables	(7,341,125)	(1,610,553)	146,184	(8,805,494)	(7,419,434)	(185,311)	263,620	(7,341,125)
Fines	(157,589,420)	(77,832,269)	66,982,350	(168,439,339)	(151,871,425)	(78,983,561)	73,265,566	(157,589,420)
Total	(186,529,116)	(85,151,942)	68,041,836	(203,639,222)	(180,378,646)	(80,455,849)	74,305,378	(186,529,117)

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

10. Receivables from non-exchange transactions (continued)

10.1.2 Ageing of receivables from non-exchange transactions

2025

	Not due		Past due			
	Current	Current impaired	31 - 60	31 - 60 impaired	61 - 90	61 - 90 Impaired
Consumer receivables						
Aging by debt type						
Property rates	33,085,877	1,817,486	4,014,095	732,846	2,179,662	647,841
Electricity	196,280	10,785	64,964	11,860	46,621	13,857
Water	178,311	9,797	75,898	13,857	61,589	18,306
Waste management	778,471	42,773	152,308	27,807	110,677	32,895
Waste water management	266,529	14,644	113,038	20,637	93,618	27,825
Fines	7,559,938	6,377,996	8,450,379	7,069,331	10,948,550	9,152,333
Total	42,065,406	8,273,481	12,870,682	7,876,338	13,440,717	9,893,057

Past due				
91 - 120+	91 - 120+ impaired	Total	Total impaired	Total - Past due but not impaired

Consumer receivables

Aging by debt type

Property rates	33,243,632	23,196,217	72,523,265	26,394,390	14,860,484
Electricity	947,301	688,387	1,255,167	724,889	344,783
Water	2,543,324	2,069,213	2,859,123	2,111,172	579,437
Waste management	3,838,484	2,939,220	4,879,940	3,042,695	1,101,547
Waste water management	3,592,016	2,863,632	4,065,200	2,926,738	886,577
Fines	169,713,430	145,839,679	196,672,298	168,439,339	27,051,017
Total	213,878,187	177,596,348	282,254,993	203,639,223	44,823,845

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Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

10. Receivables from non-exchange transactions (continued)

2024

	Not due		Past due			
	Current	Current impaired	31 - 60	31 - 60 impaired	61 - 90	61 - 90 Impaired
Consumer receivables						
Aging by debt type						
Property rates	34,061,008	678,160	4,083,603	674,194	2,143,647	707,273
Electricity	210,164	6,182	70,058	6,182	56,530	6,012
Water	190,935	5,004	78,505	5,004	67,020	27,130
Waste management	744,346	14,021	166,183	14,021	122,251	55,724
Waste water management	284,691	7,434	117,412	7,434	99,132	40,641
Fines	7,782,425	6,730,114	8,033,975	7,022,213	7,989,881	6,979,958
Total	43,273,569	7,440,915	12,549,736	7,729,048	10,478,461	7,816,738

Past due				
91 - 120+	91 - 120+ impaired	Total	Total impaired	Total - Past due but not impaired

Consumer receivables

Aging by debt type

Property rates	33,729,039	19,538,945	74,017,297	21,598,572	19,035,877
Electricity	1,039,287	524,226	1,376,039	542,602	629,455
Water	2,448,113	1,788,452	2,784,573	1,825,590	773,052
Waste management	3,409,254	2,418,533	4,442,034	2,502,299	1,209,410
Waste water management	3,305,123	2,415,125	3,806,358	2,470,634	1,058,467
Fines	162,769,473	136,857,135	186,575,754	157,589,420	27,934,023
Total	206,700,289	163,542,416	273,002,055	186,529,117	50,640,284

Property rates

Property rates receivables are statutory receivables and arise from property taxes levied on property owners based on the valuation of properties per the valuation roll in accordance with the Municipal Property Rates Act, No 6 of 2004 and Drakenstein Municipality's Property Rates Policy. A general valuation is performed every 4 years, with supplementary valuations inbetween.

The average credit period for property rates receivables is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of property rates receivables.

The management of the municipality is of the opinion that the carrying value of property rates receivables approximate their fair values.

The impairment provision was calculated after individually assessing property rates receivables and by estimating the probability of future payment ratios, using a formula-based approach by considering the historical payment ratios and other characteristics found per groups of property rates debtors.

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

10. Receivables from non-exchange transactions (continued)

In determining the recoverability of a receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Allowance for Doubtful Debts.

Availability charges on water, electricity, refuse and sewerage

Availability charges on Water, Electricity, Refuse & Sewerage receivables are statutory receivables and arise from basic charges levied on vacant properties in accordance with the relevant bylaws of the Drakenstein Municipality.

The average credit period for availability charges on Water, Electricity, Refuse & Sewerage receivables is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of Availability charges on Water, Electricity, Refuse & Sewerage receivables.

The management of the municipality is of the opinion that the carrying value of Availability charges on Water, Electricity, Refuse & Sewerage receivables approximate their fair values.

The impairment provision was calculated after individually assessing Availability charges on Water, Electricity, Refuse & Sewerage receivables and by estimating the probability of future payment ratios, using a formula-based approach by considering the historical payment ratios and other characteristics found per groups of availability charges on Water, Electricity, Refuse & Sewerage debtors.

In determining the recoverability of a receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Allowance for Doubtful Debts.

Traffic fines

Traffic fines receivables are statutory receivables and arise from traffic infringements committed and fines issued as a result, in terms of the Criminal Procedure Act, No 501 of 1977.

The traffic fines must be issued within 30 days of offence, after which it is payable. No interest is charged.

The management of the municipality is of the opinion that the carrying value of traffic fines receivables approximate their fair values.

The impairment provision was calculated after collectively assessing traffic fines receivables and by calculating the historical payment ratios and assuming that future payment ratios would be similar to the historical payment ratios.

The provision for doubtful debts on traffic fines receivables exist predominantly due to the possibility that these debts will not be recovered were assessed individually for impairment.

In determining the recoverability of a receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Allowance for Doubtful Debts.

Changes in the estimate of the payment and reduction percentage on fines resulted a decrease of the impairment of R9,719,561 (2024: R925,916) and an increase in the reduction provision of R3,948,337 (2024: R1,503,616).

Other receivables

The average credit period for Government Grants and Subsidies is dependent on the Government Department involved and the nature of the claim. No interest is charged on outstanding Government Grants and Subsidies. The subsidies is payable to the municipality due to allocations made in the DORA or based on agreements between the municipality and the relevant departments.

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

10. Receivables from non-exchange transactions (continued)

The claims instituted against the municipality's insurance company are supported by valid insurance claims which are claimable in terms of the insurance contract entered into by the municipality. The average waiting period depends on the nature of the claim. No interest is charged on outstanding insurance claims.

The average credit period for other receivables is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of other receivables.

The management of the municipality is of the opinion that the carrying value of other receivables approximate their fair values.

The fair value of other receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and National / Provincial Departments as well as other receivables. The current payment ratio's of other receivables were also taken into account for fair value determination.

The impairment provision was calculated after individually assessing other receivables and by calculating the historical payment ratios and assuming that future payment ratios would be similar to the historical payment ratios.

The provision for doubtful debts on other receivables exist predominantly due to the possibility that these debts will not be recovered were assessed individually for impairment.

In determining the recoverability of a receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Allowance for Doubtful Debts.

11. Cash and cash equivalents

11.1 Bank accounts

The municipality has the following cash book accounts:

Nedbank Primary Bank Account	260,067,458	92,154,604
Nedbank Secondary Bank Account	6,502,876	425,745
Nedbank Traffic Fines Bank Account	7,880	4,210
Nedbank Motor Vehicle Licensing Bank Account	11,438	2,142
Nedbank Sundry Receipts Bank Account	7,143,669	(1,813,861)
Total	273,733,321	90,772,840
Bank statement balance at beginning of year	259,021,492	97,756,214
Bank statement balance at end of year	258,125,888	259,021,492
Cash book balance at beginning of year	90,772,840	93,841,326
Bank statement balance at end of year	258,125,888	259,021,492
Net movement / reconciling items	15,607,433	(168,248,652)
Cash book balance at end of year	273,733,321	90,772,840

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
11. Cash and cash equivalents (continued)		
The municipality has the following bank accounts:		
(Bank statement balances)		
Nedbank Primary Bank Account (122-750-451-9)	258,125,888	259,021,492
Nedbank Secondary Bank Account (122-906-183-5)	-	-
Nedbank Traffic Fines Bank Account (122-906-180-0)	-	-
Nedbank Motor Vehicle Licensing Bank Account (122-906-181-9)	-	-
Nedbank Sundry Receipts Bank Account (122-906-184-3)	-	-
	258,125,888	259,021,492

11.2 Cash and cash equivalents

Cash and cash equivalents consist of the following:

Call deposits and investments		
Short term investment deposits	755,196,197	606,724,781
Cash at bank		
Bank account	273,733,321	90,772,840
Cash on hand	3,350	8,200
Total cash and cash equivalents	1,028,932,868	697,505,821

All account balances are cleared on a daily basis to the main account. The municipality does not have an overdraft facility with Nedbank.

For the purposes of the Cash flow statement, bank balances, cash and cash equivalents include cash-on-hand, cash in banks and investments less than 12 months.

The management of the municipality is of the opinion that the carrying value of bank balances, cash and cash equivalents recorded at amortised cost in the audited annual financial statements approximate their fair values.

The fair value of bank balances, cash and cash equivalents was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

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Notes to the Audited Annual Financial Statements

Figure in Rand			2025	2024
11. Cash and cash equivalents (continued)				
Call deposits and investments by financial institution				
Institution	Account number	Account type		
ABSA BANK	93-5338-8392	CALL DEPOSIT	143,849,586	132,181,336
ABSA BANK	93-5591-4684	CALL DEPOSIT	73,424,468	67,468,699
ABSA BANK	93-5612-6210	CALL DEPOSIT	74,573,012	68,524,079
ABSA BANK	90-5907-5162	CALL DEPOSIT	71	71
			291,847,137	268,174,185
NEDBANK	03/7881536373/000052	CALL DEPOSIT	715,140	6,649,089
NEDBANK	03/7881182954/000002	NOTICE DEPOSIT ACCOUNT	17,825,000	17,825,000
			18,540,140	24,474,089
AFRICAN BANK	110-0061-1166	CALL DEPOSIT	315,144,626	197,857,096
			315,144,626	197,857,096
STANDARD BANK	07 875 830 0 - 057	CALL DEPOSIT	-	28,844,157
STANDARD BANK	07 875 830 0 - 060	CALL DEPOSIT	-	60,220,781
STANDARD BANK	07 875 830 0 - 063	CALL DEPOSIT	29,543,472	27,154,475
STANDARD BANK	07 875 830 0 - 067	CALL DEPOSIT	100,120,822	-
			129,664,294	116,219,413
Total investments			755,196,197	606,724,783
12. Current portion of non-current receivables				
Other receivables				
Housing Selling Schemes			-	802
13. VAT Receivable				
Accrual VAT transactions			20,529,995	35,935,267
VAT return balance			29,475,486	6,540,984
Total			50,005,481	42,476,251
The prior year comparatives have been restated, please refer to note 49 for more detail information.				
VAT Receivable, interest and other charges arises from Value Added Tax Act 89 of 1991 and is a statutory receivable in terms of GRAP 108.				
14. Borrowings				
Total borrowings				
Annuity Loans			1,364,427,697	1,455,252,442
Less: Current portion transferred to current liabilities				
Annuity Loans			(102,171,671)	(90,824,743)
Total non-current borrowings			1,262,256,026	1,364,427,699

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

14. Borrowings (continued)

14.1 Summary of arrangements

Annuity loans are repaid over periods varying from 3 to 12 (2024: 4 to 13) years and at interest rates varying from 10.73% to 11.48% (2024: 10.73% to 11.48%) per annum.

Annuity loans are not secured.

The fair value of borrowings was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

Refer to Appendix 'A' for more detail on borrowings.

15. Finance lease liabilities

Finance lease liabilities	15.1	1,075,800	472,639
Less: Transferred to current liabilities		(351,619)	(472,639)
Total non-current liabilities		724,181	-

15.1 Obligation under finance leases

The municipality as lessee

The obligations under finance leases are as follow:

Total future minimum lease payments

Payable within 1 year	427,275	564,408
Payable within 2 to 5 years	783,337	-
Total minimum lease payments	1,210,612	564,408
Less: Future finance charges	(134,813)	(91,769)
Total	1,075,799	472,639

Present value of minimum lease payments

Payable within 1 year	351,619	472,639
Payable within 2 to 5 years	724,180	-
Total	1,075,799	472,639

Finance leases were entered into for certain photocopier machines and IP telephones for a lease period of 36 months. Interest rates are fixed at the inception of the agreements. No arrangements have been entered into for contingent rental payments. The minimum lease payments equal the fair value of the equipment.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand		2025	2024
16. Employee benefits			
Non-current employee benefits			
Post employment health care benefits	16.1	221,730,460	204,669,000
Ex-gratia pension benefits	16.2	155,503	370,000
Provision for long-service awards	16.3	47,564,391	42,625,000
		269,450,354	247,664,000
Current employee benefits			
Post employment health care benefits	16.1	13,957,669	12,708,000
Ex-gratia pension benefits	16.2	45,877	58,000
Provision for long-service awards	16.3	6,324,765	8,696,000
Provision for bonuses	16.4	23,708,443	22,053,981
Performance bonuses	16.5	1,529,944	2,284,468
Leave	16.6	49,990,602	48,557,913
		95,557,300	94,358,362
Total		365,007,654	342,022,362

16.1 Post employment health care benefits

The municipality provides certain post-retirement medical benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who started before 31 December 2024 and is on the current conditions of service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees.

Subsidy arrangements

The municipality has agreed to subsidise the medical aid contributions of retired members in the following way:

- Only employees appointed before 1 January 2025 will be eligible for the post-employment medical aid benefit.
- Upon retirement, pensioners will receive a 70% subsidy from Drakenstein in respect of their monthly medical aid contributions.
- The contributions shall be in respect of the member and his/her spouse only.
- The spouse is eligible to receive the subsidy if he/she is registered on the member's medical aid at the time of the member's retirement (early or normal), death or termination due to ill health.
- Drakenstein will continue to pay the subsidy to the surviving spouse in the event of the member's death, provided the spouse was registered on the member's medical aid as mentioned above.

Due to the nature of the benefit, the Municipality is mainly exposed to the risk of changes in the assumed level of mortality; changes in medical aid inflation (including to possible effect of the implementation of the NHI); and changes in the market interest rates (that influences the discount rate) and changes in the average retirement age.

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 One Pangaea Expertise and Solutions. 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 Post employment health care benefits plan is a defined benefit plan, of which the members are made up as follow:

	Number	Number
In-service members (Employees)	739	723
Continuation members (Retirees)	219	218
Total members	958	941

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
16. Employee benefits (continued)		
The liability in respect of past service has been estimated as follow:		
In-service members (Employees)	117,827,305	103,846,000
Continuation members (Retirees)	117,860,824	113,531,000
Total liability	235,688,129	217,377,000
Non-current liabilities	221,730,460	204,669,000
Current liabilities	13,957,669	12,708,000
Total liability	235,688,129	217,377,000

Medical aid schemes

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Hosmed
- Key Health
- LA Health
- Samwumed

The Future-service Cost for the ensuing year is estimated to be R 7,804,576 whereas the Interest Cost is estimated to be R 26,424,340.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

16. Employee benefits (continued)

Valuation assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follow:

GRAP 25 defines the determination of the Discount Rate Assumption to be used as follow:

GRAP25 defines the investment return assumption as the rate determined by referencing market yields on government bonds at the balance sheet date. The currency and term of these bonds should align with the currency and estimated term of the obligation.

According to GRAP 25: "The discount rate that reflects the time value of money is best approximated by reference to market yields at the end of the reporting period on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter-term payments and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve. The total present value of a defined benefit obligation is unlikely to be particularly sensitive to the discount rate applied to the portion of benefits that is payable beyond the final maturity of the available financial instrument."

The NACS (Nominal and Real) Zero Curves published by the Johannesburg Stock Exchange are used to derive the discount rate. The Nominal NACS curve illustrates nominal zero-coupon yields, compounded semi-annually, providing insight into nominal returns at various durations. Similarly, the Real NACS curve illustrates real zero-coupon bond yields, compounded semi-annually, offering an understanding of real returns at different durations.

The methodology for setting financial assumptions has been updated to be more duration-specific. As of the previous valuation report on June 30, 2024, the duration of liabilities was 11.11 years. For this duration, the discount rate, determined using the Bond Exchange Zero Coupon Yield Curve as of June 30, 2024, is 11.10% per annum. The yield on inflation-linked bonds of a similar term was approximately 5.34% per annum. This suggests an underlying expectation of inflation of 5.00% per annum $((1+11.10\%-0.5\%)/(1+5.34\%)-1)$. The 0.5% deduction accounts for market biases and frictions that can distort the nominal–real yield differential, such as seasonal CPI lags in index-linked bonds, liquidity premiums, market segmentation, and compounding projection mismatches.

It has been assumed that healthcare cost inflation would exceed general inflation by 1.50% per annum, resulting in a rate of 6.50% per annum. However, the crucial aspect lies in the relative levels of the discount rate and healthcare cost inflation, rather than their nominal values. Therefore, it has assumed a net discount factor of 4.32% per annum $((1+11.10\%)/(1+6.50\%)-1)$.

Rates of interest

Discount rate	11.10 %	13.35 %
CPI (Consumer price inflation)	5.00 %	7.94 %
Normal salary increase rate	6.50 %	8.94 %
Net effective discount rate	4.32 %	4.21 %

i) Medical aid inflation

It was assumed that future medical aid increases would be linked to the long-term CPI assumption. However, medical aids typically consider a wide range of factors in determining increases. It was assumed that healthcare cost inflation will exceed general inflation by 1.5% per annum.

ii) Mortality rates

Mortality before retirement has been based on the SA 85-90 mortality tables. Mortality post-employment (for pensioners) has been based on the PA (90)-1 ultimate mortality tables with a 1% improvement of mortality per annum from 2010.

iii) Average and normal retirement age

The average retirement age for all active employees was assumed to be 63 years. This assumption implicitly allows for ill-health and early retirements. The normal retirement age (NRA) for all active employees was assumed to be 65 years.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

16. Employee benefits (continued)

iv) Spouses and dependents

The actuaries 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. For pensioners the actual marital status was used.

v) Withdrawal rates

A continuation percentage of 75% of post-employment medical aid subsidies at retirement for active members was assumed. Assumptions have also been made on the withdrawal rates from service per 5 years of age gap and per gender.

	Withdrawal rate males	Withdrawal rate females
Age band		
20 – 24	16.00 %	24.00 %
25 – 29	12.00 %	12.00 %
30 – 34	10.00 %	15.00 %
35 – 39	8.00 %	10.00 %
40 – 44	6.00 %	6.00 %
45 – 49	4.00 %	4.00 %
50 – 54	2.00 %	2.00 %
55 – 59	1.00 %	1.00 %
60 +	0.00 %	0.00 %

Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial position is as follows:

Present value of unfunded obligations	235,688,129	217,377,000

Amounts recognised in the statement of financial performance

The amounts recognised in the statement of financial performance is as follows:

Current service cost	6,596,000	5,961,000
Interest cost	26,342,000	27,170,000
Actuarial loss/ (gain) recognised in the year	(2,067,132)	(17,341,902)
Total post-retirement benefit included in employee related costs	38 30,870,868	15,789,098

The main reasons for the actuarial gain can be attributed to the following factors:

- The net discount rate changed from 4.21% to 4.32% during the valuation period. This decreased the accrued liability by R5,155,288. This is because accrued liability is inversely related to the discount rate used to determine it.
- Actual medical inflation was less than expected, and this led to a decrease in accrued liability to the tune of R4,934,985.
- Participant changes during the valuation period resulted in an increase in liability amounting to R12,910,872. This is net effect of exits and entries on the accrued liability.
- The Other demographic variances resulted in a decrease in liability by R4,887,732. Factors that make up this item are changes to membership composition, data changes from the previous valuation, and variations from demographic assumptions (i.e. rates of withdrawal).

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
16. Employee benefits (continued)		
Movements in the present value of the defined benefit obligation		
Balance at the beginning of the year	217,377,000	213,272,000
Current service cost	6,596,000	5,961,000
Interest cost	26,342,000	27,170,000
Actual employer benefit payments	(12,559,740)	(11,684,098)
Actuarial loss/(gain) (Financial Assumptions)	(10,090,272)	(14,335,000)
Actuarial loss/(gain) (Demographic Assumptions)	8,023,140	(3,006,902)
Present value of fund obligation at the end of the year	235,688,128	217,377,000

Movements in the present value of the defined benefit assets

Contributions from the employer	(12,559,740)	(11,684,098)
Benefits paid	12,559,740	11,684,098
Closing balance	-	-

History of experienced adjustments

	2021	2022	2023	2024	2025
Present value of defined benefit obligation	198,323,000	206,094,000	213,272,000	217,377,000	235,688,128
Fair value of plan assets	-	-	-	-	-
Deficit	198,323,000	206,094,000	213,272,000	217,377,000	235,688,128

Experienced adjustments on defined benefit obligation

- - - - -

Sensitivity analysis

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions:

- 20% increase/(decrease) in the assumed mortality rate;
- 1% increase/(decrease) in the Medical aid inflation;
- 1% increase/(decrease) in the discount rate;
- 1 year increase/(decrease) in the average and normal retirement age.

Mortality rate

Deviations from the assumed level of mortality experience of the current employees and the continuation members (pensioners) will have a large impact on the actual cost to the municipality. If the actual rates of mortality turn out higher than the rates assumed in the valuation basis, the cost to the municipality in the form of subsidies will reduce and vice versa.

The effect of a 20% movement in the assumed mortality rates are as follow:

	-20% Mortality rate	+20% Mortality rate
Total accrued liability	253,170,790	221,228,482
Effect on the aggregate of the interest cost	27,327,273	23,781,681
Effect on the aggregate of the current service cost	8,362,848	7,331,373

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

16. Employee benefits (continued)

Medical aid inflation

The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees.

The effect of a 1% movement in the assumed rate of health care cost inflation is as follow:

	-1% Decrease	+1% Increase
Effect on the defined benefit obligation	209,268,034	267,348,992
Effect on the aggregate of the interest cost	22,457,718	28,897,423
Effect on the aggregate of the current service cost	6,527,320	9,407,589

Discount rate

The value of the liability is directly dependent on the level of the discount rate used to discount the future expected cashflows. If the discount rate is higher the present value of the liability will be lower and vice versa.

The effect of a 1% movement in the assumed discount rates are as follow:

	-1% Discount rate	+1% Discount rate
Total accrued liability	265,583,003	211,007,771
Effect on the aggregate of the interest cost	26,118,985	24,687,473
Effect on the aggregate of the current service cost	9,262,878	6,645,077

Average retirement age

The liability value is directly influenced by the assumption about the average retirement age of members as this determines the length these benefits are paid out to members.

The effect of a 1 year movement in the assumed retirement age are as follow on the ensuing years assumptions:

	-1 year average retirement age	+1 year average retirement age
Total accrued liability	248,010,521	223,965,119
Effect on the aggregate of the interest cost	26,754,483	24,085,447
Effect on the aggregate of the current service cost	8,534,263	7,703,496

Maturity analysis of the defined benefit obligation

The following table presents information about the distribution of the timing of benefit payments:

	Within 1 year from valuation date	Between 1 and 5 years from valuation date	Longer than 5 years from valuation date	Total
Post employee Health Care Benefits	13,957,669	63,121,865	158,608,594	235,688,128

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

16. Employee benefits (continued)

The payments for longer than 5 years is estimated to be the accrued liability at that time.

The municipality expects to make a contribution of R 13,957,669 to the Defined Benefit Plan during the next financial year.

Refer to note 58 Retirement benefit information to the audited annual financial statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

16.2 Ex-gratia pension benefits

The municipality provides pension and retirement gratuity benefits to certain employees who were in the employment of the [Former Paarl, Gouda and Wellington Municipality] (now incorporated into the Drakenstein Municipality) at 31-Dec-1994 (Paarl) and 31-Mar-1995 (Wellington) and Gouda still in the employment of Drakenstein Municipality at date of normal retirement, medical disability, retrenchment or death. The gratuity is calculated on the salary benefits during 1994/1995.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out for the year ended 30 June 2025. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured by using the multiplying the annual pension provided, by an appropriate annuity factor as at the valuation date.

Due to the nature of the plan, the municipality is mainly exposed to the risk of changes in the assumed level of mortality and changes in the average retirement age.

The Ex-gratia pension benefits plan is a defined benefit plan, of which the members are made up as follows:

	Number	Number
In-service members (Employees)	79	89
Continuation members (Retirees)	1	2
Total members	80	91

The liability in respect of past service has been estimated as follows:

In-service members (Employees)	156,710	374,000
Continuation members (Retirees)	44,670	54,000
Total liability	201,380	428,000
Lump sum benefit	156,710	374,000
Pension benefit	44,670	54,000
Total liability	201,380	428,000
Non-current liabilities	155,503	370,000
Current liabilities	45,877	58,000
Total liability	201,380	428,000

The interest-cost for the next year is estimated to be R 19,609. The actuaries are of opinion that future service cost need not be determined for pension fund liability as all benefits vests immediately.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

16. Employee benefits (continued)

Valuation assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows:

i) Rates of interest

	Lump sum valuation	Lump sum valuation
Discount rate	8.39 %	9.96 %
Consumer Price Inflation (CPI)	8.39 %	9.96 %
	Pensioner valuation	Pensioner valuation
Discount rate	8.24 %	9.52 %
Consumer Price Inflation (CPI)	2.89 %	4.82 %
Pension increase rate (Pensioners)	3.89 %	5.82 %
Net effective discount rate	4.18 %	3.50 %

In accordance with GRAP 25 the discount rate was determined using the implied duration of the liability to obtain an appropriate interest rate on the yield curve. The nominal and real zero curves as at 30 June 2025 supplied by the JSE was used to determine the discounted rates and CPI assumptions.

ii) Mortality rates

Mortality before retirement has been based on the SA 85-90 mortality tables. Mortality post-employment (for pensioners) has been based on the PA (90)-1 ultimate mortality tables with a 1% improvement of mortality per annum from 2010.

iii) Normal and average retirement age

The normal retirement age (NRA) for all active employees was assumed to be 65 years.

iv) Withdrawal rates

Assumptions have also been made on the withdrawal rates from service per 5 years of age gap and per gender.

	Withdrawal rate males	Withdrawal rate females
Age band		
20 – 24	16.00 %	24.00 %
25 – 29	12.00 %	12.00 %
30 – 34	10.00 %	15.00 %
35 – 39	8.00 %	10.00 %
40 – 44	6.00 %	6.00 %
45 – 49	4.00 %	4.00 %
50 – 54	2.00 %	2.00 %
55+	1.00 %	1.00 %

Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial position are as follows:

Present value of unfunded obligations	201,380	428,000

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand		2025	2024
16. Employee benefits (continued)			
Amounts recognised in the statement of financial performance			
The amounts recognised in the statement of financial performance are as follows:			
Interest cost		38,000	67,000
Actuarial (gains) / losses recognised		(230,765)	(396,328)
Total post-retirement benefit included in employee related costs	38	(192,765)	(329,328)

The main reasons for the actuarial gain can be attributed to the following factors:

- The changes in net discount rate decreased the accrued liability by R8,949. This is because accrued liability is inversely related to the discount rate used to determine it.
- Monthly Pension escalations were lower than expected and this led to a decrease in accrued liability to the tune of R564.
- Participant changes during the valuation period resulted in an decrease in liability amounting to R54,091.
- The Other demographic variances resulted in a decrease in liability by R22,282. Factors that make up this item are changes to membership composition, data changes from the previous valuation, and variations from demographic assumptions (i.e. rates of withdrawal).
- A change in the valuation assumptions decreased the accrued liability by R207,341.

