



**KANNALAND**  
MUNISIPALITEIT | MUNICIPALITY



## DRAFT 2024/2025 ANNUAL REPORT



#Calitzdorp #Zoar #Ladismith #VanWyksdorp  
#SwarbergMountains #Amalienstein #Seweweekspoort  
#Maatjiesvlei #PortCapital #Kannaland #KleinKaroo

## Contents

<b>CHAPTER 1- MAYORS FOREWORD .....</b>	<b>13</b>
<b>1.3.2 BASIC SERVICES DELIVERY CHALLENGES.....</b>	<b>19</b>
<b>1.4 FINANCIAL VIABILITY .....</b>	<b>21</b>
<b>1.4.1 STATEMENT OF FINANCIAL PERFORMANCE OVERVIEW.....</b>	<b>22</b>
<b>1.4.2 FINANCIAL VIABILITY HIGHLIGHTS.....</b>	<b>22</b>
<b>1.4.3 FINANCIAL VIABILITY CHALLENGES .....</b>	<b>22</b>
<b>1.4.4 CAPITAL EXPENDITURE .....</b>	<b>23</b>
<b>1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW .....</b>	<b>24</b>
<b>1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS.....</b>	<b>24</b>
<b>1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES .....</b>	<b>25</b>
<b>1.5.3 MUNICIPAL MINIMUM COMPETENCY.....</b>	<b>25</b>
<b>1.6 AUDITOR GENERAL REPORT .....</b>	<b>27</b>
<b>1.7 STATUTORY ANNUAL REPORT PROCESS.....</b>	<b>28</b>
<b>2.1 GOOD GOVERNANCE AND PUBLIC PARTICIPATION HIGHLIGHTS .....</b>	<b>30</b>
<b>2.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION CHALLENGES .....</b>	<b>30</b>
<b>2.3 POLITICAL GOVERNANCE.....</b>	<b>31</b>
<b>COMPONENT B: INTERGOVERNMENTAL RELATIONS.....</b>	<b>36</b>
<b>2.3.5 INTERGOVERNMENTAL RELATIONS .....</b>	<b>36</b>
<b>2.3.6 PROVINCIAL INTERGOVERNMENTAL STRUCTURES .....</b>	<b>37</b>
<b>COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION.....</b>	<b>38</b>
<b>2.4 PUBLIC MEETINGS .....</b>	<b>38</b>
<b>2.5 WARD COMMITTEES .....</b>	<b>39</b>
<b>2.5.1 FUNCTIONALITY OF WARD COMMITTEES .....</b>	<b>42</b>
<b>2.5.2 WARD COMMITTEE MEETINGS.....</b>	<b>43</b>

2.6 REPRESENTATIVE FORUMS.....	44
2.6.1 LOCAL LABOUR FORUM .....	44
<b>COMPONENT D: CORPORATE GOVERNANCE.....</b>	<b>44</b>
<b>2.7.4 TOP 10 2024/2025 STRATEGIC AND OPERATIONAL RISKS:.....</b>	<b>46</b>
2.10 ANTI-CORRUPTION AND ANTI-FRAUD .....	50
2.10.1 DEVELOPED STRATEGIES.....	50
2.11 SUPPLY CHAIN MANAGEMENT .....	51
2.11.1 COMPETITIVE BIDS IN EXCESS OF R200, 000.....	51
2.11.2 DEVIATION FROM NORMAL PROCUREMENT PROCESSES .....	55
2.13 BY-LAWS AND POLICIES.....	56
2.14 WEBSITE.....	56
<b>2.15 PUBLIC SATISFACTION ON MUNICIPAL SERVICES.....</b>	<b>57</b>
2.16 MUNICIPAL OVERSIGHT COMMITTEES.....	58
2.16.1 AUDIT COMMITTEE.....	58
TABLE 29: WATER SERVICE DELIVERY LEVELS – SOURCE: SAMRAS (MUNICIPAL STATISTICS).....	61
TABLE 30: TOTAL USE OF WATER BY SECTORS – SOURCE: SAMRAS (MUNICIPAL STATISTICS).....	63
TABLE 31: FINANCIAL PERFORMANCE OF FINANCIAL SERVICES - 2024/25 - SOURCE: AFS .....	<b>Error! Bookmark not defined.</b>
TABLE 32 CAPITAL PROJECTS FOR WATER SERVICES .....	<b>Error! Bookmark not defined.</b>
TABLE 33: WATER SERVICE POLICY OBJECTIVES TAKEN FROM THE ANNUAL PERFORMANCE REPORT - 2024/25 –.....	64
TABLE 34 - SANITATION SERVICE DELIVERY LEVELS 2022/23 AND 2024/25- SOURCE: SAMRAS.....	66
TABLE 35: FINANCIAL PERFORMANCE OF SANITATION SERVICES - 2024/25- SOURCE: AFS .....	67
TABLE 37: SANITATION SERVICE POLICY OBJECTIVES TAKEN FROM IDP/SDBIP .....	68
<b>3.3 WASTE MANAGEMENT .....</b>	<b>68</b>
TABLE 38: CAPITAL EXPENDITURE –WASTE MANAGEMENT SERVICES – SOURCE AFS .....	<b>Error! Bookmark not defined.</b>
<b>3.4 HOUSING .....</b>	<b>73</b>

<b>TABLE 40: FINANCIAL PERFORMANCES OF HOUSING SERVICES - SOURCE: AFS</b> .....	74
<b>3.5 FREE BASIC SERVICES AND INDIGENT SUPPORT</b> .....	74
<b>TABLE 41: FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS - SOURCE: SAMRAS (MUNICIPAL STATISTICS)</b> .....	75
<b>COMPONENT B: ROAD TRANSPORT</b> .....	75
<b>3.6 ROADS AND STORM WATER</b> .....	75
<b>COMPONENT C: PLANNING AND DEVELOPMENT</b> .....	76
<b>3.7 PLANNING</b> .....	76
<b>3.8 ELECTRICITY</b> .....	77
<b>TABLE 38: ELECTRICITY HIGHLIGHTS, CHALLENGES AND INTERVENTIONS</b> .....	79
<b>TABLE 39 - ELECTRICITY SERVICE DELIVERY LEVELS 2022-2023 AND 2024/25- SOURCE: SAMRAS (MUNICIPAL STATISTICS)</b> .....	80
<b>TABLE 40: FINANCIAL PERFORMANCE PER ELECTRICITY SERVICES - SOURCE: AFS</b> . <b>Error! Bookmark not defined.</b>	
<b>TABLE 41: CAPITAL EXPENDITURE PER ELECTRICITY SERVICES 2024/25 - SOURCE: AFS</b> .....	<b>Error! Bookmark not defined.</b>
<b>TABLE 42: ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM THE IDP – 2022/23 AND 2024/25</b> .....	80
<b>TABLE 39 - ELECTRICITY SERVICE DELIVERY LEVELS 2022-2023 AND 2024/25- SOURCE: SAMRAS (MUNICIPAL STATISTICS)</b> .....	<b>Error! Bookmark not defined.</b>
<b>TABLE 40: FINANCIAL PERFORMANCE PER ELECTRICITY SERVICES - SOURCE: AFS</b> .....	81
<b>TABLE 41: CAPITAL EXPENDITURE PER ELECTRICITY SERVICES 2024/25 - SOURCE: AFS</b> .....	81
<b>TABLE 42: ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM THE IDP – 2022/23 AND 2024/25</b> .....	<b>Error! Bookmark not defined.</b>
<b>3.9 BUILDING CONTROL</b> .....	82
<b>3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)</b> .....	82
<b>TABLE 41: JOBS CREATED THROUGH OTHER GRANT FUNDED PROJECTS (2024/2025)</b> ....	83
<b>TABLE 42: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY:</b> .....	85
<b>3.13 Libraries</b> .....	85
<b>3.14 CEMETRIES AND CREMATORIUMS</b> .....	<b>88</b>
<b>TABLE 44: CARRYING CAPACITY KANNALAND CEMETERIES</b> .....	89

<b>COMPONENT E: ENVIRONMENTAL PROTECTION</b> .....	89
<b>3.15 Pollution Control</b> .....	<b>89</b>
<b>COMPONENT G: SAFETY AND SECURITY</b> .....	93
<b>3.20 TRAFFIC SERVICES</b> .....	94
<b>3.21 DISASTER MANAGEMENT AND FIRE SERVICES</b> .....	119
<b>TABLE 46: FINANCIAL Performance FOR FIRE SERVICES 2024/25 - SOURCE AFS</b> .....	122
<b>COMPONENT H: SPORT AND RECREATION</b> .....	122
<b>3.23 SPORT AND RECREATION</b> .....	122
<b>3.24 PROJECT MANAGEMENT UNIT</b> .....	Error! Bookmark not defined.
<b>COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES</b> ..	Error! Bookmark not defined.
<b>3.24 EXECUTIVE AND COUNCIL</b> .....	Error! Bookmark not defined.
<b>3.25 FINANCIAL SERVICES</b> .....	Error! Bookmark not defined.
<b>TABLE 52: FINANCIAL PERFORMANCE 2024/25: FINANCIAL SERVICES SOURCE AFS</b> .	Error! Bookmark not defined.
<b>3. 26 HUMAN RESOURCES SERVICES</b> .....	Error! Bookmark not defined.
<b>4.1 LEGISLATIVE REQUIREMENTS</b> .....	123
<b>4.2 ORGANIZATIONAL PERFORMANCE OVERVIEW</b> .....	123
<b>4.4 LEGISLATIVE REQUIREMENTS</b> .....	124
<b>4.5 ORGANIZATIONAL PERFORMANCE OVERVIEW</b> .....	124
<b>4.6 Performance Review Per PDO</b> .....	<b>124</b>
4.6.1 PDO 1: To Provide efficient workforce by aligning our institutional arrangements to our overall strategy.....	124
4.6.2 PDO 2: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland Citizens .....	125
4.6.3 PDO 3: To Strive towards a Safe Community in Kannaland Through the Proactive Management of Traffic, Environmental Health, Fire and Disaster Risks. To facilitate Economic Growth and Socia and Community development.....	125
4.6.4 PDO 4: To Strive towards a financially sustainable Municipality.....	125
4.6.5 PDO 5: To Promote Effective and Efficient Governance with High Levels of Stakeholder participation.....	126
<b>5 2023/24 AND 2024/25 ANNUAL PERFORMANCE COMPARISON</b> .....	126

Table 53: 2024/25 CAPITAL WORKS PROJECTS STATUS.....	127
6 DETAILED 2024/2025 ANNUAL PERFORMANCE REPORT.....	128
<b>COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL.....</b>	<b>138</b>
4.1 INTRODUCTION.....	138
4.1.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES .....	138
<b>COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE.....</b>	<b>144</b>
5.1.1 FINANCIAL SUMMARY .....	145
5.1.2 The table below indicates the summary of the financial performance for the 2024/2025 financial year:.....	146
5.1.3 OPERATIONAL SERVICES PERFORMANCE .....	Error! Bookmark not defined.
5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION .....	154
5.2.1 WATER MANAGEMENT .....	154
5.2.2 WASTEWATER MANAGEMENT .....	155
5.2.3 ENERGY SOURCES .....	155
5.2.4 WASTE MANAGEMENT.....	156
5.2.5 ROAD TRANSPORT .....	Error! Bookmark not defined.
5.2.6 PUBLIC SAFETY .....	Error! Bookmark not defined.
5.2.7 SPORT AND RECREATION .....	Error! Bookmark not defined.
5.2.8 EXECUTIVE AND COUNCIL .....	Error! Bookmark not defined.
5.2.9 FINANCE AND ADMINISTRATION.....	Error! Bookmark not defined.
5.2.10 MUNICIPAL MANAGER (MM) .....	159
5.2.10 COMMUNITY AND SOCIAL SERVICES .....	160
5.2.11 OPERATING TRANSFERS AND GRANTS .....	162
5.2.12 RELIANCE ON GRANTS .....	163
5.3 ASSET MANAGEMENT .....	164
5.3.1 REPAIRS AND MAINTENANCE .....	Error! Bookmark not defined.
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS .....	165
5.4.1 FINANCIAL VIABILITY INDICATORS .....	165
5.4.1.1 LIQUIDITY RATIO.....	165

5.4.1.2	<b>FINANCIAL VIABILITY INDICATORS</b> .....	165
	Table 21 - Financial Viability Indicators .....	165
5.4.1.3	<b>EMPLOYEE COSTS</b> .....	165
	Table 22 - Employee Costs.....	<b>Error! Bookmark not defined.</b>
<b>COMPONENT B: SPENDING AGAINST CAPITAL BUDGET</b> .....		<b>166</b>
5.5	<b>SOURCES OF FINANCE</b> .....	166
5.6	<b>CAPITAL SPENDING ON THREE LARGEST PROJECTS</b> .....	166
5.7	<b>BASIC SERVICE AND INFRASTRUCTURE</b> .....	167
5.7.1	<b>MUNICIPAL INFRASTRUCTURE GRANT (MIG)</b> .....	167
<b>COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS</b> .....		<b>169</b>
5.8	<b>CASH FLOW</b> .....	170
5.9	<b>GROSS OUTSTANDING DEBTORS PER SERVICE</b> .....	171
5.10	<b>TOTAL DEBTORS AGE ANALYSIS</b> .....	172
5.11	<b>BORROWING AND INVESTMENTS</b> .....	173
5.11.1	<b>ACTUAL BORROWINGS</b> .....	173
5.11.2	<b>MUNICIPAL INVESTMENTS</b> .....	173
5.12	<b>OTHER FINANCIAL MATTERS</b> .....	173
5.12.1	<b>GRAP COMPLIANCE</b> .....	173

## **TABLES:**

TABLE 1: BASIC SERVICE DELIVERY HIGHLIGHTS .....	18
TABLE 2: BASIC SERVICE DELIVERY CHALLENGES .....	<b>Error! Bookmark not defined.</b>
TABLE 3: FINANCIAL OVERVIEW .....	34
TABLE 4: FINANCIAL VIABILITY HIGHLIGHTS .....	38
TABLE 5: FINANCIAL VIABILITY CHALLENGES.....	39
TABLE 6: TOTAL CAPITAL EXPENDITURE.....	41
TABLE 7: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS.....	23 <b>Error! Bookmark not defined.</b>
TABLE 8: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES .....	23
TABLE 9: MUNICIPAL MINIMUM COMPETENCY .....	<b>Error! Bookmark not defined.</b>
TABLE 10: NUMBER OF EMPLOYEES WHO COMPLIES WIH MINIMUM COMPETENCY .....	<b>Error! Bookmark not defined.</b>
TABLE 12: STATUTORY ANNUAL REPORT PROCESS .....	<b>Error! Bookmark not defined.</b>
TABLE 13: GOOD GOVERNANCE AND PUBLIC PARTICIPATION HIGHLIGHTS .....	<b>Error! Bookmark not defined.</b>
TABLE 14: GOOD GOVERNANCE AND PUBLIC PARTICIPATION CHALLENGES .....	<b>Error! Bookmark not defined.</b>
TABLE 15: COUNCIL PER POLITICAL ASSOCIATION.....	<b>Error! Bookmark not defined.</b>
TABLE 16: COUNCIL MEETINGS .....	<b>Error! Bookmark not defined.</b>
TABLE 18: STRATEGIC FUNCTIONS .....	<b>Error! Bookmark not defined.</b>
TABLE 19: WARD 1: WARD COMMITTEE .....	<b>Error! Bookmark not defined.</b>
TABLE 20: WARD 2: WARD COMMITTEE.....	<b>Error! Bookmark not defined.</b>
TABLE 21: WARD 3 – WARD COMMITTEE.....	<b>Error! Bookmark not defined.</b>
TABLE 22 WARD 4 – WARD COMMITTEE .....	<b>Error! Bookmark not defined.</b>
TABLE 23 WARD COMMITTEE MEETINGS .....	<b>Error! Bookmark not defined.</b>
TABLE 24: LOCAL LABOUR FORUM COMPOSITION.....	<b>Error! Bookmark not defined.</b>
TABLE 25: STRATEGIES.....	<b>Error! Bookmark not defined.</b>



TABLE	26:	BIDS	IN	EXCESS	R200,00
					<b>Error! Bookmark not defined.</b>
TABLE 27: BID SPECIFICATOPN MEETING ATTENDANCE.....					<b>Error! Bookmark not defined.</b>
TABLE 28: BID EVALUATION MEETING ATTENDANCE.....					<b>Error! Bookmark not defined.</b>
TABLE 29: BID ADJUDICATION MEETING ATTENDANCE .....					61
TABLE 30: TEN HIGHEST BIDS AWARDED.....					63
TABLE 31: AWARDS MADE BY THE ACCOUNTING OFFICER .....					<b>Error! Bookmark not defined.</b>
TABLE 32: BIDDER APPEALS .....					<b>Error! Bookmark not defined.</b>
TABLE 33: UNSOLICITED BIDS.....					64-
TABLE 34 – SUMMARY OF DEVIATIONS.....					66
TABLE 35: FINANCIAL PERFORMANCE: FOR WASTE MANAGEMENT SERVICES .....					67
TABLE 37: CAPITAL EXPENDITURE – WASTE MANAGEMENT SERVICES.....					68
TABLE 36: WASTE MANAGEMENT SERVICES POLICY OBJECTIVES TAKEN FROM THE IDP.....					68
TABLE 38: FINANACIAL PERFROMANCE OF HOUSING SERVICES .....					79
TABLE 39 – FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS .....					80
TABLE	40:	JOB	CREATED	Through	EPWP
					<b>Error! Bookmark not defined.</b>
TABLE 41: JOBS CREATED THROUGH OTHER GRANT FUNDED PROJECT(2023/2024)					<b>Error! Bookmark not defined.</b>
TABLE 42: DEDERATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY .....					80
TABLE 43: SERVICE DELIVERY LEVELS.....					<b>Error! Bookmark not defined.</b>
TABLE 44: CARRYING CAPACITY KANNALAND CEMETRIES .....					<b>Error! Bookmark not defined.</b>
TABLE 45: FINANCIAL PERFORMANCE OF CEMETRIES.....					<b>Error! Bookmark not defined.</b>
TABLE 47: FINANCIAL PERFORMANCE FOR SPORT AND RECREATION .....					81 <b>Error! Bookmark not defined.</b>
TABLE 48: MIG ALLOCATIONS .....					<b>Error! Bookmark not defined.</b>
TABLE 49: SUMMARY OF IMPLEMENTATION OF PROJECTS .....					<b>Error! Bookmark not defined.</b>
TABLE 50: PROJECT IMPLEMENTION PLAN STATUS REPORT.....					<b>Error! Bookmark not defined.</b>
TABLE 51: FINANCIAL PERFORMANCE 2023/2024: THE EXECUTIVE AND COUNCIL :					<b>Error! Bookmark not defined.</b>
TABLE 52: FINANCIAL PERFORMANCE .....					<b>Error! Bookmark not defined.</b>

TABLE 53: CAPITAL WORKS PROJECTS STATUS ..... **Error! Bookmark not defined.**

TABLE 54: OCCUPATIONAL LEVELS..... **Error! Bookmark not defined.**

TABLE 55: DEPARTMENT RACE..... **Error! Bookmark not defined.**

TABLE 56: OCCUPATIONAL CATEGORIES ..... **Error! Bookmark not defined.**

TABLE 57: VACANCY RATE PER POST ..... **Error! Bookmark not defined.**

TABLE 58: TURNOVER RATE ..... **Error! Bookmark not defined.**

TABLE 59: HR POLICIES AND PLANS.....  
..... **Error! Bookmark not defined.**

**APPENDICES**

A, B, C, D, E, F1, K. R

**VOLUMES**

- VOLUME I: 2024/2025 AG REPORT
- VOLUME II: ANNUAL FINANCIAL STATEMENTS
- VOLUME III: 2024/2025 ANNUAL PERFORMANCE REPORT
- VOLUME IV: 2024/2025 DRAFT AUDIT ACTION PLAN



# **KANNALAND**

**MUNISIPALITEIT | MUNICIPALITY**

## **VISION**

The place of choice. To create the ideal environment in which the people of Kannaland would like to live and work.

## **MISSION**

Sustainable growth  
Sustainable Human Settlements  
Healthy community  
Infrastructure Investment  
Opportunity driven  
Compliance  
Intergovernmental relations  
Integrated Planning  
Participation  
Capacity  
Maintenance  
Disaster Management  
Quality Services

## **VALUES**

The Municipality's key values are:

- ✓ Dignity
- ✓ Respect Trust
- ✓ Integrity
- ✓ Honesty
- ✓ Diligence

## **DEVELOPMENT STRATEGY**

To ensure a sustainable Kannaland, where all sectors is aligned for the betterment and benefit of the municipal area as a whole. To create an enabling environment for the inhabitants of Kannaland towards guaranteed job opportunities and thus a better livelihood and citizen satisfaction.

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## **CHAPTER 1- MAYORS FOREWORD**

It is my absolute pleasure as Executive Mayor of Kannaland to introduce the Annual report for 2024/2025. In terms of Section 46 of the Local Government: Municipal Systems Act No 32 of 2000 and sections 121 and 127(2) of the Local Government: Municipal Finance Management Act, No 56 of 2003, the Municipality must prepare and Annual Report for each financial year, which must be tabled by the Executive Mayor within 7 months after the end of each financial year. The Annual Report reflects the Municipality's performance over the past financial year (1 July 2024 to 31 June 2025) in terms of meeting the objectives set out in our 5<sup>th</sup> Generation Integrated Development Plan (IDP) 2022 – 2027, which Council had adopted on 31 May 2023. It also highlights our challenges and explains how we are addressing them. In addition, the Report covers our contribution towards achieving the strategic priorities of the Western Cape Provincial Strategic Plan (VIP): 2019 – 2024, as well as the National Development Plan 2030.

Each of our seven strategic objectives and key performance indicators are aligned to these Plans. For us to turn the tide on the socio-economic challenges of Kannaland it requires a concerted effort from National, Provincial, District Municipality and Local Government as well as other critical role players like the Business Sector and Civil Society. We must and we can rebuild the Economy of Kannaland Municipality, and I believe that our current councillors together with the Municipal workforce as *well* as Administrative Leadership are absolutely committed, dedicated and driven in their collective effort, tasks and vision of improved and quality service delivery.

We know the needs are many and the challenges are huge but as the Executive Mayor, I can assure you of our dedication, commitment, resilience and absolute believe in the potential of this municipal area of ours. We will address every need that was identified, and we will overcome the challenges before us with the ongoing support, motivation and buy-in of all the sectors of society.

In conclusion, thank you to our residents, ward committees, partnering organisations and stakeholders, the Council, the Speaker, portfolio committee chairpersons, the executive management team and all the Municipal staff members for your participation and support during the 2024/2025 financial year. Together we WILL and CAN make it!

Your Servant in Local Government

Executive Mayor

## EXECUTIVE SUMMARY

### Municipal Manager's Overview

It is from a very optimistic point of view that I give my overview. Council is committed to create a new organizational structure as well as culture which will ultimately be more in line and suitable for our core functions and purpose. This new structure will enable the Municipality to be more effective and efficient in delivering services to the Community.

The Communities and people of Kannaland is its most important Asset and therefore we are always committed to deliver the most basic services to our communities.

The rural rustic untouched and naturally beautiful Kannaland municipal area, brother to six local municipalities residing in the Garden Route District Municipality is made up of the towns of Calitzdorp, Ladismith, Zoar and Van Wyksdorp. Kannaland was named after the kanna plant (*Sceletium tortuosum*), named as nature's Prozac. The kanna plant has been used by South Africans as a mood-altering substance since prehistoric times and it is legal. Evidence of early San and Khoi people in numerous rock paintings, majestic Seweweeks poort, fertile agricultural valleys and the spectacular aerodynamic interconnecting Route 62 traversing this fascinating land is famed as the longest wine route in the world.

In terms of Senior Management changes, I was appointed as the Municipal Manager during February 2024 to bring stability in the administration after the passing on of the former Municipal Manager. This position was vacant for some time, and is deemed as a critical position, the Municipality hence mobilised to fill the vacancy before the commencement of the 2023/2024 financial year.

### **Challenges, constraints and solutions:**

Material prosperity is always a push factor, and this causes many of its inhabitants to leave in search of a better life. Sadly, Kannaland has not expanded to reach its full potential economically. Livelihoods in Calitzdorp and Ladismith are overly dependent on job opportunities presented through the cheese and wine industry as well as the tourism sector.

The effects of climate change have seen regional changes in precipitation, extreme weather events such as heat waves, and expansion of deserts. This threatens to diminish crop yields thereby harming food security leading to desertion of its citizens in search of this notion of material prosperity.

***Response:***

Kannaland seeks to adopt a policy approach that will not only focus on material prosperity, but also on personal empowerment, social solidarity and human capabilities of co-operation. Economic diversification shall become an economic policy area of focus, thereby creating an enabling environment for strengthening self-organisation of civil society through community work and member associations. To successfully combat climate change requires action across all economic and societal sectors and at all levels. The principle of the three R's: Reduce, Re-use Recycle will remain our response to climate change. Interesting is to note that the world is moving towards eating plants, not meat to improve climate change and improve human health. A Green finance agenda – mobilising private capital for greener investments – will seek to access available funds set aside to support climate action and adaptation. This becomes crucial to mitigate the harmful effects caused by industrialised cities surrounding Kannaland thereby ensuring an alignment of climate change to the health and social agenda. A strategic foresight which is consistent with a pathway of transition to a decarbonised society through the introduction of appropriate technology innovation and initiated inter-governmental institutional processes will lead to an infrastructure investment rethink.

The municipality is currently under Section 154 Support Plan and is actively working to turn around the affairs of the Municipality and to restore the financial health of the Municipality.

As Municipal Manager in conclusion I would like to express my appreciation to all staff and councillors for their continued effort and support.

Adv Dillo Sereo

Municipal Manager

## 1.2 Municipal Overview:

This report offers an overview of the financial and non-financial performance of Kannaland Municipality for the 2024/25 financial year. Functions and powers of the municipality are implemented in relation to Section 155/156 of the Constitution and Chapter 3 of the Local Government Municipal Systems Act No. 32 of 2000.

The Municipality is structured in the following Departments.

1. Office of the Municipal Manager
2. Financial Services
3. Corporate and Community Services and,
4. Technical Services

### 1.2.1 DEMOGRAPHICS AND SOCIO-ECONOMIC OVERVIEW:

- The Kannaland Local Municipality is a Category B municipality situated within the Garden Route District in the Western Cape Province. The Municipal area covers approximately 4 758 km<sup>2</sup>. The Municipality is situated in the western part of the Klein Karoo.
- The Municipality stretches from the Swartberg in the north, the Langeberg in the south and the Anysberg in the west to the Gamkaberg in the east. It is constituted of three towns Ladismith (the location of the municipal headquarters), Zoar and Calitzdorp.





The Western Cape Provincial Treasury produces an annual research publication named the Socio-Economic Profile, this profile is based per region and provides the Western Cape municipalities with data and information which may assist in planning, budgeting and the prioritization of municipal services. It is worth noting that municipalities have different capacities and therefore will utilise the information encapsulated in the publication to suit the needs and capacity of the organisation.

The profile uses data primarily sourced from Statistics South Africa, administrative data from Sector Departments, the Municipal Review and Outlook (MERO), *Global Insight Regional Explorer* and Quantec. The data sourced from Sector Departments are the most recent that is available. The Statistics South Africa 2011 Census and 2016 Community Survey contains the latest survey data available at municipal level.

The socio-economic factors include factors such as income, education, employment, community safety, and social support. This social science and branch of economics focusses on the relationship between social behaviour and economics.

The most recent Socio-Economic Profile was produced for the 2022 calendar year, the data and information contained in this section is derived from the 2022 Socio-Economic Profile of the Prince Albert Municipality.

The table below provides a synopsis of the socio-economic profile of the Kannaland Municipality, as encapsulated in the 2022 Socio-Economic Profile:

In 2022, the Kannaland Municipality was home to 31 986 individuals, making it the least populated municipal area within the region, despite its landmass being 20.4 per cent of the GRD area. The Mid-year population estimates (MYPE) released by Stats SA in February 2023 reflects that the municipal population is anticipated to decline at an annual average rate of 1.5 per cent over the 2023 to 2027 period.

This demographic decline is potentially driven by semigration from this locale into more developed regions. The decline was primarily observed in urban areas but was counterbalanced by a slight increase in the rural population from 2001 to 2021.

## Kannaland Municipality: At a Glance

### Demographics

Population, 2022; Actual households, 2022



#### Population

**31 986**



#### Households

**8 686**

### Education

2022



Matric Pass Rate	85.8%
Learner Retention Rate	60.1%
Learner-Teacher Ratio	31.2

### Poverty

2022



Gini Coefficient	0.58
Poverty Head Count Ratio (UBPL)	62.0%

### Health

2022/23



Primary Health Care Facilities	4
<small>(excl. mobile/satellite clinics)</small>	

Immunisation Rate	97.9%
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Maternal Mortality Ratio (per 100 000 live births)	0
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Teenage Pregnancies – Delivery rate to women U/19	11.7%
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### Safety and Security

Actual number of reported cases in 2022/23



Residential Burglaries	163
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DUI	55
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Drug-related Crimes	342
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Murder	3
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Sexual Offences	33
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### Access to Basic Service Delivery

Percentage of households with access to basic services, 2022

Water	86.3%
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Refuse Removal	78.8%
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Electricity	94.1%
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Sanitation	86.9%
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Formal Housing	95.2%
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### Road Safety

2021/22

Fatal Crashes	42
Road User Fatalities	46

### Labour

2022

Unemployment Rate (narrow definition)	11.4%
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### Socio-economic Risks

Risk 1	Poverty
Risk 2	Poor learner retention
Risk 3	Safety and security

### Largest 3 Sectors

Contribution to GDP, 2021

Finance, insurance, real estate and business services

**21.1%**



Agriculture, fishing and forestry

**16.1%**



Wholesale and retail trade, catering and accommodation

**18.3%**



Table 1: Population of Kannaland WCPG MERO 2024

### 1.3 BASIC SERVICE DELIVERY OVERVIEW:

One of the cornerstone objects of Local Government is to ensure the provision of services to the community in a sustainable manner. The basic services rendered to the community of the Kannaland Municipal area includes electricity, water, sanitation, refuse removal. The other services rendered by the Municipality will be reported on later in the Annual Report.

#### 1.3.1 The following table reflects the basic service delivery performance highlights for the reporting financial year.

HIGHLIGHTS	DESCRIPTION
<b>Successful drought management</b>	Continuous and additional measures were put in place to increase the efficiency of water supply.
<b>Improvement of water security</b>	Equipping of boreholes should be done to improve water security.
<b>Drought relief measures implemented</b>	Drilling of new boreholes should be tested.
<b>Improved efficiency on refuse removal</b>	Refuse removal are conducted once a week in the respective and designated areas.
<b>Speed traffic camera</b>	This is to ensure that road users adhere to speed limits and to generate funding for the municipality.
<b>Upgrading of stormwater network</b>	The stormwater network should be upgraded in all four towns.
<b>Improved efficiency of illegal dumping removal</b>	A dedicated team should be tasked to address illegal dumping and signage should be erected in all four towns.
<b>Water resilience</b>	Projects in terms of water resilience should be rolled out in all four towns.
<b>Maintenance of road infrastructure</b>	The pothole repair programme is gradually implemented.

Table 1- Basic Service Delivery Highlights

#### 1.3.2 BASIC SERVICES DELIVERY CHALLENGES

The following table reflects the basic service delivery challenges for the reporting financial year.

CHALLENGE	ACTIONS TO ADDRESS
<b>Ageing municipal Fleet: Continuous breakdowns of operational vehicles needed for day-to-day basic service delivery</b>	A fleet management replacement model should be considered and adopted by Council as a guideline to plan for the systematic replacement of ageing fleet.