Movements in the present value of the defined benefit obligation

Opening Balance	428,000	796,000
Interest cost	38,000	67,000
Actual employer benefit payments	(33,855)	(38,672)
Actuarial loss /(gain) (Financial Assumptions)	8,385	6,000
Actuarial loss/(gain) (Demographic Assumptions)	(31,809)	(402,328)
Actuarial loss/(gains) (Valuation Assumptions)	(207,341)	-
Present value of fund obligation a the end of the year	201,380	428,000

Movements in the present value of the defined benefit asset

Contributions from the employer	(33,855)	(38,672)
Benefits paid	33,855	38,672
Closing balance	-	-

History of experienced adjustments

	2021	2022	2023	2024	2025
Present value of defined benefit obligation	1,123,000	915,000	796,000	428,000	201,380
Experienced adjustments on defined benefit obligation	-	-	-	-	-

Sensitivity analysis

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions:

- 1% increase/(decrease) in the pension inflation;
- 1% increase/(decrease) in the discount rate.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

16. Employee benefits (continued)

Pension inflation

The effect of a 1% movement in the assumed rate of pension increase inflation is as follow:

Monthly Pension

	-1% Pension inflation	+1% Pension inflation
Effect on the defined benefit obligation	43,083	46,334
Effect on the interest cost	2,974	3,236

Discount rate

The value of the liability is directly dependent on the level of the discount rate used to discount the future expected cashflows. If the discount rate is higher the present value of the liability will be lower and vice versa.

The effect of a 1% movement in the assumed discount rates are as follow:

Ex-Gratia lumpsum

	-1% Discount rate	+1% Discount rate
Effect on the defined benefit obligation	163,961	150,013
Effect on the interest cost	17,173	15,843

The effect of a 1% movement in the assumed discount rates are as follow:

Monthly Pension

	-1% Discount rate	+1% Discount rate
Effect on the defined benefit obligation	46,062	43,360
Effect on the interest cost	2,826	3,357

Change in the mortality basis from PA(90)-1 to PA(90)-2

Monthly Pension

	PA(90)-2
Effect on the defined benefit obligation	47,525
Effect on the interest cost	3,333

Maturity analysis of the defined benefit obligation

The following table presents information about the distribution of the timing of benefit payments:

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

16. Employee benefits (continued)

	Within 1 year from valuation date	Between 1 and 5 years from valuation date	Longer than 5 years from valuation date	Total
Ex-Gratia Benefits	45,877	150,711	4,792	201,380

The payments for longer than 5 years is estimated to be the accrued liability at that time.

The municipality expects to make a contribution of R 45,877 to the Defined Benefit Plan during the next financial year.

Refer to note 58 Retirement Benefit Information to the audited annual financial statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

16.3 Provision for long-service awards

Non-current liabilities	47,564,391	42,625,000
Current liabilities	6,324,765	8,696,000
Total liability	53,889,156	51,321,000

Long-service award

The municipality operates a funded defined benefit plan for all its employees. Under the plan, a Long Service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2025. 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 1654 (2024: 1640) employees were eligible for Long Services Awards.

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

16. Employee benefits (continued)

Valuation assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follow:

GRAP 25 defines the determination of the investment return assumption to be used as the rate that can be determined by reference to market yields (at the balance sheet date) on government bonds. The currency and term of the government bonds should be consistent with the currency and estimated term of the obligation.

According to GRAP 251: "The discount rate that reflects the time value of money is best approximated by reference to market yields at the end of the reporting period on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter-term payments and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve. The total present value of a defined benefit obligation is unlikely to be particularly sensitive to the discount rate applied to the portion of benefits that is payable beyond the final maturity of the available financial instrument."

The yield curves used for the derivation of the discount rate are the NACS (Nominal and Real) Zero Curves as published by the Johannesburg Stock Exchange. The Nominal NACS curve illustrates the nominal zero-coupon yields which are Nominal Compounded Semi-Annually. This gives it an idea of the nominal return at varying durations. The Real NACS curve illustrates Real zero-coupon bond yields, which are Nominal Annual Compounded Semi-Annually. This gives it an idea of the real return at varying durations.

The methodology of setting the financial assumptions has been updated to be more duration-specific. At the previous valuation report, 30 June 2024, the duration of liabilities was 5.62 years. At this duration, the discount rate determined by using the Bond Exchange Zero Coupon Yield Curve as at 30 June 2024 is 12.21% per annum, and the yield on inflation-linked bonds of a similar term was about 5.11% per annum. This implies an underlying expectation of price inflation of 6.28% per annum $([1+12.21\%-0.5\%]/[1+5.11\%]-1)$. The 0.5% deduction is there to account for biases and market frictions that distort the clean nominal–real yield differential due to seasonal CPI lags in index-linked bonds, liquidity premiums, market segmentation and mismatching compounding projections that might be present in the market.

It has been assumed that salary inflation would exceed general inflation by 1.00% per annum, i.e., 7.28% per annum.

However, it is the relative levels of the discount rate and salary inflation to one another that are important, rather than the nominal values. It has thus assumed a net discount factor of 4.11% per annum $([1+12.21\%]/[1+7.28\%]-1)$.

Rates of Interest

Discount rate	12.21 %	10.98 %
CPI (Consumer price inflation)	6.28 %	5.67 %
Normal salary increase rate	7.28 %	6.67 %
Net effective discount rate	4.11 %	4.04 %

i) Average retirement age

The average retirement age for all active employees was assumed to be 62 years. This assumption implicitly allows for ill-health and early retirements.

ii) Normal retirement age

The normal retirement age (NRA) for all active employees was assumed to be 65 years.

iii) Mortality rate

Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry. Mortality post-employment (for pensioners) has been based on the PA (90) ultimate mortality tables.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

16. Employee benefits (continued)

iv) Normal salary increase rates

The actuaries have derived the underlying future rate of consumer price index inflation (CPI inflation) from the relationship between the (yield curve based) Conventional Bond Rate for each relevant time period and the (yield curve based) Inflation-linked Bond rate for each relevant time period. The actuaries assumed rate of salary inflation was set as the assumed value of CPI plus 1%. The salaries used in the valuation include an increase on 1 July 2025 of 5.01%.

v) Promotional salary increase rates

Assumptions have also been made on the Promotional Salary Increase rates per 5 years of age gap.

Age band	Promotional increase
20-24	5.00 %
25-29	4.00 %
30-34	3.00 %
35-39	2.00 %
40-44	1.00 %
45 and over	0.00 %

vi) Withdrawal rates

Assumptions have also been made on the withdrawal rates from service per 5 years of age gap and per gender.

Age band	Withdrawal rate males	Withdrawal rate females
20 – 24	9.00 %	9.00 %
25 – 29	8.00 %	8.00 %
30 – 34	6.00 %	6.00 %
35 – 39	5.00 %	5.00 %
40 – 44	5.00 %	5.00 %
45 – 49	4.00 %	4.00 %
50 – 54	3.00 %	3.00 %
55 – 59	0.00 %	0.00 %
60 +	0.00 %	0.00 %

Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial position are as follow:

Fair value of plan assets	-	-
Present value of unfunded obligations	53,889,156	51,321,000
Total benefit liability	53,889,156	51,321,000

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
16. Employee benefits (continued)		
Amounts recognised in the statement of financial performance		
Current service cost	3,351,000	3,244,000
Interest cost	6,247,000	6,287,000
Actuarial losses / (gains) (Financial Assumptions)	(764,891)	(1,733,000)
Actuarial losses / (gains) (Demographic Assumptions)	1,110,907	(624,697)
Total expense included in employee related costs	38	7,173,303

The main reasons for the actuarial gain can be attributed to the following factors:

- The net discount rate changed from 4.04% to 4.11% during the valuation period. This decreased the accrued liability by R665,191 as the net discount rate is inversely related to the accrued liability.
- Actual vs Expected salary increases led to an increase in accrued liability to the tune of R99,700. The actual salary increases were greater than projected in the previous valuation.
- Movements in the staff employed by Drakenstein during the valuation period resulted in an increase in liability of R198,494. The movements in staff consider the net effect on the accrued liability of entries and exits.
- The Other demographic assumption variances resulted in an increase in liability by R912,413. Factors that make up this item are changes to membership composition, data changes from the previous valuation, and variations from demographic assumptions (i.e. rates of withdrawal).

Movements in the present value of the defined benefit obligation

Opening Balance	51,321,000	48,814,000
Current service costs	3,351,000	3,244,000
Interest cost	6,247,000	6,287,000
Benefits paid	(7,375,860)	(4,666,303)
Actuarial loss/(gain) (Financial Assumptions)	(764,891)	(1,733,000)
Actuarial loss/(gain) (Demographic Assumptions)	1,110,907	(624,697)
Closing balance	53,889,156	51,321,000

Movements in the present value of the defined benefit asset

Contributions from the employer	(7,375,860)	(4,666,303)
Benefits paid	7,375,860	4,666,303
Closing balance	-	-

History of experienced adjustments

	2021	2022	2023	2024	2025
Present value of defined benefit obligation	43,253,000	47,926,000	48,814,000	51,321,000	53,889,156

Experienced adjustments on defined benefit obligation

- - - - -

Sensitivity analysis

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions:

- 20% increase/(decrease) in the withdrawal rate;
- 1% increase/(decrease) in the normal salary cost inflation;
- 1% increase/(decrease) in the discount rate;

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

16. Employee benefits (continued)

- 1 year increase/(decrease) in the average and normal retirement age.

Withdrawal rates

Deviations from the assumed level of withdrawal experience of the eligible employees will have a large impact on the actual cost to the Municipality. If the actual rates of withdrawal turn out to be higher than the rates assumed in the valuation basis, then the cost to the Municipality in the form of benefits will reduce and vice versa.

The effect of a 20% movement in the withdrawal rates are as follow on the ensuing years assumptions:

	20% Decrease	20% Increase
Effect on the defined benefit obligation	55,082,820	52,784,929
Effect on the aggregate of the current service cost	3,665,931	3,446,605
Effect on the aggregate of the interest cost	6,336,624	6,057,168

Normal salary inflation

The cost of the long service awards is dependent on the increase in the annual salaries paid to employees. The rate at which salaries increase will thus have a direct effect on the liability of future employees.

The effect of a 1% movement in the assumed rate of health care cost inflation is as follow:

	-1% Decrease	+1% Increase
Effect on the defined benefit obligation	50,731,241	57,362,480
Effect on the aggregate of the current service cost	3,300,273	3,821,231
Effect on the aggregate of the interest cost	5,807,801	6,613,621

Discount rate

The value of the liability is directly dependent on the level of the discount rate used to discount the future expected cashflows. If the discount rate is higher the present value of the liability will be lower and vice versa.

The effect of a 1% movement in the assumed discount rates are as follow on the ensuing years assumptions:

	-1% Discount rate	+1% Discount rate
Effect on the defined benefit obligation	57,234,324	50,889,367
Effect on the aggregate of the current service cost	3,820,754	3,312,700
Effect on the aggregate of the interest cost	6,057,421	6,304,416

Average retirement age

The liability value is directly influenced by the assumption about the average retirement age of members as this determines the length these benefits are paid out to members.

The effect of a 1 year movement in the assumed retirement age are as follow on the ensuing years assumptions:

	-1 year average retirement age	+1 year average retirement age
Total accrued liability	49,987,611	57,082,250
Effect on the aggregate of the current service cost	3,343,814	3,711,786
Effect on the aggregate of the interest cost	5,734,250	

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

16. Employee benefits (continued)

Maturity analysis of the defined benefit obligation

The following table presents information about the distribution of the timing of benefit payments:

	Within 1 year from valuation date	Between 1 and 5 years from valuation date	Longer than 5 years from valuation date	Total
Long service award Benefits	6,324,765	25,319,272	22,245,119	53,889,156

The payments for longer than 5 years is estimated to be the accrued liability at that time.

The municipality expects to make a contribution of R 6,324,765 to the Defined Benefit Plan during the next financial year.

The Future-service Cost for the ensuing year is estimated to be R 3,550,634 whereas the Interest Cost is estimated to be R 6,191,438.

16.4 Provision for bonuses

The movement in provision for bonuses are reconciled as follows:

Balance at the beginning of the year	22,053,981	20,568,588
Net movement	1,654,463	1,485,393
Balance at the end of the year	23,708,444	22,053,981
Current liabilities	23,708,443	22,053,981

16.5 Performance bonuses

Provision has been made for performance bonuses in accordance with the performance agreements with each Executive Manager and the Municipal Manager using the best estimate of the potential performance bonus payable. The actual bonuses will only be paid once the evaluation committee appointed in terms of the Performance Management regulations has reviewed the performance agreements of the Executive Management team and made a recommendation to the Council for final approval.

The performance bonuses have been provided as follow:

Strategic management team

Leibbrandt, JH (City Manager)	300,481	300,481
Brown, B (Chief Financial Officer)	289,286	241,417
Johaar, S (Executive Director: Corporate and Planning Services)	289,286	241,417
Pienaar, L (Executive Director: Engineering Services)	289,286	241,417
Esau, G (Executive Director: Community Services)	72,319	241,417
Barnard, E (Executive Director: Public Safety)	289,286	241,417
	1,529,944	1,507,566

Performance bonuses payable

Balance at the beginning of the year	2,284,468	2,762,856
Bonus paid	(1,900,092)	(1,303,451)
Reversal of prior provision	(384,379)	(682,503)
Increase in provision	1,529,947	1,507,566
Closing balance	1,529,944	2,284,468

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand		2025	2024
16. Employee benefits (continued)			
Current liabilities		1,529,944	2,284,468
16.6 Leave			
Balance at the beginning of the year		48,557,913	44,968,080
Contributions to leave		4,607,358	7,294,466
Leave paid		(3,174,669)	(3,704,633)
Closing balance		49,990,602	48,557,913
Current liabilities		49,990,602	48,557,913
17. Provisions (current and non-current)			
Provision for rehabilitation of Landfill Sites	17.1	266,011,893	259,201,738
Split between current and non-current			
Current		341,554	69,674,427
Non-current		265,670,339	189,527,311
Total		266,011,893	259,201,738
17.1 Provision for rehabilitation of Landfill Sites			
Opening Balance		259,201,738	259,023,421
Change in estimate: Asset increase ito iGRAP2		665,283	50,834
Change in estimate: Provision liability decrease directly to I & E ito iGRAP2		(3,647,615)	-
Change in estimate: Asset decrease ito iGRAP 2		(7,796,219)	(15,555,111)
Unwinding of discount and other changes		17,588,706	15,682,594
Closing balance		266,011,893	259,201,738

Refer to Note 3 for detailed impact on Assets.

The council will incur further rehabilitation cost on its unrehabilitated dumping/landfill sites over the period 2028/29 up to 2031/32 and post monitoring costs thereafter. Provision has been made for the net present value of this cost based on the status quo as at 30 June 2025.

Location	Proposed rehabilitation date	Post closure monitoring date		
Wellington existing	2031/2032	2061/2062	89,114,281	80,876,383
Wellington old	2031/2032	2061/2062	49,353,973	44,936,902
Gouda	Rehabilitation complete	2047/2048	938,150	1,040,843
Saron	Rehabilitation complete	2045/2046	568,126	634,123
Hermon	Rehabilitation complete	2047/2048	844,084	978,669
Dal Josafat	2029/2030	2059/2060	21,068,323	23,222,198
Orleans	2029/2030	2059/2060	38,957,433	43,027,340
Boy Louw	2029/2030	2059/2060	63,706,254	62,466,924
Klapmuts Landfill	Rehabilitation complete	2029/2030	825,345	1,364,633
Wateruintjiesvlei Landfill	Rehabilitation complete	2029/2030	635,924	653,723
			266,011,893	259,201,738

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

17. Provisions (current and non-current) (continued)

JPCE is a consulting engineering and environmental consulting firm appointed to determine a high-level concept-design stage costing-value (amount) to cap and rehabilitate the landfill sites at the end of the current Financial Year. Their independence from management is monitored. The firm is a member and fully subscribes to the Constitution and Code of Conduct of the Council of Engineers of South Africa.

Based on the work provided by JPCE, an applicable inflation rate of 4.10% - 4.50% has been determined and a discounted rate of 8.448% - 11.157% has been utilised.

The funding required by the municipality to fund the rehabilitation has been assessed and based on the government bond rates with similar maturity periods. The municipality assessed the effect of discounting coupled with the future inflation rate to approximate the current cost of the expected rehabilitation cost as disclosed above.

The change in estimate in the provision for the rehabilitation of landfills and post monitoring cost resulted in a decrease in the provision of R10,778,553 (2024: R15,504,259) in the current financial period. Composition of this change relate to changes in the CPI, discount rate, unit costs and timing of the rehabilitation.

18. Consumer deposits

Deposits	86,665,894	80,367,377

Guarantees held in lieu of deposits were R 22,173,314 (2024: R 20,450,361).

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.

No interest is paid on consumer deposits held.

The management of the municipality is of the opinion that the carrying value of consumer deposits approximate their fair values.

The fair value of consumer deposits was determined after considering the standard terms and conditions of agreements entered into between the municipality and its consumers.

19. Trade and other payables from exchange transactions

Trade Creditors	19.1	215,723,447	191,090,642
Payments received in advanced	19.2	67,768,291	46,256,800
Retention	19.3	53,677,846	31,905,210
Other payables	19.4	18,749,644	15,689,472
Net VAT accrual on outstanding receivables	19.5	46,162,442	53,809,841
Total		402,081,670	338,751,965

Current	402,081,670	338,751,965

19.1 Trade Creditors

Eskom Limited (Electricity bulk purchases)	181,309,937	146,758,946
Other trade creditors	34,413,510	44,331,696
Total	215,723,447	191,090,642

19.2 Payments received in advanced

Payments received in advance	67,768,291	46,256,800

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
19. Trade and other payables from exchange transactions (continued)		
19.3 Retention		
Retention	53,677,846	31,905,210
19.4 Other payables		
Other payables and accruals	18,749,644	15,689,472
19.5 Net VAT accrual on outstanding receivables		
VAT accrual on receivables	72,550,996	75,311,690
VAT on provision for impairment	(26,388,554)	(21,501,849)
Total	46,162,442	53,809,841

The average credit period on purchases is 30 days from the receipt of the statement, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit time frame.

The management of the municipality is of the opinion that the carrying value of creditors approximate their fair values.

The fair value of creditors was determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties.

The prior year comparatives have been restated, please refer to note 46 for more detailed information.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

20. Unspent conditional grants and receipts

		2025					2024				
		Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance
Capital											
Monetary Allocations	20.1	7,666,728	526,531,795	(530,471,672)	(8)	3,726,843	2	462,865,699	(455,198,967)	(6)	7,666,728
Operational											
Monetary Allocations	20.2	9,873,313	23,720,678	(25,402,456)	(57,962)	8,133,573	11,211,653	17,771,078	(18,718,911)	(390,506)	9,873,314
Total		17,540,041	550,252,473	(555,874,128)	(57,970)	11,860,416	11,211,655	480,636,777	(473,917,878)	(390,512)	17,540,042

The above mentioned disclosure do not include information on Equitable Share as it is directly recognised as revenue on receipt as it is a unconditional grant.

Additional to this, mSCOA does not make provision for any liability vote for the Equitable Share funds.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

20. Unspent conditional grants and receipts (continued)

20.1 Unspent capital monetary allocations

	2025					2024				
	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance
Other grants										
Other	-	-	-	-	-	-	479,792	(479,792)	-	-
National Government										
Integrated National Electrification Programme Grant	-	3,340,000	(3,340,000)	-	-	-	10,000,000	(10,000,000)	-	-
Integrated Urban Development Grant	-	68,546,000	(68,545,993)	(7)	-	1	58,616,000	(58,615,997)	(4)	-
Neighbourhood Development Partnership Grant	7,331,424	30,000,000	(37,331,424)	1	1	-	10,000,000	(2,668,576)	-	7,331,424
Regional Bulk Infrastructure Grant	-	375,000,000	(374,999,998)	(2)	-	-	290,310,000	(290,310,000)	-	-
Water Services Infrastructure Grant	-	-	-	-	-	1	13,400,000	(13,399,999)	(2)	-
Total	7,331,424	476,886,000	(484,217,415)	(8)	1	2	382,326,000	(374,994,572)	(6)	7,331,424

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand

20. Unspent conditional grants and receipts (continued)

Provincial Government

Western Cape

335,304	5,079,829	(1,688,291)	-	3,726,842	-	32,434,863	(32,099,559)	-	335,304

Donations and other contributions

Other

-	44,565,966	(44,565,966)	-	-	-	47,625,044	(47,625,044)	-	-

**Total unspent capital
monetary allocations**

7,666,728	526,531,795	(530,471,672)	(8)	3,726,843	2	462,865,699	(455,198,967)	(6)	7,666,728

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand

20. Unspent conditional grants and receipts (continued)

20.2 Unspent operational monetary allocations

	2025					2024				
	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance
Other grants										
Other	3,190,582	3,214,524	(3,209,862)	1	3,195,245	4,097,176	2,944,995	(3,851,588)	-	3,190,583
National Government										
Expanded Public Works Programme Integrated Grant	-	2,062,000	(2,062,000)	-	-	-	4,363,000	(4,363,000)	-	-
Local Government Financial Management Grant	-	1,600,000	(1,600,000)	-	-	-	1,550,000	(1,550,000)	-	-
Municipal Disaster Recovery Grant	237,127	1,976,000	(2,213,127)	-	-	-	435,000	(197,873)	-	237,127
Total	237,127	5,638,000	(5,875,127)	-	-	-	6,348,000	(6,110,873)	-	237,127
Provincial Government										
Western Cape	6,082,032	14,868,154	(16,317,467)	(57,963)	4,574,756	6,750,905	8,478,083	(8,756,450)	(390,506)	6,082,032
Donations and other contributions										
Other	363,572	-	-	-	363,572	363,572	-	-	-	363,572
Total unspent operational monetary allocations	9,873,313	23,720,678	(25,402,456)	(57,962)	8,133,573	11,211,653	17,771,078	(18,718,911)	(390,506)	9,873,314

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
21. Housing Development Fund		
Realising housing proceeds		
Opening balance	31,595,446	30,509,090
Plus: Interest and redemption, and other on housing schemes	(7,825)	4,488
Plus: (Net loss) / surplus on letting schemes	1,269,919	1,081,868
Balance at the end of the year	32,857,540	31,595,446
Unrealised housing proceeds		
Opening balance	11,654	116,219
Long term housing loans	(11,659)	(104,565)
Balance at the end of the year	(5)	11,654
Total	32,857,535	31,607,100

The housing development fund is not cash backed, as the value of outstanding housing receivables exceeds the value of the fund.

22. Reserves and Funds

Re-valuation reserve	1,600,117,535	1,657,380,108

The Re-valuation reserve arises on the revaluation of Land and Buildings. Where revalued Land or Buildings are sold, the portion of the Re-valuation reserve that relates to that asset, and is effectively realised, is transferred directly to Accumulated Surplus.

Distributions from the Re-valuation reserve can be made when it is in accordance with the requirements of the municipality's accounting policy. The payment of cash distributions out of the reserve is restricted by the terms of the municipality's. These restrictions do not apply to any amounts transferred to the Accumulated Surplus. Council do not currently intend to make any distribution from the Re-valuation reserve.

Refer to Statement of changes in net assets as at 30 June 2025 for more detail and the movement on Reserves.

23. Accumulated surplus / (deficit)

Accumulated Surplus/(Deficit)	4,735,875,477	3,982,026,193

Refer to the Statement of changes in net assets as at 30 June 2025 for more detail and the movement on Accumulated surplus.

Drakenstein Municipality

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Figure in Rand	2025	2024
24. Services charges		
Electricity		
Consumption	1,813,017,550	1,576,865,615
Less: Income forgone	(59,876,042)	(52,360,073)
Sub-total	1,753,141,508	1,524,505,542
Water management		
Consumption	265,406,349	253,677,596
Less: Income forgone	(18,622,065)	(17,166,936)
Sub-total	246,784,284	236,510,660
Waste management		
Consumption	244,434,545	224,242,084
Less: Income forgone	(61,137,229)	(54,284,347)
Sub-total	183,297,316	169,957,737
Waste water management		
Consumption	196,219,420	182,702,723
Less: Income forgone	(31,313,258)	(29,141,306)
Sub-total	164,906,162	153,561,417
Total	2,348,129,270	2,084,535,356
The prior year comparatives have been restated, please refer to note 49 for more detail information.		
25. Sales of goods and rendering of services		
Advertisements	38,455	34,924
Building Plan Approval	10,610,999	8,231,330
Camping Fees	1,502,649	1,022,572
Cemetery and Burial	3,164,426	3,015,825
Cleaning and Removal	169,227	193,277
Demolition Application Fees	11,339	5,387
Entrance Fees	522,284	623,569
Legal Fees	1,754,186	1,137,622
Library Fees	24,605	24,990
Management Fees (Library)	18,086,957	18,606,957
Occupation Certificates	609,541	707,287
Photocopies and Faxes	244,760	262,755
Sale of Goods	34,657	41,466
Total	36,774,085	33,907,961
26. Rental from fixed assets		
Land and buildings	2,153,800	2,447,485
Housing rentals	15,216,173	14,403,286
Other rental revenue	1,489,714	1,723,741
Less: Income forgone	(10,839,130)	(10,262,351)
Total	8,020,557	8,312,161

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
26. Rental from fixed assets (continued)		
Operating leases (municipality as lessor)		
At Statement of Financial Performance date the municipality has contracted with tenants for the following future minimum lease payments:		
Within one year	770,143	882,454
In second to fifth year inclusive	833,639	1,603,782
Total	1,603,782	2,486,236
The municipality has significant current lease arrangements for land and buildings over a period varying from 2 up to 9 years (2024: 2 up to 9 years) being subject to increased lease payments.		
All contingent lease payments are based on the actual value of the property leased and the escalations vary from 7.5% up to 12.32%.		
No other restrictions were imposed.		
27. Interests on investments		
Financial assets at amortised cost		
Short-term investments and call accounts	91,787,807	73,656,906
28. Interest earned from receivables		
Financial assets at amortised cost		
Exchange receivables	28.1 20,626,499	19,480,489
28.1 Interest earned from exchange receivables		
Consumer receivables		
Electricity	3,521,468	3,727,006
Waste management	6,018,627	5,611,934
Waste water management	3,808,537	3,513,454
Water	7,277,867	6,628,095
	20,626,499	19,480,489
29. Operational revenue		
Exchange revenue		
Operation revenue from exchange transactions	14,746,759	14,605,802
Incidental Cash Surpluses	55,000	-
Development Charges	11,601,586	10,575,395
Total	26,403,345	25,181,197
Non-exchange revenue		
Goods and services received in kind	4,418,007	4,378,051

Services received in kind

During the financial year, the municipality received goods and services in kind, that was recognised in terms of GRAP 23.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand		2025	2024
30. Licences and permits			
Exchange revenue	30.1	22,703,756	21,786,042
30.1 Licenses and permits - Exchange revenue			
Angling/Fishing		1,817	4,270
Filming fees		424,466	113,803
Road and transport		22,001,831	21,434,737
Trading		275,642	233,232
Total		22,703,756	21,786,042

Included in licenses and permits is an amount of R18,321,851 (2024: R17,652,143) received from the Department of Transport and Public Works as agency fees for motor vehicle license services, which the Municipality performs on behalf of the Department of Transport and Public Works.

31. Property rates

Residential properties	392,083,126	359,848,432
Business and commercial properties	127,156,738	118,301,109
Farm properties	73,196,468	70,659,784
Mining properties	298,873	284,918
Municipal properties	17,840,945	17,204,334
National monument properties	180,977	172,523
Other categories	25,514,887	25,439,011
Protected areas	296,051	282,220
Public benefit organisations	2,669,053	2,232,622
Public service infrastructure properties	1,162,864	1,209,655
State-owned properties	31,114,580	29,674,480
Less: Income forgone / rebates	(167,734,895)	(158,904,222)
Total	503,779,667	466,404,866

Valuation as at 30 June 2025

Residential	51,800,256,300	49,969,714,800
Agricultural	9,553,135,000	9,697,117,850
Commercial	9,910,631,000	9,680,771,000
Other categories	6,006,562,800	6,235,068,700
State-owned properties	2,947,583,600	2,965,493,500
Total property valuations	80,218,168,700	78,548,165,850

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 01-Jul-2021. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

A uniform rate for the same class and type of property was applied with the implementation of the Property Rates Act. A rate on different categories was applied to property valuations to determine assessment rates. Rebates are granted to certain property categories as per the approved Property Rates Policy that is reviewed by Council annually. Exemptions are also granted to certain property categories as per the stipulations of the Property Rates Act.

Rates are levied for property owners on a monthly basis for monthly rate payers and are payable on the 15th of each month and for annual rate payers on 15th October.

Surcharges and taxes to the amount of R3,168,263 (2024: R3,084,653) relates to interest levied on arrear property rates debtors.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand		2025	2024
32. Service charges : Availability charges			
Electricity			
Availability charges		2,430,860	2,527,545
Waste water management			
Availability charges		3,352,292	3,385,134
Waste management			
Availability charges		3,998,472	4,002,553
Water management			
Availability charges		2,207,465	2,226,690
Total		11,989,089	12,141,922
33. Fines, penalties and forfeits			
Fines, penalties and forfeits	33.1	104,330,736	97,292,325
33.1 Fines, penalties and forfeits			
Total		104,330,736	97,292,325
34. Transfers and subsidies			
Operational			
Allocations		247,084,843	228,731,686
Capital			
Allocations		540,346,674	458,952,437
Total		787,431,517	687,684,123
Unconditional grants			
Equitable share		231,574,000	215,718,000
Conditional grants			
National Government		490,092,542	381,105,447
Provincial Government		18,005,758	40,856,010
Other grants		3,209,862	4,331,380
Donations & other contributions		44,565,967	47,625,044
Total conditional grants		555,874,129	473,917,881
Subtotal		787,448,129	689,635,881
Offsetting of housing expenditure where municipality is seen as an agent		(16,612)	(634,738)
Recognition of revenue in terms of GRAP 11		-	(1,317,020)
Total Government Grant and Subsidies		787,431,517	687,684,123

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand		2025	2024
34. Transfers and subsidies (continued)			
National Government (Unconditional Grants)			
Balance unspent at beginning of year		-	-
Current year		231,574,000	(215,718,000)
Conditions met - transferred to revenue		(231,574,000)	215,718,000
Conditions still to be met - transferred to liabilities	20	-	-

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a 100% monthly subsidy for the basic charges of Electricity, Refuse Removal, Sewerage and Water Services, the subsidy is adjusted as tariffs increase. All qualifying registered indigent households receive 6 kl water and between 50-100 kWh electricity free every month.

National Government (Conditional Grants)

Balance unspent at beginning of year		(7,568,550)	-
Current year receipts		(482,524,000)	(388,674,000)
Conditions met - transferred to revenue		490,092,542	381,105,450
Conditions still to be met - transferred to liabilities	20	(8)	(7,568,550)

These grants were used to construct infrastructure assets for the Municipality. Other than the unspent amount, the conditions of the grant have been met.

This grant received from National Government are for operational and capital expenditure projects related to budget reform and implementation of the MFMA. Other than the unspent amount, the conditions of the grant have been met.

Provincial Government (Conditional Grants)

Balance unspent at beginning of year		(6,417,336)	(6,750,903)
Current year receipts		(19,947,982)	(40,912,947)
Conditions met - transferred to revenue		18,005,757	40,856,010
Repayments		57,973	390,504
Conditions still to be met - transferred to liabilities	20	(8,301,588)	(6,417,336)

An amount of R956,503 was added to the opening balance of other grants due to a reclassification of the specific grant.

These grants received from Provincial Government are for operational and capital expenditure such as Revenue from Housing Grants and the related housing operating expenditure where Drakenstein Municipality is regarded as an agent in terms of GRAP amounted to R16,612 (2024: R634,735). In terms of a GRAP interpretation, where a municipality is regarded as an agent, the revenue should be set off against the operating expenditure. Revenue from housing grants and the related housing expenditure where Drakenstein Municipality is regarded as an agent in terms.

The municipality acted as agent for the Provincial Department of Human Settlements for the Fairy Land PHP project. An amount of R2,554,213 (2024: R2,932,948) is included in unspent conditional grants and receipts for this project.

Other Grants

Balance unspent at beginning of year		(3,190,583)	(4,097,177)
Current year receipts		(3,214,524)	(3,424,786)
Conditions met - transferred to revenue		3,209,863	4,331,380
Conditions still to be met - transferred to liabilities	20	(3,195,244)	(3,190,583)

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand		2025	2024
34. Transfers and subsidies (continued)			
These grants received from other institutions are for operational and capital expenditure projects. Other than the unspent amount, the conditions of the grant have been met. No funds have been withheld. These include monetary capital in-kind. An amount of R956,503 was added to the opening balance of other grants due to a reclassification of the specific grant.			
Donations and other contributions			
Balance unspent at beginning of year		(363,572)	(363,572)
Current year receipts		(44,550,181)	(47,625,044)
Conditions met - transferred to revenue		44,550,181	47,625,044
Conditions still to be met - transferred to liabilities	20	(363,572)	(363,572)
35. Construction contract revenue			
Housing projects			
Erf 557 Mbekweni		-	1,317,020
36. Fair value adjustment			
Fair value adjustment		27,635,000	6,755,000
37. Fair value and loss on disposal adjustments on assets			
Gains/(losses) on disposals	37.1	(19,866,508)	(19,395,046)
Gain on Raw water at fair value		-	2,669,622
Total		(19,866,508)	(16,725,424)
37.1 Gains/(losses) on disposals			
Gains / (losses) on disposal of PPE, IA, IP & HA & inventory		(7,615,829)	(7,694,967)
Gains / (losses) on fair value adjustment of inventory		(1,316,715)	(91,764)
Water losses		(10,933,964)	(11,608,315)
Total		(19,866,508)	(19,395,046)
37.2 Fair value adjustment			
Financial assets		-	-
38. Employee related cost			
Municipal staff		840,164,566	785,352,002

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

38. Employee related cost (continued)

38.1 Senior management costs

2025

	JH Leibbrandt City Manager	B Brown Chief Financial Officer	S Johaar Executive Director: Corporate and Planning Services	G Esau Executive Director: Community Services	M Wüst Executive Director: Engineering Services	L Pienaar Executive Director: Engineering Services	E Barnard Executive Director: Public Safety	D Delaney Acting Executive Director: Community Services	MF Rhoda Acting Executive Director: Community Services	Total
Cost to company package	2,146,294	2,066,329	2,066,329	431,102	-	2,066,329	2,066,329	-	-	10,842,712
Performance bonuses	591,363	457,878	440,633	-	66,950	205,492	137,953	-	-	1,900,269
Other allowances and reimbursement	32,721	29,103	25,581	6,572	-	29,673	29,110	-	-	152,760
Acting allowances	-	-	-	-	-	-	-	19,230	413	19,643
Leave Payout	-	-	-	201,745	-	-	-	-	-	201,745
	2,770,378	2,553,310	2,532,543	639,419	66,950	2,301,494	2,233,392	19,230	413	13,117,129

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

38. Employee related cost (continued)

2024

	JH Leibbrandt City Manager	B Brown Chief Financial Officer	JJ Samson Executive Director: Planning and Development	S Johaar Executive Director: Corporate Services	M Wüst Executive Director: Engineering Services	G Esau Executive Director: Community Services	L Pienaar Executive Director: Engineering Services	E Barnard Executive Director: Public Safety	Total
Cost to company packages	2,146,294	1,724,406	-	1,724,406	-	1,724,406	1,650,267	1,149,604	10,119,383
Performance bonuses	282,410	226,898	145,863	210,691	226,898	210,691	-	-	1,303,451
Other allowances and reimbursement	32,714	29,356	-	49,539	177	26,058	23,341	16,981	178,166
Arbitration settlement	-	-	1,113,056	-	-	-	-	-	1,113,056
Gratuity	21,816	20,340	-	20,340	-	20,340	19,410	13,560	115,806
	2,483,234	2,001,000	1,258,919	2,004,976	227,075	1,981,495	1,693,018	1,180,145	12,829,862

The City Manager and Executive Directors are remunerated in terms of the Upper Limits of Total Remuneration Packages Payable to Municipal Managers and Managers Directly Accountable to Municipal Managers, issued in terms of the Local Government: Municipal Systems Act 32 of 2000. A waiver to the aforementioned upper limits was approved by National Department of Cooperative Governance and Traditional Affairs on 24 February 2025 for retrospective implementation from 1 July 2024.

Included in the post-employment health care liability (see Note 16.1) are benefits that the City Manager, Dr JH Leibbrandt, Mr L Pienaar and Ms E Barnard will receive after termination. At 30 June 2025 the present value of the associated liability for the City Manager amounted to R515,027 (2024: R587,149), Mr L Pienaar amounts to R16,709 (2024: R7,418) and Ms E Barnard amounts to R33,313 (2024: 10,276).

The Remuneration of Executives as disclosed above refer to the actual amounts paid to them during the 2025 and 2024 years respectively.

Where other officials acted in the Executive Director positions and was remunerated accordingly, only the additional remuneration for acting in that position is disclosed.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
38. Employee related cost (continued)		
38.2 Municipal staff costs		
Basic Salary	538,231,722	514,968,139
Social Contributions	129,142,468	121,680,976
Travel or Motor Vehicle	34,241,902	31,635,238
Housing Benefits	5,800,051	3,732,572
Overtime payments	55,692,870	55,245,847
Acting and Post Related Allowances	1,195,616	1,135,454
Shift Additional Remuneration	2,537,727	2,369,012
Standby Allowance	14,046,471	12,097,696
Night Shift	3,522,090	3,419,433
Workman Compensation	4,277,790	3,698,468
Cellular and Telephone	5,083,785	4,616,563
Contribution to leave reserve	4,622,606	7,294,466
Provision for Performance Bonuses	1,147,349	825,065
Defined Benefit Plan Expenses: Post Employment Health Care		
Current Service Cost	6,596,000	5,961,000
Actuarial Gains and Losses	(2,067,132)	(17,341,902)
Interest Cost	26,342,000	27,170,000
Defined Benefit Plan Expenses: Ex Gratia Pension Benefits		
Actuarial Gains and Losses	(230,765)	(396,328)
Interest Cost	38,000	67,000
Defined Benefit Plan Expenses: Long Services		
Current Service Cost	3,351,000	3,244,000
Actuarial (Gains) / Losses	346,016	(2,357,697)
Interest Cost	6,247,000	6,287,000
Total	840,164,566	785,352,002

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
39. Remuneration of councillors		
Executive Mayor (CJ Poole) (until 28 February 2024)	-	762,019
Executive Mayor (SE Korabie) (from 5 April 2024)	1,181,792	275,431
Speaker (JK Le Roux)	945,430	922,371
Deputy Executive Mayor (GC Combrink)	945,430	922,371
Chief Whip (C Kearns)	886,343	864,725
Section 79 Committee Chairperson (RH Nell) (From 26 April 2024)	476,657	77,163
Section 79 Committee Chairperson (JA September) (Replaced 26 April 2024)	-	377,450
Mayoral Committee Members - up until 31 May 2024		
Mayoral Committee Member of Sport, Recreation Arts and Culture (LC Arendse)	-	792,665
Mayoral Committee Member of Social Development (E Gouws)	-	792,665
Mayoral Committee Member of Human Settlements (MA Andreas)	-	792,665
Mayoral Committee Member of Parks, Waste & Cemeteries (L Cyster)	-	792,665
Mayoral Committee Member of Corporate Services (E Baron)	-	792,665
Mayoral Committee Member of Public Safety (AMB Appollis)	-	792,665
Mayoral Committee Member of Communication And Intergovernmental Relations (RH Van Nieuwenhuizen)	-	792,665
Mayoral Committee Member of Engineering Services (TG Bester)	-	792,665
Mayoral Committee Member of Planning & Development (LT van Niekerk)	-	792,665
Mayoral Committee Member of Governance Compliance (J Miller)	-	792,665
Mayoral Committee Members - after 1 June 2024		
Mayoral Committee Member of Planning, Economic Development and Tourism (LT Van Niekerk)	886,343	72,060
Mayoral Committee Member of Social Development, Sport and Recreation (LC Arendse)	886,343	72,060
Mayoral Committee Member of Urbanisation and Human Settlements (E Baron)	886,343	72,060
Mayoral Committee Member of Parks, Resorts and Cemeteries (L Cyster)	886,343	72,060
Mayoral Committee Member of Corporate and Governance (D America)	886,343	72,060
Mayoral Committee Member of Public Safety (AMB Appollis)	886,343	72,060
Mayoral Committee Member of Communication and Intergovernmental Relations (IGR) (R Andreas)	886,343	72,060
Mayoral Committee Member of Water and Sanitation (J Miller)	886,343	72,060
Mayoral Committee Member of Electricity and Roads (A Koegelenberg)	886,343	72,060
Mayoral Committee Member of Waste Management (TG Bester)	295,448	72,060
Mayoral Committee Member of Municipal buildings (E Solomons)	517,033	-
All other councillors	18,574,563	18,270,729
Cell phone allowance	3,041,984	3,220,718
Total	34,841,767	34,340,227

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

39. Remuneration of councillors (continued)

In kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker, and Mayoral Committee members are employed full-time. Each is provided with an office, administrative and secretarial support at the cost of the Council.

The Executive Mayor and Deputy Mayor and other full-time Mayoral Committee members have access to Council owned vehicles for ceremonial and official functions.

Councillors receive a total cost to company package as determined by the Notice for 'Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils', issued in terms of Remuneration of Public Office Bearers Act, 1998, and may structure it as it wishes, furthermore they receive a maximum of R 47,004 (2024: R 49,608) per year, as a cellphone and data allowance in accordance with the notice. Other councillors receive an average of R 373,349 (2024: R 366,642) per year, except the chairperson of MPAC, who receives an average of R 476,657 (2024: R 470,524) per year. Take note that the MPAC chairperson changed during the cause of the year. The average was obtained by multiplying the previous year with the budgeted increase of 3.0%.

Furthermore councillors receive the benefit of special risk insurance cover (SASRIA) as provided for in terms of the notice. This insurance cover, should cover the loss of or damage to a councillor's personal immovable or moveable property and assets, excluding property used by such councillor for business purposes, as well as life and disability cover, for any loss or damage caused by riot, civil unrest, strike or public disorder.

**Amount outstanding
for more than 90
days**

List the name of the councillor which at any time during the relevant financial year was in arrears for more than 90 days

FEBRUARY 2025

Merencia Charlotte Charmain Jooste	1,645
	1,645

40. Impairment losses on financial assets

Trade and other receivables from exchange transactions	9	16,030,552	23,683,876
Statutory Receivables: Property Rates and Availability charges	10	4,795,819	510,784
Traffic fines	10	10,849,919	5,717,995
Long term receivables	7	(9,646)	(9,307)

Total		31,666,644	29,903,348

Irrecoverable debts written-off

Consumer receivables and availability charges receivables	34,090,453	24,211,116
Statutory receivables: Property rates	913,302	776,192
Statutory receivables: Traffic fines	66,982,350	73,265,566

Total	101,986,105	98,252,874

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand		2025	2024
41. Depreciation and amortisation			
Amortisation			
Intangible assets	5.1	429,800	624,665
Depreciation			
Property, plant and equipment		246,125,505	248,635,070
Total		246,555,305	249,259,735
The prior year comparatives have been restated, please refer to note 49 for more detail information.			
42. Impairment losses on PPE, IA and HA			
Impairment loss / Reversal of impairment			
Property, plant and equipment		900,901	600,287
43. Finance costs			
Financial liabilities at amortised cost			
43.1 Interest cost			
Borrowings			
• Long-term liabilities - interest paid		158,090,246	167,602,762
• Finance leases		107,081	219,061
Total		158,197,327	167,821,823
44. Bulk purchases			
Electricity: Eskom		1,335,946,808	1,107,097,905
Electricity: Independent power producers		5,672,131	4,331,983
Water inventory consumed		36,525,858	37,992,109
Total		1,378,144,797	1,149,421,997
44.1 Electricity losses			
Reconciliation of kWh losses			
kWh units purchased		675,850,480	630,434,093
kWh units sold		(623,326,087)	(585,777,037)
Total loss		52,524,393	44,657,056
Average value of losses (cost)		103,882,845	78,507,355
Percentage loss:			
Technical losses		7.77 %	7.08 %
Norm of losses		10.00 %	10.00 %
Reasons for the losses			
Losses occurred because of the following reasons:			
• Technical losses			
• Unmetered services			
• Theft			

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
44. Bulk purchases (continued)		
44.2 Water losses		
Unavoidable annual real losses	10,933,964	11,608,315
System input volume (Kilolitres)	17,163,035	17,286,138
Billed metered consumption (Kilolitres)	(13,203,876)	(13,236,789)
Total loss	3,959,159	4,049,349
Comprising of:		
Technical losses (Kilolitres)	3,579,531	3,794,139
Non-technical losses (Kilolitres)	379,627	255,210
Total	3,959,158	4,049,349
Percentage loss: *		
Technical losses	20.86 %	21.90 %
Non-technical losses	2.21 %	1.50 %
Total	23.07 %	23.40 %
Norm of losses:		
Minimum Level	15.00 %	15.00 %
Maximum Level	30.00 %	30.00 %

Reasons for the losses

Losses occurred because of the following reasons:

- Burst pipes.
- Use of unmetered fire water connections at flat buildings and factories.
- Open spaces and sports fields that are still unmetered.
- Undetected leaks underground.
- Scouring of mainlines and reservoirs as part of the operational procedure to ensure good water quality.

* The water losses per the audited annual financial statements take into account water that was metered but not billed. Whereas the Annual performance report shows an actual technical water loss of 20.86% (2024: 21.90%), as unbilled metered water and unbilled unmetered water is not taken into account.

45. Contracted services

Consultants and professional services	45.1	34,611,131	27,331,170
Contractors	45.2	156,055,036	154,776,188
Outsourced services	45.3	32,679,151	30,491,608
Total		223,345,318	212,598,966

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
45. Contracted services (continued)		
45.1 Consultants and professional services		
Business advisory services	18,994,555	16,445,344
Legal advice and litigation	10,593,931	8,466,870
Other consultants and professional services	5,022,645	2,418,956
Total consultants and professional services	34,611,131	27,331,170
45.2 Contractors		
General services		
Housing project expenditure	169,952	2,304,299
Catering services	292,592	242,558
Management of informal settlements	8,251,988	6,170,314
Other contractor services	5,459,242	4,659,266
Safeguard and security	45,409,479	44,564,201
Total general services	59,583,253	57,940,638
Maintenance services		
Maintenance of buildings and facilities	15,632,434	15,328,955
Maintenance of equipment	36,850,147	43,797,111
Maintenance of unspecified assets	43,989,202	37,709,484
Total maintenance service	96,471,783	96,835,550
Total contractor	156,055,036	154,776,188
45.3 Outsourced services		
General services		
Traffic Fines Management	6,208,456	5,810,985
Waste management	20,741,884	21,411,041
Other outsourced services	5,728,811	3,269,582
Total outsourced services	32,679,151	30,491,608
46. Operational cost		
Advertising, Publicity and Marketing	5,197,591	3,537,481
Bank Charges, Facility and Card Fees	9,044,960	8,105,326
Commission	9,379,565	11,456,104
Communication	4,685,471	4,247,502
Contribution to provision for rehab of landfill site	13,941,091	15,682,594
External Audit Fees	7,039,316	6,330,842
External Computer Service	20,646,752	16,616,066
Insurance Underwriting	6,978,057	13,111,269
Other operational cost	8,916,662	6,909,873
Printing, Publications and Books	656,376	950,514
Professional Bodies, Membership and Subscription	8,575,224	8,188,126
Skills Development Fund Levy	6,678,526	6,325,059
Uniform and Protective Clothing	6,166,763	5,128,900
Vehicle licences	2,846,442	2,568,159
Total	110,752,796	109,157,815

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
47. Operating leases		
Investment Properties	186,160	177,195
Machinery and Equipment	4,399,799	5,228,024
Land and buildings	-	2,649,416
Transport Assets	15,353,020	12,052,146
Total	19,938,979	20,106,781
Operating leases (municipality as a lessee)		
Land and buildings		
After five years	-	-
Machinery and equipment		
Within one year	-	4,280,988
	-	-
Total	-	4,280,988

The Municipality has no current lease arrangements for land and buildings.

All contingent lease payments are based on the actual contract value of the property leased and the escalations vary from 5.6% up to 8.5% (2024: 5.6% up to 8.5%).

No other restrictions were imposed.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
48. Net cash from/(used) operating activities		
Surplus for the year	721,536,082	578,879,492
Adjustments for:		
Depreciation and amortisation	246,555,305	249,259,735
Bad debts written off	-	-
- Consumer receivables & availability charges receivables	34,090,453	24,211,115
- Statutory receivables: Property Rates	913,302	776,192
- Statutory receivables: Traffic Fines	66,982,350	73,265,565
(Gains) / Losses on disposal of assets	7,228,039	5,532,777
Fair Value adjustments	(27,635,000)	(6,755,000)
Increase / (Decrease) in provisions	6,810,153	178,318
Impairment losses	900,901	600,287
(Gain) / Losses on disposal of inventory	1,704,504	2,253,953
Impairment losses	-	-
- Consumer receivables & availability charges receivables	16,030,552	23,683,875
- Statutory receivables: Property Rates	4,795,819	510,784
- Statutory receivables: Traffic Fines	10,849,919	5,717,995
- Long term Receivables	(9,646)	(9,306)
Gain on raw at fair value	-	(2,669,622)
Raw water purchases at fair value	-	2,669,622
Housing Development Fund	(7,825)	(4,489)
Provision for landfill rehab - iGRAP 2 adjustment	7,130,937	15,504,277
Lease smoothing	-	8,345
Assets from capital grant in-kind	(14,412,059)	(8,195,872)
Leave provision	4,607,358	7,294,466
13th Cheque provision	1,654,463	1,437,233
Long service award provision	9,944,016	7,173,303
Post retirement provision	30,870,868	15,789,098
Performance bonus provision	1,147,349	873,224
Ex-gratia provision	(192,765)	(329,328)
Water losses	8,626,085	8,620,211
Adoption of GRAP 104 revised	(23,691,144)	-
Movement in working capital		
(Increase) / Decrease in receivables from non-exchange transactions	(85,692,139)	(83,808,541)
(Decrease) / Increase in consumer deposits	6,298,517	7,654,031
(Increase) / Decrease in inventory	(16,739,362)	(12,759,749)
(Increase) / Decrease in receivables from exchange transactions	(48,199,378)	(109,433,609)
Increase / (Decrease) in Employee benefits	(25,045,996)	(21,397,157)
(Increase) / Decrease in long term receivable	802	17,423
Increase / (Decrease) in trade and other payables	79,997,440	(518,613)
Increase / (Decrease) in unspent conditional grants and receipts	(5,679,626)	6,328,388
Increase / (Decrease) in VAT	66,723,150	64,838,294
Net cash flows from operating activities	1,088,093,424	857,196,717

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand		2025	2024		
49. GRAP 3 adjustments					
The following restatements and adjustments occurred which are set out below:					
49.1 Adjustments of Statement of financial performance items					
2024					
	Note	As previously reported	Correction of error	Re-classification	Restated
Revenue					
Exchange revenue					
Services charges – Electricity	24	1,524,505,542	-	-	1,524,505,542
Services charges – Waste management	24	169,957,737	-	-	169,957,737
Services charges – Waste water management	24	153,561,417	-	-	153,561,417
Services charges – Water management	24	236,510,660	-	-	236,510,660
Sale of goods and rendering of services	25	33,907,961	-	-	33,907,961
Interest earned from receivables	28	19,480,489	-	-	19,480,489
Interests on investments	27	73,656,906	-	-	73,656,906
Licences and permits	30	21,786,042	-	-	21,786,042
Rental from fixed assets	26	8,312,161	-	-	8,312,161
Operational revenue	29	29,349,935	(4,168,738)	-	25,181,197
		2,271,028,850	(4,168,738)	-	2,266,860,112
Non-exchange revenue					
Availability charges – Electricity	32	2,527,545	-	-	2,527,545
Availability charges – Waste management	32	2,226,690	-	-	2,226,690
Availability charges – Waste water management	32	4,002,553	-	-	4,002,553
Availability charges – Water management	32	3,385,134	-	-	3,385,134
Property rates	31	466,404,866	-	-	466,404,866
Surcharges and taxes		3,084,653	-	-	3,084,653
Fines, penalties and forfeits	33	97,292,325	-	-	97,292,325
Transfers and subsidies – Operational	34	228,731,686	-	-	228,731,686
Transfers and subsidies – Capital	34	458,952,437	-	-	458,952,437
Fair value adjustment	36	-	-	6,755,000	6,755,000
Operational revenue	29	1,741,571	2,636,480	-	4,378,051
Construction contract revenue	35	1,317,020	-	-	1,317,020
		1,269,666,480	2,636,480	6,755,000	1,279,057,960
Total revenue		3,540,695,330	(1,532,258)	6,755,000	3,545,918,072
Expenditure					
Employee related cost	38	785,352,002	-	-	785,352,002
Remuneration of councillors	39	34,340,227	-	-	34,340,227
Bulk purchases	44	1,149,421,997	-	-	1,149,421,997
Inventory consumed		78,558,903	87,846	-	78,646,749
Impairment losses on financial assets	40	29,903,348	-	-	29,903,348
Depreciation and amortisation	41	249,015,369	244,366	-	249,259,735
Impairment losses on PPE, IA and HA	42	600,287	-	-	600,287
Finance costs	43	167,821,823	-	-	167,821,823
Contracted services	45	209,962,486	2,636,480	-	212,598,966
Transfers and subsidies	65	14,850,554	-	-	14,850,554
Bad Debts Written Off		98,252,872	-	-	98,252,872
Operating leases	47	20,106,781	-	-	20,106,781
Operational cost	46	109,157,815	-	-	109,157,815
Losses	37	9,970,424	-	6,755,000	16,725,424
Total expenditure		2,957,314,888	2,968,692	6,755,000	2,967,038,580

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Notes to the Audited Annual Financial Statements

Figure in Rand		2025	2024
49. GRAP 3 adjustments (continued)			
Surplus for the year		583,380,442	(4,500,950)
			-
			578,879,492
49.2 Adjustments of Statement of financial position items			
2024			
	Note	Previously reported	Correction of error
			Restated
Assets			
Non-current assets			
Investment property	6	88,655,000	-
Property, plant and equipment	3	6,742,599,182	7,080,304
Heritage assets	4	47,633,645	-
Intangible assets	5	3,051,767	-
		6,881,939,594	7,080,304
			6,889,019,898
Current assets			
Cash and cash equivalents	11	697,505,821	-
Trade and other receivables from exchange transactions	9	381,802,648	(689,855)
Receivables from non-exchange transactions	10	110,499,746	-
Inventory	8	44,006,655	-
Current portion of non-current receivables	12	802	-
VAT Receivable	13	41,783,287	692,964
		1,275,598,959	3,109
			1,275,602,068
Total assets		8,157,538,553	7,083,413
			8,164,621,966
Liabilities			
Non-current liabilities			
Borrowings	14	1,364,427,699	-
Employee benefits	16	247,664,000	-
Provisions	17	189,527,311	-
		1,801,619,010	-
			1,801,619,010
Current liabilities			
Borrowings	14	90,824,743	-
Finance lease liabilities	15	472,639	-
Employee benefits	16	94,358,362	-
Consumer deposits	18	80,367,377	-
Trade and other payables from exchange transactions	19	335,296,888	3,455,077
Trade and other payables from non-exchange transactions	20	17,540,042	-
Provisions	17	69,674,427	-
		688,534,478	3,455,077
			691,989,555
Total liabilities		2,490,153,488	3,455,077
			2,493,608,565
Total net assets			
Housing Development Fund	21	31,607,100	-
Reserves and Funds	22	1,657,921,383	(541,275)
Accumulated surplus	23	3,977,856,582	4,169,611
		5,667,385,065	3,628,336
			5,671,013,401
Total net assets and liabilities			