<b>CHALLENGE</b>	<b>ACTIONS TO ADDRESS</b>
<b>Ensure quality water provision</b>	<ul style="list-style-type: none"> <li>• Continuous training should be conducted for the Water Process Controllers</li> <li>• Appointment of additional Water Process Controllers for the Kannaland Municipal Area</li> </ul>
<b>Maintenance of road infrastructure</b>	The pothole repair programme is implemented within budget the limitation. A substantial increase of the road maintenance budget is needed to eradicate the backlog of bad road surfaces in a planned and systematic way.
<b>Improve and erect road signage and markings</b>	Road markings and signage are attended to within the available budget.
<b>Improve access control at landfill sites/ waste minimization</b>	The Municipality places reliance on the EPWP Programme to fulfil key primary functions at the landfill sites. Due to the size and long-term financial sustainability of the organisation, the affordability rate of expanding the staff establishment is extremely challenging.
<b>Upgrade electricity network</b>	<p>Budget funding for the replacement of the old electricity network should be sourced to acquire professional expertise to do an analysis of the conditions of all critical assets needed for basic service delivery, and to further developed an asset maintenance and replacement plan.</p> <p>Budget provision should be made on an annual basis for the replacement and/or upgrading of assets in accordance with the asset maintenance and replacement plan.</p> <p>A substantial increase of the electricity budget is needed to improve the network in a planned and systematic way.</p>
<b>Sewerage trucks not road worthy – high cost of service</b>	<p>Purchasing of a new sewerage truck should be considered.</p> <p>Investigate the possibility of connecting the sewerage tanks to the sanitation network.</p>
<b>Waste Management: Limited Lifespan of Kannaland Landfill Site</b>	Recycling facility needed and improved law enforcement on littering.

<b>CHALLENGE</b>	<b>ACTIONS TO ADDRESS</b>
<b>Waste Management: Management and Maintenance and Waste Transfer Stations in areas where illegal dumping occurs.</b>	<p>The focus of the municipality and community should shift towards recycling. An action plan to institutionalise recycling should be developed and promoted. Community and private sector buy in is crucial for any recycling initiative to succeed.</p> <p>Law enforcement actions on littering and related by-laws should be intensified.</p>
<b>Sewerage Network Reticulation / Frequent Sewage Blockages as a result of network capacity and vandalism. Discharge of foreign objects in sewerage system</b>	Education of Community to limit acts of vandalism.
<b>Water Network Reticulation / Ageing Asbestos Water Pipes / Water Pipe Burst</b>	Huge Capital investment is needed to systematically replace asbestos water pipes and valves.

Table 2 – Basic Service Delivery Challenges

Amidst the challenges the Municipality is facing, the Municipality is committed to rendering services to the Kannaland Municipal Area.

#### **1.4 FINANCIAL VIABILITY**

The Kannaland Municipality reviews its financial sustainability, its financial position and Medium-Term Revenue and Expenditure Framework (MTREF) on an annual basis to enable the Municipality to deliver acceptable levels of services at affordable tariffs.

Council has embarked on a process to compile a long-term financial plan for the next ten (10) years, the plan will assist in identifying financial risks and determining and maximizing all possible revenue streams. The plan will assist in determining future operational and capital expenditure responsibilities and ultimately to determine the grant dependency and external borrowing of the Municipality.

The long-term financial plan is essential to ensure that the Kannaland Municipality can sustainably implement and execute its Constitutional competencies and mandate in an effective manner, without the risk to impair its capital base.

### 1.4.1 STATEMENT OF FINANCIAL PERFORMANCE OVERVIEW

The following table provides an overview of the financial performance for the reporting financial year.

FINANCIAL Year	REVENUE				OPERATING EXPENDITURE			
	Budget R'000	Actual	Diff.	%	Budget R'000	Actual	Diff.	%
2023/24	250 542 252	270 557 157	-20 014 905	93%	235 888 076	312 617 344	-76 729 268	75%
2024/25	269 571 874	260 539 370	9 032 504	97%	273 507 841	236 418 766	37 089 075	86%

Table 3: Financial Overview

### 1.4.2 FINANCIAL VIABILITY HIGHLIGHTS

The following table reflects the financial viability highlights for the reporting financial year.

HIGHLIGHT	DESCRIPTION
<b>Transfer to Capital Replacement reserve</b>	The Municipality do not have CRR for the year under review.
<b>Municipal tariffs the cheapest in the Western Cape</b>	A provincial study found that Kannaland Municipality have the cheapest tariffs in the Western Cape. Measures are currently been taken to align tariffs to the norm in the Western Cape Province.
<b>Generating projected Revenue Budget on Traffic Fines</b>	The municipality appointed a service provider for speed cameras in generating revenue.

Table 4 – Financial Viability Highlights

### 1.4.3 FINANCIAL VIABILITY CHALLENGES

The following table reflects the financial viability challenges for the reporting financial year.

CHALLENGE	ACTION TO ADDRESS
<b>Capacity constraints</b>	Multi skilling of staff; organogram to be reviewed to enable a split of oversight functions to improve control.
<b>Debt collection – especially in Eskom areas</b>	This will remain a challenge, as no measures have been implemented to improve debt collection in the ESKOM areas.
<b>Increase in bad debt provision due to increase in outstanding water debtors</b>	Stringent compliance of debt collection policy and measures.

CHALLENGE	ACTION TO ADDRESS
<b>Tariffs not sustainable and not cost reflective</b>	Review of electricity tariff structure was done internally. Cost of supply study will be done in future to determine the real cost of each service and determine the tariffs accordingly.
<b>Financial Sustainability / Limited revenue streams</b>	Explore possible options for additional revenue streams and the implementation of further cost containment.

Table 5 – Financial Viability Challenges

#### 1.4.4 CAPITAL EXPENDITURE

The following table provides a total capital expenditure profile for the reporting financial year.

EXPENDITURE STATUS 2024/2025 FY (June 2025)							
No.	Grant	Project No	Project Name	Original Budget	Expenditure	Still to spend	% Spend
2	MIG		VAN WYKSDORP WASTE WATER	R 1 724 301,00	R 1 629 554,93	R 94 746,07	95%
3	MIG		UPGRADE CALITZDORP WASTE WATER TREATMENT	R 3 156 150,00	R 3 156 000,00	R 150,00	100%
4	MIG		UPGRADE ZOAR WASTE WATER TREATMENT WORKS	R 3 300 000,00	R 3 247 791,60	R 52 208,40	98%
5	Water Resilience Grant		Municipal Water Resilience Grant	R 4 000 000,00	R 206 781,83	R 3 793 218,17	5%
6	Water Resilience Grant		Municipal Water Resilience Grant	R 1 503 814,00	R 520 435,92	R 983 378,08	35%
7	WSIG		REFURBISH LADISMITH WASTE WATER	R 9 000 000,00	R 7 315 448,41	R 1 684 551,59	81%
8	INEP		INEP (Eskom)	R 104 000,00	R -	R 104 000,00	0%
9	Water Resilience Grant		Municipal Energy Resilience Grant	R 522 000,00	R 521 266,20	R 733,80	100%
10	MIG	PMU/041	PMU 2024/25	R 560 850,00	R 560 850,00	R -	100%
		<b>TOTALS</b>		<b>R 26 328 814,00</b>	<b>R 19 615 827,75</b>	<b>R 6 712 986,25</b>	<b>74,5%</b>

Table 6 – Total Capital Expenditure

The spending of the capital budget was delayed due to late appointment of service providers. The Municipality developed a project planning program to improve the monitoring and implementation of the capital expenditure in the Municipality.

The Municipality is able to meet its current commitments with a cash position measures favourably against best practice norms. Management is continuously implementing remedial actions to further enhance the cash flow position of the Municipality. The long-term financial plan is being monitored to ensure that financial targets are being met as anticipated in the annual approved budget.

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The organisational structure was reviewed on 27 June 2023 and send to the MEC for comments, no comments were received from the MEC. The Council approved the organisational structure on 13 December 2023.

### 1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

The following table provides an overview of the municipal transformation and organizational development highlights for the reporting year.

HIGHLIGHTS	DESCRIPTION
<b>Critical appointments</b>	<p>The following position were filled during the reporting financial year:</p> <ul style="list-style-type: none"> <li>• Municipal Manager.</li> <li>• Director: Technical Services.</li> </ul> <p>The filling of these vacancies is deemed critical in strengthening the capacity and operations of the organisation.</p>
<b>Workplace Skills Plan</b>	The Workplace Skills Plan was submitted to LGSETA on 30 April 2023.
<b>HR policies reviewed</b>	Several HR policies were reviewed during the reporting financial year.
<b>Organisational review</b>	The Micro Structure: Office of the Municipal Manager has been reviewed on 27 June 2023.
<b>Job Description Review</b>	The Municipality has commenced with the review of job descriptions in line with the Local Government: Municipal Staff Regulations for the purpose of task evaluation. This is an ongoing process.
<b>Training and Development</b>	No training was conducted during the year under review.

Table 7 – Municipal Transformation and Organisational Development Highlights



## 1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

The following table reflects the challenges pertaining the municipal transformation and organizational development for the reporting financial year.

DESCRIPTION	ACTIONS TO ADDRESS
<b>Capacity constraints</b>	<ul style="list-style-type: none"> <li>• 41% vacancy rate in the organisation.</li> <li>• The Municipality do not have the required financial resources to fill vacancies.</li> <li>• The organisational structure has been revised and the municipality is currently busy with a placement process.</li> </ul>
<b>Limited skills base</b>	Skills funding is limited to ensure the skills base are adequate and acceptable.
<b>Challenges attracting and retaining staff</b>	Remuneration packages are adversely affected by their low magnitude, and the geographic location poses challenges to the attraction and retention of personnel.
<b>Individual Performance Management</b>	<ul style="list-style-type: none"> <li>• Capacity constraints are hampering the implementing performance management to lowest level.</li> <li>• The Municipality is in the process of procuring a web-based performance management system which will aid in the implementation of the individual performance management.</li> </ul>
<b>Service level standards</b>	Establishing a culture of meeting service level standards according to Charter

Table 8 – Municipal Transformation and Organisational Development Challenges

Capacity constraints remain one of the core challenges for the Kannaland Municipality, the ability to budget for staff development to enhance and improve skills, are one of the critical risk factors worth noting. The Municipality is continuously researching and networking on funding sources for training and development initiatives.

## 1.5.3 MUNICIPAL MINIMUM COMPETENCY

For the reporting financial year, four (4) officials attended to obtaining their Municipal Minimum Competency Requirements. The table below provides a synopsis of the same:

DESCRIPTION	TOTAL NUMBER OF OFFICIALS
Chief Financial Officer	1
Any other Financial Officials	
<b>TOTAL</b>	<b>1</b>

Table 9 – Municipal Minimum Competency

The table below reflects the reporting total number of employees who complies with the minimum competency requirements:

DESCRIPTION	Total number of officials employed by municipality (Regulation 14(4)(a) and €)	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)€)
<b>FINANCIAL OFFICIALS</b>				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior Managers	1	3		
Any other Financial Officials				10 (Awaiting final results)
<b>SUPPLY CHAIN MANAGEMENT OFFICIALS</b>				
Head of Supply Chain Management Unit	1			
Supply Chain Management Senior Managers	1			
<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>12</b>

Table 10 – Number of Employees who complies with minimum competency

The Municipality is not able to budget a minor portion in the training budget for addressing the municipal minimum competency requirements, coupled with other training and development needs. The Municipality is grant dependent to address interventions of this nature.

## 1.6 AUDITOR GENERAL REPORT

### 1.6.1 AUDITED OUTCOMES

The following table reflects the audited outcomes for the last four financial years.

YEAR	2021/2022	2022/2023	2023/2024	2024/2025
AUDIT OPINION RECEIVED	Disclaimer	Disclaimer	Disclaimer	Disclaimer

Table 11 – Audit Outcomes

Based on the financial health, supply chain management, and root cause assessment conducted by the Auditor-General of South Africa for the 2024/2025 financial year, the assessment conducted resulted in the following:

- **Financial Health Indicator**
  - Material Misstatements were identified in the Financial statements which constitutes non-compliance with section 122(1) of the MFMA.
- **Supply Chain Management Findings**
  - Findings or matters were raised in terms of Supply Chain Management for the financial year.
- **Root Causes**
  - The Auditor-General indicated that the following were root causes:
    - Lack of monitoring and evaluation in terms of compliance.
    - Lack of reviewing the financial statements in terms of GRAP.
    - Inadequate consequence management.

Even though the audit outcome is the same as the previous financial year, the Kannaland Municipality is committed to work towards receiving an improved Audit opinion. The latter requires a collaborative approach between the Administration, Political Office Bearers, including the community of the greater Kannaland Municipal Area, as well as other relevant stakeholders. The development of a pre audit action plan is in process for improvement of the audit opinion during 2024/2025 financial year.

## 1.7 STATUTORY ANNUAL REPORT PROCESS

The statutory processes to follow to compile the Annual Report are depicted in the table below. The process ideally commences in July each year with the drafting of the Annual Report and continues until the end of March of the succeeding calendar year when the Council accepts the Annual Report, coupled with the Oversight Report on the Annual Report.

<b>STATUTORY ANNUAL REPORT PROCESS</b>		
<b>REFERENCE</b>	<b>ACTIVITY</b>	<b>TIMEFRAME</b>
<b>1</b>	Consideration of the next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
<b>2</b>	Implementation and monitoring of approved Budget and IDP commences (in-year financial reporting through the Service Delivery and Budget Implementation Plan)	July
<b>3</b>	Finalisation of the Fourth Quarter Financial and Non-Financial Performance Assessment Report as required by Section 52(d) of the Local Government: Municipal Finance Management Act, No. 56 of 2003.	July
<b>4</b>	Submission of the Draft Annual Financial Statements and Draft Annual Performance Report to the Auditor-General	August
<b>5</b>	Draft Annual Performance Report to be utilized as input to the Integrated Development Planning Analysis Phase	October
<b>6</b>	The Executive Mayor tables the Draft Annual Report and Audited Financial Statements and Annual Performance Report to Council, coupled with the Auditor-General's Draft Management Letter	January
<b>7</b>	The Draft Annual Report is publicised to invite the public to provide their inputs into the Annual Report and is submitted to the relevant Provincial Department	February
<b>8</b>	The Oversight Committee assesses the Draft Annual Report and develops an Oversight Report based on the Draft Annual Report containing the Council's comments	March
<b>9</b>	The Oversight Report is submitted to Council for consideration and adoption	March
<b>10</b>	The Oversight Report is submitted to the relevant Provincial Departments within seven days following the adoption of the Oversight Report by the Council	March

<b>STATUTORY ANNUAL REPORT PROCESS</b>		
<b>REFERENCE</b>	<b>ACTIVITY</b>	<b>TIMEFRAME</b>
11	Commencement of the Draft Integrated Development Plan and Budget for the next financial year. The Annual Report and Oversight Report may be used as input and baseline for the development of these two strategic instruments.	March

Table 12 – Statutory Annual Report Process

## CHAPTER 2 – GOVERNANCE: Political Governance Structure

In the quest to realise Kannaland Municipality's vision "*The Place of Choice*", it is of pivotal importance that the Municipality is governed in a way that promotes and enhances good governance, to both internal and external facets. Good Governance has eight (8) major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

### 2.1 GOOD GOVERNANCE AND PUBLIC PARTICIPATION HIGHLIGHTS

The table below provides an overview of the good governance and public participation highlights for the reporting financial year

HIGHLIGHT	DESCRIPTION
<b>Ward Committees</b>	The Ward Committees were established for the new office term and is deemed functional.
<b>Ward Committee Summit</b>	A Ward Committee Summit was hosted in the reporting financial year. All the relevant parties were represented well.
<b>Community meetings</b>	Community meetings have high attendance numbers.
<b>Various communication platforms to keep community informed</b>	Social media, e-mails and notices is used to keep community and other stakeholders abreast.
<b>Stakeholder engagements</b>	The Municipality sits on various stakeholder engagement forums and meetings to enhance and foster intergovernmental relations for the betterment of the organisation and the Greater Municipal Area.
<b>Community partnerships</b>	Municipality has two partnerships to deliver on social cohesion interventions and/or programmes with the Tourism Offices.

Table 13 – Good Governance and Public Participation Performance Highlights

### 2.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION CHALLENGES

The table below provides an overview of the good governance and public participation challenges for the reporting financial year

<b>DESCRIPTION</b>	<b>ACTIONS TO ADDRESS</b>
<b>Not all ward committee members perform optimally</b>	Training to be provided on the role of ward committees and municipal programmes.
<b>Ward committee activities to be strengthened</b>	Continuous Ward Committee summit and ad hoc engagements with ward committees on specific programmes to be hosted and facilitated.
<b>Quarterly feedback in wards not compliant in regularity</b>	Ward feedback meetings scheduled under chairmanship of ward councillors.
<b>Meeting fatigue</b>	Numerous meetings and engagements lead to meeting fatigue and disinterest within community
<b>Political factions within community</b>	<p>Political factions in the community undermines good governance by spreading misinformation, thus creating hostility and mistrust.</p> <p>The Municipality, in conjunction with the relevant stakeholders must ensure that the interest and participation of community and community organisations are fostered and nurtured to ensure that good governance and public participation is deemed successful in this regard.</p>

Table 14 – Good Governance and Public Participation Performance Challenges

## **2.3 POLITICAL GOVERNANCE**

In compliance to Section 151(3) of the Constitution of the Republic of South Africa, 1996, Section 53 of the Local Government: Municipal Systems Act, No. 32 of 2000, and the Local Government: Municipal Structures Act, No. 117 of 1998, the Kannaland Municipality governs the local government affairs of the local community on its own initiative. The roles and responsibilities of each political structure and each political office bearer are defined and adhered to accordingly, within the ambit of the relevant laws and regulations.

### **2.3.1 POLITICAL OFFICE BEARERS**

The primary role of Council is to govern the Municipality in a democratic and accountable manner, to perform legislative and executive functions, and generally fulfil its roles and responsibilities as encapsulated in the Constitution of the Republic of South Africa, 1996. Council focus is towards legislation, decision-making, oversight and participatory roles, and has delegated executive functions to the Executive Mayor, other office bearers, the Accounting Officer and other staff members, where applicable, within the ambit of the guiding principles. The number of Councillors in total thus equate to seven (7). The composition of Council as at end June 2025 are as follows:

Below is a table that categorise the councillors within the specific political parties and wards:

<b>COUNCIL MEMBERS</b>	<b>CAPACITY</b>	<b>POLITICAL PARTY</b>	<b>WARD COUNCILLOR/ PROPORTIONAL</b>
<b>Jeffrey Donson</b>	Mayor	ICOSA	Ward Cllr
<b>Hyryn Ruiters</b>	Deputy Mayor	ICOSA	Ward Cllr
<b>Werner Meshoa</b>	MPAC Chairperson	ICOSA	Ward Cllr
<b>Peter-George Rooi</b>	Speaker	Kannaland Independent Party	Proportional
<b>Aletta Steenkamp</b>	Councillor	DA	Ward Cllr
<b>Leonie Stuurman</b>	Councillor	ANC	Proportional
<b>Nicky Valentyn</b>	Councillor	ANC	Proportional

Table15 – Council Per Political Association

The table below provides an overview of the various Council meetings held for the reporting financial year, and the percentage of attendance and apologies tendered for the same by Councillors.



NUMBER	MEETING DATES	TYPE OF COUNCIL MEETING	COUNCIL MEETINGS ATTENDANCE	APOLOGIES FOR NON-ATTENDANCE
1	10 July 2024	Special	100%	0%
2	07 August 2024	General	100%	0%
3	22 August 2024	Special	100%	0%
4	30 August 2024	Special	28.57%	0%
5	01 October 2024	Special	100%	0%
6	11 October 2024	Special	100%	0%
7	24 October 2024	Special	100%	0%
8	14 November 2024	Special	100%	0%
9	29 November 2024	General	100%	0%
10	12 December 2024	Special	100%	0%
11	31 January 2025	General	14.29%	0%
12	20 February 2025	Special	100%	0%
13	27 February 2025	General	14.29%	0%
14	18 March 2025	Special	14.29%	0%
15	31 March 2025	General	14.29%	0%
16	30 April 2025	General	14.29%	0%
17	16 May 2025	Special	100%	0%
18	30 May 2025	Special	100%	0%
19	10 June 2025	General	100%	0%
20	19 June 2025	Special	14.29%	0%

**Table 16 - Council Meetings**

### **2.3.2 EXECUTIVE MAYORAL COMMITTEE**

The Kannaland Municipality has an Executive Mayor system.

### **2.3.3 PORTFOLIO COMMITTEES**

Section 80 committees are permanent committees that specialize in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the Executive Mayor on policy matters and make recommendations to the Executive Mayor.

Section 79 committees are temporary and appointed by the council as needed. They are usually set up to investigate a particular issue and do not have any decision-making powers, except those delegated to them by Council. Once their *ad hoc* task had been completed, Section 79 committees are usually disbanded. External experts, as well as Councillors can be included on Section 79 committees. The municipality do not have Section 80 committees in place for the year under review.

### 2.3.4 ADMINISTRATIVE GOVERNANCE STRUCTURE:

The Municipal Manager is the Accounting Officer of the Municipality. The Accounting Officer is the Head of the Administration and primarily has to serve as chief custodian of service delivery and implementation of Councils priorities. The Accounting Officer is assisted by the respective Directors within the employ of the Municipality.

The table below indicates the management structure of Kannaland Municipality.

NAME OF OFFICIAL	CAPACITY	PERFORMANCE AGREEMENT SIGNED
		(Yes/No)
<b>Advocate Dillo Sereo</b> (appointed in February 2024)	Municipal Manager	Yes
<b>Mr. Lucky Steenkamp</b> (appointed in May 2024)	Chief Financial Officer	Yes
<b>Mr. Hendrik Barnard</b> (Appointed in June 2023)	Director: Corporate Services	Yes
<b>Vacant</b>	Director: Technical Services	

**TABLE 17 - ADMINISTRATIVE GOVERNANCE STRUCTURE**

The table below reflects the strategic functions the various Departments are responsible for:

DIRECTORATE	STRATEGIC FUNCTIONS
<b>Municipal Manager</b>	<ul style="list-style-type: none"> <li>• Internal Audit.</li> <li>• Risk Management.</li> <li>• Strategic Management.</li> <li>• Good Governance and Compliance.</li> <li>• Integrated Development Planning (IDP).</li> <li>• Communication Services</li> </ul>
<b>Corporate and Community Services</b>	<ul style="list-style-type: none"> <li>• Human Resources.</li> <li>• Traffic Law Enforcement.</li> <li>• Housing Administration.</li> <li>• Fire Services and Disaster Management.</li> <li>• Libraries.</li> <li>• Thusong.</li> <li>• Community Liaison.</li> </ul>

DIRECTORATE	STRATEGIC FUNCTIONS
	<ul style="list-style-type: none"> <li>• Parks and Recreation Facilities.</li> <li>• Contract Management.</li> <li>• Committee Services.</li> <li>• Administrative Support.</li> <li>• Integrated Development Planning.</li> <li>• Performance Management.</li> <li>• Town Planning.</li> <li>• Building Control.</li> <li>• Records Management.</li> <li>• Local Economic Development.</li> </ul>
<p><b>Financial Services</b></p>	<ul style="list-style-type: none"> <li>• Revenue Management and Collection, Valuation Roll.</li> <li>• Supply Chain Management and Asset Management.</li> <li>• Statutory Reporting.</li> <li>• Payroll, Budget Office and Finance Data processing.</li> <li>• Expenditure Management.</li> <li>• Management of the Municipal Investments and Insurance Portfolio.</li> <li>• Indigent Support.</li> <li>• Annual Financial Statements and all accounting facilities.</li> </ul>
<p><b>Technical Services</b></p>	<ul style="list-style-type: none"> <li>• Water and Sewerage Purification.</li> <li>• Water and Sewerage Reticulation.</li> <li>• Refuse Removal and Management of Landfill Sites.</li> <li>• Vehicle Maintenance.</li> <li>• Streets, Storm Water and Construction.</li> <li>• Roads and Pavements.</li> <li>• Infrastructure Projects.</li> <li>• EPWP Administration.</li> </ul>

Table 18 - Strategic Functions

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.3.5 INTERGOVERNMENTAL RELATIONS

South Africa has an intergovernmental system that is based on the principle of co-operation of AGSA between the three spheres of government – local, provincial and national. While responsibility for certain functions is allocated to a specific sphere, many other functions are shared among the three spheres.

Chapter 3 of the Constitution describes the three spheres as being 'distinctive, interdependent and interrelated' and enjoins them to 'cooperate with one another in mutual trust and good faith'. An important element of this cooperative relationship is that there needs to be a clear understanding of each sphere of government's powers and functions to ensure that a sphere of government or organ of state does not encroach on the geographical, functional or institutional integrity of government in another sphere.

### **2.3.6 PROVINCIAL INTERGOVERNMENTAL STRUCTURES**

Provincial intergovernmental relations are mostly aimed at oversight and monitoring as set out in various pieces of legislation pertaining to local and provincial government. It does, however, take on a supporting role in the sharing of best-practices and knowledge sharing. Provincial intergovernmental structures include MINMAY (Western Cape Minister and Mayoral Committee) meetings, Provincial Task Groups and FORA such as the Provincial Public Participation Forum and SALGA Work Groups. Various Provincial FORA exist in every field of Local Government. The benefit of such FORA is a more integrated and coordinated planning process ensuring optimum use of available resources.

The Kannaland Municipality participate in the following intergovernmental forums:

- Municipal Managers Forum where Municipal Managers engage on municipal matters
- Back to Basics Forum, both locally and regionally, that focus on governmental support to improve service delivery in Kannaland
- Community Water Forum to raise awareness on water matters in the Kannaland catchment area.
- CFO Forums where the CFOs of municipality engage on financial matters.
- Garden Route District IDP Forum where municipalities in the Garden Route engage with each other on integrated development planning.
- Thusong Centre Provincial Forum where the Thusong Managers in the Province engage on shared service matters and programs.
- MIG Manager/Municipality Co-ordination Meetings – Western Cape Department of Local Government where municipalities and the Local Government engage on MIG spending and projects.
- Integrated Waste Management Forum – Western Cape Department of Environmental Affairs and Development Planning where the Department and municipality engage with each other on integrated waste matters.
- Western Cape Recycling Action Group – Western Cape Department of Environmental Affairs and Development Planning where municipalities and the department engage on recycling and raising awareness on such.
- SALGA Working Groups – SALGA where the municipalities in the Western Cape engage and workshop municipal infrastructure matters, Labour relations, local economic development etc.
- Working for Water: Implementing Agent Managers Forum – National Department of Environmental Affairs where the Department and municipalities on the work for water program.
- Provincial Communication Forum where all provincial municipalities and Province communicate on communication matters.

- Provincial Public Participation Forum where all provincial municipality engage on public participation matters.
- Provincial ICT Forum where municipalities and provincial departments engage on ICT matters.
- Provincial Air Quality Management Forum where municipalities and province engage on air quality management.
- Provincial Head Planning Forum where the Heads of Planning of the municipalities and Province engage with each other on planning matters.
- Garden Route District Disaster Management Forum where Municipalities in the Garden Route engage on Disaster Management Matters.
- E-Natis Provincial Task Team where E-Natis users engage with each other on E-Natis management

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **2.4 PUBLIC MEETINGS**

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

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

Public participation enables vigorous and constructive engagements with all stakeholders through their participation in ward committee meetings and community feedback sessions throughout the year on various issues including matters raised by members of the community. This is of particular importance, given the geographical size and nature of the municipal area within which community's needs vary from area to area.

The result of the municipal public participation processes is designed to allow Council and management to do better long-term planning and deliver, amongst other, a more credible IDP and Budget.

The complaints system was and is still being utilized to obtain the enquiries from the community.

No community satisfaction surveys have been conducted although the Municipality has high regard for the complaints system and all possible measures are taken to ensure that complaints

are attended to in the shortest possible time and that feedback is given to the complainant. Response times and attention to complaints will be considered as a KPI on the SDBIP.

The table below details public communication and participatory initiatives held by the municipality during the financial year under review:

## **2.5 WARD COMMITTEES**

Kannaland Municipality elected its ward committee members after the Local Government Elections in November 2021. All four ward committees are functional. The first inductions session with the ward committees was held in February 2022.

The purpose of a ward committee is:

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

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and should be representative. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the Council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

As some difficulties were experienced with the feedback from sector representatives to their respective sectors and general feedback to the community, the Municipality concluded that their ward committees were not functioning optimally. Council adopted the block based representative ward committee system. This meant that the sectors no longer had seats reserved for them on the ward committee, but they had to nominate someone living in a specific block to represent their interests. This new system operated on a combination of door-to-door visits, block meetings and ward committee meetings. Some wards functioned better than others. The ward committee members were trained on municipal policies and programmes. The ward committee meetings are open to the public and the community can attend said meetings and by arrangement with the ward councillor, provide input into meetings. Sectors can by prior arrangement, address ward committees with the approval of the ward councillor. The ward committee can also invite the sector to address them on a specific topic.

The changes made to the ward committee policy approved in November 2021 was tested during the reporting year and found to improve the functioning of the ward committee system. The ward committees undertook door-to-door visits in the first month, convene block meetings in the second and attend ward committee and ward feedback meetings in the third month. This assisted in improved mobilisation and information dissemination within the communities.

## WARD COMMITTEE MEMBERS

The tables hereunder illustrate the details of the ward committee members serving Kannaland Municipality.

### WARD 1 – WARD COMMITTEE MEMBERS (NISSENVILLE)

NAME	SURNAME	ORGANISATION	CONTACT DETAILS
EXECUTIVE MAYOR JEFFREY DONSON	CHAIRPERSON JEFFREY DONSON	KANNALAND MUNICIPALITY	083 256 0874
SUNELLE	CAROLUS	YOUTH	084 647 3512
JAN	CEDERAS	COMMUNITY SAFETY FORUM	071 604 8351
HENRY	MOSES	SPORT AND CULTURE	078 149 7473
GILLION	BOSMAN	YOUTH	071 877 3307
PETRONELLA	JULIES	COMMUNITY BASED ORGANISATIONS	073 519 2010
CAROLINE	MGANGANE	WOMAN	084 456 0532
RACHEL	JANUARIE	SENIOR CITIZENS	073 312 1165
MELANIE	AYSLIE	RELIGIOUS GROUPING	073 570 4578
ELLORINE	HESKWA	COMMUNITY	
PHILIP	RADEMEYER	HOUSING	082 547 3309

TABLE 19: WARD 1 – WARD COMMITTEE

### WARD 2 – WARD COMMITTEE MEMBERS

Calitzdorp, Bergsig, Warm bad, and Kruisrivier, Gamka– East and West

NAME	SURNAME	ORGANISATION	CONTACT DETAILS
DEPUTY EXECUTIVE MAYOR MESHOA WERNE	MESHOA	KANNALAND MUNICIPALITY	060 582 4414
MARIA	HORN	COMMUNITY BASED ORGANISATIONS	062 046 1829
FRANSIENA	QUANTINI	COMMUNITY BASED ORGANISATIONS	083 821 7607



LEWONA	ANDRIES	COMMUNITY BASED ORGANISATIONS	076 669 3200
HANNA	KARELSE	HEALTH AND WELFARE	074 859 4862
EVA	KIEWIETS	SENIOR CITIZENS	074 385 8644
BETTIE	MCDILLON	RELIGIOUS GROUPS	078 565 6152
QUINTA	VALENTYN	BUSINESS	073 540 5145
MARSHELL	TARENDAAL	YOUTH	061 034 6086
SOPHIA	ROMAN	SENIOR CITIZENS	079 653 5642
-VACANT			

TABLE 20 WARD 2 – WARD COMMITTEE

**WARD 3 – WARD COMMITTEE MEMBERS (ZOAR)**

NAME	SURNAME	ORGANISATION	CONTACT DETAILS
CLLR HYRIN RUITERS	RUITERS	KANNALAND MUNICIPALITY	083 922 8282
SHERILENE	PRINS	HEALTH AND WELFARE	073 191 9218
CEDRIC	JOHANNES	COMMUNITY BASED ORGANISATIONS	061 247 9773
JAKOB	NKOKOU	AGRI-CULTURE	073 739 6021
GLADWIN	GELANDT	BUSINESS	073 725 4446
ZAYLENE	DANIELS	COMMUNITY SAFETY FORUM	078 746 1010
SUDENE	ARNOLDUS	TOURISM	
BERISSA	DANIELS	HEALTH AND WELFARE	071 027 8423
CHARNELL	ARENDSE	SPORT AND CULTURE	078 366 3967
ALETTA	JOON	SENIOR CITIZENS	071 855 8886
JOHN	NOVEMBER	TRADITIONAL LEADERS	

TABLE 21 WARD 3 – WARD COMMITTEE

## WARD 4 – WARD COMMITTEE MEMBERS

Ladismith Town, Van Wyksdorp, Dankoord, Algerynskraal, Buffelsvlei, Hoeko

NAME	SURNAME	ORGANISATION	CONTACT DETAILS
CLLR ALLETTA STEENKAMP	STEENKAMP	KANNALAND MUNICIPALITY	072 425 5991
DOROTHEA	VAN ROOYEN	SENIOR CITIZENS	073 613 7906
EDWARD	ADCOCK	HEALTH	061 604 2429
MARTIN	HENDRICKS	COMMUNITY BASED ORGANISATIONS	076 517 8399
ESMERELDA	VAN STADEN	HEALTH AND WELFARE	065 255 8722
FELICIA	VERNIS	YOUTH	078 785 6701
PERCIVAL	APPOLLIS	RELIGIOUS GROUPS	074 711 3979
SURITA	JAFTHA	COMMUNITY BASED ORGANISATIONS	065 096 2720
GEORGE	LAUBSCHER	RATEPAYERS	082 595 5376
NERINA	LOCHNER	COMMUNITY BASED ORGANISATIONS	063 312 2480

TABLE 22 WARD 4 – WARD COMMITTEE

### 2.5.1 FUNCTIONALITY OF WARD COMMITTEES

Ward committee members are elected by the communities they serve. A ward committee may not have more than 10 members and women must be well represented. The ward councilor is the chairperson of the ward committee.