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024		
49. GRAP 3 adjustments (continued)				
49.3 Adjustments of Cash flow statement items				
	Note	Previously reported	Correction of error	Restated
Cash flows from operating activities				
Receipts				
Property rates		457,254,080	-	457,254,080
Service charges		2,266,430,816	-	2,266,430,816
Operational revenue		708,946,130	-	708,946,130
Interest		72,977,684	-	72,977,684
Other receipts and fines received		267,501,977	(4,168,739)	263,333,238
		3,773,110,687	(4,168,739)	3,768,941,948
Payments				
Employee Cost		(811,651,058)	-	(811,651,058)
Supplier		(1,890,984,371)	4,080,893	(1,886,903,479)
Transfers and subsidies		(166,944,742)	-	(166,944,742)
Net VAT paid		(46,245,953)	-	(46,245,953)
		(2,915,826,124)	4,080,893	(2,911,745,232)
Net cash from(used) operating activities		857,284,563	(87,846)	857,196,716
Cash flows from investing activities				
Receipts				
Proceeds on disposal of fixed and intangible assets		3,593,465	-	3,593,465
Payments				
Capital assets		(523,837,024)	87,846	(523,749,178)
Net cash flows from investing activities		(520,243,559)	87,846	(520,155,713)
Cash flows from financing activities				
Net cash flows from investing activities				
Decrease in Finance lease liabilities		(345,347)	-	(345,347)
Decrease in borrowing long-term		(84,460,267)	-	(84,460,267)
		(84,805,614)	-	(84,805,614)
Net increase/ (decrease) in cash		252,235,390	-	252,235,389

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Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024		
49. GRAP 3 adjustments (continued)				
49.4 Adjustment of opening balances				
	Note	As previously reported	Correction of error	Restated
Accumulated surplus				
		3,339,909,797	-	3,339,909,797
Property, Plant and Equipment		-	6,551,727	6,551,727
Library VAT correction		-	2,226,652	2,226,652
Total		3,339,909,797	8,778,379	3,348,688,176
Revaluation reserve				
		1,713,429,005	-	1,713,429,005
Property, Plant and Equipment		-	(649,093)	(649,093)
Total		1,713,429,005	(649,093)	1,712,779,912
Assets and liabilities				
Property, plant and equipment (Opening balance as at 1 July 2023)		6,521,880,699	7,412,515	6,529,293,214
Trade and other receivables from exchange transactions (Opening balance as at 1 July 2023)		320,264,030	(689,855)	319,574,175
VAT control receivable (Opening balance as at 1 July 2023)		12,820,098	89,981	12,910,079
Payables from exchange transactions (Opening balance as at 1 July 2023)		282,991,202	(2,226,652)	280,764,550
49.5 Correction of errors				
The following prior period errors adjustments occurred:				
Property, Plant and Equipment				
During the financial year errors on PPE were corrected. These corrections include assets incorrectly included in the asset register based on classification, existence and legal ownership. The corrections also include historical assets donated to the municipality not previously recognised.				
Opening balance at 1 July 2023 effects				
Accumulated Surplus				(6,551,726)
Property, Plant and Equipment				7,412,515
Revaluation Reserve				649,093
VAT Receivable				67,653
Trade and other receivables from exchange transactions				(689,855)
Trade and other payables from exchange transactions				(887,680)
Prior year at 30 June 2024 effect				
Depreciation and amortisation				244,367
Inventory consumed				87,846
Property, Plant and Equipment				(332,213)
Accumulated Surplus				107,819
Revaluation Reserve				(107,819)
				-

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
49. GRAP 3 adjustments (continued)		
Services in kind correction		
During the year it was identified that services in kind for the previous year received for the Outsurance Points men, was not recognised and adjustments were made accordingly.		
Prior year at 30 June 2024 effects		
Operational income (non-exchange)		(2,636,480)
Contracted services		2,636,480
		-
Library Grant output VAT correction		
During the year the output VAT payable to SARS was reviewed and adjustments were made accordingly.		
Opening balance at 1 July 2023 effects		
Accumulated surplus		(2,226,652)
Trade and other payables from exchange transactions		2,226,652
		-
Developers Contributions		
During the prior year income relating to developers contributions were recognised as income instead of a deposit. The developer decided not to continue with the project and therefore requested the deposit to be paid back. All corrections were done retrospectively.		
Prior year at 30 June 2024 effect		
Operational revenue		4,168,738
VAT Receivable		625,311
Trade and other payables from exchange transactions		(4,794,049)
		-

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

49. GRAP 3 adjustments (continued)

Other corrections made

Cash flow statement - reclassifications and corrections

Prior year comparatives were restated on the reconciliation note, due to the effect of the corrections and detailed above.

Segmental reporting

Prior year comparatives for the segments were restated due to the effect of the corrections and detailed above.

Reclassification of deposits debtors

Deposit debtors were reclassified from other debtors to sundry debtor under receivables from exchange transactions.

Operating leases commitments (municipality as lessor)

During the year, it was identified that certain lease agreements were approved by Council and was backdated to the prior year. This resulted in adjustments to be made to the previously reported amounts. The future minimum lease payments within one year increased from R581,275 to R882,454, while the payments due in the second to fifth years (inclusive) increased from R931,907 to R1,603,782. The period for current lease agreements changed from 2 - 32 years to 2 - 9 years.

Financial Instruments

Prior year comparatives were restated on the note, due to the effect of the corrections and detailed above as well as other errors identified between items within the note 55.

Fair value adjustments on Investment Property

To improve clarity, fair value adjustments on Investment Property are now disclosed separately from gains and losses on property, plant, and equipment, intangible assets, and inventory.

The comparative figure for the fair value adjustment, which was R6,755,000, has been restated and is now disclosed separately on the face of the Statement of Financial Performance to reflect this reclassification.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

49. GRAP 3 adjustments (continued)

49.6 Change in accounting policy

The following change in accounting policies occurred:

49.7 GRAP 104 Financial Instruments (Revised 2019)

The Municipality has early adopted GRAP 104 Financial Statements. GRAP 104 (Revised 2019) was issued in April 2019 and has an initial promulgated implementation date of 1 July 2025. The municipality adopted in on 1 July 2024.

The Municipality applied the new Standard retrospectively, except for the transitional provisions applied as set out below.

However, in line with the Transitional Provisions for the Standards of GRAP on Financial Instruments (Revised 2019), the Municipality did not restate the prior periods.

The Municipality recognised differences between the previous carrying amounts on 30 June 2024 and those on 1 July 2024 in the opening accumulated surplus or deficit on 1 July 2024.

A. Transition - classification and measurement

The Municipality applied the classification and measurement requirements retrospectively, except for the transitional provisions applied as set out below.

- The Municipality assessed the objective of its management models for financial assets based on the facts and circumstances that existed on 1 July 2024.

The classification was applied retrospectively, irrespective of the Municipality's management model.

B. Transition - Impairment

- The Municipality applied the impairment requirements retrospectively, except for the transitional provisions applied as set out below.
- The Municipality measured the impairment losses using the expected credit losses on 1 July 2024.
- On 1 July 2024, the assessment of the credit of all financial assets at initial recognition requires undue costs or efforts. Consequently, the Municipality shall recognise a loss allowance equal to lifetime expected credit losses until that financial asset is derecognised.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

49. GRAP 3 adjustments (continued)

C. Impact on measurement categories

The nature and effects of the key changes to the Municipality's accounting policies resulting from the adoption of GRAP 104 (Revised 2019) are summarised below.

The table shows the measurement categories per GRAP 104 (2009) and the new measurement categories per GRAP 104 (Revised 2019) on 1 July 2024.

Financial asset classes	Note	Measurement category		Carrying value	
		Original classification GRAP 104 (2009)	New classification GRAP 104 (Revised 2019)	Original amount GRAP 104 (2009)	New amount GRAP 104 (Revised 2019)
Non-current receivables from exchange transactions	7	Amortised costs	Amortised costs	-	-
Trade and other receivable from exchange transactions	9	Amortised costs	Amortised costs	380,172,614	354,151,535
Receivables from non-exchange transactions	10	Amortised costs	Amortised costs	4,613,873	4,613,873
Current options of non-current receivables from non-exchange transactions	12	Amortised costs	Amortised costs	802	2,013
Cash and cash equivalents	11	Amortised costs	Amortised costs	697,505,822	697,505,822
				1,082,293,111	1,056,273,243

Financial liability classes	Note	Measurement category		Carrying value	
		Original classification GRAP 104 (2009)	New classification GRAP 104 (Revised 2019)	Original amount GRAP 104 (2009)	New amount GRAP 104 (Revised 2019)
Annuity loans	14	Amortised cost	Amortised cost	1,364,427,698	1,364,427,698
Consumer deposits	18	Amortised cost	Amortised cost	80,367,377	80,367,377
Trade and other payables from exchange transactions	19	Amortised cost	Amortised cost	230,842,219	230,842,219
Current portion of financial liabilities	14	Amortised cost	Amortised cost	90,824,743	90,824,743
Current portion of finance leases	14	Amortised cost	Amortised cost	472,639	472,639
				1,766,934,676	1,766,934,676

The table reconciles the carrying amounts of financial assets under GRAP 104 (2009) to the new carrying amounts under GRAP 104 (Revised 2019) on 1 July 2024.

Financial asset classes	Note	Carrying amount GRAP 104 (2009)	Reclassifications	Change in measurements	New amount GRAP 104 (Revised 2019)
Amortised cost					
Non-current receivables from non-exchange transactions	7	-	-	-	-
Trade and other receivables from exchange transactions	9	380,172,614	-	(26,021,079)	354,151,535
Receivables from non-exchange transactions	10	4,613,873	-	-	4,613,873

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Notes to the Audited Annual Financial Statements

Figure in Rand				2025	2024
49. GRAP 3 adjustments (continued)					
Current portion of non-current receivables from non-exchange transactions	12	802	-	1,211	2,013
Cash and cash equivalents	11	697,505,822	-	-	697,505,822
		1,082,293,111	-	(26,019,868)	1,056,273,243

The table reconciles the carrying amounts of financial liabilities under GRAP 104 (2009) to the new carrying amounts under GRAP 104 (Revised 2019) on 1 July 2024.

Financial liability classes	Note	Carrying amount GRAP 104 (2009)	Reclassifications	Change in measurements	New amount GRAP 104 (Revised 2019)
Amortised cost					
Annuity loans	14	1,364,427,698	-	-	1,364,427,698
Finance Lease (Non-current)	15	-	-	-	-
Consumer deposits	18	80,367,337	-	-	80,367,337
Current portion of financial liabilities	14	230,842,219	-	-	230,842,219
Trade and other payables from exchange transactions	19	90,824,743	-	-	90,824,743
Finance Lease (Non-current)	15	472,639	-	-	472,639
		1,766,934,636	-	-	1,766,934,636

The table reconciles the carrying amounts of impairment losses under GRAP 104 (2009) to the new carrying amounts under GRAP 104 (Revised 2019) on 1 July 2024.

At amortised cost	Note	Non-current receivable from exchange transactions	Current portion of non-current receivables from exchange transactions	Trade and other receivables from exchange transactions	Total
Carrying amount under GRAP 104 (2009)		-	(10,856)	(201,639,959)	(201,650,815)
Reclassifications to FVTTS		-	-	-	-
Reclassification to amortised cost		-	-	-	-
Change in measurement		-	1,211	(26,021,079)	(26,019,868)
New carrying amount under GRAP 104 (2019)		-	(9,645)	(227,661,038)	(227,670,683)

50. Events after the reporting date (Non-Adjusting)

CES 11/2024 – BFI tender

Inezo Water (Pty) Ltd, Paterson Candy International (SA) (Pty) and Icon Construction (Pty) Ltd made application for an order to review and set aside the award of tender CES 11/2024 Paarl Wastewater Treatment Works - Sludge Stream: Civil Works, Mechanical And Electrical Installation to Stefanutti Stocks (Pty) Ltd (second respondent); Remit the decision with respect to whom to award the tender to the first respondent's bid adjudication committee for reconsideration; direct the Municipality to pay the applicant's costs of suit. To date the Municipality has been successful in opposing a court ordered delay in the start of construction (interdict), as the source of funds for this project is the BFI grant received from National Treasury. The financial implications and impact cannot be determined at present. The matter will only be heard in 2026. The tender award amounts to R978,119,584.

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

51. Unauthorised, irregular, fruitless and wasteful expenditure

51.1 Unauthorised expenditure

Application of Sec (a) of the definition of Unauthorised expenditure in terms of the MFMA - Total operating budget

Opening balance as previously reported	-	-
Unauthorised expenditure for the year	-	-
Opening balance as restated	-	-

Application of Sec (b) of the definition of Unauthorised expenditure in terms of the MFMA - Total Operating Budget

Reconciliation of unauthorised expenditure - Per Sec (b) of the definition of Unauthorised expenditure (Vote - Department)

Opening balance as previously reported	-	-
Unauthorised expenditure for the year	-	-
Opening balance as restated	-	-

2025

	Budget	Actual expenditure	Unauthorised expenditure	Amount written off by council
Unauthorised expenditure per Vote (Department)				
Office of the City Manager	6,187,058	5,849,445	-	-
Financial Services	152,540,109	140,813,195	-	-
Corporate and Planning Services	284,914,145	262,671,539	-	-
Public Safety	271,839,966	244,052,272	-	-
Community Services	261,858,008	240,952,435	-	-
Engineering Services	2,427,117,642	2,364,374,549	-	-
Department of Chief Audit Executive	11,677,125	11,067,467	-	-
Department of Risk And Compliance	2,902,596	2,714,703	-	-
Department of IDP And PMS	5,781,068	5,689,762	-	-
Department of Communication	7,447,531	6,915,198	-	-
	3,432,265,248	3,285,100,565	-	-

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Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024		
51. Unauthorised, irregular, fruitless and wasteful expenditure (continued)				
2024				
	Budget	Actual expenditure	Unauthorised expenditure	Amount written off by council
Unauthorised expenditure per Vote (Department)				
Office of the City Manager	4,707,019	4,411,219	-	-
Financial Services	142,072,827	127,643,578	-	-
Corporate and Planning Services	269,259,166	258,534,748	-	-
Public Safety	257,080,117	236,208,142	-	-
Community Services	279,272,606	243,922,463	-	-
Engineering Services	2,151,978,878	2,087,261,062	-	-
Department of Chief Audit Executive	10,597,400	10,538,006	-	-
Department of Risk And Compliance	2,746,745	2,495,150	-	-
Department of IDP And PMS	5,371,464	5,194,514	-	-
Department of Communication	6,944,837	6,678,496	-	-
	3,130,031,059	2,982,887,378	-	-

Application of Sec (a) of the definition of Unauthorised expenditure in terms of the MFMA - Total Capital Budget

Reconciliation of unauthorised expenditure - Per Sec (a) of the definition of

Unauthorised expenditure (Total Capital Budget)

Opening balance as previously reported	-	-
Unauthorised expenditure for the year	-	-
Opening balance as restated	-	-

Application of Sec (b) of the definition of Unauthorised expenditure in terms of the MFMA - Capital Budget

Reconciliation of unauthorised expenditure - Per Sec (b) of the definition of

Unauthorised expenditure (Vote - GFS)

Opening balance as previously reported	-	-
Unauthorised expenditure for the year	-	-
Opening balance as restated	-	-

No unauthorised capital expenditure as per Sec (a) and (b) as per definition in terms of the MFMA.

51.2 Irregular expenditure

Opening balance as restated	163,005,450	125,774,652
Add: Irregular expenditure - current	27,707,378	5,961,128
Add: Irregular expenditure – prior period	57,471	3,306,136
Add: Irregular expenditure - Strip and quote expendirure (Prior Period Error)	-	37,257,657
Less: Amounts written-off – current	(24,996,654)	(5,961,128)
Less: Amounts written-off – prior period	(163,062,921)	(3,306,136)
Less: Amount recovered	-	(26,859)
Closing balance	2,710,724	163,005,450

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
51. Unauthorised, irregular, fruitless and wasteful expenditure (continued)		
Incident	Disciplinary steps/criminal proceedings	
The expenditure relates to “strip and quote” procurement transactions with regards to the repair of vehicles and equipment that are required for service delivery. The expenditure was classified under Regulation 16 and Regulation 17 in terms of the Municipal Supply Chain Management Regulations. The application and use of these regulations for this category of expenditure were deemed as incorrect, resulting in expenditure being categorised as irregular expenditure.	Matter was investigated and reported to Council and written off.	24,996,654 37,257,657
Prior year: The Auditor-General of South Africa identified irregular expenditure due to non-compliance with the Preferential Procurement Regulations 2022 relating to the preferential points system not applied for written quotations below R30 000 (VAT included). The period is 16 January 2023 to 30 June 2023. The reason for the irregular expenditure was identified as arising from a failure to apply the required preference point system. The Auditor-General of South Africa identified irregular expenditure due to non-compliance with the Preferential Procurement Regulations 2022 regarding to preferential points system not applied to written quotations below R30 000 (VAT included). The period is 16 January 2023 to 30 June 2023.	Matter was investigated and reported to Council and written off.	- 3,306,136
Current year: The Auditor-General of South Africa identified irregular expenditure due to non-compliance with the Preferential Procurement Regulations 2022 relating to the preferential points system not applied for written quotations below R30 000 (VAT included). The period is 1 July 2023 to 31 January 2024. The reason for the irregular expenditure was identified as arising from a failure to apply the required preference point system. The Auditor-General of South Africa identified irregular expenditure due to non-compliance with the Preferential Procurement Regulations 2022 regarding to preferential points system not applied to written quotations below R30 000 (VAT included). The period is 1 July 2023 to 31 January 2024.	Matter was investigated and reported to Council and written off.	- 5,961,128
Current year: An incident was identified where a contractor was prematurely paid for construction work relating to five mini drop-off facilities.	Matter was investigated and reported to Council and written off.	57,471 -
Current year: The expenditure relates to non-compliance with regulations 16 and 17 of the Municipal Supply Chain Management Regulations, where the reasons for not obtaining at least three quotations were incorrectly reported.	Matter will be investigated and reported to Council.	2,710,724 -
Total		27,764,849 46,524,921

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
51. Unauthorised, irregular, fruitless and wasteful expenditure (continued)		
51.3 Fruitless and wasteful expenditure		
Opening balance as restated	2,245,171	1,454,220
Add: Fruitless and wasteful expenditure – current	16,512	790,951
Less: Amounts written-off – current	(789,555)	-
Closing balance	1,472,128	2,245,171

Incident	Disciplinary steps/criminal proceedings		
The municipality became aware that a former employee paid money (intended for creditors) into her personal bank account. This amounts to fraud.	In progress	-	790,951
The expenditure relates to an unauthorised travelling arrangement made by an official for a trip to Krugersdorp via Johannesburg. The supplier made bookings with an airline and an lodge. The cost incurred by the supplier was paid in terms of the approved tender.	In progress	10,423	-
The expenditure relates to interest paid on an overdue account for the supply and delivery of vehicles	In progress	6,089	-
Total		16,512	790,951

All above mentioned amounts include VAT.

52. Additional disclosures in terms of Municipal Finance Management Act

	SALGA contributions	Audit fees	PAYE	UIF	Pension	Medical aid
As at 30 June 2025						
Opening balance	(6,430,877)	-	-	-	-	-
Subscription/fees	8,352,508	8,095,213	123,986,843	7,587,718	123,499,512	54,366,526
Amount paid – current year	(8,849,368)	(8,084,504)	(123,986,843)	(7,587,718)	(123,499,512)	(54,366,526)
Balance (prepaid) / unpaid **	(6,927,737)	10,709	-	-	-	-
	SALGA contributions	Audit fees	PAYE	UIF	Pension	Medical aid
As at 30 June 2024						
Opening balance	(6,295,434)	-	-	-	-	-
Subscription/fees	8,051,444	7,286,673	113,209,575	7,517,392	117,545,819	49,325,090
Amount paid – current year	(8,186,887)	(7,286,673)	(113,209,575)	(7,517,392)	(117,545,819)	(49,325,090)
Balance (prepaid) / unpaid **	(6,430,877)	-	-	-	-	-

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

52. Additional disclosures in terms of Municipal Finance Management Act (continued)

** These balances are either included in (debtors) or creditors respectively.

VAT output payables and VAT input receivables are shown in Note . All VAT returns have been submitted by the due date throughout the year.

Non-Compliance with Chapter 11 of the Municipal Finance Management Act

Non-Compliance to the following sections of chapters of the MFMA:

CHAPTER	SECTION	SUB-SECTION
8	74	1

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
53. Additional disclosures in terms of the supply chain management regulations		
53.1. Deviation from, and ratification of minor breaches of, the procurement processes		
In terms of section 35(2) of the Supply Chain Management Policy approved by Council it is stipulated that bids where the formal procurement processes could not be followed, must be noted in the financial statements. All amounts listed below are VAT inclusive.		
SCM paragraph reference	Description of deviation	
35 (1)(a) i	Dispense with the official procurement processes in an emergency	10,537,596 8,820,758
35 (1)(a) ii	Dispense with official procurement processes if such goods or services are produced or available from a single source or sole provider.	45,449,441 38,295,732
35 (1)(a) v	Dispense with official procurement processes in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	6,566,662 28,900,540
Total deviations		62,553,699 76,017,030

53.2. Awards to close family members of persons in service of the state - SCM Regulation 44

Awards to close family members of persons in the service of Drakenstein Municipality

Supplier name	Employee name	Relationship	Department		
D Uren Construction *	Z Naidoo	Child	Drakenstein Municipality: Finance	-	45,350
	U Naidoo	Son-in-law	Drakenstein Municipality: Engineering		
Harold's Auto Repairs *	B van Rooy	Child	Drakenstein Municipality: Engineering Services	-	83,877
Mynhardt Joubert (Pty) Ltd **	I Engelmohr	Spouse	Drakenstein Municipality: Finance	-	23,288
EHH Building Construction *	H Fredericks	Brother	Drakenstein Municipality: Community Services	424,397	280,051
Siphakame Skills Development CC *	N Vacu	Spouse	Drakenstein Municipality: Planning and Economic Development	239,189	-
BD Uren *	Z Naidoo	Sister	Drakenstein Municipality: Finance	-	91,497
	U Naidoo	Brother-in-law	Drakenstein Municipality: Engineering		
VE Sovile *	A Stulweni	Partner	Drakenstein Municipality: Councillor	98,055	68,374
Elana Uren *	Z Naidoo	Child	Drakenstein Municipality: Finance	-	812,438

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Notes to the Audited Annual Financial Statements

Figure in Rand				2025	2024
William Matthyse T/S WM Upholsters	M Matthyse	Child	Drakenstein Municipality: Corporate & Planning Services	25,800	-
Juhan Construction (Pty) Ltd	A Abrahams	Brother-in-law	Drakenstein Municipality: Finance	2,328,036	-
				3,115,477	1,404,875

Awards to close family members of persons in the service of other state departments and entities (not listed above)

Supplier name	Employee name	Relationship	Department		
Servelec (Pty) Ltd *	L de Lange	Spouse	South African Revenue Services	6,304,429	1,569,562
Van Der Spuy (Wes-Kaap) Inc Van Der Spuy en Vennote *	M Van Zyl	Spouse	Western Cape Department of Education	4,048,243	1,795,446
Webber Wentzel *	Dr E Watson	Brother	Road Accident Fund	3,084,857	2,106,715
	E Watson	Parent	Department of Public Services and Administration		
	JCL Smit	Parent	Beaufort West Municipality		
	N Ndebele	Sister	Gauteng Department of Education		
	Dr D Singh	Parent	Department of Basic Education (KZN)		
	P Singh	Parent	Department of Basic Education (KZN)		
	B Gxilishe	Parent	Department of Agriculture and Fisheries		
WRP Consulting Engineers (Pty) Ltd *	EK Mamphita	Spouse	South African Broadcasting Corporation	220,057	154,328
	HE Furumele	Brother	Department of Education		
	KS Furumele	Brother	Department of Education		
	ME Phathutshedzo	Sister	Department of Defence		
	DG Mamphitha	Sister-in-law	Fezile Dabi District Municipality		
	A Mare	Daughter-in-law	Department of Education		
JPCE (Pty) Ltd *	J Minnie	Spouse	City of Cape Town	680,688	1,062,909
Neil Lyners and Associates CC t/a Lyners *	A du Toit	Child	City of Cape Town	2,611,548	4,664,009
Ikapa Reticulation & Flow CC *	C Davids	Child	Western Cape Department of Education	2,314,477	673,554
Kozain Panel Beaters **	J Kozain	Child	Western Cape Department of Education	39,418	35,424
	T Kozain	Child	Western Cape Department of Health		

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand				2025	2024
Awards to close family members of persons in the service of other state departments and entities (not listed above)(continue)					
Supplier name	Employee name	Relationship	Department		
Zutari (Pty) Ltd (previous Aurecon South Africa (Pty) Ltd) ***	HC Ahlschlager	Spouse	Special Investigation Unit	53,339,145	30,858,146
	S Seegers	Sibling	City of Cape Town		
	N Allie	Sibling	SARS		
	M Gasant	Sibling	SARS		
	K Nadasen	Spouse	National Department of Public Works		
	MR Marques	Spouse	Department of Home Affairs		
	TJ Ndala	Spouse	Gauteng Department of Education		
TC Events Co (Pty) Ltd **	L Johnson	Brother	South African Police Services	2,270,176	1,646,826
	D Renier	Brother-in-law	South African Police Service		
LJ Projects and Events *	C Jafta	Spouse	Department of Water Affairs	-	28,640
Nedbank Limited*	MM Matoqane	Brother	Ekurhuleni Metro Municipality	4,461,644	2,982,983
	B Radebe	Spouse	Department of Education		
JC Verkoeling (Pty) Ltd*	H Esterhuizen	Sister-in-law	South African Police Service	574,059	214,303
Wamtech Systems (Pty) Ltd**	M Le Roux	Sister	City of Cape Town	-	59,695
C and M Raadgewende Ingenieurs (Pty) Ltd**	CB Nyele	Spouse	SA Weather Services	198,927	-
Van Zyl Kruger Inc*	G Marais	Brother	City of Cape Town	265,071	325,717
	P Marais	Father	Provincial Parliament		
Adapt IT (Pty) Ltd***	D Mbmabo	Spouse	SANRAL	567,961	601,299
Lynamic*	J Smith	Brother	Department of Social Development	1,381,470	1,457,941
	C Smith	Sister-in-law	Department of Health		
Organ of State Advisory and Research (Pty) Ltd**	M Renier	Sister	Western Cape Education Department	103,500	51,750
	D Renier	Brother-in-law	South African Police Services		
Casella Holdings (Pty) Ltd**	B Kies	Sister	Metro - Emergency Medical Services	-	24,550
Hiload Inyanga Construction (Pty) Ltd*	A van Wyk	Spouse	Western Cape Education Department	5,710,225	2,383,717
Munsoft (Pty) Ltd**	M Nondzaba	Parent	Bojanala Platinum District Municipality	883,807	691,844
JVZ Construction (Pty) Ltd***	RE Matthee	Spouse	Department of Correctional Services	50,231,895	13,619,193
Macsteel Service Centres SA (Pty) Ltd*	CB Vilakzi	Spouse	Board of Eskom SOC Ltd	-	273,687
Zana Manzi's Services (Pty) Ltd*	G Luthuli	Spouse	Head of Institution: Desmond Tutu Child & Youth Care Centre (Pretoria North)	346,391	-

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand				2025	2024
Actom (Pty) Ltd T/A Genlux Lighting, A Division of**	T Lubbe	Spouse	Gauteng Department of Education	314,957	-
	CR Makamu	Spouse	Department of Higher Education	-	-
Actom Electrical Products A Division of Actom**	T Lubbe	Spouse	Gauteng Department of Education	6,803,152	-
	CR Makamu	Spouse	Department of Higher Education	-	-
Ozow (Pty) Ltd*	T Constable	Spouse	Gauteng Department of Health	61,242	-
Indecon (Pty) Ltd T/A Indecon Instrumentation*	L Barnard	Spouse	Western Cape Education Department	53,130	-
Masiqhame Trading 1555 CC*	D Carelson	Sister	City of Cape Town	3,234,918	-
Ducharme Asset Management and Accounting (Pty) Ltd* L Mbekeni		Spouse	Department of Rural Development and Land Reform	211,600	-
D.Uren Construction*	Z Naidoo	Child	Eskom	1,592,711	-
BD Uren*	Z Naidoo	Sister	Eskom	-	-
Elana Uren*	Z Naidoo	Child	Eskom	241,702	-
Herold Gie and Broadhead Inc**	N Fourie	Sister-in-law	Western Cape Department of Health	409,938	-
	K Meyer	Father	City of Cape Town	-	-
Skonto (Pty) Ltd*	A Klaassen	Child	Western Cape Mobility Department	47,058	-
All amounts include VAT				152,608,396	67,282,238

References:

*** Rates and fixed - Awards were made based on tendered rates and fixed amounts.

** Fixed - Awards were made based on fixed amounts only.

* Rates - Awards were made based on tendered rates only.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
54. Capital commitments		
Commitments in respect of capital expenditure:		
Approved and contracted for:		
Infrastructure	1,003,159,595	345,592,340
Other	5,318,201	5,244,694
Intangibles	-	25,001
	1,008,477,796	350,862,035

All capital commitments include VAT.