The main purpose of ward committees is to improve effective communication and participation of community members to inform council's decision-making on the opinion and needs of the communities, especially those affected by a decision. Ward committees have no formal powers, but they advise ward councilors who make specific submissions directly to the Administration/ Council and also assist the ward councilor with the following:

- Consultation and report-back to the community;
- Obtaining better participation from the community to inform council decisions, and
- Playing an important role in the annual revision of the Integrated Development Plan of the area.

The WCPG has developed functionality indicators to ascertain, monitor and support ward committee in local municipalities.

The undermentioned indicators are applied and reported on each quarter:

- Scheduled quarterly ward committee meetings
- Sector/Block meetings
- Ward Committee policies adopted by council
- Ward Councilor Report back meetings
- Ward Committee vacancies

### 2.5.2 WARD COMMITTEE MEETINGS

The ward committees support the Ward Councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees' function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities. In the following tables the respective ward committee meetings that were held during the reporting years are reflected.

WARD 1	WARD 2	WARD 3	WARD 4
<ul style="list-style-type: none"> <li>• 10 February 2025, Ladismith Library Hall, 10h00</li> </ul>	<ul style="list-style-type: none"> <li>• 6 February 2025, Municipal Offices, Calitzdorp 18h00</li> <li>• 6 March 2025, Municipal Offices, Calitzdorp 18h00</li> <li>• 30 April 2025, Municipal Offices, Calitzdorp 18h00</li> </ul>	<ul style="list-style-type: none"> <li>• 5 March 2025, Maxi's Hall, Zoar, 18h00</li> <li>• 29 April 2025, Maxi's Hall, Zoar, 18h00</li> </ul>	<ul style="list-style-type: none"> <li>• 11 February 2025, Library Hall, Ladismith, 17h00</li> <li>• 26 February 2025, Library Hall, Ladismith, 17h00</li> <li>• 30 April 2025, Library Hall, Ladismith, 17h00</li> <li>• 5 May 2025, Library Hall, Ladismith, 17h00</li> </ul>

*Table 23 ward committee meetings*

## 2.6 REPRESENTATIVE FORUMS

### 2.6.1 LOCAL LABOUR FORUM

The table below specifies the members of the Local Labour Forum for the reporting financial year

NAME REPRESENTATIVE	OF	CAPACITY	MEETING DATES
Councilor W Meshoa		Chairperson	30 August 2024
Councilor H Ruiters		Councilor	09 September 2024
Councilor P Rooi		Councilor	31 October 2024
Mr. H Barnard		Employer	31 January 2025
Ms. G Ngcobo		Employee	28 February 2025
Mr. X Stofile		SAMWU	04 March 2025
Mr. C Willemse		SAMWU	11 April 2025
Mr. C Breda		IMATU	16 April 2025
Mr. B Rooi		IMATU	
Mr. C Britz		IMATU	

Table 24 - Local Labour Forum Composition

It is worth noting that the Kannaland Municipality has 84 SAMWU members. While IMATU remains the dominant union, The Municipality held regular Local Labour Forum meetings during the year under review.

### COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

## 2.7 RISK MANAGEMENT

The direction and mandate of risk management for Kannaland Municipality is clearly set out in Section 62(1) of the MFMA that stipulates that the “Accounting Officer must take all reasonable steps to ensure that the Municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control” accompanied by the crucial motto of the public sector: “that the resources of the Municipality are used effectively, efficiently and economically”.

Enterprise Risk Management (ERM) is an essential function that must be performed by the Municipality in terms of the applicable local government legislation. Auditor-General reports in recent years have highlighted risks for the Municipality and findings indicated that ERM must be prioritized as this function has been neglected for years. The municipality is in the process of signing an MOU with Oudtshoorn Municipality to enter a shared service agreement.

### **2.7.1 RISK MANAGEMENT IN KANNALAND MUNICIPALITY**

The Accounting Officer exercised his right in terms of the applicable Risk Management legislation to appoint a Risk Contract and legal manager in June 2019. The official was appointed based on his qualification, skills, expertise and the need for such appointment.

### **2.7.2 CHALLENGES IN RISK MANAGEMENT**

1. The Municipality only has one permanent incumbent to fulfil, the Risk Contract and Legal services function.
2. The Municipality, is in the process to purchase an automated Risk and Contract system. This system will be procured and functional during the 2025/2026 Financial Year.
3. Adoption of the Draft Risk Audit Report and appointment of Risk Champions to implement and mitigate risks identified in the Internal Audit Risk Register.

### **2.7.3 BENEFITS OF RISK MANAGEMENT**

Kannaland Municipality will implement and maintain an effective, efficient and transparent system of risk management and internal control. Risk management will assist the municipality to achieve, among other things, the following outcomes needed to underpin and enhance performance:

- more sustainable and reliable delivery of services;
- informed decisions underpinned by appropriate rigor and analysis;
- achievement of strategic goals as set out in the Integrated Development Plan;
- reduced waste;
- prevention of fraud and corruption and better value for money through more efficient use of resources; and
- better outputs and outcomes through improved project and program management.

The table below details the Top 20 High Residual Risks (Risks above the Risk Appetite), identified during the Risk Assessment process conducted during February 2023. (From Highest Inherent Risk Rating). The risk ratings still need to be approved by the Fraud & Risk Management Committee and the Audit Committee:

## 2.7.4 TOP 10 2024/2025 STRATEGIC AND OPERATIONAL RISKS:

Nr	Risk Cause	Risk Description	Risk Consequences	Inherent Exposure	Inherent Rating	Section
1.	Infrastructure collapse. Water scarcity Outdated Infrastructure	Sustainable Basic Service	Delayed Service Delivery Damage to Equipment Unhappy Community Lost opportunities (ED) Injuries (OHS) Fire Risk	25	25	Electricity
2.	Outdated SDF Non-existence/outdated infrastructure master plans	Noncompliance to core components of IDP	Community unhappiness No long-term goals MEC interventions Unfocussed Service Delivery	25	25	IDP/SDBIP/Performance
3.	Political Interference Management Override	Unfunded Budget	Unauthorized Expenditure Inability to pay creditors Fruitless and Wasteful Expenditure Reputational Damage AG Findings Funding Losses	25	20	Revenue & expenditure
4.	Cash Flow shortages Unfunded/Unbalanced Budget Lack of Senior Direction (Constant Changes)	Unable to pay creditors	Inability to generate revenue Inability to collect debt	25	20	Revenue & expenditure
5.	Underspending by PMU Lack of Commitment Low staff morale	Lost Revenue	Poor Cash Flow	25	20	Revenue & expenditure
6.	Misaligned Budget / Over/Understated Budget	Budget inefficiencies	(Cash flow challenges, delays in service delivery)	25	20	BTO

Nr	Risk Cause	Risk Description	Risk Consequences	Inherent Exposure	Inherent Rating	Section
7.	Poor Planning Delays in contractor appointments (SCM) / Delays in project start dates. Delays in approval of projects (Council) Insufficient Grant Funding Treasury allocation of funding Bid Committee processes	Inability to deliver projects	Noncompliance with Dora Regulations (AG Findings) Not achieving expenditure Targets (Loss of grant funding, withholding retentions) Non implementation of projects (Service Delivery) Community unhappiness	25	20	Project nagement Unit
8.	Blocked system (Dumping) Roads and Stormwater Connections Ageing Infrastructure System design problems (Nissenville) Broken Equipment (Honeysuckle)	Sewerage Spillages (Unlicensed Discharges)	Health Issues Non-Compliance to laws and regulations Regulatory Fines Budgetary impacts (Spillage cleaning) Rehabilitation Costs	25	20	Sewerage
9.	Shortage of Staff Degrading Road Signage	Lawlessness on Roads	Accidents Loss of Life	25	20	Protection vices
10.	Shortage of Staff Manual Processes Management Override (mismanagement)	Excessive Overtime Payments/ Duplicate Payments (Standby and Overtime)/Standby misuse	Financial Losses Regulatory issues AG Findings Shortage of Cash Flow	25	20	Overtime
11.	Lack of Opportunities Poverty Lack of Youth Centers	Increase in social ills (Mental Health issues)	Increased Suicides Increased Crime Migration Loss of tourism	25	12	LED

Nr	Risk Cause	Risk Description	Risk Consequences	Inherent Exposure	Inherent Rating	Section
12.	Unstable council Changes in Priorities Public Participation meetings not taking place	Constant IDP adjustments/amendments	Non-Compliance (unapproved adjustments) Poor Public perception Community unhappiness Lost Projects	20	20	IDP/SDBIP/Performance
13.	Financial System Limitations (Lack of system integration)	Inaccurate Financial Reports/Incomplete Financial Data	Misstatements in AFS, Non-compliance	20	16	Reporting
14.	Incorrect budgeting methods (lack of ownership)	Unauthorized Expenditure	(Non-compliance, expenditure not aligned to approved votes, Audit Finding)	20	16	BTO
15.	Poor Planning	Unspent Grants	Revoked funds	20	16	BTO
16.	Unauthorized access	Loss/theft of IT Assets	Financial loss, delays in service delivery	20	16	ICT
17.	Poor planning Poor demand management Forced spending Ineffective CSD platform	Poor Quality Goods and Services Delays in Procurement Unauthorized Expenditure Disregard for market related prices(overpayment)	Poor service delivery Delays in service delivery; Non-compliance Financial loss	20	16	SCM/Procurement Stores/ Inventory



Nr	Risk Cause	Risk Description	Risk Consequences	Inherent Exposure	Inherent Rating	Section
18.	No proper store access controls No maintenance planning Items not part of inventory Manual processes/recorder levels	Inventory theft Obsolete Inventory Inaccurate inventory Inventory shortages	Financial loss Financial loss (Duplication, Audit Findings, Financial loss) Delays in service delivery	20	16	SCM/Procurement Stores/ Inventory
19.	Raw Water Capacity Plant Capacity Ageing Infrastructure Vandalism (Theft of fence) Pipe Bursts Leaking infrastructure	Intermittent Water Supply / Water Losses due to pipe bursts	Pressure Drops Poor Public Perception Negative Economic Development impact Monetary/Revenue Losses Loss of Life (Drowning) Insurance Claims - Pipe Bursts)	20	16	Water
20.	Deteriorating road conditions (Potholes)	Road Accidents	Insurance Claims Legal Proceedings (Civil Lawsuits) Loss of Life	20	16	Roads

## 2.8 INTERNAL AUDIT

An internal auditor was appointed in the 2021/22 financial year in July 2021, the position had to be re-advertised and an internal auditor was appointed effective October 2022. The Internal Audit Unit has been fully functional ever since.

## 2.9 CONTRACT MANAGEMENT

In the absence of a proper functioning contract management function the municipality was unable to monitor, review and evaluate contracts that either came to an end or had to be reviewed for service delivery purposes.

The Auditor General has also pointed out the lack or weak management of contracts which does have a negative financial impact on the municipality. There were also a significant number of officials who did not have formal signed contracts that complied with the collective agreement and the basic conditions of employment.

The contract management function could have a significant positive impact on the financial recovery plan of the municipality particularly with regard to the selling or leasing of council assets, land and other facilities

Given the above, management has undertaken to do a full audit with regard to contractual arrangements particularly to ensure that the contracts are in place in the following areas:

- Current land leased (market related and MFMA compliance)
- Unleased land (land used by parties that do not have a lease agreement)
- Council facilities that are leased (market related and MFMA compliance)
- Unleased Council facilities (sports fields etc.)
- Employment contracts of staff (temporary staff, contract staff and permanent staff)
- SCM contracts (to ensure MFMA compliance and goods and services are delivered within agreed timeframes and in good quality).
- Government contracts for grant funding (MIG, FMG, MSIG, RBIG, etc., - to ensure funds are utilized for purposes for which it was allocated to the municipality)
- Municipal leases (e.g., office space, equipment, and cell phones.)
- ICT service provider contracts
- Water board contracts

## 2.10 ANTI-CORRUPTION AND ANTI-FRAUD

In terms of the regulatory frameworks governing anti-corruption and anti-fraud, Section 83(c) of the Local Government: Municipal Systems Act, No. 32 of 2000, refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identifies supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

### 2.10.1 DEVELOPED STRATEGIES

NAME OF STRATEGY	DEVELOPED YES/NO	DATE ADOPTED/REVIEWED
Anti-corruption and Fraud Prevention strategy and Implementation plan	No	Reviewed in June 2018
Risk Management Policy	Yes	Reviewed in June 2020

<b>Risk Management Strategy and Implementation Plan</b>	Yes	Reviewed in June 2020
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Table 26 – Strategies

## 2.11 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was reviewed with the Annual Budget. The tabling of the Supply Chain Management Policy is to improve operational efficiency and to align it to the applicable guidelines provided by National Treasury. Supply Chain Management Policy of Kannaland Municipality complies with the regulatory framework.

### 2.11.1 COMPETITIVE BIDS IN EXCESS OF R300, 000

BID NUMBER	TITLE OF BID	SUCCESSFUL BIDDER	VALUE OF BID AWARDED
<b>KANNA 06/2024</b>	Expression of Interest	Smartmunic	N/A
<b>Kanna 04/2024</b>	Panel of consulting engineers	Panel appointed	N/A
<b>Kanna 05/2024</b>	Panel of professional service providers for the multi-disciplinary for program implementation for PMU	Panel appointed	N/A
<b>Kanna 10A/2024</b>	Panel of contractors for construction, upgrading and/or maintenance of water and sewer infrastructure projects	Panel appointed	N/A
<b>Kanna 09A/2024</b>	Panel of service providers for the construction, upgrading and/or maintenance of the roads and stormwater infrastructure	Panel appointed	N/A
<b>Kanna 08A/2024</b>	Panel of service providers for the repair and maintenance of pumps and pump station infrastructure	Panel appointed	N/A
<b>Kanna 07A/2024</b>	Panel of electrical contractors for electrical network maintenance and/or upgrade	Panel appointed	N/A
<b>Kanna 12/2024</b>	Provision of short-term insurance for a period of three years	Lateral Unison	R 5 295 548,00
<b>Kanna 13/2024</b>	Panel of financial service providers for accounting work	Panel appointed	N/A

<b>Kanna 09/2025</b>	The appointment of a service provider to provide relating services, equipment, support, parts, printer consumables, staples and printers/scanner/copiers for Kannaland Municipality for a period of three years	Zestirox Pty Ltd t/a Nashua George	N/A
<b>Kanna 16/2024</b>	Panel of attorneys for Kannaland Municipality for a period of three years	Panel appointed	N/A
<b>Kanna 19/2024</b>	Panel of service providers for the provision of water purification chemicals for Kannaland Municipality for a period of three years	Panel appointed	N/A
<b>Kanna 01/2025</b>	Appointment of a service provider to supply, install, deliver & maintain an automated performance & risk management system for Kannaland Municipality for a period of three years	IGS Solutions	N/A
<b>Kanna 04/2025</b>	Appointment of transaction advisors to raise capital and implement turnaround solutions on identified infrastructure and catalytic projects on a risk basis for Kannaland Municipality for a period of three years	Ntiyiso Consulting Pty Ltd	N/A
<b>Kanna 06/2025</b>	Appointment of a service provider for the compilation of a valuation roll and supplementary rolls for Kannaland Municipality for a period of five years	Umhlaba Geomatics	N/A
<b>Kanna 08/2025</b>	Appointment of a service provider to supply and maintenance of a traffic law contravention system for Kannaland Municipality for a period of three years	TMT Service & Supplies	N/A

Table 27 - BIDS in Excess of R300, 000

## BID COMMITTEE MEETINGS

### a) BID SPECIFICATION COMMITTEE

The attendance figures of members of the bid specification committee are as follows:

<b>MEMBER</b>	<b>PERCENTAGE ATTENDANCE</b>
<b>Amy Oktober</b>	100%
<b>Reandro Meyers</b>	100%
<b>Jessica Fuller</b>	100%
<b>Triumph Baloyi</b>	100%
<b>Estelle Jafta</b>	100%

Table 28 - BID Specification Meeting Attendance

### b) BID EVALUATION COMMITTEE

The attendance figures of members of the bid evaluation committee are as follows:

<b>MEMBER</b>	<b>PERCENTAGE ATTENDANCE</b>
<b>Xolile Stoffel</b>	100%
<b>Gugulethu Ngcobo</b>	100%
<b>Jodene Fortuin</b>	100%
<b>Sherilene Adams</b>	100%
<b>Eben Van Rooi</b>	100%
<b>Dalicia Booyen</b>	100%

Table 29 - BID Evaluation Meeting Attendance

### c) BID ADJUDICATION COMMITTEE

The attendance figures of members of the bid adjudication committee are as follows:

MEMBER	PERCENTAGE ATTENDANCE
Nicole Swart/Jodie Smith	100%
Hendrik Barnard	100%
Fareed Stemmet	100%
Reginald Timmie	100%
Jenovaan Booysen	100%
Lucky Steenkamp	100%,
Chrizelda Claassen	100%
Derrick Links	100%

Table 30 - BID Adjudication Meeting Attendance

### d) AWARDS MADE BY THE BID ADJUDICATION COMMITTEE

The ten highest bids awarded by the bid adjudication committee are as follows:

BID NUMBER	TITLE OF BID	SUCCESSFUL BIDDER	VALUE OF BID AWARDED
Kanna 12/2024	Provision of short-term insurance for a period of three years	Lateral Unison	R 5 295 548,00
Kanna 01/2025	Appointment of a service provider to supply, install, deliver & maintain an automated performance & risk management system for Kannaland Municipality for a period of three years	IGS Solutions	N/A
Kanna 04/2025	Appointment of transaction advisors to raise capital and implement turnaround solutions on identified infrastructure and catalytic projects on a risk basis	Ntiyiso Consulting Pty Ltd	N/A

	for Kannaland Municipality for a period of three years		
<b>Kanna 06/2025</b>	Appointment of a service provider for the compilation of a valuation roll and supplementary rolls for Kannaland Municipality for a period of five years	Umhlaba Geomatics	N/A
<b>Kanna 04/2024</b>	Panel of consulting engineers	Panel appointed	N/A

Table 31 - Ten Highest Bids Awarded

**e) AWARDS MADE BY THE ACCOUNTING OFFICER**

**No bids awarded by the Accounting Officer for the reporting period.**

Table 32 - Awards made by the Accounting Officer

**f) APPEALS LODGED BY AGGRIEVED BIDDERS**

**No appeals were received by the appealing authority for the reporting financial year.**

Table 33 - Bidder Appeals

**g) UNSOLICITED BIDS**

**No unsolicited bids were received or advertised by the Municipality for the reporting financial year.**

Table 34 - Unsolicited Bids

**2.11.2 DEVIATION FROM NORMAL PROCUREMENT PROCESSES**

The following table provides a summary of deviations approved on an annual and monthly basis respectively:

<b>TYPE OF DEVIATION</b>	<b>NUMBER OF DEVIATIONS</b>	<b>VALUE OF DEVIATIONS</b>	<b>PERCENTAGE OF TOTAL DEVIATIONS VALUE</b>
--------------------------	-----------------------------	----------------------------	---

<b>Sole suppliers</b>	0	R 0	0%
<b>Emergency</b>	0	R 0	0%
<b>Impractical</b>	1	R 96 295.25	100%
<b>TOTAL</b>	1	R 96 295.25	100%

Table 35 - Summary of Deviations

## 2.13 BY-LAWS AND POLICIES

The following by-laws and policies were reviewed developed during the reported financial year

<b>POLICIES DEVELOPED/ REVISED</b>	<b>DATE ADOPTED</b>	<b>PUBLIC PARTICIPATION CONDUCTED PRIOR TO ADOPTION OF POLICY YES/NO</b>
<b>Zoning Scheme By-Law</b>	May 2023	No
<b>Budget Policy</b>	May 2024	Yes
<b>Credit Control policy</b>	May 2024	Yes
<b>Asset Management policy</b>	May 2024	Yes
<b>Tariff Policy</b>	May 2024	Yes
<b>Rates Policy</b>	May 2024	Yes
<b>Indigent Policy</b>	May 2024	Yes
<b>Capital Contribution Policy</b>	May 2024	Yes
<b>Borrowings Policy</b>	May 2024	Yes

## 2.14 WEBSITE

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

<b>Municipal Website: Content and Currency of Material</b>	
Documents published on the Municipality 's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	YES
All current budget-related policies	YES



The previous annual report	YES
The annual report	YES
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act) and resulting scorecards	YES
All long-term borrowing contracts	YES
All supply chain management contracts above a prescribed value (give value) for Year	YES
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4)	YES
Contracts agreed in Year to which subsection (1) of section 33 apply, subject to subsection (3) of that section	YES
All quarterly reports tabled in the council in terms of section 52 (d) during Year	YES

## 2.15 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Kannaland Municipality has a complaints management system and all possible measures are taken to ensure that complaints are attended to in the shortest possible time and that feedback is provided to the complainant.

The Municipality has acquired the electronic Collaborator complaints system for improved monitoring of complaints. Members of the community are requested to log all their complaints to [customercare@kannaland.gov.za](mailto:customercare@kannaland.gov.za) or to call 082 907 7537. There are dedicated municipal officials attending to the customer care helpline. The logged calls are filtered through to the responsible officials.

The Municipality drafted and launched a Service Charter during the previous financial year, communicating set agreed service standards to be used to promote accountability and foster consequence management. This Charter is promoted at ward committee trainings and public meetings to build a culture of accountability.

The table below provides details regarding the municipality's use of various communication platforms

COMMUNICATION ACTIVITIES	YES/NO
Communication unit	No
Communication Strategy	Yes
Communication Policy	Yes

<b>Customer satisfaction surveys</b>	No
<b>Website</b>	Yes
<b>Public meetings</b>	Yes
<b>Ward committee meetings</b>	Yes
<b>Interest Group Engagements</b>	Yes
<b>Bulk SMS messaging</b>	No
<b>Functional complaint management systems</b>	Yes
<b>Newsletters distributed electronically</b>	No
<b>Pamphlets</b>	Yes
<b>Thusong Outreaches</b>	Yes
<b>Facebook</b>	Yes

## **2.16 MUNICIPAL OVERSIGHT COMMITTEES**

### **2.16.1 AUDIT COMMITTEE**

In compliance to Section 166(2) of the MFMA each Municipality must have an Audit Committee. The Audit Committee is defined as “an independent advisory body”. The role and responsibility of the Audit Committee is to:

- (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to –
  - i. internal financial control and internal audits;
  - ii. risk management;
  - iii. accounting policies;
  - iv. the adequacy, reliability and accuracy of financial reporting and information;
  - v. performance management;
  - vi. effective governance;
  - vii. compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
  - viii. performance evaluation; and
  - ix. any other issues referred to it by the municipality or municipal entity;
- (b) review the annual financial statements to provide the council of the municipality or, in the case of a municipal entity, the council of the parent municipality and the board of directors of the entity, with an authoritative and credible view of the financial position of the municipality or

- municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
- (c) respond to the council on any issues raised by the Auditor-General in the audit report;
  - (d) carry out such investigations into the financial affairs of the municipality or municipal entity as the council of the municipality, or in the case of a municipal entity, the council of the parent municipality or the board of directors of the entity, may request; and
  - (e) perform such other functions as may be prescribed

The Audit Committee is only able to fulfil their legislative obligations, as stipulated in the MFMA if they have access to the financial records and other relevant information of the Municipality or Municipal Entity. The Audit Committee must have unrestricted access to the Internal Audit Unit of the Municipality, and the person designated by the Auditor-General of South Africa (AGSA) to audit the financial statement of the Municipality or Municipal Entity.

### **2.16.2 ALL MUNICIPAL OVERSITE COMMITTEES**

Oversite committees have been established, trained and have become more active in fulfilling the role of oversight during 2024/25 financial year. The Disciplinary Committee still however needs to be established. The Audit and Performance Audit Committee has been established and is functional.

The Risk Committee with risk champions need to be identified and the Local Labor Forum is functional.

MPAC has been revived and meets more regularly.

Oversight during 2024/2025 has shown considerable improvement with establishment of functionaries and regular meetings being convened.

The SDBIP was adjusted during year under review to monitor the activities undertaken by these functionaries.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

The fundamental basic services the Kannaland Municipality must provide to the community is water, electricity, refuse removal, and sanitation. The provision of these basic services forms an integral part of the planning and management facet of the organization.

### COMPONANT A:

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services. Please note that the municipality is in process of comparing the municipal statistics to MERO and LGSEP statistics to ensure proper alignment.

### 3.1 WATER PROVISION

The table below indicates the access to water from 2023/24 to 2024/25 financial years

Water Service Delivery Levels		
Households		
Description	2023/24	2024/25
Water: (above min level)		
Piped water inside dwelling	4690	4757
Piped water inside yard (but not in dwelling) (backyard dwellers)	11	
Using public tap (within 200m from dwelling)	3 (communal points in Sakkiesbaai)	
Other water supply (within 200m)		
Minimum Service Level and Above sub-total		
Minimum Service Level and Above Percentage		
Water: (below min level)		
Using public tap (more than 200m from dwelling)	199	0
Other water supply (more than 200m from dwelling)	3	0
No water supply	0	0

Below Minimum Service Level sub-total		
Below Minimum Service Level Percentage		
Total number of households*	4889(excl. informal settlements)	4757(excl. informal settlement)

TABLE 36: WATER SERVICE DELIVERY LEVELS – SOURCE: SAMRAS (MUNICIPAL STATISTICS)

### LADISMITH

All households have access to basic water services which means that water is available within 200 meters from their dwellings/houses. All the houses in the urban areas of Kannaland Municipality are provided with individual water connections except for informal areas. Stand pipes are provided in the informal areas as a temporary emergency service.

The waterworks have been upgraded to provide better quality water. The Municipality received funding from Department of Local Government through the Drought Relief Grant to refurbish the existing borehole field and to drill and monitor for a deep borehole development.

The construction of a storage dam is urgently needed as the existing dams does not have the adequate storage capacity. The town has no water security for more than six months. Clean drinking water storage capacity is required therefore a new infrastructure network upgrade is required.

Due to budget constraints the Municipality applied for funding support to ensure water security projects could be enabled. The following measures were put in place for the different support:

- Additional boreholes drilling and equipping. It must be noted that operating boreholes expensive because of the associated electricity cost;
- Upgrading and refurbishment of the Water Treatment Works

The water losses for the year under review are 20.92% and below are the reasons

- Faulty and/or by-passed water meters
- Leakages on existing pipelines and reservoirs
- Unaccounted water losses

### VAN WYKSDORP

An application was submitted to upgrade the Water Treatment Works for the 2024/25 financial year. Van Wyksdorp still faces problems during the summer and peak season. Raw water storage should be increased to add additional water in the system. New funding applications should be submitted for the storage capacity and the upgrading of the water networks within the town.

New boreholes need to be exploited to assist in addressing the shortcomings. The pipeline network for the boreholes should also be upgraded and funding for these upgrades should still be sourced

The current water losses are 5.72% and below is the reasons and remedial actions to reduce the losses to the norm:

- Faulty and/or by-passed water meters
- Leakages on existing pipelines and reservoirs
- Unaccounted water losses

## **ZOAR**

A new borehole was drilled and equip through MISA funding. This borehole is currently augmenting the water supply to the water treatment works, but we still face the challenge that we do not have enough raw water capacity. The challenges are the expansion of existing Tier Kloof Dam and development of new boreholes. Funds must be obtained from Province and National to minimize the challenges. Current situation is the lack of storage capacity for raw water and develop new boreholes to replenish raw water and then upgrade network along with build extra reservoirs for storage of treated water.

The Water treatment Works should also be upgraded further to ensure that water supply to the community is uninterrupted during peak seasons. Currently the water treatment works cannot treat the demand efficiently and therefore funding should be sourced to upgrade the works.

The water losses for the year under review are 14.10% and below is the reasons and remedial actions to reduce the losses to the norm:

- Faulty and/or by-passed water meters
- Leakages on existing pipelines and reservoirs
- Unaccounted water losses

## **CALITZDORP**

A deep borehole was drilled to augment the water supply for the town. This borehole showed significant yields, but due to timeframes and limited funding this borehole could not be equipped. An application was submitted through the WSIG programme from the Department of Water and Sanitation to complete the Calitzdorp deep borehole development project.

Challenges are the replenishment of raw water through the development of new ~~boreholes~~ boreholes. Current raw water source comes from Nelsdam which belongs to the irrigation board and which we have to pay dearly for the consumption. Upgrading of existing waterworks is necessary. Current

situation is that if Nelsdam is low the municipality has no other sources of raw water. Boreholes must be developed to increase raw demand.