55. Financial instruments

55.1 Fair value of financial instruments

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the audited annual financial statements approximate their fair values, except for the listed Government stock. In accordance with GRAP 104 the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of financial position, are as follow:

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand		2025		2024	
55. Financial instruments (continued)					
		2025		2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Fair value					
Listed investments	11	-	-	-	-
Amortised cost					
Non-current receivables from exchange transactions	7	-	-	-	-
Trade and other receivables from exchange transactions	9	378,399,445	378,399,445	380,172,614	380,172,614
Receivables from non-exchange transactions	10	4,297,566	4,297,566	4,613,873	4,613,873
Current portion of non-current receivables	7	-	-	802	802
Short-term investments		-	-	-	-
Cash and cash equivalents	11	1,028,932,868	1,028,932,868	697,505,822	697,505,822
		1,411,629,879	1,411,629,879	1,082,293,111	1,082,293,111
Financial liabilities					
Amortised cost					
Unsecured bank facilities:					
Annuity Loans	14&15	1,262,256,026	1,262,256,026	1,364,427,698	1,364,427,698
Finance Leases	14	724,181	724,181	-	-
		1,262,980,207	1,262,980,207	1,364,427,698	1,364,427,698
Consumer deposits					
Consumer deposits	18	86,665,894	86,665,894	80,367,377	80,367,377
Trade and other payables from exchange transactions	19	274,782,841	274,782,841	231,729,899	231,729,899
Current portion of Borrowings	14&15	102,171,671	102,171,671	90,824,743	90,824,743
Current portion of Finance Leases	14	351,619	351,619	472,639	472,639
		463,972,025	463,972,025	403,394,658	403,394,658
Total financial liabilities		1,726,952,232	1,726,952,232	1,767,822,356	1,767,822,356
Total financial instruments		(315,322,353)	(315,322,353)	(685,529,245)	(685,529,245)

The Fair Values of Financial Assets and Financial Liabilities are determined as follow:

The municipality's financial assets and liabilities are measured at amortised cost. For disclosure purposes, the fair values of these instruments are categorized within the fair value hierarchy as Level 2.

Short-term Receivables and Payables: The fair value of short-term receivables and payables is considered to be the transaction price. This is because the initial credit period is no longer than 30 days. These fair values are classified as Level 2 in the fair value hierarchy because they are not based on quoted prices in active markets, but on observable inputs.

Other Financial Instruments at Amortised Cost: The fair value of other financial instruments at amortised cost, such as long-term receivables and borrowings, is determined by discounting future cash flows at market interest rates for similar instruments. These are also classified as Level 2 in the fair value hierarchy.

The municipality does not have any financial instruments that are carried at fair value, and therefore no instruments are classified as Level 1 or Level 3 in the fair value hierarchy.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

55. Financial instruments (continued)

55.2 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 capital structure of the municipality consists of debt, which includes the Long-term Borrowings disclosed in Note 14; Finance Leases disclosed in Note 15; Cash and Cash Equivalents disclosed in Note 11; and Net Assets, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note(s) 21 to 23 and the Statement of Changes in Net Assets.

55.3 Financial risk management objectives

Due to 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 IFRS mainly apply. Generally, financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department: Financial services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity. Compliance with policies and procedures is reviewed by internal auditors on a continuous basis, and by external auditors annually. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit and risk management, responsible for monitoring and responding to potential risk, reports quarterly to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

55.4 Significant accounting policies

Details of the significant Accounting Policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in the Accounting Policies to the audited annual financial statements.

55.5 Market risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 47.6 below). No formal policy exists to hedge volatilities in the interest rate market.

55.6 Interest Rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk on financial assets consist mainly of fixed deposit investments and bank and cash balances.

The municipality is primarily exposed to interest rate risk on its long-term borrowings and finance leases. However, as the municipality's borrowings are all at fixed interest rates for the duration of their terms, there is no direct exposure to interest rate fluctuations that would impact finance costs. Therefore, a sensitivity analysis for interest rate risk is not presented.

The municipality does not incur interest on its trade and other payables. In accordance with legislative requirements, these payables are settled within a 30-day payment period. Any interest that would arise from late payments is considered fruitless and wasteful expenditure. Therefore, a sensitivity analysis for interest rate risk is not presented.

The municipality does not pay any interest on consumer deposits received from customers. These deposits are held to mitigate credit risk in accordance with the municipality's Credit Control and Debt Collection Policy. Therefore, a sensitivity analysis for interest rate risk is not presented.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

55. Financial instruments (continued)

The municipality's maximum exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

The interest rate profile of the Municipality's interest-bearing financial instruments as reported to the management of the Municipality is as follows.

A reasonably possible change of 100 basis points in interest rates at the reporting date for variable-rate instruments would have increased (decreased) surplus or deficit by the amounts shown below. This analysis assumes that all other variables remain constant

	2024/25	
	Surplus and deficit	
	100 bp decrease	100 bp increase
Interest earned on cash and cash equivalents	82,763,689	105,754,803
Interest earned on trade receivables (financial assets)	18,795,969	22,457,519

The Municipality does not account for any fixed-rate financial assets or financial liabilities at fair value through surplus or deficit (FVTSD). As such, changes in market interest rates at the reporting date would not affect the surplus or deficit.

55.7 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Council. The municipality manages liquidity risk by effectively managing its working capital, capital expenditure, external borrowings and cash flows. Standby credit facilities are available with the municipality's main banker to cater for any unexpected temporary shortfall in operating funds.

30 June 2025

	Within 1 year	2 to 5 years	5 years +	Total
Maturity analysis				
Annuity loans	249,381,307	964,191,924	1,058,271,401	2,271,844,632
Finance leases	427,275	783,337	-	1,210,612
Payables from exchange transaction	274,782,841	-	-	274,782,841
Consumer deposits	86,665,894	-	-	86,665,894
	611,257,317	964,975,261	1,058,271,401	2,634,503,979

30 June 2024

	Within 1 year	2 to 5 years	5 years +	Total
Maturity analysis				
Annuity loans	249,381,307	990,918,378	1,280,926,254	2,521,225,939
Finance leases	564,408	-	-	564,408
Payables from exchange transaction	81,919,148	-	-	81,919,148
Consumer deposits	86,672,863	-	-	86,672,863
	418,537,726	990,918,378	1,280,926,254	2,690,382,358

The municipality expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The municipality expects to maintain its current debt to equity ratio. This will be achieved through the annual increase in tariffs to maintain the accumulated surplus.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

55. Financial instruments (continued)

55.8 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.

Potential concentrations of credit risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality's credit risk management objective is to minimise the risk of financial loss arising from the inability of customers or counterparties to meet their contractual obligations.

The Municipality manages credit risk in its borrowing and investing activities by only dealing with well-established financial institutions of high credit standing, and by spreading its exposure over a range of such institutions in accordance with its approved investment policies.

- Setting strict credit control policies approved by Council;
- Requiring service deposits for new accounts;
- Actively monitoring payment performance through monthly ageing reports;
- Segmenting debtors by risk profile for ECL modelling;
- Using external credit ratings for assessing risk of cash and investments with financial institutions; and
- Enforcing collection procedures, including disconnection of services and legal recovery.

The carrying amount of financial assets recorded in the audited annual financial statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follow:

Trade and other receivables from exchange transactions	378,399,445	380,172,614
Short term investments	-	-
Receivables from non-exchange transactions	4,297,566	4,613,873
Current portion of non-current receivable	-	802
Cash and cash equivalents	1,028,932,868	697,505,822
Maximum Credit and Interest Risk Exposure	1,411,629,879	1,082,293,111

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 June 2025

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand					2025	2024
55. Financial instruments (continued)						
	Business	Residential	Other (Govt. Sundry)	Weighted average loss rate	Gross carrying	Loss Allowance
Grade 1 – Performing (0 days, Low Risk)	169,167,834	89,331,917	31,512,167	2.98 %	290,011,918	8,655,734
Grade 2 – Underperforming (1–60 days, Moderate Risk)	5,429,430	22,681,076	2,067,990	27.25 %	22,681,076	6,180,632
Grade 3 – Non-Performing (61–90 days, High Risk)	2,716,894	14,927,676	1,955,558	39.24 %	14,927,681	5,856,903
Grade 4 – Default (>90 days, Credit-Impaired)	31,059,839	281,139,135	7,555,991	79.71 %	281,143,057	224,091,897
Total					608,763,732	244,785,166

The credit risk ratings for receivables are categorised by debtor type, and the risk is assessed based on the impairment probabilities for each group. The receivables are grouped into the following categories:

Business: This group consistently shows the lowest impairment probabilities, reflecting stronger historical payment behavior.

Residential: This group shows a higher impairment probability than the Business group. The report notes that the majority of the impairment value comes from this group due to higher exposure and lower payment probabilities.

Other: This category includes Government, Councillors, and Employees. Their impairment probabilities are higher than those for Business accounts.

	Other (Sundry)	Weighted average loss rate	Gross carrying	Loss Allowance
Other Trade and other receivables from exchange transaction				
Grade 1 - Performing (0 days, Low Risk)	14,420,879	0.00 %	14,420,879	-
Receivables from non-exchange transaction				
Grade 1 - Performing (0 days, Low Risk)	4,297,566	0.00 %	4,297,566	-

The following table provides information about the exposure to credit risk and ECLs for cash and cash equivalents as at 30 June 2025

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand				2025	2024
55. Financial instruments (continued)					
Institution	Account number	Account type	External credit rating	Gross carrying amount	Loss allowance
NEDBANK	122-750-451-9 *	PRIMARY ACCOUNT	zaAA+/'zaA-1+	273,733,321	-
ABSA BANK	93-5338-8392	CALL DEPOSIT	zaAA+/zaA-1+	143,849,586	-
ABSA BANK	93-5591-4684	CALL DEPOSIT	zaAA+/zaA-1+	73,424,468	-
ABSA BANK	93-5612-6210	CALL DEPOSIT	zaAA+/zaA-1+	74,573,012	-
ABSA BANK	90-5907-5162	CALL DEPOSIT	zaAA+/zaA-1+	71	-
NEDBANK	03/7881536373/000052	CALL DEPOSIT	zaAA+/'zaA-1+	715,140	-
NEDBANK	03/7881182954/000002	NOTICE DEPOSIT ACCOUNT	zaAA+/'zaA-1+	17,825,000	-
AFRICAN BANK	110-0061-1166	CALL DEPOSIT	zaA/zaA-1	315,144,626	-
STANDAR D BANK	07 875 830 0 - 063	CALL DEPOSIT	AA+(zaf)	29,543,472	-
STANDAR D BANK	07 875 830 0 - 067	CALL DEPOSIT	AA+(zaf)	100,120,822	-
				1,028,929,518	-

* Nedbank primary account balance per cashbook

55.9 Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

55.10 Adoption of GRAP 104 (Revised) (2019)

The municipality has early adopted GRAP 104 (Revised 2019). In line with the transitional provisions, the comparatives have not been disclosed for new and compulsory disclosures in terms of GRAP 104 (Revised 2019).

56. Additional disclosure in terms of the Broad-Based Black Economic Empowerment Act

Information on compliance with the Broad-Based Black Economic Empowerment Act (B-BBEE) is included in the Annual Report under the section titled Employment Equity.

57. Related party disclosures

57.1 Nature of related party relationships

Related party	Nature of relationship
Compensation made to Senior Management	Refer to note 38.1
Remuneration of councillors	Refer to note 39

57.2 Related party transactions

Revenue		
Consumer services rendered to Key Management	66,830	62,621
Consumer services rendered to Councillors	1,619,057	1,482,280
	1,685,887	1,544,901

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
57. Related party disclosures (continued)		
57.3 Related party balances		
Outstanding balances		
Consumer accounts		
Key Management Personnel	-	-
Councillors	59,784	77,121
	59,784	77,121

The consumer services are in accordance with approved tariffs that was advertised to the public.

The amounts outstanding are unsecured and will be settled in cash. Consumer Deposits were received from Key Management Personnel and Councillors. No expense has been recognized in the period for bad or doubtful debts in respect of the amounts owed by related parties.

Not all persons in the service of the state is seen as related parties as defined in GRAP 20, as they do not necessarily control or have an interest that gives them significant influence over the municipality. For disclosure purposes in terms of Supply Chain Management Regulations 44, awards to close family members of persons in the service of the state are disclosed in note 53.2

58. Retirement benefit information

The municipality makes provision for post-retirement benefits to eligible Councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councilors / 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 and financial position of R 123,499,512 (2024: R 117,545,819) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans.

These schemes are subject to a tri-annual, bi-annual or annual actuarial valuation as set out hereunder.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

58. Retirement benefit information (continued)

a) LA Retirement Fund (Previously Cape Joint Pension Fund)

The LA Retirement Fund operates both as a defined benefit and defined contribution scheme.

Defined benefit scheme

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2024 disclosed an actuarial valuation amounting to R1,302,163,000 (30 June 2023: R1,338,791,000), with a net accumulated surplus of R202,952,000 (2023: R226,285,000), with a funding level of 118.5% (30 June 2023: 120.3%).

Defined contribution scheme

The actuarial valuation report at 30 June 2024 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R2,213,314,000 (30 June 2023: R2,163,627,000), net investment reserve of R0 (30 June 2023: R0) and with a funding level of 100% (2023: 100%).

The actuary concluded that:

- The Pensioner Account has a funding level of 118.5% and is in a sound financial condition;
- The DC Section has a funding level of 100% and is in a sound financial condition;
- The Fund is in a sound financial condition with a funding level of 106.1%;
- The Trustees awarded a 5.1% pension increase effective 1 January 2025; and
- The Trustees awarded 100% of monthly pension bonus to pensioners payable in December 2024.

b) Consolidated Retirement Fund for local government (Previously Cape Joint Retirement Fund)

The last statutory valuation performed as at 30 June 2024 revealed that the net assets of the Fund amounted to R47,307,646,000 (30 June 2023: R42,710,035,000). The members share account and processing reserve account had assets amounting to R45,634,047,000 (2023: R41,498,826,000), and the pensions account had assets amounting to R693,467,000 (2023: R633,281,000) with funding levels of 100.2% and 117.3% (30 June 2023 100.2% and 120.1%) for the Share Account and the Pensions Account respectively. The Preservation Pension Account amounted to R116,787,000 (30 June 2022: R97,435,000), with a funding level of 100% (30 June 2023: 100%). The contribution rate paid by the members (7.5%) and the municipalities (7.5% or 19.5%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

c) SALA Pension Fund

The SALA Pension Fund operates both as a defined benefit and defined contribution scheme.

The statutory valuation performed as at 01 July 2021 revealed that the assets of the fund amounted to R12,238,000 (01 July 2018: R14,298,600), with funding levels of 85.5% (01 July 2018: 96.0%). Recommended that employers continue to contribute at the current rate of 18.97% and the participating employees' contribute rate increased from 19.18% to 21.03% of pensionable salaries.

It is the actuary's opinion that:

- The Fund is 85.5% funded at the current valuation date. The financial position of the Fund has deteriorated since the previous statutory valuation date;
- The deficit at the valuation date has increased since the previous statutory valuation. The drop in the funding level is mainly due to the poor investment returns experienced over the valuation period; and
- I further certify that I am satisfied with the investment policy of the Fund and that the nature of the assets is, in my opinion, suitable for the nature of the liabilities of the Fund at the valuation date.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

58. Retirement benefit information (continued)

d) National Fund for Municipal Workers

The fund operates on defined contribution principles, in terms of the rules of the fund category A and category C members contribute at a rate as agreed upon by the local authority and the member, subject to an absolute minimum contribution of 2% or 5% of their remuneration respectively.

The local authority must, in respect of category A and category C members contribute such an amount as agreed between the local authority and the fund, subject to a minimum contribution rate of 2% and 5% of their remuneration respectively.

Category B members are members who belong to both category A and category C and the local authority must, on behalf of such members, not contribute less than 7% of their remuneration.

The contribution rates specified above include the amounts payable towards the insured risk benefits policy as well as an allowance for administration fees.

The exact member contribution rate and employer contribution rate payable by each of the local authorities are specified in the schedule to the consolidated rules.

The last statutory valuation performed as at 30 June 2024 revealed that the assets of the fund amounted to R31,228,359,000 (30 June 2023: R27,542,846,000), with funding levels of 100.00% (30 June 2023: 100%). The actuary certifies that as at 30 June 2024 the assets of the fund were sufficient to cover 100.0% members' liabilities and reserve account balances. They thus confirm that, the fund continues to be able to meet its liabilities.

e) The Municipal Workers Retirement Fund (Previously South African Municipal Workers Union Provident Fund)

The fund does statutory valuations every three years. Information below is extracted from the latest report on March 2022. Comparatives therefore differ from disclosures in previous years AFS.

The statutory valuation performed as at 30 June 2020 revealed that the assets of the fund amounted to R9,021,008,000 (30 June 2019: R9,272,763,000), with funding levels of 102.2% (30 June 2019: 110.6%). The funding level before allowing for the reserves has reduced to 102.2%, largely as a result of the poor investment returns over the year to 30 June 2020.

The Rules require that member and employer contribution rates shall be as agreed between the employer and the Fund but shall be not less than 7.5% and 18% respectively, unless the employer is part of a bargaining forum that permits lower contribution rates and/or does not apply higher member and employer contribution rates for any of its employees. The employer contribution rates applicable shall not be less than those contributed by the employer to any other fund.

Based on June 2020 contributions, it appears that members contribute at an average rate of around 8.2%, and employers at an average rate of around 19.5%.

The Fund's assets were sufficient to cover the members' Fund Credits and to provide a margin for contingency reserves as at 30 June 2020. The valuator therefore consider that the Fund was in a sound financial position at the valuation date.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

59. Contingent liabilities

TE Joka

During Feb 2019, the Plaintiffs' vehicle was impounded for not having a valid permit to transport passengers. The Plaintiff received a fine and appeared in Court to dispute the fine and was successful. The charges against the plaintiff were withdrawn, but the fine of R7,000 (2024: R7,000) was not refunded.

N Largardien

In January 2022, the applicant drove through a pothole in Annie Benjamin Street. As a result of this incident the applicant lodge a claim against the municipality to the amount of R11,814 (2024: R11,814). The matter was referred to the internal insurance section and was rejected. The claim is in settlement negotiations with a legal advisor.

Baruch Security

The applicant filed a security services claim against the Municipality. As a result of this incident, the applicant lodged a claim of R897,717 (2024: R897,717). The claim is current with attorneys appointed by the Municipality.

Fox Properties (Pty) Ltd

It is alleged that the conveyancing transaction was incorrectly processed, the building works was incomplete and there was a loss of rental income. The applicant lodged a claim of R3,229,035.

GC du Plessis

The applicant drove through a pothole and as a result of this incident the applicant lodge a claim against the municipality to the amount of R33,783.

Dimension Data (Pty) Ltd

It is alleged that the municipality did not reimburse a service provider for services rendered. The applicant lodge a claim of R265,166.88.

Various other insurance claims

To date a total of 14 (2024: 19) cases are being dealt with at the Municipality's insurer and amounts to R37,431,287 (2024: 40,995,673) in total claims. In the event that the claims are successful, the Municipality will be liable for the amount of R300,000 (2024: R440,0000), which is the excess payable.

Arbitration cases

The municipality has 4 (2024: 4) ongoing arbitration cases, which varies in circumstances. The maximum exposure for the municipality amounts to R2,838,180.73 (2024: R1,467,097.83).

VAT - Library Grant

According to Section 217 (3) of the Tax Administration Act (TAA), the municipality may be levied with penalties and interest by SARS for the late declaration and payment of output VAT. The penalty rate and interest charged will be determined by SARS as various considerations need to be taken into account to calculate this amount. The municipality's best estimate for these penalties and interest payable amounts to R1,963,556 (2024: R2,431,888).

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

60. Contingent assets

Insurance Claim - Parys Substation fire & Grysbok Flats fire

A dispute with the insured underwriter and broker with regards to the amount of the insurance claims to be paid out by the insurance company, and the uncertainty on the claim amount to be paid out. The claim is estimated at R25,007,410 (2024: R25,007,410).

61. Reporting against the framework for schedule 4 of DORA allocations

Submit project registrations and detail project implementation plans before the prescribed due dates. Department of Provincial and Local Government is monitoring the overall programme implementation.

62. Registered IUDG programme

	Received	Expenditure	Unspent
2024/2025			
Solid waste skips	564,200	(564,200)	-
Upgrading of Refuse Transfer Station	5,271,415	(5,271,414)	1
Replace / Upgrade Water Reticulation Station	11,970,800	(11,970,799)	1
Extension of basic services: informal settlements (Water)	1,025,911	(1,025,911)	-
Replace 2 X Ras Pumps. Paarl WWTW	820,807	(820,807)	-
Replace / upgrade sewerage system	3,905,360	(3,905,360)	-
Upgrading of Reactors Paarl WWTW	4,076,335	(4,076,334)	1
Extension of basic services: informal settlements (Sanitation)	1,974,090	(1,974,089)	1
Upgrading of Traffic Lights Intersection	1,484,150	(1,484,150)	-
Reseal of Streets / Road Network (Paarl / Wellington)	19,611,925	(19,611,925)	-
Upgrading of Sidewalks	849,932	(849,932)	-
Refurbish Storm Water Systems	7,542,147	(7,542,147)	-
Drakenstein Streetlight Projects	508,145	(508,145)	-
	59,605,217	(59,605,213)	4
	Received	Expenditure	Unspent
2023/2024			
Solid waste skips	998,200	(998,200)	-
Replacement of Ysterbrug -Victoria pump	11,810,379	(11,810,379)	-
Extension of basic services: informal settlements (water)	2,300,000	(2,300,000)	-
Replace / upgrade sewerage system	3,444,250	(3,444,250)	-
Disinfectant system for Wellington WWTW	546,502	(546,502)	-
Extension of basic services: informal settlements (sanitation)	2,300,000	(2,300,000)	-
Traffic lights	2,057,771	(2,057,771)	-
Reseal of streets in terms of the rams	7,443,774	(7,443,774)	-
Upgrading of sidewalks	3,980,852	(3,980,852)	-
Refurbish storm water systems	5,633,331	(5,633,331)	-
Increase existing HT network capacity	6,083,667	(6,083,667)	-
Increase existing MT network capacity	4,600,000	(4,600,000)	-
Replacement program for old and redundant	3,449,787	(3,449,787)	-
Increase existing LT network capacity	1,379,999	(1,379,999)	-
Electrification of informal areas	2,587,488	(2,587,488)	-
	58,616,000	(58,616,000)	-

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

63. Going concern

In terms of the accounting standard GRAP 1, paragraphs 27 to 30, the annual financial statements are prepared on a going concern basis. The assumption is based on the fact that the municipality has a constitutional mandate to levy property rates and service charges to enable the municipality to be considered as a going concern even though the municipality will be operational over the short to medium term in a state where liquidity will be under pressure.

The municipality has not defaulted on payment of creditors. By sustaining a revenue collection rate above 98%, the municipality do have the ability to operate as a going concern and to continue rendering services to its community.

64. Principal and agent arrangements

Agent arrangements: Traffic services

Agent for the Western Cape Department of Transport and Public Works

The municipality acts as agent for the Western Cape Department of Transport and Public Works, where it provides motor vehicle registration and licenses services on behalf of the Western Cape Department of Transport and Public Works.

Reconciliation of amounts payable to the WC Department of Transport and Public Works

Balance at beginning of year	(274,269)	(85,809)
Revenue received on behalf of principal (incl comission)	98,588,327	96,706,880
Revenue recognised by municipality agency fee (Inclusive of VAT)	(21,070,129)	(20,299,965)
Revenue paid over to the principal	(77,178,600)	(76,595,375)
* VAT included		
Balance at the end of the year	65,329	(274,269)

Agent for the Road Traffic Infringement Agency (RTIA)

The Municipality acts as agent for Road Traffic Infringement Agency (RTIA), where it collects AARTO fines on behalf of the RTIA and receives a 3% agency fee.

Reconciliation of amounts payable to the Road Traffic Infringement Agency

Balance at beginning of year	-	-
Revenue received on behalf of principal (incl comission)	198,205	107,235
Revenue recognised by municipality as agency fee (inclusive of VAT)	(5,946)	(3,217)
Revenue paid over to the principal	(192,259)	(104,018)
* VAT included		
Balance at the end of the year	-	-

Agent for the Western Cape Department of Human Settlements

The municipality acts as agent for the Western Cape Department of Human Settlements, where it acts as account administrator for certain housing projects. Refer to note 34, for amounts recognised as revenue and amounts receivable.

Agent for the National Department of Justice

The Municipality act as agent for the National Department of Justice, where it collects Contempt of court fines imposed for non-appearance of traffic fine offenders. The Municipality does not derive any revenue from this functions.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
Reconciliation of amounts payable to the Department of Justice		
Balance at beginning of year	751,000	445,600
Revenue received on behalf of principal	1,021,400	305,400
Revenue recognised by municipality as agency fee	-	-
Revenue paid over to the principal	-	-
Balance at the end of the year	1,772,400	751,000

Agent arrangements: Housing services

Agent for the Western Cape Department of Human Settlements

The municipality acts as agent for the Western Cape Department of Human Settlements, where it acts as account administrator for certain housing projects. Refer to note 34, for amounts recognised as revenue and amounts receivable.

The prior year comparatives have been restated, please refer to note 49 for more detailed information.

Principal arrangements: Traffic services

Issuing of Traffic fines

The municipality has a service provider TMT (2024: TMT) who acts as agent for the municipality with the issuing of traffic fines. All payments are received directly by the municipality and the service provider invoices the municipality for commission payable.

Amounts remitted, but not received at year-end	-	-
Commission received by the agent (Incl VAT)	7,139,724	6,682,633

Principal arrangements: Financial Services

Agent for the Drakenstein Municipality

The municipality has a service provider EasyPay & Ozow (2024: EasyPay & Pay At) who acts as agent for the Municipality with the 3rd party collection of debtor payments. All payments are paid directly to the municipality and the service provider invoices the municipality for commission payable.

Amounts remitted, but not received at year-end	1,210,706	1,725,801
Commission received by the agent (Incl VAT)	4,912,898	5,770,785

Principal arrangements: Financial Services

Agent for the Drakenstein Municipality

The municipality has a service provider ONTEC (2024: ONTEC) who acts as agent for the municipality with the sale of prepaid electricity and water. All payments are received directly by the municipality and the service provider invoices the municipality for commission payable. No penalties are payable if the contract with the agent is terminated.