The water losses for the year under review are 26.54% and below is the reasons and remedial actions to reduce the losses to the norm:

- Faulty and/or by-passed water meters
- Leakages on existing pipelines and reservoirs
- Unaccounted water losses

## WATER SERVICES

Total Use of Water by Sector 2023/24 and 2024/25				
Years	Commercial	Industrial	Domestic	Unaccountable water losses (R)
2023/24	38 366 KL	535 439 KL	787 559 KL	272 789 KL
2024/25	79 622KL	533 658 KL	839 695 KL	397 240 KL

TABLE 37: TOTAL USE OF WATER BY SECTORS – SOURCE: SAMRAS (MUNICIPAL STATISTICS)

The tables below indicate the financial performance, capital expenditure and information (strategic objectives), for 2023/2024 and 2024/25 financial year:

The table below indicates the financial performance of water services for the year under review:

**EXPENDITURE STATUS 2024/2025 FY (June 2025)**

No.	Grant	Project No	Project Name	Original Budget	Expenditure	Still to spend	% Spend
2	MIG		VAN WYKSDORP WASTE WATER	R 1 724 301,00	R 1 629 554,93	R 94 746,07	95%
3	MIG		UPGRADE CALITZDORP WASTE WATER TREATMENT	R 3 156 150,00	R 3 156 000,00	R 150,00	100%
4	MIG		UPGRADE ZOAR WASTE WATER TREATMENT WORKS	R 3 300 000,00	R 3 247 791,60	R 52 208,40	98%
5	Water Resilienc e Grant		Municipal Water Resilience Grant	R 4 000 000,00	R 206 781,83	R 3 793 218,17	5%
6	Water Resilienc e Grant		Municipal Water Resilience Grant	R 1 503 814,00	R 520 435,92	R 983 378,08	35%
7	WSIG		REFURBISH LADISMITH WASTE WATER	R 9 000 000,00	R 7 315 448,41	R 1 684 551,59	81%
8	INEP		INEP (Eskom)	R 104 000,00	R -	R 104 000,00	0%
9	Water Resilienc e Grant		Municipal Energy Resilience Grant	R 522 000,00	R 521 266,20	R 733,80	100%
10	MIG	PMU/041	PMU 2024/25	R 560 850,00	R 560 850,00	R -	100%
		<b>TOTALS</b>		<b>R 26 328 814,00</b>	<b>R 19 615 827,75</b>	<b>R 6 712 986,25</b>	<b>74,5%</b>

The table below indicates the water services policy objectives taken from the SDBIP:

Water Service Policy Objectives Taken From IDP					
Service Objectives		2023/2024		2024/2025	
		Target	Actual	Target	Actual
		Targets			
To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland Citizens	Number of formal residential households with access to basic level of water by end June 2025	4665	4889	4690	4771

TABLE 40: WATER SERVICE POLICY OBJECTIVES TAKEN FROM THE ANNUAL PERFORMANCE REPORT - 2024/25  
 – SOURCE: SAMRAS (MUNICIPAL STATISTICS)



## **3.2 Waste Water (Sanitation) Provision**

### **SANITATION:**

The majority of households are connected to waterborne sanitation systems in the Kannaland area. The Municipality is intending to replace all bucket systems with water borne system, however funding needs to be sourced to implement this project.

### **LADISMITH**

Currently, sanitation gravitates to the WWTW which comprises a primary settling tank, bio-filter, and humus settling tank and sludge facilities (anaerobic digester and sludge drying beds).

The Waste Water Treatment Works was refurbished and upgraded through the MIG programme. The following items was upgraded and refurbished:

- The Grit channel walkway
- Cleaning of the Humus tank
- Cleaning of the maturation ponds
- Refurbishment of the primary settling tank
- Replacing the Biofilter with plastic media
- Refurbishment of the humus tank

Upgrading existing sewerage works is urgent as it is over its capacity. No new houses can be built. Challenges are also the flushing of main sewer lines that are full of sediment.

An application was submitted through the WSIG programme to complete the project. Provision of sanitation services at informal housing required.

### **ZOAR**

The majority of households are connected to waterborne sanitation systems in the Kannaland area. Ten households in Zoar still use the bucket system. This project is listed for future intervention, but the challenge we face is that these houses are opposite the river.

Challenges are that extra staff must be appointed for maintenance of works.

Current situation is that the sewers at dams need to be upgraded and pump stations upgraded. An application was submitted through the MIG programme to refurbish and upgrade the Waste water treatment works and Sewer Pumpstation.

### **CALITZDORP**

The municipality is also planning to replace the septic and conservancy tanks in the coming years by linking those households to the bulk infrastructure network throughout the Calitzdorp area. This project is listed for future intervention.

Normal maintenance work was completed throughout the year under review. No upgrades were implemented for the Waste Water Treatment Works in Calitzdorp.

### **VANWYKSDORP**

Ninety (90) households in Van Wyksdorp Greenhill's area are connected to a waterborne system which gravitates to a package plant for treatment. Provision of services at informal areas is still a challenge and remain a priority.

A new application was submitted through the MIG programme to upgrade the Waste Water Treatment Plant (Package Plant). No upgrades or refurbishments was done for the year under review except for normal maintenance and repairs throughout the year.

**The table below indicates the sanitation service levels: Ivor email**

Sanitation Service Delivery Levels		
*Households		
Description	2023/24	2024/25
	Outcome	Outcome
	No.	No.
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	4075	4254
Flush toilet (with septic tank)	190	190
Chemical toilet	-	-
Pit toilet (ventilated)	-	-
Other toilet provisions (above mi. Service level)	-	-
Minimum Service Level and Above sub-total	-	-
Minimum Service Level and Above Percentage	-	-
Sanitation/sewerage: (below minimum level)	-	-
Bucket toilet	-	-
Other toilet provisions (below mi. Service level)	-	-
No toilet provisions	-	-
Below Minimum Service Level sub-total	-	-
Below Minimum Service Level Percentage	-	-
Total households	4265	4444

**TABLE 41 - SANITATION SERVICE DELIVERY LEVELS 2023/24 AND 2024/25- SOURCE: SAMRAS (MUNICIPAL STATISTICS)**

The tables below indicate the financial performance and capital expenditure for 2024/25 financial year:

**The table below indicates the financial performance for the year under review:**

**SEWERAGE:**

Description	2023/2024	2024/2025	Sewerage
	Actual	Actual	Variance
	R'000		to Actual
			%
<b>TOTAL OPERATIONAL REVENUE</b>	<b>R11 946 235,94</b>	<b>R13 214 883,94</b>	<b>90%</b>
<b>EXPENDITURE:</b>			
<b>Employees</b>	R3 493 892,21	R2 900 421,63	83%
<b>Materials</b>	R561 583,40	R388 713,20	69%
<b>Depreciation</b>	R4 016 782,93	R3 328 034,00	83%
<b>Bulk</b>	R0,00	R0,00	
<b>Other</b>	R4 859 095,40	R4 164 365,74	86%
<b>Total Operational Expenditure</b>	<b>R12 931 353,94</b>	<b>R10 781 534,57</b>	<b>83%</b>
	<b>-R985 118,00</b>	<b>R2 433 349,37</b>	<b>-40%</b>

Variations are calculated by dividing the difference between the actual's

TABLE 42: FINANCIAL PERFORMANCE OF SANITATION SERVICES - 2024/25- SOURCE: AFS

The table below indicates the capital expenditure for the year under review:

#### EXPENDITURE STATUS 2024/2025 FY (June 2025)

No	Grant	Project No	Project Name	Original Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
2	MIG		REFURBISHMENT OF VAN WYKSDORP WASTE WATER TREATMENT WORKS	R1 724 301,00	R1 629 554,93	R94 746,07	95%	
3	MIG		REFURBISH AND UPGRADE CALITZDORP WASTE WATER TREATMENT WORKS	R3 156 150,00	R3 156 000,00	R 150,00	100%	
4	MIG		REFURBISH AND UPGRADE ZOAR WASTE WATER TREATMENT WORKS OXIDATION PHASE 2	R3 300 000,00	R3 247 791,60	R52 208,40	98%	
5	Water Resilience Grant		Municipal Water Resilience Grant	R4 000 000,00	R206 781,83	R3 793 218,17	5%	
6	Water Resilience Grant		Municipal Water Resilience Grant	R1 503 814,00	R520 435,92	R983 378,08	35%	
7	WSIG		UPGRADE AND REFURBISH LADISMITH	R9 000 000,00	R7 315 448,41	R1 684 551,59	81%	

TABLE 43: CAPITAL EXPENDITURE SANITATION 2024/2025 SOURCE AFS

Below are the policy objectives taken from the IDP for the financial year under review:

Sanitation Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2023/24		2024/25		
		Target	Actual	Target	Actual	
To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland Citizens	Number of formal residential households with access to basic level of sanitation by end June 2025	4247	4256	3400	3865	

TABLE 44: SANITATION SERVICE POLICY OBJECTIVES TAKEN FROM IDP/SDBIP

### 3.3 WASTE MANAGEMENT

#### KANNALAND WASTE PROFILE

Waste is collected on a weekly basis and each service point is supplied with black bags by the municipality.

Kannaland Municipality operates four licensed landfill sites. Operational sites are situated in Ladismith and Zoar. The landfill site in Calitzdorp is licensed for closure and therefore only organic waste and building rubble is accepted at this site. Household and business waste from Ladismith Calitzdorp and Zoar are collected on a weekly basis and disposed at the Ladismith and Zoar Landfill sites. Kannaland has 3 waste removal vehicles: a UD compactor truck for daily collection of refuse, a small truck equipped, a 2.7l small truck equipped for household refuse. The Municipality struggles to control access to the landfill sites in spite of the deployment of Youth Jobs in Waste participants at the landfill sites. One of the biggest challenges facing the landfill sites are windblown litter. The Municipality will have to secure funding for the environmental and planning processes in the extension of the landfill sites or the identification of alternative sites, as well as the rehabilitation of the existing sites.

Household and business waste from Van Wyksdorp is collected every week and disposed of at the Ladismith landfill site. Factories, namely Ladismith Kaas and Parmalat dispose their waste, mostly commercial and industrial waste at the Ladismith Landfill site at a daily base.

The Municipality does not provide waste collection services to farms, but farmers are encouraged to drop off their waste at the various landfill sites.

Ladismith and Zoar has operational licenses in and Calitzdorp and Van Wyksdorp has been licensed for closure.

**The following illustrates all licensed landfill sites:**

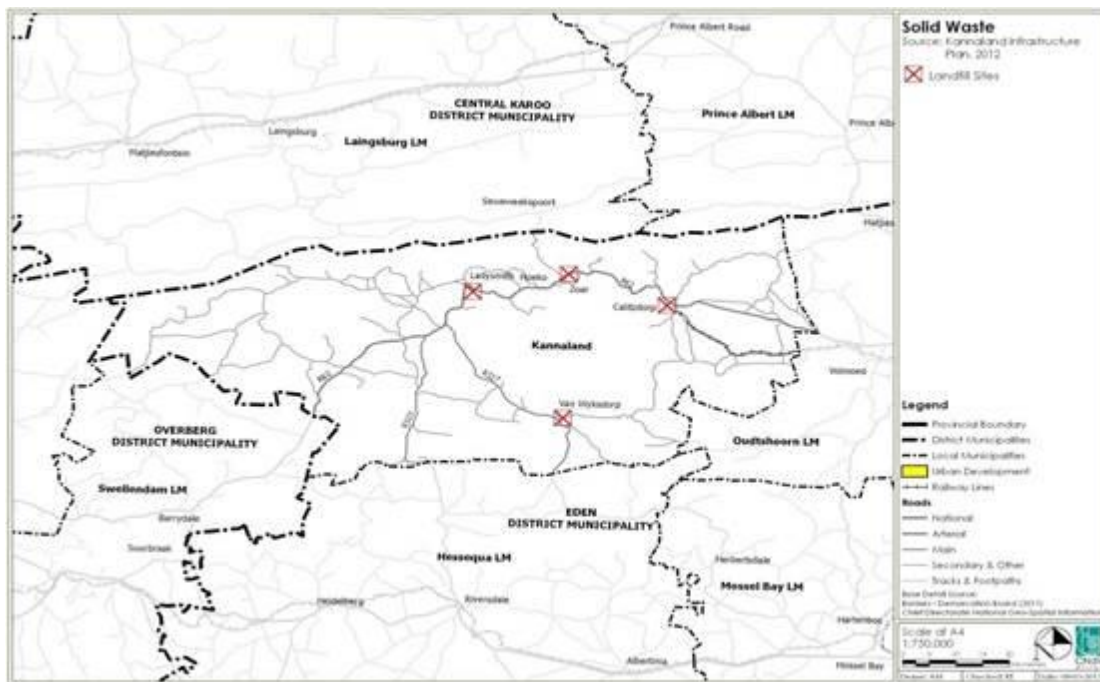


FIGURE 1: LANDFILL SITES – AS INDICATED IN SDF FIGURE 3.4.7.1

### LANDFILL SITE: LADISMITH

The Ladismith landfill site is a licensed facility owned and operated by the KLM which only accepts general domestic, garden and construction and demolition (C&DW) waste. In September 2018 the KLM received a Waste Management Permit for the operation and further development of the Ladismith landfill site in terms of the Waste Act, 2008.

### LANDFILL SITE: CALITZDORP

The Calitzdorp landfill site is a licensed facility owned and operated by the KLM which accepts garden and construction and demolition waste (C&DW). The site has been issued with a variation license for the operation and closure of the landfill for the period September 2018 to July 2020.

### LANDFILL SITE: ZOAR

The Zoar landfill site is a licensed facility owned and operated by the KLM which accepts general domestic, garden and construction and demolition (C&DW) waste. In September 2018 the KLM received a Waste Management Permit for the operation and further development of the Zoar landfill site in terms of the Waste Act, 2008. The KLM can continue to use the Zoar landfill site until the airspace capacity is reached.

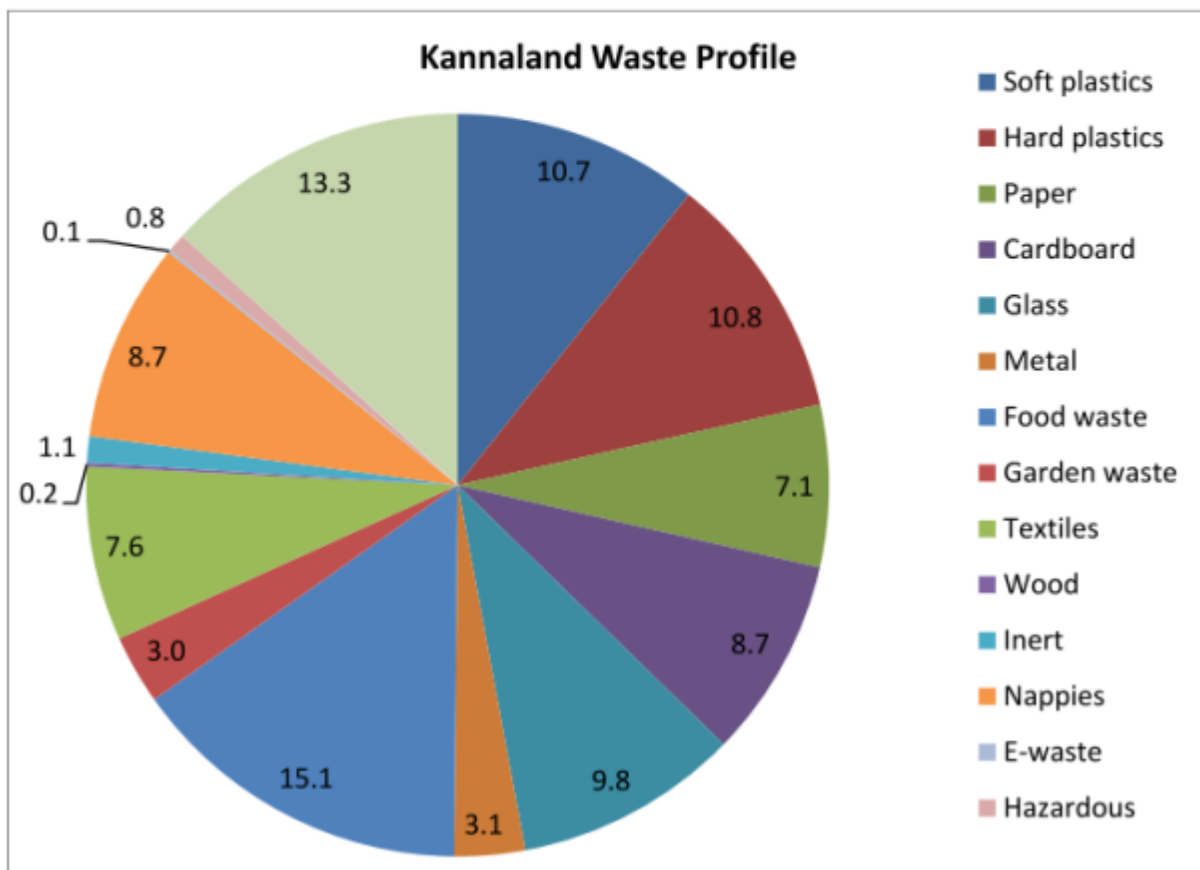
## LANDFILL SITE: VAN WYKSDORP

The Van Wyksdorp landfill site is a licensed facility owned and operated by the KLM. The site has been issued with a variation license for decommissioning and closure for the period July 2018 to September 2029. Closure activities have commenced.

## KANNALAND MUNICIPALITY WASTE COLLECTION SERVICE

All formal residential erven are receiving a weekly door-to-door waste collection service. Most healthcare risk wastes are managed by private contractors. No significant and formal waste reduction, minimization and avoidance are presently being done. The paid collection rates are as follows:

Service	No of households	% of households
Removed weekly	5186	81.9
Communal refuse dump	231	3.6
Own refuse dump	792	12.5
No refuse disposal	81	1.3
Other	42	0.7



## 2023/24 ACCELERATED SERVICE DELIVERY PROGRAM

## CLEAN-UP IN ALL FOUR TOWNS

The municipality has embarked on an accelerated service delivery program which is rolled out in all four towns. The objective of the program is to fast-track service delivery, eradicate illegal dumping and provide quality services to the communities of Kannaland. Informal settlements are where the challenge for illegal dumping is a constant problem. Although waste is collected weekly, it still gets disposed of illegally. The purpose of this activity was to ensure that the community is being kept clean for the well-being of the residents, to minimize pollution and to maintain a clean environment. Education awareness programs of the benefits of living in a clean and healthy environment is ongoing.

The table below indicates the financial performance: for waste management services

Refuse					
Financial Performance for the financial year 2023/24 to 2024/25: Financial Services					
	2023/24	2023/24	2024/25	2024/25	
Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	<b>R9 626 677,58</b>	14 131	14 131	10 764	
Expenditure:					
Employees	R6 792 044,32	6 835	6 840	7 692	
Repairs and Maintenance	R539 636,74	-	-	-	
Other	R472 529,56				
Total Operational Expenditure	<b>R7 804 210,62</b>	9 891	10 250	5 279	
Net Operational Expenditure		(4 240)	(3 881)	(5 485)	

**No capital expenditure was incurred on waste management services during 2024/25**

Capital Expenditure 2024/25: Waste Management Services					
					R' 000
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0		

The table hereunder indicates the policy objectives for waste management services as extracted from the IDP and SDBIP.

Waste management Service Policy Objectives Taken From SDBIP/IDP					
Service Objectives	Outline Service Targets	2023/24		2024/25	
		Target	Actual	Target	Actual
To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens.	Number of formal residential households with access to basic level of solid waste removal by end June 2025.	4546	4551	4550	4553

TABLE 46: WASTE MANAGEMENT SERVICES POLICY OBJECTIVES TAKEN FROM THE IDP – 2023/24 AND 2024/25

### POLICY DOCUMENTS WERE UPDATED / DEVELOPED:

- Extension was granted for the 3<sup>rd</sup> Generation IWMP. The 3<sup>rd</sup> Generation IWMP will expire in 2027 and needs to be reviewed in order to align with the IDP
- Organic Waste Diversion Plan, integrated in the IDP
- Waste Minimization Strategy adopted by Council and integrated in the IDP
- 4<sup>th</sup> Generation Air Quality Management Plan has been developed
- Awareness Material for Waste Management, Recycling, Illegal dumping and Pollution control were developed

### INTEGRATED WASTE MANAGEMENT IMPLEMENTATION PLAN

Much progress can be reported on in terms of waste management during 2024/2025. District support, Policy review, EPWP appointments in the Waste Management unit; inclusion of IWMP review as key performance indicator in 2025/2026 SDBIP; and dedicated staff all attribute to this improvement in performance.

This improvement will be intensified during 25/26 through the identification of additional KPIs and targets relating to waste management, in particular with regards to:

- Development of an annual waste awareness calendar;
- Documentation of waste awareness campaigns and storing thereof in a central database;
- Intensify efforts on hazardous waste awareness campaigns;
- Intensify waste awareness campaigns at schools and informal settlements;
- Review organogram to ensure all waste management key positions are filled;
- Attendance of GRDM and Provincial IWM IGR Forums (Including JDMA engagements)
- Development of a training schedule for municipal employees and budgeting therefore; (R10 000 per employee)
- Reporting on clean-up of depot;
- Purchase of a waste compactor truck per annum (2023-2026)
- Purchase of a backup truck for refuse collection;
- Review of waste disposal tariffs;
- Finance department to review indigent register;
- GRAP assessments of landfill sites to be conducted annually;
- Annual budget allocation be ring fenced for rehabilitation and closure of landfill sites;
- Conducting annual surveys on remaining airspace available at Ladismith and Zoar landfill sites;
- Develop an organic waste diversion plan and submit to DEADP;
- Implement an in-house recycling programme;
- Roll out and pilot a home composting programme and develop small composting facilities;



- Roll-out of Green school programme
- Review waste management by-laws and appoint a waste ranger/peace officer to enforce by-laws.
- Develop waste infrastructure master plans;
- Conduct internal and external audit of all landfill sites.

### 3.4 HOUSING

Kannaland Municipality appointed CHS Developments as the Implementing Agent for the development and construction of low-cost housing and associated infrastructure services for the Municipality in terms of Regulation 32 of the Municipal Supply Chain Regulations with effect from 06 November 2019. The contract does not have a termination date and will terminate on completion of each project. Applications for project funding were submitted from 2020 onwards to the Western Cape Provincial Department of Human Settlements for the following projects:

1. Parmalat site, Ladismith where 280 housing units will be constructed. The estimated time for commencement of the project is in the 2026/2027 financial year. The environmental impact assessment (EIA), confirmation of bulk infrastructure and specialist studies such as heritage, aquatic, archaeological, palaeontology, traffic, sosio-economic, GIS mapping pending approval and funding.
2. Upgrading of Informal Settlement Programme (UISP) in Zoar for 65 serviced sites, where an informal settlement will be developed after completion of the project and qualifying beneficiaries of the programme will have access to basic services. At the moment residents of the informal settlement have limited access to basic services.

Some of our less fortunate experiences were the fact that the Municipality could not deliver basic services to informal settlements to a certain extent. A challenge which we are facing is the fact that bulk services cannot be delivered in informal settlements because plots in these areas which are not formalized. We have to appoint an implementing agent (IA) to facilitate and manage the development of the informal settlements.

We currently have 380 informal dwellings which is spread over 15 informal settlements in the municipal area. An environmental Impact Assessment have to be conducted to determine whether these areas are suitable for the development of informal settlements are conducive for occupancy.

Applications to deliver bulk basic services in informal settlements were submitted to Municipal Infrastructure Grant (MIG) through Technical Services Department in March 2018.

3. Zoar Maxi's site, where 100 housing units will be constructed.

The provision of affordable housing is a high priority for the Municipality. Challenges do exist with regards to the capacity of bulk infrastructure services with specific reference to waste-water

treatment works, water storage and water works. This has delayed the delivery of housing projects over the past few years which has resulted in the significant increase on the housing demand.

The Municipality developed a Human Settlement Allocation Policy which was adopted by council on 30 August 2018 which regulates the housing demand and the allocation of housing opportunities to the different categories on our Housing Demand Database.

A Human Settlements Sector Plan was adopted by council on 23 August 2023. This plan is valid for a period of 3 years.

Asla started with the construction of 155 integrated reconstruction and development programme (IRDP) houses in Calitzdorp on 21 September 2023 and completed the project on 26 July 2024. The first hand over was done on 13 December 2023 and the last house was handed over to the qualifying beneficiary on 05 December 2025.

The tables below indicate the financial performance and capital expenditure for 2023/24 – 2024/25 financial year:

Description	2023/2024	2024/2025	Fire Variance to Actual  %
	Actual	Actual	
	R'000		
<b>TOTAL OPERATIONAL REVENUE</b>	<b>R27 455 641,91</b>	<b>R9 700 034,00</b>	<b>35%</b>
<b>EXPENDITURE:</b>			
<b>Employees</b>	R1 143 439,88	R1 314 140,02	87%
<b>Materials</b>	R3 789,73	R0,00	0%
<b>Depreciation</b>	R0,00	R0,00	0%
<b>Bulk</b>	R0,00	R0,00	0%
<b>Other</b>	R26 901 846,10	R9 126 627,17	34%
<b>Total Operational Expenditure</b>	<b>R28 049 075,71</b>	<b>R10 440 767,19</b>	<b>37%</b>
	<b>-R593 433,80</b>	<b>-R740 733,19</b>	<b>80%</b>

**TABLE 47: FINANCIAL PERFORMANCES OF HOUSING SERVICES - SOURCE: AFS**

No capital expenditure incurred for housing development for the year under review.

### 3.5 FREE BASIC SERVICES AND INDIGENT SUPPORT

Free basic municipal services are rendered to all urban areas and some rural areas within the municipal boundaries. The objective of Kannaland Municipality is to ensure that the procedures and guidelines, regarding indigent household subsidies, are known to all.

This action is usually done through public participation meetings, ward committee meetings and council feedback meetings. Applications for a subsidy can be made with the assistance of a person in charge of permanent offices in the areas.

Special drives are also performed in the different wards where the community is invited to come and apply for a subsidy at a hall nearby or municipal offices and where they are also assisted with the completion of the applications.

The tables below indicate the households that received free basic services:

Free Basic Services to Low Income Households								
	Free Basic Water		Free Sanitation		Free Electricity		Free Refuse	
	Access	%	Access	%	Access	%	Access	%
2022/23	2290	49%	2290	49%	2290	49%	2290	49%
2023/24	1935	40.55	1935	40.5%	1935	40.5%	1935	40.5%
2024/25	2213	46.5%	2213	46.5%	2213	46.5%	2213	46.5%

TABLE 48: FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS - SOURCE: SAMRAS (MUNICIPAL STATISTICS)

## COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

### 3.6 ROADS AND STORM WATER

#### MUNICIPAL ROADS

The Municipality is responsible for the maintenance of roads within the four (4) towns (Ladismith, Calitzdorp, Zoar and Van Wyksdorp).

The Municipality is aware of the challenges with regard to road maintenance in Ladismith and is planning to upgrade all the streets and pavements in Ladismith in the next few financial years. Pot hole repairs and road maintenance was ongoing during 2024/25.

Storm water systems exist in most of the residential areas. In informal and low-cost housing areas. Daily maintenance consists of opening and cleaning catch pits, manholes, side drains and open channels.

No capital expenditure incurred for the year under review. Challenges in funding projects remain unchanged, however it should be taken into consideration that business plans have been submitted to address the road and storm water backlogs as outlined in the IDP.

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

### 3.7 PLANNING

#### 3.7.1 INTEGRATED DEVELOPMENT PLANNING AND DEVELOPMENT

The critical vacancy in the position of Manager: IDP, LED and PMS was filled on 1 July 2021 following the resignation of the Manager: IDP and PMS during March 2021. The undermentioned integrated development planning and public participation engagements were undertaken during 2024/2025:

#### 3.7.2 IDP PUBLIC PARTICIPATION STAKEHOLDER ENGAGEMENTS

The table below indicates the community engagement sessions with the stakeholders in the four wards: Please note this table indicates only the final phase of the public participation:

Project/Programme	Public participation activity undertaken	Venue / Ward	Dates
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Nissenville community Hall, Ladismith - Ward 1	07 October 2024
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Town Hall, Calitzdorp - Ward 2	10 October 2024
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Maxi's Hall, Zoar - Ward 3	08 October 2024
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Town Hall, Ladismith Town - Ward 4	09 October 2024
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Nissenville community Hall, Ladismith - Ward 1	24 April 2025
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Town Hall, Calitzdorp - Ward 2	29 April 2025
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Maxi's Hall, Zoar - Ward 3	30 April 2025

Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Town Hall, Ladismith Town - Ward 4	05 May 2025
GRDM IDP Rep Forum	Inputs into Final Predecessor IDP with amendments	Outeniqua Committee Room	28 October 2024
GRDM IDP Rep Forum	Inputs into Final Predecessor IDP with amendments	Outeniqua Committee Room	20 February 2025
GRDM IDP Rep Forum	Inputs into Final Predecessor IDP with amendments	Outeniqua Committee Room	13 May 2025

### 3.8 ELECTRICITY

#### ENERGY SECURITY

Electricity is the main energy source of households. The Kannaland Municipality is responsible for the provision of electricity to Ladismith and Calitzdorp, whilst Zoar and Van Wyksdorp are supplied by ESKOM.

Kannaland infrastructure is outdated and in need of urgent upgrade. The Municipality has over the past four years invested in new infrastructure to ensure secured electricity distribution to businesses and the community. The current substation in Calitzdorp has an electricity usage capacity of 1.7 MVA and the availability of electricity is 1.2 MVA.

No major infrastructure projects were completed, it must be taken into account that the Municipality rendered services to the community of Kannaland.

It is imperative that the electricity infrastructure be maintained at all times in order to identify where upgrading on aged infrastructure is needed. Upgrading and refurbishment of infrastructure will result in a secure revenue stream as well as quality services delivered to the residents of Kannaland. The capital expenditure is a roll over project from the prior year.

The undermentioned close out report from the Manager: Electrical and Mechanical Services provides valuable information of progress made in relation to the unit before his resignation.

It is imperative that the electricity infrastructure be maintained at all times in order to identify where upgrading on aged infrastructure is needed. Upgrading and refurbishment of infrastructure will result in a secure revenue stream as well as quality services delivered to the residents of Kannaland.

#### MAINTENANCE

Refurbished 10 pumps and 7 delivered by 29th October 2021. 3x48kw Zoar delivered during November 2021. Chemical procured to dissolve the solids in sewage stations as this burns out the pumps. Rhenda has confirmed availability of the chemical. Pole replacement for Ladismith town, Nissenvile and some parts of Calitzdorp as some poles are rusty and ageing

– MDL to give quote. Maintenance of switchgears for Ladismith and Calitzdorp to be prioritized as maintenance was not done in the past 5 years. Vegetation management required attention with the electrical team cutting trees during power shut down on 28th October 2021.

## **BUDGET**

Budget needs to be split as two sections mechanical and electrical are continually breaking down. Material and supply budget is close to depletion as more meters and other material are needed. The budget of the municipality must also accommodate appointment of securities at the boreholes as theft and vandalism is now rampant

## **TRAINING AND DEVELOPMENT**

Two employees in the unit have been trained assessed and found competent for ORHVS and will undergo practical authorization with two Eskom officials mentoring them towards obtaining their practical authorization. Two officials identified to undergo a trade test and ORHVS for backup of switching off HV& MV lines. Staff be identified to undergo Cherry picker certification as Kannaland Municipality does not have a certified Cherry picker operator. Staff also be identified to obtain Wireman license for municipality to have people for COC.

## **RECRUITMENT**

Memorandums prepared for appointment of electrician in Calitzdorp area. Appointment of staff to be prioritized particularly funded posts in Electrical & Mechanical experiences critical vacancies. Only one municipal official standby in mechanical unit throughout the month and doing electricity complaints. This is a huge risk.

## **AESTHETICS**

We also need to focus on the aesthetics of VWD. If we want to live and work in an ideal environment, we need to pay attention to dilapidated houses in the Centre of town. Owners of said houses should be held accountable. An attractive environment attracts visitors and potential buyers that stimulates the economy significantly. A few examples are Greyton, Graaff- Reinette, Stellenboch, Franschhoek, etc. A suggestion is that an official in the Municipality should be allocated to manage aesthetic matters and co-ordinate with Aesthetic committees in the different towns.

The table below indicates all highlights, challenges and interventions incurred by the municipality:

HIGHLIGHTS	CHALLENGES	INTERVENTIONS
<p>Completion of the upgrade of the Ladismith electricity main sub station</p> <p>Appointment of qualified Manager: Electrical and Mechanical Services</p> <p>Training, Eskom mentoring and certification of staff</p>	<p>Significant financial constraints:</p> <p>Lack of and high staff turnover/ training</p> <p>Fleet, Tools, equipment and materials</p> <p>Safety and security</p> <p>Load shedding</p> <p>Need for generating alternative energy supply</p> <p>Resignation of Manager: Electrical and Mechanical Services</p> <p>Lack of coordination of departments.</p> <p>No application form for commercial customer</p> <p>Vehicle shortages on electricity &amp; Mechanical</p> <p>Staff shortage</p> <p>Collaborator to be modified to send out reference numbers to customers logging fault.</p> <p>Funding for infrastructure of Ladismith &amp; Calitzdorp is too old and unreliable.</p> <p>Faulty meters and availability of staff to issue tokens after hours.</p>	<p>Council to review tariff structure</p> <p>Council to look at wayleave by law for the municipality</p> <p>SSEG bylaw and tariff to be drafted.</p> <p>Appointment of securities at borehole sites</p> <p>Application submission for upgrade from 100kva to 200kva and the estimated quote is R265 810.</p> <p>WCPG to assist with review of Energy Master plan</p> <p>Commission a qualified Electrical Engineer to assess the Ladismith Power Network and to compile a Network Distribution Upgrade Plan to be completed in a 4-year timeframe.</p> <p>Upgrade the overhead electricity cables that dates from the 1970's to modern below ground cables and distribution transformers in line with current best practices and standards. (This trenching can be done in conjunction with the laying of Fiber optic cables)</p> <p>Upgrade transformers for distribution.</p> <p>Implement 'n standardized maintenance plan to continuously upgrade and maintain the power network.</p> <p>Implement the Western Cape Provincial Government plan for small scale, grid tie, home electricity generation.</p> <p>Pilot alternative energy generation sources (Solar and nuclear power stations)</p>

**TABLE 49: ELECTRICITY HIGHLIGHTS, CHALLENGES AND INTERVENTIONS**

Despite the challenges listed, the municipality provide adequate services to their community and businesses.