Amounts remitted, but not received at year-end	5,084,049	10,280,359
Commission received by the agent (Incl VAT)	10,110,943	10,695,698

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
65. Transfers and subsidies		
Operational		
Bursaries	585,922	515,025
Other allocations	37,422,628	14,335,529
Total transfers and subsidies: Operational	38,008,550	14,850,554

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
66. Reconciliation of budget surplus/(deficit) with surplus/(deficit) with Statement of Financial Performance		
Net surplus/(deficit) per the statement of financial performance		
Basis differences		721,536,082
Revenue by Source		
Property rates		-
Property rates - penalties & collection charges (Surcharges and Taxes*)		(3,168,263)
Service charges - electricity revenue		(1,753,141,509)
Service charges - water revenue		(246,784,285)
Service charges - sanitation revenue		(164,906,162)
Service charges - refuse revenue		(183,297,317)
Service charges		2,360,118,361
Availability charges - Waste management		(3,998,472)
Availability charges - Water		(2,207,465)
Availability charges - Waste water management		(3,352,292)
Availability charges - Electricity		(2,430,860)
Rental of facilities and equipment (Rental of Fixed Assets*)		(8,020,557)
Investment revenue (Interest earned - external investments)		-
Interest earned - outstanding debtors		(20,626,499)
Finance income and Dividends*		-
Licences and permits		(22,703,756)
Fines (Fines, Penalties & Forfeits*)		(104,330,737)
Transfers recognised - operational / (Transfers and Subsidies*)		(535,928,666)
Other revenue (Operational Revenue (Exchange)*)		297,144,805
Operational Revenue (Non-Exchange)*		(4,418,007)
Sale of Goods and Rendering of Services*		(36,774,085)
Inventory Surpluses (Gains / Losses on Inventory)		-
Construction Contract Revenue		-
Fair value Adjustment		(27,635,000)
Total		(466,460,766)
Expenditure By Type		
Employee related costs		2,325,909
Remuneration of councillors (Councillor Related Cost*)		-
Collection cost		-
Debt impairment		-
Irrecoverable debts written off		101,986,105
Impairment losses on financial assets		31,666,645
Depreciation & asset impairment (Depreciation and Amortisation *)		(32,567,545)
Impairment losses		900,900
Interest, Dividends and Rent on Land (Interest paid*)		-
Materials and Bulk purchases		(1,449,436,744)
Bulk purchases		1,378,144,797
Contracted services		223,345,314
Transfers and grants (Transfers and Subsidies : Operational Exp*)		-
Other expenditure (Operational cost*)		(376,901,887)
Inventory*		71,291,947
Operating Leases*		19,938,977
Loss on disposal of Assets (Gains / (losses) on disposal of PPE, IA, IP & HA*)		19,866,510
Total		(9,439,072)

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024
Surplus/(Deficit)		
Transfers recognised - capital		461,487,777
Contributions recognised - capital		14,412,059
		475,899,836
Net surplus/(deficit) per statement of budget comparison		721,536,082
* - Statement of Financial Performance classifications		
Budget basis differences mainly relate to grouping differences of revenue and expenditure items between budget items per the Budget Schedules as issued by National Treasury, as opposed to the actual nature per GRAP. The mSCOA tables and the format of the Budget Schedules as issued by National Treasury are not yet fully aligned to the Standards of GRAP and this is therefore the reason for the disparity in classifications between the 2024/25 Budget and GRAP Annual Financial Statements.		
67. Reconciliation of cash flow per the budget regulations with the cash flows per cash flow statement		
Net cash from operating activities		(6,298,517)
Net cash from investing activities		-
Net cash from financing activities		6,298,517
Net increase / (decrease) in cash and cash equivalents		-

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand	2025	2024

68. Budget information

The budget has been prepared on the accrual basis of accounting in accordance with the prescripts of the Municipal budget regulations as well as MFMA budget circulars. In accordance with the Municipal budget regulations, the classification basis the municipality presents its budget is per economic as well as per functional classification (per Vote (Department) and GFS classification). It should be noted that minor budget differences between the basis the budget is prepared (accrual basis and prescripts of NT guidance) and actual financial results (accrual basis in accordance with GRAP) exists, mainly related to technical GRAP adjustments required. These differences are not material and as the basis of preparation is the same (accrual basis) no restatements have been made to the financial information compared to the budgeted amounts, but where found to be material is explained below:

Explanation of variances between approved and final budget amounts

The reason for the variances between the approved and final budgets are mainly due to reallocations made within the approved budget parameters allowed for by the Virement Policy of Drakenstein Municipality as approved by Council.

Explanation of variances greater than 10%: Final Budget and Actual Amounts.

68.1. Statement of Financial Position

Current Assets

- Due to the increase in cash as a result of Service Charges collected being much higher than anticipated.

Current Liabilities

- Developers Contributions for Electricity connections were more than anticipated.

68.2. Statement of Financial Performance

Revenue

- **Investment Income**
Increased interest earned is more than projected due to surplus cash being invested for longer periods of time attracting more favourable interest rates.

Expenditure

- **Remuneration of councillors**
The Determination of upper limits for municipal Council was not available at the time of budget compilation. The actual remuneration was less than anticipated.
- **Depreciation and amortisation (including impairment as per the Budget Schedules)**
 - Impairment of Financial Assets
Decrease in fines issued resulted in a decreased contribution for debt impairment

68.3 Cash Flow Statement

Cash Flows from operating activities

- The actual cash collected for Service Charges was much higher than anticipated.

Cash flows from investing activities

- The amount budgeted for capital assets excludes VAT, and therefore is not included in the total cash from investing activities.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

69. Segment information

Segment surplus or deficit, assets and liabilities

By Department

2025

	Office of the City Manager	Financial Services	Corporate and Planning Services	Public Safety	Community Services	Engineering Services	Department of Chief Audit Executive	Department of Risk And Compliance	Department of IDP And PMS	Department of Communication	Total
Revenue											
Services charges - Electricity	-	-	-	-	-	1,753,141,508	-	-	-	-	1,753,141,508
Services charges - Water	-	-	-	-	-	246,784,284	-	-	-	-	246,784,284
Services charges - Waste management	-	-	-	-	-	183,297,316	-	-	-	-	183,297,316
Services charges - Waste water management	-	-	-	-	-	164,906,162	-	-	-	-	164,906,162
Sales of goods and rendering of services	-	34,414	12,986,477	38,043	23,515,345	199,806	-	-	-	-	36,774,085
Rental from fixed assets	-	(10,839,130)	15,645,909	1,000	1,017,513	2,195,265	-	-	-	-	8,020,557
Interests on investments	-	91,787,807	-	-	-	-	-	-	-	-	91,787,807
Interest earned from receivables	-	-	6,066	-	-	20,620,433	-	-	-	-	20,626,499
Operational revenue - Exchange revenue	-	10,610,676	1,260,889	185,672	279,151	14,066,957	-	-	-	-	26,403,345
Licences and permits	-	-	116,144	22,160,242	425,553	1,817	-	-	-	-	22,703,756
Property rates	-	503,779,667	-	-	-	-	-	-	-	-	503,779,667
Availability charges - Electricity	-	-	-	-	-	2,430,860	-	-	-	-	2,430,860
Availability charges - Water	-	-	-	-	-	2,207,465	-	-	-	-	2,207,465
Availability charges - Waste management	-	-	-	-	-	3,998,472	-	-	-	-	3,998,472
Availability charges - Waste water management	-	-	-	-	-	3,352,292	-	-	-	-	3,352,292
Surcharges and taxes	-	3,168,263	-	-	-	-	-	-	-	-	3,168,263
Fines, penalties and forfeits	-	-	259,896	103,844,104	32,002	194,734	-	-	-	-	104,330,736
Transfers and subsidies	-	49,418,613	3,088,446	810,451	7,355,185	726,758,822	-	-	-	-	787,431,517
Operational revenue - Non-exchange revenue	-	4,418,007	-	-	-	-	-	-	-	-	4,418,007
Fair value adjustment	-	-	-	-	-	27,635,000	-	-	-	-	27,635,000
Total segment revenue	-	652,378,317	33,363,827	127,039,512	32,624,749	3,151,791,193	-	-	-	-	3,997,197,598

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

69. Segment information (continued)

	Office of the City Manager	Financial Services	Corporate and Planning Services	Public Safety	Community Services	Engineering Services	Department of Chief Audit Executive	Department of Risk And Compliance	Department of IDP And PMS	Department of Communication	Total
Expenditure											
Employee related cost	5,483,097	88,069,470	153,316,490	105,913,084	159,549,445	305,621,125	10,371,247	2,584,276	4,622,665	4,633,667	840,164,566
Remuneration of councillors	-	-	34,841,767	-	-	-	-	-	-	-	34,841,767
Debt impairment / write-off	-	4,676,018	628,790	66,982,350	-	29,698,947	-	-	-	-	101,986,105
Depreciation and amortisation	78,995	719,449	6,019,788	2,281,552	59,309,832	178,012,880	34,270	10,451	7,650	80,438	246,555,305
Impairment losses on financial assets	-	4,795,819	(1,296,084)	10,849,919	(9,646)	17,326,636	-	-	-	-	31,666,644
Impairment losses on PPE, IA and HA	-	-	465,129	-	435,772	-	-	-	-	-	900,901
Finance costs	-	107,081	-	-	-	158,090,246	-	-	-	-	158,197,327
Bulk purchases	-	-	-	-	-	1,378,144,797	-	-	-	-	1,378,144,797
Inventory consumed	71,295	1,331,246	1,955,573	1,368,585	11,424,453	55,021,802	38,213	23,782	8,591	48,413	71,291,953
Contracted services	175,156	7,640,893	21,306,534	54,048,637	3,629,676	134,758,365	260,869	37,100	980,300	507,788	223,345,318
Transfers and subsidies	-	-	6,264,941	417,531	1,326,078	30,000,000	-	-	-	-	38,008,550
Operational cost	12,700	30,984,492	36,545,471	1,804,733	3,840,447	35,557,775	312,026	30,894	47,566	1,616,692	110,752,796
Operating leases	28,200	769,260	671,266	385,880	1,446,377	16,507,761	50,843	28,200	22,992	28,200	19,938,979
Loss on disposal of assets	-	1,704,515	-	-	-	18,161,993	-	-	-	-	19,866,508
Total segment expenditure	5,849,443	140,798,243	260,719,665	244,052,271	240,952,434	2,356,902,327	11,067,468	2,714,703	5,689,764	6,915,198	3,275,661,516
Sub-total	(5,849,443)	511,580,074	(227,355,838)	(117,012,759)	(208,327,685)	794,888,866	(11,067,468)	(2,714,703)	(5,689,764)	(6,915,198)	721,536,082
Internal charges											
OC : Municipal services (Income)	-	-	-	-	-	(90,625,745)	-	-	-	-	(90,625,745)
OC : Municipal services	-	265,752	6,832,197	420,838	31,861,017	51,245,941	-	-	-	-	90,625,745
Total segment internal charges	-	265,752	6,832,197	420,838	31,861,017	(39,379,804)	-	-	-	-	-
Total segment surplus/(deficit)	(5,849,443)	511,845,826	(220,523,641)	(116,591,921)	(176,466,668)	755,509,062	(11,067,468)	(2,714,703)	(5,689,764)	(6,915,198)	721,536,082
Capital expenditure											
	9,752	844,701	7,484,256	12,988,270	17,288,493	536,163,596	2,530	25,770	-	167,817	574,975,185

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

69. Segment information (continued)

2024

	Office of the City Manager	Financial Services	Corporate and Planning Services	Public Safety	Community Services	Engineering Services	Department of Chief Audit Executive	Department of Risk And Compliance	Department of IDP And PMS	Department of Communication	Total
Revenue											
Services charges - Electricity	-	-	-	-	-	1,524,505,542	-	-	-	-	1,524,505,542
Services charges - Water	-	-	-	-	-	236,510,660	-	-	-	-	236,510,660
Services charges - Waste management	-	-	-	-	-	169,957,737	-	-	-	-	169,957,737
Services charges - Waste water management	-	-	-	-	-	153,561,417	-	-	-	-	153,561,417
Sales of goods and rendering of services	-	37,043	10,116,550	-	23,531,194	223,174	-	-	-	-	33,907,961
Rental from fixed assets	-	(10,262,351)	14,812,228	957	1,187,538	2,573,789	-	-	-	-	8,312,161
Interests on investments	-	73,656,906	-	-	-	-	-	-	-	-	73,656,906
Interest earned from receivables	-	-	6,632	-	-	19,473,857	-	-	-	-	19,480,489
Operational revenue - Exchange revenue	-	12,781,356	1,259,948	179,202	246,884	10,713,807	-	-	-	-	25,181,197
Licences and permits	-	-	8,336	21,659,633	113,803	4,270	-	-	-	-	21,786,042
Property rates	-	466,404,866	-	-	-	-	-	-	-	-	466,404,866
Services charges - Electricity	-	-	-	-	-	2,527,545	-	-	-	-	2,527,545
Other exchange revenue 1	-	-	-	-	-	2,226,690	-	-	-	-	2,226,690
Availability charges - Waste management	-	-	-	-	-	4,002,553	-	-	-	-	4,002,553
Availability charges - Waste water management	-	-	-	-	-	3,385,134	-	-	-	-	3,385,134
Surcharges and taxes	-	3,084,653	-	-	-	-	-	-	-	-	3,084,653
Fines, penalties and forfeits	-	-	381,471	96,507,153	24,388	379,313	-	-	-	-	97,292,325
Transfers and subsidies	-	42,664,305	4,136,886	1,623,087	31,673,573	607,586,272	-	-	-	-	687,684,123
Operational revenue - Non-exchange revenue	-	4,378,051	-	-	-	-	-	-	-	-	4,378,051
Other Non-Exchange Revenue 1	-	-	-	-	1,317,020	-	-	-	-	-	1,317,020
Fair value adjustment	-	-	-	-	-	6,755,000	-	-	-	-	6,755,000
Total segment revenue	-	592,744,829	30,722,051	119,970,032	58,094,400	2,744,386,760	-	-	-	-	3,545,918,072

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

69. Segment information (continued)

	Office of the City Manager	Financial Services	Corporate and Planning Services	Public Safety	Community Services	Engineering Services	Department of Chief Audit Executive	Department of Risk And Compliance	Department of IDP And PMS	Department of Communication	Total
Expenditure											
Employee related cost	4,136,438	81,329,624	136,471,209	98,533,701	151,675,379	292,164,369	9,767,426	2,366,236	4,332,409	4,575,211	785,352,002
Remuneration of councillors	-	-	34,340,227	-	-	-	-	-	-	-	34,340,227
Debt impairment / write-off	-	776,192	1,259,923	73,265,566	-	22,951,191	-	-	-	-	98,252,872
Depreciation and amortisation	125,337	3,417,488	5,465,439	461,235	50,142,573	189,556,791	24,797	11,284	36,102	18,689	249,259,735
Impairment losses on financial assets	-	510,784	697,423	5,717,995	(9,307)	22,986,453	-	-	-	-	29,903,348
Impairment losses on PPE, IA and HA	-	600,287	-	-	-	-	-	-	-	-	600,287
Finance costs	-	219,061	-	-	-	167,602,762	-	-	-	-	167,821,823
Bulk purchases	-	-	-	-	-	1,149,421,997	-	-	-	-	1,149,421,997
Inventory consumed	72,862	2,270,391	2,575,445	1,687,682	23,480,231	48,294,654	52,895	18,637	18,939	175,013	78,646,749
Contracted services	23,324	4,611,466	18,282,484	53,486,282	12,101,422	122,510,107	377,910	42,000	739,730	424,241	212,598,966
Transfers and subsidies	-	-	3,642,578	703,101	504,875	10,000,000	-	-	-	-	14,850,554
Operational cost	27,243	32,576,966	32,331,735	1,879,831	4,173,050	36,359,597	272,966	30,979	46,122	1,459,326	109,157,815
Operating leases	26,015	748,381	828,525	351,163	1,215,541	16,821,905	42,011	26,015	21,210	26,015	20,106,781
Loss on disposal of assets	-	(193,212)	2,447,165	-	-	14,471,471	-	-	-	-	16,725,424
Total segment expenditure	4,411,219	126,867,428	238,342,153	236,086,556	243,283,764	2,093,141,297	10,538,005	2,495,151	5,194,512	6,678,495	2,967,038,580
Internal charges											
OC : Municipal services (Income)	-	-	-	-	-	97,936,042	-	-	-	-	97,936,042
OC : Municipal services	-	(400,355)	(8,486,808)	(365,135)	(28,419,145)	(60,264,599)	-	-	-	-	(97,936,042)
Total segment internal charges	-	(400,355)	(8,486,808)	(365,135)	(28,419,145)	37,671,443	-	-	-	-	-
Sub-total	(4,411,219)	465,877,401	(207,620,102)	(116,116,524)	(185,189,364)	651,245,463	(10,538,005)	(2,495,151)	(5,194,512)	(6,678,495)	578,879,492
Total segment surplus/(deficit)	(4,411,219)	465,477,046	(216,106,910)	(116,481,659)	(213,608,509)	688,916,906	(10,538,005)	(2,495,151)	(5,194,512)	(6,678,495)	578,879,492
Capital expenditure											
Actual outcome	14,756	1,002,944	6,514,477	7,448,364	44,595,500	427,922,376	29,534	34,880	8,980	56,195	487,628,006

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

69. Segment information (continued)

By GFS

2025

	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Sport and Recreation	Public Safety	Housing	Planning and Development	Road Transport	Environmental Protection	Energy Sources	Waste Management	Water Management	Waste Water Management	Total
Revenue															
Services charges - Electricity	-	-	-	-	-	-	-	-	-	-	1,753,141,508	-	-	-	1,753,141,508
Services charges - Water	-	-	-	-	-	-	-	-	-	-	-	-	246,784,284	-	246,784,284
Services charges - Waste management	-	-	-	-	-	-	-	-	-	-	-	183,297,316	-	-	183,297,316
Services charges - Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	164,906,162	164,906,162
Sales of goods and rendering of services	1,754,186	60,266	-	21,495,308	1,994,597	38,043	-	11,231,879	30,579	-	-	-	-	169,227	36,774,085
Rental from fixed assets	-	(8,632,236)	-	729,724	280,259	1,000	15,479,915	127,774	-	-	34,121	-	-	-	8,020,557
Interests on investments	-	91,787,807	-	-	-	-	-	-	-	-	-	-	-	-	91,787,807
Interest earned from receivables	6,066	-	-	-	-	-	-	-	-	-	3,515,402	6,018,627	7,277,867	3,808,537	20,626,499
Operational revenue - Exchange revenue	860,683	12,860,772	-	57,677	-	185,672	1,609	106,518	6,346,935	-	3,185	-	3,299,874	2,680,420	26,403,345
Licences and permits	-	116,144	-	-	425,553	22,160,242	-	-	-	-	-	-	1,817	-	22,703,756
Property rates	-	503,779,667	-	-	-	-	-	-	-	-	-	-	-	-	503,779,667
Availability charges - Electricity	-	-	-	-	-	-	-	-	-	-	2,430,860	-	-	-	2,430,860
Other exchange revenue 1	-	-	-	-	-	-	-	-	-	-	-	-	2,207,465	-	2,207,465
Availability charges - Waste management	-	-	-	-	-	-	-	-	-	-	-	3,998,472	-	-	3,998,472
Availability charges - Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	3,352,292	3,352,292
Surcharges and taxes	-	3,168,263	-	-	-	-	-	-	-	-	-	-	-	-	3,168,263
Fines, penalties and forfeits	-	-	-	32,002	-	103,844,104	-	259,896	-	-	194,734	-	-	-	104,330,736
Transfers and subsidies	113,000	52,394,059	-	42,369	-	810,451	7,312,816	2,062,000	49,182,425	-	106,008,551	59,407,566	21,193,590	488,904,690	787,431,517
Operational revenue - Non-exchange revenue	-	4,418,007	-	-	-	-	-	-	-	-	-	-	-	-	4,418,007

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

69. Segment information (continued)

Fair value adjustment	-	27,635,000	-	-	-	-	-	-	-	-	-	-	-	-	27,635,000
Total segment revenue	2,733,935	687,587,749	-	22,357,080	2,700,409	127,039,512	22,794,340	13,788,067	55,559,939	-	1,865,328,361	252,721,981	280,764,897	663,821,328	3,997,197,598

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

69. Segment information (continued)

	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Sport and Recreation	Public Safety	Housing	Planning and Development	Road Transport	Environmental Protection	Energy Sources	Waste Management	Water Management	Waste Water Management	Total
Expenditure															
Employee related cost	67,393,238	249,434,507	10,371,247	31,474,976	57,738,363	91,462,193	29,092,676	62,941,262	53,929,260	2,012,695	67,307,373	36,284,055	31,795,236	48,927,485	840,164,566
Remuneration of councillors	34,841,767	-	-	-	-	-	-	-	-	-	-	-	-	-	34,841,767
Debt impairment / write-off	-	4,676,018	-	-	-	66,982,350	628,790	-	-	-	5,539,655	6,853,335	13,999,054	3,306,903	101,986,105
Depreciation and amortisation	421,404	33,583,769	34,270	5,181,570	10,401,661	2,244,544	42,364,028	224,644	41,727,017	-	38,215,780	8,491,571	26,343,965	37,321,082	246,555,305
Impairment losses on financial assets	-	4,795,819	-	-	-	10,849,919	(1,305,730)	-	-	-	(2,883,038)	7,290,218	7,944,968	4,974,488	31,666,644
Impairment losses on PPE, IA and HA	-	465,129	-	-	435,772	-	-	-	-	-	-	-	-	-	900,901
Finance costs	-	107,081	-	-	-	-	-	-	15,628,970	-	59,054,858	24,873,312	21,349,779	37,183,327	158,197,327
Bulk purchases	-	-	-	-	-	-	-	-	-	-	1,341,618,939	-	36,525,858	-	1,378,144,797
Inventory consumed	202,615	37,908,308	38,213	3,991,964	2,798,773	1,368,029	4,596,653	158,365	3,211,133	-	9,579,270	3,209,007	1,739,974	2,489,649	71,291,953
Contracted services	10,857,910	57,883,356	260,869	713,327	2,160,308	54,038,362	582,091	1,597,827	14,239,717	-	25,425,547	23,005,454	12,202,314	20,378,236	223,345,318
Transfers and subsidies	4,827,048	1,437,893	-	451,078	875,000	417,531	-	-	30,000,000	-	-	-	-	-	38,008,550
Operational cost	1,209,722	75,074,540	312,026	2,918,626	603,953	1,772,441	716,534	838,149	1,157,239	-	10,371,617	15,131,465	158,032	488,452	110,752,796
Operating leases	173,537	12,975,336	50,843	935,766	260,162	385,880	204,429	127,692	1,696,065	-	238,517	1,069,592	53,460	1,767,700	19,938,979
Loss on disposal of assets	-	811,172	-	-	-	-	-	-	-	-	3,991,116	-	11,694,590	3,369,630	19,866,508
Total segment expenditure	119,927,241	479,152,928	11,067,468	45,667,307	75,273,992	229,521,249	76,879,471	65,887,939	161,589,401	2,012,695	1,558,459,634	126,208,009	163,807,230	160,206,952	3,275,661,516
Sub-total	(117,193,306)	208,434,821	(11,067,468)	(23,310,227)	(72,573,583)	(102,481,737)	(54,085,131)	(52,099,872)	(106,029,462)	(2,012,695)	306,868,727	126,513,972	116,957,667	503,614,376	721,536,082
Internal charges															
OC : Municipal services (Income)	-	-	-	-	-	-	-	-	-	-	(63,062,784)	(7,088,246)	(18,519,656)	(1,955,059)	(90,625,745)
OC : Municipal services	-	5,430,271	-	2,300,350	24,571,950	262,281	9,618,035	-	7,994,802	-	8,683,006	360,864	3,935,164	27,469,022	90,625,745
Total segment internal charges	-	5,430,271	-	2,300,350	24,571,950	262,281	9,618,035	-	7,994,802	-	(54,379,778)	(6,727,382)	(14,584,492)	25,513,963	-
Total segment surplus / (deficit)	(117,193,306)	213,865,092	(11,067,468)	(21,009,877)	(48,001,633)	(102,219,456)	(44,467,096)	(52,099,872)	(98,034,660)	(2,012,695)	252,488,949	119,786,590	102,373,175	529,128,339	721,536,082

Capital expenditure

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

69. Segment information (continued)

Actual outcome	16,616	37,017,629	2,530	3,504,515	9,387,321	12,988,270	4,285,437	348,879	78,469,373	-	68,078,699	8,274,276	14,989,219	337,612,421	574,975,185

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

69. Segment information (continued)

2024

	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Sport and Recreation	Public Safety	Housing	Planning and Development	Road Transport	Environmental Protection	Energy Sources	Waste Management	Water Management	Waste Water Management	Total
Revenue															
Services charges - Electricity	-	-	-	-	-	-	-	-	-	-	1,524,505,542	-	-	-	1,524,505,542
Services charges - Water	-	-	-	-	-	-	-	-	-	-	-	-	236,510,660	-	236,510,660
Services charges - Waste management	-	-	-	-	-	-	-	-	-	-	-	169,957,737	-	-	169,957,737
Services charges - Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	153,561,417	153,561,417
Sales of goods and rendering of services	1,137,622	102,739	-	21,883,181	1,620,667	-	-	8,940,578	32,114	-	-	-	-	191,060	33,907,961
Rental from fixed assets	-	(7,759,350)	-	893,441	284,175	957	14,646,234	127,774	-	-	118,930	-	-	-	8,312,161
Interests on investments	-	73,656,906	-	-	-	-	-	-	-	-	-	-	-	-	73,656,906
Interest earned from receivables	6,632	-	-	-	-	-	-	-	-	-	3,720,374	5,611,934	6,628,095	3,513,454	19,480,489
Operational revenue - Exchange revenue	818,253	12,767,947	-	61,687	-	179,202	2,391	88,093	3,564,406	-	4,221	-	3,163,977	4,531,020	25,181,197
Licences and permits	-	8,336	-	-	113,803	21,659,633	-	-	-	-	-	-	4,270	-	21,786,042
Property rates	-	466,404,866	-	-	-	-	-	-	-	-	-	-	-	-	466,404,866
Availability charges - Electricity	-	-	-	-	-	-	-	-	-	-	2,527,545	-	-	-	2,527,545
Services charges - Water	-	-	-	-	-	-	-	-	-	-	-	-	2,226,690	-	2,226,690
Availability charges - Waste management	-	-	-	-	-	-	-	-	-	-	-	4,002,553	-	-	4,002,553
Availability charges - Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	3,385,134	3,385,134
Surcharges and taxes	-	3,084,653	-	-	-	-	-	-	-	-	-	-	-	-	3,084,653
Fines, penalties and forfeits	-	-	-	24,388	-	96,507,153	-	381,471	-	-	379,313	-	-	-	97,292,325
Transfers and subsidies	112,991	46,688,200	-	73,630	-	1,623,087	32,916,963	4,363,000	7,502,448	-	118,261,993	58,221,487	35,018,985	384,218,359	689,001,143
Operational revenue - Non-exchange revenue	-	4,378,051	-	-	-	-	-	-	-	-	-	-	-	-	4,378,051
Fair value adjustment	-	6,755,000	-	-	-	-	-	-	-	-	-	-	-	-	6,755,000
Total segment revenue	2,075,498	606,087,348	-	22,936,327	2,018,645	119,970,032	47,565,588	13,900,916	11,098,968	-	1,649,517,918	237,793,711	283,552,677	549,400,444	3,545,918,072

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2025

Notes to the Audited Annual Financial Statements

Figure in Rand

69. Segment information (continued)

	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Sport and Recreation	Public Safety	Housing	Planning and Development	Road Transport	Environmental Protection	Energy Sources	Waste Management	Water Management	Waste Water Management	Total
Expenditure															
Employee related cost	53,905,661	235,505,955	9,767,426	29,651,948	53,552,814	85,165,209	28,128,189	63,412,623	49,745,015	1,874,882	64,545,357	36,058,904	29,631,363	44,406,656	785,352,002
Remuneration of councillors	34,340,227	-	-	-	-	-	-	-	-	-	-	-	-	-	34,340,227
Debt impairment / write-off	-	776,192	-	-	-	73,265,566	1,259,923	-	-	-	2,876,630	6,711,406	9,496,179	3,866,976	98,252,872
Depreciation and amortisation	691,644	33,249,459	24,797	3,901,321	7,909,159	433,110	33,538,983	212,863	54,034,751	-	50,409,706	11,347,177	29,729,430	23,777,335	249,259,735
Impairment losses on financial assets	-	510,784	-	-	-	5,717,995	688,116	-	-	-	1,522,918	6,415,273	12,713,872	2,334,390	29,903,348
Impairment losses on PPE, IA and HA	-	600,287	-	-	-	-	-	-	-	-	-	-	-	-	600,287
Finance costs	-	219,061	-	-	-	-	-	-	16,569,386	-	62,608,274	26,369,973	22,634,425	39,420,704	167,821,823
Bulk purchases	-	-	-	-	-	-	-	-	-	-	1,111,429,888	-	37,992,109	-	1,149,421,997
Inventory consumed	32,207,553	9,300,589	52,895	4,146,299	2,312,973	770,807	8,452,713	206,202	3,429,354	-	11,734,962	2,347,129	1,784,829	1,900,444	78,646,749
Contracted services	31,333,047	32,574,016	377,910	800,199	713,756	52,384,513	2,476,256	841,477	6,726,349	-	26,824,946	22,327,319	11,897,266	23,321,912	212,598,966
Transfers and subsidies	2,744,220	898,358	-	-	504,875	703,101	-	-	10,000,000	-	-	-	-	-	14,850,554
Operational cost	3,659,968	69,467,706	272,966	2,635,093	811,842	1,854,983	823,776	553,041	711,278	-	11,741,114	16,070,813	216,599	338,636	109,157,815
Operating leases	158,787	12,480,469	42,011	626,971	360,561	351,163	185,555	194,523	996,106	-	2,868,146	54,128	49,317	1,739,044	20,106,781
Loss on disposal of assets	-	1,073,279	-	-	-	-	-	-	-	-	4,988,525	13,025	9,313,112	1,337,483	16,725,424
Total segment expenditure	159,041,107	396,656,155	10,538,005	41,761,831	66,165,980	220,646,447	75,553,511	65,420,729	142,212,239	1,874,882	1,351,550,466	127,715,147	165,458,501	142,443,580	2,967,038,580
Sub-total	(156,965,609)	209,431,193	(10,538,005)	(18,825,504)	(64,147,335)	(100,676,415)	(27,987,923)	(51,519,813)	(131,113,271)	(1,874,882)	297,967,452	110,078,564	118,094,176	406,956,864	578,879,492
Internal charges															
OC : Municipal services (Income)	-	-	-	-	-	-	-	-	-	-	71,367,088	6,427,583	18,129,859	2,011,512	97,936,042
OC : Municipal services	-	(6,266,100)	-	(1,832,396)	(23,063,102)	(227,649)	(10,808,681)	-	(4,088,205)	-	(7,974,260)	(357,151)	(17,373,277)	(25,945,221)	(97,936,042)
Total segment internal charges	-	(6,266,100)	-	(1,832,396)	(23,063,102)	(227,649)	(10,808,681)	-	(4,088,205)	-	63,392,828	6,070,432	756,582	(23,933,709)	-
Total segment surplus / (deficit)	(156,965,609)	203,165,093	(10,538,005)	(20,657,900)	(87,210,437)	(100,904,064)	(38,796,604)	(51,519,813)	(135,201,476)	(1,874,882)	361,360,280	116,148,996	118,850,758	383,023,155	578,879,492
Capital expenditure															
Actual outcome	55,115	31,679,817	29,534	2,682,306	6,530,314	7,437,257	34,788,085	8,980	32,099,190	-	76,798,709	26,039,715	262,548,159	6,930,825	487,628,006

Drakenstein Municipality

Appendix A

Schedule of external loans as at 30 June 2025

External Loans	Interest Rate %	Loan Number	Redeemable Date	Balance at 30 June 2024 Rand	Redeemed/ written off during the period Rand	Balance at 30 June 2025 Rand
Annuity and other loans						
DBSA	10.734 %	61007616	2037	903,613,914	33,960,759	869,653,155
NEDBANK	11.480 %	7831030646-0011	2029	160,674,189	22,303,012	138,371,177
STANDARD BANK	11.440 %	0053-7722	2028	370,043,129	30,145,673	339,897,456
STANDARD BANK	10.970 %	0053-8368	2028	20,921,209	4,415,300	16,505,909
				1,455,252,441	90,824,744	1,364,427,697

Drakenstein Municipality

Appendix B1

Reconciliation of Budgeted Financial Performance (Revenue and Expenditure by Standard Classification)

	2024/2025										
Description	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Adjustments (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	%	%
Revenue - Standard											
Governance and administration	599,560,303	46,554,181	646,114,484	-		646,114,484	699,760,754		53,646,270	108 %	117 %
Executive and council	15,954,994	2,965,000	18,919,994	-		18,919,994	4,685,815		(14,234,179)	25 %	29 %
Finance and administration	583,605,309	43,589,181	627,194,490	-		627,194,490	695,074,939		67,880,449	111 %	119 %
Internal audit	-	-	-	-		-	-		-	- %	- %
Community and public safety	239,009,958	(26,171,284)	212,838,674	-		212,838,674	174,891,339		(37,947,335)	82 %	73 %
Community and social services	24,754,876	194,370	24,949,246	-		24,949,246	22,357,079		(2,592,167)	90 %	90 %
Sport and recreation	1,924,489	426,500	2,350,989	-		2,350,989	2,700,409		349,420	115 %	140 %
Public safety	144,706,668	3,225,398	147,932,066	-		147,932,066	127,039,512		(20,892,554)	86 %	88 %
Housing	67,623,925	(30,017,552)	37,606,373	-		37,606,373	22,794,339		(14,812,034)	61 %	34 %
Health	-	-	-	-		-	-		-	- %	- %
Economic and environmental services	51,265,247	9,840,044	61,105,291	-		61,105,291	69,348,007		8,242,716	113 %	135 %
Planning and development	9,953,813	1,937,620	11,891,433	-		11,891,433	13,788,068		1,896,635	116 %	139 %
Road transport	41,311,434	7,902,424	49,213,858	-		49,213,858	55,559,939		6,346,081	113 %	134 %
Environmental protection	-	-	-	-		-	-		-	- %	- %
Trading services	3,105,804,424	(109,235,993)	2,996,568,431	-		2,996,568,431	3,062,636,569		66,068,138	102 %	99 %
Energy sources	1,703,884,233	100,159,088	1,804,043,321	-		1,804,043,321	1,865,328,362		61,285,041	103 %	109 %
Water management	275,796,409	-	275,796,409	-		275,796,409	280,764,898		4,968,489	102 %	102 %
Waste water management	876,411,704	(211,268,607)	665,143,097	-		665,143,097	663,821,327		(1,321,770)	100 %	76 %
Waste management	249,712,078	1,873,526	251,585,604	-		251,585,604	252,721,982		1,136,378	100 %	101 %
Other	-	-	-	-		-	-		-	- %	- %
Other	-	-	-	-		-	-		-	- %	- %
Total Revenue - Standard	3,995,639,932	(79,013,052)	3,916,626,880	-		3,916,626,880	4,006,636,669		90,009,789	102 %	100 %

Drakenstein Municipality

Appendix B1

Reconciliation of Budgeted Financial Performance (Revenue and Expenditure by Standard Classification)

Description	2024/2025										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Adjustments (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	%	%
Expenditure - Standard											
Governance and administration	529,404,999	(38,324,769)	491,080,230	-	(14,181,530)	476,898,700	439,160,737	-	(37,737,963)	92 %	83 %
Executive and council	120,244,396	(2,640,443)	117,603,953	-	(6,620,034)	110,983,919	100,264,106	-	(10,719,813)	90 %	83 %
Finance and administration	401,090,515	(31,951,804)	369,138,711	-	(8,156,471)	360,982,240	334,461,531	-	(26,520,709)	93 %	83 %
Internal audit	8,070,088	(3,732,522)	4,337,566	-	594,975	4,932,541	4,435,100	-	(497,441)	90 %	55 %
Community and public safety	497,865,688	21,094,487	518,960,175	-	(13,281,871)	505,678,304	461,902,401	-	(43,775,903)	91 %	93 %
Community and social services	53,660,970	2,741,148	56,402,118	-	525,400	56,927,518	56,731,264	-	(196,254)	100 %	106 %
Sport and recreation	128,935,759	756,394	129,692,153	-	(5,272,924)	124,419,229	122,963,156	-	(1,456,073)	99 %	95 %
Public safety	211,550,766	12,219,548	223,770,314	-	(4,754,272)	219,016,042	192,635,726	-	(26,380,316)	88 %	91 %
Housing	103,718,193	5,377,397	109,095,590	-	(3,780,075)	105,315,515	89,572,255	-	(15,743,260)	85 %	86 %
Health	-	-	-	-	-	-	-	-	-	- %	- %
Economic and environmental services	272,471,194	(20,135,011)	252,336,183	-	(8,641,892)	243,694,291	237,224,802	-	(6,469,489)	97 %	87 %
Planning and development	70,195,498	(2,924,590)	67,270,908	-	(8,113,348)	59,157,560	55,609,355	-	(3,548,205)	94 %	79 %
Road transport	200,241,712	(17,185,950)	183,055,762	-	(535,551)	182,520,211	179,599,099	-	(2,921,112)	98 %	90 %
Environmental protection	2,033,984	(24,471)	2,009,513	-	7,007	2,016,520	2,016,348	-	(172)	100 %	99 %
Trading services	2,029,033,026	140,851,626	2,169,884,652	-	36,107,473	2,205,992,125	2,146,810,798	-	(59,181,327)	97 %	106 %
Energy sources	1,481,971,117	70,557,218	1,552,528,335	-	57,585,452	1,610,113,787	1,584,129,170	-	(25,984,617)	98 %	107 %
Water management	184,203,976	22,824,671	207,028,647	-	(12,679,399)	194,349,248	169,927,394	-	(24,421,854)	87 %	92 %
Waste water management	208,188,160	20,703,262	228,891,422	-	3,690,045	232,581,467	230,809,572	-	(1,771,895)	99 %	111 %
Waste management	154,669,773	26,766,475	181,436,248	-	(12,488,625)	168,947,623	161,944,662	-	(7,002,961)	96 %	105 %
Other	4,008	-	4,008	-	(2,180)	1,828	1,828	-	-	100 %	46 %
Other	4,008	-	4,008	-	(2,180)	1,828	1,828	-	-	100 %	46 %
Total Expenditure - Standard	3,328,778,915	103,486,333	3,432,265,248	-	-	3,432,265,248	3,285,100,566	-	(147,164,682)	96 %	99 %
Surplus/(Deficit) for the year	666,861,017	(182,499,385)	484,361,632	-	-	484,361,632	721,536,103	-	237,174,471	149 %	108 %

Drakenstein Municipality

Appendix B2

Reconciliation of Budgeted Financial Performance (Revenue and expenditure by Municipal Vote)

	2024/2025										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Adjusted Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Adjustments (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand		
Revenue by Vote											
Office of the City Manager	-	-	-	-		-	-		-	- %	- %
Financial Services	575,608,696	38,785,428	614,394,124	-		614,394,124	652,393,266		37,999,142	106 %	113 %
Corporate and Planning Services	42,565,566	7,008,753	49,574,319	-		49,574,319	35,315,709		(14,258,610)	71 %	83 %
Public Safety	144,706,668	3,225,398	147,932,066	-		147,932,066	127,039,513		(20,892,553)	86 %	88 %
Community Services	79,749,534	(29,346,682)	50,402,852	-		50,402,852	32,624,747		(17,778,105)	65 %	41 %
Engineering Services	3,153,009,468	(98,685,949)	3,054,323,519	-		3,054,323,519	3,159,263,435		104,939,916	103 %	100 %
Department of Chief Audit Executive	-	-	-	-		-	-		-	- %	- %
Department of Risk And Compliance	-	-	-	-		-	-		-	- %	- %
Department of IDP And PMS	-	-	-	-		-	-		-	- %	- %
Department of Communication	-	-	-	-		-	-		-	- %	- %
Total Revenue by Vote	3,995,639,932	(79,013,052)	3,916,626,880	-		3,916,626,880	4,006,636,670		90,009,790	102 %	100 %

Drakenstein Municipality

Appendix B2

Reconciliation of Budgeted Financial Performance (Revenue and expenditure by Municipal Vote)

2024/2025										
Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Adjusted Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Adjustments (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand		
Expenditure by Vote to be appropriated										
Office of the City Manager	5,532,481	656,977	6,189,458	-	(2,400)	6,187,058	5,849,445	-	(337,613)	95 %
Financial Services	158,671,004	8,450,600	167,121,604	-	(14,581,495)	152,540,109	140,813,195	-	(11,726,914)	92 %
Corporate and Planning Services	286,747,556	(3,490,671)	283,256,885	-	1,657,260	284,914,145	262,671,539	-	(22,242,606)	92 %
Public Safety	263,858,424	7,824,472	271,682,896	-	157,070	271,839,966	244,052,272	-	(27,787,694)	90 %
Community Services	264,841,387	(1,994,011)	262,847,376	-	(989,368)	261,858,008	240,952,435	-	(20,905,573)	92 %
Engineering Services	2,321,786,671	91,133,880	2,412,920,551	-	14,197,091	2,427,117,642	2,364,374,549	-	(62,743,093)	97 %
Department of Chief Audit Executive	11,230,739	348,386	11,579,125	-	98,000	11,677,125	11,067,467	-	(609,658)	95 %
Department of Risk And Compliance	2,724,587	178,009	2,902,596	-	-	2,902,596	2,714,703	-	(187,893)	94 %
Department of IDP And PMS	5,699,264	186,804	5,886,068	-	(105,000)	5,781,068	5,689,762	-	(91,306)	98 %
Department of Communication	7,686,802	191,887	7,878,689	-	(431,158)	7,447,531	6,915,198	-	(532,333)	93 %
Total Expenditure by Vote	3,328,778,915	103,486,333	3,432,265,248	-	-	3,432,265,248	3,285,100,565	-	(147,164,683)	96 %
Surplus/(Deficit) for the year	666,861,017	(182,499,385)	484,361,632	-		484,361,632	721,536,105		237,174,473	149 %

Drakenstein Municipality

Appendix B3

Reconciliation of Budgeted Capital Expenditure by Vote, Standard Classification and Funding

	2024/2025										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustments Budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	%	%
Capital expenditure - Vote											
Multi-year expenditure											
Office of the City Manager	-	-	-	-	-	-	-	-	-	- %	- %
Financial Services	-	-	-	-	-	-	-	-	-	- %	- %
Corporate and Planning Services	4,259,000	(227,527)	4,031,473	-	138,731	4,170,204	4,170,204	-	-	100 %	98 %
Public Safety	1,800,000	-	1,800,000	-	68,090	1,868,090	1,868,090	-	-	100 %	104 %
Community Services	1,000,000	(122,200)	877,800	-	(264,990)	612,810	612,809	-	(1)	100 %	61 %
Engineering Services	595,284,977	(154,700,922)	440,584,055	-	552,215	441,136,270	439,637,628	-	(1,498,642)	100 %	74 %
Department of Chief Audit Executive	-	-	-	-	-	-	-	-	-	- %	- %
Department of Risk And Compliance	-	-	-	-	-	-	-	-	-	- %	- %
Department of IDP And PMS	-	-	-	-	-	-	-	-	-	- %	- %
Department of Communication	-	-	-	-	-	-	-	-	-	- %	- %
Capital multi-year expenditure sub-total	602,343,977	(155,050,649)	447,293,328	-	494,046	447,787,374	446,288,731	-	(1,498,643)	100 %	74 %
Single-year expenditure											
Office of the City Manager	11,500	(1,748)	9,752	-	-	9,752	9,752	-	-	100 %	85 %
Financial Services	500,000	(145,358)	354,642	-	490,060	844,702	844,701	-	(1)	100 %	169 %
Corporate and Planning Services	1,741,000	1,626,486	3,367,486	-	(53,422)	3,314,064	3,314,052	-	(12)	100 %	190 %
Public Safety	6,700,000	5,989,935	12,689,935	-	(1,569,748)	11,120,187	11,120,180	-	(7)	100 %	166 %
Community Services	78,800,000	(51,092,524)	27,707,476	-	(2,694,631)	25,012,845	16,675,684	-	(8,337,161)	67 %	21 %
Engineering Services	75,826,617	15,958,079	91,784,696	-	3,516,278	95,300,974	96,525,968	-	1,224,994	101 %	127 %
Department of Chief Audit Executive	-	15,000	15,000	-	(12,470)	2,530	2,530	-	-	100 %	- %
Department of Risk And Compliance	-	30,000	30,000	-	(4,230)	25,770	25,770	-	-	100 %	- %
Department of IDP And PMS	-	-	-	-	-	-	-	-	-	- %	- %
Department of Communication	302,380	31,320	333,700	-	(165,883)	167,817	167,817	-	-	100 %	55 %
Capital single-year expenditure sub-total	163,881,497	(27,588,810)	136,292,687	-	(494,046)	135,798,641	128,686,454	-	(7,112,187)	95 %	79 %
Total Capital Expenditure - Vote	766,225,474	(182,639,459)	583,586,015	-	-	583,586,015	574,975,185	-	(8,610,830)	99 %	75 %

Drakenstein Municipality

Appendix B3

Reconciliation of Budgeted Capital Expenditure by Vote, Standard Classification and Funding

	2024/2025										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustments Budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	%	%
Capital Expenditure - Standard											
Governance and administration	23,575,344	13,851,497	37,426,841	-	(126,859)	37,299,982	37,036,775	-	(263,207)	99 %	157 %
Executive and council	11,500	3,252	14,752	-	1,871	16,623	16,616	-	(7)	100 %	144 %
Finance and administration	23,563,844	13,833,245	37,397,089	-	(116,260)	37,280,829	37,017,629	-	(263,200)	99 %	157 %
Internal audit	-	15,000	15,000	-	(12,470)	2,530	2,530	-	-	100 %	- %
Community and public safety	88,300,000	(45,296,387)	43,003,613	-	(4,500,902)	38,502,711	30,165,543	-	(8,337,168)	78 %	34 %
Community and social services	4,300,000	39,677	4,339,677	-	(431,210)	3,908,467	3,504,515	-	(403,952)	90 %	82 %
Sport and recreation	11,500,000	(1,217,373)	10,282,627	-	(600,478)	9,682,149	9,387,321	-	(294,828)	97 %	82 %
Public safety	8,500,000	5,989,935	14,489,935	-	(1,501,658)	12,988,277	12,988,270	-	(7)	100 %	153 %
Housing	64,000,000	(50,108,626)	13,891,374	-	(1,967,556)	11,923,818	4,285,437	-	(7,638,381)	36 %	7 %
Health	-	-	-	-	-	-	-	-	-	- %	- %
Economic and environmental services	63,466,580	15,264,003	78,730,583	-	98,070	78,828,653	78,818,252	-	(10,401)	100 %	124 %
Planning and development	301,000	67,789	368,789	-	(19,908)	348,881	348,879	-	(2)	100 %	116 %
Road transport	63,165,580	15,196,214	78,361,794	-	117,978	78,479,772	78,469,373	-	(10,399)	100 %	124 %
Environmental protection	-	-	-	-	-	-	-	-	-	- %	- %
Trading services	590,883,550	(166,458,572)	424,424,978	-	4,529,691	428,954,669	428,954,615	-	(54)	100 %	73 %
Energy sources	35,761,884	29,062,712	64,824,596	-	3,254,147	68,078,743	68,078,699	-	(44)	100 %	190 %
Water management	13,787,936	593,345	14,381,281	-	607,942	14,989,223	14,989,219	-	(4)	100 %	109 %
Waste water management	533,603,730	(195,713,132)	337,890,598	-	(278,172)	337,612,426	337,612,421	-	(5)	100 %	63 %
Waste management	7,730,000	(401,497)	7,328,503	-	945,774	8,274,277	8,274,276	-	(1)	100 %	107 %
Other	-	-	-	-	-	-	-	-	-	- %	- %
Other	-	-	-	-	-	-	-	-	-	- %	- %
Total Capital Expenditure - Standard	766,225,474	(182,639,459)	583,586,015	-	-	583,586,015	574,975,185	-	(8,610,830)	99 %	75 %
Funded by:											
National Government	603,613,043	(182,554,414)	421,058,629	-		421,058,629	421,058,622		(7)	100 %	70 %
Provincial Government	52,826,087	(33,055,086)	19,771,001	-		19,771,001	10,275,248		(9,495,753)	52 %	19 %
District Municipality	-	-	-	-		-	-		-	- %	- %
Other transfers and grants	8,000,000	24,400,000	32,400,000	-		32,400,000	31,164,933		(1,235,067)	96 %	390 %
Transfers recognised - capital	664,439,130	(191,209,500)	473,229,630	-		473,229,630	462,498,803		(10,730,827)	98 %	70 %
Public contributions & donations	-	-	-	-		-	-		-	- %	- %
Borrowing	-	-	-	-		-	-		-	- %	- %
Internally generated funds	101,786,344	8,570,041	110,356,385	-		110,356,385	112,476,381		2,119,996	102 %	111 %
Total Capital Funding	766,225,474	(182,639,459)	583,586,015	-		583,586,015	574,975,184		(8,610,831)	99 %	75 %

Drakenstein Municipality
Appendix C
Disclosure of Grants and Subsidies in Terms of Section 123 of the MFMA, 56 of 2003

Description	Quarterly Receipts						Quarterly Expenditure (Capital and Operating)						
	Opening Balance	Sep	Dec	Mar	Jun	Total	Sep	Dec	Mar	Jun	Total	Adjustments & Repayments	Closing Balance
	01 July 2024												30 June 2025
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
National Government (Unconditional Grant) [for disclosure purposes only]													
EQUITABLE SHARE	-	(30,800,537)	(142,879,463)	(57,894,000)	-	(231,574,000)	30,800,537	142,879,463	57,894,000	-	231,574,000	-	-
	-	(30,800,537)	(142,879,463)	(57,894,000)	-	(231,574,000)	30,800,537	142,879,463	57,894,000	-	231,574,000	-	-
National Government (Conditional Grant)													
EXPANDED PUBLIC WORKS PROGRAMME	-	(515,000)	(928,000)	(619,000)	-	(2,062,000)	-	2,062,000	-	-	2,062,000	-	-
FINANCIAL MANAGEMENT GRANT	-	(1,600,000)	-	-	-	(1,600,000)	118,098	818,110	283,924	379,867	1,599,999	-	(1)
IUDG PROJECTS	-	(18,244,000)	(18,976,000)	(31,326,000)	-	(68,546,000)	1,491,857	29,418,190	(98,690)	37,734,637	68,545,994	7	1
INEP FUNDING	-	-	(3,340,000)	-	-	(3,340,000)	-	-	3,340,000	-	3,340,000	-	-
DROMMEDARIS NEIGHBOURHOOD GRANT	(7,331,424)	-	(20,000,000)	-	(10,000,000)	(37,331,424)	626,023	17,746,248	9,702,938	9,256,215	37,331,424	(1)	(1)
REGIONAL BULK INFRASTRUCTURE GRANT	-	(30,000,000)	-	(345,000,000)	-	(375,000,000)	-	108,478,716	83,280,047	183,241,235	374,999,998	2	-
DISASTER RELIEF SUPPORT GRANT	(237,127)	-	-	(1,976,000)	-	(2,213,127)	-	-	841,280	1,371,847	2,213,127	-	-
	(7,568,551)	(50,359,000)	(43,244,000)	(378,921,000)	(10,000,000)	(490,092,551)	2,235,978	158,523,264	97,349,499	231,983,801	490,092,542	8	(1)
Provincial Government (Conditional Grant)													
SIYASHLALA	(1,569,723)	-	-	-	-	(1,569,723)	-	-	-	-	-	-	(1,569,723)
P59 FAIRYLANDS	(2,723,777)	-	-	(17,000)	-	(2,740,777)	-	-	44,929	141,636	186,565	-	(2,554,212)
DISASTER FUNDING	-	-	-	(5,137,000)	-	(5,137,000)	-	-	-	5,137,000	5,137,000	-	-
DIGNIFIED SITES	(173,144)	-	-	-	-	(173,144)	-	-	-	-	-	-	(173,144)
DROM 181/1407 (HSDG)	(569,695)	-	-	-	569,695	-	-	-	-	-	-	-	-
DROMMEDARIS ST EHP	(168,249)	-	-	-	168,249	-	-	-	-	-	-	-	-
1068 HOUSE DONATIONS	(152,225)	-	-	-	-	(152,225)	-	-	-	-	-	-	(152,225)
KINGSON TOWN TRANSFER	(53,000)	-	-	-	-	(53,000)	-	-	-	-	-	-	(53,000)
ACCELERATED HOUSING (SIMONDIUM)	(115,062)	(5,079,829)	-	-	-	(5,194,891)	-	-	-	1,688,291	1,688,291	-	(3,506,600)
DEEDS TRANSFERS	-	-	-	-	(115,097)	(115,097)	6,644	24,357	6,246	31,325	68,572	-	(46,525)
LANTANA	-	-	-	-	-	-	-	-	-	-	-	-	-
ACCELERATED HOUSING (SCHOONGEZICHT)	(220,242)	-	-	-	-	(220,242)	-	-	-	-	-	-	(220,242)
MUNICIPAL ACCREDITATION AND CAPACITY BUILDING	-	-	(249,000)	-	-	(249,000)	-	-	-	249,000	249,000	-	-
MUNICIPALITY TOURISM CHALLENGE FUND	-	-	-	-	-	-	-	-	-	-	-	-	-
MUNICIPAL SERVICE DELIVERY AND CAPACITY BUILDING	(500,000)	-	-	-	-	(500,000)	-	-	260,000	240,000	500,000	-	-
WC FINANCE MANAGEMENT CAPABILITY	(71,885)	(5,000,000)	5,000,000	-	-	(71,885)	-	-	-	69,925	69,925	-	(1,960)
COMMUNITY DEVELOPMENT WORKERS	-	(113,000)	-	-	-	(113,000)	-	59,206	19,629	34,165	113,000	-	-
FIRE SERVICE CAPACITY BUILDING	-	-	-	-	-	-	-	-	-	-	-	-	-
MAINTENANCE THUSONG CENTRE	(42,370)	-	-	-	-	(42,370)	-	-	15,501	26,868	42,369	1	-
CAPACITY BUILDING (EXTERNAL BURSARIES)	(57,965)	-	-	(100,000)	-	(157,965)	-	-	-	76,035	76,035	57,965	(23,965)
MUNICIPAL ENERGY RESILIENCE GRANT	-	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC WORKS AND TRANSPORT (80%)	-	(1,000,000)	(54,000,000)	45,125,000	-	(9,875,000)	-	9,809,762	(1,406,225)	1,471,464	9,875,001	(1)	-
	(6,417,337)	(11,192,829)	(49,249,000)	39,871,000	622,847	(26,365,319)	6,644	9,893,325	(1,059,920)	9,165,709	18,005,758	57,965	(8,301,596)

Drakenstein Municipality

Appendix C

Disclosure of Grants and Subsidies in Terms of Section 123 of the MFMA, 56 of 2003

Description	Quarterly Receipts						Quarterly Expenditure (Capital and Operating)						
	Opening Balance 01 July 2024	Sep	Dec	Mar	Jun	Total	Sep	Dec	Mar	Jun	Total	Adjustment s & Repayments	Closing Balance 30 June 2025
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Other Grants (Conditional Grant)													
TRAINING LEVY (LG SETA & NON EMPLOYEE BURSARIES)	(922,964)	(299,196)	(298,845)	(1,446,053)	8,070	(2,958,988)	-	-	291,325	977,345	1,268,670	-	(1,690,318)
17TH FAIR TRADE CONFERENCE	-	-	-	-	(555,000)	(555,000)	-	-	-	555,000	555,000	-	-
CAPE WINELANDS DISTRICT MUNICIPALITY	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPE WINELANDS DISTRICT MUNICIPALITY (TOURISM)	-	(500,000)	(99,000)	-	99,000	(500,000)	-	-	500,000	-	500,000	-	-
CAPE WINELANDS DISTRICT MUNICIPALITY (TOURISM)	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPE WINELANDS DISTRICT MUNICIPALITY (BOBBIES ON THE BEAT)	(198,000)	-	-	-	(99,000)	(297,000)	-	-	-	-	-	-	(297,000)
CARTEVILL HOUSING PROJECT	(956,503)	-	-	-	-	(956,503)	-	-	-	-	-	-	(956,503)
INTERNATIONAL FIREFIGHTING DAY	-	-	-	-	(24,500)	(24,500)	-	-	-	24,500	24,500	-	-
CAPE WINELANDS DISTRICT MUNICIPALITY (TOURISM CHALLENGE)	(304,362)	-	-	-	-	(304,362)	-	92,007	128,968	64,976	285,951	-	(18,411)
NEUMARK	(808,753)	-	-	-	-	(808,753)	-	-	532,941	42,800	575,741	-	(233,012)
	(3,190,582)	(799,196)	(397,845)	(1,446,053)	(571,430)	(6,405,106)	-	92,007	1,453,234	1,664,621	3,209,862	-	(3,195,244)
Donations and other contributions													
TRUST FUND : MUN WIDOW & PENSION FUND	(363,572)	-	-	-	-	(363,572)	-	-	-	-	-	-	(363,572)
ELECTRICITY BAINSVALLEI	-	-	-	-	(187,789)	(187,789)	-	-	-	187,789	187,789	-	-
FOOD LOVERS INTERSECTION	-	-	-	-	(1,469,909)	(1,469,909)	-	-	-	1,469,909	1,469,909	-	-
BARHOLOMUE ROAD	-	-	-	-	(10,127,726)	(10,127,726)	-	-	-	10,127,726	10,127,726	-	-
OPTENHORST WATER PIPE	-	-	-	-	(164,990)	(164,990)	-	-	-	164,990	164,990	-	-
OPTENHORST TRAFFIC INTERSECTION	-	-	-	-	(1,248,332)	(1,248,332)	-	-	-	1,248,332	1,248,332	-	-
HOOF EN RETIEF STREET INTERSECTION	-	-	-	-	(1,204,314)	(1,204,314)	-	-	-	1,204,314	1,204,314	-	-
VESTING TRANSFERS	-	-	-	-	(9,000)	(9,000)	-	-	-	9,000	9,000	-	-
DEVELOPERS CONTRIBUTION	-	-	-	-	(30,153,907)	(30,153,907)	-	-	-	30,153,907	30,153,907	-	-
	(363,572)	-	-	-	(44,565,967)	(44,929,539)	-	-	-	44,565,967	44,565,967	-	(363,572)
Total	(17,540,042)	(93,151,562)	(235,770,308)	(398,390,053)	(54,514,550)	(799,366,515)	33,043,159	311,388,059	155,636,813	287,380,098	787,448,129	57,973	(11,860,413)

VOLUME V: 2024/2025 ANNUAL PERFORMANCE REPORT

The audited 2024/25 Annual Performance Report will now follow for the next 25 pages. No material findings on the usefulness and reliability of the reported information were raised by the Auditor-General.