### ELECTRICITY SERVICE DELIVERY LEVELS

Electricity Service Delivery Levels		
Households		
Description	2023/24	2024/25
	Actual	Actual
	No.	No.
Energy: (above minimum level)		
Electricity – Conventional	210	259
Electricity – prepaid	3590	3764
Minimum Service Level and Above sub-total	3800	4124
Minimum Service Level and Above Percentage		
Energy: (below minimum level)		
Electricity (< min. service level)		
Below Minimum Service Level sub-total		
Below Minimum Service Level Percentage		
Total number of households	3800	4124

**TABLE 50 - ELECTRICITY SERVICE DELIVERY LEVELS 2023-2024 AND 2024/25- SOURCE: SAMRAS (MUNICIPAL STATISTICS)**

The table below indicates the policy objectives as extracted from the IDP and SDBIP.

Electricity Service Policy Objectives Taken From IDP					
Service Objectives	Outline Service Targets	2023/24		2024/25	
		Target	Actual	Target	Actual
To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland Citizens	Number of formal residential households with access to basic level of electricity by end June 2025	3400	3711	3400	3865

**TABLE 51 : ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM THE IDP – 2023/24 AND 2024/25**

Despite the challenges listed, the municipality provide adequate services to their community and businesses



The tables below indicate financial performance and capital expenditure for 2024/25 financial year

Description	2023/2024	2024/2025	Variance to Actual %
	Actual	Actual	
	R'000		
<b>TOTAL OPERATIONAL REVENUE</b>	<b>R73 634 991,60</b>	<b>R87 143 732,92</b>	<b>84%</b>
<b>EXPENDITURE:</b>			
<b>Employees</b>	R3 810 232,75	R4 920 601,37	77%
<b>Materials</b>	R539 328,19	R681 864,94	79%
<b>Depreciation</b>	R2 128 062,65	R2 749 461,17	77%
<b>Bulk</b>	R61 150 888,27	R63 322 681,90	97%
<b>Other</b>	R1 751 763,77	R1 818 233,23	96%
<b>Total Operational Expenditure</b>	<b>R69 380 275,63</b>	<b>R73 492 842,61</b>	<b>94%</b>
	<b>R4 254 715,97</b>	<b>R13 650 890,31</b>	<b>31%</b>

TABLE 54: FINANCIAL PERFORMANCE PER ELECTRICITY SERVICES - SOURCE: AFS

The table below indicates capital expenditure for the year under review:

Capital Expenditure: 2024/25		R25 767 964	R25 767 964	R19 054 977.75	74%
Department		Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Electricity Services	INEP - MINATENANCE OF ELECTRICITY NETWORK	R 1066725.48	R 1066725.48	0	0

TABLE 52: CAPITAL EXPENDITURE PER ELECTRICITY SERVICES 2024/25 - SOURCE: AFS

### **3.9 BUILDING CONTROL**

#### **Introduction:**

Spatial Planning and Land Use saw significant changes due to the development of the Land Use Planning Act and the Spatial Planning Land Use Act. These legislative changes required the Municipality to draft a by law on land use planning. Legislative disputes on a national and provincial level resulted in a lengthy consultation process that in the end saw Council Adopting a Planning By-Law in June 2015.

The Municipality provides a full spectrum of town planning and building control services within the administrative area. The Division Town Planning and Building Control also includes a compliance component which is responsible for the enforcement of the regulations relating to municipal planning and building control, as well as environmental issues – this must be enforced by a bylaw which the Municipality does not consist of yet.

In terms of spatial planning, there is no capacity within the municipality to assist in running the process. The Spatial Development Framework is outdated and do not comply with SPLUMA regulations. The Department of Rural Development is assisting the municipality with the compilation of a new SPLUMA compliant SDF. Municipal Infrastructure Support Agency (MISA) is assisting the municipality with capacity and a Young Graduate is deployed to the Municipality to assist with the compiling of the SDF process. For the 2024-2025 financial year 61 applications were received, out of the 61 applications 59 building plans have been approved and implemented.

### **3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)**

The LED and Tourism Strategy were updated during 2021/2022 and incorporated into the Predecessor 2022-2027 IDP with amendments.

A platform has been developed for continuous interaction between business sectors, political leadership, the administration and community to build a common understanding on Local Economic Development objectives and outcomes linked to the IDP. Kannaland Business Chambers are regularly engaged on developmental issues and their inputs into the process has been incorporated into the IDP which is reported on at the community stakeholder participation engagements bi annually.

The objective of the EPWP Phase 4 program is to provide work opportunities and income support to poor and unemployed people through labor intensive work. Various projects have been approved by Council for implementation and the Municipality managed to achieve the target as set out.

### **GARDEN ROUTE SKILLS MECCA**

Kannaland Municipality actively participates in the Garden Route Skills Mecca Program which is aimed at accessing funding to initiate training programs throughout the district. Kannaland Municipality has identified youth from the community to successfully participate in training programs relating to Home Based Care and Law Enforcement during 2022/23. The training program includes a combination of theoretical learning and experiential training where learners are place-s at various organizations (public or private) for practical experience.

It is important to note that in between quarterly Task Team and Forum meetings ongoing interactions will take place between the GRSM Team and the stakeholders in each local municipal area to assist with determining skills needs and the development of capacity to prepare proposals an implement – projects and programmes aligned to the GRDM Growth and Development Strategy.

The tables below will show the jobs created through EPWP programmed during the year under review:

### 3.11 JOB CREATION

<b>Jobs created through EPWP</b>	<b>NO OF JOBS CREATED</b>
IG Cleaning of Kannaland Landfill Site	9
IG Cleaning of Kannaland open spaces (parks and sportfields)	16
IG Cleaning within and around electrical substation	4
IG Cleaning at Zoar and Van Wyksdorp WWTW	4
IG Kannaland War and Leaks Special Project	14
IG Kannaland Streets and Stormwater	11
IG Kannaland WWTW Building Maintenance	10
IG Office Administration interns	3
IG Fire and Rescue Services in Kannaland	3
IG Kannaland Law Enforcement	12
IG Kannaland Security Services	14

TABLE 58: JOBS CREATED THROUGH OTHER GRANT FUNDED PROJECTS (2024/2025)

### 3.12 TOURISM

Kannaland Municipality has entered into a three-year (2022-2025) Memorandum of Agreement (MOA) with both the Calitzdorp and Ladismith Tourism Bureaus. The Kannaland Local Tourism Offices remains committed to support and promote their stakeholders being the Kannaland Municipality and Members (paid up business members in Kannaland). As such the mission is to support the plans and initiatives of the Kannaland Municipality and through various activities promote the municipal area as a tourism destination of choice, to promote the growth of current business's, encourage the initiation of new businesses with the goal of maximizing opportunities for employment.

#### **TOURISM OBJECTIVE:**

Develop and implement a tourism strategy to attract more visitors and produce economic benefits for community at large.

Promote Kannaland as a “destination area” via tourism events and multi-media marketing and by ensuring continuation of the excellent coverage received from organizations such as MNET (Kyknet, Fiesta), SABC, printed media and radio.

Promote and enable local produce to be more accessible to tourists.

Mobilize support from role-players and stakeholders to ensure a clean, safe and attractive town.

Participate actively in tourism awareness campaigns to unlock and harness the tourism potential of the area, particularly indigenous knowledge and culture amongst local inhabitants and the unique flora (Succulents) of the area.

Mobilize the support of stakeholders and role-players to build a tourist-friendly region

Research and promote tourism opportunities that can benefit historically disadvantaged communities in the region

The regional film industry

Foster an integrated approach to tourism development through engagement with various government departments viz Dept of forestry and fisheries, SAPS, Social Development; Dept of Economic Development, etc.

## **FINANCIAL IMPLICATIONS**

To facilitate such transfers, the Municipality has entered into a Memorandum of Agreement (MOA) with each of the two Tourism Offices in accordance with Section 67 of the Local Government: Municipal Finance Management Act No 56 of 2003, substantially in the form of the agreements which were drafted with business plans for each of the respective Tourism Bureaus. Kannaland Municipality has made available R40 000 to both Calitzdorp and Ladismith Tourism Bureaus at the end of every three (3) months (per quarter). Both concerns have been externally audited and are considered going concerns. The intention is to adopt an integrated development approach to tourism promotion through the involvement of all sectors. The bureaus have been actively involved in clean-up projects, restoration of heritage sites (Stanley se Liggie) and hiking trails, youth development, promoting safety and security for tourists and community; skills mecca participation. website and face book social media marketing of the area, social initiatives relating to the street children social programme. Products of local entrepreneurs are marketed and events and festivals organized and supported.

## **KANNALAND TOURISM STRATEGY**

The IDP recognizes tourism as one of the key economic sectors in the municipality, calling for the development of a tourism master plan or a municipal wide tourism strategy. Council adopted the

LED and Tourism Strategy on 30 June 2022. Both strategies were developed in house. The local tourism offices need urgent support from the government department to assist in either funding of programs or the development of each town.

The tourism sector can contribute significantly to the reduction of unemployment. Kannaland ~~to~~ economy is built on the opportunities created by tourists visiting the area. It is essential that the tourism industry be further developed and investment into this industry be promoted to ensure continuous growth. The aim is that each town should have a tourism satellite office which will reside under the Kannaland Tourism umbrella.

Declaration of Loans and Grants made by the municipality: Year 0					
All Organization or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 2023/2024 R' 000	Value Year 2024/2025 R' 000	Total Amount committed 2024/2025
Calitzdorp Tourism Bureau	Promoting and marketing tourism in Calitzdorp	Business and action plan	R160 000	R160 000	R200 000
Ladismith Tourism Bureau	Promoting and marketing of Tourism in Ladismith	Business and action plans	R160 000	R160 000	R200 000

TABLE 54: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY:

### 3.13 Libraries

Libraries play a critical role in fostering sustainability, resilience, inclusivity and accessibility within the Kannaland communities. Libraries provide inclusive spaces and access to resources for all members of the community, empowering communities through education, social support and opportunities for lifelong learning.

- Promote Lifelong Learning
- Reflect and serve communities according to their needs.
- Help with research and data collection

- Places and spaces for community programmes and community involvement.
- Libraries provide a place to find the resources to learn new skills.
- Libraries provide an opportunity to fight unemployment, illiteracy and digital illiteracy.
- Libraries connect people, up-skill them, enable creative learning and build communities.

The municipality renders the library service on an agency basis for the Provincial Government which is funded 100% through grants (Municipal Replacement fund and Conditional Grant) The municipality views the libraries as key to developing the human capital, encouraging people to equip themselves with knowledge and skills in order to lead quality lives.

### **Kannaland Library Services**

**Kannaland Library Service has six Libraries.**

- Bergsig Library
- Calitzdorp Library
- Hoeko Library
- Ladismith Library
- Van Wyksdorp Library
- Zoar Library

### **Our Goal**

- Enhance the ability of Library Services to serve the communities of Kannaland.
- Increase the visibility of Library Services.
- Re-energise the connection existing amongst the established customers
- Open up possibilities that allows Libraries to expand on current services offered with the collaboration of partners.
- Facilitating access to resources that Kannaland libraries are not able to provide and expanding on the reach to new audiences (Inter library loans)

### **Library Outreach Programs and Displays**

- Libraries facilitate outreach programs and market library material and services available through the following programs.
  - School Holiday Programs
  - After school Programmes
  - Literacy Programmes
  - Book Clubs

- Service to old age homes
- National days
- Library week programmes
- Library orientation and book education (Grade R and new library patrons)
- Educational Programmes for the community.
- Arts and Craft workshops
- Library Displays are used to market national day, library Collections and various community related matters.

Library outreach programs have been conducted to raise educational awareness amongst scholars and adult users. Kannaland library service has been liaising with various stakeholders to ensure that outreach programs are successful and that it reaches the bulk of Kannaland communities.

### Service delivery Levels

The table below specifies the service delivery levels.

Type of Service	2024/2025
Library Membership (Active user only)	2767
Book Circulation	31187
Library Displays	31
Outreach Programmes	12
School Visits	3

The tables below illustrate the highlights and challenges experienced by Library Services.

HIGHLIGHT	HIGHLIGHT DESCRIPTION
The Year beyond	The Provincial Library Services, in partnership with various stakeholders, implemented the YeBoneers program in libraries across the province. The purpose of this project is to create jobs for unemployed youth between the ages of 18 – 25 years for a period of 10-12 months and to ensure that participant is trained and job ready at the end of the program. These young people receive training in various aspects of the library services to ensure that they gain experience in a library environment.

<b>SLIMS TRAINING</b>	All six Kannaland libraries make use of the Brocade: SLIMS automated lending system.
<b>Celebration of Human Rights Day</b>	Ladismith library in collaboration with various stakeholders celebrated Human Rights Day. Stakeholders distributed water to residents of Van Zylsdamme.
<b>Africa Day</b>	On 23 May 2025 the Kannaland Library Service, in collaboration with various stakeholders, celebrated Africa Day in Zoar through an outreach programme that included government services as well as municipal services such as housing and municipal accounts.

### 3.14 CEMETRIES AND CREMATORIIUMS

The Municipality has identified the need to develop new cemeteries due to capacity restrictions and the remaining utilization expectancy of the current cemeteries. Land for the new cemetery in Zoar has been identified and the re-zoning approved. The Environmental Impact Assessment was conducted.

The Ladismith cemetery has nearly reached its capacity but sufficient adjacent land is available to accommodate extension in terms of the Environmental Impact Assessment (EIA) Legislation. A formal process has been initiated to seek suitable alternative land.

The Bergsig and Calitzdorp town cemeteries have also reached full capacity. The Bloekomlaan cemetery will be utilized as an alternative cemetery site for the Bergsig and Calitzdorp town communities. This will be formally communicated through public participation processes. In addition, a further utilization expectancy study will be conducted.

The Van Wyksdorp cemetery has nearly reached its capacity and the consulting engineers have been instructed to seek suitable alternative land to establish a new cemetery for Van Wyksdorp. The Municipality is successful in maintaining the cemeteries to a high standard even though vandalism and theft of property are problematic and on the increase.

It should be noted that the planning for cemetery projects has been shifting to the outer financial years due to prioritization on water and sanitation projects.

NAME OF MUNICIPALITY	NAME OF CEMETERY	NO OF GRAVE SITES AVAILABLE AS AT 30 JUNE 2025
KANNALAND MUNICIPALITY	Calitzdorp/Bergsig	16 graves left



	Calitzdorp: Bloekom Laan	150 graves left
	Ladismith	60 graves left
	Van Wyksdorp	98 graves left
	Zoar	500 graves left

TABLE 55: CARRYING CAPACITY KANNALAND CEMETERIES

The table below depicts financial performance of Cemeteries for 2024/25

Description	2023/2024	2024/2025	Cemeteries
	Actual	Actual	Variance to Actual
	R'000		%
TOTAL OPERATIONAL REVENUE	R11 633 741,30	R10 504 205,32	90,29%
EXPENDITURE:			
Employees	R30 623,60	R33 176,34	92%
Materials	R0,00	R0,00	
Depreciation	R87 334,68	R254 547,50	34%
Bulk	R0,00	R0,00	
Other	R5 870,53	R7 241,45	81%
Total Operational Expenditure	R123 828,81	R294 965,29	42%
	R11 509 912,49	R10 209 240,03	89%
Variances are calculated by dividing the difference between the actual's			

Table 56: Financial Performance of Cemeteries

## COMPONENT E: ENVIRONMENTAL PROTECTION

### 3.15 Pollution Control

Urban expansion and farming in marginal areas to meet the demand of an increasing population, are leading to a loss of land and productivity. Secondary pressures, such as climate change, desertification and alien plant invasion, are further contributing factors.

Humans influence land degradation in three principal ways:

- The use of land resources for productive purposes: for agriculture, the collection of wood for fuel and building materials, as well as water abstraction and mineral extraction.

- The use of land resources for space needs, for example, settlement, infrastructure and recreational purposes.
- A tertiary set of influences comprises the incidental and often remote impacts of economic activity on land resources: for example, pollution of (sub) surface and atmospheric water resources by industry, alien plant invasion and climate change.

Agriculture has transformed much of Kannaland' natural landscape to cultivated lands. The Little Karoo, in general, which is under extensive agriculture, game farming and conservation land uses, falls within the category "Succulent Karoo /Spek boom/ Fynbos".

Land degradation manifests itself in the soil and in the veld. Sheet erosion is the most common form of soil degradation, with some rill and gully erosion in Kannaland. The Combined Land Degradation Index (CDI) indicates that the most degraded areas within.

Kannaland are situated around Ladismith and Calitzdorp because of overgrazing. The rest of Eden is only lightly affected by soil and veld degradation issues.

- To monitor land degradation in Kannaland, the following indicators need to be identified:
- Area of land under formal conservation protection;
- Landscape change;
- Number of agricultural subdivisions; and
- Combined Land Degradation Index.

Six impact groups associated with land degradation drivers in Kannaland are:

- Farming in marginal areas, which leads to loss of ecosystem integrity, loss of natural habitats and which exerts stresses on the natural resource base, for instance on waterthrough irrigation of crops.
- Subdivision of agricultural land into uneconomically viable units and urban sprawl leadsto diminishing agricultural returns.
- Urban expansion triggered by population growth and a better standard of living leads to the loss of agriculturally productive land and other land conflicts (e.g., conservation vs. urban development).
- Alien plant invasions cause veld degradation, a reduction on the quality and quantity ofwater and hence the loss of biodiversity resources.

- Climate change (global warming) brings an increase in the frequency of extreme weather events (droughts/ flooding), change in rainfall patterns and in extreme cases desertification. Loss of biodiversity is strongly associated with these phenomena.

### **3.16 WATER**

Kannaland falls largely within the Gouritz Water Management Area, a grouping of primary water catchments, which are diverse in nature, evaporation exceeds rainfall in the northern catchments meaning that these are water stressed areas. In contrast, rainfall generally matches evaporation in the southern catchments meaning that these are generally moister environments. In the Gouritz River catchment the development of surface water resources has reached its full potential and all the water is fully utilized.

The inland water resources are under severe pressure through urban population increased. In concert with population growth Kannaland has experienced expansion in the provision of water services. In addition, low-cost housing projects emerging from the National Reconstruction and Development Programme (RDP), together with the National Water and Sanitation Programme which has contributed to water demand. A further pressure on the water resource is the influx of tourism over the holiday season, introducing a spike in water demand. Economic growth and consumer and export demand has led to an increase in agricultural production, which in turn has placed greater pressure on water resources through greatest abstraction for irrigation.

Alien invasive plant and animal species, introduced by human actions either accidentally or for commercial purposes, are proving a major threat to the quality and quantity water, as well as to the biodiversity of freshwater systems. Climate change is expected to lead to slightly reduced rainfall over the Kannaland region, increased variability of rainfall, fewer but heavier precipitation events and increased temperatures and evaporation. These effects could work together to increase flooding, but could also reduce base-flow (long term low flow).

### **3.17 BIODIVERSITY**

Owing to its broad range of climatic conditions, geology, soils and landscapes, Kannaland has a very substantial share of global biodiversity within its borders. Kannaland's biological heritage is important in many ways – providing ecosystem services like clean water, contributing directly to the economy through industries like fishing and tourism, supporting livelihoods by providing food, medicines and building materials and generally improving health and well-being. Through habitat destruction and ill-conceived developments biodiversity is under threat world-wide.

To counteract this threat Kannaland should protect representatives of as many types of community and ecosystem as possible. By conserving suitable habitat, we are also improving the survival chances of the species and populations contained therein. Living landscapes preserve the option value of biodiversity – the potential to provide benefits in the future.

Important driving forces putting pressure on the biodiversity resources of Kannaland are:

- Population growth;
- The demand for economic growth to provide wealth and job creation;
- Demand for housing and associated services for historically disadvantaged people;
- Unsustainable extraction of natural resources as a result of poverty or greed;
- Poor land use practices promoting soil erosion and infestation by invasive alien plants;
- Poor waste and pollution management;
- Climate change; and
- Lack of understanding

In terms of appropriate responses, the mainstreaming biodiversity consideration into socio-economic agendas holds most promise to turn the situation around. It is necessary to:

- Integrate the protection and management of biodiversity resources with all human development by means of regional and national conservation initiatives;
- Build capacity in the areas of conservation assessment, taxonomy, green technology and knowledge transfer;
- Increase capacity in environmental law enforcement, management and education;
- Strengthen existing biodiversity conservation programmes to identify ecosystems, species and genetic resources that are at imminent risk of extinction;
- Implement strong counter measures to slow down the speed with which the loss of biodiversity occurs; and
- Link biodiversity protection and economic upliftment, as biodiversity protection provides an opportunity for less formal, nature-based community initiatives to act as economic engines and job creators.

### **3.18 CLIMATE**

There is general scientific agreement that the world is now warmer than at any time in the last 1000 years, and that the cause for this warming is due to human activities. Kannaland is at risk from projected changes in rainfall pattern and warming induced by changes in the global energy balance and atmospheric water balance.

However, the average for the five-year reporting period may be useful for simple comparative purposes against the long-term average. Once a continuous ambient air quality sampling programme is in place, quarterly air quality reports which will provide useful state of environment data.

Increased drying and changes to the seasonal nature of precipitation will bring an increase in irrigation requirements which are likely to desiccate wetlands and threaten seasonal ecosystem interactions within the wetland. Such impacts are likely to further threaten the biodiversity of freshwater resources, which in turn will impair the environmental services they provide. The impact caused by climate change in terrestrial ecosystems include the detrimental effects associated with wildfires due to increased berg-wind conditions, and the possibility of changes in the distribution of alien invasive species, apart from changes in indigenous species distribution and interactions.

Numerous economic sectors could be affected by changes in temperature and precipitation patterns. The impact is likely to be felt in agriculture, fisheries, forestry, the manufacturing industry, tourism, finance and investment, transport, communication and trade, and construction. Climate change is likely to impact water services in terms of diminishing reserves on the one hand, and damage to infrastructure due to heavier precipitation events on the other.

### **3.19 KANNALAND FLORA**

The Cape Floral Kingdom is characterized by its exceptional richness in plant species. More than 8 700 species are known to exist, with more than 68% of these being endemic. The Cape Floral Kingdom, thus, compares with some of the richest floras worldwide. It is the smallest of the Floral Kingdoms and covers a mere 0.06% of the earth's surface, and is the only Floral Kingdom contained in its entirety within a single country.

Kannaland is a region of extensive plains, arid foothills and rugged rocky ridges and includes a wide range of microhabitats with extreme seasonal and diurnal temperature fluctuations. There are 1325 plant species in this area, including 182 Succulent Karoo endemics and 92 Red List species ([www.skep.org.za](http://www.skep.org.za)). While unique and rare species are found throughout the landscape, many of the endemics are concentrated along veins of weathered quartz, where patches of white pebbles provide camouflage and moderate the temperature for "stone plants"

### **COMPONENT G: SAFETY AND SECURITY**

### **3.20 TRAFFIC SERVICES**

Safety and security are the responsibility of the Protection Services Department of the Community Services Directorate. The Department is committed to provide a high-quality community-oriented service to meet the safety and security needs of a diverse community. The Division strives to constantly improve its standing within the community it serves and the profession itself. Several awareness campaigns regarding road safety and fire protection are conducted throughout the year.

The traffic services unit consist of a chief traffic officer, two traffic officers, motor registration clerks, chief clerks and 2 motor registration clerks, administration clerk.

Awareness on road safety was implemented and conducted at schools whereby the school busses were inspected i.t.o road worthy and to adhere to the road transportation act.

Road markings were painted to ensure visibility and to encourage motorist to adhere road traffic act.

Because of the high demand of testing of driver licensing it was planned to construct a K53 Testing Centre. The project was not completed due to funding constraints. Pre planning were done on the course of where it will be situated and looks like.

It will generate revenue for the municipality and enable a service to the local community in terms of affordability for each.

The Kannaland Municipality is eager to ensure a safe environment for the public, personnel and councilors. The Municipality therefore makes use of private security firms to ensure the safety of the personnel and councilors, as well as members of the public that visit municipal offices. Bylaws still needs to be reviewed approved by council in order to carry out the relevant law enforcement in areas.

The updating of by-laws becomes important for ensuring the enforcement of municipal laws. The WCPG has been approached to assist with updating Kannaland Municipality By-Laws and also to develop a Community Safety Plan.

### **3.21 DISASTER MANAGEMENT AND FIRE SERVICES**

The Municipality has a Disaster Management Plan (DMP) which is an integral part of the IDP. The DMP was reviewed during 2021/222 and is included as a key performance indicator on the SDBIP for annual review. The DMP was included in the 2022-2027 Draft and Final Predecessor IDP with amendments.

The establishment of a Disaster Management Centre has also been identified in terms of the Municipality's Disaster Management planning; however, the Municipality does not have a functional disaster management ICT, GIS and early warning system. The Municipality is currently making use of

the Disaster Management DS Tool of the Western Cape Disaster Management Centre to assist the Municipality in making informed decisions relating to Disaster Management.

As throughout the IDP is identified that water storage capacity is the main problem and has therefore prioritized the water and sanitation needs as a high and urgent matter to be attend to.

In accordance with the applicable legislation and with the desire to provide for the well-being of its citizens, the Kannaland Municipality has adopted a Disaster Management Plan in 2021/22 to ensure preparedness and effective response by the Municipality and its citizens in the event of a disaster. The Disaster Management Plan will assist Kannaland Municipality to be better prepared to support the local communities in dealing with disasters and to speed up the recovery process. It is crucial to have effective and efficient disaster risk reduction management measures in order to save lives, prevent escalation of emergencies and incidents as well as to relieve suffering. The implementation of this Disaster Management Plan will assist the municipality in clarifying roles and responsibilities with different stakeholders who are essential for disaster management. The purpose of the disaster plan is not only a legislative requirement, but enhances community safety through, planning, mitigation, response and recovery.

As defined in the prescriptions of the Act, the Municipal Manager is the Head of Disaster Management with the delegation of assistance through to the Senior Manager: Community Services.

The municipality adopted the Disaster Management Plan and recently a Disaster Management Centre has been established in terms of the municipality's disaster management planning. The municipality utilizes the following systems:

- Ventusky (weather predictions);
- Afis (active fires in the area);
- Functional disaster management ICT, GIS and early warning system.

### **3.22 OTHER RISK REDUCTION MEASURES**

No other risk reduction measures are in place other than proactive measures during early warnings and forecasts or progression of incidents. Preventive measures are relocating or evacuating members of communities and providing support at a local level or as assisted through the district.

A number of effective programmes have been implemented to mitigate the, which include:

- Awareness programmes to protect citizens from fires and floods;
- cleaning of the storm water channels;
- Regular -Clean-up programmes of rivers and streams;

- The Fire and Rescue Services do regular awareness programmes in the communities and schools.
- Water restrictions in place

The impact prioritization for the most important risks (in order of priority) is as follows:

- Floods
- Plantation and vegetation fires
- Agricultural epidemics
- Hazardous materials transport
- Drought

### **Preparedness measures**

Disaster Management Advisory Forum has been established.

- Meetings/ forums / workshops (newly established Disaster Management Forum) The fire services function is managed by the Garden Route District Municipality.
- Some of the achievements were:
- Members were identified who worked at working on fire (WOF) has been selected to undergo training to become qualified fire fighters. They received a high level of technical and administrative training to enhance their knowledge, skill and experience which will be beneficial for the community at large.
- The Fire Service embarked on a community educational drive within the informal settlement areas as well to schools to educate residents and scholars of the dangers associated with fires as well as preventative measure that could be used to prevent

The outbreak of fires. Department of Local Government has donated a fully equipped truck, uniforms were received from City of Cape Town, Knysna and George Municipality.

- Fire detectors were installed in municipal areas – process continuous
- Fire Safety awareness at schools
- Capacity building through training to the officials
- Maintenance of Fire Hydrants
- Water Delivery during the drought
- Disaster Management plan currently being implemented

It should be noted that the Kannaland Municipality is in process to review all its bylaws in order to improve enforcement in the area.

Fire flood kits were received from Province

**The table below indicate the financial performance for fire services:**



Description	2023/2024	2024/2025	Fire
	Actual	Actual	Variance to
	R'000		Actual
			%
<b>TOTAL OPERATIONAL REVENUE</b>	<b>R293,48</b>	<b>R290,25</b>	<b>99%</b>
<b>EXPENDITURE:</b>			
<b>Employees</b>	R1 483 762,56	R2 389 034,21	62%
<b>Materials</b>	R19 117,82	R1 612,50	8%
<b>Depreciation</b>	R0,00	R0,00	0%
<b>Bulk</b>	R0,00	R0,00	0%
<b>Other</b>	R186 070,81	R260 911,97	71%
<b>Total Operational Expenditure</b>	<b>R1 688 951,19</b>	<b>R2 651 558,68</b>	<b>64%</b>
	<b>-R1 688 657,71</b>	<b>-R2 651 268,43</b>	<b>64%</b>
<b>Variances are calculated by dividing the difference between the actual's</b>			

**TABLE 57: FINANCIAL Performance FOR FIRE SERVICES 2024/25 - SOURCE AFS**

## **COMPONENT H: SPORT AND RECREATION**

This component includes: community parks; sports fields; sports halls; stadiums; swimmingpools; and camp sites.

### **3.23 SPORT AND RECREATION**

In terms of our mandate, we make facilities, such as sport fields, available to the broader community. The Municipality is responsible for development of the facilities and the upgrading thereof whilst the sport clubs lease the facilities and as agreed upon, must maintain it.

The Municipality develops and maintains community parks, halls, camp sites and the caravanpark. This service places an enormous financial burden on the Municipality, with its limited staff capacity and finances. The vastness of the municipal footprint demands a duplication of all services throughout the area and poses to be a well-oiled machine due to strict adherence to planning and implementation schedules.

The Sport section performed their duties excellently taking into consideration the challenges and demands they face on a continuous basis. There is a need for additional facilities but the availability of land is problematic, as well as the funds needed to develop the facilities.

### **3.24 PROJECT MANAGEMENT UNIT**

#### **3.24.1 MUNICIPAL INFRASTRUCTURE GRANT – MIG**

The purpose of the grant is to provide capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprise and social institutions servicing poor communities.

The outputs of the programme for are: -

- Infrastructure for:
  - basic water and sanitation
  - central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites
  - sport and recreation facilities
  - street and community lighting
  - public facilities
  - Number of kilometers of municipal roads developed, upgraded and maintained.
- Number of work opportunities and full-time equivalents (FTE's) created using the Expanded Public Works (EPWP) guidelines for the above outputs.

### 1.1 Allocation for the past 3 years

The MIG allocations to Kannaland Municipality for the past three financial years is indicated in table 1 below:

**Table 1: MIG allocation**

	2022/2023	2023/2024	2024/2025
Original allocation (R')	R 11 083 000.00	R11 373 000.00	R 12 412 000.00
Roll over approved	R 0	R 0	R 0
Additional allocation	R 0	R 1 800 000.00	R 0
Stopped allocation	R 1 920 000.00	R 761 000.00	R 1 213 000.00
Final allocation	R 9 163 000.00	R12 412 000.00	R 11 199 000.00
Amount spent	R 8 498 172.85	R12 014 994.00	R 11 199 000.00
Amount not spent	R 664 827.15	R 397 006.00	R0

This resulted in a budget cut of R1 213 000 due to DORA are because of financial constraints within provincial government.

### 1.2 Key Challenges since onset (establishment of the program)

Multi-year commitments towards certain projects as the allocated amount is not enough. This result in backlogs with service delivery.

## 2. EVALAUTION

### 2.1 Progress to date

Table 2 below provides summary of progress in relation to projects implemented during the 2024/2025 financial year.

Table 2: 2024/2025 summary project progress

Project ID	Project Name	MIG approved budget (R')	Exp. in previous fy (R')	Balance (R')	2024/2025 budget (R')	2024/2025 exp. (R')	Physical progress (%)
524252	Kannaland: Purchasing of Specialised Vehicles for Waste Management (Yellow Fleet)	R3 793 070.01	R1 299 589.71	R2 493 480.30	R2 457 698.86	R2 457 698.86	100%
524132	Zoar: Refurbishing and Upgrading of Zoar Waste Water Treatment works Ph2	R10 965 258,98	R0	R10 965 258.98	R3 300 000,00	R3 300 000,00	39%

524169	Van Wyksdorp: Upgrading and	R5 079 932,26	R0	R5 079 932,26	R1 724 301,14	R1 724 301,14	45%
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Project ID	Project Name	MIG approved budgets (R')	Exp. in previous fy (R')	Balance (R')	2024/2025 budget (R')	2024/2025 exp. (R')	Physical progress (%)
	Refurbishing of Vanwyksdorp Greenhills Waste Water Treatment Works Ph2						
524350	Calitzdorp: Refurbishment of Sewerage Pumpstations (Bergsig PS, Royal Heights PS, Sportsfield PS)	R11 845 143,75	R0	R11 845 143,75	R3 156 150,00	R3 156 150,00	50%
PMU/041/2425	PMU	R560 850,00	R568 650,00	R0	R560 850,00	R560 850,00	100%
				<b>Total</b>	<b>R11 199 000,00</b>	<b>R11 199 000,00</b>	<b>100%</b>

Detailed progress on projects implemented over the 2024/2025 financial year are reflected in the tables below:

**Project #1: Kannaland: Purchasing of Specialised Vehicles for Waste Management (Yellow Fleet)**

Item No.	Item Description	Detail information
1	Project Description	DPIP ID: 524252 National ID: WC/2031/SV/24/24
2	Scope of work (2024/2025 plan)	Acquiring of specialized waste management vehicles (yellow fleet) for effective waste collection services:  7 Ton payload Refuse Compactor Truck with dual rear wheels with GVM not less than 13,500kg 5 Ton payload CAGE Refuse Truck with dual rear wheels with GVM not less than 8,500kg.
3	Construction period	N/A
4	Consultant	N/A
5	Contractor	N/A
6	Implementation Plan (contractor)	Tender Closing date: RT57-2022 Tender award date: RT57-2022 Contract start date: Practical completion: N/A Completion / Handover: N/A Defects liability period:N/A
7	Progress	Against 2023/2024 scope: 4x4 TLB (Tractor Loader Backhoe) with operating Mass of not less than 7800kg, equipped with a backhoe bucket with a capacity of not less 0.18m <sup>3</sup> (SAE) and a loader bucket capacity of not less than 0.9m <sup>3</sup>
8	Major / key challenges (if delayed)	N/A

Item Description	Detail information
Project Description	DPIP ID: 524252 National ID: WC/2031/SV/24/24
Pictorial depiction	 <p data-bbox="544 716 706 751">-Cage Truck</p>  <p data-bbox="544 1241 698 1276">-Compactor</p>

**Project #2: Zoar: Refurbishing and Upgrading of Zoar Waste Water Treatment works Ph2**

Item Description	Detail information
Project Description	DPIP ID: 524132 National ID: WC2045/S/24/27
Scope of work (2024/2025 plan)	<ul style="list-style-type: none"> <li>-Refurbish the sludge pumpstation and replace pumps to allow for proper sludge management to occur</li> <li>-The effluent pump station needs to be refurbished and pumps upgraded</li> <li>-Replacement of the missing pipe segment connection to the anaerobic tank.</li> <li>-Reline of eight (8) facultative ponds and eight (8) maturation ponds to their former potential.</li> <li>-Refurbish and lining of emergency containment dam</li> <li>-Refurbish the raw sewerage pump station to enable proper functioning, including:</li> <li>-Removal of debris from the site</li> <li>-Fencing the entire site</li> </ul>
Construction period	6 months
Consultant	Katarena Consulting
Contractor	Fundisani Construction and Projects
Implementation Plan (contractor)	<p>Tender Closing date: 28-Feb-2025 Tender award date: 14 March 2025</p> <p>Contract start date: 14 March 2025 Practical completion: Completion / Handover: Defects liability period:</p>



Progress	<ul style="list-style-type: none"> <li>- Site has been established</li> <li>- Site clearance has been done</li> <li>- Earth works for pipes</li> </ul>
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Item Description	Detail information
Project Description	DPIP ID: 524132 National ID: WC2045/S/24/27
	<ul style="list-style-type: none"> <li>- Bedding for pipes</li> <li>- Medium pressure pipes</li> <li>- Earthworks and excavation</li> <li>- Concrete, formworks and reinforcement</li> <li>- Masonry</li> <li>- Waterproofing</li> <li>- Roof coverings</li> <li>- Carpentry and joinery</li> <li>- Ironmongery</li> <li>- Metalworks, plastering, paintwork, external works, electrical installation and mechanical installation</li> </ul>
Major / key challenges (if delayed)	

Pictorial depiction



- Removal of debris from the site



-Building of The effluent pump station

Item Description	Detail information
Project Description	DPIP ID: 524132 National ID: WC2045/S/24/27




-Cleaning of Ponds



-Lining of Ponds

**Project #3: Van Wyksdorp: Greenhills: Upgrading and Refurbishment of WWTW Ph2**

Item No.	Item Description	Detail information
1	Project Description	DPIP ID: 524169 National ID: WC2044/S/24/26
2	Scope of work (2024/2025 plan)	<ul style="list-style-type: none"> <li>- Analytical testing of influent and effluent wastewater</li> <li>- Install roofing above the tanks to protect them from sunlight</li> <li>- Provide skip/bin for waste from screens</li> <li>- Provide container office and ablution facility for plant operator, including all pipework and connections</li> </ul> <p>Flow meters</p> <ul style="list-style-type: none"> <li>- Install new Parshall flume flow meter at the WWTW inlet, including all mechanical electrical works</li> </ul> <p>Septic Tanks</p> <ul style="list-style-type: none"> <li>- Refurbishment of septic- Concrete repairs protective lining</li> </ul> <p>Clarifier/humus tanks</p> <ul style="list-style-type: none"> <li>- Replace one (1) clarifier/humus tanks</li> </ul> <p>Effluent Pump Station</p> <ul style="list-style-type: none"> <li>- Refurbish and replace one (1) submersible pump</li> <li>- Install Additional pump set including mechanical electrical works</li> </ul> <p>Module Upgrade</p> <ul style="list-style-type: none"> <li>- Install additional three(3) SBC 24000kl modules, including bio-reactor, clarifier/humus tanks and disinfection tanks complete to increase treatment capacity with 72 000kl to an overall plant treatment capacity of 120 000kl/day.</li> </ul> <p>Electrical Works</p> <ul style="list-style-type: none"> <li>- Install back-up power for treatment plant</li> <li>- installation of flood lights at plant</li> <li>- Upgrade electrical supply and place all cabling in sleeves</li> </ul>
3	Construction period	5 months

Item No.	Item Description	Detail information
1	Project Description	DPIP ID: 524169 National ID: WC2044/S/24/26
4	Consultant	Sky High Consulting
5	Contractor	Kayalih-le Trading
6	Implementation Plan (contractor)	Tender Closing date: 17 February 2025 Tender award date: 14 March 2025 Contract start date: 14 March 2025 Practical completion: Completion / Handover: Defects liability period:
7	Progress	-Site establishment -Site Container 60% -Skip-bin 50% -Construction of septic tank1 -Re-routing of services -Construction of fog -Concrete slab for lilliput structure -Excavation of soak away
8	Major / key challenges (if delayed)	
9	Pictorial depiction	 <p>-Construction of septic tank</p>



Item No.	Item Description	Detail information
1	Project Description	DPIP ID: 524169 National ID: WC2044/S/24/26
		 <p data-bbox="673 737 1320 871">- Construction of septic tank</p>  <p data-bbox="673 1329 1336 1486">-Construction of septic tank</p>


**Project #4: Calitzdorp: Refurbishment of Sewerage Pumpstations (Bergsig PS, Royal Heights PS, Sportsfield PS)**

Item No.	Item Description	Detail information
1	Project Description	DPIP ID: 524350 National ID: WC2046/S/24/26
2	Scope of work (2024/2025 plan)	<p>Phase1: Upgrading of Bergsig PS and minor operational upgrades on Royal Heights PS:</p> <ul style="list-style-type: none"> <li>- Construction of platform, including gabion retaining wall</li> <li>- Upgrading of gravel access road to the pump station</li> <li>- New building construction and refurbishment of existing buildings</li> <li>- Refurbishment of existing sumps and concrete protective lining</li> <li>- Construction of new security fences round pump station, including gate</li> <li>- New inlet works with screen and skip bin</li> <li>- Upgrade pumps, pipework, valves, flow meters, etc</li> <li>- New gantry for lifting pumps, valves and pipeworks</li> <li>- Upgrade MCC panels and telemetry</li> <li>- Electrical upgrades and new lighting</li> </ul> <p>Phase 2: Upgrading and expansion of Royal Heights PS to increase efficiency and pump capacity:</p> <ul style="list-style-type: none"> <li>- Construction of new pump station building and refurbishment of existing buildings</li> <li>- Construction of new wet well sump and the refurbishment of existing sumps including concrete protective</li> <li>- Refurbishment of existing security fencing around pump station, including new gate</li> <li>- Upgrade of inlet works with mechanical screen and skip bin to accommodate future flows</li> <li>- Upgrade existing pumps, pipework, valves flow meters and install new additional pumps, pipework, valves, flow meters, etc.</li> <li>- Upgrade existing gantries and install new gantries for lifting of pumps and other mechanical equipment</li> <li>- Installing of new odour control unit</li> <li>- Upgrading existing MCC panels and telemetry</li> </ul>

Item No.	Item Description	Detail information
1	Project Description	DPIP ID: 524350 National ID: WC2046/S/24/26
		<ul style="list-style-type: none"> <li>- Upgrade electrical supply and lighting</li> <li>- Clean and refurbish existing overflow pond install liner</li> <li>- Upgrade existing gravity incoming pipeline</li> </ul> <p>Phase3: Upgrade of Sports field PS:</p> <ul style="list-style-type: none"> <li>- Upgrading of gravel access road to the pumpstation</li> <li>- Refurbishment and renovation of existing building</li> <li>- Refurbishment of existing sumps and concrete protective lining</li> <li>- Construction of new security fence around pumpstation, including gate</li> <li>- Upgrade inlet works with new mechanical screen and skip bin</li> <li>- Refurbishment of pumps, pipework's, valves, flow meters, etc</li> <li>- Upgrading of gantry for lifting of pumps, valves and pipework</li> <li>- Upgrade MCC panels and telemetry</li> <li>- Electrical upgrades new lighting</li> <li>- Installation of one odour control unit</li> </ul>
3	Construction period	5 months
4	Consultant	Katarena Consulting
5	Contractor	Kgoano Consulting and Project Management
6	Implementation Plan (contractor)	<p>Tender Closing date: 28-Feb-2025 Tender award date: 14 March 2025</p> <p>Contract start date: 14 March 2025</p> <p>Practical completion:</p> <p>Completion / Handover: Defects liability period:</p>
7	Progress	<ul style="list-style-type: none"> <li>-Site Establishment</li> <li>-Excavations and Sump Surface bed</li> <li>-Superstructure walls including refurbishments</li> <li>-Roof including refurbishments</li> </ul>

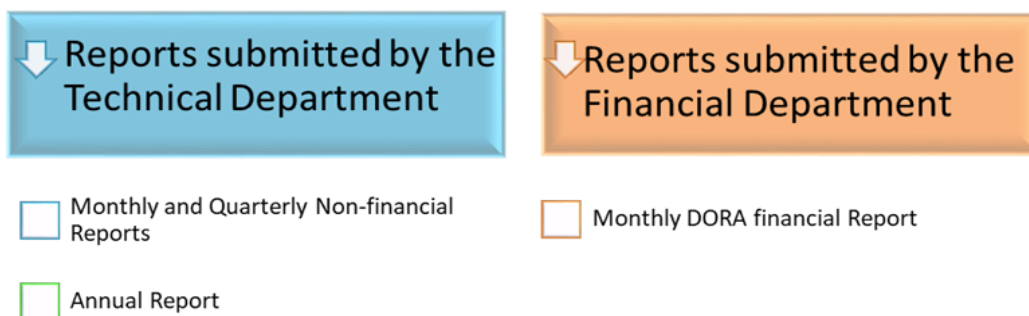


Item No.	Item Description	Detail information
1	Project Description	DPIP ID: 524350 National ID: WC2046/S/24/26
2	Major / key challenges (if delayed)	Unforeseen submersed conditions not known resulted in a rates dispute, which lead to a delay in the timeously completion of the civil works at the oxidation ponds.
3	Pictorial depiction	 <p data-bbox="597 974 945 1008">-Site Clearance Pumpstations</p>  <p data-bbox="597 1465 1029 1499">-Cleaning and lining of overflow pond</p>

Item No.	Item Description	Detail information
1	Project Description	DPIP ID: 524350 National ID: WC2046/S/24/26
		 <p data-bbox="591 835 829 869">Bergsig Pumphouse</p>

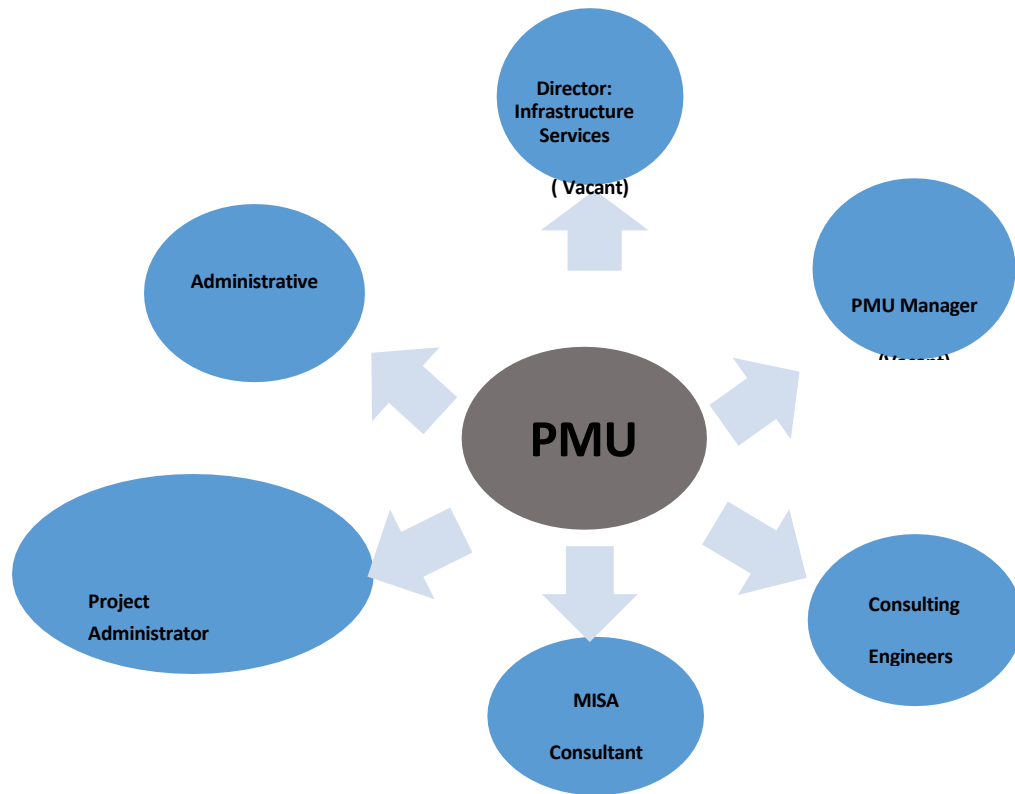
## 2.2 Monitoring

- Both Financial and Technical departments monitor the MIG expenditure separately. The two departments are trying to implement the once per month meeting to discuss and monitor expenditure to avoid the difference in reporting. These two departments also reconcile their expenditure claims to have an accurate report at the end of the financial year.
- MIG related issues and progress are discussed on the monthly LGTAS meetings where all stakeholders are present. Kannaland also arrange infrastructure meetings where MIG items are discussed with stakeholders and service providers.
- Projects are closely monitored so that action can be taken as soon as possible if any risks appear. Monthly and technical meetings are held for each project to monitor risks and discuss solutions.
- Data is collected as and when it's required. All labour-data is obtained from the contractor, either through the Community Liaison Officer or the consulting engineers. The Finance department within the municipality provide data regarding expenditure, available funds, etc. Monitoring is mainly done by the technical department. The PMU manager and project administrator are responsible for monitoring and reporting which gets quality checked by the Director Infrastructure Services.
- Data is submitted in the prescribed format (e.g. DWS's technical report format), but not analyzed in more detail as such within the Municipality. The KPI report is utilized for data analysis.



## 2.3 Management of the Programme

The PMU structure and its support consist of the following staff and roll players, both internal and external:



## **2.4 Results and beneficiaries**

### **The 2024/2025 service delivery performance:**

- Number of poor households impacted through the construction of new infrastructure and upgrading and renewal of existing infrastructure for:
  - 0 households provided with basic service water services
  - 3425 households provided with basic sanitation services
  - 0 households provided with street lighting and community lighting
- Number of infrastructures constructed (new infrastructure, upgraded or renewed):
  - No central collection points for refuse developed
  - No refuse transfer stations developed
  - No solid waste disposal sites developed
  - No sports and recreation facilities developed
  - No public facility developed (please ensure that those developed are specifically mentioned, e.g., community hall, ECD centers, etc.)
  - Two waste water treatment facilities upgraded
  - One water treatment facility upgraded
  - Zero kilometers of municipal roads developed.
  - 41 job opportunities and 6 FTE's created using EPWP guidelines.

## **2.5 Key Challenges**

The following challenges are currently being experienced in the management of the programme which often result in delaying progress and low expenditure:

- External factors
- Capacity of consultants (project registration delayed)
- Internal factors
- Unavailability of counter funding

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

### 3.24 EXECUTIVE AND COUNCIL

This component includes: Executive Office (Mayor; councilors; and Municipal Manager).

The Council consists of seven (7) councilors, including the Executive Mayor, Deputy Executive Mayor and Speaker as determined by the MEC for Local Government in the Western Cape.

### 3.25 FINANCIAL SERVICES

Sound financial management practices are essential for municipalities. The major challenge for municipalities is long term financial sustainability. The MFMA aims at directing municipalities in a sustainable financial environment and to modernize financial management practices.

The act places municipalities on a financially sustainable footing and supports co-operative government between all spheres of government. Successful implementation of the provisions of the act will maximize the capacity of municipalities to deliver services to their residents, users and customers.

It is critical for the Municipality to review how we conduct our business to ensure that value for money is obtained in all our expenditures, that revenue administration systems are operating effectively, and that creditors (including bulk service providers) continue to be paid timeously and in full.

Description	2023/2024	2024/2025	Variance to Actual
	Actual	Actual	
	R'000		
<b>TOTAL OPERATIONAL REVENUE</b>	<b>R13 770 008,70</b>	<b>R13 184 821,18</b>	<b>96%</b>
<b>EXPENDITURE:</b>			
<b>Employees</b>	R15 495 497,06	R17 767 386,14	87%
<b>Materials</b>	R141 410,44	R11 467,41	8%
<b>Depreciation</b>	R318 994,46	R780 684,31	41%
<b>Bulk</b>	R0,00	R0,00	
<b>Other</b>	R18 300 427,35	R8 622 842,02	47%
<b>Total Operational Expenditure</b>	<b>R34 256 329,31</b>	<b>R27 182 379,88</b>	<b>79%</b>
	<b>-R20 486 320,61</b>	<b>-R13 997 558,70</b>	<b>68%</b>

**TABLE 61: FINANCIAL PERFORMANCE 2024/25: FINANCIAL SERVICES SOURCE AFS**

### **3. 26 HUMAN RESOURCES SERVICES**

The broader objectives of the Human Resource Services division of the Municipality are to ensure that:

- The appropriate staff members are recruited and appointed;
- Staff members are optimally placed in relation to the needs of the organization;
- An environment is created conducive of staff performing their functions in line with their knowledge, experience and skills;
- Staff members are adequately compensated and that their vested interests and benefits are professionally administered;
- Staff members are allowed the opportunity to develop and be promoted in a physical
- environment that is free from safety, health and psychological hazards;
- An organizational design is implemented that promotes productivity and sustains high
- levels of morale and ethical behavior;
- A culture of discipline, equality, transparency and fairness are promoted in the workplace;
- The organization is free from all forms of discrimination and prejudice.

In order to achieve these broader objectives, the Human Resource Services is organized in a manner to respond to the following functions:

- Organizational efficiency and improvement
- Staffing in relation to recruitment, selection and appointments
- Administration of employee benefits
- Skills development and training
- Occupational health and safety
- Labor relations
- Employee wellness (EAP)
- Performance management
- Employment equity
- Change Management
- Statistics and Reporting

The updating of by-laws becomes important for ensuring the enforcement of municipal laws. The WCPG has been approached to assist with updating Kannaland Municipality By-Laws and also to develop a Community Safety Plan.

#### **3.27 DISASTER MANAGEMENT AND FIRE SERVICES**

The Municipality has a Disaster Management Plan (DMP) which is an integral part of the IDP. The DMP was reviewed during 2021/222 and is included as a key performance

indicator on the SDBIP for annual review. The DMP was included in the 2022-2027 Draft and Final Predecessor IDP with amendments.

The establishment of a Disaster Management Centre has also been identified in terms of the Municipality's Disaster Management planning; however, the Municipality does not have a functional disaster management ICT, GIS and early warning system. The Municipality is currently making use of the Disaster Management DS Tool of the Western Cape Disaster Management Centre to assist the Municipality in making informed decisions relating to Disaster Management.

As throughout the IDP is identified that water storage capacity is the main problem and has therefor prioritized the water and sanitation needs as a high and urgent matter to be attend to.

In accordance with the applicable legislation and with the desire to provide for the well-being of its citizens, the Kannaland Municipality has adopted a Disaster Management Plan in 2021/22 to ensure preparedness and effective response by the Municipality and its citizens in the event of a disaster. The Disaster Management Plan will assist Kannaland Municipality to be better prepared to support the local communities in dealing with disasters and to speed up the recovery process. It is crucial to have effective and efficient disaster risk reduction management measures in order to save lives, prevent escalation of emergencies and incidents as well as to relieve suffering. The implementation of this Disaster Management Plan will assist the municipality in clarifying roles and responsibilities with different stakeholders who are essential for disaster management. The purpose of the disaster plan is not only a legislative requirement, but enhances community safety through, planning, mitigation, response and recovery.

As defined in the prescriptions of the Act, the Municipal Manager is the Head of Disaster Management with the delegation of assistance through to the Senior Manager: Community Services.

The municipality adopted the Disaster Management Plan and recently a Disaster Management Centre has been established in terms of the municipality's disaster management planning. The municipality utilizes the following systems:

- Ventusky (weather predictions);
- Afis (active fires in the area);
- Functional disaster management ICT, GIS and early warning system.

### **3.28 OTHER RISK REDUCTION MEASURES**

No other risk reduction measures are in place other than proactive measures during early warnings and forecasts or progression of incidents. Preventive measures are relocating or



evacuating members of communities and providing support at a local level or as assisted through the district.

A number of effective programmes have been implemented to mitigate the, which include:

- Awareness programmes to protect citizens from fires and floods;
- Regular cleaning of the storm water channels;
- Clean-up programmes of rivers and streams;
- The Fire and Rescue Services do regular awareness programmes in the communities and schools.
- Water restrictions in place

The impact prioritization for the most important risks (in order of priority) is as follows:

- Floods
- Plantation and vegetation fires
- Agricultural epidemics
- Hazardous materials transport
- Drought

#### **Preparedness measures**

- Disaster Management Advisory Forum has been established.
- Meetings/ forums / workshops (newly established Disaster Management

Forum) The fire services function is managed by the Garden Route District Municipality.

Some of the achievements were:

- Members were identified who worked at working on fire (WOF) has been selected to undergo training to become qualified fire fighters. They received a high level of technical and administrative training to enhance their knowledge, skill and experience which will be beneficial for the community at large.
- The Fire Service embarked on a community educational drive within the informal settlement areas as well to schools to educate residents and scholars of the dangers associated with fires as well as preventative measures that could be used to prevent

The outbreak of fires. Department of Local Government has donated a fully equipped fire truck, uniforms were received from City of Cape Town, Knysna and George Municipality.

- Fire detectors were installed in municipal areas – process continuous
- Fire Safety awareness at schools

- Capacity building through training to the officials
- Maintenance of Fire Hydrants
- Water Delivery during the drought
- Disaster Management plan currently being implemented

It should be noted that the Kannaland Municipality is in process to review all its bylaws in order to improve enforcement in the area.

Fire flood kits were received from Province

The table below indicate the financial performance for fire services:

Description	2023/2024	2024/2025	Fire Variance to Actual %
	Actual	Actual	
	R'000		
<b>TOTAL OPERATIONAL REVENUE</b>	<b>R293,48</b>	<b>R290,25</b>	<b>99%</b>
<b>EXPENDITURE:</b>			
<b>Employees</b>	R1 483 762,56	R2 389 034,21	62%
<b>Materials</b>	R19 117,82	R1 612,50	8%
<b>Depreciation</b>	R0,00	R0,00	0%
<b>Bulk</b>	R0,00	R0,00	0%
<b>Other</b>	R186 070,81	R260 911,97	71%
<b>Total Operational Expenditure</b>	<b>R1 688 951,19</b>	<b>R2 651 558,68</b>	<b>64%</b>
	<b>-R1 688 657,71</b>	<b>-R2 651 268,43</b>	<b>64%</b>
<b>Variances are calculated by dividing the difference between the actual's</b>			

TABLE 57: FINANCIAL Performance FOR FIRE SERVICES 2024/25 - SOURCE AFS

## COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimmingpools; and camp sites.

### 3.29 SPORT AND RECREATION

In terms of our mandate, we make facilities, such as sport fields, available to the broader community. The Municipality is responsible for development of the facilities and the upgrading thereof whilst the sport clubs lease the facilities and as agreed upon, must maintain it.

The Municipality develops and maintains community parks, halls, camp sites and the caravanpark. This service places an enormous financial burden on the Municipality, with its limited staff capacity and finances. The vastness of the municipal footprint demands a duplication of all services throughout the area and poses to be a well-oiled machine due to strict adherence to planning and implementation schedules.

The Sport section performed their duties excellently taking into consideration the challenges and demands they face on a continuous basis. There is a need for additional facilities but the availability of land is problematic, as well as the funds needed to develop the facilities.

### ORGANISATIONAL PERFORMANCE: 2024-2025

The organizational structure of Kannaland Municipality for the Municipal Manager and three directorates namely, Corporate Services (Administration and Community Services), Finance and Infrastructure Services.

The organizational structure is currently being reviewed. The outcome of this project will result in establishment of individual performance which will be aligned to the job descriptions. The organizational structure is currently being revised for the best service delivery at the lowest cost to the Municipality. Job descriptions are being reviewed based on job content and volume in the attempt to form specialist units.

The vacancy rate of the municipality was 41% for the year under review. The ideal is to decrease the rate below 20% in order to achieve the goals as mentioned above.

#### 4.1 LEGISLATIVE REQUIREMENTS

The Local Government: Municipal Systems Act 32 of 2000 (MSA) Chapter 6, requires a municipality to establish a performance management system. The MSA read together with The Local Government: Municipal Finance Management Act 56 of 2003 (MFMA), requires the municipal budget to be aligned with Integrated Development Plan (IDP) and create a mechanism for the implementation of the budget against the IDP by using the Service Delivery and Budget Implementation Plan (SDBIP).

In terms of Section 46 of the MSA, it states that:

- (1) *"A municipality must prepare for each financial year an annual report consisting of*
  - (a) *a performance report reflecting—*
    - (i) *the municipalities, and any service provider's, performance during that and with performance financial year, also in comparison with targets of in the previous financial year;*
    - (ii) *the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and*
    - (iii) *measures that were or are to be taken to improve performance"*

#### 4.2 ORGANIZATIONAL PERFORMANCE OVERVIEW

2024/25 implementation of the Service Delivery and Budget Implementation Plan was not achieved as planned and thus, the performance is not satisfactory. Council's decision to appoint a substantive Municipal Manager during the financial year under review came with accountability and assurance that remedial action on target not met by the municipality is implemented in the 2024/25 Financial year. For the year under review, the municipality had 45 Key Performance Indicators (KPIs) and 29 were achieved whereas 16 was not achieved.

### **4.3 INTRODUCTION**

Kannaland Municipality's 2024/25 Annual Performance Report is compiled in terms of Section 46 of the Local Municipal Systems Act, No. 32 of 2000. The report is also part of the Draft 2024/25 Annual report in terms of Chapter 12 of the Local Government: Municipal Finance Management Act 56 of 2003. The 2024/25 Annual Performance Report covers the performance information from 1 July 2024 to 30 June 2025 and focuses on the implementation of the Service Delivery and Budget Implementation Plan (SDBIP), that is aligned with the Integrated Development Plan (IDP) objectives as amended.

### **4.4 LEGISLATIVE REQUIREMENTS**

The Local Government: Municipal Systems Act 32 of 2000 (MSA) Chapter 6, requires a municipality to establish a performance management system. The MSA read together with The Local Government: Municipal Finance Management Act 56 of 2003 (MFMA), requires the municipal budget to be aligned with Integrated Development Plan (IDP) and create a mechanism for the implementation of the budget against the IDP by using the Service Delivery and Budget Implementation Plan (SDBIP).

In terms of Section 46 of the MSA, it states that:

- (2) *"A municipality must prepare for each financial year an annual report consisting of*
- (b) *a performance report reflecting—*
- (i) *the municipalities, and any service provider's, performance during that and with performance financial year, also in comparison with targets of in the previous financial year;*
  - (ii) *the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and*
  - (iii) *measures that were or are to be taken to improve performance"*

### **4.5 ORGANIZATIONAL PERFORMANCE OVERVIEW**

2024/25 implementation of the Service Delivery and Budget Implementation Plan was not achieved as planned and thus, the performance is not satisfactory.

For the year under review, the municipality had 45 Key Performance Indicators (KPIs) and 29 were achieved whereas 16 was not achieved.

### **4.6 Performance Review Per PDO**

- 4.6.1 PDO 1: To Provide efficient workforce by aligning our Institutional Arrangements to our overall Strategy.

Total Number of KPIs	KPIs Achieved	KPIs Not Achieved	Overall Management Comment
2	0	2	No employment equity plan in place. Management to ensure that a plan is developed and approved by council.

4.6.2 PDO 2: To Provide access to reliable Infrastructure that will contribute to a higher quality of life for Kannaland citizens.

Total Number of KPIs	KPIs Achieved	KPIs Not Achieved	Overall Management Comment
12	9	3	Ensure that systems that will detect our water and electricity losses.

4.6.3 PDO 3: To Strive Towards a Safe Community in Kannaland Through the Proactive Management of Traffic, Environmental Health, Fire and Disaster Risks. To facilitate Economic Growth and Social and Community development.

Total Number of KPIs	KPIs Achieved	KPIs Not Achieved	Overall Management Comment
5	2	3	Collaborate with sector departments to create opportunities for LED development. Create a training schedule and communicate dates timeously with service providers/stakeholders.