DRAKENSTEIN

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Annual Performance Assessment Report

2024/2025

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A city of excellence

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1. Purpose

The Annual Performance Assessment Report 2024/2025 is hereby submitted to the Drakenstein Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2). The report covers the performance information from 01 July 2024 to 30 June 2025 and focuses on the implementation of the Service Delivery and Budget Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP) for the year under review.

The report also reflects actual performance of the Municipality as measured against the performance indicators and targets in the IDP and SDBIP for 2024/2025. The format of the report will reflect Drakenstein Municipality's Key Performance Indicators (KPIs) per Key Performance Area (KPA). Each KPA has a number of Pre-determined Objectives (PDOs) developed to ensure that the KPAs are achieved.

This report endeavors to present to Council the Municipality's performance in terms of the five (5) National Government Key Performance Areas (NKPAs) for Local Government, which are:

1. Basic Service Delivery;
2. Local Economic Development;
3. Municipal Institutional Transformation and Development;
4. Municipal Financial Viability and Management; and
5. Good Governance and Public Participation.

The above-mentioned NKPAs are addressed through the Drakenstein Municipality's six (6) KPAs namely:

1. Governance and Compliance;
2. Finance;
3. Organisation and Human Capital;
4. Infrastructure and Services;
5. Planning and Development; and
6. Community Development.

2. Legislative Requirements

This Annual Performance Assessment Report complies with the requirements of section 46(1) of the Local Government: Municipal Systems Act, 32 (Act 32 of 2000); which stipulates the following:

A municipality must prepare for each financial year a performance report reflecting:

- (a) The performance of the municipality and each external service provider during that financial year;
- (b) A comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
- (c) Measures taken to improve performance.

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

3. Municipal Overview

The Drakenstein Municipality forms part of the Cape Winelands District Municipality (additionally including Stellenbosch, Breede Valley, Witzenberg and Langeberg municipalities that are classified as Category B municipalities). The Drakenstein Municipality is approximately 1,538km². It ranges from South of the N1 freeway including Simondium and stretches to the North including Saron. The Klein Drakenstein, Limiet and Saron Mountains range from its Eastern Edge to the agricultural area immediately West of the R45 at its Western Border. The main municipal urban centres are Paarl and Wellington which are located in close proximity to the N1 in the South with smaller rural settlements at Saron and Gouda in the North and Hermon in the Mid-West.

Figure 1: Location of the Drakenstein Municipality



Source: Drakenstein Municipality Spatial Development Framework 2020/2025



3.1 The Vision: “A city of excellence”

3.2 The Mission:

- To provide quality, affordable, accessible and sustainable quality services;
- To enhance community participation; and
- To promote social and economic development.

3.3 The Values:

- Accountability:
To ensure that all decision-makers are held accountable and that there is commitment to implementing decisions made as well as actions identified;
- Transparency:
The Municipality is committed to conducting its business in a way that is transparent, accurate and pro-active;
- Excellence:
The Municipality strives to provide services in a manner which is of the highest standards and excellence;

- Accessibility:
All residents and stakeholders will have access to services and information;
- Integrity:
All business conducted will be done so with the highest ethical standards, in honesty and fairness;
- Responsiveness:
All reported requests and issues will be responded to in a timeous fashion and in a professional manner;
- Equity:
The Municipality will ensure that all services will be distributed fairly and to all citizens within the Drakenstein Municipal area;
- Teamwork:
All officials working at Drakenstein Municipality acknowledge that they are part of a team with one focus in mind and that is to work together internally and with all respective stakeholders to collectively ensure that Drakenstein Municipality is, indeed, a City of Excellence; and
- Caring:
Nurture positive relationships and contribute to the welfare of those around us.

3.3 Demographics and Socio- Economic Status

Table 1: Total Population

Total Population		
2022/2023	2023/2024	2024/2025
298,818**	305,821**	311,742**

** Source: Quantec 2025.

**Quantec data is regularly updated and figures may be different from those previously reported (totals may vary from previous years).

Table 2: Socio Economic Status

Socio-Economic Status <i>Quantec data is regularly updated and figures may be different from those previously reported.</i>					
Serial No.	Year	Unemployment rate	% of working age population in low-skilled employment	Gini coefficient	Illiterate people older than 20 years
1.	2022/23	*19.9%	*15.6%	0.638	*11.8%
2.	2023/24	*17.1%	*15.7%	0.638	*12.0%
3.	2024/25	*17.4%	*15.5%	0.638	*11.9%

*Source: Quantec 2025.

*Quantec data is regularly updated and figures may be different from those previously reported (totals may vary from previous years).

Table 3: Total Number of Households

Households	2022/2023	2023/2024	2024/2025
Number of households in municipal area	69,886**	71,472**	72,855**
Number of registered indigent households in municipal area	15,210***	16,155*	16,805*

*Source: MAB Bires System

**Source: Quantec 2025 (Quantec data is regularly updated and figures may be different from those previously reported – totals may vary from previous years).

***Source: Drakenstein Municipality Solar Report

4. Performance Management Overview

In order to improve on performance planning, implementation, measurement and reporting, the Municipality implemented the following actions:

- Departmental operational plans were developed for monitoring and reporting operational programmes;
- An electronic performance management system is operational within the Municipality. The same system forms the basis of performance evaluations of the Executive Directors, the Chief Financial Officer, and the Accounting Officer; and
- During the development of the TL SDBIP and the Departmental SDBIP, the “SMART” principle is adhered to in the setting of indicators and objectives.

4.1 TL SDBIP

Table 4: Performance Management System Checklist

Performance Management Policy	All MSA s57/56 Performance contracts signed	Internal Audit	Audit & Performance Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Reporting to Council
✓	✓	✓	✓	✓	✓	✓

The Municipality's performance is evaluated by means of a Performance Scorecard (TL SDBIP) at organisational level and through the SDBIP at departmental levels.

The MFMA Circular No.13 prescribes that:

- (a) The IDP and Budget must be aligned;
- (b) The Budget must address the strategic priorities;
- (c) The SDBIP should indicate what the Municipality is going to do during the next 12 months; and
- (d) The SDBIP should form the basis of measuring the performance against goals set during the Budget/IDP processes.

The TL SDBIP was approved by the Executive Mayor on 28 June 2024.

The overall assessment of actual performance against targets set for the KPIs as documented in the SDBIP is illustrated in terms of the following assessment methodology:

Table 5: Performance Assessment Criteria

Colour	Rating	Category
	1	Unacceptable Performance
	2	Not Fully Effective
	3	Fully Effective
	4	Above Expectation
	5	Outstanding Performance

The TL SDBIP (the Performance Scorecard) consolidates service delivery targets set by Council/Senior Management and provides an overall picture of performance for the Municipality as a whole, reflecting performance on its strategic priorities. Components of the TL SDBIP includes a one-year detailed plan, and a three-year capital plan.

The necessary components include:

- (a) Monthly projections of revenue to be collected for each source;
- (b) Expected revenue to be collected not billed;
- (c) Monthly projections of expenditure (operating and capital) and revenue for each vote;
- (d) Quarterly projections of service delivery targets and performance indicators for each vote;
- (e) Non-financial measurable performance objectives in the form of targets and indicators; and
- (f) Detailed capital project plan broken down by ward over three years.

4.2 Departmental SDBIP

The Departmental SDBIP 2024/2025 provides a comprehensive picture of the performance per Department/Division/Section. It was compiled by the Executive Directors, Chief Financial Officer and Senior Managers for their Departments and consists of objectives, indicators and targets derived from the approved TL SDBIP 2024/2025.

5. Drakenstein Municipality Performance per KPA

This Section of the Annual Performance Report reflects on the actual performance against the planned targets as derived from the Municipality's IDP. There are 6 KPAs reflected in the report.

Table 6: Drakenstein Performance per Municipal KPA (01 July 2024 - 30 June 2025)

Drakenstein Municipality		KPA 1: Governance and Compliance	KPA 2: Finance	KPA 3: Organisation and Human Capital	KPA 4: Infrastructure and Services	KPA 5: Planning and Development	KPA 6: Community Development
 Unacceptable Performance	1	-	-	-	1	-	-
 Not Fully Effective	-	-	-	-	-	-	-
 Fully Effective	16	3	4	1	7	-	1
 Above Expectation	6	-	1	2	2	1	-
 Outstanding Performance	5	-	4	-	1	-	-
Total:	28	3	9	3	11	1	1

5.1 Governance and Compliance

TL No.	Strategic Objective	Project/Program/ Process/Activity	Key Performance Indicator (KPI)	Description of Project/Program/ Process/Activity and Key Performance Indicator (KPI)	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2024 to 30 Jun 2025			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL1	To ensure good governance and compliance	Submission of Audit Committee reports to Council	Number of Audit Committee reports submitted to Council	Audit Committee Reports - The Audit Committee's report to Council which is drafted by the chairperson to report on the outcomes of the quarterly Audit Committee meetings	4	4	4	4	4	G		
TL2	To ensure good governance and compliance	Investigation of all formally reported fraud, theft and corruption incidents initiated	Percentage investigations of formally reported fraud, theft and corruption cases initiated within 14 days of receipt	Initiate fraud investigations for cases that were formally reported to Fraud and Risk Management (FRM) section within 14 days from receipt. Initiation date is the date that the Chief Risk Officer gives written instruction to the forensic investigator to start with the investigation. Formally reported incidents are tip offs that were received through the hotline or where the FRM section was requested to conduct an investigation directly by the City Manager.	100%	100%	100%	100%	100%	G		
TL3	To ensure good governance and compliance	IDP/Budget/SDF time schedule (process plan) submitted to MAYCO/Council by 31 August	Number of IDP/Budget/SDF time schedules (process plans) submitted to MAYCO/Council by 31 August	IDP/Budget/SDF time schedules (process plan) submitted to MAYCO/Council by 31 August	1	1	1	1	1	G		

Table 7: Summary of Results (KPA 1: Governance and Compliance)

	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	3
	Above Expectation	0
	Outstanding Performance	0
Total KPIs		3

5.2 Finance

TL No.	Strategic Objective	Project/Program/ Process/Activity	Key Performance Indicator (KPI)	Description of Project/Program/ Process/Activity and Key Performance Indicator (KPI)	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2024 to 30 Jun 2025			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL4	To ensure financial sustainability in order to meet the statutory requirements	Submission of the MTREF (aligned to the IDP) to Council by 31 May	Number of MTREFs submitted to Council by 31 May	To compile and submit a 5-year Medium Term Revenue and Expenditure Framework (Capital and Operating Budget) for approval by Council by 31 May	1	1	1	1	1	G		
TL5	To ensure financial sustainability in order to meet the statutory requirements	Ratio in respect of Debtor Payment Days (Collect all billed revenue to ensure that sufficient cash is generated to meet Drakenstein's debt and operating commitments)	Net Debtors Days Ratio ((Gross Debtors – Bad Debt Provision)/Billed Revenue) x 365 (Target Number of days)	To calculate and report on the Net Debtors Days Ratio as at year-end. The ratio represents the net outstanding debtors (gross debtors less bad debt provision) compared with the billed revenue at year-end to indicate the time it takes to collect billed revenue	42.1	45	45	45	34.5	B	Over performance due to improved business processes and credit control processes.	
TL6	To ensure financial sustainability in order to meet the statutory requirements	Submission of the Annual Financial Statement (AFS) to the Auditor-General of South Africa	Number of Annual Financial Statements (AFS) submitted to the Auditor-General of South Africa by 31 August	To compile and submit 2023/2024 Annual Financial Statements to the Auditor General by 31 August 2024	1	1	1	1	1	G		
TL7 NKPI	To ensure the financial sustainability of the Municipality in order to fulfill the statutory requirements	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage ratio (Available cash + investments)/ Monthly fixed operating expenditure	To calculate and report on the Cost Coverage Ratio as at year-end. The ratio represents the available cash and cash equivalents as a factor in months compared with the monthly fixed operating expenditure (redemption on loans included)	3.24	>1.0 more than	>1.0 more than	>1.0 more than	4.29	B	Over performance due to improved business processes, cash and liquidity management and credit control processes.	

TL No.	Strategic Objective	Project/Program/ Process/Activity	Key Performance Indicator (KPI)	Description of Project/Program/ Process/Activity and Key Performance Indicator (KPI)	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2024 to 30 Jun 2025			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL8 NKPI	To ensure the financial sustainability of the Municipality in order to fulfill the statutory requirements	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received)/ (Debt service payments due within the year))	To calculate and report on the Debt Coverage Ratio as at year-end. The ratio represents total own revenue as a coverage factor of interest and redemption on external loans repayable at year-end	12.19	>6.7 more than	>6.7 more than	>6.7 more than	14.09	B	Over performance due to increased revenue raising and no new loans taken up.	
TL9 NKPI	To ensure the financial sustainability of the Municipality in order to fulfill the statutory requirements	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(iii))	Service debtors to revenue ratio – (Total outstanding service debtors/revenue received for services)	To calculate and report on the Service Debtors to Revenue Ratio as at year-end. The Ratio represents total outstanding debtors as a factor of total billed revenue as at year-end	0.20	<0.25 less than	<0.25 less than	<0.25 less than	0.19	B	Over performance due to improved business processes and credit control processes.	
TL10	To plan and facilitate sustainable and inclusive economic growth and development	Updating of the Indigent Register (NKPI Proxy - MSA, Reg. S10(a))	Percentage of all qualifying indigent applications processed	To report on the number of qualifying indigent applications that have been processed for the 2024/2025 financial year	100%	100%	100%	100%	100%	G		
TL11	To ensure the financial sustainability of the Municipality in order to fulfill the statutory requirements	Submission of the Adjustment Budget to Council for approval by 28 February	Number of Adjustment Budgets submitted to Council for approval by 28 February	To submit the Adjustment Budget to Council for approval by 28 February	1	1	1	1	1	G		

TL No.	Strategic Objective	Project/Program/ Process/Activity	Key Performance Indicator (KPI)	Description of Project/Program/ Process/Activity and Key Performance Indicator (KPI)	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2024 to 30 Jun 2025			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL12	To ensure the financial sustainability of the Municipality in order to fulfill the statutory requirements	Actual Expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI -MSA, Reg. S10(c)	Percentage of approved Capital Budget actually spent	To calculate the percentage of actual Capital expenditure spent compared with the budgeted capital expenditure as per the latest approved adjustment budget	98.38%	90%	90%	90%	98.52%	G2		

Table 8: Summary of Results (KPA 2: Finance)

	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	4
	Above Expectation	1
	Outstanding Performance	4
Total KPIs		9

5.3 Organisation and Human Capital

TL No.	Strategic Objective	Project/Program/ Process/Activity	Key Performance Indicator (KPI)	Description of Project/Program/ Process/Activity and Key Performance Indicator (KPI)	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2024 to 30 Jun 2025			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL13	To ensure an efficient and effective organisation supported by a competent and skilled workforce	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan reports (NKPI Proxy - MSA, Reg. S10(e))	Number of reports of people from employment equity groups employed in the three highest levels of management submitted to the City Manager	To appoint Employment Equity targets on the three levels of management in compliance with the approved Employment Equity Plan. The City Manager and the Executive Directors will be regarded as the first line of management. Managers and Senior Managers reporting to Executive Directors will be regarded as the second management level and those reporting to them as the third level	2	2	2	2	2	G		
TL14	To ensure an efficient and effective organisation supported by a competent and skilled workforce	The percentage budget actually spent on implementing its workplace skills plan (NKPI Proxy – MSA, Reg. S10(f))	Percentage of approved workplace skills budget actually spent on implementing its Workplace Skills Plan by 30 June	The Workplace Skills Budget is an amount appropriated annually in the municipal budget to implement the annual training plan that is approved and submitted to the Local Government SETA.	99.78%	98%	98%	98%	99.6%	G2		
TL15	To ensure an efficient and effective organisation supported by a competent and skilled workforce	Job creation through the municipality's local economic development initiatives including capital projects (NKPI Proxy – MSA, Reg. S10 (d))	Number of EPWP job (inclusive of ward projects) opportunities created	The Expanded Public Works Programme (EPWP), defines job opportunities in terms of work opportunities (WO) and full-time equivalent opportunities (FTEs). The EPWP office coordinate the EPWP project appointments but not the ward projects and capital projects appointments. For the purpose of this KPI the number of job opportunities are the sum of:	1,039	850	640	640	762	G2		

TL No.	Strategic Objective	Project/Program/ Process/Activity	Key Performance Indicator (KPI)	Description of Project/Program/ Process/Activity and Key Performance Indicator (KPI)	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2024 to 30 Jun 2025			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
				The number of contracts entered into and fully signed and captured for unskilled and semi-skilled labour on EPWP projects coordinated by the EPWP office, The number of contracts and supporting documentation which had been communicated to the EPWP central office, for capital funded projects; and The number of workers paid on ward projects.								

Table 9: Summary of Results (KPA 3: Organisation and Human Capital)

	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	1
	Above Expectation	2
	Outstanding Performance	0
Total KPIs		3

5.4 Infrastructure and Services

TL No.	Strategic Objective	Project/Program/ Process/Activity	Key Performance Indicator (KPI)	Description of Project/Program/ Process/Activity and Key Performance Indicator (KPI)	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2024 to 30 Jun 2025			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL16	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Water quality managed and measured quarterly i.e. the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate	Measure potable drinking water sample pass rate according to SANS 241 standards	97.68%	90%	90%	90%	97.92%	G2		
TL17	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MSA, Reg. S10(a))	Percentage of formal households with access to basic level of water	Formal households are defined as a consumer unit located in the urban area and billed by Drakenstein Municipality. The access of the basic services level of water is the provision of a water connection point inside each of the formal erven	100%	100%	100%	100%	100%	G		
TL18	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Limit water network losses to less than 19% measured annually (Difference between water units supplied and water units billed as percentage of water supplied)	Percentage average water distribution losses	Limit water network losses to less than 19% measured annually (Difference between water units supplied and water units billed as percentage of water supplied)	21.9%	<19%	<19%	<19%	20.86%	R	The water losses improved from 21.9% in June 2024 to 20.86% in June 2025. 20.86% remains within the national norm of 15-30%.	A water loss strategy was created which is being implemented and monitored continuously.
TL19 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MSA, Reg. S10(b))	Percentage implementation of the informal settlements water upgrading plan	A registered informal settlement exists when there is no formal township establishment. These groups of informal erected structures are registered by the Planning Department as an informal settlement. The indicator reflects on the implementation of the upgrading plan to install new water connections (taps) in informal settlement	New	100%	100%	100%	100%	G		

TL No.	Strategic Objective	Project/Program/ Process/Activity	Key Performance Indicator (KPI)	Description of Project/Program/ Process/Activity and Key Performance Indicator (KPI)	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2024 to 30 Jun 2025			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL20 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Wastewater quality managed and measured quarterly i.e. the SANS Accreditation physical and micro parameters (NKPI Proxy – MSA, Reg. S10(a))	Percentage wastewater quality compliance as per analysis	Measure of wastewater samples pass rate according to SANS accreditation	72.25%	75%	75%	75%	85.32%	G2		
TL21 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MSA, Reg. S10(a))	Percentage of formal households with access to basic level of sanitation	Formal households are defined as a consumer unit located in the urban area and billed by Drakenstein Municipality. The access of the basic services level of sanitation is a waterborne sewer connection point inside each of the formal erven or a conservancy/septic tank on the erven where the waterborne sewer system is not yet available	100%	100%	100%	100%	100%	G		
TL22	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Limit the electricity losses to less than 10% annually (Average energy purchased to date – Average energy sold to date)/ (Average energy purchased to date) X 100 = Average energy losses for reporting period	Percentage average electricity distribution losses	Average electricity losses are measured by percentage ratio between electrical energy sold by the municipality and electrical energy purchased	7.08%	<10% (less than)	<10% (less than)	<10% (less than)	7.77%	B	The low percentage is maintained by various monitoring and control interventions, including continuing implementation of a telemetry program to minimise technical losses, ensuring accurate metering to reduce non-technical losses, using the billing system to detect and address illegal connections, conducting regular meter audits, and penalising and recovering costs from consumers found stealing electricity.	

TL No.	Strategic Objective	Project/Program/ Process/Activity	Key Performance Indicator (KPI)	Description of Project/Program/ Process/Activity and Key Performance Indicator (KPI)	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2024 to 30 Jun 2025			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL23 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MSA, Reg. S10(a))	Percentage of formal households with access to basic level of electricity	Formal households in the urban area of Drakenstein Municipality's Management Area that are provided with an electricity connection point (Prepaid or Conventional) inside the formal erven	100%	100%	100%	100%	100%	G		
TL24 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MSA, Reg. S10(a))	Percentage implementation of the informal settlements' sanitation upgrading plan	A registered informal settlement exists when there is no formal township establishment. These groups of informal erected structures are registered by the Planning Department as an informal settlement. The indicator reflects on the implementation of the upgrading plan to install new/upgrading sanitation connections (toilets) in informal settlements.	New	100%	100%	100%	100%	G		
TL25 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MSA, Reg. S10(b))	Percentage of formal households with access to basic level of solid waste removal	Formal households are defined as a consumer unit located in the urban area and billed by Drakenstein Municipality. The access of basic level of solid waste removal is the provision of solid waste removal services to formal erven. This service is delivered weekly as a curb side collection service, using 240 litre wheelie bins	100%	100%	100%	100%	100%	G		

TL No.	Strategic Objective	Project/Program/ Process/Activity	Key Performance Indicator (KPI)	Description of Project/Program/ Process/Activity and Key Performance Indicator (KPI)	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2024 to 30 Jun 2025			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL26 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MSA, Reg. S10(a))	Number of registered informal settlements receiving a refuse collection service	A registered informal settlement exists when there is no formal township establishment. These groups of informal erected structures are registered by the Planning Department as an informal settlement. Refuse collection services are delivered by means of refuse bags issued to the residents and collected when full	43	43	43	43	43	G		

Table 10: Summary of Results (KPA 4: Infrastructure and Service)

	Unacceptable Performance	1
	Not Fully Effective	0
	Fully Effective	7
	Above Expectation	2
	Outstanding Performance	1
Total KPIs		11

5.5 Planning and Development

TL No.	Strategic Objective	Project/Program/ Process/Activity	Key Performance Indicator (KPI)	Description of Project/Program/ Process/Activity and Key Performance Indicator (KPI)	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2024 to 30 June 2025			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL27	To plan, promote investment and facilitate economic growth	Processing building plans exceeding 500 square meters within 60 days after receipt of complete application	Percentage of building plans exceeding 500 square meters processed within 60 days after receipt of complete application	Percentage of building plans exceeding 500 square meters processed (approved/refused) within 60 days after submission of proof of payment/amended application	99.66%	90%	90%	90%	100%	G2		

Table 11: Summary of Results (KPA 5: Planning and Development)

	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	0
	Above Expectation	1
	Outstanding Performance	0
Total KPIs		1

5.6 Community Development

TL No.	Strategic Objective	Project/Program/ Process/Activity	Key Performance Indicator (KPI)	Description of Project/Program/ Process/Activity and Key Performance Indicator (KPI)	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2024 to 30 June 2025			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL28	To facilitate, support and promote social and community development	Submit Disaster Management Plan to the Portfolio Committee (Public Safety)/ Mayco)	Number of Disaster Management Plans submitted to the Portfolio Committee (Public Safety)/Mayco)	Number of Disaster Management Plans submitted to Portfolio Committee (Public Safety)/Mayco	1	1	1	1	1	G		

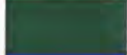
Table 12: Summary of Results (KPA 6: Community Development)

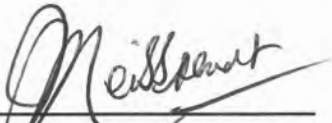
	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	1
	Above Expectation	0
	Outstanding Performance	0
Total KPIs		1

6. Conclusion

The TL SDBIP 2024/2025 comprises of 28 KPIs. The table below depicts the performance for the financial year under review:

Table 13: Performance for the 2024/2025 Financial Year

	Unacceptable Performance	1
	Not Fully Effective	0
	Fully Effective	16
	Above Expectation	6
	Outstanding Performance	5
Total KPIs		28


DR JOHAN LEIBBRANDT
ACCOUNTING OFFICER

DATE: 31/08/2025