4.6.4 PDO 4: To strive towards a financially sustainable Municipality.

Total Number of KPIs	KPIs Achieved	KPIs Not Achieved	Overall Management Comment
4	1	3	Develop a revenue enhancement strategy that will be implemented. Practical plans must be developed to ensure spending of grants.

4.6.5 PDO 5: Promote effective and efficient governance with high levels of stakeholder participation.

Total Number of KPIs	KPIs Achieved	KPIs Not Achieved	Overall Management Comment
22	17	5	Lack of human capacity to assist in drafting the compliance strategies, plans and policies. Management planned to advise council on the importance of reviewing the structure to align with the powers and functions of the municipality

## 5 2023/24 AND 2024/25 ANNUAL PERFORMANCE COMPARISON

	2023/24	2024/25
	July 2023 – June 2024	July 2024 – June 2025
The total number of KPIs	59	45
KPIs met / Achieved	31	29
KPIs not met / Not Achieved	28	16
<b>OVERALL PERFORMANCE ACHIEVEMENT</b>	<b>52%</b>	<b>64.4%</b>

The table above outlines the overall performance of the institution in implementing the 2024/2025 Approved Adjusted SDBIP. The Annual performance of the municipality has increased by 14% as compared to the previous financial year.

**EXPENDITURE STATUS 2024/2025 FY (June 2025)**

<b>No.</b>	<b>Grant</b>	<b>Project No</b>	<b>Project Name</b>	<b>Original Budget</b>	<b>Expenditure</b>	<b>Still to spend</b>	<b>% Spend</b>
2	MIG		VAN WYKSDORP WASTE WATER	R 1 724 301,00	R 1 629 554,93	R 94 746,07	95%
3	MIG		UPGRADE CALITZDORP WASTE WATER TREATMENT	R 3 156 150,00	R 3 156 000,00	R 150,00	100%
4	MIG		UPGRADE ZOAR WASTE WATER TREATMENT WORKS	R 3 300 000,00	R 3 247 791,60	R 52 208,40	98%
5	Water Resilienc e Grant		Municipal Water Resilience Grant	R 4 000 000,00	R 206 781,83	R 3 793 218,17	5%
6	Water Resilienc e Grant		Municipal Water Resilience Grant	R 1 503 814,00	R 520 435,92	R 983 378,08	35%
7	WSIG		REFURBISH LADISMITH WASTE WATER	R 9 000 000,00	R 7 315 448,41	R 1 684 551,59	81%
8	INEP		INEP (Eskom)	R 104 000,00	R -	R 104 000,00	0%
9	Water Resilienc e Grant		Municipal Energy Resilience Grant	R 522 000,00	R 521 266,20	R 733,80	100%
10	MIG	PMU/041	PMU 2024/25	R 560 850,00	R 560 850,00	R -	100%
		<b>TOTALS</b>		<b>R 26 328 814,00</b>	<b>R 19 615 827,75</b>	<b>R 6 712 986,25</b>	<b>74,5%</b>

**Table 62: 2024/25 CAPITAL WORKS PROJECTS STATUS**

**6 DETAILED 2024/2025 ANNUAL PERFORMANCE REPORT:**

KPA 1: Municipal Transformation and Institutional Development														
PDO 1: To provide efficient Workforce by Aligning our Institutional Arrangements to our Overall Strategy														
IDP REFERENCE	KPA	Department	Indicator	Unit of measurement	Type	Baseline	Performance comparison of prior and current financial years							
							Prior year's performance 2023/2024		Overall performance for 2024/2025					
							Annual Target	Annual Actual	Annual Target	Annual Actual	Achieved	Performance comment	Corrective Measures	Proof of evidence
KPI. 1	KPA 1 Municipal Transformation and Institutional Development	Corporate Services	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 by June 2025	4 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by June 2025	Output	New KPI			4	0		KPI Not Met	No approved employment equity plan in place. A plan is in process of being developed.	
KPI. 2	KPA 1 Municipal Transformation and Institutional Development	Corporate Services	Percentage of a municipality's budget actually spent on implementing its workplace skills plan by end June 2025	100% of a municipality's budget actually spent on implementing its workplace skills plan by end June 2025		New KPI			100%	0	0	KPI Not Met	No budget for WSP. Sourcing training from Seta, District and Province	



KPA 2: Basic Service Delivery and Infrastructure Services														
PDO: To Provide Access to Reliable Infrastructure That Will Contribute to a Higher Quality of Life for Kannaland Citizens														
KPI. 3	KPA 2: Basic Service Delivery and Infrastructure Development	Basic Service Delivery and Infrastructure Services	Number of formal residential households with access to basic level of water by end June 2025	4665 formal residential households with access to basic level of water by end June 2025		4690	4771	4665	4757			KPI Met Extremely well		Report
KPI. 4	KPA 2: Basic Service Delivery and Infrastructure Development	Basic Service Delivery and Infrastructure Services	Number of formal residential households with access to basic level of sanitation by end June 2025	4350 formal residential households with access to basic level of sanitation by end June 2025		3400	3865	3541	3541	4024		KPI Met Extremely well		Report
KPI. 5	KPA 2: Basic Service Delivery and Infrastructure Development	Basic Service Delivery and Infrastructure Services	Number of formal residential households with access to basic level of electricity by end June 2025	3541 formal residential households with access to basic level of electricity by end June 2025		3400	3865	3541	3541	4024		KPI Met Extremely Well		Report
KPI. 6	KPA 2: Basic Service Delivery and Infrastructure Development	Basic Service Delivery and Infrastructure Services	Number of formal residential households with access to basic level of solid waste removal by end June 2025	4550 formal residential households with access to basic level of solid waste removal by end June 2025		4550	4553	4550	4550	4917		KPI Met Extremely Well		Report

KPI. 7	KPA 2: Basic Service Delivery and Infrastructure Development	Basic Service Delivery and Infrastructure Services	Number of municipal registered indigent households with access to free basic services by end June 2025	Number of municipal registered indigent households	Output	2200	2252	2381	2252	2213		KPI Not Met		Lack of interest from the community to register for indigent support, despite the accelerated service delivery program. Other interventions will be conducted
KPI. 8	KPA 2 Basic Service Delivery and Infrastructure Development	Infrastructure Services	100% of a municipality's MIG actually spent on projects identified for 2024/25 financial year by end June 2025	100% of a municipality's MIG actually spent on projects identified for 2024/25 financial year by end June 2025	Output	98%	98%	96.8%	100%	100%		KPI Met		Grant registers and MIG Reports
KPI 9	KPA 2: Basic Service Delivery and Infrastructure Development	Infrastructure Services	Percentage of a municipality's WSIG actually spent on projects identified for 2024/25 financial year by end June 2025	100% of a municipality's WSIG actually spent on projects identified for 2024/25 financial year by end June 2025	Output	95%	95%	90.55%	95%	75%		KPI Not Met		The 75% was recorded at Q4. Infrastructure must provide reasonable/practical action plans to achieve annual targets on WSIG

KPI 10	KPA 2: Basic Service Delivery and Infrastructure Development	Corporate and Community Services	Percentage of a municipality's Human Settlements Development Grant (Beneficiaries) actually spent on projects identified for 2024/25 financial year by end June 2025	100% of a municipality's Human Settlements Development Grant (Beneficiaries) actually spent on projects identified for 2024/25 financial year by end June 2025		New KPI			100%	0%		KPI Met		Grant Registers Report
KPI 11	KPA 2: Basic Service Delivery and Infrastructure Development	Corporate and Community Services	Percentage of municipality's Title Deeds Restoration Grant actually spent for 2024/25 financial year by end June 2025	100% of municipality's Title Deeds Restoration Grant actually spent for 2024/25 financial year by end June 2025		New KPI			100%	0%		KPI Not Met	Corporate Services to provide corrective measures to ensure grant is spend	
KPI 12	KPA 2: Basic Service Delivery and Infrastructure Development	Infrastructure Services	Percentage of municipality's Informal Settlements Upgrading Partnership Grant actually spent on projects identified for a 2024/25 financial year by end June 2025	100% of municipality's Informal Settlements Upgrading Partnership Grant actually spent on projects identified for a 2024/25 financial year by end June 2025		New KPI			100%	100%		KPI Met		Grant Register
KPI 13	KPA 2: Basic Service Delivery and Infrastructure Development	Infrastructure Services	Percentage of municipality's Municipal Energy Resilience Grant actually spent on projects identified for 2024/25 financial year by end June 2025	100% of municipality's Municipal Energy Resilience Grant actually spent on projects identified for 2024/25 financial year by end June 2025		New KPI			100%	100%		KPI Met		Grant Register

KPI 14	KPA 2: Basic Service Delivery and Infrastructure Development	Infrastructure Services	Percentage of municipality's Municipal Water Resilience Grant actually spent on projects identified for 2024/25 financial year by end June 2025	100% of municipality's Municipal Water Resilience Grant actually spent on projects identified for 2024/25 financial year by end June 2025		New KPI			100%	100%		KPI Met		Grant Register
KPA 3: LOCAL ECONOMIC DEVELOPMENT														
PDO: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks To facilitate Economic Growth and Social and Community development														
KPI 15	KPA 3: Local Economic Development	Corporate and Community Services	Number of jobs created through municipality's local, economic development initiatives by end June 2025	8 jobs created through municipality's local, economic development initiatives by end June 2025		New KPI			8	0		KPI Not Met	Collaborate with sector departments to create opportunities for LED development	
KPI	KPA 3: Local Economic Development	Corporate and Community Services	Number of jobs created through municipality's capital projects by end June 2025	15 jobs created through municipality's capital projects by end June 2025		New KPI			15	31		KPI Met Extremely well		Report
KPI 16	KPA 2: Basic Service Delivery and Infrastructure Services	Corporate and Community Services	number of jobs created through municipality's EPWP by end June 2025	30 number of jobs created through municipality's EPWP by end June 2025	Activity	184	184	203	30	31		KPI Met		Report
KPI 17	KPA 3: Local Economic Development	Corporate and community services	number of SMMEs training workshops held by end June 2025	4 SMMEs training workshops held by end June 2025					4	0		KPI Not Met	Create a training schedule and communicate dates timeously with service providers/stakeholders	

KPI 18	KPA 3: Local Economic Development	Corporate and Community Services	number of Youth programs held by end June 2025	2 Youth programs held by end June 2025					2	0		KPI Not Met	Youth programs was done during July Develop a programme schedule to ensure KPI are met.	
KPA 4: Municipal Financial Viability and Management														
PDO: To strive towards a financially sustainable Municipality														
KPI 19	KPA 4: Municipal Financial Viability and Management	Financial Services	Percentage of financial viability measured in terms of debt coverage ratio by end June 2025	45% of financial viability measured in terms of debt coverage ratio by end June 2025	Control	45%	0	45%	0			Awaiting AFS		
KPI 20	KPA 4: Municipal Financial Viability and Management	Financial Services	Percentage of financial viability measured in terms of outstanding service debtors to revenue ratio end June 2025	95% of financial viability measured in terms of outstanding service debtors to revenue ratio end June 2025	Output	New KPI		95%				Awaiting AFS		
KPI 21	KPA 4: Municipal Financial Viability and Management	Financial Services	Months of financial viability measured in terms of cost coverage ratio by end June 2025	2 Months of financial viability measured in terms of cost coverage ratio by end June 2025								Awaiting AFS		
KPI 22	KPA 4: Municipal Financial Viability and Management	Corporate and Community Services	Percentage of a municipality's operational National grants allocated actually spent on projects/programs identified for 2024/25 financial year by end June 2025	100% municipality's operational National grants allocated actually spent on projects/programs identified for 2024/25 financial year by end June 2025		New KPI		100%				Awaiting AFS		
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														

PDO: Promote effective and efficient governance with high levels of stakeholder participation														
KPI 23	KPA 5: Good Governance and Public Participation	Office of the Municipal Manager Financial Services Corporate and Community Services Infrastructure Services	Percentage of a municipality's operational Provincial grants allocated actually spent on projects/programs identified for 2024/25 financial year by end June 2025	100% municipality's operational Provincial grants allocated actually spent on projects/programs identified for 2024/25 financial year by end June 2025		New KPI		100%				KPI Met		Grant Register
KPI 24	KPA 5: Good Governance and Public participation	Financial Services	Number of Annual Financial Statements submitted to the Auditor-General by 31 August 2024	1 Annual Financial Statements submitted to the Auditor-General by 31 August 2024	Output	1	0	0	1			KPI Met		Report
KPI 25	KPA 5: Good Governance and Public Participation	Corporate and Community Services	Number of Annual Performance Report submitted to the Auditor-General by 31 August 2024	1 Annual Performance Report submitted to the Auditor-General by 31 August 2024		New KPI				1		KPI Met		Report
KPI 26	KPA 5: Good Governance and Public Participation	Corporate and Community Services	Number of Draft Annual Report submitted to the Auditor-General by 31 August 2024	1 Draft Annual Report submitted to the Auditor-General by 31 August 2024		New KPI			1	0		KPI Not Met	A Draft Annual Performance Report was submitted to the Auditor General.	

KPI 27	KPA 5: Good Governance and Public Participation	Corporate and Community Services	Number of time schedule outlining key deadlines submitted to council for adoption by end August 2024	1 time schedule outlining key deadlines submitted to council for adoption by end August 2024		New KPI			1	1		KPI Met		Report
KPI 28	KPA 5: Good Governance and Public Participation	Corporate and Community Services	Number of Oversight Reports tabled to Council by end June 2025	2 Oversight Reports tabled to Council by end June 2025		New KPI			2	2		KPI Met		Report
KPI 29	KPA 5: Good Governance and Public Participation	Financial Services	Number of Mid-year budget and performance assessment report tabled to Council by end January 2025	1 Mid-year budget and performance assessment report tabled to council by end January 2025		New KPI				1		KPI Met		Report
KPI 30	KPA 5: Good Governance and Public Participation	Financial Services	Number of adjustment budget approved by end February 2025	1 adjustment budget approved by end February 2025		New KPI				1		KPI Met		Report
KPI 31	KPA 5: Good Governance and Public Participation	Corporate and Community Services	Number of Draft Revised/Amended IDP submitted to council by end March 2025	1 Draft Revised/Amended IDP submitted to council by end March 2025	Output	1	1	1	1	1		KPI Met		Report
KPI 32	KPA 5: Good Governance and Public Participation	Financial Services	Number of Draft MTREF with budget related policies submitted to council by end March 2025	1 Draft MTREF with budget related policies submitted to council by end March 2025	Output	1	1	1	1	1		KPI Met		Report

KPI 33	KPA 5: Good Governance and Public Participation	Corporate and Community Services	Number of Final Revised/Amended IDP submitted to council by end May 2025	1 Final Revised/Amended IDP submitted to council by end May 2025	Output	1	1	1	1	1		KPI Met		Report
KPI 34	KPA 5: Good Governance and Public Participation	Financial Services	Number of Final MTREF with budget related policies submitted to council by end May 2025	1 Final MTREF with budget related policies submitted to council by end May 2025	Output	1	1	1	1	1		KPI Met		Report
KPI 35	KPA 5: Good Governance and Public Participation	Corporate and Community Services	Number of Work Skills Plan submitted to LGSETA by end April 2025	1 Work Skills Plan submitted to LGSETA by end April 2025		New KPI			1	1		KPI Not Met	No budget for WSP sourcing training from SETAs, District and Province	
KPI 36	KPA 5: Good Governance and Public Participation	Corporate and Community Services	Number of Revised Employment Equity Plan tabled to council by end April 2025	1 Revised Employment Equity Plan tabled to council by end April 2025		New KPI			1	1		KPI Not Met	No Employment Equity Plan in place. In process to develop a plan.	
KPI 37	KPA 5: Good Governance and Public Participation	Office of the Municipal Manager	Number of Internal Audit risk-based audit plan approved by audit committee by end June 2024	1 Internal Audit risk-based audit plan approved by audit committee by end June 2024	Output	1	1	1	1	0		KPI Not Met	A new chairperson must be appointed due to resignation of chairperson	
KPI 38	KPA 5: Good Governance and Public Participation	Financial Services	Number of MFMA Section 71 monthly reports submitted to the Accounting Officer by end June 2025	12 MFMA Section 71 monthly reports submitted to the Accounting Officer by end June 2025	Activity	100%	100%	100%	12	12		KPI Met		Reports



KPI 40	KPA 5: Good Governance and Public Participation	Financial Services and Corporate and Community Services	Number of Section 52 quarterly reports submitted to council by end June 2025	4 MFMA Section 52 quarterly reports submitted to council by end June 2025	Activity	100%	100%	100%	4	4		KPI Met		Reports
KPI 41	KPA 5: Good Governance and Public Participation	Corporate and Community Services	Number of Local Labor Forum meetings held by end June 2025	4 Local Labor Forum meetings held by end June 2025	Activity	4	4	0	4	11		KPI Met Extremely well		Agendas
KPI 42	KPA 5: Good Governance and Public Participation	Corporate and Community Services	No of Audit Committee meetings held by end June 2025	4 Audit Committee meetings held by end June 2025		New KPI			4	0		KPI Met		Agendas
KPI 43	KPA 5: Good Governance and Public Participation	Corporate and Community Services	Number of Council meetings held by end June 2025	12 Council meetings held by end June 2025		4	4	1	12	12		KPI Met		Agendas
KPI 44	KPA 5: Good Governance and Public Participation	Corporate and Community Services	Number of IDP Rep Forum meetings held by end June 2025	2 IDP Rep Forum meetings held by end April 2025		New KPI			2	1		KPI Not Met	Meetings must be held according to Time Schedule.	
New KPI	KPA 5: Good Governance and Public Participation	Corporate Services and Office of Municipal	Number of Risk Assessments held by June 2025	Number of Risk Assessments held by June 2025		New KPI	1	1	1	1		KPI Met		Risk Register

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 INTRODUCTION

The Kannaland Municipality currently employs 139 (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. Tables below includes 95 permanent employees, 12 contract workers, 4 financial interns and 4 water meter readers.

#### 4.1.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

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

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

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
<b>Top Management</b>	1	1	0		0	0	0	0	1
<b>Senior management</b>	1	1	0	0	0	0	0	0	2
<b>Professionally qualified and experienced specialists and mid-management</b>	0	5	0	0	0	0	0	1	6
<b>Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents</b>	2	7	0	2	0	8	0	2	21
<b>Semi-skilled and discretionary decision making</b>	1	31	0	0	1	30	0	1	64
<b>Unskilled and defined decision making</b>	2	19	0	2	1	19	0	0	43
<b>Total permanent</b>	0	0	0	0	0	0	0	0	0
<b>Non-permanent employees</b>	4	120	0	0	3	48	0	0	175
<b>Grand total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 63 - Occupational Levels

The table below reflects permanent staff. It must be noted that staff employed on contract include two persons from the target groups on the three highest levels of management, comprising of five staff members.

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

DEPARTMENT	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
<b>Office of the Strategic Services</b>	2	6	0	0	0	2	0	1	2
<b>Technical and Financial Services</b>	0	48	0	1	0	4	0	0	11
<b>Financial Services</b>	2	16	0	1	1	18	0	3	32
<b>Total permanent</b>	1	32	0	1	1	21	0	4	46
<b>Non- permanent</b>	2	38	0	0	0	5	0	0	
<b>Grand total</b>	<b>7</b>	<b>134</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>51</b>	<b>0</b>	<b>8</b>	<b>92</b>

Table 64 - Department Race

#### 4.1.2 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15 (1) confirms affirmative action as measures designed to ensure that suitable qualified people from designated groups enjoys equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. An Employment Equity Plan was drafted in the reporting year and submitted to the Department of Labour. The Department was also approached for assistance in implementing the policy.

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

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
<b>Legislators, Professionals</b>	1	2	0	1	0	0	0	0	4
<b>Technicians and Clerks</b>	2	7	0	2	0	8	0	2	21
<b>Service and sales</b>	1	31	0	0	1	30	0	1	64
<b>Service and sales</b>	2	19	0	2	1	19	0	0	43
<b>Craft and related</b>	0	0	0	0	0	0	0	0	0
<b>Plant and machine operators and Elementary</b>	0	9	0	1	0	0	0	0	10
<b>Elementary</b>	0	9	0	1	0	4	0	0	14
<b>Total permanent</b>	0	37	0	2	1	22	0	1	66
<b>Non-permanent</b>	4	14	0	1	0	6	0	1	21
<b>Grand total</b>	<b>10</b>	<b>238</b>	<b>0</b>	<b>9</b>	<b>4</b>	<b>131</b>	<b>0</b>	<b>5</b>	<b>404</b>

Table 65 - Occupational Categories

### 4.1.3 VACANCY RATE

The approved organogram for the municipality reflected 334 posts for the 2024/25 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 195 Posts were vacant at the end 2024/25 resulting in a vacancy rate of 46%.

**Below is a table that indicates the vacancies within the municipality: Table 57 – Vacancy Rate per Post**

PER TASK LEVEL		
TASK LEVEL	FILLED	VACANT
<b>MM &amp; MSA section 57 &amp; Middle management</b>	5	1
<b>Admin Officers (T4-T13)</b>	11	13
<b>General Workers (T3)</b>	7	0
<b>Grant remuneration outside TASK level</b>	17	32
<b>Grant remuneration outside TASK level</b>	4	1
<b>TOTAL</b>	<b>44</b>	<b>47</b>
PER FUNCTIONAL LEVEL		
FUNCTIONAL AREA	FILLED	VACANT
<b>Office of the Municipal Manager</b>	5	3
<b>Corporate &amp; Community Services</b>	72	64
<b>Technical and Electrical Services</b>	25	63
<b>Financial Services</b>	25	17
<b>Appointments from</b>	0	0
<b>Total</b>	<b>127</b>	<b>147</b>

### 4.1.4 TURNOVER RATE

Small, rural municipalities find it difficult to attract and retain skilled staff as they cannot compete with bigger municipalities in terms of salary, skills transfer and opportunities. This results in a high turn-over of staff. A high turnover rate for staff member's impacts negatively on a municipality as it may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate is estimated at 30.23% and is mainly due to contracts that have expired, retirement and financial interns that resign after they are trained to seek opportunities elsewhere. This high turnover rate show case the need for staff retention and the challenges faced by isolated rural municipalities.

The table below indicates the turn-over rate over the last two years:

<b>FINANCIAL YEAR</b>	<b>TOTAL NO APPOINTMENTS AT THE END OF EACH FINANCIAL YEAR</b>	<b>NEW APPOINTMENTS</b>	<b>NO OF TERMINATIONS DURING THE YEAR</b>	<b>TURN-OVER RATE</b>
<b>2023/2024</b>		4	23	30,23
<b>2024/2025</b>		14	17	5,75

Table 66 - Turnover Rate

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### 4.2 INTRODUCTION

The municipal workforce forms the foundation of service delivery and the effective management of the municipal workforce will be paramount.

### 4.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and an equitable, fair and open approach to the managing of staff.

The table below reflects the HR policies and plans that are in operation within the Municipality and that must be reviewed annually.

APPROVED POLICIES	
NAME OF POLICY	DATE APPROVED/REVISED
HR Strategy	2 March 2023
Performance Rewards and Recognition Policy	31 Aug 2022
Performance Management Policy	31 August 2022
Acting Allowance and Additional Responsibilities Policy	28 February 2022
Bursary Policy External Students	28 February 2022
Employee Study Aid Policy	28 February 2022; revised 2 March 2023
Overtime Policy	28 February 2022
Private Work Policy	28 February 2022
Records Management Policy	18 January 2023
Registry Procedure Manual Policy	18 January 2023
Cell Phone policy	2018
Employment Equity	2018
Substance Abuse	2018
Smoking Policy	2018

Table 67 HR Policies and Plans

The ongoing efforts to update our HR policies represent a strategic investment in the organization's overall effectiveness, compliance, and employee satisfaction. By aligning with the Council's objectives and adhering to the latest legislative standards, we aim to foster a workplace environment that reflects our commitment to excellence and ethical business practices and good governance.

As indicated above most of the HR policies are outdated and must be reviewed within the next financial year to ensure that they are relevant and address the needs of management and the staff component.

#### **4.4 INJURIES, SICKNESS AND SUSPENSIONS**

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

Chapter 5 provides information on the financial performance of the Municipality for the 2024/2025 financial year.

### **COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE**

The Statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.



### 5.1.1 FINANCIAL SUMMARY

Description	2023/2024	2024/2025		
	Actual	Original Budget	Adjustments Budget	Actual
	R'000			
<b>Operating Transfers and Grants</b>				
<b>National Government:</b>	<b>40 068 583,77</b>	<b>41 706 850,00</b>	<b>41 706 850,00</b>	<b>40 874 021,00</b>
Equitable Share	35 348 000,00	36 991 000,00	36 991 000,00	36 991 000,00
Local Government Financial Management Grant	2 932 361,23	2 900 000,00	2 900 000,00	2 067 171,00
Expanded Public Works Programme Grant	1 219 572,66	1 255 000,00	1 255 000,00	1 255 000,00
Municipal Infrastructure Grant PMU	568 649,88	560 850,00	560 850,00	560 850,00
<b>Provincial Government:</b>	<b>30 079 176,44</b>	<b>14 313 262,00</b>	<b>14 313 262,00</b>	<b>14 054 140,09</b>
Library Grant	3 016 096,65	3 559 000,00	3 559 000,00	3 314 911,17
Community Development Workers Grant	103 639,79	113 000	122 360,21	108 524,11
Road Maintenance		50 000,00	50 000,00	-
Human Settlements Development Grant	26 959 440,00	9 154 262,00	9 154 262,00	9 080 704,81
Western Cape Financial Management Capacity Building Grant		1 550 000,00	1 550 000,00	1 550 000,00
<b>Total Operating Transfers and Grants</b>	<b>70 147 760,21</b>	<b>56 020 112,00</b>	<b>56 020 112,00</b>	<b>54 928 161,09</b>

## 5.1.2 The table below indicates the summary of the financial performance for the 2024/2025 financial year:

### Kannaland Local Municipality

Annual Financial Statements for the year ended 30 June 2025

#### Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Sale of goods		16 901	-
Service charges	26	131 751 138	124 860 943
Rendering of services		463 880	437 347
Rental of facilities and equipment	27	692 034	669 706
Agency services	29	1 324 331	1 208 355
Licences and permits	30	205 782	201 969
Miscellaneous other revenue		-	6 031 622
Operational revenue	35	313 641	487 428
Interest received	36	11 062 440	10 255 061
Gain on disposal of assets and liabilities		-	3 062 828
<b>Total revenue from exchange transactions</b>		<b>145 830 147</b>	<b>147 215 259</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	37	28 503 779	28 008 147
Licences and Permits (Non-exchange)		-	111
Surcharges and Taxes	32	6 603 986	-
Interest, Dividends and Rent on Land	33	3 419 690	3 208 419
<b>Transfer revenue</b>			
Government grants & subsidies	39	75 231 645	90 795 929
Fines, Penalties and Forfeits	28	236 149	921 263
Interest - Transfer revenue		-	130 649
Service charges		713 974	716 291
Transfers and subsidies paid		-	(438 911)
<b>Total revenue from non-exchange transactions</b>		<b>114 709 223</b>	<b>123 341 898</b>
<b>Total revenue</b>	<b>24</b>	<b>260 539 370</b>	<b>270 557 157</b>
<b>Expenditure</b>			
Employee related costs	40	(114 550 083)	(97 286 000)
Remuneration of councillors	41	(4 263 806)	(3 955 803)
Depreciation and amortisation	43	(17 560 805)	(16 112 945)
Impairment loss / (Reversal of impairments)	44	20 043 728	(66 741 124)
Finance costs	45	(423 914)	(4 185 487)
Lease rentals on operating lease	31	(613 697)	(855 724)
Bad debts written off		(13 534 236)	-
Bulk purchases	47	(63 322 682)	(60 101 142)
Contracted services	48	(20 309 054)	(35 829 427)
Transfers and Subsidies	38	(588 926)	(395 769)
Loss on disposal of assets and liabilities		(1 329 240)	-
Sale of goods/Inventory		(3 758 543)	(5 318 450)
General Expenses	46	(16 207 508)	(21 835 473)
<b>Total expenditure</b>		<b>(236 418 766)</b>	<b>(312 617 344)</b>
<b>Surplus (deficit) for the year</b>		<b>24 120 604</b>	<b>(42 060 187)</b>

# Kannaland Local Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	13	1 502 877	1 973 876
Other financial assets	5	20 377 347	-
Receivables from exchange transactions	14	80 819 359	12 538 242
Receivables from non-exchange transactions	15	9 158 815	2 182 196
Cash and cash equivalents		2 640 400	9 612 246
Statutory receivables from Non-Exchange transactions	12	-	1 971 200
		<b>114 498 798</b>	<b>28 277 760</b>
<b>Non-Current Assets</b>			
Investment property	2	1 017 955	1 064 175
Property, plant and equipment	3	324 268 109	303 421 652
Intangible assets	4	6 555	-
		<b>325 292 619</b>	<b>304 485 827</b>
<b>Total Assets</b>		<b>439 791 417</b>	<b>332 763 587</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other financial liabilities	20	173	-
Payables from exchange transactions	6	109 676 741	89 806 056
Taxes and transfers payable (non-exchange)	7	-	274 709
Employee benefit obligation	9	754 000	7 045 028
Unspent conditional grants and receipts	18	20 091 000	14 443 036
Provisions	21	12 186 472	16 583 611
VAT payable	22	6 053 192	6 243 138
Consumer deposit	23	578 729	1 445 851
		<b>149 340 307</b>	<b>135 841 429</b>
<b>Non-Current Liabilities</b>			
Employee benefit obligation	9	14 318 000	14 671 000
Provisions	21	40 386 437	17 222 491
		<b>54 704 437</b>	<b>31 893 491</b>
<b>Total Liabilities</b>		<b>204 044 744</b>	<b>167 734 920</b>
<b>Net Assets</b>		<b>235 746 673</b>	<b>165 028 667</b>
<b>Reserves</b>			
Fair value adjustment assets-available-for-sale reserve	17	461 526	-
Accumulated surplus		235 285 144	165 028 667
<b>Total Net Assets</b>		<b>235 746 670</b>	<b>165 028 667</b>

# Kannaland Local Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Changes in Net Assets

	Fair value adjustment assets- available-for- sale reserve	Accumulated surplus / deficit	Total net assets
Figures in Rand			
<b>Balance at 01 July 2023</b>		- 207 088 854	207 088 854
Changes in net assets			
Surplus for the year		- (42 060 187)	(42 060 187)
Total changes		- (42 060 187)	(42 060 187)
<b>Balance at 01 July 2024</b>		- 211 164 540	211 164 540
Changes in net assets			
Other 1	461 526	-	461 526
Net income (losses) recognised directly in net assets	461 526	-	461 526
Surplus for the year	-	24 120 604	24 120 604
Total recognised income and expenses for the year	461 526	24 120 604	24 582 130
Total changes	461 526	24 120 604	24 582 130
<b>Balance at 30 June 2025</b>	<b>461 526</b>	<b>235 285 144</b>	<b>235 746 670</b>
Note(s)	17		

Table 1: Financial Summary

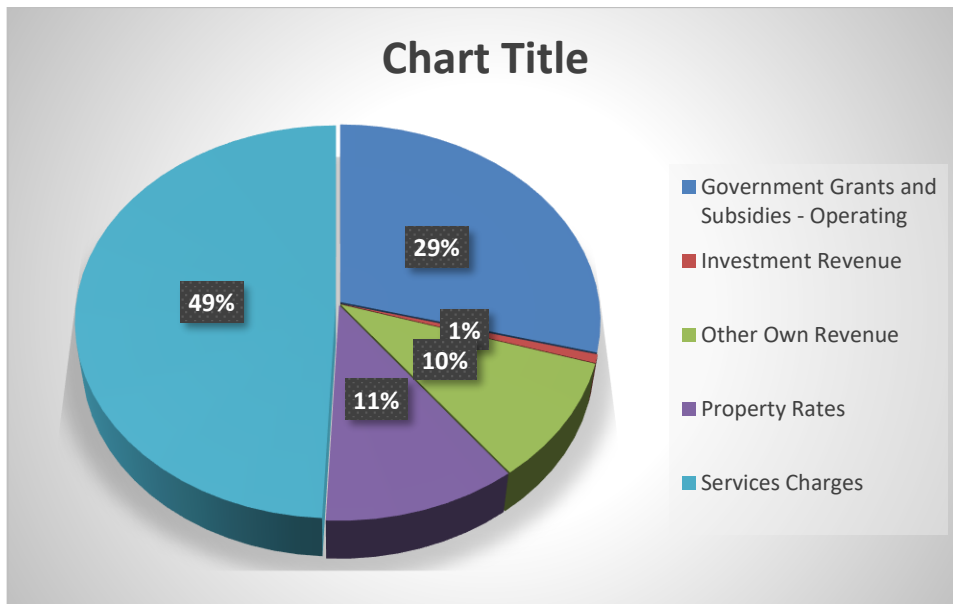
The table below shows a summary against performance against budget:

FINANCIAL	REVENUE				OPERATING EXPENDITURE			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
<b>2023/24</b>	250 542 252	270 557 157	-20 014 905	93%	235 888 076	312 617 344	-76 729 268	75%
<b>2024/25</b>	269 571 874	260 539 370	9 032 504	97%	273 507 841	236 418 766	37 089 075	86%

The following graph indicates the various types of revenue items in the municipal budget for 2023/2024:

Revenue by Source:

Source of Finance	2023/2024	2024/2025
<b>Total Revenue</b>	<b>270 557 157</b>	<b>260 539 370</b>
<b>Government Grants and Subsidies - Operating</b>	73722439	56602531
<b>Investment Revenue</b>	1762316	1415708
<b>Other Own Revenue</b>	25129822	23637100
<b>Property Rates</b>	28008147	28503779
<b>Services Charges</b>	124860943	131751138
	<b>253483667</b>	<b>241910256</b>



The table below indicates the revenue collection performance by VOTE for the 2024/2025 financial year:

Vote Description	2023/2024	2024/2025			2024/2025 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b>1.1 - MUNICIPAL MANAGER</b>	0	0	0	0	0%	0%
<b>1.2 - COUNCIL GENERAL EXPENSES</b>	35 451 640	13 602 730	13 612 090	37 587 311	36%	36%
<b>2.1 - FINANCIAL SERVICES</b>	13 770 009	5 493 200	8 043 200	13 184 821	42%	61%
<b>2.2 - PROPERTY RATES</b>	31 216 566	31 173 060	31 173 060	31 923 469	98%	98%
<b>2.3 ADMINISTRATION</b>	716 049	398 000	398 000	588 830	68%	68%
<b>3.1- CEMETRIES</b>	11 633 741	10 696 150	10 696 150	10 564 205	101%	101%
<b>3.2 - COMMUNITY AND SOCIAL SERVICES</b>	32 908 630	29 430 790	22 889 490	11 560 629	255%	198%
<b>4.1 - ELECTRICITY SERVICES</b>	73 634 992	95 625 330	95 625 330	87 143 733	110%	110%
<b>4.2 - WATER SERVICES</b>	41 888 523	46 676 110	50 179 924	36 906 028	126%	136%
<b>4.3 - SEWERAGE</b>	11 946 236	18 386 210	18 386 210	13 214 884	139%	139%
<b>4.4 - REFUSE</b>	11 585 679	16 752 570	16 752 570	12 794 758	131%	131%
<b>4.5 - PUBLIC WORKS</b>	568 650	1815850	1815850	1815850	100%	100%
<b>Total Revenue by Vote</b>	<b>265 320 715</b>	<b>270 050 000</b>	<b>269 571 874</b>	<b>257 284 518</b>	95%	95%

### 5.1.3 Operational Services Performance:

The table below indicates the operational performance for the 2024/2025 financial year:

#### Kannaland Local Municipality

Annual Financial Statements for the year ended 30 June 2025

#### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Sale of goods	-	-	-	16 901	16 901	
Service charges	134 359 000	-	134 359 000	131 751 138	(2 607 862)	
Rendering of services	419 000	-	419 000	463 880	44 880	
Rental of facilities and equipment	1 148 000	-	1 148 000	692 034	(455 966)	
Agency services	1 450 000	-	1 450 000	1 324 331	(125 669)	
Licences and permits	633 000	-	633 000	205 782	(427 218)	
Other income - (rollup)	-	-	-	313 641	313 641	
Interest received - investment	7 832 000	-	7 832 000	11 062 440	3 230 440	
<b>Total revenue from exchange transactions</b>	<b>145 841 000</b>	<b>-</b>	<b>145 841 000</b>	<b>145 830 147</b>	<b>(10 853)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	28 234 000	-	28 234 000	28 503 779	269 779	
Surcharges and Taxes	-	-	-	6 603 986	6 603 986	
Interest, Dividends and Rent on Land	1 500 000	-	1 500 000	3 419 690	1 919 690	
<b>Transfer revenue</b>						
Government grants & subsidies	65 516 000	-	65 516 000	75 231 645	9 715 645	
Fines, Penalties and Forfeits	2 561 000	-	2 561 000	236 149	(2 324 851)	
Other transfer revenue 1	-	-	-	713 974	713 974	
<b>Total revenue from non-exchange transactions</b>	<b>97 811 000</b>	<b>-</b>	<b>97 811 000</b>	<b>114 709 223</b>	<b>16 898 223</b>	
<b>Total revenue</b>	<b>243 652 000</b>	<b>-</b>	<b>243 652 000</b>	<b>260 539 370</b>	<b>16 887 370</b>	



**Expenditure**

Personnel	88 441 000	-	<b>88 441 000</b>	(114 550 083)	<b>(202 991 083)</b>
Remuneration of councillors	3 535 000	-	<b>3 535 000</b>	(4 263 806)	<b>(7 798 806)</b>
Depreciation and amortisation	12 134 000	-	<b>12 134 000</b>	(17 560 805)	<b>(29 694 805)</b>
Impairment loss/ Reversal of impairments	11 933 000	-	<b>11 933 000</b>	20 043 728	<b>8 110 728</b>
Finance costs	1 300 000	-	<b>1 300 000</b>	(423 914)	<b>(1 723 914)</b>
Lease rentals on operating lease	-	-	-	(613 697)	<b>(613 697)</b>
Bad debts written off	-	-	-	(13 534 236)	<b>(13 534 236)</b>
Bulk purchases	60 529 000	-	<b>60 529 000</b>	(63 322 682)	<b>(123 851 682)</b>
Contracted Services	35 267 000	-	<b>35 267 000</b>	(20 309 054)	<b>(55 576 054)</b>
Transfers and Subsidies	400 000	-	<b>400 000</b>	(588 926)	<b>(988 926)</b>
Sale of goods/Inventory	-	-	-	(3 758 543)	<b>(3 758 543)</b>
General Expenses	26 810 000	-	<b>26 810 000</b>	(16 207 508)	<b>(43 017 508)</b>
<b>Total expenditure</b>	<b>240 349 000</b>	-	<b>240 349 000</b>	<b>(235 089 526)</b>	<b>(475 438 526)</b>
<b>Operating surplus</b>	<b>484 001 000</b>	-	<b>484 001 000</b>	<b>25 449 844</b>	<b>(458 551 156)</b>
Loss on disposal of assets and liabilities	-	-	-	(1 329 240)	<b>(1 329 240)</b>

## 5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

### 5.2.1 WATER MANAGEMENT

Description	2023/2024		2024/2025		Water Services
	Actual		Actual		Variance to Actual
	R'000				%
<b>TOTAL REVENUE OPERATIONAL</b>	<b>R41 524,34</b>	<b>888</b>	<b>R36 906 027,72</b>		<b>88%</b>
<b>EXPENDITURE:</b>					
<b>Employees</b>	R5 040,50	944	R5 089 351,50		86%
<b>Materials</b>	R2 279,25	548	R1 655 611,09		65%
<b>Depreciation</b>	R4 647,70	717	R4 590 333,19		97%
<b>Other</b>	R12 455,79	104	R10 756 315,15		89%
<b>Total Operational Expenditure</b>	<b>R25 423,24</b>	<b>314</b>	<b>R22 091 610,93</b>		<b>87%</b>
	<b>R16 574 101</b>		<b>R14 814 417</b>		<b>89%</b>

Table 1 - Financial Performance per Municipal Function: Water Management

## 5.2.2 WASTEWATER MANAGEMENT

Description	2023/2024		2024/2025	Sewerage
	Actual		Actual	Variance to Actual
	R'000			%
<b>TOTAL OPERATIONAL REVENUE</b>	<b>R11 946 235,94</b>		<b>R13 214 883,94</b>	<b>90%</b>
<b>EXPENDITURE:</b>				
Employees	R3 493 892,21		R2 900 421,63	83%
Materials	R561 583,40		R388 713,20	69%
Depreciation	R4 016 782,93		R3 328 034,00	83%
Bulk	R0,00		R0,00	
Other	R4 859 095,40		R4 164 365,74	86%
<b>Total Operational Expenditure</b>	<b>R12 931 353,94</b>		<b>R10 781 534,57</b>	<b>83%</b>
	<b>-R985 118,00</b>		<b>R2 433 349,37</b>	<b>-40%</b>

Variations are calculated by dividing the difference between the actual's

Table 2 - Financial Performance per Municipal Function: Wastewater Management

## 5.2.3 ENERGY SOURCES

Description	2023/2024		2024/2025	Variance to Actual
	Actual		Actual	
	R'000			
<b>TOTAL OPERATIONAL REVENUE</b>	<b>R73 991,60</b>	<b>634</b>	<b>R87 143 732,92</b>	<b>84%</b>
<b>EXPENDITURE:</b>				
Employees	R3 232,75	810	R4 920 601,37	77%
Materials	R539 328,19		R681 864,94	79%
Depreciation	R2 062,65	128	R2 749 461,17	77%
Bulk	R61 888,27	150	R63 322 681,90	97%
Other	R1 763,77	751	R1 818 233,23	96%
<b>Total Operational Expenditure</b>	<b>R69 275,63</b>	<b>380</b>	<b>R73 492 842,61</b>	<b>94%</b>
	<b>R4 715,97</b>	<b>254</b>	<b>R13 650 890,31</b>	<b>31%</b>

Table 3 - Financial Performance per Municipal Function: Energy Sources

## 5.2.4 WASTE MANAGEMENT

Description	2023/2024	2024/2025	Refuse
	Actual	Actual	Variance
	R'000		to Actual
			%
<b>TOTAL OPERATIONAL REVENUE</b>	<b>R11 585 679,35</b>	<b>R12 794 758,47</b>	<b>91%</b>
<b>EXPENDITURE:</b>			
<b>Employees</b>	R7 870 157,76	R6 941 499,64	88%
<b>Materials</b>	R530 928,86	R205 371,00	39%
<b>Depreciation</b>	R975 261,03	R649 372,70	67%
<b>Bulk</b>	R0,00	R0,00	
<b>Other</b>	R3 644 953,30	R4 208 397,34	87%
<b>Total Operational Expenditure</b>	<b>R13 021 300,95</b>	<b>R12 004 640,68</b>	<b>92%</b>
	<b>-R1 435 621,60</b>	<b>R790 117,79</b>	<b>-55%</b>

Table 4 - Financial Performance per Municipal Function: Waste Management

## 5.2.5 PUBLIC WORKS

Description	2023/2024	2024/2025	Variance to Actual %
	Actual	Actual	
	R'000		
<b>TOTAL OPERATIONAL REVENUE</b>	<b>R568 649,88</b>	<b>R560 850,00</b>	<b>99%</b>
<b>EXPENDITURE:</b>			
<b>Employees</b>	R5 720 620,96	R7 589 344,43	75%
<b>Materials</b>	R465 566,84	R222 534,80	48%
<b>Depreciation</b>	R3 561 807,37	R2 785 091,82	78%
<b>Bulk</b>	R0,00	R0,00	
<b>Other</b>	R1 257 543,04	R913 469,55	73%
<b>Total Operational Expenditure</b>	<b>R11 005 538,21</b>	<b>R11 510 440,60</b>	<b>96%</b>
	<b>-R10 436 888,33</b>	<b>-R10 949 590,60</b>	<b>95%</b>

Table 5 - Financial Performance per Municipal Function: Public Works

## 5.2.6 EXECUTIVE COUNCIL

Description	2023/2024	2024/2025	Variance to Actual %
	Actual	Actual	
	R'000		
<b>TOTAL OPERATIONAL REVENUE</b>	<b>R35 451 639,79</b>	<b>R37 587 310,59</b>	<b>94%</b>
<b>EXPENDITURE:</b>			
<b>Employees</b>	R11 446 600,02	R11 398 135,38	100%
<b>Materials</b>	R37 735,88	R25 922,85	69%
<b>Depreciation</b>	R0,00	R0,00	
<b>Bulk</b>	R0,00	R0,00	
<b>Other</b>	R1 904 986,29	R2 546 960,02	75%
<b>Total Operational Expenditure</b>	<b>R13 389 322,19</b>	<b>R13 971 018,25</b>	<b>96%</b>
	<b>R22 062 317,60</b>	<b>R23 616 292,34</b>	<b>93%</b>

Table 10 - Financial Performance per Municipal Function: Executive Council

## 5.2.7 FINANCE

Description	2023/2024	2024/2025	Variance to Actual
	Actual	Actual	
	R'000		
<b>TOTAL REVENUE OPERATIONAL</b>	<b>R13 770 008,70</b>	<b>R13 184 821,18</b>	<b>96%</b>
<b>EXPENDITURE:</b>			
<b>Employees</b>	R15 495 497,06	R17 767 386,14	87%
<b>Materials</b>	R141 410,44	R11 467,41	8%
<b>Depreciation</b>	R318 994,46	R780 684,31	41%
<b>Bulk</b>	R0,00	R0,00	
<b>Other</b>	R18 300 427,35	R8 622 842,02	47%
<b>Total Operational Expenditure</b>	<b>R34 256 329,31</b>	<b>R27 182 379,88</b>	<b>79%</b>
	<b>-R20 486 320,61</b>	<b>-R13 558,70</b>	<b>997 68%</b>

Table 11 - Financial Performance per Municipal Function: Finance

## 5.2.8 ADMINISTRATION

Description	2023/2024	2024/2025	Variance to Actual
	Actual	Actual	
	R'000		
<b>TOTAL REVENUE OPERATIONAL</b>	<b>R716 048,79</b>	<b>R588 829,83</b>	<b>82%</b>
<b>EXPENDITURE:</b>			
Employees	R22 905 367,95	R37 810 466,58	61%
Materials	R94 313,20	R17 009,36	18%
Depreciation	R292 082,93	R251 502,79	86%
Bulk	R0,00	R0,00	
Other	R2 188 694,57	R2 412 206,91	91%
<b>Total Operational Expenditure</b>	<b>R25 480 458,65</b>	<b>R40 491 185,64</b>	<b>63%</b>
	<b>-R24 764 409,86</b>	<b>-R39 902 355,81</b>	<b>62%</b>

Table 12 - Financial Performance per Municipal Function: Administration

## 5.2.9 MUNICIPAL MANAGER

Description	2023/2024	2024/2025	Variance to Actual
	Actual	Actual	
	R'000		
<b>TOTAL REVENUE OPERATIONAL</b>	<b>R0,00</b>	<b>R0,00</b>	
<b>EXPENDITURE:</b>			
Employees	R8 063 505,17	R10 728 770,95	75%
Materials	R19 982,76	R1 562,16	8%
Depreciation	R324 967,44	R181 742,73	56%
Bulk	R0,00	R0,00	
Other	R3 467 896,29	R8 250 528,13	42%
<b>Total Operational Expenditure</b>	<b>R11 876 351,66</b>	<b>R19 162 603,97</b>	<b>62%</b>
	<b>-R11 876 351,66</b>	<b>-R19 162 603,97</b>	<b>62%</b>

Table 13 - Financial Performance per Municipal Function: Municipal Manager



## 5.2.10 COMMUNITY AND SOCIAL SERVICES

Description	2023/2024	2024/2025	Variance to Actual
	Actual	Actual	
	R'000		
<b>TOTAL REVENUE OPERATIONAL</b>	<b>R32 908 630,13</b>	<b>R11 560 629,41</b>	<b>35%</b>
<b>EXPENDITURE:</b>			
<b>Employees</b>	R9 611 860,34	R7 138 242,03	74%
<b>Materials</b>	R130 143,08	R95 145,72	73%
<b>Depreciation</b>	R1 589 689,34	R1 856 272,59	86%
<b>Bulk</b>	R0,00	R0,00	
<b>Other</b>	R28 955 478,52	R6 687 735,37	23%
<b>Total Operational Expenditure</b>	<b>R40 287 171,28</b>	<b>R15 777 395,71</b>	<b>39%</b>
	<b>-R7 378 541,15</b>	<b>-R4 216 766,30</b>	<b>57%</b>

Table 14 - Financial Performance per Municipal Function: Community and Social Services

## 5.2.11 OPERATING TRANSFERS AND GRANTS

Description	2023/2024	2024/2025		
	Actual	Original Budget	Adjustments Budget	Actual
	R'000			
<b>Operating Transfers and Grants</b>				
<b>National Government:</b>	<b>40 068 583,77</b>	<b>41 706 850,00</b>	<b>41 706 850,00</b>	<b>40 874 021,00</b>
Equitable Share	35 348 000,00	36 991 000,00	36 991 000,00	36 991 000,00
Local Government Financial Management Grant	2 932 361,23	2 900 000,00	2 900 000,00	2 067 171,00
Expanded Public Works Programme Grant	1 219 572,66	1 255 000,00	1 255 000,00	1 255 000,00
Municipal Infrastructure Grant PMU	568 649,88	560 850,00	560 850,00	560 850,00
<b>Provincial Government:</b>	<b>30 079 176,44</b>	<b>14 313 262,00</b>	<b>14 313 262,00</b>	<b>14 054 140,09</b>
Library Grant	3 016 096,65	3 559 000,00	3 559 000,00	3 314 911,17
Community Development Workers Grant	103 639,79	113 000	122 360,21	108 524,11
Road Maintenance		50 000,00	50 000,00	-
Human Settlements Development Grant	26 959 440,00	9 154 262,00	9 154 262,00	9 080 704,81
Western Cape Financial Management Capacity Building Grant		1 550 000,00	1 550 000,00	1 550 000,00
<b>Total Operating Transfers and Grants</b>	<b>70 147 760,21</b>	<b>56 112,00</b>	<b>56 020 112,00</b>	<b>54 928 161,09</b>

Table 15 - Operating Transfers and Grants

## 5.2.12 RELIANCE ON GRANTS

FINANCIAL YEAR	TOTAL GRANTS AND SUBSIDIES RECEIVED	TOTAL OPERATING REVENUE	PERCENTAGE
	R'000		%
<b>2023/2024</b>	90795929	179761228	<b>50,51</b>
<b>2024/2025</b>	75231645	185307725	<b>40,60</b>

The following graph indicates the municipality's reliance on grants as percentage for the last two financial years

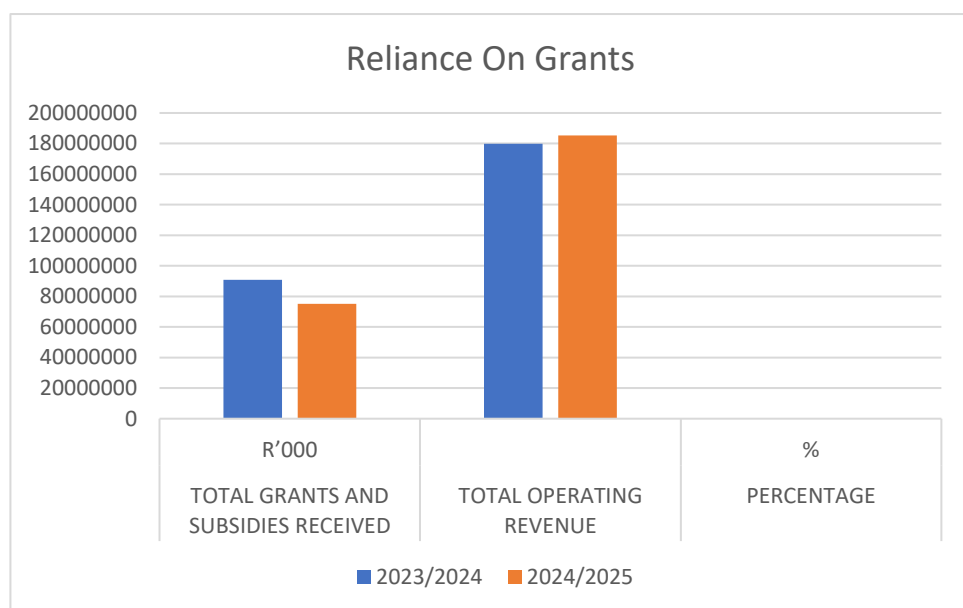


Table 16 - Reliance on Grants

### 5.3 ASSET MANAGEMENT

The objectives of the Asset Management within the Kannaland Municipality are to assist officials in understanding their legal and managerial responsibilities concerning assets and to ensure the effective and efficient control of the municipality's assets through:

- proper recording of assets from authorization to acquisition and to subsequent disposal;
- providing for safeguarding procedures;
- setting proper guidelines as to authorized utilization and;
- prescribing for proper maintenance.

The key elements of the Asset Management Policy represent:

- Statutory and Regulatory Framework / Responsibilities and Accountabilities
- Financial Management / Internal Controls / Management of Control Items
- Management and Operation of Assets / Classification & Components
- Accounting for Assets / Financial Disclosure
- Regular Asset counts are conducted in accordance with the prescriptions of the Asset Management Policy. Information regarding Asset Register updates in respect of disposals, adjustments, review of useful life etc. is based on submissions by user departments in accordance with the procedures in place.

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### 5.4.1 FINANCIAL VIABILITY INDICATORS

#### 5.4.1.1 LIQUIDITY RATIO

Description	Basis of calculation	2023/2024	2024/2025
		Audited outcome	Audited outcome
<b>Current Ratio</b>	Current Assets / Current Liabilities	2,08	7,66
<b>Current Ratio adjusted for aged debtors</b>	Current Assets less debtors > 90 days / Current Liabilities	4,5	0,32
<b>Liquidity Ratio</b>	Monetary Assets / Current Liabilities	0,7	0,18

Table 67- Financial Viability Indicators: Liquidity Ratio

#### 5.4.1.2 FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2023/2024	2024/2025
		Audited outcome	Audited outcome
<b>Cost Coverage</b>	(Available cash + Investments – Unspent Grants)/monthly fixed operational expenditure	1,4	-9,9
<b>Total Outstanding Service Debtors to Revenue</b>	Total outstanding service debtors/annual revenue received for services	71,63	13,57
<b>Debt Coverage</b>	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) X 365	-16119	-16859,2

Table 18 - Financial Viability Indicators

#### 5.4.1.3 EMPLOYEE COSTS

Description	Basis of calculation	2023/2024	2024/2025
		Audited outcome	Audited outcome
<b>Employee costs</b>	Employee costs / (Total Expenditure)	45%	94%

**COMPONENT B: SPENDING AGAINST CAPITAL BUDGET****5.5 SOURCES OF FINANCE**

Source of Finance	2023/2024	2024/2025
<b>Total Revenue</b>	<b>270 557 157</b>	<b>260 539 370</b>
<b>Government Grants and Subsidies - Operating</b>	73722439	56602531
<b>Investment Revenue</b>	1762316	1415708
<b>Other Own Revenue</b>	25129822	23637100
<b>Property Rates</b>	28008147	28503779
<b>Services Charges</b>	124860943	131751138
	<b>253483667</b>	<b>241910256</b>

Table 20 - Source of Finance

The total revenue for the 2024/25 financial year equates to R 249 million in comparison to the 2023/24 financial year which reflects an amount of 253 million.

**5.6 CAPITAL SPENDING ON THREE LARGEST PROJECTS**

Projects with the highest capital expenditure in 2024/25:

Description	2023/2024	2024/2025		
	Actual	Original Budget	Adjustments Budget	Actual
	R'000			
<b>National Government:</b>				
<b>Municipal Infrastructure Grant</b>	12068752,83	10638150,00	10638150,00	11053990,62
<b>Water Service Infrastructure Grant</b>	4074912,65	9000000,00	9000000,00	7802873,82
<b>Western Cape Municipal Resilience Electrical</b>		522000,00	522000,00	521266,20

Table 71 - Capital Spending on Three Largest Projects

## 5.7 BASIC SERVICE AND INFRASTRUCTURE

### 5.7.1 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

This grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro-enterprises and social institutions servicing poor communities.

#### EXPENDITURE STATUS 2024/2025 FY (June 2025)

No .	Grant	Project No	Project Name	Original Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
1	MIG		YELLOW FLEET	R 2 457 699,00	R 2 457 698,86	R 0,14	100%	
2	MIG		REFURBISHMENT OF VAN WYKSDORP WASTE WATER TREATMENT WORKS	R 1 724 301,00	R 1 629 554,93	R 94 746,07	95%	
3	MIG		REFURBISH AND UPGRADE CALITZDORP WASTE WATER TREATMENT WORKS	R 3 156 150,00	R 3 156 000,00	R 150,00	100%	
4	MIG		REFURBISH AND UPGRADE ZOAR WASTE WATER TREATMENT WORKS OXIDATION PHASE 2	R 3 300 000,00	R 3 247 791,60	R 52 208,40	98%	
				R 10 638 150,00	R 10 491 045,39	R 147 104,61		

#### Municipal Infrastructure Grant (MIG)\* Expenditure 2024/25 on Service backlogs

Details	Budget	Adjustment Budget	Actual
	R'000		
<b>Infrastructure – Fleet</b>	<b>2457699</b>	<b>2457699</b>	<b>2457699</b>
<i>Yellow Fleet</i>	2457699	2457699	2457699
<b>Waste Water Treatment Works</b>	<b>8180451</b>	<b>8180451</b>	<b>8033346.53</b>
<i>Waste Water Treatment Works</i>	8180451	8180451	8033346.53
<b>Total</b>	<b>10 638150</b>	<b>10 638 150</b>	<b>10 491 045.39</b>

**\* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.**

Table 82 - Municipal Infrastructure Grant Expenditure on Service Backlogs



## **COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS**

Cash flow management is critical to the municipality as it enables the organization to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

## 5.8 CASH FLOW

### Kannaland Local Municipality

Annual Financial Statements for the year ended 30 June 2025

#### Cash Flow Statement

Figures in Rand	Note(s)	2025	2024
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Interest income		11 062 440	10 255 061
Other receipts		31 003 049	108 271 973
		<b>42 065 489</b>	<b>118 527 034</b>
<b>Payments</b>			
Finance costs		(260 549)	-
<b>Net cash flows from operating activities</b>		<b>41 804 940</b>	<b>118 527 034</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(24 727 412)	-
Proceeds from sale of property, plant and equipment	3	2	-
Proceeds from sale of investment property	2	-	3 062 828
Proceeds from sale of financial assets		(20 377 347)	-
Purchase of other asset 1		-	(9 612 246)
Proceeds from sale of other asset 1		6 971 846	-
Purchase of other asset 2		-	(1 971 200)
Proceeds from sale of other asset 2		1 971 200	-
<b>Net cash flows from investing activities</b>		<b>(36 161 711)</b>	<b>(8 520 618)</b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		173	-
Outflow of other liability 1		(189 946)	6 243 138
Outflow of other liability 2		(867 122)	1 445 851
Finance lease payments		(163 365)	(4 185 487)
<b>Net cash flows from financing activities</b>		<b>(1 220 260)</b>	<b>3 503 502</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4 422 969</b>	<b>113 509 918</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>4 422 969</b>	<b>113 509 918</b>

The accounting policies on pages 16 to 21 and the notes on pages 22 to 40 form an integral part of the annual financial statements.

Table 23: Cashflow statement

## 5.9 GROSS OUTSTANDING DEBTORS PER SERVICE

4. Receivables from Exchange Transactions		
	2024/25	2023/24
<b>Gross balances</b>		
Electricity	4 720 956	5 701 797
Water	42 377 055	32 663 498
Sewerage	33 053 963	26 765 624
Refuse	36 305 142	29 664 124
Sundry	1 770 487	1 645 581
	<b>118 227 604</b>	<b>113 019 282</b>
<b>Less: Allowance for impairment</b>		
Electricity	(401 510)	(3 475 190)
Water	(25 840 320)	(32 496 037)
Sewerage	(21 729 906)	(20 861 597)
Refuse	(23 831 061)	(23 409 202)
Sundry	(413 981)	(1 686 957)
	<b>(72 216 778)</b>	<b>(81 928 984)</b>
<b>Net balance</b>		
Electricity	4 319 446	2 226 607
Water	16 536 735	16 746 118
Sewerage	11 324 057	5 904 27
Refuse	12 474 081	6 254 922
Sundry	1 356 506	(41 376)
	<b>46 010 825</b>	<b>31 090 298</b>

Table 94 - Gross Outstanding Debtors per Service

## 5.10 TOTAL DEBTORS AGE ANALYSIS

<b>4. Receivables from Exchange Transactions</b>		
<b>Water</b>		
Current 0 -30 days	1 423 829	7 634 241
31 - 60 days	900 606	900 605
61 - 90 days	775 072	4 275 883
91 + days	39 251 698	36 431 423
Provision for Impairment	(25 840 320)	(32 496 036)
	<b>16 536 735</b>	<b>16 746 118</b>
<b>Sewerage</b>		
Current 0 -30 days	882 782	814 025
31 - 60 days	666 841	615 115
61 - 90 days	623 912	589 253
91 + days	30 880 426	24 747 230
Provision for Impairment	(21 729 905)	(20 861 598)
	<b>11 324 056</b>	<b>5 904 025</b>
<b>Refuse</b>		
Current 0 -30 days	880 259	807 270
31 - 60 days	682 844	626 865
61 - 90 days	650 013	602 758
91 + days	34 092 024	27 627 231
Provision of Impairment	(23 831 061)	(23 409 202)
	<b>12 474 081</b>	<b>6 254 922</b>
<b>Sundry</b>		
Current 0 -30 days	81 824	70 656
31 - 60 days	33 703	63 393
61 - 90 days	21 037	39 231
91 + days	1 633 923	1 472 301
Provision for Impairment	(413 980)	(1 686 957)
	<b>(569 265)</b>	<b>(41 375)</b>
Balance at beginning of the year	(81 928 984)	(57 063 962)
Impairment Losses recognized	(9 712 207)	(24 865 022)
	<b>(72 216 777)</b>	<b>(81 928 984)</b>
	<b>Charges</b>	

Table 105 - Total Debtors Age Analysis

## 5.11 BORROWING AND INVESTMENTS

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

### 5.11.1 ACTUAL BORROWINGS -

Instrument	2023/2024	2024/2025
Finance Leases	0	0

Table 116 - Actual Borrowings

### 5.11.2 MUNICIPAL INVESTMENTS

Instrument	2023/2024	2024/2025
Cash on Hand	1	1
Deposits - Bank	1 692	2 826
Deposits Short term	7 621	20 394

Table 127 - Municipal Investments

## 5.12 OTHER FINANCIAL MATTERS

### 5.12.1 GRAP COMPLIANCE

GRAP and GAMAP are accounting practices that Municipalities need to abide by. The Public Finance Management Act, 1999 and the MFMA prescribes the standards of Generally Accepted Municipal Accounting Practice (GAMAP). The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act (PFMA) and the MFMA to determine generally recognized accounting practice referred to as Standards of Generally Recognized Accounting Practice (**GRAP**). The Board must determine **GRAP** for: departments (national and provincial);

- public entities;
- constitutional institutions;
- IT
- municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- Parliament and the provincial legislatures.

The Board considers that the Standards of GAMAP constitute GRAP for municipalities. GAMAP is an interim solution until such time as it is replaced by a Standard. IMQS understands that the minimum compliance requirement as this point in time is a GIS enabled GRAP compliant Asset Register.

Audit Report attached separately.

